

***CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2002***

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

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Mat. Cons. Reg. Com. de Lisboa sob o N° 2630 Contribuinte N° 502 593 130 • Capital Social 118.332.445 Euros

## DIRECTORS' INTERIM REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2002

### 1. OVERVIEW

In the first half of 2002, **Semapa – Sociedade de Investimento e Gestão, SGPS, S.A.** recorded consolidated sales of goods and services of 261.2 million Euros, representing growth of 9.5% over the 1<sup>st</sup> half of 2001.

Consolidated net results, after minority interests, stood at 16.7 million Euros, 23% up on the same period last year.

The company's performance in the first half of this year was better than that in the same period of the preceding year thanks, essentially, to cement business in Portugal, which may be characterized as follows:

- a) Increased sales of cement due basically to the fact that sales had been particularly low during the first half of 2001, because of the bad weather;
- b) A reduction in the percentage of clinker incorporated into cement almost eliminated purchases of clinker from third parties, without compromising uninterrupted supplies to the domestic market;
- c) Higher prices for solid fuel and electrical power, causing a negative impact, contrary to that of the two factors indicated above.

It should be stressed that the last few months have seen a significant fall-off in sales, and a drop in turnover is therefore expected for the second half, meaning that the results should be lower than in the first half.

The Company's results reflect those of its subsidiary Secilpar SL, corresponding essentially to the pre-tax dividends paid in June 2002 by the associate Cimpor – Cimentos de Portugal, SGPS, S.A., amounting to 8,464,358 euros. This will not be repeated in the second half.

The **Group** continued with its policy of international expansion in the cement industry with the acquisition in April of a 21.2% share in the Lebanese company **Ciments de Sibline S.A.L.** This company has annual production capacity of 1.25 million tons and represents an investment of around 23 million Euros.

## Main Consolidated Indicators – Operations

		1999	2000	2001	1st Hf. 01	1st Hf.02	%
<b>Annual Cement Production Capacity</b>	1 000 t	3 784	4 934	5 006	5 006	5 006	0
<b>Sales</b>							
Grey cement	1 000 t	3 911	4 851	4 894	2 376	2 461	3,6
White cement	1 000 t	90	89	107	50	50	0
Artificial lime	1 000 t	-	82	78	37	42	11,4
Ready-mixed concrete	1 000 m <sup>3</sup>	1 691	2 170	2 602	1 204	1 245	3,4
Aggregates	1 000 t	3 104	2 455	3 615	1 490	1 977	32,7
Precast concrete	1 000 t	376	388	392	182	186	2,2
Hydraulic lime	1 000 t	72	69	64	35	35	0
Mortars	1 000 t	60	70	106	47	73	55,3
Power	GWh	197	237	287	216	141	- 34,7
<b>Workforce (1)</b>		1 571	2 118	2 141	2 162	2 100	- 2,9

(1) Average number of persons employed by companies included in the consolidated accounts. The figure for the 1<sup>st</sup> Half of 2001 has been adjusted and therefore differs from that presented in the report for the 1<sup>st</sup> half of 2001.

## Main Consolidated Indicators – Economic and Financial

(1 000 Eur)

	1999	2000	2001	1st Hf. 01	1st Hf. 02	%
Turnover	395 453	465 245	500 604	238 430	261 154	9,5%
EBITDA	160 523	165 332	162 449	76 786	86 960	13,2%
Depreciation and Provisions	43 849	53 670	54 098	27 100	29 545	9,0%
Depreciation of goodwill	8 088	7 800	8 089	4 265	5 685	33,3%
EBIT	108 585	103 861	100 262	45 422	51 729	13,9%
Financial results	1 454	-15 805	-10 197	-754	242	-132,1%
Current results	110 039	88 057	90 066	44 668	51 972	16,4%
Extraordinary results	3 429	11 395	-1 801	711	179	-74,8%
Profits before tax	113 468	99 452	88 265	45 378	52 151	14,9%
Taxes	49 231	39 976	4 314	18 436	18 979	2,9%
Minority interests	30 851	28 711	39 805	13 382	16 489	23,2%
Net profits	33 386	30 765	44 146	13 560	16 683	23,0%
Cash flow	85 324	92 235	106 333	44 925	51 914	15,6%
<b>Total assets</b>	597 711	952 909	1 003 048	962 586	1 091 474	13,4%
Shareholders' equity	188 615	193 920	211 054	188 884	212 185	12,3%
Net indebtedness	113 847	464 855	442 079	458 554	433 617	-5,4%
<b>EBITDA margin</b>	41%	36%	32%	32%	33%	

In comparing the two periods it should be borne in mind that in the 2<sup>nd</sup> half of 2001 a one-off fiscal loss recorded by our subsidiary Secil drastically reduced the corporation tax (IRC) due for that year.

## 2. PORTUGAL

### 2.1 Cement

Cement sales in the first half totalled 150.4 million Euros, or in physical terms 2,073,000 tons. This represented an increase of 8.6% in value and 4.3% in quantity in relation to the same period in the previous year.

#### Cement sales (1 000 Eur)

	1999	2000	2001	1st Hf. 01	1st Hf. 02
Domestic market	266 318	272 793	284 114	136 659	148 424
Foreign market	2 778	2 968	3 585	1 773	1 980
Total	269 096	275 760	287 699	138 432	150 404
Variation %	3.6%	2.5%	4.3%	-2.5%	8.6%

#### Cement sales (1000 t)

	1999	2000	2001	1st Hf. 01	1st Hf. 02
Domestic market					
Grey cement	3 867	3 878	3 932	1 914	1 998
White cement	87	89	103	50	50
Subtotal	3 954	3 966	4 035	1 964	2 048
Variation %	2.3%	0.3%	1.7%	-4.5%	4.3%
Foreign market					
Grey cement	44	42	41	20	25
White cement	3	0	4	3	0
Subtotal	47	42	45	23	25
Variation %	34.3%	-10.6%	7.1%	9.5%	8.7%
Total	4 001	4 008	4 080	1 987	2 073
Variation %	2.6%	0.2%	1.8%	-4.4%	4.3%

Clinker and cement output in the first half stood at 1,581,000 tons and 2,026,000 tons respectively.

#### Clinker Production (1000t)

	1999	2000	2001	1st Hf. 01	1st Hf. 02
Grey clinker	2 900	2 972	2 933	1 427	1 539
White clinker	80	80	79	34	42
Total	2 980	3 052	3 012	1 461	1 581
Variation %	9.0%	2.4%	-1.3%	-5.0%	8.2%

### Cement Production (1000t)

	1999	2000	2001	1st Hf. 01	1st Hf. 02
Grey cement	3 950	3 911	3 766	1 835	1 977
White cement	91	90	105	48	49
Subtotal	4 041	4 001	3 871	1 882	2 026
Variation %	4.2%	-1.0%	-3.2%	-5.9%	7.6%

As stated in the outline, there was a significant improvement in performance in cement business, as may be seen from the following indicators:

### Financial Indicators Secil/CMP (1000 Eur)

	2000	2001	1st Hf. 01	1st Hf. 02	%
Sales	289 843	299 890	144 286	157 775	9,3%
EBITDA	139 401	134 639	63 068	68 487	8,6%
EBIT	98 080	95 160	41 799	42 749	2,3%
Net results	62 195	87 331	28 900	35 365	22,4%
Cash flow	103 516	126 810	49 975	61 103	22,3%

## 2.2 Ready-Mixed and Aggregates

The following table gives aggregated operating indicators for the companies in the ready-mixed sector:

### Ready-Mixed

	1999	2000	2001	1st Hf. 01	1st Hf. 02	%
Concrete plants	33	38	38	39	41	5.1%
Sales 1 000 m <sup>3</sup>	1 691	2 170	2 533	1 204	1 245	3.4%
Sales 1 000 Eur	99 266	123 893	146 149	69 695	72 042	3.4%
EBIT 1 000 Eur	11 662	9 991	11 835	6 059	5 548	-8.4%
Net results 1 000 Eur	7 467	7 073	8388	4 341	3 853	-11.2%
Cash flow 1 000 Eur	11 358	12 338	13 721	6 771	6 288	-7.1%

The following table gives aggregated operating indicators for the companies in the aggregates sector:

### Aggregates

	1999	2000	2001	1st Hf. 01	1st Hf. 02	%
Plants	5	6	6	6	6	0.0%
Sales 1 000 t	3 104	2 455	3 615	1 490	1 997	32.7%
Sales 1 000 Eur	17 637	14 707	20 685	7 515	10 049	33.7%
EBIT 1 000 Eur	3 556	2 835	6 863	2 943	4 249	44.4%
Net results 1 000 Eur	2 120	1 915	4 523	1 939	3 021	55.8%
Cash flow 1 000 Eur	5 113	4 563	7 548	3 133	4 376	39.7%

## 2.3 Pre-cast Concrete

The following table gives aggregated operating indicators for the companies in the pre-cast concrete sector (**Argibetão** and **Secil-Prebetão**):

### Pre-Cast Concrete

		1999	2000	2001	1st Hf. 01	1st Hf. 02	%
Plants		9	9	9	9	9	0.0%
Sales	1 000 t	376	388	392	182	188	3.3%
Sales	1 000 Eur	22 289	23 045	24 440	9 906	10 392	4.9%
EBIT	1 000 Eur	252	236	831	220	389	76.8%
Net results	1 000 Eur	277	210	2 015	1 751	354	-79.8%
Cash flow	1 000 Eur	2 807	2 559	4 212	2 992	1 483	-50.4%

It should be noted that the net results for the 1<sup>st</sup> half of 2001 included a large extraordinary profit recorded by **Secil Prebetão** on the sale of land in Montijo not used for production.

## 2.4 Binders and Mortars

The following table gives indicators for the company (**Secil Martingança**) which operates in this sector:

### Binders and Mortars

		1999	2000	2001	1st Hf. 01	1st Hf. 02	%
Plants		1	1	2	2	2	0.0%
Sales of hydraulic lime	1 000 t	72	69	64	35	35	0.0%
Sales of mortars	1 000 t	60	70	106	47	73	55.3%
Sales	1 000 Eur	7 451	8 023	9 285	4 317	5 447	26.2%
EBIT	1 000 Eur	1 313	641	670	313	877	180.2%
Net results	1 000 Eur	794	299	199	90	519	476.2%
Cash flow	1 000 Eur	1 318	1 332	1 432	621	1 099	77.0%

## 2.5 Timber Cement Panels

The following table gives indicators for the company (**Viroc Portugal**) operating in this sector:

### Timber Cement Panels

		1999	2000	2001	1st Hf. 01	1st Hf. 02	%
Plants		1	1	1	1	1	0.0%
Sales	m <sup>3</sup>	9 260	11 968	11 088	5 872	6 341	8.0%
Sales	1 000 Eur	4 295	5 976	5 808	2 971	3 438	15.7%
EBIT	1 000 Eur	-828	145	-598	-65	422	744.6%
Net results	1 000 Eur	-958	-399	-1 369	-428	65	115.2%
Cash flow	1 000 Eur	-362	698	-93	117	601	412.7%

## 2.6 Power Generation

The following table gives indicators on the company (**Enersis**) operating in this sector:

### Power Generation

		1999	2000	2001	1st Hf. 01	1st Hf. 02	%
Output	GWh	197	237	287	216	141	-34.8%
Sales	1 000 Eur	11 941	15 383	18 980	14 380	11 300	-21.4%
EBIT	1 000 Eur	7 452	7 706	8 130	9 107	3 956	-56.6%
Net results	1 000 Eur	2 434	2 190	2 964	1 482	910	-38.6%

**Enersis'** results in the first half of 2002 were affected by the low rainfall during this period.

## 2.7 Other sectors

The following tables shows the net results of other companies with significant levels of business in which **Secil** has direct or indirect holdings:

### Net Results (1000 Eur)

	1st Hf. 01	1st Hf. 02	%
Cimentrans	- 68	57	+ 83,8
Betão Liz	3 108	2 079	- 33,1
Cimentos Madeira	1 283	1 453	+ 13,2
Cimentaçon	1 692	1 621	- 4,2
Condind	- 8	31	+ 487,5
Tercim	- 78	- 296	- 379,5
Cimianto STH	170	43	- 74,7
Parcim Investments/Secil Investimentos	6 958	8 278	+ 19,0
Ecoresíduos	- 1	- 196	-

### 3. TUNISIA

#### 3.1 Cement

**Société des Ciments de Gabès** recorded total sales of binders of 20.8 million euros, or 550,000 tons, representing an increase over the same period in the previous year of 16.1% in value and 15.9% in quantity.

##### Sales (1000 Eur)

	1999	2000	2001	1st Hf. 01	1st Hf. 02
<b>Binders</b>	30 426	36 472	37 146	17 938	20 826
Internal Market	29 514	36 472	37 146	17 938	20 826
External Market	912	0	0	0	0
Others	1 574	1 838	2 200	1 153	1 555
Total	32 000	38 309	39 346	19 091	22 381
Variation %	-83.2%	19.7%	2.7%	2.1%	17.2%

##### Sales (1000 t)

	1999	2000	2001	1st Hf. 01	1st Hf. 02
Internal Market					
Cement	781	931	912	438	508
Artificial lime	29	82	78	37	42
Clinker	31	0	0	0	0
Subtotal	841	1 012	990	475	550
Variation %	10.9%	20.3%	-2.1%	-4.9%	15.9%
External Market					
Clinker	35	0	0	0	0
Total	876	1 012	990	475	550
Variation %	3.2%	15.5%	-2.1%	-4.9%	15.9%

Output of clinker and binder stood at 346,000 tons and 551,000 tons respectively.

##### Production (1000 t)

	1999	2000	2001	1st Hf. 01	1st Hf. 02
Clinker	703	766	703	345	346
Variation %	-3.8%	9.0%	-8.2%	-6.8%	-0.3%
Binders					
Cement	781	940	904	425	510
Artificial lime	29	82	80	35	41
Total	810	1 022	984	460	551
Variation %	6.4%	26.2%	-3.7%	-7.4%	19.7%



Despite the fact that sales grew by around 19.4% in value, net results stood at only 752,000 Euros, down 5.3% on the 1<sup>st</sup> half of 2001. This reduction can basically be explained as follows:

- Repairs were carried out ahead of time on the production lines, with the corresponding maintenance costs and production losses;
- Use of imported clinker at high costs;
- Increase in specific consumption of natural gas.

#### Financial Indicators (1000 Eur)

	1999	2000	2001	1st Hf. 01	1st Hf. 02	%
Sales	32 000	38 309	39 346	20 653	24 657	19,4%
EBITDA	4 631	7 024	4 268	2 440	3 337	36,8%
EBIT	520	3 257	851	627	1 156	84,4%
Net results	1 216	2 794	1 077	824	780	-5,3%
Cash flow	5 327	6 562	4 733	2 553	2 859	12,0%

The figures for the 1<sup>st</sup> half of 2001 have been adjusted in relation to those contained in the interim report for the 1<sup>st</sup> half of 2001.

It should be noted that the Tunisian Dinar fell against the Euro during the 1<sup>st</sup> half of 2002, standing at an average of 3.4% lower than in the same period in 2001.

### 3.2 Ready Mixed and Precast Cement

The following table contains information on the company (**Sudbeton**) operating in this sector:

#### Ready Mixed and Precast

		2000	2001	1st Hf. 01	1st Hf. 02	%
Concrete Plants			3	2	3	50.0%
Sales of Concrete	1 000 m <sup>3</sup>	64	69	36	41	13.9%
Precast lines			2	2	2	0.0%
Sales of precast	1 000 t		18	8	10	21.8%
Sales	1 000 Eur	3 705	3 795	1 975	2 112	6.9%
EBIT	1 000 Eur			168	256	52.2%
Net results	1 000 Eur	404	172	105	148	41.5%
Cash flow	1 000 Eur	504	435	194	254	30.8%

## 4. ANGOLA

### 4.1 Cement

**TecnoSecil** completed its first full year of operations in June and has faced huge problems in terms of both market and production, causing it to record a loss of around 700,000 Euros for the 1<sup>st</sup> half of 2002. The company was excluded from the consolidated accounts, under the terms of paragraph 3 of article 4 of Decree-Law no. 238/91, of 2 July, meaning that the cost has been consistently adopted as the relevant valuation criterion.

The improvement in the social and economic climate in the country as a result of peace has contributed decisively to increased consumption of cement.

## 5. LEBANON

### 5.1 Cement

In the 1<sup>st</sup> half of 2002, the company **Ciments de Sibline**, in which **Secil** holds a share of 21.2%, recorded sales of 14.8 million Euros and 217,887 tons. For the same period the company recorded a net loss of 1.8 million Euros.

On the date of acquisition – April 2002 – a negative difference was recorded between the acquisition cost and the portion of net worth corresponding to **Secil's** holding, amounting to 379,605 Euros, which was recorded in the accounts by being set off against deferred income, and which will be recognized in the results as an income over an estimated period of five years.

For this reason, and because the company recorded a profit during the 2<sup>nd</sup> quarter of the year, the **Secil's** statement of financial results reflects the net profits recorded by **Sibline**, in proportion to the company's holding, amounting to 26,337 Euros.

## 6. CAPE VERDE

### 6.1 Aggregates

**ICV – Inertes de Cabo Verde** continued its operations without recording the expected recovery in the first half of 2002, meaning that the company recorded a loss in the order of 16,000 Euros. However, it should be noted that this loss is down by around 80% from that recorded in the 1<sup>st</sup> half of 2001.

## 7. HUMAN RESOURCES

The total workforce of **Semapa** and the companies included in the consolidated accounts fell from 2171 as at 30 June 2001 to 2111 as at 30 June 2002, due fundamentally to reductions in personnel at **Société de Ciments de Gabès**, in Tunisia, and in the companies operating in the concrete sector in Portugal.

## 8. FINANCIAL

The following acquisitions during the first half of 2002 have extended the scope of the consolidated accounts:

- Acquisition of the company **Florimar, SGPS, SA**;
- Acquisition of the company **Somera Trading Inc.**;
- Acquisition of the company **Betostrong – Indústrias de Betão, Lda.**;
- Acquisition of an interest of more than 9% in **Almeida e Carvalhais, Lda.**

There was a significant increase in pension costs for the Group's current workers and pensioners, which rose by 4.5 million Euros. Of this total, 2.3 million Euros related to an increased provisions for the pensions of pensioners as at the date of the creation of the **Secil** Fund.

During the first half **Semapa** paid its shareholders dividends of 11,567,917 Euros for the financial year of 2001.

As mentioned in the Overview, the results for the period include Semapa's share in the results of its subsidiary **Secilpar**, through **Parcim Investments**, a subsidiary of **Secil**, corresponding essentially to the pre-tax dividends of 8.4 million Euros paid by the associate Cimpor – Cimentos de Portugal, SGPS, SA. It should be stressed that this will not be repeated in the second half.

The proceedings brought by **Secil** against the Portuguese State for compensation of the damages caused by incorrect valuation of the liabilities of **CMP's** pension fund as contained in the confidential tendering documents during the privatisation process for **Secil** and **CMP** continues pending, and once again no significant progress was made during the first half of 2002.

As at 30 June consolidated borrowing stood at approximately 433.6 million Euros, 5.4% down on the end of the first half of 2001.

Consolidated investment during this period stood at approximately 39 million Euros.

The Company acquired 1,100,000 (one million one hundred thousand) of its own shares, representing 0.93% of the share capital, at the stock market session of 5 March 2002, for a unit price of 4.49 Euros. As a result, the Company now holds 2,653,280 shares, representing 2.24% of the share capital.

## 9. NET RESULT FOR THE PERIOD

**Semapa** closed the first half with a consolidated net results, after minority interests, of 16,683,349 Euros; the Company's individual financial statements recorded an identical result. Consolidated sales and services rendered totalled 261,154,095 Euros. **Semapa's** consolidated cash flow stood at 51.9 million Euros.

Lisbon, 01<sup>st</sup> August 2002

## THE BOARD OF DIRECTORS

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Pedro Mendonça de Queiroz Pereira  
Chairman

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Maria Maude Mendonça de Queiroz Pereira Lagos  
Director

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Carlos Eduardo Coelho Alves  
Director

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José Alfredo de Almeida Honório  
Director

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Frederico José da Cunha de Mendonça e Meneses  
Director

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Gonçalo Allen Serras Pereira  
Director

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Francisco José de Melo e Castro Guedes  
Director

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

CONSOLIDATED BALANCE SHEETS AS OF 30 JUNE 2002 AND 2001

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

(Amounts stated in Euros)

		2002			2001						
ASSETS		Notes	Gross assets	Depreciation/ provision	Net assets	Net assets	EQUITY, MINORITY INTERESTS AND LIABILITIES		Notes	2002	2001
FIXED ASSETS:											
Intangible assets:											
Incorporation expenses	27		2.878.206	(2.020.710)	857.496	889.312	Share capital	53 and 54		118.332.445	118.332.445
Research and development expenses	27		1.144.453	(960.498)	183.955	292.670	Treasury stock - nominal value	53 and 54		(2.653.280)	(1.553.280)
Industrial property and other rights	27		87.552.415	(4.750.799)	82.801.616	84.540.358	Treasury stock - discounts and premiums	54		(7.477.754)	(3.632.740)
Goodwill	27		328.359	(22.000)	306.359	294.949	Share premium	54		3.923.459	3.923.459
Consolidation differences	10 and 27		209.544.307	(56.433.821)	153.110.486	105.960.620	Consolidation differences	10 and 54		2.101.043	(1.068.450)
Intangible assets in progress	27		146.177	-	146.177	464.366	Accumulated exchange adjustments	54		(2.346.200)	(92.288)
Advances to suppliers of intangible assets	27		-	-	-	24.940	Revaluation reserves	54		12.667.318	21.037.460
			<u>301.593.917</u>	<u>(64.187.828)</u>	<u>237.406.089</u>	<u>192.467.215</u>	Reserves:				
Tangible fixed assets:							Legal reserves	54		9.571.895	7.364.591
Land and natural resources	27 and 42		42.047.657	(7.258.234)	34.789.423	34.702.148	Other reserves	54		61.342.637	30.971.798
Buildings and other constructions	27 and 42		281.143.283	(185.141.623)	96.001.660	100.283.003	Accumulated results	54		40.418	40.418
Machinery and equipment	27 and 42		828.128.198	(647.220.082)	180.908.116	191.546.548	Consolidated net profit for the period	54		16.683.349	13.560.320
Transportation equipment	27 and 42		41.480.063	(34.709.697)	6.770.366	7.555.197	Total equity			<u>212.185.330</u>	<u>188.883.733</u>
Tools and utensils	27 and 42		3.958.953	(3.484.450)	474.503	527.020	MINORITY INTERESTS				
Administrative equipment	27 and 42		22.714.534	(20.719.128)	1.995.406	2.930.138		55		198.294.461	177.550.786
Reusable containers	27 and 42		18.801	(17.037)	1.764	2.210	LIABILITIES:				
Other tangible fixed assets	27 and 42		7.599.267	(5.166.860)	2.432.407	2.273.860	PROVISIONS FOR RISKS AND COSTS:				
Construction in progress	27		9.691.596	-	9.691.596	12.619.677	Provisions for pensions	46		15.962.157	-
Advances to suppliers of tangible fixed assets	27		698.480	-	698.480	529.354	Provisions for taxes	46		698.821	194.531
			<u>1.237.480.832</u>	<u>(903.717.111)</u>	<u>333.763.721</u>	<u>352.969.155</u>	Other provisions for risks and costs	46		5.938.977	5.861.873
Financial investments:										<u>22.599.955</u>	<u>6.056.404</u>
Investments in subsidiaries	27		12.058.592	-	12.058.592	10.381.491	MEDIUM AND LONG TERM LIABILITIES:				
Investments in affiliated companies	27		44.289.749	-	44.289.749	21.528.816	Debtenture loans	56		72.707.527	83.005.093
Loans to affiliated companies	27		2.211.882	-	2.211.882	2.211.884	Bank loans	56		341.675.213	368.152.323
Securities and other investments	27		216.874.387	(2.274.611)	214.599.776	214.428.667	Other loans	56		1.952.529	2.961.613
			<u>275.434.610</u>	<u>(2.274.611)</u>	<u>273.159.999</u>	<u>248.550.858</u>	Shareholders	55		245.565	736.086
							Accounts payable to suppliers of fixed assets			144.095	260.183
										<u>416.724.929</u>	<u>455.115.298</u>
MEDIUM AND LONG TERM RECEIVABLES:											
Accounts receivable - Medium and long term:							CURRENT LIABILITIES:				
Other debtors			1.838.552	-	1.838.552	1.976.487	Debtenture loans	56		1.479.961	11.417.349
CURRENT ASSETS:											
Inventories:							Bank loans	56		34.638.081	16.071.672
Raw, subsidiary and consumable materials			24.658.508	(2.006.437)	22.652.071	22.822.573	Other loans	56		1.925.184	1.558.743
Work in progress			467.649	-	467.649	606.828	Accounts payable to suppliers			37.338.426	37.080.272
Subproducts and waste			-	-	-	1.982.791	Suppliers' invoices pending			2.879.092	4.258.103
Finished goods and intermediate products			8.671.923	(18.827)	8.653.096	7.138.352	Notes payable to suppliers			4.617.845	1.742.840
Merchandise			5.665.107	(429)	5.664.678	9.446.160	Group companies			333.261	-
	46		<u>39.463.187</u>	<u>(2.025.693)</u>	<u>37.437.494</u>	<u>41.996.703</u>	Shareholders			6.719.140	6.426.687
Accounts receivable - Short term:							Advances from customers			10.310	3.341
Accounts receivable from customers			82.008.304	(121.421)	81.886.883	76.846.520	Accounts payable to suppliers of fixed assets			1.864.159	5.531.948
Notes receivable from customers			2.123.996	(55.848)	2.068.148	1.330.089	Accounts payable to public entities	51		32.390.563	29.412.541
Doubtful accounts receivable			11.821.281	(10.791.622)	1.029.659	888.823	Other creditors			1.897.793	4.696.077
Accounts receivable from group companies			5.009.749	-	5.009.749	257.579				<u>126.093.815</u>	<u>118.199.573</u>
Accounts receivable from shareholders			8.046	-	8.046	30	ACCRUAL AND DEFERRALS:				
Participant and participated companies			2.245.973	-	2.245.973	480.108	Accrued costs	52		20.022.717	11.689.124
Advances to suppliers			530.811	-	530.811	713.904	Deferred income	52		3.783.419	5.091.165
Advances to suppliers of fixed assets			100.199	-	100.199	100.199	Deferred tax liabilities	38		91.769.550	-
Accounts receivable from public entities	51		31.630.965	-	31.630.965	2.072.445				115.575.686	16.780.289
Other debtors	50		14.447.389	(648.913)	13.798.476	12.987.700					
	46		<u>149.926.713</u>	<u>(11.617.804)</u>	<u>138.308.909</u>	<u>95.677.397</u>					
Marketable securities:											
Other investments			13.716.752	-	13.716.752	16.810.153					
			<u>13.716.752</u>	<u>-</u>	<u>13.716.752</u>	<u>16.810.153</u>					
Banks and cash:											
Bank deposits			6.852.855	-	6.852.855	7.628.211					
Cash			192.261	-	192.261	174.699					
			<u>7.045.116</u>	<u>-</u>	<u>7.045.116</u>	<u>7.802.910</u>					
ACCRUALS AND DEFERRALS:											
Accrued income			309.713	-	309.713	536.248					
Deferred costs			6.475.859	-	6.475.859	3.798.955					
Deferred tax assets	38		42.011.972	-	42.011.972	-					
			<u>48.797.544</u>	<u>-</u>	<u>48.797.544</u>	<u>4.335.203</u>					
				<u>(970.179.550)</u>							
				<u>(13.643.497)</u>							
				<u>2.075.297.223</u>	<u>(983.823.047)</u>	<u>1.091.474.176</u>	<u>962.586.082</u>	Total equity, minority interests and liabilities			
										<u>1.091.474.176</u>	<u>962.586.082</u>

The accompanying notes form an integral part of the consolidated balance sheet as of 30 June 2002.

SEMAPA - SOCIEDADE DE INVESTIMENTO E GESTÃO, SGPS, S.A. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2002 AND 2001  
(Translation of financial statements originally prepared in Portuguese - Note 57)  
(Amounts stated in Euros)

EXPENSES	Notes	2002	2001	INCOME	Notes	2002	2001
Cost of inventories sold and consumed		73.142.319	72.773.416	Sales of merchandise and finished goods	36	251.809.497	230.693.424
				Services rendered	36	9.344.598	7.736.236
External supplies and services		67.817.523	57.205.440				
Payroll expenses:				Variation in production		242.774	(377.440)
Salaries		24.015.679	20.370.607	Work for the company		125.228	31.783
Social charges:				Supplementary income		1.253.651	1.237.238
Pensions	21 and 46	4.506.898	590.023	Operating subsidies		7.767	2.768
Others		7.935.023	8.988.193	Other operating income		5.027.971	625.173
				(B)		267.811.486	239.949.182
Depreciation and amortisation	27	34.177.811	30.590.901				
Provisions	46	1.052.740	773.366	Gains from equity investments:			
				Relating to affiliated companies	27 and 44	2.463.840	4.135.084
Taxes		2.201.318	1.953.722	Relating to other companies	44	8.499.890	8.286.943
Other operating costs		1.232.724	1.281.581	Income from marketable securities	44	289.011	595.091
(A)		216.082.035	194.527.249	Other interest and similar income:			
				Other	44	1.419.433	659.341
Losses relating to affiliated companies	27 and 44	661.268	117.337	(D)		280.483.660	253.625.641
Depreciation and provisions for financial investments	27 and 44	34.144	20.521				
Interest and similar expenses - other	44	11.734.278	14.292.739	Extraordinary income	45	1.552.554	1.885.556
(C)		228.511.725	208.957.846				
Extraordinary expenses	45	1.373.143	1.174.968				
(E)		229.884.868	210.132.814				
Income tax for the period	38	18.978.825	18.436.333				
		248.863.693	228.569.147				
Minority interests	55	16.489.172	13.381.730				
(G)		265.352.865	241.950.877				
Consolidated net profit for the period		16.683.349	13.560.320				
		282.036.214	255.511.197	(F)		282.036.214	255.511.197
				Operating results:	(B) - (A)	51.729.451	45.421.933
				Net financial results:	(D - B) - (C - A)	242.484	(754.138)
				Current results:	(D) - (C)	51.971.935	44.667.795
				Profit before income tax:	(F) - (E)	52.151.346	45.378.383
				Consolidated net profit for the period:	(F) - (G)	16.683.349	13.560.320

The accompanying notes form an integral part of the consolidated statement of profit and loss by nature for the six months period ended 30 June 2002.

The Accountant

The Board of Directors

## INTRODUCTION

The Semapa Group ("the Group") is made up of Semapa - Sociedade de Investimento e Gestão, SGPS, S.A. ("Semapa") and subsidiaries (Note 1). Semapa was incorporated in 21 June 1991 and its main object consists in the management of financial investments in other companies, as an indirect form of carrying out economic activity.

Semapa is the main company of a group with activities in Portugal, Holland, Spain, Lebanon, Cape Verde, Tunisia and Angola, which main activity is the production of cement through its subsidiaries located in the Maceira, Pataias, Gabès (Tunisia) and Lobito (Angola) facilities and has several complementary activities, including the commercialisation of concrete premix and clay and the operation of quarries, also through its subsidiaries.

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 RELATING TO GROUP COMPANIES INCLUDED IN THE CONSOLIDATION AND OTHERS**

### **1. GROUP COMPANIES INCLUDED IN THE CONSOLIDATION**

The Group Companies included in the consolidation, their head offices and the percentages of share capital held as of 30 June 2002 are included in Appendix 1.

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

The changes in the consolidation perimeter by the full consolidation method, are mentioned in note 14.

### **2. GROUP COMPANIES EXCLUDED FROM THE CONSOLIDATION**

Investments in Group companies excluded from the consolidation, recorded under the caption investments in subsidiaries, their head offices and the percentages of share capital held as of 30 June 2002 are included in Appendix II.

Investments in Secil Energia, Lda., Betopal, S.A. (Espanha) and Trochee Investments, B.V. 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, of Article 4 of Decree-Law 238/91, of 2 July. The investment in Trochee investment, B.V. was recorded in the consolidated financial statements in accordance with the equity method as to reflect the loss originated in its alienation during the second semester of the current year. The investment in Alfabetão Transportes, Lda. has been excluded of the consolidation considering that it is in liquidation.

The subsidiary Enersis – Sociedade Gestora de Participações Sociais, S.A. ("Enersis"), which indirectly operates mini hydroelectric plants, included in the Group's consolidation, prepared consolidated financial statements for the first time in 2001. Because of this, and the different nature of the operations of these subsidiaries, the relationship of their assets to loans obtained specifically to finance them and their plants being operated on a concession basis, this subsidiary was included in the consolidated financial statements in accordance with the equity method rather than its non consolidated financial statements being fully consolidated as was the procedure up to 31 December 2000. Consequently, the consolidated assets and liabilities of Enersis were not included in the accompanying consolidated financial statements, the investment in Enersis being recorded in accordance with the equity method, based on its consolidated financial statements.

As of 31 December 2001 (last consolidated financial statements available of Enersis Group), consolidated net assets and consolidated net liabilities from this subsidiary, amounted to, Euros 26,752,893 and Euros 14,360,453, respectively.

The subsidiary Tecnosecil, SARL. was excluded from the consolidation as set forth in item 3 Article 4 of Decree-Law 238/91, of 2 July. Consequently, this investment has been consistently recorded at cost.

### 3. AFFILIATED COMPANIES

Affiliated companies, their head offices and the percentages of their share capital held as of 30 June 2002, are included in Appendix III.

These companies are recorded in the consolidated financial statements by 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, during the first semester of 2002 and 2001, is as follows:

<u>By activities</u>	<u>2002</u>	<u>2001</u>
Portugal:		
Cement	757	755
Concrete premix	592	615
Others	193	195
Tunisia:		
Cement	484	518
Concrete	85	88
	-----	-----
Total	2,111	2,171
	=====	=====

## III **INFORMATIONS RELATING TO CONSOLIDATION PROCEDURES**

### 10. CONSOLIDATION DIFFERENCES

#### a) Consolidation differences included in equity

The balance of this caption, amounting to Euros 2,101,043, reflects the adjustments recorded as of the first application of the equity method 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 (Note 54).

#### b) Consolidation differences included in intangible assets

As of 30 June 2002 this caption includes the differences between cost and the proportional amount of equity of the participated companies as of the reference dates in which the acquisitions were made and the movement during this period was as follows:



	Cost	Proportion of equity held %	Goodwill (Note 27)	Amortisation period (years)	Amortisation for the year (Note 27)	Accumulated Amortisation (Note 27)
<b>Acquisitions of Secil</b>						
CMP	182,713,032	97	95,361,753	14	2,441,782	39,200,764
Betão Liz, S.A.	2,168,798	7	722,853	20	18,071	126,499
Secil, Betões e Inertes, SGPS, S.A.	40,555,771	94	100,139	1	-	100,139
Société des Ciments de Gabès	244,553,770	99	87,471,645	20	2,186,791	10,933,955
Tercim	249,399	100	190,257	20	19,026	57,077
Cimentação	1,363,381	5	1,042,019	5	104,202	312,606
			<u>184,888,666</u>		<u>4,769,872</u>	<u>50,731,040</u>
<b>Acquisitions of CMP</b>						
Enersis - Energia a Sistemas, S.A.	10,866,781	90	6,050,169	15	232,133	3,032,434
<b>Acquisitions of Secil, Betões e Inertes, SGPS, S.A.</b>						
Unibetão-Indústrias de Betão, SA	5,128	100	5,128	5	513	2,564
Secil Betão-Indústrias de Betão, SA	556,339	100	556,339	5	55,634	278,170
Sulbetão-Preparados de Betão,SA	987,869	100	987,869	5	98,787	493,935
Betopal-Betões Preparados,SA	33,355	100	31,897	5	3,190	15,948
ECOB-Empresa de Construção e Britas,SA	9,143	100	5,028	5	503	2,514
Asfalbetão - Sociedade Industrial, Lda.:	9,502,614	20	5,741,780	20	143,544	717,722
Asfalbetão Transportes, Lda.	251,703	100	190,963	20	4,774	23,870
Almeida & Carvalhais	5,662,134	81	4,274,795	20	106,869	320,609
Almeida & Carvalhais (a)	423,790	9	253,459	19	3,333	3,333
Vermofeira	55,152	50	11,108	5	1,111	3,333
Lisconcreto-Betão Pronto,SA	1,203,046	100	1,100,910	19	28,954	144,770
Britobetão-Central de Betão,SA	110,494	55	55,626	5	5,563	50,064
Betostrong-Indústria de Betão, Lda (a)	2,023,170	100	1,560,569	20	39,015	39,015
			<u>14,775,471</u>		<u>491,790</u>	<u>2,095,847</u>
<b>Acquisition of Société des Ciments de Gabès</b>						
Sud-Béton - Société de Fabrication de Béton du Sud	5,425,365	100	3,830,001	10	191,500	574,500
			<u>209,544,307</u>		<u>5,685,295</u>	<u>56,433,821</u>

(a) These goodwill are related with acquisitions made during the six months period ended 30 June 2002.

By application by the Group, for the first time, at 1 January 2002, of the accounting policy of deferred taxes (Note 23.j)), the adjusted equity of the subsidiary Société des Ciments de Gabès, was decreased in the amount of Euros 64,403,240. The effect of this adjustment in the financial statements of the Company was recorded as a liability for deferred taxes in the amount of Euros 64,403,240 (Notes 23.j) and 38), against the corresponding increase in caption goodwill. Additionally, the amortizations of that caption regarding 2000 and 2001, in the amount of Euros 6,440,324 were recognized in the caption "accumulated amortization of consolidation differences", by charge of the equity's caption "consolidation differences" (Note 54) and the caption "minority interests" amounting, respectively, Euros 3,566,447 and Euros 2,873,877.

The 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.

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 CONSOLIDATION PERIMETER

During the six months period ended 30 June 2002 the following changes occurred in the group of companies included in the consolidation:

Acquisitions:

- Acquisition by Secil of 100% of the share capital of Florimar – Gestões e Participações, Lda., with head office in Funchal;
- Acquisition by Secil of 100% of the share capital of Somera Trading, with head office in Panama;
- Acquisition of 100% of the share capital of Betostrong – Indústrias de Betão, Lda, with head office in Mafra;
- Acquisition of 9% (increase investment) of the share capital of Almeida & Carvalhais, Lda. with head office in Aveiro;

The total assets, liabilities and profits of these subsidiaries included in the consolidation, as of 30 June 2002, amounts to Euros 6,398,759, Euros 1,802,809 and Euros 2,777,833 respectively.

15. CONSISTENCY OF VALUATION CRITERIA APPLIED

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

18. BASIS OF RECORDING INVESTMENTS IN AFFILIATED COMPANIES

The companies included in the consolidation record their investments in affiliated companies in their individual financial statements by the equity method.

**IV INFORMATIONS RELATING TO COMPROMISES**

21. PENSION FUND

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

Those 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.

Up to 30 June 2001 payments to these retirees were recorded by the Company as costs of the year in which they were made, under the caption payroll expenses. In December 2001 the Company started recognising the past service cost in the caption other provisions for risks and costs. These costs were estimated as of 1 January 2001 and were recorded by charge to retained earnings, and the liability of the period relating to the interest cost, actuarial losses and pension growth were recorded in the caption other payroll expenses.

In addition, Secil record the responsibilities with past services related with the fourteenth month pension complement for the workers included in the Fund in the caption other provisions for risks and charges and by charge deferred costs. This amount will be recorded as cost in accordance with the average number of years in service of the Secil employees.

The liabilities of Secil and CMP at 30 June 2002, based on actuarial calculations made by independent entities, and the market values of the Pension Funds are as follows:

	Secil	CMP
Liability for past services:		
Employees and pensioners	4,133,800	4,588,022
Pensioners covered by pensions fund	3,724,138	19,534,434
	7,857,938	24,122,456
Pensioners not covered by the Pension Fund (Note 46)	15,962,157	-
	<u>23,820,095</u>	<u>24,122,456</u>
Market value of the Fund	<u>8,041,998</u>	<u>22,001,072</u>

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

	Secil	CMP
Incapacity table	EKV 80	Suíça
Mortality table	TV 73/77	TV 73/77
Salary growth rate	3.0%	3.0%
Fund income rate	5.5%	5.5%
Technical interest rate - pensioners	4.5%	4.5%
Pension growth rate	2.0%	2.0%

The evolution of the net assets of the Secil and CMP Pension Funds during the six months period ended 30 June 2002 was as follows:

	Secil	CMP
Balance at the beginning of the period	8,223,639	22,969,563
Charges for managing the fund	(18,626)	-
Income of the fund for the period	(55,439)	(17,357)
Pensions paid during the period	(107,576)	(951,134)
Balance at the end of the period	<u>8,041,998</u>	<u>22,001,072</u>

As of 30 June 2002, CMP recorded an account payable, in the caption of accruals and deferrals amounting Euros 2,229,717 (Note 52), in order to cover the responsibilities with pensions fund.

The evolution of the liability not covered by the Secil pension fund during the six months period ended 30 June 2002 was as follows:

	Note 46	
	2002	2001
Balance at the beginning of the period	14,453,503	15,098,696
Cost of interests	333,724	605,809
Single premiums	(64,721)	-
Pensions paid during the period	(686,626)	(1,592,386)
Net actuarial losses	1,842,368	220,456
Pension growth	64,721	30,019
Current services growth	19,188	90,909
Balance at the end of the period	<u>15,962,157</u>	<u>14,453,503</u>

As of 30 June 2001 Secil did not record any liability for the responsibilities not covered by the Pension Fund amounting, approximately, Euros 14,455,000.

During the six months period ended 30 June 2002, Secil paid retirement pension complements totalling Euros 686,626, to pensioners who retired before 29 December 1987, recorded by change of provision (Note 46).

## 22. GUARANTEES GRANTED

In order to guarantee a debt related with a loan obtained in 1994 for the Secil acquisition, with a bank syndicate, Semapa pledged 4,820,643 of Secil's capital shares.

Secil pledged 6,089,350 shares of CMP in guarantee of the liabilities resulting from the loan contract entered into with a syndicate of banks led by CGD in 1994.

In addition, Secil contracted bank loans to finance the acquisition of Société des Ciments de Gabès, in Tunisia. Under the terms of the loans Secil provided an irrevocable power of attorney to the banks, enabling them to pledge the shares of that company in guarantee of the loan, in the event of non compliance by Secil with the terms of the loan.

Additionally, as of 30 June 2002 Secil and CMP had responsibilities under bank guarantees totalling Euros 1,609,070 and Euros 3,109,880, respectively.

## **V INFORMATION RELATING TO 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 by 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 reflected in the caption "Minority interests".

Investments in affiliated companies are stated in the consolidated financial statements by the equity method.

Investments representing less than 20% of the capital of the participated companies are recorded at the lower of cost or estimated realisable value (except for the investment in Cimentos Madeira, Lda., which was recorded by 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 as set forth in Note 23.d).

##### **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. CMP's and Société des Ciments de Gabès (SCG) tangible fixed assets cost as of the acquisition date of that subsidiaries was determined, on that dates, based on a valuation made by a specialised entity.

Depreciation is computed on cost or revalued amount, essentially on a straight line basis, 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 leases**

Fixed assets acquired under 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

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 in these companies as of the acquisition date, are recorded as intangible assets under the caption goodwill, when the difference is positive (Note 23.a)) or as deferred income when the difference is negative (Note 52). These differences are amortised during the estimated period of recovery of the investments (Note 10).

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

Investments representing 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).

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

The financial statements of group companies expressed in foreign currencies are translated to Euros at the following exchange rates:

- Historical rate: for equity accounts except for profit for the year;
- Period-end rate: for all assets and liabilities;
- Average rate of the period: 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 in the equity section of the balance sheet.

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 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 records 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 the accrual and deferral accounts.

h) Pension complements

As mentioned in Note 21, Secil, CMP, Unibetão, Secil Betão and Sulbetão have assumed the commitment to pay their employees retirement pension complements. All companies created autonomous pension funds, in order to cover their liabilities for such payments. However, 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.

Up to 30 June 2001 these payments, related with employees already retired up to 29 December 1987 were recorded by Secil in the statement of profit and loss for the period in which they were made. In December 2001, the Company started recognising the past service liability in the caption other provisions for risks and costs. The estimated liability as of 1 January 2001 was recorded by charge to retained earnings, and the liability relating to the interest cost, actuarial losses, pensions growth, current services growth, accruing in the year was recorded in the caption other payroll expenses.

In addition, Secil record the responsibilities with past services related with the fourteenth month pension complement for the workers included in the Fund, in the caption other provisions for risks and charges and by charge deferred costs. This amount will be recorded as cost in accordance with the average number of years in service of the Company's employees.

On a semi - annual basis, these 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 provisions previously recorded 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 income tax for the six months period ended 30 June 2002 includes current and deferred tax. Up to 31 December 2001, the income tax included only the current tax. Income tax is recognised in the statement of profit and loss, except that relating to gains and losses recorded directly in reserves, in which case the income tax is also recorded directly in reserves, namely, that relating to the effect of asset revaluations.

Current income tax is determined based on the net profit, adjusted in accordance with legislation in force as of the balance sheet date.

The deferred tax is computed in accordance with the liability method, based on the timing differences between recognition of assets and liabilities for accounting and for taxes purposes. Deferred taxes are calculated at the rates expected to be in force when the timing differences revert.

The Group recognizes deferred tax assets when there is reasonable expectation that future profits will be generated, against which the assets can be used. Deferred tax assets are reviewed annually and decreased whenever it becomes probable that they will not be able to be used.



In the six months period ended 30 June 2002, the Group determined assets and liabilities as explained in the above paragraph, in accordance with Portuguese Accounting Directive 28, by which the deferred tax assets and deferred tax liabilities as of 1 January 2002 amounting to Euros 41,997,281 (Note 38) and Euros 94,028,860 (Note 38), were recorded by charge of an increase in equity caption "Consolidation differences", amounting Euros 7,855,330 (Note 54), a decrease in the equity caption "Revaluation reserves" in the amount of Euros 1,060,246 (Note 54), an increase in the caption "Minority interests" amounting Euros 5,576,577 and an increase in the assets' caption "Consolidation differences" amounting to Euros 64,403,240 (Note 10). The movement in the period, in the amount of Euros 2,274,001 was recorded in the statement of profit and loss for the period (Note 38).

k) Balances and transactions expressed in foreign currencies

All assets and liabilities expressed in foreign currencies were translated to Euros 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 period.

## 27. MOVEMENT IN FIXED ASSETS

The movement in intangible assets, tangible assets and investments, and the related accumulated amortisation, depreciation and provision accounts during the six months period ended 30 June 2002 was as follows:

Caption	Fixed assets					
	Opening balance	Changes in consolidation perimeter	Exchange adjustments	Increases	Sales	Adjustments, transfers and disposals
<b>Intangible assets:</b>						
Incorporation expenses	4,406,390	2,308	-	2,232	-	(1,532,724)
Research and development expenses	1,065,210	11,380	-	34,375	-	33,488
Industrial property and other rights	87,556,725	-	(4,742)	431	-	1
Goodwill	335,952	-	(7,594)	-	-	1
Consolidation differences (Note 10.b))	143,563,908	-	(236,871)	-	-	66,217,270
Intangible assets in progress	517,635	-	-	65,655	-	(437,113)
Advances to suppliers of intangible assets	-	-	-	-	-	-
	<u>237,445,820</u>	<u>13,688</u>	<u>(249,207)</u>	<u>102,693</u>	<u>-</u>	<u>64,280,923</u>
						<u>301,593,917</u>
<b>Tangible fixed assets:</b>						
Land and natural resources	41,864,499	21,489	(19,681)	71,829	(12,174)	121,695
Buildings and other constructions	280,746,105	386,512	(819,956)	359,061	-	471,561
Machinery and equipment	817,605,603	4,067,701	(2,309,383)	5,162,601	(1,798,308)	5,399,984
Transport equipment	41,285,611	15,503	(525,429)	1,280,905	(576,528)	1
Tools and utensils	3,831,135	-	-	117,897	(1,495)	11,416
Administrative equipment	22,479,360	797	(3,287)	255,613	(50,945)	32,996
Reusable containers	18,801	-	-	-	-	-
Other tangible fixed assets	7,517,761	-	(196,516)	282,492	(3,694)	(776)
Construction in progress	10,235,767	-	(53,584)	5,521,436	-	(6,012,023)
Advances to suppliers of tangible fixed assets	381,481	-	-	372,587	-	(55,588)
	<u>1,225,966,123</u>	<u>4,492,002</u>	<u>(3,927,836)</u>	<u>13,424,421</u>	<u>(2,443,144)</u>	<u>(30,734)</u>
						<u>1,237,480,832</u>
<b>Financial investments:</b>						
Investments in subsidiaries	11,677,031	-	-	-	-	381,561
Investments in affiliated companies	23,366,036	-	-	22,854,680	-	(1,930,967)
Loans to affiliated companies	2,211,882	-	-	-	-	-
Securities and other investments	216,646,730	-	(21,534)	259,426	-	(10,235)
Advances on account of investments	30,000	-	-	-	-	(30,000)
	<u>253,931,679</u>	<u>-</u>	<u>(21,534)</u>	<u>23,114,106</u>	<u>-</u>	<u>(1,589,641)</u>
	<u>1,717,343,622</u>	<u>4,505,690</u>	<u>(4,198,577)</u>	<u>36,641,220</u>	<u>(2,443,144)</u>	<u>62,660,548</u>
						<u>1,814,509,359</u>

Caption	Accumulated amortisation, depreciation and provisions						Closing balance
	Opening balance	Changes in consolidation perimeter	Exchange adjustments	Increase	Sales	Transfers, adjustments and disposals	
<b>Intangible assets:</b>							
Incorporation expenses	3,767,943	2,308	-	192,576	-	(1,942,117)	2,020,710
Research and development expenses	783,556	11,380	-	159,792	-	5,770	960,498
Industrial property and other rights	3,860,374	-	(3,886)	894,310	-	1	4,750,799
Goodwill	20,101	-	(1,171)	3,070	-	-	22,000
Consolidation differences (Note 10.b))	44,331,890	-	(23,689)	5,685,295	-	6,440,325	56,433,821
	<u>52,763,864</u>	<u>13,688</u>	<u>(28,746)</u>	<u>6,935,043</u>	<u>-</u>	<u>4,503,979</u>	<u>64,187,828</u>
<b>Tangible fixed assets:</b>							
Land and natural resources	7,005,254	-	-	254,997	(2,017)	-	7,258,234
Buildings and other constructions	182,071,171	4,400	(617,121)	3,693,756	-	(10,583)	185,141,623
Machinery and equipment	631,529,140	42,483	(1,995,288)	19,227,726	(1,617,673)	33,694	647,220,082
Transport equipment	33,937,466	646	(466,192)	1,806,838	(568,962)	(99)	34,709,697
Tools and utensils	3,382,339	-	-	103,597	(1,482)	(4)	3,484,450
Administrative equipment	19,543,355	199	(2,112)	1,194,029	(41,181)	24,838	20,719,128
Reusable containers	16,816	-	-	221	-	-	17,037
Other tangible fixed assets	5,096,752	-	(166,146)	238,901	(2,646)	(1)	5,166,860
	<u>882,582,293</u>	<u>47,728</u>	<u>(3,246,859)</u>	<u>26,520,065</u>	<u>(2,233,961)</u>	<u>47,845</u>	<u>903,717,111</u>
<b>Financial investments:</b>							
Securities and other investments:							
Provisions (Notes 44 and 46)	897,925	-	(2,517)	13,623	-	(12,524)	896,507
Depreciation (Note 44)	1,357,583	-	-	20,521	-	-	1,378,104
	<u>2,255,508</u>	<u>-</u>	<u>(2,517)</u>	<u>34,144</u>	<u>-</u>	<u>(12,524)</u>	<u>2,274,611</u>
	<u>937,601,665</u>	<u>61,416</u>	<u>(3,278,122)</u>	<u>33,489,252</u>	<u>(2,233,961)</u>	<u>4,539,300</u>	<u>970,179,550</u>

In April 2002 Secil acquired a participation in Ciment Sibline, S.A.L. with headquarters in Beirut, Lebanon, representing 21,2172% of its equity (Note 3) at a cost of Euros 22,854,680. The negative difference between cost and the corresponding proportion of equity in that company as of that date, in the amount of Euros 379,605 was recorded under the caption deferred income (Note 52), for amortisation to the statement of profit and loss over a period of five years, beginning in April 2002.

The subsidiary Société des Ciments de Gabès (SCG) recorded Euros 722,703 related to the amortisation of the period deferred multi annual maintenance costs in the profit and loss statement caption "depreciation and amortisation".

The movement in the caption "Investment in subsidiaries", "Investments in affiliated companies" and "Securities and other investments" during the period ended 30 June 2002 was as follows:

	Investments in		Securities and other investments
	Group companies	Associated companies	
Opening balance	11,677,031	23,366,036	216,646,730
Results of subsidiaries and affiliated companies appropriated by the equity method (Note 44):			
- Gains	822,728	1,615,805	-
- Losses	(9,062)	(652,206)	-
Purchase of investment in Ciment Sibline, S.A.L.	-	22,854,680	-
Negative difference between acquisition cost and the corresponding proportion of Sibline equity	-	(379,605)	-
Dividends distributed to the Group	(427,114)	(1,852,508)	-
Other	(4,991)	(662,453)	227,657
Closing balance	<u>12,058,592</u>	<u>44,289,749</u>	<u>216,874,387</u>

#### Securities and other investments:

As of 30 June 2002 securities and other investments were made up as follows:

Cimpor - Cimentos de Portugal, S.G.P.S., S.A.	211,606,782
Investments in property (a)	2,725,497
Other	<u>2,542,108</u>
	<u>216,874,387</u>
Less: Depreciation and provisions for loss on investments	<u>(2,274,611)</u>
	<u>214,599,776</u>

- (a) Properties purchased essentially in previous years not related to Secil's main activities. Accumulated depreciation and reserves (for real estate located in Angola) as of 30 June 2002 amounted Euros 1,378,104 and Euros 850,525 respectively.



### 33. ACCOUNTS PAYABLE IN MORE THAN FIVE YEARS

As of 30 June 2002 debenture loans and bank loans repayable in more than five years amount to Euros 161,054,514 (Note 56).

### 36. SALES AND SERVICES RENDERED BY ACTIVITY AND GEOGRAPHIC MARKET

Sales and services rendered by activity and geographic market are as follows:

<u>By activity:</u>	<u>Sales</u>	<u>Services rendered</u>	<u>Total</u>
Portugal			
Cement	140,501,241	1,374,035	141,875,276
Concrete premix	67,754,011	3,965,840	71,719,851
Stone quarries	8,853,845	1,206,568	10,060,413
Other	8,040,001	85,467	8,125,468
	<u>225,149,098</u>	<u>6,631,910</u>	<u>231,781,008</u>
Tunisia			
Cement	22,344,665	1,957,918	24,302,583
Concrete premix	1,739,661	372,685	2,112,346
	<u>24,084,326</u>	<u>2,330,603</u>	<u>26,414,929</u>
Other countries			
Cement	66,422	-	66,422
Other	2,509,651	382,085	2,891,736
	<u>2,576,073</u>	<u>382,085</u>	<u>2,958,158</u>
Total	<u>251,809,497</u>	<u>9,344,598</u>	<u>261,154,095</u>
<u>By market:</u>	<u>Sales</u>	<u>Services rendered</u>	<u>Total</u>
Internal market	225,149,098	6,631,910	231,781,008
External market	26,660,399	2,712,688	29,373,087
Total	<u>251,809,497</u>	<u>9,344,598</u>	<u>261,154,095</u>

As of 30 June 2002, the detail by segments is as follows:

	<u>Cement</u>	<u>Concrete premix</u>	<u>Stone quarries</u>	<u>Other segments</u>	<u>Eliminations</u>	<u>Consolidated</u>
Sales	166,244,281	73,832,197	10,060,413	11,017,204	(191,416)	261,154,095
Operating results	42,048,421	5,613,878	4,190,459	(123,307)	-	51,729,451
Net financial results	(7,905,368)	138,514	(25,539)	27,620,441	(19,585,564)	242,484
Extraordinary results	(475,781)	380,587	194,444	80,161	-	179,411
Income tax for the year	(14,049,134)	(2,062,046)	(1,338,611)	(1,529,034)	-	(18,978,825)
Minority interests	(11,661)	(235,228)	(191,531)	(268,514)	(15,782,238)	(16,489,172)
Net profit for the year	<u>19,606,477</u>	<u>3,835,705</u>	<u>2,829,222</u>	<u>25,779,747</u>	<u>(35,367,802)</u>	<u>16,683,349</u>
<b>Other information:</b>						
Net assets	1,259,225,525	168,366,678	25,960,897	841,307,497	(1,203,386,421)	1,091,474,176
Liabilities	670,975,787	80,822,718	11,453,662	68,967,833	(151,225,615)	680,994,385
Investment	33,247,408	3,831,459	1,317,223	663,424	-	39,059,514

### 38. INCOME TAX

The Group 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 legislation, profits and losses in subsidiaries and affiliated companies resulting from application of the equity method are deducted from or added to, respectively, the profit for the year in computing taxable income. For tax purposes, dividends are recorded in the year when received.

All other situations that could affect significantly future income tax, are recorded in the income statement, as of 30 June 2002 under Portuguese Accounting Directive 28, as describe in Note 23.j). As required by the transitory dispositions of this accounting directive, the accumulated effect until 31 December 2001, by application, for the first time, of deferred taxes, was recorded directly in the equity captions retained earnings and revaluation reserves, except in the case of subsidiary Société des Ciments des Gabès that, for being a recent acquisition, was recorded in the caption of consolidation differences on assets (Note 10).

The charge of income tax recorded during the six months period ended 30 June 2002 corresponds essentially to:

	Operations in income statement
Income tax for the period	18,978,825
Charges/(gains) of income tax for the period recognizes in the period and previously recognized as deferred tax from:	
Deferred taxes arising from timing differences	(826,070)
Deferred taxes by reversion of timing differences	(1,183,516)
Decrease in assets from deferred taxes	226,982
Report of tax losses already recognised as deferred taxes	580,149
Deferred taxes related with amortization of revaluation reserve of fixed assets	(1,071,546)
Deferred tax	(2,274,001)
Current tax	21,252,826

As of 30 June 2002, assets and liabilities from deferred taxes are as follows:

	Total	Operations in income statement	Movements in other captions of Equity		
			Revaluation	Others	Others
Timing differences that generate deferred tax assets					
Provisions non tax deductible	1.949.759	260.181	-	1.689.578	-
Pensions benefits, with no external fund	15.962.157	1.508.654	-	14.453.503	-
Tax losses	579.715	(1.622.091)	-	2.201.806	-
Gain in fixed assets generated in intra groups transactions	108.829.634	-	-	108.829.634	-
	127.321.265	146.744	-	127.174.521	-
Timing differences that generate deferred tax liabilities					
Revaluation of fixed assets	(40.925.897)	3.268.203	(5.801.823)	(38.392.277)	-
Fair value of SGC	(167.457.660)	3.310.320	-	13.241.278	(184.009.258)
Deferral of taxation of gains in fixed assets	(58.528.177)	325.996	-	(58.854.173)	-
Increase in depreciation	(1.177.074)	(230.094)	-	(946.980)	-
	(268.088.808)	6.674.425	(5.801.823)	(84.952.152)	(184.009.258)
Amounts in balance sheet					
Deferred tax assets	42.011.972	14.691	-	41.997.281	-
Deferred taxes liabilities	(91.769.550)	2.259.310	(1.914.602)	(27.711.018)	(64.403.240)

As of 30 June 2002, the income tax for the period and retained earnings was as follows:

Profit before income tax (accounting purposes)	52,151,346
Permanent differences	40,281,235
Profit before income tax (tax purposes)	63,835,560
Minoritary interest	16,489,172
Net profit for the period ( accounting purposes)	16,683,349
Income tax for the period	<u>18,978,825</u>
Deferred tax	<u>(2,274,001)</u>
Current tax	<u>21,252,826</u>

Deferred tax related with fixed assets revaluations had the following movements:

	<u>Initial recognition</u>
Amount of revaluation reserves or equivalent	110,485,249
Increase of liabilities from deferred taxes - revaluation	14,531,888

The reconciliation of effective tax rate is as follows:

Profits and others equity's variations before tax	52,151,346
Tax Rate	30.00%
Municipal Tax ("Derrama")	8.98041%
Tax for the period	18,978,825
Taxable profit	63,835,560
Income tax	20,870,476
Autonomous tax	545,001
Tax deductions	(162,651)
Total tax	<u>21,252,826</u>
Average rate	<u>33.29%</u>
Effective rate	<u>40.75%</u>

The effects of the record of deferred taxes in the financial statements of Semapa and its subsidiaries are described in Note 54.

#### 41. REVALUATION OF 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, Decree-Law 430/78, Decree-Law 219/82, Decree-Law 319-G/84, Decree-Law 118-B/86, Decree-Law 111/88, Decree-Law 49/91, Decree-Law 264/92, Decree-Law 22/92; Decree-Law 31/98.

#### 42. REVALUATION OF TANGIBLE FIXED ASSETS AND INVESTMENTS IN PROPERTIES

As of 30 June 2002 the cost and revaluation of tangible fixed assets and investments (investments in properties), net of accumulated depreciation, are as follows:

Caption	Historical costs	Revaluations	Revaluated amounts
<b>Tangible fixed assets:</b>			
Land and natural resources	23,258,954	11,530,469	34,789,423
Buildings and other constructions	58,519,418	37,482,242	96,001,660
Machinery and equipment	124,840,477	56,067,639	180,908,116
Transport equipment	6,466,604	303,762	6,770,366
Tools and utensils	334,538	139,965	474,503
Administrative equipment	1,478,153	517,253	1,995,406
Reusable containers	1,756	8	1,764
Other tangible fixed assets	2,193,406	239,001	2,432,407
	<u>217,093,306</u>	<u>106,280,339</u>	<u>323,373,645</u>
<b>Investments:</b>			
Investments in property	246,926	1,100,465	1,347,391
	<u>217,340,232</u>	<u>107,380,804</u>	<u>324,721,036</u>

#### 44. FINANCIAL RESULTS

Financial results are made up as follows:

Expenses:	2002	2001
Interest expense	9,992,981	12,566,654
Depreciation and provisions for financial investments (Note 27)	34,144	20,521
Foreign currency exchange loss	1,151,717	194,995
Financial discounts allowed	167,201	1,078,481
Loss on affiliated companies (Note 27)	661,268	117,337
Other financial expenses	422,379	452,609
	<u>12,429,690</u>	<u>14,430,597</u>
Net financial results	242,484	(754,138)
	<u>12,672,174</u>	<u>13,676,459</u>
<b>Income:</b>		
Interest income	425,238	277,950
Income from participations	23,780	-
Income from properties	10,369	9,941
Gain on investments in affiliated companies (Note 27)	2,463,840	4,135,084
Gain on investments in other companies	8,499,890	8,286,943
Foreign currency exchange gain	854,649	136,326
Financial discounts received	90,792	153,455
Gain on marketable securities and other treasury applications	289,011	595,091
Other financial income	14,605	81,668
	<u>12,672,174</u>	<u>13,676,459</u>

The caption of gain on investments in affiliated companies includes the amount of Euros 25,307, related to the recognition in the income statement of part of the difference between the cost and the proportional equity of Ciment Sibline S.A L. as of the date of acquisition (Note 27).

The gain on investment in equity securities in other companies, corresponds essentially to dividends of Cimpor amounting to Euros 8,464,358, received from the subsidiary Secilpar.

#### 45. EXTRAORDINARY RESULTS

Extraordinary results related to the six months period ended 30 June 2002 and 2001 are made up as follows:

	2002	2001
<u>Expenses:</u>		
Donations	75,968	129,792
Uncollectable debts	145,086	54,234
Loss on inventories	745	923
Loss on fixed assets	67,607	613,811
Fines and penalties	17,720	13,727
Increase in depreciation and provisions	-	384
Prior year adjustments	61,267	212,672
Other extraordinary expenses	1,004,750	149,425
	<u>1,373,143</u>	<u>1,174,968</u>
	179,411	710,588
Net extraordinary results	<u><u>1,552,554</u></u>	<u><u>1,885,556</u></u>
<u>Income:</u>		
Tax refund	7,323	3,447
Recovery of debts	44,777	-
Gain on inventories	119	-
Gain on fixed assets	375,832	953,083
Contractual penalty benefits	-	304
Decrease in depreciation and provisions	317,455	191,903
Prior year adjustments	29,610	6,474
Other extraordinary income	777,438	730,345
	<u><u>1,552,554</u></u>	<u><u>1,885,556</u></u>

The amount recorded in the caption other extraordinary expenses includes the amount of Euros 948,798 relating to an insufficient estimative for the Corporate Income Tax of the Company for year 2001, as a result of a decrease in the expected number of companies considered under the special tax regime applicable to groups of companies, in consequence of the publication of "Circular nº5 / 2002" of 2 April from tax authorities, by which the companies Ecob, Sulbetão, Lisconcreto, Betopal and Fabetão were excluded. Additionally, Argibetão was excluded because it was sold to an external entitie from the Secil's tax group considered.

#### 46. MOVEMENT IN PROVISIONS

The movement in provisions during the period ended 30 June 2002 was as follows:

Captions	Opening balance	Exchange adjustments	Increase	Utilisation/ reversal	Ending balance
Provisions for losses on inventories	1,878,842	(102,589)	250,000	(560)	2,025,693
Provisions for doubtful accounts:					
Customers	10,816,929	(77,384)	603,403	(374,057)	10,968,891
Other debtors	534,066	(8,698)	123,545	-	648,913
	<u>11,350,995</u>	<u>(86,082)</u>	<u>726,948</u>	<u>(374,057)</u>	<u>11,617,804</u>
Provisions for risks and costs:					
Pensions provisions (Note 21)	14,453,503	-	2,260,001	(751,347)	15,962,157
Tax provisions	698,317	-	504	-	698,821
Other provisions for risks and costs	5,863,185	-	75,792	-	5,938,977
	<u>21,015,005</u>	<u>-</u>	<u>2,336,297</u>	<u>(751,347)</u>	<u>22,599,955</u>
Provisions for investments (Note 27)	897,925	(2,517)	13,623	(12,524)	896,507
	<u>35,142,767</u>	<u>(191,188)</u>	<u>3,326,868</u>	<u>(1,138,488)</u>	<u>37,139,959</u>

The increase in the caption provision for pensions in the amount of Euros 2,260,001 (cost of interest of Euros 333,724, actuarial losses of Euros 1,842,368, pensions growth of Euros 64,721, and current services growth of Euros 19,188) was recorded by charge to payroll costs.

The amount of Euros 374,057 includes the indirect utilisation of provisions for accounts receivable from customers amounting Euros 317,455 (Note 45).

The provision for taxes in the amount of Euros 698,821 results from inspections made by the tax authorities of the corporate income tax returns for the years 1997 and 1999, the proposed adjustments having been communicated to the Group. The Group received an additional corporate income tax assessment of Euros 344,566 for 1997, which was paid on 3 July 2002.

The other provisions for risks and charges includes, essentially, the amount of Euros 5,598,358, related with actuarial costs with pensioners, recorded when the fund was acquired by CMP, as referred in Note 50.

### VII **OTHER INFORMATIONS**

#### 50. OTHER DEBTORS

The balance of this caption includes Euros 5,598,358 recorded in the statement of profit and loss of CMP in 1995 by corresponding entry to the caption other provision for risks and costs (Note 46). This amount results from an actuarial valuation, made by a specialised independent entity, of the liability for retirements as of 31 December 1993 following the re-privatisation process of CMP. As a result of the valuation referred to, errors were detected totalling the amount referred to above, the Management of CMP having in 1996 requested the Portuguese State to correct the insufficiency.

Additionally, this caption also includes the amounts of: (i) Euros 1,844,391 related with the sell of auto stone crushers and auto pumps; (ii) Euros 656,914 relating with the sell of equipment to subsidiary Tecnosecil; and (iii) Euros 848,915 related with guaranties granted to other entities by subsidiary Société des Cimentes des Gabès.

#### 51. STATE AND OTHER GOVERNMENT ENTITIES

There are no overdue debts to the State and other government entities as of 30 June 2002. The balances with these entities are made up as follows:

	Receivables balances	Payable balances
Corporate income tax	29,299,823	20,973,876
Personal income tax	404	908,303
Tax added value	92,177	7,649,354
Social Security contributions	-	1,251,762
Taxes of Société Ciments Gabés	2,238,561	1,584,479
Other taxes	-	22,789
	<u>31,630,965</u>	<u>32,390,563</u>

At the disclosure date of these financial statements, the amount of Euros 29,299,823, had already been paid by the Government.

## 52. ACCRUALS AND DEFERRALS (LIABILITIES)

As of 30 June 2002, the balance of the caption accrued costs, includes the amount of: (i) Euros 8,249,816, related with vacations pay, vacations subsidy and other costs with personnel; (ii) Euros 3,154,172 referring to expenses with interests accrued in the period ended 30 June 2002, corresponding to loans, which will be charge in a posterior date; and (iii) Euros 2,229,717 related with accounts payable to pensions fund of CMP, in order to cover the responsibilities not cover by the pensions fund (Note 21).

The caption deferred income includes Euros 3,357,114 relating to investment subsidies of which Euros 2,338,664 relates to the CMP's investment subsidy to the Continuous Improvement of Environmental Performance of the Cement Sector, attributed to CMP in 1999. These subsidies are amortised in proportion to depreciation of the corresponding subsidised equipment. Amortisation for the year is recorded under the caption "Other extraordinary income" (Note 45).

Additionally this caption as of 30 June 2002, includes the negative consolidation differences obtain with the acquisition of associated Ciment de Sibline, amounting Euros 379,605, which was deducted from the period amortisation, amounting Euros 25,307.

## 53. CAPITAL

The Company's share capital at 30 June 2002 consisted of 118,322,445 fully subscribed and paid up shares of Euro 1 each, totalling Euros 118,322,445.

In accordance with the most recent Shareholders' General Meeting, held on 27 March 2002, and the participation mentioned, the following entities 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
Cimpor Portugal, SGPS, S.A.	20.02	23,695,611

## 54. MOVEMENT IN EQUITY ACCOUNTS

The movement in the equity accounts during the six months period ended 30 June 2002 was as follows:



Captions	Opening balance	Increases	Decreases	Transfers	Closing balance
Share capital	118,332,445	-	-	-	118,332,445
Treasury stock - nominal value	(1,553,280)	-	(1,100,000)	-	(2,653,280)
Treasury stock - discounts and premiums	(3,632,740)	-	(3,845,014)	-	(7,477,754)
Share premium	3,923,459	-	-	-	3,923,459
Consolidation differences (Note 10.a)	(1,858,609)	3,959,652	-	-	2,101,043
Accumulated exchange adjustments	(407,247)	-	(1,938,953)	-	(2,346,200)
Revaluation reserves (Notes 23.j) and 41)	13,727,564	-	(1,060,246)	-	12,667,318
Reserves:					
Legal reserve	7,364,592	-	-	2,207,303	9,571,895
Other reserves	30,971,799	-	-	30,370,838	61,342,637
Retained earnings	40,418	-	-	-	40,418
Consolidated net profit for the period	44,146,058	16,683,349	-	(44,146,058)	16,683,349
	<u>211,054,459</u>	<u>20,643,001</u>	<u>(7,944,213)</u>	<u>(11,567,917)</u>	<u>212,185,330</u>

As decided by the Shareholders' General Meeting on 27 March 2002, consolidated net profit for 2001 was appropriated as follows:

Dividends distributed	11,567,917
Legal reserve	2,207,303
Other reserves	30,370,838
	-----
	44,146,058
	=====

The movements in the caption of Secil's retained earnings and consequently the impact in the caption of consolidation differences in Semapa, were as follows:

	Impact on Secil		Impact on Semapa
	Increase	Decrease	
Distribution of profits to employees by affiliated and associated companies	-	743,136	(411,525)
Depreciation in years 2000 and 2001, resulting of the adjustment made in the caption consolidation differences (Note 10.b))	-	6,440,324	(3,566,447)
Deferred taxes (Note 23.j))	14,185,231	-	7,855,330
Other	148,613	-	82,294
	<u>14,333,844</u>	<u>7,183,460</u>	<u>3,959,652</u>

The amount of Euros 1,938,953 in the caption accumulated exchange adjustments, corresponds to the proportion of the Group in the decrease in the shareholders' equity of Société Ciments Gabès, Sud-Béton and Ciment de Sibline, resulting from exchange differences arising on the translations to Euros of the balance sheets of the foreign subsidiaries.

**Revaluation reserves:** This caption results from the revaluation of tangible fixed assets made by subsidiaries of Semapa in accordance with applicable law (Note 41). 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 revaluation. The reserves are considered to be realised by the use or sale of the fixed assets to which they relate.

**Legal reserve:** Commercial legislation establishes that a minimum of 5% of annual net profits must be transferred to a legal reserve until it reaches 20% of share capital. This reserve can only be distributed to the shareholders upon liquidation of the Company, but may be used to absorb losses after all other reserves have been used up, or to increase capital.



## 55. MINORITY INTERESTS

As of 30 June 2002 and 2001 minority interests included in liabilities refers to the following subsidiaries:

	2002	2001
Secil	190,554,511	169,977,554
CMP Group	19,098	436,398
Secil Betões e Inertes Group	3,545,329	3,601,061
Société des Ciments de Gabés	454,200	486,846
Secil Martingança	2,879,650	2,614,170
Others	841,673	434,757
	<u>198,294,461</u>	<u>177,550,786</u>

During the six months period ended 30 June 2002 the movement in the caption minority interests was as follows:

Opening balance	197,057,336
Results of subsidiaries relating to minority shareholders	16,489,172
Dividends distributed to minority shareholders	(15,223,207)
Proportion of other adjustments recorded by subsidiaries directly to their equity accounts	(28,840)
Closing balance	<u>198,294,461</u>

In addition, as of 30 June 2002 minority shareholders had accounts receivable from the group totalling Euros 245,565 (classified in the medium and long term).

## 56. LOANS

Loans obtained as of 30 June 2002 are made up as follows:

	Short term	Medium and long term
<u>Debenture loans:</u>		
Semapa/98 debenture loan	-	23,942,299
CMP/97 debenture loan	-	47,385,800
Secil-CMP/95 debenture loan	1,479,961	613,643
Others	-	765,785
	<u>1,479,961</u>	<u>72,707,527</u>
<u>Bank loans:</u>	<u>34,638,081</u>	<u>341,675,213</u>
<u>Other loans:</u>		
Loans obtained under the PEDIP II – Medida 3.3 program	1,301,687	1,952,529
EFTA Fund for the Industrial Development of Portugal	623,497	-
	<u>1,925,184</u>	<u>1,952,529</u>

The medium and long term of the Secil-CMP/95 debenture loan amounting Euros 613,643, can be payable as of 1 March 2003 if the put option is exercised and consequently that liquidation will be save of the 15º copon payment amounting Euros 1,479,961.

As of 30 June 2002, loans classified as medium and long term are repayable as follows:

01-07-2003 to 30-06-2004	46,325,365
01-07-2004 to 30-06-2005	114,234,446
01-07-2005 to 30-06-2006	47,296,658
01-07-2006 to 30-06-2007	47,424,287
01-07-2007 and following (Note 33)	161,054,514
	<u>416,335,270</u>

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 Plan 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.

## APPENDIX I

### COMPANIES INCLUDED IN CONSOLIDATION

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.	Lisboa	Parent company	
Secil - Companhia Geral de Cal e Cimento, S.A. and subsidiaries:	Setúbal		55.3768
Florimar - Gestão e Participações, SGPS, Lda.	Funchal	99.9995	55.3765
Somera Trading Inc.	Panama	99.9995	55.3765
Parcim Investments, B.V.	Amsterdam	99.9995	55.3765
Secilpar, SL	Madrid	99.9995	55.3765
Seinpart - Participações, SGPS, S.A.	Lisbon	99.9995	55.3765
Ciminpart - Investimentos e Participações, SGPS, S.A.	Lisbon	99.9995	55.3765
Parseinges - Gestão de Investimentos, SGPS, S.A.	Lisbon	99.9995	55.3765
Argibetão - Sociedade de Novos Produtos de Argila e Betão, S.A.	Lisbon	90.8708	50.3214
Secil Investimentos, S.G.P.S., S.A.	Lisbon	99.9995	55.3765
Société des Ciments de Gabès	Tunis	98.7063	54.6604
Sud- Béton- Société de Fabrication de Béton du Sud	Tunis	98.7063	54.6604
Tercim- Terminais de Cimento, S.A.	Lisbon	99.9995	55.3765
Secil, Betões e Inertes, S.G.P.S., S.A. e Subsidiárias	Setúbal	93.6595	51.8657
Secil Betão - Indústrias de Betão, S.A.	Setúbal	93.6595	51.8657
Britobetão - Central de Betão, Lda.	Évora	51.5127	28.5261
Sulbetão - Preparados de Betão, S.A.	Albufeira	93.6595	51.8657
Unibetão - Indústrias de Betão Preparado, S.A.	Lisbon	93.6595	51.8657
Lisconcreto - Betão Pronto, S.A.	Leiria	93.6595	51.8657
Asfalbetão - Sociedade Industrial, Lda.	Torres Vedras	84.2936	46.6791
Betopal - Betões Preparados, S.A.	Lisbon	93.6595	51.8657
Secil Britas, S.A.	Penafiel	93.6595	51.8657
Pedreiral - Pedreiras de Almoester, S.A.	Santarém	93.6595	51.8657
ECOB - Empresas de Construção e Britas, S.A.	Albufeira	93.6595	51.8657
Fabetão - Sociedade industrial de Fabrico de Betão, Lda.	Lisbon	93.6595	51.8657
Almeida & Carvalhais, Lda.	Aveiro	84.1525	46.6010
Betostrong - Indústria de Betão, Lda.	Mafra	93.6595	51.8657
IQM - Indústrias Químicas da Martingança, Lda.	Lisbon	50.8730	28.1719
Macmetal - Indústrias Metal-Mecânicas da Maceira, Lda.	Leiria	50.9997	28.2420
Secil Martingança - Aglomerantes e Novos Materiais p/Constr., Lda.	Leiria	51.1903	28.3476
Condind - Conservação e Desenvolvimento Industrial, Lda.	Setúbal	99.9919	55.3723
CMP - Cimentos Maceira e Pataias, S.A. ("CMP")	Leiria	99.9843	55.3681

## APPENDIX II

### COMPANIES EXCLUDED FROM CONSOLIDATION

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
Asfalbetão transportes, Lda.	Torres Vedras	93.6595	51.8657
Betopal S.A. (Espanha)	Madrid	89.9132	49.7910
Tecnosecil-Investimentos e Participações, SARL	Luanda	69.9997	38.7636
Trochee Investments, B.V.	Amsterdam	99.9995	55.3765
Subsidiárias e associadas da Enersis-S.G.P.S, S.A.:			
Enersis-S.G.P.S, S.A.	Lisbon	89.9043	49.7861
PESL-Parque Eólico da Serra do Larouco, S.A.	Montalegre	79.1125	43.8100
Minihídrica do Palhal, Lda.	Albergaria-A-Velha	89.9043	49.7861
Enerpro - Projectos de Energias Renováveis, Lda.	Lisbon	76.4152	42.3163
ECH - Exploração de Centrais Hidroeléctricas, Lda.	Ovadas	89.9043	49.7861
Hidrotuela - Hidroeléctrica do Tuela, S.A.	Bragança	83.4008	46.1847
Hidroorgo - Hidroeléctrica do Orgo, S.A.	Vila Real	89.1901	49.3906
Enervia -Sociedade de Produção de Energia, S.A.	Lisbon	84.0567	46.5479
Produtora de Energia Minihídrica, Lda.	Vinhais	89.9043	49.7861

### APPENDIX III

#### ASSOCIATED COMPANIES

Name	Head office	Percentage of share capital effectively held by Secil	Percentage of share capital effectively held by Semapa
Ciment de Sibline, SAL	Beirut	21.2171	11.7494
Betão Liz, S.A.	Lisbon	33.3664	18.4773
Becim - Corretor de Seguros, Lda.	Lisbon	27.4022	15.1745
Cimentos Madeira, Lda.	Funchal	14.2856	7.9109
Cimentaço - Cimentos dos Açores, Lda.	P. Delgada	24.9999	13.8441
Cimentrans - Transportes 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	39.9998	22.1506
Cimianto - Sociedade Técnica de Hidráulica, S.A.	Vila F. Xira	39.9590	22.1280
Vermofeira-Extracção e Comércio de Areias, Lda.	Oeiras	46.8298	25.9328

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

Gonçalo Allen Serras Pereira  
Director

Francisco José de Melo e Castro Guedes  
Director

Paulo Jorge Morais Costa  
The Accountant

Frederico José da Cunha de Mendonça e Meneses  
Director

**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 - Note 57)

(Amounts stated in Euros - €)

1. We have reviewed the accompanying half year consolidated financial statements of Semapa – Sociedade de Investimento e Gestão, SGPS, S.A. (“the Company”) and subsidiaries (“the Group”), which comprise the consolidated balance sheet as of 30 June 2002, the consolidated statement of profit and loss by nature for the six month period then ended and the corresponding notes. These half year consolidated financial statements are the responsibility of the Board of Directors of the Company.
2. Our review of the above mentioned half year consolidated financial statements consisted essentially of enquiries of, and interviews with directors and other personnel responsible in the Company and its subsidiaries and applying analytical procedures to financial and accounting data. Our review was substantially less in scope than an audit performed in accordance with generally accepted auditing standards, the objective of which is to express an opinion on the financial statements taken as a whole. Accordingly, we do not express such an opinion.
3. The Company’s consolidated financial statements as of 30 June 2001, presented for comparative purposes, were the object of a report dated 19 September 2001, which contains one qualification that was resolved in the second half of 2001, as explained in paragraph 5 below.
4. Based on our review, we are not aware of any matters that affect significantly the conformity of the half year consolidated financial statements referred to in paragraph 1 above with generally accepted accounting principles in Portugal which, except for the matters referred to in paragraphs 5 and 6 below, were applied on a basis consistent with that of the preceding period.
5. Up to 31 December 2000 the pension complements paid for retirement due to age, incapacity and survivor pensions of personnel retired up to 29 December 1987 and the voluntary payment of the fourteenth month complement paid to personnel retiring after that date, the liability for which is not covered by the Secil Pension Fund, were recognised as costs in the period in which they were paid. At 31 December 2001 but with effect as from 1 January 2001, Secil changed its accounting procedure, and started recognising these costs on an accruals basis. The liability for the above mentioned pension complements at 31 December 2000, which amounted to €14,835,407, was recorded in that subsidiary’s financial statements by corresponding charge to retained earnings, as it is an infrequent adjustment of significant amount relating to prior years. The effect of this change, recorded in the half year period ended 31 December 2001, consisted of decreases in the equity caption “consolidation differences” in the amount of €8,215,376 and in the “minority interests” caption in the amount of €6,620,031.

6. As mentioned in Note 23.j), following publication of Portuguese Accounting Directive 28 relating to income tax, the Group adopted the procedure of recording deferred taxes, effective as from 1 January 2002. The accumulated effect of this change in accounting policy as of 1 January 2002 was the recording of deferred tax assets and deferred tax liabilities of €41,997,281 and €94,028,860, respectively. As required by the transitory provisions of the Accounting Directive, those amounts were recorded in the captions affected by the causes which gave rise to the deferred tax asset and liability and corresponded to an increase in the assets caption “consolidation differences”, in the shareholders’ equity caption “consolidation differences” and in the “minority interests” caption in the amounts of €64,403,240, €7,855,330 and €5,576,577, respectively, and to a decrease in the shareholders’ equity caption “revaluation reserves” in the amount of €1,060,246.

Lisbon, 2 August 2002

DELOITTE & TOUCHE