



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

1st Quarter 2008

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

Lisbon Companies Registry and Corporate Person 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: 01/01/2008 End: 31/03/2008

Balance sheet items	IFRS Consolidated		
	31-03-2008	31-12-2007	Var. (%)
ASSETS (2)			
Fixed assets (net)			
Tangible fixed assets	1.641.216.078	1.621.494.019	1,22%
Goodwill	285.143.839	285.675.118	(0,19%)
Intangible assets (3)	152.845.432	152.963.362	(0,08%)
Investments in associates	1.877.731	1.878.882	(0,06%)
Financial instr. held to maturity	-	-	
Financial assets available for sale	1.154.989	1.427.137	(19,07%)
Accounts receivable (net)	363.924.516	375.324.637	(3,04%)
SHAREHOLDERS' EQUITY			
Share capital (in euros)	118.332.445	118.332.445	0,00%
No. ordinary shares	118.332.445	118.332.445	0,00%
No. other shares			
Treasury stock (in euros)	5.447.975	5.447.975	0,00%
No. voting shares	5.447.975	5.447.975	0,00%
No. non-voting preference shares			
Adjustments included in shareholders' equity (4)	(5.996.748)	(16.576.730)	(63,82%)
Minority interests	293.162.666	304.873.080	(3,84%)
LIABILITIES			
Provisions	46.560.242	46.454.921	0,23%
Accounts payable (business activities)	360.142.771	316.026.889	13,96%
Other financial liabilities	1.264.051.536	1.326.608.003	(4,72%)
TOTAL ASSETS (net)	3.225.614.688	3.257.139.769	(0,97%)
TOTAL SHAREHOLDERS' EQUITY	1.025.288.676	1.050.698.103	(2,42%)
TOTAL LIABILITIES	2.200.326.012	2.206.441.666	(0,28%)

Income Statement Items	IFRS Consolidated		
	31-03-2008	31-03-2007	Var. (%)
Earnings	372.992.290	342.357.359	8,95%
Cost of sales or services rendered	(144.438.457)	(112.599.756)	28,28%
Gross profit	228.553.833	229.757.603	(0,52%)
Profit before financial costs, taxes, depreciation and amortisation	94.472.503	122.580.130	(22,93%)
Financial costs	(16.135.052)	(14.115.746)	14,31%
Tax costs	(18.041.046)	(19.801.567)	(8,89%)
Minority interests	8.975.541	(9.777.426)	(191,80%)
Net profit for the quarter (6)	24.356.816	47.169.053	(48,36%)
Basic net profit for the quarter per share (7)	0,21	0,41	(48,36%)
Diluted net profit for the quarter per share (7)	0,21	0,41	(48,36%)

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.

SEMAPA Group – Consolidated operations up to March 2008

The SEMAPA Group recorded positive performance in the 1st quarter of 2008, as reflected in consolidated turnover of 373.0 million euros, EBITDA of 94.7 million euros and net profits of 24.4 million euros, permitting it to reduce its net borrowing by 26.4 million euros.

Leading Business Indicators (IFRS)

10⁶ Euros	IFRS Accrued Mar-08	IFRS Accrued Mar-07	% Var. 08/07
Sales	373,0	342,4	9%
Other income	6,1	32,9	(81%)
Costs and losses	(284,4)	(251,8)	13%
Total EBITDA	94,7	123,5	(23,3%)
Recurrent EBITDA	94,7	97,7	(3%)
Depreciation and impairment losses	(27,0)	(31,7)	(15%)
Provisions (increases and reversals)	(0,3)	(0,9)	(70%)
EBIT	67,5	90,9	(26%)
Net financial profit	(16,1)	(14,1)	14%
Pre-tax profit	51,4	76,7	(33%)
Tax on profits	(18,0)	(19,8)	(9%)
Retained profits for the period	33,3	56,9	(41%)
Attributable to Semapa shareholders	24,4	47,2	(48%)
Attributable to minority interests	9,0	9,8	(0,1)
Cash flow	60,6	89,6	(32%)
EBITDA margin (% Sales)	25,4%	36,1%	(30%)
Recurrent EBITDA margin (% Sales)	25,4%	28,5%	(11%)
EBIT margin (% Sales)	18,1%	26,5%	(32%)

Notes:

- 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.

10⁶ Euros	March 2008	December 2007	% Var. 08/07
Total net assets	3.225,6	3.257,1	(1%)
Net debt	861,4	887,9	(3%)

Segment Reporting (IFRS)

10 ⁶ Euros	Paper and pulp	Cement	Holdings	Consolidated
Sales	300,6	72,4	-	373,0
Total EBITDA	78,1	20,7	(4,0)	94,7
Recurrent EBITDA	78,0	20,7	(4,0)	94,7
Depreciation and impairment losses	(21,8)	(5,1)	(0,0)	(27,0)
Provisions (increases and reversals)	(0,3)	0,1	(0,1)	(0,3)
EBIT	55,9	15,8	(4,1)	67,5
Net financial profit	(6,1)	(3,2)	(6,9)	(16,1)
Pre-tax profit	49,8	12,6	(11,0)	51,4
Tax on profits	(14,8)	(3,2)	(0,0)	(18,0)
Retained profits for the period	35,0	9,4	(11,0)	33,3
Attributable to Semapa shareholders	26,5	8,9	(11,0)	24,4
Attributable to minority interests	8,5	0,4	-	9,0
Cash flow	57,2	14,3	(10,9)	60,6
EBITDA margin (% turnover)	26,0%	28,6%	-	25,4%
EBIT margin (% turnover)	18,6%	21,8%	-	18,1%
Total net assets	2.526,0	471,3	228,4	3.225,6
Net debt	339,3	72,1	450,0	861,4

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

Consolidated Sales: 373,0 million euros

□ Paper and Paper Pulp (PORTUCEL SOPORCEL Group)

The Portucel Soporcel Group's contribution in the 1st quarter of 2008 totalled 300.6 million euros, representing an increase of 7.5% over the same period in 2007.

This positive performance was achieved thanks to increased sales, of both paper and pulp, and to positive evolution in the respective prices.

Paper Sales (261.9 thousand tons, up by 2.4% on the same period in 2007) and the respective average sales price (up by 3.6%, in line with the PIX A4 B-Copy price index) both performed well, with the result that total sales in this segment recorded year-on-year growth of 6.1%, accounting for 70% of the Portucel Soporcel Group's total turnover.

The PIX index for eucalyptus pulp prices in USD was up by 17.6% in relation to the first quarter of 2007. However, this increase was not reflected in the pulp price in euros, due to the depreciation of the USD against the euro. As a result, the Group's average sales price in euros was only 2.4% higher than in the first quarter of the previous year.

Pulp output totalled 343.8 thousand tons, corresponding to an increase of 10.8 thousand tons (+ 3.2%) on the first quarter of 2007. Due to increased incorporation of pulp in paper production, the increase in sales was smaller than the increase in production (+ 5.5 thousand tons).

These factors contributed to an increase in total pulp sales of approximately 6.5% in relation to the same period in 2007 (+ 67.5 million euros).

Pulp Sales accounted for 23% of the Portucel Soporcel Group's total turnover.

The remaining 7% of the Portucel Soporcel Group's turnover was generated by the energy sector and other services.

□ **Cement (SECIL Group)**

The contribution from Secil's turnover stood at 72.4 million euros, with accrued sales up by 16% over the same period in 2007. Growth in sales was sustained by good performance by the Portugal-Cement, Tunisia-Cement and Angola-Cement business units.

Over the period in question, business in the Secil Group's main market (the Portuguese cement market) grew by 12.2% (including exports) over the same period in 2007.

Consolidated Recurrent EBITDA: 94.7 million euros

The Semapa Group recorded recurrent consolidated EBITDA in line with the figures recorded in the 1st quarter of 2007, down by 3.1%.

- **Paper and Paper Pulp:** recurrent EBITDA contributed 78.0 million euros, down by 9.8% on the first quarter of 2007. Despite growing turnover in the paper and pulp segments, the fall in EBITDA was due to sharp increases in certain factors of production, especially timber and chemicals. Rising timber costs were exacerbated by the need to import significant quantities of this raw material, with the corresponding impact on transport operations.
- **Cement:** total accrued recurrent EBITDA contributed 20.7 million euros, representing an increase of 29.3% over the same period in 2007, thanks to good performance in the business units referred to in connection with growth in turnover.

Special mention should be made of the fact that, in the first quarter of 2008, the Portugal-Cement business unit recorded EBITDA of 26.3 million euros (51% of which is appropriated by the Semapa Group), representing an increase of 32% on the same period in 2007.

These successful figures were achieved thanks to growth in sales in quantity and rising prices in the internal and foreign markets, offsetting the adverse effects of rising thermal fuel prices, which climbed even more steeply during the 1st quarter of this year.

The Tunisia-Cement business unit also recorded improved sales and plant performance, generating EBITDA of 4.9 million euros (of which 51% is appropriated by the SEMAPA Group).

- **Semapa SGPS and Sub-holdings:** total accrued recurrent EBITDA at 31 March 2008 stood at -4,0 million euros, reflecting the structural costs of Semapa SGPS and its instrumental sub-holdings.

Consolidated EBITDA: 94.7 million euros

The Semapa Group recorded consolidated EBITDA in the first quarter of 2008 of 94.7 million euros, 23.3% less than in the same period in the previous year. This was due to the fact that in the first quarter of 2007 EBITDA was influenced by the non-recurrent capital gain of 25.6 million euros on the disposal of 19.2 million shares in EDP.

Consolidated Recurrent EBITDA Margin: 25.4%

- **Paper and Paper Pulp:** down by 4.9 percentage points from the first quarter of 2007, at 26.0%, for the reasons explained above.
- **Cement:** the EBITDA margin improved by 2.9 percentage points over the same period in 2007, standing at 28.6%.

Consolidated EBIT: 67.5 million euros

- **Paper and Paper Pulp:** contribution of 55.9 million euros, i.e. down by 6.1% on the figures recorded in the first quarter of 2007.
- **Cement:** contribution of 15.8 million euros, 50.5% up on the accrued figure at March 2007.
- **Holdings:** negative contribution of 4.1 million euros.

Consolidated Net Debt: 861.4 million euros

The SEMAPA Group's Net borrowing decreased by 26.4 million euros from year-end 2007, illustrating the Group's good performance in terms of cash flow generation.

- **Paper and Paper Pulp:** net debt stood at 339.3 million euros, down by 28.4 million on year-end 2007. This reduction in the net debt of the Portucel Soporcel Groups is evidence of the Group's impressive capacity to generate cash flow, in view of the investment in fixed assets over the period (51.2 million euros).
- **Cement:** The Secil Group's net debt was down by 4.7 million euros from 31 December 2007.

- **Semapa SGPS and Sub-holdings:** net debt increased by approximately 6.6 million euros in relation to 31 December 2007, to a total of 450.0 million euros at the end of the first quarter of 2008.

The following factors contributed to the increased indebtedness of Semapa SGPS and its sub-holdings: (i) acquisition on the stock exchange of shares in Portucel for a total price of 3.18 million euros, and (ii) payment of financial and structural costs.

Consolidated Net Profits after minority interests: 24.4 million euros

The company recorded a consolidated net profit before minority interests of 33.3 million euros, of which 24.4 million euros is attributable to SEMAPA shareholders. These figures compare unfavourably with those recorded at the end of the first quarter of 2007 (consolidated net profits of 47.2 million euros), due fundamentally to the one-off capital gain of 25.6 million euros recorded in this quarter in 2007 on disposal of shares in EDP.

- **Paper and Paper Pulp:** contribution of net profits attributable to Semapa shareholders of 26.5 million euros, up on the figure of 25.0 million euros recorded in the 1st quarter of 2007 (+ 6.0%). This increase is explained by the improvement of 19.3% in financial results over the previous year (due to a sharp reduction in net debt, more than offsetting the significant increase in interest rates, and also to the positive result on a number of exchange rate and interest rate hedge operations) and by the reduction in taxes on profits of 13.8% in relation to the 1st quarter of 2007.
- **Cement:** contribution to the Net profits attributed to Semapa shareholders of 8.9 million euros, 29% up on the figure recorded in the first quarter of 2007 (7.0 million euros). This improvement is explained by the factors described above.
- **Semapa SGPS and Sub-holdings:** contribution to the net profits attributable to Semapa shareholders of – 11 million, which compares unfavourably with the figure of 15.2 million euros recorded in the 1st quarter of 2007 and is explained by the capital gain of 25.6 million euros obtained on the sale of shares in EDP in the first quarter of the previous year.

Subsequent Developments

- On 4 April 2008, the Secil paid dividends for the financial year of 2007 of 19,008,907.20 euros, corresponding to 38 cents per share in issue;
- On 8 April 2008, the Portucel Soporcel Group paid dividends for the financial year of 2007 of 26,860,382.50 euros, corresponding to 3.5 cents per share in circulation;
- On 9 April 2008, Semapa SGPS paid dividends for the financial year of 2007 of 29,481,173.48 euros, corresponding to 25.5 cents per share in issue.

Future Prospects

Prospects for the paper and pulp market in 2008 are marked by uncertainty as to how exchange rates will evolve, effective growth in capacity worldwide and whether growth will continue to grow at the current pace. The sector also faces adverse trends in its main cost factors – timber, chemicals, energy and logistical costs.

The Group's performance will therefore continue to be influenced by some of these adverse factors, including persistently high timber costs, aggravated by the need to import significant quantities. Costs will also remain high for other factors of production, notably chemical products, and energy costs continue to rise.

At the same time, the foreign exchange situation will continue to attract growing imports to the European market and to hinder exports, increasing internal competition.

In the cement and derivatives sector, business will develop in line with the situation in the civil construction sector in the countries where Secil operates, and these markets are expected to continue to experience a degree of instability.

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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: 01/01/2008 End: 31/03/2008

Balance Sheet Items	Individual		
	31-03-2008 POC	31-12-2007 POC	Var. (%)
ASSETS			
Fixed assets (net)	1.297.725.043	1.271.390.391	2,07%
Intangible assets	-	-	
Tangible assets	906.811	890.474	1,83%
Financial investments	1.296.818.232	1.270.499.917	2,07%
Accounts receivable (net)	17.557.219	14.785.055	18,75%
Non-current	-	-	
Current	17.557.219	14.785.055	18,75%
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	2.720.000	2.720.000	0,00%
No. of voting shares	2.720.000	2.720.000	0,00%
No. of non-voting preference shares			
Minority interests			
LIABILITIES			
Provisions	95.373.365	94.399.440	1,03%
Accounts payable	482.436.024	474.718.226	1,63%
Non-current	439.455.083	457.305.084	(3,90%)
Current	42.980.941	17.413.142	146,83%
TOTAL ASSETS (NET)	1.327.193.011	1.325.553.987	0,12%
TOTAL SHAREHOLDERS' EQUITY	732.126.010	745.825.023	(1,84%)
TOTAL LIABILITIES	595.067.001	579.728.964	2,65%

Income Statement Items	Individual		
	31-03-2008 POC	31-03-2007 POC	Var. (%)
Sales and services rendered	416.640	1.397.088	(70,18%)
Variation in production	-	-	
Cost of merchandise sold and services rendered	550.735	913.150	(39,69%)
Gross profit	(134.095)	483.938	(127,71%)
Operating profit	(4.007.622)	(4.420.206)	(9,33%)
Financial profit (net)	28.395.767	28.258.178	0,49%
Current profit	24.388.146	23.837.972	2,31%
Extraordinary profit	(29.323)	23.334.581	(99,87%)
Tax on income ⁽²⁾	2.007	3.500	(42,66%)
Minority interests	-	-	
Net profit for the quarter	24.356.816	47.169.053	(48,36%)
Net profit per share for the quarter	0,21	0,40	(47,15%)
Net cash flow ⁽³⁾	24.492.028	47.296.265	(48,22%)

⁽¹⁾ 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).

⁽²⁾ Estimate of tax on profits

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

The Directors