



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

**3<sup>rd</sup> QUARTER 2007**

**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 <input type="checkbox"/> 3rd Quarter <input type="checkbox"/> 5th Quarter (1) <input checked="" type="checkbox"/>	Start: 01/01/2007 End: 30/09/2007	

Balance sheet items	IFRS Consolidated			
	30-09-2007	31-12-2006 (**)	Var. (%)	31-12-2006 (*)
<b>ASSETS (2)</b>				
<b>Fixed assets (net)</b>				
Tangible fixed assets	1.616.703.846	1.631.186.509	(0,89%)	1.852.260.296
Goodwill	285.310.183	280.185.705	1,83%	334.524.956
Intangible assets (3)	153.518.495	160.717.430	(4,48%)	168.997.827
Investments in associates	2.486.420	21.396.746	(88,38%)	41.455.988
Financial instr. held to maturity	-	-		-
Financial assets available for sale	1.448.426	78.763.132	(98,16%)	79.230.810
<b>Accounts receivable (net)</b>	316.304.098	304.265.715	3,96%	354.023.377
<b>SHAREHOLDERS' EQUITY</b>				
<b>Share capital (in euros)</b>	118.332.445	118.332.445	0,00%	118.332.445
No. ordinary shares	118.332.445	118.332.445	0,00%	118.332.445
No. other shares				
<b>Treasury stock (in euros)</b>	5.447.975	2.727.975	99,71%	2.727.975
No. voting shares	5.447.975	2.727.975	99,71%	2.727.975
No. non-voting preference shares				
<b>Adjustments included in shareholders' equity (4)</b>	(49.486.750)	(7.336.844)	574,50%	(7.336.844)
<b>Minority interests</b>	316.235.566	313.767.641	0,79%	525.275.087
<b>LIABILITIES</b>				
Provisions	42.751.331	32.927.995	29,83%	37.105.479
Accounts payable (business activities)	249.147.074	241.069.259	3,35%	288.271.418
Other financial liabilities	1.291.282.160	1.306.094.802	(1,13%)	1.392.216.623
<b>TOTAL ASSETS (net)</b>	<b>3.124.465.848</b>	<b>3.120.105.570</b>	0,14%	<b>3.535.878.599</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1.037.659.551</b>	<b>1.050.769.973</b>	(1,25%)	<b>1.262.277.419</b>
<b>TOTAL LIABILITIES</b>	<b>2.086.806.297</b>	<b>2.069.335.597</b>	0,84%	<b>2.273.601.180</b>

Income statement items	IFRS Consolidated			
	30-09-2007	30-09-2006 (**)	Var. (%)	30-09-2006 (*)
Earnings	1.055.959.272	976.427.091	8,15%	1.150.924.488
Cost of sales or services rendered	(354.563.035)	(302.046.699)	17,39%	(345.184.628)
<b>Gross profit</b>	<b>701.396.237</b>	<b>674.380.392</b>	4,01%	<b>805.739.860</b>
<b>Profit before financial costs, taxes, depreciation and amortisation</b>	<b>310.856.508</b>	<b>269.424.213</b>	15,38%	<b>324.937.998</b>
Financial costs	(39.312.310)	(31.790.783)	23,66%	(32.538.597)
Tax costs	(49.396.602)	(54.414.228)	(9,22%)	(66.956.279)
Minority interests	30.720.784	26.582.123	15,57%	55.819.064
<b>Net profit for the quarter (6)</b>	<b>97.263.006</b>	<b>63.553.839</b>	53,04%	<b>63.553.839</b>
<b>Basic net profit for the quarter per share (7)</b>	<b>0,85</b>	<b>0,55</b>	<b>54,25%</b>	<b>0,55</b>
<b>Diluted net profit for the quarter per share (7)</b>	<b>0,85</b>	<b>0,55</b>	<b>54,18%</b>	<b>0,55</b>

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 as per disclosures made in the respective periods relating to the previous period of 2006.

(\*\*) 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.

(Summary of business activities in order to permit investors to form an opinion on the company's operations over the first nine months of 2007)

## Semapa Group – Consolidated operations up to 30 September 2007

The Semapa Group's results up to the end of September 2007 show an increase of 53% in net profits attributable to Semapa shareholders in comparison with the same period of 2006, standing at EUR 97.3 M.

The Group has continued to record sustained growth, reflected in increases in sales (up by 8%), EBITDA (up by 14%), EBITDA and EBIT margins (up by 5% and 14% respectively) and cash flow (up by 18%, allowing it to reduce net debt (down by 10%).

### Leading Business Indicators

Figures in M€	IFRS September 2007	IFRS September * 2006	Var. % September 07/06	IFRS September ** 2006
<b>Sales</b>	<b>1.056,0</b>	<b>976,4</b>	<b>8%</b>	<b>1.150,9</b>
Other income	47,2	58,3	(19%)	91,8
Costs and losses	(782,1)	(752,1)	4%	(904,1)
<b>Total EBITDA</b>	<b>321,1</b>	<b>282,6</b>	<b>14%</b>	<b>338,7</b>
<b>Recurrent EBITDA</b>	<b>294,6</b>	<b>275,2</b>	<b>7%</b>	<b>327,7</b>
Depreciation and impairment losses	(94,2)	(93,1)	1%	(106,1)
Provisions (increases and reversals)	(10,2)	(13,2)	(22%)	(13,7)
<b>EBIT</b>	<b>216,7</b>	<b>176,3</b>	<b>23%</b>	<b>218,9</b>
Net financial profit	(39,3)	(31,8)	24%	(32,5)
<b>Pre-tax profit</b>	<b>177,4</b>	<b>144,6</b>	<b>23%</b>	<b>186,3</b>
Tax on profits	(49,4)	(54,4)	(9%)	(67,0)
<b>Retained profits for the period</b>	<b>128,0</b>	<b>90,1</b>	<b>42%</b>	<b>119,4</b>
<b>Attributable to Semapa shareholders</b>	<b>97,3</b>	<b>63,6</b>	<b>53%</b>	<b>63,6</b>
Attributable to minority interests	30,7	26,6	16%	55,8
<b>Cash flow</b>	<b>232,4</b>	<b>196,4</b>	<b>18%</b>	<b>239,2</b>
EBITDA margin (% Sales)	30,4%	28,9%	5%	29,4%
EBIT margin (% Sales)	20,5%	18,1%	14%	19,0%
	<b>30.09.2007</b>	<b>31.12.2006</b>	<b>Var. % 07/06</b>	<b>31.12.2006</b>
Net total assets	<b>3.124,5</b>	<b>3.120,1</b>	<b>0%</b>	<b>3.550,2</b>
<b>Net debt</b>	<b>916,7</b>	<b>1.018,5</b>	<b>(10%)</b>	<b>1.094,1</b>

\* Pro-forma accounts with the subsidiary Secil consolidated by the proportional method

\*\* As reported to the market in September 2006

- Total EBITDA = operating profit + depreciation and impairment losses + provisions – reversal of provisions
- Net debt = non-current interest bearing debt (net of loan issue charges) + current interest-bearing debt (including debts to shareholders) – cash and cash equivalents; in line with IFRS rules.
- As previously disclosed, from 2007 onwards the Semapa Group's 51% holding in Secil is consolidated using the proportional method, instead of by the full consolidation method as previously, for the reasons set out in the same documents. Accordingly, in order to permit comparability of data and indicators between financial periods, we present a new version of the Semapa Group's consolidated accounts for the 1<sup>st</sup> nine months of 2006 restated to include consolidation of Secil by the proportional method.

## Contribution by Business Segment (IFRS)

<i>Figures in M€</i>	<b>Paper and Pulp</b>	<b>Cement</b>	<b>Holdings</b>	<b>Consolidated</b>
<b>Sales</b>	<b>841,7</b>	<b>213,7</b>	<b>0,5</b>	<b>1.056,0</b>
<b>Total EBITDA</b>	<b>246,3</b>	<b>57,6</b>	<b>17,2</b>	<b>321,1</b>
<b>Recurrent EBITDA</b>	<b>246,3</b>	<b>57,3</b>	<b>(9,0)</b>	<b>294,6</b>
Depreciation and impairment losses	(78,2)	(15,9)	(0,1)	(94,2)
Provisions (increases and reversals)	(9,7)	(0,4)	(0,1)	(10,2)
<b>EBIT</b>	<b>158,4</b>	<b>41,3</b>	<b>17,0</b>	<b>216,7</b>
Net financial profit	(17,8)	(4,8)	(16,7)	(39,3)
<b>Pre-tax profit</b>	<b>140,6</b>	<b>36,5</b>	<b>0,3</b>	<b>177,4</b>
Tax on profits	(37,3)	(9,3)	(2,9)	(49,4)
<b>Retained profits for the period</b>	<b>103,3</b>	<b>27,2</b>	<b>(2,6)</b>	<b>128,0</b>
<b>Attributable to Semapa shareholders</b>	<b>74,7</b>	<b>25,2</b>	<b>(2,6)</b>	<b>97,3</b>
Attributable to minority interests	28,7	2,1	-	30,7
<b>Cash flow</b>	<b>191,3</b>	<b>43,5</b>	<b>(2,4)</b>	<b>232,4</b>
EBITDA margin (%)	29,3%	26,9%	-	30,4%
EBIT margin (%)	18,8%	19,3%	-	20,5%
<b>30.09.2007</b>				
<b>Total net assets</b>	<b>2.416,4</b>	<b>480,6</b>	<b>227,4</b>	<b>3.124,5</b>
<b>Net debt</b>	<b>366,0</b>	<b>80,5</b>	<b>470,2</b>	<b>916,7</b>

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

### **Consolidated Sales: EUR 1.056,0 M**

The figure of **EUR 1.056,0 M** represents growth of 8% over the accrued value in September 2006. This was achieved thanks to the following factors:

#### **❑ Paper and Paper Pulp (PORTUCEL SOPORCEL Group)**

Over the period in question, the Portucel Soporcel Group recorded sales of **767.2** thousand tons of paper, i.e. 4.5% more than in the same period in 2006. The Group's average sale price was up by 5.4% over the same period in 2006. As a result, total sales in this segment stood at **EUR 597.7 M**, up by 10.1% on the first three quarters of the previous year.

Paper pulp output stood at **972.3** thousand tons, down by 0.5% on the first nine months of 2006. Due to increased integration of pulp into paper production, the Group sold a smaller quantity of pulp on the market (**394.2** vs **427.0** thousand tons).

The average sale price in euros for the Group's pulp came down during the period - 0.6% in relation to the same period in 2006, due to depreciation of the USD against the EURO, which meant it was not possible to incorporate the successive increases in pulp prices in dollars in the sales prices in euros.

In value, paper pulp sales stood at **EUR 176.6 M**, down from **EUR 192.5 M** as recorded for the first nine months of 2006.

Up to September 2007, the Portucel Soporcel Group recorded total sales of **EUR 841.7 M** (also included power sales), up by 6% on the same period in 2006.

❑ **Cement (SECIL Group)**

Secil's sales made a contribution of **EUR 213,7 M**, and accrued sales up to 30 September 2007 were up by 17% on the same period in 2006. The increase in sales was sustained essentially by (i) inclusion in the consolidated accounts of Ciment de Sibline, as reported above, now consolidated using the full consolidation method, due to the Group's increased holding, and (ii) the healthy performance recorded by the "Tunisia – Cement" and the "Angola – Cement" business units.

**Consolidated EBITDA: EUR 321.1 M**

Comparability between the first nine months of 2007 and 2006 is affected by the fact that accrued EBITDA up to 30 September 2006 included gains obtained from the disposal of CO2 emission rights totalling **EUR 14.9 M** as opposed to **EUR 2.8 M** in the first nine months of 2007-

- ❑ **Paper and Paper Pulp:** accrued EBITDA stood at **EUR 246,3 M**, representing growth of 5% over the same period in 2006, reflecting good performance in the paper segment, improved efficiency in power consumption and consequent cost savings. This figure was penalized by the increase in the average cost of timber used, due essentially to the increase in prices on the Portuguese market, the use of imports with the inherent transport costs and the depreciation of the EURO against the USD.
- ❑ **Cement:** total accrued EBITDA contributed **EUR 57.6 M**, which includes full consolidation of Ciment de Sibline as already explained. However, this figure was down by 1% on the same period in 2006, as the figure then recorded had included gains on the disposal of non-current assets which were reflected in EBITDA.
- ❑ **Holdings:** Total accrued EBITDA at 30 September 2007 stood at **EUR 17.2 M**, influenced by the capital gain obtained on the disposal of shares in EDP – Energias de Portugal, amounting to **EUR 26.2 M**.

**Consolidated EBITDA Margin: 30.4%,**      **thanks to the positive contribution from holdings**

- ❑ **Paper and Paper Pulp:** down by 0.3 percentage points on the accrued value in September 2006, at 29.3%.
- ❑ **Cement:** the EBITDA margin was down by 5.1 percentage points on the accrued value in September 2006, at 26.9%.

**Consolidated EBIT: EUR 216.7 M**

- ❑ **Paper and Paper Pulp:** contribution of **EUR 158.4 M**, i.e., up by 11% on the figure recorded at 30 September 2006.
- ❑ **Cement:** contribution of **EUR 41.3 M**, 6.7% down on the figure recorded in September 2006.
- ❑ **Holdings:** contribution of **EUR 17.0 M**.

### **Consolidated Net Debt: EUR 916.7 M**

The SEMAPA Group's net borrowing continues to decrease, and came down by approximately **EUR 101,8 M** from year-end 2006, reflecting the Group's success in generating cash flow:

- ❑ **Paper and Paper Pulp:** contribution to net debt of **EUR 366.0 M**, representing a reduction of **EUR 114.0 M** from year-end 2006. In view of the fact that during the current financial year Portucel distributed dividends of **EUR 60.6 M** in relation to the financial year of 2006, the reduction in the Portucel Soporcel Group's net debt reflects the Group's excellent capacity for generating cash flow.
- ❑ **Cement:** In view of (i) the cash flow generated by the Secil Group, (ii) the acquisition of major assets during the period, including the increased holding in Ciment de Sibline, and (iii) the distribution of a total dividend of **EUR 19 M** for the financial year of 2006, net debt increased by 14% over the end of 2006, causing its total contribution to stand at **EUR 80.5 M** at 30 September 2007.
- ❑ **Holdings:** net debt was up by **EUR 2.1 M** over 31 December 2006, at a total of **EUR 470.2 M** at the end of September 2007. Despite the cash injection from the disposal of EDP shares during the period, the increase in net debt is explained essentially by: (i) the increase of 2.97% in the Semapa Group's holding in Portucel, (ii) the acquisition of own shares by Semapa SGPS, and (iii) by the increase in financial charges resulting from higher interest rates.

### **Consolidated Net Profit after minority interests: EUR 97.3 M**

Consolidated net profits before minority interests stood at **EUR 128.0 M**, of which **EUR 97.3 M** is attributable to Semapa shareholders, representing an increase of 53% over the figure recorded at 30 September 2006.

Estimates of the net profit for the financial year of 2007 should take into account that the profit for this period has been positively influenced by the capital gain obtained – and which will not be repeated – from the disposal of shares in EDP (approximately **EUR 26.2 M**).

### **Prospects for the final months of 2007**

The extent of the effects on the real economy of the financial crisis which started in the second half is not yet known.

The Semapa Group's results will be negatively influenced if (i) euro interest rates continue to rise, (ii) the USD continues to fall against the EURO (which in the case of Portucel Soporcel will be of especial importance) and (iii) oil prices continue to rise sharply.

Rising timber prices continue to be a concern for the Portucel Soporcel Group, and could impact negatively on its future performance; the situation is not expected to improve in the short term.

### **Subsequent Developments**

- In the course of October and up to the present date, the Semapa Group has increased its holding in Portucel by 0.42%, through acquisition on the stock market of 3.2 million shares.
- In October, Secil paid dividends of EUR 0.39 per share, representing a total of approximately EUR 19.5 M.
- The Portucel Soporcel Group has recently announced the award of the contract for supply of the new paper machine to be installed in its industrial complex in Setúbal, in accordance with the development plan previously announced. The contracts for the

other components of this major project will be adjudicated in accordance with the established schedule, and the new paper plant, which will produce 500,000 tons/year, is due to start operating in August 2009. Investment will total around EUR 550 m, and will make it possible to integrate all the pulp produced in Setúbal.

- At the end of October, the Angolan Government approved the new cement and clinker line planned for Secil – Companhia de Cimentos do Lobito, S.A., which is 51% owned by our subsidiary Secil – Companhia Geral de Cal e Cimento, S.A.

This line will have cement production capacity of more than 700,000 tons/year, which can be doubled in a subsequent phase. Investment in this first phase will total around 90 million euros, including investment in power generation and infrastructures.

**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: 1st Quarter ☐ 3rd Quarter ☒ 5th Quarter<sup>(1)</sup> ☐ Figures in Euros ☒ ☐  
Start: 01/01/2007 End: 30/09/2007

Balance sheet items	Individual		
	30-09-2007 POC	31-12-2006 POC	Var. (%)
<b>ASSETS</b>			
<b>Fixed assets (net)</b>	1.280.267.537	1.279.928.704	0,03%
Intangible assets	1.160	-	
Tangible assets	865.387	845.152	2,39%
Financial investments	1.279.400.990	1.279.083.552	0,02%
<b>Accounts receivable (net)</b>	24.674.707	26.958.987	(8,47%)
Non-current	0	-	
Current	24.674.707	26.958.987	(8,47%)
<b>SHAREHOLDERS' EQUITY</b>			
<b>Value of shareholders' equity</b>	118.332.445	118.332.445	0,00%
No. ordinary shares (4)	118.332.445	118.332.445	0,00%
No. of other shares			
<b>Value of treasury stock</b>	2.720.000	-	
No. of voting shares	2.720.000	-	
No. of non-voting preference shares			
<b>Minority interests</b>			
<b>LIABILITIES</b>			
<b>Provisions</b>	101.971.550	91.307.153	11,68%
<b>Accounts payable</b>	476.901.389	478.459.100	(0,33%)
Non-current	456.467.883	455.425.347	0,23%
Current	20.433.506	23.033.753	(11,29%)
<b>TOTAL ASSETS (NET)</b>	<b>1.312.645.602</b>	<b>1.315.041.433</b>	(0,18%)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>721.423.985</b>	<b>737.002.332</b>	(2,11%)
<b>TOTAL LIABILITIES</b>	<b>591.221.617</b>	<b>578.039.101</b>	2,28%

Income statement items	Individual		
	30-09-2007 POC	30-09-2006 POC	Var. (%)
Sales and services rendered	3.886.170	3.748.192	3,68%
Variation in production	-	-	
Cost of merchandise sold and services rendered	1.767.334	1.913.654	(7,65%)
<b>Gross profit</b>	2.118.836	1.834.538	15,50%
<b>Operating profit</b>	(8.248.411)	(5.076.121)	62,49%
Financial profit (net)	81.916.938	69.346.526	18,13%
<b>Current profit</b>	73.668.527	64.270.405	14,62%
<b>Extraordinary profit</b>	23.918.001	(19.216)	124369,20%
Tax on income <sup>(2)</sup>	323.522	28.310	1042,78%
Minority interests	-	-	
<b>Net profit for the quarter</b>	97.263.006	64.222.879	51,45%
<b>Net profit per share for the quarter</b>	0,83	0,54	52,62%
<b>Net cash flow <sup>(3)</sup></b>	<b>97.748.201</b>	<b>71.456.219</b>	36,79%

<sup>(1)</sup> Applicable in the first financial year of companies that adopt a financial year different from the calendar year (Article 65-A of the Companies Code).

<sup>(2)</sup> Estimate of tax on profits

<sup>(3)</sup> Net cash flow = Net profit + Depreciation + Provisions

**The Directors**  
**Carlos Alves**  
**José Honório**