

CONSOLIDATED ANNUAL REPORT
31st DECEMBER 2000

SEMAPA - Sociedade de Investimento e Gestão, SGPS, S.A. Sociedade Aberta

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THE BOARD OF DIRECTORS REPORT (Consolidated Accounts for the year 2000)

1. SUMMARY

Semapa, its subsidiary **Secil**, subsidiaries, and affiliated companies had a good performance during the year 2000.

The year was marked by **Secil's** first international investment in the cement business with the acquisition, in January, of **Société des Ciments de Gabès** in **Tunisia**. This investment allowed the Group to increase its cement production capacity by about 1.2 million tonnes bringing the total up to 5 million. Concerning foreign investments it is noteworthy the beginning of the operations in **Angola** through **Tecnosecil**, involving the revamping of the Encime (Lobito) cement plant which is expected to start-up during the 1st half of 2001.

Several actions have been implemented during the year to further develop the cement business in other geographic areas, some of which are still under way. Emphasis is given to a take-over bid launched in June on the issued capital social of **Cimpor** that was terminated by the government. **Secil**, however, continues to be interested in increasing its holding in **Cimpor**, now standing at 9%.

The demand for cement in **Portugal** achieved an historic maximum of 11.3 million tonnes, up 6.7% on the 1999's figure. This was the result of a persistent and dynamic growth of the construction industry. In fact, residential and private construction continued to boom during the 1st half of the year, though, in the short term a downturn is more likely to be expected. Sustained growth was seen in the public work sector especially from the 2nd half.

This framework led, for the fourth consecutive year, to an increase of imported cement sales in the domestic market.

It should be highlighted the ability of the **Secil Group's** production plants to meet the demand of the domestic market. Cement sales rose 0.3% by volume and 2.4% by value compared to the previous year, notwithstanding a substantial fall of the demand in November and December due to the bad weather.

Cement prices went up in September 2000 with an average increase of 1.8%, representing a reduction of 2% in real terms.

Within the strategy defined by the Board of Directors, specific actions continued to be implemented aiming the productivity increase of various production factors, and the reduction in the costs of goods and services.

Power costs in the cement plants were reduced as a consequence of a lower power tariffs and of an improvement of the specific power consumption. In this framework, the cost of the kWh fell, though it is still higher than the average paid by the cement industry in other EU countries.

Thermal energy costs were higher than the previous year, as a result of the sharp increase of coal and coke prices caused by several factors, as higher oil prices and freight rates, scarcity of these products in the marketplace and the unfavourable evolution of the US dollar.

Secil's strict environmental control policy has been maintained with important investments being made at the cement plants. It is noteworthy the actions that are being implemented within the scope of the "Ongoing Improvement of Environmental Performance Agreement" signed with the government in 1999, namely involving the installation of bag-filters at the **Maceira-Liz** plant, a important advance in the environmental issues, air quality in this case.

Necessary actions were taken to obtain the certification of the **Maceira-Liz** and **Cibra-Pataias** factories to the Standards ISO 9002 and ISO 1400 that should take place during the 1st half of 2001.

The persistent tendency involving the introduction of the "Ecotax" (the EU tax penalty for the gas emissions) without equivalent taxes to compensate for manufacturers of the same products outside the EU that are not subject to this regime, continues to concern the Board of Directors. Not introducing a balancing element, such as countervailing duties on products from countries in which the "Ecotax" is not applicable, will create conditions to move production to non-EU countries and worsen global pollution.

The rationalisation of the Human Resource policy was equally positive with very significant results.

The market penetrations were met, namely the growth of the white cement sales and the introduction of Type II 42.5 cement on the market.

The optimisation of the cement production/ distribution system was pursued, and the average cost of transport per ton was fairly kept at acceptable levels despite the substantial increase of haulage costs.

The **Secil 2000 project** concluded with the "1st Process Workshop", held in Lisbon, and involving some 90 members of the **Secil Group** staff.

The **SIM Project – Secil, Innovation and Change**, designed to achieve complete modernisation of the Information System, is also nearing completion and with the exception of the Sales and Distribution modules due to start up in January 2001.

Cement and artificial lime consumption in **Tunisia** totalled 5.4 million tonnes, a significant 13.1% increase over the 1999's figure.

Within this context, **Société des Ciments de Gabès** played a remarkable role that can be seen in the company's net profit, a total of 3.5 million Tunisian dinars, up to 130% over the previous year. On the other hand, EBITDA stood at 8.9 million dinars.

This excellent performance was the consequence of a substantial increase in the sales volume (19.6%) and of the actions taken to improve manufacturing.

Secil's subsidiaries operating in the ready-mixed concrete and aggregates industries returned very significant profits as a whole, though slightly lower than 1999.

The electricity generation company also performed very well. **Enersis** produced 237 GWh during the year, returning a considerable profit. This company has implemented and has in preparation several investments in wind farms.

The elimination of industrial waste through its use in energy production, is waiting the results of a public inquiry after receiving a favourable opinion of the Medical Committee appointed by the Assembly of the Republic, as well as an equally favourable report issued by the Independent Scientific Co-incineration Environmental Control and Monitoring Committee also appointed by the Parliament. **Secil** will continue to follow this process and is expecting some progress during 2001.

In the financial area, it is important to refer to the significant increase in interest charges incurred by **Semapa**. The net consolidated debt totalled about PTE 93.2 billion at the close of the year. This was a larger figure than it was in December 31, 1999 mostly as a result of the major financial investments during the year.

The lawsuit brought by **Secil** against the Portuguese government to secure compensation damages caused by the improper evaluation of the **CMP** Pension Fund liabilities, as shown in the attached confidential documents regarding **Secil** and **CMP** privatisation process, is still proceeding and nothing relevant took place during 2000.

Within the scope of the sponsorship of prizes designed to enhance the products manufactured by **Secil** and its associated companies, it is highlighted the Secil award for architecture, in collaboration with the Association of Architects, to architect Álvaro Siza Vieira. At the same time, the Universities Contest was held for architecture students being the winner architect Pedro Filipe Vieira.

Semapa returned a net profit for the year 2000 of PTE 6.2 billion and a consolidated net profit of the same amount. The Company's consolidated turnover totalled PTE 93.3 billion and its consolidated cash flow amounted to PTE 18.5 billion.

Main Consolidated Physical Indicators

		1996	1997	1998	1999	2000
Cement Production Capacity	1000 t	3 588	3 784	3 784	3 784	4 934
Sales						
Grey cement	1 000 t	3 485	3 695	3 824	3 911	4 860
White cement	1 000 t	53	69	77	90	89
Artificial lime	1 000 t	-	-	-	-	82
Ready-mixed concrete	1 000 m ³	1 381	1 404	1 350	1 690	2 170
Aggregates	1 000 t	1 875	2 498	2 766	3 104	2 461
Precast concrete	1 000 t	308	382	415	376	388
Hydraulic lime	1 000 t	69	69	69	72	69
Mortars	1 000 t	29	33	43	60	70
Electricity	GWh	168	184	177	197	237
Staff*		1 870	1 696	1 613	1 577	2 129

- Average number of employees of the companies included in the consolidation

Consolidated Economic and Financial Highlights

(PTE million)

	1996	1997	1998	1999	2000
Sales	64,644	69,652	72,651	79,281	93,273
EBITDA	26,022	25,539	27,326	32,182	33,146
Depreciation & provisions	7,486	6,609	8,911	8,792	10,764
Amortisation of Goodwill	1,006	1,247	1,421	1,621	1,560
EBIT	17,530	17,683	16,994	21,769	20,822
Financial results	(3,236)	(895)	(666)	292	(3,169)
Current profits	14,294	16,788	16,328	22,061	17,654
Extraordinary profits	246	1,033	906	687	2,285
Pre-tax profit	14,540	17,821	17,234	22,748	19,938
Taxes	7,015	7,570	7,511	9,870	8,014
Minority interests	3,860	5,099	4,812	6,185	5,756
Net profit	3,665	5,152	4,911	6,693	6,168
Cash Flow	12,157	13,008	15,243	17,106	18,492
 Total net assets	 107,012	 99,402	 105,876	 119,830	 191,041
Equity	26,681	28,399	35,540	37,814	38,877
Net debt	31,128	18,932	18,882	22,824	93,195
 EBITDA margin	 40%	 37%	 38%	 41%	 36%
<u>Net investment</u>	<u>3,058</u>	<u>3,791</u>	<u>10,182</u>	<u>21,765</u>	<u>76,212</u>

The Board of Directors would like to express its gratitude to Customers and Employees, to the Audit Committee, to the Financial Institutions that supported the Group, to the Suppliers and, in general, to all Partners and Associates that joined Semapa in corporate undertakings.

The Board of Directors would also like to express its thanks to the Shareholders for their confidence in the Board of Directors, which is essential for an effective performance and fundamental to enhance the **Company's** value.

2. COMPANY HIGHLIGHTS

January

- **Secil** enters the cement business in **Tunisia** through the acquisition of **Société des Ciments de Gabès**.
- Acquisition of **Asfalbetão Industrial** and **Asfalbetão Transportes**, both operating in the ready-mixed concrete market.
- Start-up of the Human Resources SAP module at **Secil/CMP**.

February

- **Secil Britas** obtains Quality Certification.

March

- Incorporation of **Secil Betões e Inertes, SGPS, SA**, the holding company for the Group's companies operating in the ready-mixed concrete and aggregate market.
- Start marketing **Secil Prebetão's** Premolde panels (**Acotec**).
- Reduction of the fine levied on **Secil** by the European Commission to 1,918,698 Euros sentenced by the Court of the European Communities.

April

- Incorporation of **Secil Investimentos, SGPS, SA**.

May

- **Secil Group** companies exhibit at SIMAC – the International Building Materials show held in Lisbon.
- Publication of the Independent Scientific Co-incineration Environmental Control and Monitoring Committee report created by the Assembly of the Republic favouring the co-incineration and proposing the location of the plants in Outão and Souselas.

June

- Launching in conjunction with Holderbank, through **Secilpar**, of a take over for Cimpor's acquisition.
- The "1st Journeys of Process" workshop highlighted the conclusion of the **Secil 2000 Project**, started in 1998.
- Renaming and conversion of the **Semapa** share capital from escudos to Euros. The par value of the Company's shares changed to 5 Euros. No changes were made to the number of shares issued. This operation involved an increase of share capital through the incorporation of reserves established by shares issued premiums in the value of tPTE 57 036 .

July

- Commemoration of **Secil's** 70th anniversary including a party for the employees and associates of all companies of the **Secil Group**.

August

- Renaming and conversion of the share capital of **Secil** and **CMP** from escudos to Euros and an increase of **Secil's** share capital through the incorporation of reserves.
- Stock split of **Semapa's** shares involving five new shares of par value of 1 Euro for each share of par value of 5 Euros.
- **Secilpar's** public bid for the acquisition of Cimpor ends as per CMVM (Securities Market Commission) order.

September

- **Secil** moves into the cement business in **Angola** through **Tecnosecil**, securing a contract to exploit Encime's cement production located in Lobito.
- Conclusion of the bag filters investment at the **Maceira-Liz** plant.

October

- **Unibetão** obtains Quality Certification.

November

- **Secil** launches type II 42.5 cement on the market.
- Ceremony of **Secil's** handing-over prizes for Architecture and UniversitiesContest to the winners: architect Álvaro Siza Vieira for his designing project for Santiago de Compostela University, Faculty of Communication Sciences in Spain, and architect Pedro Filipe Vieira, respectively.
- **Betopal** obtains Quality Certification.

December

- Conclusion of the landscaping improvements plan to the coastal area of the **Secil-Outão** factory.
- Start-up of the "Joane" quarry acquired by **Secil Britas**.
- Beginning of the production tests at the new **Secil Martingança** dry mortar factory located in Pataias.
- Publication of the Medical Committee report favour the co-incineration of industrial waste in cement kilns at the locations proposed by the Independent Scientific Commission.
- Sale of Cimpor shares held by Secil Investimentos SGPS SA to Secilpar SL.

3. PORTUGAL

3.1. Cement

3.1.1. Market and Marketing

The cement consumption on the domestic market increased on the previous year to 11.3 million tonnes in 2000 representing a record sales figures and a growth of 6.7%.

This consumption increased evenly with the growth of the Portuguese economy and was particularly noticeable in the districts of Leiria, Lisboa, Évora, Beja, Faro and in the Autonomous Region of Madeira.

This growth of the Portuguese market, almost unmatched with the rest of Europe, was due to the sustained growth of civil construction, particularly in the public works segment. As a matter of fact, the year 2000 was marked by a very dynamic residential construction market during the 1st half and by a sharp increase of the business of the public works segment during the 2nd half.

The market fell significantly in November and in December as a result of the heavy rainfall across the country.

The cement consumption per capita amounted to 1,129 kg per inhabitant, continued to be considerably higher than other European Union countries.

This framework led, to two fold increase, of the imported cement quantity sold in the domestic market, that we estimate was higher than 800,000 tonnes.

Cement Market (1)					(1000 t)
	1996	1997	1998	1999	2000 (2)
Portugal	8 431	9 544	10 071	10 578	11 292
Portugal (%)	+ 6.9	+ 13.2	+ 5.5	+ 5.0	+ 6.7
European Union (%)	- 3.5	+ 2.0	+ 5.7	+ 4.6	+ 1.8

Per Capita Cement Consumption (1)					(kg)
	1996	1997	1998	1999	2000 (2)
Portugal	851	959	1 009	1 059	1 129
European Union	440	447	472	492	500

(1) Including white cement

(2) Estimative

Secil's sales on the domestic market totalled 3,966,000 tonnes, a growth of 0.3% on volume terms and 2.4% on value compared to the previous year. In terms of product mix, there was an increase of bulk cement sales and a slight reduction of sales of cement in sacks.

Cement Sales		(PTE million)				
		1996	1997	1998	1999	2000
Domestic market		44 637	49 168	51 635	53 392	54 690
Exports		1 170	483	416	557	595
Total		45 807	49 651	52 051	53 949	55 285
Variation (%)		+ 8.4	+ 8.4	+ 4.8	+ 3.6	+ 2.5

Cement Sales		(1 000 t)				
		1996s	1997	1998	1999	2000
Domestic market						
Grey cement		3 362	3 649	3 789	3 867	3 878
Bulk		1 544	1 744	1 733	1 724	1 803
Paper sacks		1 217	1 230	1 320	1 357	1 395
Big-bag		601	675	736	786	680
White Cement		53	69	77	87	89
Bulk		26	39	47	56	58
Paper sacks		27	30	30	31	31
Subtotal		3 415	3 718	3 866	3 954	3 966
Variation (%)		+ 5.9	+ 8.9	+ 4.0	+ 2.3	+ 0.3
Exports						
Grey Cement		123	45	35	44	42
Bulk		1	1	0	0	0
Paper sacks		0	0	0	0	1
Big-bag		122	45	35	44	41
White Cement		0	0	0	3	0
Paper sacks		0	0	0	3	0
Subtotal		123	45	35	47	42
Variation (%)		+ 21.6	- 63.7	- 22.0	+ 34.3	- 8.7
Total Market		3 538	3 763	3 901	4 001	4 008
Variation (%)		+ 6.4	+ 6.4	+ 3.7	+ 2.5	+ 0.2

Through out the year, particularly in the 2nd quarter, **Secil** factories were under extraordinary pressure because of supply difficulties caused by other Portuguese manufacturing operating facilities. During several months, a controlling bagged-cement sales system was implemented with the purpose to ensure the needs of regular customers.

To meet this heavy demand, clinker purchases on the international market were very high.

White cement sales during 2000 saw a marginal growth over the previous year: 1%. **Secil** continued to implement its white cement customer loyalty programme covering a significant potential dimension presently accounting for some 40% of the quantities sold.

As far as exports are concerned, heavy domestic demand only permitted the Company to meet several previous commitments, particularly with regards to Cabo Verde Islands and S. Tomé e Príncipe.

Certification of type II 42.5 cement was closely monitored together the **Secil-Outão** and **Maceira-Liz** factories, and the product was successfully introduced on the national market in November.

Approval for cements types I 42.5 R and II 32.5 was maintained in Spain and Italy, while beginning the certification process of cement type I 42.5 Br in Spain.

The use of cement supplied directly by **Secil** is emphasise in several prestigious works that have been concluded, or are still in progress, namely: the Mathematics Department Building of Oporto's Faculty of Science; restoration of the Insua Fort in Caminha; the Tomar's Hospital; the Casa da Música in Oporto; the Port of Setúbal Container Terminal; the Corte Inglês Department Store in Lisbon, and several other works including the National Highway Network.

In the distribution area the efficiency of the system was improved, and the Company was successful in reducing the average cost of cement transport per ton abridged up to 1.5% in real terms.

Average transport costs per tonne of cement sold in Mainland Portugal (1991=100)

	1991	1997	1998	1999	2000
At current prices	100	85	83	85	89
At 1991 prices	100	64	61	61	62

In fact, the overall transport costs fell compared to the previous year's figure. This was caused by the improvements of the logistic management and ,most importantly, to a greater volume of sales made at the factory's gate caused by the scarcity of cement during the spring, especially in the northern regions of the country. As far as prices the maritime freights were unchanged, the railway freights increased with the inflation, and the average road haulage costs rose above the inflation.

It should be mentioned that the supply by sea to the depots of Aveiro, Oporto and Viana do Castelo were entirely made by self -unloading ships providing major economic and environmental advantages.

Cement prices were updated in September when an average increase of 1.8% was introduced. In real terms, prices fell by about 2%.

Cement prices (1991=100)

	1991	1997	1998	1999	2000
Nominal price	100	115	115	118	120
Consumer price index	100	132	136	139	144
Real price	100	87	85	85	83

3.1.2. Production

Clinker production stood at 3,052,000 tonnes representing an increase of 2.4% over the previous year. This constitutes a new record for the three factories taken together.

Once again, productivity improved at the three factories and fewer employees produced more cement, a result of the efforts sustained by the implemented rationalisation.

Clinker Production					(1 000 t)
	1996	1997	1998	1999	2000
Grey clinker					
Secil-Outão	1 622	1 592	1 655	1 719	1 796
Maceira-Liz	800	801	791	863	843
Cibra-Pataias	227	222	220	318	333
Subtotal	2 649	2 615	2 666	2 900	2 972
White clinker					
Cibra-Pataias	45	58	68	80	80
Total	2 694	2 673	2 734	2 980	3 052
Variation (%)	- 1.9	- 0.8	+ 2.3	+ 9.0	+ 2.4

Clinker output per worker (1)					(t)
	1996	1997	1998	1999	2000
Secil-Outão	5 021	5 725	6 198	6 537	6 987
Maceira-Liz & Cibra-Pataias	3 037	3 198	3 340	3 928	4 131

(1) In calculating this indicator only workers actually involved in manufacturing are taken into consideration.

The overall cement production fell by 1% from the 1999's figure totalling at 4,001,000 tonnes. To meet the high-pressure demand for cement, clinker was bought overseas and used mostly by Maceira-Liz's factory.

Cement Production					(1 000 t)
	1996	1997	1998	1999	2000
Grey cement					
Secil-Outão	1 873	1 988	2 073	2 185	2 224
Maceira-Liz	1 264	1 317	1 399	1 380	1 313
Cibra-Pataias	293	302	328	385	374
Subtotal	3 430	3 607	3 800	3 950	3 911
White cement					
Cibra-Pataias	50	71	78	91	90
Total	3 480	3 678	3 878	4 041	4001
Variation (%)	+ 3.8	+ 5.7	+ 5.4	+ 4.2	- 1.0

The improvement seen in the clinker production was caused by the implementation of engineering and maintenance measurements designed to achieve an ongoing improvement process within **Secil 2000 Project's** scope. These measurements led to an interesting reduction of operating costs.

The final characteristics of the cement produced at the three factories is still quite homogeneous and of very high quality, which is essential to secure its widespread recognition in the market about its consistency pattern of high demanding standards that rules the entire **Group**.

Secil-Outão factory's major goal is to achieve the consolidation of Quality and Environment Management System and acquire the status of Factory Certified in Quality to Standard ISO 9002 and in Quality to Standard ISO 14001. Therefore, a duly accredited Environmental Inspector was selected to assess compliance with EMAS -Community Eco-Management and Audit Scheme, set to take place during the 1st half of 2001.

On the other hand, consolidation of the command system of Line 8, the fitting of new burners and the use of RAPIS in the raw-meal grinders and kilns, led to a substantial increase of productivity of the clinker production lines. It should be pointed out that during 2000 the factory broke production records both in clinker and cement.

Maceira-Liz factory is mainly focusing in the fitting of bag filters to both kilns and respective clinker coolers conferring to the factory an excellent improved environmental situation in terms of dust emissions. Consequently, the line stoppages required to implement these measures caused a slight reduction of the annual's clinker production.

Cibra-Pataias factory highlighted investment achievements that are directly aimed to improve complementary operations, both in process and dispatch levels. The increase of grey and white clinker stands out by breaking existing records and reaching new annual maximums.

The coal and pet-coke provision system for the three factories continued to operate efficiently. All three factories were supplied without disturbs and safe stock levels were maintained at all times.

The year under review was marked by a significant increase of solid fuel prices as a result of the combination of several factors, including higher crude oil prices, increase of freight rates, product scarcity on the international market, and the increase of the US dollar exchange rate. Under these circumstances, early purchases largely minimised the negative effects of the foregoing events.

Electricity costs also fell for the eighth consecutive year. This reduction is the combined effect of EDP's tariff cut down and of specific electricity consumption improvement.

According to the decision of the General Quality and Environment Council, the implementation of the Integrated Quality Management and Environmental Management System were suspended in 1999 at **Maceira-Liz** and **Cibra-Pataias** factories as a result of the priority given to **Secil 2000 Project**. The deep restructuring generated by the project was to condition the definition of jobs and chains of responsibility that constitute the structural foundations needed to set up the System. The measures needed to conclude the certification of both factories according to the Standards ISO 9002 and 14001, were resumed during 2000 and certification is expected to take place during the 1st half of 2001.

Finally, it deserves a word of reference for forecasting the performed measurements in the Ongoing Improvement of Environmental Performance Contract. Under these Contract the bag filters are expected to be installed at the **Secil-Outão** and **Cibra-Pataias** factories. Simultaneously, a major landscaping and visual improvement project is being developed for the coastal area of the **Secil-Outão** factory and should be implemented between 2001 and 2004.

3.1.3. Human resources

Performed action continue to be implemented aiming the increase of motivation and efficiency of the human resources, as well as to provide a personnel identify within the **Group's** objectives.

Good results were obtained in the rationalising slope of permanent staff numbers, recruiting new employees, vocational training, and recognition of the individual and collective contribution to the results achieved.

Personnel Evolution

	1996	1997	1998	1999	2000
SECIL					
Permanent staff	468	418	398	396	394
Secil-Outão	355	309	297	292	277
Lisbon	75	73	72	77	90
Oporto	21	21	18	17	18
Depots	17	15	11	10	9
Term contracts	0	0	4	6	6
Subtotal	468	418	402	402	400
Variation (%)	- 2.3	- 10.7	- 3.8	0	- 0.5
CMP					
Permanent staff	399	388	370	366	363
Central services ⁽¹⁾	12	13	12	12	48
Maceira-Liz (cement)	196	184	171	168	146
Maceira-Liz (paper sacks)	37	37	37	37	37
Cibra-Pataias	154	154	150	149	132
Term contracts	4	0	3	5	3
Subtotal	403	388	373	371	366
Variation (%)	- 1.2	- 3.7	- 3.9	- 0.5	- 1.3
Total	871	806	775	773	766
Variation (%)	- 1.8	- 7.5	- 3.8	- 0.3	- 0.9

Fifteen new workers were hired by **Secil**, which combined with twelve terminations of employment contracts by mutual agreement, one retirement, three resignations and one deceased, led to a net reduction of two.

Three new workers were hired by **CMP**, which combined with three terminations of employment contracts by mutual agreement and three retirements led to a net reduction of three.

⁽¹⁾ In the year 2000 was reformulated the criterion allocated to the common services personnel operating in the restructure that took place within the scope of Secil 2000 Project.

Vocational training courses at **Secil** and **CMP** are detailed in the following tables.

Vocational Training - SECIL

Type of Training	1999		2000	
	Persons	Hours	Persons	Hours
Manufacturing	205	9 922	618	11 549
General management	13	210	14	345
Information technology	64	816	-	-
English/German	35	2 119	2	114
Subtotal	317	13 067	634	12 008
Apprenticeship programme	44	38 868	17	25 706
Total	361	51 935	651	37 714

Vocational Training – CMP

Location	1999		2000	
	Persons	Hours	Persons	Hours
Maceira-Liz	146	4 585	194	4 575
Cibra-Pataias	68	2 255	105	2 512
Total	214	6 840	299	7 087

Overtime was down by 6.4%, when compared with 1999 figures, at **Secil** and by 13.9% at **CMP**.

The average age was 46.2 at **Secil** and 46.7 at **CMP**.

Absenteeism fell to 4.93% at **Secil**, and to 3.35% at **CMP**, continuing to stand at acceptable levels.

Absenteeism (%)

	1996	1997	1998	1999	2000
SECIL					
Sickness	4.08	3.02	2.76	4.87	4.10
Accident	0.61	0.38	0.35	0.19	0.26
Others	0.41	0.24	0.38	0.26	0.57
Total	5.10	3.64	3.49	5.32	4.93
CMP					
Sickness	2.05	2.54	1.95	3.03	2.56
Accident	0.51	0.63	0.25	0.64	0.27
Others	0.96	0.46	0.53	0.47	0.52
Total	3.51	3.63	2.73	4.14	3.35

Both **Secil** and **CMP** paid their employees a bonus for the results achieved in 1999.

Special reference should be mentioned to the exercise of an organisational analysis undertaken during 2000. The fundamental aim was to analyse the opinions and attitudes of the middle and senior management of the **Secil Group** towards working conditions and management procedures that were implemented and the growth of professional development programmes. This important project was developed in conjunction with the ISCTE Centre for Research and Social Intervention.

3.1.4. Secil 2000 Project

The **Secil 2000 Project** was concluded in May, highlighted by the "1st Process Workshops", held in Lisbon on June 30th, and attended by 90 people from **Secil Group**.

The main purpose of these workshops is to divulge the work in the field of Quality, Process Improvement, Investment and Maintenance, as well as, to stimulate the research directed to an ongoing improvement process.

3.1.5. SIM Project

The **SIM (Secil, Innovation and Change) Project** proceed its implemented during 2000. The purpose of this project was to achieve complete modernisation of the Information System and redefine processes and procedures in order to improve the Company 's performance at every level. The system is known to **Secil** and **CMP** and is based on the SAP R/3 parametrical software.

The SAP R/3 software was implemented in both companies in the Finance, Accounts, Budget, Procurement, Maintenance and Human Resource departments, and began implementation in the Commercial and Distribution departments in January 2001.

The project is almost concluded and only few complimentary measurements need to be implemented, namely the automatic job logging system and the Outsourcing start-up support application.

3.1.6. Investment

Major investments were planned with the purpose to increase manufacturing performance, to improve product and supplied services quality, environmental conditions, customers service and increase flexibility of transportation and distribution services.

The following are some of the most significant investments:

At the Secil-Outão Factory

- Adjudication of the bag filters for-clinker kilns;
- Actualisation of the Line 9 process control system.

At the Maceira-Liz Factory

- Installation of the bag filters for clinker kilns.

In the Commercial/Distribution Area

- Beginning of the construction of the new bagged cement warehouse at Leixões depot;
- Developing of the plans for the new premises for the North Co-ordinated Commercial area.

In the Administrative Areas

- General restructure of the IT system generated by the **SIM Project - Secil, Innovation and Change**.

Regarding the subsidies granted under the PEDIP II programme, stands out the following:

- **Secil**, the conclusion of the project submitted in 1996 in February
- **CMP**, the conclusion of the exclusive project for the installation of bag filters at the **Maceira-Liz** factory in September.

3.2. Ready-mixed Concrete and Aggregates

The ready-mixed concrete global market performed extremely well during 2000 and returned an increase of about 20% compared to 1999. In fact, the concrete batching industry cement consumption increased 16.6% representing 24.4% of the total consumption in Portugal mainland keeping a gradual trend of approach to the European standards. This outstanding percentage does not include cement used by construction companies at their own batching plants, which estimates a considerable amount of volume.

Cement Consumption by the Ready-mixed Concrete Industry (Portugal Mainland)

	1996	1997	1998	1999	2000 (1)
	(1 000 t)				
Consumption	1 496	1 892	1 939	2 037	2 375
Consumption (%)	19.2	21.3	21.4	21.7	24.4
Variation (%)	+ 29.7	+ 26.5	+ 2.5	+ 5.1	+ 16.6

(1) Estimative

In turn, the aggregates market was stable during 2000.

During the year, **Secil's** affiliated companies operating in this sector, were regrouped under a new company, **Secil-Betões e Inertes, SGPS** that was created for that purpose.

The companies operating in the ready-mixed concrete area performed well together, though not quite as well as in the previous year. This performance can be characterised as follows:

Ready-mixed Concrete

		1998	1999	2000	%
Batching plants		32	33	40	+ 21.2
Production	(1 000 m ³)	1 350	1 691	2 170	+ 28.3
Sales	(PTE million)	16 124	19 901	24 170	+ 21.5
EBIT	(PTE million)	1 629	2 338	1 940	- 17.0
Net profit	(PTE million)	1 263	1 497	1 414	- 5.5
Cash-flow	(PTE million)	1 993	2 277	2 210	- 2.9
Staff		446	453	458	+ 1.1

In this sector, the most relevant facts were the certification of **Unibetão** and **Betopal** to Standard ISO 9001, the acquisition of **Asfalbetão-Industrial** and **Asfalbetão-Transportes**, and the commissioning of the **Britobetão** plant at Vendas Novas that allowed an increase of the production capacity.

Secil Betões e Inertes signed a promissory agreement aiming the acquisition of **MCD – Materiais de Construção Dragados e Betão-Pronto** shares.

The year 2001 is expected to see slightly higher sales and possible reduction of the selling margins. Operating profits are, therefore, expected to remain unchanged from 2000.

The companies in the aggregates business also performed well, though slightly lower from the previous year's figures. The highlights are as follows:

Aggregates ⁽¹⁾

		1998	1999	2000	%
Quarries		5	5	6	+ 20.0
Production	(1 000 t)	2 766	3 104	2 455	- 20.9
Sales	(PTE million)	3 359	3 536	2 953	- 16.5
EBIT	(PTE million)	433	713	571	- 19.9
Net profit	(PTE million)	363	425	383	- 9.9
Cash-flow	(PTE million)	979	1 025	895	- 12.7
Staff		137	137	116	- 15.3

(1) This table covers only those companies in this business area included in the consolidation, and therefore, does not include Fornecedora. This criterion differs from what was used in previous years' report.

The highlighted fact is the opening of Joane quarry owned by **Secil Britas**.

The outlook for this sector is an outstanding increase of sales both in the markets of north of Portugal covered by **Secil Britas** and in the Algarve region covered by **Ecob**.

3.3. Precast Concrete

The growth seen in public construction had a positive effect in the business activity of **Secil Prebetão**, causing a sales increase by about 9% over the 1999's figure. In turn, **Argibetão** improved on the previous year's performance, mainly as a result of the growth of split-block sales (23% up over last year). Together, both companies returned good results, though slightly lower than in 1999.

		1998	1999	2000	%
Factories		9	9	9	0.0
Production	(1 000 t)	415	376	388	+ 3.2
Sales	(PTE million)	4 950	4 409	4 563	+ 3.5
EBIT	(PTE million)	322	39	29	- 25.6
Net profit	(PTE million)	290	56	42	- 25.0
Cash-flow	(PTE million)	623	526	496	- 5.7
Staff		376	359	348	- 3.1

Secil Prebetão emphasised the final process of the Company's Certification according to Standard ISO 9002. This certificate is expected to be received during the 2nd quarter of 2001. Additionally, the new "Premolde" panels were put on the market and the investment was concluded in the new production line. **Argibetão** emphasised the consolidation of the Information System, the success of the credit control policy, and the continuation of the production equipment modernisation plan.

3.4. Fibrocement

The fibrocement business grew slightly in the sheet segment but decreased in the pipe segment. Fierce competition was steadily felt causing a general reduction of prices. The results were the worse performance of **Cimianto – Sociedade Técnica de Hidráulica** than in 1999, returning a loss in the sum of tPTE 60 000.

The year under review was marked by the end to the production winding up the major competitor at the end of the year.

Significant events included the Environmental Certification to Standard ISO 14001 that is expected to be concluded during the 1st half of 2001, the beginning of the FS sheet production, a qualitative step towards the safety factor in the usage of fibrocement sheeting, and the acquisition of 50% of **Novinco**, providing total control of this company.

3.5. Binders and Mortars

As expected, the hydraulic lime market declined slightly during 2000. On the other hand, the ready-mixed mortar market continued to see a sustained growth as a result of the progressive replacement of traditional mortars. The glue cement market continued to increase slightly despite foreign manufacturers and new competitors settling in Portugal causing a market crushing selling margins and making the business less attractive.

It should be noted that sales of the **Secil-IQM** product range rose slightly + 1.6%.

Once again, **Secil Martingança** performed well and its sales were up. The reduction seen under Operating profit and Net profit was solely the result of increased depreciation caused by the investment in the new mortar production plant.

		1998	1999	2000	%
Factories		1	1	1	0.0
Hydraulic limes	(1 000 t)	69	72	69	- 4.2
Mortars	(1 000 t)	43	60	70	+ 16.7
Sales	(PTE million)	1 277	1 471	1 585	+ 7.7
EBIT	(PTE million)	228	259	130	- 49.8
Net profit	(PTE million)	155	159	60	- 62.3
Cash-flow	(PTE million)	249	264	258	- 2.3
Staff		79	78	80	2.6

Significant events include the construction of the new dry mortar plant at Pataias with an annual estimated production of 250,000 tonnes, the investment in quality control equipment, and the acquisition of silos to be used in the supply of bulk mortars.

3.6. Wood-Cement Panels

The perspectives outlined in last year's report for **Viroc Portugal** were fully confirmed allowing the corporate project to be viewed with optimism. Sales were up, both by volume and by value, the cash flow was positive and more than double from last year's figure, and for the first time, an annual operating profit was returned.

		1998	1999	2000	%
Factories		1	1	1	0.0
Sales	(m ³)	9 045	9 260	11 968	+ 29.2
Sales	(PTE million)	848	861	1 198	+ 39.1
EBIT	(PTE million)	- 271	- 166	29	+ 117.5
Net profit	(PTE million)	- 512	- 192	- 80	+ 58.3
Cash-flow	(PTE million)	- 222	68	140	+ 105.9
Staff		62	57	66	+ 15.8

This performance was possible due to the implementation of a strict policy of cost control, supplier payments and customer collections. However, the main reason was the growth of the principal markets, in which **Viroc** was able to increase its share and improve its margins.

The debt-restructuring plan agreed with the banks and with main creditors has been punctually complied.

3.7. Distribution of Cement in the Atlantic Islands

The cement companies of the Atlantic Islands, **Cimentos Madeira** and **Cimentaço**, returned outstanding results, the first slightly under performing 1999 and the second slightly outperforming. Regional cement consumption remained exceptionally high, particularly in the autonomous region of Madeira.

The Azorean market totalled 286,000 tonnes, an increase of 2.1% over 1999 and an historic maximum. **Cimentaço** returned a net profit of about PTE 600 million, the best ever, generating a cash flow of PTE 784 million.

The cement market in the Madeira Island grew considerably (6%) to a total of 530,000 tonnes, also an historic maximum. However, a cement marketing company is still in operation in Madeira causing the sales of **Cimentos Madeira** to stand at 358,000 tonnes (8% less than 1999). **Cimentos Madeira** returned a net profit of PTE 314.476 million (down 13.7%), generating a cash flow of PTE 467.805 million.

3.8. Cement Transport

Business at **Cimentrans** was practically at the same level as it was in 1999 (down 0.4%). However, the new legislation regulating haulage loads and drivers' working hours had a negative effect on costs and consequently on margins. The Company, therefore, returned a net loss (PTE 6.15 million). The cash flow stood at PTE 65 million, 18% less than the previous year's figure.

3.9. Electricity Production

The electricity-generating companies' subsidiaries of **Enersis** produced a total of 237 GWh, the best ever production figure. Sales totalled PTE 3.1 billion and a net profit was returned in the sum of PTE 439 million.

As forecasted, the investment in wind farms continued in 2000. The Cabeço de Alto wind farm start operating, while the Lomba da Seixa and São Cristóvão wind farms are nearing completion with a production capacity of 12 MW and 3.3 MW respectively. They are expected to start operating during the 1st quarter of 2001.

		1998	1999	2000	%
Production	(GWh)	177	197	237	+ 20.3
Sales	(PTE million)	2 095	2 394	3 074	+ 28.4
EBIT	(PTE million)	1 105	1 494	1 545	+ 3.4
Net profit	(PTE million)	87	488	439	- 10.0
Staff		59	57	52	- 8.8

Following these investments, the total installed capacity rose to about 101 MW, of which 41 MW are accounted by wind farms and 60 MW by mini hydroelectric plants.

For 2001 is expected the construction of wind farms with an installed production capacity of about 20 MW.

3.10. Cement Paper Bags

The production of the paper sack at the **Maceira-Liz** factory fell by 2.7% compared to 1999, as a result of the lower sales of bagged cement by the Group. This naturally led to a reduction of labour productivity compared to last year, though it remains above 1,4 million bags per man per year.

Operating costs were up by some 5.3%, mostly because of the average increase of 5.1% of the cost of paper.

		1998	1999	2000	%
Factories		1	1	1	0.0
Production	(1 000 sacks)	47 293	53 493	52 071	- 2.7
Sales ⁽¹⁾	(PTE million)	1 532	1 601	1 588	- 0.8
EBIT	(PTE million)	363	531	498	- 6.2

(1) Including assignment of paper sacks to the Maceira-Liz and Cibra-Pataias factories

3.11. Waste Enhancement and Recycling

The elimination of industrial waste while making use of its energy is still waiting for the conclusion of the public enquiry, following the appraisal and favourable report of the Physicians' Committee created by the Assembly of the Republic, and by the equally favourable report of the Co-incineration Environmental Control and Monitoring Committee, also created by the Assembly of the Republic.

Scoreco, the official representative for the Portuguese cement industry together with Scori, the French entrepreneur company that pioneered the treatment of industrial waste in cement kilns, are waiting for further positive developments in this field during 2001.

Steps were taken together with other strategic partners to lead the involvement of our associate **Ecoresíduos** to create an old and useless vehicles' companies. The purpose is to reduce pollution, to dismantle the vehicles and recoup parts, to break them up and deal with the metals, and to recycle and use it in the cement industry for non-metallic parts generated by this activity. These measures are expected to bear fruit during the 1st half of 2001.

4. TUNISIA

4.1. Cement

4.1.1. Marketing and Sales

In 2000 the cement consumption and artificial lime totalled 5.4 million tonnes, a remarkable 13.1% increase over 1999.

In fact, there was an unexpected return of the construction industry involving the launch of several important public infrastructure works and civil construction jobs, in addition to new developments in housing and tourism projects. This rebirth of the industry swept the entire country, including the southern region that is the natural market for **Société des Ciments de Gabès**.

The increase of artificial lime consumption was remarkable, amounting to 16.8% at national level, returning an exceptional growth of some 72% in the southern region.

Binder Market	(1 000 t)				
	1996	1997	1998	1999	2000
Cement	3 814	4 003	4 109	4 387	4 948
Artificial lime	351	381	394	398	465
Binders	4 165	4 384	4 503	4 785	5 413
Binders (%)	-	+ 5.3	+ 2.7	+ 6.3	+ 13.1

Per Capita Consumption	(kg)				
	1996	1997	1998	1999	2000
Cement	424	445	456	488	550
Artificial lime	39	42	44	44	51
Binders	463	487	500	532	601

Sales of binders by Société des Ciments de Gabès on the domestic market totalled 1,013,000 tonnes, an excellent increase of 20.5% in volume and 23.6% in value over the previous year's figures. This outstanding increase of artificial lime sales that almost tripled, should be pointed out.

Due to a heavy domestic demand no clinker was exported for the first time in five years.

Sales		(1 000 TD)				
	1996	1997	1998	1999	2000	
Binders	37 029	37 177	35 440	38 429	46 065	
Domestic market	30 797	32 055	32 412	37 277	46 065	
Exports	6 232	5 122	3 028	1 152	0	
Other	2 584	2 171	2 243	1 956	2 243	
Total	39 613	39 348	37 683	40 385	48 308	
Variation (%)	-	- 0.7	- 4.2	+ 7.2	+ 19.6	

Sales		(1 000 t)				
	1996	1997	1998	1999	2000	
Domestic market	740	766	758	841	1 013	
Cement	699	731	718	781	931	
Artificial lime	41	35	40	29	82	
Clinker	0	0	0	31	0	
Subtotal	740	766	758	841	1 013	
Variation (%)	-	+ 3.5	- 1.0	+ 10.9	+ 20.5	
Exports						
Clinker	194	167	91	35	0	
Total market	934	933	849	876	1 013	
Variation (%)	-	- 0.1	- 9.0	+ 3.2	+ 15.6	

At a commercial level, the launch of a new product on the market, HRS cement, should be highlighted.

Binder prices rose at an average of 3% during 2000.

4.1.2. Production

Clinker production totalled 766,000 tonnes, a significant increase of 9% over last year.

Total binder production amounted to 1,022,000 tonnes, a remarkable increase of 26.2% over the 1999 figure.

The increase achieved in clinker and binder production was the result of combined measurements designed to improve performance.

Production					(1 000 t)
	1996	1997	1998	1999	2000
Clinker	806	820	731	703	766
Variation (%)	-	+ 1.7	- 10.9	- 3.8	+ 9.0
Binders					
Cement	701	735	724	781	940
Artificial lime	38	35	37	29	82
Total	739	770	761	810	1 022
Variation (%)	-	+ 4.2	- 1.2	+ 6.4	+ 26.2

As far as product quality, the perspective of developing procedures to improve the Company's image and to increase customer confidence, the reorganisation and finalisation of the process documents for the certification of the Company according to Standard ISO 9002 is referred as a positive element. The respective certificate is expected to be issued during the 1st quarter of 2001.

4.1.3. Human Resources

Steps were taken with the purpose to increase human resources effectiveness and to offer progressive personnel identification in line with **Secil's** objectives.

Secil's specialists developed and carry out several training and professional courses for the Company's management with visits to Gabès, while 14 Société des Ciments de Gabès senior managers visited Portugal.

Staff					
	1996	1997	1998	1999	2000
Staff	563	545	540	538	515
Variation (%)	-	- 3.2	- 0.9	- 0.4	- 4.3

4.1.4. Investment

Several actions were taken to improve manufacturing, including:

- reduction of energy consumption and increase of average daily production of Line 2;
- similar measures were taken with Line 1;
- conclusion of the fuel re-conversion projects and the modernisation and expansion of the factory's production capacity; and
- launching of a study of the impact of the unloading traffic of coke and coal at the port of Gabès.

4.1.5. Results

During 2000 the performance of Société des Ciments de Gabès was remarkable. Indeed, net profits more than doubled and the cash flow increased by about 23% over the previous year's figures.

	(1 000 TD)			
	1998	1999	2000	%
Sales	37 683	40 385	48 308	+ 19.6
EBITDA	5 988	5 849	8 872	+ 51.7
EBIT	437	657	4 114	+ 526.2
Net profit	950	1 536	3 529	+ 129.8
Cash-flow	6 501	6 728	8 287	+ 23.2

5. ANGOLA

5.1. Cement

Tecnosecil was established during the current year as an associated company of **Secil** that owns 70% of shares holdings. The purpose of this association is to develop the cement business in Angola, particularly with the natural market concentrated in the centre and south regions of the country.

The hand over ceremony of the Encime factory in Lobito to **Tecnosecil** took place on September 26th 2000, with an exploitation cession agreement. By the end of the 1st quarter of 2001 the grinding capacity should be recuperated producing cement from imported clinker. A 2nd stage calls for the recuperation of its own clinker production (120,000 tonnes per year) or for installation of additional capacity depending on the market conditions.

6. CAPE VERDE ISLANDS

6.1. Aggregates

ICV-Inertes de Cabo Verde, Lda., concluded the supply of aggregates for the construction of the new airport Cidade da Praia in April 2000, and proceeded with the re-installation of a central crushing plant at the Company's quarry located in João Varela, about 11 km from that city.

The sale of aggregates to the local market began in August 2000 at a time when the economy was performing poorly, with a significant slowdown in civil construction and public works since the 2nd quarter. Therefore, this had a negative effect on the Company's sales and consequently on its results.

The first signs of recovery were registered in January 2001 and are expected to have further enhancement, particularly during the 2nd half of the year.

7. DEVELOPMENT

As far as development, autonomous corporate projects continued to be promoted in the cement field and in industry's complementary areas, particularly regarding product innovation to the building industry.

Following are the more significant actions:

- acquisition of **Société des Ciments de Gabès** through an international public tender issued by the Tunisian government competing with some of Europe's biggest cement companies. The concreteness of this important project constitutes an historic landmark in the Company's internationalisation process in the cement industry;
- Incorporation of **Secil, Betões e Inertes, SGPS, SA**, the share holding company for the companies involved in the production and marketing of ready-mixed concrete, aggregates and related businesses;
- Incorporation of **Secil-Investimentos, SGPS, SA**, the share holding company for the Group's strategic holdings, whether related to its core business or not;
- Incorporation of **Secilpar, SL**, headquartered in Madrid, the current owner of **Secil's** shares of Cimpor. Secilpar has 9% of Cimpor shares as of December 31st 2000, reflecting an overall investment of PTE 42.4 billion.
- Acquisition of **Asfalbetão-Sociedade Industrial, Lda.**, and of 90% of **Asfalbetão-Transportes**, which operates in the ready-mixed concrete business;
- Incorporation of **Tecnosecil, SARL**, in **Angola**, that under a concession retains an operating agreement for the manufacturing facility in Lobito integrated with Encime;
- Participation in the share capital of the Zarzis Free Zone (Tunisia).
- Promissory agreement for the acquisition of **Sud-Beton**, which operates in the ready-mixed concrete business in Tunisia; and
- study of several cement businesses investments opportunities in other countries, namely Turkey, the United States and Tunisia, and in electrical energy generation in Spain.

Within the scope of actions leading to the internationalisation of the Company, special attention should be paid to the launch of the public offer through **Secilpar, SL**, for the acquisition of Cimpor - Cimentos de Portugal, SGPS, SA's shares capital.

Secilpar subjected the acquisition of the Cimpor shares to the following required conditions:

- acceptance of the bid by shareholders who, jointly with the people involved with **Secilpar's** relationships predicted in number 1 of the Article 20 of the Securities Code, holding at least 67% of the total shares representing the share capital of the Target Company;
- termination of the special rights of the Portuguese Government as a shareholder of the Target Company, possibly by accepting the bid;
- deliberation taken at the general meeting of the Target Company convened for that purpose, eliminating from the target company the limitations of voting rights enshrined in Article 7 of the by-laws thereof; and

- there were no unforeseen substantial alterations to the circumstances that the bidder based its bid decision. **Secilpar** based its bid on the premises that by the end of the term of the bid, without damaging what is established in Article 182 of the Securities Code, and no facts should occur to frustrate its objectives in making the bid.

Since it was **Secil's** understanding that it should not assume the risks involved in the subsequent recourse to the international market to sell non-core assets, its objectives would only be met through the co-ordination of Cimpor's holdings and an international cement group.

Secil, therefore, selected Holderbank Financière Glaris, S.A., and the world's biggest cement manufacturer, to establish an agreement with the purpose to launch the public offer for Cimpor, through **Secilpar**.

If the bid had been successful, **Secilpar**, in a 1st stage, would have controlled between 67% and 100% of Cimpor's share capital.

Subsequently, in keeping with the agreement between **Secil** and Holderbank, **Secil** would have been left with the following holdings, directly or indirectly, held by Cimpor:

- a) Corporación Noroeste (Spain)
- b) the so-called Brennand Group (Brazil), integrated with the following companies:
 - Companhia de Cimento Atol, S.A.
 - Companhia Paraíba de Cimento Portland, S.A.
 - Companhia de Cimento Goiás, S.A.
- c) Ameriyah Cement Company (Egypt)

In turn, Holderbank would have been left with Cimpor itself, stripped of these holdings.

Under the terms and purposes of Decree-law 380/93, **Secilpar** applied for the authorisation to acquire shares up to a 100% of the Cimpor voting share capital on June 16th and it was refused on July 6th. It should be noted that the prevailing legislation requires government authorisation for any Cimpor's holding greater than 10%.

On July 7th, the companies again applied for authorisation, this time to acquire more than 10% of the Cimpor share capital, dispensing with the condition for the success of the bid involving the State's renunciation of its special rights under Article 22 of Company's by-laws.

This application was also rejected on August 11th and unfortunately, the bid could not proceed.

The State invoked three reasons: the acceptance of the bid would lead to the exclusion of Cimpor from the capital market; the company's assets would be split and **Secilpar** would be left with no assets in the country; and lastly, the State's interests would be injured it would be unable to dispose of its remaining Cimpor's holdings under good social-economic conditions.

The first of these reasons invoked by the State were unjustified since Holderbank's intention was to keep the company listed on the Lisbon's Stock Exchange (BVL), retaining its decision centre in Lisbon. As far as the second reason, there were legislative reasons involving the preservation of the competition making it difficult for **Secilpar** to acquire assets in the cement industry in Portugal. There were also no grounds for the last reason since the company's shares would continue to be listed on the BVL.

Nevertheless, the Minister of Finance issued an announcement declaring that until the privatisation process of Cimpor is concluded he would reject any application to acquire more than 10% of its share capital.

On December 30th the Decree-Law 331/2000 was published and the aim was to approve the 4th stage of the Cimpor privatisation which consisted of a call for tenders for the indivisible block of 10.049% of the Cimpor share capital now owned by the State. The decree-law also revoked Article 12.1 of Decree-Law 410/93, of December 21st, which prevented any direct or indirect participation of holders of privatised **Secil** shares.

Secil convened a General Meeting of Cimpor that will take place on February 20th 2001 with the purpose to revoke Article 7 of Cimpor's by-laws with regard to limitations to voting rights.

8. FINANCIAL AREA

Net consolidated financial debt as at December 31st 2000 stood at PTE 93.2 billion. Compared to the previous year, this constitutes a significant increase of over PTE 70 billion, caused by the heavy investment in fixed and financial assets.

Net consolidated investment by **Semapa** during 2000 amounted to PTE 76.2 billion: the sum of PTE 22.8 billion in respect of the acquisition of 5.8 million Cimpor shares – the Group now has a total of 12,091,940 Cimpor shares representing a total consolidated investment of PTE 42.4 billion – and to the sum of PTE 49.1 billion used in the acquisition of 98.7% of the share capital of **Société des Ciments de Gabès**.

Several medium- and long-term loans totalling PTE 75 billion were obtained from financial institutions to cover the Group's funding requirements from the investment programme.

The lawsuit brought against the Portuguese Government by **Secil** to secure compensation for damages from the incorrect valuation of the liabilities of the **CMP** Pension Fund contained in the confidential tender documents issued on the occasion of the call for tenders in the privatisation of **Secil** and **CMP** continues, and no relevant progress was made during 2000.

By sentence dated March 15th 2000, the Court of the 1st Instance of the European Communities partially approved the appeal lodged by **Secil** against the decision of the European Commission that had levied a fine of 4,037,552 Euros for violation of Community competition rules. The effect of the sentence above mentioned was the reduction of this fine to 1,918,698 Euros.

Secil continues to be liable for a part of its employee's retirement pensions who are no longer in service. An actuarial study shows that these liabilities amounted to PTE 2,928 million as of December 31st 2000.

In consolidated terms, **Semapa** returned a pre-tax profit in the sum of PTE 19,938.202 million and a net profit of PTE 6,167.758 million generating an after-tax cash flow in the sum of PTE 18,491.556 million.

During the year the shares were quoted at a minimum of EUR 3.00 and a maximum of EUR 4.47, closing the year at EUR 3.85 (these figures have been adjusted for the stock split).

To keep with the deliberation of the General Meeting held on March 31st 2000, **Semapa** paid a dividend to its shareholders in the sum of PTE 4,237.35 million, or 180\$00 per outstanding share (prior to the stock split).

Regarding the dividend distribution policy, the Company's paid out a large sum without jeopardising its financial solidity and without increasing its debt.

During the year the Company bought 185,000 treasury shares (or 925,000 after the stock split) pursuant to the authorisation given to the Board of Directors in the latest General Meeting of the Company held on March 31st 2000.

The denomination and nominal value of **Semapa's** share capital were altered from escudos to Euros and the Company's shares came to have a par value of EUR 5, the number of shares remained unchanged. This involved an increase of the share capital by incorporation of share issue premiums in the sum of tPTE 57 036.

Semapa carried out a five-for-one stock split in August 2000, and each EUR 5 share was split into five shares each of par values of EUR 1.

With regards to the CMVM recommendations to about corporate management, the Company, to a certain extent warranted by its nature, has already taken several steps towards its implementation. Within the scope of information, is highlighted the fact that the financial statements are already available in digital format and can

be delivered or sent by e-mail at the shareholders request. As far as shareholders representation, the voting system can be done by correspondence.

Proposal for the Appropriation of Profit

The following appropriation is proposed for the balance of the Net profit account in the sum of 6,167,757,802\$00:

Dividend on outstanding shares:	3,736,933,280\$00
Legal reserve	308,387,890\$00
Free reserves:	2,122,436,632\$00

Lisbon, February 19th 2001

THE BOARD OF DIRECTORS

Pedro Mendonça de Queiroz Pereira
Chairman

Maria Maude Mendonça de Queiroz Pereira Lagos
Director

Carlos Eduardo Coelho Alves
Director

José Alfredo de Almeida Honório
Director

Frederico José da Cunha de Mendonça e Meneses
Director

Alberto Fernandes Falcão
Director

Gonçalo Allen Serras Pereira
Director



SEMAPA - SOCIEDADE DE INVESTIMENTO E GESTÃO, SGPS, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2000 AND 1999

(Translation of financial statements originally issued in Portuguese - See Note 57)

(Amounts stated in thousands of Portuguese Escudos)

		2000		1999					
ASSETS	Notes	Gross assets	Depreciation/ provisions	Net assets	Net assets	EQUITY, MINORITY INTERESTS AND LIABILITIES	Notes	2000	1999
FIXED ASSETS:									
Intangible assets:									
Incorporation expenses	27	443.478	(324.245)	119.233	25.451	Share capital	53 and 54	23.723.525	23.666.489
Research and development expenses	27	190.125	(103.790)	86.335	22.638	Treasury Stock - nominal value	54	(311.405)	(125.656)
Industrial property and other rights	27	17.536.190	(409.603)	17.126.587	29.064	Treasury Stock - discounts and premiums	54	(728.299)	(230.795)
Goodwill	27	62.163	(2.703)	59.460	31.211	Share premium account	54	786.583	843.619
Consolidation differences	10 and 27	28.701.599	(7.823.137)	20.878.462	16.399.661	Consolidation differences	10 and 54	(123.893)	(1.674.039)
Intangible assets in progress	27	87.898	-	87.898	102.297	Accumulated exchange adjustments	54	(117.517)	
Advances to suppliers of intangible assets	27	5.000	-	5.000		Revaluation reserves	54	4.217.632	5.833.890
		<u>47.026.453</u>	<u>(8.663.478)</u>	<u>38.362.975</u>	<u>16.615.322</u>	Reserves:			
Tangible fixed assets:						Legal reserves	54	1.168.080	833.415
Land and natural resources	27	8.235.814	(1.299.239)	6.936.575	6.804.657	Other reserves	54	4.086.852	1.965.557
Buildings and other constructions	27	55.824.133	(35.172.809)	20.651.324	16.109.783	Retained earnings	54	8.103	8.103
Machinery and equipment	27	167.791.749	(126.722.633)	41.069.116	28.272.794	Consolidated net profit for the year	54	6.167.758	6.693.311
Transport equipment	27	8.278.154	(6.655.273)	1.622.881	981.618	Total equity		<u>38.877.419</u>	<u>37.813.894</u>
Tools and utensils	27	745.572	(636.989)	108.583	133.065	MINORITY INTERESTS			
Administrative equipment	27	4.289.411	(3.449.312)	840.099	924.004		55	<u>37.052.644</u>	<u>35.675.242</u>
Reusable containers	27	3.317	(3.266)	51	95	LIABILITIES:			
Other tangible fixed assets	27	1.230.514	(927.796)	302.718	211.294	PROVISIONS FOR RISKS AND COSTS:			
Construction in progress	27	1.130.575	-	1.130.575	873.736	Provisions for taxes	46	-	98.033
Advances to suppliers of tangible fixed assets	27	135.601	-	135.601	71.500	Other provisions for risks and costs	46	1.175.199	1.997.125
		<u>247.664.840</u>	<u>(174.867.317)</u>	<u>72.797.523</u>	<u>54.382.546</u>			<u>1.175.199</u>	<u>2.095.158</u>
Financial investments:									
Financial investments in subsidiaries	27	2.258.405	-	2.258.405	2.927.152	MEDIUM AND LONG TERM LIABILITIES:			
Financial investments in affiliated companies	27	4.588.183	-	4.588.183	4.367.561	Debtenture loans	56	19.662.290	18.930.000
Loans to affiliated companies	27	443.443	-	443.443	60.000	Bank loans	56	69.495.546	203.826
Securities and other financial investments	27	43.416.864	(441.989)	42.974.875	20.060.948	Other loans	56	750.000	1.062.500
Advances on account of financial investments	27	341.720	-	341.720	-	Shareholders	55	48.864	48.864
		<u>51.048.615</u>	<u>(441.989)</u>	<u>50.606.626</u>	<u>27.415.661</u>	Accounts payable to suppliers of fixed assets	47	98.769	168.580
								<u>90.055.469</u>	<u>20.413.770</u>
MEDIUM AND LONG TERM RECEIVABLES:									
Other debtors	50	<u>275.676</u>	<u>-</u>	<u>275.676</u>	<u>137.269</u>	SHORT TERM LIABILITIES:			
CURRENT ASSETS:									
Inventories:									
Raw, subsidiary and consumable materials		4.713.828	(352.759)	4.361.069	2.528.606	Debtenture loans	56	220.000	1.250.000
Work in progress		101.592	-	101.592	121.311	Bank loans	56	7.683.439	3.829.816
Subproducts and waste		-	-	-	4.193	Other loans	56	312.500	139.175
Finished goods and intermediate products		1.938.997	(3.824)	1.935.173	1.458.943	Accounts payable to suppliers		7.156.095	5.442.941
Merchandise		2.167.760	-	2.167.760	885.892	Suppliers' invoices pending		208.285	134.383
	46	<u>8.922.177</u>	<u>(356.583)</u>	<u>8.565.594</u>	<u>4.998.945</u>	Notes payable to suppliers		454.898	121.862
Accounts receivable - short term:									
Accounts receivable from customers		11.199.684	(29.325)	11.170.359	10.476.394	Group companies		272.446	2.609.427
Notes receivable from customers		456.819	(11.556)	445.263	189.433	Shareholders	55	1.038.126	606.127
Doubtful accounts receivable		2.093.771	(1.977.555)	116.216	52.265	Advances from customers		678	683
Accounts receivable from group companies		414.179	-	414.179	165.606	Accounts payable to suppliers of fixed assets		913.213	865.609
Shareholders		-	-	-	4	Accounts payable to state entities	51	1.821.993	5.979.844
Participant and participated companies		85.789	-	85.789	130.626	Other creditors	50	994.993	157.409
Advances to suppliers		26.732	-	26.732	34.144			<u>21.076.666</u>	<u>21.137.276</u>
Accounts receivable from state entities	51	241.726	-	241.726	77.417	ACCRUALS AND DEFERRALS:			
Other debtors	50	<u>2.591.269</u>	<u>(98.632)</u>	<u>2.492.637</u>	<u>2.267.291</u>	Accrued costs	52	1.679.286	1.542.782
	46	<u>17.109.969</u>	<u>(2.117.068)</u>	<u>14.992.901</u>	<u>13.393.180</u>	Deferred income	52	1.124.355	1.152.249
Marketable securities:									
Other marketable securities	2	3.356.344	-	3.356.344	200.112			<u>2.803.641</u>	<u>2.695.031</u>
Other treasury applications	2	-	-	-	166.714				
		<u>3.356.344</u>	<u>-</u>	<u>3.356.344</u>	<u>366.826</u>				
Banks and cash:									
Bank deposits	2	1.555.190	-	1.555.190	2.196.120				
Cash	2	<u>17.129</u>	<u>-</u>	<u>17.129</u>	<u>28.004</u>				
		<u>1.572.319</u>	<u>-</u>	<u>1.572.319</u>	<u>2.224.124</u>				
ACCRUALS AND DEFERRALS:									
Accrued income	52	23.385	-	23.385	26.641				
Deferred costs	52	<u>487.695</u>	<u>-</u>	<u>487.695</u>	<u>269.857</u>				
		<u>511.080</u>	<u>-</u>	<u>511.080</u>	<u>296.498</u>				
Total depreciation									
(183.794.738)									
Total provisions									
(2.651.698)									
Total assets									
		<u>377.487.473</u>	<u>(186.446.436)</u>	<u>191.041.038</u>	<u>119.830.371</u>	Total equity, minority interests and liabilities		<u>191.041.038</u>	<u>119.830.371</u>

The accompanying notes form an integral part of the consolidated balance sheet as of 31 December 2000.

The Accountant

The Board of Directors

SEMAPA - SOCIEDADE DE INVESTIMENTO E GESTÃO, SGPS, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2000 AND 1999

(Translation of financial statements originally issued in Portuguese - See Note 57)

(Amounts stated in Euro EUR 1 = PTE 200.482)

		2000		1999					
ASSETS	Notes	Gross assets	Depreciation/ provisions	Net assets	Net assets	EQUITY, MINORITY INTERESTS AND LIABILITIES	Notes	2000	1999
FIXED ASSETS:									
Intangible assets:									
Incorporation expenses	27	2.212.059	(1.617.327)	594.732	126.949	Share capital	53 and 54	118.332.445	118.047.949
Research and development expenses	27	948.340	(517.702)	430.637	112.918	Treasury Stock - nominal value	54	(1.553.280)	(626.769)
Industrial property and other rights	27	87.470.147	(2.043.091)	85.427.056	144.971	Treasury Stock - discounts and premiums	54	(3.632.740)	(1.151.201)
Goodwill	27	310.068	(13.483)	296.585	155.680	Share premium account	54	3.923.459	4.207.954
Consolidation differences	10 and 27	143.162.972	(39.021.643)	104.141.329	81.801.164	Consolidation differences	10 and 54	(617.976)	(8.350.071)
Intangible assets in progress	27	438.433	-	438.433	510.255	Accumulated exchange adjustments	54	(586.170)	-
Advances to suppliers of intangible assets	27	24.940	-	24.940	24.940	Revaluation reserves	54	21.037.458	29.099.321
		<u>234.566.959</u>	<u>(43.213.246)</u>	<u>191.353.713</u>	<u>82.876.877</u>	Reserves:			
Tangible fixed assets:									
Land and natural resources	27	41.080.067	(6.480.577)	34.599.490	33.941.486	Legal reserves	54	5.826.358	4.157.056
Buildings and other constructions	27	278.449.601	(175.441.232)	103.008.370	80.355.259	Other reserves	54	20.385.132	9.804.157
Machinery and equipment	27	836.941.715	(632.089.829)	204.851.887	141.024.102	Retained earnings	54	40.418	40.418
Transport equipment	27	41.291.258	(33.196.362)	8.094.896	4.896.290	Consolidated net profit for the year	54	<u>30.764.647</u>	<u>33.386.095</u>
Tools and utensils	27	3.718.897	(3.177.288)	541.610	663.725	Total equity		<u>193.919.752</u>	<u>188.614.908</u>
Administrative equipment	27	21.395.492	(17.205.096)	4.190.396	4.608.913	MINORITY INTERESTS			
Reusable containers	27	16.545	(16.291)	254	474		55	<u>184.817.809</u>	<u>177.947.357</u>
Other tangible fixed assets	27	6.137.778	(4.627.827)	1.509.951	1.053.930	LIABILITIES:			
Construction in progress	27	5.639.284	-	5.639.284	4.358.177	PROVISIONS FOR RISKS AND COSTS:			
Advances to suppliers of tangible fixed assets	27	676.375	-	676.375	356.640	Provisions for taxes	46	-	488.987
		<u>1.235.347.014</u>	<u>(872.234.500)</u>	<u>363.112.514</u>	<u>271.258.996</u>	Other provisions for risks and costs	46	<u>5.861.868</u>	<u>9.961.618</u>
Financial investments:									
Financial investments in subsidiaries	27	11.264.877	-	11.264.877	14.600.573	MEDIUM AND LONG TERM LIABILITIES:			
Financial investments in affiliated companies	27	22.885.760	-	22.885.760	21.785.302	Debtenture loans	56	98.075.089	94.422.442
Loans to affiliated companies	27	2.211.884	-	2.211.884	299.279	Bank loans	56	346.642.322	1.016.680
Securities and other financial investments	27	216.562.405	(2.204.632)	214.357.773	100.063.587	Other loans	56	3.740.984	5.299.728
Advances on account of financial investments	27	1.704.492	-	1.704.492	-	Shareholders	55	243.733	243.733
		<u>254.629.418</u>	<u>(2.204.632)</u>	<u>252.424.786</u>	<u>136.748.741</u>	Accounts payable to suppliers of fixed assets	47	<u>492.658</u>	<u>840.873</u>
MEDIUM AND LONG TERM RECEIVABLES:									
Other debtors	50	1.375.066	-	1.375.066	684.695			<u>449.194.786</u>	<u>101.823.455</u>
CURRENT ASSETS:									
Inventories:									
Raw, subsidiary and consumable materials		23.512.475	(1.759.554)	21.752.920	12.612.634	SHORT TERM LIABILITIES:			
Work in progress		506.739	-	506.739	605.097	Debtenture loans	56	1.097.355	6.234.974
Subproducts and waste		-	-	-	20.915	Bank loans	56	38.324.832	19.103.042
Finished goods and intermediate products		9.671.676	(19.074)	9.652.602	7.277.177	Other loans	56	1.558.743	694.202
Merchandise		10.812.741	-	10.812.741	4,418.811	Accounts payable to suppliers		35.694.451	27.149.275
	46	<u>44.503.631</u>	<u>(1.778.629)</u>	<u>42.725.003</u>	<u>24.934.633</u>	Suppliers' invoices pending		1.038.921	670.300
Accounts receivable - short term:									
Accounts receivable from customers		55.863.788	(146.272)	55.717.516	52.256.033	Notes payable to suppliers		2.269.021	607.845
Notes receivable from customers		2.278.604	(57.641)	2.220.962	944.888	Group companies		1.358.955	13.015.767
Doubtful accounts receivable		10.443.686	(9.864.003)	579.683	260.697	Shareholders	55	5.178.150	3.023.349
Accounts receivable from group companies		2.065.916	-	2.065.916	826.039	Advances from customers		3.382	3.407
Shareholders		-	-	-	20	Accounts payable to suppliers of fixed assets		4.555.087	4.317.639
Participant and participated companies		427.914	-	427.914	651.560	Accounts payable to state entities	51	9.088.063	29.827.336
Advances to suppliers		133.339	-	133.339	170.310	Other creditors	50	<u>4.963.004</u>	<u>785.153</u>
Accounts receivable from state entities	51	1.205.724	-	1.205.724	386.154			<u>105.129.964</u>	<u>105.432.288</u>
Other debtors	50	<u>12.925.195</u>	<u>(491.974)</u>	<u>12.433.221</u>	<u>11.309.200</u>	ACCRUALS AND DEFERRALS:			
	46	<u>85.344.166</u>	<u>(10.559.891)</u>	<u>74.784.275</u>	<u>66.804.900</u>	Accrued costs	52	8.376.243	7.695.364
Marketable securities:									
Other marketable securities	2	16.741.373	-	16.741.373	998.154	Deferred income	52	<u>5.608.259</u>	<u>5.747.394</u>
Other treasury applications	2	-	-	-	831.566			<u>13.984.502</u>	<u>13.442.758</u>
		<u>16.741.373</u>	-	<u>16.741.373</u>	<u>1.829.720</u>				
Banks and cash:									
Bank deposits	2	7.757.255	-	7.757.255	10.954.200				
Cash	2	85.439	-	85.439	139.683				
		<u>7.842.694</u>	-	<u>7.842.694</u>	<u>11.093.884</u>				
ACCRUALS AND DEFERRALS:									
Accrued income	52	116.644	-	116.644	132.885				
Deferred costs	52	2.432.612	-	2.432.612	1.346.041				
		<u>2.549.256</u>	-	<u>2.549.256</u>	<u>1.478.926</u>				
Total depreciation			<u>(916.764.288)</u>						
Total provisions			<u>(13.226.614)</u>						
Total assets		<u>1.882.899.577</u>	<u>(929.990.902)</u>	<u>952.908.680</u>	<u>597.711.371</u>	Total equity, minority interests and liabilities		<u>952.908.680</u>	<u>597.711.371</u>

The accompanying notes form an integral part of the consolidated balance sheet as of 31 December 2000.



SEMAPA - SOCIEDADE DE INVESTIMENTO E GESTÃO, SGPS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE FOR THE YEARS ENDED 31 DECEMBER 2000 AND 1999

(Translation of financial statements originally issued in Portuguese - See Note 57)

(Amounts stated in thousands of Portuguese Escudos)

EXPENSES	Notes	2000	1999	INCOME	Notes	2000	1999
Cost of inventories sold and consumed		26.262.495	21.232.700	Sales of merchandise and finished goods	36	89.913.638	77.198.911
External services		21.886.857	16.519.567	Services rendered	36	<u>3.359.531</u>	<u>2.082.385</u>
Payroll expenses:						93.273.169	79.281.296
Salaries		7.714.094	6.414.076	Variation in production		175.747	514.806
Social charges:				Work for the company		48.464	7.200
Pensions	21	138.743	169.847	Supplementary income		345.070	266.624
Other		<u>3.655.522</u>	<u>2.787.948</u>	Subsidies		3.027	13.402
		11.508.359	9.371.871	Other operating income		<u>269.756</u>	<u>137.166</u>
Depreciation and amortisation	27	11.825.152	10.170.046	(B)		<u>617.853</u>	<u>417.192</u>
Provisions	46	<u>498.646</u>	<u>242.470</u>			94.115.233	80.220.494
		12.323.798	10.412.516				
Taxes		802.941	134.691	Gain on financial investments:			
Other operating costs		<u>508.541</u>	<u>779.899</u>	Relating to affiliated companies	27 and 44	795.120	1.340.778
(A)		73.292.991	58.451.244	Relating to other companies	44	786.665	312.222
				Income from marketable securities		3.478	834
Losses relating to affiliated companies	27 and 44	62.739	152.959	Other interest and similar income:			
Depreciation and provisions for investments				Income relating to affiliated companies		38.210	14.815
in property	27 and 44	8.228	8.228	Other	44	<u>418.315</u>	<u>239.577</u>
Other financial expenses	44	<u>5.139.401</u>	<u>1.455.442</u>	(D)		96.157.021	82.128.720
(C)		78.503.359	60.067.873				
Extraordinary expenses	45	<u>919.284</u>	<u>805.431</u>	Extraordinary income	45	3.203.823	1.492.830
(E)		79.422.643	60.873.304				
Income tax for the year	51	<u>8.014.432</u>	<u>9.869.952</u>				
		87.437.074	70.743.256				
Minority interests	55	<u>5.756.012</u>	<u>6.184.983</u>				
(G)		93.193.086	76.928.239				
Consolidated net profit for the year		<u>6.167.758</u>	<u>6.693.311</u>	(F)		<u>99.360.844</u>	<u>83.621.550</u>
		<u>99.360.844</u>	<u>83.621.550</u>				
				Operating results:	(B) - (A)	20.822.242	21.769.250
				Financial results:	(D - B) - (C - A)	(3.168.580)	291.597
				Current results:	(D) - (C)	17.653.662	22.060.847
				Profit before income tax and minority interests:	(F) - (E)	19.938.202	22.748.246
				Consolidated net profit for the year:	(F) - (G)	6.167.758	6.693.311

The accompanying notes form an integral part of the consolidated statement of profit and loss for the year ended 31 December 2000.

The Accountant

The Board of Directors



SEMAPA - SOCIEDADE DE INVESTIMENTO E GESTÃO, SGPS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE FOR THE YEARS ENDED 31 DECEMBER 2000 AND 1999

(Translation of financial statements originally issued in Portuguese - See Note 57)

(Amounts stated in Euros Eur 1 = PTE 200.482)

EXPENSES	Notes	2000	1999	INCOME	Notes	2000	1999
Cost of inventories sold and consumed		130.996.773	105.908.261	Sales of merchandise and finished goods	36	448.487.336	385.066.545
External services		109.171.183	82.399.253	Services rendered	36	<u>16.757.272</u>	<u>10.386.893</u>
Payroll expenses:						465.244.607	395.453.437
Salaries		38.477.738	31.993.276	Variation in production		876.622	2.567.842
Social charges:				Work for the company		241.737	35.913
Pensions	21	692.047	847.193	Supplementary income		1.721.202	1.329.915
Other		<u>18.233.667</u>	<u>13.906.226</u>	Subsidies		15.099	66.849
		57.403.452	46.746.695	Other operating income		<u>1.345.537</u>	<u>684.181</u>
Depreciation and amortisation	27	58.983.611	50.727.976	(B)		469.444.805	2.080.945
Provisions	46	<u>2.487.236</u>	<u>1.209.435</u>				400.138.137
		61.470.847	51.937.411				
Taxes		4.005.051	671.836	Gain on financial investments:			
Other operating costs		<u>2.536.592</u>	<u>3.890.120</u>	Relating to affiliated companies	27 and 44	3.966.042	6.687.772
(A)		365.583.897	291.553.576	Relating to other companies	44	3.923.868	1.557.357
				Income from marketable securities		17.348	4.160
Losses relating to affiliated companies	27 and 44	312.941	762.956	Other interest and similar income:			
Depreciation and provisions for investments in property	27 and 44	41.041	41.041	Income relating to affiliated companies		190.588	73.897
Other financial expenses	44	<u>25.635.222</u>	<u>7.259.714</u>	Other	44	<u>2.086.546</u>	<u>1.195.005</u>
(C)		391.573.101	299.617.287	(D)		479.629.198	9.518.191
							409.656.328
Extraordinary expenses	45	<u>4.585.369</u>	<u>4.017.473</u>	Extraordinary income	45	15.980.603	7.446.205
(E)		396.158.470	303.634.760				
Income tax for the year	51	<u>39.975.817</u>	<u>49.231.113</u>				
		436.134.287	352.865.873				
Minority interests	55	<u>28.710.867</u>	<u>30.850.565</u>				
(G)		464.845.154	383.716.438				
Consolidated net profit for the year		<u>30.764.647</u>	<u>33.386.095</u>	(F)			
		<u>495.609.801</u>	<u>417.102.533</u>			<u>495.609.801</u>	<u>417.102.533</u>
				Operating results:	(B) - (A)	103.860.908	108.584.561
				Financial results:	(D - B) - (C - A)	(15.804.811)	1.454.480
				Current results:	(D) - (C)	88.056.097	110.039.041
				Profit before income tax and minority interests:	(F) - (E)	99.451.331	113.467.773
				Consolidated net profit for the year:	(F) - (G)	30.764.647	33.386.095

The accompanying notes form an integral part of the consolidated statement of profit and loss for the year ended 31 December 2000.

The Accountant

The Board of Directors

SEMAPA - SOCIEDADE DE INVESTIMENTO E GESTÃO, SGPS, S.A.

AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS BY FUNCTIONS

FOR THE YEAR ENDED 31 DECEMBER 2000

(Translation of financial statements originally issued in Portuguese - See Note 57)

(Amounts stated in thousands of Portuguese Escudos)

	<u>Notes</u>	<u>2000</u>
Sales and services rendered	36	93.273.169
Cost of sales and services rendered		<u>(49.157.327)</u>
Gross profit		44.115.842
Other operating income		1.249.690
Distribution cost		(9.709.895)
Administrative cost		(8.531.375)
Other operating costs		<u>(2.775.760)</u>
Operating profit		24.348.502
Net financial cost		(7.682.056)
Income from financial investments in affiliated companies		732.381
Income from other financial investments		<u>1.813.786</u>
Current profit		19.212.613
Net extraordinary income		725.589
Income tax		(8.014.432)
Minority interests		<u>5.756.012</u>
Net profit for the year		<u><u>6.167.758</u></u>
Net profit per share (in Escudos)		<u><u>52,12</u></u>

The accompanying notes form an integral part the statement of profit and loss by functions

The Accountant

The Board of Directors

SEMAPA - SOCIEDADE DE INVESTIMENTO E GESTÃO, SGPS, S.A.

AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS BY FUNCTIONS

FOR THE YEAR ENDED 31 DECEMBER 2000

(Translation of financial statements originally issued in Portuguese - See Note 57)

(Amounts stated in Euros EUR1 = PTE 200.482)

	<u>Notes</u>	<u>2000</u>
Sales and services rendered	36	465.244.606
Cost of sales and services rendered		<u>(245.195.713)</u>
Gross profit		220.048.892
Other operating income		6.233.427
Distribution cost		(48.432.752)
Administrative cost		(42.554.319)
Other operating costs		<u>(13.845.433)</u>
Operating profit		121.449.816
Net financial cost		(38.317.934)
Income from financial investments in affiliated companies		3.653.101
Income from other financial investments		<u>9.047.126</u>
Current profit		95.832.110
Net extraordinary income		3.619.223
Income tax		(39.975.818)
Minority interests		<u>28.710.867</u>
Net profit for the year		<u><u>30.764.647</u></u>
Net profit per share (in Escudos)		<u><u>0,26</u></u>

The accompanying notes form an integral part the statement of profit and loss by functions

The Accountant

The Board of Directors

SEMAPA – SOCIEDADE DE INVESTIMENTO E GESTÃO, SGPS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2000

AND CONSOLIDATED STATEMENTS OF PROFIT AND LOSS

FOR THE YEAR THEN ENDED

(Translation of a report originally issued in Portuguese - See Note 57)

(Amounts stated in thousands of Portuguese Escudos - tEsc.)

INTRODUCTION

The Semapa Group ("the Group") is made up of Semapa - Sociedade de Investimentos e Gestão, SGPS, S.A. ("Semapa") and subsidiaries (Note 1). Semapa was founded on 21 June 1991 and its corporate objects are the management of investments in other companies, as an indirect form of carrying out economic activity. The operations of the Group consist basically of the manufacture and sale of cement, cement premix, clay and cement products and the operation of quarries.

As a result of the reorganisation, which began in the preceding year, Secil founded the following sub-holding companies: (i) Secil - Betões e Inertes, SGPS, S.A., which holds investments in the companies operating in the areas of ready mixed concrete and aggregates; (ii) Secil Investimentos, SGPS, S.A., which holds the strategic investments of the Group, included or not in its core business.

In January, the Group began its internationalisation process with the acquisition of Société des Ciments de Gabés in Tunisia, the corporate objects of which consist of the production and distribution of cement and related products.

During the year the Shareholders' General Meeting decided to redenominate the share capital of Semapa, Secil - Companhia Geral de Cal e Cimento, S.A. and CMP – Cimentos Maceira e Pataias, S.A. to Euros and subsequently to increase their share capital through the incorporation of reserves.

The numbering of the notes which follow is as defined in the Official Chart of Accounts ("Plano Oficial de Contabilidade - POC") for consolidated financial statements. The numbers not included relate to notes that are either not applicable to the Group, or their presentation is not material to the consolidated financial statements.

I. INFORMATION CONCERNING COMPANIES INCLUDED IN THE CONSOLIDATION AND OTHERS

1. GROUP COMPANIES INCLUDED IN THE CONSOLIDATION

The Companies included in the consolidation, their head offices, and the percentage of share capital held by the Group as of 31 December 2000, are shown in Appendix I.

These subsidiaries were included in the consolidation by the full consolidation method, as set forth in line a) item 1, Article 1 of Decree-Law 238/91, of 2 July (majority of voting rights).

2. GROUP COMPANIES EXCLUDED FROM THE CONSOLIDATION

Investments in Group companies excluded from the consolidation, which are recorded under the caption investments in subsidiaries, their head offices and the percentages of share capital held as of 31 December 2000 are shown in Appendix II.

Investments in Secil Energia, Lda. and Betopal, S.A. (Espanha) were excluded from consolidation due to their immateriality, both individually and in total, in relation to the financial position and results of operations of the Secil Group, as set forth in item 1, Article 4 of Decree-Law 238/91, of 2 July. The investment in Betopal, S.A. (Espanha) was recorded in the consolidated financial statements in accordance with the equity method.

Tecnosecil was incorporated in the year 2000. The company's corporate object is the operation of a cement plant in Lobito. At 31 December 2000 this company had not yet started operating.

The investment in Asfalbetão Transportes, Lda. was excluded from the consolidation, as this subsidiary is going to be liquidated. This investment was recorded in the consolidated financial statements in accordance with the equity method.

Enersis' subsidiaries are not included in the consolidation as Enersis is exempt from the requirement to prepare consolidated financial statements as set forth in Article 3 of Decree-Law 238/91, of 2 July. These subsidiaries were included in the consolidated financial statements in accordance with the equity method as set forth in item 13.6 of the standards for consolidated accounts established in the decree-law referred to above. Furthermore their inclusion in the consolidation would impair the objective of adequately presenting the Company's financial position, as set forth in item 13.2.2 a) of the above mentioned standards for consolidated accounts.

3. AFFILIATED COMPANIES

Affiliated companies, included in the consolidated financial statements in accordance with the equity method, their head offices and the percentages of their share capital held by the Group as of 31 December 2000, are shown in Appendix III.

These investments are recorded in the consolidated financial statements in accordance with the equity method, as set forth in item 13.6 of the standards for consolidated accounts established in Decree-Law 238/91 of 2 July.

7. AVERAGE NUMBER OF PERSONNEL

The average number of personnel of the companies included in the consolidation, was as follows:

<i>By activity</i>	<u>2000</u>	<u>1999</u>
Portugal		
Cement	771	777
Concrete premix	625	584
Others	215	216
Tunisia		
Cement	518	-
Others	-	-
Total	<u>2,129</u>	<u>1,577</u>

III. INFORMATION CONCERNING THE CONSOLIDATION PROCEDURES

10. CONSOLIDATION DIFFERENCES

a) Consolidation differences included in equity

The balance of this caption reflects the adjustments recorded upon application of the equity method for the first time, as well the adjustments made by Secil directly to its own equity and the effect of similar adjustments made by its subsidiaries, after that date.

During 2000, the amount of tEsc. 1,616,258 (Note 54), corresponding to Semapa's proportion of Secil's capital increase in 2000 through incorporation of the revaluation reserve under the Decree-Law 31/98 of 11 February, was transferred from revaluation reserves to consolidation differences.

b) Consolidation differences included in intangible assets

At 31 December 2000 this caption includes the differences between cost and the proportional amount of equity held in the participated companies as of the reference dates in which the acquisitions were made. The movement in this caption during the year was as follows:

<u>Movements</u>	<u>tEsc.</u>
Opening balance	<u>22,690,399</u>
Increases:	
Secil Betões e Inertes, SGPS, S.A.	338,092
Société des Ciments de Gabés	4,624,800
Hidrocorgo	220,720
Asfalbetão - Sociedade Industrial, Lda.	1,151,124
Asfalbetão - Transportes, Lda.	<u>38,285</u>
	<u>6,373,021</u>
Decreases:	
ENERPRO	84
Produtora de Energia Minihidrica, Lda.	347,770
Telener - Serviços de Telecomunicações, Lda.	2,351
Lisconcreto - Betão Pronto, S.A.	<u>11,616</u>
	<u>361,821</u>
Closing balance	<u><u>28,701,599</u></u>

During the year ended 31 December 2000, Secil changed the amortisation period of the consolidation difference arising from the investment in CMP from 15 to 20 years as the period of useful life of the main fixed assets of this subsidiary is estimated to be more than 20 years. Consequently, the net book value of the consolidation difference as of 31 December 1999, in the amount of tEsc. 13,706,934, is now being amortised on a straight line basis over the remaining period of 14 years. The impact of this change in the amortisation period of the above mentioned consolidation difference is to decrease amortisation for the year ended 31 December 2000 by approximately tEsc. 436,200 compared to the amount that would have been recorded if Secil had not made the change.

On 11 January 2000 Secil acquired a 98.71% participation in Société des Ciments de Gabés (SCG) at a cost of tEsc. 49,028,629. In accordance with a study made by an independent entity, the assets, existing at the date of acquisition – 31 December 1999 -, were valued at tEsc. 36,890,544.

The periods of useful life attributed to the buildings and other constructions, machinery and equipment, transport and industrial property (right to operate the stone quarry) in accordance with the study are 40 years, 20 years, 5 years, and the contract period (50 years), respectively, and so the corresponding fair values are being depreciated over these periods. The remaining goodwill of tEsc. 4,624,800 is being amortised on a straight line basis over 20 years, as this is the estimated period for recovery of the investment.

The remaining consolidation differences are amortised on a straight line basis over periods that vary between 5 and 20 years. The period of useful life of the principal fixed assets was used in determining these periods, due to the nature of these companies' operations.

The amortisation periods of the consolidation differences resulting from the acquisitions in 1995, 1996 and 1999 of CMP's subsidiaries: Enersis, Argibetão and Cimianto were determined based on the remaining period of amortisation of the goodwill computed in previous years on the initial acquisitions.

Amortisation of the consolidation differences is recorded in the consolidated statement of profit and loss, under the caption depreciation and amortisation (Note 27).

14. CHANGES IN THE GROUP OF COMPANIES INCLUDED IN THE CONSOLIDATION

During the year ended 31 December 2000 the following changes in the group of companies included in the consolidation occurred:

a) Acquisitions:

- Acquisition in January, of a 98.71% participation in Société des Ciment de Gabés, with Head Office in Tunis – Tunisia;
- Acquisition in January, of a 90% participation in Asfalbetão – Sociedade Industrial, Lda., with Head Office in Torres Vedras;
- Acquisition in January, of 100% of the share capital of Asfalbetão – Transportes, Lda., with Head Office in Torres Vedras.

b) Companies incorporated:

- Incorporation, in March, of Secil Betões e Inertes, SGPS, S.A. with initial share capital of tEsc. 8,342,996 and Head Office in Setúbal;
- Incorporation, in April, of Secil Investimentos, SGPS, S.A. with initial share capital of tEsc. 10,024 and Head Office in Lisbon;
- Incorporation, in June, of Secilpar, SL with initial share capital of tEsc. 602 and Head Office in Madrid, Spain.

The total assets, liabilities and profits of these subsidiaries included in the consolidation as of 31 December 2000, amounted to tEsc. 31,479,909, tEsc. 2,689,131 and tEsc. 11,508,966, respectively.

15. CONSISTENCY OF VALUATION CRITERIA APPLIED

The principal valuation criteria used by the Group were consistent between the companies included in the consolidation and are as described in Note 23.

18. BASIS OF RECORDING FINANCIAL INVESTMENTS IN ASSOCIATED COMPANIES

The companies included in the consolidation record their financial investments in associated companies in their individual financial statements in accordance with the equity method.

IV. INFORMATION RELATING TO COMMITMENTS

21. PENSION FUND

As explained in Note 23.h) Secil and CMP have assumed the commitment to pay their employees pension complements for retirement due to age, incapacity, early retirement and survivor pensions. These pension complements are determined based on the number of years of employment and the prevailing salary scale.

Both companies constituted autonomous pension funds to cover their liabilities for these payments. However, Secil's Pension Fund does not cover employees already retired at the date of its constitution (29 December 1987) nor the fourteenth month pension complement paid voluntarily by the Company to pensioners covered by the Fund. Payments made by Secil to these pensioners are recorded as costs of the year in which they are paid.

The liabilities of these companies at 31 December 2000, based on actuarial calculations made by independent entities, and the market values of the Pension Funds are as follows:

	<u>Secil</u>	<u>CMP</u>
Liability for past service:		
Current employees and early retirees	686,200	988,305
Pensioners covered by the Pension Fund	608,200	3,826,564
	-----	-----
	1,294,400	4,814,869
Pensioners not covered by the Pension Fund	2,927,477 (a)	-
	-----	-----
	4,221,877	4,814,869
	=====	=====
Market value of the Fund	1,671,822	4,796,407
	=====	=====

(a) These liabilities include the fourteenth month pension complement paid voluntarily by Secil to pensioners already retired at 29 December 1987.

The main actuarial and financial assumptions used in the calculations (made using the Projected Unit Credit method) are the following:

	<u>Secil</u>	<u>CMP</u>
Incapacity table	EKV80	Swiss
Mortality table	TV 73/77	TV 73/77
Salary growth rate	3%	3%
Fund income rate	5.5%	5.5%
Technical interest rate - pensioners	4.5%	4.5%
Pension growth rate	2%	2%

At 31 December 2000 Secil had no provision to cover its liability, totalling approximately tEsc. 2,928,000, not covered by the Pension Fund.

During 2000 Secil paid pensions to pensioners who retired before 29 December 1987, totalling tEsc. 310,946.

Evolution of the net assets of the Secil and CMP Pension Funds in 2000 was as follows:

	Secil	CMP
Balance at the beginning of the year	1,636,854	5,068,990
Contributions during the year	38,291	131,000
Charges for managing the fund	(8,623)	(10,201)
Income of the fund for the year	64,122	59,081
Pensions paid during the year	(58,822)	(452,463)
	-----	-----
Balance at the end of the year	1,671,822	4,796,407
	=====	=====

During 2000 CMP made contributions to the Pension Fund in the amount of tEsc. 131,000, which were recorded in the consolidated statement of profit and loss under the caption social charges – pensions.

22. GUARANTEES GIVEN

In order to guarantee a loan obtained in 1994 from a syndicate of bankers for the acquisition of Secil (Note 56), Semapa pledge 535,627 shares in Secil in favour of the banks participating in the syndicate.

In addition, at 31 December 2000 Secil and the CMP Group had responsibilities under bank guarantees totalling tEsc. 637,838 and tEsc. 624,454, respectively.

V. INFORMATION CONCERNING ACCOUNTING POLICIES

23. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

Basis of presentation

The accompanying consolidated financial statements have been prepared on a going concern basis from the accounting records of the companies included in the consolidation (Note 1) maintained in accordance with generally accepted accounting principles in Portugal.

Consolidation principles

The subsidiary companies referred to in Note 1 were consolidated using the full consolidation method. The significant transactions and balances between the companies were eliminated in the consolidation process. Third party participation in subsidiary companies is recorded in the balance sheet caption "Minority interests".

Financial investments in affiliated companies are stated in the consolidated financial statements in accordance with the equity method.

Financial investments representing a participation of less than 20% are recorded at the lower of cost or estimated realisable value (except for the investment in Cimentos Madeira, Lda., which was recorded in accordance with the equity method).

Principal accounting policies

The principal accounting policies used in the preparation of the consolidated financial statements are as follows:

a) Intangible assets

Intangible assets are stated at cost, which is amortised on a straight line basis during a period which varies between 3 and 10 years, except for consolidation differences resulting from the acquisition of investments, which are amortised during a period which varies between 5 and 20 years (Note 10).

b) Tangible fixed assets

Tangible fixed assets acquired up to 31 December 1997 are stated in general at cost, revalued in accordance with applicable legislation (Note 41). Tangible fixed assets acquired after that date are stated at cost. Tangible fixed assets of CMP and Société des Ciments de Gabès, are stated at cost based on valuations made by independent entities.

Depreciation is computed on cost or revalued amount, essentially on a straight line basis, as from the dates the assets start operating, using rates acceptable for income tax purposes to depreciate the fixed assets during their estimated useful lives. Decreasing rates are used for some categories of assets acquired by Secil and CMP, where legislation permits this.

c) Financial for leases

Fixed assets acquired under financial lease contracts and the corresponding liabilities are recorded using the financial method. Under this method the cost of the assets is recorded under tangible fixed assets, the corresponding liabilities are recorded and the interest included in the lease instalments and depreciation of the fixed assets, calculated as explained in Note 23.b), are recorded as expenses in the consolidated statement of profit and loss for the year to which they relate.

d) Financial investments

Financial investments in affiliated companies are stated based on the equity method. Under this method investments are initially stated at cost, which is then increased or decreased to correspond to the proportional amount of the equity of these companies at the acquisition date or at the date the equity method is applied for the first time.

Differences between cost and the corresponding proportion of equity held by the Group in these companies as of the acquisition date, are recorded as intangible assets under the caption goodwill, when the difference is positive or as deferred income when the difference is negative. These differences, are amortised during the estimated period of recovery of the investments (Note 10.b)).

In accordance with the equity method investments are adjusted annually, by charge or credit to the consolidated statement of profit and loss, by the amount of the Group's share in the net results of the companies. Additionally, dividends received from these companies are deducted from investments in the year in which they are received.

Financial investments representing a participation of less than 20% are stated at the lower of cost or estimated realisable value (except for the investment in Cimentos Madeira, Lda., which is stated based on the equity method).

Financial investments in income earning property are stated at revalued cost less accumulated depreciation.

The financial statements of subsidiaries expressed in foreign currencies are translated to Portuguese escudos at the following exchange rates:

Historical exchange rate: for the equity captions, except for net result for the year;

Year end exchange rate: for assets and liabilities;

Average rate for the year: for the statement of profit and loss for the year.

The exchange differences resulting from application of the above mentioned exchange rates are reflected in the caption Accumulated exchange adjustments.

e) Inventories

Inventories are stated in accordance with the following criteria:

i) Merchandise and raw, subsidiary and consumable materials

Merchandise and raw, subsidiary and consumable materials are stated at average cost, which is lower than market value. Cost includes all expenses incurred up to receipt of the material in the warehouse.

ii) Finished goods and intermediate products and work in progress

Finished goods and intermediate products and work in progress are stated at average production cost, which is lower than market value. Production cost includes the cost of raw materials used in production, direct payroll costs and production overheads.

f) Marketable securities

Marketable securities are stated at the lower of cost or market value.

g) Accruals basis

The Group companies record income and expenses on an accruals basis, under which income and expenses are recorded in the period to which they relate, independently of when they are received or paid. Differences between the amounts received and paid and the related income and expenses are recorded in accrual and deferral accounts.

h) Pension complements

As mentioned in Note 21, Secil and CMP have assumed the commitment of paying their employees retirement pension complements. Both companies created autonomous pension funds, in order to cover their liabilities for such payments. However, the Secil Pension Fund does not cover the liability for the payment of pensions to employees already retired at the date of constitution of the Fund (29 December 1987) nor the fourteenth month complement paid voluntarily by Secil to retirees covered by the Fund. These payments are recorded in the consolidated statement of profit and loss for the period in which they are made.

On a semi-annual basis, both companies obtain actuarial valuations of their liabilities, in order to make additional contributions to the Fund and/or increase the provisions so as to cover the liabilities in full. Annual contributions to the fund not covered by amounts previously provided and increases in the provision are charged to the consolidated statement of profit and loss for the period in which they are made.

i) Subsidies to finance tangible fixed assets

Non repayable subsidies received to finance tangible fixed assets are recorded as deferred income and amortised to extraordinary income in the consolidated statement of profit and loss in proportion to the depreciation of the subsidised tangible fixed assets.

j) Deferred taxes

The Group does not record deferred taxes arising from timing differences in the recognition of income and expense for accounting purposes and for tax purposes, as this is not a generally accepted accounting principle in Portugal.

k) Balances and transactions expressed in foreign currencies

All assets and liabilities expressed in foreign currencies were translated to Portuguese Escudos at the exchange rates prevailing as of the balance sheet dates.

Exchange gains and losses arising due to differences between the historical exchange rates and those prevailing at the date of collection, payment or the date of the balance sheet, are recorded as income or expenses in the consolidated statement of profit and loss for the year.

VI. INFORMATION RELATING SPECIFIC CAPTIONS

27. MOVEMENT IN FIXED ASSETS

The movement in intangible assets, tangible fixed assets and financial investments, and the respective accumulated amortisation, depreciation and provision accounts, during 2000, was as follows:

Caption	Fixed assets					Closing balance
	Opening balance	Variation in perimeter	Increases	Sales	Adjustments, transfers and disposals	
Intangible assets:						
Incorporation expenses	294,013	3,165	144,861	-	1,439	443,478
Research and development expenses	76,596	-	19,254	-	94,275	190,125
Industrial property and other rights	75,684	11,257	17,449,249	-	-	17,536,190
Goodwill	31,211	25,950	-	5,002	-	62,163
Consolidation differences (Note 10.b))	22,690,399	-	6,373,021	(350,206)	(11,615)	28,701,599
Intangible assets in progress	102,297	-	40,389	-	(54,788)	87,898
Advances to suppliers of intangible assets	5,000	-	-	-	-	5,000
	23,275,200	40,372	24,026,774	(345,204)	29,311	47,026,453
Tangible fixed assets:						
Land and natural resources	7,997,454	111,716	113,987	(20,003)	32,660	8,235,814
Buildings and other constructions	47,977,268	2,770,337	5,006,696	(3,694)	73,526	55,824,133
Machinery and equipment	142,583,560	8,213,748	17,153,326	(904,495)	745,610	167,791,749
Transport equipment	6,297,607	1,343,278	1,286,235	(622,957)	(26,009)	8,278,154
Tools and utensils	721,719	2,368	23,295	(926)	(884)	745,572
Administrative equipment	3,942,538	26,069	268,763	(26,526)	78,567	4,289,411
Reusable containers	3,317	-	-	-	-	3,317
Other tangible fixed assets	562,034	607,964	60,682	(950)	784	1,230,514
Construction in progress	873,736	70,971	1,891,005	(19,384)	(1,685,753)	1,130,575
Advances to suppliers of tangible fixed assets	71,500	-	251,084	-	(186,983)	135,601
	211,030,733	13,146,451	26,055,073	(1,598,935)	(968,482)	247,664,840
Financial investments:						
Financial investments in subsidiaries	2,927,152	-	381,206	(21,687)	(1,028,266)	2,258,405
Financial investments in affiliated companies	4,367,561	-	-	(372,622)	593,244	4,588,183
Loans to affiliated companies	60,000	-	383,443	-	-	443,443
Securities and other financial investments	20,499,730	59,741	22,857,393	-	-	43,416,864
Advances on investments	-	-	341,720	-	-	341,720
	27,854,443	59,741	23,963,762	(394,309)	(435,022)	51,048,615
	262,160,376	13,246,564	74,045,609	(2,338,448)	(1,374,193)	345,739,908
Caption	Accumulated amortisation, depreciation and provisions					Closing balance
	Opening balance	Variation in perimeter	Increases	Sales	Adjustments, transfers and disposals	
Intangible assets:						
Incorporation expenses	268,562	16,049	43,128	(1,411)	(2,083)	324,245
Research and development expenses	53,958	667	52,690	-	(3,525)	103,790
Industrial property and other rights	46,620	3,885	359,098	-	-	409,603
Goodwill	-	2,703	-	-	-	2,703
Consolidation differences	6,290,738	-	1,563,842	(19,823)	(11,620)	7,823,137
	6,659,878	23,304	2,018,758	(21,234)	(17,228)	8,663,478
Tangible fixed assets:						
Land and natural resources	1,192,797	-	108,001	(1,559)	-	1,299,239
Buildings and other constructions	31,867,485	1,956,684	1,347,936	(1,686)	2,390	35,172,809
Machinery and equipment	114,310,766	6,328,698	6,911,715	(805,127)	(23,419)	126,722,633
Transport equipment	5,315,989	1,304,988	624,199	(564,898)	(25,005)	6,655,273
Tools and utensils	588,654	1,383	48,134	-	(1,182)	636,989
Administrative equipment	3,018,534	16,251	443,188	(18,435)	(10,226)	3,449,312
Reusable containers	3,222	-	44	-	-	3,266
Other tangible fixed assets	350,740	524,257	53,984	(751)	(434)	927,796
	156,648,187	10,132,261	9,537,201	(1,392,456)	(57,876)	174,867,317
	163,308,065	10,155,565	11,555,959	(1,413,690)	(75,104)	183,530,795
Financial investments:						
Securities and other financial investments:						
Provisions (Note 46)	183,067	-	-	-	(5,021)	178,046
Depreciation (Note 44)	255,715	-	8,228	-	-	263,943
	438,782	-	8,228	-	(5,021)	441,989
	163,746,847	10,155,565	11,564,187	(1,413,690)	(80,125)	183,972,784

The subsidiary Société des Ciments de Gabés (SCG) records the annual amortisation of deferred multiannual maintenance in the profit and loss statement caption "Depreciation and amortisation".

The movement in the caption "Financial investments in subsidiaries", "Financial investments in affiliated companies" and "Securities and other investments" during the year ended 31 December 2000 was as follows:

	Financial investments in		Securities and other
	Group companies	Associated companies	Investments
Opening balance	2,927,152	4,367,561	20,499,730
Results of subsidiaries and affiliated companies appropriated by the equity method (Note 44):			
- Gains	300,201	494,919	-
- Losses	(13,742)	(48,997)	-
Dividends distributed to the group	(575,068)	(449,829)	-
Acquisition of shares of Cimpor - Cimentos de Portugal, SGPS, S.A.	-	-	22,824,276
Other	(380,138)	224,529	92,858
Closing balance	<u>2,258,405</u>	<u>4,588,183</u>	<u>43,416,864</u>

Securities and other investments:

At 31 December 2000 securities and other investments were made up as follows:

Cimpor, S.G.P.S., S.A.	42,423,349
Investments in property (a)	546,413
Other	447,102

	43,416,864
Less: Depreciation and provisions for loss on investments	(441,989)

	42,974,875
	=====

(a) Properties purchased essentially in previous years not related to Secil's main activities. Accumulated depreciation and reserves (for real estate located in Angola) at 31 December 2000 amounted to tEsc. 263,943 and tEsc. 178,047, respectively.

30. MARKET VALUE OF CURRENT ASSETS

At 31 December 2000, no significant differences existed, not covered by provisions, between the market value of current assets and their book value calculated in accordance with the principles used by the Group (Note 23).

33. LIABILITIES MATURING IN MORE THAN FIVE YEARS

At 31 December 2000 debenture loans bank loans repayable in more than 5 years amounted to tEsc. 42,263,678 (Note 56).

36. SALES AND SERVICES RENDERED BY ACTIVITY AND GEOGRAPHICAL MARKET

Sales and services rendered by activity and geographical market were as follows:

<i>By activity</i>	Services		
	Sales	Rendered	Total
Portugal			
Cement	53,936,593	600,301	54,536,894
Concrete premix	23,427,912	1,220,457	24,648,369
Stone quarries	1,936,264	357,620	2,293,884
Others	2,941,109	367,786	3,308,895
Tunisia			-
Cement	7,671,760	813,367	8,485,127
Total	89,913,638	3,359,531	93,273,169

<i>By market</i>	Services		
	Sales	rendered	Total
Internal market	81,397,251	2,546,164	83,943,415
Foreign market	8,516,387	813,367	9,329,754
Total	89,913,638	3,359,531	93,273,169

41. REVALUATIONS OF TANGIBLE FIXED ASSETS

The Group revalued its tangible fixed assets in prior years in accordance with the applicable legislation, namely: Ministerial Order 258, of 28 December 1963; Decree-Law 126/77, of 2 April; Decree-Law 430/78, of 27 December; Decree-Law 219/82, of 2 June; Decree-Law 319-G/84, of 28 December; Decree-Law 118-B/86, of 27 May; Decree-Law 111/88, of 2 April; Decree-Law 49/91, of 25 January; Decree-Law 264/92, of 24 November; Decree-Law 22/92 of 14 February and Decree-Law 31/98, of 11 February.

As a result of the revaluations, depreciation for future years will be increased by approximately tEsc. 26,950,000. Of that amount 40% is not deductible for corporate income tax purposes.

42. REVALUATIONS OF FIXED ASSETS AND INVESTMENTS IN PROPERTIES

At 31 December 2000 the cost and revaluation of tangible fixed assets and investments in properties, net of accumulated depreciation, are as follows:

Captions	Historical cost	Revaluation	Revalued amounts
Tangible fixed assets:			
Land and natural resources	4,658,378	2,278,197	6,936,575
Buildings and other constructions	11,981,356	8,669,968	20,651,324
Machinery and equipment	24,790,875	15,278,241	41,069,116
Transport equipment	1,421,521	201,360	1,622,881
Tools and utensils	66,329	42,254	108,583
Administrative equipment	684,069	156,030	840,099
Reusable containers	20	31	51
Other tangible fixed assets	210,407	92,311	302,718
	44,812,955	26,718,392	71,531,347
Investments:			
Investments in property	50,443	232,027	282,470
	44,863,398	26,950,419	71,813,817

44. CONSOLIDATED FINANCIAL RESULTS

Consolidated financial results are made up as follows:

	<u>2000</u>	<u>1999</u>
<u>Expenses:</u>		
Interest expense	4,175,238	877,237
Depreciation and provisions for financial investments (Note 27)	8,228	8,228
Loss on affiliated companies (Note 27)	62,739	152,959
Financial discounts allowed	476,257	381,241
Foreign currency exchange losses	127,345	87,867
Other financial expenses	360,561	109,097
	-----	-----
	5,210,368	1,616,629
Financial results	(3,168,580)	291,597
	-----	-----
	2,041,788	1,908,226
	=====	=====
<u>Income:</u>		
Interest income	312,235	128,598
Gain on financial investments in affiliated companies (Note 27)	795,120	1,340,778
Income from properties	3,478	7,447
Income from participations	786,665	312,222
Financial discounts received	77,433	70,734
Foreign currency exchange gains	65,024	46,161
Gain on marketable securities and other treasury applications	5	834
Other financial income	1,828	1,452
	-----	-----
	2,041,788	1,908,226
	=====	=====

45. CONSOLIDATED EXTRAORDINARY RESULTS

Consolidated extraordinary results are made up as follows:

	<u>2000</u>	<u>1999</u>
<u>Expenses:</u>		
Donations	89,402	63,136
Uncollectable debts	69,654	61,915
Loss on fixed assets and inventories	14,735	589,722
Fines and penalties	388,714	8,041
Increase in depreciation and provisions	1,608	151
Prior year adjustments	304,122	37,692
Other extraordinary expenses	51,049	44,744
	-----	-----
	919,284	805,431
Net extraordinary results	2,284,539	687,399
	-----	-----
	3,203,823	1,492,830
	=====	=====

	<u>2000</u>	<u>1999</u>
<u>Income:</u>		
Tax refund	15,064	493
Recovery of debts	654	5,833
Gain on fixed assets	1,245,597	872,949
Contractual penalty benefits	102	-
Decrease in depreciation and provisions	1,318,561	193,197
Prior year adjustments	14,592	5,568
Other extraordinary income	609,253	414,790
	<u>3,203,823</u>	<u>1,492,830</u>
	=====	=====

The amount of tEsc. 384,664 included in the caption "Fines and penalties" corresponds to a fine and interest paid to the European Commission in July, for presumed violation by the Company, in previous years, of the article 85 of the European Community treaty, as decided by the European Court. At 31 December 1999 the Company had a provision of tEsc. 809,456 to cover the contingency, which was reversed in the first half of 2000 (Note 46).

The expense caption "Prior year adjustments" includes tEsc. 234,833 and tEsc. 57,548 relating to an additional tax assessment and interest, respectively, relating to prior years, paid during the year.

The gain on fixed assets includes a capital gain of tEsc. 923,911 on the sale of the participation in Cimpor – Cimentos de Portugal, SGPS, S.A. and a gain on the sale of concrete premix transport vehicles.

The caption "Other extraordinary income" in 2000, corresponds essentially to adjustments made by the Company in the calculation of corporate income tax as it is subject to corporate income tax on its income consolidated with that of its 90% or more owned subsidiaries and on amortisation of investment subsidies.

46. MOVEMENT IN PROVISIONS

During the year ended 31 December 2000, the movement in provisions was as follows:

<u>Captions</u>	<u>Opening balance</u>	<u>Variation in perimeter</u>	<u>Increases</u>	<u>Utilisation/ reversal</u>	<u>Adjustments/ transfers</u>	<u>Closing balance</u>
Provisions for losses on inventories	<u>14,435</u>	<u>242,152</u>	<u>100,212</u>	<u>(216)</u>	<u>-</u>	<u>356,583</u>
Provisions for doubtful accounts:						
Customers	<u>1,752,769</u>	<u>270,952</u>	<u>171,354</u>	<u>(175,325)</u>	<u>(1,314)</u>	<u>2,018,436</u>
Other debtors	<u>97,922</u>	<u>11,068</u>	<u>-</u>	<u>-</u>	<u>(10,358)</u>	<u>98,632</u>
	<u>1,850,691</u>	<u>282,020</u>	<u>171,354</u>	<u>(175,325)</u>	<u>(11,672)</u>	<u>2,117,068</u>
Provisions for risks and costs	<u>2,095,158</u>	<u>13,518</u>	<u>224,076</u>	<u>(657,761)</u>	<u>(499,792)</u>	<u>1,175,199</u>
Provisions for investments	<u>183,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,021)</u>	<u>178,046</u>
	<u>4,143,351</u>	<u>537,690</u>	<u>495,642</u>	<u>(833,302)</u>	<u>(516,485)</u>	<u>3,826,896</u>

The amount of tEsc. 1,122,370, included in the balance of the caption "Other provisions for risks and costs" was recorded in 1995 by charge to other debtors (Note 50).

47. LEASE CONTRACTS

At 31 December 2000 the lease instalments payable were due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	97,305	7,938	105,243
	-----	-----	-----
2002	69,067	3,688	72,755
2003	29,273	951	30,224
2004	429	34	463
	-----	-----	-----
	98,769	4,673	103,442
	-----	-----	-----
	196,074	12,611	208,685
	=====	=====	=====

VII. OTHER INFORMATION

50. OTHER DEBTORS AND CREDITORS

Following the reprivatisation process of CMP and the difficulty in explaining the insufficiency of the CMP Pension Fund after 31 December 1993 and to cover other liabilities relating to retirements, at the end of 1995 CMP contracted a specialised independent entity to make an actuarial estimate of the liability as of 31 December 1993, the date of the most recent information on the subject made available to those interested in the reprivatisation process of CMP. In this estimate, errors were detected, which resulted in an increase of tEsc. 1,122,370 in the actuarial liability as of 31 December 1993.

The Board of Directors of CMP made a formal request under current legislation, on 2 January 1997, to the Portuguese State, to correct the insufficiency through contributions to the CMP Pension Fund. Considering the objectivity of the amounts calculated, the independence of the entity that made the calculations and current legislation, the Board of Directors of CMP decided to record an account receivable of tEsc. 1,122,370 in the financial statements as of 31 December 1995. This account receivable was recorded in 1995 by credit of tEsc. 545,114 to the caption "Other provisions for risks and costs" and credit of tEsc. 577,256 to "Provisions for pensions". Currently both amounts are recorded under the caption "Other provisions for risks and costs (Note 46).

In order for the insufficiency to be settled, on 16 September 1999 Secil took legal action against the Portuguese State, claiming payment of tEsc. 1,568,201 (of which tEsc. 1,122,370 was claimed in 1996) relating to the insufficiency of the CMP Pension Fund as of the date of the privatisation and corresponding interest.

51. STATE ENTITIES

There are no overdue debts to the State entities as of 31 December 2000. The balances with these entities are made up as follows:

	<u>Receivable balances</u>	<u>Payable balances</u>
Corporate income tax	155,502	368,311
Personal income tax	-	109,037
Corporate income tax withheld at source	5,511	-
Value Added tax	49,838	778,094
Social Security contributions	-	185,919
Taxes of Société Ciments Gabés	30,875	369,085
Other taxes	-	11,547
	-----	-----
	241,726	1,821,993
	=====	=====

The companies are subject to corporate income tax on an individual basis, except for Secil and several of its direct subsidiaries (in which minimum participations of 90% are held), which are subject to Corporate Income Tax on a consolidated basis.

In accordance with current tax legislation, the tax returns of the companies included in the consolidation are subject to review and adjustment by the tax authorities during a period of four years (five years for the years up to 31 December 1998) and 10 years for Social Security. Consequently, the tax returns for the years from 1996 to 2000 are still subject to review and adjustment.

The management of Semapa believes that any adjustments that may be made by the tax authorities as a result of their reviews, will not have a significant effect on the consolidated financial statements as of 31 December 2000.

52. ACCRUALS AND DEFERRALS

The caption "Deferred income" includes tEsc. 1,120,484 relating investment subsidies, of which tEsc. 625,146 relates to CMP's investment subsidy for the Continuous Improvement of Environmental Performance of the Cement Sector, attributed to CMP in 1999. These subsidies are amortised in proportion to the depreciation of the corresponding subsidised equipment. The amortisation for the year is recorded under the caption "Other extraordinary income" (Note 45).

53. CAPITAL

Semapa's fully subscribed and paid up share capital at 31 December 2000, in the amount of Euro 118.332.445 (tEsc. 23,723,525), consisted of 118,332,445 shares of 1 Euro each.

In accordance with the most recent Shareholders' General Meeting, dated 31 March 2000, the following entity owns more than 20% of the Company's share capital:

<u>Name</u>	<u>%</u>	<u>Number of shares</u>
Sodim, SGPS, S.A.	21.13	25,000,000

54. MOVEMENT IN EQUITY ACCOUNTS

During the year ended 31 December 2000 the movement in the equity accounts was as follows:

<u>Captions</u>	<u>Opening balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Closing balance</u>
Share capital	23,666,489	-	-	57,036	23,723,525
Treasury stock - nominal value	(125,656)	-	(185,000)	(749)	(311,405)
Treasury stock - discounts and premiums	(230,795)	-	(498,253)	749	(728,299)
Share premium account	843,619	-	-	(57,036)	786,583
Consolidation differences (Note 10.a))	(1,674,039)	-	(66,112)	1,616,258	(123,893)
Accumulated exchange adjustments	-	-	(117,517)	-	(117,517)
Revaluation reserves	5,833,890	-	-	(1,616,258)	4,217,632
Reserves:					
Legal reserves	833,415	-	-	334,665	1,168,080
Other reserves	1,965,557	-	-	2,121,295	4,086,852
Retained earnings	8,103	-	-	-	8,103
Consolidated net profit for the year	6,693,311	6,167,758	-	(6,693,311)	6,167,758
	<u>37,813,894</u>	<u>6,167,758</u>	<u>(866,882)</u>	<u>(4,237,351)</u>	<u>38,877,419</u>

In accordance with a decision of the Shareholders' General Meeting held on 31 March 2000, the net profit for 1999 was distributed as follows:

Dividends distributed	4,237,351
Legal reserves	334,665
Other reserves	2,121,295

	6,693,311
	=====

On 7 June 2000 the Company acquired 185,000 (prior to stock split) of its own shares. This acquisition was made in accordance with the conditions of the authorisation given by the Shareholders' General Meeting.

In order to comply with Portuguese legislation all companies must redenominate to Euros their share capital and, consequently, the following operations were carried out in accordance with a decision of the Shareholders' General Meeting:

- Change of Semapa's share capital to Euros;

- b) Redenomination of Semapa's share capital to Euros, using the Portuguese standard method ("Método padrão"), by application of the exchange rate of Esc. 200.482 per Euro 1 per share in Escudos;
- c) Change in the nominal value of the shares to Euro 5 each, without increasing the number of shares;
- d) The increase of Esc. 57,036,238 in the total amount of share capital was paid up by incorporating that amount from the share premium account. The transfer of tEsc. 749 from the caption "Treasury stock – discounts and premiums" to the caption "Treasury stock – nominal value" relates to the corresponding adjustment to treasury stock.

Subsequently Semapa changed the nominal value of its shares from Euro 5 to Euro 1 each, with a corresponding increase in the number of shares.

The decrease of tEsc. 117,517 in the caption "Accumulated exchange adjustments" corresponds to Semapa's proportion of the decrease in the equity of Société des Ciments de Gabès, due to exchange differences arising in updating its balance sheet.

Revaluation reserves: This caption results from the revaluation of tangible fixed assets made by the subsidiaries of Semapa in accordance with Decree-Law 31/98 of 11 February. In accordance with current legislation and accounting procedures in Portugal, these reserves cannot be distributed to the shareholders but can, under certain circumstances, be used for future capital increases of the companies that record the revaluations.

Legal reserves: In accordance with current legislation Semapa must transfer a minimum of 5% of its annual net profit to a legal reserve until it reaches at least 20% of share capital. This reserve cannot be distributed to the shareholders but may be used to absorb losses after all other reserves have been used up or to increase capital.

55. MINORITY INTERESTS

At 31 December 2000 and 1999 minority interests included in the balance sheet refers to the following subsidiaries:

	<u>2000</u>	<u>1999</u>
Secil	35,400,672	34,334,701
CMP group	286,711	249,273
Concrete, aggregates and other activity sectors	659,275	551,485
Société des Ciments de Gabès	100,953	-
Secil Martingança	517,184	478,527
Others	87,849	61,256
	-----	-----
	37,052,644	35,675,242
	=====	=====

During 2000 the movement in the caption "Minority interests" was as follows:

Opening balance	35,675,242
Minority interests in the results of subsidiaries	5,756,012
Proportion of dividends and other adjustments recorded by subsidiaries directly to their equity accounts	(4,378,610)

Closing balance	37,052,644
	=====

In addition, at 31 December 2000 the minority shareholders of Secil and its subsidiaries and the shareholders of Semapa had accounts receivable from the Group totalling tEsc. 48,864 (medium and long term) and tEsc. 1,038,126, respectively.

56. LOANS

Loans received as of 31 December 2000 are made up as follows:

	Short term	Medium and long term
<u>Debenture loans:</u>		
Semapa/98 debenture loan	-	4,800,000
CMP/97 debenture loan	-	9,500,000
Secil-CMP/95 debenture loan	-	3,750,000
Other	220,000	1,612,290
	-----	-----
	220,000	19,662,290
	=====	=====
<u>Bank loans</u>	7,683,439	69,495,546
	=====	=====
<u>Other loans:</u>		
Loans received under the PEDIP II – Medida 3.3 program	187,500	562,500
CMP - EFTA Fund for the Industrial Development of Portugal	125,000	187,500
	-----	-----
	312,500	750,000
	=====	=====

57. EXPLANATION ADDED FOR TRANSLATION

The accompanying financial statements are a translation of financial statements originally issued in Portuguese in accordance with generally accepted accounting principles in Portugal and the disclosures required by the Official Chart of Accounts, some of which may not conform to or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

THE BOARD OF DIRECTORS

Pedro Mendonça de Queiroz Pereira
President

Maria Maude Mendonça de Queiroz Pereira Lagos
Member

Carlos Eduardo Coelho Alves
Member

José Alfredo de Almeida Honório
Member

Frederico José da Cunha de Mendonça e Meneses
Member

Alberto Fernandes Falcão
Member

Gonçalo Allen Serras Pereira
Member

Paulo Jorge Morais Costa
The Accountant

APPENDIX I

Name	Head office	Percentage of share capital effectively held by Secil	Percentage of share capital effectively held by Semapa
Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.	Lisbon	Parent company	
<u>Subsidiaries:</u>			
Secil-Companhia Geral de Cal e Cimento, S.A. and subsidiaries:	Setúbal		55,3768
Secil Investimentos, SGPS, S.A.	Lisboa	99,9995	55,3765
Société des Ciments de Gabés ("SCG")	Tunis	98,7063	54,6604
Secil, Betões e Inertes, SGPS, S.A. and subsidiaries:	Setúbal	93,6595	51,8657
Secil Betão - Indústrias de Betão, S.A.	Setúbal	93,6595	51,8656
Britobetão - Central de Betão, Lda.	Évora	51,5127	28,5261
Sulbetão - Preparados de Betão, S.A.	Albufeira	93,6595	51,8656
Unibetão - Indústrias de Betão Preparado, S.A.	Lisbon	93,6595	51,8656
Lisconcreto - Betão Pronto, S.A.	Leiria	93,6595	51,8656
Asfalbetão- Sociedade Industrial, Lda	Torres Vedras	84,2936	46,6791
Betopal - Betões Preparados, S.A.	Lisbon	93,6595	51,8656
Secil Britas, S.A.	Penafiel	93,6595	51,8656
Pedreiral - Pedreiras de Almoester, SA	Santarém	93,6595	51,8656
ECOB - Empresas de Construção e Britas, Lda	Albufeira	93,6595	51,8656
Fabetão - Soc. Ind. Fabrico Betão, Lda.	Lisbon	93,7546	51,9183
IQM - Indústrias Químicas da Martingança, Lda.	Lisbon	50,8730	28,1718
Macmetal - Indústrias Metal-Mecânicas da Maceira, Lda.	Leiria	50,9997	28,2420
Secil Martingança - Aglomerados e Novos Materiais para a Construção, Lda.	Leiria	51,1903	28,3476
Condind - Conservação e Desenvolvimento Industrial, Lda.	Setúbal	99,9919	55,3723
CMP - Cimentos Maceira e Pataias ("CMP") and subsidiaries:	Leiria	99,9843	55,3681
Argibetão - Sociedade de Novos Produtos de Argila e Betão, S.A.	Lisbon	90,8569	50,3136
Enersis - Sociedade Gestora de Participações Sociais, S.A. ("Enersis")	Lisbon	89,9044	49,7862

APPENDIX II

Name	Head office	Percentage of share capital effectively held by Secil	Percentage of share capital effectively held by Semapa
Secil Energia, Lda.	Setúbal	99,9995	55,3765
Tecnosecil, Investimentos e Participações, SARL	Luanda	69,9997	38,7636
Asfalbetão - Transportes, Lda	Torres Vedras	93,6595	51,8656
Betopal S.A. (Espanha)	Madrid	89,9131	49,7910
Subsidiaries and affiliated companies of Enersis:			
Minihídrica do Palhal, Lda.	Albergaria-a-Velha	89,9044	49,7862
Enerpro - Projectos de energias renováveis, Lda ("Enerpro")	Lisbon	76,4187	42,3182
ECH - Exploração de centrais Hidroeléctricas, Lda. ("ECH")	Ovadas	89,9044	49,7862
Hidrotuela - Hidroeléctrica do Tuela, S.A. ("Hidrotuela")	Bragança	71,6238	39,6630
Hidrocorgo - Hidroeléctrica do Corgo, S.A. ("Hidrocorgo")	Vila Real	89,9044	49,7862

APPENDIX III

Name	Head office	Percentage of share capital effectively held by Secil	Percentage of share capital effectively held by Semapa
Betão Liz, S.A.	Lisbon	33,3664	18,4772
Becim - Mediadora de Seguros, Lda.	Lisbon	27,4023	15,1745
Cimentos Madeira, Lda.	Lisbon	14,2856	7,9109
Cimentaçor - Cimentos dos Açores, Lda.	P.Delgada	19,9999	11,0753
Cimentrans - Transporte de Cimento, Lda.	Lisbon	39,9998	22,1506
Viroc Portugal - Ind. de Madeira e Cimento, S.A.	Setúbal	32,8272	18,1787
Secil Unicon - S.G.P.S., Lda.	Lisbon	49,9998	27,6883
ICV - Inertes de Cabo Verde, Lda.	Cape Verde	37,4998	20,7662
Ecoresíduos - Centro de Tratamento e Valorização de Resíduos, Lda.	Lisbon	49,9998	27,6883
Chryso Portugal, S.A.	Lisbon	39,9966	22,1488
Subsidiaries and affiliated companies of CMP:			
Cimianto - Sociedade Técnica de Hidráulica, S.A. ("Cimianto")	Vila F. Xira	39,9537	22,1251
Affiliated companies of Enersis:			
Hidroeléctrica da Mesa do Galo, Lda.	Lisbon	44,9522	24,8931
Produtora de Energia Minihídrica, Lda. ("PEM")	Vinhais	45,8512	25,3909
Hidrolouredo - Hidroeléctrica do Louredo, Lda. ("Hidrolouredo")	Ribeira Pena	45,8512	25,3909

SEMAPA - SOCIEDADE DE INVESTIMENTO E GESTÃO, SGPS, S.A.

AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2000 AND 1999

(Translation of financial statements originally issued in Portuguese - See Note 57)

(Amounts stated in thousands of Portuguese Escudos)

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
OPERATING ACTIVITIES:			
Received from costumers		92.888.568	87.353.486
Paid to suppliers		(47.526.297)	(40.488.782)
Paid to personnel		<u>(7.717.463)</u>	<u>(6.954.289)</u>
Flows from operations		37.644.808	39.910.415
 (Payments)/Receipts of income tax		 (13.833.642)	 (7.391.473)
Other (payments)/receipts relating to operating activities		<u>(4.862.345)</u>	<u>(9.022.253)</u>
		18.948.821	23.496.689
 Receipts/(Payments) relating to extraordinary items		 <u>(690.259)</u>	 <u>(6.638)</u>
Flows from operating activities (1)		<u>18.258.562</u>	<u>23.490.051</u>
 INVESTING ACTIVITIES:			
Receipts relating to:			
Financial investments		4.112.536	2.154.131
Tangible fixed assets		152.194	795.866
Subsidies for investments		492.356	382.687
Interest and similar income		74.093	38.713
Dividends		<u>1.955.448</u>	<u>630.249</u>
		<u>6.786.627</u>	<u>4.001.646</u>
 Payments relating to:			
Financial investments		(76.219.669)	(18.346.733)
Tangible fixed assets		(6.044.088)	(3.299.182)
Intangible assets		<u>(148.117)</u>	<u>(11.395)</u>
		<u>(82.411.874)</u>	<u>(21.657.310)</u>
Flows from investing activities (2)		<u>(75.625.247)</u>	<u>(17.655.664)</u>
 FINANCING ACTIVITIES:			
Receipts relating to:			
Loans received		257.856.468	25.349.563
Subsidies and donations		350.612	643
Sale of treasury stock		<u>5.444</u>	<u>1.607</u>
		<u>258.212.524</u>	<u>25.351.813</u>
 Payments relating to:			
Loans received and given		(188.058.978)	(21.690.939)
Amortisation of lease contracts		(142.050)	(72.168)
Interest and similar expenses		(4.019.842)	(822.644)
Dividends		(8.964.471)	(8.431.093)
Purchase of treasury stock		<u>(683.253)</u>	<u>(356.451)</u>
		<u>(201.868.594)</u>	<u>(31.373.295)</u>
Flows from financing activities (3)		<u>56.343.930</u>	<u>(6.021.482)</u>
 VARIATION IN CASH AND EQUIVALENTS (4) = (1) + (2) + (3)		 (1.022.755)	 (187.095)
Effect of exchange differences		2.569	(9.344)
Adjustment of the beginning balance due to the effect of the inclusion of additional subsidiaries		2.908.903	7.890
CASH AND EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>2.590.950</u>	<u>2.779.499</u>
CASH AND EQUIVALENTS AT THE END OF THE YEAR	2	<u><u>4.479.667</u></u>	<u><u>2.590.950</u></u>

The accompanying notes form an integral part of the consolidated statement of cash flows for the year ended 31 December 2000.

The Accountant

The Board of Directors

SEMAPA - SOCIEDADE DE INVESTIMENTO E GESTÃO, SGPS, S.A.

AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2000 AND 1999

(Translation of financial statements originally issued in Portuguese - See Note 57)

(Amounts stated in Euros EUR 1 = PTE 200.482)

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
OPERATING ACTIVITIES:			
Received from costumers		463.326.224	435.717.351
Paid to suppliers		(237.060.170)	(201.957.193)
Paid to personnel		<u>(38.494.543)</u>	<u>(34.687.847)</u>
Flows from operations		187.771.511	199.072.311
(Payments)/Receipts of income tax		(69.001.915)	(36.868.512)
Other (payments)/receipts relating to operating activities		<u>(24.253.275)</u>	<u>(45.002.808)</u>
		94.516.321	117.200.991
Receipts/(Payments) relating to extraordinary items		<u>(3.442.997)</u>	<u>(33.110)</u>
Flows from operating activities (1)		<u>91.073.323</u>	<u>117.167.880</u>
INVESTING ACTIVITIES:			
Receipts relating to:			
Financial investments		20.513.243	10.744.760
Tangible fixed assets		759.140	3.969.763
Subsidies for investments		2.455.861	1.908.835
Interest and similar income		369.574	193.100
Dividends		<u>9.753.734</u>	<u>3.143.669</u>
		<u>33.851.553</u>	<u>19.960.126</u>
Payments relating to:			
Financial investments		(380.182.106)	(91.513.118)
Tangible fixed assets		(30.147.784)	(16.456.250)
Intangible assets		<u>(738.804)</u>	<u>(56.838)</u>
		<u>(411.068.694)</u>	<u>(108.026.207)</u>
Flows from investing activities (2)		<u>(377.217.142)</u>	<u>(88.066.081)</u>
FINANCING ACTIVITIES:			
Receipts relating to:			
Loans received		1.286.182.640	126.443.087
Subsidies and donations		1.748.845	3.207
Sale of treasury stock		<u>27.155</u>	<u>8.016</u>
		<u>1.287.958.640</u>	<u>126.454.310</u>
Payments relating to:			
Loans received and given		(938.034.228)	(108.193.948)
Amortisation of lease contracts		(708.542)	(359.972)
Interest and similar expenses		(20.050.887)	(4.103.331)
Dividends		(44.714.593)	(42.054.115)
Purchase of treasury stock		<u>(3.408.052)</u>	<u>(1.777.970)</u>
		<u>(1.006.916.302)</u>	<u>(156.489.336)</u>
Flows from financing activities (3)		<u>281.042.338</u>	<u>(30.035.026)</u>
VARIATION IN CASH AND EQUIVALENTS (4) = (1) + (2) + (3)		(5.101.480)	(933.226)
Effect of exchange differences		12.814	(46.608)
Adjustment of the beginning balance due to the effect of the inclusion of additional subsidiaries		14.509.547	39.355
CASH AND EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>12.923.604</u>	<u>13.864.083</u>
CASH AND EQUIVALENTS AT THE END OF THE YEAR	2	<u>22.344.485</u>	<u>12.923.605</u>

The accompanying notes form an integral part of the consolidated statement of cash flows for the year ended 31 December 2000.

The Accountant

The Board of Directors

SEMAPA - SOCIEDADE DE INVESTIMENTO E GESTÃO, SGPS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR

ENDED 31 DECEMBER 2000

(Translation of a report originally issued in Portuguese - See Note 57)

(Amounts stated in thousands of Portuguese Escudos - tEsc.)

1. PURCHASE/SALE OF EQUITY INVESTMENTS

The information relating to the purchase/sale of equity investments is included in Notes 1, 3, 10 and 27 of the notes to the consolidated balance sheet as of 31 December 2000 and consolidated statements of profit and loss for the year then ended.

2. CASH AND EQUIVALENTS

Cash and equivalents at 31 December 2000 and 1999 is made up as follows:

	<u>2000</u>	<u>1999</u>
Treasury bonds	3,356,344	200,112
Cash equivalents	-	166,714
	-----	-----
	3,356,344	366,826
Bank deposits payable on demand	1,555,190	2,196,120
Cash	17,129	28,004
Bank overdrafts	(448,996)	-
	-----	-----
	4,479,667	2,590,950
	=====	=====

3. BANK LOANS AVAILABLE AND NOT USED

At 31 December 2000 bank loans available and not used amounted to tEsc. 47,781,619.

The Accountant

The Board of Directors

REPORT AND OPINION OF THE AUDIT BOARD

CONSOLIDATED ACCOUNTS

(Translation of a report originally issued in Portuguese)

To the Shareholders of
SEMAPA - Sociedade de Investimento e Gestão, SGPS, S.A.

In compliance with legislation and our mandate we hereby submit our Report and Opinion which covers our work and the consolidated documents of presentation of the annual accounts of SEMAPA - Sociedade de Investimento e Gestão, SGPS, S.A. ("Semapa") and subsidiaries ("Group") for the year ended 31 December 2000, which are the responsibility of the Semapa's Board of Directors.

We accompanied the evolution of the Semapa's operations and that of its principal subsidiaries, the writing up of their accounting records and their compliance with statutory and legal requirements, having obtained from the Board of Directors and personnel of Semapa and its principal subsidiaries all the information and explanations required.

In performing our work, we examined the consolidated balance sheet as of 31 December 1999, the consolidated statements of profit and loss by nature and by functions and cash flows for the year then ended and the related notes, as well as the consolidated Directors' Report prepared by the Board of Directors for the year then ended. In addition, we analysed the Legal Certification of Accounts and External Auditor's Report prepared by the Statutory auditor, member of this Board, with which we agree.

Considering the above, except for the matters referred on the paragraph number 6 of the Legal Certification of Accounts and External Auditor's Report, in our opinion, the consolidated financial statements referred to above and the consolidated Directors' Report, as well as the proposal included therein, are in accordance with accounting, legal and statutory requirements and so can be approved by the Shareholders' General Meeting.

We wish to thank the Board of Directors and personnel of the Semapa Group for the assistance provided to us.

Lisbon, 23 February 2001

António Dias e Associados, SROC
Represented by António Marques Dias
President

Rafael Caldeira Castel-Branco Valverde
Member of the Board

Luís Miguel de Almeida Belo
Member of the Board

**To the Board of Directors and Shareholders of
Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.**

(Translation of a report originally issued in Portuguese - See Note 58)

(Amounts stated in thousands of Portuguese Escudos - tEsc.)

1. We have audited the accompanying consolidated financial statements of Semapa - Sociedade de Investimento e Gestão, SGPS, S.A. ("Semapa") and Subsidiaries which comprise the consolidated balance sheet as of 31 December 2000, the consolidated statements of profit and loss by nature and by functions and the consolidated statement of cash flows for the year then ended and the accompanying notes. These financial statements are the responsibility of Semapa's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. Our audit was performed in accordance with generally accepted auditing standards, which require that the audit be planned and performed with the objective of obtaining reasonable assurance about whether the financial statements are free of material misstatement. An audit includes verifying, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the significant estimates, based on criteria defined by the Board of Directors, used in their preparation. An audit also includes verifying the adequacy of the accounting principles used and their disclosure, taking into consideration the circumstances, as well as evaluating the overall presentation of the financial statements. We believe that our audit and the reports of other auditors as indicated in paragraph 4 below provide a reasonable basis for our opinion.
3. The consolidated balance sheet as of 31 December 1999 and consolidated statements of profit and loss and cash flows for the year then ended, which are presented for comparative purposes, were audited by us and our opinion thereon, dated 25 February 2000, contains one qualification similar to that referred to in paragraph 5 below and an emphasis of a matter with respect to the initiation of the legal action referred to in Note 50 of the notes to the balance sheet and the statements of profit and loss.
4. The financial statements as of 31 December 2000 of subsidiaries included in the consolidation representing approximately 39% of the consolidated total assets and 39% of the consolidated total profit were audited by other auditors, on whose reports we relied to express our opinion on the amounts relating to those subsidiaries included in the accompanying consolidated financial statements.
5. As mentioned in Note 21, Secil - Companhia Geral de Cal e Cimento, S.A. ("Secil"), a 55.38% owned subsidiary of Semapa, has assumed the responsibility to pay pension complements to its employees for retirement due to age, invalidity and survivor pensions. However, the liability for the payment of pension complements to employees retired up to 29 December 1987 and for the voluntary payment of the fourteenth month complement to retirees after that date are not covered by the Secil Pension Fund or by any provision recorded by that subsidiary as of 31 December 2000 and 1999. Actuarial valuations as of 31 December 2000 and 1999 prepared by a specialised entity quantified that liability at approximately tEsc. 2,927,000 and tEsc. 3,127,000, respectively.

6. In our opinion, based on our audit and on the reports of other auditors' as mentioned in paragraph 4 above, except for the effect of the matter referred to in paragraph 5 above, the consolidated financial statements referred to in paragraph 1 above, present fairly, in all material respects, the consolidated financial position of Semapa - Sociedade de Investimento e Gestão, SGPS, S.A. and Subsidiaries as of 31 December 2000 and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with generally accepted accounting principles in Portugal, which, except for the matter referred to in Note 10 of the notes to the balance sheet and to the statements of profit and loss, were applied on a basis consistent with that of the preceding year.

Lisbon, 23 February 2001

ARTHUR ANDERSEN