



RAMADA
INVESTMENTS AND INDUSTRY

Financial Information
First Quarter of 2016

(Unaudited)



80 YEARS
Investing in industry

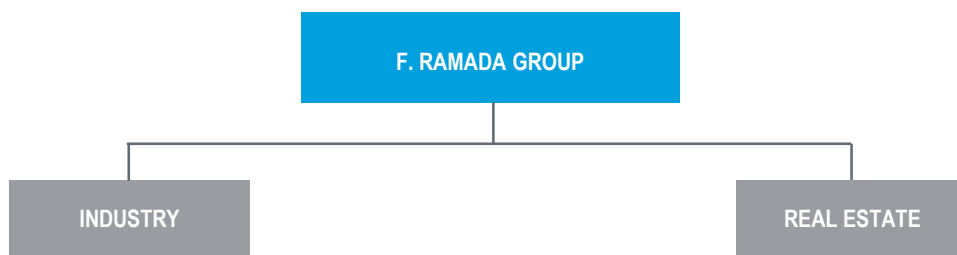
RAMADA GROUP - BUSINESS PROFILE

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 Storage Systems activity, as well as the activity related to management of financial investments held corresponding to non-controlling interests; 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 five Companies: Ramada Storax (largest manufacturer of storage systems in Portugal, and where all Group production is concentrated), Storax France, Storax UK, Storax Belgium and Storax Spain.

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



The consolidated financial information presented below 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

	1Q 2016	1Q 2015	Var. %
Sales and services rendered	27,976	26,785	4.4%
Other income	253	173	46.6%
Total income	28,229	26,958	4.7%
Cost of sales	(13,028)	(14,119)	-7.7%
External supplies and services	(6,507)	(4,808)	35.3%
Payroll expenses	(3,916)	(3,752)	4.4%
Other costs	(442)	(464)	-4.6%
Total Costs (a)	(23,893)	(23,143)	3.2%
EBITDA (b)	4,336	3,814	13.7%
EBITDA margin	15.4%	14.1%	
Depreciation and amortization	(523)	(404)	29.5%
EBIT (c)	3,814	3,411	11.8%
EBIT margin	13.5%	12.7%	
Gains/Losses in associated companies	495	365	
Financial costs	(516)	(789)	
Financial gains	50	20	
Net profit before income tax	3,843	3,007	27.8%
Income tax	(1,055)	(947)	
Consolidated net profit	2,789	2,060	35.4%
Consolidated net profit attributable to shareholders of Parent company	2,798	2,057	36.0%
Consolidated net profit attributable to noncontrolling interests	-10	3	

Amounts in thousands Euros

(a) Operating expenses excluding depreciation and amortization, 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 F. Ramada Group in the first three months of 2016 was 28,229 thousand Euro, representing a 4.7% increase when compared to the same period of 2015.

Total costs, excluding depreciations, financial expenses and income tax, amounted to 23,893 thousand Euro, representing an increase of 3.2% when compared to the same period of 2015.

Group's EBITDA in the period between January and March 2016 amounted to 4,336 thousand Euro, representing an increase of 13.7% in relation to the same period of 2015. EBITDA margin reached 15.4% in the first three months of 2016, which compares to 14.1% obtained in the same period of 2015.

Group's operating results (EBIT), amounted to 3,814 thousand Euro, representing an increase of 11.8% when compared to 3,411 thousand Euro in the same period of 2015.

In the first quarter of 2016 F. Ramada Group has recorded gains in associated companies by an amount of 495 thousand Euro, representing an increase of 35.6% when compared to the 365 thousand Euro obtained in the same period of 2015.

Financial expenses, in the amount of 466 thousand Euro, presented an improvement of 39.4%, when compared to the same period of 2015.

F. Ramada Group's net profit for the first quarter of 2016 reached 2,789 thousand Euro, 35.4% higher than the amount recorded in the same period of 2015.

INDUSTRY

	1Q 2016	1Q 2015	Var. %
Total income	26,672	25,392	5.0%
Total costs (a)	(23,625)	(22,823)	3.5%
EBITDA (b)	3,047	2,569	18.6%
EBITDA margin	11.4%	10.1%	
EBIT (c)	2,592	2,232	16.1%
EBIT margin	9.7%	8.8%	
Financial results	(92)	(180)	-48.9%
Gains/Losses in associated companies	495	365	35.6%
Net profit before income tax	2,995	2,417	23.9%

(Amounts in thousands Euros)

(a) Operating expenses excluding depreciation and amortization, 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 first quarter of 2016, total turnover of the Industry segment reached 26,672 thousand Euro, representing an increase of 5.0%, in relation to total turnover for the same period of 2015.

During the first three months of 2016, the turnover of steel activity recorded an increase when compared to the same period of 2015. The growth recorded in sales was motivated by the general mechanics and equipment goods production sectors, as well as by the manufacturers of molds.

The relevance of the oxy-fuel cutting and machining services has been increasing, justifying the investments made by the Group.

The main market of the steel activity was the domestic territory which, in the first quarter of 2016, represented 95% of the turnover.

The inventory level remains pretty stable due to the price decrease that occurred in the second half of 2015. During the first quarter of 2016 the inventory prices remained stable, although there is a market pressure to the increase.

In the first quarter of 2016, the activity of storage systems recorded an increase in turnover compared to the same period of 2015. The foreign markets are responsible for the largest share of this sector's turnover. In the first three months of 2016, the international activity represented 87% of the segment's turnover and recorded an increase of 24% comparing to the same period of 2015.

The EBITDA of Industry segment in the first quarter of 2016 amounted to 3,047 thousand Euro, corresponding to an increase of 18.6%, when compared to 2,569 thousand Euro recorded in the same period of 2015.

EBITDA margin in Industry segment increased from 10.1% in 2015 to 11.4% in 2016.

In the first three months of 2016, the net profit before income tax reached 2,995 thousand Euro in the Industry segment, 23.9% higher than the amount recorded in the same period of 2015.

REAL ESTATE

	1Q 2016	1Q 2015	Var. %
Total income	1,558	1,565	-0.5%
Total costs (a)	(269)	(320)	-16.1%
EBITDA (b)	1,289	1,245	3.5%
EBIT (c)	1,222	1,179	3.6%
Financial results	(374)	(589)	-36.6%
Net profit before income tax	848	590	43.8%

(Amounts in thousands Euros)

(a) Operating expenses excluding depreciation and amortization, 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 three months of 2016 amounted to 1,558 thousand Euro, representing a slight decrease compared to the same period of 2015 (-0.5%). 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 first quarter of 2016 reached 1,289 thousand Euro, representing an increase of 3.5% in relation to the same period of 2015.

Real Estate segment EBIT in the first quarter of 2016 reached 1,222 thousand Euro, representing an increase of 3.6% in relation to the same period of 2015.

Financial results of the Real Estate Segment in the first three months of 2016 reached the negative amount of 374 thousand Euro, representing an improvement of 36.6% when compared with the negative amount of 589 thousand Euro in the same period in 2015.

INVESTMENTS AND DEBT

F. Ramada Group's investments in the period between January and March 2016 amounted to 341 thousand Euro.

The nominal remunerated net debt of the F. Ramada Group as of March 31, 2016, amounted to 60,039 thousand Euro. As of December 31, 2015 the amount was 66,341 thousand Euro.

Porto, May 5, 2016

The Board of Directors



Shaping industry

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F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 MARCH 2016 AND 31 DECEMBER 2015

(Translation of financial statements originally issued in Portuguese - Note 16)

(Amounts expressed in Euro)

ASSETS	Notes	31.03.2016	31.12.2015
NON CURRENT ASSETS			
Investment properties	6	85 042 881	84 863 976
Tangible assets		6 300 633	6 679 662
Intangible assets		48 973	76 719
Investments in associates and joint ventures	4.2	16 272 392	15 777 392
Other investments	4.3	3 493 138	3 493 138
Deferred tax assets	7	1 765 612	1 778 714
Total non current assets		112 923 629	112 669 601
CURRENT ASSETS			
Inventories		21 920 052	19 860 145
Customers		33 541 540	37 941 790
State and other public entities		1 022 422	756 582
Other debtors		628 382	535 551
Other current assets		254 876	385 879
Cash and cash equivalents	8	26 768 954	22 388 594
Total current assets		84 136 226	81 868 541
Total assets		197 059 855	194 538 142
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	25 641 459	25 641 459
Own shares		(1 641 053)	(1 641 053)
Legal reserve		5 935 519	5 935 519
Currency translation reserves		(503 225)	(126 619)
Other reserves		39 827 165	28 811 105
Consolidated net profit for the year		2 798 342	11 032 683
Total equity attributable to equity holders of the parent company		72 058 207	69 653 094
Non-controlling interests		65 916	75 740
Total equity		72 124 123	69 728 834
LIABILITIES			
NON CURRENT LIABILITIES			
Bank loans	10	43 973 155	47 458 908
Other creditors		238 675	238 675
Provisions	12	1 699 845	1 564 976
Deferred tax liabilities	7	35 081	35 081
Total non current liabilities		45 946 756	49 297 640
CURRENT LIABILITIES			
Bank loans	10	3 985 753	3 985 753
Other loans	10	38 848 847	37 284 909
Derivatives		52 600	35 996
Suppliers		11 370 767	14 090 405
State and other public entities		5 252 540	3 897 421
Other creditors		2 054 735	3 422 862
Other current liabilities	11	17 423 734	12 794 322
Total current liabilities		78 988 976	75 511 668
Total equity and liabilities		197 059 855	194 538 142

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE
FOR THE THREE MONTHS PERIOD ENDED AS 31 MARCH 2016 AND 2015
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)

	Notes	31.03.2016	31.03.2015
Sales		25 175 026	24 136 621
Services rendered		2 801 019	2 648 178
Other income		253 451	172 916
Cost of sales and change in stocks of finished goods and work in progress		(13 027 732)	(14 119 379)
External supplies and services		(6 507 159)	(4 807 780)
Payroll expenses		(3 915 896)	(3 752 189)
Amortization and depreciation		(522 656)	(403 605)
Provisions and impairment losses	12	(244 582)	(258 461)
Other expenses		(197 784)	(205 420)
Share of results of associates and joint ventures	4.2	495 000	365 000
Financial expenses		(515 556)	(789 036)
Financial income		50 224	20 249
Profit before income tax		3 843 355	3 007 094
Income tax		(1 054 837)	(947 234)
Consolidated net profit		2 788 518	2 059 860
Attributable to:			
Parent company's shareholders		2 798 342	2 056 888
Non-controlling interests		(9 824)	2 972
Earnings per share			
Basic	13	0.12	0.09
Diluted	13	0.12	0.09

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED AS 31 MARCH 2016 AND 2015

(Translation of financial statements originally issued in Portuguese - Note 16)

(Amounts expressed in Euro)

	Notes	31.03.2016	31.03.2015
Net consolidated profit for the year		2 788 518	2 059 860
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Fair value of derivatives		(16 623)	-
Exchange differences arising on translation of foreign operations		(376 606)	307 579
Other comprehensive income for the year		<u>(393 229)</u>	<u>307 579</u>
Total comprehensive income for the year		<u>2 395 289</u>	<u>2 367 439</u>
Attributable to:			
Parent company's shareholders		2 405 113	2 364 467
Non-controlling interests		<u>(9 824)</u>	<u>2 972</u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED AS 31 MARCH 2016 AND 2015
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)**

		Attributable to the parent company's shareholders								
	Notes	Share capital	Own shares	Legal reserve	Currency translation reserves	Other reserves and retained earnings	Net profit	Total	Non-controlling interests	Total Equity
Balance as of 1 January 2015	9	25 641 459	(1 641 053)	5 637 034	(385 709)	24 813 767	8 077 269	62 142 767	50 638	62 193 405
Total consolidated comprehensive income for the year		-	-	-	307 579	3	2 056 888	2 364 470	2 972	2 367 442
Changes in consolidation perimeter		-	-	-	-	-	-	-	-	-
Appropriation of the consolidated net profit for 2014:										
Transfer to legal reserve and other reserves		-	-	-	-	(8 077 269)	8 077 269	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Others		-	-	-	-	-	-	-	-	-
Balance as of 31 March 2015		25 641 459	(1 641 053)	5 637 034	(78 130)	16 736 501	18 211 426	64 507 237	53 610	64 560 847
Balance as of 1 January 2016	9	25 641 459	(1 641 053)	5 935 519	(126 619)	28 811 105	11 032 683	69 653 094	75 740	69 728 834
Total consolidated comprehensive income for the year		-	-	-	(376 606)	(16 623)	2 798 342	2 405 113	(9 824)	2 395 289
Appropriation of the consolidated net profit for 2015:										
Transfer to legal reserve and other reserves		-	-	-	-	11 032 683	(11 032 683)	-	-	-
Balance as of 31 March 2016		25 641 459	(1 641 053)	5 935 519	(503 225)	39 827 165	2 798 342	72 058 207	65 916	72 124 123

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED AS 31 MARCH 2016 AND 2015
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)

	Notes	31.03.2016	31.03.2015
Operating activities:			
Collections from customers		41 046 630	36 393 193
Payments to suppliers		(26 339 431)	(23 894 681)
Payments to personnel		(2 680 933)	(2 643 321)
Income tax paid/received		(121 736)	(190 305)
Other collections/payments relating to operating activities		(2 343 569)	(3 326 773)
<i>Cash flow from operating activities (1)</i>		<u>9 560 961</u>	<u>6 338 113</u>
Investment activities:			
Collections arising from:			
Tangible assets		-	984
Other assets		9 225	-
Financial investments		-	12 500
Interests and similar income		116 453	309 162
Payments arising from:			
Financial investments		(2 583)	(2 491 532)
Intangible assets		-	(2 842)
Tangible assets		(2 434 161)	(460 075)
Loans granted		-	-
<i>Cash flow from investment activities (2)</i>		<u>(2 311 066)</u>	<u>(2 631 803)</u>
Financing activities:			
Collections arising from:			
Loans obtained		-	1 069 023
Payments arising from:			
Lease contracts		-	-
Interests and similar costs		(718 577)	(1 736 016)
Other financing operations		(28 163)	(26 633)
Loans obtained		(4 089 798)	(5 557 545)
<i>Cash flow from financing activities (3)</i>		<u>(4 836 538)</u>	<u>(6 251 171)</u>
Cash and cash equivalents at the beginning of the year	8	15 863 613	11 777 885
Effect of exchange rate changes		(221 303)	214 713
Variation of cash and cash equivalents: (1)+(2)+(3)		2 413 357	(2 544 861)
Cash and cash equivalents at the end of the year	8	18 055 667	9 447 737

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

The Chartered Accountant

The Board of Directors

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 31 MARCH 2016**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

1. INTRODUCTORY NOTE

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

F. Ramada was created as a result of the reorganization process of Altri, SGPS, S.A. through the demerger of the business areas of steel and storage systems, namely the participation held in F. Ramada – Aços e Indústrias, S.A., which represented the voting rights of the mentioned company. The restructuring involved a simple demerger operation, as predicted in item 1.a), article 118, of the Portuguese Companies Act ("Código das Sociedades Comerciais").

Following this process, the assets corresponding to the shareholdings of the business units of steel and storage systems, including all the resources (such as human resources, assets and liabilities) related to that business unit were transferred from Altri, SGPS, S.A. to F. Ramada.

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

As of March 31, 2016 and December 31, 2015, the Group developed its activity in Portugal, France, United Kingdom, Belgium and Spain.

The consolidated financial statements of F. Ramada Group are presented in Euro (rounded to units), which is the currency used by the Group in its operations and, therefore, is 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. MAIN ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The consolidated financial statements as of 31 March 2016 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 2015.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

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

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 31 MARCH 2016**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

4. SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS, INVESTMENTS IN ASSOCIATES. JOINT VENTURES AND OTHERS INVESTMENTS

4.1 Companies included in the consolidated financial statements

The companies included in the consolidated financial statements by the full consolidation method, its headquarters, percentage of participation held and main activity as of March 31, 2016, and December 31, 2015, are as follows:

Designation	Headquarters	Percentage of participation held		Activity
		31.03.2016	31.12.2015	
<u>Parent company:</u>				
F. Ramada Investimentos, SGPS, S.A.	Porto	-	-	Holding
<u>F. Ramada Group:</u>				
Ramada Aços, S.A.	Ovar	100%	100%	Steel comercialization
Universal Afir, S.A.	Ovar	100%	100%	Steel comercialization
Ramada Storax, S.A.	Ovar	100%	100%	Production and commercialization of storage systems
F. Ramada II, Imobiliária, S.A.	Ovar	100%	100%	Real estate
Storax, S.A.	France	100%	100%	Comercialization of storage systems
Storax, Ltd.	United Kingdom	100%	100%	Comercialization of storage systems
Storax Benelux, S.A.	Belgium	100%	100%	Comercialization of storage systems
Storax España S.L.	Spain	60%	60%	Comercialization 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.

4.2 Investment in associates and joint venture

As of March 31, 2016, the caption "Investments in associates and joint ventures" includes, essentially, the shares of Base Holding SGPS, S.A. owned by F. Ramada Investimentos, SGPS, S.A.. This entity has its head office in Oporto and heads a group of companies which operate in the healthcare sector, namely, complementary means of diagnosis and treatment.

The use of the equity method in the year ended as March 31, 2016 was made based on preliminary and not audited consolidated financial statements of the above companies. The effect on the net profit of the year was recorded on the caption "Share of results of associates and joint ventures" by the amount of 495,000 Euro (1,562,678 Euro in December 31, 2015). As of March 31, 2016 the investment in the mentioned associate amounted to 15,722,394 Euros (15,227,394 Euros in December 31, 2015). The Board of Directors believes that there will not be relevant and material differences between the financial statements used to apply the equity method and the final and consolidated financial statements.

This caption also includes the ownership of Planfuro Global, S.A. (created in 2014 and owned by 50%) and of Expeliarmus-Consultoria, S.A. (created in 2015 and owned by 49%) by an amount equal to 549,998 Euro. Both entities have a residual activity in the three months periods ended on March 31, 2016.

The assessment on the existence, or not, of impairments on the investments in associates and joint ventures are based on the approved business plans.

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 31 MARCH 2016**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

4.3 Other investments

As of March 31, 2016 and December 31, 2015, the caption “Other investments” and respective impairment losses can be detailed as follows:

	31.03.2016	31.12.2015
Investments	7,713,531	7,713,531
Impairment losses (note 12)	(4,220,393)	(4,220,393)
	<u>3,493,138</u>	<u>3,493,138</u>

As of March 31, 2016 the caption “Other investments” mainly includes an investment on Base M – Investimentos e Serviços, S.A. equity. In addition, it also includes the investment of 15.48% on CEV – Consumo em Verde, Biotecnologia das Plantas, S.A., the investment of 4% in Converde Sociedade Unipessoal, Lda., and the loans granted to these companies. The caption didn't face changes during the three months period ended as of 31 March 2016.

Since, these investments correspond to investments in non-public companies in which the Group has no significant influence. Their acquisition cost corresponds to a reliable approximation to their fair value, adjusted by the impairment costs.

The assessment on the existence, or not, of impairments on the investments in joint ventures and associated companies is based on the approved business plans.

5. CHANGES IN THE CONSOLIDATION PERIMETER

During the three months period ended as of 31 March 2016 no changes in the Group's consolidation perimeter occurred.

6. INVESTMENT PROPERTIES

Investment properties held by F. Ramada Group relate to lands rented to third parties (Altri Group) under operational lease, through contracts signed in 2007 and 2008 with an average duration of 20 years, and with the possibility of an additional period of 6 years if certain events occur. Investment properties are measured at acquisition cost. The movement occurred in this caption during the three months period ended as of 31 March 2016 and the year ended 31 December 2015 is as follows:

	31.03.2016	31.12.2015
Opening balance (gross)	85,963,976	85,977,075
Aquisitions	178,905	134,739
Disposals	-	(147,838)
Closing balance (gross)	<u>86,142,881</u>	<u>85,963,976</u>
Impairment losses (note 12)	(1,100,000)	(1,100,000)
Closing balance (net)	<u>85,042,881</u>	<u>84,863,976</u>

The leased land generated, during the three months period ended as of March 31, 2016, income amounting, to approximately, 1,545,750 Euro (approximately 6,311,140 Euro in 2015).

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, and, as such, 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.

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 31 MARCH 2016**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

The impairment losses recorded (note 12) were estimated by specialized entities who made specific analysis on a group of lands.

Part of the land (amounting to, approximately, 80 million Euros) is given as collateral for certain borrowings.

7. **DEFERRED INCOME TAXES**

In accordance with current legislation, the tax returns are subject to review and correction by the tax authorities over a period of four years (five years for Social Security), except when tax losses have occurred, tax benefits have been granted, or inspections, complaints or disputes are on-going. In these cases, depending on the circumstances, the above referred period deadlines can be extended or suspended. Therefore, the tax returns of F. Ramada and its subsidiaries for the years 2012 to 2016 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 March 31, 2016.

The movement occurred in deferred tax assets and liabilities in the three months period ended as of March 31, 2016 and 2015, was as follows:

	31.03.2016	
	Deferred tax assets	Deferred tax liabilities
Balance as of January 1, 2016	1,728,886	35,081
Effects on income statement		
Others	36,726	-
Balance as of March 31, 2016	1,765,612	35,081

	31.03.2015	
	Deferred tax assets	Deferred tax liabilities
Balance as of January 1, 2015	1,923,682	40,937
Effects on income statement		
Others	(2,322)	-
Balance as of March 31, 2015	1,921,360	40,937

8. **CASH AND CASH EQUIVALENTS**

As of March 31, 2016 and December 31, 2015 the caption "Cash and cash equivalents" included in the consolidated statement of financial position can be detailed as follows:

	31.03.2016	31.12.2015
Cash	2,359,552	12,925
Bank deposits	24,409,402	22,375,669
	26,768,954	22,388,594
Bank overdrafts (note 10)	(8,713,287)	(6,524,981)
Cash and equivalents	18,055,667	15,863,613

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9. SHARE CAPITAL

As of March 31, 2016, 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 the same date, F. Ramada Investimentos, SGPS, S.A. held 2,564,145 own shares, corresponding to 9.99996% of the share capital of the Company, acquired by 1,641,053 Euros.

Additionally, as of March 31, 2016 and December 31, 2015, there were no companies holding a share in the subscribed capital of, at least, 20%.

10. BANK LOANS AND OTHER LOANS

As of March 31, 2016 and December 31, 2015, the captions "Bank loans" and "Other loans" can be detailed as follows:

	31.03.2016		31.12.2015	
	Current	Non current	Current	Non current
	3,985,753	43,973,155	3,985,753	47,458,908
Bank loans	3,985,753	43,973,155	3,985,753	47,458,908
Commercial paper	25,250,000	-	25,750,000	-
Other bank loans	3,500,000	-	3,500,000	-
Bank overdrafts (note 8)	8,713,287	-	6,524,981	-
Factoring	1,323,925	-	1,425,375	-
Financial lease contracts	61,635	-	84,553	-
Other loans	38,848,847	-	37,284,909	-
	42,834,600	43,973,155	41,270,662	47,458,908

It is the Board of Directors understanding that the loans' book value does not differ significantly from its fair value.

10.1 Bank Loans:

The nominal amount of bank loans as of March 31, 2016, will be reimbursed as follows:

31.03.2016			31.12.2015		
Reimbursement year	Amount	Estimated interests	Reimbursement year	Amount	Estimated interests
Current			Current		
2016	500,000	223,367	2016	3,985,753	852,318
2017	3,485,753	574,295		3,985,753	852,318
	3,985,753	797,662			
Non current			Non current		
2017	500,000	208,777	2017	3,985,753	783,000
2018	3,985,753	714,000	2018	3,985,753	714,000
2019	5,500,000	622,000	2019	5,500,000	622,000
2020	5,500,000	529,000	2020	5,500,000	529,000
2021	5,500,000	436,000	2021	5,500,000	436,000
2022	5,500,000	343,000	2022	5,500,000	343,000
2023	5,500,000	250,000	2023	5,500,000	250,000
2024	11,987,401	42,000	2024	11,987,401	42,000
	43,973,155	3,144,777		47,458,908	3,719,000
	47,958,908	3,942,439		51,444,661	4,571,318

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As of March 31, 2016, and December 31, 2015, the credit facilities used by the Group and the corresponding maximum amounts allowed were as follows:

Nature	March 31, 2016		December 31, 2015	
	Authorized amount	Used amount	Authorized amount	Used amount
Other bank loans	23,700,000	3,500,000	23,700,000	3,500,000
Bank overdrafts	16,000,000	8,713,287	16,000,000	6,524,981
Commercial paper program				
12/2016	5,000,000	3,000,000	5,000,000	4,000,000
08/2017	5,000,000	5,000,000	5,000,000	5,000,000
07/2019	7,500,000	3,000,000	7,500,000	2,000,000
07/2018	2,750,000	2,750,000	2,750,000	2,750,000
07/2020	3,000,000	2,500,000	3,000,000	3,000,000
06/2020	5,000,000	5,000,000	5,000,000	5,000,000
07/2020	4,000,000	4,000,000	4,000,000	4,000,000
	32,250,000	25,250,000	32,250,000	25,750,000

During the three months period ended as of March 31, 2016, these loans bear interest at normal market rates depending on the nature and term of the credit obtained.

During the three months period ended as of March 31, 2016, and the year ended as of December 31, 2015, the Group did not enter into any loan default.

Additionally, as of March 31, 2016, there are no covenants associated with the loans obtained.

11. OTHER CURRENT LIABILITIES

As of March 31, 2016, and December 31, 2015, the caption "Other current liabilities" can be detailed as follows:

	31.03.2016	31.12.2015
Accrued expenses		
Accrued payroll	3,572,221	3,017,235
Interests payable	599,229	630,605
Other	1,530,368	1,123,214
	5,701,818	4,771,054
Deferred income	11,721,916	8,023,268
	17,423,734	12,794,322

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

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12. PROVISIONS AND IMPAIRMENT LOSSES

The movements that occurred in provisions and impairment losses for the three months period ended as of March 31, 2016, can be detailed as follows:

	Provisions	Impairment losses in investments (note 4.3)	Impairment losses in current assets	Impairment losses in investments properties (note 6)	Total
Opening balance 01.01.2016	1,564,976	4,220,393	16,635,613	1,100,000	23,520,982
Exchange rate variation	(319)	-	-	-	(319)
Increases	179,630	-	106,895	-	286,525
Reversals	(39,444)	-	(2,499)	-	(41,943)
Utilizations	(4,998)	-	-	-	(4,998)
Closing balance 31.03.2016	1,699,845	4,220,393	16,740,009	1,100,000	23,760,247

The increases and reversals recorded in provisions and impairment losses for the three months period ended as of 31 March 2016 were recorded in the profit and loss statement caption “Provisions and impairment losses”.

The amount recorded in the caption “Provisions” as of March 31, 2016 relates to the Board of Directors best estimate to cover possible losses arising from legal actions in progress and other liabilities.

The Board of Directors believes that, based on the opinion of their legal advisors, as of March 31, 2016 there are no assets or liabilities associated with probable or possible tax contingencies that should be reported in the financial statements as of 31 March 2016.

13. EARNINGS PER SHARE

Earnings per share for the three months period ended as of 31 March 2016 and 2015 were determined taking into consideration the following amounts:

	31.03.2016	31.03.2015
Net profit considered for the computation of basic and diluted earnings per share	2,788,517	2,059,860
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	0.12	0.09
Diluted	0.12	0.09

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.

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14. RELATED PARTIES

The main balances with related parties as of March 31, 2016 and 2015 may be detailed as follows:

	Rents Receivable	
	31.03.2016	31.03.2015
Altri Group	1,545,750	1,545,750
	1,545,750	1,545,750

Apart from the companies included in the consolidation (Note 4), the companies considered to be related parties as of March 31, 2016, are the following:

- ☐ Actium Capital, SGPS, S.A.
- ☐ AdCom Media Anúncios e Publicidade, S.A.
- ☐ Alteria, SGPS, S.A.
- ☐ Altri Abastecimento de Madeira, S.A.
- ☐ Altri Florestal, S.A.
- ☐ Altri Sales, S.A.
- ☐ Altri, Participaciones Y Trading, S.L.
- ☐ Altri, SGPS, S.A.
- ☐ Base Holding SGPS, S.A.
- ☐ Base M - Investimentos e serviços S.A.
- ☐ Caderno Azul, SGPS, S.A.
- ☐ Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
- ☐ Caima Indústria de Celulose, S.A.
- ☐ Captaraiz Unipessoal, Lda.
- ☐ Celulose da Beira Industrial (Celbi), S.A.
- ☐ Celtejo – Empresa de Celulose do Tejo, S.A.
- ☐ Cofihold, SGPS, S.A.
- ☐ Cofina Media, S.A.
- ☐ Cofina, SGPS, S.A.
- ☐ Consumo em Verde – Biotecnologia das Plantas, S.A.
- ☐ Converde Unipessoal, Lda.
- ☐ Destak Brasil – Empreendimentos e Participações, S.A.
- ☐ Destak Brasil Editora S.A.
- ☐ Elege Valor, SGPS, S.A.
- ☐ Expeliarmus-Consultoria, SA

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- ☐ Grafedisport – Impressão e Artes Gráficas, S.A.
- ☐ Inflora – Sociedade de Investimentos Florestais, S.A.
- ☐ Jardins de França - Empreendimentos Imobiliários, S.A.
- ☐ Livrefluxo, SGPS, S.A.
- ☐ Malva – Gestão Imobiliária, S.A.
- ☐ Mercados Globais – Publicação de Conteúdos, Lda.
- ☐ Pedro Frutícola, Sociedade Frutícola, S.A.
- ☐ Planfuro Global, S.A
- ☐ Préstimo – Prestígio Imobiliário, S.A.
- ☐ Promendo, SGPS, S.A.
- ☐ Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.
- ☐ Torres da Luz – Investimentos imobiliários, S.A.
- ☐ Valor Autêntico, SGPS, S.A.
- ☐ VASP – Sociedade de Transportes e Distribuições, Lda.
- ☐ Viveiros do Furadouro Unipessoal, Lda.

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 development.

This segments were identified considering the business units which develop activities whose income and cost may be distinguished, and for which it is produced separate financial information.

The segregation of activities by segments as of March 31, 2016 and 2015 is made up as follows:

	March 31, 2016			
	Industry	Real Estate	Intra-group eliminations	Total
Total assets	114,339,989	90,604,542	(7,884,676)	197,059,855
Total liabilities	61,568,133	71,252,275	(7,884,676)	124,935,732
Operating investments (a)	162,511	178,905	-	341,416
Profit from foreign market customers	26,671,592	1,557,904	-	28,229,496
Profit from operations with other segments	10,956	341,163	(352,119)	-
Cash-flow from operating activities (b)	3,046,962	1,289,381	-	4,336,343
Amortizations	(454,814)	(67,842)	-	(522,656)
Earnings before interest and taxes (c)	2,592,148	1,221,539	-	3,813,687
Financial profits	113,177	-	(62,953)	50,224
Financial costs	(204,965)	(373,544)	62,953	(515,556)
Share of results of joint ventures and associated companies	495,000	-	-	495,000
Earnings before taxes	2,995,360	847,995	-	3,843,355
Income taxes	(714,331)	(340,506)	-	(1,054,837)
Net profit	2,281,029	507,489	-	2,788,518

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	March 31, 2015			
	Industry	Real Estate	Intra-group eliminations	Total
Total assets	113,865,388	90,490,096	(23,388,444)	180,967,040
Total liabilities	18,897,214	74,120,535	23,388,444	116,406,193
Operating investments (a)	24,445	20,208	-	24,465
Profit from foreign market customers	25,392,698	1,565,017	-	26,957,715
Profit from operations with other segments	2,088	341,163	(343,251)	-
Cash-flow from operating activities (b)	2,569,179	1,245,307	-	3,814,486
Amortizations	(337,200)	(66,405)	-	(403,605)
Earnings before interest and taxes (c)	2,231,979	1,178,902	-	3,410,881
Financial profits	283,181	1,722	(264,654)	20,249
Financial costs	(462,687)	(591,003)	264,654	(789,036)
Share of results of joint ventures and associated companies	365,000	-	-	365,000
Earnings before taxes	2,417,473	589,621	-	3,007,094
Income taxes	(691,843)	(255,391)	-	(947,234)
Net profit	1,725,630	334,230	-	2,059,860

(a) - Investments in non-current assets, except financial instruments, deferred tax assets and financial investments

(b) - Operating results + amortizations

(c) - Earnings before interest and taxes excluding Group operations

16. FINANCIAL TRANSLATION

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

17. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance in May 5, 2016.

The Chartered Accountant

The Board of Directors

João Manuel Matos Borges de Oliveira – Chairman

Paulo Jorge dos Santos Fernandes

Domingos José Vieira de Matos

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo de Carvalho Menéres de Mendonça