

INDIVIDUAL/CONSOLIDATED QUARTERLY REPORT (Not audited)

(applicable to companies subject to the accounting rules of the Portuguese Accounting Plan)

Company: **SEMAPA - SOCIEDADE DE INVESTIMENTO E GESTÃO, SGPS, S.A. Public Limited Company**

Registered Office: **AV. FONTES PEREIRA DE MELO, 14 - 10º 1600 - 079 LISBOA**

NIPC: **502 593 130**

Reference period:

Reference figures in Euros

1st Quarter ☐

3rd Quarter ☐

☒ 5th Quarter⁽¹⁾

☐

Start: 01/01/2005 End: 30/09/2005

Balance Sheet Items	Individual			Consolidated		
	30-09-2005 PGAAP	31-12-2004 PGAAP	Var. (%)	30-09-2005 IFRS	31-12-2004 PGAAP	Var. (%)
ASSETS						
Fixed assets (net)	328.741.612	292.651.981	12,33%	2.982.145.918	2.393.773.591	24,58%
Intangible assets		21.569	(100,00%)	526.095.418	705.236.000	(25,40%)
Tangible assets	638.138	98.626	547,03%	2.391.065.355	1.588.502.533	50,52%
Financial investments	328.103.474	292.531.786	12,16%	64.985.145	100.035.058	(35,04%)
Accounts receivable (net)	145.937.195	144.954.901	0,68%	336.788.213	373.145.400	(9,74%)
Non-current	114.700.128	124.371.545	(7,78%)		24.259.912	(100,00%)
Current	31.237.067	20.583.356	51,76%	336.788.213	348.885.488	(3,47%)
SHAREHOLDERS'S FUNDS						
Value of share capital	118.332.445	118.332.445	0,00%	118.332.445	118.332.445	0,00%
Nº ordinary shares (4)	118.332.445	118.332.445	0,00%	118.332.445	118.332.445	0,00%
Nº other shares						
Value of own shares				2.727.975	2.727.975	0,00%
Nº of voting shares				0	0	
Non-voting preference shares						
Minority interests				526.476.363	507.596.390	3,72%
LIABILITIES						
Provisions	60.644.726	4.587.844	1221,86%	8.434.529	61.362.829	(86,25%)
Accounts payable	62.043.514	48.712.715	27,37%	2.496.302.003	2.149.844.321	16,12%
Non-current	32.856.067	13.467.543	143,96%	1.821.601.433	1.608.740.917	13,23%
Current	29.187.447	35.245.172	(17,19%)	674.700.570	541.103.404	24,69%
TOTAL ASSETS (net)	525.762.963	438.500.319	19,90%	3.887.269.924	3.349.038.602	16,07%
TOTAL SHAREHOLDERS' FUNDS	400.778.190	384.424.698	4,25%	927.254.551	384.424.698	141,21%
TOTAL LIABILITIES	124.984.773	54.075.621	131,13%	2.960.015.373	2.457.017.514	20,47%

Income Statement Items	Individual			Consolidated		
	30-09-2005 PGAAP	30-09-2004 PGAAP	Var. (%)	30-09-2005 IFRS	30-09-2004 PGAAP	Var. (%)
Sales and Services	5.138.520	539.429	852,59%	1.119.323.219	329.316.142	239,89%
Variation in production					(1.505.415)	100,00%
Cost of sales and services rendered	1.423.108	1.424.821	(0,12%)	860.549.624	183.692.585	368,47%
Gross results	3.715.412	(885.392)	519,63%	258.773.595	144.118.142	79,56%
Operating results	(12.871.229)	(4.471.508)	(187,85%)	184.162.913	34.111.952	439,88%
Financial results (net)	37.759.832	27.636.754	36,63%	(59.349.264)	(9.470.280)	(526,69%)
Current results	24.888.603	23.165.246	7,44%	124.813.649	24.641.672	406,51%
Extraordinary results	(3.701)	139.155.566	(100,00%)		187.733.764	(100,00%)
Tax on income ⁽²⁾	39.541	4.266		48.363.151	44.002.410	9,91%
Minority interests				47.451.410	6.056.480	683,48%
Net profits for the quarter	24.845.361	162.316.546	(84,69%)	28.999.088	162.316.546	(82,13%)
Net profits for the quarter per share	0,21	1,37	(84,69%)	0,25	1,37	(82,13%)
Self-financing ⁽³⁾	25.151.436	162.929.698	(84,56%)	153.812.177	219.926.990	(30,06%)

⁽¹⁾ Applicable in the first financial year of companies which adopt a company year different from the calendar year (Article 65-A of the Companies Code)

⁽²⁾ Estimate of tax on income

⁽³⁾ Self-financing = Net profits + Depreciation + Provisions

OPERATIONS IN THE QUARTER

(Summary of the company's business activities to allow investors to form an opinion on the company's affairs over the quarter)

1. **SEMAPA Group's Performance**

In an adverse economic setting in Portugal and internationally, we consider that the SEMAPA Group's performance evolved in a frankly positive manner up to the end of the 3rd quarter of 2005. The Group has successfully achieved its strategy of growth, with highly significant improvements in its main operating indicators.

We emphasize the magnitude of the turnover of 1,119 million euros, EBITDA of 318 million euros and Net Profits of 29 million euros.

2. **Business areas**

a. **SECIL Group – Cement business area**

- ☐ Cement output stood at 3,608,000 tons, slightly down (1%) on last year's figure;
- ☐ Sales totalled 346 million euros, representing growth of 5% over the same period in the previous year;
- ☐ The Group contributed 122 million euros to the Group's consolidated EBITDA, with an EBITDA margin of 35%;
- ☐ Net investment totalled 42 million euros;
- ☐ Net debt remained at the same level as in 2004, i.e. 202 million euros, due essentially to the fact that cash flow generated during the period was used for investment and to pay dividends to shareholders.

b. **ENERSIS Group – Renewable energy business area**

- ☐ Installed capacity increased by 85%, from 185 MW to 344 MW , with:
 - Hydro capacity remaining stable at 80 MW;
 - Wind farm capacity more than doubling, rising from 106 MW to 264 MW.
- ☐ Despite the 85% increase in installed capacity, output increased by 23% to 313 GWh, due i) to the adverse weather conditions over the period, dominated by a prolonged drought and ii) the fact that the new wind farms started up progressively over the period.
- ☐ Sales stood at 29 million euros, up 31% over the same period in 2004 for the reasons described above;
- ☐ The contribution to consolidated EBITDA stood at 25 million euros, with a margin of 87%, figures influenced by a one-off service contract;
- ☐ Net investment amounted to a figure in the order of 163 million euros;
- ☐ Net debt was up by 157 million euros from 31 December 2004, totalling 469 million euros, due essentially to the investment made over the period.

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c. PORTUCEL / SOPORCEL Group - Paper and Paper Pulp business area

- ☐ Output of white pulp up by 0.5%, totalling 946.5 thousand tons;
- ☐ Paper output down by 0.6%, standing at 730.4 thousand tons;
- ☐ Pulp prices were up by 7.5% and paper prices down by 2.6%;
- ☐ Sales stood at approximately 744 million euros, representing growth of 2.6% over the same period in the previous year;
- ☐ This business area contributed 185 million euros to consolidated EBITDA, with a margin of 25%;
- ☐ Net investment stood at 34 million euros;
- ☐ Net debt was down by 92 million euros from the end of 2004 to approximately 779 million euros due to the healthy cash flow generated over the period (despite the distribution of dividends).

d. SEMAPA Group – consolidated figures

- ☐ Turnover: 1,119 million;
- ☐ EBITDA and EBITDA margin: 318 million euros and margin of 27%;
- ☐ Net debt: 2,147 million euros, representing an increase of 42 million euros over the end of 2004; it should be noted that the HOLDINGS recorded net debt of approximately 697 million euros (borrowing taken out essentially to finance the acquisition of the Portucel/ Soporcel Group), down by 23 million euros as a result of the dividends received;
- ☐ Net profits for the period: 29 million euros, reflecting the sound performance of the Semapa Group.

OPERATIONS IN THE QUARTER

3. Leading economic and financial indicators

Contribution by business areas					million Euros
	Cement	Paper and Pulp	Renewable Energy	Holdings	Consolidated
Turnover	346	744	29	-	1 119
Total EBITDA	122	185	25	(15)	318
Depreciation	(27)	(85)	(13)	(0)	(125)
Provisions	-	-	-	-	-
EBIT	95	100	12	(15)	193
Financial Results	(3)	(34)	(8)	(23)	(68)
Pre-tax Profits	92	67	4	(38)	125
Tax on profits	(28)	(19)	(2)	(0)	(48)
Minority interests	(1)	0	0	(47)	(47)
Net profits for the period	63	48	3	(85)	29
Cash Flow	90	133	15	(85)	154
EBITDA margin (% Turnover)	35%	25%	87%		28%
Total net assets	846	2 224	571	247	3 887
Net Debt	202	779	469	697	2 147

NB: The figures stated per business segment may differ from those presented individually by each Group, as a result of the consolidation adjustments.

The negative contribution to the net profits of 85 million euros from the holdings reflects essentially the following: i) financial losses of (23) million euros, deriving fundamentally from financial charges relating to the acquisition of Portucel; and ii) the value of minority interests of (47) million euros, reflecting minority holdings in business sectors: 49% of the SECIL Group, 32.9% of the PORTUCEL / SOPORCEL Group and 10.1% of the ENERSIS Group.

4. Comparability of information

The Company has opted not to re-express 3rd quarter financial statements for 2004, on the basis of the IFRS rules (International Financial Reporting Standards), considering that the comparability of the information is in any case affected by the deep-reaching changes in the Semapa Group which occurred over the course of 2004:

- Realization of capital gains in the first half of 2004, from the disposal of minority holdings in SECIL and CIMPOR, as referred to in previous press releases;
- Disposal of approximately 45% of Secil in May 2004; SEMAPA consolidated 100% of the holding from January to May and 51% of the effective holding from June onwards;
- Acquisition of 30% of Portucel in June 2004. Until 30 September 2004, PORTUCEL was consolidated by the equity method, but as the GROUP increased its holding from 30% to 67.1% as from the start of the 4th quarter, it thereafter recorded its holding by the full consolidation method;
- The financial investment in ENERSIS was consolidated using the equity method in the same period in 2004;
- There have since been acquisitions, increases in holdings and other movements, particularly in the SECIL and ENERSIS Groups.

(Persons taking responsibility for the information, their positions and signatures)

Carlos Eduardo Coelho Alves – Director

José Alfredo de Almeida Honório – Director