



RAMADA

INVESTIMENTOS E INDÚSTRIA

Earnings Announcement

3rd Quarter 2017

(unaudited)

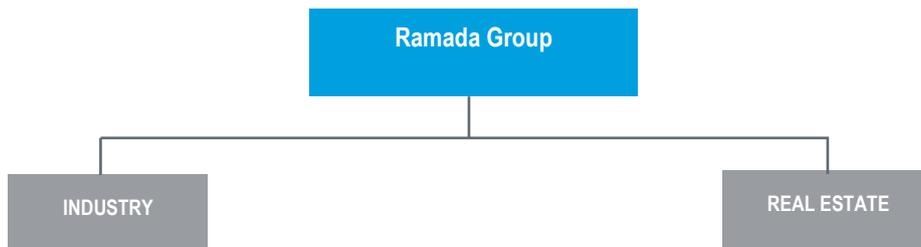
This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards and with accordance with the International Accounting Standard 34 – Interim Financial Reporting, some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

GROUP'S ACTIVITY

Ramada Investimentos S.G.P.S., S.A. is the parent company of a group of companies ("Ramada Group") which, together, operate in two business areas: i) Industry, which includes the Steel activity, the Storage Systems activity (Storax – Engineered Storage Solutions) and the activity related to financial investments management (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 three companies: Ramada Aços, Universal Afir and Planfuro Global, S.A..

The activity of Storage Systems (Storax - Engineered Storage Solutions) is carried out by five companies: Ramada Storax (the largest manufacturer of storage systems in Portugal and where all manufacturing of the Group is concentrated), and by its subsidiaries in France, United Kingdom, Belgium and Spain.



The financial information presented below in relation to 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.

PROFIT AND LOSS STATEMENT

	9M 2017	9M 2016	Var. %
Sales and services rendered	111,003	95,969	15.7%
Other income	842	812	3.7%
Total income	111,845	96,781	15.6%
Cost of sales	(58,197)	(50,827)	14.5%
External supplies and services	(21,368)	(17,730)	20.5%
Payroll	(13,691)	(11,272)	21.5%
Other costs	(733)	(1,037)	-29.3%
Total costs (a)	(93,988)	(80,865)	16.2%
EBITDA (b)	17,857	15,916	12.2%
EBITDA margin	16.0%	16.4%	
Amortization and depreciation	(3,979)	(3,593)	10.7%
EBIT (c)	13,879	12,323	12.6%
EBIT margin	12.4%	12.7%	
Results related with investments	42,249	1,768	
Financial costs	(1 501)	(1 610)	
Financial income	144	148	
Net profit before income tax	54,771	12,629	333.7%
Income tax	(3,390)	(3,418)	
Consolidated net profit	51,380	9,211	457.8%
Consolidated net profit attributable to shareholders of parent company	51,314	9,185	458.7%
Consolidated net profit attributable to non-controlling interests	66	27	

(amounts in thousands of Euros)

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

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

(c) EBIT = Operating results

Total income of Ramada Group, during the first nine months of 2017, amounted to 111,845 thousand Euro, representing an increase of 15.6% compared to the total income of the homologous period of 2016.

Total costs, excluding amortization, financial expenses and taxes, amounted to 93,988 thousand Euro, representing an increase of 16.2% in relation to the same period of 2016.

EBITDA in the first nine months of 2017 reached 17,857 thousand Euro, representing an increase of 12.2% when compared with the homologous period. EBITDA margin reached 16.0%, which compares to 16.4% obtained in the same period in 2016.

Group's operating results (EBIT) amounted to 13,879 thousand Euro, representing a positive variation of 12.6% comparing with 12,323 thousand Euro in the same period of 2016.

In the period ended September 30, 2017, the group accomplished the sale of the total participation held in Base group after the non-opposition decision by the Autoridade de Concorrência was known, as notified to the Securities Market Regulator (Comissão do Mercado de Valores Mobiliários) on September 19, 2017.

The income statement caption "Results related with investments" includes the capital gain generated with this transactions as well as the effect of the equity method for the period.

Net financial costs amounted to 1,357 thousand Euro, representing an improvement of 7.2%, when compared with the same period of 2016.

INDUSTRY

	9M 2017	9M 2016	Var. %
Total income	107,155	92,081	16.4%
Total costs (a)	(93,142)	(80,050)	16.4%
EBITDA (b)	14,012	12,031	16.5%
EBITDA margin	13.1%	13.1%	
EBIT (c)	10,316	8,630	19.5%
EBIT margin	9.6%	9.4%	
Financial results	(553)	(323)	71.4%
Results related with investments	42,249	1,768	2289.6%
Net profit before income tax	52,011	10,076	416.2%

(amounts in thousands of Euros)

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

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

(c) EBIT = Operating results

During the first nine months of 2017, the total income for the Industry segment amounted to 107,155 thousand Euro, representing an increase of 16.4% compared to total income for the same period of 2016.

In the first nine months of 2017, special steels' activity showed a significant increase compared to the homologous period.

Steel activity operates, essentially, in the domestic market, which in the first nine months of 2017 accounted for 94% of its sales. It is important to mention that the foreign market had a growth of 23.7% over the same period, with increases in sales to the United Kingdom, France, Germany and Brazil.

In the first nine months of 2017, storage systems activity (Storax - Engineered Storage Solutions) had a significant increase in turnover compared to the same period of 2016.

Sales to foreign markets represented 89% of total turnover. Europe remains the main destination of this activity, however, sales to the USA, South Africa, Algeria, Morocco and Tunisia already represent a significant part of total exports.

The Group continues to make investments to modernize and increase its production capacity in order to improve the productivity and services provided to its customers.

Industry segment's EBITDA in the first nine months of 2017 amounted to 14,012 thousand Euro, which represents an increase of 16.5% when compared with 12,031 thousand Euro achieved in the same period in 2016.

Industry segment's EBITDA margin achieved 13.1% in the first nine months of 2017 similar to the EBITDA margin in the same period of 2016.

Operating income (EBIT) in the amount of 10,316 thousand Euros, registered a growth of 19.5% compared to the 8,630 thousand Euros in 2016.

REAL ESTATE

	9M 2017	9M 2016	Var. %
Total income	4,691	4,700	-0.2%
Total costs (a)	(846)	(815)	3.7%
EBITDA (b)	3,845	3,885	-1.0%
EBIT (c)	3,563	3,692	-3.5%
Financial results	(804)	(1,139)	-29.4%
Net profit before income tax	2,759	2,554	8.1%

(amounts in thousand of Euros)

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

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

(c) EBIT = Operating results

Total income for the Real Estate segment in the first nine months of 2017 was 4,691 thousand Euro, representing a slight decrease when compared to the same period of 2016.

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

Real Estate segment's EBITDA in the first nine months of 2017 amounted to 3,845 thousand Euro, representing a decrease of 1% compared with the same period of 2016.

Operational results (EBIT) amounted to 3,563 thousand Euro, representing a decrease of 3.5% compared with the same period of 2016.

Financial results of the Real Estate segment in the first nine months of 2017 were negative in 804 thousand Euro, which represents an improvement of 29.4% when comparing to 1.139 thousand Euro negative in homologous period.

The net profit before income tax for the Real Estate segment in the first nine months of 2017 amounted to 2,759 thousand Euros, 8.1% more than in the same period of 2016.

OWN SHARES

On July 25, 2017, the Group sold the own shares it held allowing an improvement of 18 million Euros in consolidated total equity.

INVESTMENTS AND DEBT

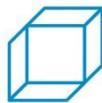
Ramada Group investments in the first nine months of 2017 amounted to 3,507 thousand Euro.

The nominal net debt of the Ramada Group as of 30 September, 2017 reached 58,770 thousand Euro. As of 31 December, 2016 it was 72,973 thousand Euro.

The net debt evolution was positively affected by the cash-in obtained with the sale of own shares and penalized by the growth of working capital needs, situation the should be reversed in the last quarter of 2017.

Porto, November 3, 2017

The Board of Directors



Shaping industry

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