DIRECTORS' REPORT

RAMADA
INVESTIMENTOS

Consolidated accounts

December 31, 2010

INDEX

To the Shareholders

Pursuant to the legal requirements, the Board of Directors of F. Ramada Investimentos, S.G.P.S., S.A. (Open Capital Company) hereby presents its Board of Director's Report for the year 2010.

INTRODUCTION

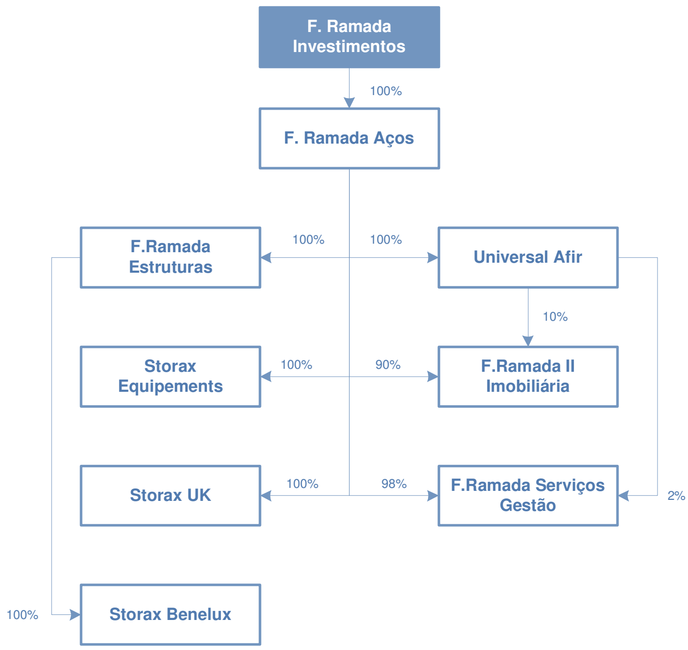
F. Ramada Investimentos was incorporated on the 1st June 2008, as a result of the fission process, of the steel and storage systems business from Altri, SGPS, S.A. ("Altri"). The incorporation of the company resulted from a projected reorganization in order to separate two autonomous business units,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

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

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

Storage System activity is performed for four companies: F. Ramada Estruturas, largest manufacturer of storage systems in Portugal, and where all group production is concentrated, Storax Equipements with Head Office in France, Storax Racking with Head Office in United Kingdom and Storax Benelux with Head Office in Belgium.

The ownership structure of F. Ramada Group, as of 31 December 2010, can be presented as follows:



MACROECONOMIC BACKGROUND

International background

The world economy in 2010 was marked by instability caused by the need of fiscal consolidation in most developed countries, a situation that led to the adoption of austerity measures clearly countercyclical, by most governments. In the European Union, this was aggravated by the inability of some countries to place new issues of public debt in financial markets, and that quickly spread throughout the euro area, especially the peripheral countries like Greece, Portugal, Spain and Ireland. After last year, which recorded negative growth rates in all international indicators, 2010 should be, according to the latest OECD forecasts, a year of recovery, with an estimated GDP growth of 4.6%, but anticipating lower growth to upcoming years. Leading the recovery process, were the U.S., Russia and Germany and once again China, India and other emerging Asian economies, which continued recording reasonable growth levels.

The U.S. dollar continued to show some buoyancy, with an appreciation about 5% against the euro, maintaining the upward trend observed since the previous year.

National background

According to the latest national and international forecasts, the Portuguese economy should have recorded an increase of 1.4% in 2010 (measured in % change in real GDP). This increase is supported by the strong growth in exports, private consumption and government consumption, which more than offset the significant fall in investment. In the case of private consumption, there was a strong dynamism at the end of the year, partly due to fiscal changes (car sales).

Overall, the confidence levels were low, both in consumption and in industry, due to the worst expectations of economic recovery and worst conditions in the labour market.

The Portuguese economic activity was faced again with a particularly difficult year, featured by the need to adopt austerity measures for the fast reduction of the public deficit, largely widened by the difficulties in placing new public debt issuances, and the associated higher risk, leading to a sharp increase in the interest payments of the sovereign debt.

The most recent estimates of the Portuguese Central Bank (Banco de Portugal) forecast a reduction in GFCF (Gross Fixed Capital Formation) of approximately 7% in 2010, after a decrease of 12% in 2009. This breakdown is again due to the barriers in the access to finance and to the drop in confidence indices

The average annual inflation rate, measured by the Harmonized Index of Consumer Prices (HICP) should be 1.4%, according to the latest projections from the Banco de Portugal, after having set in negative values (-0.9%) in 2009.

In 2010 there was again an increase in the unemployment rate, to levels that have not been recorded since the 70s, with an annual estimate of 10.5% by the European Commission (9.5% in 2009).

Future perspectives

The projections of the Banco de Portugal for the Portuguese economy indicate that the economic activity experiences a contraction in 2011 and a limited growth in 2012. The evolution of the Portuguese economy will be marked by the strengthening of the process of adjustment of accumulated macroeconomic imbalances over more than a decade. This projection assumes that the use of Eurosystem funding will remain significant until the end of the horizon, in a context of continuing difficulties of the Portuguese banks to access the funding markets.

In this framework of adjustment, global economic developments and, in particular, the sustained recovery of international trade flows will be crucial for the recovery of the economic activity in Portugal.

The projections for the Portuguese economy indicate a contraction in economic activity of 1.4% in 2011, followed by a recovery of 0.3% in 2012. This profile of economic activity evolution reflects the decline in domestic demand over the projection horizon, particularly intense in 2011.

In relation to private consumption, after a 2% growth in 2010, a contraction is projected in 2011 and in 2012, of 1.9% and 1.0% respectively. The evolution of this variable over the horizon should be strongly conditioned by the impact of fiscal consolidation measures on the prospects for permanent income of the families. Additionally, it is expected that the maintenance of adverse conditions in the labour market will determine a moderate evolution of wages in the private sector. The evolution of private consumption in 2011 reflects a drop in real disposable income of Portuguese families of 3.4%, as well as more restrictive conditions to access to credit.

Inflation should increase to around 3.6% in 2011 (1.4% in 2010), falling to 2% in 2012. This profile is largely influenced by increases in indirect taxation, both in mid 2010, as in the beginning of 2011 and a significant update of the prices of some goods and services subject to regulation. Additionally, the energy component of prices should experience a growth of 12.3% in 2011, thus mainly reflecting the oil price evolution.

After a huge dynamism in 2010, the projections of the international framework indicate a slowdown in external demand directed to Portuguese companies in 2011, followed by some recovery in 2012. However, the external demand growth will still be substantial.

In the labour market, an employment reduction of 0.9% and 0.3%, in 2011 and 2012, respectively is projected (after a reduction of 1.5% in 2010), which basically reflects the poor economic performance.

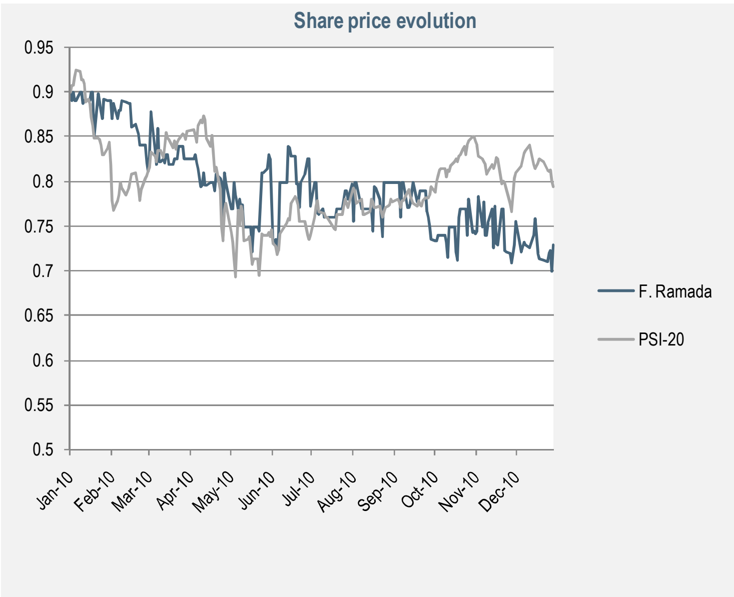
STOCK EXCHANGE EVOLUTION

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

The national stock exchange closed the year 2010 losing 10.34%. The start of 2010 in the markets, anticipated a year with promising results, when the PSI-20 index recorded a maximum early in January. But the final values - which include "black" sessions in April 27 and May 4 - show that the year was not good for investors, with 15 listed companies in the main index of NYSE Euronext Lisbon closing in loss zone and only five accumulating earnings.

The pressure that financial markets imposed on public debts of some Euro Zone countries, and the consequent rise in interest rates, ended up penalizing the evolution of the national stock exchange. After the calming of the markets in 2009 (with the NYSE Euronext Lisbon valuing 33.5% and all the PSI-20 index increasing), 2010 was a negative year. The losses that occurred during the first months of the year, determined a cumulative decline of 23% in the month of May. Thereafter it was possible to recover more than 14%, which wasn't enough to reverse the downward trend and to recover in relation to 2009, with the financial sector being the most penalized.

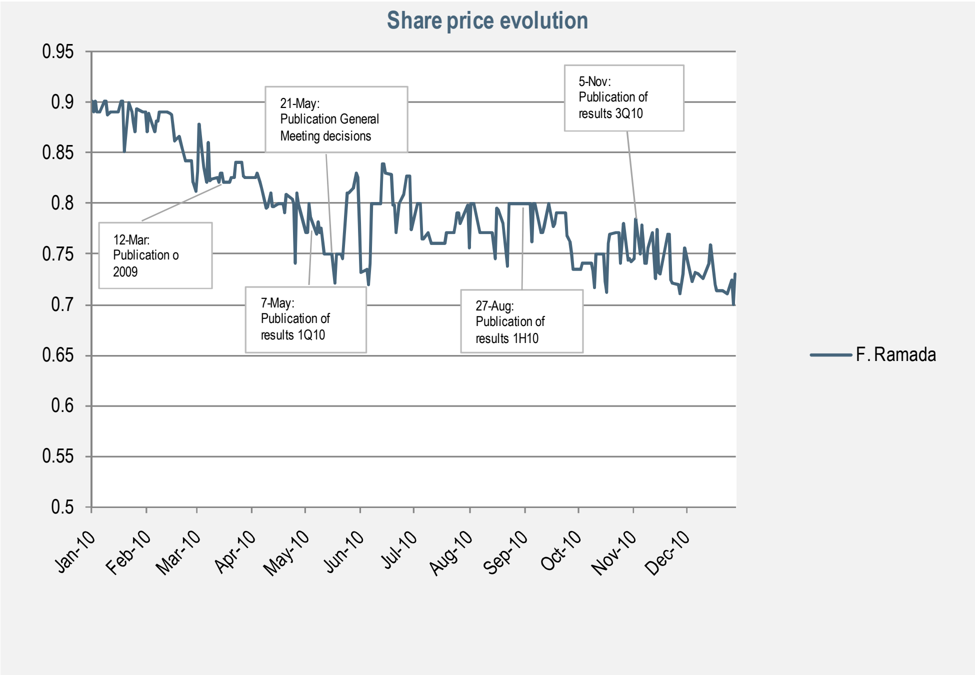
The total turnover of the Portuguese stock exchange (Euronext Lisbon) increased 31.2% during 2010 to 39.5 billion euro, compared with 30.1 billion euro in 2009. This increase in turnover, coupled with the decline observed in the performance of PSI-20, may indicate some lack of confidence in the Portuguese capital market. Since the beginning of the "subprime crisis" in 2007, the aggravated risk aversion and the relatively small size of the Portuguese capital market, led to a decrease in the presence of foreign institutional investors, since they tended to reduce their investments, thus influencing the liquidity levels of the Portuguese stock exchange.



F. Ramada Investimentos' share price was 0.73 Euro per share at the end of 2010, which represents a devaluation of 19% when compared with 2009.

During 2010, F. Ramada Investimentos' shares were traded at a maximum price of 0.9 Euro per share and at a minimum price of 0.7 Euro per share. In total, 1,273,802 shares of F. Ramada Investimentos were traded in 2010.

The main events that distinguished the stock price evolution of the Company during 2010 may be chronologically described as follows:



- According to the statement made as of 12 March 2010, the Group announced its financial performance for the year 2009, having a consolidated net profit of 1.850 million euro, representing a decrease of 32% over the year 2008. Consolidated EBITDA amounted to 8.7 million euro, noting a decrease of 23% when compared with 2008;
- As of 7 May 2010 F. Ramada Group communicated to the market its results relating to the first quarter of 2010, amounting a consolidated net profit of 878 thousand euro. Consolidated EBITDA reached 2.417 million Euro, which corresponds to a growth of 7.3% when compared with 2.253 million Euro recorded in the same period in 2009;
- As of 21 May 2010 it was announced the payment of dividends relating to the financial year 2009, amounting to 0.06 euro per share, totalling 1,538,487.54 Euro;
- As of 27 August 2010, it was communicated to the market the consolidated results of F. Ramada Group related with the first half of 2010, amounting to 2,176 thousand euro. Consolidated EBITDA reached 5,352 million Euro, representing an increase of 36,4% over the same period in 2009;
- Through the statement made as of 5 November 2010, the Group announced its financial performance related to the third quarter of 2010, having a consolidated net profit of 3.471 million euro, representing an increase of 590% over the same period in 2009. Consolidated EBITDA amounted to 8.5 million euro, 47.7% higher than the same period in 2009.

GROUP ACTIVITY

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

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

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

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

As of 2010, turnover of steel activity has increased about 16% comparing to the previous year, related with the increase in exports of the molds sector.

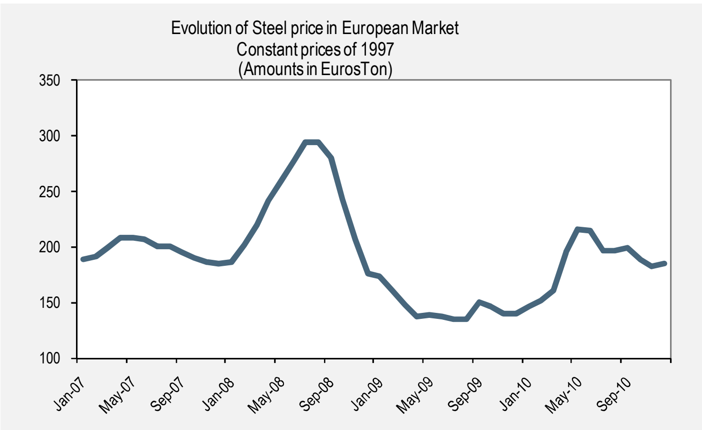
The renewal of automobile models and the growth of the emerging countries had increased molds demand in Portugal and, consequently, the consumption of steel and special alloys to its production.

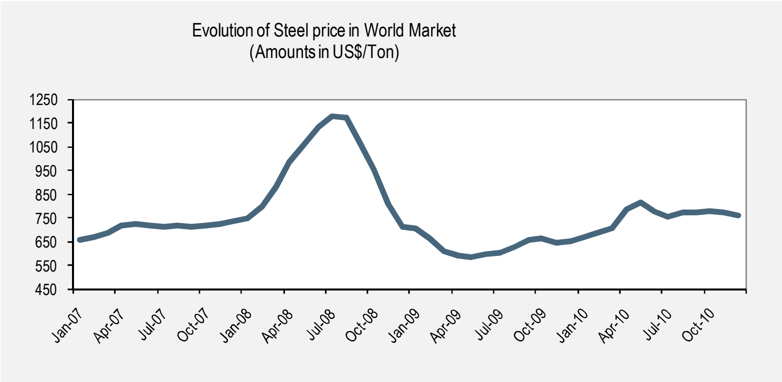
Steel sales to produce capital goods had a slight growth relatively to 2009.

In 2010 it was expanded the products range traded with the introduction of stainless steels (plates and profiles) and copper alloys (brass and bronze).

Steel activity operates, essentially, in the national market, which represents 98% of its sales.
In 2010, exports had a significant increase, in particular to the Spanish market.

To face demand rise, lower stock levels and raw materials price increase, steel prices had a strong trend to increase on the last quarter of 2010.





The 1st quarter of 2010 was very depressed, with sales lower than the end of 2009, but everything sharply changed from the 2nd quarter.

The Group had the need to recruit workers for productive areas to face costumers' orders in the agreed deadlines.

Even in an environment of recovery, costs and investments were kept at low levels, waiting for the confirmation of this increase in 2011, to decide about the acquisition of new equipments.

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

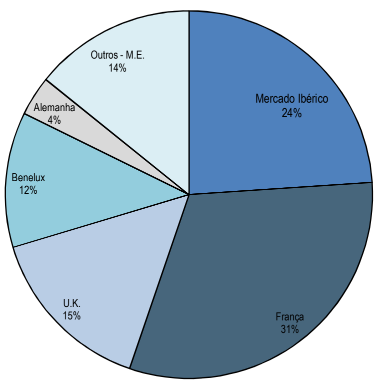
Turnover of storage systems activity had a decrease in 2010 of 22% when compared with 2009. Although, the orders received presented a growth of 19%, enhancing the contribute of Storax Racking (UK) and Storax Benelux (Belgium).

In the Iberian market demand remained at very low levels.

The strong world competitivity and the price rise of raw materials, during the year, took to a decrease on the margins of this activity to much lower levels comparing to the previous years.

In 2010, storage systems sales to the foreign market represented 80% of turnover (79% in 2009).

Distribution by markets of storage systems activity in 2010



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

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

In 2010, total income of F. Ramada Imobiliária had a decrease of 4.2%.

FINANCIAL REVIEW

Consolidated financial information of F. Ramada Investimentos in 2010, and of its comparative year 2009, was prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Principal indicators of F. Ramada Group

	2010	2009	Var. %
Sales and Services rendered	90,486	97,082	-6.8%
Other income	964	799	20.6%
Total Income	**91,449**	**97,881**	**-6.6%**
Cost of Sales	50,356	55,125	-8.7%
External supplies and services	15,155	15,114	0.3%
Payroll	11,702	13,175	-11.2%
Provisions and impairment losses	766	4,891	-84.3%
Other costs	1,253	869	44.2%
Total costs (a)	**79,232**	**89,173**	**-11.1%**
EBITDA (b)	**12,217**	**8,708**	**40.3%**
EBITDA margin	**13.4%**	**8.9%**	
Amortization and depcreciation	1,381	1,639	-15.8%
EBIT (c)	**10,837**	**7,068**	**53.3%**
EBIT margin	**11.9%**	**7.2%**	
Financial expenses	-3,603	-5,202	
Financial income	124	765	
Financial results	**-3,480**	**-4,437**	**-21.6%**
Net Profit before income tax	**7,357**	**2,631**	
Income tax	-2,244	-781	
Net profit attributable to shareholders of parent company	**5,114**	**1,850**	**176.4%**

Amounts in thousand euro

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

(b) EBITDA= Earnings before Interests, Tax, Depreciation and Amortization

(c) EBIT = Operating results

Total income of Ramada Group amounted to 91,450 thousand euro, which corresponds to a decrease of 6.6% comparing with total income in 2009.

Total costs, excluding amortisations, financial expenses and tax, in 2010, amounts to 79,232 thousand euro, presenting a decrease of 11.1% comparing with 89,173 thousand euro in 2009.

EBITDA reached 12,217 thousand euro, presenting a growth of 40.3% when compared with 2009. EBITDA margin was 13.0%, being 8.9% in 2009.

Group EBIT was of 10,837 thousand euro, presenting a growth of 53.3% compared with 7,068 thousand euro in 2009.

Financial results amounts to -3,480 thousand euro presenting an increase of 21.6% comparing with 2009.

Group Ramada Net profit reached 5,114 thousand euro, being higher in 176% when compared with 2009.

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

Industry

	2010	2009	Variation
Total income	85,469	91,637	-6.7%
Total costs (a)	78,235	87,890	-11.0%
EBITDA (b)	7,235	3,747	93.1%
EBITDA margin	8.5%	4.1%	
EBIT (c)	6,231	2,533	146.0%
EBIT margin	7.3%	2.8%	
Financial results	(484)	11	-4365.3%
Net Profit before income tax	5,747	2,544	125.8%
Net Profit	3,932	1,786	120.2%

(amounts in thousand euro)

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

(b) EBITDA= Earnings before Interests, Tax, Depreciation and Amortization

(c) EBIT = Operating results

In 2010, operating income of the Indústria segment, amounts to 85,469 thousand euro, presenting a decrease of 6.7% comparing with operating income of 2009.

In 2010, Industry segment EBITDA reached to 7,235 thousand euro, presenting a growth of 93.1% compared with 3,747 thousand euro in 2009. EBITDA margin changed from 4.1% in 2009 to 8.5% in 2010.
Industry segment EBIT amounts to 6,231 thousand euro, presenting a growth of 146% when compared with 2,533 thousand euro reached in 2009. EBIT margin changed from 2.8%, in 2009 to 7.4% in 2010.

Net profit amounts to 3,932 thousand euro, higher in 120.2% when compared with net profit in 2009.

Real Estate

	2010	2009	Variation
Total income	5,980	6,244	-4.2%
Total costs (a)	997	1,283	-22.3%
EBITDA (b)	4,983	4,961	0.4%
EBITDA margin	83.3%	79.4%	
EBIT (c)	4,606	4,535	1.6%
EBIT margin	77.0%	72.6%	
Financial results	(2,995)	(4,448)	32.7%
Net Profit before income tax	1,611	87	1753.1%
Net Profit	1,182	64	1751.2%

(amounts in thousand euro)

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

(b) EBITDA= Earnings before Interests, Tax, Depreciation and Amortization

(c) EBIT = Operating results

In 2010, operating income of the Real Estate segment, amounts to 5,980 thousand euro, presenting a decrease of 4.2% comparing with operating income of 2009.

In 2010, Real Estate segment EBITDA amounts to 4,983 thousand euro, presenting an increase of 0.4% compared with 4,961 thousand euro in 2009.

Real Estate segment EBIT amounts to 4,606 thousand euro, presenting a growth of 1.6% compared with 4,535 thousand euro in 2009.

Financial results of Real Estate segment, in 2010, amounts to -2,995 thousand euro, presenting an improvement of 32.7% compared with -4,448 thousand euro in 2009.

Real Estate segment Net profit, amounts to 1,182 thousand euro, presenting a growth of 1751% compared with net profit in 2009, which amounted 64 thousand euro.

Investments and debt

In 2010, Ramada Group investments in operations equipment amounted to 626 thousand euro.

Ramada Group net nominal debt paid, in 31st December 2010, amounted to 77,734 thousand euro, in 31th December 2009 amounted to 79,767 thousand euro.

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

During 2010, the non executive directors of the company have developed regular and effectively the functions that are legally entitled to and which consist in monitoring and evaluating the activities of the executive members.

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

2011 OUTLOOK

Special Steel activity is strongly exposed to the automobile components industry, and to the fabrication of plastic molds. For 2011, we admit that market conditions, mostly in the molds activity, will remain high and it will allow us to reach sales levels of 2007/2008.

Storage Systems activity is related with the development and modernization of companies' logistics. In seasons of lower economical growth, there is a lower demand for these storage solutions. We admit that, in 2011, market conditions will not have a significant change, and our activity will remain at the same level as in 2010.

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 3,413,019.31 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	170,650.97
Other Reserves	1,447,466.21
Dividends	1,794,902.13

	3,413,019.31
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CORPORATE GOVERNANCE

0. Statement of compliance

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

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

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

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

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

CMVM recommendations	Complies	Report
I. ASSEMBLEIA GERAL		
I.1 GENERAL MEETING BOARD		
I.1.1. The Chairman 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.	Fails	0.4 and I.11
I.3.3 Companies shall ensure that voting rights and shareholder's attendance are proportional, ideally through the statutory provision that obliges the one share-one vote principal. Companies that: i) hold shares that do not confer voting rights; ii)establish that voting rights will not be taken into account above a certain number, when issued by a single shareholder or by shareholders related to him/her, do not comply with the proportionality principle.	Complies	I.6 and I.7
I.4. RESOLUTION FIXING QUORUM		
I.4.1 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		
I.5.1 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.	Complies	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.	Not applicable	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
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 and 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 information, they shall provideanswers in a timely manner with information that adequately responds to the request made.	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 because the Company hasn't general and supervisory board
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 hasn't general and supervisory board
II.4. GENERAL AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE, AUDIT COMMITTEE AND STATUTORY AUDIT BOARD		
II.4.1 In addition to fulfilling its audit role, the general and supervisory board shall perform an advisory role, as well as monitor and continually assess the management of the company by the executive board of directors. among the other matters on which the general and supervisory board should give their opinion, are the following: i) definition of the strategy and general policies of the company; ii) the corporate structure of the group; and iii) decisions that are considered to be strategic due to the amounts, risks and special circumstances involved.	Not applicable	Not applicable because the Company hasn't general and supervisory board
II.4.2 The annual reports on the activity of the general and supervisory board, the financial matters commitee, 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 commitee, 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.	Cumpre	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.	Not applicable	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 commitees; ii) consider the governance system adopted and assess its efficiency and propose to the respective bodies, measures to be implemented to make improvements; iii) and identify in a timely manner potential candidates with the high level profile necessary to carry out the duties of a board director.	Complies	II.36
II.5.2 Members of the Remuneration Committee or alike shall be independent from the Members of the Board of Directors and include at least one member with knowledge and experience in matters of remuneration policy.	Complies	II.38 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.	Not applicable	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 very ample and complete.

0.4. Explanation of the differences between the corporate governance structure or practices and the CMVM's Recommendations.

The recommendations I.3.2, II.1.2.2, II.1.3.2, II.1.4.1, II.1.4.2, II.2.1, II.2.5 and IV.1.2 are not completely adopted by F. Ramada Investimentos, as explained below.

Not adopted Recommendations

- **Recommendation I.3.2**: the statutory deadline for receiving voting ballots by mail is 5 working days. Although the Board of Directors believes that the gap with the term defined in the Corporate Governance Code is not relevant, the Company will proceed to the consideration of amending the articles of association on this matter at the next general meeting, in order to fully comply with the recommendation.
- **Recommendation II.1.2.2**: Non-executive directors can't be considered independent because they are company's shareholders, so this recommendation isn't fully adopted.
- **Recommendation II.1.3.2**: F. Ramada Investimentos, taking into account the size of the Company, has no defined rules for selecting candidates for non-executive directors and, as such, this recommendation isn't fully adopted.
- **Recommendations II.1.4.1 and II.1.4.2**: F. Ramada Investimentos does not have a formal communication policy for internal irregularities. However, considering the closeness of the members of the Board of Directors to the activities of the several companies of the Group, F. Ramada Investimentos considers that this allows that, whenever irregularities are detected, the Board of Directors is promptly informed, which ensures the implementation of a procedure which handles in an effective and fair way the eventual irregularities that are detected.
- **Recommendation II.2.1**: In general, F. Ramada Investimentos S.G.P.S., S.A. 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 daily management of operational companies is made by the Directors of each company, which also incorporates some of the directors of F. Ramada Investimentos SGPS, S.A.. Therefore, the recommendation is not fully fulfilled.
- **Recommendation II.2.5**: F. Ramada Investimentos has not defined a fixed general policy of rotation of the functions of the Board of Directors members, including the responsible for the financial area. F. Ramada Investimentos believes that a fixed general policy of rotation of functions does not allow to serve its interests and, as such, the functions are determined and assigned at the beginning of each term in accordance with the abilities, qualifications and experience of each member. F. Ramada Investimentos understands that it is not admissible that all directors may exercise all the functions with equal ability and performance. Additionally, F. Ramada Investimentos promotes, where necessary or appropriate, according with business and strategy developments of the Company, a reflection on the distribution of functions within its Board of Directors.
- **Recommendation 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. Details 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 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, 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 1 June 2008 for the period 2008/2010.

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 2010 was 5,000 Euro.

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

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

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

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

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

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

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

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

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

Individual shareholders with voting rights and legal persons who are shareholders of the Company may be represented by the person who designated for that purpose. The representation should be communicated to the President of the General Meeting, in writing, until 5 p.m. of the fifth working day prior to the day assigned for the meeting of the General Meeting.

The Company makes available at its headquarters and at its website before the date of each General Meeting, a draft of the appropriate form. F Ramada Investimentos' articles do not contemplate any constituent or deliberative quorum higher than that considered by law.

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

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

- the vote by correspondence should be exercised through a written declaration, with a signature recognized by a public notary or an attorney and accompanied by a document supporting the registration of shares on behalf of the shareholder;
- the declaration of intent to exercise the vote by correspondence and the supporting document of the quality of shareholder must be delivered in the Company's headquarters, until 5 p.m. of the fifth working day prior

to the day assigned for the meeting, with identification of the remittent, addressed to the Chairman of the General Shareholders' Meeting;

- there must be a declaration of vote for each point of the Order of the Day for which the vote by correspondence is admitted and each declaration of vote will have to be sent in a closed and sealed envelope, inside the mentioned letter, which can only be opened by the Chairman of the General Shareholders' Meeting at the moment of the counting of the votes, for what each envelope will have to indicate in its exterior the point of the Order of the Day that it respects to;
- the votes by correspondence will be valid as negative votes in relation to the proposals of deliberation presented after the emission 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.

In the 2010 annual general meeting, the Board of Directors will propose to adapt the rules described above to the changes that resulted from the entry into force of Decree-Law no. 49/2010, of 19 May.

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

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

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

According with the articles of association, the declaration of intent to exercise the vote by correspondence and the supporting document of the quality of shareholder must be delivered in the Company's headquarters, until 5 p.m. of the fifth working day prior to the day assigned for the meeting, with identification of the remittent, addressed to the Chairman of the General Shareholders' Meeting.

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

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

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

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

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

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

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

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

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

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

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

At the General Meeting occurred in 17 May 2010, 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.19. Existence of statutory provision that envisages for a duty to be subject, at least every five years, to a resolution by the General Meeting, for the maintenance or withdrawal of the statutory provision providing for the limitation of the number of votes capable of being held or exercised by a single shareholder individually or together with other shareholders.

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

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

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

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

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

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

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

II. Management and Audit Boards

II.1. Identification and composition of corporate bodies.

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

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

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

- The Board of Directors – currently made up of 6 members who are responsible for carrying out all the management functions to implement the operations inherent to its corporate objectives, acting in the best interests of the Company, its shareholders and employees. As of 31 December 2010 this corporate body was composed of the following members:
  - João Manuel Matos Borges de Oliveira – President
  - Paulo Jorge dos Santos Fernandes – Member
  - Domingos José Vieira de Matos – Member
  - Pedro Miguel Matos Borges de Oliveira – Member
  - Pedro Macedo Pinto de Mendonça – Member (non executive)
  - Ana Rebelo de Carvalho Meneres de Mendonça Mariz Fernandes – Member (non executive)

  Four current members of the Board of Directors were appointed at the General Meeting held on 1 June 2008, and two of them were appointed at the General Meeting held on 27 May 2009 (Ana Rebelo Mendonça Fernandes and Pedro Miguel Matos Borges de Oliveira). The current mandate of all the six members corresponds to the period 2008/2010.
  Of the current members of the Board of Directors, of F. Ramada Investimentos S.G.P.S., S.A., two perform non executive functions.

- Statutory Audit Board – appointed by the General Assembly, composed of three members and one or two substitutes, responsible for the supervision of the company and the appointment of the Statutory Auditor. In the period 2008/2010 this corporate body was composed by the following members:
  - João da Silva Natária – President
  - Cristina Isabel Linhares Fernandes – Member
  - Manuel Tiago Alves Baldaque Marinho Fernandes – Member
  - Joaquim Augusto Soares da Silva – Substitute

- The Statutory Auditor – who is responsible for the examination of the Company's financial statements. In the period 2008/2010 this function was performed by Deloitte & Associados, SROC S.A. represented by António Manuel Martins Amaral.

Evaluation of the Board of Directors on corporate governance model

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

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

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

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

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

F. Ramada Investimentos, SGPS, SA has set a Remuneration Committee for the period 2008/2010, whose composition is as follows:

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

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

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

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

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

The structure and F. Ramada Investimentos' governance practices did not reveal any constraints on the normal functioning of the Board of Directors or committees constituted under it, nor did this Board was aware of any constraints on the functioning of other corporate bodies.

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

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

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

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

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

Generically, F. Ramada Investimentos SGPS directors focus their activities in managing the Group's participations and defining the strategic development milestones. The daily management of each operating company is a responsibility of each respective Board of Directors, which includes some of F. Ramada Investimentos' directors but also some other members with defined duties and competencies

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

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

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

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

In 2010, 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 2010, the Statutory Auditors monitored the development of the company´s activity and carried out the tests and inspections deemed necessary to review and issue the legal certification of accounts, in interaction with the Statutory Audit Board and with full cooperation of the Board of Directors.

In addition, the Statutory Auditors pronounced itself over the work carried out in 2010 under its annual audit report, subject to assessment of the Annual General Shareholders Meeting.

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

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

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

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 the general public;
- 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.

As for risk control in the process of financial reporting, only a very restricted number of F. Ramada Investimentos' employees are involved in the process of financial reporting. All those involved in financial analysis of the Company are considered to have access to privileged information and are especially knowledgeable about the content of their obligations as well as to the sanctions they face resulting from the misuse of such information.

The internal rules governing the disclosure of financial information aimed at securing their timing and stop the asymmetry of the market in their knowledge.

The existence of an effective internal control environment, particularly in the financial reporting process is an objective of the Board of Directors, looking to identify and improve the processes most relevant 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 bases 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 closure of accounts 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 CFO. 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 Legal Certification of Accounts and Audit 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 individual and consolidated financial statements of the Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<u>Credit Risk</u>

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

<u>Interest Rate Risk</u>

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.

<u>Exchange Rate Risk</u>

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.

<u>Risk of variability in commodities prices</u>

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

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 2010 the Board of Directors met 13 times with the corresponding records recorded in the minute book of the Board of Directors

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

During 2010 the Statutory Audit Board of the Company met four times, and the corresponding decisions are recorded in the minute's book of the Statutory Audit Board.

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

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

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

During 2010 the Board of Directors met 13 times with the corresponding records recorded in the minute´s book of the Board.

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

As of 31 December 2010, the Board was composed of six members, of whom only two were non-executive directors (Pedro Mendonça and Ana Rebelo Fernandes).

The Board of Directors does not include any member who complies with the incompatibility rules within the meaning of paragraph 1 of Article 414º - A and the independence rules set out in paragraph 5 of Article 414 of the Commercial Companies Code, once all are shareholders of the Company.

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

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

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

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

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

The consolidated Director's report includes in its chapter "Activity developed by the non-executive members of the Board," a description of the activity of the non-executive directors during the year 2010.

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 2008/2010. The Directors Paulo Jorge dos Santos Fernandes, João Manuel Matos Borges de Oliveira, Pedro Macedo de Pinto Mendonça and Domingos José Vieira de Matos were elected, in 1 June 2008. The remaining members were elected in May 2009

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

Pursuant to and for the purposes of art. 447 of the Companies Code, we inform that on 31 December 2010, the Directors of the Company held the following shares:

João Manuel Matos Borges de Oliveira [(a)]	3,123,412

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

[a] – the 3,123,412 shares correspond to the total shares of F. Ramada Investimentos, SGPS, S.A. held by Caderno Azul – SGPS, S.A., from which the director João Manuel Matos Borges de Oliveira is shareholder.
[b] – besides the 1,670,472 shares of F. Ramada Investimentos, SGPS, SA that are personally held, the 2,040,500 shares of F. Ramada Investimentos, SGPS, SA that are held by PROMENDO – SGPS, S.A. are regarded as attributable to Ana Rebelo Mendonça Fernandes, since she is a Director and shareholder of this company, holding 59.6% of its shares. Therefore, legally, it is considered that Ana Rebelo Mendonça Fernandes owns a total of 3,710.972 shares, which corresponds to 14,47% of the share capital and the voting rights of F. Ramada Investimentos, SGPS, S.A..

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

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

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

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

The Statutory Audit Board is composed by three members and one substitute. As of 31 December 2010 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
- Joaquim Augusto Soares da Silva – 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 three 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 first mandate.

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 2010, 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, including Group companies.

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

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

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

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

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

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

As provided in Law 28/2009, of 19 June, a statement on the remuneration policy of the management and supervision boards is submitted annually for consideration by the General Shareholders Meeting.
The policy on remuneration and compensation of the corporate bodies of F. Ramada Investimentos, adopted at the General Meeting of 17 May 2010, 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.

i. Executive Management

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

The global fixed remuneration of the Board of Directors cannot exceed 0.75 million Euro per year.

- *Variable Component of medium term*:

Intended to more strongly align the interests of executive directors with those of shareholders and will be calculated covering years 2010, 2011 and 2012, based on:

- Total shareholder return (stock appreciation plus dividend distributed)
- Sum of the net results of three years (2010, 2011, 2012)
- Company' business development

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

ii. Non-executive management

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

II. STATUTORY AUDIT BOARD

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

III. GENERAL SHAREHOLDERS MEETING

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

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

There is no defined compensation policy to the members of the Board of directors in the case of dismissal or early termination of contract.

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 2010, in the exercise of their functions, includes only fixed remuneration and amounted to 470,872 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; Pedro Mendonça – 69,212 Euro; Ana Fernandes - 17,500 Euro.

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

Statutory Audit Board

The remuneration of the Statutory Audit Board is composed of a fixed annual amount based on the F. Ramada Investimentos' situation and in the current market practices. In the year ended as of 31 December 2010, the remuneration of Statutory Audit Board members amounted to 23,760 Euro, distributed as follows: João Natária – 8,880 Euro; Cristina Linhares – 7,440 Euro; Manuel Tiago Fernandes – 7,440 Euro.

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

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

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

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

According to the Company's articles of association, the corporate bodies members receive remuneration that were set by the Remuneration Committee composed by three elements, one of whom will be president and will have the casting vote. In the General Shareholders Meeting held in 17 May 2010, the remuneration policy as detailed in paragraph II.30 above was approved, which provides a variable component depending on performance during the period between 2010 and 2012.

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

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

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

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

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

The total fixed remuneration of the Board of Directors cannot exceed 0.75 million Euro per year and the total value of the variable component of medium-term may not exceed 50% of fixed remuneration earned during the period of three years (2010-2012). During 2010, the members of the Board of Directors did not receive any variable remuneration.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

During 2010, the Company's Remuneration Committee met two times, and the corresponding minutes were recorded in the minute book of that body

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

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

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

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

III. Information and Audit

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

As of 31 December 2010, the Company's share capital was fully subscribed and paid up and was composed by 25,641,459 shares with a nominal value of 1 Euro each, which entitle them to dividends. Pursuant to and for the purposes of the article 66 of the Commercial Companies Code, we inform you that as of that date, F. Ramada Investimentos, SGPS, S.A. and its subsidiaries did not hold own shares, not having acquired or sold own shares during 2010.

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

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

Exceeding 2% of the voting rights	Ner of Shares held	Direct % of the voting rights
Pedro Miguel Matos Borges de Oliveira	1,232,072	4.80%

Exceeding 5% of the voting rights	Ner of Shares held	Direct % of the voting rights
Bestinver Gestión, SGIIC, S.A.	2,287,650	8.92%
PROMENDO - SGPS, S.A. (a)	2,040,500	7.96%
Domingos José Vieira de Matos	1,782,355	6.95%
Paulo Jorge dos Santos Fernandes	1,742,022	6.79%
Ana Rebelo Mendonça Fernandes (b)	1,670,472	6.51%
Credit Suisse AG	1,486,016	5.80%

(a) the 2,040,500 shares of F. Ramada - Investimentos, SGPS, S.A. held by PROMENDO – SGPS, S.A., are attributable to Ana Rebelo Mendonça Fernandes, manager and shareholder, holder of 59.6% of the capital;

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

Exceeding 10% of the voting rights	Ner of Shares held	Direct % of the voting rights
CADERNO AZUL - SGPS, S.A. (a)	3.123.412	12,18%

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

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

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

There are no shareholders with special rights.

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

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

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

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

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

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

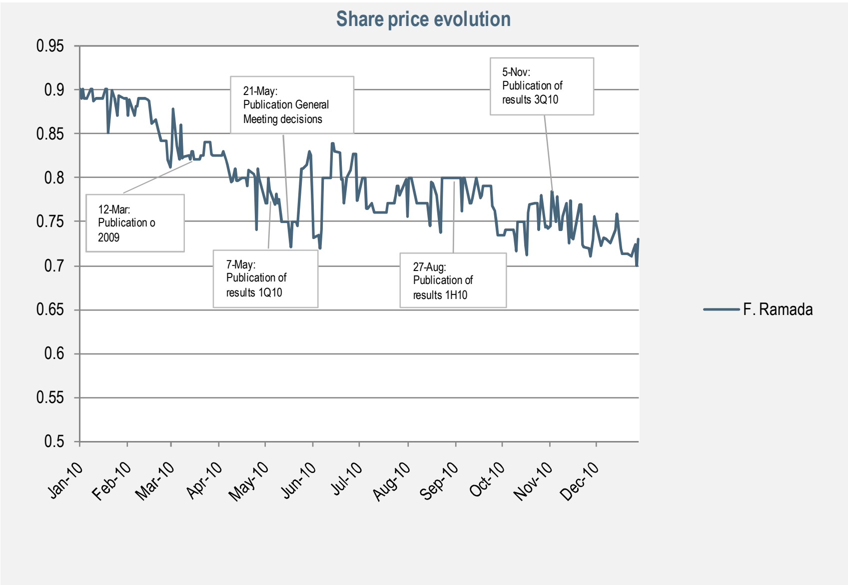
III.7. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by them.

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 2010 at 0.73 Euro/per share, representing a depreciation of 19% over 2009

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:



During 2010, F. Ramada Investimentos' shares were traded at a maximum price of 0.9 Euro per share, and the minimum of 0.7 Euro per share. In total, 1,273,802 F. Ramada Investimentos' shares were traded in 2010.

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 2010.

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

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

Relatively to financial year 2009, it was made a dividend distribution amounting to 1,538,488 Euro, corresponding to a dividend of 0.06 Euro per share.

Regarding financial year 2010, the Board of Directors proposes a dividend distribution amounting to 0.07 Euro per share, equivalent to a total amount of 1,794,902 Euro.

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 2010, there were no businesses or significant transactions between the Company and members of its corporate bodies (administration and supervision), owners of qualifying holdings or entities with whom they are in any relationship, under Article 20 of the Securities Code, outside normal market conditions.

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

During the year 2010, 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 2010, there were no transactions between the Company and owners of qualifying holdings or entities with who they are in any domain or group relationship.

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

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

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

The Company has an Investor Support Cabinet. The investor relations are performed by Dr. 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
Tel: 22 8346502
Fax: 22 8346503
Email: adilia.miranda@ramadainvestimentos.pt

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

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

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

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

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

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

Compensation paid to F. Ramada Investimentos Group auditors and other single persons or companies belonging to the same network, by the companies in a control or group relationships, for the year 2010, amounted to 159,465 Euro and are detailed as follows:

	2010
Statutory Audit Services	78%
Other assurance services	22%

In 2010, the fees charged by Deloitte to F. Ramada Investimentos group represented less than 1% of the total annual turnover of Deloitte in Portugal. The quality system of the External Auditor controls and monitors the potential risks of loss of independence and possible conflicts of interest with F. Ramada Investimentos.

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

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

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

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

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

The functions of the External Auditor and Statutory Auditor of F. Ramada Investimentos are currently performed by Deloitte & Associados, SROC S.A., represented by António Manuel Amaral Martins, and are in its first mandate (period 2008/2010).

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

The proposal for the reappointment of the External Auditor shall contain an assessment of the conditions of independence and the costs and benefits of their replacement.

LEGAL MATTERS

Own Shares

Pursuant to the requirements of article 66 of the Commercial Companies' Code (Código das Sociedades Comerciais), the Directors inform that as of 31 December 2010 F. Ramada Investimentos had no treasury stock and did not acquire or sell any own shares during the year.

Shares held by the governing bodies of F. Ramada Investimentos

Pursuant to the requirements of article 447 of the Commercial Companies' Code, the F. Ramada Investimentos Directors inform that, as of 31 December 2010, they held the following shares:

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

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

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

As of 31 December 2010, the Statutory Auditor, the members of the Statutory Audit Board and the members of the Board of the General Shareholders' Meeting held no shares of F. Ramada Investimentos.

Participation in the Company's share capital

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

Exceeding 2% of the voting rights	Ner of shares held	Direct % of the voting rights
Pedro Miguel Matos Borges de Oliveira	1,232,072	4.80%

Exceeding 5% of the voting rights	Ner of shares held	Direct % of the voting rights
Bestinver Gestión, SGIIC, S.A.	2,287,650	8.92%
PROMENDO - SGPS, S.A. (a)	2,040,500	7.96%
Domingos José Vieira de Matos	1,782,355	6.95%
Paulo Jorge dos Santos Fernandes	1,742,022	6.79%
Ana Rebelo Mendonça Fernandes (b)	1,670,472	6.51%
Credit Suisse AG	1,486,016	5.80%

(a) the 2,040,500 shares of F. Ramada - Investimentos, SGPS, S.A. held by PROMENDO – SGPS, S.A., are, in legal terms, attributable to Ana Rebelo Mendonça Fernandes, shareholder and Director of the company, holding 59.6% of its share capital.

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

Exceeding 10% of the voting rights	Ner of shares held	Direct % of the voting rights
CADERNO AZUL - SGPS, S.A. (a)	3,123,412	12.18%

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

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

DECLARATION OF RESPONSABILITY

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

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

CLOSING REMARKS

We don't want to conclude without thanking the External Auditor for the advice and assistance provided during 2010 and to the Statutory Audit Board by the continued monitoring of our operations.

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

Finally, we would like to express our gratitude to all our employees, who demonstrated a remarkable capacity for innovation, flexibility and whose efforts and dedication are the foundation of our continued success.

Oporto, 15 April 2011

The Board of Directors

João Manuel Matos Borges de Oliveira – President

Paulo Jorge dos Santos Fernandes

Domingos José Vieira de Matos

Pedro Miguel Matos Borges de Oliveira

Pedro Macedo Pinto de Mendonça

Ana Rebelo de Carvalho Meneres de Mendonça Mariz Fernandes

APPENDIX I

1. Board of Directors

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

João Manuel Matos Borges de Oliveira

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

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

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

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

The other companies where he carries out management functions as of 31 December 2010 are as follows:

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

- Torres da Luz – Investimentos imobiliários, S.A. (a)
- Universal Afir – Aços Especiais e Ferramentas, S.A.
- Zon Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. (a)

a) – Companies that, as of 31 December 2010 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Paulo Jorge dos Santos Fernandes

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

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

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

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

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

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

The other companies where he carries out management functions as of 31 December 2010 are as follows:

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

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

(a) – Companies that, as of 31 December 2010 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), and has been directly involved in the Group's management since its incorporation. 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 2010 are:

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

a) – Companies that, as of 31 December 2010 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 2010 are as follows:

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

(a) – Companies that, as of 31 December 2010 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 and in 1999 he attended the MBA Executive in Escuela Superior de Administración y Dirección de Empresas (ESADE), ending it in 2000.

He was appointed as Director of the Company since May 2009 for the remaining period of 2008/2010.

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.

The other companies where he carries out management functions as of 31 December 2010 are as follows:

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

(a) – Companies that, as of 31 December 2010 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Ana Rebelo de Carvalho Menéres de Mendonça Mariz Fernandes

Has a Degree in Economics by Universidade Católica Portuguesa in Lisbon, having been appointed as Director of the Company since May 2009 for the remaining of the period 2008/ 2010.

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 2010 are as follows:

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

(a) – Companies that, as of 31 December 2010 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

2. Statutory Audit Board

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

João da Silva Natária

Academic curriculum:

Degree in Law by the University of Lisbon

Professional Experience:

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

Other positions:

President of the Statutory Audit Board of Altri, SGPS, S.A. (a)
President of the Statutory Audit Board of Cofina, SGPS, S.A. (a)
President of the Statutory Audit Board of Celulose do Caima, SGPS, S.A. (a)
President of the Statutory Audit Board of Celulose da Beira Industrial (Celbi), 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 2010 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Cristina Isabel Linhares Fernandes

Academic curriculum:

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

Professional Experience:

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

Other positions:

Member of the Statutory Audit Board of Altri, SGPS, S.A. (a)
Member of the Statutory Audit Board of Cofina, SGPS, S.A. (a)
Member of the Statutory Audit Board of Celulose do Caima, SGPS, S.A. (a)
Member of the Statutory Audit Board of Celulose da Beira Industrial (Celbi), S.A. (a)
Statutory Auditor of Sociedade Comercial de Plásticos Chemieuro Unipessoal Lda. (a)

(a) – Companies that, as of 31 December 2010 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Other past positions:

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

Manuel Tiago Alves Baldaque de Marinho Fernandes

Academic curriculum:

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

Professional Experience:

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

Other positions:

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

(a) – Companies that, as of 31 December 2010 cannot be considered to be part of F. Ramada Investimentos, S.G.P.S., S.A Group.

Other positions:

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

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

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

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

Date	Nature	Volume	Price (€)	Place	Number of shares	
31/Dec/09	-	-	-	-	3,123,142	31/Dec/10

Paulo Jorge dos Santos Fernandes

Date	Nature	Volume	Price (€)	Place	Number of shares	
31/Dec/09	-	-	-	-	1,742,022	31/Dec/10

Domingos José Vieira de Matos

Date	Nature	Volume	Price (€)	Place	Number of shares	
31/Dec/09	-	-	-	-	1,782,355	31/Dec/10

Pedro Miguel Matos Borges de Oliveira

Date	Nature	Volume	Price (€)	Place	Number of shares	
31/Dec/09	-	-	-	-	1,232,072	31/Dec/10

Ana Rebelo Mendonça Fernandes

Date	Nature	Volume	Price (€)	Place	Number of shares	
31/Dec/09	-	-	-	-	1,670,472	31/Dec/10

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

Date	Nature	Volume	Price (€)	Place	Number of shares	
31/Dec/09	-	-	-	-	2,040,500	31-Dec-10

Pedro Macedo Pinto de Mendonça

Date	Nature	Volume	Price (€)	Place	Number of shares	
31/Dec/09	-	-	-	-	213,125	31/Dec/10

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

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

Oporto, 15 April 2011

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

Paulo Jorge dos Santos Fernandes
Member of the Board of Directors

Domingos José Vieira de Matos
Member of the Board of Directors

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

Pedro Macedo Pinto de Mendonça
Member of the Board of Directors

Ana Rebelo Mendonça Fernandes
Member of the Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2010 AND 2009
(Translation of financial statements originally issued in Portuguese - Note 37)
(Amounts expressed in Euro)

ASSETS	Notes	31.12.2010	31.12.2009
NON CURRENT ASSETS:			
Investment properties	7	81 721 677	79 117 699
Tangible assets	8	5 330 042	6 248 361
Intangible assets	9	90 558	149 655
Other non current assets	10	-	-
Investments available for sale	4 and 6	5 113 284	5 094 428
Deferred tax assets	11	2 098 395	3 112 579
Derivatives	6 and 12	-	157 685
Total non current assets		94 353 956	93 880 407
CURRENT ASSETS:			
Inventories	13	22 473 598	17 021 978
Customers	6 and 14	35 683 381	31 677 758
State and other public entities	6 and 15	143 814	785 112
Other debtors	6 and 16	5 559 626	552 254
Other current assets	6	1 182 726	174 081
Cash and cash equivalents	6 and 17	26 730 301	14 677 325
		91 773 446	64 888 508
Non current assets held for sale	18	-	2 217 218
Total current assets		91 773 446	67 105 726
Total assets		186 127 402	160 986 133
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS:			
Share capital	19	25 641 459	25 641 459
Legal reserve	19	4 971 340	4 053 661
Monetary conversion reserves	19	(740 175)	(845 622)
Other reserves	19	10 183 019	10 905 212
Consolidated net profit for the year		5 113 696	1 849 872
Total shareholders' funds attributable to the parent company shareholders		45 169 339	41 604 582
Non-controlling interests		-	-
Total Shareholders' funds		45 169 339	41 604 582
LIABILITIES:			
NON CURRENT LIABILITIES			
Bank loans	6 and 20	57 387 674	61 577 747
Other non current creditors	6 and 21	108 710	139 569
Provisions	26	332 102	192 507
Derivatives	6 and 12	438 257	-
Deferred tax liabilities	11	94 519	159 375
Total non current liabilities		58 361 262	62 069 198
CURRENT LIABILITIES:			
Bank loans	6 and 20	14 885 754	4 497 768
Other loans	6 and 20	32 190 638	28 369 175
Suppliers	6 and 22	18 535 203	11 842 259
State and other public entities	6 and 15	3 874 724	2 853 575
Other creditors	6 and 23	3 445 059	2 151 054
Other current liabilities	6 and 25	9 665 423	7 598 522
Total current liabilities		82 596 801	57 312 353
Total Shareholders' funds and liabilities		186 127 402	160 986 133

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

The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE
FOR THE YEARS ENDED AS OF 31 DECEMBER 2010 AND 2009
(Translation of financial statements originally issued in Portuguese - Note 37)
(Amounts expressed in Euro)

	Notes	31.12.2010	31.12.2009
Sales	32	80 769 139	87 181 580
Services rendered	32	9 716 650	9 900 313
Other income	30	963 639	799 165
Cost of sales and changes in stocks of finished goods and work in progress	13	(50 356 254)	(55 125 200)
External supplies and services		(15 154 842)	(15 113 887)
Payroll expenses		(11 702 469)	(13 174 593)
Amortization and depreciation	8 and 9	(1 380 645)	(1 639 379)
Provisions and impairment losses	26	(765 772)	(4 891 182)
Other expenses		(1 252 686)	(868 538)
Gains / (Losses) in derivatives	12	(938 357)	-
Financial expenses	28	(2 664 880)	(5 202 376)
Financial income	28	123 693	765 455
Profit before income tax		7 357 216	2 631 358
Income tax	11	(2 243 520)	(781 486)
Consolidated net profit		5 113 696	1 849 872
Attributable to:			
Parent company's shareholders		5 113 696	1 849 872
Earnings per share:			
Basic	31	0.20	0.07
Diluted	31	0.20	0.07

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 2010 AND 2009
(Translation of financial statements originally issued in Portuguese - Note 37)
(Amounts expressed in Euro)

	31.12.2010	31.12.2009
Net consolidated profit for the year	5 113 696	1 849 872
Exchange differences arising on translation of foreign operations	105 447	199 420
Change in fair value of cash flow hedging instruments	(115 898)	115 898
Other comprehensive income for the year	(10 451)	315 318
Total comprehensive income for the year	5 103 245	2 165 190
Attributable to:		
Parent company´s shareholders	5 103 245	2 165 190
Non-controlling interests	-	-

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

The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' FUNDS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009
(Translation of financial statements originally issued in Portuguese - Note 37)
(Amounts expressed in Euro)

	Atributable to the parent company´s Shareholders					
	Share capital	Legal reserve	Monetary conversion reserves	Other reserves and retained earnings	Net profit	Total Shareholder's funds
Balance as of 1 January 2009	25 641 459	3 849 956	(1 045 042)	8 270 000	2 723 016	39 439 389
Total comprehensive consolidated income for the year	-	-	199 420	115 898	1 849 872	2 165 190
Appropriation of the consolidated net profit for 2008:						
Transfer to legal reserve and other reserves	-	203 705	-	2 519 311	(2 723 016)	-
Change in reserves:						
Others	-	-	-	3	-	3
Balance as of 31 December 2009	25 641 459	4 053 661	(845 622)	10 905 212	1 849 872	41 604 582
Balance as of 1 January 2010	25 641 459	4 053 661	(845 622)	10 905 212	1 849 872	41 604 582
Total comprehensive consolidated income for the year	-	-	105 447	(115 898)	5 113 696	5 103 245
Appropriation of the consolidated net profit for 2009:						
Transfer to legal reserve and other reserves	-	917 679	-	932 193	(1 849 872)	-
Dividends	-	-	-	(1 538 488)	-	(1 538 488)
Balance as of 31 December 2010	25 641 459	4 971 340	(740 175)	10 183 019	5 113 696	45 169 339

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

The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009
(Translation of financial statements originally issued in Portuguese - Note 37)
(Amounts expressed in Euro)

	Notes	31.12.2010		31.12.2009	
Operating activities:					
Collections from customers		104 484 477		106 531 178	
Payments to suppliers		(68 802 320)		(55 515 128)	
Payments to personnel		(9 166 545)	26 515 612	(10 778 695)	40 237 355
Other collections/payments relating to operating activities		(14 659 872)		(9 750 816)	
Corporate income tax		(141 897)	(14 801 769)	(302 945)	(10 053 761)
Cash flow from operating activities (1)			11 713 843		30 183 594
Investment activities:					
Collections relating to:					
Investments	35	5 000		-	
Tangible assets		-		70 513	
Interest and similar income		41 363	46 363	802 814	873 327
Payments relating to:					
Investments	35	(9 500)		(5 073 000)	
Intangible assets		(958)		(1 021)	
Tangible assets		(561 892)		(748 374)	
Loans		(3 000 000)	(3 572 350)	-	(5 822 395)
Cash flow from investment activities (2)			(3 525 987)		(4 949 068)
Financing activities:					
Collections relating to:					
Investment subsidies		-		5 705	
Loans obtained		12 723 963	12 723 963	1 000 000	1 005 705
Payments relating to:					
Lease contracts		(38 453)		(37 503)	
Interest and similar costs		(4 623 475)		(5 853 382)	
Dividends		(1 538 488)		-	
Loans obtained		(4 702 088)	(10 902 504)	(17 712 760)	(23 603 645)
Cash flow from financing activities (3)			1 821 459		(22 597 940)
Cash and cash equivalents at the beginning of the year	17		9 870 266		7 161 564
Effect of exchange rate changes			46 161		72 116
Variation of cash and cash equivalents: (1)+(2)+(3)			10 009 315		2 636 586
Cash and cash equivalents at the end of the year	17		19 925 742		9 870 266

The accompanying notes form an integral part of the consolidated statement of cash flows for the year ended as of 31 December 2010.

The Chartered Accountant

The Board of Directors

1. INTRODUCTORY NOTE

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

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

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

The demerger public deed was signed as of 16 April 2008, the registration in the commercial register took place as of 18 April 2008 and the relevant date for the production of accounting effects of this operation was 1 June 2008.

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

As of 31 December 2010, 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. MAIN ACCOUNTING POLICIES

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

2.1 BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared from the books and accounting records of the Company and its subsidiaries included in consolidation on a going concern basis, maintained in accordance with the accounting principles generally accepted in Portugal and in countries in which each entity is operating, adjusted in consolidation so that the consolidated financial statements comply with International Financial Reporting Standards as adopted by the European Union, effective for financial years beginning on 1 January 2010. These rules are part of the International Financial Reporting Standards (IFRS - International Financial Reporting Standards) issued by the International Accounting Standard Board ("IASB"), the International Accounting Standards ("IAS"), issued, by the International Accounting Standards Committee ("IASC") and their respective interpretations - IFRIC and SIC, issued, respectively, by the International Financial Reporting Interpretation Committee ("IFRIC") and by the Standing Interpretation Committee (SIC), which have been adopted by the European Union. From now on, all those standards and interpretations will generally be referred as "IAS / IFRS".

The interim financial statements were presented on a quarterly basis in accordance with IAS 34 - "Interim Financial Reporting".

During the year 2010, no changes occurred in relation to the accounting policies presented in the consolidated financial statements as of 31 December 2009.

(Amounts expressed in Euro)

The following standards, interpretations, amendments and revisions approved ("endorsed") by the European Union and enforceable in the financial years starting on or after 1 January 2010, have been adopted or implemented by the F. Ramada Group for the first time in the year ended as of 31 December 2010:

Standard/Interpretation	Effective date (annual periods beginning on or after)	
IFRS 3 – Business combinations / IAS 27 – Consolidated and Separate Financial Statements (2008 revision)	1-Jul-09	This revision brings some changes on the accounting of business combinations, namely in what refers to: (a) the measurement of non-controlling interests (previously known as minority interests); (b) the recognition and subsequent measurement of contingent consideration; (c) the treatment of acquisition-related costs; (d) the accounting of the acquisition of equity interests on already controlled subsidiaries, and of the disposal of equity interests without the loss of control; and (e) the calculation of the gain or loss on the disposal of a controlling interest, and the need for the re-measurement of the residual interest of the disposed investment.
IAS 28 – Investments in associates (2008 revision)	1-Jul-09	The above described principles, and adopted to IAS 27 (2008), in relation to the calculation of the gain or loss on the disposal, are extended to IAS 28.
IFRS 1 revision – First time adoption of IFRS	1-Jan-10	This standard was revised to consolidate the various amendments that have occurred since the release of the first version.
IFRS 1 – Amendments (additional exemptions)	1-Jan-10	This amendment includes additional exemptions in retrospective application, namely in relation to mineral resources exploration, decommissioning liabilities and in the application of the IFRIC 4's requirements.
IFRS 2 – Amendment (Accounting for group cash-settled share-based payment transactions)	1-Jan-10	This amendment clarifies how an individual subsidiary in a group should account for some share-based payment arrangements in its own financial statements.
IFRIC 12 - Service concession agreements	1-Jan-10	This interpretation introduces rules on recognition and measurement by the private operator involved in the provision of infrastructure construction and operating under public-private partnership concessions.
IFRIC 15 – Agreements for the construction of real estate	1-Jan-10	This interpretation establishes the way to assess whether a construction agreement for property is within the scope of IAS 11 – Construction Contracts or in the scope of IAS 18 – Revenue, and how the corresponding revenue should be recognized.
IFRIC 16 – Hedges of a net investment in a foreign operation unit	1-Jul-09	This interpretation provides guidance on hedge accounting for net investments in foreign operations.

(Amounts expressed in Euro)

Standard/Interpretation	Effective date (annual periods beginning on or after)	
IFRIC 17 – Distribution of non-cash assets to owners	1-Jul-09	This interpretation provides guidance on the proper accounting for assets other than cash distributed to Shareholders as dividends.
IFRIC 18 – Transfer of assets from customers	1-Jul-09	This interpretation provides guidance on accounting, by the operators, of tangible assets "belonging to the customers".
Improvements to IFRSs – 2009	Various (usually 1-Jan-10)	This process included the revision of 12 accounting standards.
Amendments to IAS 39 – Financial instruments: recognition and measurement - Eligible hedged items	1-Jul-09	Clarifies the use of hedge accounting on the inflation component of financial instruments, and on option agreements, when used as hedge instruments.

The effect in the financial statements of the Group for the year ended as of 31 December 2010, due to the adoption of the standards, interpretations, amendments and revisions mentioned above has not been significant.

The following standards, interpretations, amendments and revisions, with mandatory application in future years, were, until the approval date of the accompanying financial statements, endorsed by the European Union:

Standard/Interpretation	Effective date (annual periods beginning on or after)	
IAS 24 - Related Party Disclosures (revision)	1-Jan-11	This revision brings some clarifications related with related party disclosures, particularly in environments where government control is pervasive.
IFRS 1 - Amendment (Limited exemption from comparative IFRS 7 disclosures for first-time adopters)	1-Jul-10	This amendment simplifies the comparative disclosure requirements related with financial instruments for IFRS first-time adopters.
IAS 32 – Amendments (Classification of issuing rights)	1-Fev-10	This amendment clarifies in what conditions issued rights can be classified as equity instruments.
IFRIC 14 – Amendments (Voluntary pre-paid contributions)	1-Jan-11	This amendment eliminates an unintended consequence resulting from the treatment of prepayment of future contributions, in conditions where a minimum funding is required.
IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments	1-Jul-10	This interpretation gives orientations regarding the accounting of transactions where the terms of a financial liability are renegotiated and result in the issuance of equity instruments in favour of the entity's creditor, thus resulting in the extinction of all or part of that financial liability.

These standards although approved ("endorsed") by the European Union, were not adopted by the F. Ramada Group in the year ended as of 31 December 2009, given that its application is not yet binding. No estimated significant impacts on the financial statements resulting from its adoption are expected.

The accounting policies adopted in the preparation of the consolidated financial statements of the Group as of 31 December 2010 are consistent with those used in the preparation of the financial statements presented for the year ended as of 31 December 2009.

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

All the estimates and assumptions made by the Board of Directors were made on the basis of its better existing knowledge, as of the date of approval of the financial statements, of the events and transactions in course. However, situations may occur in subsequent periods which are not foreseeable as of the financial statements date of approval, and were not considered in these estimates. Changes to the estimates that occur after the date of the financial statements will be corrected prospectively. For this reason and given the degree of uncertainty, actual results of the transactions in question may differ from the corresponding estimates.

The attached consolidated financial statements were prepared for appreciation and approval by the General Shareholder's Meeting. The Board of Directors believes that those, financial statements will be approved without changes.

2.2 CONSOLIDATION POLICIES

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

a) Investments in group companies

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

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

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

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

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

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

b) Investments in associated companies

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

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

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

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

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

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

c) Goodwill

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

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

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

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

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

Until 1 January 2004, Goodwill was amortized during the estimated timeframe to recover the investment, and amortizations accounted for in the statement of profit and loss under "Amortization and depreciation". As from 1 January 2004 and, in accordance with IFRS 3 – "Business combinations", the Group suspended the amortization of Goodwill, pursuing impairment tests.

Each year, and with reference to the closing date, F. Ramada performs formal impairment tests. Whenever the recorded amount of the goodwill is above its recoverable amount, an impairment loss is recorded, booked in the income statement under the caption "Other expenses". The recoverable amount is the higher between the net selling price and the value in use. The net selling price is the amount obtainable from the sale of the asset in an arm's length transaction accessible to independent parts and the value in use is the estimated future cash that is expected to arise from the continuing use of the asset and its disposal at the end of its useful life. The recoverable amount is estimated for each asset individually or, if not possible, for the cash-generating unit to which the asset belongs.

Impairment losses on 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 and associated companies included in the consolidated financial statements are as follows:

	Sterling pound (GBP)	
	Closing exchange rate	Average exchange rate
31.12.2010	1.16178	1.16571
31.12.2009	1.12600	1.12241

2.3 MAIN ACCOUNTING POLICIES

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

a) Intangible assets

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

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

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

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

b) Tangible assets

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

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

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

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

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

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

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

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

c) Lease contracts

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

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

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

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

d) Government subsidies

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

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

e) Impairment of assets, except for goodwill

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

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

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

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

f) Borrowing costs

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

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

g) Inventories

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

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

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

h) Provisions

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

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

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

i) Financial instruments

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

i) Investments

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

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

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

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

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

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

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

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

ii) Accounts receivable

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

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

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

iii) Loans

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

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

iv) Accounts payable and other debts to third parties

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

v) Derivative financial instruments

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

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

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

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

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

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

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

vi) Financial liabilities and Equity instruments

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

vii) Own shares

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

viii) Discounted bills and accounts receivable transferred to factoring companies

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

Consequently, the customers balances secured by non outstanding discounted bills and accounts assigned under factoring arrangements as of the balance sheet date, with the exception of the nonappealing 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 "Finished contract method", under which production costs and income are only recorded at the end of the project. As such, production costs incurred on work in progress remain recorded as deferred costs under the caption "Other current assets" and "Inventories", and the anticipated

invoicing for those same projects are recorded as deferred income under the caption “Other current liabilities”.
It is the Board of Directors belief, given the nature and deadlines for implementing these works, that this method does not differ significantly from the percentage of completion method.

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

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

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

m) Investment properties

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

n) Non-current assets held for sale

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

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

o) Balances and transactions expressed in foreign currencies

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

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

p) Subsequent events

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

q) Segment information

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

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

r) Cash flows statement

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

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

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

s) Judgements and estimates

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

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

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

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

2.4 FINANCIAL RISK MANAGEMENT

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

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

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

a) Market risk

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

i) Interest rate risk

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

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

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

- For each derivative or hedging instrument used to protect the risk associated with a particular funding, there is coincidence between the dates of the flow of interests paid on loans to be hedged and the dates of liquidation under the hedging instruments;
- Perfect equivalence between the base rates: the indexing used in derivative or hedging instrument should be the same as that applicable to the financing or transaction that is being covered, and

(Amounts expressed in Euro)

- 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 2009.

Thus, during the years ended as of 31 December 2010 and 2009, the Group's sensitivity to changes in the interest rate indexing resulting from an increase / decrease by 100 basis points, measured as the change in financial results, can be analyzed as follows, not considering the effect of the hedging of financial derivatives (Note 12):

	2010	2009
Interests (Note 28)	2,241,188	3,932,561
Positive change of 100 basis points in interest rate on the entire indebtedness	(896,000)	(946,000)
Negative change of 100 basis points in interest rate on the entire indebtedness	896,000	946,000

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

Likewise, as of 31 December 2010 and 2009, considering the aforementioned changes in interest rate by 100 basis points, the sensitivity of the Group in relation to hedging derivative financial instruments (Note 12) can be analyzed as follows:

(Amounts expressed in Euro)

	2010	2009
Positive change of 100 basis points in interest rate applied to hedging financial instruments held	955,000	1,757,000
Negative change of 100 basis points in interest rate applied to hedging financial instruments held	(712,000)	(1,437,000)

ii) Exchange rate risk

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

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

Assets and liabilities in Sterling Pounds are as follows:

	31.12.2010	31.12.2009
Assets	6,234,994	5,188,157
Liabilities	(2,287,505)	(1,869,571)
	3,947,489	3,318,586

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

iii) Variability risk on *commodities*' prices

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

b) Credit risk

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

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

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

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

(Amounts expressed in Euro)

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

c) Liquidity risk

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

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

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

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

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

4. INVESTMENTS

The companies included in the consolidated financial statements by the full consolidation method, its headquarters, percentage of participation held and main activity as of 31 December 2010, are as follows:

Designation	Headquarters	Percentage of participation held	Activity
Parent company:			
F. Ramada Investimentos, SGPS, S.A.	Oporto		Investment management
F. Ramada Group			
F. Ramada, Aços e Indústrias, S.A.	Ovar	100%	Steel commercialization
Universal Afir – Aços Especiais e Ferramentas, S.A.	Oporto	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).

(Amounts expressed in Euro)

As of 31 December 2010 and 2009 the caption "Investments available for sale" and respective impairment losses can be detailed as follows:

	31.12.2010	31.12.2009
Gross book value	5,251,809	5,185,314
Accumulated impairment losses (Note 26)	(138,525)	(90,886)
	5,113,284	5,094,428

As of 31 December 2010 and 2009, 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 17.24%.

Additionally, during 2010, F. Ramada Investimentos, SGPS, S.A. acquired a participation of 15% in the equity of Consumo em Verde – Biotecnologia das Plantas, S.A..

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 2010 and 2009 no changes in the Group's consolidation perimeter occurred.

6. FINANCIAL INSTRUMENTS

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

Financial assets

31 December 2010	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	-	5,113,284	-	5,113,284	-	5,113,284
		-	5,113,284	-	5,113,284	-	5,113,284
Current assets							
Customers	14	35,683,381	-	-	35,683,381	-	35,683,381
State and other public entities	15	-	-	-	-	143,814	143,814
Other debtors	16	5,559,626	-	-	5,559,626	-	5,559,626
Other current assets		-	-	-	-	1,182,726	1,182,726
Cash and cash equivalents	17	26,730,301	-	-	26,730,301	-	26,730,301
		67,973,308	-	-	67,973,308	1,326,540	69,299,848
		67,973,308	5,113,284	-	73,086,592	1,326,540	74,413,132

31 December 2009	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	-	5,094,428	-	5,094,428	-	5,094,428
Derivatives	12	-	-	157,685	157,685	-	157,685
		-	5,094,428	157,685	5,252,113	-	5,252,113
Current assets							
Customers	14	31,677,758	-	-	31,677,758	-	31,677,758
State and other public entities	15	-	-	-	-	785,112	785,112
Other debtors	16	552,254	-	-	552,254	-	552,254
Other current assets		-	-	-	-	174,081	174,081
Cash and cash equivalents	17	14,677,325	-	-	14,677,325	-	14,677,325
		46,907,337	-	-	46,907,337	959,193	47,866,530
		46,907,337	5,094,428	157,685	52,159,450	959,193	53,118,643

(Amounts expressed in Euro)

Financial liabilities

31 December 2010	Note	Liabilities recorded at fair value through profit and loss	Derivatives	Other financial liabilities	Sub-total	Liabilitites out of scope of IFRS 7	Total
Non-current liabilities							
Bank loans	20	-	-	57,387,674	57,387,674	-	57,387,674
Other non-current creditors	21	-	-	108,710	108,710	-	108,710
Derivatives	12	-	438,257	-	438,257	-	438,257
		-	438,257	57,496,384	57,934,641	-	57,934,641
Current liabilities							
Bank loans	20	-	-	14,885,754	14,885,754	-	14,885,754
Other loans	20	-	-	32,190,638	32,190,638	-	32,190,638
Suppliers	22	-	-	18,535,203	18,535,203	-	18,535,203
State and other public entities	15	-	-	-	-	3,874,724	3,874,724
Other current creditors	23	-	-	3,445,059	3,445,059	-	3,445,059
Other current liabilities	25	-	-	-	-	9,665,423	9,665,423
		-	-	69,056,654	69,056,654	13,540,147	82,596,801
		-	438,257	126,553,038	126,991,295	13,540,147	140,531,442

31 December 2009	Note	Liabilities recorded at fair value through profit and loss	Derivatives	Other financial liabilities	Sub-total	Liabilitites out of scope of IFRS 7	Total
Non-current liabilities							
Bank loans	20	-	-	61,577,747	61,577,747	-	61,577,747
Other non-current creditors	21	-	-	139,569	139,569	-	139,569
		-	-	61,717,316	61,717,316	-	61,717,316
Current liabilities							
Bank loans	20	-	-	4,497,768	4,497,768	-	4,497,768
Other loans	20	-	-	28,369,175	28,369,175	-	28,369,175
Suppliers	22	-	-	11,842,259	11,842,259	-	11,842,259
State and other public entities	15	-	-	-	-	2,853,575	2,853,575
Other current creditors	23	-	-	2,151,054	2,151,054	-	2,151,054
Other current liabilities	25	-	-	-	-	7,598,522	7,598,522
		-	-	46,860,256	46,860,256	10,452,097	57,312,353
		-	-	108,577,572	108,577,572	10,452,097	119,029,669

7. INVESTMENT PROPERTIES

Investment properties held by F. Ramada Group relate to land rented to third parties under operational lease. These contracts, signed in 2007 and 2008, have an average length of 20 years, with the possibility of an additional period of 10 years if certain events occur. Investment properties are measured at acquisition cost. The movement occurred in this caption during the years ended as of 31 December 2010 and 2009 is as follows:

	31.12.2010	31.12.2009
Opening balance	79,117,699	78,757,874
Aquisitions	2,648,401	693,000
Disposals	(44,423)	(333,175)
Closing balance	81,721,677	79,117,699

The rented land generated, during the year ended as of 31 December 2010, income amounting, to approximately, 5,720,000 Euro (approximately 5,650,000 Euro in 2009).

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

Part of the land (amounting to, approximately, 70 million Euros) is given as collateral for certain borrowings.

(Amounts expressed in Euro)

8. TANGIBLE ASSETS

During the years ended as of 31 December 2010 and 2009, the movement occurred in tangible assets and the corresponding accumulated depreciation and impairment losses, was as follows:

2010

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

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

2009

	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	13.270.428	24.928.352	3.819.031	848.635	3.372.292	258.131	130.064	47.764.814
Exchange rate variation (Note 2.2.d)	-	4.356	6.694	-	1.029	7.871	-	-	19.950
Additions	-	-	36.096	68.906	19.711	66.893	9.963	141.668	343.237
Disposals	-	-	(28.131)	(211.131)	-	(20.152)	-	-	(259.414)
Transfers and write-offs	-	(8.824)	-	-	-	103.339	(104.625)	-	(10.110)
Closing balance	1.137.881	13.265.960	24.943.011	3.676.806	869.375	3.530.243	163.469	271.732	47.858.477

	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	-	9.683.575	23.008.883	3.423.794	770.663	3.200.412	190.456	-	40.277.783
Exchange rate variation (Note 2.2.d)	-	1.135	4.915	-	589	6.593	-	-	13.232
Additions	-	442.920	786.617	177.484	33.751	125.899	2.323	-	1.568.994
Disposals	-	(732)	(27.399)	(191.825)	-	(20.148)	-	-	(240.104)
Transfers and write-offs	-	(6.712)	-	-	-	67.846	(70.923)	-	(9.789)
Closing balance	-	10.120.186	23.773.016	3.409.453	805.003	3.380.602	121.856	-	41.610.116
	1.137.881	3.145.774	1.169.995	267.353	64.372	149.641	41.613	271.732	6.248.361

The net value of tangible assets acquired under financial lease operations, as of 31 December 2010 and 2009, can be detailed as follows:

	2010			2009		
	Groos assets			Groos assets		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Machinery and equipment	125,000	(102,478)	22,522	1,607,354	(1,390,738)	216,616
	125,000	(102,478)	22,522	1,607,354	(1,390,738)	216,616

As of 31 December 2010 and 2009 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 2010 and 2009, the movement occurred in intangible assets and the corresponding accumulated depreciation and impairment losses, was as follows:

(Amounts expressed in Euro)

	2010	2009
	Gross assets	Gross assets
	Software	Software
Opening balance	502.581	482.849
Exchange rate variation (Note 2.2.d)	1.608	3.178
Additions	6.008	19.902
Disposals	(91.836)	(3.348)
Closing balance	418.361	502.581

	Accumulated depreciation and impairment losses	Accumulated depreciation and impairment losses
	Software	Software
Opening balance	352.926	283.070
Exchange rate variation (Note 2.2.d)	1.536	2.819
Additions	64.502	70.385
Disposals	(91.161)	(3.348)
Closing balance	327.803	352.926
	90.558	149.655

10. OTHER NON-CURRENT ASSETS

As of 31 December 2010 and 2009 the caption "Other non-current assets" can be detailed as follows:

	2010			2009		
	Gross assets	Accumulated impairment losses (Note 26)	Net value	Gross assets	Accumulated impairment losses (Note 26)	Net value
Trade receivables and other debtors	1,104,512	(1,104,512)	-	1,104,512	(1,104,512)	-
	1,104,512	(1,104,512)	-	1,104,512	(1,104,512)	-

The amount receivable results from transactions with entities that were unable to fulfil with its contractual payment obligations. This amount is fully covered by impairment losses.

11. CURRENT AND DEFERRED INCOME TAXES

In accordance with current legislation, the tax returns are subject to review and correction by the tax authorities over a period of four years (five years for Social Security), except when tax losses have occurred, tax benefits have been granted, or inspections, complaints or disputes are ongoing. In these cases, depending on the circumstances, the above referred period deadlines can be extended or suspended. Therefore, the tax returns of F. Ramada and its subsidiaries for the years 2007 to 2010 may still be subject to revision.

The Board of Directors of F. Ramada believes that any potential corrections arising from reviews/inspections of these tax returns by the tax authorities will not have a significant effect on the consolidated financial statements as of 31 December 2010 and 2009.

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 year ended as of 31 December 2010 and 2009 was as follows:

(Amounts expressed in Euro)

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

	2009	
	Deferred tax assets	Deferred tax liabilities
Balance as of 01.01.2009	2.866.688	129.155
Effects on the income statement	245.891	30.220
Balance as of 31.12.2009	3.112.579	159.375

The detail of the deferred tax assets and liabilities as of 31 December 2010 and 2009, in accordance with the nature of the timing differences that generated them, is as follow:

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

	2009	
	Deferred tax assets	Deferred tax liabilities
Temporary differences between the accounting value and the taxable value of tangible and intanglible assets	237.159	-
Provision and impairment losses not accepted for tax purposes	2.863.372	-
Reinvested capital gains	-	47.099
Amortizations not accepted for tax purposes	-	70.489
Fair value of derivative instruments (Note 12)	-	41.787
Others	12.048	-
	3.112.579	159.375

Current taxes

Income taxes recorded in the income statements during the years ended as of 31 December 2010 and 2009 are detailed as follows:

	2010	2009
Current tax:		
Income tax for the year	1.300.027	1.031.870
Correction to prior years income tax estimates	(5.835)	(34.713)
Deferred tax	949.328	(215.671)
	2.243.520	781.486

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

(Amounts expressed in Euro)

	2010	2009
Profit before income tax	7,357,216	2,631,358
Income tax rate	25.0%	25.0%
	1,839,304	657,840
Local Tax	88,191	44,089
Local Tax Surplus	35,298	-
Autonomous tax	79,513	82,992
Correction of previous years income tax estimates	(5,835)	(34,713)
Other costs not accepted for tax purposes (adjustments and depreciations)	206,901	232,361
Other income not accepted for tax purposes (reversal of adjustments)	(1,121,103)	-
Others	171,923	14,588
Deferred tax	949,328	(215,671)
Income tax	2,243,520	781,486

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 2010.

12. DERIVATIVE FINANCIAL INVESTMENTS

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

Derivative financial instruments recorded in the financial statements as of 31 December 2010 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 2010 and 2009 can be presented as follows:

	2010	2009
Opening balance	157,685	-
Increases / (decreases)	(595,942)	157,685
Closing balance	(438,257)	157,685

As of 31 December 2010 the Company had engaged in several financial instruments contracts to hedge interest rate (basically denominated "IRS" and "CPC"), which have maturities ranging from 2011 to 2016 and whose market value, based on an evaluation of external financial entities, amounted to (438,257) Euro as of 31 December 2010.

In addition to the change in fair value of derivative instruments occurred in 2010, the income statement for the year ended as of 31 December 2010 also includes the amount of interest incurred by the Group related to these derivatives instruments. Thus, the amount recorded in the income statement for the year ended as of that date related with derivatives amounted to (938,357) Euro.

13. INVENTORIES

As of 31 December 2010 and 2009 the caption "Inventories" was made up as follows:

(Amounts expressed in Euro)

	2010	2009
Merchandise	12,104,817	8,300,456
Raw, subsidiary and consumable materials	4,302,690	3,714,897
Sub-products	14	33
Finished and intermediated goods	1,533,489	1,943,990
Work in progress	4,845,525	3,448,281
	22,786,535	17,407,657
Accumulated impairment losses (Note 26)	(312,937)	(385,679)
	22,473,598	17,021,978

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

	Merchandise	Raw, subsidiary and consumable materials	Sub-products	Finished and intermediated goods	Work in progress	Total
Opening balance	8,300,456	3,714,897	33	1,943,990	3,448,281	17,407,657
Exchange rate variation (Note 2.2.d)	30,278	12,475	-	-	10,177	52,930
Purcahses	22,252,463	33,128,481	-	-	-	55,380,944
Inventory adjustments	132,177	325,363	-	(167,976)	11,694	301,258
Closing inventories	(12,104,817)	(4,302,690)	(14)	(1,533,489)	(4,845,525)	(22,786,535)
	18,610,557	32,878,526	19	242,525	(1,375,373)	50,356,254

The Cost of sales and Changes in stocks of finished goods and work in progress for the year ended as of 31 December 2009 amounted to 55,125,200 Euro and was computed as follows:

	Merchandise	Raw, subsidiary and consumable materials	Sub-products	Finished and intermediated goods	Work in progress	Total
Opening balance	17,670,452	8,572,049	18	2,487,537	12,634,496	41,364,552
Exchange rate variation (Note 2.2.d)	61,326	12,801	-	-	14,264	88,391
Purcahses	5,619,692	25,639,883	-	-	-	31,259,575
Inventory adjustments	30,163	(187,366)	-	(196,307)	173,849	(179,661)
Closing inventories	(8,300,456)	(3,714,897)	(33)	(1,943,990)	(3,448,281)	(17,407,657)
	15,081,177	30,322,470	(15)	347,240	9,374,328	55,125,200

14. CUSTOMERS

As of 31 December 2010 and 2009 this caption can be detailed as follows:

	2010	2009
Customers, current account	37,146,765	35,199,582
Customers, notes receivable	3,703,918	1,293,343
Customers, doubfull accounts	18,378,081	18,545,011
	59,228,764	55,037,936
Accumulated impairment losses (Note 26)	(23,545,383)	(23,360,178)
	35,683,381	31,677,758

(Amounts expressed in Euro)

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

As of 31 December 2010 and 2009, the customers ageing balances can be detailed as follows:

	Customers - Comercial activity					
	2010			2009		
	Industry	Real estate and others	Total	Industry	Real estate and others	Total
Not due	17.269.303	10.343.207	27.612.510	12.212.115	10.076.269	22.288.384
Due, with no impairment losses						
0 - 180 days	6.594.713	-	6.594.713	7.415.081	-	7.415.081
180 - 360 days	315.924	-	315.924	933.973	-	933.973
+ 360 days	95.624	-	95.624	105.706	-	105.706
	7.006.261	-	7.006.261	8.454.760	-	8.454.760
Due, with impairment losses						
0 - 180 days	1.008.582	-	1.008.582	595.663	-	595.663
180 - 360 days	2.721	-	2.721	306.872	-	306.872
+ 360 days	53.307	-	53.307	32.079	-	32.079
	1.064.610	-	1.064.610	934.614	-	934.614
Total	25.340.174	10.343.207	35.683.381	21.601.489	10.076.269	31.677.758

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.

The amounts due with impairment losses, are adjusted in relation to its nominal value in approximately 87%, which, in accordance with the understanding of the Board of Directors, taking into consideration that most of the balances are past due to less than 180 days, is sufficient to meet the problems of realization of these assets.

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

15. STATE AND OTHER PUBLIC ENTITIES

As of 31 December 2010 and 2009 these assets and liabilities captions had the following composition:

(Amounts expressed in Euro)

	2010	2009
Assets:		
Value Added Tax	143.814	743.901
Other	-	41.211
	143.814	785.112
Liabilities		
Value Added Tax	1.924.497	1.925.117
Social Security contributions	165.719	467.191
Personal Income Tax	187.508	231.164
Corporate Income Tax	478.281	174.390
Other taxes	1.118.719	55.713
	3.874.724	2.853.575

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

As of 31 December 2010, the caption "Other taxes" includes the amount of, approximately, 954,000 Euro related with the payment of IMT - Municipal Tax on the Real Estate Transfers supported by the subsidiary F. Ramada II, Imobiliária, S.A., which concerns real estate assets (primarily land) recorded under the caption "Investment properties". As of 31 December 2009, those real estate assets did not met the necessary requirements for the incidence of that tax.

16. OTHER DEBTORS

As of 31 December 2010 and 2009 this caption can be detailed as follows:

	2010	2009
Advances to suppliers	45.476	17.679
Loans granted	3.724.092	-
Advances to fixed assets suppliers	-	19.200
Other debtors	2.252.625	571.327
	6.022.193	608.206
Accumulated impairment losses (Note 26)	(462.567)	(55.952)
	5.559.626	552.254

As of 31 December 2010, the caption "Loans granted" includes the amount of loans granted to affiliated companies recorded in the caption “Investments available for sale” (Notes 4 and 23), for which impairment losses were recorded in the year ended as of 31 December 2010, amounting to 462,567 Euro (Note 26).

As of 31 December 2010, the caption "Other debtors" includes, mainly, the amount receivable from entities within the Altri Group related with the sale, in 2010, of forestry assets which, as of 31 December 2009, were classified under the caption "Assets held for sale (Note 18).

As of 31 December 2010 and 2009, the ageing of balances of "Other debtors" can be detailed as follows:

2010	Book value	Not due	Due, with no impairment recorded			
Other debtors			0-90 days	90-180 days	+180 days	Total
Advances to suppliers	45.476	10.175	33.665	1.636	-	35.301
Loans granted	3.261.525	3.261.525	-	-	-	-
Other debtors	2.252.625	2.225.278	19.163	-	8.184	27.347
	5.559.626	5.496.978	52.828	1.636	8.184	62.648

(Amounts expressed in Euro)

2009	Book value	Not due	Due, with no impairment recorded			
Other debtors			0-90 days	90-180 days	+180 days	Total
Advances to suppliers	17.679	22	17.657	-	-	17.657
Loans granted	19.200	19.200	-	-	-	-
Other debtors	515.375	300.081	72.478	35.642	107.174	215.294
	552.254	319.303	90.135	35.642	107.174	232.951

17. CASH AND CASH EQUIVALENTS

As of 31 December 2010 and 2009 the caption “Cash and cash equivalents” included in the consolidated statement of financial position can be detailed as follows:

	2010	2009
Cash	1,572,713	17,818
Bank deposits on demand	10,157,588	14,659,507
Short term deposits convertible within 3 months	15,000,000	-
	26,730,301	14,677,325
Bank overdrafts (Note 20)	(6,804,559)	(4,807,059)
	19,925,742	9,870,266

18. NON-CURRENT ASSETS HELD FOR SALE

As of 31 December 2009 this caption included a group of forestry assets which were not related to the Company’s normal operations, and the Board of Directors intended to dispose of these assets. These assets were recorded at acquisition cost, which is lower than its realizable amount.

During 2010, those forestry assets were sold to companies of Altri Group (Note 16).

19. SHARE CAPITAL AND RESERVES

Share Capital

As of 31 December 2010 F. Ramada’s fully subscribed and paid up capital consisted of 25,641,459 shares with a nominal value of 1 Euro each. As of that date, F. Ramada Investimentos, SGPS, S.A. and its affiliates did not hold own shares.

Additionally, as of 31 December 2010 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.

20. BANK LOANS AND OTHER LOANS

As of 31 December 2010 and 2009, the captions “Bank loans” and “Other loans” can be detailed as follows:

(Amounts expressed in Euro)

	2010		2009	
	Current	Non-Current	Current	Non-Current
Bank loans	14,885,754	57,387,674	4,497,768	61,577,747
Bank loans	14,885,754	57,387,674	4,497,768	61,577,747
Commercial paper	19,000,000	-	19,000,000	-
Current account	3,500,000	-	3,100,000	-
Bank overdrafts	6,804,559	-	4,807,059	-
Factoring	2,886,079	-	1,462,116	-
Other loans	32,190,638	-	28,369,175	-
	47,076,392	57,387,674	32,866,943	61,577,747

As of 31 December 2010 and 2009 there were no differences between the book value and nominal value of the bond loans.

The nominal amount of non-current bank loans as of 31 December 2010 is to be reimbursed as follows:

Reimbursement year	Amount
2012	3,497,768
2013	3,497,768
2014	3,497,768
2015	3,497,768
2016	3,497,768
2017	3,497,768
2018	3,497,768
2019	18,554,428
2020	14,348,870
	57,387,674

As of 31 December 2010 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.	60,873,428	n.a.
Loan	April 2011	n.a.	500,000	n.a.
Loan	January 2011	n.a.	900,000	n.a.
Loan	September 2011	n.a.	3,000,000	n.a.
Loan	January 2011	n.a.	2,000,000	n.a.
Loan	January 2011	n.a.	800,000	n.a.
Loan	January 2011	n.a.	4,200,000	n.a.
Current account	Yearly renew al	5,000,000	3,500,000	1,500,000
Commercial paper	15-01-2009 (renew able until 02-05-2011)	5,000,000	5,000,000	-
Commercial paper	19-01-2009 (renew able until 19-12-2013)	5,000,000	4,000,000	1,000,000
Commercial paper	06-08-2007 (renew able until 06-08-2012)	5,000,000	5,000,000	-
Commercial paper	30-01-2009 (renew able until 01-07-2011)	1,000,000	1,000,000	-
Commercial paper	30-01-2009 (renew able until 01-07-2011)	4,000,000	4,000,000	-
Bank overdraft	Yearly renew al	11,250,000	6,804,559	4,445,441
Factoring	n.a.	n.a.	2,886,079	n.a.
			104,464,066	

(Amounts expressed in Euro)

During the year ended as of 31 December 2010 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 2010 and 2009 the Group did not enter into any loan default.

21. OTHER NON-CURRENT CREDITORS

As of 31 December 2010 and 2009, this caption can be detailed as follows:

	2010	2009
Fixed assets suppliers (Note 24)	39,289	88,804
Other creditors	69,421	50,765
	108,710	139,569

22. SUPPLIERS

As of 31 December 2010 and 2009 this caption could be presented, taking into account its maturity, as follows:

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

2009	Book value	Payable in less than 3 months	Payable in 3 to 6 months	Payable in more than 6 months
Suppliers and other commercial creditors				
Industry	7.293.007	7.293.007	-	-
Real estate and others	4.549.252	4.549.252	-	-
	11.842.259	11.842.259	-	-

23. OTHER CREDITORS

As of 31 December 2010 and 2009 the current liabilities caption “Other creditors” was made up as follows:

	2010	2009
Fixed assets suppliers (Note 24)	69,610	98,176
Advances from customers	1,435,459	834,446
Other creditors	1,939,990	1,218,432
	3,445,059	2,151,054

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

As of 31 December 2010, the caption "Other creditors" includes the amount of, approximately, 1,089,000 Euro related with the acquisition of shareholdings recorded in the caption “Investments available for sale” (Note 4) as well as part of the respective loans (Note 16).

(Amounts expressed in Euro)

24. FINANCIAL LEASE CONTRACTS

As of 31 December 2010, the responsibilities reflected in the statement of financial position related to financial leases had the following maturity:

Year	2010
2012	24.729
2013 and subsequent	14.560
Non-current total (Note 21)	39.289
2011 (current) (Note 23)	69.610
	108.899

25. OTHER CURRENT LIABILITIES

As of 31 December 2010 and 2009 the caption "Other current liabilities" can be detailed as follows:

	2010	2009
Accrued expenses:		
Accrued payroll	1,112,829	1,195,051
Interest payable	1,154,745	2,583,030
Others	1,818,719	1,258,788
Deferred income	5,579,130	2,561,653
	9,665,423	7,598,522

The caption "Deferred income" mainly includes anticipated invoicing regarding storage systems sales. The increase in fiscal year 2010 compared to 2009 results from an increase in the activity of the Group companies linked to this sector, including the subsidiaries F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A. and Storax Benelux, S.A..

26. MOVEMENT IN PROVISIONS AND IMPAIRMENT LOSSES

The movements occurred in provisions and impairment losses for the years ended as of 31 December 2010 and 2009 may be detailed as follows:

	2010				
	Provisions	Impairment losses in accounts receivable (a)	Impairment losses in investments	Impairment losses in inventories	Total
Opening balance	192,507	24,520,642	90,886	385,679	25,189,714
Exchange rate variation	3,182	1,159	-	2,466	6,807
Increases	229,384	1,489,886	47,639	12,912	1,779,821
Utilizations and reversals	(92,971)	(899,225)	-	(88,120)	(1,080,316)
Transfers	-	-	-	-	-
Closing balance	332,102	25,112,462	138,525	312,937	25,896,026

(a) – includes 1,104,512 Euro related to impairment losses in accounts receivable recorded as non-current assets (Note 10).

(Amounts expressed in Euro)

	2009				
	Provisions	Impairment losses in accounts receivable (a)	Impairment losses in investments	Impairment losses in inventories	Total
Opening balance	160,404	19,924,673	90,886	363,832	20,539,795
Exchange rate variation	6,381	9,011	-	3,407	18,799
Increases	149,793	4,714,175	-	27,214	4,891,182
Utilizations and reversals	(124,071)	(127,217)	-	(8,774)	(260,062)
Transfers	-	-	-	-	-
Closing balance	192,507	24,520,642	90,886	385,679	25,189,714

(a) – includes 1,104,512 Euro related to impairment losses in accounts receivable recorded as non-current assets (Note 10).

The increases and reversals recorded in provisions and impairment losses for the years ended as of 31 December 2010 and 2009 were recorded in the profit and loss statement caption "Provisions and impairment losses".

As of 31 December 2010, the caption "Utilizations and reversals" includes the amount of 66,267 Euro corresponding to utilizations in the year ended as of that date.

The amount recorded in the caption "Provisions" as of 31 December 2010 relates to the Board of Directors' best estimate to cover possible losses arising from legal actions in progress.

27. OPERATIONAL LEASES

As of 31 December 2010 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
2011	262.843
2012	190.486
2013	174.493
2014 and subsequents	83.786
	711.608

Additionally, as of 31 December 2010 the Group had celebrated, as lessor, operational lease contracts in 2007 and 2008. These contracts were celebrated for a 20 years period, renewable for an additional 10 years period.

28. FINANCIAL RESULTS

The consolidated financial results for the years ended as of 31 December 2010 and 2009 can be detailed as follows:

	2010	2009
Financial expenses:		
Interest	(2,241,188)	(3,932,561)
Other financial expenses	(423,692)	(1,269,815)
	(2,664,880)	(5,202,376)
Financial income:		
Interest	120,919	648,935
Other financial income	2,774	116,520
	123,693	765,455

The interests paid and recognised in the profit and loss statement for the years ended as of 31 December 2010 and 2009 are totally related with loans obtained.

(Amounts expressed in Euro)

The interest income recorded in the financial statements for the years, ended as of 31 December 2010 and 2009 result primarily from investments made during the year.

29. 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 2010 and 2009 and the main transactions with related entities during these years may be detailed as follows:

	2010					
Related parties	Land acquisitions	External supplies and services	Sales	Services rendered	Accounts receivable	Accounts payable
Cofihold, SGPS, S.A.	-	-	-	-	-	-
Altri Group	-	-	2,217,218	5,722,321	12,577,633	4,696,009
Cofina Group	-	-	-	-	-	-

	2009					
Related parties	Land acquisitions	External supplies and services	Sales	Services rendered	Accounts receivable	Accounts payable
Cofihold, SGPS, S.A.	-	-	-	-	-	-
Altri Group	-	-	-	5,646,893	10,073,457	4,533,606
Cofina Group	-	-	-	-	-	-

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 (Notes 16 and 18).

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 2010 and 2009 by the companies included in the consolidation by the full consolidation method, are as follows:

	2010	2009
Fixed remunerations	470,872	372,940
Variable remunerations	-	189,000
	470,872	561,940

Related parties

Apart from the companies included in the consolidation (Note 4), the companies considered to be related parties as of 31 December 2010, can be presented as follows:

Cofihold, SGPS, S.A.

Altri Group
- Altri, SGPS, S.A.
- Celulose do Caima, SGPS, S.A.
- Caima Indústria de Celulose, S.A.
- Altri Florestal, S.A.
- Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
- Invescaima – Investimentos e Participações, SGPS, S.A.
- Inflora – Sociedade de Investimentos Florestais, S.A.
- Socasca – Recolha e Comércio de Recicláveis, S.A.
- Celtejo – Empresa de Celulose do Tejo, S.A.
- Ródão Power, S.A. - Energia e Biomassa do Ródão, S.A.
- Altri - Energias Renováveis, SGPS, S.A.
- Celbi – Celulose da Beira Industrial, S.A.
- Celbinave – Tráfego e Estiva SGPS, Unipessoal, Lda.
- Viveiros do Furadouro Unipessoal, Lda.
- Altri, Participaciones Y Trading, S.L.
- Altri Sales, S.A.
- Pedro Frutícola, Sociedade Frutícola, Lda.
- Captaraiz Unipessoal, Lda.

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

Board of Directors

F. Ramada Investimentos, SGPS, S.A. Board of Directors as of 31 December 2010 was composed as follows:

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

30. OTHER OPERATING INCOME

As of 31 December 2010 and 2009, the caption "Other operating income" included, essentially, costs supported and billed back to customers and discounts obtained for prompt payments.

31. EARNINGS PER SHARE

(Amounts expressed in Euro)

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

	2010	2009
Net profit considered for the computation of basic and diluted earning	5,113,696	1,849,872
Weighted average number of shares used to compute the basic and diluted earnings per share	25,641,459	25,641,459
Earnings per share		
Basic	0.20	0.07
Diluted	0.20	0.07

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.

32. 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 2010 and 2009 is made up as follows:

	2010		2009	
	Industry	Real estate	Industry	Real estate
Net operating income				
Resulting from operations with external customers	85,469,498	5,979,930	91,637,218	6,243,840
Resulting from operations with other segments	26,004	1,249,710	8,004	1,186,068
Operating Cash-flow (a)	7,234,888	4,982,517	3,747,143	4,960,515
Amortisation and depreciation	1,004,135	376,510	1,214,050	425,329
Operating profit	6,230,753	4,606,007	2,533,093	4,535,186
Total assets	87,106,491	99,020,911	65,084,398	95,901,735
Total liabilities	50,938,507	90,019,556	30,401,900	88,979,651
Investment of the period (b)	1,730,996	-	5,367,307	-

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

Sales and services rendered by the Group in 2010 and 2009 can be detailed by geographical markets as follows:

	2010	2009
Domestic market	56,049,572	54,488,280
Foreign market	34,436,217	42,593,613
	90,485,789	97,081,893

33. RESPONSABILITIES FOR GUARANTEES PROVIDED

As of 31 December 2010 and 2009, F. Ramada Group companies had provided bank guarantees as follows:

(Amounts expressed in Euro)

	2010	2009
Suply of storage systems	1,022,219	416,925
Others	159,372	159,234
	1,181,591	576,159

34. AVERAGE NUMBER OF PERSONNEL

During the years ended as of 31 December 2010 and 2009 the average number of employees of the companies included in the consolidated financial statements by the full consolidation method was of 376 and 412, respectively.

(Amounts expressed in Euro)

35. COLLECTIONS / PAYMENTS OF FINANCIAL INVESTMENTS

During the year ended as of 31 December 2010 payments and collections relating to investments were as follows:

	Transaction amount	Collected Amount
Acquisitions		
Others (Note 23)	1.098.754	9.500
	1.098.754	9.500
Disposals		
Others (a)	5.000	5.000
	5.000	5.000

(a) Disposal occurred in 2009, but only collected in January 2010.

36. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance in 15 April 2011. The final approval depends on the agreement of the General Shareholders Meeting.

37. EXPLANATION ADDED FOR TRANSLATION

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

The Chartered Accountant

The Board of Directors

REPORT AND OPINION OF THE STATUTORY AUDIT BOARD
CONSOLIDATED FINANCIAL STATEMENTS

(Translation of a report originally issued in Portuguese – Note 37)

To the Shareholders of
F.Ramada Investimentos, SGPS, 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 consolidated Financial Statements of F.Ramada Investimentos, SGPS, S.A. ("Company") for the year ended as of 31 December 2010, 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 timely writing up of accounting records, compliance with statutory and legal requirements and the effectiveness 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 personnel of the Company and its affiliates, all the information and explanations required.

As part of its duties, the Statutory Audit Board examined the consolidated statement of financial position as of 31 December 2010, the consolidated statements of profit and loss, comprehensive income, cash flow, and changes in shareholders' funds for the year then ended, and the corresponding notes. Additionally, the Statutory Audit Board examined the Report of the Board of Directors for the year 2010, and fulfilled its duties concerning the review of the qualifications, independence and work of the Statutory Auditor, and reviewed the Statutory Audit and Auditor's Report and was in agreement with its content.

2. Opinion

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

3. Responsibility Statement

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 Management Report and in the consolidated financial statements were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of the Company and companies included in the consolidation perimeter. Also it is their understanding that the Management Report faithfully describes the business evolution, performance and financial position of the Company 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 thank the Company's Board of Directors and the departments of the Company and its affiliates involved for the assistance provided to us.

Porto, 21 April 2011

The Statutory Audit Board

João da Silva Natária
President of the Statutory Audit Board

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

Cristina Isabel Linhares Fernandes
Member of the Statutory Audit Board

STATUTORY AUDIT AND AUDITOR'S REPORT
CONSOLIDATED FINANCIAL STATEMENTS
(Translation of a report originally issued in Portuguese – Note 37)

Introduction

1. In compliance with the applicable legislation, we hereby present our Statutory Audit and Auditor's Report on the consolidated financial information contained in the Board of Directors' Report and on the accompanying consolidated financial statements as of 31 December 2010 of F. Ramada Investimentos, S.G.P.S., S.A. ("Company") and subsidiaries, which comprise the Consolidated Statement of Financial Position (that presents total net assets of 186,127,402 Euro and consolidated equity of 45,169,339 Euro, including a consolidated net profit attributable to the Company´s Shareholders of 5,113,696 Euro), the Consolidated Statements of Profit and Loss, Comprehensive Income, Changes in Equity and 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 financial statements that present a true and fair view of the financial position of the group of companies included in consolidation, the consolidated results of their operations, comprehensive income, changes in equity and their consolidated 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 ("Código dos Valores Mobiliários"); (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 the group of companies included in the consolidation, their financial position or their results and comprehensive income.

3. Our responsibility is to examine the consolidated financial information contained in the documents referred to above, including 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 financial statements are free of material misstatement. Such examination includes verifying, on a sample basis, evidence supporting the amounts and disclosures in the consolidated financial statements and assessing the estimates, based on judgments and criteria defined by the Company's Board of Directors, used in their preparation. Such an examination also includes verifying the consolidation procedures, the application of the equity method, and 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 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 comprises verifying that the financial information included in the Board Directors' Report is in accordance with the consolidated financial statements, as well as the verification established in numbers 4 and 5 of article 451º of Commercial Companies Code

("Código das Sociedades Comerciais). We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated financial statements referred to in paragraph 1 above, present fairly, in all material respects, the consolidated financial position of F. Ramada Investimentos, S.G.P.S., S.A. and its subsidiaries as of 31 December 2010, the consolidated results of their operations, consolidated comprehensive income, changes in consolidated equity and their consolidated 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 about 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 financial statements of the year and the Corporate Governance Report includes the information required to the Company, as established by article 245º-A of the Securities Market Code ("Código dos Valores Mobiliários").

Porto, 21 April 2011

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