



**INDIVIDUAL AND CONSOLIDATED INTERIM REPORT
(Unaudited)**

1st QUARTER 2007

Semapa – Sociedade de Investimento e Gestão, SGPS, SA. Sociedade Aberta

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

Reg. with the Lisbon Comp. Registry under no. 2630 · Tax payer 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, SA. SOCIEDADE ABERTA

Registered offices: Av. Fontes Pereira de Melo, 14 - 10º 1050-121 LISBOA

NIPC: 502 593 130

Period:

Figures in Euros

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

Start: 01/01/2007 End: 31/03/2007

Balance sheet items	IFRS Consolidated			
	31-03-2007	31-12-2006 (*)	Var. (%)	31-12-2006 (**)
ASSETS (2)				
Fixed assets (net)				
Tangible fixed assets	1.658.742.712	1.631.186.509	1,69%	1.852.260.296
Goodwill	285.194.924	280.185.705	1,79%	334.524.956
Intangible assets (3)	163.873.240	160.717.430	1,96%	168.997.827
Investments in Associates	3.368.379	21.396.746	(84,26%)	41.455.988
Financial instr. held to maturity	-	-		-
Financial assets available for sale	10.979.350	78.763.132	(86,06%)	79.230.810
Accounts receivable (net)	315.382.061	304.265.715	3,65%	354.023.377
SHAREHOLDERS' EQUITY				
Share capital (in euros)	118.332.445	118.332.445	0,00%	118.332.445
<i>Nr. ordinary shares</i>	118.332.445	118.332.445	0,00%	118.332.445
<i>Nr other shares</i>				
Treasury stock (in euros)	2.727.975	2.727.975	0,00%	2.727.975
<i>Nr voting shares</i>	2.727.975	2.727.975	0,00%	2.727.975
<i>Nr non-voting preference shares</i>				
Adjustments included in shareholders' equity (4)	(18.652.807)	(7.336.844)	154,23%	(7.336.844)
Minority interests	343.481.376	313.767.641	9,47%	525.275.087
LIABILITIES				
Provisions	34.154.842	32.927.995	3,73%	37.105.479
Accounts payable (business activities)	272.965.571	241.069.259	13,23%	288.271.418
Other financial liabilities	1.213.597.010	1.306.094.802	(7,08%)	1.392.216.623
TOTAL ASSETS (net)	3.118.422.958	3.120.105.570	(0,05%)	3.535.878.599
TOTAL SHAREHOLDERS' EQUITY	1.081.783.487	1.050.769.973	2,95%	1.262.277.419
TOTAL LIABILITIES	2.036.639.471	2.069.335.597	(1,58%)	2.273.601.180

Income statement items	IFRS Consolidated			
	31-03-2007	31-03-2006 (*)	Var. (%)	31-03-2006 (**)
Earnings	342.357.359	317.337.616	7,88%	373.884.505
Cost of sales or services rendered	(112.599.756)	(107.812.638)	4,44%	(122.512.216)
Gross profit	229.757.603	209.524.977	9,66%	251.372.289
Profit before financial costs, taxes, depreciation and amortisation				
	90.863.792	52.028.869	74,64%	101.794.818
Financial costs	(14.115.746)	(13.041.572)	8,24%	(13.268.458)
Tax costs	(19.801.567)	(11.194.691)	76,88%	(14.048.032)
Minority interests	(9.777.426)	(9.328.771)	4,81%	(16.414.040)
Net profit for the quarter (6)	47.169.053	18.463.834	155,47%	18.463.834
Basi net profit for the quarter per share (7)	0,40	0,16	155,47%	0,16
Diluted net profit for the quarter per share (7)	0,41	0,16	155,47%	0,16

(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.

(*) Figures presented for comparative purposes, due to alteration in the consolidation method used for the subsidiary Secil, from full method to the proportional method, as duly disclosed.

(**) Figures as per disclosures made in the respective periods relating to the previous period of 2006.

SEMAPA GROUP CONSOLIDATED OPERATIONS IN THE FIRST QUARTER OF 2007

The SEMAPA Group recorded positive performance in the 1st quarter of 2007, reflected in its Net Profits after minority interests: 47.2 million euros, up by 155% on the same period in the previous year, and in the reduction of approximately 119 million euros in the Group's net debt over the end of 2006.

Business and financial indicators (IFRS)

10⁶ Euros	Accrued Mar-07	Accrued Mar-06 (A)	Var. % 07/06
Turnover	342,4	317,3	8%
Other income	32,9	5,7	473%
Expenses and losses	(251,8)	(235,4)	7%
Total EBITDA (B)	123,5	87,7	41%
Recurrent EBITDA	97,7	87,7	11%
Depreciation and impairment losses	(31,7)	(35,5)	(11%)
Provisions (increases and reversal)	(0,9)	(0,1)	560%
EBIT	90,9	52,0	75%
Net financial profits	(14,1)	(13,0)	8%
Pre-tax profits	76,7	39,0	97%
Tax on profits	(19,8)	(11,2)	77%
Retained profits for the period	56,9	27,8	105%
Attributable to Semapa shareholders	47,2	18,5	155%
Attributable to minority interests	9,8	9,3	5%
Cash flow	89,6	63,4	41%
EBITDA margin (% Turnover)	36,1%	27,6%	31%
Recurrent EBITDA margin (% Turnover)	28,5%	27,6%	3%
EBIT margin (% Turnover)	26,5%	16,4%	62%

Notes:

- (A) To permit comparability of figures and indicators between equivalent quarters, we present a version of the Semapa Group's consolidated accounts for the 1st quarter of 2006 which includes financial consolidation of 51% of Secil by the proportional method, in line with the procedure adopted since 1 January 2007, as duly disclosed.
- (B) Total EBITDA = operating results + depreciation and impairment losses + provisions – reversal of provisions

10⁶ Euros	March 2007	December 2006 (A)	Var. % 07/06
Total net assets	3.118,4	3.120,1	(0%)
Net debt	899,0	1.018,5	(12%)

Note: Net debt = non-current interest-bearing debt (net of loan issue charges) + current interest bearing debt (including debt to shareholders) – cash and cash equivalents; in line with IFRS rules.

Contribution by business segment (IFRS)

<i>10⁶ Euros</i>	Paper and Pulp	Cement	Holdings	Consolidated
Turnover	279,7	62,7	-	342,4
Total EBITDA	86,5	16,1	20,9	123,5
Recurrent EBITDA	86,5	16,0	(4,7)	97,7
Depreciation and impairment losses	(26,1)	(5,6)	(0,0)	(31,7)
Provisions (increases and reversal)	(0,8)	(0,0)	(0,0)	(0,9)
EBIT	59,5	10,5	20,9	90,9
Financial profits	(7,5)	(1,0)	(5,6)	(14,1)
Pre-tax profits	52,0	9,5	15,2	76,7
Tax on profits	(17,2)	(2,6)	(0,0)	(19,8)
Retained profits for the period	34,8	6,9	15,2	56,9
Attributable to Semapa shareholders	25,0	7,0	15,2	47,2
Attributable to minority interests	9,8	(0,0)	-	9,8
Cash flow	61,8	12,5	15,3	89,6
EBITDA margin (% Turnover)	30,9%	25,6%	-	36,1%
Recurrent EBITDA margin (% Turnover)	30,9%	25,5%		28,5%
EBIT margin (% Turnover)	21,3%	16,7%	-	26,5%
Total net assets	2.383,7	506,4	228,2	3.118,4
Net debt	424,6	84,5	389,9	899,0

Note: The indicators for business segments may differ from those presented individually by each Group, as a result of consolidation adjustments.

Main events

- In January 2007, the Secil Group, acting through a wholly owned subsidiary, acquired 21.86% of the share capital and voting rights in Ciment de Sibline SAL, for USD 37.7 million, giving it a total holding of 50.5% of the voting rights and share capital of the Lebanese company.
- In the course of the 1st quarter of 2007, the Semapa Group sold approximately 19.2 million shares in EDP – Energias de Portugal, SA, generating a capital gain of approximately 25.6 million euros, with a positive impact on the net profits for the period, meaning that the results of the subsequent quarters are not expected to be at the same level as those for this period.

Consolidated Turnover: 342.4 million euros

□ Paper and Paper Pulp (PORTUCEL SOPORCEL Group)

During the first quarter, the Portucel Soporcel Group sold 255.7 thousand tons of paper, i.e. 4.5% more than in the same period in the previous year, reflecting improving market conditions, in terms of both demand, namely in the European market, and in terms of price – the Group's average sales price rose by 5.3% over the 1st quarter of 2006. The value of paper sales was therefore up by 12%.

Pulp output totalled 333.0 thousand tons, corresponding to an increase of 7.2% over the first quarter of 2006. However, due to increased integration of pulp in paper production, the Group placed a slightly smaller quantity of pulp on the market (139.4 thousand tons, as compared to 141.3 thousand).

The average pulp sale price for the Group in euros recorded fairly modest growth of 0.6% over the first quarter of 2006, due to the depreciation of the USD against the Euro, offsetting the effect of a 11.3% increase in average prices on the US market. As a result, pulp sales were approximately 1.4% down in value on the level recorded in the first quarter of 2006.

In view of this, the Portucel Soporcel Group recorded an increase of 8.2% in turnover in the first quarter of 2007.

❑ **Cement (SECIL Group)**

The contribution made by Secil's turnover stood at 62.7 million euros, with accumulated sales up by 6.5% on the same period in 2006. Despite declining demand for cement in Portugal, Secil's main market, the increase in turnover was sustained by changes to the companies included in the consolidated accounts, due to acquisition of a majority holding in Ciment de Sibline, as reported above. This company is now fully consolidated in Secil's accounts (as opposed to using the equity method, as in the same quarter in the previous year).

Consolidated EBITDA: 123.5 million euros

- ❑ **Paper and Paper Pulp:** accrued EBITDA stood at 86.5 million euros, corresponding to growth of 12.7% over the first quarter of 2006, reflecting not only the strong performance of the paper segment, but also improved efficiency obtained through reduction of certain variable production costs, which partially offset the increase in the cost of raw materials, due essentially to the use of imported timber.
- ❑ **Cement:** total accrued EBITDA contributed 16.1 million euros, 7.3% more than in the same period in 2006, thanks to the same favourable factor affecting turnover (full consolidation of Ciment de Sibline).
- ❑ **Holdings:** total accrued EBITDA at 31 March 2007 stood at 20.9 million euros, influenced by the capital gain generated by disposal of shares in EDP.

Consolidated Recurrent EBITDA Margin: 28.5%

- ❑ **Paper and Paper Pulp:** growth of 1.2 percentage points over the first quarter of 2006, to 30.9%. In comparison with the first quarter of 2006, the recurrent EBITDA margin recorded growth of 2.1 percentage points, currently standing at 28.8%.
- ❑ **Cement:** the EBITDA margin was slightly down on the same period in 2006, at 25.5%. In comparison with the financial year of 2006, the recurrent EBITDA margin was down 3 percentage points, at 28.5%.

Consolidated EBIT: 90.9 million euros

- ❑ **Paper and Paper Pulp:** contribution of 59.5 million euros, i.e. an increase of 31% over the figure recorded in the 1st quarter of 2006.
- ❑ **Cement:** contribution of 10.5 million euros, 1% less than the accrued figure in March 2006
- ❑ **Holdings:** contribution of 20.9 million euros.

Consolidated Net Debt: 899.0 million euros

The SEMAPA Group's net debt continues on a downward path, reflected in a reduction of 119.5 million euros over the end of 2006, demonstrating the Group's excellent capacity to generate funds:

- ❑ **Paper and Paper Pulp:** reduction of 55.5 million euros since the end of 2006, thanks to this Group's excellent capacity to generate cash flow.
- ❑ **Cement:** net debt increased by approximately 14.2 million euros over year-end 2006, due essentially to investment in the acquisition of an additional financial holding in Ciment de Sibline, as reported above.
- ❑ **Holdings:** net debt was down by 78.2 million euros, thanks to the fund obtained from disposal of shares in EDP.
In February, the Semapa Group made use of a structure contracted from a financial institution to exercise its purchase rights over approximately 22.6 million shares in Portucel, representing 2.95% of the share capital. This operation had a neutral effect on net debt.

Consolidated Net Profits after minority interests: 47.2 million euros

The Consolidated Net Profit before minority interests was **56.9 million euros**, of which **47.2 million euros** is attributable to SEMAPA shareholders, representing an increase of 155% on the figure recorded in the first quarter of the previous year.

Subsequent events

- The General Meeting of Secil approved distribution of a dividend of 38 cents per share for the previous year, representing a total of 19 million euros, which was paid on 4 April.
- The General Meeting of Portucel approved distribution of a dividend of Euros 0.079 per share for the financial year of 2006, representing a total of 60.6 million euros, which was paid on 13 April.
- The General Meeting of Semapa resolved to distribute a dividend of 23 cents per share, representing a total of 27.2 million euros, which was processed on 16 April;

- In April, the European Commission announced the approval of the incentives granted by the Portuguese State for the new paper mill to be built in Setúbal. The incentives have a nominal value of 52.4 million euros, corresponding to a discounted value of 38 million euros. A decision is still outstanding on aid for the project for the Figueira da Foz mill, with a nominal value of 67 million euros, corresponding to a discounted value of approximately 48 million euros.

INDIVIDUAL 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 <input checked="" type="checkbox"/> 3rd Quarter <input type="checkbox"/> 5th Quarter (1) <input type="checkbox"/>		Start: 01/01/2007 End: 31/03/2007	
Balance sheet items	Individual		
	31-03-2007 POC	31-12-2006 POC	Var. (%)
ASSETS			
Fixed assets (net)	1 237 829 221	1 279 928 704	(3,29%)
Intangible assets	-	-	
Tangible assets	860 260	845 152	1,79%
Financial investments	1 236 968 961	1 279 083 552	(3,29%)
Accounts receivable (net)	27 328 969	26 958 987	1,37%
Non-current	-	-	
Current	27 328 969	26 958 987	1,37%
SHAREHOLDERS' EQUITY			
Value of shareholders' equity	118 332 445	118 332 445	0,00%
No. ordinary shares (4)	118 332 445	118 332 445	0,00%
No. of other shares			
Value of treasury stock			
No. of voting shares			
No. of non-voting preference shares			
Minority interests			
LIABILITIES			
Provisions	92 197 370	91 307 153	0,97%
Accounts payable	428 287 311	478 459 100	(10,49%)
Non-current	374 073 084	455 425 347	(17,86%)
Current	54 214 227	23 033 753	135,37%
TOTAL ASSETS (NET)	1 272 473 126	1 315 041 433	(3,24%)
TOTAL SHAREHOLDERS' EQUITY	738 302 112	737 002 332	0,18%
TOTAL LIABILITIES	534 171 014	578 039 101	(7,59%)
Income statement items	Individual		
	31-03-2007 POC	31-12-2006 POC	Var. (%)
Sales and services rendered	1 397 088	1 403 400	(0,45%)
Variation in production	-	-	
Cost of merchandise sold and services rendered	913 150	673 571	35,57%
Gross profit	483 938	729 829	(33,69%)
Operating profit	(4 420 206)	3 637 801	(221,51%)
Financial profit (net)	28 258 178	14 495 706	94,94%
Current profit	23 837 972	18 133 507	31,46%
Extraordinary profit	23 334 581	(5 008)	466 046,11%
Tax on income (2)	3 500	2 791	25,40%
Minority interests	-	-	
Net profit for the quarter	47 169 053	18 125 708	160,23%
Net profit per share for the quarter	0,40	0,15	160,23%
Net cash flow (3)	47 296 265	18 161 775	160,42%

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

(2) Estimate of tax on profits

(3) Net cash flow = Net profit + Depreciation + Provisions

SEMAPA GROUP INDIVIDUAL OPERATIONS IN THE FIRST QUARTER OF 2007

- In the course of the first half, Semapa disposed of approximately 17.1 shares which it had held directly in EDP – Energias de Portugal, SA (in consolidated terms, this disposal amounted to 19.2 million shares), generating a capital gain of approximately 23.3 million euros (25.6 million euros in consolidated terms), which positively influenced the net profits for the period, meaning that the profits for subsequent quarters are not expected to be at the same level.
- The evolution of Semapa's business results derives directly from the performance recorded in its two business areas: cement (Secil Group) and paper and pulp (Portucel Soporcel Group), which are described in the analysis of the consolidated accounts above.

Lisbon, 25 May 2007

The Directors