Directors' Report

RAMADA
INVESTIMENTOS

December 31, 2013

ÍNDEX

(This is a translation of a report originally issued in Portuguese.
In the event of discrepancies, the Portuguese language version prevails – Note 33)

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 2013. 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.

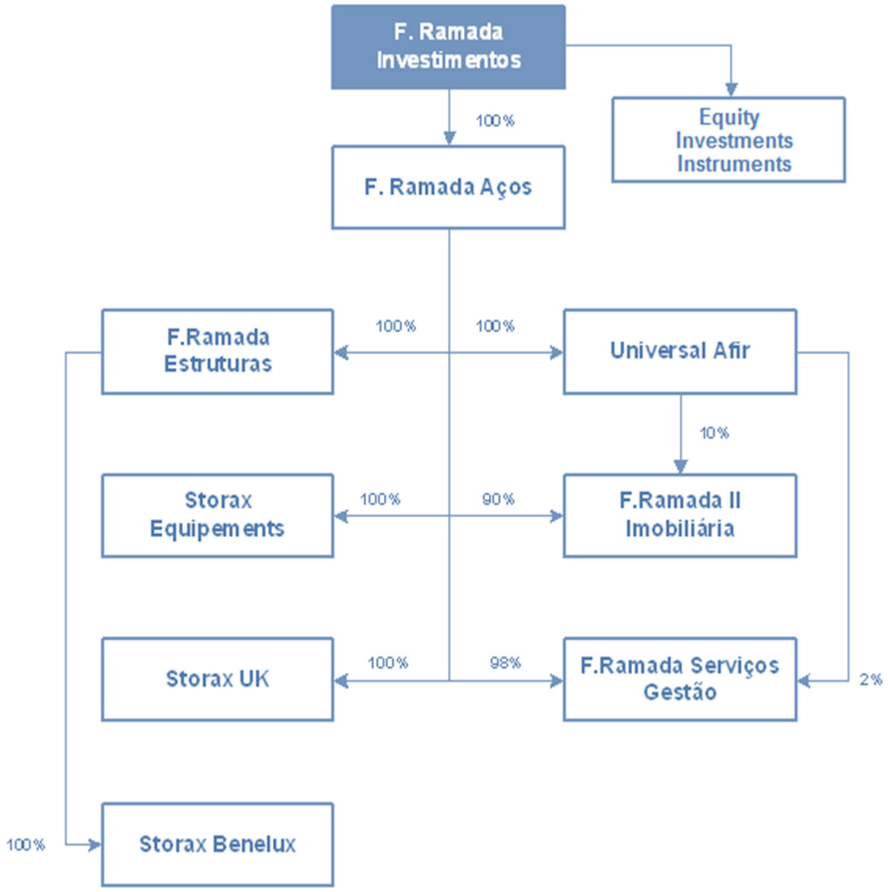
INTRODUCTION

F. Ramada Investimentos was incorporated on the 1st June 2008, as a result of the demerger 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 remained with the management of the pulp and paper business unit and proceeded to the incorporation of a new company - F. Ramada Investimentos, SGPS, S.A. (“F. Ramada Investimentos”) – autonomous business unit corresponding to the activity of equity investments management 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, the storage systems activity and the activity related with equity investments regarding stakes held of less than 50%. F. Ramada Investimentos also controls F. Ramada II, Imobiliária, S.A., focused on the management of real estate assets.

The steel activity, with a prominent position in the domestic market, is performed by two companies: F. Ramada Aços and Universal Afir. Storage systems activity is performed by four companies: F. Ramada Estruturas, largest manufacturer of storage systems in Portugal, and where all group production is concentrated, Storax Equipements with head office in France, Storax Racking with head office in the United Kingdom and Storax Benelux with head office in Belgium.
The activity of equity investments management includes the stake held in Base Holding, Consumo em Verde and Converde.

The structure of F. Ramada Group, as of 31 December 2013, can be presented as follows:



MACROECONOMIC BACKGROUND

During 2013, the global economy continued to face high levels of uncertainty and the economic recovery occurred only in certain regions. In particular, the Eurozone continued to suffer the impact of lack of dynamism in economic activity, especially felt in the countries of southern Europe, since the additional policies and tax measures had strong consequences on the level of private consumption, especially in the category of durable products. In the northern countries of Europe there was a different environment, having begun to show some signs of the much desired recovery.

According to the latest estimates from leading institutions for 2013, real growth of GDP should have been situated at -0.4 % in 2013 (-0.7% in 2012) for Eurozone, reflecting a slowdown of recession that characterized the last years. Projections for 2014 already reflect a scenario of reversal, with projected growth of +1% assuming more modest contributions of the economies of southern Europe, which will have a longer path to recovery. The weight of the debt crisis, both public and private, continues to constrain the political and financial options (in the way of austerity), necessarily impacting the levels of domestic demand. In this scenario, exports are expected to take a leading role in the effort to recover the economies of the Eurozone. Uncertainties related to the performance of the Eurozone, in particular with regard to the sustainability of reforms and the governance model in place, remain dormant and extremely critical in any projection model. In the Eurozone, inflation is expected to remain at low levels throughout 2014 (about 1.5% according to the IMF's Autumn World Economic Outlook) and the average unemployment should be around 12% (according to the same source) reflecting very different realities by country and rates ranging from 5% to 27%.

The deleveraging process of the banking sector is set to continue in the upcoming years involving the maintenance of restrictions on access to credit. Levels of interbank interest rates are at historically low levels, not foreseeing that there is a reversal of this trend in the short term. Achieving a gradual recovery may cause slight shortening of the gap of the lending interest rates of banks compared to the reference rate (currently at 0.25%).

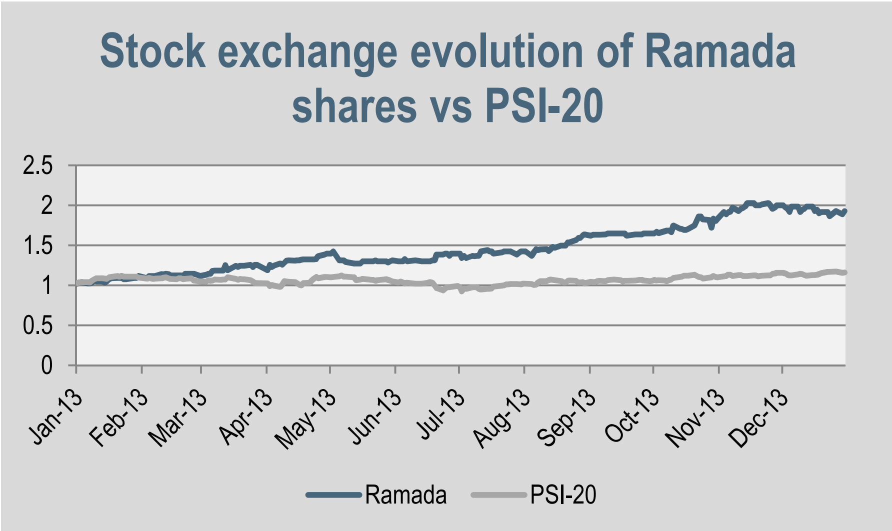
The performance of the Portuguese economy in 2013 necessarily reflects the impact of implementation of the measures in the economic and financial adjustment program (EFAP). As more recent estimates included in the Winter Bulletin of the Bank of Portugal, GDP showed a decline of 1.4% in 2013, compared to a decrease of 3.2% in 2012, which envisaged a recovery to positive territory in 2014 (+0.8%).

Like the Eurozone, the projected performance of the Portuguese economy is based on a fall in domestic demand (-2.7% in 2013 versus -6.9% in 2012) partially offset by an increase in net exports (1.1% in 2013 and 3.7% in 2012). In the last quarter of 2013 it will have already occurred over the same period of last year, a homologous increase of around 1.6% with a positive contribution of domestic demand, a situation that didn't occur since the 4th quarter of 2010. In cumulative terms, the decline in domestic demand in the 2009-2013 period will have been around 17 percent. Inflation should be of 0.5% in 2013 (2.8% in 2012), and the unemployment rate should have remained high, closing the year at 15.3% (16.5% in 2012).

Projections for 2014 point to a recovery in economic growth, though tenuous, of about 0.8% of GDP - continuing the trend of the last quarters of 2013 (+0.3% variation in chain in the 3rd quarter and +0.5% in the 4th quarter).

STOCK EXCHANGE EVOLUTION

The year 2013 was marked by a strong performance of stock exchange markets but without a linear trend. The Portuguese market grew about 16%, but this positive evolution was obtained in the second half of the year since until July the index had a negative performance.

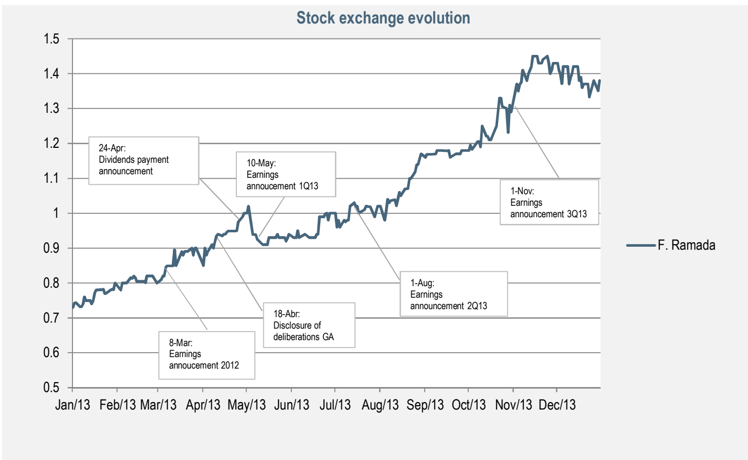


F. Ramada Investimentos' share price closed the year 2013 in 1.38 Euro per share, which represents an increase of 93% when compared with 2012.

During 2013, F. Ramada Investimentos' shares were traded at a maximum price of 1.45 Euro per share and at a minimum price of 0.73 Euro per share. In total, 3,808,603 shares of F. Ramada Investimentos were traded in 2013.

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

The main events that marked the stock price evolution of F. Ramada Investimentos' shares during 2013 may be described as follows:



- According to the Group announcement made on 8 March 2013, the Group announced its financial performance in relation to the year 2012, presenting a consolidated net profit of 6.2 million Euro. Consolidated EBITDA amounted to 15.5 million Euro, recording an increase of 3.3% when compared with 2011;
- In the Group announcement statement made on 18 April 2013, F. Ramada Investimentos informed the market about the resolutions of the Shareholders General Meeting held on that date, where it was approved, amongst other decisions, the payment of dividends, corresponding to 0.09 Euro per share;
- On April 24, 2013, the Company informed the market that the dividends for the year 2012 would be paid from May 9 onwards;
- As of 10 May 2013, the results of F. Ramada Group related with the first quarter of 2013 were announced to the market, amounting to 1.5 million Euro. Consolidated EBITDA reached 3.5 million Euro and the consolidated total revenues amounted to 24 million Euro;
- As of 1 August 2013, the results of F. Ramada Group related with the first half of 2013 were announced to the market, amounting to 2,975 thousand Euro. Consolidated EBITDA reached 6.8 million Euro and EBITDA margin reached on 13.6%, representing an increase of 4% over the same period of 2012;
- Through the statement made as of 1 November 2013, the Group announced its financial performance related to the third quarter of 2013, presenting a consolidated net profit of 4.4 million Euro. Consolidated EBITDA amounted to 10.4 million Euro and EBITDA margin reached 14%.

GROUP ACTIVITY

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

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

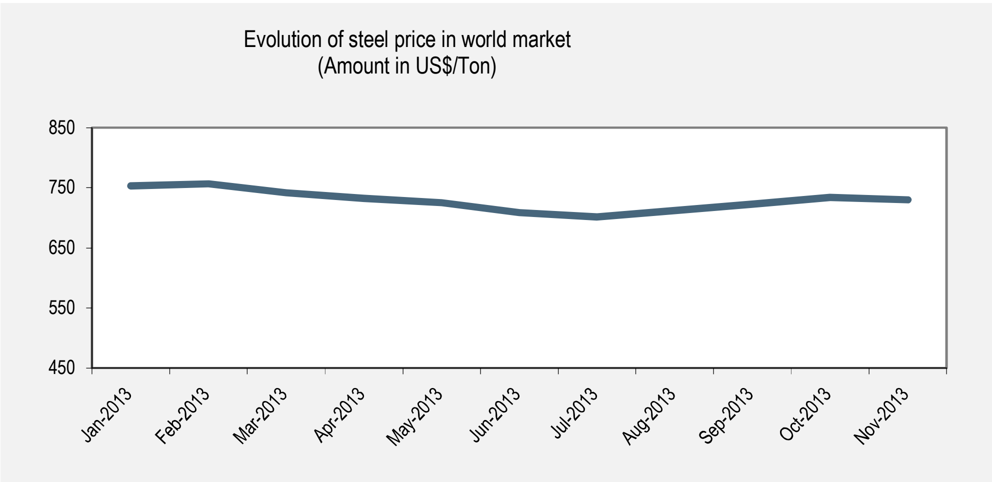
This activity is enabled to provide to its customers a wide range of services, among which we should highlight the heat treatments, where the Company has a deep know-how, as well as modern technical and logistical resources. Thus, the Group supplies all the technical assistance required by its customers, in relation to whom it has followed a strategy of permanent quality improvement, both, concerning the services rendered and the products sold.

The turnover of this activity in 2013, was slightly lower than the amount recorded in the year ended December 31, 2012. The sales to the sector of manufacturers of moulds showed a decrease compared to 2012.

The sector of moulds and tools manufacturers maintains the export potential as characteristic, and all indicates that it will continue in 2014. To keep up with this growth, the Group decided to invest in very high accuracy CNL- machining of plates, service that adds value to the steel sold to this sector.

The automotive components and general mechanics business were slightly better than in the previous year.

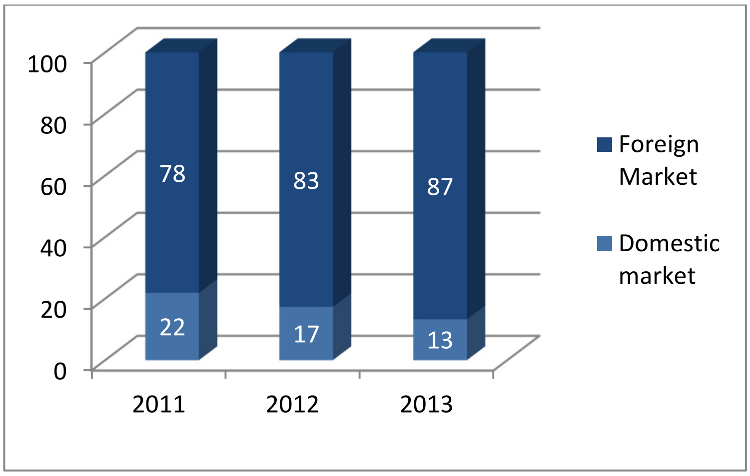
The price of steel remained stable throughout the year however, there is a great uncertainty about its evolution. Steelmakers keep pushing up prices, but demand remains weak, not allowing its increase.



Steel activity operates, essentially, in the domestic market, which represented 97% of its sales in 2013.

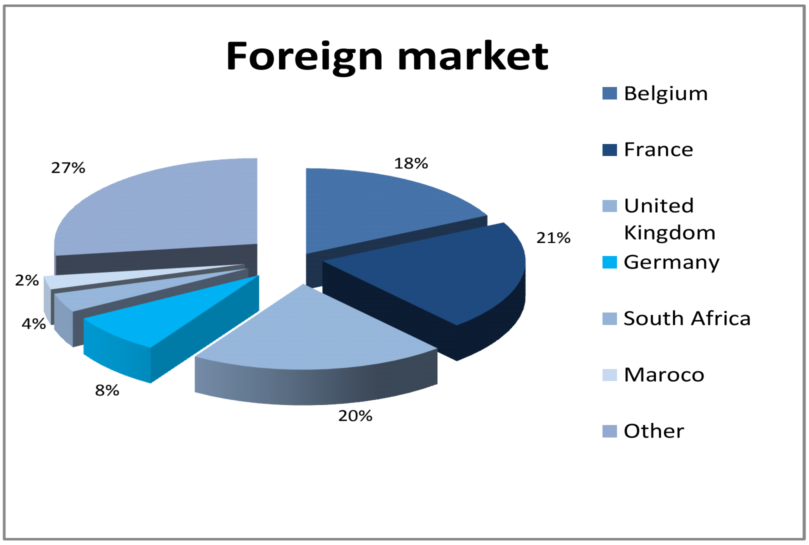
In 2013, storage systems activity had a slight decrease in turnover compared to 2012. The external market remains the main growth driver of this activity, representing 87% of turnover (83% in 2012).

<u>Storage systems turnover distribution by geographical market</u>



In 2013, storage systems facilities were set up in 56 countries, covering almost all continents, with an emphasis in the sustainability of the South Africa, Morocco and Algeria markets.

Distribution of storage systems activity by foreign markets in 2013



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

Annual rents obtained from the lease of forestry lands represent more than 95% of total income of F. Ramada Imobiliária.

FINANCIAL REVIEW

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

Main indicators of F. Ramada Group

	2013	2012	Var. %
Sales and services rendered	104,399	109,336	-4.5%
Other income	952	1.260	-24.5%
Total income	**105,351**	**110.596**	**-4.7%**
Cost of sales	58,756	63.288	-7.2%
External supplies and services	16,351	16.553	-1.2%
Payroll	13,025	12.498	4.2%
Other costs	2,754	2.766	-0.4%
Total costs (a)	**90,886**	**95.106**	**-4.4%**
EBITDA (b)	**14,466**	**15.491**	**-6.6%**
EBITDA margin	**13.7%**	**14.0%**	
Amortization and depreciation	1,529	1.220	25.4%
EBIT (c)	**12,936**	**14.271**	**-9.4%**
EBIT margin	**12.3%**	**12.9%**	
Financial results	-4,068	-4.410	-7.8%
Net profit before income tax	**8,868**	**9.860**	
Income tax	-2,650	-3.692	
Net profit attributable to shareholders of parent company	**6,218**	**6.169**	**0.8%**

Amounts in thousands Euro

(a) Operating costs excluding amortization, financial expenses and income tax
(b) EBITDA= Earnings before interest income, tax, depreciation and amortization
(c) EBIT = Earnings before interests and income tax

Total turnover of Ramada Group amounted to 105,351 thousand Euro, representing a decrease of 4.7% in relation to the total turnover in 2012.

Total costs, excluding amortisations, financial expenses and taxes, amounted to 90,886 thousand Euro, representing a decrease of 4.4% in relation to 2012.

In 2013 EBITDA reached 14,466 thousand Euro, representing a decrease of 6.6% when compared to the previous year. EBITDA margin reached 13.7%, which compares to 14.0% obtained in 2012.

Group operating results (EBIT) amounted to 12,936 thousand Euro, representing a decrease of 9.4% comparing with 14,271 thousand Euro in 2012.

Financial results amounted to negative 4,068 thousand Euro, representing an improvement of 7.8% in relation to prior year.

Ramada Group net profit reached 6,218 thousand Euro, which is 0.8% higher when compared with 2012.

In accordance with the turnover origin generated by F. Ramada Group, two business segments were defined: i) Industry, which aggregates special steels activity, the storage systems and equity investments managing activity ii) Real Estate, focused on the management of Group real state assets and forest, which are leased to third parties.

Industry

	2013	2012	Var. %
Total income	99,096	103,737	-4.5%
Total costs (a)	89,621	93,321	-4.0%
EBITDA (b)	9,475	10,416	-9.0%
EBITDA margin	9.6%	10.0%	
EBIT (c)	8,324	9,701	-14.2%
EBIT margin	8.4%	9.4%	
Financial results	(717)	(493)	45.4%
Net profit before income tax	7,607	9,208	-17.4%

(amounts in thousands Euro)

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

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

(c) EBIT = Earnings before interests and income tax

As of 31 December 2013, total turnover of the Industry segment amounted to 99,096 thousand Euro, thus presenting a decrease of 4.5% in relation to total turnover in the prior period.

In 2013, Industry segment EBITDA reached 9,475 thousand Euro, which represents a decrease of 9% in relation to 10,416 thousand Euro reached in 2012.

Industry segment EBITDA margin decreased from 10.0% in 2012 to 9.6% in 2013.

Industry segment EBIT amounted to 8,324 thousand Euro in 2013, representing a decrease of 14.2% comparing with 9,701 thousand Euro reached in 2012. EBIT margin decreased from 9.4% in 2012 to 8.4% in 2013.

Real Estate

	2013	2012	Var. %
Total income	6,255	6,860	-8.8%
Total costs (a)	1,264	1,785	-29.1%
EBITDA (b)	4,990	5,075	-1.7%
EBIT (c)	4,612	4,570	0.9%
Financial results	(3,351)	(3,918)	-14.5%
Net profit before income tax	1,261	652	93.4%

(amounts in thousands Euro)

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

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

(c) EBIT = Earnings before interests and income tax

In 2013, total turnover of the Real Estate segment amounted to 6,255 thousand Euro, representing a decrease of 8.8% in relation to the prior period.

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

In 2013, Real Estate segment EBITDA amounted to 4,990 thousand Euro, representing a decrease of 1.7% in relation to the prior period.

Real Estate segment EBIT amounted to 4,612 thousand Euro, representing a slight growth (0.9%) in relation to the 4,570 thousand Euro reached in 2012.

Financial results of the Real Estate segment, in 2013, amounts to negative 3,351 thousand Euro, thus representing an improvement of 14.5% compared with negative 3,918 thousand Euro reached in 2012.

Investments and net debt

In 2013, Ramada Group investments amounted to 8,519 thousand Euro, which include 6,502 thousand Euro in equity investments.

As of 31 December 2013, Ramada Group nominal net debt, net of own shares held (amounting to 1,641 thousand Euro), amounted to 68,772 thousand Euro. As of 31 December 2012, nominal net debt amounted to 73,106 thousand Euro.

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

During 2013, the non-executive directors of the Company developed regularly and effectively the functions that they are legally entitled to, and which consist in monitoring and evaluating the activities of the executive directors.

During 2013, the non-executive directors regularly and actively attended the Board of Directors meetings, discussing the matters under appreciation and expressing their opinions in relation to the Group's strategic guidelines and the specific business areas. Whenever necessary, they maintained a close and direct contact with the key staff of the Group's operating and financial units. In the year 2013, and during the Board of Directors' meetings, the executive members of the Board provided all the information required by the remaining members of the Board of Directors.

2014 OUTLOOK

At the economic level, the year 2014 should be characterized by a slight recovery in Europe.

The special steel activity is strongly exposed to the automotive components and fabrication of plastic moulds industries. The storage systems activity is related with the development and modernization of companies' logistics.

Everything indicates that the sector of moulds and tools will continue to be strengthened internationally.

In 2013 new products and services were launched accompanied by significant investments to be completed in 2014.

The combination of these factors leads us to be optimistic and to forecast an increase in the Group's activity in 2014.

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 profit of 4,023,324.97 Euro, for which, in accordance with the applicable legislation and the Company's articles of association, the Board of Directors proposes to the Shareholders General Meeting the following appropriation:

Legal reserve	201,166.25
Other reserves	937,494.47
Dividends	2,884,664.25*

	4,023,324.97
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* This amount takes into account the existence of 2,564,145 own shares held. If the number of own shares changes, as of the payment date, the payable dividends amount may be adjusted by the amount destined to "Other reserves", so as to keep the proposed payable amount per share unchanged.

CORPORATE GOVERNANCE

PART I – INFORMATION ON SHAREHOLDER AND ORGANIZATION STRUCTURE AND CORPORATE GOVERNANCE

SHAREHOLDER STRUCTURE

I. CAPITAL STRUCTURE

1. The capital structure

On 31 December 2013, 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, all entitled to dividends.

2. Restrictions on the transfer and ownership of shares

F. Ramada's shares have no restrictions on their transfer or on their ownership.

3. Own shares

Pursuant to the purposes of the article 66 of the Commercial Companies Code, the Directors inform that as of 31 December 2013 the Company had 2,564,145 own shares representing 9.999996% of the share capital

4. Important agreements to which the company is a party and that come into effect, amend or terminated in cases such as a change in the control of the company after a takeover bid, and the respective effects

There are no significant agreements concluded by F. Ramada Investimentos or its subsidiaries that include any clauses of control change (including after a takeover bid), that is, which come into effect, be amended or terminated, 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.

5. System that is subject to the renewal or withdrawal of countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders

F. Ramada didn't adopt any countermeasures.

6. Shareholders' agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights

As far as F. Ramada is aware there are no agreements regarding the exercise of voting rights or the transfer of shares and does not exist, to the best of its' knowledge, any agreement to ensure or frustrate the success of takeover bids.

II. Shareholdings and Bonds held

7. Qualifying holdings

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 Company informs that, in accordance with the notifications received, the companies and/or individuals that hold qualifying holdings exceeding 2%, 5%, 10%, 20%, 33% and 50% of the voting rights, are as follows:

Exceeding 2% of the voting rights	Shares held	Direct % of the voting rights
Maria João Fernandes Vieira de Matos	518,677	2.02%

Exceeding 5% of the voting rights	Shares held	Direct % of the voting rights
Domingos José Vieira de Matos	2,495,181	9.73%
Pedro Miguel Matos Borges de Oliveira	1,402,072	5.47%

Exceeding 10% of the voting rights	Shares held	Direct % of the voting rights
ACTIUM CAPITAL – S.G.P.S., S.A [(a)]	3,427,924	13.37%

(a) 3,427,924 shares represents F.Ramada – Investimentos, SGPS, S.A total shares held by the Company ACTIUM CAPITAL– SGPS, S.A., where Paulo Jorge dos Santos Fernandes is director and shareholder.

Exceeding 15% of the voting rights	Shares held	Direct % of the voting rights
CADERNO AZUL – S.G.P.S., S.A [(b)]	4,895,721	19.09%
PROMENDO – S.G.P.S., S.A [(c)]	3,946,648	15.39%

(b) 4,895,721 shares represents F.Ramada – Investimentos, SGPS, S.A total shares held by the Company CADERNO AZUL– SGPS, S.A., where João Manuel Matos Borges de Oliveira is director and shareholder.

(c) 3,946,648 shares represents F.Ramada – Investimentos, SGPS, S.A total shares held by the Company PROMENDO– SGPS, S.A., where Ana Rebelo de Carvalho Menéres de Mendonça is director and shareholder.

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

8. Number of shares and bonds held by members of the management and supervisory boards, under the terms of 447/5 of the Comercial Companies' Code

Pursuant to and for the requirements of article 447 of the Commercial Companies' Code states that on December 31, 2013, the directors of the Company held the following shares:

João Manuel Matos Borges de Oliveira [(a)]	4,895,721
Paulo Jorge dos Santos Fernandes [(b)]	3,427,924
Pedro Macedo Pinto de Mendonça	213,125
Domingos José Vieira de Matos	2,495,181
Ana Rebelo de Carvalho Menéres de Mendonça [(c)]	3,946,648
Pedro Miguel Matos Borges de Oliveira	1,402,072

(a) 4,895,721 shares represents F.Ramada – Investimentos, SGPS, S.A total shares held by the Company CADERNO AZUL– SGPS, S.A., where João Manuel Matos Borges de Oliveira is director and shareholder.

(b) 3,427,924 shares represents F.Ramada – Investimentos, SGPS, S.A total shares held by the Company ACTIUM CAPITAL– SGPS, S.A., where Paulo Jorge dos Santos Fernandes is director and shareholder.

(c) 3,946,648 shares represents F.Ramada – Investimentos, SGPS, S.A total shares held by the Company PROMENDO– SGPS, S.A., where Ana Rebelo de Carvalho Menéres de Mendonça is director and shareholder.

As of December 31, 2013, 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 the Company.

9. Special Powers of the Board of Directors, especially as regards resolutions on the capital increase

F. Ramada's articles of association assign to the Board of Directors powers to manage and represent the Company and carry out all operations related to its corporate purpose including, among others, the possibility to decide, with the prior opinion of the supervisory board of the company, capital increases, by one or more occasions, up to 35 million Euro in cash.

10. Significant business relationships between the holders of qualifying holdings and the Company

There were no businesses or significant transactions between the Company and holders of qualifying holdings except those that, as part of normal operations, were performed in normal market conditions for similar transactions. The amounts involved are immaterial.

B. CORPORATE BOARDS AND COMMITTEES

I. GENERAL MEETING

<u>a) Composition of the Presiding Board of the General Meeting</u>

11. Details and position of the members of the Presiding Board of the General Meeting and respective term of office

The Shareholders' General Meeting Chairman is Pedro Nuno Fernandes de Sá Pessanha da Costa and the Secretary is Fernando Eugénio Cerqueira Magro Ferreira. The current F. Ramada's Shareholders' General Meeting members were elected on May 26, 2011 for the period 2011/2013.

a) Exercising the right to vote

Restrictions on voting rights

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

There aren't articles of association which restrict voting rights or which enable voting rights over a certain number not to be counted, when issued by a shareholder individually or together with other related shareholders.

Individual shareholders with voting rights and companies who are shareholders of the Company may be represented by the person designated for that purpose. The representation should be communicated to the Chairman of the General Meeting, in writing, until the end of the third working day prior to the day scheduled for the meeting. The Company makes available at its headquarters and at its site, before the date of each General Meeting, a draft of the appropriate power of attorney form.

A shareholder may appoint different representatives for the shares owned in different securities accounts, without prejudice to the principle of unity of vote and of vote in different directions allowed to shareholders acting as professionals.

Shareholders can exercise voting rights via postal voting on all matters subject to the General Meeting. According to the articles of association, the declaration of intention to cast postal votes and the supporting document proving the quality of shareholder must be delivered in the Company's headquarters, until the end of the third working day prior to the day scheduled for the meeting, with identification of the sender, addressed to the Chairman of the General Shareholders' Meeting. It isn't provided the possibility to exercise voting rights by electronic means.

13. Maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in Article 20/1

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

There aren't articles of association 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 together with other related shareholders.

14. Shareholders' resolutions that, imposed by the articles of association, may only be taken with a qualified majority

F. Ramada's articles of association do not include quorum for convening or deciding greater than the ones established by law.

II. MANAGEMENT AND SUPERVISION

Composition

15. Identification of corporate governance model adopted

The structure of the Company's Corporate Governance is based on the reinforced Latin model and is composed by the Board of Directors, Statutory Audit Board and Statutory Auditor, all appointed by the Shareholders' General Meeting.

16. Articles of association rules on the procedural requirements governing the appointment and replacement of members of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable

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

The Board is made up by three to nine members, shareholders or not, appointed by the Shareholders' General Meeting. At the General Shareholders' Meeting elections, 1 (one), 2 (two) or 3 (three) Directors shall be elected individually among the candidates proposed on the lists endorsed by groups of shareholders, depending on whether the total number of Directors is 3 (three) or 4 (four), 5 (five) or 6 (six), 7 or more than 7 (seven), provided that none of the said groups own shares representing over 20 % (twenty per cent) or less than 10 % (ten per cent) of the share capital. Each of the referred lists shall propose at least 2 (two) candidates eligible for each one of the available posts, one of them being nominated as substitute. No shareholder may endorse more than 1 (one) of the mentioned lists.

The General Shareholders' Meeting may not proceed to the election of any further Directors until 1 (one), 2 (two) or 3 (three) have been elected, as per the dispositions above, unless the above mentioned lists have not been presented. In the case of there being no elected Director, his/her respective substitute shall be called. In the case of there being no substitute, a new election shall be called, in which the dispositions above shall be applied with the necessary adaptations.

17. Composition of the Board of Directors

The Board of Directors is composed by three to nine members, shareholders or not, elected by the Shareholder's General Meeting. Company's Board of Directors' Members are elected by Shareholder's General Meeting for three years mandates' and can be re-elected once or more.

The Board of Directors is currently made up of 6 members who are responsible for carrying out all the management functions to implement the operations inherent to its corporate goals, acting in the best interests of the Company, its shareholders and other stakeholders. On December 31, 2013 this corporate board 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 – non-executive member
- Ana Rebelo de Carvalho Menéres de Mendonça – non-executive member

All Board of Directors members were appointed by the Shareholder's General Meeting held in May 26, 2011 for the period 2011/13.

Name	First appointment	End of mandate
João Manuel Matos Borges de Oliveira	June 2008	December 31, 2013
Paulo Jorge dos Santos Fernandes	June 2008	December 31, 2013
Domingos José Vieira de Matos	June 2008	December 31, 2013
Pedro Macedo Pinto de Mendonça	June 2008	December 31, 2013
Pedro Miguel Matos Borges de Oliveira	May 2009	December 31, 2013
Ana Rebelo de Carvalho Menéres de Mendonça	May 2009	December 31, 2013

18. Distinction to be drawn between executive and non-executive Directors and, as regards non-executive members, details of members that may be considered independent

As of December 31, 2013, the Board of Directors included two non-executive members: Pedro Macedo Pinto de Mendonça and Ana Rebelo de Carvalho Menéres de Mendonça.

The Board Directors does not include any member that satisfies the standard of independence referred in recommendation II.1.7 of Corporate Governance Code issued by the Portuguese Securities Regulator (CMVM) since the non-executive director Pedro Mendonça is the father of the non-executive director Ana Rebelo de Carvalho Menéres de Mendonça, who holds a qualifying holding in the Company.

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

- Notices of meetings of the Board of Directors sent to all directors include the agenda, even tentatively, of the meeting, and are accompanied by all the relevant information and documentation; and
- The non – executive directors have wide powers to obtain information on any aspect of the Company, to examine its books, records, documents and other antecedents of the Company's operations. They can request relevant information directly to the directors and to the financial and operating senior staff of all group companies, without requiring any intervention of the executive directors in this process.

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

The 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 2013.

Given the Corporate model adopted, the composition of the governing boards and the way they operate, namely the independence of the Statutory Audit Board and of the Statutory Auditor, without the existence of any delegation of powers, the Group believes that the appointment of independent directors would not bring significant gains for the proper functioning of the adopted corporate governance model which has been deemed appropriate and efficient.

19. Professional qualifications and other relevant curricular information of each member of the Board of Directors

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

20. Customary and meaningful family, professional or business relationships of members of the Board of Directors with shareholders that are assigned qualifying holdings that are greater than 2% of the voting rights

The director João Manuel Matos Borges de Oliveira is director and shareholder of CADERNO AZUL - SGPS, S.A., which owns 19,09 % of the share capital of F. Ramada Investimentos, SGPS, S.A.. In addition, that director is brother of the director Pedro Miguel Matos Borges de Oliveira.

The director Domingos José Vieira de Matos is Maria João Fernandes Vieira de Matos' father, owner of 2.02 % share capital of F. Ramada Investimentos, SGPS, S.A..

The company Promendo SGPS, SA, holder of 15.39 % of the share capital of F. Ramada Investimentos, SGPS, S.A. has as director and dominant shareholder Ana Rebelo de Carvalho Menéres Mendonça, , non-executive director of F. Ramada Investimentos and daughter of the director Pedro Macedo Pinto Mendonça.

The director Paulo Jorge dos Santos Fernandes is a director and dominant shareholder of ACTIUM CAPITAL – SGPS, S.A., which owns of 13.37 % share capital of F. Ramada Investimentos, SGPS, S.A..

21. Organisational charts or flowcharts concerning the allocation of powers between the various corporate boards, committees and/or departments within the company, including information on delegating powers, particularly as regards the delegation of the company's daily management

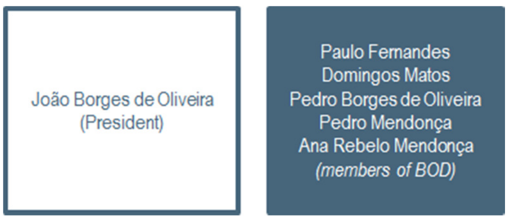
The Board of Directors, appointed in the Shareholders' General Meeting, develops its functions of management and coordination of the Group companies on a collective basis and is currently made up of a president and five members, two of them being non-executive.

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

There is no limit to the maximum number of positions that the Board members can accumulate as directors of other companies. The members of F. Ramada Investimentos's Board of Directors are part of the management of the most significant group companies, so as to enable their activities to be more closely monitored.

Regarding internal control, operating companies of F. Ramada Investments Group have management control boards that are active at all levels, 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:



F. Ramada Investimentos SGPS' directors focus their activities in managing the Group's holdings and defining its strategic development guidelines. The strategic decisions are adopted by the Board including all its members, executives and non-executives, in the normal accomplishment of their duties.

The daily management of each operating company is a responsibility of its Board of Directors, which includes some of F. Ramada Investimentos directors but also some other members with defined functions.

b) Functioning

22. Existence and place where rules on the functioning of the Board of Directors may be viewed

The Board of Directors and the Statutory Audit Board approved their regulations, which are available on the website of F. Ramada Investimentos.

23. Number of meetings held and the attendance report for each member of the Board of Directors

The Company's Board of Directors meets regularly and the Boards of Directors of subsidiaries of which, F.Ramada Investimentos's directors are also part 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 them the necessary support, including for the preparation of their annual report on the supervision of the Company and its opinion on the directors' report and on the Board of Directors' proposals.

The meetings of the Board are scheduled and prepared in advance, and timely documentation relating to the matters contained in its agenda is provided, to ensure all members of the Board the conditions for the informed exercise of their functions. Similarly, minutes of meetings, once approved, and the respective notices of meeting are forwarded to the President of the Statutory Audit Board.

The Board of Directors meets regularly, and their decisions are only valid if the majority of members is present. During 2013 the Board of Directors met 12 times being the corresponding minutes recorded in the minute book of the Board of Directors. All members of the Board were present at all meetings.

24. Details of competent corporate boards undertaking the performance appraisal of executive directors

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 group companies as well as their responsibility and added value and the experience and knowledge accumulated on the job.

25. Predefined criteria for assessing executive directors' performance

The remuneration of executive members of the Board of Directors includes a variable component of medium term (2011 to 2013) computed based on total shareholders' return, on the sum of net profit for that period and on the evolution in the Company's business.

26. Availability of each member of the Board of Directors and details of the positions held at the same time in other Companies within and outside the Group, and other relevant activities undertaken by members of these boards throughout the financial year

The professional activity of the current members of F.Ramada Investimentos's Board of Directors, with reference to other companies where they have directors' functions and other relevant activities undertaken are presented in Appendix I. The members of Board of Directors showed availability in the exercise of their functions being present and participating in all meetings of the Board. All members of the Board attended all the meetings.

c) Committees within the Board of Directors

27. Details of the committees created within the Board of Directors and the place where the rules on the functioning thereof is available

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

F. Ramada Investimentos, S.G.P.S., S.A. has set a Remuneration Committee for the period 2011/2013, which composition is as follows:

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

The Company is currently in the revision of the rules of the Board of Directors which will also include the regulation establishing the functioning of the Remuneration Committee.

28. Composition, if applicable, of the executive board and/or identification of board delegates

F. Ramada Investimentos did not appoint any Executive Committee of the Board of Directors; the decisions regarding strategic matters are adopted by the Board of Directors as a collegial board made up of all its members, executives and non-executives in the normal prosecution of their duties.

29. Description of the powers of each of the committees established and a summary of activities undertaken in exercising said powers

The Board of Directors believes that the only specialized committee indispensable to satisfy the needs of the Company, considering its dimension, is the Remuneration Committee.

According with the articles of association the governing boards' members will have the remuneration fixed by the Remuneration Committee and approved in the Shareholders' General Meeting.

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 the Group as well as the responsibility and the added value by each one of the directors and the accumulated experience and knowledge on their functions.

The members of the Board of Directors are not remunerated by F. Ramada Investimentos, S.G.P.S., S.A., but directly by the subsidiaries where they have functions, so that the actual powers of the Remuneration Committee also focus on setting the remunerations of the company's Board of Directors members paid by other group companies.

III. SUPERVISION

a) Composition

30. Details of the Supervisory Board representing the model adopted

The structure of the Company's Corporate Governance is based on the reinforced Latin model and is composed by the Board of Directors, Statutory Audit Board and Statutory Auditor, appointed by the Shareholders' General Meeting.

31. Composition of the Supervisory Board with details of the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date of first appointment, date of end of the term of office for each member

The Statutory Audit Board is appointed by the Shareholders' General Meeting, 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 board was composed by the following members:

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

The Board members were apointed for the first time in June 2008 for the triennium 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.

32. Details of the members of the Supervisory Board which are considered to be independent pursuant to article 414/5 of Portuguese Companies Act

As a collective board, the assessment of independence of the supervisory board is made to all those who compose it, given the application of the number 6 of Article 414 of the Portuguese Companies Act, considering independence in accordance with the definition that is given by number 5 of article 414 and incompatibility according to definition of the number 1 of article 414-A, both of the Portuguese Companies Act. All members that compose the Supervisory Board comply the rules of incompatibility and independence identified above.

33. Professional qualifications of each member of the Supervisory Board and other important curricular information

As regards the skills 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 Supervisory Board. Appendix I presents the qualifications and professional activities of the members of the Supervisory Board.

b) Functioning

34. Availability and place where the rules on the functioning of the Supervisory Board may be viewed

The Supervisory Board rules of functioning are available for consultation on the website of F.Ramada Investimentos (www.ramadainvestimentos.pt).

35. Number of meetings held and the attendance report for each member of the Supervisory Board

During 2013 the Supervisory Board of the Company met 4 times, and The corresponding minutes are recorded in the minutes' book of the Supervisory Board.

36. Availability of each member of the Supervisory Board indicating the positions held simultaneously in other Companies inside and outside the Group, and other relevant activities undertaken by members of this Board throughout the financial year

The members of Supervisory Board showed availability in the exercise of their duties attending and participating in all meetings of the Board. The information regarding other undertaken positions, qualifications and professional experience of the Supervisory Board members are detailed on Appendix I.

c) Powers and duties

37. Description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the External Auditor.

The Supervisory Board analyses and approves the nature of other additional services evaluating if the independence of the External Auditor is ensured.

The Supervisory Board, exercising its functions, carries out an annual evaluation of independence of the External Auditor, particularly regarding non-audit services. Additionally, the Supervisory Board receives, annually, the declaration of independence of the auditor where are described the services rendered by it and by other entities of the same network, their fees, possible threats to their independence and safeguard measures. All threats to the independence of the Auditor are evaluated and discussed with him as well as the respective safeguard measures.

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

38. Other duties of the supervisory Board

The supervision of the Company is assigned to the Supervisory Board and to the Statutory Auditor.

The Supervisory Board also represents the Company next to the External Auditor and Statutory Auditor and is responsible for proposing the provider for these services, their remuneration and to ensure that they are guaranteed, within the group, suitable conditions for them to provide their services. The Supervisory Board, together with the Board of Directors, is the first recipient of the reports issued by the External Auditor as well as the group's representative in the relationship with that entity.

The Supervisory Board is responsible for preparing an annual report on its activity and for giving an opinion on the annual report and proposals presented by the Board of Directors as well as monitor the effectiveness of risk management and internal control.

The Board of Directors, together with the Supervisory Board, regularly reviews and oversees the preparation and disclosure of financial information in order to prevent access, improper and untimely of third parties to relevant information.

Additionally, the Supervisory Board issues an opinion on transactions between the directors of F.Ramada Investimentos and the Company or between F.Ramada Investimentos and companies in a group or domain relationship with the one in which the interested part is director, regardless of the amount, under article 397 of Portuguese Companies Act.

The External Auditor, within the annual audit, analyses the functioning of the internal control mechanisms and reports deficiencies identified; verifies that the key elements of internal control systems and risk management implemented in the company in relation to the process of financial reporting are presented and disclosed in the annual Corporate Governance Report and issues a legal certification of accounts and audit report, which certifies whether that report disclosed about the structure and practices of corporate governance includes the elements referred to in Article 245 - A of Securities Code.

During 2013, the Statutory Auditor monitored the development of company's activity and carried out the tests and inspections deemed necessary to the review and legal certification of the accounts, in interaction with the Supervisory Board and with full cooperation of the Board of Directors.

In addition, the Statutory Auditor pronounced itself on the work it developed in 2013 in its annual audit report subject to the assessment of the Shareholders' Annual General Meeting.

IV. STATUTORY AUDITOR

Details of the Statutory Auditor and the partner that represents same

The Statutory Auditor of the Company for the period 2011/2013 is Deloitte & Associados, SROC, S.A., represented by António Manuel Martins Amaral.

40. Number of years that the statutory auditor consecutively carries out duties with the Company and/or Group.

Deloitte & Associados, SROC, is responsible for the functions of the Statutory Auditor since 2008, represented by Antonio Manuel Martins Amaral since that date.

41. Description of other services that the statutory auditor provides to the Company

The Statutory Auditor is simultaneous the External Auditor of Company as detailed in sections below.

V. EXTERNAL AUDITOR

42. Details of the external auditor appointed in accordance with article 8 and the partner that represents same in carrying out these duties, and the respective registration number at the CMVM

The External Auditor of Company is Deloitte & Associados, SROC, S.A. appointed for the effect of article 8 of CVM registered under the number 231 in the Portuguese Securities Regulator (CMVM), represented by António Manuel Martins Amaral.

43. State the number of years that the External Auditor and respective partner that represents same in carrying out these duties consecutively carries out duties with the Company and/or Group

The External Auditor was appointed for the first time in 2008 and it is in the second mandate, being represented by its partner António Manuel Martins Amaral since 2008.

44. Rotation policy and schedule of the external auditor and the respective partner that represents said auditor in carrying out such duties

As regards the period of rotation of the External Auditor, F.Ramada Investimentos has not set a fixed policy of rotation of the External Auditor. The Company adopted, since its constitution in 2008, the current model of governance of companies in which the Statutory Auditor is not part of the Statutory Audit Board. According to this model, the election for each mandate of Statutory Auditor / External Auditor is made in the Shareholders General Meeting upon the 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 are fulfilled.

45. Details of the board responsible for assessing the external auditor and the regular intervals when said assessment is carried out

The Supervisory Board, in the fulfillment of its functions, annually assesses the External Auditor independence- Additionally, the Supervisory Board promotes whenever necessary or appropriate in light of developments in the Company's business or the evolution of the market, a reflection on the adequacy of the External Auditor to carry out its duties.

46. Details of services, other than auditing, carried out by the external auditor for the company and/or companies in a control relationship and an indication of the internal procedures for approving the recruitment of such services and a statement on the reasons for said recruitment

Other services rendered by External Auditor in 2013 include, essentially, services connected with validation of applications to governmental subsidies and with the revision of fiscal documentation processes.

The other services and other audit reliability services are provided by different teams of those involved in the audit process, so it enhances auditor's independence.

The Supervisory Board has reviewed and approved the scope of those services and concluded that they did not threaten the independence of the External Auditor. In this particular aspect, the hiring of Deloitte proved to be the most appropriate due to its solid experience and expertise in the field of taxation and fiscal incentives. Moreover, the actions of Deloitte are often articulated with technicians and experts independent from its network, namely consultants.

In 2013, the fees charged by Deloitte to F.Ramada Investimentos's 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 risk of loss of independence or conflicts of interest with F.Ramada Investimentos.

47. Details of the annual remuneration paid by the company and/or legal entities in a control or group relationship to the auditor and other natural or legal persons pertaining to the same network and the percentage breakdown relating to the following services:

Company		2013	%	2012	%
	Audit and statutory audit (€)	7,500	2.5%	8,900	3.6%
	Other assurance services (€)	-	0.0%	-	0.0%
	Fiscal consulting services (€)	-	0.0%	-	0.0%
	Other services (€)	-	0.0%	-	0.0%
Group					
	Audit and statutory audit (€)	151,138	50.4%	151,002	61.6%
	Other assurance services (€)	14,000	4.7%	14,000	5.7%
	Fiscal consulting services (€)	-	0.0%	-	0.0%
	Other services (€)	127,069	42.4%	71,065	29.0%
		299,707	100.0%	244,967	100.0%

C. INTERNAL ORGANISATION

I. ARTICLES OF ASSOCIATION

48. Rules governing amendment to the articles of association

There are no statutory rules relating to amendment of the articles of association. It is applied, in this matter, the framework established under the Commercial Companies Code.

II. REPORTING OF IRREGULARITIES

49. Reporting Means and policy on the reporting of irregularities in the company

The communication policy of internal irregularities is not formally defined. However, taking into account the proximity of members of the Board of Directors on the activities of the Group companies and their employees, F. Ramada Investimentos considers that such proximity allows if irregularities are detected, it is reported promptly to the Board of Directors, which ensures the implementation of procedures to deal effectively and fairly with the irregularities. The level of competence in the assessment of ethical issues and the corporate structure and governance, such functions are performed directly by the Board, which maintains a constant debate on this issue.

III. Internal Control and Risk Management

50. Individuals, boards or committees responsible for the internal audit and/or implementation of the internal control systems

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.

51. Detail of hierarchical and/or functional dependency in relation to other boards or committees of the company

This is not applicable because the Group has not autonomous services of internal audit and/or autonomous services responsible for the implementation of systems for internal control.

52. Other functional areas responsible for risk control

Risk management is ensured by various F.Ramada Investimentos´ operating units. The methodology of risk management includes several steps:

- First, internal and external risks that may materially affect the Groups' strategic objectives are identified and prioritized;
- The operational management of the various business units identify risk factors and events that may affect the operations and activities of F.Ramada Investimentos, as well as any procedures and control mechanisms;
- Additionally, the impact and the probability of occurrence of each risk factor are weighted and according to the exposure level, the need to respond to the risk is evaluated; and
- The risk mitigation actions are monitored and the level of exposure to critical factors is constantly monitored.

The Board of Directors is responsible for the definition of the Group's general strategic policies, being fully supported by the management teams of subsidiaries to ensure an effective risk control.

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

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

- Be aware of 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 disclosure of the risk management strategy at all levels of hierarchy;
- Ensure that the Group is able to minimize the likelihood and impact of risks in the business; and
- Ensure that the risk management process is adequate and that it maintains a close monitoring of those risks with higher probability of occurrence and higher impact in the group´s operations.

The subsidiaries manage their own risks, within the established criteria and delegations set by the board of Directors.

53. Details and description 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:

Credit Risk

Like any activity involving a commercial component, the Group's exposure to credit risk is attributable mainly to the accounts receivable resulting from the Group's operating activity.

This risk is 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 in a regular basis, by analysing the current economic conjuncture conditions, in particular the credit situation of each company and, when necessary, adopting the corrective measures.

Market Risk

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 interest rate swaps 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 with different currency from Euro. Therefore, 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. Therefore, when it is necessary to reduce this impact on its results the 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, cash flows of disinvestment, credit lines and cash flows from financing do not meet the financing needs, such as outputs cash for operating and financing activities, investment, shareholders returns and debt repayment.

The main objective of the liquidity risk management policy is to ensure that the Group is available at all times, the financial resources needed to meet its responsibilities and pursue the strategies outlined by honouring all commitments made to third parties when they become due, through proper management of the maturity of funding.

The Group adopts an active strategy of refinancing focused on maintaining a high level of immediately available funds to meet short term needs and the extension or maintenance of debt maturity in accordance with the forecasted cash flows and the capacity of leveraging of the balance sheet.

54. Description of the procedure for identification, assessment, monitoring, control and risk management

The Board of Directors identifies as essential the implementation of a system that allows to:

- Identify the risks that the Group faces;
- Measure the impact on financial performance and the value of the Group;
- Compare the value in 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 boards, 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; and
- The shareholder value is maximized and operational management takes the necessary measures to correct problems reported.

55. Core details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information

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

- The use of accounting principles, detailed throughout the notes to financial statements, is one of the bases of the control system;
- Plans, procedures and records of the Company and its subsidiaries provide reasonable assurance that transactions are recorded only properly authorized and that such transactions are recorded in accordance with generally accepted accounting principles;
- Financial information is analysed in a systematic and regular basis for the management of operational units, ensuring a permanent monitoring and control its budget;
- During the process of preparing and reviewing financial information, is previously established a timetable for closure of accounts and shared with the different areas involved, and all documents are reviewed in depth;
- At the level of individual financial statements of the various group companies, the accounting records and preparing financial statements are provided by administrative and accounting services. The financial statements are prepared by official chartered of accounts and reviewed by the financial management of each subsidiary;
- The consolidated financial statements are prepared quarterly by the consolidation team. 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 check balances and transactions between group companies;
- The consolidated financial statements are prepared under the supervision of the CFO. The annual report is sent for review and approval by the Board of Directors. After the approval, the documents are sent to the External Auditor, which issues the Statutory Audit and Auditor's Report; and
- The process of preparing the financial information and consolidated directors' report is monitored by the Supervisory Board and by the Board of Directors. Each quarter, these corporate boards meet and analyse the individual and consolidated financial statements of the Company.

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

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

IV. Investor Assistance

56. Department responsible for investor assistance, composition, functions, the information made available by said department and contact details

The Company has an Investor assistance department which includes the group's market liaison officer and the investor relations.

The contact for investors to obtain information is as follows:

Rua do General Norton de Matos, 68 – r/c
4050-424 Porto
Telephone: 256 580400
Fax: 256 586747
E-mail: adilia.miranda@ramadainvestimentos.pt

F.Ramada Investimentos provides financial information relating to its individual and consolidated operations, as well as that of its subsidiary 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 the Group's reports and accounts of the latest years. The majority of the information is available in the site both in Portuguese and in English.

57. Market Liaison Officer

The functions of Group's market liaison officer are performed by Adília Miranda dos Anjos..

58. Data on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years

Whenever necessary, the market liaison officer ensures that all relevant information regarding events, facts considered as relevant, disclosure of quarterly results and answers to any requests for clarification by the investors or the general public on public financial information is provided. All information requested by investors are analysed and provided within a maximum of five days.

V. WEBSITE

59. Address(es)

F.Ramada Investimentos has available a web page with information about Company and Group. The address is: www.ramadainvestimentos.pt.

60. Place where information on the firm, public company status, headquarters and other details referred to in article 171 of the Commercial Companies Code is available

www.ramadainvestimentos.pt \ investors \ identification of the company

61. Place where the articles of association and regulations on the functioning of the boards and/or committees are available

www.ramadainvestimentos.pt \ investors \ company management

62. Place where information is available on the names of the corporate boards' members, the Market Liaison Officer, the Investor Assistance Office or comparable structure, respective functions and contact details

www.ramadainvestimentos.pt \ investors \ company management
www.ramadainvestimentos.pt \ investors \ investor support office

63. Place where the documents are available and relate to financial accounts reporting, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, inter alia, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements

www.ramadainvestimentos.pt \ investors \ financial reports
www.ramadainvestimentos.pt \ investors \ calendar of events

64. Place where the notice convening the General Meeting and all the preparatory and subsequent information related thereto is disclosed

www.ramadainvestimentos.pt \ investors \ general meetings

65. Local where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results relating to the preceding three years are available

www.ramadainvestimentos.pt \ investors \ general meetings

D. REMUNERATION

I. POWER TO ESTABLISH

66. Details of the powers for establishing the remuneration of corporate boards, members of the executive committee or chief executive and directors of the company

According to the articles of association, the board members will have remunerations that will be established by the Remuneration Committee, composed by three members, one of whom will be the president and will have casting vote, all appointed by shareholders' resolution according to Article 21 of the articles of association. The Remuneration Committee submits its proposal for approval at the Shareholders' Annual General Meeting.

The remuneration policy is reviewed annually and is submitted for approval at the Company's Shareholders Annual General Meeting where it is present, at least, one representative of the remuneration committee.

II. REMUNERATION COMMITTEE

67. Composition of the Remuneration Committee, including details of individuals or legal persons recruited to provide services to said committee and a statement on the independence of each member and advisor

F. Ramada Investimentos, S.G.P.S., S.A appointed a Remuneration Committee for the period 2011/2013, whose composition is as follows:

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

All members of the Remuneration Committee are independent from the members of the Board of Directors. Additionally, in 2013 no persons or entities were hired to assist the members of the Remuneration Committee.

68. Knowledge and experience in remuneration policy issues by members of the Remuneration Committee

F.Ramada Investimentos believes that the experience and professional careers of the members of the Remuneration Committee allow them to perform their duties accurately and effectively. In particular, 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 decisions.

III. Remuneration structure

69. Description of the remuneration policy of the board of directors and Supervisory Boards as set out in article 2 of Law No. 28/2009 of 19 June

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

The policy on remuneration and compensation of the corporate boards of F.Ramada Investimentos approved at the General Meeting held on 18 April 2013, respects, the following principles:

BOARD OF DIRECTORS:

In order to establish the value of individual remuneration of each director it will be taken into account:

- The functions performed in the group's subsidiaries;
- The responsibility and the added value by individual performance;
- Knowledge and experience accumulated on the job;
- The economic situation of the Company; and
- The remuneration in the same sector companies and other companies listed on NYSE Euronext Lisbon.

The total fixed remuneration of the Board of Directors, included the remuneration that subsidiaries pays to member of Board of directors cannot exceed 750,000 Euro per year.

1. *Executive directors*
   - Fixed component, monthly amount paid 14 times a year

- Medium term Variable component:
   - intended to align more strongly the interests of executive directors with those of shareholders and will be calculated covering the years 2011, 2012 and 2013, based on:
      - Total shareholder return (shares valorisation plus dividend distributed dividend)
      - Sum of the net results of three years (2011, 2012 and 2013)
      - Company's business development

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

2. *Non-executive directors*

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

STATUTORY AUDIT BOARD:

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

GENERAL SHAREHOLDERS MEETING

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

STATUTORY AUDITOR

The Statutory Auditor will have a fixed remuneration based on performance of his duties and in accordance with the market price, under the supervision of the Statutory Audit Board.

COMPENSATION FOR TERMINATION OF FUNCTIONS BEFORE OR ON TERM OF MANDATE

The remuneration policy maintains the principle of not covering the grating of any compensation to directors or other governing boards, concerning their termination of functions, either early or at the scheduled end of their terms of office, subject to compliance with the legal provisions in force.

SCOPE OF PRINCIPLES

The remuneration policy described above is applicable to F. Ramada Investimentos and to all companies directly or indirectly controlled by it and the amounts and limits of remuneration, set by it to the remunerations of the Board of Directors, cover the totality of remunerations paid by F. Ramada Investimentos and by the companies directly or indirectly controlled by it to its members of the Board of Directors.

70. Information on how remuneration is structured so as to enable the aligning of the interests of the members of the board of directors with the company's long-term interests and how it is based on the performance assessment and how it discourages excessive risk taking.

The remuneration policy for executive directors aims to ensure a proper and thorough compensation for 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 with 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, S.A. and in its subsidiaries, the responsibility and added value by individual performance, the knowledge and the experience accumulated on the job, the economic situation of the company, the remuneration paid by other companies from the same sector and other companies listed on NYSE Euronext Lisbon. Regarding the latter point, the Remuneration Committee takes into account all national companies of equivalent size, particularly listed on NYSE Euronext Lisbon, and also companies in international markets with characteristics similar to F. Ramada Investimentos.

71. Reference, where applicable, to there being a variable remuneration component and information on any impact of the performance appraisal on this component

According to the Company's article's association, the corporate boards' members receive remunerations set by the Remuneration Committee composed by three elements, one of whom will be president and will have casting vote. In the General Shareholders Meeting held in 18 April 2013, it was approved the remuneration policy as detailed in paragraph 69 above, which includes a variable component depending on performance during the period between 2011 and 2013.

No mechanisms to prevent executive directors from having employment contracts that question 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. The Company did not celebrate any agreements with members of the Board of Directors that have the effect of mitigating the risk associated to variability of the remuneration or has become aware of any identical contracts with third parties.

72. The deferred payment of the remuneration's variable component and specify the relevant deferral period

There is currently no variable compensation due which payment was deferred in time.

73. The criteria whereon the allocation of variable remuneration on shares is based

F. Ramada Investimentos has not in place nor intends to have any form of compensation that may include shares or any other equity based compensation system.

The criteria whereon the allocation of variable remuneration on options is based

F.Ramada Investimentos does not have in place any form of compensation that includes stock options.

75. The key factors and grounds for any annual bonus scheme and any additional non-financial benefits

F.Ramada Investimentos hasn't any annual bonus scheme nor any other non-financial benefits.

76. Key characteristics of the supplementary pensions or early retirement schemes for directors and state date when said schemes were approved at the general meeting, on an individual basis

F.Ramada Investimentos has no supplementary pension scheme or early pension for members of the administrative and supervisory boards and other key staff.

IV. REMUNERATION DISCLOSURE

77. Indication on the amount relating to the annual remuneration paid as a whole and individually to members of the company's board of directors, including fixed and variable remuneration and as regards the latter, reference to the different components that gave rise to same.

The remunerations received by the members of the Board of Directors were fully paid by the Group's subsidiaries were they are also directors and there are no directors paid directly by F. Ramada Investimentos SGPS.

78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or are subject to a common control

The remuneration received by the Board of Directors of F.Ramada Investimentos during 2013, in the exercise of their functions, include only fixed remuneration and amounted to Euro 576,520 allocated as follows: João Borges de Oliveira – Euro 139,860 ; Paulo Fernandes – Euro 139,860; Domingos Matos – Euro 130,900; Pedro Borges de Oliveira – Euro 130,900; Ana Mendonça – Euro 35,000. The non-executive director Pedro Mendonça did not receive any remuneration in 2013.

79. Remuneration paid in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded

During the year there weren't any remuneration in the form of profit sharing or bonuses.

80. Compensation paid or owed to former executive directors concerning contract termination during the financial year

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

81. Details of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory board

The remuneration of the Statutory Audit Board is composed of a fixed annual amount based on the F.Ramada Investimentos situation and on the current market practices. In the year ended 31 December 2013, the remuneration of Statutory Audit Board members amounted to Euro 32,970 distributed as follows: João Natária – Euro 16,350; Cristina Linhares – Euro 8,310; Manuel Tiago Fernandes – Euro 8,310.

The remuneration of the Statutory Auditor is described in paragraph 47 above.

82. Details of the remuneration in said year of the Chairman of the Presiding Board to the General Meeting

The remuneration of the Chairman of the Board of the General Meeting in the year ended in 31 December 2013 was Euro 5,000.

V. AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. The envisaged contractual restraints for compensation payable for the unfair dismissal of directors and the relevance thereof to the remunerations' variable component

The remuneration policy maintains the principle of not including the grating of any compensation to directors or other governing boards, concerning the termination of their functions, either early or at the scheduled end of their terms of office, subject to the compliance with the legal provisions in force.

84. Reference to the existence and description, with details of the sums involved, of Agreements between the company and members of the Board of Directors and managers, pursuant to Article 248-B/3 of the Securities Code that envisages compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid.

There are no agreements, between the Company and members of the board of directors or other key staff, pursuant to paragraph 3 of Article 248-B of CVM, which provide compensations in case of resignation, unfair dismissal or termination of employment contract following a takeover bid. There aren't also planned agreements with directors to ensure any compensation in case of non-renewal of their terms of office.

VI. SHARE-ALLOCATION AND/OR STOCK OPTION PLANS

85. Details of the plan and the number of persons included therein.

F. Ramada Investimentos, S.G.P.S., S.A. has no plan to grant shares or stock options to the Board of Directors nor to its employees.

86. Characteristics of the plan

F. Ramada Investimentos, S.G.P.S., S.A. does not have any plan to grant shares or stock options.

87. Stock option plans for the company employees and staff

There are no stock options *granted for the acquisition of shares* which benefit company employees and staff.

88. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by said employees

Not applicable as explained above.

E. RELATED PARTY TRANSACTIONS

I. CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties

Currently, there are no established procedures or criteria for defining the relevant significance level of business between the Company and holders of qualifying holdings, or entities in any relationship or group with those shareholders, from which the intervention of the supervisory board is required.

90. Details of transactions that were subject to control in the referred year

There weren't performed businesses or significant transactions between the Company and members of its governing boards (both management and supervision), the holders of qualified shareholdings or companies in a control or group, except those that are part of the current activity of the group and which were carried out under normal market conditions for similar transactions.

There weren't performed any business or transactions with members of the Supervisory Board.

The non-audit services provided by the Statutory Auditor were approved by the Supervisory Board and are detailed in paragraph 47 above.

Transactions with group companies are not material and were made under normal market conditions and are part of the current activity of the Company and therefore are not subject to separate disclosure.

91. 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 holders of qualifying holdings or entity-relationships with the former

Transactions with F. Ramada Investimentos directors or companies that are in a group or control relationship with the one in which the intervener is a director, regardless of the amount, are subject to the prior authorization of the Board of Directors with a favorable opinion the supervisory Board pursuant to Article 397 of the Portuguese Companies Act. In 2013 it was not necessary to the Supervisory Board to issue an opinion because no transactions that require the approval of that board occurred.

II. DATA ON BUSINESS DEALS

92. Details of the place where the financial statements including information on business dealings with related parties are available

Information on related parties is disclosed in Note 25 of the notes to Consolidated Financial Statements and Note 16 of the notes to the Individual Financial Statements of the Company.

PART II - CORPORATE GOVERNANCE ASSESSMENT

1. Details of the Corporate Governance Code implemented

This report was prepared in accordance with the CMVM Regulation nr. 4/2013 of 1 August and with the Code of Corporate Governance ("Código *de* Governo das Sociedades"), both 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 other stakeholders. The reporting model adopted by the Company is defined in Article 1, nr. 4 of that Regulation and detailed in its Appendix I.

The report complies with the standards of Article 245-A of the Portuguese Securities Code and discloses in accordance with the comply or explain principle, the degree of compliance with the CMVM recommendations incorporated in 2013 CMVM Corporate Governance Code.

There are also fulfilled the duties of disclosure required by Law 28/2009 of 19 June , Articles 447 and 448 of the Portuguese Companies Act and CMVM Regulation Nr. 5 / 2008, of 2 October 2008.

2. Analysis of compliance with the Corporate Governance Code implemented

F. Ramada Investimentos, S.G.P.S., S.A. complies with the majority of recommendations on corporate governance issued by the Securities Market Commission (CMVM) as follows:

CMVM RECOMENDATIONS	COMPLIES	REPORT
I. VOTING AND CONTROL OF THE COMPANY		
I.1. Companies shall encourage shareholders to attend and vote at general meetings and shall not set an excessively large number of shares required for the entitlement of one vote, and implement the means necessary to exercise the right to vote by mail and electronically.	Adopted	Part I / B / I. / b) / 12, 13 and 14
I.2. Companies shall not adopt mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law.	Adopted	Part I / B / I. / b) / 13 and 14
I.3. Companies shall not establish mechanisms intended to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each common share, unless duly justified in terms of long-term interests of shareholders.	Adopted	Part I / B / I. / b) / 12 and 13
I.4. The company's articles of association that provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the general assembly (five year intervals), on whether that statutory provision is to be amended or prevails - without superquorum requirements as to the one legally in force - and that in said resolution, all votesissued be counted, without applying said restriction.	Adopted	Part I / B / I. / b) / 13 and 14
I.5. Measures that require payment or assumption of fees by the company in the event of change of control or change in the composition of the Board and that whichappear likely to impair the free transfer of shares and free assessment by shareholders of the performance of Board members, shall not be adopted.	Adopted	Part I / A / I. / 2, 4, 5 and 6
II. SUPERVISION, MANAGEMENT AND OVERSIGHT		
II.1 SUPERVISION AND MANAGEMENT		
II.1.1. Within the limits established by law, and except for the small size of the company, the board of directors shall delegate the daily management of the company and said delegated powers shall be identified in the Annual Report on Corporate Governance.	Não Adopted	Part II / 2 and Part I / B / II. / a) / 21
II.1.2. The Board of Directors shall ensure that the company acts in accordance with its objectives and shall not delegate its responsibilities as regards the following: i) define the strategy and general policies of the company; ii) define business structure of the group; iii) decisions considered strategic due to the amount, risk and particular characteristics involved.	Adopted	Part I / B / II. / a) / 21
II.1.3. The General and Audit Committee, in addition to its supervisory duties supervision, shall take full responsibility at corporate governance level, whereby through the statutory provision or by equivalent means, shall enshrine the requirement for this body to decide on the strategy and major policies of the company, the definition of the corporate structure of the group and the decisions that shall be considered strategic due to the amount or risk involved. This body shall also assess compliance with the strategic plan and the implementation of key policies of the company.	Not applicable	
II.1.4. Except for small-sized companies, the Board of Directors and the General and Audit Committee, depending on the model adopted, shall create the necessary committees in order to: a) Ensure a competent and independent assessment of the performance of executive directors and its own overall performance, as well as of other committees; b) Reflect on the system structure and governance practices adopted, verify its efficiency and propose to the competent bodies, measures to be implemented with a view to their improvement.	Não Adopted	Part II / 2 and Part I / B / II. / c) / 29
II.1.5. The Board of Directors or the General and Audit Committeed, depending on the applicable model, should set goals in terms of risk-taking and create systems for their control to ensure that the risks effectively incurred are consistent with those goals.	Não Adopted	Part II / 2 and Part I / C / III. / 52, 54 and 55
II.1.6. The Board of Directors shall include a number of non-executive members ensuring effective monitoring, supervision and assessment of the activity of the remaining members of the board.	Adopted	Part I / B / II. / a) / 18

CMVM RECOMENDATIONS	COMPLIES	REPORT
II.1.7. Non-executive members shall include an appropriate number of independent members, taking into account the adopted governance model, the size of the company, its shareholder structure and the relevant free float. The independence of the members of the General and Supervisory Board and members of the Audit Committee shall be assessed as per the law in force. The other members of the Board of Directors are considered independent if the member is not associated with any specific group of interests in the company nor is under any circumstance likely to affect an exempt analysis or decision, particularly due to: a. Having been an employee at the company or at a company holding a controlling or group relationship within the last three years; b. Having, in the past three years, provided services or established commercial relationship with the company or company with which it is in a control or group relationship, either directly or as a partner, board member, manager or director of a legal person; c. Being paid by the company or by a company with which it is in a control or group relationship besides the remuneration arising from the exercise of the functions of a board member; d. Living with a partner or a spouse, relative or any first degree next of kin and up to and including the third degree of collateral affinity of board members or natural persons that are direct and indirectly holders of qualifying holdings; e. Being a qualifying shareholder or representative of a qualifying shareholder.	Não adopted	Part II / 2 and Part I / B / II. / a) / 18
II.1.8. When board members that carry out executive duties are requested by other board members, said shall provide the information requested, in a timely and appropriate manner to the request.	Adopted	Part I / B / II. / a) / 18
II.1.9. The Chair of the Executive Board or of the Executive Committee shall submit, as applicable, to the Chair of the Board of Directors, the Chair of the Supervisory Board, the Chair of the Audit Committee, the Chair of the General and Supervisory Board and the Chairman of the Financial Matters Board, the convening notices and minutes of the relevant meetings.	Adopted	Part I / B / II. / a) / 18 e Part I / B / II. / b) / 23
II.1.10. If the chair of the board of directors carries out executive duties, said body shall appoint, from among its members, an independent member to ensure the coordination of the work of other non-executive members and the conditions so that these members can make independent and informed decisions or to ensure the existence of an equivalent mechanism for such coordination.	Não adopted	Part II / 2 and Part I / B / II. / a) / 18
II.2. SUPERVISION		
II.2.1. Depending on the applicable model, the Chair of the Supervisory Board, the Audit Committee or the Financial Matters Committee shall be independent in accordance with the applicable legal standard, and have the necessary skills to carry out their relevant duties.	Adopted	Part I / B / III. / a) / 32
II.2.2. The supervisory body shall be the main representative of the external auditor and the first recipient of the relevant reports, and is responsible, inter alia, for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the company.	Adopted	Part I / B / III. / c) / 38
II.2.3. The Audit Committee shall evaluate the external auditor on an annual basis and propose to the competent body its dismissal or termination of the contract as to the provision of their services when there is a valid basis for said dismissal.	Adopted	Part I / B / V. / 45
II.2.4. The Audit Committee shall evaluate the functioning of the internal control systems and risk management and propose adjustments as may be deemed necessary.	Adopted	Part I / B / III. / c) / 38
II.2.5. The Audit Committee, the General and Supervisory Board and the Audit Committee decide on the work plans and resources concerning the internal audit services and services that ensure compliance with the rules applicable to the company (compliance services), and should be recipients of reports made by these services at least when it concerns matters related to accountability, identification or resolution of conflicts of interest and detection of potential improprieties.	Not applicable	Part I / C / III. / 50
II.3. REMUNERATION SETTING		
II.3.1. All members of the Remuneration Committee or equivalent should be independent from the executive board members and include at least one member with knowledge and experience in matters of remuneration policy.	Adopted	Part I / D / II. / 67 and 68
II.3.2. Any natural or legal person that provides or has provided services in the past three years, to any structure under the board of directors, the board of directors of the company itself or who has a current relationship with the company or consultant of the company, shall not be hired to assist the Remuneration Committee in the performance of their duties. This recommendation also applies to any natural or legal person that is related by employment contract or provision of services with the above.	Adopted	Part I / D / II. / 67
II.3.3. A statement on the remuneration policy of the management and supervisory bodies referred to in Article 2 of Law No. 28/2009 of 19 June, shall also contain the following: a) Identification and details of the criteria for determining the remuneration paid to the members of the governing bodies; b) Information regarding the maximum potential, in individual terms, and the maximum potential, in aggregate form, to be paid to members of corporate bodies, and identify the circumstances whereby these maximum amounts may be payable; c) Information regarding the enforceability or unenforceability of payments for the dismissal or termination of appointment of board members.	Adopted	Part I / D / III. / 69
II.3.4. Approval of plans for the allotment of shares and/or options to acquire shares or based on share price variation to board members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly evaluate said plan.	Not applicable	Part I / D / III. / 73 and 74
II.3.5. Approval of any retirement benefit scheme established for members of corporate members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly evaluate said system.	Not applicable	Part I / D / III. / 76

CMVM RECOMENDATIONS	COMPLIES	REPORT
III. REMUNERATION		
III.1. The remuneration of the executive members of the board shall be based on actual performance and shall discourage taking on excessive risk-taking.	Adopted	Part I / D / III. / 70
III.2. The remuneration of non-executive board members and the remuneration of the members of the Audit Committee shall not include any component whose value depends on the performance of the company or of its value.	Adopted	Part I / D / III. / 69 and Part I / D / IV. / 78, 81 e 82
III.3. The variable component of remuneration shall be reasonable overall in relation to the fixed component of the remuneration and maximum limits should be set for all components.	Adopted	Part I / D / III. / 69
III.4. A significant part of the variable remuneration should be deferred for a period not less than three years, and the right of way payment shall depend on the continued positive performance of the company during that period.	Adopted	Part I / D / III. / 69
III.5. Members of the Board of Directors shall not enter into contracts with the company or with third parties which intend to mitigate the risk inherent to remuneration variability set by the company.	Adopted	Part I / D / III. / 71
III.6. Executive board members shall maintain the company's shares that were allotted by virtue of variable remuneration schemes, up to twice the value of the total annual remuneration, except for those that need to be sold for paying taxes on the gains of said shares, until the end of their mandate.	Not applicable	Part I / D / III. / 73 e 74
III.7. When the variable remuneration includes the allocation of options, the beginning of the exercise period shall be deferred for a period not less than three years.	Not applicable	Part I / D / III. / 74
III.8. When the removal of board member is not due to serious breach of their duties nor to their unfitness for the normal exercise of their functions but is yet due on inadequate performance, the company shall be endowed with the adequate and necessary legal instruments so that any damages or compensation, beyond that which is legally due, is unenforceable.	Adopted	Part I / D / III. / 69 and Part I / D / V. / 83
IV. AUDITING		
IV.1. The external auditor shall, within the scope of its duties, verify the implementation of remuneration policies and systems of the corporate bodies as well as the efficiency and effectiveness of the internal controlmechanisms and report any shortcomings to the supervisory body of the company.	Adopted	Part I / B / III. / c) / 38
IV.2. The company or any entity with which it maintains a control relationship shall not engage the external auditor or any entity with which it finds itself in a group relationship or that incorporates the same network, for services other than audit services. If there are reasons for hiring such services - which must be approved by the Audit Committee and explained in its Annual Report on Corporate Governance - said should not exceed more than 30% of the total value of servicesrendered to the company.	Não Adopted	Part II / 2, Part I / D / IV. / 41 and Part I / D / V. / 47
IV.3. Companies shall support auditor rotation after two or three terms whether four or three years, respectively. Its continuance beyond this period must be based on a specific opinion of the Audit Committee that explicitly considers the conditions of auditor's independence and the benefits and costs of its replacement.	Adopted	Part I / D / V. / 44
V. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS		
V.1. The company's business with holders of qualifying holdings or entities with which they are in any type of relationship pursuant to article 20 of the Portuguese Securities Code, shall be conducted during normal market conditions.	Adopted	Part I / E / I. / 90
V.2. The supervisory or oversight board shall lay down procedures and criteria that are required to define the relevant level of significance of business with holders of qualifying holdings - or entities with which they are in any of the relationships described in article 20.1 of the Portuguese Securities Code -thus significant relevant business is dependent upon prior opinion of that body.	Não Adopted	Part II / 2 and Part I / E / I. / 91
VI. INFORMATION		
VI.1. Companies shall provide, via their websites in both the Portuguese and English languages access to information on their progress as regards the economic, financial and governance state of play.	Adopted	Part I / C / V. / 59 to 65
VI.2. Companies shall ensure the existence of an investor support and market liaison office, which responds to requests from investors in a timely fashion and a record of the submitted requests and their processing, shall be kept.	Adopted	Part I / C / IV. / 56 to 58

The recommendations II.1.1., II.1.4., II.1.5., II.1.7., II.1.10. IV.2 and V.2. are not fully adopted by F.Ramada Investimentos, as explained below.

- **Recommendation II.1.1.:** F.Ramada Investimentos directors focus their activity 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 the Board of Directors as a collective board composed by all its members, executive and non-executive in the normal performance of their duties. Additionally, some of the directors of F. Ramada Investimentos S.G.P.S., S.A. integrate the Board of Directors of the various operating units of the Group and therefore the recommendation is not fully adopted.

- **Recommendation II.1.4.:** F. Ramada Investimentos considers that, taking into account its size, the only committee essential to meet the needs of the Company is the Remuneration Committee. The Company does not have any committee specifically designed to identify candidates to directors and to reflect about the corporate governance model adopted, so this recommendation cannot be considered adopted.

- **Recommendation II.1.5.:** In the present report there are described the most important aspects of risk management implemented by the Group. However, F. Ramada Investimentos does not have an internal control and risk management system formalized that encompasses all of the components provided for that type of system so the recommendation is not fully adopted.

- **Recommendations II.1.7. and II.1.10.:** The Board of Directors does not include any member who meets the criteria for independence mentioned in that recommendation as the non-executive director Pedro Mendonça is Ana Rebelo Carvalho Mendonça's father, whom has a qualifying shareholder in the company's share capital. Therefore, also the recommendation II.1.10.. is not fulfilled. Given the corporate model adopted and the composition and mode of operation of its governing boards, including the independence of the supervisory boards, without, delegation of powers among them, the Group considers that the designation of independent directors to the Board would not yield significant improvements for the proper functioning of the corporate governance model, which has revealed itself proper and efficient.

- **Recommendation IV.2.:** F. Ramada Investimentos hired, the external auditor for non-audit services representing more than 30% of the total amount of services rendered to the Company consequently this recommendation is not fully complied. However, the scope of those services was approved by the Statutory Audit Board, it was concluded that they did affect the independence of the External Auditor. In this particular aspect, hiring Deloitte proved to be the most appropriate in light of his extensive experience and expertise in the field of taxation and tax incentives.

- **Recommendation V.2.:** Currently, there aren't established procedures or criteria 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 from the Statutory Board is required. However, transactions with F. Ramada Investimentos directors or with companies that are in a group or dominance relationship with them, regardless of the amount, are subject to prior approval of the Board of Directors, with a favorable opinion of the Statutory Board, under the terms of article 397 of the Commercial Companies' Code ("Código das Sociedades Comerciais").

3. Other information

F. Ramada Investimentos considers that, notwithstanding the partial fulfillment of CMVM recommendations, as explained above, the degree of adoption of the recommendations is quite broad and complete.

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 2013 F. Ramada Investimentos had 2,564,145 own shares representing 9.999996% of the share capital.

Shares held by the governing boards of F. Ramada Investimentos

Pursuant to the requirements of article 447 of the Portuguese Companies Act, the Directors inform that, as of 31 December 2013, they held the following shares:

João Manuel Matos Borges de Oliveira [(a)]	4,895,721
Paulo Jorge dos Santos Fernandes [(b)]	3,427,924
Domingos José Vieira de Matos	2,495,181
Pedro Macedo Pinto de Mendonça	213,125
Ana Rebelo de Carvalho Menéres de Mendonça [(c)]	3,946,648
Pedro Miguel Matos Borges de Oliveira	1,402,072

(a) – the 4,895,721 shares correspond to the total shares of F. Ramada - Investimentos, SGPS, S.A. held by CADERNO AZUL – SGPS, S.A., from which the Director João Manuel Matos Borges de Oliveira is director and shareholder.
(b) – 3,427,924 shares represents F.Ramada – Investimentos, SGPS, S.A total shares held by the Company ACTIUM CAPITAL– SGPS, S.A., where Paulo Jorge dos Santos Fernandes is director and dominant shareholder.
(c) – 3,946,648 shares represents F.Ramada – Investimentos, SGPS, S.A total shares held by the Company PROMENDO– SGPS, S.A., where Ana Rebelo de Carvalho Menéres de Mendonça is director and owner of 59.6% off share capital.

As of 31 December 2013, 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	Nber of Shares held	Direct % of the voting rights
Maria João Fernandes Vieira de Matos	518,677	2.02%

Exceeding 5% of the voting rights	Nber of Shares held	Direct % of the voting rights
Domingos José Vieira de Matos	2,495,181	9.73%
Pedro Miguel Matos Borges de Oliveira	1,402,072	5.47%

Exceeding 10% of the voting rights	Nber of Shares held	Direct % of the voting rights
ACTIUM CAPITAL – S.G.P.S., S.A. [(a)]	3,427,924	13.37%

(a) the 3,427,924 shares of F. Ramada - Investimentos, SGPS, S.A. held by ACTIUM CAPITAL – S.G.P.S., S.A. are attributable to Paulo Jorge dos Santos Fernandes, manager and shareholder;

Exceeding 15% of the voting rights	Ner of Shares held	Direct % of the voting rights
CADERNO AZUL - S.G.P.S., S.A. (a)	4,895,721	19.09%
PROMENDO - S.G.P.S., S.A. (b)	3,946,648	15.39%

(a) the 4,895,721 shares correspond to the total amount of F. Ramada - Investimentos, SGPS, S.A. shares that are held by CADERNO AZUL - S.G.P.S., S.A., from which the Director João Borges de Oliveira is director and shareholder.

(b) the 3,946,648 shares correspond to the total amount of F. Ramada - Investimentos, SGPS, S.A. shares that are held by PROMENDO - SGPS, S.A., from which the Director Ana Rebelo de Carvalho Menéres de Mendonça is director and shareholder.

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

STATEMENT UNDER THE TERMS OF ARTICLE 245, PARAGRAPH 1, C) OF THE SECURITIES CODE

The signatories individually declare that, to the best of their knowledge, the Board of Director's 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 other accounting documents required by law or regulation, giving a truthful and appropriate image of assets and liabilities, financial position and the consolidated and individual results of F. Ramada Investimentos, S.G.P.S., S.A. and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties faced.

DECLARATION OF RESPONSIBILITY

The members of the Board of Directors of F. Ramada Investimentos, S.G.P.S., S.A. declare that they assume responsibility for this information and affirm 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.

CLOSING REMARKS

We don't want to conclude without thanking our suppliers, financial institutions and other partners in the group for their trust in our organization. We would also like to thank the External Auditor for the advice and assistance provided during 2013 and the Statutory Audit Board by the continued monitoring of our operations.

Oporto, 27 March 2014

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

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Ana Rebelo de Carvalho Menéres de Mendonça

APPENDIX I

1. Board of Directors

Qualifications, experience and positions held in other companies by the 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 sectors, 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.
Since 2008	President of the Statutory Audit Board of Oporto Business School
2008/2011	Non-executive direction at Zon Multiwide, SGPS, S.A.
2011/2013	Member of ISCTE-IUL CFO Advisory Forum

The other companies where he carries out management functions as of 31 December 2013 are as follows:

- Alteria, S.G.P.S., S.A. (a)
- Altri – Energias Renováveis, S.G.P.S., S.A. (a)
- Altri Participaciones Y Trading, S.L. (a)
- Altri, S.G.P.S., S.A. (a)
- Base Holding, S.G.P.S., 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, 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 Serviços de Gestão, Lda.
- F. Ramada, Aços e Indústrias, S.A.
- Grafedisport – Impressão e Artes Gráficas, S.A. (a)
- Indaz 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, S.G.P.S., 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 2013 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 sectors, 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
Since 2005	Member of Superior Council of the Association of Former Students of MBA
2013/2016	Chairman of the Supervisory Board of BCSD
Since 2006	Advisory Board Member for Engineering and Management IST

The other companies where he carries out management functions as of 31 December 2013 are as follows:

- Actium Capital S.G.P.S, S.A. (a)
- Alteria, S.G.P.S., S.A. (a)
- Altri – Energias Renováveis, S.G.P.S., S.A. (a)
- Altri Participaciones Y Trading, S.L. (a)
- Altri, 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, 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 2013 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 2013 are:

- Alteria, S.G.P.S., S.A. (a)
- Altri – Energias Renováveis, S.G.P.S., S.A. (a)
- Altri Participaciones Y Trading, S.L. (a)
- Altri, 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, S.G.P.S., 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 2013 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 2013 are as follows:

- Alteria, S.G.P.S., S.A. (a)
- Altri Florestal, S.A. (a)
- Altri Participaciones Y Trading, S.L. (a)
- Altri, S.G.P.S., S.A. (a)
- Base Holding, S.G.P.S., 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, 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 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 2013 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.
1999	Director at Bernel, Lda.
1997/1999	Assistant manager of GALAN, Lda.
1999/2000	Assistant Director of the department of Saws and Tools of F.Ramada Aço e Insústrias, S.A.
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 2013 are as follows:

- Alteria, S.G.P.S., S.A. (a)
- Altri Florestal, S.A. (a)
- Cofina, 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.
- Jardins de França – Empreendimentos Imobiliários, 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.
- Valor Autêntico, S.G.P.S., S.A. (a)

(a) – Companies that, as of 31 December 2013 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Ana Rebelo de Carvalho Menéres de Mendonça

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.
2009	Director at PROMENDO, SGPS, S.A.

The other companies where she carries out management functions as of 31 December 2013 are as follows:

- Cofina, S.G.P.S., S.A. (a)
- F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A.
- F. Ramada, Aços e Indústrias, S.A.
- Jardins de França – Empreendimentos Imobiliários, S.A. (a)
- Promendo, S.G.P.S., S.A. (a)

- Prestimo – Prestígio Imobiliário, S.A. (a)

(a) – Companies that, as of 31 December 2013 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 Director of Luanda / Viana branch of F. Ramada, appointed jointly by the Board of Directors and the Ministry of Industry of Angola
1983	Director of the Department of Polyester and Buttons of F. Ramada, Aços e Indústrias, SA
1984/2000	Director of Human Resources of F. Ramada, Aços e Indústrias, SA
1993/1995	Director of Universal – Aços, Máquinas e Ferramentas, SA
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)
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 2013 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	Statutory Auditor nr. 1262 certified by the Portuguese Institute of Statutory 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	Statutory Auditor and consultant

Other positions held:

Member of the Statutory Audit Board of Altri, SGPS, S.A. (a)
Member of the Statutory Audit Board of Cofina, 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 IM3DICAL, S.A. (a)

Statutory Auditor of Tecvinhais, S.G.P.S., S.A. (a)
Statutory Auditor of Teclignium, S.A. (a)

(a) – Companies that, as of 31 December 2013 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	Degree in Business Administration and Management provided by the Faculty of Economics and Management of the Regional Centre of Oporto of Portuguese Catholic University
2000	Postgraduate in Human Resource Management by Catholic University
2002	Masters in Finance by Catholic University
2007	International MBA by School of Business Management / ESADE
2010	Postgraduate in Management Services by 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

Other positions held:
Member of the Supervisory Board of Altri, SGPS, S.A. (a)
Member of the Statutory Audit Board of Cofina, SGPS, S.A. (a)

(a) – Companies that, as of 31 December 2013 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. 5/2008

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 Portuguese Securities Code), and disclosure of the respective transactions during the year involving such shares and other securities.

Member of Board of Directors	Number of shares held at 31-Dez-2012	Acquisitions	Disposals	Others	Number of shares held at 31-Dez-2013
João Manuel Matos Borges de Oliveira (as CADERNO AZUL - SGPS, S.A. Shareholder)	4,895,721	-	-	-	4,895,721
Paulo Jorge dos Santos Fernandes	333,665	-	(333,665)	-	-
Paulo Jorge dos Santos Fernandes(as ACTIUM CAPITAL - SGPS, S.A. Shareholder)	2,619,259	808,665	-	-	3,427,924
Domingos José Vieira de Matos	2,495,181	-	-	-	2,495,181
Pedro Miguel Matos Borges de Oliveira	1,402,072	-	-	-	1,402,072
Ana Rebelo de Carvalho Menéres de Mendonça	1,670,472	-	-	(1,670,472)	-
Ana Rebelo de Carvalho Menéres de Mendonça (as PROMENDO - SGPS, S.A. Shareholder)	2,040,500	235,676	-	1,670,472	3,946,648
Pedro Macedo Pinto de Mendonça	213,125	-	-	-	213,125

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

Date	Nature	Volume	Price (€)	Local	Number of shares
31/Dez/2012	-	-	-	-	4,895,721
31/Dez/2013	-	-	-	-	4,895,721

Paulo Jorge dos Santos Fernandes

Date	Nature	Volume	Price (€)	Local	Number of shares
31/Dez/2012	-	-	-	-	333,665
22/Jan/2013	Sell	333,665	0.700000	NYSE Euronext Lisbon	-
31/Dez/2013	-	-	-	-	-

Paulo Jorge dos Santos Fernandes (as ACTIUM CAPITAL - SGPS, S.A. shareholder)

Date	Nature	Volume	Price (€)	Local	Number of shares
31/Dez/2012	-	-	-	-	2,619,259
22/Jan/2013	Buy	443,665	0.700000	NYSE Euronext Lisbon	3,062,924
17/Mai/2013	Buy	365,000	0.910400	NYSE Euronext Lisbon	3,427,924
31/Dez/2013	-	-	-	-	3,427,924

Pedro Macedo Pinto de Mendonça

Date	Nature	Volume	Price (€)	Local	Number of shares
31/Dez/2012	-	-	-	-	213,125
31/Dez/2013	-	-	-	-	213,125

Domingos José Vieira de Matos

Date	Nature	Volume	Price (€)	Local	Number of shares
31/Dez/2012	-	-	-	-	2,495,181
31/Dez/2013	-	-	-	-	2,495,181

Pedro Miguel Matos Borges de Oliveira

Date	Nature	Volume	Price (€)	Local	Number of shares
31/Dez/2012	-	-	-	-	1,402,072
31/Dez/2013	-	-	-	-	1,402,072

Ana Rebelo de Carvalho Menéres de Mendonça

Date	Nature	Volume	Price (€)	Local	Number of shares
31/Dez/2012	-	-	-	-	1,670,472
9/Abr/2013	Amendment imputation	1,670,472	----	------	-
31/Dez/2013	-	-	-	-	-

Ana Rebelo de Carvalho Menéres de Mendonça (as PROMENDO - SGPS, S.A. shareholder)

Date	Nature	Volume	Price (€)	Local	Number of shares
31/Dez/2012	-	-	-	-	2,040,500
9/Abr/2013	Amendment imputation	1,670,472	----	------	3,710,972
10/Out/2013	Buy	37,000	1.210000	NYSE Euronext Lisbon	3,747,972
10/Out/2013	Buy	31,000	1.210000	NYSE Euronext Lisbon	3,778,972
11/Out/2013	Buy	39,000	1.209366	NYSE Euronext Lisbon	3,817,972
11/Out/2013	Buy	33,318	1.222941	NYSE Euronext Lisbon	3,851,290
23/Out/2013	Buy	43,520	1.250000	NYSE Euronext Lisbon	3,894,810
24/Out/2013	Buy	51,838	1.320000	NYSE Euronext Lisbon	3,946,648
31/Dez/2013	-	-	-	-	3,946,648

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2013 AND 2012
(Translation of financial statements originally issued in Portuguese - Note 33)
(Amounts expressed in Euro)

ASSETS	Notes	31.12.2013	31.12.2012
NON CURRENT ASSETS:			
Investment properties	7	85,937,120	86,103,423
Tangible assets	8	5,391,709	4,577,517
Intangible assets	9	108,103	134,707
Investments in associated companies	4	11,500,000	-
Investments available for sale	4 and 6	2,609,500	8,330,334
Deferred tax assets	10	2,021,808	2,038,236
Total non current assets		107,568,240	101,184,217
CURRENT ASSETS:			
Inventories	12	19,076,750	18,455,963
Customers	6 and 13	33,498,406	33,353,162
State and other public entities	6 and 14	723,414	1,085,480
Other debtors	6 and 15	396,070	1,590,010
Other current assets	6	248,317	192,178
Cash and cash equivalents	6 and 16	11,662,934	11,769,276
Total current assets		65,605,891	66,446,069
Total assets		173,174,131	167,630,286
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS:			
Share capital	17	25,641,459	25,641,459
Own shares	17	(1,641,053)	(1,641,053)
Legal reserve	17	5,637,034	5,637,034
Currency translation reserves	17	(615,513)	(553,080)
Other reserves	17	21,480,207	17,388,194
Consolidated net profit for the year		6,218,227	6,168,972
Total shareholders' funds attributable to the parent company shareholders		56,720,361	52,641,526
Non-controlling interests		-	-
Total Shareholders' funds		56,720,361	52,641,526
LIABILITIES:			
NON CURRENT LIABILITIES			
Bank loans	6 and 18	47,110,488	50,522,540
Other non current creditors	6	-	327,347
Provisions	22	1,107,580	1,075,249
Deferred tax liabilities	10	51,655	65,275
Total non current liabilities		48,269,723	51,990,411
CURRENT LIABILITIES:			
Bank loans	6 and 18	4,292,109	4,308,473
Other loans	6 and 18	30,673,239	31,684,824
Derivatives	6 and 11	-	34,873
Suppliers	6 and 19	14,554,674	12,228,840
State and other public entities	6 and 14	3,469,203	3,224,043
Other creditors	6 and 20	1,150,702	544,610
Other current liabilities	6 and 21	14,044,120	10,972,686
Total current liabilities		68,184,047	62,998,349
Total Shareholders' funds and liabilities		173,174,131	167,630,286

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
FOR THE YEARS ENDED AS OF 31 DECEMBER 2013 AND 2012
(Translation of financial statements originally issued in Portuguese - Note 33)
(Amounts expressed in Euro)

	Notes	31.12.2013	31.12.2012
Sales	28	94,599,088	99,673,563
Services rendered	28	9,799,854	9,662,264
Other income	26	952,249	1,260,461
Cost of sales and changes in stocks of finished goods and work in progress	12	(58,756,201)	(63,287,942)
External supplies and services		(16,350,539)	(16,553,154)
Payroll expenses		(13,025,072)	(12,498,488)
Amortization and depreciation	8 and 9	(1,529,227)	(1,219,698)
Provisions and impairment losses	22	(2,197,163)	(1,896,067)
Other expenses		(556,676)	(869,968)
Gains / (Losses) in derivatives	11	34,873	(53,276)
Financial expenses	24	(4,141,258)	(5,129,919)
Financial income	24	38,051	772,705
Profit before income tax		8,867,979	9,860,481
Income tax	10	(2,649,752)	(3,691,509)
Consolidated net profit		6,218,227	6,168,972
Attributable to:			
Parent company's shareholders		6,218,227	6,168,972
Earnings per share:			
Basic	27	0,27	0.27
Diluted	27	0,27	0.27

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 2013 AND 2012
(Translation of financial statements originally issued in Portuguese - Note 33)
(Amounts expressed in Euro)

	31.12.2013	31.12.2012
Net consolidated profit for the year	6,218,227	6,168,972
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	(62,433)	66,823
Other comprehensive income for the year	(62,433)	66,823
Total comprehensive income for the year	6,155,794	6,235,795
Attributable to:		
Parent company´s shareholders	6,155,794	6,235,795
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 AS OF 31 DECEMBER 2013 AND 2012
(Translation of financial statements originally issued in Portuguese - Note 33)
(Amounts expressed in Euro)

	Atributable to the parent company´s Shareholders						
	Share capital	Own shares	Legal reserve	Currency translation reserves	Other reserves and retained earnings	Net profit	Total Shareholder's funds
Balance as of 1 January 2012	25,641,459	-	5,338,928	(619,903)	13,323,943	6,409,814	50,094,241
Total comprehensive consolidated income for the year	-	-	-	66,823	-	6,168,972	6,235,795
Acquisition of own shares	-	(1,641,053)	-	-	-	-	(1,641,053)
Appropriation of the consolidated net profit for 2011:							
Transfer to legal reserve and other reserves	-	-	298,106	-	6,111,708	(6,409,814)	-
Change in reserves:							
Dividends	-	-	-	-	(2,051,317)	-	(2,051,317)
Others	-	-	-	-	3,859	-	3,859
Balance as of 31 December 2012	25,641,459	(1,641,053)	5,637,034	(553,080)	17,388,193	6,168,972	52,641,526
Balance as of 1 January 2013	25,641,459	(1,641,053)	5,637,034	(553,080)	17,388,193	6,168,972	52,641,526
Total comprehensive consolidated income for the year	-	-	-	(62,433)	-	6,218,227	6,155,794
Appropriation of the consolidated net profit for 2012:							
Transfer to legal reserve and other reserves	-	-	-	-	6,168,972	(6,168,972)	-
Change in reserves:							
Dividends	-	-	-	-	(2,076,958)	-	(2,076,958)
Balance as of 31 December 2013	25,641,459	(1,641,053)	5,637,034	(615,513)	21,480,207	6,218,227	56,720,361

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 AS OF 31 DECEMBER 2013 AND 2012
(Translation of financial statements originally issued in Portuguese - Note 33)
(Amounts expressed in Euro)

	Notes	31.12.2013		31.12.2012	
Operating activities:					
Collections from customers		124,018,900		128,139,302	
Payments to suppliers		(81,487,009)		(85,430,508)	
Payments to personnel		(9,408,465)	33,123,426	(9,401,071)	33,307,723
Other collections/payments relating to operating activities		(10,826,997)		(21,852,524)	
Corporate income tax		(1,814,298)	(12,641,295)	(3,653,011)	(25,505,535)
Cash flow from operating activities (1)			20,482,131		7,802,187
Investment activities:					
Collections relating to:					
Investments	34	-		1,064,801	
Tangible assets		478,814		533,338	
Investment properties		602,700			
Interest and similar income		4,358	1,085,872	119,843	1,717,982
Payments relating to:					
Investments	34	(6,637,122)		(2,126,000)	
Intangible assets		(37,903)		(155,050)	
Tangible assets		(1,291,406)		(639,251)	
Investment properties		(544,158)		(242,694)	
Loans		(775,175)	(9,285,764)		(3,162,995)
Cash flow from investment activities (2)			(8,199,892)		(1,445,013)
Financing activities:					
Collections relating to:					
Loans obtained		264,915	264,915	1,600,000	1,600,000
Payments relating to:					
Lease contracts		(83,501)		(104,662)	
Interest and similar costs		(4,384,145)		(5,295,563)	
Acquisition of own shares		-		(1,641,053)	
Dividends		(2,076,886)		(2,051,317)	
Loans obtained		(5,206,087)	(11,750,619)	(11,022,109)	(20,114,704)
Cash flow from financing activities (3)			(11,485,704)		(18,514,704)
Cash and cash equivalents at the beginning of the year	17		7,855,422		19,925,742
Effect of exchange rate changes			(22,777)		87,210
Variation of cash and cash equivalents: (1)+(2)+(3)			796,535		(12,157,530)
Cash and cash equivalents at the end of the year	17		8,629,180		7,855,422

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

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. assets corresponding to the shareholdings 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, were detached to F. 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 has already a significant international presence, and (iii) real estate.

As of 31 December 2013 and 31 December 2012, 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 generally accepted accountability principles in Portugal and in each head office countries included, adjusted in the consolidation process so that consolidated financial statements are in accordance with International Financial Reporting Standards, as adopted by the European Union for financial years started as from 1 January 2013. These standards include the International Financial Reporting Standards (“IFRS”) 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 2013, no changes occurred in relation to the accounting policies presented in the consolidated financial statements as of 31 December 2012.

(Amounts expressed in Euro)

Adoption of new, amended or reviewed standards and interpretations

Until the approval date of the accompanying financial statements, the following standards, interpretations, amendments and revisions, were endorsed by the European Union applicable as mandatory for years beginning on or after 1 January 2013:

	Date of entry into force
IFRS 10 – Consolidated financial statements	01-jan-14
IFRS 11 – Joint agreements	01-jan-14
IFRS 12 – Amendments (Disclosures about participations in other entities)	01-jan-14
IFRS 13 – Fair Value Measurement	01-jan-13
IAS 27 – Amendments (Separate financial statements)	01-jan-14
IAS 28 – Amendments (Investments in associated and jointly controlled entities (2011))	01-jan-13
IAS 12 – Amendment (Deferred tax: recovery of asset)	01-jan-13
IAS 19 – Amendment (Pension plans with defined benefits)	01-jan-13
IFRS 1 – Amendment (hyperinflation)	01-jan-13
IAS 1 – Amendment (Other comprehensive income)	01-jul-12
IFRS 7 – Amendment 2011 (Financial instruments: Disclosures)	01-jan-13
IAS 32 – Amendment 2011 (Financial instruments: Presentation)	01-jan-14

Standards, interpretations, amendments and reviews that will come into force

The following standards, interpretations, amendments and revisions that are mandatory for the purposes of future financial years have been, as of the approval of these financial statements, adopted by the European Union:

Standard / Interpretation	Date of entry into force
IFRS 10 – Consolidated financial statements	01-Jan-14
IFRS 11 – Joint agreements	01-Jan-14
IFRS 12 – Disclosures about participations in other entities	01-Jan-14
IAS 27 – Separate financial statements (2011)	01-Jan-14
IAS 28 – Investments in associated and jointly controlled entities (2011)	01-Jan-14
Amendment to standards: • IFRS 10 – Consolidated financial statements • IFRS 12 – Disclosures about participations in other entities (investment entities)	01-Jan-14
Amendment to standard IAS 32 – Compensation between financial assets and liabilities	01-Jan-14
Amendment to standard IAS 36 – Impairments (Disclosures about recoverable quantities from non-financial assets)	01-Jan-14
Amendment to standard IAS 39 – Financial Instruments: Recognition and Measurement (Reformulation of derivatives and continuation of hedge accounting)	01-Jan-14

These standards were not early adopted by the Group in the year ended as of 31 December 2013. 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 2013 are comparable with those used in the preparation of the consolidated financial statements as of 31 December 2011.

In the preparation of the consolidated financial statements, certain assumptions and estimates that affect the reported assets and liabilities were adopted, as well as the income and expenses in relation to the reported periods.

The estimates and assumptions adopted were determined based on the best knowledge of the existing events and transactions at the approval date of the consolidated financial statements, as well as on the experience of past and/or current events. However, some situations may occur in subsequent periods, which not being predictable at the approval date of the consolidated financial statements, were not considered in those estimates. Changes in estimates after the approval date of the consolidated financial statements will be rectified prospectively. For this reason and given the associated uncertainty, the real results of the transactions may differ from the initial estimates.

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 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 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 the equity caption with no impact on goodwill or 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 is accounted for as net profit.

(Amounts expressed in Euro)

Until 1 January 2004, Goodwill was amortised during the estimated investment recuperation period, being the amortizations recorded in the “Amortizations and Depreciations” caption of the statement of profit and loss. Since 1 January 2004, according to IFRS 3 – “Business Combinations”, goodwill amortization was suspended, being subject to impairment tests. As of 31 December 2013, consolidated financial statements do not include any amount related to goodwill.

On an annual basis, at the closing date, F. Ramada makes formal goodwill impairment tests. If the amount of the positive consolidation difference recorded is greater than the recoverable amount, a loss is recorded in the statement of profit and loss, in “Other operational expenses” caption. The recoverable amount is the higher between the net sales price and the value in use. Net sales price is the amount obtained with the asset disposal in a transaction at market conditions, less disposal costs. Value in use is the present value of the estimated future cash flows which are expected from the continuous use of the asset and from the disposal at the end of its life cycle. The recoverable amount is individually estimated for each asset or, if not possible, for the business unit in which the asset is included.

Impairment losses related to goodwill cannot 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 companies included in the consolidated financial statements are as follows:

	Sterling Pound (GBP)	
	Closing exchange rate	Average exchange rate
31.12.2012	1.22534	1.23167
31.12.2013	1.19947	1.20310

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 in 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 in use is the present value of the 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 corresponding 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;
- 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 being 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 are property 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, it 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 financial position 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 the "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 2013 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 as of 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 28.

r) Cash flows statement

Consolidated cash flows 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 2013 and 2012 include:

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

Estimates used are based on the best available information 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's 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.

The Board of Directors approves the terms and conditions of the relevant funding to the Company, analysing 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 2013.

(Amounts expressed in Euro)

Thus, during the years ended as of 31 December 2013 and 2012, 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 analysed as follows:

	2013	2012
Interests (Note 24)	2.802.899	3.896.848
Positive change of 100 basis points in interest rate on the entire indebtedness	(690.000)	(747.000)
Negative change of 100 basis points in interest rate on the entire indebtedness	690.000	747.000

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.

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:

	31.12.2013	31.12.2012
Assets	4.135.244	4.039.278
Liabilities	(868.934)	(1.191.763)
	3.266.311	2.847.515

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 an industry that trades commodities (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. On the other hand, in a commercial point of view, steel price variations are usually passed to Group customers.

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 fulfilling 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.

(Amounts expressed in Euro)

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 2013 and 2012 are disclosed in Note 22.

c) Liquidity risk

The aim of liquidity risk management is to ensure 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.

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 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 2013, are as follows:

Designation	Headquarters	Percentage of participation held	Activity
Parent company:			
F. Ramada Investimentos, SGPS, S.A.	Oporto		Holding
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).

Investment in associated companies

As of 31 December 2013, the caption "Investment in associates" includes, essentially, the shares of Base Holding SGPS, S.A. owned by F. Ramada Investimentos, SGPS, S.A.. This entity has its head office in Oporto and heads a group of companies which operate in the healthcare sector, namely, complementary means of diagnosis and treatment.

(Amounts expressed in Euro)

During the financial year of 2013, the Group purchased 18.57% of the equity in the above company at a cost of 6,500,000 Euros and, as a result, increased its stake to the nominal amount of 11,500,000 Euros (5,000,000 Euros as of the 31 December 2012), which represents 32.9% (14.3% as of 31 December 2012) of its share capital. In virtue of the fact that this additional acquisition took place in two stages and to the fact that F. Ramada Group did not have access to the interim consolidated financial statements of that group the equity method was applied based on 31 December of 2013 accounts. This procedure did not produce any materially relevant effects on the attached consolidated financial statements.

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

The main financial indicators of this associated company as of 31 December of 2013 and 2012 are as follows:

		31 December 2012		31 December 2013 a)			
Company	% ownership	Equity	Profit	Equity	Profit	Balance amount	Profit/Loss
Base Holding, SGPS, SA	32,90%	36.375.171	1.204.038	40.132.657	3.757.486	11.500.000	-

a) Provisional indicators and not audited (does not include the purchase price allocation effect

(Amounts expressed in Euro)

Investments available for sale

As of 31 December 2013 and 2012 the caption "Investments available for sale" and respective impairment losses can be detailed as follows:

	31.12.2013	31.12.2012
Gross book value	5.886.424	10.116.705
Accumulated impairment losses (Note 22)	(3.276.924)	(1.786.371)
	2.609.500	8.330.334

As of 31 December 2013, the changes occurred under the caption "Investments available for sale" can be detailed as follows:

	31.12.2012	Transfers	Decreases	Increases	31.12.2013
Investments	5.519.795	(5.000.000)	(6.743)	1.600	514.652
Loans	4.596.910	-	-	774.862	5.371.772
Impairment losses (Note 22)	(1.786.371)	-	-	(1.490.553)	(3.276.924)
	8.330.334	(5.000.000)	(6.743)	(714.091)	2.609.500

As of 31 December of 2013, this caption includes, mainly, a stake of 12.23% (11% as of 31 December 2012) in the equity of Consumo em Verde – Biotecnologia das Plantas, S.A. and a stake of 4% in the equity of Sociedade Converde Unipessoal, Lda., as well as loans granted.

As of 31 December 2013 and 2012 the consolidated financial statements include impairment losses for the investments and loans listed above in the amount of 3,276,924 Euros and 1,786,371 Euros, respectively (Note 22). The transfers that took place in the financial year ended as of 31 December 2013 refer to the reclassification of the stake in Base Holding, S.A., as a consequence of its classification as associated company (Note 4).

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

5. CHANGES IN CONSOLIDATION PERIMETER

During the year ended as of 31 December 2013, the group increased its shareholding in Base Holding, S.A. and gained significant influence on it, thus meaning that it became an associated company. This fact determines that this investment is recorded according to the equity method.

The above mentioned change did not impact on the comparability between the consolidated financial statements on the financial year ended as of 31 December 2013 with those of the preceding year.

(Amounts expressed in Euro)

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 2013	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	-	2.609.500	2.609.500	-	2.609.500
		-	2.609.500	2.609.500	-	2.609.500
Current assets						
Customers	13	33.498.406	-	33.498.406	-	33.498.406
State and other public entities	14	-	-	-	723.414	723.414
Other debtors	15	396.070	-	396.070	-	396.070
Other current assets		-	-	-	248.317	248.317
Cash and cash equivalents	16	11.662.934	-	11.662.934	-	11.662.934
		45.557.410	-	45.557.410	971.731	46.529.141
		45.557.410	2.609.500	48.166.910	971.731	49.138.641

31 December 2012	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	-	8.330.334	8.330.334	-	8.330.334
		-	8.330.334	8.330.334	-	8.330.334
Current assets						
Customers	13	33.353.162	-	33.353.162	-	33.353.162
State and other public entities	14	-	-	-	1.085.480	1.085.480
Other debtors	15	1.590.010	-	1.590.010	-	1.590.010
Other current assets		-	-	-	192.178	192.178
Cash and cash equivalents	16	11.769.276	-	11.769.276	-	11.769.276
		46.712.448	-	46.712.448	1.277.658	47.990.106
		46.712.448	8.330.334	55.042.782	1.277.658	56.320.440

Financial liabilities

31 December 2013	Note	Derivatives	Other financial liabilities	Sub-total	Liabilitites out of scope of IFRS 7	Total
Non-current liabilities						
Bank loans	18	-	47.110.488	47.110.488	-	47.110.488
Other creditors		-	-	-	-	-
		-	47.110.488	47.110.488	-	47.110.488
Current liabilities						
Bank loans	18	-	4.292.109	4.292.109	-	4.292.109
Other loans	18	-	30.673.239	30.673.239	-	30.673.239
Derivatives	11	-	-	-	-	-
Suppliers	19	-	14.554.674	14.554.674	-	14.554.674
State and other public entities	14	-	-	-	3.469.203	3.469.203
Other creditors	20	-	1.150.702	1.150.702	-	1.150.702
Other liabilities	21	-	-	-	14.044.120	14.044.120
		-	50.670.724	50.670.724	17.513.323	68.184.047
		-	97.781.212	97.781.212	17.513.323	115.294.535

31 December 2012	Note	Derivatives	Other financial liabilities	Sub-total	Liabilitites out of scope of IFRS 7	Total
Non-current liabilities						
Bank loans	18	-	50.522.540	50.522.540	-	50.522.540
Other creditors		-	327.347	327.347	-	327.347
		-	50.849.887	50.849.887	-	50.849.887
Current liabilities						
Bank loans	18	-	4.308.473	4.308.473	-	4.308.473
Other loans	18	-	31.684.824	31.684.824	-	31.684.824
Derivatives	11	34.873	-	34.873	-	34.873
Suppliers	19	-	12.228.840	12.228.840	-	12.228.840
State and other public entities	14	-	-	-	3.224.043	3.224.043
Other creditors	20	-	544.610	544.610	-	544.610
Other liabilities	21	-	-	-	10.972.686	10.972.686
		34.873	48.766.747	48.801.620	14.196.729	62.998.349
		34.873	99.616.634	99.651.507	14.196.729	113.848.236

(Amounts expressed in Euro)

7. INVESTMENT PROPERTIES

Investment properties held by F. Ramada Group relate to land rented to third parties (Altri Group – Note 25) under operational lease. These contracts, signed in 2007 and 2008, have an average duration 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 2013 and 2012 is as follows:

	31.12.2013	31.12.2012
Opening balance	86.103.423	85.860.729
Aquisitions	153.197	242.694
Disposals	(319.500)	-
Closing balance	85.937.120	86.103.423

The rented land generated, during the year ended as of 31 December 2013, income amounting, to approximately, 6,100,000 Euros (approximately 6,200,000 Euros in 2012).

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 2013 and 2012, the movement occurred in tangible assets and the corresponding accumulated depreciation and impairment losses were as follows:

2013

	Gross assets								
	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	Total
Opening balance	1.137.881	12.972.463	24.355.333	2.382.946	474.376	3.441.131	198.660	-	44.962.790
Exchange rate variation	-	(1.208)	(2.417)	(264)	(285)	(2.005)	-	-	(6.178)
Additions	79.875	247.558	1.601.149	45.865	89.167	165.708	-	57.567	2.286.889
Disposals	-	-	(25.936)	(38.183)	(3.922)	(29.267)	-	-	(97.308)
Transfers and write-offs	-	-	34.309	20.500	1.264	(4.792)	-	(56.072)	(4.792)
Closing balance	1.217.756	13.218.813	25.962.438	2.410.863	560.601	3.570.775	198.660	1.494	47.141.401

	Accumulated depreciation and impairment losses								
	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	Total
Opening balance	-	10.957.616	23.005.308	2.269.104	855.172	3.288.693	9.379	-	40.385.273
Exchange rate variation	-	-	-	-	-	(1.527)	-	-	(4.976)
Additions	-	325.871	860.361	94.328	23.443	140.264	978	-	1.445.246
Disposals	-	(9.402)	(25.936)	-	-	(29.267)	-	-	(64.605)
Transfers and write-offs	-	17.602	-	-	-	-	-	-	17.602
Closing balance	-	11.291.687	23.839.733	2.343.277	874.409	3.398.163	10.357	-	41.749.691
	1.217.756	1.927.126	2.122.705	67.586	(313.808)	172.612	188.303	1.494	5.391.709

2012

	Gross assets								
	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	Total
Opening 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
Exchange rate variation	-	1.263	2.538	-	298	2.380	-	-	6.479
Additions	-	3.072	638.025	85.029	19.868	76.418	68.585		890.997
Disposals	-	(19.314)	(2.753.595)	(1.212.101)	-	(422.388)	-	-	(4.407.398)
Transfers and write-offs	-	82.708	532.936	8.644	(409.844)	27.727	(33.394)	(92.000)	116.777
Closing balance	1.137.881	12.972.463	24.355.333	2.382.946	884.220	3.441.131	198.660		44.962.790

	Accumulated depreciation and impairment losses								
	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	Total
Opening balance	-	10.587.431	24.888.179	3.315.906	836.008	3.555.220	126.506	-	43.309.250
Exchange rate variation	-	1.458	2.206	-	369	2.313	-	-	6.345
Additions	-	386.271	453.974	122.569	32.721	117.701	13.335	-	1.126.571
Disposals	-	(17.600)	(2.376.095)	(1.177.032)	(9.727)	(408.427)	-	-	(3.988.881)
Transfers and write-offs	-	57	37.044	7.661	(4.199)	21.886	(130.462)	-	(68.012)
Closing balance	-	10.957.616	23.005.308	2.269.104	855.172	3.288.693	9.379	-	40.385.273
	1.137.881	2.014.846	1.350.025	113.841	(380.796)	152.438	189.281		4.577.517

As of 31 December 2013 and 2012 there were no tangible assets pledged as 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 2013 and 2012, the movement occurred in intangible assets and the corresponding accumulated depreciation and impairment losses were as follows:

	2013	2012
	Gross assets Software	
Opening balance	620.706	497.982
Exchange rate variation	(1.344)	968
Additions	57.815	122.610
Disposals and write-offs	(38.909)	(855)
Closing balance	638.267	620.706
	Accumulated depreciation and impairment losses Software	
Opening balance	485.999	392.980
Exchange rate variation	(907)	1.100
Additions	83.981	93.127
Disposals and write-offs	(38.909)	(1.208)
Closing balance	530.164	485.999
	108.103	134.707

10. 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 on-going. 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 2010 to 2013 may still be subject to review.

The Board of Directors of F. Ramada believes that any potential corrections arising from reviews/inspections of these tax returns by the tax authorities will not have a significant effect on the consolidated financial statements as of 31 December 2013 and 2012.

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").

Deferred taxes

The movement occurred in deferred tax assets and liabilities in the years ended as of 31 December 2013 and 2012 was as follows:

	2013	
	Deferred tax assets	Deferred tax liabilities
Balance as of 01.01.2013	2.038.236	65.275
Effects on the income statement	(16.428)	(13.620)
Balance as of 31.12.2013	2.021.808	51.655

(Amounts expressed in Euro)

	2012	
	Deferred tax assets	Deferred tax liabilities
Balance as of 01.01.2012	1.910.570	81.485
Effects on the income statement	127.666	(16.210)
Balance as of 31.12.2012	2.038.236	65.275

The detail of the deferred taxes as of 31 December 2013 and 2012, in accordance with the nature of the timing differences that generated them, is as follows:

	2013	
	Deferred tax assets	Deferred tax liabilities
Provision and impairment losses not accepted for tax purposes	2.021.808	-
Reinvested capital gains	-	26.035
Amortizations not accepted for tax purposes	-	25.620
	2.021.808	51.655

	2012	
	Deferred tax assets	Deferred tax liabilities
Provision and impairment losses not accepted for tax purposes	2.038.236	-
Reinvested capital gains	-	32.969
Amortizations not accepted for tax purposes	-	32.306
	2.038.236	65.275

Current taxes

Income taxes recorded in the income statements during the years ended as of 31 December 2013 and 2012 are detailed as follows:

	2013	2012
Current tax:		
Income tax for the year	2.646.944	3.835.385
Deferred tax	2.808	(143.876)
	2.649.752	3.691.509

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

(Amounts expressed in Euro)

	2013	2012
Profit before income tax	8.867.979	9.860.481
Income tax rate	25,0%	25,0%
	2.216.995	2.465.120
Local Tax	136.059	128.754
Local Tax Surplus	125.447	74.941
Autonomous tax	116.426	128.904
Fiscal benefits - Sifide	(445.654)	-
Fiscal benefits - CFEI (Note 31)	(357.919)	-
Other costs not considered for taxable purposes	494.587	120.597
Other effects	361.003	917.069
Deferred tax	2.808	(143.876)
Income tax	2.649.752	3.691.509

11. 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 2012 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 2013 and 2012 can be presented as follows:

	2013	2012
Opening balance	(34.873)	(545.411)
Increases / (decreases)	34.873	510.538
Closing balance	-	(34.873)

12. INVENTORIES

As of 31 December 2013 and 2012 the caption “Inventories” was made up as follows:

	2013	2012
Merchandise	10.395.936	9.742.502
Raw, subsidiary and consumable materials	3.566.138	2.854.292
Finished and intermediated goods	1.874.751	2.205.260
Work in progress	3.536.760	3.960.466
	19.373.585	18.762.520
Accumulated impairment losses (Note 22)	(296.835)	(306.557)
	19.076.750	18.455.963

The cost of sales and changes in stocks of finished goods and work in progress for the year ended as of 31 December 2013 and 2012 amounted to 58,756,201 Euros and 63,287,942 Euros, respectively, and was computed as follows:

(Amounts expressed in Euro)

	2013				
	Merchandise	Raw, subsidiary and consumable materials	Finished and intermediated goods	Work in progress	Total
Opening balance	9.742.502	2.854.226	2.205.326	3.960.466	18.762.520
Exchange rate variation (Note 2.2.d)	-	(8.818)	(19.527)	(3.819)	(32.164)
Purcahses	23.488.088	26.447.424	8.077.557	1.323.933	59.337.001
Inventory adjustments	-	62.507	(78)	-	62.429
Closing inventories	(10.395.936)	(3.566.138)	(1.874.751)	(3.536.760)	(19.373.585)
	22.834.654	25.789.201	8.388.527	1.743.820	58.756.201

	2012				
	Merchandise	Raw, subsidiary and consumable materials	Finished and intermediated goods	Work in progress	Total
Opening balance	11.583.162	3.794.826	2.422.270	7.951.814	25.752.072
Exchange rate variation (Note 2.2.d)	-	12.551	20.911	5.719	39.181
Purcahses	21.034.286	26.626.469	7.338.697	1.340.238	56.339.689
Inventory adjustments	-	(80.480)	-	-	(80.480)
Closing inventories	(9.742.502)	(2.854.226)	(2.205.326)	(3.960.466)	(18.762.520)
	22.874.945	27.499.140	7.576.551	5.337.305	63.287.942

13. CUSTOMERS

As of 31 December 2013 and 2012 this caption can be detailed as follows:

	2013	2012
Customers, current account	38.214.589	36.123.693
Customers, notes receivable	2.872.657	4.327.573
Customers, doubfull accounts	17.065.659	17.779.857
	58.152.905	58.231.123
Accumulated impairment losses (Note 22)	(24.654.499)	(24.877.961)
	33.498.406	33.353.162

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 economic environment evaluation. The Board of Directors believes that the recorded net amounts are close to their fair value, once these accounts receivable do not pay interests and the discount effect is immaterial.

(Amounts expressed in Euro)

As of 31 December 2013 and 2012, the customers ageing balances can be detailed as follows:

	2013			2012		
	Industry	Real estate and others	Total	Industry	Real estate and others	Total
Not due	17.862.504	6.139.727	24.002.231	21.410.950	5.801.061	27.212.012
Due, with no impairment losses						
0 - 180 days	7.788.429	-	7.788.429	5.343.377	-	5.343.377
180 - 360 days	52.798	-	52.798	-	-	-
+ 360 days	11.806	-	11.806	12.464	-	12.464
	7.853.032	-	7.853.032	5.355.841	-	5.355.841
Due, with impairment losses						
0 - 180 days	1.277.952	-	1.277.952	450.094	-	450.094
180 - 360 days	89.821	-	89.821	102.168	-	102.168
+ 360 days	275.370	-	275.370	233.046	-	233.046
	1.643.143	-	1.643.143	785.308	-	785.308
Total	27.358.679	6.139.727	33.498.406	27.552.100	5.801.061	33.353.162

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 capacity of the counterparty, and therefore there is no credit risk.

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

The amounts due with impairment losses, are adjusted in relation to their nominal value in approximately 94% (97% on 31 December 2012), which, in accordance with the understanding of the Board of Directors, taking into consideration that most of the balances are less than 180 days overdue, is sufficient to meet the problems of recoverability 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. On a conservative basis, interests charged are accrued and only recognized in the profit and loss statement in the period they are received.

Additionally, as of 31 December 2013, there are some accounts receivable assigned to factoring without recourse contracts that were derecognised from the assets and liabilities of the Company.

14. STATE AND OTHER PUBLIC ENTITIES

As of 31 December 2013 and 2012 these assets and liabilities captions had the following composition:

	2013	2012
Assets:		
Value Added Tax	650.549	853.428
Others	72.865	232.052
	723.414	1.085.480
Liabilities	1.985.234	1.709.699
Value Added Tax	454.638	393.296
Social Security contributions	291.702	406.452
Personal Income Tax	686.082	364.100
Corporate Income Tax	51.549	350.496
Other taxes	3.469.203	3.224.043

The liabilities caption "Corporate Income Tax" includes the income tax estimate of the Group companies, net of advance payments on account, additional advance payments on account and special advanced payments on account done by these companies, as well as taxes withheld by third parties.

(Amounts expressed in Euro)

15. OTHER DEBTORS

As of 31 December 2013 and 2012 this caption can be detailed as follows:

	2013	2012
Advances to suppliers	28.418	76.014
Other debtors	367.652	1.513.996
	396.070	1.590.010
Accumulated impairment losses	-	-
	396.070	1.590.010

As of 31 December 2012, the caption "Other debtors" included an amount receivable by the French subsidiary of, approximately 881,000 Euros, which was withheld and waiting for the conclusion of the work in progress.

16.

16. CASH AND CASH EQUIVALENTS

As of 31 December 2013 and 2012 the caption “Cash and cash equivalents” included in the consolidated statement of financial position can be detailed as follows:

	2013	2012
Cash	16.322	15.570
Bank deposits	11.646.612	11.753.706
	11.662.934	11.769.276
Bank overdrafts (Note 18)	(3.033.854)	(3.913.854)
Cash and cash equivalents	8.629.080	7.855.422

17. SHARE CAPITAL AND RESERVES

Share Capital

As of 31 December 2013, F. Ramada’s fully subscribed and paid up capital consisted of 25,641,459 shares with a nominal value of 1 Euro each. As of that date, F. Ramada Investimentos, SGPS, S.A. holds 2,564,145 own shares, corresponding to 9.999996% of the share capital of the company, acquired by 1,641,053 Euros.

Additionally, as of 31 December 2013 and 2012, there were no companies 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.

Currency translation reserves
Currency translation reserves reflect the exchange rate differences originated by 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)

18. BANK LOANS AND OTHER LOANS

As of 31 December 2013 and 2012, the captions “Bank loans” and “Other loans” can be detailed as follows:

	2013		2012	
	Current	Non-Current	Current	Non-Current
Bank loans	4.292.109	46.930.414	4.308.473	50.522.540
	4.292.109	46.930.414	4.308.473	50.522.540
Commercial paper	15.250.000	-	15.250.000	-
Current accounts	10.900.000	-	11.180.000	-
Bank overdrafts (Note 16)	3.033.854	-	3.913.854	-
Factoring	1.405.885	-	1.340.970	-
Leasing	83.500	180.074	-	-
Other loans	30.673.239	180.074	31.684.824	-
	34.965.347	47.110.488	35.993.297	50.522.540

As of 31 December 2013 and 2012 there were no differences between the book value and nominal value of the loans obtained.

Loans

The nominal amount of bank loans as of 31 December 2013 will be reimbursed as follows:

Reimbursement year	Amount
Current	
2014	4.292.109
Non-current	
2015	3.533.812
2016	3.497.768
2017	3.497.768
2018	3.497.768
2019	18.554.428
2020	14.348.870
	46.930.414
	51.222.523

As of 31 December 2013, the credit facilities used by the Group and the corresponding maximum amounts allowed were as follows:

(Amounts expressed in Euro)

Nature	Maturity	Authorized amount	Used amount	Available amount
Loan	Janeiro 2020	n.a.	51.116.167	n.a.
Loan	Janeiro 2014	n.a.	106.355	n.a.
Current account	Yearly renewal	2.500.000	2.500.000	-
Current account	Yearly renewal	2.000.000	2.000.000	-
Current account	Yearly renewal	4.200.000	2.200.000	2.000.000
Current account	Yearly renewal	900.000	-	900.000
Current account	Semiannually renewal	500.000	400.000	100.000
Current account	Yearly renewal	2.000.000	2.000.000	-
Current account	Quarterly renewal	650.000	-	650.000
Current account	Quarterly renewal	100.000	-	100.000
Current account	Quarterly renewal	4.000.000	1.800.000	2.200.000
Current account	Yearly renewal	3.000.000	-	3.000.000
Commercial paper programme	June2014	1.250.000	1.250.000	-
Commercial paper programme	December 2014	5.000.000	5.000.000	-
Commercial paper programme	June 2014	5.000.000	5.000.000	-
Commercial paper programme	Semiannual until July 2015	4.000.000	4.000.000	-
Bank overdrafts	Yearly renewal	4.500.000	3.033.854	1.466.146
Factoring	n.a.	n.a.	1.405.885	n.a.
Financial lease contracts	n.a.	n.a.	263.574	n.a.

During the year ended as of 31 December 2013 these loans bear interest at normal market rates depending on the nature and term of the credit obtained.

During the years ended as of 31 December 2013 and 2012 the Group did not enter into any loan default.

Additionally, as of 31 December 2013, there are no covenants associated with the loans obtained.

Financial lease contracts

As of 31 December 2013 and 2012, liabilities expressed in the financial statements with respect to financial lease contracts concern the lease of basic equipment and had the following payment plan:

Reimbursement year	Amount
2014	83.500
2015	95.542
2016	84.532
	263.574

(Amounts expressed in Euro)

19. SUPPLIERS

As of 31 December 2013 and 2012 this caption could be presented, taking into account its maturity, as follows:

	2013			
		Payable in		
	Book value	Less than 3 months	3 to 6 months	More than 6 months
Suppliers and other commercial creditors				
Industry	14.302.240	14.302.240	-	-
Real estate and others	252.434	252.434	-	-
	14.554.674	14.554.674	-	-

	2012			
		Payable in		
	Book value	Less than 3 months	3 to 6 months	More than 6 months
Suppliers and other commercial creditors				
Industry	12.146.609	12.146.609	-	-
Real estate and others	82.231	82.231	-	-
	12.228.840	12.228.840	-	-

20. OTHER CREDITORS

As of 31 December 2013 and 2012 the current liabilities caption “Other creditors” was made up as follows:

	2013	2012
Fixed assets suppliers	871.945	115.420
Other creditors	278.757	429.190
	1.150.702	544.610

The liabilities recorded under the caption “Fixed assets suppliers” are payable in less than three months.

21. OTHER CURRENT LIABILITIES

As of 31 December 2013 and 2012 the caption “Other current liabilities” can be detailed as follows:

	2013	2012
Accrued expenses		
Accrued payroll	2.678.113	2.201.665
Interest payable	1.269.820	1.603.750
Others	1.693.427	1.942.189
Deferred income	8.402.761	5.225.082
	14.044.120	10.972.686

The caption “Deferred income” mainly includes anticipated invoicing regarding storage systems sales.

(Amounts expressed in Euro)

22. MOVEMENT IN PROVISIONS AND IMPAIRMENT LOSSES

The movements occurred in provisions and impairment losses for the years ended as of 31 December 2013 and 2012 may be detailed as follows:

	2013				
	Provisions	Impairment losses in accounts receivable	Impairment losses in investments	Impairment losses in inventories	Total
Opening balance	1.075.249	24.877.961	1.786.371	306.557	28.046.138
Exchange rate variation	(587)	-	-	-	(587)
Increases	87.793	677.776	1.490.553	-	2.256.122
Reversals	(49.236)	-	-	(9.722)	(58.958)
Utilizations	(5.639)	(901.238)	-	-	(906.877)
Closing balance	1.107.580	24.654.499	3.276.924	296.835	29.335.837

	31.12.2012				
	Provisions	Impairment losses in accounts receivable	Impairment losses in investments	Impairment losses in inventories	Total
Opening balance	658.848	23.567.581	1.303.982	306.557	25.836.968
Exchange rate variation	-	-	-	-	-
Increases	594.344	1.310.380	82.389	-	1.987.113
Reversals	(91.046)	-	-	-	(91.046)
Others	-	-	400.000	-	400.000
Utilizations	(86.897)	-	-	-	(86.897)
Closing balance	1.075.249	24.877.961	1.786.371	306.557	28.046.138

The increases and reversals recorded in provisions and impairment losses for the years ended as of 31 December 2013 and 2012 were recorded in the profit and loss statement caption “Provisions and impairment losses”.

The amount recorded in caption “Provisions” as of 31 December 2013 relates to the Board of Directors estimate to cover possible losses arising from legal actions in progress and other liabilities.

As confirmed by our lawyers, there are no material assets or liabilities associated with likely or possible tax contingencies that should be disclosed in the notes to the consolidated financial statements as of 31 December 2013.

The amount recorded in the caption “Impairment losses in investments” as of 31 December 2013 results from an impairment for the shareholdings and loans both held in Consumo em Verde – Biotecnologia das Plantas, S.A. and Converde Unipessoal, Lda. (Note 4). Additionally, as of 31 December 2012, the amount of 400,000 Euros included in the line “Others” relates to the present value of loans and it was recorded in the caption “Financial expenses” on the consolidated statement of profit and loss.

(Amounts expressed in Euro)

23. OPERATIONAL LEASES

As of 31 December 2013, the Group held, as lessee, operational lease contracts which minimal lease payments present the following maturity:

	31.12.2013	31.12.2012
Responsabilities under operational lease rentals	Minimal operational lease payments	Minimal operational lease payments
2013	-	326.802
2014	326.194	216.110
2015	177.105	78.313
2016	75.149	9.476
2017 and subsequent	37.751	-
	616.199	630.701

Additionally, as of 31 December 2013 and 2012 the Group had as lessor, operational lease contracts celebrated in 2007 and 2008. These contracts were celebrated for a 20 years period, renewable for an additional 10 years period.

24. FINANCIAL RESULTS

The consolidated financial results for the years ended as of 31 December 2013 and 2012 can be detailed as follows:

	2013	2012
Financial expenses:		
Interest	(2.802.899)	(3.896.848)
Financial actualization of loans (Note 22)	-	(400.000)
Other financial expenses	(1.338.359)	(833.071)
	(4.141.258)	(5.129.919)
Financial income:		
Interest	15.844	131.436
Other financial income	22.207	641.269
	38.051	772.705

Interests paid and recognised in the profit and loss statement for the years ended as of 31 December 2013 and 2012 are totally related with loans obtained.

Interests obtained recorded in the financial statements for the years ended as of 31 December 2013 and 2012 result mainly from term deposits made during the year.

25. 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 Entity.

(Amounts expressed in Euro)

The main balances with related parties as of 31 December 2013 and 2012 and the main transactions with related entities during these years may be detailed as follows:

	2013					
Related parties	Land acquisitions	External supplies and services	Sales	Services rendered	Accounts receivable	Accounts payable
Altri Group	-	124.335	89.196	6.135.933	6.157.892	-
Others	-	-	-	-	2.600.000	-

	2012					
Related parties	Land acquisitions	External supplies and services	Sales	Services rendered	Accounts receivable	Accounts payable
Altri Group	-	124.738	31.131	6.264.362	7.296.194	353.665
Others	-	-	-	-	3.030.740	-

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

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

Accounts receivable amounting to 2,600,000 Euros, included in caption “Other”, are related to loans to subsidiaries net of impairment losses, which are classified as “Investments available for sale” (Note 4).

(Amounts expressed in Euro)

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 2013 and 2012 by the companies included in the consolidation by the full consolidation method, are as follows:

	2013	2012
Fixed remunerations	576.520	576.520
Variable remunerations	-	-
	576.520	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 2013, can be presented as follows:

Cofihold, SGPS, S.A.
Alteria, SGPS, S.A.
Caderno Azul, SGPS, S.A.
Actium Capital, SGPS, S.A.
Elege Valor, SGPS, S.A.
Livre Fluxo, SGPS, S.A.
Malva – Gestão Imobiliária, S.A.
Prestimo – Prestígio Imobiliário, S.A.
Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.
Torres da Luz – Investimentos imobiliários, S.A.
Valor Autêntico, SGPS, S.A.
Promendo, SGPS, S.A.
Jardins de França S.A.
Destak Brasil Editora S.A.
Altri - Energias Renováveis, SGPS, S.A.
Altri Florestal, S.A.
Altri Sales, S.A.
Altri, Participaciones Y Trading, S.L.
Altri, SGPS, S.A.
Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
Caima Indústria de Celulose, S.A.
Captaraiz Unipessoal, Lda.
Celbi – Celulose da Beira Industrial, S.A.
Celbinave – Tráfego e Estiva SGPS, Unipessoal, Lda.
Celtejo – Empresa de Celulose do Tejo, S.A.
Celulose do Caima, SGPS, S.A.
Inflora – Sociedade de Investimentos Florestais, S.A.
Invescaima – Investimentos e Participações, SGPS, S.A.
Pedro Frutícola, Sociedade Frutícola, S.A.
Ródão Power, S.A. - Energia e Biomassa do Ródão, S.A.
Viveiros do Furadouro Unipessoal, Lda.
AdCom Media Anúncios e Publicidade, S.A.
Cofina – Eventos e Comunicação, S.A.
Cofina B.V.
Cofina Media, SGPS, S.A.
Cofina, SGPS, S.A.
Destak Brasil – Empreendimentos e Participações, S.A.
Edirevistas – Sociedade Editorial, S.A.
Edisport – Sociedade de Publicações, S.A.
Efe Erre – Participações, SGPS, S.A.
Grafedisport – Impressão e Artes Gráficas, S.A.
Mediafin, SGPS, S.A.
Mercados Globais – Publicação de Conteúdos, Lda.
Metronews – Publicações, S.A.
Presselivre – Imprensa Livre, S.A.
Transjornal – Edição de Publicações, S.A.

(Amounts expressed in Euro)

VASP – Sociedade de Transportes e Distribuições, Lda.
Web Works – Desenvolvimento de Aplicações para Internet, S.A.
Base Holding SGPS, S.A.
Consumo em Verde – Biotecnologia das Plantas, S.A.
Converde Unipessoal, Lda.

Board of Directors

F. Ramada Investimentos, SGPS, S.A. Board of Directors as of 31 December 2013 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 Menéres de Mendonça

26. OTHER OPERATING INCOME

As of 31 December 2013 and 2012, the caption "Other operating income" mainly included, costs supported and billed back to customers, discounts obtained for prompt payments, as well as gains in disposal of investments available for sale in 2012.

27. EARNINGS PER SHARE

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

	2013	2012
Net profit considered for the computation of basic and diluted earning	6.218.227	6.168.972
Number of shares	25.641.459	25.641.459
Number of own shares	2.564.145	2.564.145
Weighted average number of shares used to compute the basic and diluted earnings per share	23.077.314	23.077.314
Earnings per share		
Basic	0,27	0,27
Diluted	0,27	0,27

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.

28. 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.

The segregation of activities by segments as of 31 December 2013 and 2012 is made up as follows:

	2013		2012	
	Industry	Real estate	Industry	Real estate
Net operating income				
Resulting from operations with external customers	99.096.485	6.254.707	103.736.775	6.859.512
Resulting from operations with other segments	8.004	1250.871	8.004	1242.912
Operating Cash-flow (a)	9.475.202	4.990.338	10.415.726	5.074.942
Amortisation and depreciation	1150.912	378.315	714.302	505.396
Operating profit	8.324.290	4.612.023	9.701424	4.569.546
Total assets	77.703.412	95.470.719	70.887.589	96.742.697
Total liabilities	34.239.909	82.213.861	29.689.404	85.299.356
Investment of the period (b)	8.518.968	-	1343.719	211667

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

(Amounts expressed in Euro)

Sales and services rendered by the Group in 2013 and 2012 can be detailed by geographical markets as follows:

	2013	2012
Domestic market	62.543.611	66.899.645
Foreign market	41.855.331	42.436.181
	104.398.942	109.335.827

29. RESPONSABILITIES FOR GUARANTEES PROVIDED

As of 31 December 2013 and 2012, F. Ramada Group companies had provided bank guarantees as follows:

	2013	2012
Supply of storage systems	59.102	61.597
Others	158.144	104.423
	217.245	166.020

30. AVERAGE NUMBER OF PERSONNEL

During the years ended as of 31 December 2013 and 2012 the average number of employees of the companies included in the consolidated financial statements by the full consolidation method was of 399 and 381, respectively.

31. TAX BENEFITS

Extraordinary Tax Credit for investments made in 2013 (CFEI)

In the financial year of 2013, the Group carried out investments that met the conditions of the Extraordinary Tax Credit under the terms of Law 49/2013 from 16 June. As such, it ascertained that it could make use of a tax benefit in the amount of 357,919 Euros, deductible for Corporate Income Tax purposes, which will be included in the tax return for the financial year of 2013.

32. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance in March 27, 2014. The final approval depends on the agreement of the General Shareholders Meeting.

33. 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

João Manuel Matos Borges de Oliveira – Chairman

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 Menéres de Mendonça

REPORT AND OPINION OF THE STATUTORY AUDIT BOARD

(Translation of a report originally issued in Portuguese – Note 33)

To the Shareholders of
F. Ramada Investimentos, S.G.P.S., S.A.

1. Report

In compliance with the applicable legislation and our mandate, we hereby submit our Report and Opinion, which covers the Board of Director's Report and individual and consolidated Financial Statements of F. Ramada Investimentos, S.G.P.S., S.A. ("Company") for the year ended as of 31 December 2013, which are the responsibility of the Company's Board of Directors.

During the year under analysis, the Statutory Audit Board accompanied the operations of the Company and its affiliates, the regularity of the accounting records, the compliance with statutory and legal requirements and the effectiveness and integrity of the risk management and internal control systems, having held meetings with the periodicity and length considered appropriate and having always obtained, from the Board of Directors and Company´s and its affiliates personnel, all the information and explanations required.

As part of its duties, the Statutory Audit Board examined the individual and consolidated statements of financial position as of 31 December 2013, the individual and consolidated statements of profit and loss, of comprehensive income, of cash flows, and of changes in Equity for the year then ended, and the corresponding notes. Additionally, the Statutory Audit Board examined the Board of Director's Report for the year 2013, and fulfilled its duties concerning the review of the qualifications, independence and work of the Statutory and External Auditor, and reviewed the Statutory Audit and Auditor's Report and was in agreement with its content.

2. Opinion

Considering the above, it is the Statutory Audit Board´s opinion, that the Board of Director's Report and the individual and consolidated Financial Statements are in accordance with the accounting, legal and statutory requirements and, consequently, may be approved by the General Shareholders' Meeting.

3. Statement of Responsibility

In accordance with paragraph a), number 1 of article 8 of the Regulation of CMVM 5/2008, the members of the Statutory Audit Board declare that, to their knowledge, the information contained in the Board of Directors' Report and the individual and consolidated financial statements were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, as well as the remaining documents of presentation of accounts required by law or regulation giving a true and fair view, in all material aspects, of the assets and liabilities, financial position and the individual and consolidated statement of profit and loss of the Company as of 31 December 2013 and that the Board of Directors' Report faithfully describes the business evolution, performance and financial position of F. Ramada Investimentos, S.G.P.S., S.A. and of the companies included in the consolidation perimeter, and contains a description of the major risks and uncertainties that they face.

We wish to express our esteem to the Company's Board of Directors and to the departments of the Company and its affiliates for the assistance provided to us.

Porto, 27 March 2014

The Statutory Audit Board

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João da Silva Natária
President of the Statutory Audit Board

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Manuel Tiago Alves Baldaque de Marinho Fernandes
Member of the Statutory Audit Board

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Cristina Isabel Linhares Fernandes
Member of the Statutory Audit Board

STATUTORY AUDIT AND AUDITOR'S REPORT

(This is a translation of a report originally issued in Portuguese – Note 33)

Introduction

1. In compliance with the applicable legislation, 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 2013 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 2013 (that present total net assets of 173.174.131 Euro and 51.290.645 Euro, respectively, and consolidated and individual equity of 56.720.361 Euro and 46.999.064 Euro, respectively, including a consolidated and invididual net profit of 6.218.227 Euro and 4.023.325 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 and 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 2013, 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, 27 March 2014

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