



**CONSOLIDATED INTERIM REPORT
(Unaudited)**

3RD 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 Euro

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: 01/01/2008 End: 30/09/2008

Balance sheet items	IFRS Consolidated		
	30-09-2008	31-12-2007	Var. (%)
ASSETS (2)			
Fixed assets (net)			
Tangible fixed assets	1.715.979.577	1.621.494.019	5,83%
Goodwill	285.946.725	285.675.118	0,10%
Intangible assets (3)	184.340.021	152.963.362	20,51%
Investments in associates	1.873.664	1.878.882	(0,28%)
Financial instr. held to maturity	-	-	
Financial assets available for sale	986.778	1.427.137	(30,86%)
Accounts receivable (net)	318.990.068	375.324.637	(15,01%)
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)	(4.516.531)	(16.576.730)	(72,75%)
Minority interests	305.549.637	304.873.080	0,22%
LIABILITIES			
Provisions	42.204.023	46.454.921	(9,15%)
Accounts payable (business activities)	368.907.468	316.026.889	16,73%
Other financial liabilities	1.229.704.532	1.326.608.003	(7,30%)
TOTAL ASSETS (net)	3.240.542.083	3.257.139.769	(0,51%)
TOTAL SHAREHOLDERS' EQUITY	1.100.833.215	1.050.698.103	4,77%
TOTAL LIABILITIES	2.139.708.868	2.206.441.666	(3,02%)

Income Statement Items	IFRS Consolidated		
	30-09-2008	30-09-2007	Var. (%)
Earnings	1.089.248.106	1.055.959.272	3,15%
Cost of sales or services rendered	(436.690.437)	(354.563.035)	23,16%
Gross profit	652.557.669	701.396.237	(6,96%)
Profit before financial costs, taxes, depreciation and amortisation	276.847.355	310.856.508	(10,94%)
Financial costs	(36.166.787)	(39.312.310)	(8,00%)
Tax costs	(29.869.865)	(49.396.602)	(39,53%)
Minority interests	27.486.811	30.720.784	(10,53%)
Net profit for the quarter (6)	86.998.173	97.263.006	(10,55%)
Basic net profit for the quarter per share (7)	0,76	0,85	(10,55%)
Diluted net profit for the quarter per share (7)	0,76	0,85	(10,55%)

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 Business Operations through to 30 September 2008

In a hostile economic environment, Semapa's turnover for the first nine months of 2008 was up by 3% on the same period in the previous year, at 1,089.2 million euros.

Total EBITDA recorded stood at 274.1 million euros, representing a fall of 15% on the same period in 2007. The drop in EBITDA was due essentially to two factors: i) the EBITDA for 2007 included a gain of 25.6 million euros on the disposal of shares in EDP, not repeated in the period in question, and ii) Portucel's EBITDA was down by 11% on the first nine months of 2007, due to the sharp cost rises for certain factors of production, most particularly for timber. The growth in EBITDA recorded by Secil (up by 9%) was not sufficient to offset these two negative factors.

Net profits totalled 87.0 million euros, down by 11% on the same period in 2007. This decline was due essentially absence of the capital gain referred to above. The contribution made by Portucel's net profits was 5% up on that in the first 9 months of 2007, whilst that of Secil was up by 25%, for the reasons explained below. The increase of 98.3 million euros in net debt in relation to year-end 2007 reflects the growing pace of capital expenditure projects within the Group, notably the new paper mill in Setúbal.

Leading Business Indicators (IFRS)

(million euros)

	Accrued Sep-08	Accrued Sep-07	Var. % 08/07
Sales	1.089,2	1.056,0	3%
Other income	46,2	47,2	-2%
Costs and losses	(861,4)	(782,1)	-10%
Total EBITDA	274,1	321,1	-15%
Recurrent EBITDA	270,1	295,1	-8%
Depreciation and impairment losses	(96,3)	(94,2)	-2%
Provisions (increases and reversals)	2,8	(10,2)	127%
EBIT	180,5	216,7	-17%
Net financial profit	(36,2)	(39,3)	8%
Pre-tax profit	144,4	177,4	-19%
Tax on profits	(29,9)	(49,4)	40%
Retained profits for the period	114,5	128,0	-11%
Attributable to Semapa equity holders	87,0	97,3	-11%
Attributable to minority interests	27,5	30,7	-11%
Cash flow	208,0	232,4	-10%
EBITDA margin (% Sales)	25,2%	30,4%	-5,2 p.p.
Recurrent EBITDA margin (% Sales)	24,8%	27,9%	-3,1 p.p.
EBIT margin (% Sales)	16,6%	20,5%	-3,9 p.p.
	30.09.2008	31.12.2007	Var. %
Total net assets	3.240,5	3.257,1	-1%
Equity (before MI)	1.100,8	1.050,7	5%
Net debt	986,2	887,9	11%

Notes:

- Total EBITDA = operating profit + depreciation and impairment losses + provisions – reversal of provisions
- Cash flow = Retained profits for the period + 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

Segment Reporting (IFRS)

(million euros)

	Paper and pulp	Cement	Holdings	Consolidated
Sales	856,5	232,6	0,1	1.089,2
Total EBITDA	218,8	62,8	(7,6)	274,1
Recurrent EBITDA	218,0	62,7	(10,6)	270,1
Depreciation and impairment losses	(80,8)	(15,4)	(0,1)	(96,3)
Provisions (increases and reversals)	3,0	-	(0,2)	2,8
EBIT	141,0	47,4	(7,9)	180,5
Net financial profit	(12,3)	(1,7)	(22,2)	(36,2)
Pre-tax profit	128,7	45,7	(30,1)	144,4
Tax on profits	(25,1)	(11,6)	6,9	(29,9)
Retained profits for the period	103,6	34,1	(23,2)	114,5
Attributable to Semapa equity holders	78,7	31,5	(23,2)	87,0
Attributable to minority interests	24,9	2,6	-	27,5
Cash flow	181,4	49,5	(22,9)	208,0
EBITDA margin (% turnover)	25,5%	27,0%	-	25,2%
EBIT margin (% turnover)	16,5%	20,4%	-	16,6%
Total net assets	2.533,9	504,8	201,9	3.240,5
Net debt	457,4	59,0	469,8	986,2

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

Consolidated Sales: 1.089,2 million euros

Consolidated sales were up by 3.2% on the same period in the previous year, thanks to the following developments:

- Paper and Pulp – PORTUCEL SOPORCEL Group**

The PORTUCEL SOPORCEL Group's sales were up by 1.8% in relation to the first 9 months of 2007. Paper represented 70% of sales, pulp 22% and the remaining 8% related essentially to energy sales.

Paper sales were down by 1.1% in volume at 758.4 thousand tons, whilst prices were up by 1.4% on the same period in the previous year. This positive evolution in sales prices made it possible to record modest growth of 0.2% in paper sales in terms of value, in comparison with the first 9 months of 2007.

Pulp sales grew by 0.3% in volume, to 395 thousand tons, whilst sales prices, in euros, rose by an impressive 5.2% over the same period in 2007.

As a result, pulp sales, in value, were up by 5.4% over the figure recorded in the first 9 months of the previous year.

- **Cement – SECIL Group**

The Secil Group's sales stood at 456.1 million euros, corresponding to a contribution of 232.6 million euros to the Semapa Group, representing an increase of 9% in relation to the first nine months of 2007. This successful performance was due essentially to cement business in Portugal. Cement business in Tunisia, Angola and Lebanon also performed well.

Total Consolidated EBITDA: 274,1 million euros

- **Paper and Pulp – PORTUCEL SOPORCEL Group**

Total accrued EBITDA stood at 218.8 million euros, down by 11%, due to the increase in certain factors of production, and especially in the cost of acquiring timber (exacerbated by the need to buy imported timber), chemicals and transport services (as a result of higher oil prices than in the same period in the previous year).

- **Cement – SECIL Group**

Total accrued EBITDA stood at 123.2 million euros, corresponding to a contribution to the Semapa Group of 62.8 million euros, and representing growth of 9% over the same period in the previous year. This was achieved largely thanks to excellent performance in cement business in Portugal, due to increased sales at home and abroad. The Group has also increased its used of alternative fuels and monitored its costs, allowing it to minimise the negative effect of rising prices for thermal fuels over the period in question.

- **Holdings – Semapa SGPS and instrumental sub-holdings**

These companies made a negative contribution of 7.6 million euros, comparing unfavourably with the positive contribution of 17.2 million euros recorded in the first nine months of 2007, which had included the gain of 25.6 million euros obtained on the disposal of shares in EDP.

Consolidated EBITDA Margin: 25,2%

- **Paper and Pulp:** the margin of 25.5% represents a decrease of 3.7 percentage points in comparison with that recorded in the first 9 months of 2007.
- **Cement:** the EBITDA margin of 27.0% corresponds to an improvement of 0.1 percentage points in relation to the same period in the previous year.

Consolidated EBIT: 180,5 million euros

- **Paper and Pulp:** a contribution of 141.0 million euros, down by 11.0% on the same period in 2007.
- **Cement:** the contribution from this segment was up by 14.9% on the first 9 months of the previous year, at a total of 47.4 million euros.
- **Holdings:** this segment recorded negative EBIT of 7.9 million euros.

Consolidated Net Debt: 986.2 million euros

The SEMAPA Group's net debt grew slightly (by 98.3 million euros, compared to the figure at the end of 2007), reflecting the gathering pace of capital expenditure projects within the Group.

- **Paper and Paper Pulp:** net debt increased by 89.7 million euros in relation to year-end 2007, standing at 457.4 million euros. Considering that Portucel distributed dividends during the first half of 2008 with a value of 26.9 million euros and invested 186.2 million euros in fixed assets (especially in continued construction of the new mill in Setúbal), the current level of indebtedness reflects the Group's excellent capacity to generate cash flow.
- **Cement:** net debt stood at 115.6 million euros, equivalent to a contribution of 59.0 million euros to total net debt of the Semapa Group and representing a reduction of 17.8 million euros in relation to 31 December 2007. This positive performance also reflects Secil's capacity to general cash flow, considering that up to the end of September 2008 it proceeded with capital expenditure totalling 22.9 million euros and distributed dividends of 18 million euros for the financial year of 2007 (of which 51% was appropriated by the Semapa Group).
- **Holdings:** at the end of the first nine months of 2008 net debt stood at 469.8 million euros, up by 26.4 million euros on year-end 2007. This increase in net debt was due to (i) dividends paid by Semapa SGPS, (ii) financial charges and overheads borne by Semapa SGPS and (iii) the increase in financial investments.

Financial results – 36.2 million euros

- **Paper and Pulp:** there was an improvement of 30.8% in relation to the same period in 2007, and Portucel Soporcel made a negative contribution to financial results of **12.3 million euros**. This positive trend was due to skilful contracting of exchange rate and interest rate hedges.
- **Cement:** the Secil Group recorded a financial loss of 3.3 million euros, corresponding to a negative contribution of **1.7 million euros**, but representing an improvement of 3.1 million euros in relation to the first 9 months of 2007, thanks to the contracting of a set of exchange rate hedges.
- **Holdings:** a financial loss of **22.2 million euros**, approximately 5.4 million euros greater than in the same period in 2007, is explained by the average increase in indebtedness and rising interest rates over the period in question.

Consolidated Net Profits: 87.0 million euros

The consolidated net profit before minority interests was **114.5 million euros**, of which **87.0 million euros** is attributable to Semapa shareholders, representing a reduction of 11% over the figure recorded in the same period in 2007:

- **Paper and Pulp:** a contribution of **78.7 million euros**, as compared with the figure of 74.7 million euros recorded in the first 9 months of 2007. The contribution made by Portucel's net profits was up by 5% over the figure recorded in the same period in 2007. thanks to Semapa's increased holding in Portucel (up by 1.49% on the previous year).
- **Cement:** 61.7 million euros, corresponding to a contribution to the Semapa Group of **31.5 million euros**, representing an improvement of 25% over the figure recorded in the first 9 months of 2007, due principally to increased EBITDA and the improvement in the financial result.
- **Holdings:** a negative contribution of **23.2 million euros**, comparing with the negative contribution of 2.6 million euros in the same period in 2007. This reduction was due essentially to the absence of the non-recurrent gain realised on the disposal of EDP shares during the first half of 2007.

Subsequent Developments

On 15 October 2008, the Semapa Group formalised its acquisition of the ETSA Group, duly notifying the market.

This acquisition will permit Semapa to move into the environmental sector, an emerging area enjoying rapid expansion, thereby diversifying its investment portfolio.

Prospects for the final quarter

The serious financial crisis which is currently being experienced means that the economies of the countries forming the Group's main markets may be expected to slow sharply, or even to enter a recession.

PORTUCEL SOPORCEL Group

In the UWF paper market, demand may be expected to continue to cool, although this may be partly offset by a net reduction in capacity and by the increased competitiveness of European producers, due to the recent appreciation of the US dollar against the euro.

In the pulp market, the radical reorganization currently underway within the paper manufacturing sector, with the closure of plants and reductions in output, which may be expected to have negative repercussions for pulp consumption, associated with the effective increase in pulp production capacity worldwide, due to new capacity coming online in Latin America and Asia, could lead to an unfavourable change in the relationship between demand and supply. On the cost side, there is concern at persistently excessive costs for the main production factors, although it may be expected that economic cooling may turn around the trend in these costs.

SECIL Group

The current international crisis in the financial markets and the possibility of an economic recession will have a negative effect on business in the civil construction sector. However, the Secil Group is still expected to record reasonable performance in the final quarter, provided there is no rapid and significant deterioration in the economic situation.

Lisbon, 30 October 2008

The Directors