



DIRECTORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

First 9 Months 2011

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

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Single Companies Registry and Corporate Person no. 502 593 130 · Share Capital 118,332,445 Euros

Directors' Report

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1 Semapa Group – Business Overview

Semapa Group records sustained growth, with turnover climbing to approximately 1,321.1 million euros of which 77.8% in the external market.

Strong resilience to the extremely harsh conditions in the wider economy and the markets where it operates: i) EBITDA of 320.1 million euros, corresponding to an EBITDA margin of 24.2%; ii) Net profit of 90.0 million euros attributable to the Semapa Group, at the same level of the comparable period in the previous year.

Excellent financial health in an environment of severe credit restrictions and a crisis of confidence in the financial system: i) Growth of 5.6% in Group Cash Flow, rising to 252.1 million euros; ii) Net debt down by 67.1 million euros from year-end 2010; iii) Improvement in Net Debt / EBITDA ratio from 2.8x at year-end 2010 to 1.7x at the end of September 2011.

Increase in the number of employees from 5,172 to 5,296.

Leading Business Indicators

IFRS - accrued amounts (million euros)	9M 2011	9M 2010	Var. (%)
Turnover	1,321.1	1,234.5	7.0%
Other income	33.0	32.1	2.8%
Costs and losses	(1,034.0)	(931.7)	-11.0%
Total EBITDA	320.1	335.0	-4.4%
Recurrent EBITDA	320.1	334.1	-4.2%
Depreciation and impairment losses	(122.4)	(131.3)	6.7%
Provisions (increases and reversals)	(6.4)	18.3	-135.2%
EBIT	191.2	222.0	-13.9%
Net financial profit	(32.0)	(37.7)	15.0%
Pre-tax profit	159.2	184.3	-13.6%
Tax on profits	(36.0)	(58.7)	38.7%
Retained profits for the period	123.2	125.7	-2.0%
Attributable to Semapa equity holders	90.0	90.6	-0.7%
Attributable to minority interests	33.3	35.1	-5.2%
Cash-flow	252.1	238.7	5.6%
EBITDA margin (% Sales)	24.2%	27.1%	-2.9 p.p.
EBIT margin (% Sales)	14.5%	18.0%	-3.5 p.p.
	30-09-2011	31-12-2010	Sep11 vs. Dec10
Total net assets	3,696.9	3,569.6	3.6%
Equity (before MI)	1,013.9	933.4	8.6%
Net debt	983.1	1,050.2	-6.4%
Net Debt / EBITDA	1.7 x	2.8 x	-0.4 x
Nr Employees	5,296	5,172	2.4%

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 – market value of treasury stock and other securities held

Segment Reporting (IFRS)

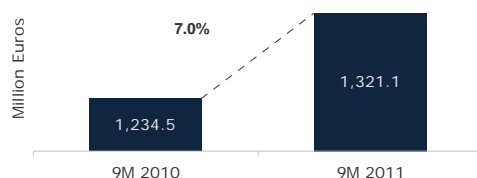
IFRS-accrued amounts (million euros)	Paper and Pulp	Cement	Environment	Holdings	Consolidated
Sales	1,095.9	199.9	25.2	0.1	1,321.1
Total EBITDA	288.0	40.1	6.5	(14.5)	320.1
Recurrent EBITDA	288.0	40.1	6.5	(14.5)	320.1
Depreciation and impairment losses	(104.4)	(16.2)	(1.7)	(0.1)	(122.4)
Provisions (increases and reversals)	(4.4)	(0.4)	(0.8)	(0.8)	(6.4)
EBIT	179.1	23.5	4.0	(15.5)	191.2
Net financial profit	(14.4)	(1.9)	(0.7)	(15.0)	(32.0)
Pre-tax profits	164.8	21.6	3.3	(30.5)	159.2
Tax on profits	(28.8)	(7.2)	(0.7)	0.7	(36.0)
Retained profits for the period	135.9	14.5	2.6	(29.8)	123.2
Attributable to Semapa equity holders	105.4	11.9	2.5	(29.8)	90.0
Attributable to minority interests	30.6	2.6	0.1	-	33.3
Cash-flow	244.8	31.1	5.1	(28.8)	252.1
EBITDA margin (% Sales)	26.3%	20.1%	25.9%	-	24.2%
EBIT margin (% Sales)	16.3%	11.8%	16.1%	-	14.5%
Net total assets	2,716.6	556.9	94.5	328.8	3,696.9
Net debt	510.2	77.4	13.4	382.0	983.1

Notes:

- Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments.
- The 51% holding in Secil owned by the Semapa Group is consolidated by the proportional method

Analysis of Results

Evolution of Turnover



Contribution by Business Area (9M 2011)



Over the first 9 months of 2011, Semapa Group's consolidated turnover totalled 1,321.1 million euros which represented a 7.0% increase over the same period in the previous year.

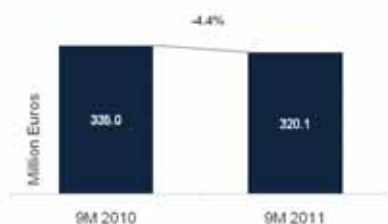
Turnover contribution from the Paper and Pulp business area in the first nine months of 2011 totalled 1,095.9 million euros, representing a growth of 9.2% over the same period in 2010. This growth resulted from positive performance in the Group's UWF paper business (uncoated woodfree printing and writing paper), in terms of both quantities sold and sales prices, and also from growth in energy sales.

In the Cement business area, the accrued turnover up to September 2011 was 392.0 million euros, of which the Semapa Group appropriated 199.9 million euros. This performance was down by 4.0% in relation to that recorded in the same period in 2010, reflecting poorer performance in sales on the domestic market in cement operations in Portugal and in Group's various operations in Tunisia, partially offset by positive growth in sales from Portugal to foreign markets, and by business operations in Lebanon and Angola.

The Environment business area, that develops its activities through the ETSA Group, faced a particularly harsh economical environment in Portugal and in Spain, reflected in the reduction of the rate of animal slaughter.

Despite the unfavourable context, ETSA Group's turnover stood at 25.2 million euros, up by 11.9% in relation to the first 9 months of 2010, due essentially to business with new abattoirs as a result of the acquisition of assets in April from another operator and increased average prices for sales of category 3 by-products (fats and meals).

Evolution of Consolidated EBITDA



Contribution by Business Area (9M 2011)



Consolidated EBITDA of Semapa Group over the first 9 months of 2011 totalled 320.1 million euros, representing a reduction of 4.4% over the same period in the previous year.

The Portucel Group recorded EBITDA of 288.0 million euros, practically unchanged in relation to the same period in the previous year. Despite expanding business in the paper and energy sectors, the Group was faced with rising costs, especially for chemicals and timber. The EBITDA margin accordingly stood at 26.3%, 2.5 percentage points down from the figure recorded for the first 9 months of 2010, reflecting these higher costs and the weaker performance of the pulp segment, both in volume and price, already mentioned.

EBITDA in the cement sector totalled 78.7 million euros, of which the Semapa Group appropriated approximately 40.1 million euros, down by approximately 21.9% on the same period in 2010. It includes the gains from the sale of CO2 emission licences with a contribution to Semapa Group of 4.6 million euros (vs. 763.5 thousand euros in the same period of the previous year).

The EBITDA margin stood at 20.1% for the period, down by 4.6 p.p. from the margin recorded in the first 9 months of the previous year.

EBITDA in the environment sector totalled 6.5 million euros, practically unchanged from the figure recorded in the first 9 months in 2010, but nonetheless penalized by (i) an increase in transport costs due to soaring fuel prices, (ii) an increase in specific consumption of naphtha and higher unit costs, (iii) increased cost of raw materials from Spain and (iv) a series of non-recurrent costs related to transportation, adaptation and rehabilitation of assets acquired from another operator.

The EBITDA margin totalled 25.9%, representing a reduction of 3.1 p.p. in relation to the margin for the same period in 2010.

EBITDA from holding companies made a negative contribution of 14.5 million euros, comparing unfavourably with the figure of -11.6 million euros recorded in the first 9 months of 2010.

A comparison between periods is undermined by the fact that personnel costs for the first 9 months of 2010 were positively influenced by an accounting adjustment of approximately 2.1 million euros.

Financial results for the first 9 months of 2011 improved by 5.7 million euros in relation to the same period in 2010, standing at -32.0 million euros, due to the combined effect of several factors, notably a wider spread on financing operations, a reduction in the Semapa Group's debt stock, improved results on interest rate derivatives and revaluation of the Group's financial assets.

Consolidated net profits attributable to the Semapa Group in the first 9 months of 2011 totalled 90.0 million euros, very close to the figure recorded in the same period in 2010 (90.6 million euros). This was due essentially to the following factors:

- A decrease in EBITDA of approximately 14.9 million euros;
- Reduction in depreciation by approximately 8.8 million euros, fundamentally due to some of the Portucel Group's industrial assets being depreciated at a rate lower than that used in the 1st half of 2010, as a result of the review conducted in the 2nd half of 2010 of their respective useful lives, and to other industrial assets reaching the ends of their useful lives;
- Worsening of the provisions account by 24.8 million euros, as the figure for the first 9 months of 2010 included the reversal of provisions for fiscal proceedings. In the first 9 months of 2010, the provisions account presented a positive balance of 18.3 million euros, whilst in the first 9 months of the present year it presented a negative balance of 6.4 million euros;
- An improvement of 5.7 million euros in financial results in relation to the same period in 2010, for the reasons reported above;
- An improvement of 22.7 million euros in the account for taxes, given that there had been a non-recurrent increase in taxes in the first nine months of 2010 of 17.1 million euros relating to all taxes deferred on the balance sheet, caused by the introduction of the State surcharge, increasing the tax rate in Portugal from 26.5% to 29%.

2 Main events

Holdings

In the course of the first 9 months of 2011, a Semapa increased its interest to 77.878% of Portucel's share capital.

During this period, Semapa disposed of 4,174,500 shares in BCP, already stated in the accounts at their fair value.

Paper and Pulp – Portucel Group

In the course of the first 9 months of 2011, Portucel acquired 4,924,754 treasury shares on the stock Exchange, corresponding to an investment of approximately 16.1 million euros.

Cement – Secil Group

In June, Secil paid out a dividend of 0.59 euros / share, representing a total dividend of 29.5 million euros.

After obtaining clearance from the Competition Authority, Secil went ahead, on 30 June 2011, with the acquisition of Lafarge Betões, a company operating in the concrete and aggregates market and the owner of thirty concrete plants and four aggregates quarries. The increase in Semapa Group's number of employees (+124) derives essentially from this transaction.

3 Paper and Paper Pulp Business Area - PORTUCEL GROUP

3.1 Leading Business Indicators

IFRS - accrued amounts (million euros)	9M 2011	9M 2010	Var %
Sales	1,095.9	1,003.7	9.2%
Other income	13.8	17.3	-20.2%
Costs and losses	(821.7)	(732.2)	-12.2%
EBITDA	288.0	288.7	-0.3%
Recurrent EBITDA	288.0	288.7	-0.3%
Depreciation and impairment losses	(104.4)	(113.6)	8.1%
Provisions (increases and reversals)	(4.4)	20.9	-121.3%
EBIT	179.1	196.0	-8.6%
Net financial profit	(14.4)	(17.1)	15.8%
Pre-tax profit	164.8	179.0	-7.9%
Tax on profits	(28.8)	(46.1)	37.5%
Retained profits for the period	135.9	132.9	2.3%
Attributable to Portucel equity holders *	136.0	133.0	2.2%
Attributable to minority interests (IM)	(0.0)	(0.1)	73.8%
Cash-Flow	244.8	225.5	8.5%
EBITDA margin (%)	26.3%	28.8%	-8.6%
EBT margin (%)	16.3%	19.5%	-16.3%
	30-09-2011	31-12-2010	Sep11 vs. Dec10
Total net assets	2,716.6	2,660.2	2.1%
Equity (before MI)	1,306.8	1,189.2	9.9%
Net debt	510.2	652.7	-21.8%

* of which 77,878% attributable to Semapa

Note: The above figures may differ from those presented individually by the Portucel Group, as a result of consolidation adjustments made by the holding company, Semapa.

3.2 Portucel Group – Overview of Operations

The Portucel Group recorded consolidated sales in the first nine months of 2011 of 1,095.9 million euros, representing growth of 9.2% over the same period in 2010. This growth resulted from positive performance in the Group's UWF paper business (uncoated woodfree printing and writing paper), in terms of both quantities sold and sales prices, and also from growth in energy sales.

Output of UWF paper in Setúbal has continued to rise as anticipated, resulting in an increase in the quantities placed on the market. This growth in sales of UWF paper combined with a recovery in sales prices – the benchmark index for the European market, PIX Copy B, published by Foex, was up by an average of 8.6% on the same period in 2010 – resulted in an increase of approximately 12% in the value of paper sales in relation to the first nine months of 2010.

With increased integration of bleached eucalyptus kraft pulp (BEKP) into production at the new UWF paper mill in Setúbal, the Group recorded a slight reduction in pulp sales in relation to the first nine months of the previous year. The drop in sales by quantity, combined with lower pulp prices during the period, resulted in a reduction of approximately 12% in the value of pulp sales.

In the energy segment, sales grew in value thanks to the conclusion, in the second half of 2010, of a series of capital projects in this area, with the new facilities now fully operational.

EBITDA totalled 288.0 million euros, practically unchanged in relation to the same period in the previous year. Despite expanding business in the paper and energy sectors, the Group was faced with rising costs, especially for chemicals and timber. The EBITDA margin accordingly stood at 26.3%, 2.5 percentage points down from the figure recorded for the first 9 months of 2010, reflecting these higher costs and the weaker performance of the pulp segment, both in volume and price, already mentioned .

Operating results were down by 8.6%, a decrease also influenced by the fact that results in 2010 were positively impacted by the reversal of provisions which occurred in that period.

The Group recorded a negative financial result of 14.4 million euros, comparing favourably with a similarly negative result of 17.1 million euros. Despite the significant reduction in net debt in relation to the same period in the previous years, the results of financing operations remained at the same level as for the first nine months of 2010, due to higher interest rates. The improvement in financial results is explained by a loss on an interest rate hedge which brought down financial income in 2010.

Net consolidated income for the period accordingly totalled 136.0 million euros, up by 2.2% on the same period in the previous year.

3.3 Business Review

3.3.1 Market Background

The third quarter of the year was marked by a deterioration in the recessive state of **UWF paper** consumption in the Group's main markets, initially in Europe and the United States, but eventually also in the Group's overseas markets. Consumption of this type of paper in the first nine months of the year dropped by 5% in Europe, where the cut-size segment continued to prove the most resilient, with an accrued reduction of less than 1%. The drop in demand in the USA was of the same magnitude as in Europe, and also grew steeper during the third quarter. The main overseas markets also suffered a drop in demand and in prices in USD.

The European paper industry felt the effects of these developments, with order books decreasing approximately one week's capacity as from the start of the year and a reduction of 2 percentage points in the occupancy rate, to an average over the nine months of 90%.

As a result of the deterioration in levels of demand and in order books, and due to continued pressure on the profitability of certain European mills in the sector, the sustainability of some of these units is increasingly uncertain. In the course of the quarter, one major manufacturer in northern Europe announced the closure of two of its UWF mills – one in Germany, with annual production capacity of 120,000 tons, and another in France, with annual capacity in excess of 300,000 tons.

The price rises which occurred in the second half of 2010 and in April 2011 led to a hike of 8.6% in PIX Copy B, the European Cut-size index, which steadied at the end of the period at levels close to 874 euros/t.

In this negative environment, the Portucel Group continued to place all its output on the market, resulting in a very significant increase in the overall value of paper sales. A significant portion of these increased sales were placed on European markets, despite the sharp drop in the levels of apparent demand, allowing it to record a substantial increase in its share of these markets, in the first nine months of 2011, estimated at more than 43 thousand tons of sheeted products.

The product mix was also favourable, with sales of premium products representing more than 60% of all sales in Europe. The 20% increase in sale quantities of mill brands, which in the period accounted for 65% of all sheeted product sales, also permitted the Portucel Soporcel group to record its best-ever ratio of mill brand sales over total sales.

The Group has continued to extend its sales into new markets around the world, and now regularly sells its products to 108 different countries. Thanks to this performance, the Group accounted for 49% of total exports by European UWF manufacturers and 62% of sheeted products exports. In strategic markets, the Group achieved very high export shares, representing 76% and 64% of European UWF exports to the USA and to Africa, respectively.

The **BEKP pulp** market confirmed what many analysts had predicted: market conditions worsened, with prices dropping to USD 850 / ton CIF Europe early on in the quarter and then to USD 820 over the

course of the period. By early October the PIX index fell to 750 USD, illustrating the sharpness of the price adjustment.

One of the fundamental factors sustaining pulp prices in USD over the first two quarters had been the evolution of exchange rates. This situation changed, with the currencies of the main pulp exporting companies, and notably the South American countries, the main BEKP producers, falling significantly against the US dollar at the end of the quarter.

The pulp market also felt the effects of the worsening economic situation in the US and Euro Zone countries, which are important paper markets, and also of the sharp slowdown in June and July in demand in the Chinese market, which has been one of the main supports of the world market.

As a result of deteriorating market conditions, stock levels at European manufacturers, consumers and ports increased substantially over the quarter.

Despite the worsening of the market in the third quarter, the Group's pulp sales, in quantity, in the first nine months of the year stood at practically the same level as in the same period in 2010, down by only 1%, despite increased integration into paper output. This performance was possible because of the increase in BEKP output achieved by the Group.

A breakdown of sales by paper manufacturer segments shows that the Group continues to enjoy success in focussing on segments with greater value added – special papers – where the Group recorded the majority of its sales, accounting for approximately 60%.

Sales figures by destination also show that nearly all sales were made on European markets, which is home to manufacturers of higher quality papers with more exacting technical requirements, where the intrinsic qualities of the globulus pulp manufactured by the Group offers significant gains in value.

3.3.2 Development

Although it remains committed to going ahead with integrated forestry, pulp and energy projects in the southern hemisphere, the Group has been confronted with a number of difficulties which have held back the investment alternatives announced in previous periods. Of the different projects in question, progress has only been made in Mozambique, whilst the projects in Brazil and Uruguay have failed to record any advances.

In Mozambique, the Group has pressed ahead with fieldwork and forestry plantation trials, split between different homogeneous forest zones included in the project. This is a crucial stage for selection of the best plant materials and adaptation to each of the different locations. It is also a large-scale project, consisting of various phases, to be implemented over the time frame normal for undertakings of this kind.

4 Cement and Derivatives Business Area – SECIL GROUP

As mentioned above, the Semapa Group has a **51% holding in the Secil Group**, which is included in its accounts using the proportional consolidation method, on the basis of the same percentage.

In order to provide a clearer picture of the real state of affairs of Secil and its subsidiaries, it was decided **in this chapter only** to present the **100% figures for Secil** (after consolidation adjustments), rather than figures merely for the percentage held by Semapa.

4.1 Leading Business Indicators

IFRS - accrued amounts (million euros)	9M 2011	9M 2010	Var. (%)
Sales	392.0	408.3	-4.0%
Other income	37.1	28.7	29.2%
Costs and losses	(350.3)	(336.3)	-4.2%
EBITDA	78.7	100.7	-21.9%
Recurrent EBITDA	78.7	99.0	-20.5%
Depreciation and impairment losses	(31.8)	(31.5)	-1.1%
Provisions (increases and reversals)	(0.8)	(1.1)	25.5%
EBIT	46.1	68.1	-32.4%
Net financial profit	(3.7)	(3.7)	0.0%
Pre-tax profit	42.4	64.5	-34.3%
Tax on profits	(14.0)	(22.0)	36.3%
Retained profits for the period	28.3	42.4	-33.2%
Attributable to Secil equity holders *	23.2	34.7	-32.9%
Attributable to minority interests (IM)	5.1	7.8	-34.4%
Cash-flow	61.0	75.0	-18.7%
EBITDA Margin (%)	20.1%	24.7%	-18.6%
EBIT Margin (%)	11.8%	16.7%	-29.6%
	30-09-2011	31-12-2010	Sep11 vs. Dec10
Total net assets	1,092.0	977.7	11.7%
Equity (before MI)	490.8	498.2	-1.5%
Net debt	151.8	77.7	95.3%

* of which 51% attributable and incorporated in Semapa's consolidated financial statements

4.2 Secil Group – Overview of Operations

The construction industry and cement consumption in Portugal continue in decline in Portugal, the Secil Group's main market. Combined with rising prices for fuels and on the international commodities markets, this caused the various business units in the Secil Group to record a drop in performance.

In this context, turnover in the first 9 months of 2011 stood at 392.0 million euros, of which the Semapa Group appropriated 199.9 million euros, representing a reduction of 4.0% in relation to the same period in the previous year. The positive evolution in the sales oriented to the external market from the cement business unit in Portugal, proved insufficient to offset the poorer performance in the sales on the domestic market by the cement business unit in Portugal and in operations in Tunisia.

EBITDA stood at 78.7 million euros, of which the Semapa Group appropriated 40.1 million euros. This indicator was down by approximately 21.9% in relation to the same period in the previous year. EBITDA includes the gains from the sale of CO2 emission licences with a contribution to Semapa Group of 4.6 million euros (vs. 763.5 thousand euros in the same period of the previous year).

The EBITDA margin stood at 20.1% in the period, 4.6 p.p. lower than the margin recorded in the first nine months of the previous year.

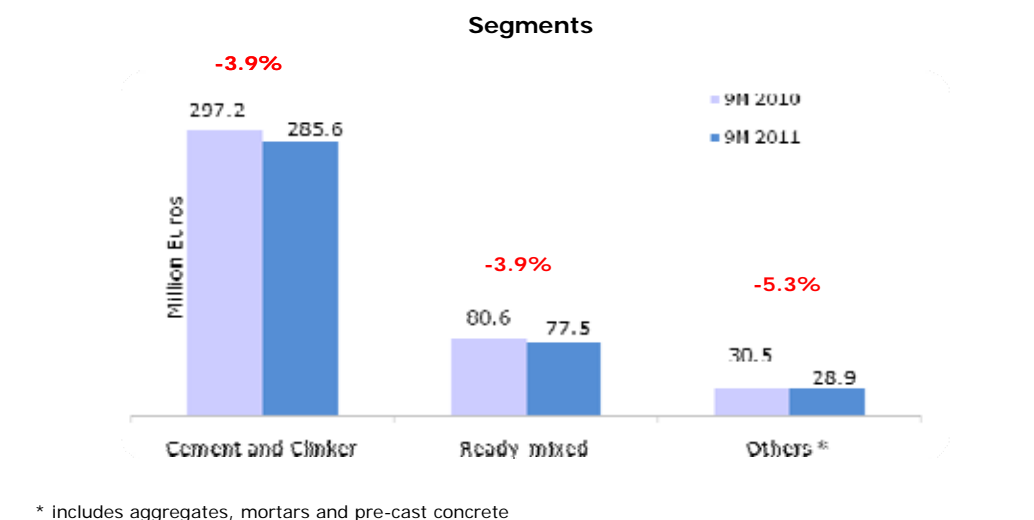
Net profits totalled approximately 23.2 million euros, of which Semapa appropriated 11.9 million euros.

Capital expenditure over the period stood at approximately 107 million euros, of which 40.3 million euros related to operational investments and 66 million euros derived from the acquisition of Lafarge Betões.

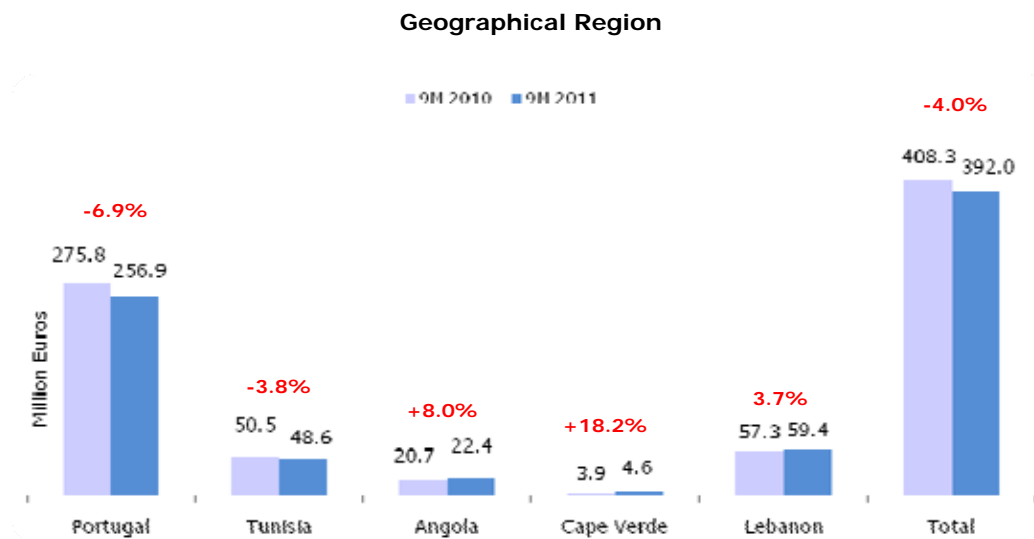
At the end of September of 2011, net debt stood at approximately 152 million euros, 74.1 million euros up on the figure recorded at year-end 2010, reflecting the already mentioned acquisition of Lafarge Betões.

4.3 Business Review

Sales by Segment and Geographical Region

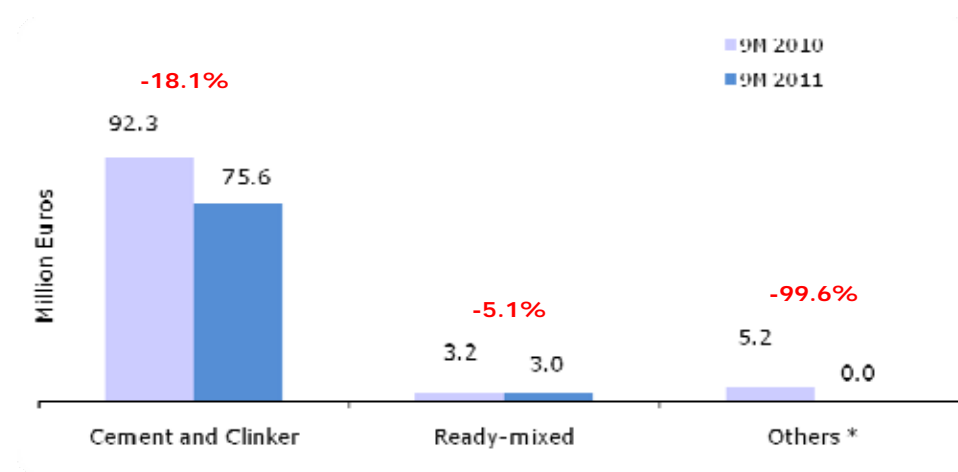


Turnover in the cement and clinker segment declined by 3.9% in relation to the first nine months of 2010, due to lower cement sales on the domestic market in Portugal and to the overall operations in Tunisia. The other two segments also shrank versus the first nine months of 2010.



Turnover both from operations generated outside of Portugal and from exports originated in Portugal increased its relative weight: 45.1% vs 42.2% in the first nine months of 2010.

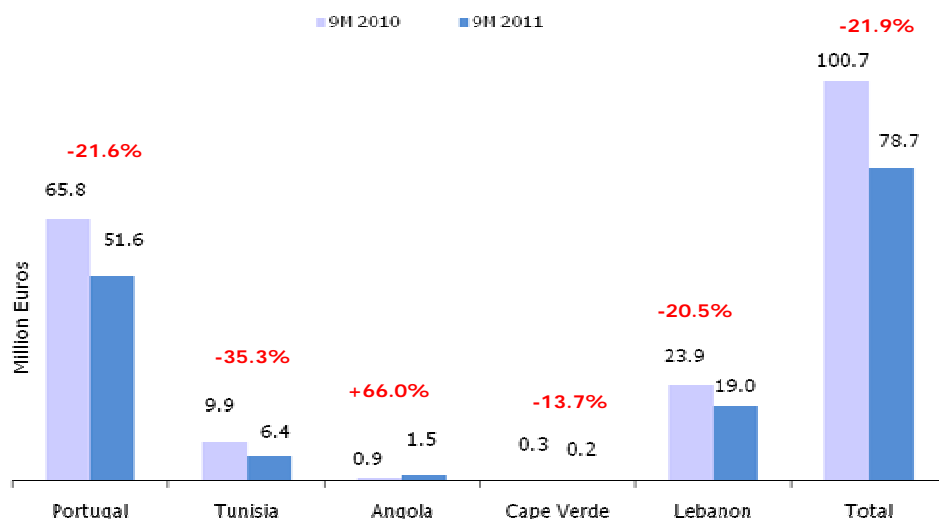
Breakdown of EBITDA by Segment and Country



* includes aggregates, mortars and pre-cast concrete

The cement and clinker segment accounted for a larger proportion of total earnings than in the previous year, making a contribution of approximately 96.1% to formation of total EBITDA in the Secil Group.

Geographical Region



In terms of geographical breakdown, EBITDA was less dispersed than in the same period of the previous year, with operations outside Portugal accounting for approximately 34% of the Secil Group's total EBITDA.

4.3.1 Portugal

According to forecasts recently published by the Bank of Portugal (October 2011), Gross Domestic Product is expected to decline by 1.9% in 2011.

The construction industry continues in decline, maintaining the tendency observed in previous years and first semester of 2011. In fact, figures for January - August point to a drop in output in the construction sector of 8.9% (Construction and public works production index – INE October 2011). At the same time, the continued slump in demand for cement grew steeper in the 3rd quarter, with an estimated fall of approximately 13% in relation to the same period in 2010.

In this difficult environment, the cement business unit in Portugal recorded a turnover of 162.5 million euros¹, down by 7.8% on the same period in the previous year.

Attention should be drawn to growth in export business, with sales up by 4.6% in relation to the same period in 2010, partially offsetting the reduction of 11.3% in sales on the domestic market.

Turnover in non-cement operations (ready-mixed, aggregates, mortars and pre-cast) based in Portugal, amounted to 94.4¹ million euros, declining 5.2% in relation to the same period in the previous year.

EBITDA for cement operations based in Portugal stood at approximately 49.8¹ million euros, down by 15.1% on the first 9 months of 2011.

The following factors had a negative effect on performance in this business unit: a decline in the average margin per ton, due to a reduction in sales on the Portuguese market, where prices are higher than on export markets, and an appreciable increase in production costs due to a significant rise in power and thermal fuel costs. These negative factors were partially offset by the containment of overheads and distribution costs in the domestic market.

In all other business segments (ready-mixed, aggregates, mortars and pre-cast), performance was down on the same period in 2010 due to the harsh business environment already described, amounting the EBITDA from these business segments to 2.8 million euros¹ (-63,8% vs. the same period of the 2010).

4.3.2 Tunisia

Figures published by the IMF point to no growth in the Tunisian economy in 2011 which compares with a growth rate of 3.7% recorded in 2010 (World Economic Outlook, IMF, September 2011).

Operations in Tunisia were hit (i) by the unstable situation resulting from the social occurrences in January, (ii) by the stoppage of the production lines for several days in April and (iii) by the impossibility of supplying the market normally during a number of short periods. However, these negative factors were partially offset by the enforced shutdown of one of the country's main cement mills during the third quarter of 2011.

In this context, turnover on cement business in Tunisia stood at 42.3¹ million euros, down by 4.8% on the accrued turnover up to September 2010.

¹ Of which 51% appropriated by the Semapa Group

EBITDA from the cement activities stood at 5.6 million euros¹, down by 37.7% on the first 9 months of 2010. This drop in performance was due essentially to (i) significant increases in the price of thermal fuels, substantially affecting the company's margin, and (ii) a significant reduction in exports to Libya, where the margin was formerly higher than that possible on the home market. In the other activities in place in Tunisia, EBITDA amounted to 0.8 million euros, decreasing 11.6% over the same period in 2010.

4.3.3 Lebanon

According to figures published by the IMF, the Lebanese economy is expected to grow by 1.5% in 2011, representing a slower pace than the 7.5% growth recorded in 2010 (World Economic Outlook, IMF, September 2011).

Over the first 9 months of 2011, turnover on cement operations in Lebanon stood at approximately 53.7¹ million euros, representing an increase of 4.0% on the same period in the previous year. This growth was achieved essentially due to increased sales on the domestic market.

Operational performance was positive, with EBITDA standing at 18.7¹ million euros, although this represented a decline of 21.0% in relation to the same period in 2010, due essentially to the significant increase in the price of thermal fuels, which had a direct impact on profits. In addition, earnings were also hit by unfavourable evolution of the exchange rate and by the occurrence of a technical problem on one of the production lines, requiring a lengthy stoppage during the 1st half of this year. In the ready-mixed segment, EBITDA (0.31 million euros) increased 36.1%

4.3.4 Angola

The macro economical perspectives for 2011 remain positive, though more restrained when compared with those from the first semester. Thus, GDP is expected to increase by 3.7% in 2011, below the estimates of 7.8% released on April but still above the growth rate of 1.6% recorded in 2010 (World Economic Outlook, IMF, September 2011).

The construction industry maintains a reasonable growth rate, with cement consumption expected to grow by around 4%.

In this context, the cement business unit in Angola recorded an improvement of 8.0% in performance in relation to the first 9 months of the previous year, with turnover standing at approximately 22.4 million euros¹. Despite growth of 26.4% in quantities sold in relation to the accrued figures for the same period in 2010, the presence on the market of large quantities of cheaper cement imported from China resulted in an appreciable drop in the average sales prices observed in the market.

EBITDA stood at approximately 1.5 million euros¹, up by 66%, thanks essentially to increased sales in quantity and efficiency gains, insofar as sales prices dropped due to the presence on the Angolan market of large quantities of cement imported from China, at very low prices.

¹ Of which 51% appropriated by the Semapa Group

5 Environment Business Area – ETSA GROUP

5.1 Leading Business Indicators

IFRS - accrued amounts (million euros)	9M 2011	9M 2010	Var. (%)
Sales	25.2	22.5	11.9%
Other income	0.1	0.2	-44.9%
Costs and losses	(18.8)	(16.2)	-16.1%
EBITDA	6.5	6.5	-0.1%
Recurrent EBITDA	6.5	6.5	-0.4%
Depreciation and impairment losses	(1.7)	(1.6)	-8.7%
Provisions (increases and reversals)	(0.8)	- -	
EBIT	4.0	5.0	-18.6%
Net financial profit	(0.7)	(0.6)	-24.4%
Pre-tax profit	3.3	4.4	-24.4%
Tax on profits	(0.7)	(1.3)	45.0%
Retained profits for the period	2.6	3.1	-15.7%
Attributable to ETSA equity holders *	2.6	3.1	-15.5%
Attributable to minority interests (MI)	(0.0)	(0.0)	-85.1%
Cash-Flow	5.1	4.6	9.3%
EBITDA margin (%)	25.9%	29.0%	-10.7%
EBIT margin (%)	16.1%	22.1%	-27.2%
	30-09-2011	31-12-2010	Sep11 vs. Dec10
Total net assets	94.5	70.4	34.3%
Equity (before MI)	52.3	49.7	5.3%
Net debt	13.4	11.0	22.1%

* of which 96% attributable to Semapa

5.2 ETSA Group – Overview of Operations

The current economic situation in Portugal and Spain continues to hamper the business of the ETSA Group, in particular due to the reduction in the number of animals slaughtered.

The ETSA Group recorded a turnover for the first nine months of 2011 of 25.2 million euros, which represents an increase of 11.9% in relation to the same period in 2010, that despite the lower rate of animal slaughter is due essentially to business with new abattoirs as a result of the acquisition of assets in April from another operator and increased average prices for sales of category 3 by-products (fats and flours).

In the first nine months of 2011, transport costs rose appreciably over the period, due to the soaring of fuel prices.

There was an increase in consumption of naphtha per ton processed and its cost, a raise in the cost of raw materials sourced from Spain and a number of non-recurrent costs related with transportation, adaptation and rehabilitation of assets acquired from an operator.

As a result, at 30 September 2011, consolidated EBITDA stood at approximately 6.5 million euros, approximately the same as in the same period in 2010.

Financial charges were slightly up in the period, as a result of the repricing of borrowing terms in force and of the increased stock following the acquisition of the assets from an operator as mentioned before.

At 30 September 2011, the ETSA Group's net debt stood at 13.4 million euros, up by 2.4 million euros in relation to the net debt recorded at 31 December 2010.

All these factors combined meant that Net Income for this period stood at approximately 2.6 million euros, representing a reduction of approximately 15.5% in relation to the same period in 2010.

6 Semapa Group – Financial Area

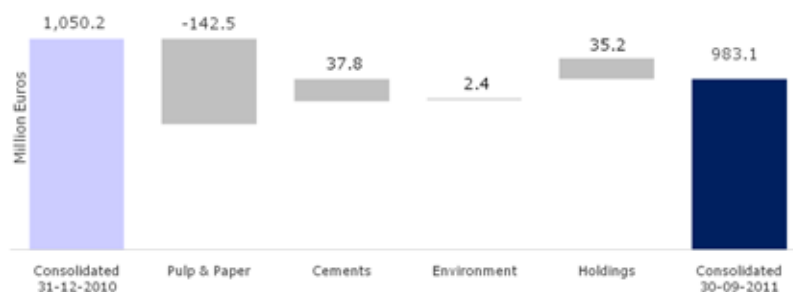
6.1 Indebtedness

At 30 September 2011, consolidated net debt totalled 983.1 million euros, down by 67.1 million euros on the figure recorded at year-end 2010 and reflecting the excellent capacity of the Semapa Group's businesses to generate cash flow, as well as an extremely sound financial position.

Breakdown of Semapa Group's Financial Debt

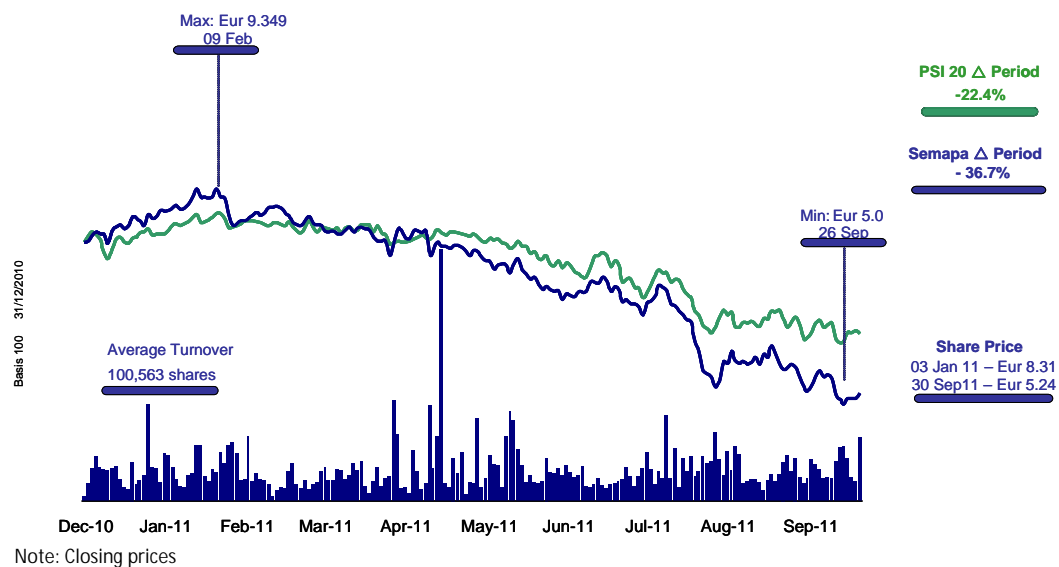
	Million Euros		
	30-09-2011	31-12-2010	Var
Pulp and Paper	510.2	652.7	-142.5
Cement	77.4	39.6	37.8
Environment	13.4	11.0	2.4
Holdings	382.0	346.9	35.2
Total	983.1	1,050.2	-67.1

Consolidated Net Debt



6.2 Listed Share Price

Performance of Semapa Shares on Euronext Lisbon – First 9 Months 2011



The downward tendency in European share prices observed at the end of the first half of 2011 intensified significantly in the third quarter, with most European indexes recording significant accrued losses at the end of September.

The PSI20 index was not immune to this trend, accruing a loss of 22.4% since the start of the year. For their part, Semapa shares depreciated by 36.7% over the period in question.

7 Outlook

The economic outlook through to the end of the year is significantly gloomy in the light of the worsening sovereign debt crisis in Europe and the difficulty in finding swift and lasting measures to resolve the situation, and also in view of the downgrade of US public debt by S&P and the subsequent negative reaction on equity markets around the world.

High levels of volatility in the markets reflect a number of factors which could precipitate another global recession, specifically the possibility of the sovereign debt crisis spreading into the Spanish, Italian and French economies, the poor reaction of the US economy to the injection of various stimuli and its continuing failure to create new jobs, and the evolving geopolitical tensions in Northern Africa and the Middle East.

The situation is particularly serious in the financial system, and notably in the Portuguese banking sector, resulting in contraction of private sector lending. Failure to resolve this situation will necessarily have a severe impact on the life of companies, making economic growth an impossibility.

Paper and Pulp (Portucel Group)

The prospects for the Group's **UWF paper** business reflect this highly uncertain environment. In Europe, the current economic situation, aggravated by difficulties experienced by our main clients in financing their working capital, has resulted in a drop in consumption, expected to continue for the rest of the year, which might put UWF prices under a degree of pressure in the months ahead.

At the same time, the significant cooling of the US economy and the severely unstable climate in markets in Northern Africa and the Middle East, which account for a growing proportion of the Group's sales, could potentially have a negative impact on business

However, we should stress that, despite this difficult context, the Group continues to operate at full production capacity, which has been made possible by efforts to extend the range of countries to which it sells its products and to strengthen its position in markets which still have the potential for growth in sales. However, the significant customs duties to which European manufacturers are subject in high potential markets - with rates as high as 30% in India and other important Asian markets, such as the Philippines, Thailand, Malaysia and Vietnam, 15% in Brazil and most markets in Latin America, and 20% in Mozambique - form an obstacle to wider and faster penetration by the Group's brands in these markets.

The **BEKP pulp** market is also expected to be hit by the wider economic situation, and consequently by the negative outlook for the paper market in Europe. The pulp market is also still feeling the effect of the drop in the exchange rate against the US dollar of the currencies of the main BEKP producing countries, inverting the upwards trend observed in recent years, which was a major factor in sustaining prices. The evolution of the Chinese market will continue to be fundamental to the sustainability of the world market, and there were signs of an upturn at the end of the quarter, after a clear slowdown in June and July this year. However, indicators have appeared with increasing frequency pointing to a foreseeable slowdown in economic growth and an outbreak of inflationary tensions; if this proves to be the case, the implications will be felt worldwide.

The international economic and financial situation, which has so severely constrained the profitability of the pulp and paper sector, makes it even more urgent for Portugal to adopt the policies needed to reduce the local costs which encumber the Group's business activities. Priority needs to be given to measures to increase the availability of Portuguese raw materials, avoiding the need for imports, and others to assure that the logistical structure, in particular the ports and railways, operate to the highest international standards.

The Group is continuing to analyze possibilities for international expansion in the southern hemisphere, seeking to overcome the difficulties encountered in certain geographical regions and to take the relevant decisions with the necessary degree of security.

Cement (Secil Group)

The economic situation is no longer as favourable as that formerly enjoyed by Secil's main business activities. The Group accordingly expects to record positive performance overall for the year, but with results down on the previous year.

In the wake of the signing of the Economic and Financial Adjustment Programme with the Troika (IMF, ECB and the European Commission), **Portugal**, which is the Group's main market, has set about the urgent task of correcting the imbalances in its economy. It follows that expectations for the various segments in which the Secil Group operates are not very positive.

According to the IMF's latest estimates, the **Tunisian** economy is expected to record zero growth in 2011, down from a rate of 3.7% recorded in 2010.

In this context, the current crisis situation may be expected to hold back construction activity during the remainder of 2011, consequently hampering the Group's performance in Tunisia.

In **Lebanon**, expectations point to economic growth of 1.5% and growth in demand for cement in the order of 7% in 2011.

After picking up speed during the 1st half of 2011, the **Angolan** economy is expected to grow more moderately through to the end of the year, with overall growth of 3.7% in 2011, falling short of the forecast of 7.8% for GDP growth in 2011, but still higher than the figure of 1.6% recorded in 2010.

The construction industry returned to a reasonable pace of growth, with cement consumption estimated to experience growth in the order of 4% in 2011.

Environment (ETSA Group)

The ETSA Group's business operations in Portugal have been hampered by the economic situation in the country, for which no improvement is expected.

In Spain, a reduction in business operations appears likely due to a widespread drop in consumption and growing competition in the markets in which the ETSA Group operates.

Holdings

As already disclosed, in August 2001, Semapa was notified of the decision rendered by the Arbitration Tribunal on the dispute with CRH Plc in relation to Semapa's subsidiary, Secil – Companhia Geral de Cal e Cimento, S.A., that due to the defaults under the shareholders' agreement, recognized Semapa's right to buy out CRH's holding in Secil for a price of 574.28 million euros, within a period of 120 business days, with the possibility of extension to 180 business days.

Lisbon, 28 October 2011

The Board of Directors

Pedro Mendonça de Queiroz Pereira
Chairman

Maria Maude Mendonça de Queiroz Pereira Lagos
Director

José Alfredo de Almeida Honório
Director

Francisco José Melo e Castro Guedes
Director

Carlos Maria Cunha Horta e Costa
Director

José Miguel Pereira Gens Paredes
Director

Paulo Miguel Garcês Ventura
Director

Rita Maria Lagos do Amaral Cabral
Director

António da Nóbrega de Sousa da Câmara
Director

Joaquim Martins Ferreira do Amaral
Director

António Pedro de Carvalho Viana-Baptista
Director

Vitor Manuel Galvão Rocha Novais Gonçalves
Director



INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
(Unaudited)

30 SEPTEMBER 2011

CONSOLIDATED SEPARATE INCOME STATEMENT FOR THE NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2011 AND 2010

Amounts in Euro	Notes	9 months 30-Sep-2011 <i>(unaudited)</i>	9 months 30-Sep-2010 <i>(unaudited)</i>	3rd Quarter 2011 <i>(unaudited)</i>	3rd Quarter 2010 <i>(unaudited)</i>
Revenues					
Sales	4	1,296,310,931	1,208,848,455	427,991,837	415,151,036
Services rendered	4	24,748,612	25,648,931	9,117,339	8,239,050
Other income					
Gains on disposal of non-current assets	5	266,287	3,826,911	125,255	(132,181)
Other operating income	5	34,512,173	28,314,361	11,060,620	8,641,734
Change in fair value of biological assets	5	(734,579)	(7,887,664)	255,694	(3,226,058)
Costs, expenses and losses					
Consumed materials and services	6	(489,408,501)	(425,129,351)	(168,382,418)	(134,656,079)
Movement in finished goods and work in progress	6	(32,144,606)	(6,682,707)	(2,565,214)	(526,734)
Sold and consumed inventories	6	(341,167,476)	(325,629,832)	(119,205,008)	(110,410,758)
Payroll costs	6	(146,129,835)	(137,577,799)	(48,478,529)	(43,417,575)
Other costs and losses	6	(26,173,724)	(28,762,156)	(8,576,399)	(12,157,346)
Provisions increase / (decrease)	6	(6,449,159)	18,314,166	1,705,711	314,740
Depreciation, amortization and impairment losses	7	(122,449,334)	(131,287,486)	(35,897,739)	(33,885,012)
Operational results		191,180,789	221,995,829	67,151,149	93,934,817
Group share of (loss) / gains of associated companies		1,230,951	288,405	504,619	(99)
Net financial results	8	(33,227,688)	(37,941,836)	(13,969,153)	(10,619,877)
Profit before tax		159,184,052	184,342,398	53,686,615	83,314,841
Income tax	9	(35,954,124)	(58,657,173)	(13,033,654)	(20,455,361)
Net Income		123,229,928	125,685,225	40,652,961	62,859,480
Net profit for the year					
Attributable to Semapa shareholders		89,965,291	90,579,909	29,923,242	47,098,952
Attributable to non-controlling interests		33,264,637	35,105,316	10,729,719	15,760,528
Earnings per share					
Basic earnings per share, Eur	10	0.797	0.802	0.265	0.417
Diluted earnings per share, Eur	10	0.797	0.802	0.265	0.417

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2011 AND 31 DECEMBER 2010

Amounts in Euro	Notes	30-Sep-2011 (unaudited)	31-Dec-2010
Assets			
Non-Current Assets			
Goodwill		343,839,371	320,204,947
Other intangible assets		177,470,845	169,630,374
Plant, property and equipment	11	2,044,529,454	2,113,206,535
Investment properties		836,567	845,791
Biological assets		109,768,038	110,502,616
Investment in associates		3,939,198	2,039,513
Financial assets at fair value through profit or loss	12	9,335,471	13,128,488
Available-for-sale financial assets		835,671	677,180
Deferred tax assets	16	56,464,210	37,157,841
Other non-current assets		1,349,012	1,282,641
		2,748,367,837	2,768,675,926
Current Assets			
Inventories		263,105,908	226,840,348
Receivable and other current assets	13	295,535,155	272,242,644
State and other public entities		58,653,504	36,799,405
Cash and cash equivalents		331,196,870	265,091,311
		948,491,437	800,973,708
Total Assets		3,696,859,274	3,569,649,634
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	14	118,332,445	118,332,445
Treasury shares	14	(47,164,986)	(47,164,986)
Share premiums		3,923,459	3,923,459
Translation reserves	15	(17,680,025)	(15,078,437)
Fair value reserves	15	(7,196,820)	(5,621,595)
Other reserves	15	858,223,719	760,984,662
Retained earnings		15,453,272	20,806,145
Consolidated net profit for the year		89,965,291	126,720,230
Interim dividends		-	(29,481,174)
Consolidated shareholders' equity		1,013,856,355	933,420,749
Non-controlling interests		323,964,894	310,520,846
Total Equity		1,337,821,249	1,243,941,595
Non-current liabilities			
Deferred taxes liabilities	16	329,580,852	313,340,341
Pensions and other post-employment benefits		132,636,342	126,382,060
Provisions	17	43,456,634	36,263,863
Interest-bearing liabilities	18	1,287,654,692	1,257,882,924
Other non-current liabilities		22,950,535	26,402,576
		1,816,279,055	1,760,271,764
Current liabilities			
Interest-bearing liabilities	18	99,489,490	150,478,637
Payables and other current liabilities	19	367,532,711	348,469,759
State and other public entities		75,736,769	66,487,879
		542,758,970	565,436,275
Total liabilities		2,359,038,025	2,325,708,039
Total equity and liabilities		3,696,859,274	3,569,649,634

STATEMENT OF COMPREHENSIVE CONSOLIDATED INCOME

FOR THE NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2011 AND 2010

Amounts in Euro	9 months 30-Sep-2011 (unaudited)	9 months 30-Sep-2010 (unaudited)	3rd Quarter 2011 (unaudited)	3rd Quarter 2010 (unaudited)
Retained earnings for the year without non-controlling interests	123.229.928	125.685.225	40.652.961	62.859.480
Fair value in financial derivative instruments				
Changes in fair value	(636.034)	914.110	(5.685.159)	3.821.349
Tax on items above when applicable	(561.218)	(1.032.264)	(407.483)	(1.260.087)
Actuarial gains / (losses)				
Actuarial gains / (losses)	2.665.704	3.386.858	2.027.006	1.510.312
Tax on items above when applicable	33.152	52.640	(1.253.801)	(1.186)
Foreign exchange differences	(3.318.030)	531.153	7.840.679	(15.441.249)
Profit directly recognized in equity	(1.816.426)	3.852.497	2.521.242	(11.370.861)
Total recognized income and expense for the period	121.413.502	129.537.722	43.174.203	51.488.619
Attributable to:				
Semapa's shareholders	88.739.613	92.657.901	30.400.048	38.722.571
Non-controlling interests	32.673.889	36.879.821	12.774.155	12.766.048
	121.413.502	129.537.722	43.174.203	51.488.619

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 1 JANUARY 2011 TO 30 SEPTEMBER 2011 AND FROM 1 JANUARY 2010 TO 30 SEPTEMBER 2010

Amounts in Euro	Share Capital	Treasury shares	Share premiums	Fair value reserves	Other reserves	Translation reserves	Retained earnings	Net profit for the year	Total	Non-controlling interests	Total
Equity as of 1 January 2011	118,332,445	(47,164,986)	3,923,459	(5,621,595)	760,984,662	(15,078,437)	20,806,145	97,239,056	933,420,749	310,520,846	1,243,941,595
Distribution of net profit of 2010:											
- Transfer to reserves	-	-	-	-	97,239,056	-	-	(97,239,056)	-	-	-
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(4,184,064)	(4,184,064)
Income and expenses recognized directly in capital *	-	-	-	(1,575,225)	-	(2,601,588)	2,951,133	-	(1,225,680)	(590,746)	(1,816,426)
Differences in non-controlling interests acquisitions	-	-	-	-	-	-	(8,299,434)	-	(8,299,434)	(15,039,503)	(23,338,937)
Other movements	-	-	-	-	1	-	(4,572)	-	(4,571)	(6,276)	(10,847)
Net profit for the year	-	-	-	-	-	-	-	89,965,291	89,965,291	33,264,637	123,229,928
Equity as of 30 September 2011	118,332,445	(47,164,986)	3,923,459	(7,196,820)	858,223,719	(17,680,025)	15,453,272	89,965,291	1,013,856,355	323,964,894	1,337,821,249

* Net of deferred taxes

Amounts in Euro	Share Capital	Treasury shares	Share premiums	Fair value reserves	Other reserves	Translation reserves	Retained earnings	Net profit for the year	Total	Non-controlling interests	Total
Equity as of 1 January 2010	118,332,445	(47,164,986)	3,923,459	(6,220,818)	711,616,512	(17,978,700)	24,386,833	78,849,324	865,744,069	305,375,259	1,171,119,328
Distribution of net profit of 2009:											
- Transfer to reserves	-	-	-	-	49,368,150	-	-	(49,368,150)	-	-	-
- Dividends paid	-	-	-	-	-	-	-	(29,481,174)	(29,481,174)	-	(29,481,174)
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(18,910,244)	(18,910,244)
Income and expenses recognized directly in capital *	-	-	-	(768,183)	-	(379,351)	3,225,528	-	2,077,994	1,774,503	3,852,497
Differences in non-controlling interests acquisitions	-	-	-	-	-	-	(77,028)	-	(77,028)	(292,683)	(369,711)
Dividends distributed to subsidiary Seminv, SGPS, SA	-	-	-	-	-	-	695,634	-	695,634	-	695,634
Other movements	-	-	-	-	-	-	2,444	-	2,444	-	2,444
Net profit for the year	-	-	-	-	-	-	-	90,579,909	90,579,909	35,105,316	125,685,225
Equity as of 30 September 2010	118,332,445	(47,164,986)	3,923,459	(6,989,001)	760,984,662	(18,358,051)	28,233,411	90,579,909	929,541,848	323,052,151	1,252,593,999

CONSOLIDATED CASH FLOW STATEMENT

FOR THE NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2011 AND 2010

Amounts in Euro	Notes	9 months 30-Sep-2011 (unaudited)	9 months 30-Sep-2010 (unaudited)	3rd Quarter 2011 (unaudited)	3rd Quarter 2010 (unaudited)
OPERATING ACTIVITIES					
Amounts received from customers		1,408,345,612	1,342,425,509	477,437,252	479,287,939
Payments made to suppliers		(1,105,109,455)	(1,034,115,494)	(379,002,759)	(358,303,504)
Payments made to personnel		(86,196,423)	(92,838,814)	(26,392,610)	(25,287,008)
Cash flow from operations		217,039,734	215,471,201	72,041,883	95,697,428
Income tax received / (paid)		(33,641,551)	(19,442,628)	(14,277,660)	(13,275,225)
Other receipts / (payments) relating to operating activities		20,549,067	16,813,432	6,358,088	6,877,309
Cash flow from operating activities (1)		203,947,250	212,842,005	64,122,311	89,299,512
INVESTING ACTIVITIES					
Inflows					
Financial investments		2,370,275	994,000	90,630	994,000
Tangible fixed assets		102,220	1,723,418	53,920	152,757
Intangible assets		-	4,552,360	-	-
Investment grants		5,498,195	49,989	90,000	-
Interest and similar income		7,101,046	7,850,757	1,931,440	671,400
Dividends		926,127	1,329,228	-	600
		15,997,863	16,499,752	2,165,990	1,818,757
Outflows					
Financial investments		(41,080,415)	(11,147,034)	(34,077,718)	(7,628,114)
Tangible fixed assets		(44,137,106)	(66,353,718)	(6,722,734)	(6,237,555)
		(85,217,521)	(77,500,752)	(40,800,452)	(13,865,669)
Cash flows from investment activities (2)		(69,219,658)	(61,001,001)	(38,634,462)	(12,046,912)
FINANCING ACTIVITIES					
Inflows					
Borrowings		1,113,751,342	1,140,562,711	394,819,685	226,701,323
Capital increases, Additional paid in capital and Share premiums		-	1,593,750	-	1,593,750
		1,113,751,342	1,142,156,461	394,819,685	228,295,073
Outflows					
Borrowings		(1,137,314,521)	(1,142,099,059)	(353,602,801)	(233,327,623)
Amortisation of financial leases		(669,209)	(987,503)	(292,580)	(293,537)
Interest and similar expenses		(29,088,646)	(26,152,582)	(7,031,947)	(4,397,879)
Dividends		(3,411,427)	(46,802,210)	133,561	(995,108)
Treasury shares acquisition		(11,585,018)	-	(1,469,839)	-
		(1,182,068,821)	(1,216,041,353)	(362,263,606)	(239,014,148)
Cash flow from financing activities (3)		(68,317,479)	(73,884,892)	32,556,079	(10,719,075)
CHANGE IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)		66,410,113	77,956,112	58,043,928	66,533,524
FOREIGN EXCHANGE DIFFERENCES		(304,554)	982,217	1,227,962	(2,036,894)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		265,091,311	89,034,728	271,924,980	103,476,426
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		331,196,870	167,973,057	331,196,870	167,973,057

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2011

(Note: translation from an original report issued in Portuguese – Note 26)

(In these notes, unless indicated otherwise, all amounts are expressed in Euro currency)

The SEMAPA Group ("Group") comprises Semapa – Sociedade de Investimento e Gestão, SGPS, S.A. ("Semapa") and subsidiaries. Semapa was incorporated on 21 June 1991 and has as its main object the management of financial investments in other companies as an indirect form of carrying out its economic activity.

Head Office: Av. Fontes Pereira de Melo, 14, Lx
Share Capital: Euros 118.332.445
Registration No.: 502 593 130

Semapa leads an Enterprise Group with activities in three distinct business segments: pulp and paper, cements and related products, and environmental developed respectively under the edge of Portucel - Companhia Produtora de Pasta e Papel, S.A Secil - Companhia Geral de Cal e Cimento, S.A. and ETSA – Investimentos, SGPS, SA..

These interim consolidated financial statements were approved by the Board of Directors on 28 October 2011.

The Group's senior management, that is the members of the Board of Directors who sign this report, declare that, to the best of their knowledge, the information contained herein was prepared in conformity with the applicable accounting standards, providing a true and fair view of the assets and liabilities, the financial position and results of the companies included in the Group's consolidation scope.

1. Basis of Presentation

The interim consolidated financial statements for the nine months period ended 30 September 2011 were prepared in accordance with the International Accounting Standard 34 – Interim Financial Reporting.

The accompanying interim consolidated financial statements were prepared on a going concern basis, from the accounting books and records of the companies included in consolidation (Note 24), and under the historic cost convention, except for derivative financial instruments and biological assets which are recorded at fair value

The following notes were selected in order to allow a full understanding of the most significant changes on the

consolidated financial position of the group as well as its performance since the last report was issued (31 December 2010).

2. Accounting Policies

The accounting policies applied in the preparation of these interim consolidated financial statements are consistent to those used in the preparation of the financial statements as of 31 December 2010 and stated in the respective attached notes.

3. Important accounting estimates and judgments

The preparation of consolidated financial statements requires Group's management to make judgments and estimates that affect the amounts of revenues, costs, assets, liabilities and disclosures at balance sheet date.

These estimates are influenced by Group's management's judgments, based on: (i) the best information and knowledge of present events and in certain cases on the reports of independent experts and (ii) the actions which the Group considers it may have to take in the future. However, on the date on which the operations take place, the outcome could be quite different from those estimates.

4. Segment information

Segmental information is presented for identified business segments, namely Pulp and Paper, Cement and Derivatives, Environment and Holdings. Revenue, assets and liabilities of each segment correspond to those directly allocated to each segment, as well as to those that can be reasonably attributed to those segments.

The financial data by operating segment for the nine months period ended 30 September 2011 is shown as follows:

Amounts in Euro	Pulp and paper	Cement and derivatives	Environment	Holdings	Consolidated
REVENUE					
Revenue	1,095,910,881	199,902,302	25,170,270	76,090	1,321,059,543
Operational results	179,133,896	23,489,336	4,045,209	(15,487,652)	191,180,789
Net financial cost	(15,269,672)	(2,220,658)	(733,804)	(15,003,554)	(33,227,688)
Profit in associated companies	890,489	340,462	-	-	1,230,951
Income tax expense	(28,812,551)	(7,158,374)	(711,152)	727,953	(35,954,124)
Ordinary activities results	135,942,162	14,450,766	2,600,253	(29,763,253)	123,229,928
Non-controlling interests	(30,578,227)	(2,594,837)	(91,573)	-	(33,264,637)
Net profit for the period	105,363,935	11,855,929	2,508,680	(29,763,253)	89,965,291
OTHER INFORMATION					
Segment assets	2,716,626,100	556,932,196	94,527,596	328,773,382	3,696,859,274
Investments in associated companies	2,075,396	1,863,802	-	-	3,939,198
Total segmental liabilities	1,409,635,369	273,939,394	42,282,254	633,181,008	2,359,038,025
Amortization and impairment losses	104,382,794	16,225,219	1,691,836	149,485	122,449,334
Net provisions	4,443,178	426,714	784,268	794,999	6,449,159
Fixed capital expenditures	24,939,525	20,573,783	7,112,573	736,103	53,361,984

The financial data by operating segment for the nine months period ended 30 September 2010 is shown as follows:

Amounts in Euro	Pulp and paper	Cement and derivatives	Environment	Holdings	Consolidated
REVENUE					
Revenue	1,003,664,917	208,255,291	22,494,309	82,869	1,234,497,386
Operational results	196,028,126	34,751,369	4,991,030	(13,774,696)	221,995,829
Net financial cost	(17,068,250)	(2,169,288)	(590,345)	(18,113,953)	(37,941,836)
Profit in associated companies	-	288,405	-	-	288,405
Income tax expense	(46,083,075)	(11,238,923)	(1,293,111)	(42,064)	(58,657,173)
Ordinary activities results	132,876,801	21,631,563	3,107,574	(31,930,713)	125,685,225
Non-controlling interests	(30,536,586)	(3,953,093)	(615,637)	-	(35,105,316)
Net profit for the period	102,340,215	17,678,470	2,491,937	(31,930,713)	90,579,909
OTHER INFORMATION					
Segment assets	2,652,472,061	497,912,251	26,694,562	297,667,815	3,474,746,689
Investments in associated companies	130,074	1,765,109	-	-	1,895,183
Total segmental liabilities	1,399,220,980	218,480,009	20,657,219	583,794,486	2,222,152,694
Amortization and impairment losses	113,553,347	16,053,570	1,557,011	123,558	131,287,486
Net provisions	(20,891,869)	572,702	-	2,005,001	(18,314,166)
Fixed capital expenditures	71,409,652	16,088,545	962,063	279,636	88,739,896

5. Other operating income

Other operating income is detailed as follows for the nine month periods ended 30 September 2011 and 2010:

Amounts in Euro	3rd Q 2011 (acumm.)	3rd Q 2010 (acumm.)
Grants - CO2 emission allowances	20,093,790	21,992,045
Reversal of Impairment	571,684	770,198
Disposals - CO2 emission Allowances	4,641,632	-
Supplementary income	135,899	745,187
Gains on disposals of non-current assets	266,287	3,826,911
Gains in inventories	415,616	70,888
Gains in current assets	411,116	18,458
Operating government grants	441,685	731,121
Own work capitalized	33,554	-
Revenues from waste management	637,050	701,720
Other operating income	7,130,147	3,284,744
	34,778,460	32,141,272

6. Costs

Costs are detailed as follows for the periods ended 30 September 2011 and 2010:

Amounts in Euro	3rd Q 2011 (acumm.)	3rd Q 2010 (acumm.)
Cost of sales and service rendered		
Cost of inventories sold and consumed	(489,408,501)	(425,129,351)
Cost of materials and services consumed	(341,167,476)	(325,629,832)
Variation in production	(32,144,606)	(6,682,707)
Personnel costs		
Statutory bodies	(13,186,988)	(10,995,754)
Other remunerations	(92,736,768)	(79,993,691)
Pension costs	(7,709,265)	(9,074,114)
Other payroll costs	(32,496,814)	(37,514,240)
	(146,129,835)	(137,577,799)
Other costs and losses		
Own work capitalized	-	40,462
Membership fees	(695,044)	(588,996)
Donations	(501,237)	(428,449)
Cost with emission allowance	(15,351,061)	(13,721,138)
Inventories and other receivables impairment	(1,590,408)	(3,987,479)
Losses on inventories	(62,772)	(702,296)
Indirect taxes	(5,281,334)	(3,983,560)
Losses on disposal of non-current assets	(120,647)	(197,399)
Other operating costs	(2,571,221)	(5,193,301)
	(26,173,724)	(28,762,156)
Net provisions	(6,449,159)	18,314,166
Total costs	(1,041,473,301)	(905,467,679)

7. Depreciation, amortization and impairment losses

As of 30 September 2011 and 2010, depreciation, amortization and impairment losses were as follows:

Amounts in Euros	3rd Q 2011 (acumm.)	3rd Q 2010 (acumm.)
Property, plant and equipment depreciation		
Land	(833,844)	(764,678)
Buildings	(11,651,111)	(20,240,841)
Other tangible assets	(109,957,564)	(109,933,652)
	(122,442,519)	(130,939,171)
Intangible assets depreciation		
Industrial property and other rights	(6,815)	(348,315)
	(6,815)	(348,315)
	(122,449,334)	(131,287,486)

8. Net financial costs

Financial costs are detailed as follows for the periods ended 30 September 2011 and 2010:

Amounts in Euro	3rd Q 2011 (acumm.)	3rd Q 2010 (acumm.)
Interest paid on loans from shareholders	(567,028)	-
Interest paid on other loans	(30,932,942)	(23,041,344)
Interest income on loans to associated companies	53,886	56,594
Other interest earned	7,367,845	1,863,184
Compensatory interest	130,907	46,099
Fair value in available for sale financial assets	(116,508)	(186,716)
Financial assets at fair value in results	(1,818,988)	(3,164,064)
Gains / (losses) on financial instruments - hedging	(5,701,093)	(4,071,082)
Gains / (losses) on financial instruments - trading	(3,889,465)	(2,500,207)
Foreign exchange differences	5,757,543	(4,096,127)
Other financial expenses	(4,198,461)	(3,625,263)
Other financial income	686,616	777,090
	(33,227,688)	(37,941,836)

9. Income tax

The Groups Semapa, Portucel and Secil are subject to the special regime governing business groups comprising companies in which the shareholding is equal to or more than 90% and which meet the conditions laid down in articles 69 and following of the IRC Code.

As of 30 September 2011 and 2010, income tax comprises:

Amounts in Euro	3rd Q 2011 (acumm.)	3rd Q 2010 (acumm.)
Current tax	42,052,732	56,354,785
Provision for current tax	(3,967,252)	(3,798,831)
Deferred tax	(2,131,356)	6,101,219
	35,954,124	58,657,173

In the nine months periods ended 30 September 2011 and 2010, the reconciliation of the effective income tax rate was as follows:

Amounts in Euro	3rd Q 2011 (acumm.)	3rd Q 2010 (acumm.)
Profit before tax	159,184,052	184,342,398
Expected income tax	42,183,774	48,850,735
State Surcharge	4,779,381	14,679,201
Differences (a)	(2,785,319)	(531,983)
Prior year tax adjustments	374,965	(183,427)
Recoverable tax losses carried forward	-	(135,529)
Non recoverable tax losses	4,305,336	4,834,043
Tax rate effect	(793,345)	(142,019)
Provision for current tax	(3,967,252)	(3,798,831)
Tax benefits	(9,590,283)	(3,243,408)
Other adjustments	1,446,867	(1,671,609)
	35,954,124	58,657,173
Effective Tax rate	22.59%	31.82%

(a) This amount is made up essentially of :

Effects arising from the application of the equity method	(340,462)	(288,405)
Capital gains / (losses) for tax purposes	(21,955,972)	(577)
Capital gains / (losses) for accounting purposes	(9,727,174)	(744,417)
Adjustments and taxable provisions	5,451,532	10,139,756
Tax benefits	(1,689,267)	(735,889)
Dividends received from non EU companies	4,289,063	4,212,193
Decrease in taxable provisions	(7,365,001)	(22,345,044)
Pension fund allocation	2,102,268	3,585,624
Others	18,724,376	4,169,277
	(10,510,637)	(2,007,482)
Tax effect (26,50%)	(2,785,319)	(531,983)

In Portugal, the annual tax returns are subject to review and potential adjustment by tax authorities for a period

up to 4 years. However, if tax losses are utilized, these may be subject to review by the tax authorities for a period of up to 6 years.

In other countries where the Group operates, these periods are different and, in most cases, longer.

The Board of Directors believes that any reviews/inspections by tax authorities will not have a material impact on the consolidated financial statements as of 30 September 2011. The income tax returns up to 2008 have already been reviewed.

10. Earnings per share

Since there are no convertible financial instruments over Semapa's shares, its earnings are undiluted.

Amounts in Euro	3rd Q 2011 (acumm.)	3rd Q 2010 (acumm.)
Profit attributable to Semapa's shareholders	89,965,291	90,579,909
Weighted average number of ordinary shares in issue	112,884,470	112,884,470
Basic earnings per share	0.797	0.802
Diluted earnings per share	0.797	0.802

The weighted average number of shares is shown after deducting 5,447,975 treasury shares owned by Semapa SGPS, SA.

11. Property, plant and equipment

Over the nine months period ended 30 September 2011 and the year ended 31 December 2010, changes in Property, plant and equipment, as well as the respective depreciation and impairment losses, were as follows:

Amounts in Euro	Land	Buildings and other constructions	Equipments and others tangibles	Assets in progress	Total
Acquisition Cost					
Amount as of 1 January 2010	187,724,197	741,362,474	3,983,083,162	188,537,448	5,100,707,281
Acquisitions	2,422,151	23,054,775	63,844,273	32,279,814	121,601,013
Disposals	(1,003,798)	(1,873,539)	(3,497,769)	-	(6,375,106)
Adjustments, transfers and write-off's	4,851,903	11,142,048	156,793,069	(176,599,440)	(3,812,420)
Exchange differences	(89,251)	1,239,139	3,128,871	337,762	4,616,521
Amount as of 31 December 2010	193,905,202	774,924,897	4,203,351,606	44,555,584	5,216,737,289
Change of perimeter	3,434,667	6,335,090	11,778,370	147,566	21,695,693
Acquisitions	148,030	290,437	13,648,582	39,274,935	53,361,984
Disposals	(69,957)	(14,456)	(99,642,962)	(35,000)	(99,762,375)
Adjustments, transfers and write-off's	324,414	1,097,098	15,959,494	(20,761,650)	(3,380,644)
Exchange differences	(86,695)	(204,513)	(627,335)	156,043	(762,500)
Amount as of 30 September 2011	197,655,661	782,428,553	4,144,467,755	63,337,478	5,187,889,447
Accumulated depreciations and impairment losses					
Amount as of 1 January 2010	(15,318,776)	(417,539,212)	(2,515,843,863)	-	(2,948,701,851)
Depreciations and impairment losses	(1,963,041)	(7,453,352)	(154,152,297)	(102,292)	(163,670,982)
Disposals	(6,097)	556,912	3,260,016	-	3,810,831
Adjustments, transfers and write-off's	873	1,233,449	5,590,202	-	6,824,524
Exchange differences	72,556	(519,253)	(1,346,579)	-	(1,793,276)
Amount as of 31 December 2010	(17,214,485)	(423,721,456)	(2,662,492,521)	(102,292)	(3,103,530,754)
Change of perimeter	(469,598)	(4,092,488)	(10,153,223)	-	(14,715,309)
Depreciations and impairment losses	(833,844)	(11,599,798)	(109,997,031)	-	(122,430,673)
Disposals	18,190	9,876	96,890,139	-	96,918,205
Adjustments, transfers and write-off's	-	4,151	147,638	-	151,789
Exchange differences	(4,364)	74,736	176,377	-	246,749
Amount as of 30 September 2011	(18,504,101)	(439,324,979)	(2,685,428,621)	(102,292)	(3,143,359,993)
Net book value as of 1 January 2010	172,405,421	323,823,262	1,467,239,299	188,537,448	2,152,005,430
Net book value as of 31 December 2010	176,690,717	351,203,441	1,540,859,085	44,453,292	2,113,206,535
Net book value as of 30 September 2011	179,151,560	343,103,574	1,459,039,134	63,235,186	2,044,529,454

12. Financial assets at fair value through profit or loss

The following movements were registered in this caption during the nine months period ended 30 September 2011 and the year ended 31 December 2010:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Fair value at the beginning of the year	13,128,488	14,871,574
Acquisitions	14,699	1,858,792
Disposals	(1,988,728)	-
Changes in fair value	(1,818,988)	(3,601,878)
	9,335,471	13,128,488

As of 30 September 2011 and 31 December 2010, "Financial assets at fair value through profit or loss" comprised:

Amounts in Euro	Fair Value	
	30-Sep-2011	31-Dec-2010
Banco Comercial Português, SA	437,155	3,570,570
EDP - Energias de Portugal, SA	8,869,353	9,555,168
Others	28,963	2,750
	9,335,471	13,128,488

13. Receivables and other current assets

As of 30 September 2011 and 31 December 2010, Receivables and other current assets were detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Accounts receivable	229,399,486	208,353,482
Accounts receivable - related parties	312,111	587,347
Financial instruments derivatives	1,382,339	1,207,189
Other receivables	44,355,191	57,165,572
Accrued income	2,727,684	2,458,148
Deferred costs	17,358,344	2,470,906
	295,535,155	272,242,644

Note: Values are presented net of impairment losses

As of 30 September 2011 and 31 December 2010, other receivables were detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Other receivables		
Advance payments to suppliers	1,230,452	856,686
AICEP - Financial incentives to receive	32,725,181	38,199,792
IMT	79,290	143,270
Others	10,320,268	17,965,824
	44,355,191	57,165,572

As of 30 September 2011 and 31 December 2010, accrued income and deferred costs, were detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Accrued Income		
Interest receivable	888,534	1,287,853
Discounts in acquisitions	116,863	118,550
Gains on financial instruments	866,259	-
Grants	-	86,700
Others	856,028	965,045
	2,727,684	2,458,148
Deferred costs		
Prepayment of insurance policies	2,291,254	150,795
Rents and leases	242,922	197,463
Others	14,824,168	2,122,648
	17,358,344	2,470,906
	20,086,028	4,929,054

14. Share capital and treasury shares

On 30 September 2011, Semapa's share capital was fully subscribed and paid up, being represented by 118,332,445 shares with a unit nominal value of 1 Euro each.

As of 30 September 2011 and 31 December 2010 the shareholders with significant positions in the Company's capital were as follows:

Name	No. of shares	30-Sep-2011	%	31-Dec-2010
Longapar, SGPS, S.A.	21,505,400	18.17	17.64	
Sodim, SGPS, S.A.	18,842,424	15.92	15.92	
Cimo - Gestão de Participações, SGPS, S.A.	14,568,441	12.31	11.92	
Banco BPI, SA	12,009,004	10.15	10.15	
Bestinver Gestión, SGIC, S.A.	11,865,210	10.03	7.46	
Norges Bank (the Central Bank of Norway)	5,933,463	5.01	2.09	
Banco Espírito Santo, SA	3,871,957	3.27	3.27	
ESAF - Espírito Santo Fundos de Investimento				
Mobiliário, SA	2,569,232	2.17	2.17	
Sonaca - SGPS, S.A.	1,630,590	1.38	1.38	
Sociedade Agrícola da Quinta da Vialonga, S.A.	625,199	0.53	0.53	
OEM - Organização de Empresas, SGPS, S.A.	535,000	0.45	0.45	
Cimigest, SGPS, SA	100	0.00	0.93	
Seminv - Investimentos, SGPS, S.A	-	-	2.31	
Treasury shares	5,447,975	4.61	2.30	
Other shareholders with less than 2% participation	18,928,450	15.99	21.49	
	118,332,445	100.00	100.00	

Additionally, as of 4 July 2007, Semapa – Sociedade de Investimento e Gestão, SGPS, S.A., acquired in the stock market, 2,720,000 treasury shares, holding from its share capital.

During the first semester of 2011 Semapa SGPS SA acquired the 2,727,975 shares held by the subsidiary Seminv Investimentos, SGPS, S.A. and that are shown as treasury shares in the Group's consolidated financial statements.

15. Reserves and retained earnings

As of 30 September 2011 and 31 December 2010, fair value reserve, currency translation reserve and other reserves comprised:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Fair value of available-for-sale financial assets	(5,915,078)	(4,339,853)
Control acquisition revaluation	(1,281,742)	(1,281,742)
Total of fair value reserves	(7,196,820)	(5,621,595)
Currency translation reserve	(17,680,025)	(15,078,437)
Legal Reserves	23,666,489	23,666,489
Others Reserves	834,557,230	737,318,173
Total of other reservers	858,223,719	760,984,662
Total reserves	833,346,874	740,284,630

Translation of a report originally issued in Portuguese – Note 26

16. Deferred taxes

The following movement took place in deferred tax assets and liabilities during the nine months period ended 30 September 2011:

	As of 1 January	Exchange	Income Statement		Retained	Transfers	Changes in	As of 30 September
Amounts in Euro	2011	adjustment	Increases	Decreases	earnings		perimeter	2011
Temporary differences originating deferred tax assets								
Tax losses carried forward	24,548,901	-	459,683	-	-	-	1,108,295	26,116,879
Taxed provisions	18,894,080	42,909	12,490,041	(4,459)	-	859,647	705,986	32,988,204
Fixed assets adjustments	52,279,176	-	58,663,212	-	-	-	-	110,942,388
Underfunding of the pension fund	3,545,766	(48)	144,655	-	128,221	-	-	3,818,594
Financial instruments	1,229,620	-	37,298	-	2,315,350	-	-	3,582,268
Deferred accounting gains in inter-group transactions	10,150,996	-	228,040	(99,332)	-	-	-	10,279,704
Forest valuation	1,017,572	-	-	(4,774,159)	-	-	-	(3,756,587)
Depreciation in assets subject to IFRIC 4	3,771,050	-	-	(3,631,552)	-	-	-	139,498
Liabilities with post employment benefits	608,837	(660)	-	(428,072)	-	-	-	180,105
Liabilities with long service award	709,385	-	-	(162,535)	-	-	-	546,850
Post employment benefits not covered by an autonomous fund	4,928,036	-	-	(231,404)	(44,559)	-	-	4,652,073
Derecognition of government grants	2,677,171	-	-	(138,145)	-	(180,043)	-	2,358,983
Liabilities for healthcare benefits	6,370,842	-	-	(76,428)	32,613	180,043	-	6,507,070
Other temporary differences	3,083,210	(56,399)	46,652	(106,846)	-	(859,647)	870,468	2,977,438
	133,814,643	(14,198)	72,069,581	(9,652,931)	2,431,625	-	2,684,749	201,333,469
Temporary differences originating deferred tax liabilities								
Revaluation of fixed assets	(12,193,318)	-	-	1,598,495	-	-	(12,724)	(10,607,547)
Post employment benefits benefits	(993,803)	-	-	4,052,327	(3,992,299)	-	-	(933,774)
Financial instruments	(1,076,338)	-	-	-	(169,000)	-	-	(1,245,338)
Fair Value of fixed assets- Soporcel	(215,642,953)	-	(7,466,842)	-	-	-	-	(223,109,795)
Tax Benefits	(82,938,221)	-	-	62,087,932	-	-	-	(20,850,289)
Extension of the useful life of the tangible fixed assets	(121,524,198)	(3,285)	(43,376,912)	-	-	-	(21,630)	(164,926,025)
Deferred accounting losses in inter-group transactions	(110,051,533)	54,693	(88,350,971)	-	-	-	-	(198,347,811)
Deferred tax gains	(541,150)	-	-	71,830	-	-	(186,929)	(656,249)
Harmonization of depreciation criteria	(85,191,788)	(23,558)	(3,802,065)	-	-	-	-	(89,017,411)
Fair Value of fixed assets- Brands	(151,488,000)	-	-	-	-	-	-	(151,488,000)
Fair Value of fixed assets- Portucel	(203,826,056)	-	-	11,453,662	-	-	-	(192,372,394)
Subsidiaries fair value	(71,061,523)	29,678	(117,953)	-	-	-	-	(71,149,798)
Grants	-	-	(357,996)	-	-	-	-	(357,996)
Other temporary differences	(33,462,200)	-	-	9,259,313	-	3,262,303	-	(20,940,584)
	(1,089,991,081)	57,528	(143,472,739)	88,523,560	(4,161,299)	3,262,303	(221,283)	(1,146,003,011)
Deferred tax assets	37,157,841	(1,363)	20,336,929	(2,446,482)	663,958	-	753,327	56,464,210
Deferred tax liabilities	(313,340,341)	12,703	(41,036,614)	25,277,523	(1,299,992)	864,510	(58,640)	(329,580,852)

The following movement took place in deferred tax assets and liabilities during the year ended 31 December 2010:

	As of 1 January	Exchange	Income Statement		Retained	Transfers	Changes in	As of 31 December
Amounts in Euro	2010	adjustment	Increases	Decreases	earnings		perimeter	2011
Temporary differences originating deferred tax assets								
Tax losses carried forward	24,471,815	-	189,273	(112,187)	-	218,900	-	24,767,801
Taxed provisions	14,879,967	(39,889)	10,199,030	(6,145,028)	-	-	-	18,894,080
Fixed assets adjustments	36,991,010	-	15,288,166	-	-	-	-	52,279,176
Underfunding of the pension fund	2,864,220	(1,703)	451,688	(70,107)	7,403	294,265	-	3,545,766
Financial instruments	2,317,069	-	1,203,855	-	(2,291,304)	-	-	1,229,620
Deferred accounting gains in inter-group transactions	5,507,032	-	4,740,447	(96,483)	-	-	-	10,150,996
Forest valuation	10,127,672	-	(121,157)	(8,988,943)	-	-	-	1,017,572
Depreciation in assets subject to IFRIC 4	3,983,424	-	295,904	(508,278)	-	-	-	3,771,050
Liabilities with post employment benefits	597,992	5,476	17,423	-	(12,054)	-	-	608,837
Liabilities with long service award	687,966	-	21,419	-	-	-	-	709,385
Post employment benefits not covered by an autonomous fund	5,233,861	-	-	(325,643)	19,818	-	-	4,928,036
Derecognition of government grants	2,895,940	-	-	(218,769)	-	-	-	2,677,171
Liabilities for healthcare benefits	5,754,960	-	72,427	-	543,455	-	-	6,370,842
Other temporary differences	2,662,263	121,339	933,604	(647,118)	13,123	-	-	3,083,211
	118,975,191	85,223	33,292,079	(17,112,556)	(1,719,559)	513,165	-	134,033,543
Temporary differences originating deferred tax liabilities								
Revaluation of fixed assets	(16,874,592)	-	-	4,679,595	1,679	-	-	(12,193,318)
Post employment benefits benefits	(999,965)	-	(63,747)	-	69,909	-	-	(933,803)
Financial instruments	(1,514,536)	-	-	-	438,198	-	-	(1,076,338)
Fair Value of fixed assets- Soporcel	(232,991,369)	-	-	17,348,416	-	-	-	(215,642,953)
Tax Benefits	(89,442,118)	-	-	6,503,897	-	-	-	(82,938,221)
Extension of the useful life of the tangible fixed assets	(148,757,332)	37,505	(158,556)	27,354,185	-	-	-	(121,524,198)
Deferred accounting losses in inter-group transactions	(33,462,192)	(379,582)	(76,209,759)	-	-	-	-	(110,051,533)
Deferred tax gains	(601,752)	-	-	60,602	-	-	-	(541,150)
Harmonization of depreciation criteria	(81,182,313)	152,683	(4,162,158)	-	-	-	-	(85,191,788)
Fair Value of fixed assets- Brands	(151,488,000)	-	-	-	-	-	-	(151,488,000)
Fair Value of fixed assets- Portucel	(223,900,762)	-	-	20,074,706	-	-	-	(203,826,056)
Subsidiaries fair value	(70,988,607)	269,246	-	245,787	-	-	(587,949)	(71,061,523)
Overfunding of the pension fund	(2,174,097)	-	-	836,355	1,632,007	(294,265)	-	-
Other temporary differences	(14,225)	-	(30,185,673)	-	-	(1,243,198)	-	(31,443,096)
	(1,054,391,860)	79,852	(110,779,893)	77,103,543	2,141,793	(1,537,463)	(587,949)	(1,087,971,977)
Deferred tax assets	30,904,802	5,365	11,070,667	(4,513,931)	(467,427)	158,365	-	37,157,841
Deferred tax liabilities	(280,120,078)	109,790	(45,137,524)	11,761,278	642,471	(440,471)	(155,807)	(313,340,341)

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17. Provisions

In the nine months period ended 30 September 2011 and the year ended 31 December 2010, changes in provisions were as follows:

Amounts in Euro	Legal claims	Environmental restoration	Others	Total
As of 1 January 2010	2,096,956	686,760	29,842,108	32,625,824
Increases	2,361	-	25,462,332	25,464,693
Reversals	(667,610)	(77,706)	(21,263,421)	(22,008,737)
Direct utilizations	-	(17,420)	(2,271,370)	(2,288,790)
Exchange differences	-	-	49,058	49,058
Transfers	-	2,421,815	-	2,421,815
As of 31 December 2010	1,431,707	3,013,449	31,818,707	36,263,863
Changes of perimeter	-	419,001	547,740	966,741
Increases	687,627	-	26,646,505	27,334,132
Reversals	(378,966)	(55,465)	(20,450,542)	(20,884,973)
Direct utilizations	-	(16,041)	(350,876)	(366,917)
Exchange differences	-	-	(5,153)	(5,153)
Financial discounts	-	148,941	-	148,941
As of 30 September 2011	1,740,368	3,509,885	38,206,381	43,456,634

18. Interest-bearing liabilities

As of 30 September 2011 and 31 December 2010, Group's net debt was as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Interest-bearing liabilities		
Non-current	1,287,654,692	1,257,882,924
Current	99,489,489	150,478,637
	1,387,144,181	1,408,361,561
Cash and cash equivalents		
Cash	244,043	221,441
Short term bank deposits	19,901,117	13,324,273
Others	311,051,710	251,545,597
	331,196,870	265,091,311
Market Value	78,759,715	79,372,952
Interest-bearing net debt	977,187,596	1,063,897,298

Non-current interest-bearing liabilities

As of 30 September 2011 and 31 December 2010, non-current interest-bearing debt comprised the following:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Non current		
Bonds loans	795,400,000	795,400,000
Commercial paper	91,500,000	80,600,000
Bank loans	399,071,061	383,318,013
Expenses with bond loans issuance	(4,210,575)	(5,797,553)
Interest-bearing bank debt	1,281,760,486	1,253,520,460
Financial leases	2,350,991	1,641,588
Other loans - POE	14,335	28,669
Other loans - QREN	3,528,880	2,692,207
Other interest-bearing debts	5,894,206	4,362,464
Non-current interest-bearing liabilities	1,287,654,692	1,257,882,924

Current interest-bearing liabilities

As of 30 September 2011 and 31 December 2010, current interest-bearing debt comprised the following:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Currents		
Bank loans	88,798,605	130,312,353
Interest-bearing bank debt	88,798,605	130,312,353
Shareholders short term loans	10,006,939	19,298,227
Financial leases	669,611	839,388
Other loans - POE	14,335	28,669
Other interest-bearing debts	10,690,885	20,166,284
Current interest-bearing liabilities	99,489,490	150,478,637

19. Payables and other current liabilities

As of 30 September 2011 and 31 December 2010, Payables and other current liabilities were detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Accounts payable	139,795,299	139,855,488
Accounts payable - related parties	1,138,953	1,144,380
Accounts payable - fixed assets suppliers	28,197,512	42,002,605
Accounts payable - fixed assets suppliers- Soporgen	3,882,464	2,115,500
Instituto do Ambiente - CO2 Emission licences	15,269,791	21,383,272
Financial instruments derivatives (Note 33)	15,968,511	6,834,160
Other payables	17,710,321	15,479,272
Accrued costs	76,666,730	54,513,605
Deferred income	68,903,130	65,141,477
	367,532,711	348,469,759

As of 30 September 2011 and 31 December 2010, accrued costs and deferred income were detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Accrued Costs		
Insurance costs	97,820	42,115
Payroll expenses	43,007,977	29,563,088
Interests payable	13,060,833	6,439,532
Energy costs	7,427,687	8,043,267
Forest acquisitions	-	221,812
Commitments to settle the sale of paper	124,453	403,551
Others	12,947,960	9,800,240
	76,666,730	54,513,605
Deferred income		
Government grants	55,037,733	60,826,740
Grants - CO2 emission allow ances	12,610,898	2,980,929
Others	1,254,499	1,333,808
	68,903,130	65,141,477

20. Derivative financial instruments

As of 30 September 2011 and 31 December 2010, fair value of derivative financial instruments used for hedging and trading was as follows:

Amounts in Euro	30-Sep-2011				31-Dec-2010
	Notional	Positive	Negative	Net	Net
Hedging instruments					
Collar interest rate	225,000,000	-	(10,120,988)	(10,120,988)	(5,395,648)
Foreign exchange options	23,481,589	-	(1,623,693)	(1,623,693)	109,529
SWAPs	22,772,520	1,245,339	(1,942,565)	(697,226)	(262,810)
	248,481,589	1,245,339	(13,687,246)	(12,441,907)	(5,548,929)
Trading instruments					
CO2 emission allow ances	-	-	-	-	-
Foreign exchange forwards	58,831,301	137,000	(2,263,340)	(2,126,340)	(78,042)
	58,831,301	137,000	(2,281,265)	(2,144,265)	(78,042)
		1,382,339	(15,968,511)	(14,586,172)	(5,626,971)

21. Balances and transactions with related parties

As of 30 September 2011 and 31 December 2010, balances with related parties were as follows:

Amounts in Euro	Current Interest-bearing liabilities	
	30-Sep-2011	31-Dec-2010
Shareholders		
Cimo SGPS, SA	3,372,431	4,600,244
Longapar, SGPS, SA	6,181,665	14,123,140
Sonaca SGPS, SA	452,843	574,843
	10,006,939	19,298,227

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Amounts in Euro	30-Sep-2011		31-Dec-2010	
	Other Receivables	Other Payables	Other Receivables	Other Payables
Associated companies				
Chryso Portugal, S.A.	-	178,510	35,646	146,601
Orientaport	-	-	35	-
Conf. Sicar	-	11,642	-	11,634
Inertogrande	104,141	-	104,141	-
J.M. Henriques, Lda.	54,189	-	54,189	-
Secil Prebetão - Pré-Fabricados de Betão, S.A.	32,270	20,581	15,961	18,148
Secil Unicon - S.G.P.S., Lda	106,364	-	102,805	-
Serbo, S.A.	-	94,737	-	94,737
Setefrete	-	-	245,310	283,576
Viroc Portugal - Industria de Madeira e Cimento, S.A.	1,843	-	20,511	67
Other related parties	13,304	833,483	8,749	589,617
Total	312,111	1,138,953	587,347	1,144,380

For the nine months period ended 30 September 2011, transactions with related parties were as follows:

Amounts in Euro	30-Sep-2011	
	Service Purchase	Financial Losses
Shareholders		
Cimigest SGPS, SA	80,805	-
Cimo SGPS, SA	-	176,871
Longapar, SGPS, SA	-	371,658
Sonaca SGPS, SA	-	18,499
	80,805	567,028

Amounts in Euro	30-Sep-2011		
	Service Purchase	Services rendered	Operating Income
Subsidiaries shareholders and Joint Ventures			
Chryso Portugal, S.A.	-	-	558,895
Secil Prebetão, S.A.	263,949	1,698	20,156
Setefrete, S.A.	-	5,346	948,033
Viroc Portugal, S.A.	417,977	37,093	63
Others	-	574	-
	681,927	44,711	1,527,147

22. Number of employees

As of 30 September 2011 and 31 December 2010, the number of employees in service for the Group's various companies per business segment, was as follows:

Segment	30-Sep-2011	31-Dec-2010
Pulp and Paper	2,314	2,331
Cement and derivatives	2,745	2,630
Environment	216	190
Holdings and others	21	21
	5,296	5,172

23. Contingent assets

Tax related contingent assets

Public Debt Settlement Fund

According to Decree-Law no. 36/93 of 13 February, the tax debts of privatized companies relating to periods prior to the privatization date (in the case of Portucel, 25 November 2006) are responsibility of the Public Debt Settlement Fund. Portucel submitted an application to the Public Debt Settlement Fund on 16 April 2008 requesting the payment by the State of the tax debts raised by the tax authorities for periods before that date. On 13 December 2010, Portucel presented a new application requesting the payment of debts settled by the tax authorities regarding years 2006 and 2003. This application was supplemented on 13 October 2011, with the amounts already paid and uncontested regarding these debts, as well as with expenses directly related to them, pursuant to judgment dated 24 May 2011 (Case No. 0993A/02), which confirmed the

company's position regarding the enforceability of such expenses. In this context, it shall be the responsibility of the referred Fund the amount of Euro 33,861,034 detailed as follows:

Amounts in Euro	Year	Amount requested	1st reimbursement	Open amount
Portucel				
VAT Germany	1998-2004	5,850,000	(5,850,000)	-
Corporate tax	2001	314,340	-	314,340
Corporate tax	2002	625,033	(625,033)	-
VAT	2002	2,697	(2,697)	-
Corporate tax	2003	1,573,165	(1,573,165)	-
Corporate tax	2003	197,395	(157,915)	39,480
Corporate tax (w withholding)	2004	3,324	-	3,324
Corporate tax	2004	766,395	-	766,395
Corporate tax (w withholding)	2005	1,736	(1,736)	-
Corporate tax	2005	11,754,680	-	11,754,680
Corporate tax	2006	11,890,071	-	11,890,071
Expenses		190,984	-	190,984
		33,169,820	(8,210,546)	24,959,274
Soporcel				
Corporate tax	2002	169,219	-	169,219
Corporate tax (w withholding)	2003	5,725,771	-	5,725,771
VAT	2003	2,509,101	-	2,509,101
Stamp duty	2004	497,669	-	497,669
		8,901,760	-	8,901,760
		42,071,580	(8,210,546)	33,861,034

Municipal surcharge (RETGS) 2008 / 2010 – Euro 3,891,421

In 2008 and 2010 Portucel presented the Income Tax form with a Municipal surcharge corresponding to the sum of the individual municipal surcharge of the companies included in the special tax regime applicable to groups of companies (RETGS) in accordance with the tax authorities understanding, (Circular Letter No. 20132 as of 14 April 2008). Nevertheless, Portucel believes this municipal surcharge should correspond to 1.5% of the Group's taxable income, as stated by the Law nº 2/2007 (Local Finance Law).

Due to this, Portucel presented a tax claim in order to collect the refund of the excess amounts paid in 2008 and 2009 amounting to Euro 173,868 and Euro 888,200, respectively.

Following the initial rejection of the claim, Portucel appealed to the Court on May 14, 2010 and January 6, 2011.

On 2 February 2011 the Supreme Administrative Court decided in favor of Portucel's views, in a similar case. Therefore, a successful outcome is expected for this claim.

For 2010, the amount to be paid in excess of Portucel's calculations amounted to Euro 2,829,353. The Group decided not to pay this amount and presented the corresponding administrative appeal on the amount resulting from the excess of the liquidation and requested the establishment of bank guarantee for the amount not settled.

State surcharge – Euro 1,147,617.46

In 2010 income tax form presented by Portucel, a state surcharge of Euro 1,147,617.46 was determined regarding About The Future – Empresa Produtora de Papel, S.A., which are considered undue by the Group as it should have been deducted to tax benefits granted to the company.

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Due to this, Portucel presented a tax claim in order to collect the refund of this excess income tax amount paid in 2010.

Investment contracts AICEP

Regarding the contracts signed with AICEP and up to 30 September 2011 a total amount of Euro 29,608,792 of tax incentives is yet to be recognized.

Fiscal Scheme of Investment Support (RFAI) 2009 and 2010

In 2009 and 2010, the Group benefited from the tax benefit regime for relevant investments as set by Law No. 10/2009 of 10 March. Under this regime, the Group has unused benefits, which will be used until 2015.

Non-tax related contingent assets

Public Debt Settlement Fund

In addition to the tax matters described above, a second request to the Public Debt Settlement Fund was submitted on 2 June 2010, which called for the reimbursement of various amounts, totaling Euro 136,243,939. These amounts related to adjustments in the financial statements of the group after its privatization, that had not been considered in formulating the price of such privatization as they were not included in the documentation made available for consultation by the bidders.

24. Companies included in consolidation

Name	Head Office	Direct and Indirect % of equity held by subsidiary Semapa		
		Direct	Indirect	Total
Parent - company:				
Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.	Lisbon	-	-	-
Subsidiaries				
Seminv, SGPS, S.A.	Lisbon	100.00	-	100.00
Cimentospar - Participações Sociais, SGPS, Lda.	Lisbon	-	100.00	100.00
Seinpart, SGPS, S.A.	Lisbon	49.00	51.00	100.00
ETSA - Investimentos, SGPS, SA	Stº Antão do Tojal	96.00	-	96.00
Seinpar Investments, B.V.	Amsterdam	100.00	-	100.00
Interholding Investments B.V. (ex Semapa Investments B.V.)	Amsterdam	100.00	-	100.00
Semapa Inversiones S.L.	Madrid	100.00	-	100.00
Celcimo, S.L.	Madrid	0.00	100.00	100.00
Great Earth, SA	Lisbon	100.00	-	100.00
NSOSPE - Empreendimentos e Participações, SA	Rio de Janeiro	100.00	-	100.00

Subsidiary companies of sub-group ETSA – under full consolidation

Name	Head Office	Direct and indirect % of equity held by subsidiary ETSA			Equity % actually held by Semapa
		Direct	Indirect	Total	
Parent - company:					
ETSA - Investimentos, SGPS, SA	Stº Antão do Tojal	96.00	-	96.00	96.00
Subsidiaries					
ETSA, SGPS,S.A.	Loures	100.00	-	100.00	96.00
ABAPOR – Comércio e Industria de Carnes, S.A	Stº Antão do Tojal	100.00	-	100.00	96.00
SEBOL – Comércio e Industria de Sebo, S.A.	Stº Antão do Tojal	100.00	-	100.00	96.00
ITS – Indústria Transformadora de Subprodutos Animais, S.A.	Coruche	100.00	-	100.00	96.00
BIOLOGICAL - Gestão de Resíduos Industriais, Lda.	Stº Antão do Tojal	95.00	5.00	100.00	96.00
AISIB – Aprovechamiento Integral de Subprodutos Ibéricos, S.A.	Mérida	100.00	-	100.00	96.00
Transportes Carvajal, S.L.	Huelva	-	80.00	80.00	76.80

Subsidiary companies of sub-group Portucel – under full consolidation

Name	Head Office	Direct and indirect % of equity held by subsidiary Portucel			Equity % actually held by Semapa
		Direct	Indirect	Total	
Parent - company:					
Portucel – Empresa Produtora de Pasta e Papel, SA	Setúbal	14.68	63.20	77.88	77.88
Subsidiaries					
Soporcel - Sociedade Portuguesa de Papel, SA	Figueira da Foz	100.00	-	100.00	77.88
Soporcel Pulp - Sociedade Portuguesa de Celulose, SA*	Figueira da Foz	100.00	-	100.00	77.88
Portucel Florestal – Empresa de Desenvolvimento Agro-Florestal, SA	Setúbal	-	100.00	100.00	77.88
CountryTarget SGPS SA*	Setúbal	100.00	-	100.00	
Sociedade de Vinhos da Herdade de Espirra - Produção e Comercialização de Vinhos, SA	Setúbal	-	100.00	100.00	77.88
PortucelSoporcel Florestal – Sociedade para o Desenvolvimento Agro-Florestal, SA	Setúbal	-	100.00	100.00	77.88
Afocelca - Agrupamento complementar de empresas para protecção contra incêndios ACE	Portugal	-	64.80	64.80	50.47
Enerforest - Empresa de Biomassa para Energia, SA	Setúbal	-	100.00	100.00	77.88
Atlantic Forests, SA	Setúbal	-	100.00	100.00	77.88
Viveiros Aliança - Empresa Produtora de Plantas, SA	Palmela	-	100.00	100.00	77.88
Aflomec - Empresa de Exploração Florestal, SA	Setúbal	-	100.00	100.00	77.88
Cofotrans - Empresa de Exploração Florestal, SA	Figueira da Foz	-	100.00	100.00	77.88
Raiz - Instituto de Investigação da Floresta e Papel	Aveiro	-	94.00	94.00	73.21
PortucelSoporcel Floresta, SGPS, SA	Figueira da Foz	50.00	50.00	100.00	77.88
Bosques do Atlantico, SL	Spain	-	100.00	100.00	77.88
PortucelSoporcel Pulp SGPS, S.A.	Setúbal	100.00	-	100.00	77.88
CELSET - Celulose de Setúbal, S.A.	Setúbal	-	100.00	100.00	77.88
CELCACIA - Celulose de Cacia, S.A.	Aveiro	-	100.00	100.00	77.88
Portucel International GmbH	Germany	-	100.00	100.00	77.88
PortucelSoporcel Papel, SGPS SA	Setúbal	100.00	-	100.00	77.88
Portucel Soporcel North America Inc.	USA	-	100.00	100.00	77.88
About the Future - Empresa Produtora de Papel, SA	Setúbal	-	100.00	100.00	77.88
Portucel Papel Setúbal, S.A.	Setúbal	-	100.00	100.00	77.88
PortucelSoporcel Sales & Marketing NV	Belgium	25.00	75.00	100.00	77.88
PortucelSoporcel Fine Paper , S.A.	Setúbal	-	100.00	100.00	77.88
PortucelSoporcel España, SA	Spain	-	100.00	100.00	77.88
PortucelSoporcel International, BV	Netherlands	-	100.00	100.00	77.88
PortucelSoporcel France, EURL	France	-	100.00	100.00	77.88
PortucelSoporcel United Kingdom, Ltd	United Kingdom	-	100.00	100.00	77.88
PortucelSoporcel Italia, SRL	Italy	-	100.00	100.00	77.88
Soporcel 2000 - Serviços Comerciais de Papel, Soc. Unipessoal, Lda	Figueira da Foz	-	100.00	100.00	77.88
PortucelSoporcel Deutschland, GmbH	Germany	-	100.00	100.00	77.88
PortucelSoporcel Handels, GmbH	Austria	-	100.00	100.00	77.88
PortucelSoporcel Afrique du Nord	Morocco	-	100.00	100.00	77.88
PortucelSoporcel Poland SP Z O *	Poland	-	100.00	100.00	77.88
PortucelSoporcel Energia, SGPS SA	Setúbal	100.00	-	100.00	77.88
SPCG – Sociedade Portuguesa de Co-Geração Eléctrica, SA	Setúbal	-	100.00	100.00	77.88
Enerpulp – Cogeração Energética de Pasta, SA	Setúbal	-	100.00	100.00	77.88
PortucelSoporcel Cogeração de Energia, SA	Setúbal	-	100.00	100.00	77.88
PortucelSoporcel Participações, SGPS SA	Setúbal	100.00	-	100.00	77.88
Arboser – Serviços Agro-Industriais, SA	Setúbal	-	100.00	100.00	77.88
Empremédia - Corretores de Seguros, Lda	Lisbon	-	100.00	100.00	77.88
Socortel - Sociedade de Corte de Papel, SA	Figueira da Foz	-	100.00	100.00	77.88
Cutpaper - Transformação, Corte e Embalagem de Papel, ACE	Figueira da Foz	-	50.00	50.00	38.94
Headbox - Operação e Contolo Industrial, SA	Setúbal	-	100.00	100.00	77.88
EMA21 - Engenharia e Manutenção Industrial Século XXI, SA	Setúbal	-	100.00	100.00	77.88
Ena Cacia - Engenharia e Manutenção Industrial, ACE	Aveiro	-	91.15	91.15	70.99
Ena Setúbal - Engenharia e Manutenção Industrial, ACE	Setúbal	-	92.56	92.56	72.08
Ena Figueira da Foz- Engenharia e Manutenção Industrial, ACE	Figueira da Foz	-	91.47	91.47	71.24
EucaliptusLand, SA *		-	100.00	100.00	77.88
PortucelSoporcel Serviços Partilhados, SA	Figueira da Foz	-	100.00	100.00	77.88
PortucelSoporcel Internacional SGPS SA	Setúbal	100.00	-	100.00	77.88
Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, Lda	Mozambique	25.00	75.00	100.00	77.88
Portucel Florestal Brasil - Gestão de Participações, Ltda	Brazil	25.00	75.00	100.00	77.88
PortucelSoporcel Logística de Papel, ACE	Figueira da Foz	33.33	66.67	100.00	77.88

* Created in 2010

Subsidiary companies of sub-group Secil – under proportional consolidation

Name	Head Office	Direct and indirect % of equity held by subsidiary Secil			Equity % actually held by Semapa
		Direct	Indirect	Total	
Parent - company:					
Secil - Companhia Geral de Cal e Cimento, S.A.	Setúbal	10.86	40.14	51.00	51.00
Subsidiaries					
Parcim Investments, B.V.	Amesterdão	100.00	-	100.00	51.00
Secilpar, SL	Madrid	-	100.00	100.00	51.00
Somera Trading Inc.	Panamá	-	100.00	100.00	51.00
Hew bol, SGPS, Lda.	Funchal	-	100.00	100.00	51.00
Secil Cabo Verde Comércio e Serviços, Lda.	Praia	-	100.00	100.00	51.00
ICV - Inertes de Cabo Verde, Lda.	Praia	37.50	25.00	62.50	31.88
Florimar- Gestão e Participações, SGPS, Lda.	Funchal	100.00	-	100.00	51.00
Seciment Investments, B.V.	Amesterdão	100.00	-	100.00	51.00
Serife - Sociedade de Estudos e Realizações Industriais e de Fornecimento de Equipamento, Lda.	Lisboa	100.00	-	100.00	51.00
Silonor, S.A.	Dunkerque - França	100.00	-	100.00	51.00
Société des Ciments de Gabès	Tunis	98.72	-	98.72	50.35
Sud- Béton- Société de Fabrication de Béton du Sud	Tunis	-	98.72	98.72	50.35
Zarzis Béton	Tunis	-	98.52	98.52	50.25
Secil Angola, SARL	Luanda	100.00	-	100.00	51.00
Secil - Companhia de Cimento do Lobito, S.A.	Lobito	-	51.00	51.00	26.01
Secil, Betões e Inertes, S.G.P.S., S.A. e Subsidiárias	Setúbal	91.85	8.15	100.00	51.00
Britobetão - Central de Betão, Lda.	Évora	-	91.00	91.00	46.41
Unibetão - Indústrias de Betão Preparado, S.A.	Lisboa	-	100.00	100.00	51.00
Sicobetão - Fabricação de Betão, S.A.	Lisboa	-	100.00	100.00	51.00
Secil Britas, S.A.	Lisboa	-	100.00	100.00	51.00
Quimipetra - Secil Britas, Calcários e Derivados, Lda.	Lisboa	-	100.00	100.00	51.00
Colegra - Exploração de Pedreiras, S.A.	Lisboa	-	100.00	100.00	51.00
Secil Martingança - Aglomerantes e Novos Materiais para a Construção, Lda.	Leiria	51.19	45.81	97.00	49.47
IRP - Industria de Rebocos de Portugal, S.A.	Santarém	-	97.00	97.00	49.47
Condind - Conservação e Desenvolvimento Industrial, Lda.	Setúbal	50.00	50.00	100.00	51.00
Ciminpart - Investimentos e Participações, SGPS, S.A.	Lisboa	-	100.00	100.00	51.00
Argibetão - Sociedade de Novos Produtos de Argila e Betão, S.A.	Lisboa	-	90.87	90.87	46.34
Ave- Gestão Ambiental e Valorização Energética, S.A.	Lisboa	-	70.00	70.00	35.70
Cimentos Costa Verde - Comércio de Cimentos, Lda.	Lisboa	-	100.00	100.00	51.00
Solenreco-Produção e Comercialização de Combustíveis, Lda.	Porto	-	98.00	98.00	49.98
Valcem - Produtos Cimentícios,Lda.	Setúbal	50.00	50.00	100.00	51.00
Prescor Produção de Escórias Moidas, Lda.	Lisboa	-	100.00	100.00	51.00
CMP - Cimentos Maceira e Pataias, S.A. ("CMP")	Leiria	100.00	-	100.00	51.00
Ciments de Sibline, S.A.L.	Beirute	28.64	22.41	51.05	26.04
Soime, S.A.L.	Beirute	-	51.05	51.05	26.04
Premix Liban, S.A.L	Beirute	-	51.05	51.05	26.04
Cimentos Madeira, Lda.	Funchal	57.14	-	57.14	29.14
Beto Madeira - Betões e Britas da Madeira, S.A.	Funchal	-	57.14	57.14	29.14
Promadeira - Sociedade Técnica de Construção da Ilha da Madeira, Lda.	Funchal	-	57.14	57.14	29.14
Brimade - Sociedade de Britas da Madeira, S.A.	Funchal	-	57.14	57.14	29.14
Madebritas - Sociedade de Britas da Madeira, Lda. (a)	Funchal	-	29.14	29.14	14.86
Pedra Regional - Transformação e Comercialização de Rochas Ornamentais, Lda. (a)	Funchal	-	29.14	29.14	14.86
Serefcom-Refinação Secagem e Comercialização de Combustíveis Derivados de Resíduos, S.A.	Leiria	100.00	-	100.00	51.00
Reficomb- Refinação e Comercialização de Combustíveis Derivados de Resíduos, S.A.	Setúbal	100.00	-	100.00	51.00
Probicom - Produção de Compostos e Biomassa, S.A.	Setúbal	100.00	-	100.00	51.00
Uniconcreto - Betão Pronto, S.A.	Lisboa	100.00	-	100.00	51.00
Lusoinertes, S.A.	Lisboa	-	100.00	100.00	51.00
Eurobetão - Betão Pronto, S.A.	Lisboa	-	100.00	100.00	51.00

25. Subsequent events

Treasury Shares - Portucel

Through stock market operations from 3 to 21 October 2011 Portucel acquired several lots of treasury shares, totaling 635,481 shares. Following these acquisitions, Portucel now holds directly and indirectly through its subsidiaries, 20,320,593 shares representing 2.65% of its share capital.

26. Note added for translation

The accompanying financial statements are a translation of financial statements originally issued in Portuguese. In the event of discrepancies the Portuguese language version prevails.

BOARD OF DIRECTORS**President:**

Pedro Mendonça de Queiroz Pereira

Members:

Maria Maude Mendonça de Queiroz Pereira Lagos

José Alfredo de Almeida Honório

Francisco José Melo e Castro Guedes

Carlos Maria Cunha Horta e Costa

José Miguel Pereira Gens Paredes

Paulo Miguel Garcês Ventura

Rita Maria Lagos do Amaral Cabral

António da Nóbrega de Sousa da Câmara

Joaquim Martins Ferreira do Amaral

António Pedro de Carvalho Viana Baptista

Vitor Manuel Galvão Rocha Novais Gonçalves