



CONSOLIDATED INTERIM REPORT
(Unaudited)

1st QUARTER 2006

Semapa - Sociedade de Investimento e Gestão, SGPS, SA. Public Limited Company

Av. Fontes Pereira de Melo, 14 - 10º 1050-121 Lisboa · Tel. (351) 213 184 700 · Fax (351) 213 521 748

Registered at the Lisbon Companies Registry under no. 2630 · Tax no. 502 593 130 · Share capital 118,332,445 Euros

CONSOLIDATED QUARTERLY REPORT (Unaudited)

(applicable to entities subject to the IAS/IFRS accounting standards)

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

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

Corp. no.: 502 593 130

Period:

Figures in Euros

1st Quarter ☒ 3rd Quarter ☐ 5th Quarter (1) ☐

Start: 01/01/2006 End: 31/03/2006

Balance sheet items	IFRS Consolidated		
	31-03-2006	31-12-2005	Var. (%)
ASSETS (2)			
Fixed assets (net)			
Tangible fixed assets	1.887.833.294	1.920.543.178	(1,70%)
Goodwill	330.370.811	331.502.916	(0,34%)
Intangible assets (3)	151.652.437	151.517.085	0,09%
Investments in associates	45.802.589	46.138.309	(0,73%)
Financial instr. held to maturity	-	-	
Financial assets available for sale	49.674.977	18.584.241	167,30%
Accounts receivable (net)	364.866.572	378.172.437	(3,52%)
SHAREHOLDERS' EQUITY			
Share capital (in euros)	118.332.445	118.332.445	0,00%
No. ordinary share	118.332.445	118.332.445	0,00%
No. other shares			
Treasury stock (in euros)	2.727.975	2.727.975	0,00%
No. voting shares	2.727.975	2.727.975	0,00%
No. non-voting preference shares			
Adjustments included in shareholders' equity (4)	2.126.389	(6.395.530)	(133,25%)
Minority interests	548.905.312	543.277.105	1,04%
LIABILITIES			
Provisions	17.276.300	7.470.531	131,26%
Accounts payable (business activities)	276.331.548	308.206.952	(10,34%)
Other financial liabilities	1.330.705.120	1.437.622.110	(7,44%)
TOTAL ASSETS (net)	3.372.235.041	3.473.645.689	(2,92%)
TOTAL SHAREHOLDERS' EQUITY	1.272.912.081	1.246.552.838	2,11%
TOTAL LIABILITIES	2.099.322.960	2.227.092.851	(5,74%)

Income statement items	IFRS Consolidated		
	31-03-2006	31-03-2005	Var. (%)
Earnings	373.884.505	356.102.956	4,99%
Cost of sales or services rendered	(122.512.216)	(119.287.784)	2,70%
Gross profit	251.372.289	236.815.172	6,15%
Profit before financial costs, taxes, depreciation and amortisation	101.794.818	94.524.647	7,69%
Financial costs	(13.268.458)	(18.541.522)	(28,44%)
Tax costs	(14.048.032)	(8.681.194)	61,82%
Minority interests	(16.414.040)	(10.559.441)	55,44%
Net profit for the quarter (6)	18.463.834	12.031.246	53,47%
Basic net profit for the quarter per share (7)	0,16	0,10	53,47%
Diluted net profit for the quarter per share (7)	0,16	0,10	53,47%

(1) Applicable to the first financial year of companies that adopt a financial year different from the calendar year (Article 65-A of the Companies Code).

(2) These are examples of assets accounts, which will be published. The list does not include all asset items, meaning that the order does not necessarily follow the current/non-current distinction or order of liquidity format.

(3) Includes all items covered by IAS 38 – Intangible assets, and therefore does not include goodwill, indicated separately.

(4) All income and expense items that, under IAS/IFRS or resulting interpretations, are recognized directly in equity.

(5) The date should be identified and the respective items should contain the accrued amounts up to the reference date (3 months, 9 months or, under particular circumstances, 15 months. See (1)).

(6) The net profit for the quarter refers to the accrued figure up to the reporting date. In the case of the 3rd quarter, this will be the amount accrued over the 9 months of the financial year, after minority interests.

(7) Calculated in accordance with IAS 33.

BUSINESS ACTIVITIES IN THE 1ST QUARTER OF 2006

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

The SEMAPA Group's consolidated business activities in the 1st quarter of 2006

Despite the particularly acute economic difficulties currently being experienced in Portugal, we may regard the SEMAPA Group's performance in the 1st quarter of 2006 as positive overall.

Comparability of information:

As duly disclosed to the market, Semapa disposed of its 89.9% holding in the Enersis Group at the end of the previous financial year.

In order to provide comparable figures and indicators for the quarter and for the same quarter in 2005 (IFRS-compliant figures in both cases), in addition to the version originally presented when the 2005 results were disclosed, we also present an adjusted version of the Semapa Group's consolidated accounts for the first quarter of 2005 not including full line-by-line consolidation of the Enersis Group. The after-tax profits of this Group are stated separately under "Profits from discontinued operations", as required by IFRS 5.

Indicators:

10 ⁶ euros					
	IFRS 1st Quarter 2006	Adjusted IFRS 1st Quarter 2005	% Var. 06/05	Original IFRS 1st Quarter 2005	% Var. 06/05
Turnover	373,9	356,1	5%	365,0	2%
Other income	7,3	6,2	18%	6,2	17%
Profit from discontinued operations	-	(1,4)		-	
Expenses and losses	(279,4)	(266,4)	5%	(268,0)	4%
Total EBITDA	101,8	94,5	8%	103,2	(1%)
Recurrent EBITDA	101,8	95,9	6%	103,2	(1%)
Depreciation and impairment losses	(39,6)	(44,7)	(11%)	(50,2)	(21%)
EBIT	62,2	49,8	25%	52,9	17%
Financial profit	(13,3)	(18,5)	(28%)	(21,8)	(39%)
Profits before tax	48,9	31,3	56%	31,1	57%
Tax on profits	(14,0)	(8,7)	62%	(8,8)	60%
Retained earning for the period	34,9	22,6	54%	22,3	56%
Attributable to Semapa shareholders	18,5	12,0	53%	12,0	53%
Attributable to minority interests	16,4	10,6	55%	10,3	60%
Cash flow	74,5	67,3	11%	72,5	3%
EBITDA margin (% turnover)	27,2%	26,5%	3%	28,3%	(4%)
EBIT margin (% turnover)	16,6%	14,0%	19%	14,5%	15%

*adjusted

10 ⁶ euros			
	31.03.2006	31.12.2005	Var. %
Total net assets	3.372,2	3.473,6	(3%)
Net debt	1.184,1	1.222,4	(3%)

Contribution by business segment

10⁶ euros

	Cement	Paper and pulp	Holdings	Consolidated
Turnover	115,4	258,5	-	373,9
Total EBITDA	29,1	76,8	(4,1)	101,8
Depreciation and impairment losses	(8,3)	(31,2)	(0,0)	(39,6)
EBIT	20,7	45,5	(4,1)	62,2
Financial profit	(0,5)	(9,2)	(3,6)	(13,3)
Profits before tax	20,3	36,3	(7,7)	48,9
Tax on profits	(5,8)	(8,2)	(0,0)	(14,0)
Retained earnings for the period	14,5	28,1	(7,7)	34,9
Attributable to Semapa shareholders	7,3	18,9	(7,7)	18,5
Attributable to minority interests	7,2	9,2	-	16,4
Cash flow	22,8	59,3	(7,7)	74,5
EBITDA margin (% turnover)	25,2%	29,7%		27,2%
EBIT margin (% turnover)	18,0%	17,6%		16,6%
Total net assets	834,3	2.225,2	312,8	3.372,2
Net debt	196,9	683,9	303,4	1.184,1

NB: The indicators by business segment may differ from those presented individually by each Group, as a result of consolidation adjustments made.

Consolidated sales and services: 373.9 million euros

- **SECIL Group (Cement)**

Despite the downward trend in cement demand on the domestic market (consumption on the domestic market is estimated to be down by approximately 6% from the same period in 2005), accrued sales up to March stood at 115.4 million euros, representing growth of 9% over the same period in 2005.

- **PORTUCEL SOPORCEL Group (Paper and Paper pulp)**

Sales over the period totalled 239.8 thousand tons of paper, up by 3.8% on the same period in the previous year, and 141.3 thousand tons of paper pulp, which represents a decline of 11% on 2005. There was a slight recovery in average sale prices for paper, in comparison with the trends in recent months, and prices were up by approximately 0.4% on those in the same period in 2005. In pulp, the average sale price was 19.4% up on that in the equivalent period in 2005.

Turnover in paper and paper pulp in the first quarter of 2005 totalled 258.5 million euros, representing growth of 3.3% over the same period in the previous year. Sales in this business area were positively affected by growth in the volume of paper sales and the increase in the pulp price.

Consolidated EBITDA: 101.8 million euros

- ❑ **Cement:** accrued EBITDA stood at 29.1 million euros, representing a decline of 7% over the same period in 2005;
- ❑ **Paper and paper pulp:** accrued EBITDA stood at 76.8 million euros, representing growth of 17% over the same period in the previous year.

Consolidated EBITDA margin: 27.2%

- ❑ Cement: the margin fell to 25.2%.
- ❑ Paper and paper pulp: the margin grew to 29.7%.

Consolidated EBIT: 62.2 million euros

- ❑ Cement: 20.7 million euros, 13.8% up from the accrued figures up to March 2005;
- ❑ Paper and paper pulp: 45.5 million euros, up 35% on the figures for the first quarter of 2005;
- ❑ Holdings: negative contribution of 4.1 million euros.

Net debt: 1,184.1 million euros

The SEMAPA Group's net borrowing continued to decrease, down by approximately 38.3 million from the figure recorded at year-end 2005, demonstrating the Group's capacity for generating funds.

- ❑ **SECIL Group:** Net debt remain practically unchanged from 31.12.2005, although the Group distributed dividends totalling 19.5 million euros during the 1st quarter of 2006;
- ❑ **PORTUCEL SOPORCEL Group:** down by 52.3 million euros since the end of 2005, reflecting the Group's excellent capacity for generating cash flow. Note that in May 2006 Portucel distributed dividends of 40.3 million euros in relation to the financial year of 2005.
- ❑ **Holdings:** net debt grew by 13.3 million in relation to the end of the previous period.

Consolidated net profits: 18.5 million euros

Consolidated net profits before minority interests stood at **34.9 million euros**, of which **18.5 million euros** are attributable to SEMAPA shareholders. This figure represents an increase of 53% over that recorded for the 1st quarter of 2005.

As duly disclosed at the time, on 3 April 2006 the Annual General Meeting resolved to distribute a dividend of 42 cents per share, representing a total dividend of 49,699,627 euros, and approved a motion to amend paragraphs 5 and 8 of article nine of the articles of association, in order to allow shareholders to present proof of their shares and proxy letters up to 5 days prior to the dates of General Meetings.

The dividends were paid during April 2006.

Note: As permitted by article 250.3 of the Securities Code, the Securities Market Commission has exempted the company from publishing individual quarterly accounts.

The financial statements covered by this exemption are available for consultation, along with the others, at the company's head offices.

Lisbon, 23 May 2006

The Directors

Carlos Eduardo Coelho Alves

José Alfredo de Almeida Honório