Director's Report

RAMADA
INVESTIMENTOS

Consolidated accounts

December 31, 2011

INDEX

To the shareholders

Pursuant to the legal requirements, the Board of Directors of F. Ramada Investimentos, SGPS, S.A ("F. Ramada Investimentos") hereby presents its Director's Report for the year 2011. According to number 6 of article 508 - C of the Companies Code, the Board of Directors decided to submit a single Board of Directors' Report, fulfilling all legal requirements.

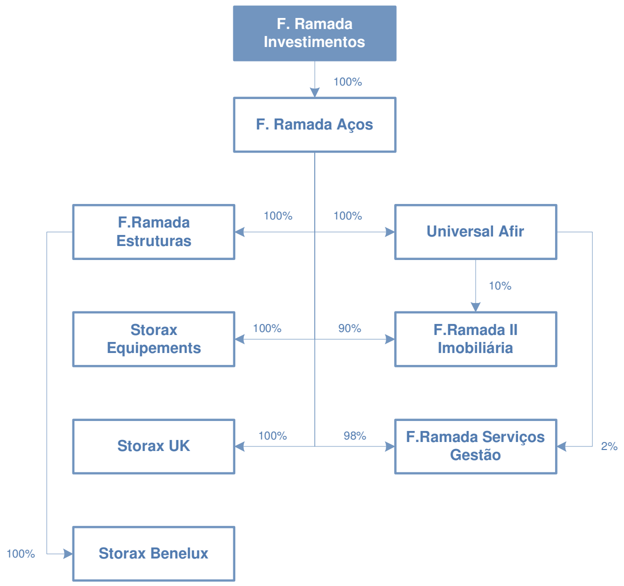
INTRODUCTION

F. Ramada Investimentos was incorporated on the 1st June 2008, as a result of the fission 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 remains with the management of the pulp and paper business unit and proceeded to the formation of 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 stands the subsegment of steel for molds and the storage systems activity. F. Ramada Investimentos also controls F. Ramada II, Imobiliária, S.A., focused on management of property assets.

Steel activity, with a prominent position in the national market, is performed by two companies: F. Ramada Aços and Universal Afir. Storage System activity is performed for 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 United Kingdom and Storax Benelux with Head Office in Belgium.

The ownership structure of F. Ramada Group, as of 31 December 2011, can be presented as follows:



MACROECONOMIC BACKGROUND

As the year 2011 progressed, the perspectives for the world economy, and with particular emphasis on mature economic areas, have become increasingly adverse. The main cause continues to focus on high debt level of these economies, public and private, resulting in external deficits with levels historically not reached.

In the European Union, the GDP growth in 2011 was about 1.6%, slightly lower than 1.9% of growth recorded in 2010. During the year 2011, the growing fear of the European debt crisis had a significant negative impact on the stock markets' performance and in the debt pricing.

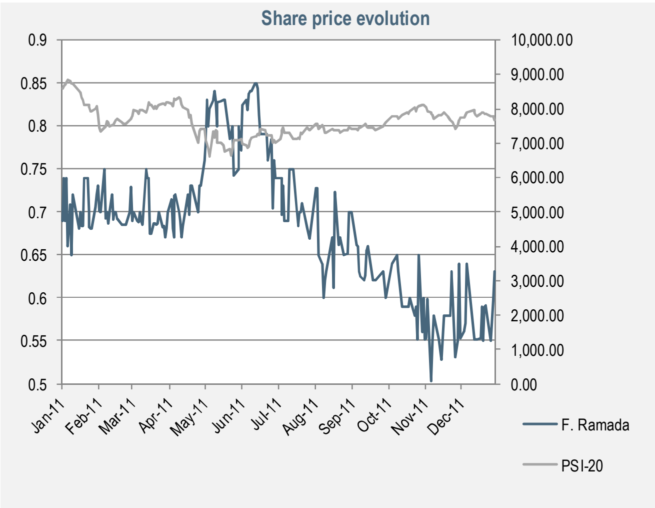
The International Monetary Fund (IMF) forecasts a growth of 3.3% in world GDP in 2012, including a recession scenario for the Euro Area (0.5% decline in GDP), reflecting the impact in the real economy of the measures adopted to overcome the sovereign debt crisis and to deleverage most of the European economies. In a political and economic scenario characterized by uncertainty and volatility, investors have been demanding higher risk premiums, thus maintaining the pressure towards higher funding spreads and falling stock market indices. In the Euro Area, inflation should remain at low levels during 2012 (about 1.5% according to IMF projections) and unemployment should be around 10% (according to the same source).

The implementation of the economic adjustment program by the Portuguese government was the main factor influencing the performance of the Portuguese economy in 2011, with amplified effects in subsequent years. The economic adjustment program includes fiscal and financial measures and structural measures aiming to restore confidence in financial markets and rectify the structural deficit that has characterized the Portuguese economy in recent years. The extent of these measures and its implementation calendar will put significant pressure on disposable income, with the inevitable losses in the level of private consumption and investment.

The most recent estimates of the Portuguese Central Bank (Banco de Portugal) forecast, in the winter economic bulletin, a real fall in GDP of 3.1% in 2012, affected by the decrease of 6% in the private consumption, by 2.9% fall in public consumption and 12.8% on investment. For 2013, the same entity points to a marginal growth of 0.3% of GDP, while stressing the various risks underlying the forecast, mostly in the downward direction.

STOCK EXCHANGE EVOLUTION

The national stock exchange closed the year 2011 losing 28% towards 2010. The start of 2011 in the markets, anticipated a year with promising results, when the PSI-20 index recorded a maximum, early in February. But the final values show that the year was not good for investors, with the main index of NYSE Euronext Lisbon closing negative when comparing with the past year, that had already been negative compared to 2009.

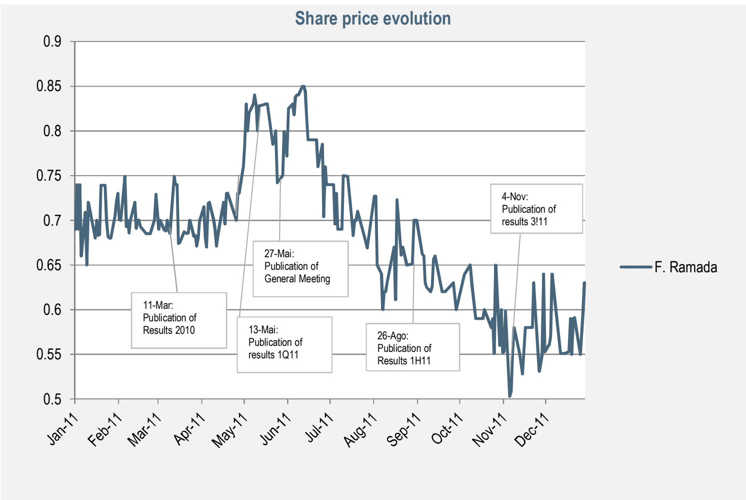


F. Ramada Investimentos' share price was 0.63 Euro per share at the end of 2011, which represents a devaluation of 14% when compared with 2010.

During 2011, F. Ramada Investimentos' shares were traded at a maximum price of 0.85 Euro per share and at a minimum price of 0.503 Euro per share. In total, 762,123 shares of F. Ramada Investimentos were traded in 2011.

<u>F. Ramada Investimentos' stock price evolution</u>

The main events that distinguished the stock price evolution of F. Ramada Investimentos' shares during 2011 may be described chronologically as follows:



- According to the statement made as of 11 March 2011, the Group announced its financial performance for the year 2010, having a consolidated net profit of 5.1 million euro, representing an increase of more than 176% over the year 2009. Consolidated EBITDA amounted to 12.2 million euro, noting an increase of 40.3% when compared with 2009;
- As of 13 May 2011 F. Ramada Group communicated to the market its results relating to the first quarter of 2011, amounting a consolidated net profit of 1.6 million Euro. Consolidated EBITDA reached 3.5 million Euro, which corresponds to a growth of 47% when compared with 2.417 million Euro recorded in the same period in 2010;
- As of 27 May 2011 F. Ramada Investimentos informed the market about the deliberations of the General Meeting held on May 26, 2011, where it was approved, amongst other decisions, the payment of dividends relating to the financial year 2010, amounting to 0.07 euro per share, to be paid as from 21 June.
- As of 26 August 2011, it was communicated to the market the consolidated results of F. Ramada Group related with the first half of 2011, amounting to 3,162 thousand euro. Consolidated EBITDA reached 7.2 million Euro, representing an increase of 33.8% over the same period in 2010;
- Through the statement made as of 4 November 2011, the Group announced its financial performance related to the third quarter of 2011, having a consolidated net profit of 5 million euro, representing an increase of 43% over the same period in 2010. Consolidated EBITDA amounted to 11 million euro, 29.6% higher than the same period in 2010.

GROUP ACTIVITY

F. Ramada Investimentos was incorporated on the 1st June 2008, as a result of a demerger process from Altri regarding point a) of the article 118º of the Commercial Companies Code, of the autonomous business unit that manages the investments on the steel activity and storage systems.

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

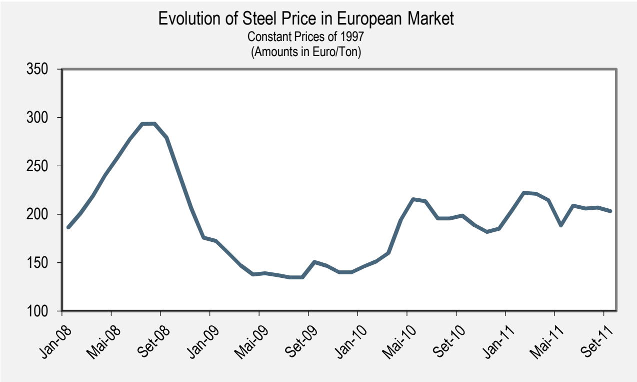
Steel activity processes and sells steel intended mainly to the construction of machines and their components and production tools (dies, sharps and molds), having as principal markets of destination the manufacture of molds for plastic, components for the automotive industry and capital goods.

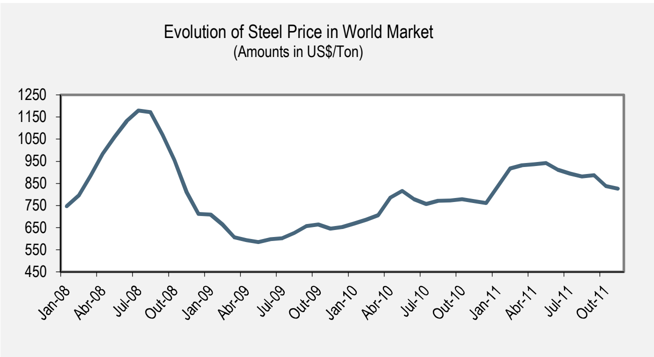
This activity is enabled to provide to its customers a wide range of services, among which the heat treatments, where the Company has a deep know-how as well as modern technical and logistical resources. Thus, the Group supplies all the technical assistance required by its customers, in which has improved on quality, as a strategy, concerning the services rendered and the products that are traded.

The sales in Steel activity grew significantly, driven by the excellent performance of the manufacture of molds and tools, a sector that exports more than 90% of its production.

In the sector of automotive components (Cold-drawn Steel), some shrinkage was felt caused by a reduction of orders and customers in this segment as a result of a more aggressive competition in Spain.

Despite the small oscillations observed in the price of raw materials throughout the year, the figures recorded in December were at the same level of January 2011.





Sales of stainless steel and copper alloys, products whose marketing was started in 2010, still remain at modest levels in the face of strong competition in the market.

Steel activity operates, essentially, in the national market, which represents 97.5% of its sales. Exports increased by 52.1%, with particular relevance to the increase of sales to the Spanish market of products and services related to the molds' sector.

To meet the increased demand, the Company had the need to recruit human resources to productive areas to continue to respond to customer requests and not compromise the delivery.

Industrial equipment was purchased to cut pieces using "Oxycorte" process, to complement our range of steel and parts for Industries of cutting cleats and production of capital goods.

It was also purchased a new machine to cut blocks of steel with a width of up to 2500 mm and weighing up to 40 tons, equipped with the most advanced technology on the market, allowing us to enter new market segments, reducing delivery times and waste.

Relatively to the Storage systems activity, the Group represents the guarantee of a deep knowledge in every areas of materials storage, starting on the simplest metallic shelf and ending on the most complex automatic warehouse. Its main costumers are companies with logistical activities, as well as agri-food industries, food, pharmacy, paper and automobile.

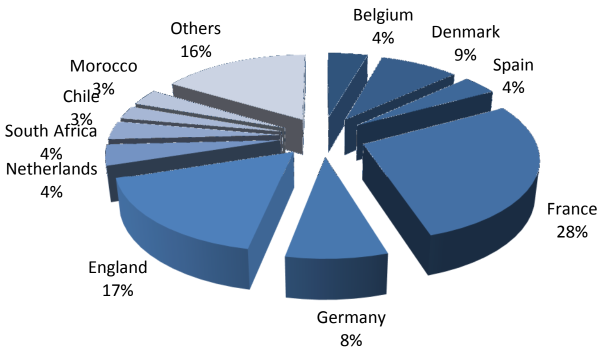
Constant innovation, products with the highest quality and highly skilled technical teams are assured of the success of projects and installations performed by the Group. The turnover of the business of storage systems in 2011 grew over 12% compared with the year 2010.

In 2011 sales to the domestic market grew by 20% resulting from the implementation of large projects in the logistics sector.

The foreign market remains the driving force behind this activity, representing approximately 80% of turnover, Europe being the main destination region.

In 2011 installations were conducted in 55 countries covering virtually every continent, emphasizing the sustainability of the markets of South Africa, Morocco and Algeria.

Distribution by markets of storage systems activity in 2011



In the field of innovation stands out the new system "Ranger Shutle System" which has wide application in the segment of temperature-controlled storage and food processing industry. This new storage solution has contributed significantly to sales growth.

The activity of management of property assets is developed by the company F. Ramada Imobiliária.

Annual rents from the rent of lands for forestry represent more than 90% of total income of F. Ramada Imobiliária.

In 2011, total income of F. Ramada Imobiliária had an increase of 4.2%.

FINANCIAL REVIEW

Consolidated financial information of F. Ramada Investimentos in 2011, and of its comparative year 2010, was prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Main indicators of F. Ramada Group

	2011	2010	Var. %
Sales and services rendered	107,890	90,486	19.2%
Other income	1,178	964	22.1%
Total income	**109,068**	**91,450**	**19.2%**
Cost of sales	60,351	50,356	19.8%
External supplies and services	17,873	15,155	17.9%
Payroll	12,677	11,702	8.3%
Provisions and impairment losses	2,317	766	202.6%
Other costs	859	1,253	-31.4%
Total costs (a)	**94,077**	**79,232**	**18.7%**
EBITDA (b)	**14,992**	**12,217**	**22.7%**
EBITDA margin	**13.7%**	**13.4%**	
Amortization and depreciation	1,406	1,381	1.9%
EBIT (c)	**13,585**	**10,837**	**25.4%**
EBIT margin	**12.5%**	**11.9%**	
Financial expenses	-4,815	-3,603	
Financial income	499	124	
Financial results	**-4,317**	**-3,480**	**24.1%**
Net profit before income tax	**9,269**	**7,357**	
Income tax	-2,859	-2,244	
Net profit attributable to shareholders of parent company	**6,410**	**5,114**	**25.3%**

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 = Operation results

Total income of Ramada Group amounted to 109,068 thousand euro, which corresponds to an increase of 19.2% comparing with total income in 2010.

Total costs, excluding amortisations, financial expenses and tax, in 2011, amounts to 94,077 thousand euro, presenting an increase of 18.7% comparing with 79,232 thousand euro in 2010.

EBITDA reached 14,992 thousand euro, presenting a growth of 22.7% when compared with 2010. EBITDA margin was 13.7%, being 13.4% in 2010.

Group EBIT was of 13,585 thousand euro, presenting a growth of 25.4% compared with 10,837 thousand euro in 2010. EBIT Margin was 12.5%, being 11.9% in 2010.

Financial results amounts to -4,317 thousand euro presenting an increase of 24.1% comparing with 2010.

Group Ramada Net profit reached 6,410 thousand euro, being higher in 25.3% when compared with 2010.

In accordance with income origin generated by F. Ramada Group there were two business activities defined: i) Industry, which includes Special steels activity and the storage systems; ii) Real Estate, focused on management of Group property assets and forest land that are rented.

Industry

	2011	2010	Variação
Total income	102,836	88,112	16.7%
Total costs (a)	92,923	80,878	14.9%
EBITDA (b)	9,913	7,235	37.0%
EBITDA margin	9.6%	8.2%	
EBIT (c)	8,902	6,231	42.9%
EBIT margin	8.7%	7.1%	
Financial results	(909)	(484)	87.7%
Net profit before income tax	7,993	5,747	39.1%
Net profit	5,517	3,932	40.3%

(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 = Operation results

In 2011, operating income of the Indústria segment, amounts to 102,836 thousand euro, presenting an increase of 16.7% comparing with operating income of 2010.

In 2011, Industry segment EBITDA reached to 9,913 thousand euro, presenting a growth of 37.0% compared with 7,235 thousand euro in 2010.

EBITDA margin changed from 8.2% in 2010 to 9.6% in 2011.

Industry segment EBIT amounts to 8,902 thousand euro, presenting a growth of 42.9% when compared with 6,231 thousand euro reached in 2010. EBIT margin changed from 7.1%, in 2010 to 8.7% in 2011.

Net profit amounts to 5,517 thousand euro, higher in 40.3% when compared with net profit in 2010.

Real Estate

	2011	2010	Variação
Total income	6,232	5,980	4.2%
Total costs (a)	1,154	997	15.7%
EBITDA (b)	5,079	4,983	1.9%
EBIT (c)	4,683	4,606	1.7%
Financial results	(3,408)	(2,995)	-13.8%
Net profit before income tax	1,275	1,611	-20.8%
Net profit	893	1,182	-24.4%

(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 = Operation results

In 2011, operating income of the Real Estate segment, amounts to 6,232 thousand euro, presenting an increase of 4.2% comparing with operating income of 2010.

The income obtained from the long-term lease of forest land accounts for more than 90% of total income of the Real Estate segment.

In 2011, Real Estate segment EBITDA amounts to 5,079 thousand euro, presenting an increase of 1.9% compared with 4,983 thousand euro in 2010. Real Estate segment EBIT amounts to 4,683 thousand euro, presenting a growth of 1.7% compared with 4,606 thousand euro in 2010.

Financial results of Real Estate segment, in 2011, amounts to -3,408 thousand euro, presenting a decrease of 13.8% compared with -2,995 thousand euro in 2010.

Real Estate segment Net profit, amounts to 893 thousand euro, presenting a decrease of 24,4% compared with net profit in 2010.

Investments and debt

In 2011, Ramada Group investments amounted to 5,353 thousand euro, 4,200 of which respecting to forest land.

Ramada Group net nominal debt paid, in 31st December 2011, amounted to 79,239 thousand euro.

ACTIVITY DEVELOPED BY THE NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS

During 2011, the non-executive directors of the company have developed regular and effectively the functions that are legally entitled to and which consist in monitoring and evaluating the activities of the executive members.

During the year, the non-executive directors regularly attended the Board of Directors meetings, discussing the matters under consideration and expressing their opinions on the strategic guidelines and the specific business areas. Where necessary, they maintained a close contact with the directors of the Group's operating units. In the year 2011, and during the Board of Directors' meetings, the executive members provided all the information required by the remaining members of the Board of Directors.

2012 OUTLOOK

Special Steel activity is strongly exposed to the automobile components industry, and to the fabrication of plastic molds. For 2012, we admit that market conditions, mostly in the molds activity, will remain high, at least what concerns the 1st semester, mitigating the low activity anticipated in the metal sector.

Storage Systems activity is related with the development and modernization of companies' logistics. In seasons of lower economic growth, there is a lower demand for these storage solutions. The Group foresees that, in 2012, market conditions will not have a significant change, and the activity will remain at the same level as in 2011.

PROPOSAL OF THE BOARD OF DIRECTORS FOR APPROPRIATION OF THE NON-CONSOLIDATED NET PROFIT FOR THE YEAR

F. Ramada Investimentos, SGPS, SA, as holding company of the Group, recorded in its individual financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, a net income of 3,297,958.12 Euro, which, in accordance with the applicable legislation and the Company's articles of association, the Board of Directors proposes to the Shareholders General Meeting its appropriation as follows:

Legal Reserve	164,897.90
Other Reserves	1,081,743.50
Dividends	2,051,316.72

	3,297,958.12
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CORPORATE GOVERNANCE

0. Statement of compliance

0.1. Location where the public may find the Corporate Governance Codes to which the issuer is subject

This report was prepared in accordance with the CMVM Regulation no. 1 / 2010, of 7 January 2010 and the Code of Corporate Governance (Código do Governo das Sociedades), available at www.cmvm.pt, and aims to be the summary of the fundamental aspects of the management of the Company as regards the Board of Directors, considering the need for transparency on this issue and the need for communication with investors and stakeholders. The reporting format adopted by the Company is laid down in article 2 and in Appendix I of that Regulation.

Also fulfilled are the duties of disclosure required by Law 28/2009, of 19 June, articles 447 and 448 of the Commercial Companies' Code (Código das Sociedades Comerciais) and the CMVM Regulation No. 5/2008, of 2 October 2008

0.2. Detailed list of recommendations that have or have not been adopted by F. Ramada Investimentos, SGPS, S.A., which are set out in the CMVM Corporate Governance Code.

A F. Ramada Investimentos, S.G.P.S., S.A. complies with the majority of the recommendations of the Securities Market Commission (Comissão de Mercado de Valores Mobiliários – CMVM) as follows:

CMVM Recommendations	Complies	Report
I. GENERAL MEETING		
I.1 GENERAL MEETING BOARD		
I.1.1. The chairmain of the Board of the Shareholders' General Meeting shall be given adequate human and logistical resources, taking into consideration the financial position of the Company.	Complies	I.1
I.1.2. The Remuneration of the Chairman of the Board of the Shareholders' General Meeting shall be disclosed in the Annual Corporate Governance Report.	Complies	I.3
I.2 PARTICIPATION AT THE MEETING		
I.2.1 The time period required for share deposit or blocking declarations for attendance at the general meeting to be received by the board of the shareholders' general meeting shall not exceed 5 working days.	Not Applicable	I.4
I.2.2 Should the Shareholders' General Meeting be suspended, the Company shall not require share blocking during the full period until the meeting is resumed, but shall apply the same period as for the first session.	Not Applicable	I.5
I.3. VOTING AND EXERCISING VOTING RIGHTS		
I.3.1 Companies should not impose any statutory restriction on postal voting and whenever adopted or admissible, on electronic voting.	Complies	I.9 e I.12
I.3.2 The statutory advance deadline for receiving voting ballots by post shall not exceed three working days.	Complies	I.11
I.3.3 Companies shall ensure that voting rights and shareholder's attendance are proportional, ideally through the statutory provision that obliges the one share-one vote principal. Companies that: i) hold shares that do not confer voting rights; ii)establish that voting rights will not be taken into account above a certain number, when issued by a single shareholder or by shareholders related to him/her, do not comply with the proportionality principle.	Complies	I.6 e I.7
I.4. RESOLUTION FIXING QUORUM		
Companies shall not set a resolution-fixing quorum that is greater than that required by law.	Complies	I.8
I.5. MINUTES AND INFORMATION ON RESOLUTIONS ADOPTED		
Extracts from the minutes of the general meetings or documents with an equivalent content must be made available to shareholders on the company's website within a five day period after the General Meeting has been held, irrespective of the fact that such information may not be classified as material information. The information disclosed shall include the resolutions passed, the capital represented and the results of voting. Said information shall be kept on file on the company's website for no less than a 3 year period.	Complies	I.13 e I.14
I.6. MEASURES RELATING TO CHANGES IN COMPANY CONTROL		
I.6.1 Measures aimed at preventing the success of takeover bids, shall respect the interests of both the company and its shareholders. In accordance with this principle, any company that has Articles of Association with clauses that restrict or limit the number of votes that may be held or exercised by a single shareholder, either individually or acting in concert with other shareholders, shall also require that, at least once every five years, the continuation of such clauses must be ratified at a shareholders' general meeting, at which the quorum shall not exceed the legal minimum and all votes cast shall count, without applying any restriction.	Complies	I.19 e I.21
I.6.2. Defensive measures that automatically lead to serious erosion in the value of the Company's assets, when there has been a change in control or a change in the composition of the Board management, should not be adopted, as this prevents the free transmission of shares and the ability of shareholders to freely assess the performance of those responsible for managing the Company.	Complies	I.20

CMVM Recommendations	Complies	Report
II. MANAGEMENT AND AUDIT BOARDS		
II.1. GENERAL POINTS		
II.1.1. STRUCTURE AND DUTIES		
II.1.1.1 The Board of Directors in its Corporate Governance Report shall assess the governance model adopted by the Company, by identifying any restrictions that are holding back performance and by proposing actions to be taken that are judged to be appropriate to resolve them.	Complies	II.1
II.1.1.2 The company shall set up internal control and risk management systems to protect its assets and maintain the transparency of its corporate governance, which will allow risks to be identified and managed. These systems should include as a minimum the following: i) establishment of the company's strategic objectives relating to risk taking; ii) identification of the main risks related to its business and events that may be the source of risks; iii) the analysis and measurement of the impact and probability of the occurrence of each of the potential risks; iv) risk management, the goal of which is to align risks incurred with the company's strategic choice of direction in dealing with these risks; v) mechanisms for controlling the execution of the risk management measures taken and their effectiveness; vi) implementing internal mechanisms to provide information about the various components of the system and give warning of risks; vii) periodic assessment of the system implemented and the necessary changes introduced.	Fails	0.4 e II.5
II.1.1.3 The board of directors shall ensure the set up and proper functioning of the internal control and risk management systems. The supervisory board shall be responsible for assessing the functioning of said systems and proposing any relevant changes in accordance with the company's requirements.	Complies	II.6
II.1.1.4 The companies shall: i) identify the main economic, financial and legal risk that the company is exposed to during the exercise of its activity; ii) describe the performance and efficiency of the risk management system, in its annual report on corporate governance.	Complies	II.5 e II.9
II.1.1.5 The board of directors and the supervisory board shall have internal operating regulations which must be disclosed on the company's website.	Complies	II.7
II.1.2. INCOMPATIBILITY AND INDEPENDENCE		
II.1.2.1 The board of directors shall include a sufficient number of non-executive members to ensure that there is effective supervision, auditing and assessment of the activities of the members of the executive board.	Complies	II.14
II.1.2.2 Non-executive members shall include an adequate number of independent members, taking into account the size of the company and its shareholder structure, but this shall never be less than one quarter of the total number of board members.	Fails	0.4 e II.14
II.1.2.3 The assessment carried out by the board of directors of the independence of non-executive members shall take into account the legal and regulatory rules in force concerning independence requirements and the system of dealing with conflicts of interest applicable to members of other statutory entities, in order to ensure timely and consistent application of independence criteria across the entire company. An independent executive member shall not be considered as such, if, on another statutory entity and because of the rules applying to it, he/she is not considered to be independent.	Fails	0.4 e II.15
II.1.3. ELIGIBILITY CRITERIA FOR APPOINTMENT		
II.1.3.1 Depending on the governance model adopted, the chairman of the statutory audit board, or of the board audit committee or of the financial matters committee shall be independent and possess the necessary skills to perform his/her duties.	Complies	II.21 e II.22
II.1.3.2 The process for selecting candidates as non-executive members shall be designed to prevent interference by executive members.	Fails	0.4 e II.16
II.1.4. POLICY ON THE REPORTING OF IRREGULARITIES		
II.1.4.1 The company shall adopt a policy on reporting irregularities that allegedly occurred within the company, which includes the following: i) the means through which such irregularities may be reported internally, including the persons who are entitled to receive the reports; ii) how the report is to be handled, including confidential treatment, should this be requested by the reporter.	Fails	0.4 e II.35
II.1.4.2 General guidelines from this policy should be disclosed in the Corporate Governance Report.	Fails	0.4 e II.35
II.1.5. REMUNERATION		
II.1.5.1 The remuneration of the members of the board of directors shall be structured so that their interests can be aligned with the long terminterests of the company. Furthermore, the remuneration shall be based on performance assessment and shall discourage excessive risk taking. Remuneration should thus be structured as follows: i) The remuneration of the board of directors carrying out executive duties shall include a variable element which is determined by a performance assessment carried out by competent bodies of the company, according to pre-established and quantifiable criteria. These criteria shall take into consideration the company's real growth and the actual return generated for shareholders, its long-term sustainability and the risks taken on, as well as compliance with the rules applicable to the company's business. ii) The variable component of the remuneration shall be reasonable overall in relation to the fixed remuneration component and maximum limits shall be set for all components. iii) A significant part of the variable remuneration shall be deferred for a period not less than three years and its payment shall depend of the company's continued positive performance during said period. (iv) Members of the Board of Directors shall not enter into contracts with the company or third parties that will have the effect of mitigating the risk inherent in the variability of the remuneration established by the company. (v) Until the end of their mandates, executive directors shall hold company shares that have been allotted to them by virtue of variable remuneration schemes up to a maximum value of twice their total annual remuneration, with the exception of those shares that are required to be sold for the payment of taxes on the gains made on said shares; (vi) When the variable remuneration includes stock options, the period for exercising same shall be deferred for a period of not less than three years; (vii) The appropriate legal framework shall be established so that in the event of a director's dismissal without due cause, the established compensation shall not be paid out, if the dismissal or termination by agreement is due to his/hers unsatisfactory performance; (viii) The remuneration of non-executive board members shall not include any component the value of which depends on the performance or the value of the company.	Fails	0.4, II.30, II.32 e II.33

CMVM Recommendations	Complies	Report
II.1.5.2 A statement on the remuneration policy of the board of directors and supervisory board referred to in article 2 of law no. 28/2009 of 19 June, shall contain, in addition to the content therein stated, adequate information on: i) which groups of companies the remuneration policy and practices of which were taken as a baseline for setting the remuneration ii) the payments for the dismissal or termination of directors by mutual agreement.	Complies	II.30
II.1.5.3 The remuneration policy statement referred to in Article 2 of Law No. 28/2009 shall also include the remuneration of directors, which contains a significant variable component, within the meaning of Article 248-B/3 of the Securities Code. The statement shall be detailed and the policy presented shall in particular take into account the long-term performance of the company, compliance with the rules applicable to its business and restraint in taking risks.	Complies	II.29
II.1.5.4 A proposal must be submitted to the shareholders' general meeting to approve plans to grant shares and/or share options or award compensation based on variations in share prices to members of the management and audit boards, as well as to other persons discharging managerial responsibilities ("dirigentes") as defined in Article 248 B, paragraph 3 of the Portuguese Securities Code. The proposal shall include all information necessary for a comprehensive assessment of the plan. The proposal shall be presented together with the rules that govern the plan or if these have not yet been prepared, the general conditions that will be applied. In the same way, the main features of any retirement benefit plan that benefits the board of directors and supevisory board, as well as other persons discharging managerial responsibilities ("dirigentes") as defined in Article 248 B, sub-paragraph 3 of the Portuguese Securities Code, shall also be approved at the shareholders' general meeting.	Not Applicable	I.17, II.33 e II.10
II.1.5.6 At least one representative of the shareholders' remuneration committee must be present at the shareholders' annual general meeting.	Complies	I.15
II.1.5.7 The amount of remuneration received, as a whole and individually, in other companies of the group and the pension rights acquired during the financial year in question shall be disclosed in the Annual Report on Corporate Governance	Complies	II.31
II.2. BOARD OF DIRECTORS		
II.2.1 In accordance with the limits established by the Portuguese Companies Act for each board and supervisory entity, and unless the company is of sufficiently small size, the board of directors shall delegate the day-to-day running of the company, and the delegated powers and terms of this delegation should be set out in the corporate governance report.	Fails	0.4 e II.3
II.2.2 The board of directors shall ensure that the company acts in accordance with its stated objectives, and should not delegate its own responsibilities, including: i) definition of the company's strategy and general policies; ii) definition of the corporate structure of the group; iii) decisions that are considered to be strategic due to the amounts, risks and special circumstances involved.	Complies	II.3
II.2.3 Should the chairman of the board of directors have an executive role, the board of directors shall set up efficient mechanisms to coordinate the work of non-executive members, to ensure that they take decisions in an independent and informed manner, and shall also explain these mechanisms to the shareholders in the corporate governance report.	Complies	II.8
II.2.4 The annual management report shall include a description of the activities carried out by non-executive board members and shall, in particular, report any restrictions that they have encountered.	Complies	II.17
II.2.5. The company should explain its policy of portfolio rotation on the board of directors, in particular the person responsible for financial matters, and report on same in the annual corporate governance report.	Fails	0.4 e II.11
II.3. CHIEF EXECUTIVE OFFICER ('CEO'), EXECUTIVE COMMITTEE AND EXECUTIVE BOARD OF DIRECTORS		
II.3.1 When Directors, who carry out executive duties are requested by other Board members to supply infor	Complies	II.8 e II.13
II.3.2 The chairman of the executive committee shall send notices convening meetings and minutes of the respective meetings to the chairman of the board of the directors and, when applicable, to the chairman of the statutory audit board or the audit committee.	Not Applicable	Not applicable because the Company hasn't executive committee.
II.3.3 The chairman of the executive board of directors shall send the notices convening meetings and minutes of the respective meetings to the chairman of the general and supervisory board and to the chairman of the financial matters committee.	Not Applicable	Not applicable because the Company has adopted the reinforced latin model.
II.4. GENERAL AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE, AUDIT COMMITTEE AND STATUTORY AUDIT BOARD		
II.4.1 In addition to fulfilling its audit role, the general and supervisory board shall perform an advisory role, as well as monitor and continually assess the management of the company by the executive board of directors. among the other matters on which the general and supervisory board should give their opinion, are the following: i) definition of the strategy and general policies of the company; ii) the corporate structure of the group; and iii) decisions that are considered to be strategic due to the amounts, risks and special circumstances involved.	Not Applicable	Not applicable because the Company hasn't general and supervisory committee.
II.4.2 The annual reports on the activity of the general and supervisory board, the financial matters committee, the audit committee and the statutory audit board shall be disclosed on the company's website together with the financial statements.	Complies	II.4
II.4.3 The annual reports on the activity of the general and supervisory board, the financial matters committee, the audit committee and the statutory audit board shall include a description of the supervisory and audit work completed and shall, in particular, report any restrictions that they encountered.	Complies	II.4
II.4.4 The general and supervisory board, the audit committee or the statutory audit board (depending on the governance model adopted) shall represent the company, for all purposes, in dealings with the external auditor. this shall include proposing who will provide this service, their respective remuneration, ensuring that the company provides adequate conditions to allow them to provide their services, acting as the point of contact with the company and being the first recipient of their reports.	Complies	II.4
II.4.5 The general and supervisory board, the audit committee or the statutory audit board (depending on the governance model adopted), shall assess the external auditor on an annual basis and propose to the shareholders' general meeting that the external auditor should be discharged, should justifiable grounds exist.	Complies	II.24
II.4.6 the internal audit services and those that ensure compliance with the rules applicable to the company (compliance services) should functionally report to the audit committee, the general and supervisory board or in the case of companies adopting the latin model, to an independent director or to the supervisory board, regardless of the hierarchical relationship that these services have with the executive management of the company.	Fails	0.4 e II.5

CMVM Recommendations	Complies	Report
II.5. SPECIALISED COMMITTEES		
II.5.1 Unless the company is restricted by its size, the board of directors and the general and supervisory board, depending on the governance model adopted, shall set up the necessary committees in order to: i) ensure that a robust and independent assessment of the performance of the executive directors is carried out, as well as of its own overall performance and including the performance of all existing committees; ii) consider the governance system adopted and assess its efficiency and propose to the respective bodies, measures to be implemented to make improvements; iii) and identify in a timely manner potential candidates with the high level profile necessary to carry out the duties of a board director.	Complies	II.36
II.5.2 Members of the Remuneration Committee or alike shall be independent from the Members of the Board of Directors and include at least one member with knowledge and experience in matters of remuneration policy.	Complies	II.38 e II.39
II.5.3. Any person or company which provides or has provided over the last three years services to any organization reporting to the board of directors, to the board of directors itself or which has a relationship currently existing with the consultant to the company, shall not be recruited to assist the remuneration committee. This recommendation also applies to any person or company who is connected to the company through an employment contract or as a provider of services.	Complies	II.39
II.5.4 All Committees shall draw up minutes of the meetings held.	Complies	II.37
III. INFORMATION AND AUDITING		
III.1. GENERAL DISCLOSURE REQUIREMENTS		
III.1.1 companies shall ensure that permanent contact is maintained with the market, upholding the principle of equal treatment for all shareholders and avoiding any asymmetry in the access to information by investors. to achieve this, the company shall set up an investor relations office.	Complies	III.16
III.1.2 The following information disclosed on the company's internet website, shall be available in english: a) the company's name, its listed company status, the registered office and the remaining information set out in article 171 of Portuguese Companies Act; b) articles of association; c) identification of the members of the statutory governing bodies and of the representative for relations with the market; d) investor relations office — its functions and contact details; e) financial statements; f) half-yearly calendar of company events; g) proposals presented to shareholders' general meetings; h) notices convening shareholders' general meetings.	Complies	III.16
III.1.3. Companies shall rotate auditors after two or three mandates of four or three years respectively. If they are to continue beyond this period, the reasoning behind this decision should be written in a specific report prepared by the company's supervisory board in which is expressly considered the degree of independence of the auditors and the advantages and costs of replacing them.	Complies	III.18
III.1.4.The external auditor must, within its powers, verify the implementation of remuneration policies and systems, the efficiency and functioning of internal control mechanisms and report any shortcomings to the company's Supervisory Board.	Complies	II.4
III.1.5. The company shall not recruit the external auditor, nor any related company or other entity that is part of the same network, for services other than audit services. Where recruiting such services is called for, the services involved should not be greater than 30% of the total value of services rendered to the company. The hiring of these services must be approved by the Supervisory Board and must be explained in the annual Corporate Governance Report.	Complies	III.17
IV. CONFLICTS OF INTEREST		
IV.1. SHAREHOLDER RELATIONS		
IV.1.1 In relation to business conducted between the company and shareholders with qualified shareholdings, or entities with which these are related, in accordance with Article 20 of the Securities Code, such business should be conducted on an arm's length basis.	Not Applicable	III.11 e III.12
IV.1.2 Significant business conducted between the company and shareholders with qualified shareholdings, or entities with which theseare related, in accordance with Article 20 of the Securities Code, should be subject to prior comment and opinion by the audit board. This entity must establish the necessary criteria to define the relevant level of significance of the business involved and the scope of its involvement.	Fails	0.4 e III.13

0.3. Notwithstanding the preceding paragraph, the company may also make an overall assessment, provided that it is based on the degree of adoption of recommendation groups related to each other by topics.

F. Ramada Investimentos considers that, notwithstanding the failure to fully comply with the recommendations of CMVM, as explained in detail in the following chapters, the degree of adoption of the recommendations is very ample and complete.

0.4. Explanation of the differences between the corporate governance practices and the CMVM's recommendations.

The recommendations II.1.1.2, II.1.2.2, II.1.2.3, II.1.3.2, II.1.4.1, II.1.4.2, II.1.5.1, II.2.1, II.2.5, II.4.6 and IV.1.2 are not completely adopted by F. Ramada Investimentos, as explained below.

Not adopted Recommendations

- **Recommendation II.1.1.2**: In points II.5. and II.9 of this report the most important aspects of risk management implemented by the Group are described. However, F. Ramada Investimentos does not have a system of internal control and risk management systematized and formalized, covering the components considered in the recommendation and, as such, it is not fully adopted.
- **Recommendations II.1.2.2 and II.1.2.3**: The Board of Directors does not include any member who meets all the rules of incompatibility within the meaning of. 1 of article 414-A and with all the independence rules provided in paragraph. 5 of article 414 of the companies Code ("Código das Sociedades Comerciais") since the non-executive director is a member of the Board of Directors of companies that are affiliates of the Company and is a member of the Board of Directors of more than five companies, so this recommendation isn't fully adopted.
- **Recommendation II.1.3.2**: F. Ramada Investimentos, taking into account the size of the Company, has no defined rules for selecting candidates for non-executive directors and, as such, this recommendation isn't fully adopted.
- **Recommendations II.1.4.1 and II.1.4.2**: F. Ramada Investimentos does not have a formal communication policy for internal irregularities. However, considering the closeness of the members of the Board of Directors to the activities of the several companies of the Group, F. Ramada Investimentos considers that this allows that, whenever irregularities are detected, the Board of Directors is promptly informed, which ensures the implementation of a procedure which handles in an effective and fair way the eventual irregularities that are detected. At the level of expertise in evaluating ethical issues and corporate governance structure, such functions are performed directly by the Board of Directors, which maintains a constant debate on this issue.
- **Recommendation II.1.5.1:** The current remuneration policy proposed by the Remuneration Committee and approved by the General Meeting fails to comply with this recommendation, once the period of deferral of variable remuneration is not consistent with the current mandate of the statutory bodies. This policy shall be subject to appreciation at the Annual General Meeting, containing the necessary modification to the recommendation fulfillment.
- **Recommendation II.2.1**: In general, F. Ramada Investimentos directors, acting as such, focus their activities primarily in the management of the Group's holdings and in the definition of lines for strategic development. The decisions regarding the strategic matters are adopted by Board of Directors as collegial body composed by all its members, executive and non-executive, in their normal duties prosecution. The daily management of operational companies is made by the Directors of each company, which also incorporates some of the directors of F. Ramada Investimentos. Therefore, the recommendation is not fully fulfilled.
- **Recommendation II.2.5**: F. Ramada Investimentos has not defined a fixed general policy of rotation of the functions of the Board of Directors members, including the responsible for the financial area. F. Ramada Investimentos believes that a fixed general policy of rotation of functions does not allow to serve its interests and, as such, the functions are determined and assigned at the beginning of each term in accordance with the abilities, qualifications and experience of each member. F. Ramada Investimentos understands that it is not admissible that all directors may exercise all the functions with equal ability and performance. Additionally, F. Ramada Investimentos promotes, where necessary or appropriate, according with business and strategy developments of the Company, a reflection on the distribution of functions within its Board of Directors.
- **Recommendation II.4.6**: A F. Ramada Investimentos has no independent internal audit and compliance services, so the recommendation is not fully adopted.

- **Recommendation IV.1.2**: Currently, procedures or criteria are established for defining the relevant level of significance of businesses between the company and holders of qualified holdings or entities that are in a group or dominance relationship, from which the intervention is required from the statutory board. However, transactions with F. Ramada Investimentos directors or with companies that are in a group or dominance relationship, in which the actor is a director, regardless of the amount, are subject to prior approval of the Board of Directors, with a favourable opinion of the statutory board, under article 397º of the Commercial Companies' Code ("Código das Sociedades Comerciais").

I. General meeting

I.1. Identification of the members of the Presiding Board to the General Meeting

The General Meeting, is made up of all the shareholders with voting rights, who are responsible for approving changes in the articles of association, making a general assessment of the Management and supervision of the Company, approving the Directors' Report and financial statements for the year, electing the members of the corporate bodies of its competence and, in general, considering all the matters submitted by the Board of Directors.

The President of the General Meeting is Dr. Pedro Nuno Fernandes de Sá Pessanha da Costa and the secretary is Dr. Fernando Eugénio Cerqueira Magro Ferreira.

The President of the Shareholders' General Meeting has the manpower and logistical support that are appropriate to his needs and to fulfil his duties, including the support and collaboration provided by the secretariat of the company and the Secretary of the Company.

I.2. Indication of the start and end dates of mandates.

The current members of the Presiding Board of F. Ramada Investimentos´ General Meeting were elected at the General Meeting held on 26 May 201 for the period 2011/2013.

I.3. Details of the remuneration of the Chairman of the Presiding Board to the General Meeting.

The remuneration of the Chairman of the Presiding Board of the General Meeting in the year ended as of 31 December 2011 was 5,000 Euro.

I.4 Indication of the prior notice required for the blocking of shares for participation in the General Meeting.

Considering the publication of the Decree Law no. 49/2010, of 19 May, this recommendation is no longer applicable.

I.5 Indication of the rules for blocking shares in the event of the General Meeting being suspended.

Considering the publication of the Decree Law no. 49/2010, of 19 May, this recommendation is no longer applicable.

I.6. Number of shares corresponding to one vote.

The General Meeting is composed by all shareholders with voting right, corresponding one vote to each share.

I.7. Indication of the articles of association rules which envisage the existence of shares that do not confer voting rights or which enable voting rights over a certain number not to be counted, when issued by a single shareholder or shareholders related thereto.

There are no articles of association rules which envisage the existence of shares that do not confer voting rights or which enable voting rights over a certain number not to be counted, when issued by a single shareholder or shareholders related thereto.

I.8. The existence of articles of association rules on the exercise of voting rights, including constitutive and decision-making quorums or systems for equity rights.

Individual shareholders with voting rights and legal persons who are shareholders of the Company may be represented by the person who designated for that purpose. The representation should be communicated to the

President of the General Meeting, in writing, until 5 p.m. of the fifth working day prior to the day assigned for the meeting of the General Meeting. The Company makes available at its headquarters and at its website before the date of each General Meeting, a draft of the appropriate form.

F Ramada Investimentos' articles do not contemplate any constituent or deliberative quorum higher than that considered by law.

I.9. The existence of articles of association rules on the exercise of voting rights via postal voting.

The association rules on the exercise of voting rights via postal voting are as follows:

- the vote by correspondence should be exercised through a written declaration, with a signature recognized by a public notary or an attorney and accompanied by a document supporting the registration of shares on behalf of the shareholder;
- the declaration of intent to exercise the vote by correspondence and the supporting document of the quality of shareholder must be delivered in the Company's headquarters, , until the end of the third working day prior to the day assigned for the meeting, with identification of the remittent, addressed to the Chairman of the General Shareholders' Meeting;
- there must be a declaration of vote for each point of the Order of the Day for which the vote by correspondence is admitted and each declaration of vote will have to be sent in a closed and sealed envelope, inside the mentioned letter, which can only be opened by the Chairman of the General Shareholders' Meeting at the moment of the counting of the votes, for what each envelope will have to indicate in its exterior the point of the Order of the Day that it respects to;
- the votes by correspondence will be valid as negative votes in relation to the proposals of deliberation presented after the issuance of the vote;
- the presence of the shareholder in the General Meeting, or its representative, will be understood as revocation of its vote by correspondence.

I.10. Providing a model for the right to vote by correspondence

To exercise voting rights by correspondence, ballots are made available to shareholders at the Company´s headquarters. These may also be obtained through the Company's website.

I.11. Deadline requirement for the receipt of the postal ballots and the date on which the General Meeting is held

According with the articles of association, the declaration of intent to exercise the vote by correspondence and the supporting document of the quality of shareholder must be delivered in the Company's headquarters, , until the end of the third working day prior to the day assigned for the meeting, with identification of the remittent, addressed to the Chairman of the General Shareholders' Meeting.

I.12. The exercise of voting rights by electronic means

It is still not possible to exercise voting rights by electronic means.

I.13. Possibility of shareholders gaining access to excerpts of the Minutes of the General Meetings in the company's website within five days after the general meeting was held.

Extracts of the minutes of general meetings are made available to shareholders on the F. Ramada Investimentos' website within five days after the meeting.

I.14. Existence of a historical record on the company's website with the resolutions passed at the company's General Meetings, share capital and voting results referring to the previous three years.

The minutes of the General Meeting are made available to shareholders in F. Ramada Investimentos' website, being held there a historical record for at least three years, the main information regarding these meetings, including resolutions, the capital represented and the voting results.

I.15. Indication of the representative(s) from the remuneration committee present at General Meetings.

It is the practice of the Remuneration Committee to be represented in the General Meeting by its President and one of its members.

I.16. Information of the intervention of the General Meeting on matters concerning the company's remuneration policy and the assessment of the performance of the members of the Board of Directors and other Directors.

According to the articles of association, the board members will have remunerations that will be set by the Remuneration Committee, composed by three elements, one of whom will be the president and will have casting vote, all elected by resolution of shareholders under Article 21 of the articles of association. The Remuneration Committee submits this proposal for approval at the Annual General Meeting.

The remuneration policy is reviewed on an annual basis and submitted for approval at the Annual General Meeting where, at least, one representative of the Remuneration Committee is present.

At the General Meeting occurred in 26 May 2011, a statement of the Remuneration Committee about the remuneration policy of F. Ramada Investimentos and remaining group subsidiaries administration and supervision boards was submitted for appreciation to the Shareholders of the Company.

I.17. Information of the intervention of the General Meeting on matters concerning the proposal on the share allocation plan, and/or stock option plans, or based on share price fluctuations, the members of the Board of Directors, Supervisory Board and other Directors, within the meaning of Article 248-B/3 of the Securities Code together with the details provided to the General Meeting for the purposes of correctly assessing said plans.

F. Ramada Investimentos, S.G.P.S., S.A. does not have any plan to grant shares or stock option plans to purchase shares to members of Corporate Bodies, or employees.

I.18. Information of the intervention of the General Meeting on matters concerning the approval of the main features of the retirement benefit system as enjoyed by the members of the Board of Directors, Supervisory Board and other Directors, within the meaning of Article 248-B/3 of the Securities Code.

F. Ramada Investimentos, S.G.P.S., S.A. does not have any complementary pension plan/scheme or early pension plans for the benefit of the members of the administrative, supervisory boards and other leaders, nor has any other relevant non-monetary benefit.

I. I.19. Existence of statutory provision that envisages for a duty to be subject, at least every five years, to a resolution by the General Meeting, for the maintenance or withdrawal of the statutory provision providing for the limitation of the number of votes capable of being held or exercised by a single shareholder individually or together with other shareholders.

There are no association rules that provide the limitation of the number of votes capable of holding or exercising by a single shareholder in an individually or in concert with other shareholders.

I.20. Indication of the defensive measures that have the effect of automatically causing a serious asset erosion of company´s assets in case of transfer of control or changes to the composition of the Board of Directors.

F. Ramada Investimentos has not adopted any defensive measures that intended to provoke automatically serious erosion in the Company's assets in case of change of control or of the composition of the Management Board.

I.21. Important agreements to which the company is a party and that come into force, are changed or terminated in cases such as a change in company control, and also related outcome, unless the disclosure of same, due to its nature, is highly damaging to the company and except when the company is specifically obliged to disclose said information by virtue of other legal requirements.

There are no significant agreements concluded by F. Ramada Investimentos that include any clauses of control change (including following a takeover bid), that is, which take effect, be changed or finished, well as their effects. There are also no specific conditions that limit the exercise of voting rights by shareholders of the Company or other matters that may interfere with the success of takeover bids.

I.22. Agreements between the company and the Board of Directors, within the meaning of Article 248-B/3 of the Securities Code, that provide for compensation in cases of dismissal, unfair dismissal or termination of employment following a change in company control.

There are no agreements, between the Company and members of the board of directors or other directors, in what relates to the meaning of paragraph 3 of Article 248. º-B of the Securities Code, which provide compensations in case of resignation, dismissal without cause or termination of employment contract following a change in company´s control. There aren't also planned agreements with directors to ensure any compensation in case of non-renewal of the mandate.

II. Management and Audit Boards

II.1. Identification and composition of corporate bodies.

The structure of the Company's Corporate Governance is based on the latin model and is composed by the Board of Directors, Statutory Audit Board and by the Statutory Auditors, all elected by the Shareholders General Meeting.

The corporate bodies of F. Ramada Investimentos, S.G.P.S., S.A. are:

- The Shareholders' General Meeting – made up of all the shareholders with voting rights, who are responsible for approving changes in the articles of association, making a general assessment of the Management and monitoring/supervision of the Company, approving the Directors' Report and financial statements for the year, electing the members of the corporate bodies of its competence and, in general, deliberate on all the matters submitted to it by the Board of Directors.

- The Board of Directors – currently made up of 6 members who are responsible for carrying out all the management functions to implement the operations inherent to its corporate objectives, acting in the best interests of the Company, its shareholders and employees. As of 31 December 2011 this corporate body was composed of the following members:
    - João Manuel Matos Borges de Oliveira – President
    - Paulo Jorge dos Santos Fernandes – Member
    - Domingos José Vieira de Matos – Member
    - Pedro Miguel Matos Borges de Oliveira – Member
    - Pedro Macedo Pinto de Mendonça – Member (non executive)
    - Ana Rebelo de Carvalho Meneres de Mendonça Mariz Fernandes – Member (non executive)

  Four current members of the Board of Directors were appointed at the General Meeting held on 1 June 2008, and two of them were appointed at the General Meeting held on 27 May 2009 (Ana Rebelo Mendonça Fernandes and Pedro Miguel Matos Borges de Oliveira).

  All current members were re-elected on May 26, 2011 for the triennium 2011/2013

  Of the current members of the Board of Directors, of F. Ramada Investimentos S.G.P.S., S.A., two perform non-executive functions.

- Statutory Audit Board – appointed by the General Assembly, composed of three members and one or two substitutes, responsible for the supervision of the company and the appointment of the Statutory Auditor. In the period 2011/2013 this corporate body was composed by the following members:
    - João da Silva Natária – President
    - Cristina Isabel Linhares Fernandes – Member
    - Manuel Tiago Alves Baldaque Marinho Fernandes – Member
    - Jacinto Costa Vilarinho – Substitute

- The Statutory Auditor – who is responsible for the examination of the Company's financial statements. In the period 2011/2013 this function was performed by Deloitte & Associados, SROC S.A. represented by António Manuel Martins Amaral.

Evaluation of the Board of Directors on corporate governance model

F. Ramada Investimentos' Board of Directors considers that the governance model adopted is fully and effectively implemented, as well as rooted in the Company's culture, and there are no constraints in its operation.

In addition, the current governance model has proved to be balanced and permeable to the adoption of national and international best practices on corporate governance.

Finally, it is also understood that this structure of corporate government has allowed the smooth operation of the Company, allowing also an appropriate and transparent dialogue between the various corporate bodies and, as well as between the Company, its shareholders and other stakeholders

II.2. Identification and composition of specialized committees established with responsibilities in administration or supervision of the company.

The Board of Directors believes that the only committee to meet the essential needs of the Company, considering its size, is the Remuneration Committee.

F. Ramada Investimentos, SGPS, SA has set a Remuneration Committee for the period 2011/2013, whose composition is as follows:

- Pedro Nuno Fernandes de Sá Pessanha da Costa – President
- João Natária da Silva – Member
- Fernando Eugénio Cerqueira Magro Ferreira – Member

II.3. Organizational structure and functional chart relating to the division of powers among the various boards, committees and/or departments within the company, including information on the scope of the delegation of powers, particularly with regard to the delegation of day-to-day management of the company, or distribution of functions among the members of the Board of Directors or Supervisory Board, and a list of non-delegable matters and powers actually delegated.

The Board of Directors, elected in the Shareholders' General Meeting, develops its tasks on a collective basis with the functions of management and coordination of the Group companies and is currently made up of a president and fiver members, two of them being non-executive.

Four of the current six members of F. Ramada Investimentos's Board of Directors play executive functions.

The Board has been exercising its activity in constant dialogue with the Statutory Audit Board and the Statutory Auditor, providing the requested assistance with transparency and rigor, in compliance with the operating regulations and the best practices of corporate governance.

The Board has been exercising its activity in constant dialogue with the Statutory Audit Board and the Statutory Auditor, providing the requested assistance with transparency and rigor, in compliance with the operating regulations and the best practices of corporate governance.

Because F. Ramada Investimentos is an Open Society, the Board of Directors and its employees have a great deal of attention in fulfilling the duties of confidentiality in dealings with third parties, protecting F. Ramada Investimentos´s position in conflict of interest situations.

There is no limit to the maximum number of duties/functions that the Board members can accumulate in the administration bodies of other companies. The members of F. Ramada Investimentos' Board of Directors are part of the administration of the most significant group companies, so as to enable their activities to be more closely accompanied.

In terms of internal control, operating companies of F. Ramada Investimentos Group have management control bodies that are active at all levels of the affiliated companies, preparing monthly reports to each Board of Directors.

The distribution of functions among the several members of the Board of Directors may be presented as follows:

João Borges de Oliveira
(President)

Paulo Fernandes
Domingos Matos
Pedro Borges de Oliveira
Pedro Mendonça
Ana Rebelo Fernandes
(members of BD)

Generically, F. Ramada Investimentos' directors focus their activities in managing the Group's participations and defining the strategic development milestones. F. Ramada has not designated a Board of Directors' Executive Committee. The decisions regarding strategic decisions are adopted by the Board of Directors as a collegial organ composed by all its members, executive and non-executive, in their normal duties prosecution.

The daily management of each operating company is a responsibility of each respective Board of Directors, which includes some of F. Ramada Investimentos' directors but also some other members with defined duties and competencies.

The qualifications, experience and positions held in other Companies by the members of the Board of Directors are presented in Appendix I.

II.4. Reference to the annual reports on the activities undertaken by the General and Supervisory Board, the Financial Board, the Audit Board and the Supervisory Board including the description of the supervisory activity and indicating any restraints found, and being subject to disclosure on the website of the company, together with the financial statements.

The supervision of the Company is competence of the Statutory Audit Board and of the Statutory Auditors, being the Statutory Audit Board composed by three members and one substitute. Under proposal of the Statutory Audit Board, the General Meeting appoints the Statutory Auditor to examine the Company´s accounts.

The Statutory Audit Board should also represent the Company for all purposes with the External Auditor and Statutory Auditor, being responsible for proposing the provider of these services, the respective remuneration and ensuring that, within the company, suitable conditions to provide these services are guaranteed.

In 2011, the Statutory Audit Board has exercised its supervisory powers, having received the appropriate support from the Board of Directors for that purpose, namely to the preparation of its annual report on the supervision of the Company and an opinion on the Board of Directors report and proposals. The annual reports on the supervisory activity by the Statutory Audit Board are disclosed in the Company's website, together with the Company's accounts

During 2011, the Statutory Auditors monitored the development of the company´s activity and carried out the tests and inspections deemed necessary to review and issue the legal certification of accounts, in interaction with the Statutory Audit Board and with full cooperation of the Board of Directors.

In addition, the Statutory Auditors pronounced itself over the work carried out in 2011 under its annual audit report, subject to assessment of the Annual General Shareholders Meeting.

II.5. Description of the systems of internal control and risk management implemented in the company, particularly as regards the process of financial reporting, to the operation of this system and its effectiveness.

Risk management is a pillar of Corporate Governance, being present in every management processes, being a responsibility of all Group employees, at every organization levels.

Risk management is developed aiming to create value, through management and control of opportunities and threats which may affect business objectives and Group companies, in a perspective of business continuity.

F. Ramada Investimentos has no autonomous internal audit services and compliance. Risk management is ensured by the several F. Ramada Investimentos' operating units, based on a preliminary identification and prioritization of critical risks, by developing risk management strategies in order to implement control procedures considered appropriate to reduce the risk to an acceptable level. The administration believes it is essential to implement systems to:

- Identify the risks that the Group faces.
- Measure the impact on financial performance and the value of the Group.
- Compare the value at risk with the costs of hedging instruments, if available.
- Monitor developments in the identified risks and the hedging instruments.

The risk management strategies adopted are intended to ensure that:

- Systems and control procedures and policies in place allow an appropriate response to the expectations of the management bodies, shareholders and other stakeholders;
- Systems and control procedures and policies are established in accordance with all applicable laws and regulations;
- The financial and operational information is complete, reliable, safe and reported on a regular and timely manner;
- F. Ramada Investimentos' resources are used efficiently and rationally;
- The shareholder value is maximized and operational management takes the necessary measures to correct issues reported.

In what refers to risk control in the process of disclosure of financial information, a form of control is the involvement of a very limited number of Group employees in the process. All involved in financial analysis are considered as having access to privileged information, and is especially knowledgeable about the content of their obligations as well as the sanctions resulting from the misuse of such information.

The internal rules of disclosure of financial information are designed to ensure its timeliness and prevent the asymmetry of market knowledge.

The existence of an effective internal control environment, particularly in the financial reporting process is an objective and commitment of the Board of Directors, looking to identify and improve the most relevant processes in terms of preparation and dissemination of financial information, with the objectives of transparency, reliability and materiality. The purpose of the internal control system is to ensure the reliability of the preparation of financial statements in accordance with the accounting principles used and the quality of financial reporting result. The reliability of the financial information is ensured by the separation between those who prepare it and those who use it, and through various control procedures throughout the preparation and disclosure process.

The system of internal control in areas of accounting and preparation and disclosure of financial information is based in the following key elements:

- The use of accounting principles, detailed throughout the notes to the financial statements, is one of the basis of the control system;
- Plans, procedures and records of the Company and its subsidiaries provide reasonable assurance that transactions are only recorded if properly authorized and that such transactions are recorded in accordance with generally accepted accounting principles;
- Financial information is analyzed in a systematic and regular basis by the management of operational units, ensuring a permanent monitoring and a budget control;

- During the process of preparing and reviewing financial information, a timetable for accounts closure is previously established and shared with the different areas involved, and all documents are reviewed in depth;
- At the level of the individual financial statements of the various group companies, the accounting records and the preparation of financial statements are provided by administrative and accounting services. The financial statements are prepared by the official chartered accountants and reviewed by the financial management of each subsidiary;
- The consolidated financial statements are prepared quarterly by consolidation staff. This process is an additional element of monitoring the reliability of financial reporting, particularly by ensuring the uniform application of accounting principles and procedures for cut-off of operations as well as the checking of balances and transactions between group companies;
- The consolidated financial statements are prepared under the supervision of the Board of Directors. The documents forming the annual report are sent for review and approval by the Board of Directors. After approval, the documents are sent to the External Auditor, who issues its Statutory Audit and Auditor's Report;
- The process of preparing the financial information and consolidated management report is overseen by the Statutory Audit Board and by the Board of Directors. Each quarter, these corporate bodies gather and analyze the Company's consolidated financial statements.

As regards to risk factors that could materially affect the accounting and financial reporting, we highlight the use of accounting estimates that are based on the best available information during the preparation of the financial statements as well as the knowledge and experience of past or present events. We also stress the balances and transactions with related parties: within F. Ramada Investimentos Group, balances and transactions with related parties relate essentially to normal operating activities of the group companies, as well as to granting and obtaining loans at market rates.

II.6. Responsibility of the board and the supervisory body in the creation and operation of internal control and risk management of the company, as well as evaluating the functioning and adjustment to company's needs.

The Statutory Audit Board is responsible for preparing an annual report on its activity and to give an opinion on the annual report and proposals presented by management and to monitor the effectiveness of risk management and internal control.

The Board of Directors decides the level of exposure assumed by the group in its various activities and, without prejudice to the delegation of tasks and responsibilities, sets overall limits of risk and ensures that policies and procedures for risk management are followed.

In monitoring the risk management process, the Board of Directors, as a body responsible for the F. Ramada Investimentos' strategy, has the following objectives and responsibilities framework:

- Know the most significant risks affecting the group;
- Ensure the existence within the Group, of appropriate levels of knowledge of the risks affecting the operations and how to manage them;
- Ensure the dissemination of the risk management strategy at all levels;
- Ensure that the Group is able to minimize the likelihood and impact of risks in the business;
- Ensure that the risk management process is adequate and that it maintains a close monitoring of risks with a probability of occurrence and impact in the group´s operations.

The subsidiaries manage their own risks, within the established criteria and delegations.

The Board of Directors, in conjunction with the Statutory Audit Board, regularly reviews and oversees the preparation and disclosure of financial information, in order to prevent access, improper and untimely, to other persons of relevant information.

II.7. Indication of the existence of regulations on the functioning of the companies bodies, or other rules relating to incompatibility and the maximum number of positions and the place where they can be consulted.

The Board of Directors and the Statutory Audit Board approved the respective regulations that are available in F. Ramada Investimentos's website.

The rules governing the appointment and replacement of members of the administration and supervision bodies are the ones established by the Commercial Companies Code ("Código das Sociedades Comerciais"), there being no specific statutory rules on this matter. Additionally, there is no specific rule regarding the maximum number of cumulative duties.

II.8. In the event of the Board of Directors' Chairman carrying out an executive role, an indication of the mechanisms coordinating the tasks of non-executive members in order to ensure independence and notification of decisions.

To allow the non-executive directors an independent and informed decision, the Company has the following mechanisms:

- Notices of meetings of the Board of Directors shall include the agenda, even tentatively, of the meeting, and should be accompanied by all the relevant information and documentation;
- Directors have ample powers to obtain information on any aspect of the Company, to examine its books, records, documents and other records of operations, to avoid imbalances in the Company's management, the exercise of the powers of information should be channelled through the Chairman of the Board or though the CFO.

Additionally, it is Company's practice to include the non-executive directors in the meetings of the Board.

II.9. Identification of the major economic, financial and legal risks to which the company is exposed in pursuing its business activity.

The Board of Directors considers that the Group is exposed to the normal risks associated with its operations, namely in its operating units. Therefore, the main risks considered by the Group are:

<u>Credit Risk</u>

Like every activity involving a commercial component, credit risk is one key factor that is considered by the Board of Directors on operating units. This risk is firstly monitored and controlled through a system for collecting financial and qualitative information, provided by entities that provide credible risk information, which allows customers to evaluate the feasibility of the fulfilment of their obligations, in order to minimize the risk associated with granting credit. Credit risk evaluation is done on a regular basis, by analyzing the current economic environment conditions, in particular the credit situation of each company and, when necessary, adopting the corrective measures.

<u>Market Risk</u>

Interest Rate Risk

Considering the Group's debt, possible variations on the interest rate may have an unwanted impact on the results. Therefore, the Group adopts a balanced position between the cost of the debt and its exposure to the interest rate variability. When the reasonable risk is exceeded, the Group engages in interest rate swap contracts in order to reduce its exposure to risk and to restrict the potential volatility of results.

Exchange Rate Risk

The Company has transactions with non-resident companies and having a different currency from Euro. Thus, every time that it is considered necessary to reduce the volatility of its net income, Group hedges its exposure to exchange rate variation, through the use of financial derivatives.

Risk of variability in commodities prices

By developing its activity in a sector that trades commodities (steel), the Group is particularly exposed to price variations, with the corresponding impacts on its net income. Thus, when it is necessary to reduce this impact on its results, Group may hedge its exposure to variability in prices through the use of financial derivatives.

Liquidity Risk

Liquidity risk can occur if the sources of financing, such as operating cash flows of disinvestment, credit lines and cash flows from operations obtained do not meet the financing needs, such as cash outputs for operating activities and financing, investment, return on shareholders and reimbursement of debt.

The main objective of liquidity risk management policy is to ensure that the Group has available at all times, the necessary financial resources to meet their responsibilities and to pursue the strategies outlined, honoring all its commitments to third parties through a proper management of the maturity of the financing.

The Group adopts an active strategy of refinancing guided by the maintenance of a high level of immediately available funds to meet short term needs and extension or maintenance of debt maturities in accordance with the cash flows provided and the ability to leverage its balance sheet.

II.10. Powers of the Board of Directors, particularly with regard to resolutions concerning capital increase.

The Board of Directors has broad powers to manage and represent the company and to carry out all operations relating to the implementation of its social object, namely:

- To acquire, dispose of and encumber any movable asset, including vehicles and, considering the legal limits, property;
- To acquire participations in other companies;
- Sell participations in other companies;
- Take and give lease on any movable asset and property;
- Appoint agents or attorneys to perform certain acts or categories of acts, defining the extent of their mandates;
- Appointing the Company Secretary and Deputy Secretary of the Company;
- Represent the Company and propose actions to follow, confess and desist the proceedings or the application and compromise, as well as engage in arbitration;
- Decide, with a previous opinion of the supervisory corporate body of the Company, increasing social capital by one or more occasions, up to 35 million euro by cash.

II.11. The information on the rotation policy of the Board of Directors' functions, namely as to the financial responsibility division and the rules applicable to the appointment and replacement of members of the board of directors and of the supervisory board.

The Members of the Board of Directors of the Company are elected by the General Shareholders Meeting for a three years mandate, and may be re-elected once or more.

The Board is composed of three to nine members, shareholders or not, elected by the General Shareholders Meeting.

F. Ramada Investimentos promotes, where necessary or appropriate in view of developments in business and strategy of the Company, a reflection on the distribution of functions within its Board of Directors.

However, F. Ramada Investimentos has not set a general policy of fixed rotation of functions of the members of the Board of Directors since it understands that this policy does not allow to best serve their interests and shareholders, so that the functions are determined and assigned at the beginning of each mandate according to the abilities, qualifications and experience of each member and it is not admissible that all directors may exercise all the functions with equal ability and level of performance.

II.12. The number of meetings held by the board of directors and the supervisory board as well as reference to the minutes of said meetings.

The Board of Directors meets regularly, and their deliberations are only valid with the presence of the majority of its members. During 2011 the Board of Directors met 13 times with the corresponding records recorded in the minute book of the Board of Directors

In what concerns the meetings of the Boards of Directors of subsidiaries of which F. Ramada Investimentos´s Directors are also part, they occur as often as necessary to the proper monitoring of its operations.

During 2011 the Statutory Audit Board of the Company met 5 times, and the corresponding decisions are recorded in the minute's book of the Statutory Audit Board.

II.13. The number of meetings held by the Executive Committee or by the Executive Board of Directors, as well as reference to the drawing up of the minutes of those meetings and whenever applicable, the submission of same with the convening notices to the Chair of the Board of Directors, the Chair of the Supervisory Board or of the Audit Committee, the Chair of the General and Supervisory Board and to the Chair of the Financial Matters Committee.

The Company's Board of Directors meets regularly and the Boards of Directors of subsidiaries of which F. Ramada Investimentos's administrators are also part of meet as often as necessary to the proper monitoring of its operations. Additionally, the Board of Directors meets periodically with the Statutory Audit Board providing the necessary support, including for the preparation of its annual report on the supervision of the Company and for the opinion on the report and proposals by the Board.

The meetings of the Board shall be scheduled and prepared in advance, and timely documentation relating to the matters contained in its agenda, to ensure all members of the Board of the conditions for the exercise of their functions, shall be made available. Similarly, minutes of meetings, once approved, and their calls are forwarded to the President of the Statutory Audit Board.

During 2011 the Board of Directors met 13 times with the corresponding records recorded in the minute´s book of the Board.

II.14. Distinction between executive and non-executive members and among these, differentiating those members that would comply if the incompatibility rules were to be applied (Article 414-A/1 of the Commercial Companies Code, except for item /b and the independency criteria provided for in article 414/5, both of the Commercial Companies Code).

As of 31 December 2011, the Board was composed of six members, of whom only two were non-executive directors (Pedro Mendonça and Ana Rebelo Fernandes).

The Board of Directors does not include any member who complies with the incompatibility rules within the meaning of paragraph 1 of Article 414º - A and the independence rules set out in paragraph 5 of Article 414 of the Commercial Companies Code, as its members hold stakes above 2% of the company's voting rights or were reelected for more than two mandates, or are members of the Board of Directors of companies which are Group related or members in the Board of Directors in more than five companies.

II.15. A description of the legal and regulatory rules and other criteria that have been used as a basis for assessing the independency of its members carried out by the board of directors.

There are no members of the Board of Directors which may be regarded as independent and, therefore, the recommendation II.1.2.3 does not apply to the Company.

II.16. A description of the selection rules for candidates for non-executive member positions and the way in which executive members refrain from interfering in the selection process.

Taking into account the size of the Company, it is considered unnecessary to have a formal process for selecting candidates for non-executive directors. Candidates for non-executive management are elected by the General Shareholders Meeting. In elective General meetings being held, the names included in the lists for the election of governing bodies, in particular with regard to the board and its executive members, have been proposed by shareholders who tender in question.

II.17. Reference to the fact that the company's annual management report includes a description on the activity carried out by non-executive members and possible obstacles that may be detected.

The consolidated Director's report includes in its chapter "Activity developed by the non-executive members of the Board," a description of the activity of the non-executive directors during the year 2011.

II.18. The professional qualifications of the members of the board of directors, the professional activities carried out by same during the last five years at least, the number of company shares they hold, the date of the first appointment and the date of the end of mandate.

The mandate of the current members of the Board corresponds to the period 2011/2013. The Directors Paulo Fernandes, João Borges de Oliveira, Pedro Mendonça e Domingos Matos were elected, for the first time, in 1 June 2008, the remaining directors were elected, for the first time, in May 2009.

Appendix I presents the qualifications and professional activities by members of the Board over the past five years.

Pursuant to and for the purposes of art. 447 of the Companies Code, we inform that as of 31 December 2011, the Directors of the Company held the following shares:

João Manuel Matos Borges de Oliveira [a]	3,123,412
Paulo Jorge dos Santos Fernandes [b]	1,742,022
Pedro Borges de Oliveira	1,232,072
Domingos José Vieira de Matos	1,782,355
Ana Rebelo Mendonça Fernandes [c]	3,710,972
Pedro Macedo Pinto de Mendonça	213,125

[a] – the 3,123,412 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 a director.
[b] – considered attributable to Paulo Jorge dos Santos Fernandes, in addition to 51,800 shares of F. Ramada - Investimentos, SGPS, SA held on a personal basis, 1,690,222 shares of F. Ramada - Investimentos, SGPS, SA held by CAMINHO ABERTO - SGPS, SA, from which he is a manager and shareholder. Thus, in legal terms, are considered attributable to Paulo Jorge dos Santos Fernandes, a total of 1,742,022 shares, representing 6.79% of the capital and voting rights of F. Ramada - Investimentos, SGPS, SA
[c] – besides the 1,670,472 shares of F. Ramada Investimentos, SGPS, SA that are personally held, the 2,040,500 shares of F. Ramada Investimentos, SGPS, SA that are held by PROMENDO – SGPS, S.A. are regarded as attributable to Ana Rebelo Mendonça Fernandes, since she is a Director and shareholder of this company, holding 59.6% of its shares. Therefore, legally, it is considered that Ana Rebelo Mendonça Fernandes owns a total of 3,710.972 shares, which corresponds to 14,47% of the share capital and the voting rights of F. Ramada Investimentos, SGPS, S.A..

II.19. Duties that the members of the board of directors carry out in other companies and a description of duties carried out in other companies of the same holding.

Appendix I shows the functions that members of the Board of Directors in other companies carry out, including group companies.

There is no limit on the maximum number of cumulative duties of directors in the management bodies of other companies, with the members of F. Ramada Investimentos' Board of Directors trying to be part of the boards of the most relevant subsidiaries of the Group, to allow a closer monitoring of their activities.

II.21. Identification of the members of the supervisory board and statement indicating that same comply with the incompatibility rules provided for in article 414-A/1, and whether they comply with the independency criteria in article 414/5, both of the Commercial Companies Code. For said purpose, the audit board carries out the relevant self-assessment.

The Statutory Audit Board is composed by three members and one substitute. As of 31 December 2011 this corporate body was composed by the following members:

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

As a collegiate body, the assessment of independence of the supervisory board is made to all those who compose it, given the application of paragraph 6 of Article 414/5 of the Commercial Companies' Code, considering independence in accordance with the definition that is given pursuant to the number 5 of article 414 and incompatibility according to definition of the number 1 of article 414-A, both of the Commercial Companies' Code. The members that compose the Statutory Audit Board comply the rules of incompatibility and independence identified above.

II.22. Professional qualifications of supervisory board members, indication of the professional activities held by themselves, least the last five years, the number of company shares that they hold, date of the first appointment and date of the expiry of the mandate.

The Statutory Audit Board members were elected for the first time in June 2008 for the period of 2008/2010. Currently, Statutory Audit Board members are completing their second mandate corresponding to the period 2011/2013, for which they were elected in May 2011.

As regards the skills and competence to exercise these functions, all members have appropriate skills to fulfil their duties and the chairman is adequately supported by the other members of the Statutory Audit Board. Appendix I presents the qualifications and professional activities of the members of the Statutory Audit Board.

As of 31 December 2011, the members of the Statutory Audit Board had no representative shares in F. Ramada Investimentos' share capital.

II.23. Duties that the members of the supervisory board carry out in other companies and describing those which are carried out in other companies of the same holding.

Appendix I shows the functions that the Statutory Audit Board members have in other companies. The members of the Statutory Audit Board do not currently carry out duties in other companies of the Group.

II.24. Reference to the fact that the supervisory board assesses the external auditor on an annual basis and the possibility of proposing to the general meeting that the auditor be discharged whenever justifiable grounds are present.

As part of their powers and in compliance of their duties, the Statutory Audit Board proposes to the General Shareholders Meeting the appointment of the Statutory Auditor and External Auditor, oversees its independence, namely in what refers to the provision of additional services, the scope of their services and the review of the Company' financial statements. The Statutory Audit Board meets whenever necessary with the Statutory Auditor /External Auditor in accordance with its responsibilities.

Annually, the Statutory Audit Board shall evaluate the work of the Statutory Auditor / External Auditor, also overseeing the implementation of Article 54 of Decree-Law no. 487/99, of 16 November (amended by Decree-Law no. 224/2008, of 20 November) in relation to the rotation of the partner responsible to execute the work.

II.29. Description of the remuneration policy including that of the managers within the concept of article 248-B/3 of the Securities Code and of the other workers whose professional activity might have a relevant impact on the risk profile of the company and whose remuneration contains an important variable component.

The remuneration policy applicable to persons who are, under the law, considered leaders is equivalent to that adopted for the remuneration of other employees at the same level of duties and responsibilities, followed by the guiding principles of the declaration submitted by the Remuneration Committee for consideration of the General Shareholders Meeting and which is detailed in the paragraph below.

II.30. Description of the remuneration policy of the board of directors and the supervisory board, as provided for in article 2 of Law 28/2009, of 19 June.

As provided in Law 28/2009, of 19 June, a statement on the remuneration policy of the management and supervision boards is submitted annually for consideration by the General Shareholders Meeting.

The policy on remuneration and compensation of the corporate bodies of F. Ramada Investimentos, adopted at the General Meeting of 26 May 2011, respects the following principles:

I. BOARD OF DIRECTORS:
   In order to establish the value of individual remuneration of each director, the following should be taken into account:

- The functions performed at F. Ramada Investimentos, SGPS, S.A, and its subsidiaries;
- The responsibility and the value added by individual performance;
- Knowledge and cumulative experience on the job;
- The economic situation of the Company;
- The remuneration in companies within the same sector and in other companies listed on NYSE Euronext Lisbon.

The fixed remuneration of all members of the Board of Directors may not exceed 750,000 Euro per year.

i. Executive Management

- *Fixed component,* monthly amount paid 14 times a year:

- *Variable Component of medium term*:
- Intended to more strongly align the interests of executive directors with those of shareholders and will be calculated covering years 2010, 2011 and 2012, based on:
  - Total shareholder return (stock appreciation plus dividend distributed)
  - Sum of the net results of three years (2010, 2011, 2012)
  - Company' business development

The total medium term component cannot exceed 50% of fixed remuneration earned during the period of 3 years.

At the Annual General Meeting 2011, the Remuneration Committee will propose an amendment to the remuneration policy above in order to adapt it to the term of the Board of Directors' mandate.

ii. Non-executive management

The individual remuneration of any non-executive director may not exceed 70,000 Euro per year, being exclusively fixed.

II. STATUTORY AUDIT BOARD

The remuneration of Members of the Statutory Audit Board will be based on yearly fixed amounts at levels considered adequate for similar functions.

III. GENERAL SHAREHOLDERS MEETING

The remuneration of the members of the General Shareholders Meeting will be exclusively fixed and will follow market practices.

IV. STATUTORY AUDITOR

The Statutory Auditor will have a fixed payment appropriate to the respective functions and in accordance with market practice, under the supervision of the Statutory Audit Board.

The principles that follow remuneration policies and compensation specified in this policy include not only the salaries paid by the company but also the salaries that are paid to members of the Board of Directors for companies controlled directly or indirectly by it.

The remuneration policy maintains the principle of not contemplating a compensation to directors, or members of other bodies associated with the early termination of functions or at the end of their mandate, according to legal parameters.

II.31. Indication on the amount concerning the annual remuneration paid individually to members of the board of directors and of the supervisory board of the company, including fixed and variable remuneration and as to the latter, mentioning the different components that gave rise to same, the parts that has been deferred and paid.

Board of Directors

The compensation received by the Board of Directors of F. Ramada Investimentos during 2011, in the exercise of their functions, includes only fixed remuneration and amounted to 576,520 Euro allocated as follows: João Borges de Oliveira - 139,860 Euro; Paulo Fernandes - 139,860 Euro; Domingos Matos - 130,900 Euro; Pedro Borges de Oliveira - 130,900 Euro; Ana Fernandes - 35,000 Euro. The non-executive director Pedro Mendonça did not receive any compensation in 2011.

The remuneration received by the members of the Board of Directors was fully paid by the Group's subsidiaries where they perform administration functions. There were no directors directly paid by F. Ramada Investimentos, SGPS.

Statutory Audit Board

The remuneration of the Statutory Audit Board is composed of a fixed annual amount based on the F. Ramada Investimentos' situation and in the current market practices. In the year ended as of 31 December 2011, the remuneration of Statutory Audit Board members amounted to 32,970 Euro, distributed as follows: João Natária – 16,350 Euro; Cristina Linhares – 8,310 Euro; Manuel Tiago Fernandes – 8,310 Euro.

II.32. Information on the way the remuneration is structured so as to allow aligning the interests of the members of the board of directors with the long-term interests of the company as well as how it is based on the performance assessment and how it discourages excessive risk assumption.

The remuneration policy for executive directors aims to ensure a proper and thorough hand of the performance and contribution of each director for the success of the organization, aligning the interests of the executive directors with those of the shareholders and of the company. Additionally, the remuneration policy provides for a variable component of deferred payment, aiming to more strongly align the interests of the executive directors with those of the shareholders and the long-term interests of the company.

The proposal for remuneration of executive directors are drawn up taking into account the functions performed in F. Ramada Investimentos, SGPS, SA and in its subsidiaries, the responsibility and added value by individual performance, the knowledge and the cumulative experience on the job, the economic situation of the Company, the remuneration earned in other companies from the same sector and other companies listed on NYSE Euronext Lisbon.

II.33. As regards the remuneration of the executive members:
a) Reference to the fact that the executive members' remuneration includes a variable component and information on the way said component relies of the assessment performance;

According to the Company's articles of association, the corporate bodies members receive remuneration that were set by the Remuneration Committee composed by three elements, one of whom will be president and will have the casting vote. In the General Shareholders Meeting held in 26 May 2011, the remuneration policy as detailed in paragraph II.30 above was approved, which provides a variable component depending on performance during the period between 2010 and 2012. The remuneration policy will be, again, appreciated in the accounts approving Annual General Meeting for 2011 where the adequacy of the clearance period of variable pay to the term of office of the board will be proposed.

b) The corporate bodies responsible for assessing the performance of executive members;

The performance assessment of executive directors belongs to the Remuneration Committee and is based on the functions performed by them in F. Ramada Investimentos and in companies at the same group as well as the responsibility and the added value by each one of the directors and the accumulated and experience knowledge on the job.

c) The pre-established criteria for assessing the performance of executive members;

The remuneration of executive members of the Board of Directors includes a variable component of medium term (2010 to 2012) calculated based on total shareholder return, on the sum of the net income of that period and on the evolution in the Company's business.

d) The relative importance of the variable and fixed components of the members' remuneration, as well as the maximum limits for each component;

The total fixed remuneration of the Board of Directors cannot exceed 750 thousand Euro per year and the total value of the variable component of medium-term may not exceed 50% of fixed remuneration earned during the period of three years (2010-2012). During 2011, the members of the Board of Directors did not receive any variable remuneration.

e) The deferred payment of the remuneration's variable component and the relevant deferral period;

There is currently no variable compensation, whose payment was deferred in time.

f) An account of the way whereby the payment of the variable remuneration is subject to the company's continual positive performance during the deferral period;

The variable remuneration depends, among others, on the sum of net income for the period (2010-2012).

g) Sufficient information on the criteria whereon the allocation of variable remuneration on shares is based, as well as on maintaining company shares that the executive members have had access to, on the possible share contracts, namely hedging contracts or risk transfer, the relevant limit and its relation apropos the value of the total annual remuneration;

F. Ramada Investimentos doesn´t have, neither plans to have, any form of compensation that may be due to the allocation of shares or other share incentive scheme.

h) Sufficient information on the criteria whereon the allocation of variable remuneration on options is based as well as its deferral period and exercising price;

F. Ramada Investimentos doesn´t have, neither plans to have, any form of compensation that may be due to the allocation of shares or other share incentive scheme.

i) The main factors and reasons for any annual bonus scheme and any other non-financial benefits;

F. Ramada Investimentos doesn't have any annual bonus scheme and any other non-financial benefits.

j) Remuneration paid in the form of a share in the profits and/or the payment of bonuses and the rationale behind the act of awarding such bonuses and/or share in profits;

During the year, no remuneration related with profit sharing or bonuses was paid.

l) Compensation paid or owed to former executive directors in relation to early contract termination;

During the year, no amounts relating to compensation to directors whose functions have ceased have been paid or owed.

m) Reference to the envisaged contractual restraints for compensation owed for undue dismissal of executive directors and its relation apropos the remunerations' variable component;

No police is defined regarding any compensation attributable to members of the Board of Directors in case of dismissal.

n) Amounts paid on any basis by other companies in a group relationship or exercising control over the company;

The total remuneration received by directors referred to in paragraph II.31 above was paid by group companies.

o) A description of the main characteristics of the supplementary pensions or early retirement schemes set up for executive directors and whether said schemes were subject or not to the approval of the general meeting;

F. Ramada Investimentos has no supplementary pension scheme or early retirement pension plans for Directors.

p) An estimate of the non-financial benefits considered as remuneration which do not fall under the categories listed above;

F. Ramada Investimentos does not give any non-financial benefits as remuneration.

q) Mechanisms for prevent executive directors from having employment contracts that questions the grounds of the variable remuneration;

No mechanisms to prevent executive directors from having employment contracts that questions the grounds of the variable remuneration are implemented. However, the Remuneration Committee takes into account these factors in the criteria for determining the variable remuneration.

II.34. Reference to the fact that remuneration of non-executive members of the Board of Directors is not included in the variable component.

The individual remuneration of any non-executive director may not exceed 70,000 euro per year, being exclusively fixed.

II.35. Information on the reporting of irregularities adopted by the company (reporting means, persons entitled to receive said reports, how the reports are to be handled and the names of the persons or bodies that have access to the information and the relevant involvement in the procedure).

Although the communication policy for internal irregularities is not formally defined, considering the proximity of the members of the Board of Directors to the activities of the several Group companies and their workers, F. Ramada Investimentos considers that this proximity allows that, whenever irregularities are detected, these will be promptly communicated to the Board of Directors, which ensures the implementation of procedures that will effectively and fairly deal with eventual irregularities that are detected. Regarding evaluation competences concerning ethical issues, these duties are directly performed by the Board of Directors, which keeps a constant debate of this issue.

II.36. Identification of members of those committees that have been constituted for the purposes of individual and overall performance assessment of the executive members, consideration on the governance system that has been adopted by the company and the identification of potential candidates with the professional profile fitting the member position.

F. Ramada Investimentos, taking into account the size of the Company, has no committees specifically designed to identify candidates for directors and to consider the governance system that has been adopted.

Candidates for the Board of Directors have been proposed by shareholders who submitted proposals at elective General Meetings. The reflection and the evaluation of the adopted corporate governance model by the Company have been made regularly by the Board of Directors.

The Board of Directors believes that the only specialized committee essential to meet the company' needs, taking into account its size, is the Remuneration Committee.

The members of the Board of Directors are not remunerated by F. Ramada Investimentos, SGPS, S.A., but directly by the subsidiaries where they have functions, so that the existing powers of the Remuneration Committee also focus on setting on the remunerations of the members of the Board of Directors of the company earned in other group companies.

The performance assessment of executive belongs to the Remuneration Committee and is based on the functions performed by them in F. Ramada Investimentos and in Group companies, as well as the responsibility and added value by each director and the accumulated knowledge and experience on the job.

II.37. Number of meetings held by the committees that have been constituted for management and supervision during the period concerned, as well as reference to the minutes of said meetings that have been held.

During 2011, the Company's Remuneration Committee met 3 times, and the corresponding minutes were recorded in the minute book of that body.

II.38. Reference to the fact that one member of the remuneration committee has knowledge and experience in remuneration policy issues.

F. Ramada Investimentos believes that the experience and professional careers of the members of the Remuneration Committee allows them to perform their duties accurately and effectively. In particular, Dr. João da Silva Natária has extensive experience and specific knowledge in matters of remuneration policy. Additionally, and whenever necessary, this committee uses specialized resources, internal or external, to support its deliberations.

II.39. Reference to the independency of natural or legal persons with an employment contract or providing services to the remuneration committee, as regards the Board of Directors as well as, when applicable, to the fact that these persons have an existing relation with the company consultant.

All members of the Remuneration Committee are independent members of the Board of Directors.

III. Information and Audit

III.1. The capital structure including those shares that are not admitted to trading, the different category of shares, rights and duties of these shares and the equity percentage that each category represents.

As of 31 December 2011, the Company's share capital was fully subscribed and paid up and was composed by 25,641,459 shares with a nominal value of 1 Euro each, which entitle them to dividends. Pursuant to and for the purposes of the article 66 of the Commercial Companies Code, we inform you that as of that date, F. Ramada Investimentos, SGPS, S.A. and its subsidiaries did not hold own shares, not having acquired or sold own shares during 2011.

III.2. Qualifying holdings in the issuer's share capital calculated as per article 20 of the Securities Code.

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, we 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	Nᵉʳ 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%

Exceeding 5% of the voting rights	Nᵉʳ of Shares held	Direct % of the voting rights
Bestinver Gestión, SGIIC, S.A.	2,287,650	8.92%
PROMENDO - SGPS, S.A. (a)	2,040,500	7.96%
Domingos José Vieira de Matos	1,782,355	6.95%
CAMINHO ABERTO – SGPS, S.A. (b)	1,690,222	6.59%
Ana Rebelo Mendonça Fernandes (c)	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 attributable to Ana Rebelo Mendonça Fernandes, manager and shareholder, holder of 59.6% of the capital;
(b) the 1,690,222 shares of F. Ramada - Investimentos, SGPS, S.A. held by CAMINHO ABERTO - SGPS, S.A. are attributable to Paulo Jorge dos Santos Fernandes, manager and shareholder.
(c) 2,040,500 shares of F. Ramada Investimentos held by PROMENDO – SGPS, S.A are equally attributable to Ana Rebelo Mendonça Fernandes, as referred in (a). Therefore, in legal terms, a total of 3,710,972 shares are attributable to Ana Rebelo Mendonça Fernandes, 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	Nᵉʳ of Shares held	Direct % of the voting rights
CADERNO AZUL - SGPS, S.A. (a)	3,123,412	12.18%

(a) the 3,123,412 shares correspond to the total amount of F. Ramada - Investimentos, SGPS, S.A. shares that are held by CADERNO AZUL – SGPS, S.A., from which the Director João Manuel Matos Borges de Oliveira is shareholder.

A F. Ramada Investimentos was not notified on any participation exceeding 20% of the voting rights.

III.3. Identification of the shareholders that hold special rights and a description of those rights.

There are no shareholders with special rights.

III.4. Possible restrictions on share-transfer i.e. consent clauses for their disposal or restrictions on share-ownership.

No restrictions on transferability or restrictions on the ownership of the shares.

III.5. Shareholder agreements that the company may be aware of and that may restrict the transfer of securities or voting rights.

As far as F. Ramada Investimentos is concerned, no agreement was concluded regarding the exercise of social rights or the transfer of shares. Additionally, as far as is knowledgeable, there are no agreements aiming to ensure or frustrate the success of takeover bids.

III.6. Rules applicable to the amendment of the articles of association.

There are no statutory rules relating to the amendment of the articles of association. This matter is regulated by the regime included in the Commercial Companies Code.

III.7. Control mechanisms for a possible employee-shareholder system in as much as the voting rights are not directly exercised by them.

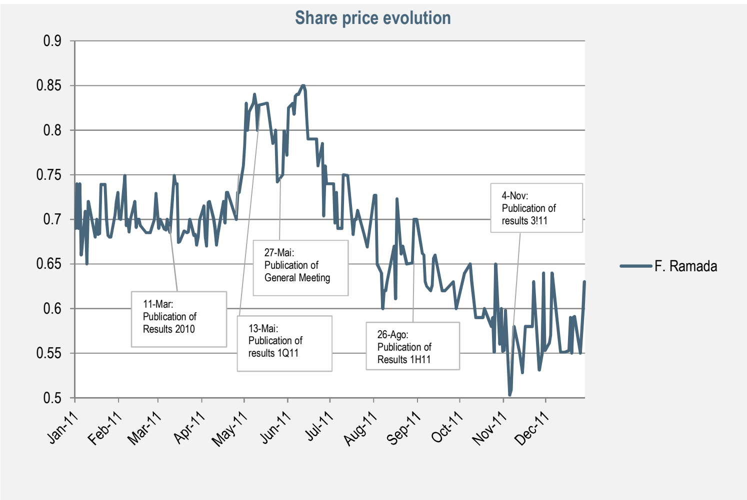
There is no system of employee participation in the capital of the Company.

III.8. Description concerning the evolution of the issuer's share price, taking the following into account:
a) The issuance of shares or other securities that entitle the subscription or acquisition of shares;
b) The results announcement;
c) The dividend payment for each share category including the net value per share.

The share price of F. Ramada Investimentos closed the year 2011 at 0.63 Euro/per share, representing a depreciation of 14% over 2010.

During 2011, F. Ramada Investimentos' shares were traded at a maximum price of 0.85 Euro per share, and the minimum of 0.503 Euro per share. In total, 762,123 F. Ramada Investimentos' shares were traded in 2011.

The evolution of the share price of F. Ramada Investimentos throughout the year is illustrated in the following chart, where the major events of the year, such as the presentation of results, are also marked:



The chapter "Stock Evolution" of the Directors report includes more detailed information about the main events that marked the evolution of the share price of the Company in 2011.

III.9. Description of the dividend distribution policy adopted by the company, including the dividend value per share distributed during the last three periods.

F. Ramada Investimentos, SGPS, S.A. was incorporated during 2008 and does not have yet a track record of dividend distribution perfectly defined. Although, according to the defined policy by the Board of Directors, are proposed amounts for dividends that aim to provide an adequate return on invested capital to shareholders, without ever losing sight of the needs of Group expansion / investment.

Relatively to financial year 2009, it was made a dividend distribution amounting to 1,538,488 Euro, corresponding to a dividend of 0.06 Euro per share. Regarding financial year 2010, the Board of Directors proposes a dividend distribution amounting to 0.07 Euro per share, equivalent to a total amount of 1,794,902 Euro.

Concerning the financial year of 2011, the Board of Directos proposes a dividend distribution amounting to 2,051,317, corresponding to a dividend of 0.08 Euro per share.

III.10. A description of the main characteristics of the share and stock-option plans adopted or valid for the financial year in question, the reason for adopting said scheme and details of the category and number of persons included in the scheme, share-assignment conditions, non-transfer of share clauses, criteria on share-pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares to be allocated, the existence of incentives to purchase and/or exercise options, and the responsibilities of the Board of Directors for executing and/or changing the plan.

Details shall also include the following:
a) The number of shares required for the share allotment and the number of shares required for the exercise of the exercisable options at the start and end of the year in question;
b) The number of allotted, exercisable and extinct shares during the year;
c) The general meetings' appraisal of the plans adopted or in force during the period in question.

There are no plans or incentive systems related to the allocation of shares to members of the Board of Directors.

III.11. A description of the main data on business deals and transactions carried out between the company and between the members of the Management and Supervisory Board or companies in a control or group relationship, provided the amount is economically significant for any of the parties involved, except for those business deals or transactions that are cumulatively considered within the bounds of normal market conditions for similar transactions and are part of the company's current business.

There were no businesses or significant transactions between the Company and members of its corporate bodies (administration and supervision), owners of qualifying holdings or companies in a relation of domain or group, except those that, as part of current activity, were performed in normal market conditions for similar transactions.

III.12. A description of the vital data on business deals and transactions carried out in the absence of normal market conditions between companies and owners of qualifying holdings or entity-relationships with the former, as envisaged in article 20 of the Securities Code.

During 2011, there were no businesses or significant transactions between the Company and members of its corporate bodies (administration and supervision), owners of qualifying holdings or entities with whom they are in any relationship, under Article 20 of the Securities Code, outside normal market conditions.

III.13. A description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the owners of qualifying holdings or entity-relationships with the former, as envisaged in article 20 of the Securities Code.

During the year of 2011, there were no businesses between the Company and owners of qualifying holdings or entities with whom they are in any domain or group relationship.

Currently, no procedures or criteria for defining the relevant level of significance of businesses between the Company and owners of qualifying holdings or entities with whom they are in any relationship or group are established, from which the intervention of the supervisory board is necessary. However, transactions with F. Ramada Investimentos directors or with companies that are in relationship with that group or area in which the actor is a director, regardless of amount, are subject to prior approval of the Board of Directors with a favourable opinion of the Statutory Audit Board, under Article 397 of the Commercial Companies Code.

III.14. Description of the statistical data (number, average and maximum amounts) on the business deals subject to preliminary opinion by the supervisory board.

During 2011, there were no transactions between the Company and owners of qualifying holdings or entities with who they are in any domain or group relationship.

III.15. Indication of the availability on the company's website, of annual activity reports drawn up by the general and supervisory board, by the financial matters committee, the audit committee and the supervisory board, including constraints that might be encountered, as well as financial information documents.

The annual reports on the activities of the Statutory Audit Board are disclosed in the Company's website, together with the documents of presentation of accounts.

III.16. Reference to an Investor Support Cabinet or a similar service, describing:
a) The role of said office;
b) Type of information made available;
c) Access means to said Office;
d) The company's website;
e) The market liaison officer's credentials.

The Company has an Investor Support Cabinet. The investor relations are performed by Adília Miranda dos Anjos.

The contact for investors to obtain information is as follows:

Rua do General Norton de Matos, 68 – r/c
4050-424 Porto
Telefone: 22 8346502
Fax: 22 8346503
E-mail: adilia.miranda@ramadainvestimentos.pt

Whenever necessary, the investor relations provides all relevant information regarding the events, facts considered as the relevant facts, disclosure of quarterly results and answers to any requests for clarification by the investors or the general public on public financial information.

F. Ramada Investimentos provides financial information relating to its individual and consolidated operations, as well as that of its participated companies, through its official internet page (www.ramadainvestimentos.pt). This website is also used by F. Ramada Investimentos to provide information on press releases, as well as any relevant facts occurring in the life of the Company. This page also includes F. Ramada Investimentos Group's documents of accounts related to the last years. All information is available in the website in Portuguese and in English.

In institutional relationship with regulatory market entities, F. Ramada Investimentos gives preference, whenever possible, to give or to receive information through the use of the email.

III.17. Indication of the annual compensation paid to the auditor and to other individuals or groups that belong to the same network supported by the company and/or by any group that bears with it a control or group relationship and the percentage of the total amount paid for the following services:

a) Statutory account review services;
b) Other audit reliability services;
c) Tax consulting services;
d) Other non-statutory auditing services.

A description of the auditor's independency safeguarding measures is required, should the auditor provide any of the services described in items c/ and d/.
For the purposes of this text, the 'network' concept derives from the EC Recommendation No. C (2002) 1873 of 16 May.

Compensation paid to F. Ramada Investimentos Group auditors and other single persons or companies belonging to the same network, by the companies in a control or group relationships, for the year 2011, amounted to 228,415 Euro and are detailed as follows:

	Amount	%
Statutory audit services	166.665	73%
Other assurance services	15.000	7%
Other services	46.750	20%
	228.415	

In 2011, the fees charged by Deloitte to F. Ramada Investimentos group represented less than 1% of the total annual turnover of Deloitte in Portugal. The quality system of the External Auditor controls and monitors the potential risks of loss of independence and possible conflicts of interest with F. Ramada Investimentos.

The Statutory Audit Board, carrying its duties, performs an annual evaluation of the overall performance of the External Auditor, as well as regarding its independence. Additionally, the Statutory Audit Board receives, annually, the declaration of independence from the auditor where the services rendered by him and by other entities of the same network are described, their fees, and possible threats to independence and safeguard measures. All threats to the independence of the Auditor are evaluated and discussed with him as well as the respective measures.

The Board of Directors, on the request of projects assigned to the group companies' auditors, ensures, before its award, that to them and to their network no services are hired that could threaten its independence, in accordance with the recommendation of the European Commission no. C (2002) 1873 of 16 May.

The monitoring of the External Auditor's activity is ensured by the Statutory Audit Board. Additionally, the Statutory Audit Board also proposes to the General Meeting the election of that body. Additionally, the Statutory Audit Board is also responsible to review and supervise the External Auditor's independence, particularly with respect to the rendering of additional services. The Statutory Audit Board approves the services to be performed by the External Auditor and the corresponding remuneration.

III.18. Reference to the external auditor's rotation period

In what concerns the rotation period of the External Auditor, F. Ramada Investimentos has not defined a fixed rotation policy regarding the External Auditor. The Company adopted, since its establishment in 2008, the current corporate governance model, in which the Statutory Auditor is not part of the Statutory Audit Board. According to this model, the election for each mandate of the Statutory Auditor / External Auditor is made in the General Shareholders Meeting upon proposal of the Statutory Audit Board. Additionally, the Statutory Audit Board undertakes an annual assessment of the work of the External Auditor, verifying if the provisions of Article 54 of Decree-Law No. 487/99, of 16 November (amended by Decree-Law No. 224/2008, of 20 November), concerning the rotation of the partner responsible to execute the work is completed.

The functions of the External Auditor and Statutory Auditor of F. Ramada Investimentos are currently performed by Deloitte & Associados, SROC S.A., represented by António Manuel Amaral Martins, and are in its second mandate (period 2011/2013).

The Statutory Audit Board, in exercising its functions, carries out an annual assessment of the independence of the External Auditor. Additionally, the Statutory Audit Board promotes, whenever necessary or appropriate in light of developments in the Company's business or the configuration of the market in general, a reflection on the appropriateness of the External Auditor to carry out its duties

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 31 December 2011 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 31 December 2011, they held the following shares:

João Manuel Matos Borges de Oliveira (a)	3,123,412
Paulo Jorge dos Santos Fernandes (b)	1,742,022
Pedro Borges de Oliveira	1,232,072
Domingos José Vieira de Matos	1,782,355
Ana Rebelo Mendonça Fernandes (c)	3,710,972
Pedro Macedo Pinto de Mendonça	213,125

(a) – the 3,123,412 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.
(b) – considered attributable to Paulo Jorge dos Santos Fernandes, in addition to 51,800 shares of F. Ramada - Investimentos, SGPS, SA held on a personal basis, 1,690,222 shares of F. Ramada - Investimentos, SGPS, SA held by CAMINHO ABERTO - SGPS, SA, from which he is a manager and shareholder. Thus, in legal terms, are considered attributable to Paulo Jorge dos Santos Fernandes, a total of 1,742,022 shares, representing 6.79% of the capital and voting rights of F. Ramada - Investimentos, SGPS, SA
(c) – 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 Mendonça Fernandes, 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 Mendonça Fernandes.

As of 31 December 2011, 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	Ner 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%

Exceeding 5% of the voting rights	Ner of shares held	Direct % of the voting rights
Bestinver Gestión, SGIIC, S.A.	2,287,650	8.92%
PROMENDO - SGPS, S.A. (a)	2,040,500	7.96%
Domingos José Vieira de Matos	1,782,355	6.95%
CAMINHO ABERTO – SGPS, S.A. (b)	1,690,222	6.59%
Ana Rebelo Mendonça Fernandes (c)	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 attributable to Ana Rebelo Mendonça Fernandes, manager and shareholder, holder of 59.6% of the capital;

(b) the 1,690,222 shares of F. Ramada - Investimentos, SGPS, S.A. held by CAMINHO ABERTO - SGPS, S.A. are attributable to Paulo Jorge dos Santos Fernandes, manager and shareholder.

(c) 2,040,500 shares of F. Ramada Investimentos held by PROMENDO – SGPS, S.A are equally attributable to Ana Rebelo Mendonça Fernandes, as referred in (a). Therefore, in legal terms, a total of 3,710,972 shares are attributable to Ana Rebelo Mendonça Fernandes, 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	Ner of shares held	Direct % of the voting rights
CADERNO AZUL - SGPS, S.A. (a)	3,123,412	12.18%

(a) the 3,123,412 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.

A 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.

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.

FINAL CONSIDERATIONS

We don't want to conclude without thanking the External Auditor for the advice and assistance provided during 2011 and to the Statutory Audit Board by the continued monitoring of our operations.

We would also like to thank our suppliers, financial institutions and other partners in the group for their trust in our organization.

Oporto, 22 March 2012

The 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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Pedro Macedo Pinto de Mendonça

____
Ana Rebelo Mendonça Fernandes

APPENDIX I

1. Board of Directors

Qualifications, experience and positions held in other companies by members of the Board of Directors:

João Manuel Matos Borges de Oliveira

He was one of the founders of Altri (company from whom F. Ramada Investimentos demerged), and has been directly involved in the Group's management since its incorporation. Graduated from the Porto University with a degree in Chemical Engineering, holds an MBA at INSEAD. He works in the media and industry departments, as well as in the definition of the Group´s strategy.

He is shareholder of the Company since 2008, having also been appointed as Director at the same date

In addition to the Companies where he currently exercises functions of administration, his professional experience includes:

1982/1983	Assistant Director of Production at Cortal
1984/1985	Production Director at Cortal
1987/1989	Marketing Director at Cortal
1989/1994	General Director at Cortal
1989/1995	Vice President of The Board at Cortal
1989/1994	Director at Seldex
1996/2000	Non-executive Director at Atlantis, S.A.
1997/2000	Non-executive Director at Group Vista Alegre, S.A.
1998/1999	Director at Efacec Capital, SGPS, S.A.

The other companies where he carries out management functions as of 31 December 2011 are as follows:

- Alteria, S.G.P.S., S.A. (a)
- Altri – Energias Renováveis, SGPS, S.A. (a)
- Altri, SGPS, S.A. (a)
- Base Holding, SGPS, S.A. (a)
- Caderno Azul, S.G.P.S., S.A. (a)
- Caima – Indústria de Celulose, S.A. (a)
- Celbi – Celulose da Beira Industrial, S.A. (a)
- Celtejo – Empresa de Celulose do Tejo, S.A. (a)
- Celulose do Caima, S.G.P.S., S.A. (a)
- Cofina, SGPS, S.A. (a)
- Cofina Media, S.G.P.S., S.A. (a)
- Edirevistas – Sociedade Editorial, S.A. (a)
- Edisport – Soc. de Publicações, S.A. (a)
- Efe Erre Participações, S.G.P.S., S.A. (a)
- Elege Valor, S.G.P.S., S.A. (a)
- F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A.
- F. Ramada II Imobiliária, S.A.
- F. Ramada Serviços de Gestão, Lda.
- F. Ramada, Aços e Indústrias, S.A.
- Grafedisport – Impressão e Artes Gráficas, S.A. (a)
- Invescaima, S.G.P.S., S.A. (a)
- Jardins de França – Empreendimentos Imobiliários, S.A. (a)
- Malva – Gestão Imobiliária, S.A. (a)
- Mediafin, SGPS, S.A. (a)
- Presselivre – Imprensa Livre, S.A. (a)
- Prestimo – Prestígio Imobiliário, S.A. (a)
- Storax Racking Systems, Ltd.
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)

- Torres da Luz – Investimentos imobiliários, S.A. (a)
- Universal Afir – Aços Especiais e Ferramentas, S.A.

a) – Companies that, as of 31 December 2011 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Paulo Jorge dos Santos Fernandes

He was also one of the founders of Altri (company from whom F. Ramada Investimentos demerged), and has been directly involved in the Group's management since its incorporation. He is graduated from Oporto University with a degree in Electronic Engineering, and has also an MBA at the University of Lisbon. He works in the media and industry departments, as well as in the definition of the Group´s strategy.

He is shareholder of the Company since 2008, having also been appointed as Director at the same date
In addition to the Companies where he currently exercises functions of administration, his professional experience includes:

1982/1984	Assistant Director of Production at CORTAL
1986/1989	General Director at CORTAL
1989/1994	President of the Board of Directors at CORTAL
1995	Director at CRISAL – CRISTAIS DE ALCOBAÇA, S.A.
1997	Director at Group Vista Alegre, S.A.
1997	Chairman of the Board of Directors at ATLANTIS - Cristais de Alcobaça, S.A.
2000/2001	Director at SIC
2001	Director at V.A.A.

Throughout his career, he also played roles in several associations:

1989/1994	President of FEMB (Fédération Européene de Mobilier de Bureau) for Portugal
1989/1990	President of General Assembly at Assoc. Industr. Águeda
1991/1993	Member of Advisory Board at Assoc. Ind. Portuense

The other companies where he carries out management functions as of 31 December 2011 are as follows:

- Alteria, S.G.P.S., S.A. (a)
- Altri – Energias Renováveis, SGPS, S.A. (a)
- Altri, SGPS, S.A. (a)
- Caima – Indústria de Celulose, S.A. (a)
- Caminho Aberto S.G.P.S, S.A. (a)
- Celbi – Celulose da Beira Industrial, S.A. (a)
- Celtejo – Empresa de Celulose do Tejo, S.A. (a)
- Celulose do Caima, S.G.P.S., S.A. (a)
- Cofina, S.G.P.S, S.A. (a)
- Cofina Media, S.G.P.S., S.A. (a)
- Edirevistas – Sociedade Editorial, S.A. (a)
- Edisport – Soc. de Publicações, S.A. (a)
- Efe Erre Participações, S.G.P.S., S.A. (a)
- Elege Valor, S.G.P.S., S.A. (a)
- F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A.
- F. Ramada II Imobiliária, S.A.
- F. Ramada, Aços e Indústrias, S.A.
- Invescaima, S.G.P.S., S.A. (a)
- Malva – Gestão Imobiliária, S.A. (a)
- Mediafin – S.G.P.S., S.A. (a)
- Presselivre – Imprensa Livre, S.A. (a)
- Prestimo – Prestígio Imobiliário, S.A. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)

- Torres da Luz – Investimentos imobiliários, S.A. (a)

(a) – Companies that, as of 31 December 2011 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Pedro Macedo Pinto de Mendonça

He was one of the founders of Altri (company from whom F. Ramada Investimentos demerged). Attended the Faculty of Medicine in Porto for two years, and holds a degree in Mechanics from the École Superiore de L'Etat in Brussels. He is shareholder of the Company since 2008 and has been appointed as Director since that date.

In addition to the Companies where he currently exercises functions of administration, his professional experience includes:

1959	Director of Supply of Empresa de Metalurgia Artística Lisboa
1965	Production Director of Empresa de Metalurgia Artística Lisboa
1970	Director and sales responsible of Seldex
1986	Founding Partner of Euroseel
1986/1990	Director at Euroseel
1986	Chairman of the Board of Directors at Seldex
1989	Director at Cortal

The other companies where he carries out functions of administration as of 31 December 2011 are:

- Alteria, S.G.P.S., S.A. (a)
- Altri – Energias Renováveis, SGPS, S.A. (a)
- Altri, SGPS, S.A. (a)
- Caima – Indústria de Celulose, S.A. (a)
- Celbi – Celulose da Beira Industrial, S.A. (a)
- Celtejo – Empresa de Celulose do Tejo, S.A. (a)
- Celulose do Caima, S.G.P.S., S.A. (a)
- Cofina, SGPS, S.A. (a)
- Cofina Media, S.G.P.S., S.A. (a)
- Cofihold, S.G.P.S., S.A. (a)
- Efe Erre Participações, S.G.P.S., S.A. (a)
- Elege Valor, S.G.P.S., S.A. (a)
- F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A.
- F. Ramada II Imobiliária, S.A.
- F. Ramada, Aços e Indústrias, S.A.
- Invescaima, S.G.P.S., S.A. (a)
- Malva – Gestão Imobiliária, S.A. (a)
- Prestimo – Prestígio Imobiliário, S.A. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Torres da Luz – Investimentos imobiliários, S.A. (a)
- Universal Afir – Aços, Máquinas e Ferramentas, S.A.

a) – Companies that, as of 31 December 2011 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Domingos José Vieira de Matos

He was one of the founders of Altri (company from whom F. Ramada Investimentos demerged), and has been directly involved in the Group's management since its incorporation. He holds a degree in Economics from the Faculty of Economy of the University of Oporto. He initiated his career in management in 1978 He is shareholder of the Company since 2008 and has been Director since that date.

In addition to the Companies where he currently exercises his duties as Director, his professional experience includes:

1978/1994	Director at CORTAL, S.A.
1983	Founding Partner of PROMEDE – Produtos Médicos, S.A.
1998/2000	Director at ELECTRO CERÂMICA, S.A.

The other companies where he carries out management functions as of 31 December 2011 are as follows:

- Alteria, S.G.P.S., S.A. (a)
- Altri Florestal, S.A. (a)
- Altri, SGPS, S.A. (a)
- Base Holding, SGPS, S.A. (a)
- Caima – Indústria de Celulose, S.A. (a)
- Celbi – Celulose da Beira Industrial, S.A. (a)
- Celulose do Caima, S.G.P.S., S.A. (a)
- Cofina, SGPS, S.A. (a)
- Efe Erre Participações, S.G.P.S., S.A. (a)
- Elege Valor, S.G.P.S., S.A. (a)
- F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A.
- F. Ramada II Imobiliária, S.A.
- F. Ramada Serviços de Gestão, Lda.
- F. Ramada, Aços e Indústrias, S.A.
- Jardins de França – Empreendimentos Imobiliários, S.A. (a)
- Livre Fluxo, S.G.P.S., S.A. (a)
- Malva – Gestão Imobiliária, S.A. (a)
- Prestimo – Prestígio Imobiliário, S.A. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Torres da Luz – Investimentos imobiliários, S.A. (a)
- Universal Afir – Aços, Máquinas e Ferramentas, S.A.

(a) – Companies that, as of 31 December 2011 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Pedro Miguel Matos Borges de Oliveira

He holds a degree in Financial Management by Instituto Superior de Administração e Gestão do Porto.

In 2000 he concluded the MBA Executive in Escuela Superior de Administración y Dirección de Empresas (ESADE), now called Católica Porto Business School. In 2009, he attended a Course of Company Evaluation in EGE- Escola de Gestão Empresarial. He was appointed as Director of the Company since May 2009.

Besides other companies where he currently exercises duties of Director, his professional experience includes:

1986/2000	Management advisor of FERÁGUEDA, Lda.
1997/2000	Assistant manager of GALAN, Lda.
2000	Director of the Department of Saws and Tools of F. Ramada, Aços e Indústrias, S.A.
2006	Director of Universal Afir, Aços Especiais e Ferramentas, S.A.
2009	Director of Cofina, S.G.P.S., S.A.

The other companies where he carries out management functions as of 31 December 2011 are as follows:

- Alteria, S.G.P.S., S.A. (a)
- Altri Florestal, S.A. (a)
- Cofina, SGPS, S.A. (a)
- Efe Erre Participações, S.G.P.S., S.A. (a)
- Elege Valor, S.G.P.S., S.A. (a)
- F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A.
- F. Ramada II Imobiliária, S.A.
- F. Ramada, Aços e Indústrias, S.A.
- Malva – Gestão Imobiliária, S.A. (a)
- Prestimo – Prestígio Imobiliário, S.A. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Torres da Luz – Investimentos imobiliários, S.A. (a)
- Universal Afir – Aços, Máquinas e Ferramentas, S.A.
- Valor Autêntico, S.G.P.S., S.A. (a)

(a) – Companies that, as of 31 December 2011 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Ana Rebelo de Carvalho Menéres de Mendonça Mariz Fernandes

Has a Degree in Economics by Universidade Católica Portuguesa in Lisbon, having been appointed as Director of the Company since May 2009.

Besides other companies where she currently exercises duties of Director, her professional experience includes:

1995	Journalist in the economic segment of the newspaper Semanário Económico
1996	Commercial department of Citibank
1996	Director at Promendo, S.A.
1999	Managing partner of Farrajota & Mendonça, Lda.
2009	Director at PROMENDO, SGPS, S.A.

The other companies where she carries out management functions as of 31 December 2011 are as follows:

- Cofina, SGPS, S.A. (a)
- F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A.
- F. Ramada, Aços e Indústrias, S.A.
- Promendo, SGPS, S.A. (a)
- Prestimo – Prestígio Imobiliário, S.A. (a)
- Farrajota & Mendonça, Lda. (a)

(a) – Companies that, as of 31 December 2011 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

2. Statutory Audit Board

Qualifications, experience and positions held in other companies by members of the Statutory Audit Board:

João da Silva Natária

Academic curriculum:

Degree in Law by the University of Lisbon

Professional Experience:

1979	General Manager at Branch Luanda / Viana of F. Ramada, appointed jointly by the Administration and the Ministry of Industry of Angola
1983	Director of the Department of Polyester and Buttons of F. Ramada, Aços e Indústrias, S.A.
1984/2000	Director of Human Resources F. Ramada, Aços e Indústrias, S.A.
1993/1995	Director at Universal – Aços, Máquinas e Ferramentas, S.A.
Since 2000	Lawyer specialized in Labour Law and Family Law.

Other positions:

President of the Statutory Audit Board of Altri, SGPS, S.A. (a)
President of the Statutory Audit Board of Cofina, SGPS, S.A. (a)
President of the Statutory Audit Board of Celulose do Caima, SGPS, S.A. (a)
Member of the Remuneration Committee of Altri, SGPS, S.A. (a)
Member of the Remuneration Committee of Cofina, SGPS, S.A. (a)

(a) – Companies that, as of 31 December 2011 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Cristina Isabel Linhares Fernandes

Academic curriculum:

1996	Degree in Economics - Faculty of Economics, University of Coimbra
2000	Postgraduate in Taxation – Instituto Superior de Administração e Gestão do Porto
2006	External Auditor (nº 1262) certified by the Portuguese Association of Auditors
2007	Executive MBA at EGP - Escola de Gestão do Porto

Professional Experience:

1996/1998	Assistant in the audit division of Arthur Andersen in Porto
1999/2001	Senior of the audit division of Arthur Andersen in Porto
2002/2005	Manager of the audit division of Deloitte office in Porto
2006	Senior Manager of Deloitte's audit division in Luanda
Since 2007	External Auditor certified by the Portuguese Association of Auditors and consultant

Other positions:

Member of the Statutory Audit Board of Altri, SGPS, S.A. (a)
Member of the Statutory Audit Board of Cofina, SGPS, S.A. (a)
Member of the Statutory Audit Board of Celulose do Caima, SGPS, S.A. (a)
Statutory Auditor of Sociedade Comercial de Plásticos Chemieuro Unipessoal Lda. (a)
Statutory Auditor of Stemmatters – Biotecnologia e Medicina Regenerativa, S.A. (a)
Statutory Auditor of JJCPA 5, S.A. (a)

(a) – Companies that, as of 31 December 2011 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Other past positions:

Member of the Statutory Audit Board of Tertir – Terminais de Portugal, S.A.

Manuel Tiago Alves Baldaque de Marinho Fernandes

Academic curriculum:

1992	Bachelor in Business Administration and Management provided by the Faculty of Economics and Management of the Regional Centre of Porto, Portuguese Catholic University
2000	Postgraduate in Human Resource Management, taught by Catholic University
2002	Masters in Finance, taught by Catholic University
2007	International MBA taught by the School of Business Management / ESADE
2010	Postgraduate in Management Services, administered by the Portuguese Catholic University

Professional Experience:

1992	Auditor at Arthur Andersen, S.A.
1995	Management Controller at Group SIPMA, S.A. (Saludães, S.A.; Lorisa, S.A. and SOTPA, S.A.)
Since 1998	Financial and Human Resources Director at Regional Centre of Porto, Portuguese Catholic University Professional Experience

Other positions:

Member of the Statutory Audit Board of Altri, SGPS, S.A. (a)
Member of the Statutory Audit Board of Cofina, SGPS, S.A. (a)
Member of the Statutory Audit Board of Celulose do Caima, SGPS, S.A. (a)

(a) – Companies that, as of 31 December 2011 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Other positions:

Board Member of Financial Management Committee, Portuguese Catholic University
President of the Statutory Audit Board of Tertir - Terminal de Portugal, S.A.
Non-executive Director of Investvar Comercial, SGPS, S.A.

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 year involving such shares and other securities.

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

Date	Nature	Volume	Price (€)	Place	Number of shares	
31-Dec-10	-	-	-	-	3,123,412	31-Dec-11

Paulo Jorge dos Santos Fernandes

Date	Nature	Volume	Price (€)	Place	Number of shares	
31-Dec-10	-	-	-	-	1,742,022	
29-Dec-11	Venda	1,690,222	0.56	NYSE Euronext Lisbon	51,800	31-Dec-11

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

Date	Nature	Volume	Price (€)	Place	Number of shares	
31-Dec-10	-	-	-	-	-	
29-Dec-11	Compra	1,690,222	0.56	NYSE Euronext Lisbon	1,690,222	31-Dec-11

Domingos José Vieira de Matos

Date	Nature	Volume	Price (€)	Place	Number of shares	
31-Dec-10	-	-	-	-	1,782,355	31-Dec-11

Pedro Miguel Matos Borges de Oliveira

Date	Nature	Volume	Price (€)	Place	Number of shares	
31-Dec-10	-	-	-	-	1,232,072	31-Dec-11

Ana Rebelo Mendonça Fernandes

Date	Nature	Volume	Price (€)	Place	Number of shares	
31-Dec-10	-	-	-	-	1,670,472	31-Dec-11

Ana Rebelo Mendonça Fernandes (imputação via PROMENDO - SGPS, S.A.)

Date	Nature	Volume	Price (€)	Place	Number of shares	
31-Dec-10	-	-	-	-	2,040,500	31-Dec-11

Pedro Macedo Pinto de Mendonça

Date	Nature	Volume	Price (€)	Place	Number of shares	
31-Dec-10	-	-	-	-	213,125	31-Dec-11

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

The signatories individually declare that, to their knowledge, the Management Report, the Individual and Consolidated Financial Statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union, and the other accounting documents required by law or regulation, give a truthful (fairly) 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.

Oporto, 22 March 2012

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

Paulo Jorge dos Santos Fernandes
Member of the Board of Directors

Domingos José Vieira de Matos
Member of the Board of Directors

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

Pedro Macedo Pinto de Mendonça
Member of the Board of Directors

Ana Rebelo Mendonça Fernandes
Member of the Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2011 AND 2010
(Translation of financial statements originally issued in Portuguese - Note 35)
(Amounts expressed in Euro)

ASSETS	Notes	31.12.2011	31.12.2010
NON CURRENT ASSETS:			
Investment properties	7	85.860.729	81.721.677
Tangible assets	8	5.046.685	5.330.042
Intangible assets	9	105.002	90.558
Other non current assets	10	-	-
Investments available for sale	4 and 6	8.198.581	8.602.538
Deferred tax assets	11	1.910.570	2.098.395
Total non current assets		101.121.567	97.843.210
CURRENT ASSETS:			
Inventories	13	25.445.515	22.473.598
Customers	6 and 14	39.384.208	35.683.381
State and other public entities	6 and 15	1.003.504	143.814
Other debtors	6 and 16	603.868	2.070.372
Other current assets	6	215.090	1.182.726
Cash and cash equivalents	6 and 17	16.112.789	26.730.301
Total current assets		82.764.974	88.284.192
Total assets		183.886.541	186.127.402
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS:			
Share capital	18	25.641.459	25.641.459
Legal reserve	18	5.338.928	4.971.340
Monetary conversion reserves	18	(619.903)	(740.175)
Other reserves	18	13.323.943	10.183.019
Consolidated net profit for the year		6.409.814	5.113.696
Total shareholders' funds attributable to the parent company shareholders		50.094.241	45.169.339
Non-controlling interests		-	-
Total Shareholders' funds		50.094.241	45.169.339
LIABILITIES:			
NON CURRENT LIABILITIES			
Bank loans	6 and 19	54.421.020	57.387.674
Other non current creditors	6 and 20	135.309	108.710
Provisions	25	658.848	332.102
Deferred tax liabilities	11	81.485	94.519
Total non current liabilities		55.296.662	57.923.005
CURRENT LIABILITIES:			
Bank loans	6 and 19	4.072.139	14.885.754
Other loans	6 and 19	36.858.492	32.190.638
Derivatives	6 and 12	545.411	438.257
Suppliers	6 and 21	15.615.828	18.535.203
State and other public entities	6 and 15	4.728.097	3.874.724
Other creditors	6 and 22	2.238.305	3.445.059
Other current liabilities	6 and 24	14.437.366	9.665.423
Total current liabilities		78.495.638	83.035.058
Total Shareholders' funds and liabilities		183.886.541	186.127.402

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 NATURE
FOR THE YEARS ENDED AS OF 31 DECEMBER 2011 AND 2010
(Translation of financial statements originally issued in Portuguese - Note 35)
(Amounts expressed in Euro)

	Notes	31.12.2011	31.12.2010
Sales	31	99.272.724	80.769.139
Services rendered	31	8.617.064	9.716.650
Other income	29	1.178.408	963.639
Cost of sales and changes in stocks of finished goods and work in progress	13	(60.351.246)	(50.356.254)
External supplies and services		(17.872.697)	(15.154.842)
Payroll expenses		(12.676.589)	(11.702.469)
Amortization and depreciation	8 and 9	(1.406.275)	(1.380.645)
Provisions and impairment losses	25	(2.316.943)	(765.772)
Other expenses		(859.087)	(1.252.686)
Gains / (Losses) in derivatives	12	(584.348)	(938.357)
Financial expenses	27	(4.231.407)	(2.664.880)
Financial income	27	499.002	123.693
Profit before income tax		9.268.606	7.357.216
Income tax		(2.858.792)	(2.243.520)
Consolidated net profit		6.409.814	5.113.696
Attributable to:			
Parent company's shareholders		6.409.814	5.113.696
Earnings per share:			
Basic	30	0,25	0,20
Diluted	30	0,25	0,20

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 YEARS ENDED AS OF 31 DECEMBER 2011 AND 2010
(Translation of financial statements originally issued in Portuguese - Note 35)
(Amounts expressed in Euro)

	31.12.2011	**31.12.2010**
Net consolidated profit for the year	6.409.814	5.113.696
Exchange differences arising on translation of foreign operations	120.272	105.447
Change in fair value of cash flow hedging instruments	-	(115.898)
Other comprehensive income for the year	120.272	(10.451)
Total comprehensive income for the year	6.530.086	5.103.245
Attributable to:		
Parent company´s shareholders	6.530.086	5.103.245
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 YEARS ENDED 31 DECEMBER 2011 AND 2010
(Translation of financial statements originally issued in Portuguese - Note 35)
(Amounts expressed in Euro)

	Atributable to the parent company´s Shareholders					
	Share capital	Legal reserve	Monetary conversion reserves	Other reserves and retained earnings	Net profit	Total Shareholder's funds
Balance as of 1 January 2010	25.641.459	4.053.661	(845.622)	10.905.212	1.849.872	41.604.582
Total comprehensive consolidated income for the year	-	-	105.447	(115.898)	5.113.696	5.103.245
Appropriation of the consolidated net profit for 2009:						
Transfer to legal reserve and other reserves	-	917.679	-	932.193	(1.849.872)	-
Dividends	-	-	-	(1.538.488)	-	(1.538.488)
Balance as of 31 December 2010	25.641.459	4.971.340	(740.175)	10.183.019	5.113.696	45.169.339
Balance as of 1 January 2011	25.641.459	4.971.340	(740.175)	10.183.019	5.113.696	45.169.339
Total comprehensive consolidated income for the year	-	-	120.272	-	6.409.814	6.530.086
Appropriation of the consolidated net profit for 2010:						
Transfer to legal reserve and other reserves	-	367.588	-	4.746.108	(5.113.696)	-
Dividends	-	-	-	(1.794.901)	-	(1.794.901)
Change in reserves:						
Others	-	-	-	189.717	-	189.717
Balance as of 31 December 2011	25.641.459	5.338.928	(619.903)	13.323.943	6.409.814	50.094.241

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 YEARS ENDED 31 DECEMBER 2011 AND 2010
(Translation of financial statements originally issued in Portuguese - Note 35)
(Amounts expressed in Euro)

	Notes	31.12.2011		31.12.2010	
Operating activities:					
Collections from customers		126.564.272		104.484.477	
Payments to suppliers		(92.663.333)		(68.802.320)	
Payments to personnel		(9.097.261)	24.803.678	(9.166.545)	26.515.612
Other collections/payments relating to operating activities		(14.837.704)		(14.659.872)	
Corporate income tax		(1.111.745)	(15.949.449)	(141.897)	(14.801.769)
Cash flow from operating activities (1)			8.854.229		11.713.843
Investment activities:					
Collections relating to:					
Investments		-		5.000	
Tangible assets		46.063		-	
Interest and similar income		490.612	536.675	41.363	46.363
Payments relating to:					
Investments		(313.637)		(9.500)	
Intangible assets		(67.642)		(958)	
Tangible assets		(733.954)		(561.892)	
Loans		-	(1.115.233)	(3.000.000)	(3.572.350)
Cash flow from investment activities (2)			(578.558)		(3.525.987)
Financing activities:					
Collections relating to:					
Loans obtained		1.150.000	1.150.000	12.723.963	12.723.963
Payments relating to:					
Lease contracts		(23.154)		(38.453)	
Interest and similar costs		(4.684.678)		(4.623.475)	
Dividends		(1.794.901)		(1.538.488)	
Loans obtained		(10.150.660)	(16.653.393)	(4.702.088)	(10.902.504)
Cash flow from financing activities (3)			(15.503.393)		1.821.459
Cash and cash equivalents at the beginning of the year	17		19.925.742		9.870.266
Effect of exchange rate changes			87.210		46.161
Variation of cash and cash equivalents: (1)+(2)+(3)			(7.227.722)		10.009.315
Cash and cash equivalents at the end of the year	17		12.785.230		19.925.742

The accompanying notes form an integral part of the consolidated statement of cash flows for the year ended as of 31 December 2011.

The Chartered Accountant

The Board of Directors

1. INTRODUCTORY NOTE

F. Ramada Investimentos, SGPS, S.A. ("F. Ramada" or "Company") is a Company incorporated as of 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 predicted in item 1.a), article 118, of the Commercial Companies Code ("Código das Sociedades Comerciais").

Due to this process, Altri, SGPS, S.A. patrimonial 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 31 December 2011, the Group developed its activity in Portugal, France, United Kingdom and Belgium.

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 operations of the foreign companies whose functional currency is different from Euro are included in the consolidated financial statements in accordance with the policy set out in Note 2.2.d).

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

The basis of presentation and main accounting policies adopted in the preparation of the consolidated financial statements are as follows:

2.1 BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared on a going concern basis from the books and accounting records of the companies included in the consolidation, maintained in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union for financial years started as from 1 January 2011. These standards include the International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB"), the International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC") and respective interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and by the Standing Interpretations Committee ("SIC"), as adopted by the European Union. The standards and interpretations mentioned above will generally be presented as "IAS/IFRS".

The Interim financial statements were presented quarterly, in accordance with IAS 34 – "Interim Financial Report".

During the year 2011, no changes occurred in relation to the accounting policies presented in the consolidated financial statements as of 31 December 2010.

(Amounts expressed in Euro)

Adoption of new, amended or reviewed standards and interpretations

The following standards, interpretations, amendments and endorsed revisions by the European Union and with mandatory application in financial years started on or after 1 January 2011, were adopted for the first time in the year ended as of 31 December 2011:

Standard	Effective date (annual periods beginning on or after)	Observations
Amendments to IAS 24 - Related Party Disclosures and **IFRS 8** - Operating Segments	31-12-2010	IAS 24 (as revised in 2009) as been revised on the following two aspects: (a) IAS 24 (as revised in 2009) has changed the definition of a related party and (b) IAS 24 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities. Amendments to IFRS 8 arise from the IAS 24 amendment above referred.
Amendments to IFRIC 14 - Prepayments of a Minimum Funding Requirement	31-12-2010	IFRIC 14 addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of IAS 19; how minimum funding requirements might affect the availability of reductions in future contributions; and when minimum funding requirements might rise to a liability. The amendments now allow recognition of an asset in the form of prepaid minimum funding contribution.
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments and amendments to **IFRS 1** - First-time Adoption of International Financial Reporting Standards	30-06-2010	The Interpretation provides guidance on the accounting for the extinguishment of a financial liability by the issue of equity instruments. Specifically, under IFRIC 19, equity instruments issued under such arrangement will be measured at fair value, and any difference between the carrying amount of the financial liability extinguished and the consideration paid will be recognised in profit or loss. The First-time adopters can apply the transitory dispositions contained in IFRIC 19.
Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards and **IFRS 7** - Financial Instruments: Disclosures	30-06-2010	Comparative disclosures obligation's limited exemption in accordance with IFRS 7 for the first time adopters.
Amendments to several **IFRS: IFRS 1, IFRS 3 and IFRS 7 IAS 1, 32, 34, 39 and IFRIC 13**	IFRS 1, 3 and IAS 32, 39: 30-06-2010 and IFRS 7, IAS 1, 34 and IFRIC 13: 31-12-2010	Amendments in several international financial reporting standards, in order to simplify and clarify the international accounting standards.
IAS 32 - Financial instruments	31-01-2010	The presentation is modified accordingly to the regulation's appendix.

The effect in the consolidated financial statements of the Group for the year ended as of 31 December 2011, due to the adoption of the standards, interpretations, amendments and revisions mentioned above has not been significant.

Improvements of international financial reporting standards

This process included the review of 8 standards end interpretations. The effect in the consolidated financial statements of the Group for the year ended as of 31 December 2011, due to the adoption of the standards and interpretations has not been significant.

New, amended or reviewed standards and interpretations not adopted

The following changes, with mandatory application after 1 July 2011, were, until the approval date of the accompanying financial statements, endorsed by the European Union:

Standard	Effective date (annual periods beginning on or after)	Observations
Amendments to IFRS 7 - Financial Instruments: Disclosures	01-07-2011	The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

These standards, although endorsed by the European Union, were not adopted by the Group in the year ended as of 31 December 2011, because its application is not yet mandatory. No significant impacts are expected to arise in the financial statements as a result of the adoption of these standards.

The accounting policies and measurement criteria adopted by the Group as of 31 December 2011 are consistent with those used in the preparation of the consolidated financial statements as of 31 December 2010.

In the preparation of the consolidated financial statements, in accordance with the IAS/IFRS, the Board of Directors adopted certain assumptions and estimates that affect the reported assets and liabilities, as well as the income and expenses in relation to the reported periods. All the estimates and assumptions made by the Board of Directors were made on the basis of its better existing knowledge, with reference to the date of approval of the financial statements, of the events and transactions in progress.

The accompanying consolidated financial statements have been prepared for appreciation and approval by the General Shareholders Meeting. The Group's Board of Directors believes that they will be approved without changes.

2.2 CONSOLIDATION POLICIES

The consolidation policies adopted by F. Ramada Group in the preparation of the consolidated financial statements are as follows:

a) Investments in group companies

Investments in companies in which F. Ramada Group owns, directly or indirectly, more than 50% of the voting rights at the Shareholders' General Meeting and is able to control the financial and operating policies so as to benefit from its activities (definition of control normally used by the Group), are included in the consolidated financial statements by the full consolidation method. Equity and net profit attributable to minority shareholders are shown separately, under the caption "Non-controlling interests", in the consolidated statement of financial position and in the consolidated statement of profit and loss. Companies included in the consolidated financial statements by the full consolidation method are listed in Note 4.

When losses attributable to the minority interests exceed the minority interest in the equity of the subsidiary, the excess and any further losses attributable to the minority interests are charged against the majority interests except to the extent that the minority shareholders have a binding obligation and are able to cover such losses. If the subsidiary subsequently reports profits, such profits are allocated to the majority interests until the minority's share of losses previously absorbed by the Group has been recovered.

Under business combinations, the assets and liabilities of each subsidiary are measured at their fair value at the date of acquisition in accordance with to IFRS 3 - "Business Combinations". Any excess on the cost of acquisition over the fair value of the identifiable net assets and liabilities acquired is recognized as goodwill (Note 2.2.c). Any excess of the fair value of the identifiable net assets and liabilities acquired over its cost is recognized as income in the profit and loss statement of the period of acquisition, after reassessment of the estimated fair value. Non-controlling interests are presented according to their share in the fair value of the identifiable assets and liabilities.

The results of subsidiaries acquired or disposed during the period are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, respectively.

Adjustments to the financial statements of Group companies are performed, whenever necessary, in order to adapt its accounting policies to those used by the Group. All intercompany transactions, balances and distributed dividends are eliminated during the consolidation process.

Whenever the Group has, in substance, control over other entities created for a specific purpose ("Special Purpose Entities" – SPE´s), even if no share capital interest is directly held in those entities, these are consolidated by the full consolidation method.

b) Investments in associated companies

Investments in associated companies (companies where the Group has significant influence but has no control over the financial and operating decisions - usually corresponding to holdings between 20% and 50% in a company's share capital) are accounted for in accordance with the equity method.

According to the equity method, the investments in associated companies are initially recorded at acquisition cost, which is adjusted proportionally to the Group's corresponding share capital, as at the acquisition date or as at the date of the first adoption of the equity method. On a yearly basis, investments are adjusted in accordance with the Group's participation in the associated company's net income against gains or losses for the year. Additionally, the dividends of the subsidiary are recorded as a reduction in the investment's book value and the Group's proportion in the changes occurred in the associated company's equity are recorded as a change in the Group's equity.

Any excess of the cost of acquisition over the Group's share in the fair value of the identifiable net assets acquired is recognised as goodwill, which is included in the caption "Investments in associated companies". If that difference is negative it is recorded as a gain in the caption "Gains and losses in associated companies", after reassessment of the fair value of the identifiable assets and liabilities acquired.

An evaluation of investments held in associated companies is performed whenever there are signs of impairment in those investments. Impairment losses are recorded in the statement of profit and loss for the period. When those losses recorded in previous periods vanish, they are reverted in the statement of profit and loss for the period.

When the Group's share of losses in the associated company exceeds the investment's book value, the investment is recorded at null value, except to the extent of the Group's commitments to the associate. In such case, the Group records a provision to cover those commitments.

Unrealised gains arising from transactions with associated companies are eliminated to the extent of the Group's interest in the associate against the investment held. Unrealised losses are eliminated but only to the extent that there is no evidence of impairment of the asset transferred.

c) Goodwill

Differences between the acquisition price of financial investments in Group companies (subsidiaries), plus the value of non-controlling interests and the fair value of the assets and liabilities of these companies as of the acquisition date, when positive, are accounted for as "Goodwill" and when negative, following a confirmation of its computation, are recorded directly in the statement of profit and loss. The differences between the acquisition price of the affiliated companies and joint ventures and the fair value of the assets and liabilities of these companies as of the date of acquisition, when positive, are kept as "Equity Consolidated Investments" and, when negative, following a confirmation of its computation, are recorded directly in the Statement of profit and loss.

Additionally, the differences between the acquisition cost of investments in foreign subsidiaries and the fair value of identifiable assets and liabilities of these subsidiaries as of the date of acquisition, are recorded in the reporting currency of those subsidiaries, and converted to the Group is reporting currency (Euro) at the exchange rate as of the date of the statement of financial position. Differences arising from this translation are recorded under "Monetary conversion reserves".

Future contingent payments are recognized as a liability as of the date of the business combination at its fair value, with any change in the initial amount being recorded against "Goodwill", but only during the reassessment period (12 months following the acquisition date) and if related with events prior to the acquisition date, otherwise, it will have to be recorded against the statement of profit and loss.

Acquisitions or disposals of stakes in already controlled entities, as long as they do not represent a loss of control, are treated as transactions between shareholders, thus only affecting equity caption with no impact on goodwill nor net results.

Whenever a disposal generates a loss in control, all assets and liabilities of the disposed entity will have to be disregarded and whatever interest recognized in the disposed company will have to be reassessed at fair value and the resulting gain or loss arising from the disposal accounted for as net profit.

Goodwill is not amortised, but is subject to impairment tests on an annual basis. The recoverable amounts of cash generating units are determined based on the estimation of its value in use. The recovery amount is estimated to individual assets or, if not possible, for the cash-generating unit to which the asset belongs. These estimations require the use of assumptions based on estimates of future circumstances, which may be different from the expected outcomes. Impairment losses identified in the period are recorded in the statement of profit and loss under the caption "Provisions and impairment losses", and may not be reversed.

d) Translation of financial statements of foreign companies

Assets and liabilities in the financial statements of foreign entities are translated to Euro using the exchange rates in force at the statement of financial position date. Profit and loss and cash flows are converted to Euro using the average exchange rate for the period. The resulting exchange rate difference is recorded in equity captions, under "Monetary conversion reserves".

Goodwill and adjustments to the fair value arising from the acquisition of foreign subsidiaries are recorded as assets and liabilities of those companies and translated to Euro at the statement of financial position date exchange rate.

Whenever a foreign company is sold, the accumulated exchange rate differences are recorded in the statement of profit and loss as a gain or loss associated with the disposal.

Exchange rates used in the translation to Euro of foreign group and associated companies included in the consolidated financial statements are as follows:

	Sterling pound (GBP)	
	Closing exchange rate	Average exchange rate
31.12.2011	1.19718	1.15223
31.12.2010	1.16178	1.16571

2.3 MAIN ACCOUNTING POLICIES

The main accounting policies used by F. Ramada Group in the preparation of its consolidated financial statements are as follows:

a) Intangible assets

Intangible assets are recorded at cost, net of depreciation and accumulated impairment losses. Intangible assets are only recognized if it is likely that future economic benefits will flow to the Group, are controlled by the Group and if its cost can be reliably measured.

Development costs are recognized as an intangible asset if the Group has proven technical feasibility and ability to finish the development and to sell/use such assets and it is likely that those assets will generate future economic benefits. Development costs which do not fulfil these conditions are recorded as an expense in the period in which they are incurred.

Internal costs related with the maintenance and development of software are recorded as expenses in the statement of profit and loss for the period in which they are incurred, except in situations where these costs are directly attributable to projects for which the existence of future economic benefits for the Group is likely. Being this the case, they are capitalized as intangible assets.

Amortization is calculated on a straight line basis, as from the date the asset is available for use, over its expected useful life (usually 3 to 5 years).

b) Tangible assets

Tangible assets acquired until 1 January 2004 (IFRS transition date) and transferred following the demerger process (Introductory Note), are recorded at their respective deemed cost, which corresponds to its acquisition cost, or its acquisition cost restated in accordance with generally accepted accounting principles in Portugal until that date, net of accumulated amortization and accumulated impairment losses.

Tangible assets acquired after that date are recorded at acquisition cost, net of depreciation and accumulated impairment losses.

Depreciation is calculated on a straight line basis, as from the date the asset is available for use, over the expected useful life for each group of assets.

The depreciation rates used correspond to the following estimated useful lives:

	Years
Buildings and other constructions	10 to 50
Plant and machinery	2 to 15
Vehicles	2 to 10
Tools	4 to 14
Office equipment	2 to 10
Other tangible assets	3 to 10

Maintenance and repair costs related to tangible assets which do not increase the useful life or do not result in significant benefits or improvements in tangible assets are recorded as expenses in the period they are incurred.

Tangible assets in progress correspond to fixed assets still in construction and are stated at acquisition cost, net of impairment losses. These assets are depreciated as from the date they are concluded or ready to be used.

Gains or losses arising from the sale or disposal of tangible assets are calculated as the difference between the selling price and the asset's net book value as of the date of its sale/disposal, and are recorded in the statement of profit and loss under the captions "Other income" or "Other expenses".

c) Lease contracts

Lease contracts are classified as (i) a finance lease if the risks and rewards incidental to ownership lie with the lessee and (ii) as an operating lease if the risks and rewards incidental to ownership do not lie with the lessee.

Tangible assets acquired under financial lease contracts and the corresponding liabilities are recorded in accordance with the financial method. Under this method, the cost of the fixed assets and the corresponding liability are reflected in the statement of financial position. In addition, interests included in the lease instalments and depreciation of the fixed assets, calculated as explained in Note 2.3.b), are recorded as costs in the statement of profit and loss of the period to which they apply.

Classifying a lease as financial or as operational depends on the substance of the transaction rather than on the form of the contract.

The operational lease instalments on assets acquired under long-term rental contracts are recognized on a straight line basis as expenses during the period of the rental contract.

d) Government subsidies

Government subsidies for personnel training programs or production support are recorded in the statement of profit and loss caption "Other operating income" when attributed, independently of when they are received.

Non-repayable subsidies obtained to finance investments in tangible assets are recorded as "Other non-current liabilities" and "Other current liabilities" corresponding to the instalments repayable in the long and short term, respectively. These subsidies are recognized in the statement of profit and loss in accordance with the depreciation of the related tangible assets.

e) Impairment of assets, except for goodwill

Assets are assessed for impairment at each statement of financial position date and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit and loss under the caption "Provisions and impairment losses".

The recoverable amount is the higher of an asset's net selling price and its value of use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of the disposal. The value of use is the present value of estimated future cash flows expected to arise from the continued use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit to which the asset belongs.

Reversal of impairment losses recognized in prior years is recorded when the Group concludes that the impairment losses previously recognized for the asset no longer exist or have decreased. This analysis is made when there is evidence that the impairment loss previously recognised, no longer exists. The reversal is recorded in the statement of profit and loss as "Other operating income". However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation and amortisation) had no impairment loss been recognized for that asset in prior years.

f) Borrowing costs

Borrowing costs are usually recognised as expense in the statement of profit and loss for the period in which they are incurred, on an accrual basis.

When the company becomes part of a loan agreement to specifically finance capital assets, the corresponding interests are capitalized, being part of the cost of the asset. The capitalization of these interests starts after the beginning of the preparation of the activities of construction, and ceases when the asset is ready for use or in case the project is suspended.

g) Inventories

Raw, subsidiary and consumable materials are stated at acquisition average cost, deducted from quantity discounts granted by suppliers, which is lower than its market value.

Finished and intermediate goods, sub-products and work in progress are stated at production cost, which includes the cost of raw materials, direct labour and production overheads, which is lower than market value.

When necessary, the Group companies record impairment losses to reduce inventories to its net realisable or market value.

h) Provisions

Provisions are recognised when, and only when, the Group (i) has a present obligation (legal or constructive) arising from a past event, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) a reliable estimate can be made of that obligation. Provisions are reviewed and adjusted at each statement of financial position date to reflect the best estimate as of that date.

Restructuring provisions are recorded by the Group whenever a formal and detailed restructuring plan exists and has been communicated to the affected parties.

When a provision is computed taking into consideration the cash flows necessary to eliminate such obligation, it is recorded by its net present value.

i) Financial instruments

The Group classifies its financial instruments in the categories presented and reconciled with the consolidated statement of financial position as indicated in Note 6.

i) Investments

Investments held by the Group are divided into the following categories:

Investments held to maturity, are classified as non-current assets unless they mature within 12 months of the balance sheet date. The investments classified as held to maturity are non-derivative assets with defined or determinable payment dates, have defined maturity and the Group has the intention and ability to maintain them until the maturity date.

Investments measured at fair value through profit and loss are classified as current assets. The purpose of these investments is to obtain short term profits. This category is divided into two subcategories: "Financial assets held for trading" and "Investments at fair value through profit and loss." Derivatives are also classified as held for trading unless they are engaged in hedging transactions.

Investments available for sale – this category includes the financial assets, non-derivatives, that are designated as available-for-sale and those that are not classified as 'loans and receivables', 'held-to-maturity investments' or 'financial assets at fair value through profit or loss'. This category is classified as non-current, unless the Board of Directors has the intention to sell the investment within 12 months from the balance sheet date.

Investments are initially measured at cost, which is the fair value of the price paid, including transaction costs if related with held to maturity and available for sale investments.

After initial recognition, investments available for sale and investments measured at fair value through profit and loss are subsequently measured at fair value by reference to the market value as of the statement of financial position date without any deduction for transaction costs which may be incurred until its sale. Investments in equity instruments which are not listed on a stock exchange market and whose fair value cannot be reliably measured are stated at cost net of impairment losses. Investments held to maturity are recorded at amortised cost, using the effective interest method.

Gains or losses arising from a change in the fair value of available for sale investments are recognised under the equity caption "Fair value reserve" included in caption "Other reserves", until the investment is sold or disposed, or until it is determined to be impaired, at which time the cumulative loss previously recognised in equity is transferred to the profit and loss account for the period.

All purchases and sales of investments are recorded on its trade date, independently of the liquidation date.

ii) Accounts receivable

Receivables from third parties, that do not bear interests, are stated at their nominal value less impairment losses so that those receivables reflect their respective net realisable value.

Impairment losses are recognised if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received. Therefore, each Group company takes into consideration market information which shows the customer default in their responsibilities', as well as historic information on outstanding debts not received.

Recognised impairment losses correspond to the difference between the nominal value of the receivable balance and the correspondent present value of future estimated cash-flows, discounted at the initial effective interest rate; when the payment is expected to occur within a one year period, the rate is considered null.

iii) Loans

Loans are recorded as liabilities at their respective nominal value, net of up-front fees and commissions directly related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the statement of profit and loss on an accrual basis. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

Assets and liabilities are compensated and presented by its net amount as long as there is the right for compulsory fulfilment of compensation and the Board of Directors intends to realise them on a net basis or realise the asset and simultaneously settle the liability.

iv) Accounts payable and other debts to third parties

Noninterest bearing accounts payable are stated at nominal value, which is substantially equivalent to its fair value.

v) Derivative financial instruments

The Group may use derivative instruments to manage its exposure to financial risks. Derivative instruments are only used for hedge accounting purposes. Derivative instruments are not used for speculation purposes.

The criteria used by the Group to classify the derivative instruments as cash flow hedges are the following:

- At the inception of the hedge and in subsequent periods, the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated;
- Hedge effectiveness can be reliably measured;
- There is adequate documentation about the transaction till the inception of the hedge;
- The transaction to be hedged is highly probable to occur.

The cash flow hedge instruments related to interest rate and exchange rate are recorded at its fair value. Changes in the fair value of these instruments are recorded in assets or liabilities, against the corresponding entry under the equity caption “Hedging reserves”, and transferred to the statement of profit and loss when the operation subject to hedging affects the net result.

When derivative instruments, although specifically engaged to hedge financial risks, do not fulfil the requirements listed above to be classified and accounted for as hedge instruments, the changes in fair value are directly recorded in the profit and loss statement, as financial results.

Hedge accounting of derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded and deferred in equity under the caption “Hedging reserves” are transferred to profit and loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction. Subsequent changes in fair value are recorded in the income statement.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics are not closely related to economic risks and characteristics of the host contract and when these are not stated at fair value with gains and losses not realizable are recorded in the profit and loss statement.

vi) Financial liabilities and Equity instruments

Financial liabilities and equity instruments are classified and accounted for based upon its contractual substance. Equity instruments are those that represent a residual interest upon the Group’s net assets and are recorded by the amount received, net of costs incurred with its issuance.

vii) Own shares

Own shares are recorded at acquisition cost as a deduction to equity captions. Gains or losses on its sale are recorded in the equity caption “Other reserves”, thus not affecting the net result.

viii) Discounted bills and accounts receivable transferred to factoring companies

Only when the assets´ cash flows contractual right has expired or when the risks and benefits inherent to those assets property are transferred to a third party, the Group derecognises the financial assets of its financial statements. If the Group substantially retains the risks and benefits inherent to the property of such assets, if continues to recognize them in its financial statements, by recording in the caption “Loans” the monetary counterparty for the conceded assets.

Consequently, the customers balances secured by non outstanding discounted bills and accounts assigned under factoring arrangements as of the balance sheet date, with the exception of the non-appealing factoring operations, are recognized in the Group’s financial statements until the moment of its collection.

ix) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at banks on demand and term deposits and other treasury applications which reach maturity within less than three months and may be mobilized without significant risk of change in value.

For purposes of the consolidated statement of cash flows, "Cash and cash equivalents" caption also includes bank overdrafts, which are included in the balance sheet caption "Bank loans".

j) Contingent assets and liabilities

Contingent assets are possible assets arising from past events and whose existence will be confirmed, or not, by uncertain future events not controlled by the Company.

Contingent assets are not recorded in the consolidated financial statements but only disclosed when the existence of future economic benefits is likely.

Contingent liabilities are defined by the Company as (i) possible obligations that arise from past events and which existence will be confirmed, or not, by one or more occurrences of uncertain future events not controlled by the Company, or (ii) present obligations that arise from past events but that are not recorded because it is unlikely that an outflow of resources occurs to settle the obligation or the obligation amount cannot be reliably measured.

Contingent liabilities are not recorded in the consolidated financial statements, being disclosed, unless the probability of a cash outflow is remote, in which case no disclosure is made.

k) Income tax

Income tax for the period is determined based on the taxable results of the companies included in consolidation and takes into consideration deferred taxation.

Current income tax is determined based on the taxable results of the companies included in consolidation, in accordance with the tax legislation in force at the location of the head office of each Group company, considering the annual estimated income tax rate.

Deferred taxes are computed using the balance sheet liability method and reflect the timing differences between the amount of assets and liabilities for accounting purposes and the corresponding amounts for tax purposes. Deferred taxes are computed using the tax rate that is expected to be in force at the time these temporary differences are reversed.

Deferred tax assets are only recorded when there is reasonable expectation that sufficient taxable profits will arise in the future to allow such deferred tax assets to be used. At the end of each period the Company reviews its recorded and unrecorded deferred tax assets which are reduced whenever its realisation ceases to be likely, or recorded if it is likely that taxable profits will be generated in the future to enable its recovery. Deferred tax assets and liabilities are recorded in the statement of profit and loss, except if they relate to items directly recorded in equity. In these cases the corresponding deferred tax is recorded in equity captions.

l) Income recognition and accrual basis

Revenue arising from the sale of goods is recognized in the consolidated income statement when (i) the risks and benefits have been transferred to the buyer, (ii) the Company retains neither continued management involvement in a degree usually associated with ownership nor effective control over the goods sold, (iii) the amount of the revenue can be reasonably measured, (iv) it is likely that the economic benefits associated with the transaction will flow to the Group, and (v) the costs incurred or to be incurred related with the transaction can be reliably measured. Sales are recorded net of taxes, discounts and other expenses arising from the sale, and are measured at the fair value of the amount received or receivable.

Income related with storage systems activity, arising from short term projects (normally no more than 6 months), is recognized under "stage of completion method", provided that all the following conditions are satisfied

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits will flow to the seller;
- the costs incurred, or to be incurred, in respect of the transaction can be measured reliably;
- the stage of completion at the balance sheet date can be measured reliably.

Dividends are recognized as income in the period its distribution is approved.

All other income and expenses are recognized in the period to which they relate, independently of when the amounts are received or paid. Differences between the amounts received and paid and the corresponding income and expenses are recorded in the captions “Other current assets” and “Other current liabilities”.

When the actual amount of income or expenses is yet unknown, these are recorded based on the best estimate of the Board of Directors of the Group companies.

m) Investment properties

Investment properties represent assets held to earn rentals or for capital appreciation, and are measured at acquisition cost, including transaction costs. Investment properties held as of 31 December 2010 represent land held to earn rentals and not held for administrative purposes or for disposal under the current business activity of the Group.

n) Non-current assets held for sale

Non-current assets are classified as held for sale if the corresponding book value is recoverable through sale rather than through continued use. For this to be the case the sale must be highly probable and the asset must be available for immediate sale in its present condition. In addition, adequate measures must be in course by the Board of Directors so as to conclude that the sale is expected to occur within 12 months of the date of classification in this caption.

Non-current assets classified as held for sale are stated at the lower of its book value and fair value less costs to sell.

o) Balances and transactions expressed in foreign currencies

All assets and liabilities expressed in foreign currencies were translated to Euro using the exchange rates in force on the balance sheet date.

Favourable and unfavourable exchange differences arising from changes in the exchange rates between those prevailing on the dates of the transactions and those in force on the dates of payment, collection or as of the balance sheet date are recorded in the consolidated statement of profit and loss, except the ones related to non monetary values which fair value variation is directly recorded in equity.

p) Subsequent events

Post balance sheet date events that provide additional information about conditions that existed at the balance sheet date (adjusting events), are reflected in the consolidated financial statements. Post balance sheet date events that provide information about conditions that have only arise after the balance sheet date are considered non adjusting events and are disclosed in the notes to the financial statements, if material.

q) Segment information

In each period, the Group identifies the most adequate segment division taking into consideration the business areas in which the Group is present.

Information regarding the business segments identified is included in Note 32.

r) Cash flows statement

Consolidated cash flow statement is prepared, using the direct method, in accordance with IAS 7. The Group classifies as “Cash and cash equivalents” applications which mature in less than three months and which are subject to insignificant risk of change in value.

Consolidated cash flow statement is classified as operating, investing and financing activities. Operating activities include cash receipts from customers, cash payments to suppliers, cash payments to and on behalf of employees and other operating activities payments and receipts. Investing activities cash flows include, essentially, payments and receipts related with acquisitions and sales of tangible assets and investments.

Financing activities cash flows include, essentially, payments and receipts of loans and borrowings, financial lease contracts and dividend payments.

s) Judgements and estimates

In the process of preparation of the Group's financial statements the Board of Directors used its best knowledge and accumulated experience in past and current events considering certain assumptions in relation to future events.

The most significant accounting estimates reflected in the consolidated financial statements for the years ended as of 31 December 2010 and 2009 include:

- Fair value and useful lives of the tangible and intangible assets;
- Recognition of provisions and impairment losses;
- Fair value of derivatives.

Estimates used are based on the best information available during the preparation of consolidated financial statements and are based on best knowledge of past and present events. Although future events are neither controlled by the Group nor foreseeable, some could occur and have impact on the estimates. Changes to the estimates used by the management that occur after the date of these consolidated financial statements, will be recognised in net income, in accordance with IAS 8, using a prospective methodology. For this reason, and given the degree of uncertainty, actual results of the transactions in question may differ from the corresponding estimates.

2.4 FINANCIAL RISK MANAGEMENT

F. Ramada Group is essentially exposed to the: (i) market risk; (ii) liquidity risk and (iii) credit risk. The main objective of the Board of Directors, on what risk management concerns, is to reduce these risks to a level considered acceptable for the development of the Group activities.

The guidelines of the risk management policy are defined by F. Ramada's Board of Directors, which determines the acceptable risk limits. The operational concretization of the risk management policy is made by the Board of Directors and by the management of each participated company.

The main risks F. Ramada Group is exposed to are as follows:

a) Market risk

At this level of market risk, a particular importance is given to interest rate risk, exchange rate risk and variability of the commodities' price risk.

i) Interest rate risk

The risk of interest rate mainly arises from the Group's indebtedness indexed to variable rates (mostly indexed to Euribor), thus leading the cost of debt to be quite volatile.

In order to reduce its exposure to interest rate volatility, the Group has engaged in interest rate swap contracts, converting variable rate financing into fixed rate financing, enhancing the stabilization of the Group's performance. Swaps are accounted for at fair value at balance sheet date.

Three principles are used in the selection and determination of the hedging instruments of interest rate:

- For each derivative or hedging instrument used to protect the risk associated with a particular funding, there is coincidence between the dates of the flow of interests paid on loans to be hedged and the dates of liquidation under the hedging instruments;
- Perfect equivalence between the base rates: the indexing used in derivative or hedging instrument should be the same as that applicable to the financing or transaction that is being covered, and
- Since the beginning of the transaction, the maximum cost of debt resulting from the hedging transaction undertaken, is known and limited, even in scenarios of extreme changes in interest rates market, looking for a rate level that fits the cost of funds considered in the Group's business plan.

(Amounts expressed in Euro)

The counterparts of the hedging instruments are limited to high credit quality credit institutions, since the Group policy priority is the hiring of these instruments with banks that are part of its financing operations. For purposes of determining the counterpart of specific operations, F. Ramada requests for proposals and indicative prices from a representative number of banks to ensure adequate competitiveness of these operations.

In determining the fair value of hedging transactions, the Group uses certain methods, such as valuation models of options and discounted future cash flows, as well as certain assumptions that are based on the interest rate market conditions prevailing at the date of the consolidated statement of financial position. Quotes of comparative financial institutions, for specific instruments, are used as reference for evaluation.

The Board of Directors approves the terms and conditions of the relevant funding to the Company, analyzing the structure of such debt, the risks and the different options available in the market, particularly regarding the type of interest rate (fixed / variable).

Sensitivity analysis of interest rate fluctuations

The sensitivity analysis presented below was computed on the basis of the exposure to interest rates in force as of the statement of financial position date. It was considered, as a basic assumption, that the financial structure (interest bearing assets and liabilities) remains stable throughout the year and similar to the one existing as of 31 December 2011.

Thus, during the years ended as of 31 December 2011 and 2010, the Group's sensitivity to changes in the interest rate indexing resulting from an increase / decrease by 100 basis points, measured as the change in financial results, can be analyzed as follows, not considering the effect of the hedging of financial derivatives (Note 12):

	2011	2010
Interests (Note 27)	3.452.175	2.241.188
Positive change of 100 basis points in interest rate on the entire indebtedness	(892.000)	(896.000)
Negative change of 100 basis points in interest rate on the entire indebtedness	892.000	896.000

However, this sensitivity analysis may not be representative of the risk of fluctuations in interest rates, once the net indebtedness at the end of the year may not be similar to the one effective throughout the year.

Likewise, as of 31 December 2011 and 2010, considering the aforementioned changes in interest rate by 100 basis points, the sensitivity of the Group in relation to hedging derivative financial instruments (Note 12) can be analyzed as follows:

	2011	2010
Positive change of 100 basis points in interest rate applied to hedging financial instruments held	454.333	955.000
Negative change of 100 basis points in interest rate applied to hedging financial instruments held	(349.024)	(712.000)

(Amounts expressed in Euro)

ii) Exchange rate risk

The Group's exposure to exchange rate risk arises, essentially, from inventory acquisition to non-resident entities in currencies other than Euro. Given the fact that the supplier's payment period is reduced, the exposure to the exchange rate risk under this factor is also reduced. However, in the event of transactions with non resident entities and settled in a currency other than Euro where the variation of exchange rate may have a significant impact on its performance, the Group aims to hedge its position by entering into financial derivative contracts whenever applicable and considered necessary to reduce the volatility of its results.

Additionally, the Group also holds a financial investment in a subsidiary with a functional currency different from Euro (Storax Racking Systems, with Sterling Pound as functional currency).

Assets and liabilities in Sterling Pounds are as follows:

	31.12.2011	31.12.2010
Assets	4.775.282	6.234.994
Liabilities	(2.535.996)	(2.287.505)
	2.239.286	3.947.489

The Board of Directors considers that eventual changes in exchange rates do not have a significant effect in the consolidated financial statements.

iii) Variability risk on *commodities*' prices

By developing its activity in a commodities transactional industry (steel), the Group is particularly exposed to its price fluctuations, with the corresponding impacts in its results. However, in order to manage this risk, the Group may engage in derivative financial instruments contracts.

b) Credit risk

The Group's exposure to credit risk is mainly related with accounts receivable arising from its operating activities. The credit risk relates to the risk of the counterparty not to fulfil its contractual obligations, resulting in a loss for the Group.

Credit risk is managed through a continued analysis of credit rating of each customer, before its acceptance, and through the adequacy of the granted credit periods. The evaluation of credit risk is made on a regular basis, taking into consideration the current conditions of economic environment and the specific situation of credit rating of each debtor, adopting corrective measures whenever necessary.

Additionally, and in order to prevent eventual losses not detected before the customer's acceptance, the Group has contracted credit insurances allowing recovering eventual receivables impairments from operational activities.

The Group's credit risk is not concentrated in any particular customer or group of customers with similar characteristics; the accounts receivable are distributed by a high number of customers, different areas of business and geographic areas.

The impairment adjustments to accounts receivable are calculated taking into consideration (i) the customer's risk profile, (ii) the average collection period, and (iii) the customer's financial condition. The adjustments movement occurred for the years ended as of 31 December 2010 and 2009 are disclosed in Note 26.

c) Liquidity risk

The aim of liquidity risk management is to assure that the Group has the ability to meet its responsibilities and pursue the defined strategic goals, complying with all the commitments set with third parties within the established deadlines.

(Amounts expressed in Euro)

The Group defines as active policy (i) to keep an adequate level of immediately available resources to face the necessary payments in its due date, (ii) reduce the probability of default in the reimbursement of loans, negotiating the amplitude of its contractual clauses and (iii) minimize the cost of opportunity of excessive short term liquidity.

The Group aims to make compatible the due dates of assets and liabilities through an active management of its maturities.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

During the year there were no changes in accounting policies and were identified 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 31 December 2011, are as follows:

Designation	Headquarters	Percentage of participation held	Activity
Parent company:			
F. Ramada Investimentos, SGPS, S.A.	Oporto		Investment management
F. Ramada Group			
F. Ramada, Aços e Indústrias, S.A.	Ovar	100%	Steel commercialization
Universal Afir – Aços Especiais e Ferramentas, S.A.	Ovar	100%	Steel commercialization
F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A.	Ovar	100%	Production and commercialization of storage systems
F. Ramada II, Imobiliária, S.A.	Ovar	100%	Real estate
F. Ramada, Serviços de Gestão, Lda.	Ovar	100%	Administration and management services
Storax Equipements, S.A.	Paris, France	100%	Commercialization of storage systems
Storax Racking Systems, Ltd.	Bromsgrove, United Kingdom	100%	Commercialization of storage systems
Storax Benelux, S.A.	Belgium	100%	Commercialization of storage systems

All the above companies were included in the consolidated financial statements of F. Ramada Group in accordance with the full consolidation method, as established in Note 2.2.a).

As of 31 December 2011 and 2010 the caption “Investments available for sale” and respective impairment losses can be detailed as follows:

	31.12.2011	31.12.2010
Gross book value	9.502.563	9.203.630
Accumulated impairment losses (Note 25)	(1.303.982)	(601.092)
	8.198.581	8.602.538

As of 31 December 2011 and 2010, the caption "Investments available for sale" mainly includes the participation held by F. Ramada Investimentos, SGPS, S.A. in the equity of Base Holding SGPS, S.A., representing a stake of 15.92% in this society equity.

Additionally, this caption includes a participation of 15% in the equity of Consumo em Verde – Biotecnologia das Plantas, S.A. together with loans made to this society.

As of 31 December 2011 and 2010 were incorporated impairment losses for the investments and loans listed above in the amount of 1,303,982 Euros and 601,092 Euros respectively.

Financial investments included under the caption "Investments available for sale" are recorded at acquisition cost, less related impairment losses.

(Amounts expressed in Euro)

5. CHANGES IN CONSOLIDATION PERIMETER

During the years ended as of 31 December 2011 and 2010 no changes in the Group's consolidation perimeter occurred.

6. FINANCIAL INSTRUMENTS

The financial instruments in accordance with the policies described in Note 2.3.i), were classified as follows:

Financial assets

31 December 2011	Note	Loans and receivables	Available for sale	Sub-total	Assets out of scope of IFRS 7	Total
Non-current assets						
Investements available for sale	4	-	8.198.581	8.198.581	-	8.198.581
		-	8.198.581	8.198.581	-	8.198.581
Current assets						
Customers	14	39.384.208	-	39.384.208	-	39.384.208
State and other public entities	15	-	-	-	1.003.504	1.003.504
Other debtors	16	603.868	-	603.868	-	603.868
Other current assets		-	-	-	215.090	215.090
Cash and cash equivalents	17	16.112.789	-	16.112.789	-	16.112.789
		56.100.865	-	56.100.865	1.218.594	57.319.459
		56.100.865	8.198.581	64.299.446	1.218.594	65.518.040

31 December 2010	Note	Loans and receivables	Available for sale	Sub-total	Assets out of scope of IFRS 7	Total
Non-current assets						
Investements available for sale	4	-	8.602.538	8.602.538	-	8.602.538
		-	8.602.538	8.602.538	-	8.602.538
Current assets						
Customers	14	35.683.381	-	35.683.381	-	35.683.381
State and other public entities	15	-	-	-	143.814	143.814
Other debtors	16	2.070.372	-	2.070.372	-	2.070.372
Other current assets		-	-	-	1.182.726	1.182.726
Cash and cash equivalents	17	26.730.301	-	26.730.301	-	26.730.301
		64.484.054	-	64.484.054	1.326.540	65.810.594
		64.484.054	8.602.538	73.086.592	1.326.540	74.413.132

(Amounts expressed in Euro)

Financial liabilities

31 December 2011	Note	Derivatives	Other financial liabilities	Sub-total	Liabilitites out of scope of IFRS 7	Total
Non-current liabilities						
Bank loans	19	-	54.421.020	54.421.020	-	54.421.020
Other non-current creditors	20	-	135.309	135.309	-	135.309
		-	54.556.329	54.556.329	-	54.556.329
Current liabilities						
Bank loans	19		4.072.139	4.072.139		4.072.139
Other loans	19		36.858.492	36.858.492		36.858.492
Derivatives	12	545.411	-	545.411		545.411
Suppliers	21		15.615.828	15.615.828		15.615.828
State and other public entities	15		-	-	4.728.097	4.728.097
Other current creditors	22		2.238.305	2.238.305		2.238.305
Other current liabilities	24		-	-	14.437.366	14.437.366
		545.411	58.784.764	59.330.175	19.165.463	78.495.638
		545.411	113.341.093	113.886.504	19.165.463	133.051.967

31 December 2010	Note	Derivatives	Other financial liabilities	Sub-total	Liabilitites out of scope of IFRS 7	Total
Non-current liabilities						
Bank loans	19	-	57.387.674	57.387.674	-	57.387.674
Other non-current creditors	20	-	108.710	108.710	-	108.710
		-	57.496.384	57.496.384	-	57.496.384
Current liabilities						
Bank loans	19	-	14.885.754	14.885.754	-	14.885.754
Other loans	19	-	32.190.638	32.190.638	-	32.190.638
Derivatives	12	438.257	-	438.257	-	438.257
Suppliers	21	-	18.535.203	18.535.203	-	18.535.203
State and other public entities	15	-	-	-	3.874.724	3.874.724
Other current creditors	22	-	3.445.059	3.445.059	-	3.445.059
Other current liabilities	24	-	-	-	9.665.423	9.665.423
		438.257	69.056.654	69.494.911	13.540.147	83.035.058
		438.257	126.553.038	126.991.295	13.540.147	140.531.442

7. INVESTMENT PROPERTIES

Investment properties held by F. Ramada Group relate to land rented to third parties under operational lease. These contracts, signed in 2007 and 2008, 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 occurred in this caption during the years ended as of 31 December 2011 and 2010 is as follows:

	31.12.2011	31.12.2010
Opening balance	81.721.677	79.117.699
Aquisitions	4.200.213	2.648.401
Disposals	(61.161)	(44.423)
Closing balance	85.860.729	81.721.677

The rented land generated, during the year ended as of 31 December 2011, income amounting, to approximately, 5,800,000 Euro (approximately 5,720,000 Euro in 2010).

Given the land characteristics (land leased to third parties for forestry activity), frequent market transactions comparable 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 belief 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 the land (amounting to, approximately, 70 million Euros) is given as collateral for certain borrowings.

(Amounts expressed in Euro)

8. TANGIBLE ASSETS

During the years ended as of 31 December 2011 and 2010, the movement occurred in tangible assets and the corresponding accumulated depreciation and impairment losses, was as follows:

2011

Gross assets

	Land	Buildings and other constructions	Machinery and equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	Total
Opening balance	1.137.881	13.268.007	25.314.354	3.453.211	873.663	3.676.270	163.469	96.138	47.982.993
Exchange rate variation (Note 2.2.d)	-	1.632	3.100	-	386	2.841	-	-	7.959
Additions	-	-	681.943	170.121	3.939	190.306	-	20.822	1.067.131
Disposals	-	-	(63.968)	(121.958)	(13.061)	-	-	-	(198.987)
Transfers and write-offs	-	(364.905)	-	-	(873)	(112.423)	-	(24.960)	(503.161)
Closing balance	1.137.881	12.904.734	25.935.429	3.501.374	864.054	3.756.994	163.469	92.000	48.355.935

Accumulated depreciation and impairment losses

	Land	Buildings and other constructions	Machinery and equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	Total
Opening balance	-	10.541.473	24.312.627	3.301.727	828.188	3.544.755	124.181	-	42.652.951
Exchange rate variation (Note 2.2.d)		1.189	1.939	-	349	2.302	-	-	5.779
Additions		409.674	611.328	136.137	8.344	133.647	2.325	-	1.301.455
Disposals		-	(37.715)	(121.958)	-	(13.061)	-	-	(172.734)
Transfers and write-offs		(364.905)	-	-	(873)	(112.423)	-	-	(478.201)
Closing balance	-	10.587.431	24.888.179	3.315.906	836.008	3.555.220	126.506	-	43.309.250
	1.137.881	2.317.303	1.047.250	185.468	28.046	201.774	36.963	92.000	5.046.685

2010

Gross assets

	Land	Buildings and other constructions	Machinery and equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	Total
Opening balance	1.137.881	13.265.960	24.943.011	3.676.806	869.375	3.530.243	163.469	271.732	47.858.477
Exchange rate variation (Note 2.2.d)	-	2.047	3.137	-	484	3.526	-	-	9.194
Additions	-	-	399.220	16.233	3.804	159.852	-	47.125	626.234
Disposals	-	-	(19.062)	(239.828)	-	(17.351)	-	(222.719)	(498.960)
Transfers and write-offs	-	-	(11.952)	-	-	-	-	-	(11.952)
Closing balance	1.137.881	13.268.007	25.314.354	3.453.211	873.663	3.676.270	163.469	96.138	47.982.993

Accumulated depreciation and impairment losses

	Land	Buildings and other constructions	Machinery and equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	Total
Opening balance		10.120.186	23.773.016	3.409.453	805.003	3.380.602	121.856		41.610.116
Exchange rate variation (Note 2.2.d)		1.038	1.632	-	367	2.798	-		5.835
Additions		420.249	570.410	122.252	22.818	178.089	2.325		1.316.143
Disposals		-	(19.061)	(229.978)	-	(16.734)	-		(265.773)
Transfers and write-offs		-	(13.370)	-	-	-	-		(13.370)
Closing balance	-	10.541.473	24.312.627	3.301.727	828.188	3.544.755	124.181	-	42.652.951
	1.137.881	2.726.534	1.001.727	151.484	45.475	131.515	39.288	96.138	5.330.042

As of 31 December 2011 and 2010 there were no tangible assets pledged as a guarantee for borrowings and there were no interests capitalized to fixed assets.

(Amounts expressed in Euro)

9. INTANGIBLE ASSETS

During the years ended as of 31 December 2011 and 2010, the movement occurred in intangible assets and the corresponding accumulated depreciation and impairment losses, was as follows:

	2011	2010
	Gross assets	Gross assets
	Software	Software
Opening balance	418.361	502.581
Exchange rate variation (Note 2.2.d)	1.084	1.608
Additions	119.170	6.008
Disposals	(40.633)	(91.836)
Closing balance	497.982	418.361

	Accumulated depreciation and impairment losses	Accumulated depreciation and impairment losses
	Software	Software
Opening balance	327.803	352.926
Exchange rate variation (Note 2.2.d)	990	1.536
Additions	104.820	64.502
Disposals	(40.633)	(91.161)
Closing balance	392.980	327.803
	105.002	90.558

10. OTHER NON-CURRENT ASSETS

As of 31 December 2011 and 2010 the caption "Other non-current assets" can be detailed as follows:

	2011			2010		
	Gross assets	Accumulated impairment losses (Note 25)	Net value	Gross assets	Accumulated impairment losses (Note 25)	Net value
Trade receivables and other debtors	-	-	-	1.104.512	(1.104.512)	-
	-	-	-	1.104.512	(1.104.512)	-

The amount receivable as of 31 December 2010 results from transactions with entities that were unable to fulfil with its contractual payment obligations. This amount is fully covered by impairment losses. As of 31 December 2011 was made the annulment of the value recorded in trade receivables and its impairment loss.

11. 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 2008 to 2011 may still be subject to revision.

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 31 December 2011 and 2010.

F. Ramada Investimentos, SGPS, S.A. is the dominant company of the group of companies (F. Ramada Group) that are taxed under the Special Regime for taxation of groups of companies ("RETGS – Regime Especial de Tributação de Grupos de Sociedades").

(Amounts expressed in Euro)

Deferred taxes

The movement occurred in deferred tax assets and liabilities in the year ended as of 31 December 2011 and 2010 was as follows:

	2011	
	Deferred tax assets	Deferred tax liabilities
Balance as of 01.01.2011	2.098.395	94.519
Effects on the income statement	(187.825)	(13.034)
Balance as of 31.12.2011	1.910.570	81.485

	2010	
	Deferred tax assets	Deferred tax liabilities
Balance as of 01.01.2010	3.112.579	159.375
Effects on the income statement	(1.014.184)	(64.856)
Balance as of 31.12.2010	2.098.395	94.519

The detail of the deferred tax assets and liabilities as of 31 December 2011 and 2010, in accordance with the nature of the timing differences that generated them, is as follow:

	2011	
	Deferred tax assets	Deferred tax liabilities
Provision and impairment losses not accepted for tax purposes	1.910.570	-
Reinvested capital gains	-	37.679
Amortizations not accepted for tax purposes	-	43.806
	1.910.570	81.485

	2010	
	Deferred tax assets	Deferred tax liabilities
Temporary differences between the accounting value and the taxable value of tangible and intanglible assets	139.550	-
Provision and impairment losses not accepted for tax purposes	1.956.523	-
Reinvested capital gains	-	37.859
Amortizations not accepted for tax purposes	-	56.660
Others	2.322	
	2.098.395	94.519

(Amounts expressed in Euro)

Current taxes

Income taxes recorded in the income statements during the years ended as of 31 December 2011 and 2010 are detailed as follows:

	2011	2010
Current tax:		
Income tax for the year	2.687.039	1.300.027
Correction to prior years income tax estimates	(3.038)	(5.835)
Deferred tax	174.791	949.328
	2.858.792	2.243.520

The reconciliation of profit before income tax and the income tax for the year is as follows:

	2011	2010
Profit before income tax	9.268.606	7.357.216
Income tax rate	25,0%	25,0%
	2.317.152	1.839.304
Local Tax	137.703	88.191
Local Tax Surplus	50.960	35.298
Autonomous tax	131.613	79.513
Correction of previous years income tax estimates	(3.038)	(5.835)
Other costs not accepted for tax purposes (adjustments and depreciations)	412.025	206.901
Other income not accepted for tax purposes (reversal of adjustments)	(391.118)	(1.121.103)
Others	28.704	171.923
Deferred tax	174.791	949.328
Income tax	2.858.792	2.243.520

As corroborated by our lawyers, there are no material assets or liabilities associated with probable or possible tax contingencies that should be subject to disclosure in the accompanying notes to the consolidated financial statements as of 31 December 2011.

12. DERIVATIVE FINANCIAL INVESTMENTS

In order to reduce the exposure to interest rate volatility, the Group has engaged in interest rate swap contracts. These contracts were evaluated in accordance with its fair value as of the statement of financial position date, being the corresponding amount recognized in the caption “Derivatives”.

Derivative financial instruments recorded in the financial statements as of 31 December 2011 correspond to interest rate swaps, related with the loans to finance the Group. The Board of Directors believes that these derivatives do not fully comply with the requirements set by IAS 39 – Financial Instruments: Recognition and Measurement, to qualify as hedge instruments, and, as such, the changes in fair value of these derivatives have been recorded in the income statement for the year.

The movement during the years ended as of 31 December 2011 and 2010 can be presented as follows:

	2011	2010
Opening balance	(438.257)	157.685
Increases / (decreases)	(107.154)	(595.942)
Closing balance	(545.411)	(438.257)

(Amounts expressed in Euro)

Derivative financial investments detail as of 31 December 2011 is as follows:

Maturity	Nocional	Fair value
January 13	5.000.000	(59.341)
January 14	10.000.000	(556.965)
January 15	20.000.000	11.543
January 16	25.000.000	59.352
	60.000.000	(545.411)

As of 31 December 2011 the Company had engaged in several financial instruments contracts to hedge interest rate (basically denominated "IRS" and "CPC"), which have maturities ranging from 2012 to 2016 and whose market value, based on an evaluation of external financial entities, amounted to (545,411) Euro as of 31 December 2011.

In addition to the change in fair value of derivative instruments occurred in 2011, the income statement for the year ended as of 31 December 2011 also includes the amount of interest incurred by the Group related to these derivatives instruments. Thus, the amount recorded in the income statement for the year ended as of 31 December 2011 related with derivatives amounted to 584,348 Euro (938.357 Euro as of 31 December 2010).

13. INVENTORIES

As of 31 December 2011 and 2010 the caption "Inventories" was made up as follows:

	2011	2010
Merchandise	11.583.162	12.104.817
Raw, subsidiary and consumable materials	3.794.826	4.302.690
Sub-products	8	14
Finished and intermediated goods	2.422.262	1.533.489
Work in progress	7.951.814	4.845.525
	25.752.072	22.786.535
Accumulated impairment losses (Note 25)	(306.557)	(312.937)
	25.445.515	22.473.598

The Cost of sales and Changes in stocks of finished goods and work in progress for the year ended as of 31 December 2011 amounted to 60,351,246 Euro and was computed as follows:

	Merchandise	Raw, subsidiary and consumable materials	Sub-products	Finished and intermediated goods	Work in progress	Total
Opening balance	12.104.817	4.302.690	14	1.533.489	4.845.525	22.786.535
Exchange rate variation (Note 2.2.d)	26.004	11.318			20.022	57.344
Purcahses	28.984.205	34.487.722	-	-	-	63.471.927
Inventory adjustments	196.420	(226.034)	(6)	(182.868)	-	(212.488)
Closing inventories	(11.583.162)	(3.794.826)	(8)	(2.422.262)	(7.951.814)	(25.752.072)
	29.728.284	34.780.870	-	(1.071.641)	(3.086.267)	60.351.246

(Amounts expressed in Euro)

The Cost of sales and Changes in stocks of finished goods and work in progress for the year ended as of 31 December 2010 amounted to 50,356,254 Euro and was computed as follows:

	Merchandise	Raw, subsidiary and consumable materials	Sub-products	Finished and intermediated goods	Work in progress	Total
Opening balance	8.300.456	3.714.897	33	1.943.990	3.448.281	17.407.657
Exchange rate variation (Note 2.2.d)	30.278	12.475	-	-	10.177	52.930
Purcahses	22.252.463	33.128.481	-	-	-	55.380.944
Inventory adjustments	132.177	325.363	-	(167.976)	11.694	301.258
Closing inventories	(12.104.817)	(4.302.690)	(14)	(1.533.489)	(4.845.525)	(22.786.535)
	18.610.557	32.878.526	19	242.525	(1.375.373)	50.356.254

14. CUSTOMERS

As of 31 December 2011 and 2010 this caption can be detailed as follows:

	2011	2010
Customers, current account	38.998.045	37.146.765
Customers, notes receivable	6.567.605	3.703.918
Customers, doubfull accounts	17.386.139	18.378.081
	62.951.789	59.228.764
Accumulated impairment losses (Note 25)	(23.567.581)	(23.545.383)
	39.384.208	35.683.381

The Group's exposure to credit risk is mainly attributable to the accounts receivable resulting from the Group's operating activity. The amounts recorded in the statement of financial position are presented net of accumulated impairment losses for doubtful accounts that were estimated by the Group, in accordance with its experience and based on the economical environment evaluation. The Board of Directors believes that the recorded net amounts are close to its fair value, once these accounts receivable do not pay interests and the discount effect is immaterial.

As of 31 December 2011 and 2010, the customers ageing balances can be detailed as follows:

	Customers - Comercial activity					
	2011			2010		
	Industry	Real estate and others	Total	Industry	Real estate and others	Total
Not due	23.702.819	5.802.017	29.504.836	17.269.303	10.343.207	27.612.510
Due, with no impairment losses						
0 - 180 days	8.504.093	-	8.504.093	6.594.713	-	6.594.713
180 - 360 days	52.605	-	52.605	315.924	-	315.924
+ 360 days	651	-	651	95.624	-	95.624
	8.557.349	-	8.557.349	7.006.261	-	7.006.261
Due, with impairment losses						
0 - 180 days	1.122.666	-	1.122.666	1.008.582	-	1.008.582
180 - 360 days	29.230	-	29.230	2.721	-	2.721
+ 360 days	170.127	-	170.127	53.307	-	53.307
	1.322.023	-	1.322.023	1.064.610	-	1.064.610
Total	33.582.191	5.802.017	39.384.208	25.340.174	10.343.207	35.683.381

In relation to the overdue amounts for which there is no impairment loss, the Group considers that there has been no loss in the credit quality of the counterparty, and therefore there is no credit risk.

The adjustment to accounts receivable was determined following a review of the recoverable amount of assets with respect to receivables that the Board of Directors considered a risk of partial or full implementation, taking into consideration the credit insurance contracts.

(Amounts expressed in Euro)

The amounts due with impairment losses, are adjusted in relation to its nominal value in approximately 94%, which, in accordance with the understanding of the Board of Directors, taking into consideration that most of the balances are past due to less than 180 days, is sufficient to meet the problems of realization of these assets.

The Group does not charge any interests as long as the defined payment terms (in average 90 days) are respected. After that period, interests defined contractually are charged, and in accordance with the applicable legislation; usually such situations only occur under extreme conditions. In a prudent manner, interests charged are accrued and only recognized in the profit and loss statement in the period they are received.

15. STATE AND OTHER PUBLIC ENTITIES

As of 31 December 2011 and 2010 these assets and liabilities captions had the following composition:

	2011	2010
Assets:		
Value Added Tax	972.834	143.814
Other	30.670	-
	1.003.504	143.814
Liabilities		
Value Added Tax	1.918.742	1.924.497
Social Security contributions	405.035	165.719
Personal Income Tax	444.579	187.508
Corporate Income Tax	1.791.879	478.281
Other taxes	167.862	1.118.719
	4.728.097	3.874.724

The caption "Corporate Income Tax" recorded as a liability includes an estimate of income tax of the Group companies, net of payments on account and special payments on account done by these companies, as well as deductions by third parties.

As of 31 December 2010, the caption "Other taxes" includes the amount of, approximately, 954,000 Euro related with the payment of IMT - Municipal Tax on the Real Estate Transfers supported by the subsidiary F. Ramada II, Imobiliária, S.A., which concerns real estate assets (primarily land) recorded under the caption "Investment properties".

16. OTHER DEBTORS

As of 31 December 2011 and 2010 this caption can be detailed as follows:

	2011	2010
Advances to suppliers	128.007	45.476
Other debtors	475.861	2.024.896
	603.868	2.070.372
Accumulated impairment losses	-	-
	603.868	2.070.372

As of 31 December 2011, the caption "Other debtors" includes, mainly, the amount receivable from entities within the Altri Group related with the sale, in 2010, of forestry assets. The amounts were received in 2011.

(Amounts expressed in Euro)

As of 31 December 2011 and 2010, the ageing of balances of "Other debtors" can be detailed as follows:

2011 Other debtors	Book value	Not due	Due, with no impairment recorded			
			0-90 days	90-180 days	+180 days	Total
Advances to suppliers	128.007	128.007	-	-	-	-
Other debtors	475.861	475.861	-	-	-	-
	603.868	603.868	-	-	-	-

2010 Other debtors	Book value	Not due	Due, with no impairment recorded			
			0-90 days	90-180 days	+180 days	Total
Advances to suppliers	45.476	10.175	33.665	1.636	-	35.301
Other debtors	2.024.896	1.997.549	19.163	-	8.184	27.347
	2.070.372	2.007.724	52.828	1.636	8.184	62.648

17. CASH AND CASH EQUIVALENTS

As of 31 December 2011 and 2010 the caption “Cash and cash equivalents” included in the consolidated statement of financial position can be detailed as follows:

	2011	2010
Cash	672.238	1.572.713
Bank deposits on demand	9.290.551	10.157.588
Short term deposits convertible within 3 months	6.150.000	15.000.000
	16.112.789	26.730.301
Bank overdrafts (Note 19)	(3.327.559)	(6.804.559)
	12.785.230	19.925.742

18. SHARE CAPITAL AND RESERVES

Share Capital

As of 31 December 2011 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. and its affiliates did not hold own shares.

Additionally, as of 31 December 2011 there were no entities holding a share in the subscribed capital of, at least, 20%.

Reserves

Legal reserve
The Portuguese commercial legislation provides that at least 5% of annual net profit must be used to reinforce the "Legal reserve" until this caption represents at least 20% of the share capital. This reserve is not distributable but can be used to absorb losses after every other reserve has been used, and for inclusion in the share capital.

Conversion reserves
Conversion reserves reflect the exchange rate differences originated on the translation of financial statements of foreign companies and cannot be distributed or used to absorb losses.

Under the Portuguese legislation, the amount of distributable reserves is determined based on the non-consolidated financial statements of the Company.

(Amounts expressed in Euro)

19. BANK LOANS AND OTHER LOANS

As of 31 December 2011 and 2010, the captions "Bank loans" and "Other loans" can be detailed as follows:

	2011		2010	
	Current	Non-Current	Current	Non-Current
Bank loans	4.072.139	54.421.020	14.885.754	57.387.674
Bank loans	4.072.139	54.421.020	14.885.754	57.387.674
Commercial paper	17.750.000	-	19.000.000	-
Current account	13.550.000	-	3.500.000	-
Bank overdrafts	3.327.559	-	6.804.559	-
Factoring	2.230.933	-	2.886.079	-
Other loans	36.858.492	-	32.190.638	-
	40.930.631	54.421.020	47.076.392	57.387.674

As of 31 December 2011 and 2010 there were no differences between the book value and nominal value of the bond loans.

The nominal amount of non-current bank loans as of 31 December 2011 is to be reimbursed as follows:

Reimbursement year	Amount
2013	3.921.727
2014	3.604.923
2015	3.497.768
2016	3.497.768
2017	3.497.768
2018	3.497.768
2019	18.554.428
2020	14.348.870
	54.421.020

As of 31 December 2011 the credit facilities used by the Group and the corresponding maximum amounts allowed, were as follows:

Nature	Maturity	Authorized amount	Used amount	Available amount
Loan	January 2020	n.a.	57.587.674	n.a.
Loan	January 2014	n.a.	905.485	n.a.
Current account	Yearly renewal	12.600.000	12.600.000	-
Current account	Semiannually renewal	950.000	950.000	-
Commercial paper	June 13	3.750.000	3.750.000	-
Commercial paper	October 12	5.000.000	5.000.000	-
Commercial paper	June 13	5.000.000	5.000.000	-
Commercial paper	July 15	4.000.000	4.000.000	-
Bank overdraft	Yearly renewal	4.500.000	3.327.559	1.172.441
Factoring	n.a.	n.a.	2.230.933	n.a.
			95.351.651	

During the year ended as of 31 December 2011 these loans borne interest at normal market rates depending on the nature and term of the credit obtained.

During the years ended as of 31 December 2011 and 2010 the Group did not enter into any loan default.

(Amounts expressed in Euro)

20. OTHER NON-CURRENT CREDITORS

As of 31 December 2011 and 2010, this caption can be detailed as follows:

	2011	2010
Fixed assets suppliers (Note 23)	81.979	39.289
Other creditors	53.330	69.421
	135.309	108.710

21. SUPPLIERS

As of 31 December 2011 and 2010 this caption could be presented, taking into account its maturity, as follows:

		Payable in		
2011	Book value	less than 3 months	3 to 6 months	more than 6 months
Suppliers and other commercial creditors				
Industry	15.327.526	15.327.526	-	-
Real estate and others	288.302	288.302	-	-
	15.615.828	15.615.828	-	-

		Payable in		
2010	Book value	less than 3 months	3 to 6 months	more than 6 months
Suppliers and other commercial creditors				
Industry	13.568.835	13.568.835	-	-
Real estate and others	4.966.368	4.966.368	-	-
	18.535.203	18.535.203	-	-

22. OTHER CREDITORS

As of 31 December 2011 and 2010 the current liabilities caption “Other creditors” was made up as follows:

	2011	2010
Fixed assets suppliers (Note 23)	220.082	69.610
Advances from customers	369.422	1.435.459
Other creditors	1.648.801	1.939.990
	2.238.305	3.445.059

The caption “Advances from customers” corresponds to collected cash from agreed storage systems supplies.

As of 31 December 2011, the caption "Other creditors" includes the amount of, approximately, 1,089,000 Euro related with the acquisition of shareholdings recorded in the caption “Investments available for sale” as well as part of the respective loans (Note 4).

(Amounts expressed in Euro)

23. FINANCIAL LEASE CONTRACTS

As of 31 December 2011, the responsibilities reflected in the statement of financial position related to financial leases had the following maturity:

Year	2011
2013	45.785
2014 and subsequent	36.194
Non-current total (Note 20)	81.979
2012 (current) (Note 22)	55.558
	137.537

24. OTHER CURRENT LIABILITIES

As of 31 December 2011 and 2010 the caption "Other current liabilities" can be detailed as follows:

	2011	2010
Accrued expenses:		
Accrued payroll	1.113.881	1.112.829
Interest payable	1.454.722	1.154.745
Others	2.332.664	1.818.719
Deferred income	9.536.099	5.579.130
	14.437.366	9.665.423

The caption "Deferred income" mainly includes anticipated invoicing regarding storage systems sales. The increase in fiscal year 2011 compared to 2010 results from an increase in the activity of the Group companies linked to this sector, including the subsidiaries F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A. and Storax Racking Systems, Ltd..

25. MOVEMENT IN PROVISIONS AND IMPAIRMENT LOSSES

The movements occurred in provisions and impairment losses for the years ended as of 31 December 2011 and 2010 may be detailed as follows:

	2011				
	Provisions	Impairment losses in accounts receivable	Impairment losses in investments	Impairment losses in inventories	Total
Opening balance	332.102	24.649.895	601.092	312.937	25.896.026
Exchange rate variation	3.499	1.640	-	2.110	7.249
Increases	482.403	1.928.201	702.890	-	3.113.494
Utilizations and reversals	(159.156)	(628.905)	-	(8.490)	(796.551)
Transfers	-	(2.383.250)	-	-	(2.383.250)
Closing balance	658.848	23.567.581	1.303.982	306.557	25.836.968

	2010				
	Provisions	Impairment losses in accounts receivable (a)	Impairment losses in investments	Impairment losses in inventories	Total
Opening balance	192.507	24.520.642	90.886	385.679	25.189.714
Exchange rate variation	3.182	1.159	-	2.466	6.807
Increases	229.384	1.027.319	510.206	12.912	1.779.821
Utilizations and reversals	(92.971)	(899.225)	-	(88.120)	(1.080.316)
Transfers	-	-	-	-	-
Closing balance	332.102	24.649.895	601.092	312.937	25.896.026

(a) – includes 1,104,512 Euro related to impairment losses in accounts receivable recorded as non-current assets).

(Amounts expressed in Euro)

The increases and reversals recorded in provisions and impairment losses for the years ended as of 31 December 2011 and 2010 were recorded in the profit and loss statement caption "Provisions and impairment losses".

As of 31 December 2011, the caption "Impairment Losses in accounts receivable" corresponds to accounts receivable that were totally provisioned.

The amount recorded in the caption "Provisions" as of 31 December 2011 relates to the Board of Directors' best estimate to cover possible losses arising from legal actions in progress.

26. OPERATIONAL LEASES

As of 31 December 2011 the Group held, as lessee, operational lease contracts which minimal lease payments present the following maturity:

Responsabilities under operational lease rentals	Minimal operational lease payments
2012	319.839
2013	293.317
2014	200.478
2015 e seguintes	61.071
	874.705

Additionally, as of 31 December 2011 the Group had celebrated, as lessor, operational lease contracts in 2007 and 2008. These contracts were celebrated for a 20 years period, renewable for an additional 10 years period.

27. FINANCIAL RESULTS

The consolidated financial results for the years ended as of 31 December 2011 and 2010 can be detailed as follows:

	2011	2010
Financial expenses:		
Interest	(3.452.175)	(2.241.188)
Other financial expenses	(779.232)	(423.692)
	(4.231.407)	(2.664.880)
Financial income:		
Interest	498.929	120.919
Other financial income	73	2.774
	499.002	123.693

The interests paid and recognised in the profit and loss statement for the years ended as of 31 December 2011 and 2010 are totally related with loans obtained.

The interest income recorded in the financial statements for the years, ended as of 31 December 2011 and 2010 result primarily from investments made during the year.

28. TRANSACTIONS WITH RELATED PARTIES

Commercial transactions

The Group companies have relations with each other that are qualified as transactions with related parties. All these transactions are made at market prices.

During the consolidating procedures, the transactions between companies included in consolidation by the full consolidation method are eliminated, since the consolidated financial statements disclose information regarding the holding company and its subsidiaries as a unique company.

(Amounts expressed in Euro)

The main balances with related parties as of 31 December 2011 and 2010 and the main transactions with related entities during these years may be detailed as follows:

	2011					
Related parties	Land acquisitions	External supplies and services	Sales	Services rendered	Accounts receivable	Accounts payable
Altri Group	-	-	-	5.801.061	5.850.833	124.738

	2010					
Related parties	Land acquisitions	External supplies and services	Sales	Services rendered	Accounts receivable	Accounts payable
Altri Group	-	-	2.217.218	5.722.321	12.577.633	4.696.009

The services rendered to Altri Group companies refer to rents for the lease of land which are classified under the caption "Investment Property" (Note 7).

Accounts receivable and payable with Altri Group companies include, essentially, receivables arising from rents referred to above and to the receivables and payables arising from sales and purchases of land and forestry assets.

Board of Directors compensation

Compensations paid to members of F. Ramada Investimentos, SGPS, S.A. Board of Directors during the years ended as of 31 December 2011 and 2010 by the companies included in the consolidation by the full consolidation method, are as follows:

	2.011
Fixed remunerations	576.520
Variable remunerations	-
	576.520

Related parties

Apart from the companies included in the consolidation (Note 4), the companies considered to be related parties as of 31 December 2011, can be presented as follows:

Cofihold, SGPS, S.A.
Caderno Azul, SGPS, S.A.
Caminho Aberto, SGPS, S.A.
Livre Fluxo, SGPS, S.A.
Valor Autêntico, SGPS, S.A.
Altri, SGPS, S.A.
Celulose do Caima, SGPS, S.A.
Caima Indústria de Celulose, S.A.
Altri Florestal, S.A.
Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
Invescaima – Investimentos e Participações, SGPS, S.A.
Inflora – Sociedade de Investimentos Florestais, S.A.
Celtejo – Empresa de Celulose do Tejo, S.A.
Altri - Energias Renováveis, SGPS, S.A.
Celbi – Celulose da Beira Industrial, S.A.
Celbinave – Tráfego e Estiva SGPS, Unipessoal, Lda.
Viveiros do Furadouro Unipessoal, Lda.
Altri, Participaciones Y Trading, S.L.
Altri Sales, S.A.

(Amounts expressed in Euro)

Pedro Frutícola, Sociedade Frutícola, Lda.
Captaraiz Unipessoal, Lda.
Cofina, SGPS, S.A.
Cofina B.V.
Efe Erre – Participações, SGPS, S.A.
Cofina Media, SGPS, S.A.
Presselivre – Imprensa Livre, S.A.
Edisport – Sociedade de Publicações, S.A.
Edirevistas – Sociedade Editorial, S.A.
Mediafin, SGPS, S.A.
Metronews – Publicações, S.A.
Grafedisport – Impressão e Artes Gráficas, S.A.
Web Works – Desenvolvimento de Aplicações para Internet, S.A.
Transjornal – Edição de Publicações, S.A.
Cofina – Eventos e Comunicação, S.A.
VASP – Sociedade de Transportes e Distribuições, Lda.
AdCom Media Anúncios e Publicidade, S.A.
Destak Brasil – Empreendimentos e Participações, S.A.
Mercados Globais – Publicação de Conteúdos, Lda.

Board of Directors

F. Ramada Investimentos, SGPS, S.A. Board of Directors as of 31 December 2011 was composed as follows:

João M. Matos Borges de Oliveira
Paulo Jorge dos Santos Fernandes
Pedro Macedo Pinto de Mendonça
Domingos José Vieira de Matos
Pedro Miguel Matos Borges de Oliveira
Ana Rebelo de Carvalho Meneres de Mendonça Mariz Fernandes

29. OTHER OPERATING INCOME

As of 31 December 2011 and 2010, the caption "Other operating income" included, essentially, costs supported and billed back to customers and discounts obtained for prompt payments.

30. EARNINGS PER SHARE

Earnings per share for the year were determined taking into consideration the following amounts:

	2011	2010
Net profit considered for the computation of basic and diluted earning	6.409.814	5.113.696
Weighted average number of shares used to compute the basic and diluted earnings per share	25.641.459	25.641.459
Earnings per share		
Basic	0,25	0,20
Diluted	0,25	0,20

There are no situations in the Group that might represent a reduction on earnings per share, arising from stock options, warrants, convertible bonds or other rights embedded in ordinary shares.

31. 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 development.

(Amounts expressed in Euro)

The segregation of activities by segments as of 31 December 2011 and 2010 is made up as follows:

	2011		2010	
	Industry	Real estate	Industry	Real estate
Net operating income				
Resulting from operations with external customers	102.835.700	6.232.496	85.469.498	5.979.930
Resulting from operations with other segments	28.254	1.204.500	26.004	1.249.710
Operating Cash-flow (a)	9.912.829	5.078.805	7.234.888	4.982.517
Amortisation and depreciation	1.010.499	395.776	1.004.135	376.510
Operating profit	8.902.330	4.683.029	6.230.753	4.606.007
Total assets	88.080.849	95.805.692	87.106.491	99.020.911
Total liabilities	48.803.268	84.989.032	50.938.507	90.019.556
Investment of the period (b)	1.142.907	4.210.213	1.730.996	-

(a) Earnings before interests, taxes, depreciation and amortisation.
(b) - tangible assets, intangible assets and investments additions

Sales and services rendered by the Group in 2011 and 2010 can be detailed by geographical markets as follows:

	2011	2010
Domestic market	69.585.532	56.049.572
Foreign market	38.304.256	34.436.217
	107.889.788	90.485.789

32. RESPONSABILITIES FOR GUARANTEES PROVIDED

As of 31 December 2011 and 2010, F. Ramada Group companies had provided bank guarantees as follows:

	2011	2010
Supply of storage systems	611.847	1.022.219
Others	159.372	159.372
	771.219	1.181.591

33. AVERAGE NUMBER OF PERSONNEL

During the years ended as of 31 December 2011 and 2010 the average number of employees of the companies included in the consolidated financial statements by the full consolidation method was of 377 and 376, respectively.

34. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance in March 22, 2012. The final approval depends on the agreement of the General Shareholders Meeting.

35. 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) as adopted by the European Union, 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

STATUTORY AUDIT AND AUDITOR’S REPORT

(This is a translation of a report originally issued in Portuguese – Note 35)

Introduction

1. In compliance with the article 245º of the Portuguese Securities Market Code (*“Código dos Valores Mobiliários”*) we hereby present our Statutory Audit and Auditor’s Report on the consolidated and individual financial information contained in the Board of Directors’ Report and on the accompanying consolidated and individual financial statements as of 31 December 2011 of F. Ramada Investimentos, S.G.P.S., S.A. (“Company”), which comprise the Consolidated and Individual Statements of Financial Position as of 31 December 2011 (that presents total net assets of 183,886,541 Euro and 48,222,396 Euro, respectively, and consolidated and individual equity of 50,094,241 Euro and 45,198,757 Euro, respectively, including a consolidated and invididual net profit of 6,409,814 Euro and 3,297,958 Euro, respectively), the Consolidated and Individual Statements of Profit and Loss, of Comprehensive Income, of Changes in Equity and of Cash-flows for the year then ended and the corresponding Notes.

Responsibilities

2. The Company’s Board of Directors is responsible for: (i) the preparation of consolidated and individual financial statements that present a true and fair view of the financial position of the Company and the group of companies included in the consolidation, the consolidated and individual results of their operations, comprehensive income, changes in equity and their consolidated and individual cash-flows; (ii) the preparation of historical financial information in accordance with the International Financial Reporting Standards as adopted by the European Union and that is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of appropriate systems of internal control; and (iv) informing on any significant facts that have influenced the operations of the Company and of the group of companies included in the consolidation, their financial position or their results and comprehensive income.

3. Our responsibility is to examine the individual and consolidated financial information contained in the documents referred to above, includind verifying that, in all material respects, the information is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code, and to issue a professional and independent report based on our examination.

Scope

4. Our examination was performed in accordance with the Technical/Audit Standards (*“Normas Técnicas e as Directrizes de Revisão/Auditoria”*) issued by the Portuguese Institute of Statutory Auditors (*“Ordem dos Revisores Oficiais de Contas”*), which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated and individual financial statements are free of material misstatement. Such an examination includes verifying, on a sample basis, evidence supporting the amounts and disclosures in the consolidated and individual financial statements and assessing the estimates, based on judgments and criteria defined by the Board of Directors, used in their preparation. Such an examination also includes verifying the consolidation procedures, that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting principles used and their uniform application and disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept, verifying the adequacy of the overall presentation of the consolidated and individual financial statements and assessing that, in all material respects, the consolidated financial information is complete, true, up-to-date, clear, objective and licit. Our examination also comprised verifying that the financial information contained in the Board of Directors’ Report is in accordance with the consolidated and individual financial statements, as well as the verifications established in numbers 4 and 5 of the article 451º of the Portuguese Company Law (“*Código das Sociedades Comerciais*”). We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated and individual financial statements referred to in paragraph 1 above, present fairly in all material respects, the consolidated and individual financial position of F. Ramada Investimentos, S.G.P.S., S.A.and its subsidiaries as of 31 December 2011, the consolidated and individual results of their operations, the consolidated and individual comprehensive income, the changes in consolidated and individual equity and their consolidated and individual cash flows for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union and the information contained therein is, in terms of the definitions included in the technical and audit standards referred to in paragraph 4 above, complete, true, up-to-date, clear, objective and licit.

Report on other legal requirements

6. It is also our opinion that the financial information included in the Board of Directors' Report is in accordance with the consolidated and individual financial statements of the year and that the Corporate Governance Report includes the information required to the Company, as established by article 245º- A of the Securities Market Code.

Porto, 22 March 2012

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Deloitte & Associados, SROC S.A.
Represented by António Manuel Martins Amaral