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# DIRECTORS' REPORT



**Consolidated accounts**

**1<sup>st</sup> Semester 2012**

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*INDEX*

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INTRODUCTION .....	3
STOCK EXCHANGE EVOLUTION .....	4
GROUP ACTIVITY .....	6
FINANCIAL REVIEW .....	7
SECOND SEMESTER 2012 OUTLOOK.....	10
CORPORATE GOVERNANCE .....	11
LEGAL MATTERS .....	12
DECLARATION OF RESPONSABILITY .....	14
CLOSING REMARKS .....	14

Shareholders,

Pursuant to the legal requirements, the Board of Directors of F. Ramada Investimentos, S.G.P.S., S.A. (Open Capital Company) hereby presents its Board of Director's Report for the first semester of 2012.

## INTRODUCTION

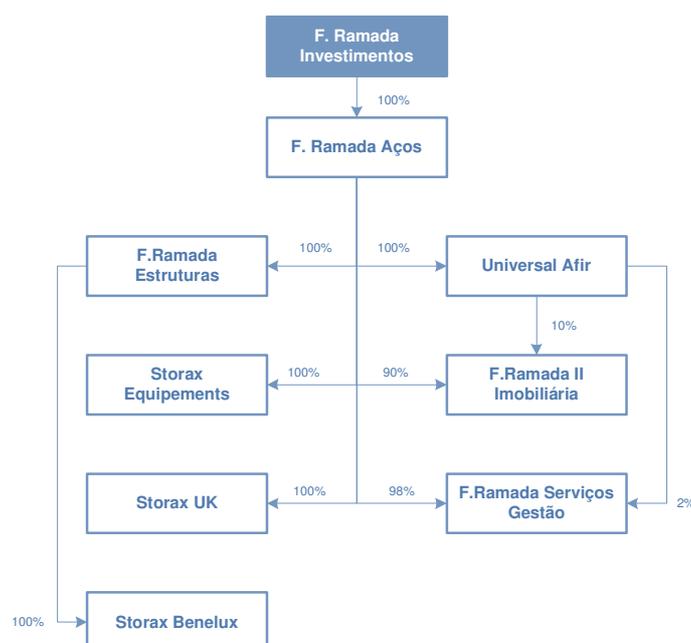
F. Ramada Investimentos was incorporated on June 1, 2008, as a result of the scission process of the steel and storage systems business from Altri, SGPS, S.A. ("Altri"). The incorporation of the Company resulted from a projected reorganization in order to separate two autonomous business units, corresponding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

Currently, F. Ramada Investimentos is the parent company of a group of companies ("F. Ramada Group") that, together, develop their activity in the steel market, where the subsegment of steel for molds and the storage systems activity should be highlighted. F. Ramada Investimentos also controls F. Ramada II, Imobiliária, S.A., focused in the management of investment property assets.

The steel activity, with a prominent position in the domestic market, is performed by two companies: F. Ramada Aços and Universal Afir.

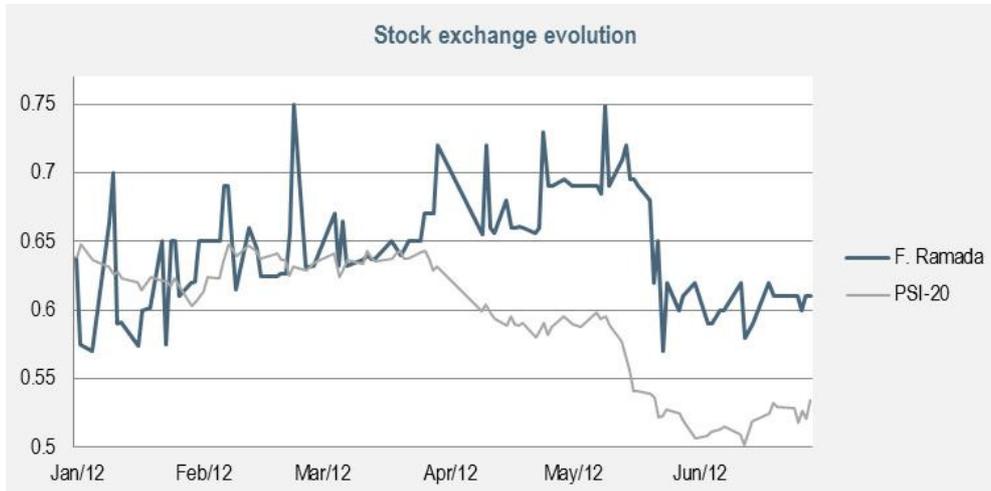
The storage systems activity is performed by four companies: F. Ramada Estruturas, largest manufacturer of storage systems in Portugal, and where all group production is concentrated, Storax Equipements with head office in France, Storax Racking with head office in the United Kingdom and Storax Benelux with head office in Belgium.

The ownership structure of F. Ramada Group, as of 30 June 2012, can be presented as follows:



**STOCK EXCHANGE EVOLUTION**

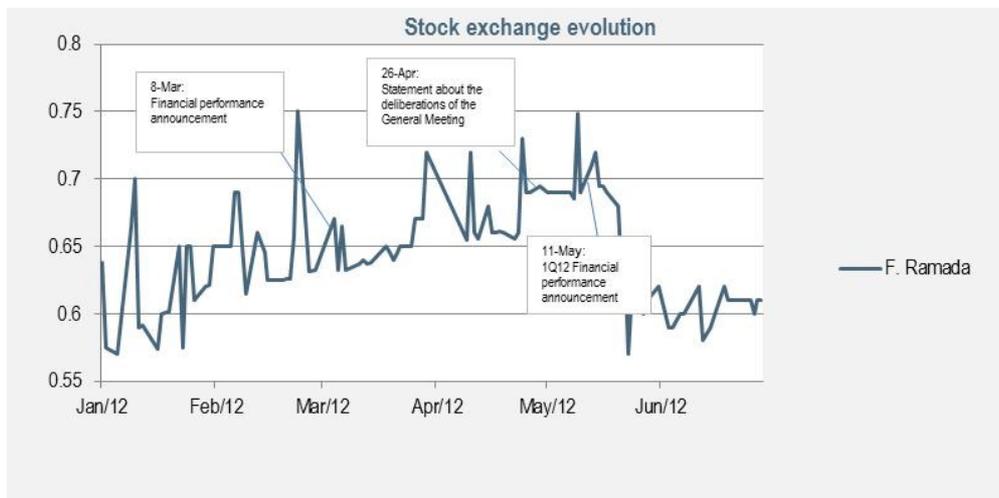
(Note: in order to enable a better comparison of the stock fluctuations, the PSI 20 index has been considered as being equal in value to the opening price of F. Ramada Investimentos' shares.)



The market value of F. Ramada Investimentos closed the first semester of 2012 at 0,61 Euro per share, representing a devaluation of 4,4% over the end of 2011.

During the first semester of 2012, the shares of F. Ramada Investimentos were traded at a maximum price of 0.75 Euro per share and at a minimum of 0.57 Euro per share.

The main events that distinguished the stock price evolution of the Company during the first semester of 2012 May be chronologically described as follows:



- Through the statement made as of 8 March 2012, the Group announced its financial performance for the year 2011, having a consolidated net profit of around 6.4 million Euro, representing an increase of more than 25% over the year 2010. Consolidated EBITDA amounted to around 15 million Euro, representing an increase of 23% over the year 2010;
- In a statement made as of 26 April 2012, F. Ramada Investimentos informed the market about the deliberations of the General Meeting held on that date which approved, among others, the proposed distribution of dividends corresponding to 0.08 Euro per share, on payment as from May 25.
- As of 11 May 2012 F. Ramada Group results for the first quarter of 2012 were communicated to the market, with a net profit of around 1.5 million Euro. Consolidated EBITDA reached 3.7 million Euro, which corresponds to an increase of 4% over the same period of 2011;

### GROUP ACTIVITY

F. Ramada Investimentos was incorporated on June 1, 2008, as a result of a scission process from Altri in accordance with the requirements of article 118º, a) of the Commercial Companies Code, of the autonomous business unit that management of investments in the steel activity and storage systems.

F. Ramada Group is composed by nine companies that, together, develop activity in the industrial and special steel markets, storage systems and management of investment property assets.

In what concerns the steel activity the steel held by F. Ramada – Aços e Indústrias, S.A. are mainly directed to the construction of machines and their components and to the production tools (dies, sharps and molds), having as principal destination markets the manufacture of molds for plastic, components for the automotive industry and capital goods.

Beyond this activity, the Group is also enabled to provide to its customers a wide range of services, among which the heat treatments, where the Company has a deep know-how as well as modern technical and logistical resources.

In what concerns the storage systems activity, the Group represents the guarantee of a deep knowledge in every area of materials storage, from the simplest metallic shelf to the most complex automatic warehouse. Its main customers are companies with logistical activities, as well as agri-food industries, food, pharmaceutical industry, paper and automotive industries.

The turnover of the steel activity presented in the 1st half of 2012 a decrease of 4% compared to the same period of 2011.

The sector of mold makers for plastic pieces continues with strong activity, showing that the automobile sector continues focused in the renovation of its models for the less fossil fuel consumption. However, the financial difficulties felt in this sector have been restricting punctually our sales.

The general mechanic sector, construction of equipment goods and maintenance showed a contraction when compared to 2011.

The thermic treatment business is being highly affected by the increase in the price of the electric energy. We have been implementing a project of reduction in the consumption of energy which will compensate, at least, the growth in the prices.

The stock level continues very controlled as we notice a huge uncertainty relatively to the evolution of the steel price until the end of the year.

The siderurgy continues to force the increase in the prices, but the purchases market remains weak, not allowing this increase.

The delivery deadlines, one of our most important indicators, suffered a significant reduction due to the adjustment of the direct work force teams and the implementation of "Lean Manufacturing" tools.

In the first half of 2012 the turnover of the storage systems business grew more than 7% over the same period of 2011.

The external market continues to be the engine of this activity, going from 80% of the volume of business of the 1st half of 2011 to approximately 85% of the business volume of the 1st semester of 2012.

## BOARD OF DIRECTORS' REPORT – 1<sup>st</sup> SEMESTER 2012

Orders received in the first half of 2012 in the Storage Systems business had a decrease of 18%, compared with the same period in 2011.

### FINANCIAL REVIEW

Consolidated financial information of F. Ramada Investimentos in the first half of 2012, and of its 2011 comparative information, were prepared in accordance with the International Financial Reporting Standards (IFRS), and in accordance with IAS 34 – Interim Financial Reporting.

The main data and indicators for the consolidated operations of the F. Ramada Investimentos Group can be detailed as follows:

	1S 2012	1S 2011	Var. %
Sales and services rendered	55,081	53,971	2.1%
Other income	350	551	-36.5%
<b>Total Income</b>	<b>55,431</b>	<b>54,522</b>	<b>1.7%</b>
Cost of sales	31,557	30,583	3.2%
External supplies and services	8,791	9,060	-3.0%
Payroll expenses	6,469	6,334	2.1%
Other expenses	1,290	1,384	-6.8%
<b>Total Costs (a)</b>	<b>48,107</b>	<b>47,361</b>	<b>1.6%</b>
<b>EBITDA (b)</b>	<b>7,324</b>	<b>7,161</b>	<b>2.3%</b>
<b>EBITDA margin</b>	<b>13.2%</b>	<b>13.1%</b>	
Amortization and depreciation	635	694	-8.5%
<b>EBIT (c)</b>	<b>6,689</b>	<b>6,466</b>	<b>3.4%</b>
<b>EBIT margin</b>	<b>12.1%</b>	<b>11.9%</b>	
Financial Results	(2,334)	(1,949)	-19.7%
<b>Profit before income tax</b>	<b>4,355</b>	<b>4,517</b>	
Income tax	(1,306)	(1,355)	
<b>Consolidated net profit attributable to parent company's shareholders</b>	<b>3,048</b>	<b>3,162</b>	<b>-3.6%</b>

Amounts in thousand Euro

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

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

(c) EBIT = operating results

During the first semester of 2012 Ramada Group's total revenues amounted to 55,431 thousand Euro, thus representing an increase of 1.7% compared to the total revenue for the same period in 2011.

The operating costs without depreciation and amortization, in the amount of 48,107 thousand Euro, present an increase of 1.6% when compared to the 47,361 thousand Euros in the 1st half of 2011.

## BOARD OF DIRECTORS' REPORT – 1<sup>st</sup> SEMESTER 2012

Group's EBITDA in the first semester of 2012 was 7,324 thousand Euro, representing an increase of 2.3% over the same period in 2011. EBITDA margin was 13.2% in the 1st half of 2012, showing a slight growth when compared with the 1<sup>st</sup> half of 2012.

The group EBIT in the 1st semester of 2012, valuing 6,689 thousands of Euros, presents a growth of 3.4% comparing to the same period in 2011. The EBIT margin grew from 11.9% in 2011 to 12.1% in the 1<sup>st</sup> semester of 2012.

The financial results in the value of -2,334 thousands of Euro registered an aggravation of 19.7% comparing to the same period in 2011.

Net income amounted to 3,048 thousand Euro, lower by 3.6% than the net income recorded in June 2011.

According to the origin of the income generated by the F. Ramada Group it were defined two activity segments: i) Industry, which aggregates the activities of special steels and storage systems; and ii) Real estate, which includes the management of the real estate property of the group and forest land which are currently rented.

### Industry

	1S 2012	1S 2011	Variation
Total income	52,056	51,677	0.7%
Total costs (a)	47,146	46,908	0.5%
EBITDA ( b)	4,910	4,769	3.0%
EBITDA margin	9.4%	9.2%	
EBIT (c)	4,474	4,266	4.9%
EBIT margin	8.6%	8.3%	
Financial results	(413)	(343)	-20.5%
Profit before income tax	4,060	3,923	3.5%
Net profit	2,842	2,746	3.5%

(amounts in thousand Euro)

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

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

(c) EBIT = operating results

Total revenues for the industry segment in the first half of 2012 amounted to 52,056 thousand Euro, an increase of 0.7% compared to total revenues for the same period in 2011.

Industry segment EBITDA in the first half of 2012 amounted to 4,910 thousand Euro. In the same period of 2011 was 4,769 thousand Euro, representing an increase of 3.0%.

The Industry segment EBITDA margin increased from 9.2%, in the period from January to June 2011, to 9.4% in the same period of 2012.

Industry Segment EBIT was 4,474 thousand Euro, an increase of 4.9% compared to the 4,266 thousand Euro in the same period in 2011. Industry EBIT margin rose from 8.3%, in the period from January to June 2011, to 8.6% in the same period of 2012.

Net income amounted to 2,842 thousand Euro, higher in 3.5% to the net income recorded in the first half of 2011.

**Real Estate**

	1S 2012	1S 2011	Variation
<b>Total income</b>	3,375	2,845	18.6%
<b>Total costs (a)</b>	961	453	112.2%
<b>EBITDA ( b)</b>	2,413	2,392	0.9%
<b>EBIT (c)</b>	2,215	2,201	0.7%
<b>Financial results</b>	(1,921)	(1,606)	-19.6%
<b>Profit before income tax</b>	295	594	-50.4%
<b>Net profit</b>	206	416	-50.4%

(amounts in thousand Euro)

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

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

(c) EBIT = operating results

Total revenues for the Real Estate segment in the 1st half of 2012 were 3,375 thousand Euro, an increase of 18.6% compared to total revenues for the same period in 2011.

The rents obtained with the long-term renting of the forest land represent more than 90.0% of the total current receipt of the real estate segment.

In the first half of 2012 the Real Estate segment's EBITDA amounted to 2,413 thousand Euro, an increase of 0.9% compared to the 2,392 thousand Euro achieved in the same period in 2011.

The financial results of the Real Estate segment in the 1st half of 2012 were -1,921 thousand Euro, which represents an aggravation of 19.6% comparing to 2011.

Net income for the Real Estate segment amounted to 206 thousand Euro, a decrease of 50.4% compared to the result recorded in the 1st half of 2011, amounting to 416 thousand Euro.

**Investments and debt**

In the first half of 2012 Ramada Group's investments amounted to 380 thousand Euro.

The nominal net debt of the Ramada Group as of 30 June 2012 amounted to 74,401 thousand Euro; as of 31 December 2011 was 79,239 thousand Euro.

**SECOND SEMESTER 2012 OUTLOOK**

The outlook for the evolution of the European market shows a slight slowdown in demand. We anticipate a 2nd semester of 2012 with bigger competitive pressure.

## **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.

At this moment, it is however important to refer that the Annual General Meeting held on 26 May 2011 elected the governing bodies for the 2011/2013 triennium.

The following members of the Board of Directors for the term 2011/2013 were elected:

- João Manuel Matos Borges de Oliveira – President
- Paulo Jorge dos Santos Fernandes – Member
- Pedro Macedo Pinto de Mendonça – Member
- Domingos José Vieira de Matos – Member
- Pedro Miguel Matos Borges de Oliveira – Member
- Ana Rebelo Carvalho Menéres Mendonça Mariz Fernandes – Member

The following members of the Statutory Audit Board were elected:

- João da Silva Natária – President
- Cristina Isabel Linhares Fernandes – Member
- Manuel Tiago Alves Baldaque Marinho Fernandes – Member
- Jacinto da Costa Vilarinho – Substitute

The Statutory Auditor elected for the term 2011/2013 was Deloitte & Associados, SROC S.A., represented by António Manuel Martins Amaral.

## LEGAL MATTERS

### Own Shares

Pursuant to the requirements of article 66 of the Commercial Companies' Code (Código das Sociedades Comerciais), the Directors inform that as of 30 June 2012 F. Ramada Investimentos had no treasury stock and did not acquire or sell any own shares during the year.

### Shares held by the governing bodies of F. Ramada Investimentos

Pursuant to the requirements of article 447 of the Commercial Companies' Code, the F. Ramada Investimentos Directors inform that, as of 30 June 2012, they held the following shares:

João Manuel Matos Borges de Oliveira <sup>(a)</sup>	4,130,721
Paulo Jorge dos Santos Fernandes <sup>(b)</sup>	2,571,973
Pedro Miguel Matos Borges de Oliveira	1,232,072
Domingos José Vieira de Matos	2,495,181
Ana Rebelo de Carvalho Menéres de Mendonça <sup>(c)</sup>	3,710,972
Pedro Macedo Pinto de Mendonça	213,125

<sup>(a)</sup> – the 4,130,721 shares correspond to the total shares of F. Ramada - Investimentos, SGPS, S.A. held by CADERNO AZUL – SGPS, S.A., from which the Director João Manuel Matos Borges de Oliveira is shareholder.

<sup>(b)</sup> – the 2,571,973 shares correspond to the total shares of F. Ramada - Investimentos, SGPS, S.A. held by CAMINHO ABERTO – SGPS, S.A., from which the Director Paulo Jorge dos Santos Fernandes is dominant shareholder.

<sup>(c)</sup> – besides the 1,670,472 shares of F. Ramada - Investimentos, SGPS, S.A., personally held, 2,040,500 shares of F. Ramada - Investimentos, SGPS, S.A. held by PROMENDO – SGPS, S.A. are considered, in legal terms, as attributed to Ana Rebelo de Carvalho Menéres de Mendonça, since she is this company's Director and shareholder, holding 59.6% of its share capital. Therefore, in legal terms, a total of 3,710,972 shares, which correspond to 14.47% of the share capital and voting rights of F. Ramada Investimentos, SGPS, S.A., are attributable to Ana Rebelo de Carvalho Menéres de Mendonça.

As of 30 June 2012, 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, are as follows:

Exceeding 2% of the voting rights	Number of shares held	Direct % of the voting rights
Pedro Miguel Matos Borges de Oliveira	1,232,072	4.80%
Credit Suisse AG	1,186,016	4.63%

## BOARD OF DIRECTORS' REPORT – 1<sup>st</sup> SEMESTER 2012

Exceeding 5% of the voting rights	Number of shares held	Direct % of the voting rights
Domingos José Vieira de Matos	2,495,181	9.73%
PROMENDO - SGPS, S.A. (a)	2,040,500	7.96%
Ana Rebelo de Carvalho Menéres de Mendonça (b)	1,670,472	6.51%

- (a) the 2,040,500 shares of F. Ramada - Investimentos, SGPS, S.A. held by PROMENDO – SGPS, S.A., are, in legal terms, attributable to Ana Rebelo de Carvalho Menéres de Mendonça, shareholder and Director of the company, holding 59.6% of its share capital.
- (b) the 2,040,500 shares of F. Ramada - Investimentos, SGPS, S.A. held by PROMENDO – SGPS, S.A. are equally attributable to Ana Rebelo de Carvalho Menéres de Mendonça, as referred in (a). Therefore, in legal terms, a total of 3,710,972 shares, are attributable to Ana Rebelo de Carvalho Menéres de Mendonça, which corresponds to 14.47% of the share capital and voting rights of F. Ramada - Investimentos, SGPS, S.A.

Exceeding 10% of the voting rights	Number of shares held	Direct % of the voting rights
CAMINHO ABERTO – SGPS, S.A. (a)	2,571,973	10.03%

- (a) the 2,571,973 shares correspond to the total amount of F. Ramada Investimentos shares that are held by CAMINHO ABERTO – SGPS, S.A., from which Director Paulo Jorge dos Santos Fernandes is dominant shareholder.

Exceeding 15% of the voting rights	Number of shares held	Direct % of the voting rights
CADERNO AZUL – SGPS, S.A. (a)	4,130,721	16.11%

- (a) the 4,130,721 shares correspond to the total amount of F. Ramada Investimentos shares that are held by CADERNO AZUL – SGPS, S.A. from which Director João Manuel Matos Borges de Oliveira is shareholder.

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

## **DECLARATION OF RESPONSABILITY**

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 art. No. 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.

## **CLOSING REMARKS**

We do not want to conclude without expressing our gratitude, recognizing the dedication and commitment of the Group's employees. Finally, we also want to express our gratitude for the cooperation provided by the other corporate bodies, which is extended to the financial institutions that interact to us.

Porto, 31 August 2012

### **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

Pedro Macedo Pinto de Mendonça

Ana Rebelo de Carvalho Menéres de Mendonça

**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 half year involving such shares and other securities.

Member of the Board of Directors	Number of shares as of 31-Dec-2011	Aquisitions	Disposals	Number of shares as of 30-Jun-2012
João Manuel Matos Borges de Oliveira (allocation via CADERNO AZUL - SGPS, S.A.)	3.123.412	1.007.309	-	4.130.721
Paulo Jorge dos Santos Fernandes	51.800	-	(51.800)	-
Paulo Jorge dos Santos Fernandes (allocation via CAMINHO ABERTO - SGPS, S.A.)	1.690.222	881.751	-	2.571.973
Domingos José Vieira de Matos	1.782.355	712.826	-	2.495.181
Pedro Miguel Matos Borges de Oliveira	1.232.072	-	-	1.232.072
Ana Rebelo Mendonça Fernandes	1.670.472	-	-	1.670.472
Ana Rebelo Mendonça Fernandes (allocation via PROMENDO - SGPS, S.A.)	2.040.500	-	-	2.040.500
Pedro Macedo Pinto de Mendonça	213.125	-	-	213.125

**João Manuel Matos Borges de Oliveira (Allocation via CADERNO AZUL - SGPS, S.A.)**

Date	Nature	Volume	Price (€)	Location	Number of shares
31-Dec-2011	-	-	-	-	3,123,412
31-Jan-2012	Purchase	750,000	0.650000	NYSE Euronext Lisbon	3,873,412
1-Feb-2012	Purchase	78,824	0.649980	NYSE Euronext Lisbon	3,952,236
1-Feb-2012	Purchase	18,485	0.650000	NYSE Euronext Lisbon	3,970,721
29-Jun-2012	Purchase	160,000	0.610000	NYSE Euronext Lisbon	4,130,721
30-Jun-2012	-	-	-	-	4,130,721

**Paulo Jorge dos Santos Fernandes**

Date	Nature	Volume	Price (€)	Location	Number of shares
31-Dec-2011	-	-	-	-	51,800
31-Jan-2012	Sale	51,800	0.620000	NYSE Euronext Lisbon	-
30-Jun-2012	-	-	-	-	-

**Paulo Jorge dos Santos Fernandes (Allocation via CAMINHO ABERTO - SGPS, S.A.)**

Date	Nature	Volume	Price (€)	Location	Number of shares
31-Dec-2011	-	-	-	-	1,690,222
25-Jan-2012	Purchase	6,501	0.640900	NYSE Euronext Lisbon	1,696,723
31-Jan-2012	Purchase	824,715	0.648200	NYSE Euronext Lisbon	2,521,438
1-Feb-2012	Purchase	26,134	0.636100	NYSE Euronext Lisbon	2,547,572
2-Feb-2012	Purchase	20,000	0.639000	NYSE Euronext Lisbon	2,567,572
3-Feb-2012	Purchase	4,401	0.650000	NYSE Euronext Lisbon	2,571,973
30-Jun-2012	-	-	-	-	2,571,973

**Pedro Macedo Pinto de Mendonça**

Date	Nature	Volume	Price (€)	Location	Number of shares
31-Dec-2011	-	-	-	-	213,125
30-Jun-2012	-	-	-	-	213,125

**Domingos José Vieira de Matos**

Date	Nature	Volume	Price (€)	Location	Number of shares	
31-Dec-2011	-	-	-	-	1,782,355	
1-Feb-2012	Purchase	414,412	0.649980	NYSE Euronext Lisbon	2,196,767	
3-Feb-2012	Purchase	33,476	0.650000	NYSE Euronext Lisbon	2,230,243	
6-Feb-2012	Purchase	102,100	0.650000	NYSE Euronext Lisbon	2,332,343	
7-Feb-2012	Purchase	34,847	0.650000	NYSE Euronext Lisbon	2,367,190	
9-Feb-2012	Purchase	25,898	0.650000	NYSE Euronext Lisbon	2,393,088	
16-Feb-2012	Purchase	2,408	0.625000	NYSE Euronext Lisbon	2,395,496	
20-Feb-2012	Purchase	4,685	0.625000	NYSE Euronext Lisbon	2,400,181	
16-Apr-2012	Purchase	10,000	0.680000	NYSE Euronext Lisbon	2,410,181	
29-Jun-2012	Purchase	85,000	0.610000	NYSE Euronext Lisbon	2,495,181	
30-Jun-2012	-	-	-	-	2,495,181	30-Jun-2012

**Pedro Miguel Matos Borges de Oliveira**

Date	Nature	Volume	Price (€)	Location	Number of shares	
31-Dec-2011	-	-	-	-	1,232,072	
30-Jun-2012	-	-	-	-	1,232,072	30-Jun-2012

**Ana Rebelo de Carvalho Menéres de Mendonça**

Date	Nature	Volume	Price (€)	Location	Number of shares	
31-Dec-2011	-	-	-	-	1,670,472	
30-Jun-2012	-	-	-	-	1,670,472	30-Jun-2012

**Ana Rebelo de Carvalho Menéres de Mendonça (Allocation via PROMENDO - SGPS, S.A.)**

Date	Nature	Volume	Price (€)	Location	Number of shares	
31-Dec-2011	-	-	-	-	2,040,500	
30-Jun-2012	-	-	-	-	2,040,500	30-Jun-2012

**Statement Under the terms of Article 245, paragraph 1, c) of the Securities Code**

The signatories individually declare that, to their knowledge, the Interim Management Report and the 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 (IAS 34), 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 and individual results of F. Ramada Investimentos, SGPS, S.A. and of the companies included in the consolidation perimeter, and contains a description of the major risks and uncertainties that they face.

Porto, 31 August 2012

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João Manuel Matos Borges de Oliveira  
Chairman of the Board of Directors

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Paulo Jorge dos Santos Fernandes  
Member of the Board of Directors

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Domingos José Vieira de Matos  
Member of the Board of Directors

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Pedro Miguel Matos Borges de Oliveira  
Member of the Board of Directors

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Pedro Macedo Pinto de Mendonça  
Member of the Board of Directors

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Ana Rebelo de Carvalho Menéres de Mendonça  
Member of the Board of Directors

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF 30 JUNE 2012 AND 31 DECEMBER 2011**

(Translation of financial statements originally issued in Portuguese - Note 19)

(Amounts expressed in Euro)

<b>ASSETS</b>	<b>Notes</b>	<b>30.06.2012</b>	<b>31.12.2011</b>
<b>NON CURRENT ASSETS:</b>			
Investment properties	6	86.072.721	85.860.729
Tangible assets		4.850.444	5.046.685
Intangible assets		89.811	105.002
Investments available for sale	4	8.442.671	8.198.581
Deferred tax assets	7	1.910.570	1.910.570
<b>Total non current assets</b>		<b>101.366.217</b>	<b>101.121.567</b>
<b>CURRENT ASSETS:</b>			
Inventories		25.498.527	25.445.515
Customers		33.021.556	39.384.208
State and other public entities		1.582.472	1.003.504
Other debtors		1.005.255	603.868
Other current assets		827.819	215.090
Cash and cash equivalents	8	13.030.376	16.112.789
<b>Total current assets</b>		<b>74.966.005</b>	<b>82.764.974</b>
<b>Total assets</b>		<b>176.332.222</b>	<b>183.886.541</b>
<b>SHAREHOLDERS' FUNDS AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
Share capital	9	25.641.459	25.641.459
Legal reserve		5.637.034	5.338.928
Monetary conversion reserves		(540.801)	(619.903)
Other reserves		17.384.335	13.323.943
Consolidated net profit for the period		3.048.164	6.409.814
Total shareholders' funds attributable to the parent company shareholders		51.170.191	50.094.241
Non-controlling interests		-	-
<b>Total Shareholders' funds</b>		<b>51.170.191</b>	<b>50.094.241</b>
<b>LIABILITIES:</b>			
<b>NON CURRENT LIABILITIES</b>			
Bank loans	10	50.732.577	54.421.020
Other non current creditors		46.000	135.309
Provisions	11	698.967	658.848
Deferred tax liabilities	7	81.485	81.485
<b>Total non current liabilities</b>		<b>51.559.029</b>	<b>55.296.662</b>
<b>CURRENT LIABILITIES:</b>			
Bank loans	10	4.692.349	4.072.139
Other loans	10	32.006.845	36.858.492
Derivatives	12	597.587	545.411
Suppliers		16.211.772	15.615.828
State and other public entities		4.094.905	4.728.097
Other creditors		1.648.810	2.238.305
Other current liabilities		14.350.734	14.437.366
<b>Total current liabilities</b>		<b>73.603.002</b>	<b>78.495.638</b>
<b>Total Shareholders' funds and liabilities</b>		<b>176.332.222</b>	<b>183.886.541</b>

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 2012 AND 2011**

(Translation of financial statements originally issued in Portuguese - Note 19)

(Amounts expressed in Euro)

	Notes	SIX MONTHS PERIOD ENDED AS OF		THREE MONTHS PERIOD ENDED AS OF	
		30.06.2012	30.06.2011	30.06.2012	30.06.2011
Sales		50.439.679	48.103.558	24.348.516	25.210.909
Services rendered		4.641.465	5.867.055	2.339.683	3.797.834
Other income		350.033	550.969	124.792	244.417
Cost of sales		(31.556.557)	(30.582.925)	(14.923.753)	(16.577.308)
External supplies and services		(8.791.237)	(9.059.724)	(4.346.434)	(5.006.179)
Payroll expenses		(6.469.323)	(6.333.662)	(3.233.466)	(3.241.126)
Amortization and depreciation		(635.426)	(694.460)	(310.633)	(348.277)
Provisions and impairment losses	11	(676.153)	(682.931)	(332.704)	(521.684)
Other expenses		(613.676)	(701.438)	(340.730)	(300.988)
Profit / (Losses) Derivatives	13	(43.480)	(43.721)	(43.480)	(43.721)
Financial expenses	13	(3.024.543)	(2.175.963)	(1.763.812)	(1.091.881)
Financial income	13	733.737	270.262	681.153	156.022
Profit before income tax		4.354.519	4.517.020	2.199.132	2.278.018
Income tax		(1.306.355)	(1.355.106)	(683.887)	(683.405)
Consolidated net profit		3.048.164	3.161.914	1.515.245	1.594.613
Attributable to:					
Parent company's shareholders		3.048.164	3.161.914	1.515.245	1.594.613
Earnings per share:					
Basic	14	0,12	0,12	0,06	0,06
Diluted	14	0,12	0,12	0,06	0,06

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 COMPREHENSIVE INCOME  
FOR THE SIX AND THREE MONTHS PERIODS ENDED AS OF 30 JUNE 2012 AND 2011**

(Translation of financial statements originally issued in Portuguese - Note 19)  
(Amounts expressed in Euro)

	Notes	<b>SIX MONTHS PERIOD ENDED AS OF</b>		<b>THREE MONTHS PERIOD ENDED AS OF</b>	
		<b>30.06.2012</b>	<b>30.06.2011</b>	<b>30.06.2012</b>	<b>30.06.2011</b>
Net consolidated profit for the period		3.048.164	3.161.914	1.515.245	1.594.613
Exchange differences arising on translation of foreign operations		79.102	(182.821)	75.342	(75.009)
Other comprehensive income for the period		79.102	(182.821)	75.342	(75.009)
Total comprehensive income for the period		<u>3.127.266</u>	<u>2.979.093</u>	<u>1.590.587</u>	<u>1.519.604</u>
Attributable to:					
Parent company's shareholders		3.127.266	2.979.093	1.590.587	1.519.604
Non-controlling interests		-	-	-	-

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 30 JUNE 2012 AND 2011**

(Translation of financial statements originally issued in Portuguese - Note 19)  
(Amounts expressed in Euro)

	Notes	Atributable to the parent company's Shareholders					Total Shareholder's funds
		Share capital	Legal reserve	Monetary conversion reserves	Other reserves and retained earnings	Net profit	
Balance as of 1 January 2011	9	25.641.459	4.971.340	(740.175)	10.183.019	5.113.696	45.169.339
Total comprehensive consolidated income for the period		-	-	(182.821)	-	3.161.914	2.979.093
Appropriation of the consolidated net profit for 2010:							
Transfer to legal reserve and other reserves		-	-	-	5.113.696	(5.113.696)	-
Distributed dividends		-	-	-	(1.794.901)	-	(1.794.901)
Change in reserves:							
Others		-	-	-	189.675	-	189.675
Balance as of 30 June 2011		<u>25.641.459</u>	<u>4.971.340</u>	<u>(922.996)</u>	<u>13.691.489</u>	<u>3.161.914</u>	<u>46.543.206</u>
Balance as of 1 January 2012	9	25.641.459	5.338.928	(619.903)	13.323.943	6.409.814	50.094.241
Total comprehensive consolidated income for the period		-	-	79.102	-	3.048.164	3.127.266
Appropriation of the consolidated net profit for 2011:							
Transfer to legal reserve and other reserves		-	298.106	-	6.111.708	(6.409.814)	-
Distributed dividends		-	-	-	(2.051.317)	-	(2.051.317)
Change in reserves:							
Others		-	-	-	-	-	-
Balance as of 30 June 2012	9	<u>25.641.459</u>	<u>5.637.034</u>	<u>(540.801)</u>	<u>17.384.335</u>	<u>3.048.164</u>	<u>51.170.191</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 AND THREE MONTHS PERIODS ENDED 30 JUNE 2012 AND 2011**

(Translation of financial statements originally issued in Portuguese - Note 19)  
(Amounts expressed in Euro)

	Notes	SIX MONTHS PERIODS ENDED		THREE MONTHS PERIODS ENDED	
		30.06.2012	30.06.2011	30.06.2012	30.06.2011
<b>Operating activities:</b>					
Collections from customers		66.853.606	60.453.572	31.275.087	23.068.515
Payments to suppliers		(42.822.166)	(43.597.458)	(21.161.524)	(19.319.193)
Payments to personnel		(4.769.147)	(4.258.221)	(2.179.978)	(2.244.319)
Other collections/payments relating to operating activities		(5.701.788)	(4.874.219)	(2.073.017)	(1.410.708)
Corporate income tax		(1.729.545)	(167.049)	(1.675.096)	74.610
<i>Cash flow from operating activities (1)</i>		<u>11.830.960</u>	<u>7.556.625</u>	<u>4.185.472</u>	<u>168.905</u>
<b>Investment activities:</b>					
Collections relating to:					
Investments		677.891	-	677.891	-
Tangible assets		8.035	21.605	1.000	20.605
Interest and similar income		90.817	246.164	43.016	134.662
Payments relating to:					
Investments		(1.369.993)	-	(130.739)	-
Investment properties		(211.992)	(4.106.893)	(61.992)	(848.359)
Tangible assets		(496.227)	(363.723)	(153.134)	(126.922)
Intangible assets		(22.422)	-	(14.934)	-
<i>Cash flow from investment activities (2)</i>		<u>(1.323.891)</u>	<u>(4.202.847)</u>	<u>361.108</u>	<u>(820.014)</u>
<b>Financing activities:</b>					
Collections relating to:					
Loans obtained		1.600.000	1.195.047	-	(985.567)
Payments relating to:					
Dividends		(2.051.317)	(1.794.901)	(2.051.317)	(1.794.901)
Lease contracts		-	(16.473)	-	(16.473)
Interest and similar costs		(3.652.304)	(3.309.406)	(694.977)	(715.578)
Loans obtained		(8.958.719)	(4.985.753)	(3.659.234)	500.000
<i>Cash flow from financing activities (3)</i>		<u>(13.062.340)</u>	<u>(8.911.486)</u>	<u>(6.405.528)</u>	<u>(3.012.519)</u>
Cash and cash equivalents at the beginning of the year	8	12.785.230	19.925.742	12.090.533	17.957.328
Effect of exchange rate changes		34.019	(132.563)	32.393	(58.229)
Variation of cash and cash equivalents: (1)+(2)+(3)		(2.555.271)	(5.557.708)	(1.858.948)	(3.663.628)
Cash and cash equivalents at the end of the year	8	<u>10.263.978</u>	<u>14.235.471</u>	<u>10.263.978</u>	<u>14.235.471</u>

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

The Chartered Accountant

The Board of Directors