

# RAMADA

Directors' Report

1<sup>st</sup> Semester 2015

(This is a translation of a document originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

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# Shaping industry

More than  
a commitment  
it's an honor.



**80 YEARS**  
Investing in industry

To the Shareholders

Pursuant to the legal requirements, the Board of Directors of F. Ramada Investimentos, S.G.P.S., S.A. ("Ramada Investimentos") hereby presents its Director's Report for the first semester of 2015.

## INTRODUCTION

### **The Ramada Investimentos and Industry Group, celebrated on June 13<sup>th</sup> 80 years of existence.**

The celebrating event took place in the facilities in Ovar and had the participation of current employees and former employees of the group as well.

Having started the activity in 1935 in the sector of saws and tools for the wood and cork industry, the company has developed over the years knowledge on steel and storage systems sector, advancing these two business areas that make today the Ramada group in the position of market benchmark, either national and international, due the consolidated experience and the quality of services and products that are recognized.

In 2014 the Group went through a rebranding process. Of this project, came out Ramada Investimentos e Indústria, with a new image and new social designations for the Group companies. Opening up new markets and making its image more global and fresh, the bet on experience, working capacity and the confidence of customers, along with a vision of the future, were instrumental in taking this step in the Group's route.

As a result of this process, the names of the Group companies were:

- Ramada Aços, S.A. (previously F. Ramada – Aços e Indústrias, S.A.)
- RamadaStorax, S.A. (previously F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A.)
- Universal – Afir, S.A. (previously Universal Afir – Aços Especiais e Ferramentas, S.A.)

Ramada Investimentos was incorporated as of June 1, 2008, as a result of the demerger process of the steel and storage systems business from Altri, SGPS, S.A. ("Altri"). The incorporation of the company resulted from a projected reorganization in order to separate two autonomous business units, corresponding to the activity of management of shareholdings, respectively, in the pulp and paper sector and in the steel and storage systems sector.

Currently, Ramada Investimentos is the parent company of a group of companies ("Ramada Investimentos e Indústria") that operate in two business areas: i) Industry, which includes the steel activity, of which we highlight the sub segment of steel for molds, the Storage Systems activity, and as well as the activity related to management of financial investments held corresponding to non-controlling interests; and ii) Real Estate, focused in the management of real estate assets.

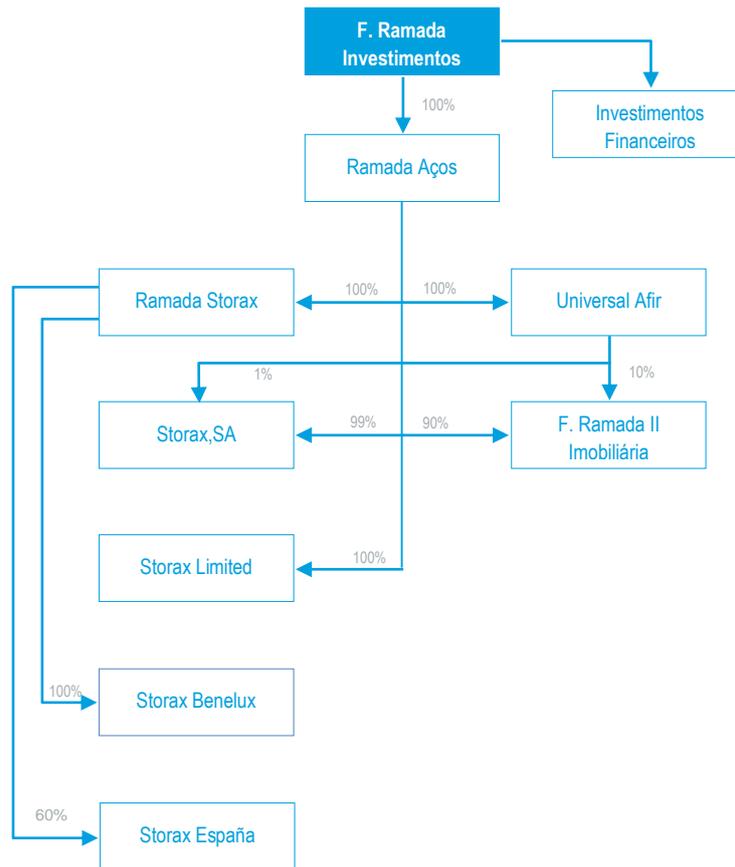
The steel activity, with a prominent position in the domestic market, is carried out by two companies: Ramada Aços, responsible for the industrial activities of manufacturing and distribution, and Universal Afir, just with the distribution.

The activity of Storage Systems is carried out by five companies: RamadaStorax (the largest manufacturer of storage systems in Portugal and where it is concentrated all manufacturing of the Group), Storax, S.A. (France), Storax Limited (UK), Storax Benelux (Belgium) and Storax España (Spain).

The activity of equity investments management includes the stake held in Base Holding S.G.P.S, and CEV – Consumo em Verde / Converde.

The real estate segment with management of real estate assets is carried out by the company F. Ramada Imobiliária.

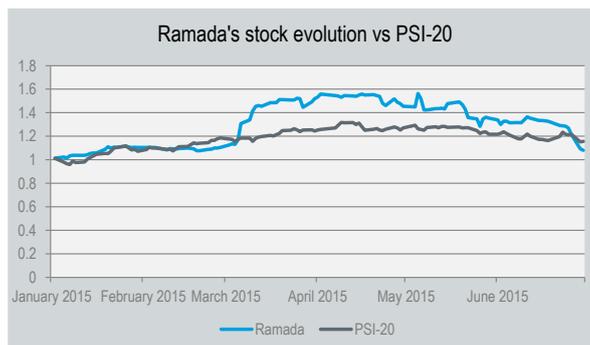
The structure of F. Ramada Group, as of 30 June 2015, can be presented as follows



STOCK EXCHANGE EVOLUTION

(Note: in order to enable a better comparison of the stock fluctuations, the PSI 20 index has been considered as being equal in value to the opening price of the shares in question.)

Ramada Investimentos shares registered a valuation of 8.1% in the first semester 2015, while the index (PSI-20) increased 15.6% over the same period.

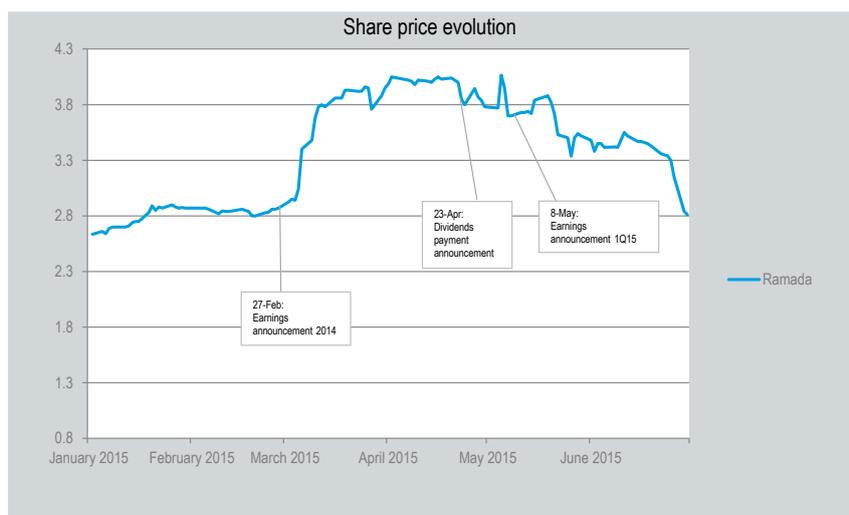


At the end of the first semester 2015, Ramada Investimentos shares closed at 2.81 Euro per share, which represents a valuation of 8.1% compared to the end of 2014 and corresponds to a market capitalization of 72 million Euro.

In the 1<sup>st</sup> semester 2015, Ramada Investimentos shares were traded at a maximum price of 4.07 Euro per share and a minimum price of 2.64 Euro per share.

**Ramada Investimentos share price evolution**

The main events that marked the evolution of Ramada Investimentos share price during the first Semester 2015 can be described as follows:



- In the announcement of the Group's performance in the financial year 2014, released on 27 February 2015, Ramada's consolidated net profit was of 8.1 million Euro. Consolidated EBITDA (earnings before taxes, interests, depreciation and amortization) amounted approximately to 16.2 million Euro;
- In the announcement made on 23 April 2015, Ramada Investimentos informed the market that dividends of 2014, corresponding to 0.17 Euro per share, would be paid from 11 May onwards;
- On 8 May 2015, in the announcement concerning the presentation of the financial statements for the first quarter of 2015, Ramada Group presented net profit of 2.1 million Euro, consolidated EBITDA amounted to 3.8 million Euro, while operating income amounted to 27 million Euro.

## GROUP'S ACTIVITY

Ramada Investimentos was incorporated on the 1st June 2008, as a result of a spin-off process from Altri and in accordance with point a) of the article 118 of the Commercial Companies Code, of the autonomous business unit that manages the investments on the steel activity and storage systems. In addition to these activities, Ramada Investimentos has made investments in companies whose activities are complementary means of diagnosis and treatment and production of biological fungicide.

Currently, Ramada Investimentos is the parent company of a group of companies ("Ramada Investimentos e Indústria") which, together, operate in two business areas:

- i) Industry, which includes the steel activity, of which we highlight the sub segment of steel for molds, the Storage Systems activity, and as well as the activity related to management of financial investments held corresponding to non-controlling interests;
- ii) Real Estate, focused in the management of real estate assets.

The steel activity, with a prominent position in the domestic market, is carried out by two companies: Ramada Aços, responsible for the industrial activities of manufacturing and distribution, and Universal Afir, just with the distribution.

The steel activity transforms and sells steel and non-ferrous alloys mainly intended to the construction of machines and their components and to the production of tools (dies, sharps and moulds), having as principal destination markets that manufacture moulds for plastic, components for the automotive industry and capital goods.

The activity of Storage Systems is carried out by five companies: Ramada Storaax (the largest manufacturer of storage systems in Portugal and where it is concentrated all manufacturing of the Group), and by its subsidiaries in France, UK, Belgium and Spain, which support the entire international network of distribution.

The activity of Storage Systems specializes in the design, manufacturing, installation and after-sales service storage solutions, with over 50 years of experience, being the deep knowledge of all storage areas its brand image.

The financial investment activity includes investments in Base Holding S.G.P.S. and CEV - Consumption Verde SA / Converde SA.

Base Holding S.G.P.S. is the parent company of a group of companies which operates in the area of complementary diagnostics, mainly, clinical analysis, imaging and cardiology. The activity of CEV - Consumption Verde SA / Converde SA is the development and patent register focused on BLAD protein. The BLAD is a fungicide obtained from the extraction of the protein from *Lupinus Albus* (sweet lupins).

The Steel activity presented in the 1<sup>st</sup> semester of 2015 a higher turnover than the same period of 2014. The mold manufacturers still supporting the group's growth; being it an export sector it has benefited from the depreciation of the Euro, staying competitive internationally.

Steel activity operates, essentially, in the domestic market, which represented 96% of its sales in the first half of 2015.

In the second quarter of 2015 the decrease levels registered in sales in the first quarter 2015 for the sectors of general mechanics, on construction equipment and maintenance resulting from the reduction of orders from Angola maintained.

The stock levels have been adjusted in concordance with the activity and steel price remained stable without major fluctuations throughout the first half of 2015.

The machining services have been growing and justify the decision of the investments made in the last year. The group delivered the first parts for molds structures and continued to follow the path of learning and excellence in this new service.

Once again the group was audited by APCER and they kept their confidence.

In the first quarter of 2015, storage systems activity had an decrease in turnover compared to the same period of 2014. The recorded recovery in the second quarter of 2015 allowed to present in the first semester of 2015 an increase in turnover compared to the same period of last year.

The external market remains the main growth driver of this activity, representing 67% of turnover in the first semester of 2015. In the same period for 2014 the external market represented 86%.

## FINANCIAL REVIEW

The financial information presented below in relation to Ramada Group was prepared in accordance with the recognition and measurement criteria of the International Financial Reporting Standards (IFRS), as adopted by the European Union.

### Main indicators

	1H 2015	1H 2014	Var. %
Sales and services rendered	64,156	59,083	8.6%
Other income	273	368	-25.9%
<b>Total income</b>	<b>64,430</b>	<b>59,451</b>	<b>8.4%</b>
Cost of sales	37,488	32,550	15.2%
External supplies and services	10,289	10,613	-3.1%
Payroll	7,534	7,490	0.6%
Other costs	950	1,087	-12.6%
<b>Total costs (a)</b>	<b>56,261</b>	<b>51,740</b>	<b>8.7%</b>
<b>EBITDA (b)</b>	<b>8,168</b>	<b>7,712</b>	<b>5.9%</b>
<b>EBITDA Margin</b>	<b>12.7%</b>	<b>13.0%</b>	
Amortisation and depreciation	822	802	2.6%
<b>EBIT (c)</b>	<b>7,346</b>	<b>6,910</b>	<b>6.3%</b>
<b>EBIT Margin</b>	<b>11.4%</b>	<b>11.6%</b>	
Gains/Losses in associated companies	783	0	
Financial Costs	(1,518)	(1,888)	-19.6%
Financial income	32	10	
<b>Net profit before income tax</b>	<b>6,644</b>	<b>5,032</b>	<b>32.0%</b>
Income tax	(1,846)	(1,585)	
<b>Consolidated net profit</b>	<b>4,798</b>	<b>3,447</b>	<b>39.2%</b>
Consolidated net profit attributable to shareholders of parent company	4,788	3,447	38.9%
Consolidated net profit attributable to non-controlling interests	9	0	

Amounts in thousands Euros

(a) Operating costs excluding amortisation, financial expenses and income tax

(b) EBITDA= Earnings before interests, income tax, depreciation and amortisation

(c) EBIT = Operating results

Total turnover of Ramada Group, during the first semester of 2015, amounted to 64,430 thousand Euro, representing an increase of 8.4% compared to the total turnover of the homologous period.

Total costs, excluding amortization, financial expenses and taxes, amounted to 56,261 thousand Euro, representing an increase of 8,7% in relation to the same period in 2014.

EBITDA in the first semester of 2015 reached 8,168 thousand Euro, representing an increase of 5.9% when compared to the homologous period. The EBITDA margin reached 12.7%, which compares to 13.0% obtained in the same period in 2014.

Group's operating results (EBIT) amounted to 7,346 thousand Euro, representing a positive variation of 6.3% comparing with 6,910 thousand Euro in the first semester of 2014.

In the first semester of 2015 the Group recorded gains related to application of the equity method in associated companies in the amount of 783 thousand Euro.

The financial costs amounted to 1,518 thousand Euro, representing an improvement of 19.6%, when compared with the same period in 2014.

Net profit of Group F. Ramada, in the first semester of 2015, amounted to 4,798 thousand Euro, 39.2% higher than the net profit recorded in the same period in 2014.

### INDUSTRY

	1H 2015	1H 2014	Var. %
Total Income	61,303	56,336	8.8%
Total Costs (a)	55,565	51,114	8.7%
EBITDA ( b)	5,738	5,222	9.9%
EBITDA Margin	9.4%	9.3%	
EBIT (c)	5,049	4,598	9.8%
EBIT Margin	8.2%	8.2%	
Financial Results	(406)	(449)	-9.5%
Net profit before income tax	4,643	4,149	11.9%

(amounts in thousands Euro)

(a) Operating costs excluding amortization, financial expenses and income tax

(b) EBITDA= Earnings before interests, tax, depreciation and amortization

(c) EBIT = Earnings before interests and income tax

During the first semester of 2015 the total income for the industry segment amounted to 61,303 thousand Euro, representing an increase of 8.8% compared to total income for the homologous period.

Industry segment's EBITDA in the first half of 2015 amounted to 5,738 thousand Euro, which represents an increase of 9.9% when compared with 5,222 thousand Euro achieved in the same period in 2014.

Industry segment's EBITDA margin went from 9.3% in 2014 to 9.4% in 2015.

Industry segment's EBIT in first semester of 2015 was 5,049 thousand Euro, representing an increase of 9.8% compared to the 4,598 thousand Euro in 2014.

Industry segment financial results, negative in 406 thousand Euros, show an improvement of 9.5% compared to the negative 449 thousand Euro in the homologous period.

Profit before taxes in this segment reached to 4,643 thousand Euro, 11.9% higher than the amount recorded in same period in 2014.

### REAL ESTATE

	1H 2015	1H 2014	Var. %
Total income	3,126	3,116	0.3%
Total costs (a)	696	626	11.2%
EBITDA ( b)	2,430	2,490	-2.4%
EBIT (c)	2,297	2,312	-0.7%
Financial Results	(1,079)	(1,430)	-24.5%
Net profit before income tax	1,218	883	38.0%

(amounts in thousands Euro)

(a) Operating costs excluding amortization, financial expenses and income tax

(b) EBITDA= Earnings before interests, tax, depreciation and amortization

(c) EBIT = Earnings before interests and income tax

Total income for the Real Estate segment in the first half of 2015 was 3,126 thousand Euro, representing a slight increase of 0.3% compared with the same period in 2014.

The rents obtained from the long-term lease of forest land represent more than 95% of total income of the Real Estate segment.

Real Estate segment EBITDA in the first half of 2015 amounted to 2,430 thousand Euro, representing a decrease of 2.4% in relation to the same period in 2014.

The operational results (EBIT) amounted to 2,297 thousand Euro, which represents a slight decrease when compared with operational results recorded in the first half of 2014.

The financial results of the Real Estate segment in the first half of 2015 were negative in 1,079 thousand Euro, which represents an improvement of 24.5% when comparing to 1,430 thousand Euro negative in homologous period.

### INVESTMENTS AND DEBT

Ramada Group investments in the first half of 2015 amounted to 3,202 thousand Euro.

The nominal net debt<sup>1</sup> of the Ramada Group as of 30 June 2015, deducted of own shares in portfolio, amounting to 1,641 thousands Euro, reached 63,122 thousand Euro. As of 31 December 2014 it was 61,418 thousand Euro. In May 2015, the group distributed dividends amounting to 3,923 thousand Euro.

<sup>1</sup> nominal net debt: nominal financial debt deducted from cash and cash equivalents.

## **SECOND SEMESTER OUTLOOK**

The steel activity is strongly related with the industries of automobile components and manufacture of molds for plastics. Everything points out that the growth felt in the first semester of 2015 in the manufacture of molds sector will continue until the end of the year. The group foresees a 2nd semester with good activity maintaining its forecasts for the current year.

The activity of Storage Systems is linked to the development and modernization of logistics of the companies, that in periods of lower economic growth, translates into lower demand for these solutions. The network of international distribution was strengthened, with a new office in Germany and the establishment of the Company Storax España, which lead the group to predict that the turnover of the second semester of 2015 will remain at the level of the first six months of 2015.

## **CORPORATE GOVERNANCE**

In accordance with the current legislation, the Company is not required to provide information regarding corporate governance, since this information is only compulsory together with the annual management report. The detailed annual report of corporate governance is included in the Financial Reporting of 2014 and it is available in our site ([www.ramadainvestimentos.pt](http://www.ramadainvestimentos.pt)).

With regard to these matters it is just to be noted that in April 1, 2015, the market was informed about the death of a member of the Board of Directors, Pedro Macedo Pinto de Mendonça. Since then, the tasks of the non-executive director are being carried out by the remaining members of the Board of Directors.

## LEGAL MATTERS

### Own Shares

Pursuant to the requirements of article 66 and of nr 2 of article 324 of the Commercial Companies' Code (Código das Sociedades Comerciais), the Directors inform that as of 30 June 2015 it held 2,564,145 own shares representing 9,999996% of the share capital.

### Shares held by the corporate boards

Pursuant to the requirements of article 447 of the Commercial Companies' Code, F. Ramada Investimentos Directors inform that, as of 30 June 2015, they held the following shares:

João Manuel Matos Borges de Oliveira <sup>(a)</sup>	5,125,000
Paulo Jorge dos Santos Fernandes <sup>(b)</sup>	3,837,582
Domingos José Vieira de Matos <sup>(c)</sup>	2,590,631
Ana Rebelo de Carvalho Menéres de Mendonça <sup>(d)</sup>	4,945,383
Pedro Miguel Matos Borges de Oliveira	1,402,072

<sup>(a)</sup> –5,125,000 shares correspond to the total shares of F. Ramada - Investimentos, S.G.P.S., S.A. held by CADERNO AZUL – S.G.P.S., S.A., of which the Director João Manuel Matos Borges de Oliveira is shareholder and director.

<sup>(b)</sup> –3,837,582 shares correspond to the total shares of F. Ramada - Investimentos, SGPS, S.A. held by ACTIUM CAPITAL – SGPS, S.A., of which the Director Paulo Jorge dos Santos Fernandes is dominant shareholder and director.

<sup>(c)</sup> – Considered attributable to Domingos José Vieira de Matos, in addition to 2,537,181 shares of F. Ramada - Investimentos, SGPS, SA held on a personal basis, 53,450 shares of F. Ramada - Investimentos, SGPS, SA held by LIVREFLUXO - SGPS, SA, of which he is director and dominant shareholder. Thus, in legal terms, are attributable to Domingos José Vieira de Matos a total of 2,590,631 shares, corresponding to 10.10% of capital and voting rights of F. Ramada - Investimentos, SGPS, SA

<sup>(d)</sup> –4,945,383 shares correspond to the total shares of F. Ramada - Investimentos, SGPS, S.A. held by PROMENDO – SGPS, S.A., of which the Director Ana Rebelo de Carvalho Menéres de Mendonça is director and dominant shareholder.

As of 30 June 2015, the Statutory Auditor, the members of the Statutory Audit Board and the members of the Board of the General Shareholders' Meeting held no shares of F. Ramada Investimentos.

**Participation in the Company's share capital**

Pursuant to the requirements of articles 16 and 20 of the Securities Code (Código de Valores Mobiliários) and article 448 of the Commercial Companies Code, the Directors inform that, in accordance with the notifications received, the companies and/or individuals that hold qualified participations exceeding 2%, 5%, 10%, 20%, 33% and 50% of the voting rights, and accordingly with the notifications received in head office of F. Ramada Investimentos as of 30 June 2015 are as follows:

<b>Maria João Fernandes Vieira de Matos</b>		<b>Number of shares held as of 30/6/2015</b>	<b>% capital held with voting rights</b>
Directly		518,677	2.02%
<b>Total assigned</b>		<b>518,677</b>	<b>2.02%</b>

<b>Pedro Miguel Matos Borges de Oliveira</b>		<b>Number of shares held as of 30/6/2015</b>	<b>% capital held with voting rights</b>
Directly		1,402,072	5.47%
<b>Total assigned</b>		<b>1,402,072</b>	<b>5.47%</b>

<b>Domingos José Vieira de Matos</b>		<b>Number of shares held as of 30/6/2015</b>	<b>% capital held with voting rights</b>
Directly		2,537,181	9.89%
Through Livefluxo, SGPS, S.A. (of which he is dominant shareholder and director)		53,450	0.21%
<b>Total assigned</b>		<b>2,590,631</b>	<b>10.10%</b>

<b>Paulo Jorge dos Santos Fernandes</b>		<b>Number of shares held as of 30/6/2015</b>	<b>% capital held with voting rights</b>
Through Actium Capital - SGPS, S.A. (of which he is dominant shareholder and director)		3,837,582	14.97%
<b>Total assigned</b>		<b>3,837,582</b>	<b>14.97%</b>

<b>Ana Rebelo Carvalho Menéres de Mendonça</b>		<b>Number of shares held as of 30/6/2015</b>	<b>% capital held with voting rights</b>
Through PROMENDO - SGPS, S.A. (of which she is dominant shareholder and director)		4,945,383	19.29%
<b>Total assigned</b>		<b>4,945,383</b>	<b>19.29%</b>

<b>João Manuel Matos Borges de Oliveira</b>		<b>Number of shares held as of 30/6/2015</b>	<b>% capital held with voting rights</b>
Through CADERNO AZUL - SGPS, S.A. (of which he is shareholder and director)		5,125,000	19.99%
<b>Total assigned</b>		<b>5,125,000</b>	<b>19.99%</b>

F. Ramada Investimentos was not informed of any participation exceeding 20% of the voting rights.

### **CLOSING REMARKS**

We don't want to conclude without thanking our suppliers, financial institutions and other partners of the group for their trust in our organization. We would also like to thank the External Auditor for the advice and assistance provided and the Statutory Audit Board for the continued monitoring of our operations.

Porto, 31 July 2015

#### **Board of Directors**

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João Manuel Matos Borges de Oliveira

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Paulo Jorge dos Santos Fernandes

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Domingos José Vieira de Matos

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Pedro Miguel Matos Borges de Oliveira

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Ana Rebelo de Carvalho Menéres de Mendonça

# 80 Years innovating

In the offering, in the processes  
and in technology.



**80 YEARS**  
Investing in industry

## **STATEMENT UNDER ARTICLE 246, PARAGRAPH 1, C) OF THE SECURITIES CODE**

The signatories individually declare that, to their knowledge, the Condensed Financial Statements were prepared in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union, for the purpose of interim reporting, and the other accounting documents required by law or regulation, give a truthful and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated results of F. Ramada Investimentos, S.G.P.S., S.A. and of the companies included in the consolidation perimeter, and that the Interim Director’s Report accurately explains the activity evolution, performance and financial position of F. Ramada Investimentos, SGPS, SA and the companies included in the consolidation perimeter, and contains a description of the major risks and uncertainties that they face.

## **DECLARATION OF RESPONSIBILITY**

The members of the Board of Directors of F. Ramada Investimentos, S.G.P.S., S.A. declare that they assume responsibility for this information and assure that the items included herein are true and that, to the best of their knowledge, there are no omissions.

Under paragraph 3 of article 8 of the Securities Code, the members of the Board of Directors of F. Ramada Investimentos, SGPS, S.A. declare that the accounts that are part of this interim report have not been subject to a Limited Review.

As required by article 21 of Decree-Law 411/91, of 17 October, the Board of Directors informs that there are no overdue debts to the State, namely with respect to Social Security.

**Article 447 of the Portuguese Companies Act and Article 14, paragraph 7 of Portuguese Securities Regulator (CMVM) Regulation nr. 05/2008**

Disclosure of shares and other securities held by members of the Board of Directors and by those discharging managerial responsibilities, as well as by people closely connected with them (article 248 B of the Securities Code), and disclosure of the respective transactions during the semester.

Member of the Board of Directors	Number of shares			Number of shares held as of 30/06/2015
	held as of 31/12/2014	Acquisitions	Disposals	
João Manuel Matos Borges de Oliveira (through CADERNO AZUL - SGPS, S.A)	5,125,000	-	-	5,125,000
Paulo Jorge dos Santos Fernandes (through ACTIUM CAPITAL - SGPS, S.A)	3,837,582	-	-	3,837,582
Domingos José Vieira de Matos	2,537,181	-	-	2,537,181
Domingos José Vieira de Matos (through LIVREFLUXO - SGPS, S.A)	53,450	-	-	53,450
Pedro Miguel Matos Borges de Oliveira	1,402,072	-	-	1,402,072
Ana Rebelo de Carvalho Menéres de Mendonça (through PROMENDO - SGPS, S.A)	4,945,383	-	-	4,945,383

**F. RAMADA INVESTIMENTOS, SGPS, S.A.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**AS OF 30 JUNE 2015 AND 31 DECEMBER 2014**

(Translation of financial statements originally issued in Portuguese - Note 17)

(Amounts expressed in Euro)

ASSETS	Notes	30.06.2015	31.12.2014
<b>NON CURRENT ASSETS:</b>			
Investment properties	6	85,997,282	85,977,075
Tangible assets		4,639,573	5,146,397
Intangible assets		117,532	150,639
Investments in associates	4	14,502,336	12,196,970
Investments available for sale	4	3,103,282	2,609,500
Deferred tax assets	7	1,921,360	1,923,682
<b>Total non current assets</b>		<u>110,281,365</u>	<u>108,004,263</u>
<b>CURRENT ASSETS:</b>			
Inventories		20,232,903	25,675,958
Customers		33,440,255	32,678,630
State and other public entities		784,888	635,870
Other debtors		1,226,869	471,355
Other current assets		760,143	235,691
Cash and cash equivalents	8	20,113,413	16,366,816
<b>Total current assets</b>		<u>76,558,471</u>	<u>76,064,320</u>
<b>Total assets</b>		<u><u>186,839,836</u></u>	<u><u>184,068,583</u></u>
SHAREHOLDERS' FUNDS AND LIABILITIES	Notes	30.06.2015	31.12.2014
<b>SHAREHOLDERS' FUNDS:</b>			
Share capital	9	25,641,459	25,641,459
Own shares	9	(1,641,053)	(1,641,053)
Legal reserve		5,935,519	5,637,034
Monetary conversion reserves		59,497	(385,709)
Other reserves		28,669,411	24,813,767
Consolidated net profit for the period		4,788,166	8,077,269
Total shareholders' funds attributable to the parent company shareholders		<u>63,452,999</u>	<u>62,142,767</u>
Non-controlling interests		59,978	50,638
<b>Total Shareholders' funds</b>		<u>63,512,977</u>	<u>62,193,405</u>
<b>LIABILITIES:</b>			
<b>NON CURRENT LIABILITIES</b>			
Bank loans	10	47,458,907	43,530,732
Other loans	10	38,440	-
Provisions	11	1,610,827	1,358,333
Deferred tax liabilities	7	40,937	40,937
<b>Total non current liabilities</b>		<u>49,149,111</u>	<u>44,930,002</u>
<b>CURRENT LIABILITIES:</b>			
Bank loans	10	3,985,753	3,485,753
Other loans	10	33,393,435	32,409,418
Suppliers		14,693,049	16,664,663
State and other public entities		5,899,838	4,092,389
Other creditors		1,393,896	1,121,189
Other current liabilities		14,811,777	19,171,764
<b>Total current liabilities</b>		<u>74,177,748</u>	<u>76,945,176</u>
<b>Total Shareholders' funds and liabilities</b>		<u><u>186,839,836</u></u>	<u><u>184,068,583</u></u>

The accompanying notes form an integral part of the consolidated financial statements.

The Chartered Accountant

The Board of Directors

**F. RAMADA INVESTIMENTOS, SGPS, S.A**

**CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURES**  
**FOR THE SIX MONTHS AND THREE MONTHS PERIODS ENDED AS OF 30 JUNE 2015 AND 2014**  
 (Translation of financial statements originally issued in Portuguese - Note 17)  
 (Amounts expressed in Euro)

	Notes	SIX MONTHS PERIOD ENDED AS OF		THREE MONTHS PERIOD ENDED AS OF	
		30.06.2015	30.06.2014	30.06.2015	30.06.2014
Sales		58,924,289	54,040,277	34,787,668	28,725,221
Services rendered		5,232,106	5,042,584	2,583,928	2,672,816
Other income		273,171	368,455	100,255	193,007
Cost of sales		(37,488,388)	(32,550,350)	(23,369,009)	(18,063,601)
External supplies and services		(10,289,104)	(10,612,947)	(5,113,083)	(5,361,583)
Payroll expenses		(7,534,127)	(7,489,621)	(4,150,179)	(3,740,277)
Amortization and depreciation		(822,177)	(801,721)	(418,572)	(401,442)
Provisions and impairment losses	11	(528,995)	(579,669)	(270,534)	(223,782)
Other expenses		(420,848)	(506,974)	(215,428)	(287,282)
Gains/Losses in associated companies	4	783,182	-	418,182	-
Financial expenses	12	(1,517,856)	(1,888,194)	(728,820)	(980,299)
Financial income	12	32,254	9,918	12,005	7,200
		<u>6,643,507</u>	<u>5,031,758</u>	<u>3,636,413</u>	<u>2,539,978</u>
	Profit before income tax				
Income tax		(1,846,002)	(1,585,004)	(898,768)	(800,093)
	Consolidated net profit	<u>4,797,505</u>	<u>3,446,754</u>	<u>2,737,645</u>	<u>1,739,885</u>
Attributable to:					
Parent company's shareholders	13	4,788,166	3,446,754	2,731,278	1,739,885
Non-controlling interests		9,339	-	6,367	-
Earnings per share:					
Basic		0.21	0.15	0.12	0.08
Diluted		0.21	0.15	0.12	0.08

The accompanying notes form an integral part of the consolidated financial statements.

The Chartered Accountant

The Board of Directors

**F. RAMADA INVESTIMENTOS, SGPS, S.A**

**CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX AND THREE MONTHS PERIODS ENDED AS OF 30 JUNE 2015 AND 2014**

(Translation of financial statements originally issued in Portuguese - Note 17)  
(Amounts expressed in Euro)

	Notes	SIX MONTHS PERIOD ENDED AS OF 30.06.2015	30.06.2014	THREE MONTHS PERIOD ENDED AS OF 30.06.2015	30.06.2014
Net consolidated profit for the period		4,797,505	3,446,754	2,737,645	1,739,885
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		445,206	131,327	137,627	109,639
Other comprehensive income for the period		445,206	131,327	137,627	109,639
Total comprehensive income for the period		<u>5,242,711</u>	<u>3,578,081</u>	<u>2,875,272</u>	<u>1,849,524</u>
Attributable to:					
Parent company's shareholders		5,233,371	3,578,081	2,868,905	1,849,524
Non-controlling interests		9,340	-	6,367	-

The accompanying notes form an integral part of the consolidated statements of comprehensive income.

The Chartered Accountant

The Board of Directors

**F. RAMADA INVESTIMENTOS, SGPS, S.A.**

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' FUNDS  
FOR THE SIX MONTHS PERIODS ENDED AS OF 30 JUNE 2015 AND 2014**  
(Translation of financial statements originally issued in Portuguese - Note 17)  
(Amounts expressed in Euro)

		Atributable to the parent company's Shareholders								
	Note	Share capital	Own shares	Legal reserve	Monetary conversion reserves	Other reserves and retained earnings	Net profit	Total	Non-controlling interests	Total Shareholder's funds
Balance as of 1 January 2014	9	25,641,459	(1,641,053)	5,637,034	(615,513)	21,480,207	6,218,227	56,720,361	-	56,720,361
Total comprehensive consolidated income for the period		-	-	-	131,327	-	3,446,754	3,578,081	-	3,578,081
Appropriation of the consolidated net profit for 2013:										
Transfer to legal reserve and other reserves		-	-	598,918	-	5,619,309	(6,218,227)	-	-	-
Distributed dividends		-	-	-	-	(2,884,664)	-	(2,884,664)	-	(2,884,664)
Balance as of 30 June 2014		<u>25,641,459</u>	<u>(1,641,053)</u>	<u>6,235,952</u>	<u>(484,186)</u>	<u>24,214,852</u>	<u>3,446,754</u>	<u>57,413,778</u>	<u>-</u>	<u>57,413,778</u>
Balance as of 1 January 2015	9	25,641,459	(1,641,053)	5,637,034	(385,709)	24,813,767	8,077,269	62,142,767	50,638	62,193,405
Total comprehensive consolidated income for the period		-	-	-	445,206	-	4,788,166	5,233,372	9,340	5,242,712
Appropriation of the consolidated net profit for 2014:										
Transfer to other reserves		-	-	298,485	-	7,778,784	(8,077,269)	-	-	-
Distributed dividends		-	-	-	-	(3,923,140)	-	(3,923,140)	-	(3,923,140)
Balance as of 30 June 2015		<u>25,641,459</u>	<u>(1,641,053)</u>	<u>5,935,519</u>	<u>59,497</u>	<u>28,669,411</u>	<u>4,788,166</u>	<u>63,452,999</u>	<u>59,978</u>	<u>63,512,977</u>

The accompanying notes form an integral part of the consolidated financial statements.

The Chartered Accountant

The Board of Directors

**F. RAMADA INVESTIMENTOS, SGPS, S.A.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS AND THREE MONTHS PERIODS ENDED AS OF 30 JUNE 2015 AND 2014**  
 (Translation of financial statements originally issued in Portuguese - Note 17)  
 (Amounts expressed in Euro)

	Notes	SIX MONTHS PERIODS ENDED				THREE MONTHS PERIODS ENDED			
		30.06.2015		30.06.2014		30.06.2015		30.06.2014	
<b>Operating activities:</b>									
Collections from customers		66,747,956		68,645,893		30,354,763		30,906,344	
Payments to suppliers		(48,316,814)		(52,306,377)		(24,422,133)		(28,664,918)	
Payments to personnel		(5,150,784)	13,280,358	(4,880,139)	11,459,377	(2,507,463)	3,425,167	(2,451,220)	(209,794)
Other collections/payments relating to operating activities		(4,802,945)		(3,714,771)		(1,476,172)		(977,239)	
Corporate income tax		(644,713)	(5,447,658)	(1,204,056)	(4,918,827)	(454,408)	(1,930,580)	(1,117,842)	(2,095,081)
<i>Cash flow from operating activities (1)</i>			<u>7,832,700</u>		<u>6,540,550</u>		<u>1,494,587</u>		<u>(2,304,875)</u>
<b>Investment activities:</b>									
Collections relating to:									
Investments		12,500		139,861		-		-	
Intangible assets		-		-		-		-	
Tangible assets		-		48,094		(984)		8,277	
Dividends		418,182		-		418,182		-	
Interest and similar income		453,441	884,123	9,632	197,587	144,279	561,477	8,893	17,170
Payments relating to:									
Investments	8	(2,964,736)		(897,417)		(473,204)		(721,415)	
Investment properties		-		(44,224)		-		-	
Intangible assets		(21,070)		(22,112)		(18,228)		(16,269)	
Tangible assets		(824,406)	(3,810,212)	(773,237)	(1,736,990)	(364,331)	(855,763)	(358,756)	(1,096,440)
<i>Cash flow from investment activities (2)</i>			<u>(2,926,089)</u>		<u>(1,539,403)</u>		<u>(294,286)</u>		<u>(1,079,270)</u>
<b>Financing activities:</b>									
Collections relating to:									
Loans obtained		11,737,565	11,737,565	1,814,421	1,814,421	10,668,542	10,668,542	1,814,421	1,814,421
Payments relating to:									
Dividends		(3,923,140)	-	(2,884,664)		(3,923,140)		(2,884,664)	
Interest and similar costs		(2,966,281)		(2,272,145)		(1,230,265)		(492,577)	
Loans obtained		(7,582,957)		(5,542,108)		(2,025,412)		(1,586,221)	
Other		(53,507)	(14,525,885)	-	(10,698,917)	(26,874)	(7,205,691)	-	(4,963,462)
<i>Cash flow from financing activities (3)</i>			<u>(2,788,320)</u>		<u>(8,884,496)</u>		<u>3,462,851</u>		<u>(3,149,041)</u>
Cash and cash equivalents at the beginning of the period	8		11,777,885		8,629,080		9,447,737		11,287,606
Effect of exchange rate changes			287,153		52,602		72,440		43,912
Variation of cash and cash equivalents: (1)+(2)+(3)			<u>2,118,291</u>		<u>(3,883,349)</u>		<u>4,663,152</u>		<u>(6,533,186)</u>
Cash and cash equivalents at the end of the period	8		<u>14,183,329</u>		<u>4,798,333</u>		<u>14,183,329</u>		<u>4,798,332</u>

The accompanying notes form an integral part of the consolidated statement of cash flows.

The Chartered Accountant

The Board of Directors

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2015

### (TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 17)

(Amounts expressed in Euro)

#### 1. INTRODUCTORY NOTE

F. Ramada Investimentos, SGPS, S.A. ("F. Ramada" or "Company") is a Company incorporated in 1 June 2008, has its head-office located at Rua do General Norton de Matos, 68, r/c - Porto, Portugal and its shares are listed in the NYSE Euronext Lisbon. Its main activity is the management of investments.

F. Ramada was incorporated as a result of the reorganization process of Altri, SGPS, S.A. by demerging the steel sector and storage systems business management area, namely the participation held in F. Ramada – Aços e Indústrias, S.A. representative of the voting rights of the mentioned company. The restructuring involved a simple demerger operation as defined by Article 118, 1.a), of the Commercial Companies Code ("Código das Sociedades Comerciais").

Due to this process, Altri, SGPS, S.A. equity share corresponding to the equity holdings management business unit for the sector of steel and storage systems, including all other resources (such as human resources, assets and liabilities) related to that business unit, was detached to Ramada.

Currently, F. Ramada is the parent company of a group of companies listed in Note 4 (designated as F. Ramada Group), and through this financial holdings structure, focuses its operations in (i) steel trade, (ii) storage systems sales, sector in which the Group already presents a significant international presence, and (iii) real estate.

As of 30 June 2015 and 31 December 2014, the Group developed its activity in Portugal, France, United Kingdom, Belgium and Spain.

The consolidated financial statements of F. Ramada Group are presented in Euro (with rounding to units), which is the currency used by the Group in its operations and, as such, considered to be its functional currency.

The consolidated financial statements were prepared in accordance with the accounting policies defined by the International Financial Reporting Standards and in accordance with IAS 34 – Interim Financial Reporting.

#### 2. MAIN ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The consolidated financial statements as of 30 June 2015 were prepared in accordance with the accounting policies defined by the International Financial Reporting Standards and in accordance with IAS 34 – Interim Financial Reporting, and include the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, as well as selected notes to the financial statements.

The accounting policies adopted in the preparation of the consolidated financial statements of F. Ramada are consistent with the accounting policies used in the preparation of the financial statements presented for the year ended as of 31 December 2014.

#### 3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

During the period there were no changes in the accounting policies and no material mistakes related with previous periods were identified.

#### 4. INVESTMENTS

The companies included in the consolidated financial statements by the full consolidation method, its headquarters, percentage of participation held and main activity as of 30 June 2015 and 31 December 2014, are as follows:

Designation	Headquarters	Percentage of participation held		Activity
		30.06.2015	31.12.2014	
<u>Parent company:</u>				
F. Ramada Investimentos, SGPS, S.A.	Porto			Holding
<u>F. Ramada Group</u>				
Ramada Aços, S.A.	Ovar	100%	100%	Steel commercialization
Universal Afir, S.A.	Ovar	100%	100%	Steel commercialization
RamadaStorax, S.A. <sup>1</sup>	Ovar	100%	100%	Production and commercialization of storage systems
F. Ramada II, Imobiliária, S.A.	Ovar	100%	100%	Real estate
F. Ramada, Serviços de Gestão, Lda.	Ovar	0% <sup>2</sup>	100%	Administration and management services
Storax, S.A.	Paris, França	100%	100%	Commercialization of storage systems
Storax, Ltd.	Bromsgrove, Reino Unido	100%	100%	Commercialization of storage systems
Storax Benelux, S.A.	Bélgica	100%	100%	Commercialization of storage systems
Storax Espanha S.L.	Espanha	60%	60%	Commercialization of storage systems

<sup>1</sup> On April 22, 2015, Ramada Storage Solutions SA changed its denomination to RamadaStorax, SA

<sup>2</sup> During the semester ended 30 June 2015, the company F. Ramada, Serviços de Gestão, Lda (Ramada Serviços) was merged into F. Ramada Investimentos, SGPS, SA. The merger was made in accordance with Article 97, paragraph 4, subparagraph a) of the Portuguese Commercial Companies Code, through the global transfer of the assets and liabilities of Ramada Serviços to F. Ramada, with the consequent extinction of the merged company. The merger of the operating activity of Ramada Serviços as well as the global transfer of all its assets and liabilities to F. Ramada was made at book value, with accounting effects as of 1 January 2015. This operation has no impact on the consolidated financial statements.

All the above companies were included in the consolidated financial statements of F. Ramada Group in accordance with the full consolidation method.

#### Investment in associated companies

As of 30 June 2015, the caption "Investment in associates" includes, essentially, the shares owned by F. Ramada Investimentos, SGPS, S.A. in Base Holding SGPS, S.A.'s capital. This entity has its head office in Oporto and heads a group of companies which operates in the healthcare sector, namely, complementary means of diagnosis and treatment.

During the financial year of 2014, the Group purchased 1.95% of the equity in the above company increasing its stake to 34.9% (32.9% as of 31 December 2013) of its share capital. During 2015, the Group reinforced its position, increasing its stake to 35.22% of its share capital. The application of the equity method for the period ended as 30 June 2015 was based on Base Holding's interim non-audited consolidated financial statements, with the impact on the net profit for this period being registered on the caption "Gains/Losses in associated companies" in the amount of 783,182 Euro. The Board of Directors believes that no materially relevant differences won't emerge between the used consolidated financial statements and the final consolidated

statements of that associated company. After the fair value valuation of assets, liabilities and contingent liabilities, no relevant differences were found between the adjusted acquired equity and the acquisition value.

### **Investments available for sale**

As of 30 June 2015 and 31 December 2014 the caption “Investments available for sale” and respective impairment losses can be detailed as follows:

	<u>30.06.2015</u>	<u>31.12.2014</u>
Gross book value	6,887,656	6,318,095
Accumulated impairment losses (Note 11)	(3,784,374)	(3,708,595)
	<u>3,103,282</u>	<u>2,609,500</u>

As of 30 June 2015, the changes occurred under the caption “Investments available for sale” can be detailed as follows:

	<u>31.12.2014</u>	<u>Increases</u>	<u>30.06.2015</u>
Investments	531,007	-	531,007
Loans	5,787,088	569,561	6,356,649
Impairment Losses (Note 11)	(3,708,595)	(75,779)	(3,784,374)
	<u>2,609,500</u>	<u>493,782</u>	<u>3,103,282</u>

As of 30 June 2015, this caption includes, mainly, a stake of 15.48% in the equity of CEV – Consumo em Verde Biotecnologia das Plantas, S.A. and a stake of 4% in the equity of Sociedade Converde Unipessoal, Lda., as well as loans granted.

As of 30 June 2015 the consolidated financial statements include impairment losses on investments listed above in the amount of 3,784, 374 Euros (3,708,595 Euros as of 31 December of 2014).

Financial investments included in caption “Investments available for sale” are recorded at acquisition cost less related impairment losses.

### 5. **CHANGES IN CONSOLIDATION PERIMETER**

During the six months period ended as of 30 June 2015 no changes in the Group’s consolidation perimeter occurred.

### 6. **INVESTMENT PROPERTIES**

Investment properties held by F. Ramada Group relate to land rented to third parties or under operational lease. These contracts have an average length of 20 years, with the possibility of an additional period of 10 years if certain events occur. Investment properties are measured at acquisition cost. The movement that occurred in this caption during the six months period ended as of 30 June 2015 and the year ended as of 31 December 2014 is as follows:

	<u>30.06.2015</u>	<u>31.12.2014</u>
Opening balance	85,977,075	85,937,120
Acquisitions	<u>20,207</u>	<u>39,955</u>
Closing balance	<u>85,997,282</u>	<u>85,977,075</u>

Given the land characteristics (land leased to third parties for forestry activity), frequent and comparable market transactions for this type of assets do not occur. Accordingly, the Board of Directors considers that it is not possible to reliably estimate the fair value of the land, for which it is recorded at acquisition cost. However, it is the Board of Directors believes that, given the amount of rents collected annually, the market value of these assets will not be significantly different from its book value.

Part of this land (amounting to, approximately, 70 million Euro) was given as collateral for certain loans obtained.

## 7. CURRENT AND DEFERRED INCOME TAXES

In accordance with current legislation, the tax returns are subject to review and correction by the tax authorities over a period of four years (five years for Social Security), except when tax losses have occurred, tax benefits have been granted, or inspections, complaints or disputes are ongoing. In these cases, depending on the circumstances, the above referred period deadlines can be extended or suspended. Therefore, the tax returns of F. Ramada and its subsidiaries for the years 2011 to 2015 may still be subject to review.

The Board of Directors of F. Ramada believes that any potential corrections arising from reviews/inspections of these tax returns by the tax authorities will not have a significant effect on the consolidated financial statements as of 30 June 2015.

The movement occurred in deferred tax assets and liabilities in the six months periods ended as of 30 June 2015 and 2014 was as follows:

	30.06.2015	
	Deferred tax assets	Deferred tax liabilities
Balance as of 01.01.2015	1,923,682	40,937
Effects on income statement:		
Other effects	(2,322)	-
Balance as of 30.06.2015	<u>1,921,360</u>	<u>40,937</u>
	30.06.2014	
	Deferred tax assets	Deferred tax liabilities
Balance as of 01.01.2014	2,021,808	51,655
Effects on income statement:		
Other effects	-	-
Balance as of 30.06.2014	<u>2,021,808</u>	<u>51,655</u>

## 8. CASH AND CASH EQUIVALENTS

As of 30 June 2015 and as of 31 December 2014 the caption "Cash and cash equivalents" included in the consolidated statement of financial position can be detailed as follows:

	30.06.2015	31.12.2014
Cash	662,960	2,866,994
Bank deposits	<u>19,450,453</u>	<u>13,499,822</u>
	<u>20,113,413</u>	<u>16,366,816</u>
Bank overdrafts (Note 10)	(5,930,084)	(4,588,931)
Cash and cash equivalents	<u>14,183,329</u>	<u>11,777,885</u>

### **Payments for financial investments**

During the first half of 2015, payments for financial investments were the following:

	Value of the transaction		Amount paid	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Investments in associated companies (Note 4)	1,890,366	696,970	1,890,366	696,970
Investments available for sale (Note 4)	569,561	200,447	569,561	200,447
Others	504,809	-	504,809	-
	<u>2,964,736</u>	<u>897,417</u>	<u>2,964,736</u>	<u>897,417</u>

### 9. SHARE CAPITAL

As of 30 June 2015 and 31 December of 2014, F. Ramada's fully subscribed and paid up capital consisted of 25,641,459 shares with a nominal value of 1 Euro each. As of that date, F. Ramada Investimentos, SGPS, S.A. holds 2,564,145 own shares, corresponding to 9.999996% of the share capital of the Company, acquired by 1,641,053 Euros.

Additionally, as of 30 June 2015 and 31 December 2014 there were no entities holding a share in the subscribed capital of, at least, 20%.

### 10. BANK LOANS AND OTHER LOANS

As of 30 June 2015 and 31 December 2014, the captions "Bank loans" and "Other loans" can be detailed as follows:

	30.06.2015		31.12.2014	
	Current	Non current	Current	Non current
Bank loans	3,985,753	47,458,907	3,485,753	43,446,179
	<u>3,985,753</u>	<u>47,458,907</u>	<u>3,485,753</u>	<u>43,446,179</u>
Commercial paper	19,750,000	-	19,750,000	-
Current account	6,000,000	-	5,750,000	-
Bank overdrafts (Note 8)	5,930,084	-	4,588,931	-
Factoring	1,622,439	-	2,232,077	-
Financial leasing	90,912	38,440	88,410	84,553
Other loans	<u>33,393,435</u>	<u>38,440</u>	<u>32,409,418</u>	<u>84,553</u>
	<u>37,379,188</u>	<u>47,497,347</u>	<u>35,895,171</u>	<u>43,530,732</u>

As of 30 June 2015 and 31 December 2014 there were no differences between the book value and nominal value of the loans obtained.

During the six months period ended as of 30 June 2015 these loans bear interest related costs at normal market rates depending on the nature and term of the credit obtained.

During the six months period ended as of 30 June 2015 and the year ended as of 31 December 2014 the Group did not enter into any loan default.

Additionally, as of 30 June 2015 there are no covenants associated to the disclosed loans.

## 11. MOVEMENT IN PROVISIONS AND IMPAIRMENT LOSSES

The movements occurred in provisions and impairment losses for the six months periods ended as of 30 June 2015 and 2014 may be detailed as follows:

	30.06.2015			Total
	Provisions	Impairment losses in investments (Note 4)	Impairment losses in current assets	
Opening balance	1,358,333	3,708,595	25,031,601	30,098,529
Exchange rate variation	1,344	-	-	1,344
Increases	287,593	75,779	164,279	527,651
Utilizations	(36,443)	-	-	(36,443)
Closing balance	<u>1,610,827</u>	<u>3,784,374</u>	<u>25,195,880</u>	<u>30,591,081</u>

	30.06.2014			Total
	Provisions	Impairment losses in investments	Impairment losses in current assets	
Opening balance	1,107,580	3,275,324	24,951,334	29,334,237
Exchange rate variation	661	-	-	661
Increases	71,551	250,000	259,620	581,171
Utilizations	(147,872)	-	-	(147,872)
Replacements	-	-	(1,502)	(1,502)
Closing balance	<u>1,031,920</u>	<u>3,525,324</u>	<u>25,209,452</u>	<u>29,766,696</u>

The increases and reversals recorded in provisions and impairment losses for the six months periods ended as of 30 June 2015 and 2014 were recorded in the profit and loss statement caption "Provisions and impairment losses".

The amount recorded in the caption "Provisions" as of 30 June 2015 relates to the Board of Directors' estimate to cover possible losses arising from legal actions in progress and other liabilities.

## 12. FINANCIAL RESULTS

The consolidated financial results for the six months periods ended as of 30 June 2015 and 2014 can be detailed as follows:

	30.06.2015	30.06.2014
Financial expenses:		
Interest	(1,122,095)	(1,526,915)
Other financial expenses	(395,761)	(361,279)
	<u>(1,517,856)</u>	<u>(1,888,194)</u>
Financial income:		
Interest	32,254	2,426
Other financial income	-	7,492
	<u>32,254</u>	<u>9,918</u>

The interests paid and recognised in the profit and loss statement for the six months periods ended as of 30 June 2015 and 2014 are entirely related with loans obtained.

The interest income recorded in the financial statements for the six months periods ended as of 30 June 2015 and 2014 results mainly from investments made during the year.

### 13. EARNINGS PER SHARE

Earnings per share for the six months periods ended as of 30 June 2015 and 2014 were determined taking into consideration the following amounts:

	<u>30.06.2015</u>	<u>30.06.2014</u>
Net profit considered for the computation of basic and diluted earnings	4,788,166	3,446,754
Number of shares	25,641,459	25,641,459
Number of own shares	2,564,145	2,564,145
Weighted average number of shares used to compute the basic and diluted earnings per share	23,077,314	23,077,314
Earnings per share		
Basic	0.21	0.15
Dilluted	0.21	0.15

### 14. RELATED PARTIES

The main balances with related parties as of 30 June 2015 and 2014 are with Altri Group and may be detailed as follows:

	<u>30.06.2015</u>
<u>Related parties</u>	<u>Rents receivable</u>
Altri Group	3,091,500
	<u>30.06.2014</u>
<u>Related parties</u>	<u>Rents receivable</u>
Altri Group	3,078,000

Apart from the companies included in the consolidation (Note 4), the companies considered to be related parties as of 30 June 2015, can be presented as follows:

Actium Capital, SGPS, S.A.  
 AdCom Media Anúncios e Publicidade, S.A.  
 Alteria, SGPS, S.A.  
 Altri Abastecimento de Madeira, S.A.  
 Altri Florestal, S.A.  
 Altri Sales, S.A.  
 Altri, Participaciones Y Trading, S.L.  
 Altri, SGPS, S.A.  
 Base Holding SGPS, S.A.  
 Caderno Azul, SGPS, S.A.  
 Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.  
 Caima Indústria de Celulose, S.A.  
 Captaraiz Unipessoal, Lda.  
 Celulose Beira Industrial (Celbi), S.A.  
 Celtejo – Empresa de Celulose do Tejo, S.A.  
 Cofihold, SGPS, S.A.  
 Cofina Media, S.A.  
 Cofina, SGPS, S.A.

Consumo em Verde – Biotecnologia das Plantas, S.A.  
 Converde Unipessoal, Lda.  
 Destak Brasil – Empreendimentos e Participações, S.A.  
 Destak Brasil Editora S.A.  
 Elege Valor, SGPS, S.A.  
 Grafedisport – Impressão e Artes Gráficas, S.A.  
 Inflora – Sociedade de Investimentos Florestais, S.A.  
 Jardins de França S.A.  
 Livrefluxo, SGPS, S.A.  
 Malva – Gestão Imobiliária, S.A.  
 Mercados Globais – Publicação de Conteúdos, Lda.  
 Pedro Frutícola, Sociedade Frutícola, S.A.  
 Préstimo – Prestígio Imobiliário, S.A.  
 Promendo, SGPS, S.A.  
 Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.  
 Torres da Luz – Investimentos imobiliários, S.A.  
 Valor Autêntico, SGPS, S.A.  
 VASP – Sociedade de Transportes e Distribuições, Lda.  
 Viveiros do Furadouro Unipessoal, Lda.

#### 15. SEGMENT INFORMATION

In accordance with the origin and nature of the income generated by the Group, the main segments identified are as follows:

- Industry – includes the commercialization of steel and storage systems, as well as support services (being the latest a residual activity);
- Real estate – includes the assets and activities related to the Group's real estate activity.

The segregation of activities by segments as of 30 June 2015 and 2014 is made up as follows:

	30.06.2015		30.06.2014	
	Industry	Real state	Industry	Real state
Net operating income				
Resulting from operations with external customers	61,303,314	3,126,252	56,335,769	3,115,546
Resulting from operations with other segments	4,176	682,326	4,176	647,328
Operating Cash-flow (a)	5,738,104	2,430,000	5,222,101	2,489,655
Amortisation and depreciation	689,367	132,810	624,307	177,414
Operating profit	5,048,737	2,297,190	4,597,793	2,312,241
Total assests	94,218,683	92,621,153	89,981,110	92,661,150
Total liabilities	47,768,229	75,558,630	46,869,263	78,359,219
Investment of the period (b)	3,148,790	53,560	1,293,890	-

(a) - Earnings before interests, taxes, depreciation and amortisation

(b) - Tangible assets, Intangible assets and investments additions

#### 16. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance in 31, July, 2015.

17. EXPLANATION ADDED FOR TRANSLATION

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards (IFRS/IAS), some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

The Chartered Accountant

The Board of Directors

João Manuel Matos Borges de Oliveira – President

Paulo Jorge dos Santos Fernandes

Domingos José Vieira de Matos

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo de Carvalho Menéres de Mendonça