RAMADA

INVESTIMENTOS E INDÚSTRIA

Annual Report 2015

INDEX

RAMADA INVESTMENTS AND INDUSTRY

MANAGEMENT REPORT

Shaping industry

From steel
to engineering
and storage solutions,
our brands reflect
our know-how.

80 YEARS
Investing in industry

To the Shareholders

Pursuant to the legal requirements, the Board of Directors of F. Ramada Investimentos, S.G.P.S., S.A. ("Ramada Investimentos") hereby presents its Management Report for the financial year of 2015. According to the number 6 of article 508 - C of the Commercial Companies Code, the Board of Directors has decided to submit a single Management Report, fulfilling all legal requirements.

INTRODUCTION

For the second consecutive year, Ramada Investimentos received the award of "Best Performance – Enter Next" of the Euronext Lisbon Awards, which promotes and recognizes companies from the Portuguese capital market.

In June 2015, Ramada Group marked its 80th anniversary with a celebration in Ovar with about 700 people who work or have worked in the Group Companies. Having 80 years of existence, maintaining the profitability of its activities, keeping a motivated and dedicated workforce and a global environment of satisfaction is something accessible only to a few! Ramada Group can be proud of this achievement.

Ramada Investimentos was incorporated in June 2008 and its main activity is the management of shareholdings, having its shares listed on the Euronext Lisbon since July 2008. Currently, Ramada Investimentos is the parent company of a group of companies ("*Ramada Investimentos e Indústria*") which operates in two business areas: i) Industry, which comprises the Steel activity and in which we highlight the sub-segment of steel for moulds, the Storage Systems activity, as well as the activity related to the management of financial investments 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, responsible for the industrial activities of manufacturing and distribution, and Universal Afir, operating just within the distribution segment.

The activity of Storage Systems is carried out by five companies: Ramada Storax, S.A. (the largest manufacturer of storage systems in Portugal, which concentrates all the manufacturing operations of the Group), Storax (France), Storax Limited (UK) Storax Benelux (Belgium) and Storax España (Spain).

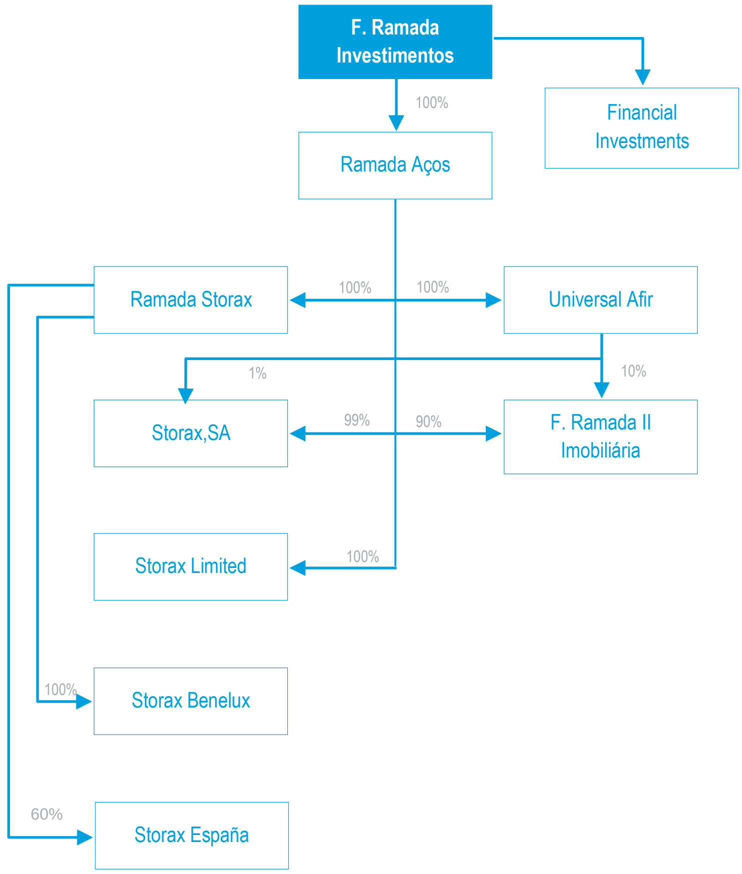
The activity of management of financial investments includes the stake held in Base Holding (35.22%), CEV – Consumo em Verde (15.48%) and Converde (4%).

Base Holding is the parent company of a group of companies which operate in the area of health supplementary diagnostic, namely clinical analysis, imaging and cardiology. In January 2015, Base Holding increased its share capital in 5 million Euro. Ramada Investimentos subscribed 1.9 million Euro of these 5 million Euro, an operation which turned its take in Base Holding's share capital into 35.22%.

The activity of CEV – Consumo em Verde and Converde is the development and registration of patents focused on BLAD protein. The BLAD is a fungicide derived from the extraction of the protein from *Lupinus Albus* (sweet lupine). Its industrial plant was inaugurated in January 2013 and is located in Biocant Park in Cantanhede.

The Real Estate segment, whose activity is the management of real estate assets, is carried out by the company F. Ramada Imobiliária II.

The structure of F. Ramada Group, as of 31 December 2015, can be presented as follows:



MACROECONOMIC BACKGROUND

The year of 2015 was marked, in geopolitical terms, for several events, namely the rise of *Daesh* and the terrorism, which triggered strong disputes between Russia and Ukraine in the background. As in 2014, the year was also marked by a strong appreciation of the US dollar against most of the world currencies and by the sharp fall in oil prices.

In Europe, 2015 was a significantly agitated year. Besides the constant concern surrounding Greece coming from previous years, it is also worth noting the Volkswagen emissions scandal and the terrorist attacks in Paris. Economic growth was once more very low and the economy keeps being slow to regain momentum. The accommodative monetary policy pursued by the ECB, particularly the quantitative easing program launched in March, originated economic effects in 2015, assumed a key role and helped to fight the strength of the Euro.

The growth in the Euro Area declined during the year and has stayed stable at 0.3%, insufficient to stimulate inflation, which ended in 0.2%, year on year. The high levels of unemployment (10.5% in November) prevented inflationary pressure through wages.

Due to the inherent risks, the fall of oil prices, the uncertainty in emerging economies and the geopolitical risks, it is expected that the ECB will continue with its accommodative monetary policy.

In 2015, according to INE, the Portuguese economy showed a moderate recovery, with the preliminary GDP data indicating a growth of 1.5%.

In Portugal, private consumption was again relevant to improving the confidence of families and their financial situation, benefiting from ECB's measures which have resulted in an increase in loans granted by banks; and from the lower oil prices which reflected a higher disposable income.

The structural imbalance of the Portuguese economy continued. Whenever the private consumption and the investment accelerates, the same happens with imports. Exports benefited from the devaluation of the Euro but have been penalized by the slowdown in exports to Angola, influenced by the adverse effect on activity and financing conditions due to the sharp drop in oil prices.

The last months of the year were also marked by elections and the reversal of some measures of the previous government which brought some concerns to international institutions.

The forecast for 2016 reflects the continuity of a process of moderate economic recovery process, as well as the gradual adjustment of macroeconomic imbalances, with the Bank of Portugal foreseeing a growth of 1.7%.

These projections are set in line with the projections of the European Commission (the forecasts of the OECD and the IMF are more moderate) and assume a continued growth in terms of exports, as well as an acceleration of investment – the evolution of domestic demand should remain compatible with the reduction in the level of leverage of families and non-financial companies.

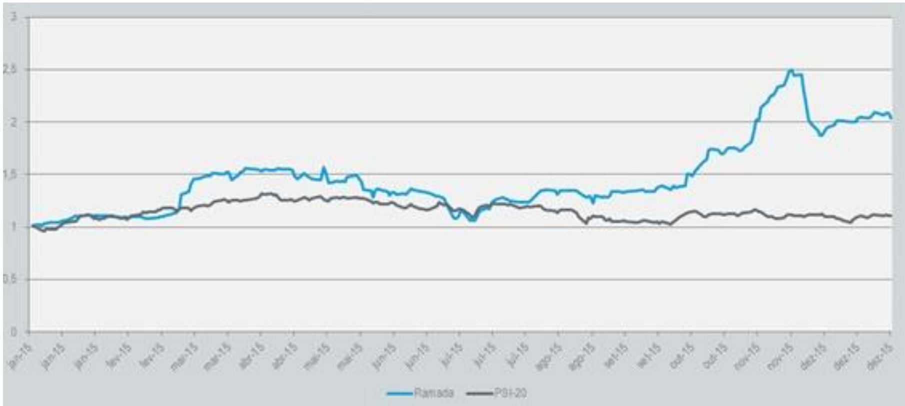
In terms of future forecast for the world economy, the IMF has lowered its forecasts for 2016 and 2017 to 3.4% and 3.6%, respectively. The institution considers that one of the problems is the slowdown of the trade with China and, in the other hand, the low commodity prices.

STOCK PRICE EVOLUTION

(Note: in order to enable a better comparison of the stock price fluctuations, the PSI 20 index has been considered to be equal in value to the opening price of the shares under analysis.)

Ramada Investimentos' shares registered an appreciation of 103.46% in 2015, strongly overcoming the national stock exchange index (PSI-20) which rose only 10.71% during the same period.

Stock Exchange Evolution – Ramada vs. PSI-20



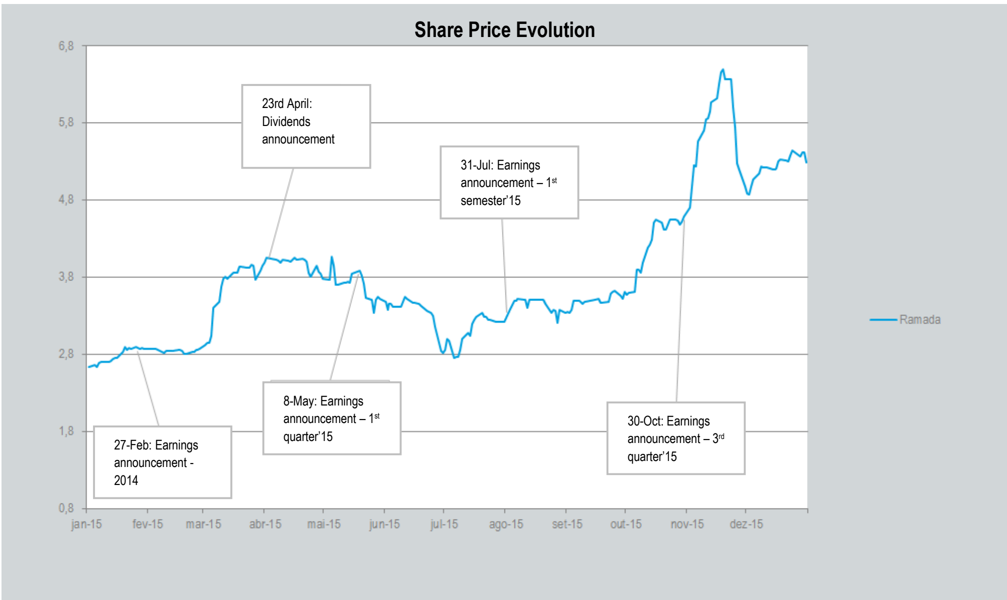
At the end of 2015, Ramada Investimentos' shares closed at 5.29 Euro per share, which represents a valuation of 103.46% compared to the end of 2014 and corresponds to a market capitalization of 136 million Euro.

In 2015, Ramada Investimentos' shares were traded at a maximum price of 6.49 Euro per share and a minimum price of 2.64 Euro per share. A total of 1,362,906 shares of Ramada Investimentos were traded in 2015.

Ramada Investimentos was distinguished with the "Listed company – Best Performance – EnterNext" award, given by Euronext at the 5th Euronext Lisbon Awards Gala, on February 2016.

Ramada Investimentos' share price evolution

The main events which influenced the evolution of Ramada Investimentos' share price during 2015 can be described as follows:



- In the announcement of the Group's performance in the financial year of 2014, released on 27 February 2015, Ramada's consolidated net profit was of 8.1 million Euro. Consolidated EBITDA (earnings before taxes, interests, depreciation and amortization) amounted to approximately 16.2 million Euro;
- In the announcement made on April 23, Ramada Investimentos informed the market that the proposed dividends distribution of 0.17 Euro per share would be paid from May 11;
- On May 8, in the announcement concerning the presentation of the financial statements for the first quarter of 2015, Ramada Group presented a net profit of 2.1 million Euro, consolidated EBITDA amounted to 3.8 million Euro, while operating income amounted to 27 million Euro;
- On 31 July, the Group announced a net profit of 4.798 million Euro during the first half of 2015. Consolidated EBITDA amounted to 8.2 million Euro, while the EBITDA margin was of 12.7%;
- In the announcement of 30 October 2015, the Group presented the results for the third quarter of 2015, having obtained a net profit of 7.5 million Euro. Consolidated EBITDA totalled approximately 12.8 million Euro, while the EBITDA margin was of 13.3%.

GROUP'S ACTIVITY

Ramada Investimentos is the parent company of a group of companies ("Ramada Investimentos e Indústria") which, together, operate in two business areas:

i) Industry, which includes the Steel activity, of which we highlight the sub-segment of steel for moulds, the Storage Systems activity, as well as the activity related to the management of financial investments held corresponding to non-controlling interests;

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, responsible for the industrial activities of manufacturing and distribution, and Universal Afir, acting only within the distribution area.

The Steel activity transforms and sells steel and non-ferrous alloys mainly intended to the construction of machines and their components and to the production of tools (dies, sharps and moulds), having as main target markets those which manufacture moulds for plastic components, components for the automotive industry, for home appliances and electronic devices.

The activity of Storage Systems is carried out by five companies: Ramada Storax (the largest manufacturer of storage systems in Portugal, which concentrates all the manufacturing operations of the Group), and by its subsidiaries in France, UK, Belgium, Spain, which support the entire international network of distribution.

The activity of Storage Systems specializes in the design, manufacturing, installation and post-sale service storage solutions, with over 50 years of experience, being the deep knowledge of all storage areas its brand image.

The Steel activity presented a higher turnover in 2015, compared to the previous year, mainly due to the increase of sales to the sectors of moulds and metal.

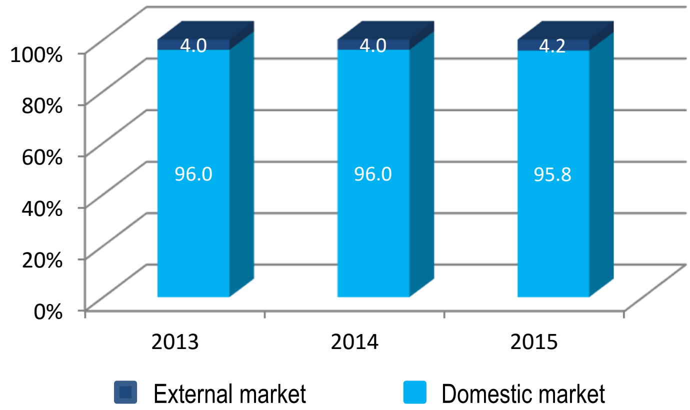
The Portuguese industry of moulds for plastic, which occupies a top spot in the international market, had a strong performance in 2015, and there is the expectation that it will continue to track the strong movement of renewal of car models, in order to reduce weight and the emissions of polluting gases.

Sales for the sectors of general mechanics, construction equipment and maintenance of goods were down comparing to 2014 due to lower vitality of these sectors. This came as a result of the reduction of export orders mainly to Angola and the price breakdown of raw materials, steel, scrap and alloys (recorded worldwide), which influenced the sale prices for these sectors.

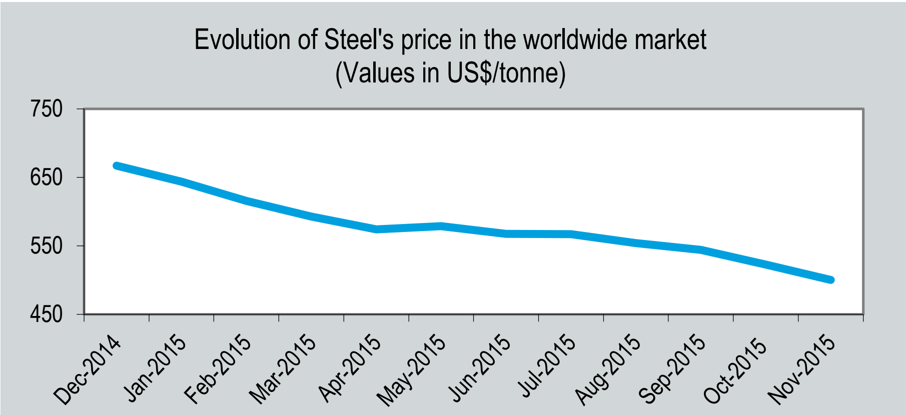
In 2014, Ramada Aços undertook the challenge of expanding its machining services, adding high-precision machining to its portfolio of services provided. In 2015, investments were made to increase the operational efficiency and the production capacity, with the objective of improving the level of customer service, one of our most distinctive brands.

The steel activity takes place mainly in the domestic market, representing around 96% of turnover. However, in recent years sales to the foreign market have been growing and it is important to note the growth of 18.5% recorded in 2015 compared to 2014.

Turnover evolution by market - Steel activity



The level of stocks remained controlled by the constant decrease in prices, especially in the second half of the year. There is an oversupply against the decline in global demand, with greater incidence by China, which has led to a strong downward pressure on prices.

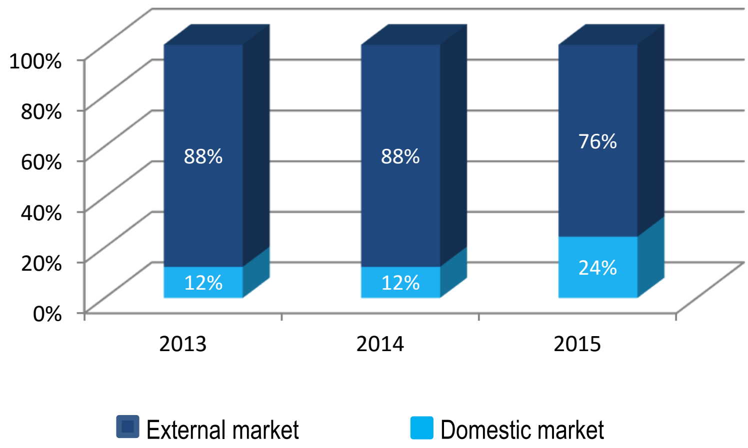


Throughout the year, steel purchase prices were constantly descending, and we anticipate no significant changes in 2016.

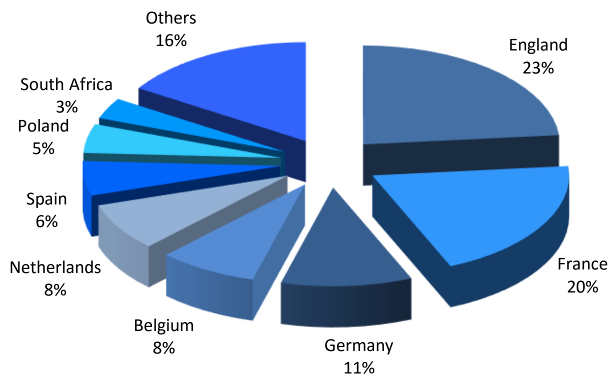
Storage Systems activity has also registered an increase in turnover in 2015, comparing to the previous year. Contrarily to what had been marking this business, it was the internal market that contributed the most to the sales growth.

In 2015, Ramada has made a strong investment in R&D, namely in product engineering and processes. There were also investments in the production process, in order to increase production capacity and reduce the delivery time of orders to customers.

Storage systems turnover distribution by geographical market



Distribution of storage systems activity by foreign markets in 2015



The export market remained the main driver of this activity, which in 2015 represented 76% of turnover. The internal market has experienced significant growth in 2015 compared to previous years, with the completion of two big, automatic warehouses in the north of Portugal.

Europe remains the main target market, representing 90% of exports. In 2015, we entered for the first time in the North American market, with the establishment of a contract to supply an automatic warehouse in the USA, starting in 2016.

The management of financial investments includes the stake held in Base Holding and CEV – Consumo em Verde / Converde.

Base Holding is the parent company of a group of companies which operate in the sector of health supplementary diagnostics, essentially being clinical analyses, imaging and cardiology. Base Holding held, as of 31 December 2015, 36 units implemented across the country, with greater incidence in the North region. Additionally, it had 250 blood collection stations spread throughout the country, reaching a consolidated turnover of over 70 million Euro.

At the end of 2015, under a public tender, Base Holding was awarded 12 new conventions of gastroenterology; which constitutes a new clinical competence for the group.

Already in February 2016, Base Holding has integrated, by trespass, the clinics network Dr.Mário Moreira, which operates under the brand LabMed.

The activity of CEV – Consumo em Verde / Converde is the development and patenting focused on BLAD protein. BLAD is a fungicide obtained from the extraction of the protein from *Lupinus Albus* (sweet lupine). Its industrial unit was inaugurated in January 2013 and is located at Biocant Park in Cantanhede.

Regarding the operations of its subsidiary, in the beginning of 2014, all the documentation (degradability tests of BLAD and human sera sensitive to lupine, their reports and opinions of American experts) that showed that BLAD has no effect on humans was sent to the Environmental Protection Agency (EPA). This information empowered the EPA to respond to the Food and Drugs Administration (FDA) about the fear that had been raised on the allergenic potential of the product.

In January 2015, the obstacle raised by the Environmental Protection Agency (EPA) and the Food and Drug Administration (FDA) was formally overcome, which prevented CEV / Converde to export their organic fungicide to the USA.

In February, the distributor for the North American market (USA and Canada), the FMC Corporation (listed on NYSE), placed the first product order, about 40,000 liters. The product came to American farmers, specifically in California, at the end of April, when its application could only serve the culture of strawberries, one of the four crops for which the label is authorized to operate in. Considering the feedback obtained, the product acceptance was positive. During the second half of the year, the FMC has placed new orders and CEV / Converde restarted in August the works on the plant that was inaugurated in 2013.

During 2015, CEV / Converde continued its product development work, testing new formulations in order to be able to extend its application spectrum to other cultures and other diseases.

The necessary steps to obtain the product registration in Japan and Mexico (scheduled for the beginning of 2018) were initiated. The product registration in Europe is following its normal course and is expected to be completed also in late 2018. During the first half of 2016, CEV / Converde expects to get the necessary authorizations to enter the Chinese and South Korean markets. In Australia, the same should happen by August.

FINANCIAL REVIEW

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

The main indicators of the consolidated activity of Ramada Group are the following:

	2015	2014	Var. %
Sales and services rendered	125,810	118,199	6.4%
Other income	747	1,011	-26.1%
Total income	**126,557**	**119,210**	**6.2%**
Cost of sales	(70,685)	(66,134)	6.9%
External supplies and services	(21,183)	(20,476)	3.5%
Payroll	(15,018)	(14,762)	1.7%
Other costs	(1,801)	(2,033)	-11.4%
Total costs (a)	**(108,687)**	**(103,405)**	**5.1%**
EBITDA (b)	**17,870**	**15,805**	**13.1%**
EBITDA margin	**14.1%**	**13.3%**	
Amortisation and depreciation	(2,397)	(1,599)	49.9%
EBIT (c)	**15,473**	**14,206**	**8.9%**
EBIT margin	**12.2%**	**11.9%**	
Earnings / (Losses) of associated companies	1,563	365	
Financial expenses	(2,713)	(3,102)	
Financial gains	154	29	
Net profit before income tax	**14,477**	**11,498**	**25.9%**
Income tax	(3,419)	(3,410)	
Consolidated net profit	**11,058**	**8,088**	**36.7%**
Consolidated net profit attributable to shareholders of parent company	11,033	8,077	36.6%
Consolidated net profit attributable to non-controlling interests	25	11	

Amounts in thousands of Euros

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

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

(c) EBIT = Operating results

Total turnover of Ramada Group amounted to 126,557 thousand Euros in 2015, representing an increase of 6.2% comparing to 2014.

Total costs, excluding amortisation, financial expenses and taxes, amounted to 108,687 thousand Euros, representing an increase of 5.1% in relation to 2014.

EBITDA reached 17,870 thousand Euros, representing an increase of 13.1% when compared with 2014. EBITDA margin reached 14.1%, after the 13.3% registered in 2014.

Group's operating results (EBIT) amounted to 15,473 thousand Euros, representing a positive variation of 8.9%

comparing with 14,206 thousand Euros in 2014.

In 2015, the Group recorded gains in associated companies in the amount of 1,563 thousand Euro when compared with the amount of 365 thousands Euro in 2014.

Negative financial results amounted to 2,559 thousand Euros, representing an improvement of 16.7%, when compared with 2014.

Summing everything, Ramada Group's net profit reached 11,058 thousand Euros, 36.7% above the amount recorded in 2014.

According to the source of the income generated, two business segments were defined as mentioned before: i) industry, which encompasses the activities of special steels, storage systems and financial investments; and ii) real estate, which includes the management of the property assets of the Group and forest lands that are leased.

INDUSTRY

	2015	2014	Var. %
Total income	120,088	112,869	6.4%
Total costs (a)	(107,220)	(102,019)	5.1%
EBITDA (b)	12,868	10,850	18.6%
EBITDA Margin	10.7%	9.6%	11.5%
EBIT (c)	10,737	9,592	12.0%
EBIT Margin	8.9%	8.5%	
Earnings / (Losses) of associated companies	1,563	365	328.2%
Financial results	(296)	(501)	-40.9%
Net profit before income tax	12,004	9,456	27.0%

Amounts in thousands of Euros

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

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

(c) EBIT = Operating results

In 2015, the total turnover of the Industry segment reached 120,088 thousand Euros, corresponding to an increase of 6.4% in comparison with the prior year.

The EBITDA for the Industry segment amounted to 12,868 thousand Euros, representing an increase of 18.6% compared to 10,850 thousand Euros recorded in 2014. The EBITDA margin increased from 9.6% in 2014 to 10.7% in 2015.

The net profit before income tax amounted to 12,004 thousand Euros, representing an increase of 27% compared to 2014.

In 2015, the Industry segment's operating results (EBIT) amounted to 10,737 thousand Euros, a growth of 12.0% compared to the previous year. The EBIT margin increased from 8.5% to 8.9% in 2015.

Industry segment financial results were negative in 296 thousand Euros, although this meant an improvement of 40.9% compared to the negative 501 thousand Euros result in 2014.

REAL ESTATE

	2015	2014	Var. %
Total income	**6,469**	6,341	2.0%
Total costs (a)	**(1,467)**	(1,385)	5.9%
EBITDA (b)	**5,002**	4,956	0.9%
EBIT (c)	**4,736**	4,615	2.6%
Financial results	**(2,263)**	(2,573)	-12.0%
Net profit before income tax	**2,473**	2,042	21.1%

Amounts in thousands of Euros

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

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

(c) EBIT = Operating results

In 2015, total turnover of the Real Estate segment amounted to 6,469 thousand Euros, representing an increase of 2.0% in relation to the prior year.

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

In 2015, Real Estate segment EBITDA reached 5,002 thousand Euros, representing a slight increase of (+0.9%) comparing to 2014.

Real Estate segment's EBIT amounted to 4,736 thousand Euros, representing an increase of 2.6% in relation to the prior year.

This year, financial results of the Real Estate segment amounted to negative 2,263 thousand Euros, representing an improvement of 12.0% compared with the negative 2,573 thousand Euros reached in 2014.

INVESTIMENTS AND DEBT

In 2015, Ramada Group's investments amounted to 7,815 thousand Euros.

The nominal net debt of the Group, as of December 31, 2015, deducted of own shares in portfolio (in the amount of 1,641 thousand Euros), amounted to 64,700 thousand Euros, which compares to 61,418 thousand Euros as of 31 December, 2014.

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

During the financial year of 2015, the non-executive directors of the Company have regularly and effectively developed the functions demanded by lay, namely through monitoring and evaluating the activities of the executive directors.

Among others, the non-executive directors have regularly and actively attended the Board of Directors meetings, discussing the matters under consideration and expressing their respective opinions on the Group's strategic guidelines. Whenever necessary, they maintained a close contact with the financial and operational key staff of the Group companies. In this financial year, and during the Board of Directors' meetings, the executive members provided all the information required by the remaining members of the Board of Directors.

OUTLOOK FOR 2016

The restrictions imposed on car manufacturers to reduce CO2 emissions will certainly be reflected in increased demand in the industry of car components and of plastic moulds manufacturing.

The investments made in 2014 and 2015 aimed at increasing the operational efficiency and the production capacity and expanding the range of services and products.

The exports for new markets, namely for the USA, are expected to give a significant impact on the turnover of Storax.

PROPOSED ALLOCATION OF THE 2015 NET INCOME AND DIVIDEND DISTRIBUTION

F. Ramada Investimentos, SGPS, SA, as holding company of the Group, recorded in its individual financial statements, which were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, a net profit of 5,928,847.62 Euros, for which, in accordance with the applicable legislation and the Company's articles of association, the Board of Directors proposes to the Shareholders General Meeting the following allocation:

Legal reserve	296,442.38
Other reserves	786,169.30
Dividends	4,846,235.94*
	5,928,847.62

* This amount takes into account the existence of 2,564,145 own shares held. If the number of own shares changes, as of the payment date, the payable dividends amount may be adjusted by the amount destined to "Other reserves", so as to keep the proposed payable amount per share unchanged.

RAMADA INVESTMENTS AND INDUSTRY

80 Years investing in industry

80 YEARS
Investing in industry

CORPORATE GOVERNANCE

PART I – INFORMATION ON SHAREHOLDER, ORGANISATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I. Capital structure

1. Capital structure

F. Ramada – Investimentos, SGPS, S.A. ("Company" or "Ramada Investimentos") share capital amounts to 25,641,459.00 Euros, fully subscribed and paid, consisting of 25,641,459 ordinary, registered and bearer shares with a nominal value of one Euro each.

From the total issued voting rights, 69.81% are, as far as the Company is aware, attributed to the holders of qualifying holdings listed in sub-section II.7.

All of the shares representing the share capital are admitted to negotiation on the regulated market Euronext Lisbon.

2. Restrictions on the transfer and ownership of shares

Ramada Investimentos' shares have no restrictions on their transfer or on their ownership since there are no shareholders owning special rights. Therefore, Ramada Investimentos' shares are freely transmittable in accordance to the applicable legal standards.

3. Own shares

Pursuant to the purposes of the article 66 of the Commercial Companies Code, the Directors inform that as of 31 December 2015 the Company had 2,564,145 own shares representing 9.999996% of the share capital, which were acquired in the fourth quarter of 2012.

4. Important agreements in which the company is a party and which come into effect, amend or terminated in cases such as a change in the control of the company after a takeover bid, and the respective effects

There are no significant agreements stipulated by Ramada Investimentos, including any clauses of control change (for instance, after a takeover bid), that is, which are effective, amend or terminate under such circumstances. Also, there are no specific conditions which limit the exercise of voting rights by shareholders of the Company or other matters that may interfere with the success of takeover bids.

Some financing agreements contain standard clauses of early repayment in the case of a change of shareholder control in subsidiaries (and not of the Company). The Company believes that its disclosure would be harmful to itself, while not adding any benefit to shareholders, and considers that these ownership clauses, which are common in this type of contract, do not presuppose the adoption of any guarantee or shielding measures in cases of change of control or change in the management body composition.

5. Regime that is subject to the renewal or withdrawal of defensive measures, particularly those that foresee a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders

Ramada Investimentos did not adopt any defensive measures.

6. Shareholders' agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights

It is unknown the existence of any shareholders' agreements involving the Company.

II. Shares and bonds held

7. Qualified holdings

As of 31 December 2015, pursuant to the requirements of articles 16 and 20 of the Securities Code ("Código de Valores Mobiliários") and article 448 of the Portuguese Companies Act, the Company informs that, in accordance with the notifications received, the companies and/or individuals that hold qualifying holdings exceeding 2%, 5%, 10%, 20%, 33% and 50% of the voting rights, are as follows:

Pedro Miguel Matos Borges de Oliveira	No of shares held as of 31-Dez-2015	% share capital with voting rights
Directly	1.402.072	5,47%
Total attributable	**1.402.072**	**5,47%**

Domingos José Vieira de Matos	No of shares held as of 31-Dez-2015	% share capital with voting rights
Through Livrefluxo - SGPS, S.A. (of which is dominant sharehold and director)	2.590.631	10,10%
Total attributable	**2.590.631**	**10,10%**

Paulo Jorge dos Santos Fernandes	No of shares held as of 31-Dez-2015	% share capital with voting rights
Through Actium Capital - SGPS, S.A. (of which is dominant sharehold and director)	3.837.582	14,97%
Total attributable	**3.837.582**	**14,97%**

Ana Rebelo Carvalho Menéres de Mendonça	No of shares held as of 31-Dez-2015	% share capital with voting rights
Through PROMENDO - SGPS, S.A. (of which is dominant sharehold and director)	4.945.383	19,29%
Total attributable	**4.945.383**	**19,29%**

João Manuel Matos Borges de Oliveira	No of shares held as of 31-Dez-2015	% share capital with voting rights
Through CADERNO AZUL - SGPS, S.A. (of which is dominant sharehold and director)	5.125.000	19,99%
Total attributable	**5.125.000**	**19,99%**

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

8. Number of shares and bonds held by members of the management and supervisory boards, under the terms of the number 5 of article 447 of the Commercial Companies' Code (CSC)

The shares and bonds held by members of management and supervisory bodies in the Company and in companies in a relationship of control or group with the Company, directly or through related persons, are disclosed in the appendices to the Management Report as required by Article 447 of the Commercial Companies Code (CSC) and by the number 7 of Article 14 of Regulation 5/2008 of the Portuguese Securities Market Commission (CMVM).

9. Powers of the Board of Directors, regarding resolutions on capital increases

Article 4 of the Company's bylaws, in the wording assumed at the time of incorporation of the Company (June 1, 2008), assigned to the Board of Directors powers to manage and represent the Company and carry out all operations related to its corporate purpose, including, among others, the possibility to decide, with the prior opinion of the supervisory board of the Company, towards capital increases, by one or more occasions, up to 35 million Euros in cash.

This bylaw, in the terms of number 2 of Article 456, paragraph b) of CSC, was valid for five years, not having been renewed in the terms of number 4 of the same Article. Therefore, its effectiveness ceased on March 31, 2013, date in which such power was exclusively transferred to the General Meeting.

10. Significant business relationships between the holders of qualified shares and the Company

In 2015, there were no businesses or significant transactions between the Company and holders of qualifying shareholdings except those that, as part of normal operations, were performed in normal market conditions for similar transactions. However, it is worth noting that the amounts involved are not significant.

B. CORPORATE BOARDS AND COMMITTEES

I. GENERAL MEETING

a) Composition of the Board of the General Meeting

11. Detail and position of the members of the Board of the General Meeting and respective term of office

As of December 31, 2015, the Board of the General Meeting was composed by the following members:

Chairman: José Francisco Pais da Costa Leite

Secretary: Cláudia Alexandra Gonçalves dos Santos Dias

The mandate began in 2014 and will have its term in 2016.

b) Exercise of the right to vote

12. Potential restrictions on voting rights

The share capital of the Company is fully represented by a single class of shares, with one vote corresponding to each share, and with no statutory limitations on the number of votes that may be held or exercised by any shareholder.

The Company has not issued preferred shares without voting rights.

The participation of shareholders at the General Meeting is dependent, under the law, upon proof of ownership of the shares by reference to the "Record Date".

Individual shareholders with voting rights and companies who are shareholders of the Company may be represented by the person designated for that purpose. The representation should be communicated to the Chairman of the General Meeting in writing until the end of the third working day prior to the day scheduled for the meeting.

A shareholder may appoint different representatives for the shares owned in different securities accounts, provided that it does not affect the principle of voting unity and of voting in different directions allowed to shareholders acting as professional investors.

Shareholders can exercise voting rights via postal voting on all matters subject to the General Meeting which may be exercised by written declaration, together with the identification of the shareholder and his signature duly recognized, as required by law. According to the bylaws, the declaration of intention to cast postal votes and the supporting document proving the quality of shareholder must be delivered in the Company's headquarters, until the end of the third working day prior to the day scheduled for the meeting, with identification of the sender, addressed to the Chairman of the General Shareholders' Meeting. The possibility to exercise voting rights by electronic means is still not provided. In that regard, the Company has not yet triggered the mechanisms required for its implementation since this modality was never requested by any shareholder and considering that this circumstance does not constitute any constraint or restriction on the exercise of voting rights by shareholders.

The Company discloses, within the legal time limits and in all places requested by law, in Portuguese and English, the due call for the General Meetings, which contains information on how to enable the shareholders to participate and exercise their right to vote and also about the procedures to be followed for voting by correspondence or designated representatives. The Company also discloses, as required by law, the resolution proposals, preparatory information and the minutes of the letter of representation and voting forms for postal voting, in order to ensure, promote and encourage shareholder participation, by them or representatives designated by them, in the General Meetings.

13. Maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in number 1 of Article 20

There is no limitation on the number of votes that can be held or exercised by a single shareholder or group of shareholders.

14. Shareholders' resolutions which, according to the bylaws, may only be taken with a qualified majority

According to the bylaws of the Company, the corporate decisions are taken by majority vote, whatever the percentage of share capital represented at the meeting, except when a different majority is required by law.

In a second call, the General Meeting may decide independently of the number of shareholders present and the capital they represent.

The deliberative quorum of the General Meeting is in accordance with the Portuguese Companies Act (CSC).

II. MANAGEMENT AND SUPERVISION

a) Composition

15. Identification of the corporate governance model adopted

Ramada Investimentos adopts the governance model called monist, which includes a management structure centralized in a Board of Directors, a centralized Supervisory Board and a Statutory Auditor.

The Board of Directors is thus the body responsible for the management of the Company's business in achieving its social object.

16. Bylaws' regulation on procedural requirements governing the appointment and replacement of members of the Board of Directors, when applicable

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

The Board of Directors consists of three to nine members, shareholders or not, elected by the Shareholders' General Meeting.

At the General Shareholders' Meeting elections, one, two or three Directors shall be elected individually among the candidates proposed on the lists endorsed by groups of shareholders, depending on whether the total number of Directors is three or four, five or six, or seven or more than seven, provided that none of these groups owns shares representing over 20% or less than 10% of the share capital. Each of the referred lists shall propose at least two candidates eligible for each one of the available posts, one of them being nominated as substitute. No shareholder may endorse more than one of the mentioned lists. If more than one list exists, the voting will focus over the different lists.

The General Shareholders' Meeting may not proceed to the election of any further Directors until one, two or three have been elected, as per the dispositions above, unless the abovementioned lists have not been presented. In the case of a missing elected Director, the respective substitute shall be called. In the case of there being no substitute, a new election shall be called, in which the dispositions above shall be applied with the necessary adaptations.

17. Composition of the Board of Directors

The Board of Directors is currently made up of 5 members who are responsible for carrying out all the management functions to implement the operations inherent to its corporate goals, acting in the best interests of the Company, its shareholders and other stakeholders. On December 31, 2015 this corporate board was composed of the following members:

João Manuel Matos Borges de Oliveira – Chairman

Paulo Jorge dos Santos Fernandes – Member

Domingos José Vieira de Matos – Member

Pedro Miguel Matos Borges de Oliveira – Member

Ana Rebelo de Carvalho Menéres de Mendonça – Member (non executive)

All Board of Director's members were appointed by the Shareholder's General Meeting held in April, 24, 2014 for the period 2014/2016.

NAME	FIRST APPOINTEMENT	END OF MANDATE
João Manuel Matos Borges de Oliveira	June 2008	December 31, 2016
Paulo Jorge dos Santos Fernandes	June 2008	December 31, 2016
Domingos José Vieira de Matos	June 2008	December 31, 2016
Pedro Miguel Matos Borges de Oliveira	May 2009	December 31, 2016
Ana Rebelo de Carvalho Menéres de Mendonça	May 2009	December 31, 2016

18. Distinction to be drawn between executive and non-executive Directors and, as regards non-executive members, details of members that may be considered independent

As of December 31, 2015, the Board of Director's included one non-executive members: Ana Rebelo Carvalho Menéres Mendonça.

The Board Directors does not include any member who satisfies the standard of independence referred in recommendation II.1.7 of Corporate Governance Code issued by the Portuguese Securities Regulator (CMVM) since the non-executive director Ana Rebelo de Carvalho Menéres de Mendonça is holder of a qualifying holding.

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

- Notices of meetings of the Board of Directors sent to all directors, including the agenda, even if provisory, for the meeting, accompanied by all the relevant information and documentation;
- The availability of executive directors to provide to non-executive directors any additional information which they consider relevant or necessary, and to carry out studies and more in-depth analysis in relation to all matters to be decided upon or under review in some way, within the Company;
- Availability of books of minutes, records, documents and other backgrounds of operations of the Company or its subsidiaries, for examination, as well as the provision and promotion of a direct channel for obtaining information from the managers and operational and financial officers of several companies that are part of the Group, without requiring any intervention of the executive directors in this process.

Given the corporate model adopted and the composition and *modus operandi* of its governing boards, including the independence of the supervisory boards, without delegation of powers among them, the Group considers that the designation of independent directors to the Board would not yield significant improvements for the proper functioning of the corporate governance model, which has revealed itself proper and efficient.

The Management Report includes in its chapter "Activity developed by the non-executive members of the Board", a description of the activity of the non-executive Directors during 2015.

19. Professional qualifications and other relevant curricular information of the members of the Board of Directors

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

20. Recurring and meaningful family, professional or business relationships of members of the Board of Directors with shareholders entitled to qualifying holdings that are greater than 2% of the voting rights

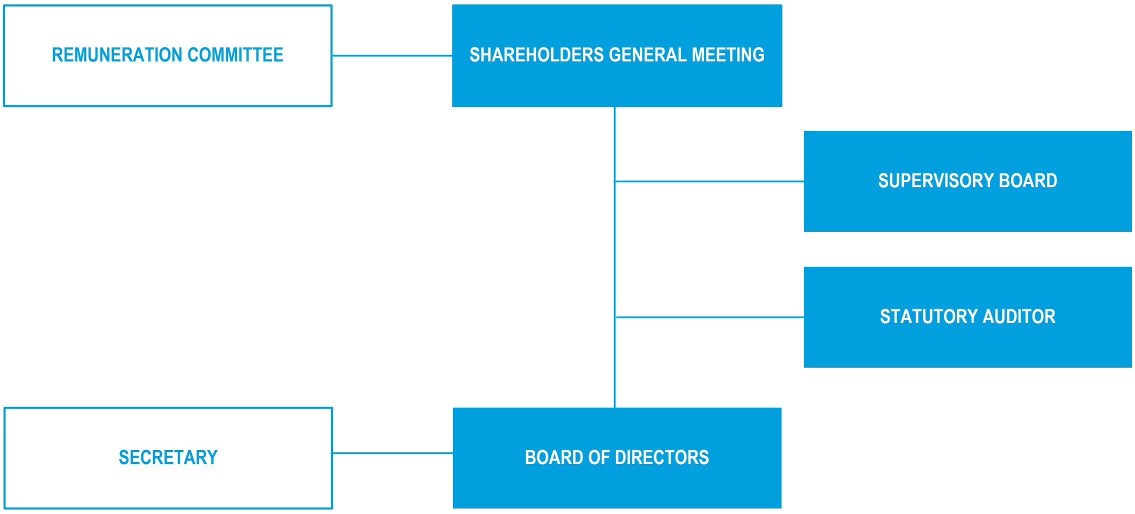
João Manuel Matos Borges de Oliveira is director and shareholder of CADERNO AZUL - SGPS, S.A., which owns 19.99 % of the share capital of Ramada Investimentos. In addition, that director is brother of the director Pedro Miguel Matos Borges de Oliveira, which owns 5.47% share capital of Ramada Investimentos.

Paulo Jorge dos Santos Fernandes is director and dominant shareholder of ACTIUM CAPITAL – SGPS, S.A., which owns of 14.97 % share capital of Ramada Investimentos.

Domingos José Vieira de Matos is director and dominant shareholder of LIVREFLUXO – SGPS, S.A., which owns of 10.10 % share capital of Ramada Investimentos.

The company Promendo SGPS, S.A. holder of 19.29 % of the share capital of Ramada Investimentos, also has Ana Rebelo de Carvalho Menéres de Mendonça, non-executive director of Ramada Investimentos, as director and dominant shareholder.

21. Organizational charts or flowcharts concerning the allocation of powers between the various corporate boards, committees and/or departments within the company, including information on delegating powers, particularly regarding the delegation of the company's daily management



The Board of Directors develops its management and coordination functions of the Group companies on a collective basis and is currently made up of a president and five members, one of them being non-executive.

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

There is no limit to the maximum number of positions that the Board members can accumulate as directors of other companies. The members of Ramada Investimentos' Board of Directors are, in most cases, part of the management of the most significant group companies, so as to enable their activities to be more closely monitored.

The Board of Directors believes that due to its organizational structure, size and complexity, the only imperative specialized commission is the Remuneration Committee, as explained below in sub-section 28.

The Remuneration Committee is the body responsible for performance evaluation and approving the remuneration of Board members and other corporate bodies, in compliance with the remuneration policy of the Company, approved by shareholders in General Meetings.

Ramada Investimentos' Corporate Finance department, given its integrated and cross-sectional view at the level of all the companies in the group, is responsible, on one hand, for the definition of financial management strategies and policies and, on the other hand, for securing the interface with capital, debt and banking markets. Ramada Investimentos' Corporate Finance is also in charge of developing mechanisms necessary to implement the outlined financial management strategies and policies.

The planning and management control area supports the implementation of corporate and/or business strategies followed by the group. This area prepares and analyses management information at the level of all companies in the group, as well as at the consolidation level, on monthly, quarterly, semi-annual and annual basis, ensuring the monitoring of deviations from the budget and the enforcement of the necessary corrective measures. It also bears the responsibility of building business plans and integrating multidisciplinary work teams created for this purpose, activities which it develops alongside with the permanent development of technical and benchmarking studies about existing businesses in order to monitor the performance of Ramada Investimentos considering its strategic position.

The legal area provides legal support to all the areas of the Group activity, monitoring and ensuring, on one hand, the legality of the operations, and ensuring, on the other hand, the relations with Euronext Lisbon, with CMVM and the shareholders when in presence of legal matters. This area is also responsible for monitoring the corporate governance policy in order to achieve the best practices in this area. This area will also have the responsibility of not only drawing and analysing contracts which maximize safety and reduce legal risks and other potential costs for the Company, but also managing issues relating to intellectual and industrial property used by the group, such as patents and trademarks, logos, domains and copyright, while still exercising the corporate secretarial functions on a permanent monitoring of legal compliance, supporting the Board of Directors on the implementation of its strategies.

The area of investor relations establishes the relationship between the Group and the financial community, permanently disseminating relevant and updated information about its activity. This area is also responsible for assisting the Board of Directors in providing updated information to the capital markets, as well as aiding the management of institutional relations of Ramada Investimentos, establishing permanent contact with institutional investors, shareholders and analysts and representing the group in associations , forums and events (national or internationally).

In addition, the operating companies of Ramada Investimentos have their own management bodies of control that exercise their activity at all levels of the subsidiary companies and prepare monthly reports periodically reported to the respective Boards of Directors.

The distribution of functions between the various members of the Board of Directors is carried out as follows:

João Manuel Matos Borges de Oliveira – Chairman

Paulo Jorge dos Santos Fernandes – Member

Domingos José Vieira de Matos – Member

Pedro Miguel Matos Borges de Oliveira – Member

Ana Rebelo de Carvalho Menéres de Mendonça – Member (non executive)

Generically, Ramada Investimentos' directors focus their activities in managing the Group holdings and defining its strategic development guidelines. The strategic decisions are adopted by the Board including all its members, executives and non-executives, in the normal accomplishment of their duties.

The daily management of each subsidiary is a responsibility of its Board of Directors, which includes some of Ramada Investimentos' directors but also some other members with defined functions.

Taking into consideration the activities developed by the members of the Board of Directors, both in Ramada Investimentos and in the other several subsidiaries, the functional organizational chart can be presented as follows:

b) Functioning

22. Existence and place where rules on the functioning of the Board of Directors may be conferred

The Board of Directors and the Supervisory Board approved regulations are available on the website of the Company: www.ramadainvestimentos.pt - tab "Investors" - section "Governance".

23. Number of meetings held and the attendance report for each member of the Board of Directors

The Company's bylaws stipulate that the Board of Directors shall meet whenever convened by its chairman, on his own initiative or at the request of any other officer and at least once a month.

During 2015, the Board of Directors met twelve times and assiduity corresponded, in nine meetings, to 100%. In the remaining three meetings, only the director Pedro Macedo Pinto de Mendonça has missed, having presented, in all cases, due justification for the absence, which was considered acceptable.

The meetings of the Board are scheduled and prepared in advance, and timely documentation relating to the matters in agenda is provided, in order to ensure that all members of the Board have the conditions for an informed exercise of their functions. Similarly, minutes of meetings, once approved, and the respective notices of meeting are forwarded to the Chairman of the Supervisory Board.

24. Details of corporate boards responsible for undertaking the performance appraisal of executive directors

The performance assessment of executive directors is a responsibility of the Remuneration Committee and is based on the functions performed by them in Ramada Investimentos and in its subsidiaries, in compliance with the remuneration policy of the Company, approved by the shareholders in General Meetings.

The assessment is based on the functions performed by members representing the Board of Directors and other corporate bodies in Ramada Investimentos, considering the responsibilities assumed by each of these members, the value added by each and the accumulated knowledge and experience on the job.

25. Predefined criteria for assessing executive directors' performance

The remuneration of executive members of the Board of Directors includes a variable medium term component (calculated over two mandates 2011-2013 and 2014-2016), based on shareholders’ total return (share appreciation plus paid dividends), on the sum of the net profit for that period (2011 to 2016) and on the evolution in the Company's business.

26. Availability of each member of the Board of Directors and details of the positions held at the same time in other Companies within and outside the Group, and other relevant activities undertaken by members of these boards throughout the financial year

The professional activity of the current members of Ramada Investimentos’ Board of Directors, with reference to other companies where they have similar functions and other relevant activities undertaken are presented in Appendix I.

However, it should be noted that the members of the Board of Directors showed their total commitment and availability in the exercise of their functions, being present and participating in almost 100% of the Board’s meetings.

c) Committees within the Board of Directos

27. Details of the committees created within the Board of Directors and place where the functioning regulation may be consulted

The Board of Directors believes that the only imperative specialized committee required to fulfil the essential needs of the Company, considering its size and nature, is the Remuneration Committee.

Ramada Investimentos has set a Remuneration Committee for the period 2014/2016, whose composition is as follows:

João da Silva Natária – Chairman

José Francisco Pais da Costa Leite – Member

Pedro Nuno Fernandes de Sá Pessanha da Costa – Member

The Remuneration Committee has a valid operating regulation for the current term, approved at a proper meeting held on December 2014 and which is available for consultation on the Company's website (www.ramadainvestimentos.pt - tab "Investors" - section "Corporate Governance").

28. Composition, if applicable, of the executive board and/or identification of board delegates

Ramada Investimentos, considering its organizational structure, and the small size of the Board of Directors, composed by five members, considers the formal appointment of an Executive Committee within the Board of Directors as unnecessary.

Nevertheless, as stated in section 18 of this report, from the total of five members of the Board of Directors, four perform executive functions, ensuring the following:

- Notices of meetings of the Board of Directors sent to all directors include the agenda, even preliminary, of the meeting, and are accompanied by all the relevant information and documentation;
- Availability of executive directors to provide to non-executive directors any additional information which they consider relevant or necessary, and to carry out further studies and analyses in relation to all matters which are subject to deliberation or that are under review in some way, in the Company;
- The non-executive directors have wide powers to obtain information on any aspect of the Company, to examine its books, records, documents and other historic facts of the Company's operations. They can request relevant information directly to the directors and to the financial and operating senior staff of all group companies, without requiring any intervention of the executive directors in this process.

Therefore, the Company considers that the necessary conditions for decisions on strategic matters taken by the Board of Directors as a body composed by all of its members, executive and non-executive, are guaranteed in the normal exercise of their duties, in an enlightened and informed way, totally focused on creating value for shareholders.

Nonetheless, the Board has regularly reflected on the adequacy of its organizational structure, permanently concluding that its structure is aligned with the best corporate governance practices, which has been materialized in a positive performance.

29. Description of the competences of each of the committees established and summary of activities undertaken in the exercise of such competences

As mentioned in the sections 27 and 28, the Board of Directors believes that the only specialized committee indispensable to the satisfaction of the needs of the Company, considering its size, is the Remuneration Committee.

According to the Company's bylaws, the Remuneration Committee is the corporate body responsible for the performance evaluation and approval of the remuneration of Board members and other corporate bodies, in compliance with the remuneration policy of the Company, approved by shareholders in General Meeting.

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

III. SUPERVISION

a) Composition

30. Details of the Supervisory Board representing the model adopted

The Supervisory Board and Statutory Auditor are the supervision bodies of the Company.

31. Composition of the Supervisory Board with details of minimum and maximum number of members according to the bylaws, duration of the term of office, number of effective members, date of first appointment, and date of end of the term of office for each member

The Supervisory Board is appointed by the Shareholders' General Meeting, for a three years mandate, composed of three members and one or two substitutes, responsible for the supervision of the Company and the appointment of the Statutory Auditor. For the period of 2014/2016, the Supervisory Board was composed by the following members:

Pedro Nuno Fernandes de Sá Pessanha da Costa – Chairman

André Seabra Ferreira Pinto – Member

José Guilherme Barros Silva – Member

Luís Filipe Alves Baldaque de Marinho Fernandes – Substitute

The current members of the Supervisory Board were appointed for the first time in April 2014.

32. Details of the members of the Supervisory Board which are considered to be independent pursuant to the number 5 of article 414 of the Portuguese Companies Act (CSC)

As a collective board, the independence assessment of the Supervisory Board is made to all who compose it, given the application of the number 6 of Article 414 of the Portuguese Companies Act, considering independence in accordance with the definition that is given by the number 5 of article 414 and incompatibility according to definition of the number 1 of article 414-A, both of the Portuguese Companies Act. All members who compose the Supervisory Board comply the rules of incompatibility and independence identified above.

33. Professional qualifications of each member of the Supervisory Board and other important curricular information

Regarding the skills and experience to exercise these functions, all members are considered to have the appropriate skills to fulfil their duties and the chairman is adequately supported by the other members of the Supervisory Board. Appendix I presents the qualifications and professional activities of the members of the Supervisory Board.

b) Functioning

34. Availability and place where the rules on the functioning of the Supervisory Board may be viewed

The Supervisory Board regulations are available on the website of Ramada Investimentos (www.ramadainvestimentos.pt - tab "Investors" - section "Corporate Governance").

35. Number of meetings held and the attendance report for each member of the Supervisory Board

During the financial year of 2015, the Supervisory Board of the Company met 4 times, with presence of all its members, and the corresponding minutes are recorded in the minutes' book of this body.

36. Availability of each member of the Supervisory Board indicating the positions held simultaneously in other Companies inside and outside the Group, and other relevant activities undertaken by members of this Board throughout the financial year

The members of Supervisory Board showed availability in the exercise of their duties attending and participating in all meetings of the Board. The information regarding other undertaken positions, qualifications and professional experience of the Supervisory Board members are detailed on Appendix I.

c) Powers and duties

37. Description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the External Auditor

The Supervisory Board analyses and approves the nature of other additional services evaluating if the independence of the External Auditor is ensured.

The Supervisory Board, exercising its functions, carries out an annual evaluation of independence of the External Auditor, particularly regarding non-audit services. Additionally, the Supervisory Board receives, on an annual basis, the declaration of independence of the auditor where the services rendered by it and by other entities of the same network are described, their fees, possible threats to their independence and safeguard measures. All threats to the independence of the Auditor are evaluated and discussed with him as well as the respective safeguard measures.

The Board of Directors, when requesting projects assigned to the group companies' auditors, ensures, before its adjudication, that no services are requested to them or to their network that, in accordance with the recommendation of the European Commission no. C (2002) 1873, of 16 May, would threaten their independence.

38. Other duties of the supervisory Board

The supervision of the Company is assigned to the Supervisory Board, as provided by article no. 420 of the Portuguese Companies Act.

The Supervisory Board also represents the Company regarding the External Auditor and the Statutory Auditor and is responsible for proposing the provider of these services, their remuneration and to ensure that they are guaranteed, within the group, in suitable conditions for them to provide their services. The Supervisory Board is the first recipient of the reports issued by the External Auditor as well as the group's representative in the relationship with that entity.

The Supervisory Board is responsible for preparing an annual report on its activity and for giving an opinion on the annual report and proposals presented by the Board of Directors as well as monitor the effectiveness of risk management and internal control.

The Board of Directors, together with the Supervisory Board, regularly reviews and oversees the preparation and disclosure of financial information in order to prevent access, improperly and untimely of third parties to relevant information.

Additionally, the Supervisory Board issues an opinion on transactions between directors of Ramada Investimentos and the company or between Ramada Investimentos and companies in a group or domain relationship with the one in which the interested part is director, regardless of the amount, under article 397 of the Portuguese Companies Act.

The External Auditor, within the annual audit, analyses the functioning of the internal control mechanisms and reports deficiencies identified; verifies that the key elements of internal control systems and risk management implemented in the company in relation to the process of financial reporting are presented and disclosed in the annual Corporate Governance Report and issues a legal certification of accounts and audit report, which certifies whether that report disclosed about the structure and practices of corporate governance includes the elements referred in Article 245-A of the Securities Code.

During 2015, the Statutory Auditor monitored the development of the Company's activity and carried out the tests and inspections deemed necessary to the review and legal certification of the accounts, in interaction with the Supervisory Board and with full cooperation of the Board of Directors.

IV. STATUTORY AUDITOR

39. Details of the Statutory Auditor and its representing partner

The Statutory Auditor of the Company for the period 2014/2016 is Deloitte & Associados, SROC, S.A., represented by António Manuel Martins Amaral or Miguel Nuno Machado Canavarro Fontes.

40. Number of years that the statutory auditor consecutively carries out duties within the Company and/or Group.

Deloitte & Associados, SROC, S.A., is responsible for the functions of Statutory Auditor since 2008, represented by Miguel Nuno Machado Canavarro Fontes since that date.

41. Description of other services that the statutory auditor provides to the Company

The Statutory Auditor is simultaneous the External Auditor of the Company as detailed in the sub-sections below.

V. EXTERNAL AUDITOR

42. Details of the external auditor appointed in accordance with article 8 and the representing partner carrying out these duties, and the respective registration number at the CMVM

The External Auditor of the company is Deloitte & Associados, SROC, S.A., appointed in accordance with article 8 of the Securities Code(CVM), registered under the number 231 in the Portuguese Securities Regulator (CMVM), represented by António Manuel Martins Amaral or by Miguel Nuno Machado Canavarro Fontes.

43. State the number of years that the External Auditor and the respective representing partner carries out duties within the Company and/or Group

The External Auditor was elected for the first time in 2008 and is in his third mandate. Its representing partner is in duty since 2008.

44. Policy and schedule regarding the rotation of the external auditor and the respective partner which represents it in carrying out such duties

The policy adopted by the Supervisory Board on this matter has been to carry out a thorough evaluation of the advantages and drawbacks of the maintenance functions of that auditor, previously to the submission of proposals for the election of the External Auditor for a new term, instead of just adopting the principle of rotation at the end of three terms, if from that evaluation results the conviction that staying in office beyond that period, does not endanger the required and necessary independence of the said Auditor.

45. Details of the board responsible for assessing the external auditor and the regular intervals when said assessment is carried out

The Supervisory Board, in the fulfillment of its functions, annually assesses the External Auditor independence. Additionally, the Supervisory Board promotes whenever necessary or appropriate in light of developments in the Company's business or the evolution of the market, a reflection on the adequacy of the External Auditor to carry out its duties.

46. Details of services, other than auditing, carried out by the external auditor for the company and/or companies in a control relationship and an indication of the internal procedures for approving the recruitment of such services and a statement on the reasons for said recruitment

Other services rendered by the External Auditor in 2015 included, essentially, services connected with the validation of applications to governmental subsidies and with the review of tax documentation processes.

The other services and other audit reliability services are provided by different teams of those involved in the audit process, in order to ensure the auditor's independence.

The Supervisory Board has reviewed and approved the scope of those services and concluded that they did not threaten the independence of the External Auditor. In this particular aspect, the hiring of Deloitte & Associados, SROC, S.A. proved to be the most appropriate due to its solid experience and expertise in the field of taxation and tax incentives. Moreover, the actions of Deloitte & Associados, SROC, S.A. are often articulated with technicians and experts independent from its network, namely consultants.

In 2015, the fees charged by Deloitte & Associados, SROC, S.A. to F. Ramada Investimentos' Group represented less than 1% of the total annual turnover of Deloitte & Associados, SROC, S.A. in Portugal. The quality system of the External Auditor controls and monitors the potential risk of loss of independence or conflicts of interest with F. Ramada Investimentos.

47. Details of the annual remuneration paid to the auditor and other single or collective entities belonging to the same network and the percentage breakdown relating to the following services:

	2015	%	2014	%
By the Company				
Audit and statutory audit services (€)	13,110	5.4%	7,500	4.0%
Other attest services (€)	-	0.0%	-	0.0%
Tax consulting services (€)	-	0.0%	-	0.0%
Other services (€)	-	0.0%	-	0.0%
By Group companies				
Audit and statutory audit services (€)	148,494	60.7%	129,979	69.8%
Other attest services (€)	-	0.0%	14,000	7.5%
Tax consulting services (€)	32,961	13.5%	7,351	3.9%
Other services (€)	50,000	20.4%	27,325	14.7%
	244,565	100.00%	186,155	100.00%
Total				
Audit and statutory audit services (€)	161,604	66.08%	137,479	73.85%
Other attest services (€)	0	0.00%	14,000	7.52%
Audit services subtotal	161,604	66.08%	151,479	81.37%
Tax consulting services (€)	32,961	13.48%	7,351	3.95%
Other services (€)	50,000	20.44%	27,325	14.68%
	244,565	100.00%	186,155	100.00%

C. INTERNAL ORGANISATION

I. ARTICLES OF ASSOCIATION

48. Rules governing amendment of the bylaws

The statutory amendments follow the applicable legal terms, including the Portuguese Companies Act, which require a two-thirds majority of votes cast for the adoption of such resolution.

II. REPORTING OF IRREGULARITIES

49. Means and policy regarding the reporting of irregularities within the company

In Ramada Investimentos, as a result of the applicable legal dispositions, any reports of irregularities that consubstantiate violations of ethical or legal nature with significant impact in the fields of accounting, the fight against corruption and the financial and banking crime must be addressed to the Supervisory Board.

Irregularities relating to matters other than those mentioned above should be addressed to the Board of Directors.

Considering the proximity of the members of the Board of Directors to the activities of the several Group companies and the respective employees, Ramada Investimentos considers that such proximity allows that, whenever irregularities are detected, the Board of Directors is promptly informed, ensuring the implementation of procedures which handle in an effective and fair way the potential irregularities detected.

Regarding the competences in the evaluation of ethical issues and the corporate governance structure, such functions are performed directly by the Board of Directors, which maintains a constant debate over this matter.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. Individuals, boards or committees responsible for the internal audit and/or implementation of the internal control systems

Risk management, being a key issue of the principles of good corporate governance, is an area considered to be critical in Ramada Investimentos, promoting the permanent awareness of all employees, at all levels of the organization, and instilling such responsibility in them in all processes of decision-making.

Risk management is ensured by the several Ramada Investimento's operating units based on a preliminary identification and prioritization of critical risks, through the development of risk management strategies in order to implement control procedures considered appropriate to reduce the risk to an acceptable level.

Ramada Investimentos has been monitoring the adequacy of this risk management model that has proved to be entirely appropriate given the organizational structure of the Company.

51. Detail of hierarchical and/or functional dependency in relation to other boards or committees of the company

The Supervisory Board is responsible for evaluating the functioning of the risk management operations and mechanisms. It is therefore responsibility of this corporate body the supervision of the actions carried out by the Company in these matters.

The External Auditor, in the exercise of its functions, checks the adequacy of the mechanisms and procedures adopted, ensuring the proper reporting of its conclusions to the Supervisory Board.

The Board of Directors is responsible for monitoring these mechanisms and procedures.

52. Other functional areas responsible for risk control

The Board of Directors is the body responsible for setting the overall strategic guidelines of the group and is duly supported by the subsidiary management teams, ensuring not only the continuous monitoring, but also the reporting to the Board of Directors of Ramada Investimentos of the situations detected, in order to ensure continuous and effective risk controls.

Risk management is ensured by several operating units within the Company. The methodology of risk management includes several steps:

- Firstly, internal and external risks that may materially affect the Groups' strategic objectives are identified and prioritized;
- The operational management of the various business units identify risk factors and events that may affect the operations and activities of Ramada Investimentos, as well as any procedures and control mechanisms;
- Additionally, the impact and the probability of occurrence of each risk factor are weighted and according to the exposure level, the need to respond to the risk is evaluated; and
- The risk mitigation actions are tracked and the level of exposure to critical factors is constantly monitored.

The Board of Directors decides the level of exposure assumed by the group at each moment in its various activities and, taking into account the delegation of tasks and responsibilities, sets the overall limits of risk and ensures that policies and procedures for risk management are followed.

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

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

The subsidiaries manage their own risks, within the established criteria and delegations set by the Board of Directors.

53. Detail and description of the major economic, financial and legal risks to which the company is exposed in pursuing its business activity

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

Credit Risk

Like any activity involving a commercial component, the Group's exposure to credit risk is mainly due to the account receivables resulting from the Group's operating activity. This risk is monitored and controlled through a system for collecting financial and qualitative information, provided by entities that provide credible risk information, which allows customers to evaluate the feasibility of the fulfilment of their obligations, in order to minimize the risk associated with granting credit. Credit risk evaluation is performed on a regular basis through the analysis of the current economic conjuncture conditions, namely the credit situation of each company and, when necessary, the adoption of the corrective measures.

Market Risk

Interest Rate Risk

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

Exchange Rate Risk

The Company has transactions with non-resident companies with other currencies than the Euro. Therefore, every time that it is considered necessary to reduce the volatility of its net income, the Company hedges its exposure to exchange rate variation through the use of financial derivatives.

Risk of variability in commodities prices

By developing its activity in a sector which trades commodities (namely, steel), the Group is particularly exposed to price variations, with the corresponding impacts on its net income. Therefore, when it is considered crucial the reduction of such impact on its results, the Group may hedge its exposure to variability in prices through the use of financial derivatives.

Liquidity Risk

Liquidity risk can occur if the sources of financing, such as operating cash flows, cash flows of disinvestment, credit lines and cash flows from financing do not meet the financing needs, such as cash outflows for operating and financing activities, investment, shareholders returns and debt repayment.

The main objective of the liquidity risk management policy is to ensure that the Group is always in possession of the financial resources needed to meet its responsibilities and pursue the strategies outlined by honouring all commitments made to third parties when they become due, through proper management of the maturity of funding.

The Group adopts an active refinancing strategy focused on maintaining a high level of immediately available funds to meet short term needs and the extension or maintenance of debt maturity in accordance with the forecasted cash flows and the leveraging capacity of the balance sheet.

54. Description of the procedure for identification, assessment, monitoring, control and risk management

As mentioned in sub-section 52, the Board of Directors is the body responsible for setting the overall strategic guidelines of the group, and is duly supported by the subsidiary management teams, ensuring not only the continuous monitoring, and the reporting to the Board of Directors of Ramada Investimentos of all the situations detected, to ensure continuous and effective risk controls.

The process of identification and evaluation, monitoring, control and risk management in Ramada Investimentos is performed as follows:

The risks that the group faces in the normal course of its business are identified. For all identified risks, the impact on financial performance and the value of the group is measured. The risk value is compared with the costs of hedging instruments, if available, and, consequently, the development of identified risks and the hedging instruments is monitored. This process is carried in compliance, as much as possible, with the following methodology:

- First, internal and external risks that may materially affect the Groups' strategic objectives are identified and prioritized;
- The operational management of the various business units identify risk factors and events that may affect the operations and activities of Ramada Investimentos, as well as any procedures and control mechanisms;
- Additionally, the impact and the probability of occurrence of each risk factor are weighted and according to the exposure level, the need to respond to the risk is evaluated; and
- The risk mitigation actions are monitored and the level of exposure to critical factors is constantly monitored.

The Company has implemented additional risk management strategies that aim to ensure, essentially, that the systems and control procedures and the established policies allow to answer management bodies' expectations, shareholders and other stakeholders' expectations.

Within these strategies we highlight the following:

- Systems and control procedures and policies are established in accordance with all applicable laws and regulations;
- The financial and operational information is complete, reliable, safe and reported on a regular and timely manner;
- Ramada Investimentos' resources are used efficiently and rationally; and
- The shareholder value is maximized and operational management takes the necessary measures to correct reported problems.

55. Core details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information

Concerning risk control in the disclosure of financial information process, the involvement within Ramada Investimentos' is limited to a very short number of employees.

All of those who are involved in financial analysis are considered as having access to privileged information, being especially informed about the content of their obligations as well as the sanctions resulting from the misuse of such information.

The internal rules for the disclosure of financial information are intended to secure its timing and to prevent the asymmetry of information within the market.

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

- The use of accounting principles detailed throughout the notes to financial statements is one of the basis of the control system;
- Plans, procedures and records of the Company and its subsidiaries provide reasonable assurance that transactions are recorded only when properly authorized and that such transactions are recorded in accordance with generally accepted accounting principles;
- Financial information is analysed on a systematic and regular basis for the management of operational units, ensuring a permanent monitoring and control of its budget;
- During the process of preparing and reviewing financial information, a timetable for accounts closing is previously established and shared with the different areas involved, and all documents are reviewed in depth;
- At the level of individual financial statements of the various group companies, the accounting records and preparing financial statements are provided by administrative and accounting services. The financial statements are prepared by an official chartered accountant and reviewed by the financial management of each subsidiary;
- The consolidated financial statements are prepared quarterly by the consolidation team. This process is an additional monitoring element of the reliability of financial reporting, particularly by ensuring the uniform application of accounting principles and procedures for cut-off of operations as well as balances and transactions check between group companies;
- The consolidated financial statements are prepared under the supervision of the CFO. The annual report is sent for review and approval by the Board of Directors. After the approval, the documents are sent to the External Auditor, which issues the Statutory Audit and the Auditor's Report; and
- The process of preparing the financial information and consolidated directors' report is monitored by the Supervisory Board and by the Board of Directors. Each quarter, these corporate boards meet and analyse the individual and consolidated financial statements of the Company.

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

The Board of Directors, together with the Supervisory Board, regularly review and monitor the preparation and disclosure of financial information in order to prevent improper and untimely access of other persons to relevant information.

IV. INVESTOR ASSISTANCE

56. Department responsible for investor assistance, composition, functions, information made available by this department and contact details

The Company has an Investor Assistance department which includes the group's market liaison officer and the investor relations.

The contact for investors to obtain information is as follows:

Rua do General Norton de Matos, 68 – r/c

4050-424 Porto

Telephone: (+351) 22 83 47 100

Fax: (+351) 22 834 65 03

E-mail: adilia.miranda@ramadainvestimentos.pt

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

57. Market Liaison Officer

The functions of the Group's market liaison officer are performed by Adília Miranda dos Anjos.

58. Information on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years

Whenever necessary, the market liaison officer ensures that all relevant information regarding events, facts considered to be relevant, disclosure of quarterly results and answers to any requests for clarification by the investors or the general public on public financial information is provided. All information requested by investors is analysed and provided within a maximum of five days.

V. WEBSITE

59. Address(es)

F.Ramada Investimentos has a web page available with all the relevant information about the Company and the Group. The address is the following: www.ramadainvestimentos.pt.

60. Location where information about the firm, public company status, headquarters and other details referred to in article 171 of the Commercial Companies Code is available

www.ramadainvestimentos.pt - tab “Investors” - section “Identification of the company”

61. Location where the articles of association and regulations on the functioning of the boards and/or committees are available

www.ramadainvestimentos.pt - tab “Investors” - section “Management Team”

62. Location where information is available on the names of the corporate boards' members, the Market Liaison Officer, the Investor Assistance Office or similar structure, respective functions and contact details

www.ramadainvestimentos.pt - tab “Investors” - section “Management Team”.

www.ramadainvestimentos.pt - tab “Investors” - section “Investor Support”.

63. Location where the documents related to financial accounts reporting are available, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, among others, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements

www.ramadainvestimentos.pt - tab “Investors” - section “Financial Reports”.

www.ramadainvestimentos.pt - tab “Investors” - section “Calendar of Events”.

64. Place where the notice convening the General Meeting and all the preparatory and subsequent information related thereto is disclosed

www.ramadainvestimentos.pt - tab “Investors” - section “General Meetings”.

65. Local where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results relating to the preceding three years are available

www.ramadainvestimentos.pt - tab “Investors” - section “General Meetings”.

D. REMUNERATIONS

I. POWER TO ESTABLISH

66. Details of the powers for establishing the remuneration of corporate boards, members of the executive committee or chief executive and directors of the company

The Remuneration Committee is responsible for approving the remuneration of the Board of Directors and other corporate bodies representing the shareholders, in accordance with the remuneration policy approved by the shareholders in General Meeting.

II. REMUNERATION COMMITTEE

67. Composition of the Remuneration Committee, including details of individuals or legal persons recruited to provide services to such committee and a statement on the independence of each member and advisor

Ramada Investimentos has set a Remuneration Committee for the period 2014/2016, whose composition is as follows:

João da Silva Natária – Chairman

José Francisco Pais da Costa Leite – Member

Pedro Nuno Fernandes de Sá Pessanha da Costa – Member

All members of the Remuneration Committee are independent from the members of the Board of Directors. Additionally, in 2015 no persons or entities were hired to assist Remuneration Committee members.

68. Knowledge and experience in remuneration policy issues by members of the Remuneration Committee

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

III. REMUNERATION STRUCTURE

69. Description of the remuneration policy of the board of directors and Supervisory Boards as set out in article 2 of Law No. 28/2009 of 19 June

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

The policy on remuneration and compensation of the corporate bodies of Ramada Investimentos adopted at the General Meeting of 14 April 2015, respects the following principles:

BOARD OF DIRECTORS:

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

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

The global fixed remuneration for all the members of the Board of Directors, including the remuneration that the subsidiaries pay to the members that integrate the Board of Directors, cannot exceed 750 thousand Euros per year.

1. Executive directors

- Fixed component, amount paid monthly.
- Medium term variable component:

It intends to more strongly align the interests of executive directors with those of shareholders and is calculated covering the period of two mandates. 2011-2013 and 2014-2016, based on:

- Total shareholder return (stock appreciation plus dividend distributed)
- Sum of the consolidated net results of the six years (2011 to 2016)
- Company' business development

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

2. Non-executive directors

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

SUPERVISORY BOARD

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

GENERAL SHAREHOLDERS MEETING

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

STATUTORY AUDITOR

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

COMPENSATION FOR TERMINATION OF FUNCTIONS BEFORE ON OR TERM OF MANDATE

The remuneration policy maintains the principle of not covering the granting of any compensation to directors or other governing bodies, concerning their termination of functions, either earlier or at the scheduled end of their duties, subject to compliance with the legal provisions in force.

SCOPE OF PRINCIPLES

The principles that follow remuneration policies and compensation specified in this policy include not only the wages paid by Ramada Investimentos but also the wages that are paid to members of the Board of Directors for companies controlled directly or indirectly by it.

70. Information on how remuneration is structured so as to enable the alignment of the interests of the members of the board of directors with the company's long-term interests and how it is based on the performance assessment and discourages excessive risk taking.

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

The proposal for remuneration of executive directors is drawn up taking into account the functions performed in F. Ramada Investimentos, SGPS, S.A. and in its subsidiaries, the responsibility and added value by individual performance, the knowledge and the experience accumulated on the job, the economic situation of the company, the remuneration paid by other companies from the same sector and other companies listed on Euronext Lisbon. Regarding the latter point, the Remuneration Committee takes into account all national companies of equivalent size, particularly listed on Euronext Lisbon, and also companies in international markets with characteristics similar to F. Ramada Investimentos.

71. Reference, where applicable, to the existence of a variable remuneration component and information on any impact of the performance appraisal on this component

In the Shareholders General Meeting held in 14 April 2015, the remuneration policy, as detailed in sub-section 69 above, was approved with the inclusion of a variable component depending on performance during the period between 2011 and 2016.

No mechanisms to prevent executive directors from having employment contracts that question the grounds of the variable remuneration are implemented. However, the Remuneration Committee takes into account these factors in the criteria for determining the variable remuneration. The Company did not celebrate any agreements with members of the Board of Directors that have the effect of mitigating the risk associated to variability of the remuneration or has become aware of any identical contracts with third parties.

72. The deferred payment of the remuneration’s variable component and specification of the relevant deferral period

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

73. The criteria whereon the allocation of variable remuneration on shares is based

F. Ramada Investimentos has not in place nor intends to have any form of compensation that may include shares or any other equity based compensation system.

74. The criteria whereon the allocation of variable remuneration on options is based

F.Ramada Investimentos does not have in place any form of compensation that includes stock options.

75. The key factors and grounds for any annual bonus scheme and any additional non-financial benefits

F.Ramada Investimentos has not any annual bonus scheme nor any other non-financial benefits.

76. Key characteristics of the supplementary pensions or early retirement schemes for directors and state date when such schemes were approved at the general meeting, on an individual basis

Ramada Investimentos has no supplementary pension scheme or early pension for members of the administrative and supervisory boards and other key staff.

IV. REMUNERATION DISCLOSURE

77. Indication of the amount relating to the annual remuneration paid as a whole and individually to members of the company's Board of Directors, including fixed and variable remuneration and, regards the latter, reference to the different components that gave rise to same.

The remunerations received by the members of the Board of Directors were entirely paid by the Group's subsidiaries in which each one is director and there are no directors paid directly by Ramada Investimentos.

78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or are subject to a common control

The remuneration received by the Board of Directors of Ramada Investimentos during 2015, in the exercise of their functions, include only fixed remuneration and amounted to 499,000 Euros allocated as follows: João Borges de Oliveira –123,000 Euros; Paulo Fernandes –123,000 Euros; Domingos Matos –109,000 Euros; Pedro Borges de Oliveira –109,000 Euros and Ana Mendonça –35,000 Euros.

79. Remuneration paid in the form of profit sharing and/or bonus payments and the reasons for such bonuses or profit sharing to be awarded

During the year, there were no remunerations paid in the form of profit sharing or bonuses.

80. Compensation paid or owed to former executive directors concerning contract termination during the financial year

In 2015, no amounts relating to compensations to directors whose functions have ceased have been paid or became due.

81. Details of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory board

The remuneration of the Statutory Audit Board is composed of a fixed annual amount based on the Ramada Investimentos situation and on the current market practices. In the year ended 31 December 2015, the remuneration of the Statutory Audit Board members amounted to 26,620 Euros distributed as follows: Pedro Pessanha – 10,000 Euros; André Pinto – 8,310 Euros; José Guilherme Silva – 8,310 Euros.

The remuneration of the Statutory Auditor is described in sub-section 47 above.

82. Details of the remuneration in the year of the Chairman of the Board of the General Meeting

The remuneration of the Chairman of the Board of the General Meeting in the year ended in 31 December 2015 was 5,000 Euros.

V. AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. The envisaged contractual restraints for compensation payable for the unfair dismissal of directors and the relevance thereof to the remunerations' variable component

The remuneration policy maintains the principle of not including the granting of any compensation to directors or other governing boards, concerning the termination of their functions, either earlier or at the scheduled end of their terms of office, subject to the compliance with the legal provisions in force.

84. Reference to the existence and description, with details of the sums involved, of agreements between the company and members of the Board of Directors and managers, pursuant to Article 248-B/3 of the Securities Code (CVM) that envisages compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid.

There are no agreements, between the Company and members of the Board of Directors or other key staff, pursuant to paragraph 3 of Article 248-B of the Securities Code (CVM), which provide compensations in case of resignation, unfair dismissal or termination of employment contract following a takeover bid. There aren't also planned agreements with directors to ensure any compensation in case of non-renewal of their terms of office.

VI. Stock options plan

85. Details of the plan and the number of persons included therein.

Ramada Investimentos has no plan to grant shares or stock options to the Board of Directors nor to its employees.

86. Characteristics of the plan

Ramada Investimentos does not have any plan to grant shares or stock options.

87. Stock option plans for the company employees and staff

There are no stock options granted for the acquisition of shares which benefit company employees and staff.

88. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by said employees

Not applicable as explained in the sub-sections above.

E. RELATED PARTY TRANSACTIONS

I. CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties

Currently, there are no procedures or criteria established for defining the relevant significance level of business between the Company and holders of qualifying holdings, or entities in any relationship or group with those shareholders, from which the intervention of the Supervisory Board is required.

90. Details of transactions that were subject to control in the referred year

There were no businesses or significant transactions performed between the Company and members of its governing boards (both management and supervision), holders of qualified shareholdings or companies in a control or group relationship, except those that are part of the current activity of the group and which were carried out under normal market conditions for similar transactions.

There were no business operations or transactions with members of the Supervisory Board.

The non-audit services provided by the Statutory Auditor were approved by the Supervisory Board and are detailed in sub-section 47 above.

Transactions with group companies are not material and were made under normal market conditions, being part of the Company's current activity of the Company and therefore not subject to separate disclosure.

91. Description of the procedures and criteria applicable to the supervisory body when providing preliminary assessment of the business deals to be carried out between the company and the holders of qualified holdings or entity-relationships with the former

Transactions with Ramada Investimentos' directors or companies that are in a group or control relationship with the one in which the intervener is a director, regardless of the amount, are subject to the prior authorization of the Board of Directors with a favorable opinion of the Supervisory Board pursuant to Article 397 of the Portuguese Companies Act. In 2015 it was not necessary for the Supervisory Board to issue an opinion because no transactions which required the approval of that board occurred.

II. ELEMENTS RELATED TO BUSINESS DEALS

92. Details of the place where the financial statements, including information on business deals with related parties, are available

Information about related parties is disclosed in Note 28 t the Appendix to the Consolidated Financial Statements and Note 18 of the Appendix to the Individual Financial Statements of the Company.

PART II – CORPORATE GOVERNANCE ASSESSMENT

1. Details of the Corporate Governance Code implemented

This report provides a description of the governance structure adopted by Ramada Investimentos, as well as the respective policies and practices adopted.

The report complies with the standards of Article 245-A of the Portuguese Securities Code (CVM) and discloses in accordance with the "*comply or explain*" principle, the degree of compliance with the CMVM recommendations incorporated in the 2013 CMVM Corporate Governance Code.

The duties of disclosure required by the Law 28/2009 of 19 June, Articles 447 and 448 of the Portuguese Companies Act and CMVM Regulation Nr. 5 / 2008, of 2 October 2008 are also fulfilled.

All the legal provisions referred on this report and the recommendations listed in the Corporate Governance Code of 2013, can be found in www.cmvm.pt.

This report should be read as part of the Annual Management Report and as part of the Individual and Consolidated Financial Statements for the fiscal year 2015.

2. Analysis of compliance with the Code of Corporate Governance adopted

Ramada Investimentos envisaged all the efforts to promote the adoption of the best corporate governance practices, basing its policy on high ethical standards and social responsibility.

The Board of Directors of Ramada Investimentos pursues transparent relationships with investors and with the market, basing its performance in the constant search of value creation and the promotion of the interests of employees, shareholders and other stakeholders.

In compliance with the standards of Article 245-A, no. 1, paragraph o) of the Portuguese Securities Code, the CMVM recommendations incorporated in 2013 CMVM Corporate Governance Code the Company set out to carry out are listed below:

CMVM RECOMENDATIONS	COMPLIES	REPORT
I. VOTING AND CONTROL OF THE COMPANY		
I.1. Companies shall encourage shareholders to attend and vote at general meetings and shall not set an excessively large number of shares required for the entitlement of one vote, and implement the means necessary to exercise the right to vote by mail and electronically.	Adopted	12, 13 and 14
I.2. Companies shall not adopt mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law.	Adopted	13 and 14
I.3. Companies shall not establish mechanisms intended to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each common share, unless duly justified in terms of long-term interests of shareholders.	Adopted	12 and 13
I.4. The company's articles of association that provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the general assembly (five year intervals), on whether that statutory provision is to be amended or prevails - without superquorum requirements as to the one legally in force - and that in said resolution, all votesissued be counted, without applying said restriction.	Adopted	13 and 14
I.5. Measures that require payment or assumption of fees by the company in the event of change of control or change in the composition of the Board and that whichappear likely to impair the free transfer of shares and free assessment by shareholders of the performance of Board members, shall not be adopted.	Adopted	2, 4, 5 and 6
II. SUPERVISION, MANAGEMENT AND OVERSIGHT		
II.1 SUPERVISION AND MANAGEMENT		
II.1.1. Within the limits established by law, and except for the small size of the company, the board of directors shall delegate the daily management of the company and said delegated powers shall be identified in the Annual Report on Corporate Governance.	Não Adopted	21 and 28
II.1.2. The Board of Directors shall ensure that the company acts in accordance with its objectives and shall not delegate its responsibilities as regards the following: i) define the strategy and general policies of the company; ii) define business structure of the group; iii) decisions considered strategic due to the amount, risk and particular characteristics involved.	Adopted	21 and 28
II.1.3. The General and Audit Committee, in addition to its supervisory duties supervision, shall take full responsibility at corporate governance level, whereby through the statutory provision or by equivalent means, shall enshrine the requirement for this body to decide on the strategy and major policies of the company, the definition of the corporate structure of the group and the decisions that shall be considered strategic due to the amount or risk involved. This body shall also assess compliance with the strategic plan and the implementation of key policies of the company.	Not applicable	

CMVM RECOMENDATIONS	COMPLIES	REPORT
II.1.4. Except for small-sized companies, the Board of Directors and the General and Audit Committee, depending on the model adopted, shall create the necessary committees in order to: a) Ensure a competent and independent assessment of the performance of executive directors and its own overall performance, as well as of other committees; b) Reflect on the system structure and governance practices adopted, verify its efficiency and propose to the competent bodies, measures to be implemented with a view to their improvement.	Adopted	21, 27, 28 and 29
II.1.5. The Board of Directors or the General and Audit Committeed, depending on the applicable model, should set goals in terms of risk-taking and create systems for their control to ensure that the risks effectively incurred are consistent with those goals.	Adopted	52, 54 and 55
II.1.6. The Board of Directors shall include a number of non-executive members ensuring effective monitoring, supervision and assessment of the activity of the remaining members of the board.	Adopted	18
II.1.7. Non-executive members shall include an appropriate number of independent members, taking into account the adopted governance model, the size of the company, its shareholder structure and the relevant free float. The independence of the members of the General and Supervisory Board and members of the Audit Committee shall be assessed as per the law in force. The other members of the Board of Directors are considered independent if the member is not associated with any specific group of interests in the company nor is under any circumstance likely to affect an exempt analysis or decision, particularly due to: a. Having been an employee at the company or at a company holding a controlling or group relationship within the last three years; b. Having, in the past three years, provided services or established commercial relationship with the company or company with which it is in a control or group relationship, either directly or as a partner, board member, manager or director of a legal person; c. Being paid by the company or by a company with which it is in a control or group relationship besides the remuneration arising from the exercise of the functions of a board member; d. Living with a partner or a spouse, relative or any first degree next of kin and up to and including the third degree of collateral affinity of board members or natural persons that are direct and indirectly holders of qualifying holdings; e. Being a qualifying shareholder or representative of a qualifying shareholder.	Não adopted	18
II.1.8. When board members that carry out executive duties are requested by other board members, said shall provide the information requested, in a timely and appropriate manner to the request.	Adopted	18
II.1.9. The Chair of the Executive Board or of the Executive Committee shall submit, as applicable, to the Chair of the Board of Directors, the Chair of the Supervisory Board, the Chair of the Audit Committee, the Chair of the General and Supervisory Board and the Chairman of the Financial Matters Board, the convening notices and minutes of the relevant meetings.	Adopted	23
II.1.10. If the chair of the board of directors carries out executive duties, said body shall appoint, from among its members, an independent member to ensure the coordination of the work of other non-executive members and the conditions so that these members can make independent and informed decisions or to ensure the existence of an equivalent mechanism for such coordination.	Não adopted	18
II.2. SUPERVISION		
II.2.1. Depending on the applicable model, the Chair of the Supervisory Board, the Audit Committee or the Financial Matters Committee shall be independent in accordance with the applicable legal standard, and have the necessary skills to carry out their relevant duties.	Adopted	32 and 33
II.2.2. The supervisory body shall be the main representative of the external auditor and the first recipient of the relevant reports, and is responsible, inter alia, for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the company.	Adopted	38
II.2.3. The Audit Committee shall evaluate the external auditor on an annual basis and propose to the competent body its dismissal or termination of the contract as to the provision of their services when there is a valid basis for said dismissal.	Adopted	45
II.2.4. The Audit Committee shall evaluate the functioning of the internal control systems and risk management and propose adjustments as may be deemed necessary.	Adopted	38
II.2.5. The Audit Committee, the General and Supervisory Board and the Audit Committee decide on the work plans and resources concerning the internal audit services and services that ensure compliance with the rules applicable to the company (compliance services), and should be recipients of reports made by these services at least when it concerns matters related to accountability, identification or resolution of conflicts of interest and detection of potential improprieties.	Not applicable	50 and 51
II.3. REMUNERATION SETTING		
II.3.1. All members of the Remuneration Committee or equivalent should be independent from the executive board members and include at least one member with knowledge and experience in matters of remuneration policy.	Adopted	67 and 68
II.3.2. Any natural or legal person that provides or has provided services in the past three years, to any structure under the board of directors, the board of directors of the company itself or who has a current relationship with the company or consultant of the company, shall not be hired to assist the Remuneration Committee in the performance of their duties. This recommendation also applies to any natural or legal person that is related by employment contract or provision of services with the above.	Adopted	67
II.3.3. A statement on the remuneration policy of the management and supervisory bodies referred to in Article 2 of Law No. 28/2009 of 19 June, shall also contain the following: a) Identification and details of the criteria for determining the remuneration paid to the members of the governing bodies; b) Information regarding the maximum potential, in individual terms, and the maximum potential, in aggregate form, to be paid to members of corporate bodies, and identify the circumstances whereby these maximum amounts may be payable; c) Information regarding the enforceability or unenforceability of payments for the dismissal or termination of appointment of board members.	Adopted	69
II.3.4. Approval of plans for the allotment of shares and/or options to acquire shares or based on share price variation to board members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly evaluate said plan.	Not applicable	73 and 74
II.3.5. Approval of any retirement benefit scheme established for members of corporate members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly evaluate said system.	Not applicable	76
III. REMUNERATION		
III.1. The remuneration of the executive members of the board shall be based on actual performance and shall discourage taking on excessive risk-taking.	Adopted	70
III.2. The remuneration of non-executive board members and the remuneration of the members of the Audit Committee shall not include any component whose value depends on the performance of the company or of its value.	Adopted	78, 81 e 82
III.3. The variable component of remuneration shall be reasonable overall in relation to the fixed component of the remuneration and maximum limits should be set for all components.	Adopted	69
III.4. A significant part of the variable remuneration should be deferred for a period not less than three years, and the right of way payment shall depend on the continued positive performance of the company during that period.	Adopted	69
III.5. Members of the Board of Directors shall not enter into contracts with the company or with third parties which intend to mitigate the risk inherent to remuneration variability set by the company.	Adopted	71
III.6. Executive board members shall maintain the company's shares that were allotted by virtue of variable remuneration schemes, up to twice the value of the total annual remuneration, except for those that need to be sold for paying taxes on the gains of said shares, until the end of their mandate.	Not applicable	73 e 74
III.7. When the variable remuneration includes the allocation of options, the beginning of the exercise period shall be deferred for a period not less than three years.	Not applicable	74
III.8. When the removal of board member is not due to serious breach of their duties nor to their unfitness for the normal exercise of their functions but is yet due on inadequate performance, the company shall be endowed with the adequate and necessary legal instruments so that any damages or compensation, beyond that which is legally due, is unenforceable.	Adopted	69 and 83

CMVM RECOMENDATIONS	COMPLIES	REPORT
IV. AUDITING		
IV.1. The external auditor shall, within the scope of its duties, verify the implementation of remuneration policies and systems of the corporate bodies as well as the efficiency and effectiveness of the internal controlmechanisms and report any shortcomings to the supervisory body of the company.	Adopted	38
IV.2. The company or any entity with which it maintains a control relationship shall not engage the external auditor or any entity with which it finds itself in a group relationship or that incorporates the same network, for services other than audit services. If there are reasons for hiring such services - which must be approved by the Audit Committee and explained in its Annual Report on Corporate Governance - said should not exceed more than 30% of the total value of servicesrendered to the company.	Adopted	47
IV.3. Companies shall support auditor rotation after two or three terms whether four or three years, respectively. Its continuance beyond this period must be based on a specific opinion of the Audit Committee that explicitly considers the conditions of auditor's independence and the benefits and costs of its replacement.	Adopted	40, 42, 43 and 44
V. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS		
V.1. The company's business with holders of qualifying holdings or entities with which they are in any type of relationship pursuant to article 20 of the Portuguese Securities Code, shall be conducted during normal market conditions.	Adopted	90
V.2. The supervisory or oversight board shall lay down procedures and criteria that are required to define the relevant level of significance of business with holders of qualifying holdings - or entities with which they are in any of the relationships described in article 20.1 of the Portuguese Securities Code -thus significant relevant business is dependent upon prior opinion of that body.	Não Adopted	91
VI. INFORMATION		
VI.1. Companies shall provide, via their websites in both the Portuguese and English languages access to information on their progress as regards the economic, financial and governance state of play.	Adopted	59 to 65
VI.2. Companies shall ensure the existence of an investor support and market liaison office, which responds to requests from investors in a timely fashion and a record of the submitted requests and their processing, shall be kept.	Adopted	56 to 58

The recommendations II.1.7., II.1.10., IV.2. and V.2. are not fully adopted by F. Ramada Investimentos, as explained below.

Recommendations II.1.7. and II.1.10.:

The Board Directors does not include any member that satisfies the standard of independence referred in recommendation II.1.7. and II.1.10. of the Corporate Governance Code issued by the Portuguese Securities Regulator (CMVM) since the non-executive director Ana Rebelo de Carvalho Menéres de Mendonça owns a qualified shareholding.

Nevertheless, in order to allow to the non-executive directors an independent and informed decision, the Company has the following mechanisms:

- Notices of meetings of the Board of Directors sent to all directors include the agenda, even if preliminary, of the meeting, and are accompanied by all the relevant information and documentation;
- Availability of executive directors to provide to non-executive directors any additional information which they consider relevant or necessary, and to carry out further studies and analysis relating to all matters which are subject of deliberation or that are under review in some way in the Company;
- Availability of minutes books, records, documents and other records of operation of the Company or the subsidiaries, for examination, as well as the provision and promotion of a direct channel of obtaining information from the managers and operational and financial officers of several companies that are part of the Group, without requiring any intervention of the executive directors in this process.

Given the corporate model adopted and the composition and mode of operation of its governing boards, including the independence of the supervisory boards, without, delegation of powers among them, the Group considers that the designation of independent directors to the Board would not yield significant improvements for the proper functioning of the corporate governance model, which has revealed itself proper and efficient.

The Management Report includes in the chapter "*Activity developed by the non-executive members of the Board*" a description of the activity of the non-executive director during 2015.

Recommendation IV.2.:

Ramada Investimentos hired the external auditor for a number of services of Audit, which represented more than 30% of the total value of services rendered to Group. Thus, this recommendation is not fully adopted. However, the scope of these services was approved by the Supervisory Board and it was concluded that they would not challenge the independence of the external auditor. In this particular aspect, the hiring of Deloitte & Associados, SROC, S.A., proved to be the most appropriate in the light of its solid experience and expertise in the fields in question.

Recommendation V.2.:

Transactions with Ramada Investimentos' directors or with companies that are in a group or dominance relationship with them, regardless of the amount, are subject to prior approval of the Board of Directors, with a favourable opinion of the Statutory Board, under the terms of article 397 of the Portuguese Companies Act.

Currently, there are no established procedures or criteria for defining the relevant level of significance of businesses between the Company and holders of qualified holdings or entities that are in a group or dominance relationship, from which the intervention from the Statutory Board is required.

However, given the above mentioned legal requirement, and especially considering the constant legal requirement of the same matter to disclose in the annual report of the board, the occurrence of these situations, to which Ramada Investimentos would always give full compliance, all legal requirements, as well as all the information disclosure obligations to shareholders and to the market on a complete and transparent basis are safeguarded.

3. Other information

In line with what has been said, Ramada Investimentos would like to emphasize that, from the forty recommendations contained in the Corporate Governance Code of 2013, only six of them are not applicable for the reasons set out above, and the failure to fully adopt only three of the recommendations is largely explained above.

Ramada Investimentos therefore considers that, given the full compliance of thirty of these recommendations, its degree of adoption of the 2013 Corporate Governance Code's recommendations is practically total, which is materialized in a diligent and prudent management, absolutely focused on creating value for the Company and hence for shareholders.

LEGAL MATTERS

Own Shares

Pursuant to the requirements article 66 and number 2 of article 324 of the Portuguese Companies Act (CSC), the Directors inform that, as of December 31, 2015, F. Ramada Investimentos held 2,564,145 own shares, representing 9.999996% of the share capital.

Shares held by the governing boards of F. Ramada Investimentos

Pursuant to the requirements of article 447 of the Portuguese Companies Act, the Directors inform that, as of 31 December 2015, they held the following shares:

João Manuel Matos Borges de Oliveira [(a)]	5,125,000
Paulo Jorge dos Santos Fernandes [(b)]	3,837,582
Domingos José Vieira de Matos [(c)]	2,590,631
Ana Rebelo de Carvalho Menéres de Mendonça [(d)]	4,945,383
Pedro Miguel Matos Borges de Oliveira	1,402,072

(a) – 5,125,000 shares correspond to the total shares of F. Ramada - Investimentos, SGPS, S.A. held by CADERNO AZUL – SGPS, S.A., from which the Director João Manuel Matos Borges de Oliveira is director and shareholder.

(b) – 3,837,582 shares represent F.Ramada – Investimentos, SGPS, S.A total shares held by the Company ACTIUM CAPITAL– SGPS, S.A., where Paulo Jorge dos Santos Fernandes is director and dominant shareholder.

(c) – Besides the 2,537,181 shares of F. Ramada – Investimentos, SGPS, S.A. owned directly by Domingos José Vieira de Matos, 53,450 shares of F. Ramada – Investimentos, SGPS, S. A. owned by LIVREFLUXO – SGPS, S. A. are also imputable to Domingos José Vieira de Matos, who is director and dominant shareholder. Thus, in the legal terms, are imputable to Domingos José Vieira de Matos a total of 2,590,631 shares, corresponding to 10.10% of the share capital and voting rights of F. Ramada – Investimentos, SGPS, S.A..

(d) – 4,945,383 shares represents F.Ramada – Investimentos, SGPS, S.A total shares held by the Company PROMENDO– SGPS, S.A., where Ana Rebelo de Carvalho Menéres de Mendonça is director and owner of 59.6% off share capital.

As of December 31, 2015, the Statutory Auditor, the members of the Supervisory Board and the members of the Table of the General Shareholders' Meeting held no shares of F. Ramada Investimentos.

Participation in the Company's share capital

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

Pedro Miguel Matos Borges de Oliveira	No of shares held as of 31-Dez-2015	% share capital with voting rights
Directly	1,402,072	5.47%
Total attributable	**1,402,072**	**5.47%**

Domingos José Vieira de Matos	No of shares held as of 31-Dez-2015	% share capital with voting rights
Through Livrefluxo - SGPS, S.A. (of which is dominant sharehold and director)	2,590,631	10.10%
Total attributable	**2,590,631**	**10.10%**

Paulo Jorge dos Santos Fernandes	No of shares held as of 31-Dez-2015	% share capital with voting rights
Through Actium Capital - SGPS, S.A. (of which is dominant sharehold and director)	3,837,582	14.97%
Total attributable	**3,837,582**	**14.97%**

Ana Rebelo Carvalho Menéres de Mendonça	No of shares held as of 31-Dez-2015	% share capital with voting rights
Through PROMENDO - SGPS, S.A. (of which is dominant sharehold and director)	4,945,383	19.29%
Total attributable	**4,945,383**	**19.29%**

João Manuel Matos Borges de Oliveira	No of shares held as of 31-Dez-2015	% share capital with voting rights
Through CADERNO AZUL - SGPS, S.A. (of which is dominant sharehold and director)	5,125,000	19.99%
Total attributable	**5,125,000**	**19.99%**

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

CLOSING REMARKS

We do not want to conclude without thanking our suppliers, financial institutions and other partners of the group for their trust in our organization. We would also like to thank the External Auditor for the assistance provided during the financial year of 2015 and the Supervisory Board for the continued monitoring of our operations.

Oporto, 24 March 2016

The Board of Directors

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João Manuel Matos Borges de Oliveira

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Paulo Jorge dos Santos Fernandes

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Domingos José Vieira de Matos

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Pedro Miguel Matos Borges de Oliveira

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Ana Rebelo de Carvalho Menéres de Mendonça

RAMADA INVESTMENTS AND INDUSTRY

APPENDICES TO THE MANAGEMENT REPORT

STATEMENT UNDER THE TERMS OF ARTICLE 245, PARAGRAPH 1, C) OF THE SECURITIES CODE

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

RESPONSIBILITY STATEMENT

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

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

APPENDIX I

1. Board of Directors

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

João Manuel Matos Borges de Oliveira

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

João Borges de Oliveira is shareholder of the Company since 2008, having also been appointed as Director at the same date.

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

1982/1983	Assistant Director of Production at Cortal
1984/1985	Production Director at Cortal
1987/1989	Marketing Director at Cortal
1989/1994	General Director at Cortal
1989/1995	Vice President of the Board at Cortal
1989/1994	Director at Seldex
1996/2000	Non-executive Director at Atlantis, S.A.
1997/2000	Non-executive Director at Group Vista Alegre, S.A.
1998/1999	Director at Efacec Capital, SGPS, S.A.
2008/2011	Non-executive direction at Zon Multiwide, SGPS, S.A.
2011/2013	Member of ISCTE-IUL CFO Advisory Forum
2008/2015	President of the Statutory Audit Board of Oporto Business School

The other companies in which he carries out management functions as of December 31, 2015 are the following:

- Alteria, S.G.P.S., S.A. (a)

- Altri Abastecimento de Madeira, S.A. (a)

- Altri Participaciones Y Trading, S.L. (a)

- Altri, SGPS, S.A. (a)

- Base Holding, SGPS, S.A. (a)

- Caderno Azul, S.G.P.S., S.A. (a)

- Caima – Indústria de Celulose, S.A. (a)

- Caima Energia – Emp. Gestão e Exploração de Energia, S.A. (a)

- Captaraíz – Unipessoal, Lda. (a)

- Celulose Beira Industrial (Celbi), S.A. (a)

- Celtejo – Empresa de Celulose do Tejo, S.A. (a)
- Cofina, SGPS, S.A. (a)
- Cofina Media, S.A. (a)
- Cofihold SGPS, S.A. (a)
- Elege Valor, S.G.P.S., S.A. (a)
- F. Ramada II Imobiliária, S.A.
- Indaz, S.A. (a)
- Jardins de França – Empreendimentos Imobiliários, S.A. (a)
- Malva – Gestão Imobiliária, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A.
- Ramada Storax, S.A.
- Storax Limited
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Torres da Luz – Investimentos imobiliários, S.A. (a)
- Universal – Afir, S.A.

a) – Companies that, as of December 31, 2015 cannot be considered to be part of Ramada Investimentos Group.

Paulo Jorge dos Santos Fernandes

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

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

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

1982/1984	Assistant Director of Production at CORTAL
1986/1989	General Director at CORTAL
1989/1994	President of the Board of Directors at CORTAL
1995	Director at CRISAL – CRISTAIS DE ALCOBAÇA, S.A.
1997	Director at Group Vista Alegre, S.A.
1997	Chairman of the Board of Directors at ATLANTIS - Cristais de Alcobaça, S.A.
2000/2001	Director at SIC
2001/2005	Director at V.A.A.

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

1989/1994	President of FEMB (Fédération Europééne de Mobilier de Bureau) for Portugal

1989/1990	President of General Assembly at Assoc. Industr. Águeda
1991/1993	Member of Advisory Board at Assoc. Ind. Portuense
Since 2005	Member of Superior Council of the Association of Former Students of MBA
2013/2016	Chairman of the Supervisory Board of BCSD
Since 2006	Advisory Board Member for Engineering and Management IST

The other companies in which he carries out management functions as of December 31, 2015 are the following:

- Actium Capital, SGPS, S.A. (a)
- Alteria, S.G.P.S., S.A. (a)
- Altri Abastecimento de Madeira, S.A. (a)
- Altri Participaciones Y Trading, S.L. (a)
- Altri, SGPS, S.A. (a)
- Base Holding, SGPS, S.A. (a)
- Caima – Indústria de Celulose, S.A. (a)
- Caima Energia – Emp. Gestão e Exploração de Energia, S.A. (a)
- Celulose Beira Industrial (Celbi), S.A. (a)
- Celtejo – Empresa de Celulose do Tejo, S.A. (a)
- Cofihold - SGPS, S.A. (a)
- Cofina, S.G.P.S, S.A. (a)
- Cofina Media, S.A. (a)
- Elege Valor, S.G.P.S., S.A. (a)
- F. Ramada II Imobiliária, S.A.
- Jardins de França – Empreendimentos Imobiliários, S.A. (a)
- Malva – Gestão Imobiliária, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A.
- Ramada Storax, S.A.
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Torres da Luz – Investimentos Imobiliários, S.A. (a)

(a) – Companies that, as of December 31, 2015 cannot be considered to be part of Ramada Investimentos Group.

Domingos José Vieira de Matos

He was one of the founders of Altri (company from which F. Ramada Investimentos demerged), and has been directly involved in the Group's management since its incorporation. Domingos de Matos holds a degree in Economics from the Faculty of Economy of the University of Oporto. He initiated his career in management in 1978. He is shareholder of the Company since 2008 and has been Director since that date.

In addition to the companies where he currently exercises his duties as Director, his professional experience includes:

1978/1994	Director at CORTAL, S.A.
1983	Founding Partner of PROMEDE – Produtos Médicos, S.A.
1998/2000	Director at ELECTRO CERÂMICA, S.A.

The other companies in which he carries out management functions as of December 31, 2015 are as follows:

- Alteria, S.G.P.S., S.A. (a)
- Altri Florestal, S.A. (a)
- Altri, SGPS, S.A. (a)
- Base Holding, SGPS, S.A. (a)
- Caima – Indústria de Celulose, S.A. (a)
- Celulose Beira Industrial (Celbi), S.A. (a)
- Cofina, SGPS, S.A. (a)
- Cofihold SGPS, S.A. (a)
- Elege Valor, S.G.P.S., S.A. (a)
- F. Ramada II Imobiliária, S.A.
- Jardins de França – Empreendimentos Imobiliários, S.A. (a)
- Livrefluxo, S.G.P.S., S.A. (a)
- Malva – Gestão Imobiliária, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A.
- Ramada Storax, S.A.
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Torres da Luz – Investimentos imobiliários, S.A. (a)
- Universal - Afir, S.A.

(a) – Companies that, as of 31 December 2015 cannot be considered to be part of Ramada Investimentos Group.

Pedro Miguel Matos Borges de Oliveira

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

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

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

1986/2000	Management advisor of FERÁGUEDA, Lda.
1992	Director at Bernel, Lda.
1997/1999	Assistant manager of GALAN, Lda.
1999/2000	Assistant Director of the department of Saws and Tools of F.Ramada Aços e Indústrias, S.A.
2000	Director of the Department of Saws and Tools of F. Ramada, Aços e Indústrias, S.A.
2006	Director of Universal Afir, Aços Especiais e Ferramentas, S.A.
2009	Director of Cofina, S.G.P.S., S.A.

The other companies where he carries out management functions as of December 31, 2015 are as follows:

- Alteria, S.G.P.S., S.A. (a)
- Altri Florestal, S.A. (a)
- Altri, SGPS, S.A. (a)
- Celulose Beira Industrial (Celbi), S.A. (a)
- Cofihold SGPS, S.A. (a)
- Cofina, S.G.P.S., S.A. (a)
- Elege Valor, S.G.P.S., S.A. (a)
- F. Ramada II Imobiliária, S.A.
- Jardins de França – Empreendimentos Imobiliários, S.A. (a)
- Malva – Gestão Imobiliária, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A.
- Ramada Storax, S.A.
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Torres da Luz – Investimentos imobiliários, S.A. (a)
- Universal - Afir, S.A.
- Valor Autêntico, S.G.P.S., S.A. (a)
- 1 Thing, Investments, S.G.P.S., S.A. (a)

(a) – Companies that, as of December 31, 2015 cannot be considered to be part of Ramada Investimentos Group.

Ana Rebelo de Carvalho Menéres de Mendonça

Has a Degree in Economics by Universidade Católica Portuguesa in Lisbon, having been appointed as Director of the Company since May 2009.

Besides other companies where she currently exercises duties of Director, her professional experience includes:

1995	Journalist in the economic segment of the newspaper Semanário Económico
1996	Commercial department of Citibank
1996	Director at PROMENDO, S.A.
2009	Director at PROMENDO, SGPS, S.A.

The other companies where she carries out management functions as of 31 December 2015 are as follows:

- Altri, SGPS, S.A. (a)
- Cofina, S.G.P.S., S.A. (a)
- Jardins de França – Empreendimentos Imobiliários, S.A. (a)
- Promendo, SGPS, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A.
- Ramada Storax, S.A.

(a) – Companies that, as of December 31, 2015 cannot be considered to be part of Ramada Investimentos Group.

2. Statutory Audit Board

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

Pedro Nuno Fernandes de Sá Pessanha Da Costa

Academic curriculum:	Degree in Law from the Faculty of Law of the University of Coimbra in 1981
	Complimentary training in Company Management and Economic and Financial Analysis at the School of Law of the Portuguese Catholic University, Porto, 1982 and 1983.
Professional experience:	Member of the Lawyers Association ("Ordem dos Advogados") since 1983
	President of the General and Supervisory Board of a public company from 1996 to 2010
	President of the General Shareholders Meeting of several listed and non-listed companies
	Co-author of the chapter about Portugal in "Handbuch der Europäischen Aktien-Gesellschaft" – Societas Europaea – by Jannot / Frodermann, published by C.F. Müller Verlag
	Continuous law practice since 1983, with a special focus on commercial law and corporate law, mergers and acquisitions, foreign investment and international contracts
	Honorary Consul of Belgium in Porto
Other positions held:	President of the Supervisory Board of Altri, SGPS, SA (a)
	President of the Supervisory Board of Cofina, SGPS, SA (a)
	Member of Altri , SGPS, S.A. Remuneration Committee (a)
	Member of Cofina, SGPS, S.A. Remuneration Committee (a)
	Chairman of the General Meeting of Unicer Bebidas, SA (a)
	Chairman of the General Meeting of SOGRAPE Vinhos, SA (a)
	Chairman of SOGRAPE Vinhos SA Remuneration Committee (a)

(a) – Companies that, as of December 31, 2015 cannot be considered to be part of Ramada Investimentos Group.

André Seabra Ferreira Pinto

Academic curriculum:	Degree in Economics at University Portucalense
	Chartered Accountant (ROC no. 1,243)
	Executive MBA - Management School of Porto - University of Porto Business School
Professional experience:	1999-2008: employee in the Audit Department of Deloitte & Associados, SROC, SA (initially as a member of staff and since September 2004 as Manager).
	2008-2010: Senior Manager of Corporate Finance department - Transaction Services at Deloitte Consulting.
	2011-2013: CFO of the Portuguese companies of WireCoWorld Group in Portugal (a)
	Director (CFO) of Mecwide Group (a)

	Director at MWIDE, SGPS, SA, as well as the other companies of the Group Mecwide (a)
	Manager of the companies Together We Change Investments, Lda. (a) and Virtusai, Lda. (a)
Other positions held:	Member of the Supervisory Board of Altri, SGPS, S.A. (a) Member of the Supervisory Board of Cofina, SGPS, S.A. (a

(a) – Companies that, as of 31 December 2015 cannot be considered to be part of Ramada Investimentos Group.

José Guilherme Barros Silva

Academic curriculum:	1990-1995: Degree in Business Administration and Management, Portuguese Catholic University
Professional experience:	1995-1997: In-Charge, Arthur Andersen, SC
	1997-2010: Vice President of the Board of Directors at Detipin -Comércio de Vestuário, SA.(a)
	2004: Member of the Board of Directors at SEF - Serviços de Saúde e Fisioterapia, SA. (a)
	2005-2010: Member of the Board of Directors at Globaljeans - Comércio de Vestuário, SA (a)
	2005: Vice-President of the Board of Directors at SEF - Serviços de Saúde e Fisioterapia, SA. (a)
	2005-2009: Vice President of the Board of Directors at AH Business, SGPS, SA (a)
	2006: Member of the Board of Directors at Fisiofafe, SA. (a)
	2009: Member of the Board of Directors at Clínica de S. Cosme de Gondomar II, Fisioterapia, SA. (a)
	2011: President of the Board of Directors at GNG – Comércio de Vestuário, SA. (a)
Other positions held:	Member of the Supervisory Board of Altri, SGPS, S.A. (a)
	Member of the Supervisory Board of Cofina, SGPS, S.A. (a)

(a) – Companies that, as of 31 December 2015 cannot be considered to be part of Ramada Investimentos Group.

Article 447 of the Portuguese Companies Act and Article 14, no. 7, of the Portuguese Securities Regulator (CMVM), regulation no. 5/2008

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

Members of the Board of Directors	Shares held at 31-Dec-2014	Aquisitions	Disposals	Other	Shares held at 31-Dec-2015
João Manuel Matos Borges de Oliveira (imputation through CADERNO AZUL - SGPS, S.A.)	5,125,000	-	-	-	5,125,000
Paulo Jorge dos Santos Fernandes (imputation through ACTIUM CAPITAL - SGPS, S.A.)	3,837,582	-	-	-	3,837,582
Domingos José Vieira de Matos	2,537,181	-	-	(2,537,181)	-
Domingos José Vieira de Matos (imputation through LIVREFLUXO - SGPS, S.A.)	53,450	2,537,181	-	-	2,590,631
Pedro Miguel Matos Borges de Oliveira	1,402,072	-	-	-	1,402,072
Ana Rebelo de Carvalho Menéres de Mendonça (imputation through PROMENDO - SGPS, S.A.)	4,945,383	-	-	-	4,945,383

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

Date	Type	Volume	Price (€)	Local	No. Shares
31-Dec-2014	-	-	-	-	5,125,000
31-Dec-2015	-	-	-	-	5,125,000

Domingos José Vieira de Matos

Date	Type	Volume	Price (€)	Local	No. Shares
31-Dec-2014	-	-	-	-	2,537,181
9-Dec-2015	Donation	(2,537,181)	5.220000	-	-
31-Dec-2015	-	-	-	-	-

Domingos José Vieira de Matos (imputation through LIVREFLUXO - SGPS, S.A.)

Date	Type	Volume	Price (€)	Local	No. Shares
31-Dec-2014	-	-	-	-	53,450
9-Dec-2015	Buy	2,537,181	5.220000		2,590,631
31-Dec-2015	-	-	-	-	2,590,631

Paulo Jorge dos Santos Fernandes (imputation through ACTIUM CAPITAL - SGPS, S.A.)

Date	Type	Volume	Price (€)	Local	No. Shares
31-Dec-2014	-	-	-	-	3,837,582
31-Dec-2015	-	-	-	-	3,837,582

Pedro Miguel Matos Borges de Oliveira

Date	Type	Volume	Price (€)	Local	No. Shares
31-Dec-2014	-	-	-	-	1,402,072
31-Dec-2015	-	-	-	-	1,402,072

Ana Rebelo de Carvalho Menéres de Mendonça (imputation through PROMENDO - SGPS, S.A.)

Date	Type	Volume	Price (€)	Local	No. Shares
31-Dec-2014	-	-	-	-	4,945,383
31-Dec-2015	-	-	-	-	4,945,383

RAMADA INVESTMENTS AND INDUSTRY

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

Shaping industry

More than
a commitment
it's an honor.

80 YEARS
Investing in industry

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2015 AND 2014
(Translation of financial statements originally issued in Portuguese - Note 34)
(Amounts expressed in Euro)

ASSETS	Notes	31.12.2015	31.12.2014
NON CURRENT ASSETS			
Investment properties	6	84,863,976	85,977,075
Tangible assets	7	6,679,662	5,146,397
Intangible assets	8	76,719	150,639
Investments in associated companies	4	15,777,392	12,196,970
Other investments	4 and 5	3,493,138	2,609,500
Deferred tax assets	9	1,778,714	1,923,682
Total non current assets		112,669,601	108,004,263
CURRENT ASSETS			
Inventories	10	19,860,145	25,675,958
Customers	5 and 11	37,941,790	32,678,630
State and other public entities	12	756,582	635,870
Other debtors	5 and 13	535,551	471,355
Other current assets		385,879	235,691
Cash and cash equivalents	5 and 14	22,388,594	16,366,816
Total current assets		81,868,541	76,064,320
Total assets		194,538,142	184,068,583

EQUITY AND LIABILITIES	Notes	31.12.2015	31.12.2014
EQUITY			
Share capital	15	25,641,459	25,641,459
Own shares	15	(1,641,053)	(1,641,053)
Legal reserve	15	5,935,519	5,637,034
Currency translation reserves	15	(126,619)	(385,709)
Other reserves	15	28,811,105	24,813,767
Consolidated net profit for the year		11,032,683	8,077,269
Total equity attributable to equity holders of the parent company		69,653,094	62,142,767
Non-controlling interests	16	75,740	50,638
Total equity		69,728,834	62,193,405
LIABILITIES			
NON CURRENT LIABILITIES			
Bank loans	5 and 17	47,458,908	43,530,732
Other creditors	5 and 20	238,675	-
Provisions	22	1,564,976	1,358,333
Deferred tax liabilities	9	35,081	40,937
Total non current liabilities		49,297,640	44,930,002
CURRENT LIABILITIES			
Bank loans	5 and 17	3,985,753	3,485,753
Other loans	5 and 17	37,284,909	32,409,418
Derivatives	5 and 18	35,996	-
Suppliers	5 and19	14,090,405	16,664,663
State and other public entities	12	3,897,421	4,092,389
Other creditors	5 and 20	3,422,862	1,121,189
Other current liabilities	5 and 21	12,794,322	19,171,764
Total current liabilities		75,511,668	76,945,176
Total equity and liabilities		194,538,142	184,068,583

The attached notes form an integral part of the consolidated financial statements

The Chartered Accountant The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURES
FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014
(Translation of financial statements originally issued in Portuguese - Note 34)
(Amounts expressed in Euro)

	Notes	31.12.2015	31.12.2014
Sales	31	115,235,010	108,236,929
Services rendered	31	10,575,463	9,961,569
Other income	24	747,184	1,011,370
Cost of sales and change in stocks of finished goods and work in progress	10	(70,685,429)	(66,134,021)
External supplies and services	25	(21,182,667)	(20,475,828)
Payroll expenses	26	(15,018,009)	(14,762,020)
Amortization and depreciation	7 and 8	(2,396,539)	(1,599,063)
Provisions and impairment losses	22	(815,057)	(1,115,394)
Other expenses	27	(986,397)	(917,343)
Share of results of joint ventures and associated companies	4.2	1,562,678	365,000
Financial expenses	28	(2,712,584)	(3,101,787)
Financial income	28	152,730	28,331
Profit before income tax		**14,476,383**	**11,497,743**
Income tax	9	(3,418,598)	(3,409,836)
Consolidated net profit		**11,057,785**	**8,087,907**
Attributable to:			
Parent company's shareholders		**11,032,683**	**8,077,269**
Non-controlling interests		**25,102**	**10,638**
Earnings per share			
Basic	30	**0.48**	**0.35**
Diluted	30	**0.48**	**0.35**

The attached notes form an integral part of the consolidated financial statements

The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014
(Translation of financial statements originally issued in Portuguese - Note 34)
(Amounts expressed in Euro)

	Notes	31.12.2015	31.12.2014
Net consolidated profit for the year		11,057,785	8,087,907
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations	15	259,090	229,801
Other comprehensive income for the year		259,090	229,801
Total comprehensive income for the year		**11,316,875**	**8,317,708**
Attributable to:			
Parent company's shareholders	15	**11,291,773**	**8,307,070**
Non-controlling interests	16	**25,102**	**10,638**

The attached notes form an integral part of the consolidated financial statements

The Chartered Accountant

The Board of Directors

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015 AND 2014
(Translation of financial statements originally issued in Portuguese - Note 34)
(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 (Note 16)	Total Equity
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	-	56 720 361
Total consolidated comprehensive income for the year		-	-	-	229 801	-	8 077 269	8 307 070	10 638	8 317 708
Changes in consolidation perimeter		-	-	-	-	-	-	-	40 000	40 000
Appropriation of the consolidated net profit for 2013:										
Transfer to other reserves		-	-	-	-	6 218 227	(6 218 227)	-	-	-
Dividends	15	-	-	-	-	(2 884 664)	-	(2 884 664)	-	(2 884 664)
Others		-	-	-	3	(3)	-	-	-	-
Balance as of 31 December 2014		**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**
Balance as of 1 January 2015		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		-	-	-	259 090	-	11 032 683	11 291 773	25 102	11 316 875
Appropriation of the consolidated net profit for 2014:										
Transfer to legal reserve and other reserves		-	-	298 485	-	7 778 784	(8 077 269)	-	-	-
Dividends	15	-	-	-	-	(3 923 143)	-	(3 923 143)	-	(3 923 143)
Others		-	-	-	-	141 697	-	141 697	-	141 697
Balance as of 31 December 2015		**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**

The attached notes form an integral part of the consolidated financial statements

The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014
(Translation of financial statements originally issued in Portuguese - Note 34)
(Amounts expressed in Euro)

	Notes	31.12.2015		31.12.2014	
Operating activities:					
Collections from customers		146,962,546		141,132,258	
Payments to suppliers		(112,964,775)		(101,704,445)	
Payments to personnel		(10,961,994)	23,035,777	(10,116,764)	29,311,049
Income tax payed/received		(3,095,096)		(9,775,053)	
Other collections/payments relating to operating activities		(11,258,018)	(14,353,114)	(3,218,801)	(12,993,854)
Cash flow from operating activities (1)			8,682,663		16,317,195
Investment activities:					
Collections arising from:					
Dividends	4.2	422,620		365,941	
Tangible assets		2,984		86,640	
Other assets		-		125,569	
Investment properties		-		-	
Financial investments		203,870		-	
Interests and similar income		166,816	796,290	8,470	586,620
Payments arising from:					
Financial investments	4.4	(3,439,104)		(1,222,865)	
Intangible assets		(26,154)		(197,997)	
Tangible assets		(2,170,925)		(2,089,693)	
Other assets		(176,121)		-	
Loans granted		-	(5,812,304)	-	(3,510,555)
Cash flow from investment activities (2)			(5,016,014)		(2,923,935)
Financing activities:					
Collections arising from:					
Capital increases and of other shares capital's instruments		-		40,000	
Loans obtained		16,290,524	16,290,524	5,347,204	5,387,204
Payments arising from:					
Lease contracts		(88,410)		-	
Interests and similar costs		(3,190,750)		(3,273,358)	
Other financing operations		(108,631)		(102,662)	
Dividends	15.2	(3,923,143)		(2,884,564)	
Loans obtained		(8,745,857)	(16,056,791)	(9,463,121)	(15,723,705)
Cash flow from financing activities (3)			233,733		(10,336,501)
Cash and cash equivalents at the beginning of the year	14		**11,777,884**		**8,629,080**
Effect of exchange rate changes			185,347		92,045
Variation of cash and cash equivalents: (1)+(2)+(3)			3,900,382		3,056,759
Cash and cash equivalents at the end of the year	14		15,863,613		11,777,884

The attached notes form an integral part of the consolidated financial statements

The Chartered Accountant

The Board of Directors

1. INTRODUCTORY NOTE

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

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

As of December 31, 2015 and December 31, 2014, the Group developed its activity in Portugal, France, the 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.d.

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

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

2.1 BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared on a going concern basis from the books and accounting records of the companies included in the consolidation, maintained in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union for financial years started as from January 1, 2015. These standards include the International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB"), the International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC") and respective interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and by the Standing Interpretations Committee ("SIC"), as adopted by the European Union. The standards and interpretations mentioned above will generally be presented as "IAS/IFRS".

Additionally, for financial reporting purposes, the fair value measurement is categorized in levels 1, 2 and 3, according to the level in which the used assumptions are observable and its significance, in what concerns fair value valuation, used in the measurement of assets/liabilities or its disclosure.

Level 1 – Fair value is determined based on active market prices for identical assets and liabilities;

Level 2 – The fair value is determined based on data other than market prices identified in level 1 but they are possible to be observable, and;

Level 3 – Fair value measurements derived from valuation techniques, whose main inputs are not based on observable market data.

The Interim financial statements were presented quarterly, in accordance with IAS 34 – "Interim Financial Report".

i. Standards, interpretations, amendments and revisions which have mandatory application in the financial year ended as of 31 December 2015:

The following standards, interpretations, amendments and revisions were endorsed by the European Union and have mandatory application for the first time in the financial year ended as of 31 December 2015:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	
IFRIC 21 – Levies	17-jun-14	This amendment establishes the conditions regarding the timing of recognition of a liability relating to payment by an entity to the State as a result of a specific event (for example, participation in a specific market), without the payment having specific goods or services received in exchange.
Amendment to IFRS 3 – Concentration of business activities (included in improvements to international financial statement standards – 2011-2013 cycle)	1-jan-15	Clarifies that IFRS 3 excludes from its scope of application the formation of a joint agreement on the financial statements of the joint agreement itself.
Amendment to IFRS 13 – Measurement at fair value (included in improvements to international financial statement standards – 2011-2013 cycle)	1-jan-15	Clarifies that the exception of the application of the standard to financial assets and liabilities with offsetting positions extends to all contracts under IAS 39, independently of their compliance with the definition of financial asset or liability of IAS 32.
Amendment to IAS 40 – Investment properties (included in improvements to international financial statement standards – 2011-2013 cycle)	1-jan-15	Clarifies that it is necessary to apply value judgement to determine if the acquisition of an investment property is the acquisition of an asset or the concentration of business activities covered by IFRS 3.

The effect of adopting the above standards, interpretations and amendments on the Group's consolidated financial statements for the year ended 31 December 2015 was not significant.

ii. Standards, interpretations, amendments and revisions with mandatory application in future years

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

Standard/Interpretation	Applicable in the European Union in the years starting on or after	
Amendment to IAS 19 – Employee benefits – Employee contribution	1-feb-15	Clarifies under which circumstances employees' contributions to post-employment benefit plans consist of a decrease in the cost of sort term benefits.
Improvements to international financial statement standards (2010-2012 cycle)	1-feb-15	These improvements involve the clarification of some aspects relating to: IFRS 2 – Share based payments: definition of the vesting condition; IFRS 3 – Concentration of business activities: recording of contingent payments; IFRS 8 – Operating segments: disclosures relating to the aggregation of segments and clarification of the need to reconcile total assets by segment with the amount of the assets in the financial statements; IAS 16 – Tangible fixed assets and IAS 38 – Intangible assets: need to proportionately revalue accumulated amortization in the case of the revaluation of fixed assets; and IAS 24 – Disclosure of related parties: defines that an entity that renders management services to the Company or its parent company is considered a related party; and IFRS 13 – Fair value: clarification relating to the measurement of short term receivables or payables.
Improvements to international financial statement standards (2012-2014 cycle)	1-jan-16	These improvements involve the clarification of some aspects relating to: IFRS 5 – Non-current assets held for sale and discontinued operating units: introduces guidelines on how to proceed in the case of changes as to the expected realization method (sale or distribution to the shareholders); IFRS 7 – Financial instruments: disclosures: clarifies the impact of asset monitoring contracts under the disclosures relating to continued involvement of derecognized investments, and exempts the interim financial statements from the disclosures required relating to the compensation of financial assets and liabilities; IAS 19 – Employee benefits: defines that

		the rate to be used to discount defined benefits must be determined by reference to high quality bonds of companies issued in the currency that the benefits will be paid; and IAS 34 – Interim financial statements: clarification on the procedures to be used when the information is available in other documents issued together with the interim financial statements.
Amendment to IFRS 11 – Joint Agreements – Recording of acquisitions of interests in joint agreements	1-jan-16	This amendment relates to the acquisition of interests in joint operations. It establishes the requirement to apply IFRS 3 when the joint operation acquired consists of a business activity in accordance with IFRS 3. When the joint operation in question does not consist of a business activity, the transaction must be recorded as the acquisition of assets. This amendment is of prospective application to new acquisitions of interests.
Amendment to IAS 1 – Presentation of Financial Statements - "Disclosure initiative"	1-jan-16	This amendment clarifies some aspects relating to disclosure initiatives, namely: (i) the entity must not make it difficult to understand the financial statements by the aggregation of significant items with insignificant items or the aggregation of significant items of different natures; (ii) the disclosures specifically required by the IFRS need only to be provided if the information in question is significant; (iii) the lines in the financial statements specified by IAS 1 can be aggregated or segregated in accordance with what is significant in relation to the objectives of the financial statement; (iv) the part of other recognized income resulting from the application of the equity method in associates and joint agreements must be presented separately from the remaining elements of other recognized income, also segregating the items that can be reclassified to the statement of profit and loss from those that will not be reclassified; (v) the structure of the notes must be flexible, and should follow the following order: • a declaration of compliance with the IFRS's in the first section of the notes; • a description of the significant accounting policies in the second section; • supporting information for the items on the financial statements in the third section; and • other information in the fourth section.
Amendment to IAS 16 – Tangible fixed assets and IAS 38 – Intangible assets – Acceptable depreciation and amortization methods	1-jan-16	This amendment establishes the presumption (that can be refuted) that income is not an appropriate basis for amortizing an intangible asset and forbids the use of income as a basis for depreciating tangible fixed assets.

		The presumption established for amortizing intangible assets can only be refuted when the intangible asset is expressed based on the income generated or when utilization of the financial benefits is significantly related to the income generated.
Amendment to IAS 16 – Tangible fixed assets and IAS 41 – Agriculture – Production plants	1-jan-16	This amendment excludes plants that produce fruits or other components used for harvesting and/or removal under the application of IAS 41, becoming covered by IAS 16.
Amendment to IAS 27 – Application of the equity method on separate financial statements	1-jan-16	This amendment introduces the possibility of measuring interests in subsidiaries, joint agreements and associates in separate financial statements in accordance with the equity method, in addition to the measurements methods presently existing. This change applies retrospectively.

iii. Standards, interpretations, amendments and revisions not endorsed by the European Union

In addition, the following standards, amendments and revisions applicable to future years have not been endorsed by the European Union up to the date of approval of these financial statements:

Standard / Interpretation	
IFRS 9 – Financial Instruments (2009) and subsequent amendments	This standard is part of the revision of IAS 39 and establishes the new requirements for the classification and measurement of financial assets and liabilities to the methodology for the calculation of impairment and for the application of hedge accounting rules. This standard is of mandatory application for years beginning on or after 1 January 2018;
IFRS 14 – Regulated assets	This standard establishes the financial statement requirements of entities that adopt for the first time IFRS standards applicable to regulated assets;
IFRS 15 – Revenue from Client Contracts	This standard introduces a structure for recognizing revenue based on principles and a model to be applied to all contracts entered into with clients, replacing IAS 18 – Revenue, IAS 11 – Construction contracts; IFRIC 13 – Customer Loyalty Programmes; IFRIC 15 – Agreements for the Construction of Real Estate; IFRIC 18 – Transfer of assets from customers and SIC 31 – Revenue – Barter Transactions involving Advertising Services. This standard is of mandatory application for years beginning on or after 1 January 2018;
IFRS 16 – Leases	This standard introduces the principles for the recognition and measurement of leases, replacing IAS 17 – Leases. The standard defines a single model for recording lease contracts, which results in

	the recognition by the lessor of assets and liabilities for all lease contracts, except for those for periods of less than twelve months or for leases of assets of reduced value. Lessors will continue to classify leases between operating and finance leases, IFRS 16 will not produce substantial changes for such entities in relation to IAS 17.
Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosures of interests in Other Entities and IAS 28 – Investments in Associates and Joint Ventures	These amendments clarify several aspects relating to the application of the consolidation exception by investment entities.
Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures	These amendments eliminate the conflict existing between these standards, relating to the sale or the contribution of assets between the investor and the associate or between the investor and the jointly controlled entity.

These standards have not yet been endorsed by the European Union and therefore have not been applied by the Group in the year ended December 31, 2015.

The accounting policies and measurement criteria adopted by the Group as of December 31, 2015 are consistent with those used in the preparation of the consolidated financial statements as of December 31, 2014.

In the preparation of the consolidated financial statements, in accordance with the IAS/IFRS, the Board of Directors adopted certain assumptions and estimates which affect the reported assets and liabilities, as well as the income and expenses in relation to the reported periods. All the estimates and assumptions made by the Board of Directors were made on the basis of its better available knowledge, with reference to the date of approval of the financial statements, about the events and transactions in progress.

The accompanying consolidated financial statements have been prepared for appreciation and approval by the General Shareholders Meeting. The Group's Board of Directors believes that they will be approved without changes.

2.2 CONSOLIDATION POLICIES

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

a) Investments in Group companies

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

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

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

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

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

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

b) Investments in associated companies

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

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

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

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

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

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

c) Goodwill

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

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

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

Acquisitions or disposals of stakes in already controlled entities, as long as they do not represent a loss of control, are treated as transactions between shareholders, thus only affecting the equity caption with no impact on goodwill or net results.

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

Until 1 January 2004, Goodwill was amortised during the estimated investment recuperation period, being the amortizations recorded in the "Amortizations and Depreciations" caption of the statement of profit and loss. Since 1 January 2004, according to IFRS 3 – "Business Combinations", goodwill amortization was suspended, being subject to impairment tests. As of December 31, 2015 and 2014, consolidated financial statements do not include any amount related to goodwill.

On an annual basis, at the closing date, F. Ramada makes formal goodwill impairment tests. If the amount of the positive consolidation difference recorded is greater than the recoverable amount, a loss is recorded in the statement of profit and loss, in "Other operational expenses" caption. The recoverable amount is the higher between the net sales price and the value in use. Net sales price is the amount obtained with the asset disposal in a transaction at market conditions, less disposal costs. Value in use is the present value of the estimated future cash flows which are expected from the continuous use of the asset and from the disposal at the end of its life cycle. The recoverable amount is individually estimated for each asset or, if not possible, for the business unit in which the asset is included.

Impairment losses related to goodwill cannot be reversed.

d) Translation of financial statements of foreign companies

Assets and liabilities in the financial statements of foreign entities are translated to Euro using the exchange rates in force at the statement of financial position date. Profit and loss and cash flows are converted to Euro using the average exchange rate for the period. The resulting exchange rate difference is recorded in equity captions, under "Monetary conversion reserves".

Goodwill and adjustments to the fair value arising from the acquisition of foreign subsidiaries are recorded as assets and liabilities of those companies and translated to Euro at the statement of financial position date exchange rate.

Whenever a foreign company is sold, the accumulated exchange rate differences are recorded in the statement of profit and loss as a gain or loss associated with the disposal.

Exchange rates used in the translation to Euro of foreign Group companies included in the consolidated financial statements are as follows:

	Final exchange rate	Average exchange rate
31/12/2014	1.2839	1.2405
31/12/2015	1.3625	1.3777

2.3 MAIN ACCOUNTING POLICIES

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

a) Intangible assets

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

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

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

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

b) Tangible assets

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

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

Depreciations are calculated on a decreasing basis, as from the date the asset is available for use, over the expected useful life for each group of assets.

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

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

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

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

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

c) Lease contracts

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

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

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

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

d) Government subsidies

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

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

e) Impairment of assets, except for goodwill

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

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

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

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

f) Borrowing costs

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

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

g) Inventories

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

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

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

h) Provisions

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

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

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

i) Financial instruments

The Group classifies its financial instruments in the categories presented and reconciled with the consolidated statement of financial position as indicated in Note 5.

i. Investments

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

- Investments held to maturity, are non-derivative assets, with fixed or determinable payments and fixed maturity. There is a purpose and ability to maintain them until their maturity date. These investments are classified as non-current assets, unless they mature within 12 months of the balance sheet date;
- Investments measured at fair value through profit and loss are classified as current assets. The purpose of these investments is to obtain short term profits. This category is divided into two subcategories: "Financial assets held for trading" and "Investments at fair value through profit and loss." Derivatives are also classified as held for trading unless they are engaged in hedging transactions;
- Investments available for sale, includes all the other investments that were not addressed above. They are classified as non-current assets, unless the Board of Directors has the intention to sell the investment within 12 months from the balance sheet date.

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

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

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

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

ii. Accounts receivable

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

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

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

iii. Loans

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

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

iv. Accounts payable and other creditors

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

v. Derivatives

The Group may use derivatives to manage its exposure to financial risks. Derivatives are only used for hedge accounting purposes and not for speculation purposes.

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

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

The hedge instruments related to interest rate and exchange rate are recorded at its fair value. Changes in the fair value of these instruments are recorded under the equity caption “Other reserves”, and transferred to the statement of profit and loss when the operation subject to hedging affects the net result.

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

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

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

vi. Financial liabilities and equity instruments

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

vii. Own shares

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

viii. Discounted bills and accounts receivable transferred to factoring companies

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

Consequently, the customers balances secured by non-outstanding discounted bills and accounts assigned under factoring arrangements as of the financial position date, with the exception of the non-appealing factoring operations, are recognized in the Group’s financial statements until the moment of its collection.

ix. Cash and cash equivalents

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

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

j) Contingent assets and liabilities

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

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

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

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

k) Income tax

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

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

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

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

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

l) Income recognition and accrual basis

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

Income related with storage systems activity, arising from short term projects (normally no more than 6 months), is recognized under the "stage of completion method", provided that all the following conditions are satisfied:

- the amount of revenue can be reliably measured;
- it is probable that the economic benefits will flow to the seller;
- the costs incurred, or to be incurred, in respect of the transaction can be reliably measured;
- the stage of completion at the balance sheet date can be reliably measured.

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

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

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

m) Investment properties

Investment properties represent assets held to earn rentals or for capital appreciation, and are measured at acquisition cost, including transaction costs. Investment properties held as of December 31, 2015 and 2014 represent land held to earn rentals and not held for administrative purposes or for disposal under the current business activity of the Group.

n) Non-current assets held for sale

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

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

o) Balances and transactions expressed in foreign currencies

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

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

p) Subsequent events

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

q) Segment information

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

Information regarding the business segments identified is included in Note 31.

r) Cash flows statement

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

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

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

s) Judgements and estimates

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

The most significant accounting estimates reflected in the consolidated financial statements for the years ended as of December 31, 2015 and 2014 correspond to the recognition of provisions and impairment losses.

Estimates used are based on the best available information during the preparation of consolidated financial statements. Although future events are neither controlled by the Group nor foreseeable, some could occur and have impact on the estimates. Changes to the estimates used by the management that occur after the date of these consolidated financial statements will be recognised in net income, in accordance with IAS 8, using a prospective methodology.

For this reason, and given the degree of uncertainty, actual results of the transactions in question may differ from the corresponding estimates.

2.4 FINANCIAL RISK MANAGEMENT

F. Ramada Group is essentially exposed to a) market risk; b) interest rate risk, c) exchange rate risk, d) variability in commodities' price risk, e) credit risk and f) liquidity risk. The main objective of the Board of Directors, concerning risk management, is to reduce these risks to a level considered acceptable for the development of the Group's activities.

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

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

a) Market risk

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

b) Interest rate risk

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

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

Sensitivity analysis of interest rate fluctuations

The sensitivity analysis presented below was computed on the basis of the exposure to interest rates in force as of the statement of financial position date. It was considered, as a basic assumption, that the financial structure (interest bearing assets and liabilities) remains stable throughout the year and similar to the one existing as of December 31, 2014.

Thus, during the years ended as of 31 December 2015 and 2014, the Group's sensitivity to changes in the interest rate indexing resulting from an increase / decrease by 100 basis points, measured as the change in financial results, can be analysed as follows:

	31.12.2015	31.12.2014
Interests (Note 28)	1,592,134	2,346,302
Positive change of 100 basis points in interest rate on the entire indebtedness	647,000	614,000
Negative change of 100 basis points in interest rate on the entire indebtedness	(647,000)	(614,000)

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

c) Exchange rate risk

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

Additionally, the Group also holds a financial investment in the subsidiary Storax Ltd. (Note 4.1), whose functional currency is the Sterling Pound.

The assets and liabilities denominated in Sterling Pound are as follows, in Euro:

	31.12.2015	31.12.2014
Assets	9,251,266	6,878,719
Liabilities	(2,199,839)	(2,543,377)
	7,051,427	4,335,342

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

d) Variability risk on commodities' prices

By developing its activity in an industry which trades commodities (namely, steel), the Group is particularly exposed to its price fluctuations, with the corresponding impacts in its results. However, in order to manage this risk, the Group may engage in derivative financial instruments contracts. On the other hand, in a commercial point of view, steel price variations are usually passed to Group customers.

e) Credit risk

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

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

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

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

The impairment adjustments to accounts receivable are calculated taking into consideration (i) the customer's risk profile, (ii) the average collection period, and (iii) the customer's financial condition. The adjustments movement occurred for the years ended as of December 31, 2015 and 2014 are disclosed in Note 22.

f) Liquidity risk

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

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

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

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

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

4. SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS, INVESTMENTS IN ASSOCIATED COMPANIES, JOINT VENTURES AND INVESTMENTS HELD FOR SALE

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 December 31, 2015, are as follows:

		Percentage of participation held		
Designation	**Headquarters**	31.12.2015	31.12.2014	**Activity**
Parent company:				
F. Ramada Investimentos, SGPS, S.A.	Porto	-	-	Holding
F. Ramada Group:				
Ramada Aços, S.A.	Ovar	100%	100%	Steel comercialization
Universal Afir, S.A.	Ovar	100%	100%	Steel comercialization
Ramada Storax, S.A.[1]	Ovar	100%	100%	Production and commercialization of storage systems
F. Ramada II, Imobiliária, S.A.	Ovar	100%	100%	Real estate
F. Ramada, Serviços de Gestão, Lda.[2]	Ovar	0%	100%	Administration and management services
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

[1] As of December 31, 2015, Ramada Storage Solutions, S.A. changed its company name to Ramada Storax S.A.

[2] In May 31, 2015, F. Ramada, Serviços de Gestão, Lda. (Ramada Serviços) merged with the parent company F. Ramada Investimentos, SGPS, S.A. (Ramada Investimentos). This merger happened according with line a), number 4 of the article 97º of the Portuguese Companies Act (CSC). The assets and liabilities of Ramada Serviços were transferred to Ramada Investimentos, so that the first was extinguished with retroactive effects as of January 1, 2015. Once Ramada Investimentos already owned 100% of Ramada Serviços, the merger process was simplified, based on the article 116º of the Portuguese Companies Act , and there was no need to submit the merger project to the opinion of supervisory bodies, experts or general meetings, as no call was requested, in accordance with line d), number 3º of the article 116º of the Portuguese Companies Act.

All the above companies were included in the consolidated financial statements of F. Ramada Group in accordance with the full consolidation method, as established in Note 2.2.a).

4.2 Investment in associated companies and joint ventures

As of December 31, 2015, the caption “Investment in associates” 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 December 31, 2015 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 joint ventures and associated companies” (Note 2.2. b) by the amount of 1,562,678 Euro (365,000 Euro in December 31, 2014). 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.

The main financial indicators of this associated company as of December 31, 2015 and 2014 (the most recent audited consolidated financial statements) are as follows:

			31 December 2013		31 December 2014		Balance amount		Profit
Company	**% ownership 31.12.2014**	**% ownership 31.12.2015**	**Equity**	**Profit**	**Equity**	**Profit**	**31.12.2014**	**31.12.2015**	**31.12.2015**
Base Holding, SGPS, SA	34.90%	35.22%	33,577,977	2,608,730	36,987,209	3,175,223	12,196,970	15,227,394	1,562,678

The change in ownership % in 2015 arises from the abovementioned use of the equity method, from the increase in Base Holding, SGPS, S.A. capital and from the dividends’ distribution of 422,620 Euro. The contribution of Ramada Investimentos on the associated company’s equity increased to 1,890,366 Euros. As a result, the percentage of ownership increased to 35.22%.

This caption also includes the ownership of Planfuro Global, S.A. (incorporated in 2014 and owned by 50%) and of Expeliarmus-Consultoria, S.A. (incorporated in 2015 and owned by 49%) by an amount equal to 549,998 Euro. Due to the recent incorporation of these companies, their activity at the year ended as of December 31, 2015 was meagre.

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.

4.3 Other investments

As of December 31, 2015 and 2014 the caption “Other investments” and respective impairment losses can be detailed as follows:

	31.12.2015	31.12.2014
Gross amount	7,713,531	6,318,095
Impairment losses (Note 22)	(4,220,393)	(3,708,595)
	3,493,138	2,609,500

As of December 31, 2015 the changes occurred under the caption "Other investments" can be detailed as follows:

	31.12.2014	Aquisitions	31.12.2015
Investments	6,318,095	1,395,436	7,713,531
Impairment losses (Note 22)	(3,708,595)	(511,798)	(4,220,393)
	2,609,500	883,638	3,493,138

The investments included in "Other investments" are recorded at the acquisition cost, less the respective impairment losses.

As of December 31, 2015 the caption "Other investments" includes an investment on Base M – Investimentos e Serviços, S.A. equity. The change in the percentage of ownership is due to the acquisition of the entity's shares to other shareholders, without the acquisition of the respective voting rights. As such, F. Ramada has not a strong influence on that entity.

In addition, in this caption also includes the investment of 15.48% on CEV – Consumo em Verde, Biotecnologia das Plantas, S.A., the investment of 4% in Sociedade Converde Unipessoal, Lda., and the loans granted to these companies.

As of December 31, 2015 and 2014, these investments correspond to investments in non-public companies in which the Group has no significant influence. As such, 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.

4.4 Payments on financial investments

As of December 31, 2015 the payments related to financial investments are as follows:

	Transaction value	Amount payed/charged
Aquisitions		
Investments in associated companies (Note 4.2)	2,390,364	2,390,364
Other investments (Note 4.3)	1,395,436	1,048,740
	3,785,800	3,439,104

5. *FINANCIAL INSTRUMENTS*

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

5.1 Financial assets

31 December 2015	Note	Receivables and Cash and cash equivalents	Available for sale	Sub-total	Assets out of scope of IFRS 7	Total
Non-current assets						
Other investments	4	5,787,088	3,493,138	9,280,226	-	9,280,226
		5,787,088	3,493,138	9,280,226	-	9,280,226
Current assets						
Customers	11	37,941,790	-	37,941,790	-	37,941,790
Other debtors	13	501,870	-	501,870	33,681	535,551
Cash and cash equivalents	14	22,388,594	-	22,388,594	-	22,388,594
		60,832,254	-	60,832,254	33,681	60,865,935
		66,619,342	3,493,138	70,112,480	33,681	70,146,161

31 December 2014	Note	Receivables and Cash and cash equivalents	Available for sale	Sub-total	Assets out of scope of IFRS 7	Total
Non-current assets						
Other investments	4	5,787,088	2,609,500	8,396,588	-	8,396,588
		5,787,088	2,609,500	8,396,588	-	8,396,588
Current assets						
Customers	11	32,678,630	-	32,678,630	-	32,678,630
Other debtors	13	360,000	-	360,000	111,355	471,355
Cash and cash equivalents	14	16,366,816	-	16,366,816	-	16,366,816
		49,405,446	-	49,405,446	111,355	49,516,801
		55,192,534	2,609,500	57,802,034	111,355	57,913,389

5.2 Financial liabilities

31 December 2015	Note	Derivatives	Other financial liabilities	Sub-total	Liabilities out of scope of IFRS 7	Total
Non-current liabilities						
Bank loans	17	-	47,458,908	47,458,908	-	47,458,908
Other creditors	20	-	238,675	238,675	-	238,675
		-	47,458,908	47,458,908	-	47,458,908
Current liabilities						
Bank loans	17	-	3,985,753	3,985,753	-	3,985,753
Other loans	17	-	37,284,909	37,284,909	-	37,284,909
Derivatives	18	35,996	-	35,996	-	35,996
Suppliers	19	-	14,090,405	14,090,405	-	14,090,405
Other creditors	20	-	3,370,672	3,370,672	52,190	3,422,862
Other current liabilities	21	-	4,771,055	4,771,055	8,023,267	12,794,322
		35,996	63,502,794	63,538,790	8,075,457	71,614,247
		35,996	110,961,702	110,997,698	8,075,457	119,073,155

31 December 2014	Note	Derivatives	Other financial liabilities	Sub-total	Liabilities out of scope of IFRS 7	Total
Non-current liabilities						
Bank loans	17	-	43,530,732	43,530,732	-	43,530,732
		-	43,530,732	43,530,732	-	43,530,732
Current liabilities						
Bank loans	17	-	3,485,753	3,485,753	-	3,485,753
Other loans	17	-	32,409,418	32,409,418	-	32,409,418
Suppliers	19	-	16,664,663	16,664,663	-	16,664,663
Other creditors	20	-	1,121,189	1,121,189	-	1,121,189
Other current liabilities	21	-	6,244,241	6,244,241	12,927,523	19,171,764
		-	59,925,264	59,925,264	12,927,523	72,852,787
		-	103,455,996	103,455,996	12,927,523	116,383,519

6. *INVESTMENT PROPERTIES*

Investment properties held by F. Ramada Group relate to lands rented to third parties (Altri Group – Note 29) 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 years ended as of 31 December 2015 and 2014 is as follows:

	31.12.2015	31.12.2014
Opening balance	85,977,075	85,937,120
Aquisitions	134,739	39,955
Disposals	(147,838)	-
Impairment losses	(1,100,000)	-
Closing balance	84,863,976	85,977,075

The rented land generated, during the year ended as of December 31, 2015, income amounting, to approximately, 6,311,140 Euro (approximately 6,280,000 Euro in 2014).

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.

The impairment losses recorded in 2015, 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. TANGIBLE ASSETS

During the years ended as of December 31, 2015 and 2014 the movement occurred in tangible assets and the corresponding accumulated depreciation and impairment losses were as follows:

2015									
Gross assets	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	**Total**
Opening balance	1,217,756	13,223,641	26,631,490	2,431,405	572,778	3,729,706	237,189	6,750	48,050,715
Exchange rate variation	-	4,499	10,729	-	-	9,696	-	-	24,924
Additions	-	108,636	3,119,814	66,259	20,259	126,846	-	429,953	3,871,767
Disposals	-	-	-	(61,223)	-	-	-	-	(61,223)
Transfers and write-offs	-	13,900	-	-	-	(15,603)	(38,527)	(6,748)	(46,978)
Closing balance	1,217,756	13,350,676	29,762,033	2,436,441	593,037	3,850,645	198,662	429,955	51,839,205
Accumulated depreciations and impairment losses	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	**Total**
Opening balance	-	11,586,365	24,523,100	2,344,460	907,665	3,529,918	12,810	-	42,904,318
Exchange rate variation	-	4,499	9,776	-	-	6,899	-	-	21,174
Additions	-	244,681	1,823,683	71,822	31,967	126,499	317	-	2,298,969
Disposals	-	-	-	(61,223)	-	-	-	-	(61,223)
Transfers and write-offs	-	-	-	-	-	(1,556)	(2,139)	-	(3,695)
Closing balance	-	11,835,545	26,356,559	2,355,059	939,632	3,661,760	10,988	-	45,159,543
	1,217,756	1,515,131	3,405,474	81,382	(346,595)	188,885	187,674	429,955	6,679,662

2014									
Gross assets	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	**Total**
Opening balance	1,217,756	13,218,813	25,962,438	2,410,863	560,601	3,570,775	198,661	1,494	47,141,401
Exchange rate variation	-	4,828	12,178	-	-	8,235	-	-	25,241
Additions	-	-	947,877	115,289	12,177	156,279	38,528	6,750	1,276,900
Disposals	-	-	(291,003)	(94,747)	-	-	-	-	(385,750)
Transfers and write-offs	-	-	-	-	-	(5,583)	-	(1,494)	(7,077)
Closing balance	1,217,756	13,223,641	26,631,490	2,431,405	572,778	3,729,706	237,189	6,750	48,050,715

Accumulated depreciations and impairment losses

	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	**Total**
Opening balance	-	11,290,479	23,837,798	2,343,277	874,409	3,393,371	10,357	-	41,749,691
Exchange rate variation	-	4,828	10,109	-	-	5,788	-	-	20,725
Additions	-	291,058	917,700	95,930	33,256	136,342	2,453	-	1,476,739
Disposals	-	-	(242,507)	(94,747)	-	-	-	-	(337,254)
Transfers and write-offs	-	-	-	-	-	(5,583)	-	-	(5,583)
Closing balance	-	11,586,365	24,523,100	2,344,460	907,665	3,529,918	12,810	-	42,904,318
	1,217,756	1,637,276	2,108,390	86,945	(334,887)	199,788	224,379	6,750	5,146,397

As of 31 December 2015 and 2014 there were no tangible assets pledged as guarantee for borrowings and there were no interests capitalized to fixed assets.

8. INTANGIBLE ASSETS

During the years ended as of 31 December 2015 and 2014, the movement occurred in intangible assets and the corresponding accumulated depreciation and impairment losses were as follows:

	2015	2014
	Gross assets	**Gross assets**
	Software	Software
Opening balance	802,799	638,267
Exchange rate variation	3,787	3,232
Additions	22,082	163,610
Disposals and write-offs	-	(2,310)
Closing balance	828,668	802,799

	Accumulated depreciations and impairment losses	**Accumulated depreciations and impairment losses**
	Software	Software
Opening balance	652,160	530,164
Exchange rate variation	2,219	1,982
Additions	97,570	122,324
Disposals and write-offs	-	(2,310)
Closing balance	751,949	652,160
	76,719	150,639

9. 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 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 2015 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 December 31, 2015 and 2014.

F. Ramada Investimentos, SGPS, S.A. is the dominant company of a group of companies (F. Ramada Group) which is taxed under the special regime for taxation of groups of companies ("RETGS – Regime Especial de Tributação de Grupos de Sociedades").

9.1 Deferred taxes

The movement occurred in deferred tax assets and liabilities in the years ended as of December 31, 2015 and 2014 was as follows:

	2015	
	Deferred tax assets	Deferred tax liabilities
Balance as of 1 January	1,923,682	40,937
Effects on income statement	1,632	(5,856)
Others	(146,600)	-
Balance as of 31 December	1,778,714	35,081

	2014	
	Deferred tax assets	Deferred tax liabilities
Balance as of 1 January	2,021,808	51,655
Effects on income statement	(98,126)	(10,718)
Balance as of 31 December	1,923,682	40,937

The detail of the deferred taxes as of December 31, 2015 and 2014, in accordance with the nature of the timing differences that generated them, is the following:

	2014	
	Deferred tax assets	Deferred tax liabilities
Provisions and impairment losses not accepted for tax purposes	1,923,682	-
Reinvested capital gains	-	19,995
Amortizations not accepted for tax purposes	-	20,942
	1,923,682	40,937

9.2 Current taxes

Income taxes recorded in the income statements during the years ended as of December 31, 2015 and 2014 are detailed as follows:

	31.12.2015	31.12.2014
Current tax:		
Income tax for the year	3,426,086	3,322,428
Deferred tax	(7,488)	87,408
	3,418,598	3,409,836

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

	31.12.2015	31.12.2014
Earnings before tax	14,476,383	11,497,743
Income tax rate	21%	23%
	3,040,040	2,644,481
Municipal surcharge	90,776	97,711
State surcharge	217,688	131,587
Autonomous tax	167,468	170,058
Fiscal benefits	(12,014)	(538,840)
Companies subject to a taxation different from the parent company	136,446	117,101
Costs not considered for taxable purposes	160,393	173,971
Share of results of joint ventures and associated companies	(328,162)	(76,650)
Other effects	(46,549)	603,009
Income tax	3,426,086	3,322,428

At the year ended as of December 31, 2014, the amount recorded in the caption “Fiscal benefits” refers to a tax credit for research and development (R&D) expenses incurred in the years 2010, 2011 and 2012 which could be supported under the Business Research and Development Incentive Scheme (“Sistema de Incentivos em Investigação e Desenvolvimento Empresarial” – SIFIDE), in accordance with the framework provided under the Article 6, Law 40/2005, on the wording given by Law 63-B / 2011.

10. INVENTORIES

As of December 31, 2015 and 2014 the caption “Inventories” was made up as follows:

	31.12.2015	31.12.2014
Merchandise	12,958,364	12,366,627
Raw, subsidiary and consumable materials	2,695,932	3,170,421
Finished and intermidiated goods	1,395,067	2,046,459
Work in progress	3,738,555	8,505,613
	20,787,918	26,089,120
Accumulated impairment losses (Note 22)	(927,773)	(413,162)
	19,860,145	25,675,958

The cost of sales and the variation of production for the years ended as of December 31, 2015 and 2014 amounted to 70,685,429 Euro and 66,134,021 Euro, respectively, and were computed as follows:

31 December 2015	Merchandise	Raw, subsidiary and consumable materials	Finished and intermidiated goods	Work in progress	Total
Opening balance	12,366,627	3,170,421	2,046,459	8,505,613	26,089,120
Exchange rate variation (Note 2.2.d)	54,188	-	28,292	4,625	87,105
Purchases	44,161,971	14,688,318	4,778,812	1,668,021	65,297,122
Closing inventories	(12,958,364)	(2,695,932)	(1,395,067)	(3,738,555)	(20,787,918)
	43,624,422	15,162,807	5,458,496	6,439,704	70,685,429

31 December 2014	Merchandise	Raw, subsidiary and consumable materials	Finished and intermidiated goods	Work in progress	Total
Opening balance	10,395,936	3,566,138	1,874,751	3,536,760	19,373,585
Exchange rate variation (Note 2.2.d)	-	26,033	56,957	2,441	85,431
Purchases	31,129,173	29,591,631	9,642,417	2,352,384	72,715,605
Inventory adjustments	48,520	-	-	-	48,520
Closing inventories	(12,366,627)	(3,170,421)	(2,046,459)	(8,505,613)	(26,089,120)
	29,207,002	30,013,381	9,527,666	(2,614,028)	66,134,021

11. CUSTOMERS

As of December 31, 2015 and 2014 caption of "Customers" can be detailed as follows:

	31.12.2015	31.12.2014
Customers, current account	49,932,126	40,733,141
Customers, notes receivable	1,477,506	2,246,345
Customers, doubtfull accounts	2,239,998	14,317,583
	53,649,630	57,297,069
Accumulated impairment losses (Note 22)	(15,707,840)	(24,618,439)
Closing balance	37,941,790	32,678,630

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

As of December 31, 2015 and 2014, the customers ageing balances can be detailed as follows:

	2015			2014		
	Industry	Real Estate and others	Total	Industry	Real Estate and others	Total
Not due	25,586,592	6,315,681	31,902,273	17,243,503	6,287,826	23,531,329
Due						
0 - 180 days	5,361,618	-	5,361,618	7,907,458	-	7,907,458
180 - 360 days	677,899	-	677,899	643,990	-	643,990
+ 360 days	-	-	-	595,853	-	595,853
Total	31,626,109	6,315,681	37,941,790	26,390,804	6,287,826	32,678,630

Regarding the overdue amounts for which there is no impairment loss, the Group considers that there has been no loss in the credit capacity of the counterparty and therefore there is no credit risk in such situations.

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

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

12. STATE AND OTHER PUBLIC ENTITIES

As of December 31, 2015 and 2014 the assets and liabilities included in the caption “State and other public entities” had the following composition:

	31.12.2015	31.12.2014
Assets		
Value Added Tax	641,777	502,904
Other taxes	114,805	132,966
	756,582	635,870
Liabilities		
Value Added Tax	1,879,408	2,194,541
Social Security contributions	318,741	412,969
Personal Income Tax	524,556	386,753
Corporate Income Tax	1,135,764	1,093,755
Other taxes	38,952	4,371
	3,897,421	4,092,389

The liabilities caption "Corporate Income Tax" includes the income tax estimate of the Group companies, net of the advanced payments on account, additional advanced payments on account and special advanced payments on account made by these companies, as well as taxes withheld by third parties.

13. OTHER DEBTORS

As of December 31, 2015 and 2014 this caption can be detailed as follows:

	31.12.2015	31.12.2014
Advances to suppliers	33,681	111,355
Other debtors	501,870	360,000
	535,551	471,355

As of 31 December 2015, the caption “Other debtors” includes VAT recoverable on goods’ imports.

14. CASH AND CASH EQUIVALENTS

As of December 31, 2015 and 2014 the caption “Cash and cash equivalents” included in the consolidated statement of financial position can be detailed as follows:

	31.12.2015	31.12.2014
Cash	12,925	10,465
Bank deposits	22,375,669	16,356,351
	22,388,594	16,366,816
Bank overdrafts (Note 17)	(6,524,981)	(4,588,931)
Cash and equivalents	15,863,613	11,777,885

15. SHARE CAPITAL AND RESERVES

15.1 Share Capital

As of December 31, 2015, 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 9.999996% of the share capital of the Company, acquired by 1,641,053 Euros.

Additionally, as of December 31, 2014 and 2015, there were no companies holding a share in the subscribed capital of, at least, 20%.

15.2 Reserves

i. Legal reserve

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

ii. Other reserves

At the General Meeting held on April 14, 2015, dividends were attributed to shareholders in the amount of 3,923,143 Euro.

Later, at the General Meeting held on April 18, 2014, shareholders were entitled to another 2,884,664 Euro in dividends.

iii. Currency translation reserves

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

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

16. NON CONTROLLING INTERESTS

The movement occurred in this caption in the year ended as of December 31, 2015 and 2014 was as follows:

	31.12.2015	31.12.2014
Opening balance	50,638	-
Change in consolidation perimeter	-	40,000
Non-controlling interests	25,102	10,638
Closing balance	75,740	50,638

The movements detailed above result from the subsidiary Storax España, a company owned in 60% by the Group (Note 4).

17. BANK LOANS AND OTHER LOANS

As of December 31, 2015 and 2014, the captions “Bank loans” and “Other loans” can be detailed as follows:

	31.12.2015		31.12.2014	
	Current	Non current	Current	Non current
Bank loans	3,985,753	47,458,908	3,485,753	43,446,179
Bank loans	3,985,753	47,458,908	3,485,753	43,446,179
Commercial paper	25,750,000	-	19,750,000	-
Other bank loans	3,500,000	-	5,750,000	-
Bank overdrafts (Note 14)	6,524,981	-	4,588,931	-
Factoring	1,425,375	-	2,232,077	-
Financial lease contracts	84,553	-	88,410	84,553
Other loans	37,284,909	-	32,409,418	84,553
	41,270,662	47,458,908	35,895,171	43,530,732

It is believed that the loans’ book value does not differ significantly from its fair value, calculated based on the discounted cash-flow method.

17.1.1 Bank loans:

The nominal amount of bank loans as of December 31, 2015 will be reimbursed as follows:

2015			2014		
Reimbursement year	Amount	Estimated interests	Reimbursemen t year	Amount	Estimated interests
Current			**Current**		
2016	3,985,753	852,318	2015	3,485,753	1,220,000
Non current			**Non current**		
2017	3,985,753	783,000	2016	3,485,753	1,130,000
2018	3,985,753	714,000	2017	3,485,753	1,038,000
2019	5,500,000	622,000	2018	3,485,753	948,000
2020	5,500,000	529,000	2019	18,445,845	857,000
2021	5,500,000	436,000	2020	14,542,075	378,000
2022	5,500,000	343,000			
2023	5,500,000	250,000			
2024	11,987,401	42,000			
	47,458,908	3,719,000		43,445,179	4,351,000
	51,444,661	4,571,318		46,930,932	5,571,000

As of December 31, 2015 and 2014, the credit facilities used by the Group and the corresponding maximum amounts allowed were as follows:

	31 December 2015		31 December 2014	
Nature	Authorized amount	Used amount	Authorized amount	Used amount
Other bank loans	23,700,000	3,500,000	18,200,000	5,750,000
Bank overdrafts	16,000,000	6,524,981	13,000,000	4,588,931
Commercial paper program				
12/2016	5,000,000	4,000,000	5,000,000	5,000,000
08/2017	5,000,000	5,000,000	3,250,000	3,250,000
07/2019	7,500,000	2,000,000	7,500,000	7,500,000
07/2018	2,750,000	2,750,000	n.a.	n.a.
07/2020	3,000,000	3,000,000	n.a.	n.a.
06/2020	5,000,000	5,000,000	n.a.	n.a.
07/2020	4,000,000	4,000,000	4,000,000	4,000,000
	32,250,000	25,750,000	19,750,000	19,750,000

During the year ended as of December 31, 2015 these loans bear interest at normal market rates depending on the nature and term of the credit obtained.

During this year, and in the previous one, the Group did not enter into any loan default.

Additionally, as of December 31, 2015, there are no covenants associated with the loans obtained.

17.1.2 Financial lease contracts:

As of December 31 2015, the liabilities expressed in the financial statements with respect to financial lease contracts concern the lease of basic equipment. They are recorded by the total amount of 84,553 Euro and mature in 2016.

18. DERIVATIVES

In order to reduce the exposure to interest rate volatility, the Group has engaged in interest rate swap contracts. These contracts were evaluated in accordance with its fair value as of the statement of financial position date, being the corresponding amount recognized in the caption "Derivatives", as described in the Note 2.3.i.v.

As of December 31, 2015, the amount recorded in the caption "Derivatives" corresponds to interest rate swaps related to Group loans. The Board of Directors believes that these derivatives fulfil the requests of IAS 39 – Financial Instruments: Recognition and Measurement, to be classified as hedging derivatives. The changes in their fair value were recorded on the Company's equity under the caption "Other reserves". The movements that occurred in this caption as of December 31, 2015 and 2014 were as follows:

	31.12.2015	31.12.2014
Opening balance	-	-
Increases/ (Decreases)	(35,996)	-
Closing Balance	(35,996)	-

19. SUPPLIERS

As of December 31, 2015 and 2014 the caption "Suppliers" could be presented, taking into account its maturity, as follows:

	31.12.2015		31.12.2014	
	Industry	Real Estate and others	Industry	Real Estate and others
Less than 3 months	13,807,767	282,638	16,527,175	137,488

As of December 31, 2015 and 2014, this caption included accounts payable to suppliers resulting from the Group's operating activities. The Board of Directors believes that the fair value of this amounts does not differ significantly from their book value and that the effect of possible changes is not relevant.

20. OTHER CREDITORS

As of December 31, 2015 and 2014 the caption "Other creditors" was made up as follows:

	31.12.2015	31.12.2014
Non current liabilities		
Accounts payables related to financial investments (Note 4.4)	238,675	-
	238,675	-
Current liabilities		
Fixed assets suppliers	2,608,433	588,828
Accounts payables related to financial investments (Note 4.4)	110,000	-
Customer advances	52,190	-
Other creditors	652,239	532,361
	3,422,862	1,121,189
	3,661,537	1,121,189

The liabilities recorded under the caption "Fixed assets suppliers" are payable in less than three months.

21. OTHER CURRENT LIABILITIES

As of December 31, 2015, and 2014 the caption "Other current liabilities" can be detailed as follows:

	31.12.2015	31.12.2014
Accrued expenses		
Accrued payroll	3,017,235	2,898,738
Interests payable	630,605	1,231,352
Other	1,123,214	2,114,151
Deferred income	8,023,268	12,927,523
	12,794,322	19,171,764

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

22. PROVISIONS AND IMPAIRMENT LOSSES

The movements that occurred in provisions and impairment losses for the year ended as of December 31, 2015 can be detailed as follows:

	2015				
	Provisions	Impairment losses in accounts receivable (Note 11)	Impairment losses in inventories (Note 10)	Impairment losses in investments (Note 4)	Total
Opening balance	1.358.333	24.618.439	413.162	3.708.595	30.098.529
Exchange rate variation	8.337	3.044	6.436	10.000	27.817
Increases	250.000	-	508.175	501.798	1.259.973
Reversals	(51.694)	(393.222)	-	-	(444.916)
Utilizations	-	(8.520.421)	-	-	(8.520.421)
Closing balance	1.564.976	15.707.840	927.773	4.220.393	22.420.982

The increases and reversals recorded in provisions and impairment losses for the years ended as of 31 December 2015 and 2014 were recorded in the profit and loss statement caption “Provisions and impairment losses”.

The amount recorded in the caption “Provisions” as of December 31, 2015 relates to the Board of Directors best estimate to cover possible losses arising from legal actions in progress and other liabilities.

The amount recorded in the caption “Impairment losses in investments” as of December 31, 2015 results from an impairment recorded for the shareholdings and loans held in CEV - Consumo em Verde, Biotecnologia das Plantas, S.A., Converde Unipessoal, Lda., and Base M Investimentos e Serviços S.A. (Note 4).

The Board of Directors believes that, based on the opinion of their legal advisors, as of December 31, 2015 there are no assets or liabilities associated with probable or possible tax contingencies that should be reported in the financial statements as of 31 December 2015.

23. OPERATING LEASES

As of December 31, 2015, the Group held, as lessee, essentially operational lease contracts, whose minimum payments present the following maturity:

Responsabilities on operational lease rentals	Minimum operational leases payments
2016	309.111
2017	235.412
2018	160.105
2019	107.315
2020	20.886
	832.829

24. OTHER INCOME

As of December 31, 2015 and 2014, the caption "Other income" could be detailed as follows:

	31.12.2015	31.12.2014
Prompt payment discounts obtained	133,378	106,867
Foreign currency exchange gains	32,112	10,998
Gains on sale of non financial investments	107,272	33,948
Supplementary income	93,447	111,987
Recovery of charges billed to customers	96,834	341,642
Subsidies	28,800	11,811
Other	255,342	394,118
	747,184	1,011,370

25. EXTERNAL SUPPLIES AND SERVICES

The caption "External supplies and services" as of December 31, 2015 and 2014 can be detailed as follows:

	31.12.2015	31.12.2014
Subcontracts and specialized services	6.888.850	6.616.579
Maintenance and repair	2.014.004	1.871.065
Tools	756.900	611.901
Eletricity	980.106	729.470
Fuel	834.237	921.418
Travel and lodging	1.008.436	883.324
Transport of goods	3.359.838	3.540.437
Rents	1.703.567	1.834.560
Insurance	608.339	595.765
Other services	3.028.391	2.871.309
	21.182.667	20.475.828

As of 31 December 2015 and 2014 the amounts recorded in the caption "Subcontracts and specialized services" are associated with thermal treatment services and machinery and with the assembly services for metal structures.

26. PAYROLL EXPENSES

As of December 31, 2015 and 2014, the caption "Payroll expenses" could be detailed as follows:

	31.12.2015	31.12.2014
Remunerations	10,626,119	10,499,018
Indemnities	205,432	153,801
Charges on salaries	2,674,525	2,641,951
Insurance	147,594	185,684
Social expenses	323,233	318,328
Other	1,041,106	963,238
	15,018,009	14,762,020

During the years ended as of December 31, 2015 and 2014 the average number of employees of F. Ramada Group was of 445 and 419, respectively. As of December 31, 2015, the Company had 454 employees.

27. OTHER EXPENSES

As of December 31, 2015 and 2014, the caption "Other expenses" could be detailed as follows:

	31.12.2015	31.12.2014
Taxes and fees	413.197	407.073
Charges for guarantees and comissions	304.125	201.297
Foreign currency exchange losses	66.360	55.115
Donations	39.684	47.619
Prompt payments discounts granted	26.688	28.495
Losses on sale of non financial investments	7.753	34.425
Fines and other penalties	4.612	54.089
Others	123.977	89.230
	986.397	917.343

28. FINANCIAL RESULTS

The consolidated financial results for the years ended as of December 31, 2015 and 2014 can be detailed as follows:

	31.12.2015	31.12.2014
Financial expenses		
Interests	(1,592,134)	(2,346,776)
Other financial expenses	(1,120,450)	(755,011)
	(2,712,584)	(3,101,787)
Financial income		
Interests	139,976	10,611
Other financial income	12,754	17,720
	152,730	28,331

Interests paid and recognised in the profit and loss statement for the years ended as of 31 December 2015 and 2014 are totally related with loans obtained.

The interests received are related to loans granted to subsidiaries (Note 4) and to financial investments made.

29. TRANSACTIONS WITH RELATED PARTIES

29.1 Commercial transactions

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

During the consolidating procedures, the transactions between companies included in consolidation by the full consolidation method (Note 4.1) are eliminated, since the consolidated financial statements disclose information regarding the holding company and its subsidiaries as a unique entity.

The main balances with related parties as of December 31, 2015 and 2014 and the main transactions with related entities during these years may be detailed as follows:

	31 December 2015				
Related parties	Supplies and external services	Sales	Services rendered	Accounts receivable	Accounts payable
Altri Group	127,982	206,521	6,311,141	6,365,036	127,982
Others	354,395	1,165,905	-	3,493,138	-
	482,377	1,372,426	6,311,141	9,858,174	127,982

	31 December 2014				
Related parties	Supplies and external services	Sales	Services rendered	Accounts receivable	Accounts payable
Altri Group	124,305	189,530	6,280,679	6,326,281	124,305
Others	-	-	-	2,600,000	-
	124,305	189,530	6,280,679	8,926,281	124,305

The services rendered to Altri Group companies refer to rents for the lease of land which are classified under the caption "Investment Properties" (Note 6).

Accounts receivable and payable with Altri Group companies include, essentially, receivables arising from rents referred above, and the receivables and payables related with the sales and acquisitions of forest assets.

Accounts receivable amounting to 3,493,138 Euro (2,600,000 Euro in 2014), included in caption “Other”, are related to loans granted to subsidiaries, net of impairment losses, which are classified as “Investments available for sale” (Note 4.3).

Board of Directors compensation

The board of directors of F. Ramada Investimentso, SGPS, S.A., as of 31 December 2015 is composed by:

- ☐ João M. Matos Borges de Oliveira
- ☐ Paulo Jorge dos Santos Fernandes
- ☐ Domingos José Vieira de Matos
- ☐ Pedro Miguel Matos Borges de Oliveira
- ☐ Ana Rebelo de Carvalho Menéres de Mendonça

Compensations paid to members of the Board of Directors of F. Ramada Investimentos, SGPS, S.A. during the years ended as of December 31, 2015 and 2014 by the companies included in the consolidation process through the full consolidation method are as follows:

	31.12.2015	31.12.2014
Fixed remunerations	499,000	576,520
Variable remunerations	-	-
	499,000	576,520

29.2 Related parties

Apart from the companies included in the consolidation (Note 4), the companies considered to be related parties as of December 31, 2015, 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, SGPS, S.A.
- Cofina, SGPS, S.A.
- CEV S.A. (Consumo em Verde, Biotecnologia das Plantas)
- Converde Unipessoal, Lda.
- Destak Brasil – Empreendimentos e Participações, S.A.
- Destak Brasil Editora S.A.
- Elege Valor, SGPS, S.A.
- Expeliarmus-Consultoria, SA
- Grafedisport – Impressão e Artes Gráficas, S.A.
- Inflora – Sociedade de Investimentos Florestais, S.A.
- Jardins de França S.A.
- Livre Fluxo, 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.

30. EARNINGS PER SHARE

Earnings per share for the years 2015 and 2014 were determined taking into consideration the following amounts:

	31.12.2015	31.12.2014
Net profit considered for the computation of basic and diluted earnings per share	11,032,683	8,077,268
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	0.48	0.35
Diluted	0.48	0.35

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.

31. 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 separate financial information is produced.

The segregation of activities by segments as of December 31, 2015 and 2014 is made up as follows:

	31 December 2015			31 December 2014		
	Industry	Real Estate	Intra-group eliminations	Industry	Real Estate	Intra-group eliminations
Total assets	109,399,359	94,512,921	(9,374,137)	111,764,717	95,409,086	(23,105,220)
Total liabilities	58,201,717	75,981,729	(9,374,137)	65,267,568	79,712,830	(23,105,220)
Operating investments (a)	3,771,524	257,063	-	1,443,660	43,104	-
Profit from foreign market customers	120,088,264	6,469,393	-	113,233,937	6,340,932	-
Profit from operations with other segments	43,906	1,364,652	(1,408,558)	8,004	1,294,653	(1,302,657)
Cash-flow from operating activities (b)	12,866,382	5,003,716	-	11,214,561	4,955,703	-
Amortaizations	(2,130,168)	(266,371)	-	1,258,034	341,030	-
Profit from operating activities	10,736,214	4,737,345	-	12,472,595	5,296,733	-
Financial profits	707,623	1,868	(556,761)	1,187,698	1,877	(1,161,244)
Financial costs	(1,003,655)	(2,265,690)	556,761	(1,688,740)	(2,574,290)	1,161,244
Share of results of joint ventures and associated companies	1,562,678	-	-	365,000	-	-
Earnings before taxes	12,002,860	2,473,524	-	9,455,485	2,042,259	-
Income taxes	(2,495,261)	(923,338)	-	(2,550,801)	(859,036)	-
Net profit	9,507,599	1,550,186	-	6,904,684	1,183,224	-

(a) - Investments in non-current assets, except financial instruments, deferred tax assets and financial investments
(b) - Operating results + amortizations

Sales and services rendered by the Group during the financial years of 2015 and 2014 can be detailed by geographical markets as follows:

	31.12.2015	31.12.2014
Domestic market	79,708,225	67,731,546
Foreign market	46,102,248	50,466,952
	125,810,473	118,198,498

32. RESPONSIBILITIES FOR GUARANTEES PROVIDED

As of December 31, 2015 and 2014, F. Ramada Group companies had provided the following bank guarantees:

	31.12.2015	31.12.2014
Supply of storage systems	(490,972)	(59,102)
Others	(141,503)	(158,144)
	(632,475)	(217,246)

33. FINANCIAL STATEMENT APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance in March 24, 2016. Its final approval depends on the agreement of the General Shareholders Meeting.

34. 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.

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