Director's Report

RAMADA
INVESTIMENTOS

Consolidated accounts

December 31, 2012

INDEX

To the shareholders

Pursuant to the legal requirements, the Board of Directors of F. Ramada Investimentos, SGPS, S.A ("F. Ramada Investimentos") hereby presents its Director's Report for the year 2012. 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.

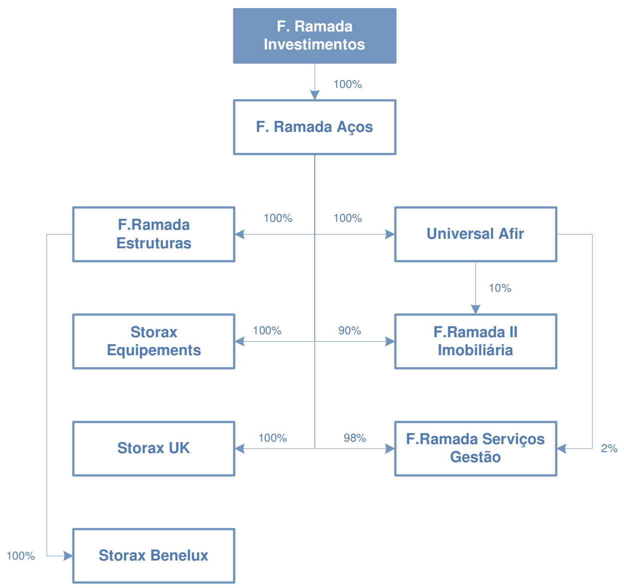
INTRODUCTION

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

Currently, F. Ramada Investimentos is the parent company of a group of companies ("F. Ramada Group") that, together, develop their activity in the steel market, where stands the subsegment of steel for molds and the storage systems activity. F. Ramada Investimentos also controls F. Ramada II, Imobiliária, S.A., focused on 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 structure of F. Ramada Group, as of 31 December 2012, can be presented as follows:



MACROECONOMIC BACKGROUND

The global economy suffers, since 2009, a widespread crisis, having started in the financial sector and quickly spreaded to the real economy with serious economic, social and political consequences. The economic climate has become more depressive with high and rising levels of unemployment, lack of market confidence in leveraged economies and credit access constraints.

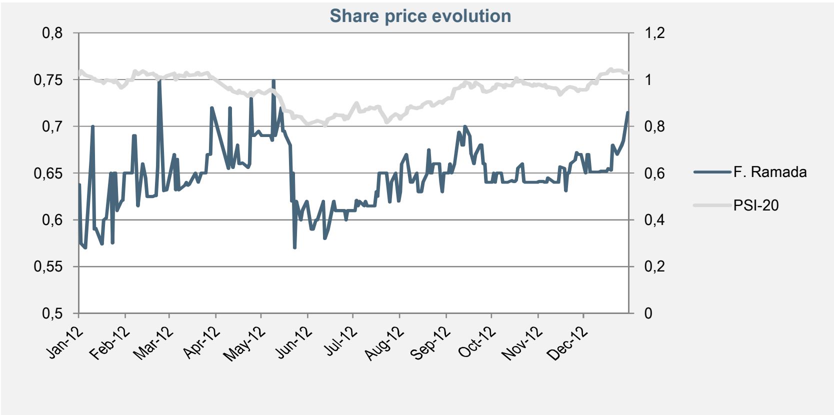
After a positive growth of the domestic economy in 2010, 2011 showed a decline of 1,5% in GDP. In 2012, with the intensification of the adjustment process of the Portuguese economy and the consequent restrictive fiscal policy a worsening contraction in domestic demand, public and private was experienced. According to the latest forecasts (European Commission, December 2012), the GDP will decrease by 3%, being this drop more significant in private consumption, which is expected to suffer a reduction compared to 2011 of about 6% (-5,7%).

Inflation rates showed high levels during 2012, mainly driven by energy and other raw materials prices.

In July 2012, the Council of the European Central Bank decided to lower the interest rate by 0.25 percentage points to 0.75%, bringing it to a new historical minimum. In this context, the Euro short-term interest rates intensified the downward trend that had already been observed since early 2012, and since then, more or less continuously, reached new historical minimum. After reaching its maximum at the end of January, the cost of Portuguese sovereign debt recovered throughout the year to lower levels than those that resulted in the request for external assistance.

STOCK EXCHANGE EVOLUTION

2012 was marked by the sovereign debt crisis in the euro zone, which caused a deep economic and financial recession. Throughout 2012 and due to the austerity measures imposed, the economic situation deteriorated, contributing to a collapse in incomes, unemployment rising and GDP contraction. Despite this crisis, the national stock exchange closed the year of 2012 recovering 3% compared to 2011.

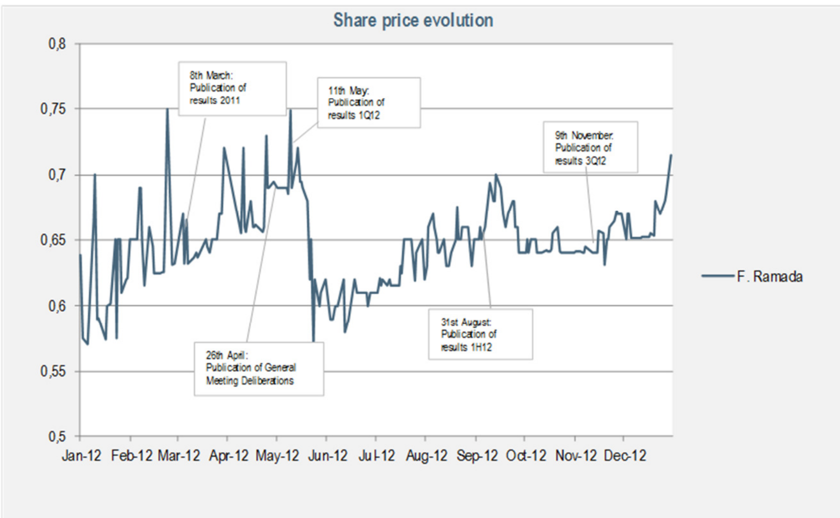


F. Ramada Investimentos' share price closed 2012 with 0.715 Euro per share, which represents an appreciation of 13.5% when compared with 2011.

During 2012, F. Ramada Investimentos' shares were traded at a maximum price of 0.75 Euro per share and at a minimum price of 0.57 Euro per share. In total, 7.647.018 shares of F. Ramada Investimentos were traded in 2012.

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

The main events that distinguished the stock price evolution of F. Ramada Investimentos' shares during 2012 may be chronologically described as follows:



- According to the statement made on 8 March 2012, the Group announced its financial performance in relation to the year 2011, presenting a consolidated net profit of 6.4 million Euro, representing an increase of more than 25% over the year 2010. Consolidated EBITDA amounted to 15 million Euro, recording an increase of 23% when compared with 2010;
- As of 26 April 2012, F. Ramada Investimentos informed the market about the deliberations of the General Shareholders' Meeting held on that date, where it was approved, amongst other decisions, the payment of dividends, corresponding to 0.08 Euro per share, to be paid as from 25 May;
- As of 11 May 2012, F. Ramada Group communicated to the market its results relating to the first quarter of 2012, showing a consolidated net profit of 1.5 million Euro. Consolidated EBITDA reached 3.7 million Euro, which corresponds to a growth of 4% when compared with the homologous period in 2011;
- As of 31 August 2012, the results of F. Ramada Group related with the first half of 2012 were communicated to the market, amounting to 3.048 thousand Euro. Consolidated EBITDA reached 7.3 million Euro, representing an increase of 2.3% over the homologous period in 2011;
- Through the statement made as of 9 November 2012, the Group announced its financial performance related to the third quarter of 2012, presenting a consolidated net profit of 4.5 million Euro. Consolidated EBITDA amounted to 10.8 million Euro and EBITDA margin reached 13.5%.

GROUP ACTIVITY

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

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

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 molds), having as principal destination markets the manufacture of molds for plastic, components for the automotive industry and capital goods.

This activity is enabled to provide to its customers a wide range of services, among which 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 to improved quality, both, concerning the services rendered and the products that are traded.

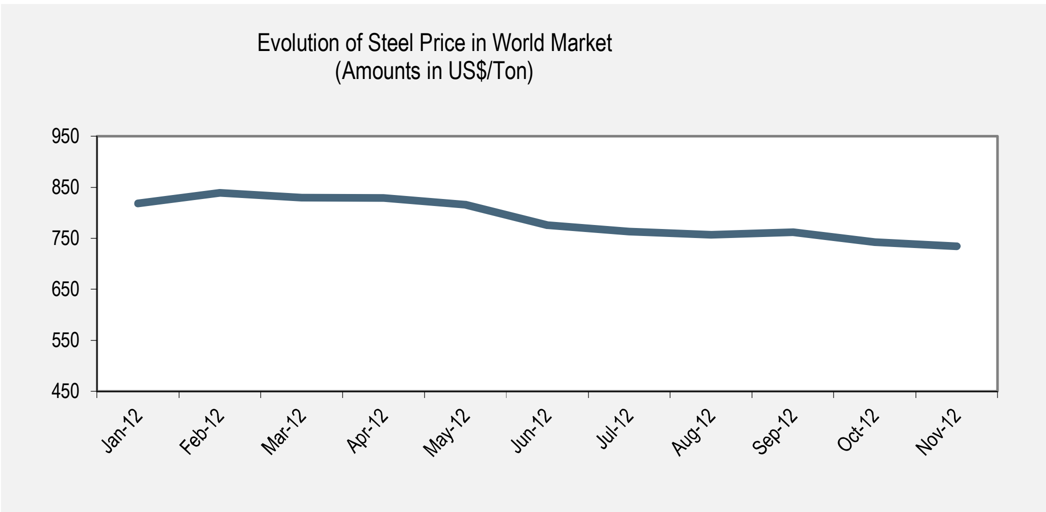
In 2012, the sales in Steel activity were similar to the sales recorded as of 31 December 2011.

The sector of manufacturers of molds for plastic parts, which has boosted the sales of steel, continues with a strong activity, due to the closure of many factories in Europe (Spain, France and Italy), quality and very competitive price, fast delivery and project changes flexibility. However, the current constraints in bank credit facilities occasionally limited our sales.

In the sector of components for the automotive industry, we felt some retraction due to the reduction of orders from our customers.

The sector of general mechanics, construction of equipment and maintenance also showed a decreased compared to 2011.

Throughout 2012, there were some fluctuations in the price of steel. However, the impact was immaterial.

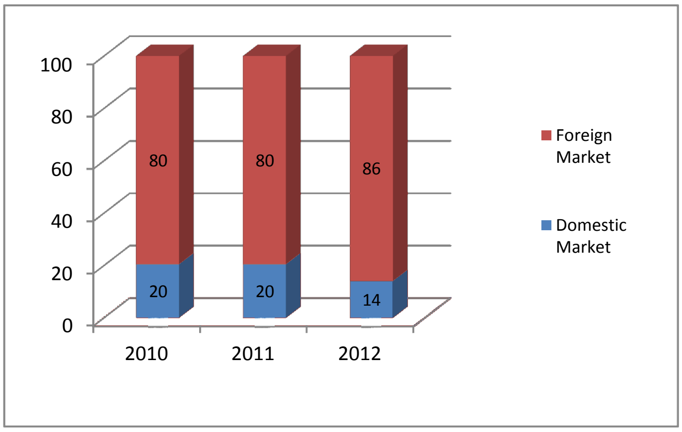


Sales of stainless steel and copper alloys, products that recently started commercialization, still remain at modest levels in the face of strong competition in the market.

Steel activity operates, essentially, in the domestic market, which represented 98% of its sales in 2012.

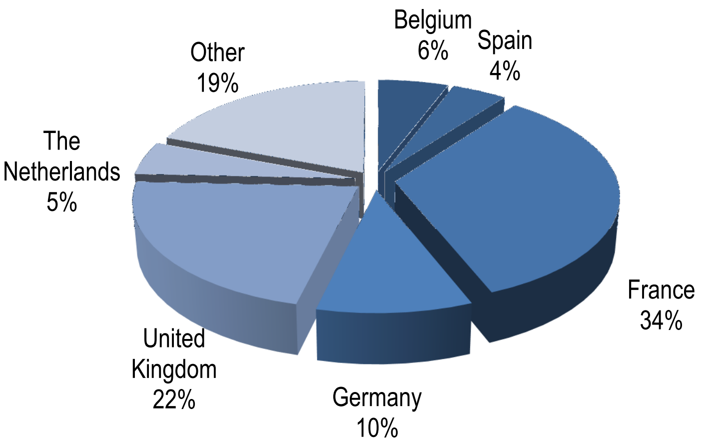
In 2012, storage systems activity had a slight growth in turnover compared to 2011. The foreign market remains the principal growth engine of this activity, accounting for 86% of turnover (80% in 2011).

Domestic and foreign markets distribution of storage systems turnover



In 2012, storage systems facilities were set up in 54 countries, covering virtually every continent, with an emphasis in the sustainability of the South Africa, Morocco and Algeria markets.

Distribution of storage systems activity by foreign markets in 2012



The R&D activity in 2012, targeted towards cold stores, differentiated us in negotiating several mobile racking projects with AGV. This product portfolio has also been structurally optimized in partnership with INEGI. In 2013, we continue to focus in development, with an upgrade of the solution Ranger Shuttle System (Ranger 3D) currently in study.

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 90% 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

	2012	2011	Var. %
Sales and services rendered	109.336	107.890	1.3%
Other income	1.260	1.178	7.0%
Total income	**110.596**	**109.068**	**1.4%**
Cost of sales	63.288	60.351	4.9%
External supplies and services	16.553	17.873	-7.4%
Payroll	12.498	12.677	-1.4%
Other costs	2.766	3.176	-12.9%
Total costs (a)	**95.106**	**94.077**	**1.1%**
EBITDA (b)	**15.491**	**14.992**	**3.3%**
EBITDA margin	**14.0%**	**13.7%**	
Amortization and depreciation	1.220	1.406	-13.3%
EBIT (c)	**14.271**	**13.585**	**5.0%**
EBIT margin	**12.9%**	**12.5%**	
Financial results	**-4.410**	**-4.317**	**2.2%**
Net profit before income tax	**9.860**	**9.269**	
Income tax	-3.692	-2.859	
Net profit attributable to shareholders of parent company	**6.169**	**6.410**	**-3.8%**

Amounts in thousands Euro

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

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

(c) EBIT = Earnings before interest and tax,

Total income of Ramada Group amounted to 110.596 thousand Euro, which corresponds to an increase of 1.4% in relation to the total income in 2011.

Total costs, excluding amortisations, financial expenses and taxes, amounted to 95.106 thousand Euro in 2012, representing an increase of 1.1% in relation to 2011.

EBITDA in 2012 reached 15.491 thousand Euro, presenting a growth of 3.3% when compared with 2011. EBITDA margin reached 14%, being 13.7% in 2011.

Group EBIT was of 14.271 thousand Euro, presenting a growth of 5% compared with 13.585 thousand Euro in 2011.

Negative financial results amounted to 4.410 thousand Euro, thus presenting an deterioration of 2.2% in relation to 2011.

Ramada Group Net profit reached 6.169 thousand Euro, which is 3.8% lower when compared with 2011.

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

Industry

	2012	2011	Var. %
Total income	103.737	102.836	0.9%
Total costs (a)	93.321	92.923	0.4%
EBITDA (b)	10.416	9.913	5.1%
EBITDA margin	10%	9.6%	
EBIT (c)	9.701	8.902	9%
EBIT margin	9.4%	8.7%	
Financial results	(493)	(909)	-45.8%
Net profit before income tax	9.208	7.993	15.2%

(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 = Operation results

As of 31 December 2012, total operating income of the Industry segment amounted to 103.737 thousand Euro, thus presenting an increase of 0.9% in relation to total income in the prior period.

In 2012, Industry segment EBITDA reached 10.416 thousand Euro, while represents an increase of 5.1% in relation to the 9.913 thousand Euro reached in 2011.

Industry segment EBITDA margin grew from 9.6% in 2011 to 10% in 2012.

Industry segment EBIT amounted to 9.701 thousand Euro, presenting a growth of 9% when compared with 8.902 thousand Euro reached in 2011. EBIT margin rised from 8.7% in 2011 to 9.4% in 2012.

Real Estate

	2012	2011	Var. %
Total income	6.860	6.232	10.1%
Total costs (a)	1.785	1.154	54.7%
EBITDA (b)	5.075	5.079	-0.1%
EBIT (c)	4.570	4.683	-2.4%
Financial results	(3.918)	(3.408)	15.0%
Net profit before income tax	652	1.275	-48.9%

(amounts in thousands Euro)

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

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

(c) EBIT = Operation results

In 2012, total operating income of the Real Estate segment amounted to 6.860 thousand Euro, thus presenting an increase of 10.1% in relation to the prior period.

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

In 2012, Real Estate segment EBITDA amounted to 5.075 thousand Euro, maintaining the level of 2011.

Real Estate segment EBIT amounted to 4.570 thousand Euro, thus presenting a decrease of 2.4% in relation to the 4.683 thousand Euro reached in 2011.

Financial results of the Real Estate segment, in 2012, amounts to -3.918 thousand Euro, thus representing a deterioration of 15% compared with -3.408 thousand Euro reached in 2011.

Investments and net debt

In 2012, Ramada Group investments amounted to 1.555 thousand Euro.

As of 31 December 2012, Ramada Group net nominal debt, net of own shares held (amounting to 1.641 thousand Euro), amounted to 73.106 thousand Euro. As of 31 December 2011, net nominal debt amounted to 79.239 thousand Euro.

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

During 2012, the non-executive directors of the Company have developed regular and effectively the functions that this are legally entitled to, and which consist in monitoring and evaluating the activities of the executive members.

During 2012, the non-executive directors regularly attended the Board of Directors meetings, discussing the matters under consideration and expressing their view in relation to the Group's strategic guidelines and the specific business areas. When necessary, they maintained a close and direct contact with the directors of the Group's operating and financial units. In the year 2012, 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.

2013 OUTLOOK

The special steel activity is strongly exposed to the automotive components industry, and to the fabrication of plastic molds. For 2013, the Group estimates that market conditions, especially in the molds activity, will be affected by the general decline in the automotive production, at least during the 2nd half of the year.

The storage systems activity is related with the development and modernization of companies' logistics which, in times of lower economic growth present reduced demand levels of these solutions. The adverse economic conditions in Portugal and the downfall of investment in Europe, our main target market, lead us to anticipate an activity decrease in 2013. However, the entry into new markets, such as North Africa, South Africa and India, presents new perspectives which can compensate the sales drop in our traditional markets.

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

F. Ramada Investimentos, SGPS, SA, as holding company of the Group, recorded in its individual financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, a net income of 3.546.308,62 Euro, which, in accordance with the applicable legislation and the Company's articles of association, the Board of Directors proposes to the Shareholders General Meeting its appropriation as follows:

Legal reserve	177.315,43
Other reserves	1.292.034,93
Dividends	2.076.958,26*

	3.546.308,62
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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 unchanged.

CORPORATE GOVERNANCE

0. Statement of compliance

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

This report was prepared in accordance with the CMVM Regulation nr. 1 / 2010, of 7 January 2010 and the Code of Corporate Governance (Código do Governo das Sociedades), available at www.cmvm.pt, and aims to be the summary of the fundamental aspects of the management of the Company as regards the Board of Directors, considering the need for transparency on this issue and the need for communication with investors and stakeholders. The reporting format adopted by the Company is laid down in article 2 and in Appendix I of that Regulation.

Also fulfilled are the duties of disclosure required by Law 28/2009, of 19 June, articles 447 and 448 of the Commercial Companies' Code (Código das Sociedades Comerciais) and the CMVM Regulation nr. 5/2008, of 2 October 2008.

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

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

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

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

CMVM Recommendations	Complies	Report
II.1.5.2 A statement on the remuneration policy of the board of directors and supervisory board referred to in article 2 of law no. 28/2009 of 19 June, shall contain, in addition to the content therein stated, adequate information on: i) which groups of companies the remuneration policy and practices of which were taken as a baseline for setting the remuneration ii) the payments for the dismissal or termination of directors by mutual agreement.	Complies	II.30 and II.32
II.1.5.3 The remuneration policy statement referred to in Article 2 of Law No. 28/2009 shall also include the remuneration of directors, which contains a significant variable component, within the meaning of Article 248-B/3 of the Securities Code. The statement shall be detailed and the policy presented shall in particular take into account the long-term performance of the company, compliance with the rules applicable to its business and restraint in taking risks.	Complies	II.29
II.1.5.4 A proposal must be submitted to the shareholders' general meeting to approve plans to grant shares and/or share options or award compensation based on variations in share prices to members of the management and audit boards, as well as to other persons discharging managerial responsibilities ("dirigentes") as defined in Article 248 B, paragraph 3 of the Portuguese Securities Code. The proposal shall include all information necessary for a comprehensive assessment of the plan. The proposal shall be presented together with the rules that govern the plan or if these have not yet been prepared, the general conditions that will be applied. In the same way, the main features of any retirement benefit plan that benefits the board of directors and supevisory board, as well as other persons discharging managerial responsibilities ("dirigentes") as defined in Article 248 B, sub-paragraph 3 of the Portuguese Securities Code, shall also be approved at the shareholders' general meeting.	Not Applicable	I.17, II.33 e II.10
II.1.5.6 At least one representative of the shareholders' remuneration committee must be present at the shareholders' annual general meeting.	Complies	I.15
II.1.5.7 The amount of remuneration received, as a whole and individually, in other companies of the group and the pension rights acquired during the financial year in question shall be disclosed in the Annual Report on Corporate Governance	Complies	II.31
II.2. BOARD OF DIRECTORS		
II.2.1 In accordance with the limits established by the Portuguese Companies Act for each board and supervisory entity, and unless the company is of sufficiently small size, the board of directors shall delegate the day-to-day running of the company, and the delegated powers and terms of this delegation should be set out in the corporate governance report.	Fails	0.4 and II.3
II.2.2 The board of directors shall ensure that the company acts in accordance with its stated objectives, and should not delegate its own responsibilities, including: i) definition of the company's strategy and general policies; ii) definition of the corporate structure of the group; iii) decisions that are considered to be strategic due to the amounts, risks and special circumstances involved.	Complies	II.3
II.2.3 Should the chairman of the board of directors have an executive role, the board of directors shall set up efficient mechanisms to coordinate the work of non-executive members, to ensure that they take decisions in an independent and informed manner, and shall also explain these mechanisms to the shareholders in the corporate governance report.	Complies	II.8
II.2.4 The annual management report shall include a description of the activities carried out by non-executive board members and shall, in particular, report any restrictions that they have encountered.	Complies	II.17
II.2.5. The company should explain its policy of portfolio rotation on the board of directors, in particular the person responsible for financial matters, and report on same in the annual corporate governance report.	Fails	0.4 and II.11
II.3. CHIEF EXECUTIVE OFFICER ('CEO'), EXECUTIVE COMMITTEE AND EXECUTIVE BOARD OF DIRECTORS		
II.3.1 When Directors, who carry out executive duties are requested by other Board members to supply infor	Complies	II.8 and II.13
II.3.2 The chairman of the executive committee shall send notices convening meetings and minutes of the respective meetings to the chairman of the board of the directors and, when applicable, to the chairman of the statutory audit board or the audit committee.	Not Applicable	Not applicable as the Company has no executive committee.
II.3.3 The chairman of the executive board of directors shall send the notices convening meetings and minutes of the respective meetings to the chairman of the general and supervisory board and to the chairman of the financial matters committee.	Not Applicable	Not applicable because the Company has adopted the reinforced latin model.
II.4. GENERAL AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE, AUDIT COMMITTEE AND STATUTORY AUDIT BOARD		
II.4.1 In addition to fulfilling its audit role, the general and supervisory board shall perform an advisory role, as well as monitor and continually assess the management of the company by the executive board of directors. among the other matters on which the general and supervisory board should give their opinion, are the following: i) definition of the strategy and general policies of the company; ii) the corporate structure of the group; and iii) decisions that are considered to be strategic due to the amounts, risks and special circumstances involved.	Not Applicable	Not applicable as the Company has no general and supervisory committee.
II.4.2 The annual reports on the activity of the general and supervisory board, the financial matters committee, the audit committee and the statutory audit board shall be disclosed on the company's website together with the financial statements.	Complies	II.4
II.4.3 The annual reports on the activity of the general and supervisory board, the financial matters committee, the audit committee and the statutory audit board shall include a description of the supervisory and audit work completed and shall, in particular, report any restrictions that they encountered.	Complies	II.4
II.4.4 The general and supervisory board, the audit committee or the statutory audit board (depending on the governance model adopted) shall represent the company, for all purposes, in dealings with the external auditor. this shall include proposing who will provide this service, their respective remuneration, ensuring that the company provides adequate conditions to allow them to provide their services, acting as the point of contact with the company and being the first recipient of their reports.	Complies	II.4
II.4.5 The general and supervisory board, the audit committee or the statutory audit board (depending on the governance model adopted), shall assess the external auditor on an annual basis and propose to the shareholders' general meeting that the external auditor should be discharged, should justifiable grounds exist.	Complies	II.24
II.4.6 the internal audit services and those that ensure compliance with the rules applicable to the company (compliance services) should functionally report to the audit committee, the general and supervisory board or in the case of companies adopting the latin model, to an independent director or to the supervisory board, regardless of the hierarchical relationship that these services have with the executive management of the company.	Fails	0.4 and II.5

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

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

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

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

The recommendations II.1.1.2, II.1.2.2, II.1.3.2, II.1.4.1, II.1.4.2, II.2.1, II.2.5, II.4.6, II.5.1 and IV.1.2 are not fully adopted by F. Ramada Investimentos, as explained below.

Recommendations not adopted

- **Recommendation II.1.1.2**: In points II.5. and II.9 of this report the most important aspects of risk management implemented by the Group are described. However, F. Ramada Investimentos does not have a systematized and formalized system of internal control and risk management, covering the components considered in the recommendation and, as such, it is not fully adopted.
- **Recommendations II.1.2.2**: The Board of Directors does not include any member who meets all the rules of incompatibility within the meaning of. 1 of article 414-A and with all the independence rules provided in paragraph. 5 of article 414 of the companies Code ("Código das Sociedades Comerciais") since the non-executive director is a member of the Board of Directors of companies that are affiliates of the Company and is a member of the Board of Directors of more than five companies. As such, this recommendation isn't fully adopted.
- **Recommendation II.1.3.2**: F. Ramada Investimentos, taking into account the size of the Company, has no defined rules for selecting candidates for non-executive directors and, as such, this recommendation isn't fully adopted.
- **Recommendations II.1.4.1 and II.1.4.2**: F. Ramada Investimentos does not have a formal communication policy for internal irregularities. However, considering the proximity of the members of the Board of Directors to the activities of the several companies of the Group, F. Ramada Investimentos considers that this allows that, whenever irregularities are detected, the Board of Directors is promptly informed, which ensures the implementation of a procedure which handles in an effective and fair way the eventual irregularities that are detected. At the level of expertise in evaluating ethical issues and corporate governance structure, such functions are performed directly by the Board of Directors, which maintains a constant debate on this issue.
- **Recommendation II.2.1**: In general, F. Ramada Investimentos directors, acting as such, focus their activities primarily in the management of the Group's holdings and in the definition of lines for strategic development. The decisions regarding the strategic matters are adopted by the Board of Directors as collegial body composed by all its members, executive and non-executive, in their normal duties prosecution. The daily management of operational companies is made by the Directors of each company, which also incorporates some of the directors of F. Ramada Investimentos. Therefore, the recommendation is not fully fulfilled.
- **Recommendation II.2.5**: F. Ramada Investimentos has not defined a fixed general policy of rotation of the functions of the Board of Directors members, including the responsible for the financial area. F. Ramada Investimentos believes that a fixed general policy of rotation of functions does not allow to serve its interests and, as such, the functions are determined and assigned at the beginning of each term in accordance with the abilities, qualifications and experience of each member. F. Ramada Investimentos understands that it is not admissible that all directors may exercise all the functions with equal ability and performance. Additionally, F. Ramada Investimentos promotes, wherever necessary or appropriate, according with business and strategy developments of the Company, a reflection on the distribution of functions within its Board of Directors.
- **Recommendation II.4.6**: F. Ramada Investimentos has no independent internal audit and compliance department, so the recommendation is not fully adopted.
- **Recommendation II.5.1:** F. Ramada Investimentos considers that, taking into account its size, the only specialized committee to meet the company's needs is the Remuneration Committee. Additionally, there are no committees specifically designed to identify director candidates and to reflect on the governance system adopted. The recommendation cannot be considered adopted.
- **Recommendation IV.1.2**: Currently, procedures or criteria are established for defining the relevant level of significance of businesses between the company and holders of qualified holdings or entities that are in a group or dominance relationship, from which the intervention is required from the statutory board. However, transactions with F. Ramada Investimentos directors or with companies that are in a group or dominance relationship, in which the actor is a director, regardless of the amount, are subject to prior approval of the Board of Directors, with a favourable opinion of the statutory board, under article 397º of the Commercial Companies' Code ("Código das Sociedades Comerciais").

I. General meeting

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

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

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

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

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

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

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

The remuneration of the Chairman of the Presiding Board of the General Meeting in the year ended as of 31 December 2012 was 5.000 Euro.

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

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

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

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

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

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

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

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

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

Individual shareholders with voting rights and legal persons who are shareholders of the Company may be represented by the person who is designated for that purpose. The representation should be communicated to the President of the General Meeting, in writing, until the end of the third working day prior to the day assigned for the General Meeting. The Company makes available at its headquarters and at its website before the date of each General Meeting, a draft of the appropriate form.

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

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

The articles of association related with the exercise of voting rights via postal voting are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

At the General Shareholders Meeting occurred in 26 April 2012, a statement of the Remuneration Committee about the remuneration policy of F. Ramada Investimentos and remaining group subsidiaries administration and supervision boards was submitted for appreciation to the Shareholders of the Company.

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

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

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

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

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

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

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

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

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

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

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

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

II. Management and Audit Boards

II.1. Identification and composition of corporate bodies.

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

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

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

- The Board of Directors – currently made up of 6 members who are responsible for carrying out all the management functions to implement the operations inherent to its corporate objectives, acting in the best interests of the Company, its shareholders and employees. As of 31 December 2012 this corporate body was composed of the following members:
    - João Manuel Matos Borges de Oliveira – President
    - Paulo Jorge dos Santos Fernandes – Member
    - Domingos José Vieira de Matos – Member
    - Pedro Miguel Matos Borges de Oliveira – Member
    - Pedro Macedo Pinto de Mendonça – Member (non-executive)
    - Ana Rebelo de Carvalho Menéres de Mendonça – Member (non-executive)

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

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

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

- Statutory Audit Board – appointed by the General Shareholders' 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 body is composed by the following members:
    - João da Silva Natária – President
    - Cristina Isabel Linhares Fernandes – Member
    - Manuel Tiago Alves Baldaque Marinho Fernandes – Member
    - Jacinto Costa Vilarinho – Substitute

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

Evaluation of the Board of Directors on corporate governance model

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

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

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

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

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

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

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

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

The Board of Directors, elected in the Shareholders' General Meeting, develops its tasks on a collective basis with the functions of management and coordination of the Group companies and is currently made up of a president and 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 requested assistance with transparency and rigor, in compliance with the operating regulations and the best practices of corporate governance.

The structure and governance practices of F. Ramada Investimentos revealed no constraints to normal operation of the Board of Directors or committees constituted under it nor is the Board of Directors aware of any constraints on the operation of other corporate bodies.

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

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

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

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

João Borges de Oliveira
(President)

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

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

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

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

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

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

The Statutory Audit Board should also represent the Company for all purposes with the External Auditor and Statutory Auditor, being responsible for proposing the provider of these services, the respective remuneration and ensuring that, within the company, suitable conditions to provide these services are guaranteed. The Statutory Audit Board, together with the Board of Directors, is the first recipient of the reports issued by the External Auditor as well as the member of the group in relationship with that entity.

In 2012, the Statutory Audit Board has exercised its supervisory powers, having received the appropriate support from the Board of Directors for that purpose, namely to the preparation of its annual report on the supervision of the Company and an opinion on the Board of Directors report and proposals. The annual reports on the supervisory activity by the Statutory Audit Board are disclosed in the Company's website, together with the Company's accounts.

During 2012, the Statutory Auditors monitored the development of the company´s activity and carried out the tests and inspections deemed necessary to review and issue the legal certification of accounts, in interaction with the Statutory Audit Board and with full cooperation of the Board of Directors.

The External Auditor, as part of the annual audit process, analyzes the internal controls mechanisms and reports deficiencies identified; verifies that the key elements of the internal control systems and risk management implemented in the company regarding the process of financial reporting are presented and disclosed in the annual Statement on Corporate Governance; issues a Statutory Audit and an Auditors' Report, in which it attests that the released report about the structure and practices of corporate governance includes the elements referred in Article 245 – A of Securities Code.

In addition, the Statutory Auditor pronounced itself over the work carried out in 2012 under its annual audit report, subject to assessment of the Annual General Shareholders Meeting.

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

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

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

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

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

The risk management strategies adopted are intended to ensure that:

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

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

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

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

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

- The use of accounting principles, detailed throughout the notes to the financial statements, is one of the basis of the control system;
- Plans, procedures and records of the Company and its subsidiaries provide reasonable assurance that

transactions are only recorded if properly authorized and that such transactions are recorded in accordance with generally accepted accounting principles;

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

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

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

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

The Board of Directors is the responsible for setting the strategic policies of the Group, 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 to the delegation of tasks and responsibilities, sets overall limits of risk and ensures that policies and procedures for risk management are followed.

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

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

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

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

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

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

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

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

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

- Notices of meetings of the Board of Directors shall include the agenda, even tentatively, of the meeting, and should be accompanied by all the relevant information and documentation;
- Directors have wide powers to obtain information on any aspect of the Company, to examine its books, records, documents and other records of operations. The exercise of the powers of information can be made directly to the subsidiaries' management, without being necessary any intervention of executive directors in this process.

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

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

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

<u>Credit Risk</u>

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

<u>Market Risk</u>

Interest Rate Risk

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

Exchange Rate Risk

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

Risk of variability in commodities prices

By developing its activity in a sector that trades commodities (steel), the Group is particularly exposed to price variations, with the corresponding impacts on its net income. Thus, when it is necessary to reduce this impact on its results 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 of disinvestment, credit lines and cash flows from operations obtained do not meet the financing needs, such as cash outputs for operating activities and financing, investment, return on shareholders and reimbursement of debt.

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

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

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

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

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

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

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

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

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

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

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

The Board of Directors meets regularly, and their deliberations are only valid with the presence of the majority of its members. During 2012 the Board of Directors met 14 times with the corresponding records recorded in the minute book of the Board of Directors.

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

During 2012 the Statutory Audit Board of the Company met 4 times, and the corresponding decisions are recorded in the minute's book of the Statutory Audit Board.

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

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

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

During 2012 the Board of Directors met 14 times with the corresponding records recorded in the minute´s book of the Board.

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

As of 31 December 2012, the Board was composed of six members, of whom only two were non-executive directors (Pedro Mendonça and Ana Rebelo Mendonça).

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

Given the corporate model adopted and the composition and operational structure of corporate bodies, namely the independence of the Statutory Audit Board and of the External Auditor, without among them or to other committees there are powers delegation, the Group considers that the designation of independent members to the Board of Directors would not bring significant gains for the proper operation of the adopted model, which has been proved effective and appropriate.

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

As mentioned above, the rules used for the assessment of independence and incompatibility of members of the Board of Directors are set out in Art.414-A, numbers 1 and 5, of the Commercial Companies Code.

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

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

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

The consolidated Director's report includes in its chapter "Activity developed by the non-executive members of the Board," a description of the activity of the non-executive directors during the year 2012.

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

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

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

Pursuant to and for the purposes of art. 447 of the Companies Code, we inform that as of 31 December 2012, 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)]	2.952.924
Pedro Borges de Oliveira	1.402.072
Domingos José Vieira de Matos	2.495.181
Ana Rebelo Mendonça [(c)]	3.710.972
Pedro Macedo Pinto de Mendonça	213.125

[(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 a director and shareholder.

[(b)] – considered attributable to Paulo Jorge dos Santos Fernandes, in addition to 333.665 shares of F. Ramada - Investimentos, SGPS, SA held on a personal basis, 2.619.259 shares of F. Ramada - Investimentos, SGPS, S.A. held by CAMINHO ABERTO - SGPS, S.A., from which he is a manager and shareholder. Thus, in legal terms, a total of 2.952.924 shares, are considered to be attributable to Paulo Jorge dos Santos Fernandes, representing 11.52% of the capital and voting rights of F. Ramada - Investimentos, SGPS, S.A..

[(c)] – besides the 1.670.472 shares of F. Ramada Investimentos, SGPS, S.A. that are personally held, the 2.040.500 shares of F. Ramada Investimentos, SGPS, S.A. that are held by PROMENDO – SGPS, S.A. are regarded as attributable to Ana Rebelo Mendonça, since she is a Director and shareholder of this company, holding 59.6% of its shares. Therefore, legally, it is considered that Ana Rebelo Mendonça owns a total of 3.710.972 shares, which corresponds to 14.47% of the share capital and the voting rights of F. Ramada Investimentos, SGPS, S.A..

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

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

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

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

The Statutory Audit Board is composed by three members and one substitute. As of 31 December 2012 this corporate body was composed by the following members:

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

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

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

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

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

As of 31 December 2012, the members of the Statutory Audit Board had no representative shares in F. Ramada Investimentos' share capital.

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

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

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

As part of their powers and in compliance of their duties, the Statutory Audit Board proposes to the General Shareholders Meeting the appointment of the Statutory Auditor and External Auditor, oversees its independence, namely in what refers to the provision of additional services, the scope of their services and the review of the

Company' financial statements. The Statutory Audit Board meets whenever necessary with the Statutory Auditor /External Auditor in accordance with its responsibilities.

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

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

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

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

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

The policy on remuneration and compensation of the corporate bodies of F. Ramada Investimentos, approved at the General Meeting of 26 April 2012, respects the following principles:

I. BOARD OF DIRECTORS:

In order to establish the value of individual remuneration of each director, the following should be taken into account:

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

The fixed remuneration of all members of the Board of Directors may not exceed 750.000 Euro per year.

i. Executive Management

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

- *Variable component of medium term*:

Intended to more strongly align the interests of executive directors with those of shareholders and will be calculated covering years 2011, 2012 and 2013, based on:

- Total shareholder return (stock appreciation plus dividend distributed)
- Sum of the net results of three years (2011, 2012, 2013)
- Company' business development

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

ii. Non-executive management

The individual remuneration of any non-executive director may not exceed 70.000 Euro per year, being exclusively fixed.

II. STATUTORY AUDIT BOARD

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

III. GENERAL SHAREHOLDERS MEETING

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

IV. STATUTORY AUDITOR

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

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

The remuneration policy maintains the principle of not including any compensation to directors, or members of other bodies associated with the early termination of functions or at the end of their mandate, without prejudice of other legal requirements on this matter.

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

Board of Directors

The compensation received by the Board of Directors of F. Ramada Investimentos during 2012, in the exercise of their functions, includes only fixed remuneration and amounted to 576.520 Euro allocated as follows: João Borges de Oliveira – 139.860 Euro; Paulo Fernandes – 139.860 Euro; Domingos Matos – 130.900 Euro; Pedro Borges de Oliveira – 130.900 Euro; Ana Rebelo Mendonça – 35.000 Euro. The non-executive director Pedro Mendonça did not receive any compensation in 2012.

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

Statutory Audit Board

The remuneration of the Statutory Audit Board is composed of a fixed annual amount based on F. Ramada Investimentos' situation and in the current market practices. In the year ended as of 31 December 2012, the remuneration of Statutory Audit Board members amounted to 32.970 Euro, distributed as follows: João Natária – 16.350 Euro; Cristina Linhares – 8.310 Euro; Manuel Tiago Fernandes – 8.310 Euro.

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

The remuneration policy for executive directors aims to ensure a proper and thorough 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 of deferred payment, aiming to more strongly align the interests of the executive directors with those of the shareholders and the long-term interests of the company.

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

Lisbon. Regarding the latter point, the Remuneration Committee takes into account all national companies of equivalent size, particularly listed on NYSE Euronext Lisbon.

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

According to the Company's articles of association, the corporate bodies members receive remuneration that was set by the Remuneration Committee composed by three elements, one of whom will be president and will have the casting vote. In the General Shareholders Meeting held on 26 April 2012, the remuneration policy as detailed in paragraph II.30 above was approved, which provides a variable component depending on performance during the period between 2011 and 2013 (actual mandate).

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

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

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

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

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

The total fixed remuneration of the Board of Directors cannot exceed 750 thousand Euro per year and the total amount of the variable component of medium-term may not exceed 50% of fixed remuneration earned during the period of three years (2011-2013). During 2012, the members of the Board of Directors did not receive any variable remuneration.

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

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

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

The variable remuneration depends, among others, on the sum of net income for the period (2011-2013).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The individual remuneration of any non-executive director may not exceed 70.000 euro per year, being exclusively fixed.

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

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

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

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

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

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

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

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

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

During 2012, the Company's Remuneration Committee met once, and the corresponding minutes were recorded in the minute book of that body.

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

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

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

All members of the Remuneration Committee are independent members of the Board of Directors. Additionally, in 2012, there were no persons or entities hired to assist the members of the Remuneration Committee.

III. Information and Audit

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

As of 31 December 2012, the Company's share capital was fully subscribed and paid up and was composed by 25.641.459 shares with a nominal value of 1 Euro each, which entitle them to dividends. Pursuant to and for the purposes of the article 66 of the Commercial Companies Code, we inform that as of that date, F. Ramada Investimentos, SGPS, S.A. holds 2.564.145 own shares, corresponding to 9.999996% of the share capital, that were acquired during the fourth quarter of 2012.

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

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

Exceeding 2% of the voting rights	Ner of Shares held	Direct % of the voting rights
Maria João Fernandes Vieira de Matos	518.677	2.02%

Exceeding 5% of the voting rights	Ner of Shares held	Direct % of the voting rights
Domingos José Vieira de Matos	2.495.181	9.73%
PROMENDO - SGPS, S.A. (a)	2.040.500	7.96%
Ana Rebelo Mendonça (b)	1.670.472	6.51%
Pedro Miguel Matos Borges de Oliveira	1.402.072	5.47%

(a) the 2.040.500 shares of F. Ramada - Investimentos, SGPS, S.A. held by PROMENDO – SGPS, S.A., are attributable to Ana Rebelo Mendonça, manager and shareholder, holder of 59.6% of the capital;

(b) 2.040.500 shares of F. Ramada Investimentos held by PROMENDO – SGPS, S.A are equally attributable to Ana Rebelo Mendonça, as referred in (a). Therefore, in legal terms, a total of 3.710.972 shares are attributable to Ana Rebelo Mendonça, which corresponds to 14.47% of the share capital and voting rights of F. Ramada - Investimentos, SGPS, S.A.

Exceeding 10% of the voting rights	Ner of Shares held	Direct % of the voting rights
CAMINHO ABERTO – S.G.P.S., S.A. (a)	2.619.259	10.21%

(a) the 2.619.259 shares correspond to the total amount of F. Ramada - Investimentos, SGPS, S.A. shares that are held by CAMINHO ABERTO – S.G.P.S., S.A., from which the Director Paulo Jorge dos Santos Fernandes is director and the dominant 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%

(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.

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

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

There are no shareholders with special rights.

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

There are no restrictions on transferability or restrictions on the ownership of the shares.

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

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

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

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

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

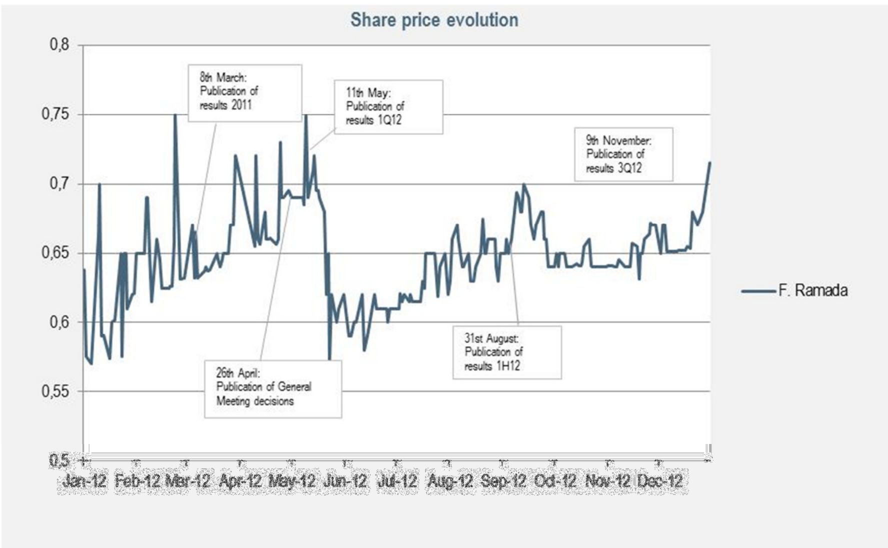
There is no system of employee participation in the capital of the Company.

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

The share price of F. Ramada Investimentos closed the year 2012 at 0.715 Euro/per share, representing an apreciation of 13.5% over 2011.

During 2012, F. Ramada Investimentos' shares were traded at a maximum price of 0.75 Euro per share, and at a minimum of 0.57 Euro per share. In total, 7.647.018 of F. Ramada Investimentos' shares were traded in 2012.

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



The chapter "Stock Evolution" of the Directors report includes more detailed information about the main events that marked the evolution of the share price of the Company in 2012.

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

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

Relatively to financial year 2009, a dividend distribution amounting to 1.538.488 Euro was made, corresponding to a dividend of 0.06 Euro per share. Regarding financial year 2010, the Board of Directors proposed a dividend distribution amounting to 0.07 Euro per share, equivalent to a total amount of 1.794.902 Euro. Considering the year 2011, a dividend distribution amounting to 0.08 Euro per share was made, equivalent to a total amount of 2.051.317 Euro.

Concerning the financial year of 2012, the Board of Directos proposes a dividend distribution amounting to 0.09 Euro per share.

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

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

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

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

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

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

During 2012, there were no businesses or significant transactions between the Company and members of its corporate bodies (administration and supervision), owners of qualifying holdings or entities with whom they are in any relationship, under Article 20 of the Securities Code, outside normal market conditions.

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

During 2012, there were no businesses between the Company and owners of qualifying holdings or entities with whom they are in any domain or group relationship.

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

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

During 2012, there were no transactions between the Company and owners of qualifying holdings or entities with whom they are in any domain or group relationship.

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

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

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

The Company has an Investor Support Cabinet. The securities markets liaison representatives is Adília Miranda dos Anjos.

The contact for investors to obtain information is as follows:

Rua do General Norton de Matos, 68 – r/c
4050-424 Porto
Telefone: 256 580 400
Fax: 256 586 747
E-mail: adilia.miranda@ramadainvestimentos.pt

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

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

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

III.17. Indication of the annual compensation paid to the auditor and to other individuals or groups that belong to the same network supported by the company and/or by any group that bears with it a control or group relationship and the percentage of the total amount paid for the following services:
a) Statutory account review services;
b) Other audit reliability services;
c) Tax consulting services;
d) Other non-statutory auditing services.

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

Compensation paid to F. Ramada Investimentos Group auditors and other single persons or companies belonging to the same network, by the companies in a control or group relationship, for the year 2012, amounted to 244.967 Euro and are detailed as follows:

	Montante	%
Statutory audit services	159.902	65%
Other assurance services	14.000	6%
Other services	71.065	29%
	244.967	

"Other services" fees are related to the validation of applications for government grants.

"Other services" and "Other assurance services" are provided by different audit teams from those involved in the Statutory Audit Process. For this reason, it is ensured the auditor's independence.

The Statutory Audit Board has reviewed and approved the scope of such services and concluded that they did not jeopardise the independence of the External Auditor. In this particular aspect, Deloitte's hiring proved to be the most appropriate because of its solid experience and expertise in the field of tax incentives.

In 2012, the fees charged by Deloitte to F. Ramada Investimentos Group represented less than 1% of the total annual turnover of Deloitte in Portugal. The quality system of the External Auditor controls and monitors the potential risks of loss of independence and possible conflicts of interest with F. Ramada Investimentos.

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

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

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

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

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

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

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

LEGAL MATTERS

Own Shares

Pursuant to the requirements of article 66 and nr. 2 of article 324 of the Commercial Companies' Code (Código das Sociedades Comerciais), the Directors inform that during 2012 F. Ramada Investimentos acquired the following own shares:

Date	Nature	Volume	Price (€)
01-Oct-12	Buy	60.144	0,64
01-Oct-12	Buy	887	0,64
02-Oct-12	Buy	108	0,64
03-Oct-12	Buy	25.000	0,64
03-Oct-12	Buy	25.000	0,64
03-Oct-12	Buy	25.000	0,64
03-Oct-12	Buy	25.000	0,64
03-Oct-12	Buy	25.000	0,64
03-Oct-12	Buy	25.000	0,64
03-Oct-12	Buy	20.000	0,64
03-Oct-12	Buy	5.000	0,64
03-Oct-12	Buy	8.000	0,64
04-Oct-12	Buy	25.000	0,64
04-Oct-12	Buy	48.288	0,64
04-Oct-12	Buy	25.000	0,64
04-Oct-12	Buy	25.000	0,64
04-Oct-12	Buy	25.000	0,64
04-Oct-12	Buy	15.000	0,64
04-Oct-12	Buy	20.000	0,64
04-Oct-12	Buy	5.000	0,64
04-Oct-12	Buy	11.712	0,64
04-Oct-12	Buy	8.288	0,64
04-Oct-12	Buy	16.712	0,64
04-Oct-12	Buy	13.288	0,64
04-Oct-12	Buy	25.000	0,64
04-Oct-12	Buy	13.291	0,64
09-Oct-12	Buy	11.385	0,64
09-Oct-12	Buy	8.600	0,64
09-Oct-12	Buy	5.015	0,64
09-Oct-12	Buy	12.228	0,64
09-Oct-12	Buy	12.467	0,64
09-Oct-12	Buy	305	0,64
09-Oct-12	Buy	11.337	0,64
09-Oct-12	Buy	10.488	0,64
09-Oct-12	Buy	2.244	0,64
09-Oct-12	Buy	500	0,64
09-Oct-12	Buy	1.176	0,64
09-Oct-12	Buy	2.172	0,64
09-Oct-12	Buy	8.420	0,64
09-Oct-12	Buy	8.748	0,64
09-Oct-12	Buy	16.097	0,64
09-Oct-12	Buy	8.903	0,64
09-Oct-12	Buy	8.221	0,64
09-Oct-12	Buy	5.109	0,64
09-Oct-12	Buy	4.110	0,64
09-Oct-12	Buy	6.713	0,64
09-Oct-12	Buy	20.331	0,64

Date	Nature	Volume	Price (€)
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	431	0,64
10-Oct-12	Buy	4.569	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	431	0,64
10-Oct-12	Buy	4.569	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	431	0,64
10-Oct-12	Buy	4.569	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	431	0,64
10-Oct-12	Buy	4.569	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	431	0,64
10-Oct-12	Buy	4.569	0,64
10-Oct-12	Buy	5.000	0,64
10-Oct-12	Buy	5.000	0,64
11-Oct-12	Buy	25.000	0,64
11-Oct-12	Buy	20.000	0,64
11-Oct-12	Buy	5.000	0,64
11-Oct-12	Buy	25.000	0,64
11-Oct-12	Buy	25.000	0,64
11-Oct-12	Buy	20.000	0,64
11-Oct-12	Buy	5.000	0,64
11-Oct-12	Buy	25.000	0,64
12-Oct-12	Buy	250	0,64
12-Oct-12	Buy	2.178	0,64
17-Oct-12	Buy	175	0,64
17-Oct-12	Buy	22.397	0,64

Date	Nature	Volume	Price (€)
17-Oct-12	Buy	2.603	0,64
17-Oct-12	Buy	25.000	0,64
17-Oct-12	Buy	5.000	0,64
17-Oct-12	Buy	25.000	0,64
17-Oct-12	Buy	5.000	0,64
17-Oct-12	Buy	10.000	0,64
23-Oct-12	Buy	15.000	0,64
23-Oct-12	Buy	11.670	0,64
23-Oct-12	Buy	1.204	0,64
24-Oct-12	Buy	10.000	0,64
25-Oct-12	Buy	175	0,64
26-Oct-12	Buy	2.365	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	2.460	0,64
26-Oct-12	Buy	4.290	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	710	0,64
26-Oct-12	Buy	4.290	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
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26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
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26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64

Date	Nature	Volume	Price (€)
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	5.000	0,64
26-Oct-12	Buy	1.155	0,64
26-Oct-12	Buy	1.415	0,64
29-Oct-12	Buy	25	0,64
29-Oct-12	Buy	30.000	0,64
29-Oct-12	Buy	25.000	0,64
29-Oct-12	Buy	25.000	0,64
29-Oct-12	Buy	12.000	0,64
29-Oct-12	Buy	8.000	0,64
29-Oct-12	Buy	20.000	0,64
29-Oct-12	Buy	25.000	0,64
29-Oct-12	Buy	25.000	0,64
29-Oct-12	Buy	25.000	0,64
29-Oct-12	Buy	25.000	0,64
29-Oct-12	Buy	25.000	0,64
29-Oct-12	Buy	97.000	0,64
29-Oct-12	Buy	65.083	0,64
30-Oct-12	Buy	25.000	0,64
30-Oct-12	Buy	21.700	0,64
30-Oct-12	Buy	25.000	0,64
30-Oct-12	Buy	25.000	0,64
30-Oct-12	Buy	25.000	0,64
30-Oct-12	Buy	25.000	0,64
30-Oct-12	Buy	25.000	0,64
30-Oct-12	Buy	25.000	0,64
30-Oct-12	Buy	25.000	0,64
30-Oct-12	Buy	25.000	0,64
30-Oct-12	Buy	20.000	0,64
30-Oct-12	Buy	5.000	0,64
30-Oct-12	Buy	15.000	0,64
30-Oct-12	Buy	20.000	0,64
30-Oct-12	Buy	5.000	0,64
30-Oct-12	Buy	15.000	0,64

Date	Nature	Volume	Price (€)
30-Oct-12	Buy	20.000	0,64
31-Oct-12	Buy	2.000	0,64
31-Oct-12	Buy	3.000	0,64
31-Oct-12	Buy	132.000	0,64
31-Oct-12	Buy	15.000	0,64
31-Oct-12	Buy	10.000	0,64
31-Oct-12	Buy	15.000	0,64
31-Oct-12	Buy	10.000	0,64
31-Oct-12	Buy	5.000	0,64
31-Oct-12	Buy	15.000	0,64
31-Oct-12	Buy	10.000	0,64
31-Oct-12	Buy	4.000	0,64
31-Oct-12	Buy	20.000	0,64
31-Oct-12	Buy	5.000	0,64
31-Oct-12	Buy	5.000	0,64
31-Oct-12	Buy	15.000	0,64
01-Nov-12	Buy	10.000	0,64
01-Nov-12	Buy	40.000	0,64
01-Nov-12	Buy	950	0,64
01-Nov-12	Buy	500	0,64
02-Nov-12	Buy	125.263	0,64
Total 31-12-2012		**2.564.145**	

Shares held by the governing bodies of F. Ramada Investimentos

Pursuant to the requirements of article 447 of the Commercial Companies' Code, the F. Ramada Investimentos Directors inform that, as of 31 December 2012, they held the following shares:

João Manuel Matos Borges de Oliveira [(a)]	4.895.721
Paulo Jorge dos Santos Fernandes [(b)]	2.952.924
Pedro Borges de Oliveira	1.402.072
Domingos José Vieira de Matos	2.495.181
Ana Rebelo Mendonça [(c)]	3.710.972
Pedro Macedo Pinto de Mendonça	213.125

(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) – considered attributable to Paulo Jorge dos Santos Fernandes, in addition to 333.665 shares of F. Ramada - Investimentos, SGPS, SA held on a personal basis, 2.619.259 shares of F. Ramada - Investimentos, SGPS, SA held by CAMINHO ABERTO - SGPS, SA, from which he is a director and the dominant shareholder. Thus, in legal terms, a total of 2.952.924 shares, representing 11.52% of the capital and voting rights of F. Ramada - Investimentos, SGPS, S.A., are considered attributable to Paulo Jorge dos Santos Fernandes.

(c) – besides the 1.670.472 shares of F. Ramada - Investimentos, SGPS, S.A., personally held, 2.040.500 shares of F. Ramada - Investimentos, SGPS, S.A. held by PROMENDO – SGPS, S.A. are considered, in legal terms, as attributed to Ana Rebelo Mendonça, since she is this company's Director and shareholder, holding 59.6% of its share capital. Therefore, in legal terms, a total of 3.710.972 shares, which correspond to 14.47% of the share capital and voting rights of F. Ramada Investimentos, SGPS, S.A., are attributable to Ana Rebelo Mendonça.

As of 31 December 2012, the Statutory Auditor, the members of the Statutory Audit Board and the members of the Board of the General Shareholders' Meeting held no shares of F. Ramada Investimentos.

Participation in the Company's share capital

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

Exceeding 2% of the voting rights	Ner of Shares held	Direct % of the voting rights
Maria João Fernandes Vieira de Matos	518.677	2.02%

Exceeding 5% of the voting rights	Ner of Shares held	Direct % of the voting rights
Domingos José Vieira de Matos	2.495.181	9.73%
PROMENDO - SGPS, S.A. (a)	2.040.500	7.96%
Ana Rebelo Mendonça (b)	1.670.472	6.51%
Pedro Miguel Matos Borges de Oliveira	1.402.072	5.47%

(a) the 2.040.500 shares of F. Ramada - Investimentos, SGPS, S.A. held by PROMENDO – SGPS, S.A., are attributable to Ana Rebelo Mendonça, manager and shareholder, holder of 59.6% of the capital;

(b) 2.040.500 shares of F. Ramada Investimentos held by PROMENDO – SGPS, S.A are equally attributable to Ana Rebelo Mendonça, as referred in (a). Therefore, in legal terms, a total of 3.710.972 shares are attributable to Ana Rebelo Mendonça, which corresponds to 14.47% of the share capital and voting rights of F. Ramada - Investimentos, SGPS, S.A.

Exceeding 10% of the voting rights	Ner of Shares held	Direct % of the voting rights
CAMINHO ABERTO – S.G.P.S., S.A. (a)	2.619.259	10.21%

(a) the 2.619.259 shares correspond to the total amount of F. Ramada - Investimentos, SGPS, S.A. shares that are held by CAMINHO ABERTO – S.G.P.S., S.A., from which the Director Paulo Jorge dos Santos Fernandes is director and the dominant 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%

(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.

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

DECLARATION OF RESPONSABILITY

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

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

FINAL CONSIDERATIONS

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

We don't want to conclude without thanking the External Auditor for the advice and assistance provided during 2012 and to the Statutory Audit Board by the continued monitoring of our operations.

Oporto, 21 March 2013

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

____

Pedro Macedo Pinto de Mendonça

____

Ana Rebelo de Carvalho Menéres de Mendonça

APPENDIX I

1. Board of Directors

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

João Manuel Matos Borges de Oliveira

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

The other companies where he carries out management functions as of 31 December 2012 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)
- 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 2012 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 Nova 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

The other companies where he carries out management functions as of 31 December 2012 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)
- Caima – Indústria de Celulose, S.A. (a)
- Caminho Aberto S.G.P.S, S.A. (a)
- Celbi – Celulose da Beira Industrial, S.A. (a)
- Celtejo – Empresa de Celulose do Tejo, S.A. (a)
- Celulose do Caima, S.G.P.S., S.A. (a)
- Cofina, S.G.P.S, S.A. (a)
- Cofina Media, S.G.P.S., S.A. (a)
- Edirevistas – Sociedade Editorial, S.A. (a)
- Edisport – Soc. de Publicações, S.A. (a)
- Efe Erre Participações, S.G.P.S., S.A. (a)
- Elege Valor, S.G.P.S., S.A. (a)
- F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A.
- F. Ramada II Imobiliária, S.A.
- F. Ramada, Aços e Indústrias, S.A.
- Invescaima, S.G.P.S., S.A. (a)
- Malva – Gestão Imobiliária, S.A. (a)
- Mediafin – S.G.P.S., S.A. (a)

- Presselivre – Imprensa Livre, S.A. (a)
- Prestimo – Prestígio Imobiliário, S.A. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Torres da Luz – Investimentos imobiliários, S.A. (a)

(a) – Companies that, as of 31 December 2012 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 2012 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 2012 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 2012 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 2012 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Pedro Miguel Matos Borges de Oliveira

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

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

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

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

The other companies where he carries out management functions as of 31 December 2012 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.
- 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 2012 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.
1999	Managing partner of Farrajota & Mendonça, Lda.
2009	Director at PROMENDO, SGPS, S.A.

The other companies where she carries out management functions as of 31 December 2012 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.
- Promendo, S.G.P.S., S.A. (a)
- Prestimo – Prestígio Imobiliário, S.A. (a)
- Farrajota & Mendonça, Lda. (a)

(a) – Companies that, as of 31 December 2012 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

2. Statutory Audit Board

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

João da Silva Natária

Academic curriculum:

Degree in Law by the University of Lisbon

Professional Experience:

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

Other positions:

President of the Statutory Audit Board of Altri, SGPS, S.A. (a)
President of the Statutory Audit Board of Cofina, SGPS, S.A. (a)
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 2012 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Cristina Isabel Linhares Fernandes

Academic curriculum:

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

Professional Experience:

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

Other positions:

Member of the Statutory Audit Board of Altri, SGPS, S.A. (a)
Member of the Statutory Audit Board of Cofina, SGPS, S.A. (a)
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 2012 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Other past positions:

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

Manuel Tiago Alves Baldaque de Marinho Fernandes

Academic curriculum:

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

Professional Experience:

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

Other positions:

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

(a) – Companies that, as of 31 December 2012 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Other positions:

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

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

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

Member of Board of Directors	Number of shares held at 31-12-2011	Acquisitions	Disposals	Number of shares held at 31-12-2012
João Manuel Matos Borges de Oliveira (as CADERNO AZUL - SGPS, S.A Shareholder)	3.123.412	1.772.309	-	4.895.721
Paulo Jorge dos Santos Fernandes	51.800	333.665	(51.800)	333.665
Paulo Jorge dos Santos Fernandes(as CAMINHO ABERTO - SGPS, S.A Shareholder)	1.690.222	929.037	-	2.619.259
Domingos José Vieira de Matos	1.782.355	712.826	-	2.495.181
Pedro Miguel Matos Borges de Oliveira	1.232.072	170.000	-	1.402.072
Ana Rebelo Mendonça	1.670.472	-	-	1.670.472
Ana Rebelo Mendonça (as PROMENDO - SGPS, S.A Shareholder)	2.040.500	-	-	2.040.500
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-Dec-11	-	-	-	-	3.123.412
31-Jan-12	Buy	750.000	0.650000	NYSE Euronext Lisbon	3.873.412
01-Feb-12	Buy	78.824	0.649980	NYSE Euronext Lisbon	3.952.236
02-Feb-12	Buy	18.485	0.650000	NYSE Euronext Lisbon	3.970.721
29-Jun-12	Buy	160.000	0.610000	NYSE Euronext Lisbon	4.130.721
17-Jul-12	Buy	340.000	0.630000	NYSE Euronext Lisbon	4.470.721
27-Jul-12	Buy	200.000	0.640000	NYSE Euronext Lisbon	4.670.721
28-Dec-12	Buy	225.000	0.685000	NYSE Euronext Lisbon	4.895.721
31-Dec-12	-	-	-	-	4.895.721

Paulo Jorge dos Santos Fernandes

Date	Nature	Volume	Price (€)	Local	Number of shares
31-Dec-11	-	-	-	-	51.800
31-Jan-12	Sale	(51.800)	0.621000	NYSE Euronext Lisbon	-
22-Nov-12	Buy	333.665	0.660000	NYSE Euronext Lisbon	333.665
31-Dec-12	-	-	-	-	333.665

Paulo Jorge dos Santos Fernandes (as CAMINHO ABERTO - SGPS, S.A. shareholder)

Date	Nature	Volume	Price (€)	Local	Number of shares
31-Dec-11	-	-	-	-	1.690.222
25-Jan-12	Buy	6.501	0.640900	NYSE Euronext Lisbon	1.696.723
31-Jan-12	Buy	824.715	0.648200	NYSE Euronext Lisbon	2.521.438
01-Feb-12	Buy	26.134	0.636100	NYSE Euronext Lisbon	2.547.572
02-Feb-12	Buy	20.000	0.639000	NYSE Euronext Lisbon	2.567.572
03-Feb-12	Buy	4.401	0.650000	NYSE Euronext Lisbon	2.571.973
17-Jul-12	Buy	14.281	0.662100	NYSE Euronext Lisbon	2.586.254
18-Jul-12	Buy	10.228	0.630000	NYSE Euronext Lisbon	2.596.482
19-Jul-12	Buy	15.200	0.650000	NYSE Euronext Lisbon	2.611.682
20-Jul-12	Buy	6.527	0.660000	NYSE Euronext Lisbon	2.618.209
23-Jul-12	Buy	1.050	0.650000	NYSE Euronext Lisbon	2.619.259
31-Dec-12	-	-	-	-	2.619.259

Pedro Macedo Pinto de Mendonça

Date	Nature	Volume	Price (€)	Local	Number of shares
31-Dec-2011	-	-	-	-	213.125
31-Dec-2012	-	-	-	-	213.125

Domingos José Vieira de Matos

Date	Nature	Volume	Price (€)	Local	Number of shares
31-Dez-2011	-	-	-	-	1.782.355
1-Fev-2012	Buy	414.412	0.649980	NYSE Euronext Lisbon	2.196.767
3-Fev-2012	Buy	33.476	0.650000	NYSE Euronext Lisbon	2.230.243
6-Fev-2012	Buy	102.100	0.650000	NYSE Euronext Lisbon	2.332.343
7-Fev-2012	Buy	34.847	0.650000	NYSE Euronext Lisbon	2.367.190
9-Fev-2012	Buy	25.898	0.650000	NYSE Euronext Lisbon	2.393.088
16-Fev-2012	Buy	2.408	0.625000	NYSE Euronext Lisbon	2.395.496
20-Fev-2012	Buy	4.685	0.625000	NYSE Euronext Lisbon	2.400.181
16-Abr-2012	Buy	10.000	0.680000	NYSE Euronext Lisbon	2.410.181
29-Jun-2012	Buy	85.000	0.610000	NYSE Euronext Lisbon	2.495.181
31-Dez-2012	-	-	-	-	2.495.181

Pedro Miguel Matos Borges de Oliveira

Date	Nature	Volume	Price (€)	Local	Number of shares
31-Dec-2011	-	-	-	-	1.232.072
17-July-2012	Buy	170.000	0.630000	NYSE Euronext Lisbon	1.402.072
31-Dec-2012	-	-	-	-	1.402.072

Ana Rebelo Mendonça

Date	Nature	Volume	Price (€)	Local	Number of shares
31-Dec-2011	-	-	-	-	1.670.472
31-Dec-2012	-	-	-	-	1.670.472

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

Date	Nature	Volume	Price (€)	Local	Number of shares
31-Dec-2011	-	-	-	-	2.040.500
31-Dec-2012	-	-	-	-	2.040.500

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

The signatories individually declare that, to their best knowledge, the Management Report, the Individual and Consolidated Financial Statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union, and the other accounting documents required by law or regulation, give a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of F. Ramada Investimentos, SGPS, S.A. and of the companies included in the consolidation perimeter, as well as the Management Report presents faithfully the evolution of business performance and the financial position of F. Ramada Investimentos, SGPS, S.A. and of the companies included in the consolidation perimeter, and contains a description of the major risks and uncertainties that they face.

Oporto, 21 March 2013

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

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Paulo Jorge dos Santos Fernandes
Member of the Board of Directors

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Domingos José Vieira de Matos
Member of the Board of Directors

____

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

____

Pedro Macedo Pinto de Mendonça
Member of the Board of Directors

____

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

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2012 AND 2011
(Translation of financial statements originally issued in Portuguese - Note 34)
(Amounts expressed in Euro)

ASSETS	Notes	31.12.2012	31.12.2011
NON CURRENT ASSETS:			
Investment properties	7	86.103.423	85.860.729
Tangible assets	8	4.577.517	5.046.685
Intangible assets	9	134.707	105.002
Investments available for sale	4 and 6	8.330.334	8.198.581
Deferred tax assets	10	2.038.236	1.910.570
Total non current assets		101.184.217	101.121.567
CURRENT ASSETS:			
Inventories	12	18.455.963	25.445.515
Customers	6 and 13	33.353.162	39.384.208
State and other public entities	6 and 14	1.085.480	1.003.504
Other debtors	6 and 15	1.590.010	603.868
Other current assets	6	192.178	215.090
Cash and cash equivalents	6 and 16	11.769.276	16.112.789
Total current assets		66.446.069	82.764.974
Total assets		167.630.286	183.886.541
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS:			
Share capital	17	25.641.459	25.641.459
Own shares	17	(1.641.053)	-
Legal reserve	17	5.637.034	5.338.928
Monetary conversion reserves	17	(553.080)	(619.903)
Other reserves	17	17.388.194	13.323.943
Consolidated net profit for the year		6.168.972	6.409.814
Total shareholders' funds attributable to the parent company shareholders		52.641.526	50.094.241
Non-controlling interests		-	-
Total Shareholders' funds		52.641.526	50.094.241
LIABILITIES:			
NON CURRENT LIABILITIES			
Bank loans	6 and 18	50.522.540	54.421.020
Other non current creditors	6 and 19	327.347	135.309
Provisions	24	1.075.249	658.848
Deferred tax liabilities	10	65.275	81.485
Total non current liabilities		51.990.411	55.296.662
CURRENT LIABILITIES:			
Bank loans	6 and 18	4.308.473	4.072.139
Other loans	6 and 18	31.684.824	36.858.492
Derivatives	6 and 11	34.873	545.411
Suppliers	6 and 20	12.228.840	15.615.828
State and other public entities	6 and 14	3.224.043	4.728.097
Other creditors	6 and 21	544.610	2.238.305
Other current liabilities	6 and 23	10.972.686	14.437.366
Total current liabilities		62.998.349	78.495.638
Total Shareholders' funds and liabilities		167.630.286	183.886.541

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

The Chartered Accountant

The Board of Directors

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F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE
FOR THE YEARS ENDED AS OF 31 DECEMBER 2012 AND 2011
(Translation of financial statements originally issued in Portuguese - Note 34)
(Amounts expressed in Euro)

	Notes	31.12.2012	31.12.2011
Sales	30	99.673.563	99.272.724
Services rendered	30	9.662.264	8.617.064
Other income	28	1.260.461	1.178.408
Cost of sales and changes in stocks of finished goods and work in progress	12	(63.287.942)	(60.351.246)
External supplies and services		(16.553.154)	(17.872.697)
Payroll expenses		(12.498.488)	(12.676.589)
Amortization and depreciation	8 and 9	(1.219.698)	(1.406.275)
Provisions and impairment losses	24	(1.896.067)	(2.316.943)
Other expenses		(869.968)	(859.087)
Gains / (Losses) in derivatives	11	(53.276)	(584.348)
Financial expenses	26	(5.129.919)	(4.231.407)
Financial income	26	772.705	499.002
Profit before income tax		9.860.481	9.268.606
Income tax	10	(3.691.509)	(2.858.792)
Consolidated net profit		6.168.972	6.409.814
Attributable to:			
Parent company's shareholders		6.168.972	6.409.814
Earnings per share:			
Basic	29	0,27	0,25
Diluted	29	0,27	0,25

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 2012 AND 2011
(Translation of financial statements originally issued in Portuguese - Note 34)
(Amounts expressed in Euro)

	31.12.2012	**31.12.2011**
Net consolidated profit for the year	6.168.972	6.409.814
Exchange differences arising on translation of foreign operations	66.823	120.272
Other comprehensive income for the year	66.823	120.272
Total comprehensive income for the year	6.235.795	6.530.086
Attributable to:		
Parent company´s shareholders	6.235.795	6.530.086
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 2012 AND 2011
(Translation of financial statements originally issued in Portuguese - Note 34)
(Amounts expressed in Euro)

	Atributable to the parent company´s Shareholders						
	Share capital	Own shares	Legal reserve	Monetary conversion reserves	Other reserves and retained earnings	Net profit	Total Shareholder's funds
Balance as of 1 January 2011	25.641.459	-	4.971.340	(740.175)	10.183.019	5.113.696	45.169.339
Total comprehensive consolidated income for the year	-	-	-	120.272	-	6.409.814	6.530.086
Appropriation of the consolidated net profit for 2010:							
Transfer to legal reserve and other reserves	-	-	367.588	-	4.746.108	(5.113.696)	-
Dividends	-	-	-	-	(1.794.901)	-	(1.794.901)
Change in reserves:							
Others	-	-	-	-	189.717	-	189.717
Balance as of 31 December 2011	25.641.459	-	5.338.928	(619.903)	13.323.943	6.409.814	50.094.241
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)	-
Dividends	-	-	-	-	(2.051.317)	-	(2.051.317)
Change in reserves:							
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

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 2012 AND 2011
(Translation of financial statements originally issued in Portuguese - Note 34)
(Amounts expressed in Euro)

	Notes	31.12.2012		31.12.2011	
Operating activities:					
Collections from customers		128.139.302		126.564.272	
Payments to suppliers		(85.430.508)		(92.663.333)	
Payments to personnel		(9.401.071)	33.307.723	(9.097.261)	24.803.678
Other collections/payments relating to operating activities		(21.852.524)		(14.837.704)	
Corporate income tax		(3.653.011)	(25.505.535)	(1.111.745)	(15.949.449)
Cash flow from operating activities (1)			7.802.187		8.854.229
Investment activities:					
Collections relating to:					
Investments	34	1.064.801		-	
Tangible assets		533.338		46.063	
Interest and similar income		119.843	1.717.982	490.612	536.675
Payments relating to:					
Investments	34	(2.126.000)		(313.637)	
Intangible assets		(155.050)		(67.642)	
Tangible assets		(639.251)		(733.954)	
Investment property		(242.694)		-	
Loans		-	(3.162.995)	-	(1.115.233)
Cash flow from investment activities (2)			(1.445.013)		(578.558)
Financing activities:					
Collections relating to:					
Loans obtained		1.600.000	1.600.000	1.150.000	1.150.000
Payments relating to:					
Lease contracts		(104.662)		(23.154)	
Interest and similar costs		(5.295.563)		(4.684.678)	
Acquisition of own shares		(1.641.053)		-	
Dividends		(2.051.317)		(1.794.901)	
Loans obtained		(11.022.109)	(20.114.704)	(10.150.660)	(16.653.393)
Cash flow from financing activities (3)			(18.514.704)		(15.503.393)
Cash and cash equivalents at the beginning of the year	17		19.925.742		19.925.742
Effect of exchange rate changes			87.210		87.210
Variation of cash and cash equivalents: (1)+(2)+(3)			(12.157.530)		(7.227.722)
Cash and cash equivalents at the end of the year	17		7.855.422		12.785.230

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. equity share corresponding to the business unit of the steel and storage systems, including all other resources (such as human resources, assets and liabilities) related to that business unit, was detached to Ramada.

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

As of 31 December 2012 and 31 December 2011, the Group developed its activity in Portugal, France, United Kingdom and Belgium.

The consolidated financial statements of F. Ramada Group are presented in Euro (with rounding to units), which is the currency used by the Group in its operations and, as such, considered to be its functional currency. The operations of the foreign companies whose functional currency is different from Euro are included in the consolidated financial statements in accordance with the policy set out in Note 2.2.d).

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

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

2.1 BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared on a going concern basis from the books and accounting records of the companies included in the consolidation, maintained in accordance with the 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 2012. 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 2012, no changes occurred in relation to the accounting policies presented in the consolidated financial statements as of 31 December 2011.

(Amounts expressed in Euro)

Adoption of new, amended or reviewed standards and interpretations

The following standards, interpretations, amendments and endorsed revisions by the European Union and with mandatory application in financial years started on or after 1 January 2012, were adopted for the first time in the year ended as of 31 December 2012:

	Effective date
IFRS 7 - Amendment (Transfer of financial assets)	01-07-2011

The effect in the consolidated financial statements of the Group for the year ended as of 31 December 2012, due to the adoption of the standards, interpretations, amendments and revisions mentioned above has not been significant.

New, amended or reviewed standards and interpretations not adopted

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:

	Effective date
IFRS 10 – Consolidated Financial Statements	01-01-2014
IFRS 11 – Joint agreements	01-01-2014
IFRS 12 Amendments (Disclosure about participations in other entities)	01-01-2014
IFRS 13 – Fair value measurement	01-01-2013
IAS 27 – Amendments (Separate Financial Statements)	01-01-2014
IAS 28 – Amendments (Investments in Associated and Jointly Controlled Entities (2011))	01-01-2013
IAS 12 – Amendment (Recovery of deferred tax assets)	01-01-2013
IAS 19 – Amendment (Defined benefit pension plans)	01-01-2013
IFRS 1 – Amendment (Hiperinflation)	01-01-2013
IAS 1 – Amendment (Other Comprehensive Income)	01-07-2012
IFRS 7 – Amendment 2011 (Financial Instruments: Disclosures)	01-01-2013
IAS 32 – Amendment 2011 (Financial Instruments: Presentation)	01-01-2014

These standards, although endorsed by the European Union, were not adopted by the Group in the year ended as of 31 December 2012, because its application is not yet mandatory. No significant impacts are expected to arise in the financial statements as a result of the adoption of these standards.

The accounting policies and measurement criteria adopted by the Group as of 31 December 2012 are consistent 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 knowlegde of the events and transactions existent 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 difer 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 nor net results.

Whenever a disposal generates a loss in control, all assets and liabilities of the disposed entity will have to be disregarded and whatever interest recognized in the disposed company will have to be reassessed at fair value and the resulting gain or loss arising from the disposal 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 2012, 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 obtained amount 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
31.12.2011	1.19718	1.15223
31.12.2012	1.22534	1.23167

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 correspondent present value of future estimated cash-flows, discounted at the initial effective interest rate; when the payment is expected to occur within a one year period, the rate is considered null.

iii) Loans

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

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

iv) Accounts payable and other debts to third parties

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

v) Derivative financial instruments

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

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

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

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

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

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

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

vi) Financial liabilities and Equity instruments

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

vii) Own shares

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

viii) Discounted bills and accounts receivable transferred to factoring companies

Only when the assets´ cash flows contractual right has expired or when the risks and benefits inherent to those assets property are transferred to a third party, the Group derecognises the financial assets of its financial statements. If the Group substantially retains the risks and benefits inherent to the property of such assets, 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 balance sheet date, with the exception of the non-appealing factoring operations, are recognized in the Group's financial statements until the moment of its collection.

ix) Cash and cash equivalents

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

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

j) Contingent assets and liabilities

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

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

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

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

k) Income tax

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

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

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

Deferred tax assets are only recorded when there is reasonable expectation that sufficient taxable profits will arise in the future to allow such deferred tax assets to be used. At the end of each period the Company reviews its recorded and unrecorded deferred tax assets which are reduced whenever its realisation ceases to be likely, or recorded if it is likely that taxable profits will be generated in the future to enable its recovery.

Deferred tax assets and liabilities are recorded in the statement of profit and loss, except if they relate to items directly recorded in equity. In these cases the corresponding deferred tax is recorded in equity captions.

l) Income recognition and accrual basis

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

Income related with storage systems activity, arising from short term projects (normally no more than 6 months), is recognized under 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 2012 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 30.

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 flows 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 2012 and 2011 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 activities.

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

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

a) Market risk

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

i) Interest rate risk

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

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

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

- For each derivative or hedging instrument used to protect the risk associated with a particular funding, there is coincidence between the dates of the flow of interests paid on loans to be hedged and the dates of liquidation under the hedging instruments;

(Amounts expressed in Euro)

- Perfect equivalence between the base rates: the index used in derivative or hedging instrument should be the same as that applicable to the financing or transaction that is being covered, and
- Since the beginning of the transaction, the maximum cost of debt resulting from the hedging transaction undertaken, is known and limited, even in scenarios of extreme changes in interest rates market, looking for a rate level that fits the cost of funds considered in the Group's business plan.

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

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

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

Sensitivity analysis of interest rate fluctuations

The sensitivity analysis presented below was computed on the basis of the exposure to interest rates in force as of the statement of financial position date. It was considered, as a basic assumption, that the financial structure (interest bearing assets and liabilities) remains stable throughout the year and similar to the one existing as of 31 December 2012.

Thus, during the years ended as of 31 December 2012 and 2011, the Group's sensitivity to changes in the interest rate indexing resulting from an increase / decrease by 100 basis points, measured as the change in financial results, can be analyzed as follows, not considering the effect of the hedging of financial derivatives (Note 11):

	2012	2011
Interests (Note 26)	3.896.848	3.452.175
Positive change of 100 basis points in interest rate on the entire indebtedness	(747.000)	(892.000)
Negative change of 100 basis points in interest rate on the entire indebtedness	747.000	892.000

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.

The sensitivity analysis related to derivatives financial instruments was not considered, since its effect would be immaterial.

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.

(Amounts expressed in Euro)

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:

	31.12.2012	31.12.2011
Assets	4.039.278	4.775.282
Liabilities	(1.191.763)	(2.535.996)
	2.847.515	2.239.286

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

iii) Variability risk on commodities' prices

By developing its activity in a 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 to 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.

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 2012 and 2011 are disclosed in Note 24.

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.

(Amounts expressed in Euro)

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 2012, 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).

As of 31 December 2012 and 2011 the caption “Investments available for sale” and respective impairment losses can be detailed as follows:

	31.12.2012	31.12.2011
Gross book value	10.116.705	9.502.563
Accumulated impairment losses (Note 24)	(1.786.371)	(1.303.982)
	8.330.334	8.198.581

As of 31 December 2012 and 2011, the caption "Investments available for sale" mainly includes the participation held by F. Ramada Investimentos, SGPS, S.A. in the equity of Base Holding SGPS, S.A., in the nominal amount of 5.000.000 Euros, representing a stake of 14,286%, plus loans granted.

Additionally, this caption includes a stake of 11% (15% as of 31 December 2011) 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 2012 and 2011 the consolidated financial statements include impairment losses for the investments and loans listed above in the amount of 1.786.371 Euros and 1.303.982 Euros, respectively.

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 years ended as of 31 December 2012 and 2011 no changes in the Group’s consolidation perimeter occurred.

(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 2012	Note	Loans and receivables	Available for sale	Derivatives	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

31 December 2011	Note	Loans and receivables	Available for sale	Derivatives	Sub-total	Assets out of scope of IFRS 7	Total
Non-current assets							
Investements available for sale	4	-	8.198.581	-	8.198.581	-	8.198.581
		-	8.198.581	-	8.198.581	-	8.198.581
Current assets							
Customers	13	39.384.208	-	-	39.384.208	-	39.384.208
State and other public entities	14	-	-	-	-	1.003.504	1.003.504
Other debtors	15	603.868	-	-	603.868	-	603.868
Other current assets		-	-	-	-	215.090	215.090
Cash and cash equivalents	16	16.112.789	-	-	16.112.789	-	16.112.789
		56.100.865	-	-	56.100.865	1.218.594	57.319.459
		56.100.865	8.198.581	-	64.299.446	1.218.594	65.518.040

Financial liabilities

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 non-current creditors	19	-	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	20	-	12.228.840	12.228.840	-	12.228.840
State and other public entities	14	-	-	-	3.224.043	3.224.043
Other current creditors	21	-	544.610	544.610	-	544.610
Other current liabilities	23	-	-	-	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

31 December 2011	Note	Derivatives	Other financial liabilities	Sub-total	Liabilitites out of scope of IFRS 7	Total
Non-current liabilities						
Bank loans	18	-	54.421.020	54.421.020	-	54.421.020
Other non-current creditors	19	-	135.309	135.309	-	135.309
		-	54.556.329	54.556.329	-	54.556.329
Current liabilities						
Bank loans	18	-	4.072.139	4.072.139	-	4.072.139
Other loans	18	-	36.858.492	36.858.492	-	36.858.492
Derivatives	11	545.411	-	545.411	-	545.411
Suppliers	20	-	15.615.828	15.615.828	-	15.615.828
State and other public entities	14	-	-	-	4.728.097	4.728.097
Other current creditors	21	-	2.238.305	2.238.305	-	2.238.305
Other current liabilities	23	-	-	-	14.437.366	14.437.366
		545.411	58.784.764	59.330.175	19.165.463	78.495.638
		545.411	113.341.093	113.886.504	19.165.463	133.051.967

(Amounts expressed in Euro)

7. INVESTMENT PROPERTIES

Investment properties held by F. Ramada Group relate to land rented to third parties (Altri Group – Note 22) under operational lease. These contracts, signed in 2007 and 2008, have an average length of 20 years, with the possibility of an additional period of 10 years if certain events occur. Investment properties are measured at acquisition cost. The movement occurred in this caption during the years ended as of 31 December 2012 and 2011 is as follows:

	31.12.2012	31.12.2011
Opening balance	85.860.729	81.721.677
Aquisitions	242.694	4.200.213
Disposals	-	(61.161)
Closing balance	86.103.423	85.860.729

The rented land generated, during the year ended as of 31 December 2012, income amounting, to approximately, 6.200.000 Euros (approximately 5.800.000 Euros in 2011).

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.

8. TANGIBLE ASSETS

During the years ended as of 31 December 2012 and 2011, the movement occurred in tangible assets and the corresponding accumulated depreciation and impairment losses were as follows:

	2012								
	Gross assets								
	Land	Buildings and other constructions	Machinery and equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	Total
Opening balance	1.137.881	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	175.259	1.066.256
Disposals	-	(19.314)	(2.753.595)	(1.212.101)	-	(422.388)	-	-	(4.407.398)
Transfers and write-offs	-	-	58.850	27.167	-	-	-	(76.487)	9.530
Closing balance	1.137.881	12.889.755	23.881.247	2.401.468	884.221	3.413.404	232.054	190.772	45.030.802

	Accumulated depreciation and impairment losses								
	Land	Buildings and other constructions	Machinery and equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	Total
Opening balance	-	10.587.431	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	-	-	6.346
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	-	-	-	-	-	-	-	-	-
Closing balance	-	10.957.559	22.968.263	2.261.443	859.371	3.266.807	139.841	-	40.453.285
	1.137.881	1.932.195	912.984	140.026	24.849	146.597	92.213	190.772	4.577.517

(Amounts expressed in Euro)

2011 – Gross assets	Land	Buildings and other constructions	Machinery and equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	Total
Opening balance	1.137.881	13.268.007	25.314.354	3.453.211	873.663	3.676.270	163.469	96.138	47.982.993
Exchange rate variation	-	1.632	3.100	-	386	2.841	-	-	7.959
Additions	-	-	681.943	170.121	3.939	190.306	-	20.822	1.067.131
Disposals	-	-	(63.968)	(121.958)	(13.061)	-	-	-	(198.987)
Transfers and write-offs	-	(364.905)	-	-	(873)	(112.423)	-	(24.960)	(503.161)
Closing balance	1.137.881	12.904.734	25.935.429	3.501.374	864.054	3.756.994	163.469	92.000	48.355.935

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

As of 31 December 2012 and 2011 there were no tangible assets pledged as a guarantee for borrowings and there were no interests capitalized to fixed assets.

9. INTANGIBLE ASSETS

During the years ended as of 31 December 2012 and 2011, the movement occurred in intangible assets and the corresponding accumulated depreciation and impairment losses, were as follows:

	2012 Gross assets Software	2011 Gross assets Software
Opening balance	497.982	418.361
Exchange rate variation	968	1.084
Additions	122.610	119.170
Disposals and write-offs	(855)	(40.633)
Closing balance	620.706	497.982

	Accumulated depreciation and impairment losses Software	Accumulated depreciation and impairment losses Software
Opening balance	392.980	327.803
Exchange rate variation	1.100	990
Additions	93.127	104.820
Disposals and write-offs	(1.208)	(40.633)
Closing balance	485.999	392.980
	134.707	105.002

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 ongoing. In these cases, depending on the circumstances, the above referred period deadlines can be extended or suspended. Therefore, the tax returns of F. Ramada and its subsidiaries for the years 2009 to 2012 may still be subject to revision.

(Amounts expressed in Euro)

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 2012 and 2011.

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 2012 and 2011 was as follows:

	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

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

The detail of the deferred taxes as of 31 December 2012 and 2011, in accordance with the nature of the timing differences that generated them, is as follow:

	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

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

Current taxes

Income taxes recorded in the income statements during the years ended as of 31 December 2012 and 2011 are detailed as follows:

	2012	2011
Current tax:		
Income tax for the year	3.835.385	2.687.039
Correction to prior years income tax estimates	-	(3.038)
Deferred tax	(143.876)	174.791
	3.691.509	2.858.792

(Amounts expressed in Euro)

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

	2012	2011
Profit before income tax	9.860.481	9.268.606
Income tax rate	25,0%	25,0%
	2.465.120	2.317.152
Local Tax	128.754	137.703
Local Tax Surplus	74.941	50.960
Autonomous tax	128.904	131.613
Correction of previous years income tax estimates	-	(3.038)
Other costs	1.488.166	412.025
Other income	(450.500)	(391.118)
Others	-	28.704
Deferred tax	(143.876)	174.791
Income tax	3.691.509	2.858.792

As corroborated by our lawyers, there are no material assets or liabilities associated with probable or possible tax contingencies that should be subject to disclosure in the accompanying notes to the consolidated financial statements as of 31 December 2012.

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

The movement during the years ended as of 31 December 2012 and 2011 can be presented as follows:

	2012	2011
Opening balance	(545.411)	(438.257)
Increases / (decreases)	510.538	(107.154)
Closing balance	(34.873)	(545.411)

(Amounts expressed in Euro)

Derivative financial investments details as of 31 December 2012 and 2011 are as follows:

2012		
Maturity	Notional	Fair value
January 13	5.000.000	(37.310)
January 15	20.000.000	31
January 16	25.000.000	2.406
		(34.873)

2011		
Maturity	Notional	Fair value
January 13	5.000.000	(59.341)
January 14	10.000.000	(556.965)
January 15	20.000.000	11.543
January 16	25.000.000	59.532
		(545.231)

As of 31 December 2012 and 2011 the Company had engaged in several financial instruments contracts to hedge interest rate (basically denominated "IRS" and "CAP"), which have maturities ranging from 2013 to 2016 and whose market value, based on an evaluation of external financial entities, amounted to (34.873) Euros and (545.411) Euros as of 31 December 2012 and 2011, respectively. Once these derivative financial instruments, contracted with hedging purposes, do not fully comply with the requirements to be classified as hedging derivatives, the variation of fair value was recorded in the consolidated statement of profit and loss.

In addition to the change in fair value of derivative instruments occurred in 2012, the income statement for the year ended as of 31 December 2012 also includes the amount of interest incurred by the Group related to these derivative instruments. Thus, the amount recorded in the income statement related with derivatives amounted to 53.276 Euros ((584.348) Euros as of 31 December 2011), which includes the effect of antecipated closing position of the interest rate swaps with 10.000.000 Euros of notional and with maturity at January 2014.

12. INVENTORIES

As of 31 December 2012 and 2011 the caption “Inventories” was made up as follows:

	2012	2011
Merchandise	9.742.502	11.583.162
Raw, subsidiary and consumable materials	2.854.226	3.794.826
Sub-products	66	8
Finished and intermediated goods	2.205.260	2.422.262
Work in progress	3.960.466	7.951.814
	18.762.520	25.752.072
Accumulated impairment losses (Note 24)	(306.557)	(306.557)
	18.455.963	25.445.515

The cost of sales and changes in stocks of finished goods and work in progress for the year ended as of 31 December 2012 amounted to 63.287.942 Euros and was computed as follows:

	Merchandise	Raw, subsidiary and consumable materials	Sub-products	Finished and intermediated goods	Work in progress	Total
Opening balance	11.583.162	3.794.826	8	2.422.262	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	56.339.690
Inventory adjustments	-	(80.480)	-	-	-	(80.480)
Closing inventories	(9.742.502)	(2.854.226)	(66)	(2.205.260)	(3.960.466)	(18.762.520)
	22.874.945	27.499.140	(58)	7.576.610	5.337.305	63.287.942

(Amounts expressed in Euro)

The cost of sales and changes in stocks of finished goods and work in progress for the year ended as of 31 December 2011 amounted to 60.351.246 Euros and was computed as follows:

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

13. CUSTOMERS

As of 31 December 2012 and 2011 this caption can be detailed as follows:

	2012	2011
Customers, current account	36.123.693	38.998.045
Customers, notes receivable	4.327.573	6.567.605
Customers, doubfull accounts	17.779.857	17.386.139
	58.231.123	62.951.789
Accumulated impairment losses (Note 24)	(24.877.961)	(23.567.581)
	33.353.162	39.384.208

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 its fair value, once these accounts receivable do not pay interests and the discount effect is immaterial.

As of 31 December 2012 and 2011, the customers ageing balances can be detailed as follows:

	Customers - Comercial activity					
	2012			2011		
	Industry	Real estate and others	Total	Industry	Real estate and others	Total
Not due	21.410.950	5.801.061	27.212.011	23.702.819	5.802.017	29.504.836
Due, with no impairment losses						
0 - 180 days	5.343.377	-	5.343.377	8.504.093	-	8.504.093
180 - 360 days	-	-	-	52.605	-	52.605
+ 360 days	12.464	-	12.464	651	-	651
	5.355.841	-	5.355.841	8.557.349	-	8.557.349
Due, with impairment losses						
0 - 180 days	450.094	-	450.094	1.122.666	-	1.122.666
180 - 360 days	102.168	-	102.168	29.230	-	29.230
+ 360 days	233.046	-	233.046	170.127	-	170.127
	785.308	-	785.308	1.322.023	-	1.322.023
Total	27.552.100	5.801.061	33.353.162	33.582.191	5.802.017	39.384.208

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

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

(Amounts expressed in Euro)

The amounts due with impairment losses, are adjusted in relation to its nominal value in approximately 97%, which, in accordance with the understanding of the Board of Directors, taking into consideration that most of the balances are past due to less than 180 days, is sufficient to meet the problems of realization of these assets.

The Group does not charge any interests as long as the defined payment terms (in average 90 days) are respected. After that period, interests defined contractually are charged, and in accordance with the applicable legislation; usually such situations only occur under extreme conditions. 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 2012, there are some accounts receivable assigned to factoring without recourse contracts. For this reason, about 4.300.000 Euros were derecognised from the assets and liabilities of the company.

14. STATE AND OTHER PUBLIC ENTITIES

As of 31 December 2012 and 2011 these assets and liabilities captions had the following composition:

	2012	2011
Assets:		
Value Added Tax	853.428	972.834
Others	232.052	30.670
	1.085.480	1.003.504
Liabilities		
Value Added Tax	1.709.699	1.918.742
Social Security contributions	393.296	405.035
Personal Income Tax	406.452	444.579
Corporate Income Tax	364.100	1.791.879
Other taxes	350.496	167.862
	3.224.043	4.728.097

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

15. OTHER DEBTORS

As of 31 December 2012 and 2011 this caption can be detailed as follows:

	2012	2011
Advances to suppliers	76.014	128.007
Other debtors	1.513.996	475.861
	1.590.010	603.868
Accumulated impairment losses	-	-
	1.590.010	603.868

As of 31 December 2012, the caption "Other debtors" includes the amount receivable of, approximately 881.000 Euros from the french subsidiary, which was withheld and waiting for the conclusion of the work in progress. At this date, this amount should have been released. However, it became available only in January 2013.

(Amounts expressed in Euro)

16. CASH AND CASH EQUIVALENTS

As of 31 December 2012 and 2011 the caption “Cash and cash equivalents” included in the consolidated statement of financial position can be detailed as follows:

	2012	2011
Cash	15.570	672.238
Bank deposits	11.753.706	15.440.551
	11.769.276	16.112.789
Bank overdrafts (Note 18)	(3.913.854)	(3.327.559)
Cash and cash equivalents	7.855.422	12.785.230

17. SHARE CAPITAL AND RESERVES

Share Capital

As of 31 December 2012, 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 2012 there were no entities holding a share in the subscribed capital of, at least, 20%.

Reserves

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

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

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

18. BANK LOANS AND OTHER LOANS

As of 31 December 2012 and 2011, the captions “Bank loans” and “Other loans” can be detailed as follows:

	2012		2011	
	Current	Non-Current	Current	Non-Current
Bank loans	4.308.473	50.522.540	4.072.139	54.421.020
	4.308.473	50.522.540	4.072.139	54.421.020
Commercial paper	15.250.000	-	17.750.000	-
Current accounts	11.180.000	-	13.550.000	-
Bank overdrafts	3.913.854	-	3.327.559	-
Factoring	1.340.970	-	2.230.933	-
Other loans	31.684.824	-	36.858.492	-
	35.993.297	50.522.540	40.930.631	54.421.020

As of 31 December 2012 and 2011 there were no differences between the book value and nominal value of the bond loans.

(Amounts expressed in Euro)

The nominal amount of non-current bank loans as of 31 December 2012 is to be reimbursed as follows:

Reimbursement year	Amount
2014	3.628.170
2015	3.497.768
2016	3.497.768
2017	3.497.768
2018	3.497.768
2019	18.554.428
2020	14.348.870
	50.522.540

As of 31 December 2012 the credit facilities used by the Group and the corresponding maximum amounts allowed, were as follows:

Nature	Maturity	Authorized amount	Used amount	Available amount
Loan	January 2020	n.a.	53.901.921	n.a.
Loan	January 2014	n.a.	0	n.a.
Loan	January 2013	n.a.	410.821	n.a.
Loan	January 2014	n.a.	518.271	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	2.680.000	1.520.000
Current account	Yearly renewal	900.000	-	900.000
Current account	Semiannually renewal	500.000	200.000	-
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	June 13	1.250.000	1.250.000	-
Commercial paper	December 13	5.000.000	5.000.000	-
Commercial paper	June 13	5.000.000	5.000.000	-
Commercial paper	Semiannual until July 2015	4.000.000	4.000.000	-
Bank overdraft	Yearly renewal	4.500.000	3.913.854	586.146
Factoring	n.a.	n.a.	1.340.970	n.a.
			86.515.837	

During the year ended as of 31 December 2012 these loans borne interest at normal market rates depending on the nature and term of the credit obtained.

During the years ended as of 31 December 2012 and 2011 the Group did not enter into any loan default.

Additionally, as of 31 December 2012, there are no covenants associated with the disclosed loans.

19. OTHER NON-CURRENT CREDITORS

As of 31 December 2012 and 2011, this caption can be detailed as follows:

	2012	2011
Fixed assets suppliers (Note 22)	287.236	81.979
Other creditors	40.111	53.330
	327.347	135.309

(Amounts expressed in Euro)

20. SUPPLIERS

As of 31 December 2012 and 2011 this caption could be presented, taking into account its maturity, as follows:

	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	-	-

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

21. OTHER CREDITORS

As of 31 December 2012 and 2011 the current liabilities caption “Other creditors” was made up as follows:

	2012	2011
Fixed assets suppliers (Note 22)	115.420	220.082
Advances from customers	-	369.422
Other creditors	429.190	1.648.801
	544.610	2.238.305

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

As of 31 December 2011, the caption "Other creditors" includes the amount of, approximately, 1.089.000 Euros related with the acquisition of investments recorded in the caption “Investments available for sale” as well as part of the respective loans (Note 4).

22. FINANCIAL LEASE CONTRACTS

As of 31 December 2012, the responsibilities reflected in the statement of financial position related to financial leases had the following maturity:

Year	2012
2014	101.652
2015	101.052
2016 and subsequent	84.532
Non-current total (Note 19)	287.236
2013 (current) (Note 21)	115.420
	402.656

23. OTHER CURRENT LIABILITIES

As of 31 December 2012 and 2011 the caption “Other current liabilities” can be detailed as follows:

	2012	2011
Accrued expenses:		
Accrued payroll	1.770.165	1.113.881
Interest payable	1.603.750	1.454.722
Others	2.373.689	2.332.664
Deferred income	5.225.082	9.536.099
	10.972.686	14.437.366

(Amounts expressed in Euro)

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

24. MOVEMENT IN PROVISIONS AND IMPAIRMENT LOSSES

The movements occurred in provisions and impairment losses for the years ended as of 31 December 2012 and 2011 may be detailed as follows:

	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)
Other	-	-	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

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

The increases and reversals recorded in provisions and impairment losses for the years ended as of 31 December 2012 and 2011 were recorded in the profit and loss statement caption "Provisions and impairment losses".

The amount recorded in the caption "Provisions" as of 31 December 2012 relates to the Board of Directors' best estimate to cover possible losses arising from legal actions in progress, as well as the amount of approximately 585.000 Euros to cover possible losses arising from customers' warranties in the storage systems business.

The amount recorded in the caption "Impairment losses in investments" and in the line "Other", amounting to 400.000 Euros, relates to the present value of loans and it was recorded in the caption "Financial costs" on the consolidated statement of profit and loss.

25. OPERATIONAL LEASES

As of 31 December 2012 the Group held, as lessee, operational lease contracts which minimal lease payments present the following maturity:

Responsabilities under operational lease rentals	Minimal operational lease payments
2013	326.802
2014	216.110
2015	78.313
2016 and subsequent	9.476
	630.701

Additionally, as of 31 December 2012 and 2011 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.

(Amounts expressed in Euro)

26. FINANCIAL RESULTS

The consolidated financial results for the years ended as of 31 December 2012 and 2011 can be detailed as follows:

	2012	2011
Financial expenses:		
Interest	(3.896.848)	(3.452.175)
Financial actualization of loans **(Note 24)**	(400.000)	-
Other financial expenses	(833.071)	(779.232)
	(5.129.919)	(4.231.407)
Financial income:		
Interest	131.436	498.929
Other financial income	641.269	73
	772.705	499.002

The interests paid and recognised in the profit and loss statement for the years ended as of 31 December 2012 and 2011 are totally related with loans obtained.

The interest income recorded in the financial statements for the years, ended as of 31 December 2012 and 2011 result primarily from deposits made during the year.

27. TRANSACTIONS WITH RELATED PARTIES

Commercial transactions

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

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

The main balances with related parties as of 31 December 2012 and 2011 and the main transactions with related entities during these years may be detailed as follows:

	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
Other	-	-	-	-	3.030.740	-

	2011					
Related parties	Land acquisitions	External supplies and services	Sales	Services rendered	Accounts receivable	Accounts payable
Altri Group	-	-	-	5.801.061	5.850.833	124.738
Other	-	-	-	-	3.100.000	-

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

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

Accounts receivable with an amount of 3.030.740 Euros, included in caption “Other”, are related to loans to subsidiaries 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 2012 and 2011 by the companies included in the consolidation by the full consolidation method, are as follows:

	2012	2011
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 2012, can be presented as follows:

Cofihold, SGPS, S.A.
Alteria, SGPS, S.A.
Caderno Azul, SGPS, S.A.
Caminho Aberto, 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.
VASP – Sociedade de Transportes e Distribuições, Lda.
Web Works – Desenvolvimento de Aplicações para Internet, S.A.

(Amounts expressed in Euro)

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 2012 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

28. OTHER OPERATING INCOME

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

29. EARNINGS PER SHARE

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

	2012	2011
Net profit considered for the computation of basic and diluted earning	6.168.972	6.409.814
Number of shares	25.641.459	25.641.459
Number of own shares	2.564.145	-
Weighted average number of shares used to compute the basic and diluted earnings per share	23.077.314	25.641.459
Earnings per share		
Basic	0,27	0,25
Diluted	0,27	0,25

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.

30. 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 2012 and 2011 is made up as follows:

	2012		2011	
	Industry	Real estate	Industry	Real estate
Net operating income				
Resulting from operations with external customers	103.736.775	6.859.512	102.835.700	6.232.496
Resulting from operations with other segments	8.004	1.242.912	28.254	1.204.500
Operating Cash-flow (a)	10.415.726	5.074.942	9.912.829	5.078.805
Amortisation and depreciation	714.302	505.396	1.010.499	395.776
Operating profit	9.701.424	4.569.546	8.902.330	4.683.029
Total assets	72.921.359	96.742.697	88.080.849	95.805.692
Total liabilities	31.723.174	85.299.356	48.803.268	84.989.032
Investment of the period (b)	1.343.719	211.667	1.142.907	4.210.213

(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 2012 and 2011 can be detailed by geographical markets as follows:

	2012	2011
Domestic market	66.899.645	69.585.532
Foreign market	42.436.181	38.304.256
	109.335.827	107.889.788

31. RESPONSABILITIES FOR GUARANTEES PROVIDED

As of 31 December 2012 and 2011, F. Ramada Group companies had provided bank guarantees as follows:

	2012	2011
Supply of storage systems	61.597	611.847
Others	104.423	159.372
	166.020	771.219

32. AVERAGE NUMBER OF PERSONNEL

During the years ended as of 31 December 2012 and 2011 the average number of employees of the companies included in the consolidated financial statements by the full consolidation method was of 391 and 383, respectively.

33. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance in March 21, 2013. The final approval depends on the agreement of the General Shareholders Meeting.

34. EXPLANATION ADDED FOR TRANSLATION

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

The Chartered Accountant   The Board of Directors

STATUTORY AUDIT AND AUDITOR'S REPORT

(This is a translation of a report originally issued in Portuguese – Note 34)

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 2012 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 2012 (that presents total net assets of 167.630.286 Euro and 46.769.643 Euro, respectively, and consolidated and individual equity of 52.641.526 Euro and 45.052.697 Euro, respectively, including a consolidated and invididual net profit of 6.168.972 Euro and 3.546.309 Euro, respectively), the Consolidated and Individual Statements of Profit and Loss, of Comprehensive Income, of Changes in Equity and of Cash-flows for the year then ended and the corresponding Notes.

Responsibilities

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

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

Scope

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

Opinion

5. In our opinion, the consolidated and individual financial statements referred to in paragraph 1 above, present fairly in all material respects, the consolidated and individual financial position of F. Ramada Investimentos, S.G.P.S., S.A.and its subsidiaries as of 31 December 2012, 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, 21 March 2013

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

REPORT AND OPINION OF THE STATUTORY AUDIT BOARD

(Translation of a report originally issued in Portuguese – Note 34)

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 2012, 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 2012, 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 Directors ´Report for the year 2012, 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 2012 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, 21 March 2013

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