



RAMADA
INVESTIMENTOS E INDÚSTRIA

Earnings Announcement

September 30, 2018

(unaudited)

This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards and in accordance with the International Accounting Standard 34 – Interim Financial Reporting, 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.



80 YEARS
Investing in industry

INTRODUCTION

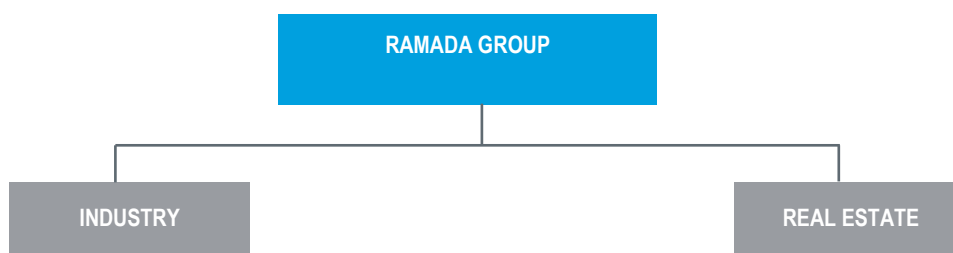
Ramada Investimentos¹ is the parent company of a group of companies that together operate two distinct business segments: i) Industry Segment, which includes the activity of special steels and wire drawing, as well as the activity related to the management of financial investments in which the Group is a minority shareholder; and ii) Real Estate Segment, aimed at the management of real estate assets.

The special steels activity, which develops, especially at the level of the sub-segment of moulds, with a leading position in the domestic market, is developed by three companies: Ramada Aços, Universal Afir and Planfuro Global.

In the last quarter of 2017, Ramada Investimentos acquired the indirect control of 99% of the share capital of SOCITREL – Sociedade Industrial de Trefilaria, S.A. (“Socitrel”). It should be noted that Socitrel only started to impact the consolidated statement of profit and loss from January 1st 2018 onwards. Additionally, in the first quarter of 2018 Ramada Investimentos acquired the remaining stake in Socitrel’s share capital, being as from that date its sole shareholder.

This acquisition allowed Ramada Investimentos to diversify its industrial activity, entering in a new business area. The main business of Socitrel is related with manufacture and commercialization of steel wires, capable of being used in a wide variety of activities, including industry, agriculture and construction.

In the first half of 2018, Ramada Investimentos sold the entire share capital of Ramada Storax, S.A. and of all its subsidiaries in France, the United Kingdom, Belgium and Spain, which supported the entire international distribution network. This operation entailed the discontinuation of the Storage Solutions activity.



¹ In June 2018, F. Ramada - Investimentos SGPS, S.A., changed the Company's corporate purpose, as well as the Company's name to "RAMADA INVESTIMENTOS E INDÚSTRIA, S.A." (Ramada Investimentos) or (Ramada Group).

The consolidated financial information of Ramada Investimentos 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

The income statement for the nine months period ended September 30, 2017 was restated in order to segregate the results attributable to the discontinuing units (subsidiaries that are dedicated to the storage solutions business) in an autonomous line.

	9M 2018	9M 2017 (Restated)	Var. %
Sales and services rendered	97 895	57 863	69.2%
Other income	484	1 569	-69.2%
Total revenue	98 379	59 432	65.5%
Cost of sales	(59 288)	(31 131)	90.4%
External supplies and services	(13 011)	(7 973)	63.2%
Payroll expenses	(10 372)	(6 697)	54.9%
Other expenses	(838)	(442)	89.9%
Total Costs (a)	(83 510)	(46 242)	80.6%
EBITDA (b)	14 868	13 190	12.7%
EBITDA Margin	15.1%	22.2%	
Amortization and depreciation	(4 261)	(3 662)	16.4%
EBIT (c)	10 607	9 528	11.3%
EBIT Margin	10.8%	12.7%	
Share of results of associates	0	42 249	-100.0%
Financial expenses	(1 281)	(1 482)	-13.6%
Financial income	26	137	-81.2%
Profit before income tax from continuing operations	9 352	50 432	-81.5%
Income tax	(2 238)	(2 196)	
Profit after tax from continuing operations	7 113	48 235	-85.3%
Profit after tax income from discontinued operations	60 214	3 145	1814.7%
Consolidated net profit	67 327	51 380	31.0%
Consolidated net profit attributable to shareholders of parent company	67 327	51 371	31.1%
Consolidated net profit attributable to Non-controlling Interest	0	10	

(Amounts in thousands Euros)

(a) Operating costs excluding depreciation and amortization, financial costs and income taxes

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

(c) EBIT = earnings before financial results and taxes on income

In the first nine months of 2018, total revenues of the Ramada Group amounted to 98,379 thousand Euros, an increase of 65.5% over the total revenues recorded in the same period of 2017. This growth is explained by the impact of the consolidation of Socitrel only in 2018. Excluding this effect, the Group recorded a year-on-year growth of 5,574 thousand Euros in this period, which represents a growth of 9.4%.

Total costs, excluding amortizations, financial results and income taxes, amounted to 83,510 thousand Euros, increasing by 80.6% in relation to September 2017.

EBITDA amounted to 14,868 thousand Euros, 12.7% more than in the first nine months of 2017. The EBITDA margin was 15.1%, compared to 22.2% in the same period of last year.

Operating income (EBIT), in the amount of 10,607 thousand Euros, increased by 11.3% compared to 9,528 thousand Euros in 2017.

The negative financial results, in the amount of 1,255 thousand Euros, recorded a decrease of 6.7% compared to the same period of 2017.

In the first nine months of 2018, net profit from continuing operations amounted to 7,113 thousand Euros, 85.3% below the same period of 2017. Excluding gains in associated companies of 42,249 thousand Euros, the Group presented a growth of 1,127 thousand Euros in net profit, which represented an increase of 18.8% compared to the same period in 2017.

Net profit of the discontinued operations was 60,214 thousand Euros, which includes the gain from the sale of the storage solutions business. In the same period of 2017 net profit of this activity amounted to 3,145 thousand Euros.

Consolidated net profit, including discontinued operations, amounted to 67,327 thousand Euros, compared to 51,380 thousand Euros in the same period of 2017.

INDUSTRY SEGMENT

	9M 2018	9M 2017 (Restated)	Var. %
Total Revenues	93 069	54 296	71.4%
Total Cost (a)	82 405	45 396	81.5%
EBITDA (b)	10 664	8 900	19.8%
EBITDA Margin	11.5%	13.6%	
EBIT (c)	6 577	5 520	19.1%
EBIT Margin	7.1%	9.7%	
Financial results	(626)	(542)	15.5%
Share of results of associates	0	42 249	-100.0%
Profit before income tax from continuing operations	5 951	47 227	-87.4%
Income tax	1 388	1 235	12.4%
Net profit from continuing operations	4 563	45 992	-90.1%
Net profit from discontinued operations	60 214	3 145	1814.7%
Consolidated net profit for the period	64 777	49 137	31.8%

(Amounts in thousands of Euros)

(a) Operating costs excluding depreciation and amortization, financial costs and income taxes

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

(c) EBIT = earnings before financial results and taxes on income

In the first nine months of 2018, total revenues from the Industry segment amounted to 93,069 thousand Euros, an increase of 71.4% compared to the total revenues of the same period of 2017. This growth is explained by the impact of the consolidation of Socitrel that occurred only in 2018. Excluding this effect, the Industry segment had a year-on-year growth of 5,400 thousand Euros in this period, representing a growth of 10%.

The EBITDA of the Industry segment in the first nine months of 2018 amounted to 10,664 thousand Euros, an increase of 19.8% over the 8,900 thousand Euros reached in the same period of 2017. EBITDA margin reached 11.5% compared to 13.6% in the previous year.

Operating income (EBIT), in the amount of 6,577 thousand Euros, recorded a growth of 19.1% compared to 5,520 thousand Euros in the same period of 2017.

In the first nine months of 2018 the steel business recorded a growth in turnover compared to the same period of the previous year.

The mould and metal mechanic sectors continued to be the growing engine of the sales of this activity.

The third quarter was characterized by a strong drop in demand in the plastic moulds sub-sector, while other areas such as cold-working tools and die-cast moulds continue to present good activity levels and maintain the same growth perspective.

The automotive industry is undergoing a reflection period in light of the recent reduction in sales in the Asian (mainly China) and European markets, strongly linked to the restrictive policy in relation to the circulation of more polluting vehicles in cities.

As the plastics sub-sector is important for the Group's portfolio of products and services, especially in machines and heat treatments, there is some concern about the duration of this reduction of activity.

There are some reserves in relation to the market recovery due to the strong pressure coming from chinese competition on the price of plastic molds and that could affect demand even under normal market conditions.

The Metal-mechanics sector continues with good levels of activity with exports making an important contribution. Faced with these constraints, stock levels demonstrate this slowdown in sales, presenting abnormally high values.

Mild steel prices remained stable, while the alloyed steels and tool steels prices kept a strong upward trend.

The steel business is mainly developed in the domestic market which in the first nine months of 2018 accounted for 93% of turnover.

Exports, which up until now had been a growing factor in the moulds and tools sector activity, are facing the same impact that happened in the domestic market. However, the Group continues to focus on foreign markets, seeking to increase its export capacity.

In the first nine months of 2018, Socitrel's activity increased significantly compared to the same period of 2017, recovering production levels, sales and financial performance.

Regarding the markets where Socitrel operates, in the third quarter, stability was maintained, after one semester with pressure on demand. At the level of the zinc products, the pressure in the supply side remains. In the machine wire market prices kept stable associated with the uncertainty of its evolution until the end of the year.

Socitrel operates mainly in the foreign market, which, in the first nine months of 2018, accounted for 64% of turnover, with Europe being the target market with the greatest relevance.

REAL ESTATE SEGMENT

	9M 2018	9M 2017 (Restated)	Var. %
Total revenues	5 310	5 136	3.4%
Total costs (a)	1 106	846	30.8%
EBITDA (b)	4 204	4 290	-2.0%
EBIT (c)	4 030	4 008	0.5%
Financial results	(630)	(804)	-21.6%
Profit before income tax	3 400	3 204	6.1%

(Amounts in thousands of Euros)

(a) Operating costs excluding depreciation and amortization, financial costs and income taxes

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

(c) EBIT = earnings before financial results and taxes on income

In the period from January to September 2018, total revenues from the Real Estate segment amounted to 5,310 thousand Euros, an increase of 3.4% over the same period in 2017.

Income from long-term leases of forest land represents approximately 90% of total Real Estate revenues.

The EBITDA of the Real Estate segment in the first nine months of 2018 amounted to 4,204 thousand Euros, a decrease of 2.0% compared to 2017.

In the first nine months of 2018, the operating profit (EBIT) of the Real Estate segment, in the amount of 4,030 thousand Euros, showed a slight increase compared to the same period of 2017.

The financial results of the Real Estate segment were negative by 630 thousand Euros, an improvement of 21.6% compared to the negative 804 thousand Euros in the same period of 2017.

In the first nine months of 2018, profit before taxes for the Real Estate segment amounted to 3,400 thousand Euros, 6.1% more than in 2017.

INVESTMENTS AND DEBT

In the first nine months of 2018, the investments (CAPEX) of the Ramada Group amounted to, approximately, 2,530 thousand Euros.

As of 30 September 2018, the Ramada Group had net cash, deducted from nominal gross debt, in the amount of 5,752 thousand Euros. The net debt was negatively affected by the abnormally high level of stocks, because of the instability caused by international tariff threats and by the slowdown in sales in the third quarter. This excessive working capital situation should be adjusted over the coming months.

As of 31 December 2017, the nominal net debt amounted to 7,872 thousand Euros.

FUTURE EVENTS

Given the favourable evolution of the results during the current year and the availability of liquidity compatible with advance on profits, the Board of Directors of Ramada Investimentos initiated a process for the approval of an advance on the profits of the year, up to 29,487,678 Euros, which will correspond to a dividend of 1.15 Euros per share.

Once all legal requirements have been fulfilled, the Board of Directors will be able to decide upon the advance on profits of the year, in a meeting to be held probably in the first half of November.

October 31, 2018

The Board of Directors



Shaping industry

Rua do General Norton de Matos,
N.º 68 - R/C
4050-424 Porto PORTUGAL
Tel: +351 228 347 100

www.ramadainvestimentos.pt

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2018 AND 31 DECEMBER 2017

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

(Amounts expressed in Euro)

ASSETS	Notes	30.09.2018	31.12.2017
NON CURRENT ASSETS			
Investment properties	6	85 029 828	84 921 939
Tangible assets		19 851 891	22 800 147
Intangible assets		21 972	116 152
Goodwill		1 245 520	1 245 520
Other investments	4.2	537 779	8 492
Other non-current assets		1 445 268	1 439 631
Deferred tax assets	7	3 403 838	4 552 283
Total non current assets		111 536 096	115 084 164
CURRENT ASSETS			
Inventories		30 330 280	28 871 968
Clients		38 845 288	54 403 293
State and other public entities		1 260 088	3 170 043
Other debtors		1 204 556	1 862 228
Other current assets		150 170	5 626 683
Cash and cash equivalents	8	101 884 842	105 099 639
Total current assets		173 675 224	199 033 854
Total assets		285 211 320	314 118 018
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	25 641 459	25 641 459
Legal reserve		6 460 877	6 460 877
Currency translation reserves		-	(1 080 409)
Other reserves and retained earnings		57 959 369	58 429 714
Consolidated net profit for the year		67 327 182	56 708 187
Total equity attributable to equity holders of the parent company		157 388 887	146 159 828
Non-controlling interests		-	4 923
Total equity		157 388 887	146 164 751
LIABILITIES			
NON CURRENT LIABILITIES			
Bank loans	10	53 487 401	57 455 951
Other loans	10	4 993 275	6 874 761
Other creditors - non current		-	238 752
Provisions	12	860 000	3 100 736
Deferred tax liabilities	7	931 653	955 993
Total non current liabilities		60 272 329	68 626 193
CURRENT LIABILITIES			
Bank loans	10	7 565 939	7 511 465
Other loans	10	30 086 476	41 128 981
Suppliers		15 648 732	26 429 496
State and other public entities		4 090 782	6 612 242
Other creditors		1 399 905	2 868 687
Other current liabilities	11	8 758 270	14 776 203
Total current liabilities		67 550 104	99 327 074
Total liabilities		127 822 433	167 953 267
Total equity and liabilities		285 211 320	314 118 018

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

The Chartered Accountant

The Board of Directors

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURES
FOR THE NINE AND THREE MONTHS PERIODS ENDED AS OF 30 SEPTEMBER 2018 AND 2017
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)

	Notes	Nine months period ended as of:		Three months period ended as of:	
		30.09.2018	30.09.2017 (Restated) (note 5)	30.09.2018	30.09.2017 (Restated) (note 5)
Sales and services rendered		97 895 083	57 862 545	30 652 246	18 912 839
Other income		483 596	1 569 317	(47 149)	1 375 665
Cost of sales		(59 288 238)	(31 130 784)	(18 335 981)	(10 007 046)
External supplies and services		(13 011 152)	(7 973 083)	(4 116 081)	(3 418 985)
Payroll expenses		(10 372 379)	(6 696 509)	(3 049 158)	(2 014 623)
Amortization and depreciation		(4 261 377)	(3 661 572)	(1 263 468)	(1 093 685)
Provisions and impairment losses	12	(159 679)	336 818	196 215	443 188
Other expenses		(678 806)	(778 463)	(203 172)	(203 924)
Share of results of associates		-	42 248 672	-	41 257 368
Financial expenses		(1 281 156)	(1 482 205)	(388 383)	(730 023)
Financial income		25 731	136 806	25 244	49 335
Profit before income tax		9 351 623	50 431 542	3 470 313	44 570 110
Income tax		(2 238 182)	(2 196 060)	(867 855)	(912 323)
Consolidated net profit from continuing operations		7 113 441	48 235 482	2 602 458	43 657 787
Profit after income tax from discontinued operations	5	60 213 741	3 144 878	-	652 041
Consolidated net profit		67 327 182	51 380 360	2 602 458	44 309 828
Attributable to:					
Parent company's shareholders		67 327 182	51 314 031	2 602 458	44 253 026
Continuing operations		7 113 441	48 235 482	2 602 458	43 657 787
Discontinued Operations		60 213 741	3 078 549	-	595 239
Non-controlling interests		-	66 329	-	56 802
Continuing operations		-	-	-	-
Discontinued Operations		-	66 329	-	56 802
Earnings per share					
Continuing operations					
Basic	13	0.28	2.09	0.10	1.89
Diluted	13	0.28	2.09	0.10	1.89
Discontinued Operations					
Basic	13	2.35	0.13	-	0.04
Diluted	13	2.35	0.13	-	0.04

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

The Chartered Accountant

The Board of Directors

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND THREE MONTHS PERIODS ENDED AS OF 30 SEPTEMBER 2018 AND 2017

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

	Notes	Nine months period ended as of:		Three months period ended as of:	
		30.09.2018	30.09.2017 (Restated) (note 5)	30.09.2018	30.09.2017 (Restated) (note 5)
Net consolidated profit for the period		67 327 182	51 380 360	2 602 458	44 309 828
Other comprehensive income					
Items that may be reclassified subsequently to statement of profit or loss:					
Exchange differences arising on translation of foreign operations from discontinued operations		82 120	(146 417)	-	(12 914)
Items reclassified to statement of profit or loss:					
Exchange reserves arising on translation of foreign operations from discontinued operations	5	998 289	-	-	-
Other comprehensive income for the period		1 080 409	(146 417)	-	(12 914)
Total comprehensive income for the period		68 407 591	51 233 943	2 602 458	44 296 914
Attributable to:					
Parent company's shareholders		68 407 591	51 167 614	2 602 458	44 240 112
Continuing operations		7 113 441	48 235 482	2 602 458	43 657 787
Discontinued Operations		61 294 150	2 932 132	-	582 325
Non-controlling interests		-	66 329	-	56 802
Continuing operations		-	-	-	-
Discontinued Operations		-	66 329	-	56 802

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

The Chartered Accountant

The Board of Directors

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIODS ENDED AS OF 30 SEPTEMBER 2018 AND 2017
(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 2017	9	25 641 459	(1 641 053)	6 231 961	(891 241)	34 737 106	13 860 952	77 939 184	142 364	78 081 548
Total consolidated comprehensive income for the period		-	-	-	(146 417)	-	51 314 031	51 167 614	66 329	51 233 943
Appropriation of the consolidated net profit for 2017:										
Transfer to other reserves		-	-	228 917	-	13 632 035	(13 860 952)	-	-	-
Dividends		-	-	-	-	(6 461 648)	-	(6 461 648)	-	(6 461 648)
Disposal of own shares		-	1 641 053	-	-	16 384 886	-	18 025 939	-	18 025 939
Balance as of 30 September 2017		<u>25 641 459</u>	<u>-</u>	<u>6 460 877</u>	<u>(1 037 658)</u>	<u>58 292 379</u>	<u>51 314 031</u>	<u>140 671 089</u>	<u>208 693</u>	<u>140 879 782</u>
Balance as of 1 January 2018	9	25 641 459	-	6 460 877	(1 080 409)	58 429 714	56 708 187	146 159 828	4 923	146 164 751
Total consolidated comprehensive income for the period		-	-	-	1 080 409	-	67 327 182	68 407 591	-	68 407 591
Appropriation of the consolidated net profit for 2018:										
Transfer to other reserves		-	-	-	-	56 708 187	(56 708 187)	-	-	-
Dividends		-	-	-	-	(57 180 455)	-	(57 180 455)	-	(57 180 455)
Acquisition of non-controlling interests		-	-	-	-	1 923	-	1 923	(4 923)	(3 000)
Balance as of 30 September 2018		<u>25 641 459</u>	<u>-</u>	<u>6 460 877</u>	<u>-</u>	<u>57 959 369</u>	<u>67 327 182</u>	<u>157 388 887</u>	<u>-</u>	<u>157 388 887</u>

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

The Chartered Accountant

The Board of Directors

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE AND THREE MONTHS PERIODS ENDED AS OF 30 SEPTEMBER 2018 AND 2017
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)

	Notes	Nine months period ended as of:		Three months period ended as of:	
		30.09.2018	30.09.2017	30.09.2018	30.09.2017
Operating activities:					
Collections from customers		113 328 852	152 107 894	36 640 917	47 893 533
Payments to suppliers		(90 786 812)	(119 613 500)	(37 726 537)	(46 800 275)
Payments to personnel		(6 757 938)	(9 670 038)	(2 292 409)	(3 201 102)
Income tax paid/received		(2 150 860)	(1 717 404)	(1 992 801)	(1 048 940)
Other collections/payments relating to operating activities		(13 586 777)	(9 095 832)	1 195 583	(3 076 686)
<i>Cash flow from operating activities (1)</i>		<u>46 485</u>	<u>12 011 120</u>	<u>(4 175 246)</u>	<u>(6 233 470)</u>
Investment activities:					
Collections arising from:					
Tangible assets		11 138	292 811	-	30 415
Other assets		734 892	-	658 619	-
Investment subsidies		81 000 000	991 276	-	-
Financial investments	5	-	282	-	-
Dividends		4 000 000	-	-	-
Interests and similar income		16 415	126 633	16 415	47 408
Payments arising from:					
Financial investments	4.2	(537 779)	(600 634)	(107 779)	(122 622)
Investment properties		(183 285)	-	(118 710)	-
Intangible assets		-	(27 465)	-	(11 248)
Tangible assets		(3 410 178)	(8 235 664)	(1 721 386)	(1 783 102)
<i>Cash flow from investment activities (2)</i>		<u>81 631 203</u>	<u>(7 452 761)</u>	<u>(1 947 875)</u>	<u>(1 916 972)</u>
Financing activities:					
Collections arising from:					
Other equity instruments		-	18 025 939	-	18 025 939
Loans obtained		6 786 908	5 646 193	1 911 310	886 662
Payments arising from:					
Interests and similar costs		(1 418 568)	(1 813 682)	(185 903)	(561 275)
Dividends	9	(57 180 455)	(6 461 648)	-	(226)
Loans obtained		(19 912 858)	(6 882 838)	(13 372 018)	(648 667)
<i>Cash flow from financing activities (3)</i>		<u>(71 724 973)</u>	<u>8 513 964</u>	<u>(11 646 611)</u>	<u>17 702 433</u>
Cash and cash equivalents at the beginning of the period	8	97 418 384	10 037 127	116 393 320	13 382 952
Change in cash and cash equivalents: (1) + (2) + (3)		9 952 695	13 072 323	(17 094 699)	9 629 814
Effect of exchange rate changes		-	(106 616)	-	(9 332)
Cash and cash equivalents associated with discontinued operations	5	(8 072 459)	-	-	-
Cash and cash equivalents at the end of the period	8	<u>99 298 621</u>	<u>23 002 834</u>	<u>99 298 621</u>	<u>23 002 834</u>

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 30 SEPTEMBER 2018**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

1. INTRODUCTORY NOTE

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A. ("Ramada Investimentos", "Ramada Group" or "Group") is a public company incorporated on June 1, 2008, with head-office at Rua General Norton de Matos, 68, r / c in Oporto. Its main activity consists on management of shareholdings, and its shares are listed on Euronext Lisbon. In May 2018 F. Ramada - Investimentos SGPS, S.A., changed its corporate purpose and its name to "RAMADA INVESTIMENTOS E INDÚSTRIA, S.A. as decided upon the Shareholders' General Meeting held in May 4, 2018, that changed the corporate purpose of the Company from management of investments to management consulting services provider, including financial and administrative services, management of real estate and financial investments, acquisition and sale of securities, leasing, construction, rehabilitation, management, administration and conservation of real estate.

The Ramada Group 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 Ramada Aços 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 share of the assets of Altri, SGPS, SA corresponding to the shareholding management business in the steel and storage solutions sector, including all other resources (notably persons, assets and liabilities) were transferred to Ramada Investimentos.

Currently, Ramada Investimentos is the parent company of a group of companies listed in Note 4 (designated as Ramada Group), that together operate two distinct business segments: i) Industry Segment, which includes the activity of special steels and wire drawing, as well as the activity related to the management of financial investments in which the Group is a minority shareholder; and ii) Real Estate Segment, aimed at the management of real estate assets.

The consolidated financial statements of Ramada Group are presented in Euro (rounded to units), which is the currency used by the Group in its operations and, therefore, is considered 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

The consolidated financial statements as of 30 September 2018 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 Ramada Investimentos e Indústria, S.A. are consistent with the accounting policies used in the preparation of the financial statements presented for the year ended as of 31 December 2017, except for the adoption of the new standards effective as for 1 January 2018. There were no significant impacts from IFRS 9 and IFRS 15 application in the consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

During the reporting period, there were no changes in the accounting policies and neither material mistakes related with previous periods occurred.

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2018**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

4. SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OTHER INVESTMENTS

4.1 Companies included in the consolidated financial statements

The companies included in the consolidated financial statements by the full consolidation method, their headquarters, percentage of participation held and main activity as of September 30, 2018, and December 31, 2017, are as follows:

Designation	Headquarters	Percentage of participation held		Activity
		30.09.2018	31.12.2017	
<u>Parent company:</u>				
Ramada Investimentos e Indústria, S.A.	Porto	-	-	Management and consulting services
<u>Ramada Group:</u>				
Ramada Aços, S.A.	Ovar	100%	100%	Steel comercialization
Planfuro Global, S.A.	Leiria	100%	100%	Manufacture of metal moulds
Universal Afir, S.A.	Ovar	100%	100%	Steel comercialization
F. Ramada II, Imobiliária, S.A.	Ovar	100%	100%	Real estate
Socitrel - Sociedade Industrial de Trefilaria, S.A.	Trofa	100%	99%	Manufacture and sale of steel wires
Socitrel España, S.A.	Spain	100%	99%	Manufacture and sale of steel wires
Expeliarmus - Consultoria, S.A.	Porto	100%	99%	Company holding company
Ramada Storax, S.A. (1)	Ovar	-	100%	Production and comercialization of storage systems
Storax, S.A. (1)	France	-	100%	Comercialization of storage systems
Storax, Ltd. (1)	United Kingdom	-	100%	Comercialization of storage systems
Storax Benelux, S.A. (1)	Belgium	-	100%	Comercialization of storage systems
Storax España S.L. (1)	Spain	-	100%	Comercialization of storage systems

(1) -Companies disposed in the period (note 5)

All the above companies were included in the consolidated financial statements of Ramada Group in accordance with the full consolidation method. Changes in the perimeter in this period result from the disposal of the Storax Group companies (note 5).

4.2 Other investments

As of September 30, 2018 and December 31, 2017, the caption “Other investments” and respective impairment losses are detailed as follows:

	30.09.2018	31.12.2017
Equity investments and loans	4,430,109	3,902,330
Accumulated Impairment losses (note 12)	(3,892,330)	(3,902,330)
Others	-	8,492
	<u>537,779</u>	<u>8,492</u>

The caption “Other investments” includes investments in companies in which the group does not have control or significant influence like CEV – Consumo em Verde, Biotecnologia das Plantas, S.A. and Sociedade Converde Unipessoal, Lda.. The loans granted to these companies are also included in this caption.

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2018**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

The movements occurred in the period ended September 30, 2018 mainly relate to the increase of loans granted to the companies mentioned.

The assessment of whether or not there is an impairment loss in investments in other entities takes into account, among others, the financial indicators of the Companies, their operational results and their profitability for the shareholder, specially taking into account its capacity to distribute dividends.

5. **DISCONTINUED OPERATIONS**

On 20 March 2018, the Ramada Group reached an agreement with the Averys Group for the disposal of the entire share capital of its wholly-owned subsidiary, Ramada Storax, S.A. ("Storax").

The execution of the transaction was subject to prior notification to the Competition Authority, under the terms established in the legal system of competition and, for this reason, conditional on the decision of non-opposition of that entity. On May 4, 2018, the Competition Authority notified the non-opposition to the transaction.

Storax is a company which, together with its four wholly-owned subsidiaries - Storax, SARL (France), Storax Limited (UK), Storax Benelux (Belgium) and Storax España dedicated to storage solutions.

The impacts of this operation are detailed as follows:

Net Assets	Disposal date
Tangible assets	1,109,244
Intangible assets	99,314
Deferred tax assets	1,207,851
Inventories	12,195,290
Clients	24,885,767
Cash and cash equivalents	8,072,458
Provisions	(2,256,438)
Deferred tax liabilities	(3,232)
Other net liabilities	(26,996,808)
Total net assets	18,313,446
Foreign Currency exchange reserves	998,289
Accounts receivable and payable from continuing operations with the disposed entities and other liabilities	1,150,404
	20,462,139
Amount received	81,000,000
Transaction costs	(1,500,000)
Gains on disposal	59,037,861
Profit after income tax from discontinued operations	Disposal date
Profit/(loss) of discontinued operations until the disposal date	1,175,880
Gain on disposal	59,037,861
	60,213,741

The details of the discontinued operations in the consolidated statement of cash flows are as follows:

	Disposal date
Cash flows from operating activities	1,989,090
Cash flows from investment activities	(312,539)
Cash flows from financing activities	-

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2018**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

The detail of the discontinued operations in the profit and loss statement are as follows:

	Until disposal date	30.09.2017
Sales and services rendered	18,061,693	53,140,745
Other income	31,597	(727,288)
Cost of sales	(9,657,663)	(27,066,328)
External supplies and services	(4,068,030)	(13,394,467)
Payroll expenses	(2,573,452)	(6,994,066)
Amortization and depreciation	(123,175)	(317,285)
Provisions and impairment losses	(42,950)	(116,620)
Other expenses	(61,274)	(174,342)
Financial expenses	-	-
Financial income	(5,574)	(18,702)
	<u>6,668</u>	<u>7,375</u>
Profit before income tax	1,567,840	4,339,022
Income tax	(391,960)	(1,194,144)
	<u>1,175,880</u>	<u>3,144,878</u>
Profit after income tax		

In addition, before the sale of the Storax Group, the Group distributed dividends to the Ramada Group amounting to 4,000,000 Euros.

6. INVESTMENT PROPERTIES

Investment properties held by 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 optional period of 6 years if certain events occur. Investment properties are measure at acquisition cost. The movement occurred in this caption during the nine months period ended as of 30 September 2018 and the year ended as of 31 December 2017 are as follows:

	30.09.2018	31.12.2017
Opening balance (gross)	<u>86,021,939</u>	<u>85,953,689</u>
Aquisitions	107,889	68,250
Disposals	-	-
Closing balance (gross)	<u>86,129,828</u>	<u>86,021,939</u>
Impairment losses (note 12)	<u>(1,100,000)</u>	<u>(1,100,000)</u>
Closing balance (net)	<u>85,029,828</u>	<u>84,921,939</u>

The leased land generated, during the nine months period ended as of September 30, 2018, income amounting to approximately, 4,694,994 Euro (approximately 6,331,825 Euro the year ended of December 31, 2017).

The minimum future collections for leases of forested land amount to approximately, 6.6 million Euros in each of the following 5 years. After this period and until the end of the contracts, the minimum future collections amount to, approximately, 33 million Euros. The estimated rents provided for each lease are updated at the end of each 2-year period, starting from the beginning of the civil year immediately following the signature of the contract, based on the consumer index price.

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2018**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

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.

Part of the land amounting to, approximately, 74 million Euros is given as collateral for some of the financing obtained.

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 Ramada Group for the years 2014 to 2017 may still be subject to review.

The Board of Directors of the company 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 September 30, 2018.

The movement occurred in deferred tax assets and liabilities in the nine months period ended as of September 30, 2018 and 2017, was as follows:

	30.09.2018	
	Deferred tax assets	Deferred tax liabilities
Balance as of January 1, 2018	4 552 283	955 993
Effects on income statement	59 406	(21 108)
Transfer to discontinued operations	(1 207 851)	(3 232)
Other effects	-	-
Balance as of September 30, 2018	3 403 838	931 653

	30.09.2017 (Restated)	
	Deferred tax assets	Deferred tax liabilities
Balance as of January 1, 2017	3 673 642	31 125
Effects on income statement	3 573	(1 900)
Other effects	-	-
Balance as of September 30, 2017	3 677 215	29 225

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2018**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

8. CASH AND CASH EQUIVALENTS

As of September 30, 2018 and December 31, 2017 the caption “Cash and cash equivalents” included in the consolidated statement of financial position is detailed as follows:

	30.09.2018	31.12.2017
Cash	41,561	17,594
Bank deposits	101,843,281	105,082,045
	<u>101,884,842</u>	<u>105,099,639</u>
Bank overdrafts (note 10)	(2,586,221)	(7,681,255)
Cash and cash equivalents	<u>99,298,621</u>	<u>97,418,384</u>

9. EQUITY

As of September 30, 2018, Ramada Investimentos e Indústria, S.A. share capital fully subscribed and paid consisted of 25,641,459 shares with a nominal value of 1 Euro each.

On May 4, 2018, it was approved in a Shareholders' Meeting the distribution of gross dividends per share of 2.23 Euros. At September 30, 2018, all dividends in the amount of 57,180,455 euros had already been distributed.

10. BANK LOANS AND OTHER LOANS

As of September 30, 2018 and December 31, 2017, the captions “Bank loans” and “Other loans” are detailed as follows:

	30.09.2018		31.12.2017	
	Current	Non current	Current	Non current
Bank loans	7,565,939	53,487,401	7,511,465	57,455,951
	<u>7,565,939</u>	<u>53,487,401</u>	<u>7,511,465</u>	<u>57,455,951</u>
Commercial paper	25,500,000	2,000,000	22,000,000	5,000,000
Guaranteed accounts	50,000	-	10,050,000	-
Bank overdrafts	2,586,221	-	7,681,255	-
Factoring	1,846,668	-	1,397,726	-
Leasings	20,981	238,752	-	-
Other bank loans	82,606	2,754,523	-	1,874,761
Other loans	30,086,476	4,993,275	41,128,981	6,874,761
	<u>37,652,415</u>	<u>58,480,676</u>	<u>48,640,446</u>	<u>64,330,712</u>

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

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2018**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

10.1 Bank Loans:

The nominal amount of bank loans as of September 30, 2018 and December 31, 2017 will be reimbursed as follows:

30.09.2018			31.12.2017		
Reimbursement year	Amount	Estimated interests	Reimbursement year	Amount	Estimated interests
Current			Current		
09/2019	37,652,415	1,104,459	2018	48,640,446	708,000
	<u>37,652,415</u>	<u>1,104,459</u>		<u>48,640,446</u>	<u>708,000</u>
Non current			Non current		
09/2020	6,492,312	979,607	2019	11,703,988	1,196,263
09/2021	6,712,206	862,056	2020	8,880,685	942,179
09/2022	7,582,502	728,160	2021	7,880,685	755,942
09/2023	7,582,502	591,638	2022	7,880,685	575,971
09/2024	7,569,905	456,548	2023	7,880,685	396,001
09/2025	6,791,251	254,897	2024	4,603,984	270,133
09/2026	6,500,000	274,784	2025	3,500,000	196,754
09/2027	4,250,000	68,868	2026	3,500,000	146,088
09/2028	5,000,000	26,532	2027	3,500,000	95,421
09/2029	-	-	2028	5,000,000	17,778
	<u>58,480,676</u>	<u>4,243,089</u>		<u>64,330,712</u>	<u>4,592,530</u>
	<u>96,133,091</u>	<u>5,347,548</u>		<u>112,971,158</u>	<u>5,300,530</u>

During the nine months period ended as of September 30, 2018, these loans bear interest at normal market rates depending on the nature and terms of the credit obtained.

During the period of nine months period ended as of September 30, 2018, and the year ended as of December 31, 2017, the Group did not enter into any loan default.

Additionally, as of September 30, 2018, there are no covenants associated with the loans obtained.

11. OTHER CURRENT LIABILITIES

As of September 30, 2018, and December 31, 2017, the caption "Other current liabilities" is detailed as follows:

	30.09.2018	31.12.2017
Accrued expenses		
Accrued payroll, rewards and other charges to employees	4 049 127	5 027 502
Interests payable	961 678	842 107
Other accrued cost	2 859 136	2 014 648
Deferred income and advances on a sales	888 329	6 891 946
	<u>8 758 270</u>	<u>14 776 203</u>

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2018**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

12. PROVISIONS AND IMPAIRMENT LOSSES

The movements that occurred in provisions and impairment losses for the nine months period ended as of September 30, 2018, are detailed as follows:

	Provisions	Impairment losses in accounts receivables	Impairment losses in investments (nota 4.2)	Impairment losses in inventories	Impairment losses in investments properties (note 6)	Total
Opening balance	3,100,736	11,966,585	3,902,330	1,539,113	1,100,000	21,608,764
Increases in continuing operations	-	153,243	-	6,436	-	159,679
Increases in discontinued operations	15,702	-	-	-	-	15,702
Utilizations	-	(438,914)	-	-	-	(438,914)
Discontinued operations (note 5)	(2,256,438)	(2,073,228)	(10,000)	(372,220)	-	(4,711,886)
Closing balance	860,000	9,607,686	3,892,330	1,173,329	1,100,000	16,633,345

The constitutions and reversals of provisions and impairment losses recorded in the nine months' period ended as of September 30, 2018 and in the year ended as of December 31, 2017 were recorded against the income statement caption "Provisions and impairment losses".

The amount recorded in the captions "Provisions" as of 30 September 2018 corresponds to the best estimate by the Board of Directors of the Group Companies to cover losses incurred with lawsuits currently in progress and other liabilities.

It is the Board of Directors' opinion, based in its legal and tax advisors, that as of September 30, 2018, there are no material assets or liabilities associated with probable or possible tax contingencies that should be recognized or disclosed in the consolidated financial statements as of September 30, 2018.

13. EARNINGS PER SHARE

Earnings per share for the nine months period ended as of September 30, 2018 and 2017 were determined taking into consideration the following amounts:

	30.09.2018		30.09.2017 (Restated)	
	Continuing operations	Discontinued Operations	Continuing operations	Discontinued Operations
Net profit considered for the computation of basic and diluted earnings per share	7,113,441	60,213,741	48,235,482	3,078,549
Number of shares	25,641,459	25,641,459	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	25,641,459	25,641,459	23,077,314	23,077,314
Earnings per share				
Basic	0.28	2.35	2.09	0.13
Diluted	0.28	2.35	2.09	0.13

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.

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2018**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

14. RELATED PARTIES

The main balances with related parties as of September 30, 2018 and 2017 are related with Altri Group and are detailed as follows:

	30.09.2018	30.09.2017
Altri Group	4,694,994	4,637,250
	<u>4,694,994</u>	<u>4,637,250</u>

Apart from the companies included in the consolidation (note 4), the companies considered related parties as of September 30, 2018, are as follows:

- Actium Capital, S.A.
- Caderno Azul, S.A.
- Livrefluxo, S.A.
- Promendo, SGPS, S.A.
- 1 Thing Investments, S.A.
- AdCom Media Anúncios e Publicidade, 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.
- Celtejo – Empresa de Celulose do Tejo, S.A.
- Celulose da Beira Industrial (Celbi), S.A.
- Cofihold, SGPS, S.A.
- Cofihold II, SGPS, S.A.
- Cofina Media, SGPS, S.A.
- Cofina, SGPS, S.A.
- Destak Brasil – Empreendimentos e Participações, S.A.
- Destak Brasil Editora S.A.
- Elege Valor, Lda.
- Grafedisport – Impressão e Artes Gráficas, S.A.
- Inflora – Sociedade de Investimentos Florestais, S.A.
- Mercados Globais – Publicação de Conteúdos, Lda.
- Préstimo – Prestígio Imobiliário, S.A.
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.
- Valor Autêntico, S.A.
- VASP – Sociedade de Transportes e Distribuições, Lda.
- Viveiros do Furadouro Unipessoal, Lda.

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2018**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(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 manufacturing of metal moulds and steel wires and commercialization of steel, 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.

There segments were identified considering the business units which develop activities whose income and cost may be distinguished, and for which separate financial information is produced and its operating results are reviewed and decisions taken by management.

The segregation of activities by segments as of September 30, 2018 and 2017 is made up as follows:

September 30, 2018				
	Industry	Real Estate	Intra-group eliminations	Total
Total assets	195 877 561	94 589 732	(5 255 973)	285 211 320
Total liabilities	70 269 885	62 808 521	(5 255 973)	127 822 433
Operating investments (a)	2 346 907	182 982	-	2 529 889
Profit from customers	93 068 845	5 309 834	-	98 378 679
Profit from operations with other segments	31 042	601 446	(632 488)	-
Cash-flow from operating activities (b)	10 093 877	4 774 548	-	14 868 425
Amortizations	(4 087 322)	(174 055)	-	(4 261 377)
Earnings before interest and taxes (c)	6 006 555	4 600 493	-	10 607 048
Financial profits	76 948	235	(51 452)	25 731
Financial costs	(702 589)	(630 019)	51 452	(1 281 156)
Share of results of joint ventures and associated companies	-	-	-	-
Earnings before taxes	5 380 914	3 970 710	-	9 351 623
Income taxes	(1 159 987)	(1 078 195)	-	(2 238 182)
Net profit	4 220 927	2 892 514	-	7 113 441

September 30, 2017 (Restated)				
	Industry	Real Estate	Intra-group eliminations	Total
Total assets	195 877 561	94 589 732	(5 255 973)	285 211 320
Total liabilities	70 269 884	62 808 521	(5 255 973)	127 822 432
Operating investments (a)	2 346 907	182 982	-	2 529 889
Profit from customers	54 296 033	5 135 829	-	59 431 862
Profit from operations with other segments	31 042	583 785	(614 827)	-
Cash-flow from operating activities (b)	8 346 808	4 843 033	-	13 189 841
Amortizations	(3 379 389)	(282 183)	-	(3 661 572)
Earnings before interest and taxes (c)	4 967 418	4 560 850	-	9 528 269
Financial profits	248 182	817	(112 192)	136 806
Financial costs	(789 920)	(804 477)	112 192	(1 482 205)
Share of results of joint ventures and associated companies	42 248 672	-	-	42 248 672
Earnings before taxes	46 674 352	3 757 190	-	50 431 541
Income taxes	(1 164 845)	(1 031 215)	-	(2 196 060)
Net profit	45 509 507	2 725 975	-	48 235 481

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

(b) - Earnings before depreciations and excluding group operations

(c) - Operating results excluding Group operations

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2018**
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 16)
(Amounts expressed in Euro)

16. FINANCIAL STATEMENTS 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 respects, 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 consolidated financial statements were approved by the Board of Directors and authorized for issuance in October 31, 2018.

18. SUBSEQUENT EVENTS

As of November 22, 2018, Ramada Investimentos announced the Board of Directors' decision to distribute, as an advance on profits of the current financial year, the amount of 29,487,678 Euro corresponding to a gross dividend of 1.15 Euro per share.

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