



F. RAMADA INVESTIMENTOS, S.G.P.S., S.A.
Open Capital Company

Head Office: Rua do General Norton de Matos, 68, r/c – Porto
Fiscal Number: 508 548 527
Share Capital: 25,641,459 Euros

3Q 2014 Financial Information
(Not audited)

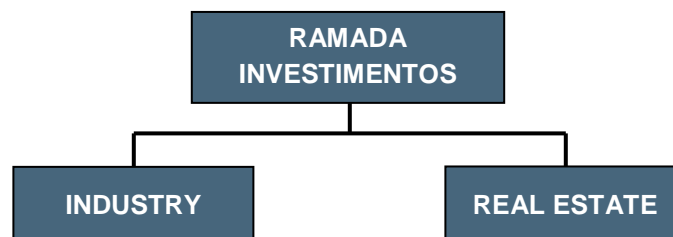
F. Ramada Investimentos was incorporated as of June 1, 2008, as a result of the demerger process, of the steel and storage systems business from Altri, SGPS, S.A. ("Altri").

Currently, F. Ramada Investimentos is the parent company of a group of companies ("F. Ramada Group") that, together, develop two business activities: i) Industry, which includes Steel activity, of which we highlight the sub segment of steel for molds, the activity of Storage Systems, as well as the activity related to financial investments, consisting on acquiring equity shares below 50%; and ii) Real Estate, focused in the management of real estate assets.

The Steel activity, with a prominent position in the domestic market, is carried out by two Companies: Ramada Aços and Universal - Afir.

The Storage Systems activity is carried out by four Companies: Ramada Storage Solutions (largest manufacturer of storage systems in Portugal, and where all Group production is concentrated), Storax Equipements with head office in France, Storax Racking with head office in the United Kingdom and Storax Benelux with head office in Belgium.

The activity related to Financial Investments includes shares on Base Holding and Consumo em Verde/Converde.



The consolidated financial information presented below in relation to F. Ramada Investimentos was prepared in accordance with the recognition and measurement criteria of the International Financial Reporting Standards (IFRS), as adopted by the European Union.

Income Statement

	3Q 2014	3Q 2013	Var. %
Sales and services rendered	84,814	73,634	15.2%
Other income	417	355	17.5%
Total income	85,232	73,989	15.2%
Cost of sales	46,240	40,031	15.5%
External supplies and services	15,393	12,623	21.9%
Payroll expenses	10,681	9,323	14.6%
Other costs	1,647	1,660	-0.8%
Total Costs (a)	73,961	63,636	16.2%
EBITDA (b)	11,271	10,353	8.9%
EBITDA margin	13.2%	14.0%	
Depreciation and amortization	1,142	886	28.9%
EBIT (c)	10,129	9,467	7.0%
EBIT margin	11.9%	12.8%	
Financial Results	-2,727	-3,057	-10.8%
Net profit before income tax	7,402	6,410	15.5%
Income tax	-2,152	-2,019	
Consolidated net profit attributable to shareholders of Parent company	5,250	4,391	19.6%

Amounts in thousands Euros

(a) Operating expenses excluding depreciation, financial expenses and income tax

(b) EBITDA= earnings before financial results, income tax, depreciation and amortization

(c) EBIT = earnings before financial results and income tax

The total revenue from the Industry segment in the first nine months of 2014 was 85.232 thousand Euros, representing a 15,2% growth when compared to the same period in 2013.

The total Costs, excluding depreciations, financial expenses and income tax presented a variation of 16,2%, when compared to the same period of 2013.

Group's EBITDA in the period between January and September 2014 amounted to 11.271 thousand Euros, representing an increase of 8,9% in relation to the same period of 2013. EBITDA margin reached 13,2%, which compares to 14% obtained in the same period of 2013.

Group's operating results (EBIT), amounted to 10.129 thousand Euros, representing an increase of 7,0% which compares to 9,467 thousand Euros in the same period of 2013.

The negative financial results, which amounts 2.727 Euros, represented an improvement of 10,8%, when compared to 2013.

Ramada Group net profit for the third quarter 2014 reached 5,250 thousand Euros, 19,6% higher than in the same period of 2013.

Industry

	3Q 2014	3Q 2013	Var. %
Total income	80,559	69,441	16.0%
Total costs (a)	73,082	62,856	16.3%
EBITDA (b)	7,477	6,585	13.5%
EBITDA margin	9.3%	9.5%	
EBIT (c)	6,587	6,024	9.3%
EBIT margin	8.2%	8.7%	
Financial results	(587)	(572)	2.6%
Net profit before income tax	6,000	5,452	10.1%

(Amounts in thousands Euros)

(a) Operating expenses excluding depreciation, financial expenses and income tax

(b) EBITDA = earnings before financial results, income tax, depreciation and amortization

(c) EBIT = earnings before financial results and income tax

During the period between January and September 2014, total turnover of the industry segment reached 80,559 thousand Euros, corresponding to an increase of 16.0% in relation to total turnover for the same period of 2013.

Turnover of Steel activity in first nine months of 2014 had an increase when compared to the same period of 2013.

This growth was motivated by an increasing activity in manufacturers of plastic molds, mainly in the automotive industry, highlighted by the models renovation and reduction of the weight of the vehicles.

In the general mechanics industry, equipment construction and maintenance, the sales had a recovery, comparing the same period of 2013.

The implementation of new products and services contributed to these sectors turnover growth.

Price of steel has remained stable during 2014 and no fluctuations are expected until the end of the year.

In the first nine months of 2014 the storage system had a significant increase on turnover in this sector when compared with the same period of 2013.

The export market remains the main growth driver of this segment, with a weight exceeding 80% of turnover in the first nine months of 2014.

Industry segment EBITDA in first nine months of 2014 amounted to 7,477 thousand Euros, corresponding to an increase of 13,5%, when compared to 6,585 thousand Euros in the same period in 2013.

EBITDA margin in industry sector changed from 9.5% in 2013 to 9.3% in 2014.

In the first nine months 2014 the industry segment net profit before income tax reached 6,000 thousand Euros, 10.1% higher than in the same period of 2013.

Real Estate

	3Q 2014	3Q 2013	Var. %
Total income	4,673	4,548	2.7%
Total costs (a)	879	781	12.6%
EBITDA (b)	3,794	3,767	0.7%
EBIT (c)	3,542	3,442	2.9%
Financial results	(2,140)	(2,485)	-13.9%
Net profit before income tax	1,402	958	46.5%

(Amounts in thousands Euros)

(a) Operating expenses excluding depreciation, financial expenses and income tax

(b) EBITDA = earnings before financial results, income tax, depreciation and amortization

(c) EBIT = earnings before financial results and income tax

Total turnover of the Real Estate segment in the first nine months of 2014 amounted to 4,673 thousand Euros, representing an increase of 2.7% in relation to the same period in 2013.

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

Real Estate segment EBITDA in the period between January and September of 2014 reached 3,794 thousand Euros, representing a slight increase of 0.7 % in relation to the same period in 2013.

Real Estate segment EBIT amounted to 3.542 thousand Euros, corresponding to an increase of 2,9% when compared to 3,442 thousand Euros in relation to the same period in 2013.

Financial results of the Real Estate Segment in the first nine months of 2014 amounted to the negative amount of 2,140 thousand Euros, representing an improvement of 13,9% when compared to the negative amount of 2,485 thousand Euros in relation to the same period in 2013.

Investments and Debt

Ramada Group's investments in the period between January and September 2014 amounted to 1.734 thousand Euros.

The nominal net debt of the Ramada Group as of September 30, 2014, deducted of own shares in portfolio (in the amount of 1,641 thousand Euros), amounted to 72.398 thousand Euros, which compares to 68.772 thousand Euros as of 31 December 2013.

Porto, October 28, 2014

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF SEPTEMBER 30 OF 2014 AND DECEMBER 31 2013

(Translation of financial statements originally issued in Portuguese - Note 17)

(Amounts expressed in Euros)

Assets	Notes	30.09.2014	31.12.2013
NON CURRENT ASSETS			
Investment Properties	6	85,977,075	85,937,120
Tangible Assets		5,014,299	5,391,709
Intangible Assets		67,458	108,103
Investments in Associates	4	12,196,970	11,500,000
Other receivables		110,000	-
Investments available for sale	4	2,538,037	2,609,500
Deferred Tax Assets	7	2,021,808	2,021,808
Total Non Current Assets		107,925,647	107,568,240
CURRENT ASSETS			
Inventories		32,490,581	19,076,750
Trade Receivables		35,172,160	33,498,406
State and other public entities		914,190	723,414
Other Receivables		280,675	396,070
Other Current Assets		233,590	248,317
Cash and Cash equivalents	8	9,427,256	11,662,934
Total Current Assets		78,518,452	65,605,891
Total Assets		186,444,099	173,174,131
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share capital	9	25,641,459	25,641,459
Own shares	9	(1,641,053)	(1,641,053)
Legal reserve		6,235,952	5,637,034
Monetary conversion reserves		(378,512)	(615,513)
Other reserves		24,214,852	21,480,207
Consolidated net profit for the period		5,250,164	6,218,227
Total shareholders' funds attributable to the parent company shareholders		59,322,862	56,720,361
Non-controlling interests		-	-
Total Shareholders' funds		59,322,862	56,720,361
LIABILITIES			
Non Current Liabilities			
Bank Loans	10	43,551,783	47,110,488
Provisions	11	1,109,478	1,107,580
Deferred taxes liabilities	7	51,655	51,655
Total Non Current Liabilities		44,712,916	48,269,723
CURRENT LIABILITIES			
Bank Loans	10	3,485,753	4,292,109
Other Loans	10	36,429,163	30,673,239
Trade Payables		15,364,503	14,554,674
State and other public entities		3,123,552	3,469,203
Other creditors		380,777	1,150,702
Other current liabilities		23,624,573	14,044,120
Total Current liabilities		82,408,321	68,184,047
Total Shareholders' funds and liabilities		186,444,099	173,174,131

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

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURES
FOR THE NINE MONTHS AND THREE MONTHS PERIODS ENDED AS OF SEPTEMBER 2014 AND 2013
(Translation of financial statements originally issued in Portuguese - Note 17)
(Amounts expressed in Euro)

	Notes	NINE MOTNH ENDED AS OF		THREE MOTNH ENDED AS OF	
		30.09.2014	30.09.2013	30.09.2014	30.09.2013
Sales		77,327,713	66,309,629	23,287,436	21,172,901
Services rendered		7,486,465	7,324,057	2,443,881	2,396,737
Other income		417,491	355,269	49,036	138,792
Cost of sales		(46,240,375)	(40,030,876)	(13,690,025)	(12,560,966)
External supplies and services		(15,392,639)	(12,623,116)	(4,779,692)	(4,281,038)
Payroll expenses		(10,681,037)	(9,322,568)	(3,191,416)	(2,812,766)
Amortization and depreciation		(1,141,907)	(886,119)	(340,186)	(264,690)
Provisions and impairment losses	11	(891,384)	(1,018,378)	(311,715)	(348,360)
Other expenses		(755,285)	(641,367)	(248,311)	(194,742)
Financial Expenses	13	(2,746,070)	(3,080,428)	(857,876)	(1,096,896)
Financial Income	13	19,279	23,551	9,361	11,316
Profit before income tax		7,402,250	6,409,655	2,370,492	2,160,288
Income tax		(2,152,086)	(2,019,041)	(567,082)	(744,231)
Consolidated net profit		5,250,164	4,390,614	1,803,410	1,416,057
Attributable to:					
Parent company's shareholders		5,250,164	4,390,614	1,803,410	1,416,057
Earnings per share:					
Basic		0.23	0.19	0.08	0.06
Diluted		0.23	0.19	0.08	0.06

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

The Chartered Accountant

Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' FUNDS
FOR THE NINE MONTHS PERIODS ENDED AS OF 30 SEPTEMBER 2014 AND 2013**
(Translation of financial statements originally issued in Portuguese - Note 17)
(Amounts expressed in Euro)

	Atributable to the parent company's Shareholders						Total Shareholder's funds
	Share Capital	Own Shares	Legal Reserve	Monetary conversion reserves	Other reserves and retained earnings	Net profit	
Balance as of 1 January 2013	25,641,459	(1,641,053)	5,637,034	(553,080)	17,388,193	6,168,972	52,641,526
Total comprehensive consolidated income for the period	-	-	-	(70,274)	-	4,390,614	4,320,340
Appropriation of the consolidated net profit for 2012:							
Transfer to legal reserve and other reserves	-	-	268,404	-	5,900,568	(6,168,972)	-
Distributed dividends	-	-	-	-	(2,076,958)	-	(2,076,958)
Balance as of September 30, 2013	<u>25,641,459</u>	<u>(1,641,053)</u>	<u>5,905,438</u>	<u>(623,354)</u>	<u>21,211,803</u>	<u>4,390,614</u>	<u>54,884,908</u>
Balance as of 1 January 2014	25,641,459	(1,641,053)	5,637,034	(615,513)	21,480,207	6,218,227	56,720,361
Total comprehensive consolidated income for the period	-	-		237,001		5,250,164	5,487,165
Appropriation of the consolidated net profit for 2013:							
Transfer to other reserves	-	-	598,918		5,619,309	(6,218,227)	-
Distributed dividends	-	-	-		(2,884,664)	-	(2,884,664)
Balance as of 30 September, 2014	<u>25,641,459</u>	<u>(1,641,053)</u>	<u>6,235,952</u>	<u>(378,512)</u>	<u>24,214,852</u>	<u>5,250,164</u>	<u>59,322,862</u>

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

The Chartered Accountant

Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE AND THREE MONTHS PERIODS ENDED AS OF SEPTEMBER 30 2014 AND 2013
(Translation of financial statements originally issued in Portuguese - Note 17)
(Amounts expressed in Euro)

	NINE MONTH PERIOD ENDED AS OF		THREE MONTH PERIOD ENDED AS OF	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
Net consolidated profit for the period	5,250,164	4,390,614	1,803,410	1,416,057
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	237,001	(70,274)	105,674	68,580
Other comprehensive income for the period	237,001	(70,274)	105,674	68,580
 Total comprehensive income for the period	 <u>5,487,165</u>	 <u>4,320,340</u>	 <u>1,909,084</u>	 <u>1,484,637</u>
 Attributable to:				
Parent company's shareholders	5,487,165	4,320,340	1,909,084	1,484,637
Non-controlling interests	-	-	-	-

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

The Chartered Accountant

Board of Directors

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS AND THREE MONTHS PERIODS ENDED AS OF SEPTEMBER 30, 2014 AND 2013
(Translation of financial statements originally issued in Portuguese - Note 17)
(Amounts expressed in Euro)

	Notes	NINE MONTHS PERIODS ENDED		THREE MONTHS PERIODS ENDED	
		30.09.2014	30.09.2013	30.09.2014	30.09.2013
Operating activities:					
Collections from customers		102,176,642	91,020,474	33,530,748	29,296,661
Payments to suppliers		(83,645,815)	(60,279,548)	(31,339,438)	(19,339,418)
Payments to personnel		(7,143,138)	(6,659,191)	(2,262,999)	(2,201,378)
Other collections/payments relating to operating activities		(5,070,442)	(157,127)	(1,355,671)	5,134,982
Corporate income tax		(1,613,559)	(9,747,926)	(409,503)	(9,531,470)
<i>Cash flow from operating activities (1)</i>		<u>4,703,688</u>	<u>14,176,681</u>	<u>(1,836,862)</u>	<u>3,359,377</u>
Investment activities:					
Collections relating to:					
Investments		139,861	-	-	-
Tangible assets		48,366	437,814	272	43,000
Investment properties		-	602,700	-	-
Interest and similar income		9,632	10,986	-	2,088
Payments relating to:					
Investments		(976,862)	(3,732,165)	(79,445)	(349,106)
Investment properties		(44,224)	(538,195)	-	-
Intangible assets		(39,967)	(1,487)	(17,855)	(444)
Tangible assets		(1,839,056)	(701,354)	(1,065,819)	(309,539)
<i>Cash flow from investment activities (2)</i>		<u>(2,702,250)</u>	<u>(3,921,701)</u>	<u>(1,162,848)</u>	<u>(614,001)</u>
Financing activities:					
Collections relating to:					
Loans obtained		6,200,113	660,000	4,385,692	370,000
Payments relating to:					
Dividends		(2,884,664)	(2,076,958)	-	(117)
Interest and similar costs		(2,830,593)	(3,908,367)	(558,448)	(760,376)
Loans obtained		(6,975,501)	(4,516,120)	(1,433,393)	(59,237)
<i>Cash flow from financing activities (3)</i>		<u>(6,490,645)</u>	<u>(9,841,445)</u>	<u>2,393,851</u>	<u>(449,730)</u>
Cash and cash equivalents at the beginning of the period	8	8,629,080	7,855,422	4,798,332	5,921,575
Effect of exchange rate changes		94,928	(25,747)	42,326	25,989
Variation of cash and cash equivalents: (1)+(2)+(3)		<u>(4,489,208)</u>	<u>413,535</u>	<u>(605,858)</u>	<u>2,295,646</u>
Cash and cash equivalents at the end of the period	8	<u>4,234,800</u>	<u>8,243,210</u>	<u>4,234,800</u>	<u>8,243,210</u>

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

The Chartered Accountant

Board of Directors

1. INTRODUCTORY NOTE

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

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

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

As of 30 September 2014 and 31 December 2013, 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 consolidated financial statements were prepared in accordance with the accounting policies defined by the International Financial Reporting Standards and in accordance with IAS 34 – Interim Financial Reporting.

2. MAIN ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The consolidated financial statements as of 30 September 2014 were prepared in accordance with the accounting policies defined by the International Financial Reporting Standards and in accordance with IAS 34 – Interim Financial Reporting, and include the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, as well as selected notes to the financial statements.

The accounting policies adopted in the preparation of the consolidated financial statements of F. Ramada are consistent with the accounting policies used in the preparation of the financial statements presented for the year ended as of 31 December 2013.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

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

4. INVESTMENTS

The companies included in the consolidated financial statements by the full consolidation method, its headquarters, percentage of participation held and main activity as of 30 September 2014, are as follows:

Designation	Headquarters	Percentage of participation held	Activity
<u>Parent company:</u>			
F. Ramada Investimentos, SGPS, S.A.	Oporto		Holding
<u>F. Ramada Group</u>			
Ramada, Aços, S.A. (former F. Ramada, Aços e Indústrias, S.A.)	Ovar	100%	Steel commercialization
Universal - Afir, S.A. (former Universal Afir – Aços Especiais e Ferramentas, S.A.)	Ovar	100%	Steel commercialization
Ramada Storage Solutions, S.A. (former 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.

Investments in associated companies

As of 30 September 2014, the caption “Investment in associates” includes, essentially, the shares owned by F. Ramada Investimentos, SGPS, S.A. in Base Holding SGPS, S.A.’s capital. This entity has its head office in Oporto and heads a group of companies which operate in the healthcare sector, namely, complementary means of diagnosis and treatment.

During the first half of 2014, the Group purchased 1.9% of the share capital of the above mentioned company at a cost of 696,970 Euros and, as a result, increased its stake to the nominal amount of 12,196,970 Euros (11,500,000 Euros as of the 31 December 2013), which represents 34.8% (32.9% as of 31 December 2013) of its share capital.

In virtue of the fact that this additional acquisition occurred in two stages, and of the fact that F. Ramada Group did not have access to the interim consolidated financial statements of Base Holding SGPS, S.A., the equity method was carried out with respect to 31 December of 2013 and 30 September of 2014 based on the corresponding financial information as of 31 December of 2013. This procedure did not produce any materially relevant effects on the attached consolidated financial statements.

Investments available for sale

As of 30 September 2014 and 31 December 2013 the caption “Investments available for sale” and respective impairment losses can be detailed as follows:

	<u>30.09.2014</u>	<u>31.12.2013</u>
Gross Book Value	6.159.961	5.886.424
Accumulated Impairment Losses	(3.621.924)	(3.276.924)
	<u>2.538.037</u>	<u>2.609.500</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2014

(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 17)

(Amounts expressed in Euro)

As of 30 September 2014, this caption includes, mainly, a stake of 12.3% in the equity of Consumo em Verde – Biotecnologia das Plantas, S.A. and a stake of 4% in the equity of Converde S.A., as well as loans granted.

As of 30 September 2014 and 31 December 2013 the consolidated financial statements include impairment losses that were recorded for the investments listed above in the amount of 3,621,924 Euros and 3,276,924 Euros, respectively (Note 11).

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 nine months period ended as of 30 September 2014 no changes in the Group's consolidation perimeter occurred.

6. INVESTMENT PROPERTIES

Investment properties held by F. Ramada Group relate to land rented to third parties or under operational lease. These contracts 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 that occurred in this caption during the nine months period ended as of 30 September 2014 and the year ended as of 31 December 2013 is as follows:

	<u>30.09.2014</u>	<u>31.12.2013</u>
Opening Balance	85.937.120	86.103.423
Aquisitions	39.955	153.197
Disposals	-	(319.500)
Closing Balance	<u>85.977.075</u>	<u>85.937.120</u>

Given the land characteristics (land leased to third parties for forestry activity), frequent and comparable market transactions 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 believes 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 this land (amounting to, approximately, 70 million Euros) was given as collateral for certain loans obtained.

7. 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, and depending on the circumstances, the above referred period deadlines can be extended or suspended. Therefore, the tax returns of F. Ramada and its subsidiaries for the years 2010 to 2014 may still be subject to review.

The Board of Directors of F. Ramada believes that any potential corrections arising from reviews/inspections of these tax returns by the tax authorities will not have a significant effect on the consolidated financial statements as of 30 September 2014.

The movement occurred in deferred tax assets and liabilities in the nine months periods ended as of 30 September 2014 and 2013 was as follows:

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	30.09.2014	
	Deferred Tax Assets	Deferred Tax Liabilities
Balance as of 01.01.2014	2.021.808	51.655
Effects on income statement:		
Other effects	-	-
Balance as of 30.09.2014	<u>2.021.808</u>	<u>51.655</u>

	30.09.2013	
	Deferred Tax Assets	Deferred Tax Liabilities
Balance as of 01.01.2013	2.038.236	65.275
Effects on income statement:		
Other effects	38.955	-
Balance as of 30.09.2013	<u>2.077.191</u>	<u>65.275</u>

8. CASH AND CASH EQUIVALENTS

As of 30 September 2014 and as of 31 December 2013 the caption “Cash and cash equivalents” included in the consolidated statement of financial position can be detailed as follows:

	30.09.2014	31.12.2013
Cash	13.253	16.322
Bank Loans	<u>9.414.002</u>	<u>11.646.612</u>
	<u>9.427.256</u>	<u>11.662.934</u>
Bank overdrafts (Nota 10)	(5.192.456)	(3.033.854)
Cash and Cash Equivalents	<u>4.234.800</u>	<u>8.629.080</u>

9. SHARE CAPITAL

As of 30 September 2014 and 31 December 2013, F. Ramada’s fully subscribed and paid up capital consisted of 25,641,459 shares with a nominal value of 1 Euro each. As of that date, F. Ramada Investimentos, SGPS, S.A. holds 2.564.145 own shares, corresponding to 9.999996% of the share capital of the Company, acquired by 1.641.053 Euros.

Additionally, as of 30 September 2014 and 31 December 2013 there were no entities holding a share in the subscribed capital of, at least, 20%.

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10. BANK LOANS AND OTHER LOANS

As of 30 September 2014 and 31 December 2013, the captions “Bank loans” and “Other loans” can be detailed as follows:

	30.09.2014		31.12.2013	
	Current	Non Current	Current	Non Current
Bank Loans	3.485.753	43.444.661	4.292.109	46.930.414
Bank Loans	3.485.753	43.444.661	4.292.109	46.930.414
Commercial Paper	19.750.000	-	15.250.000	-
Current Accounts	9.050.000	-	10.900.000	-
Bak Overdrafts	5.192.456	-	3.033.854	-
Factoring	2.349.529	-	1.405.885	-
Financial Leasings	87.179	107.122	83.500	180.074
Other Loans	36.429.163	107.122	30.673.239	180.074
	39.914.916	43.551.783	34.965.347	47.110.488

As of 30 September 2014 and 31 December 2013 there were no differences between the book value and nominal value of the loans obtained.

During the nine months period ended as of 30 September 2014 these loans bear interest related costs at normal market rates depending on the nature and term of the credit obtained.

During the nine months period ended as of 30 September 2014 and the year ended as of 31 December 2013 the Group did not enter into any loan default.

Additionally, as of 30 September 2014 there are no “covenants” associated to the disclosed loans.

11. MOVEMENT IN PROVISIONS AND IMPAIRMENT LOSSES

The movements occurred in provisions and impairment losses for the nine months periods ended as of 30 September 2014 and 2013 may be detailed as follows:

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	30.09.2014				
	Provisions	Impairment losses in accounts receivable	Impairment losses in investments	Impairment losses in inventories	Total
Opening balance	1.107.580	24.654.499	3.276.924	296.835	29.335.837
Exchange rate variation	11.645	-	-	-	11.645
Increases	145.797	410.089	345.000	-	900.886
Reversals	-	-	-	(9.502)	(9.502)
Utilizations	(155.544)	-	-	-	(155.544)
Closing balance	1.109.478	25.064.588	3.621.924	287.333	30.083.323

	30.09.2013				
	Provisions	Impairment losses in accounts receivable	Impairment losses in investments	Impairment losses in inventories	Total
Opening balance	1.075.249	24.877.961	1.786.371	306.557	28.046.138
Exchange rate variation	(1.995)		-	-	(1.995)
Increases	86.249	933.994	-	-	1.020.243
Reversals	(1.865)				(1.865)
Utilizations	(23.596)		(1.092)		(24.688)
Closing balance	1.134.042	25.811.955	1.785.279	306.557	29.037.834

The increases and reversals recorded in provisions and impairment losses for the nine months periods ended as of 30 September 2014 and 2013 were recorded in the profit and loss statement caption “Provisions and impairment losses”.

The amount recorded in the caption “Provisions” as of 30 September 2014 relates to the Board of Directors’ best estimate to cover possible losses arising from legal actions in progress and other liabilities.

12. FINANCIAL RESULTS

The consolidated financial results for the nine months periods ended as of 30 September 2014 and 2013 can be detailed as follows:

	30.09.2014	30.09.2013
Financial expenses:		
Interests	(2.216.268)	(2.472.033)
Other financial expenses	(529.802)	(608.395)
	<u>(2.746.070)</u>	<u>(3.080.428)</u>
Financial income:		
Interests	19.279	23.551
	<u>19.279</u>	<u>23.551</u>

The interests paid and recognised in the profit and loss statement for the nine months periods ended as of 30 September 2014 and 2013 are entirely related with loans obtained.

Likewise, the interest income recorded in the financial statements for the nine months periods ended as of 30 September 2014 and 2013 results mainly from investments made during the year.

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13. EARNINGS PER SHARE

Earnings per share for the nine months periods ended as of 30 September\ 2014 and 2013 were determined taking into consideration the following amounts:

	30.09.2014	30.09.2013
Net profit considered for the computation of basic and diluted earnings	5.250.164	4.390.614
Number of shares	25.641.459	25.641.459
Number of own shares	2.564.145	2.564.145
Weighted average number of shares used to compute the basic and diluted earnings per share	23.077.314	23.077.314
Earnings per share		
Basic	0,23	0,19
Diluted	0,23	0,19

14. RELATED PARTIES

The main balances with related parties as of 30 September 2014 and 2013 are with Altri Group and may be detailed as follows:

Related parties	30.09.2014		
	Accounts Receivable	Accounts Payable	Receivable Rents
Altri Group	18.789	-	4.617.000

Related parties	30.09.2013		
	Accounts Receivable	Accounts Payable	Receivable Rents
Altri Group	12.838	-	4.507.497

Apart from the companies included in the consolidation (Note 4), the companies considered to be related parties as of 30 September 2014, can be presented as follows:

Cofihold, SGPS, S.A.
 Alteria, SGPS, S.A.
 Caderno Azul, SGPS, S.A.
 Actium Capital, SGPS, S.A.
 Elege Valor, SGPS, S.A.
 Livre Fluxo, SGPS, S.A.
 Malva – Gestão Imobiliária, S.A.
 Préstimo – Prestígio Imobiliário, S.A.
 Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.
 Torres da Luz – Investimentos imobiliários, S.A.
 Valor Autêntico, SGPS, S.A.
 Promendo, SGPS, S.A.
 Jardins de França S.A.
 Destak Brasil Editora S.A.
 Altri - Energias Renováveis, SGPS, S.A.
 Altri Florestal, S.A.
 Altri Sales, S.A.
 Altri, Participaciones Y Trading, S.L.
 Altri, SGPS, S.A.
 Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
 Caima Indústria de Celulose, S.A.
 Captaraiz Unipessoal, Lda.
 Celbi – Celulose da Beira Industrial, S.A.
 Celbinave – Tráfego e Estiva SGPS, Unipessoal, Lda.

F. RAMADA INVESTIMENTOS, SGPS, S.A.

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Celtejo – Empresa de Celulose do Tejo, S.A.
Celulose do Caima, SGPS, S.A.
Inflora – Sociedade de Investimentos Florestais, S.A.
Invescaima – Investimentos e Participações, SGPS, S.A.
Pedro Frutícola, Sociedade Frutícola, S.A.
Viveiros do Furadouro Unipessoal, Lda.
AdCom Media Anúncios e Publicidade, S.A.
Cofina – Eventos e Comunicação, S.A.
Cofina Media, SGPS, S.A.
Cofina, SGPS, S.A.
Destak Brasil – Empreendimentos e Participações, S.A.
Edirevistas – Sociedade Editorial, S.A.
Edisport – Sociedade de Publicações, S.A.
Efe Erre – Participações, SGPS, S.A.
Grafedisport – Impressão e Artes Gráficas, S.A.
Mediafin, SGPS, S.A.
Mercados Globais – Publicação de Conteúdos, Lda.
Metronews – Publicações, S.A.
Presselivre – Imprensa Livre, S.A.
Transjornal – Edição de Publicações, S.A.
VASP – Sociedade de Transportes e Distribuições, Lda.
Web Works – Desenvolvimento de Aplicações para Internet, S.A.
Base Holding SGPS, S.A.
Consumo em Verde – Biotecnologia das Plantas, S.A.
Converde S.A.

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(Amounts expressed in Euro)

15. 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 activity.

The segregation of activities by segments as of 30 September 2014 and 2013 is made up as follows:

	30.09.2014		30.09.2013	
	Industry	Real estate	Industry	Real estate
Net operating income				
Resulting from operations with external customers	80.558.793	4.672.876	69.440.755	4.548.200
Resulting from operations with other segments	5.916	970.989	5.916	938.154
Operating Cash-flow (a)	7.477.228	3.793.722	6.585.255	3.767.395
Amortisation and depreciation	890.570	251.337	560.909	325.210
Operation profit	6.586.658	3.542.385	6.024.347	3.442.185
Total assets	92.177.336	94.266.763	73.396.914	95.020.681
Total liabilities	47.750.127	79.371.110	31.249.846	82.282.841
Investment of the period (b)	1.733.718	-	4.107.401	153.197

(a) - Earnings before interests,taxes,depreciation and amortisation

(b) - Tangible assets,intangible assets and investments additions

16. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance in 28th October 2014.

17. 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

João Manuel Matos Borges de Oliveira – President

Paulo Jorge dos Santos Fernandes

Pedro Macedo Pinto de Mendonça

Domingos José Vieira de Matos

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo de Carvalho Menéres de Mendonça