



QUARTERLY ACCOUNTS

1ST QUARTER 2017

QUARTERLY ACCOUNTS

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Semapa – Sociedade de Investimento e Gestão, SGPS, S.A

Public Limited Company

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Companies Registry and Corporate Person no.: 502 593 130

Share Capital: € 81,270,000

PART 1

MANAGEMENT REPORT

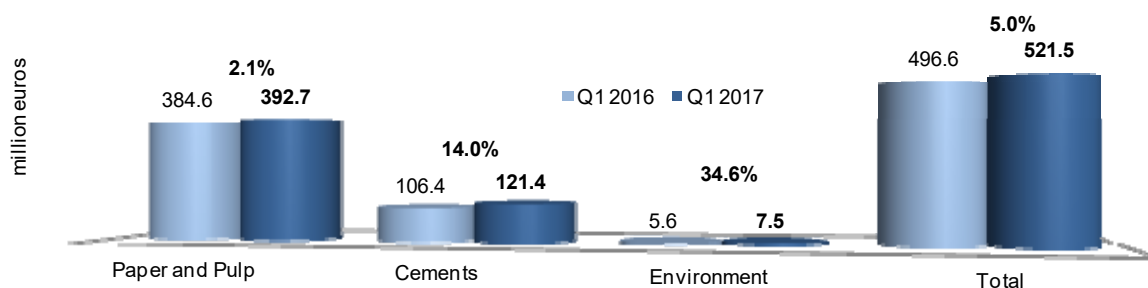
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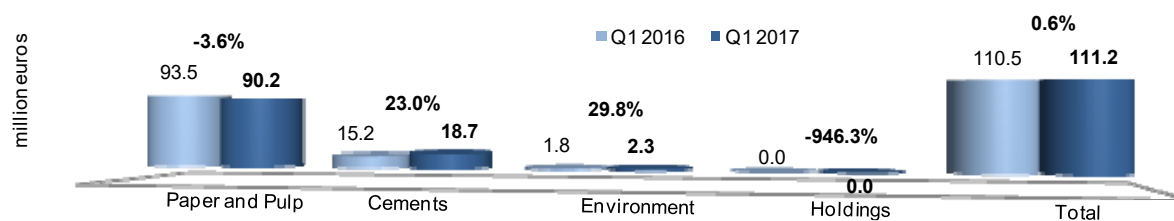
1. HIGHLIGHTS

TURNOVER

In the first quarter of 2017 the Semapa Group recorded a consolidated turnover of 521.5 million euros, an increase of 5.0% from the same period in the previous year. Exports and foreign sales amounted to 401.4 million euros: 77.0% of turnover.

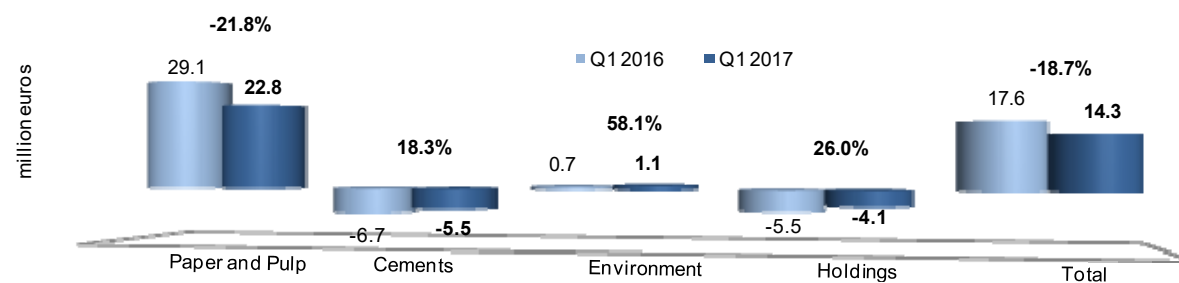


EBITDA in the first quarter of 2017 grew by 0.6% in relation to the same period in the previous year, standing at 111.2 million euros. The consolidated margin stood at 21.3%, 0.9 p.p. lower than in the first quarter of 2016.



NET INCOME

Earnings before taxes decreased by 1.4% and net profit stood at 14.3 million euros, down by 18.7% in relation to the same period in the previous year due to the negative evolution of income tax.



LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	Q1 2017	Q1 2016	Var.
Turnover	521.5	496.6	5.0%
Total EBITDA	111.2	110.5	0.6%
EBITDA margin (%)	21.3%	22.3%	-0.9 p.p.
Depreciation and impairment losses	(55.6)	(51.6)	-7.6%
Provisions (increases and reversals)	0.0	(1.0)	>100%
EBIT	55.6	57.8	-3.8%
EBIT margin (%)	10.7%	11.6%	-1.0 p.p.
Net financial profit	(17.5)	(19.2)	8.8%
Profit before tax	38.1	38.6	-1.4%
Income tax	(12.9)	(8.2)	-58.4%
Retained profits for period	25.2	30.4	-17.4%
Attributable to Semapa shareholders	14.3	17.6	-18.7%
Attributable to non-controlling interests (NCI)	10.9	12.9	-15.6%
Cash-flow	80.7	83.1	-2.9%
	31-03-2017	31-12-2016	Mar17 vs. Dec16
Equity (before NCI)	837.3	817.3	2.4%
Net debt	1,758.5	1,779.7	-1.2%

Notes:

- Total EBITDA = operating profit + depreciation and impairment losses + provisions (increase and reversal)
- Cash flow = retained earnings + depreciation and impairment losses + provisions (increase and reversal)
- Net debt = non-current interest bearing debt (net of loan issue charges) + current interest-bearing debt (including debts to shareholders) – cash and cash equivalents

2. OPERATIONAL PERFORMANCE

BREAKDOWN BY BUSINESS SEGMENT

IFRS - accrued amounts (million euros)	Paper and Pulp		Cement		Environment		Holdings		Consolidated
	Q1 2017	Q1 17/16	Q1 2017	Q1 17/16	Q1 2017	Q1 17/16	Q1 2017	Q1 17/16	Q1 2017
Sales	392.7	2.1%	121.4	14.0%	7.5	34.6%	-	-	521.5
Total EBITDA	90.2	-3.6%	18.7	23.0%	2.3	29.8%	(0.0)	-946.3%	111.2
EBITDA margin (% Sales)	23.0%	-1.4 p.p.	15.4%	1.1 p.p.	30.9%	-1.1 p.p.	-	-	21.3%
Depreciation and impairment losses	(42.0)	-5.4%	(12.9)	-16.2%	(0.7)	3.7%	(0.1)	-6.4%	(55.6)
Provisions (increases and reversals)	(0.0)	99.8%	0.1	-12.9%	(0.1)	-	-	-	0.0
EBIT	48.2	-8.3%	5.9	39.9%	1.6	48.6%	(0.1)	-81.3%	55.6
EBIT margin (% Sales)	12.3%	-1.4 p.p.	4.9%	0.9 p.p.	20.8%	2.0 p.p.	-	-	10.7%
Net financial profit	(3.9)	-45.0%	(9.5)	14.4%	(0.1)	23.0%	(3.9)	24.4%	(17.5)
Pre-tax profits	44.3	-11.2%	(3.6)	47.9%	1.4	62.7%	(4.0)	23.4%	38.1
Tax on profits	(12.2)	-52.1%	(0.3)	-193.5%	(0.3)	-79.4%	(0.1)	74.7%	(12.9)
Retained profits for period	32.1	-23.4%	(3.9)	40.5%	1.1	58.1%	(4.1)	26.0%	25.2
Attributable to Semapa equity holders	22.8	-21.8%	(5.5)	18.3%	1.1	58.1%	(4.1)	26.0%	14.3
Attributable to minority interests	9.3	-26.9%	1.6	955.4%	0.0	60.3%	-	-	10.9
Cash-flow	74.0	-10.6%	8.9	100.6%	1.8	29.7%	(4.0)	26.3%	80.7
Net debt	616.6	-3.8%	433.6	2.5%	16.0	1.8%	692.4	-1.1%	1,758.5

Notes:

- For the purpose of calculating the change in net debt, the values at 31.12.2015 are used
- Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments

The Navigator Company (“Navigator”) as a listed company discloses detailed financial information. The following are the highlights of the management report.

The Secil and ETSA Groups, which are not listed, did not publish their results. Therefore, their operations are described in more detail.

2.1 PAPER AND PULP BUSINESS AREA – THE NAVIGATOR GROUP

IFRS - accrued amounts (million euros)	Q1 2017	Q1 2016	Var.
Turnover	392.7	384.6	2.1%
EBITDA	90.2	93.5	-3.6%
EBITDA margin (%)	23.0%	24.3%	-1.4 p.p.
Depreciation and impairment losses	(42.0)	(39.8)	-5.4%
Provisions (increases and reversals)	(0.0)	(1.1)	99.8%
EBIT	48.2	52.6	-8.3%
EBT margin (%)	12.3%	13.7%	-1.4 p.p.
Net financial profit	(3.9)	(2.7)	-45.0%
Profit before tax	44.3	49.9	-11.2%
Tax on profits	(12.2)	(8.0)	-52.1%
Retained profits for period	32.1	41.9	-23.4%
Attributable to Navigator shareholders	32.8	42.0	-21.8%
Attributable to non-controlling interests (NCI)	(0.7)	(0.1)	-654.1%
Cash-Flow	74.0	82.8	-10.6%
	31-03-2017	31-12-2016	Mar17 vs. Dec16
Equity (before NCI)	1,094.2	1,041.7	5.0%
Net debt	616.6	640.7	-3.8%

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

OPERATING INDICATORS

(000 tons)	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Pulp and paper					
BEKP Output (pulp)	370.2	373.4	367.8	359.0	382.4
BEKP Sales	64.6	65.1	71.2	89.8	90.4
UWF Output (paper)	397.7	397.0	399.9	392.4	396.4
UWF Sales	377.8	397.7	380.0	413.3	371.3
FOEX – BHKP Euros/ton	687	613	600	607	645
FOEX – A4- BCopy Euros/ton	836	830	820	807	803
Tissue					
Output of reels	11.2	7.9	13.1	14.7	14.7
Output of finished products	10.1	10.0	10.9	10.8	11.7
Sale of reels and other goods	1.7	2.2	2.4	2.7	2.7
Sale of finished products	9.7	10.7	10.7	10.8	11.3

In the first quarter of 2017, the turnover of Navigator totaled 392.7 million euros, up by 2.1% over the same period in the previous year, driven by the good operating performance of paper pulp, tissue and energy sales, the paper business having recorded sales above forecast.

The short fibre **pulp** market was affected in the second half of 2016 by diminishing stock levels, in anticipation of the start-up of APP's twin lines in Indonesia, with combined annual capacity of 2.8 million tons. At the same time, demand for pulp was fuelled by the closure of highly polluting pulp capacity in China, growing demand for tissue pulp in China, and increased demand for paper grade pulp for viscose. Early 2017 saw the upturn in the global paper industry and the replenishment of paper stocks, which had dropped to extremely low levels throughout the supply chain over the course of 2016. Global BEKP demand surged by 11.2% in the first two months of the year, allowing the industry to add 6 percentage points to its capacity utilisation rate in relation to the same period in 2016.

Paper pulp sales of Navigator grew around 40%, above 90 thousand tons, an increase driven by strong demand in the quarter and higher pulp market availability at the Cacia mill. The rise helped to minimise the negative impact of price variation year on year, as the PIX-BHKP average price index in euros in the period was 6.1% below the first quarter of 2016. Therefore, paper pulp sales in value terms were up 24.7%, standing at 43.2 million euros. Note that prices improved by 6.3% compared with the fourth quarter of 2016.

In the second half of the year, and in particular the first quarter of 2017, UWF **paper** demand increased in the emerging markets in Asia, the Middle East and Latin America. In Europe apparent consumption dropped again by 2.8%, mostly due to decreasing imports, while the level of deliveries of European producers grew 0.4%. In the United States, apparent consumption in the first two months of the year decreased by around 4.8% against the first quarter of 2016. However, the closing capacity of one producer in 2016 helped to stabilise utilisation capacity rate at around 93%.

In this context, the Group sold 371 thousand tons of UWF paper in the first quarter, slightly below the volume in the first quarter of 2016 (377 thousand tons), improving the product mix. However, average prices during the period were lower year on year, with the PIX-A4-Bcopy index at 803 eur/ton (vs. 836 eur/ton, the highest quarterly average price over the last 4 years), paper sales value consequently falling 4.8% to 282.3 million euros.

Tissue consumption in Western Europe remains closely tied to growth in GDP, whilst in recent years it has been observed that in southern European countries, namely Portugal, growth in tissue demand has clearly outstripped economic growth. Tissue sales of Navigator progressed favourably; volume grew 23.5% to around 14 thousand tons, as a result of the production and processing capacity expansion in 2015. The increase in amounts sold, together with the slight decrease in average sales price due to a higher percentage of reel sales resulted in tissue sales of 18.1 million euros (+14.4%).

After the technical issues that affected the renewable cogeneration turbines in Cacia and Setúbal were overcome, the figure of electrical **power** sales increased approximately 22%. Electrical power sales also benefited from the rise in the reference Brent price year on year. Gross power output in the first quarter of 2017 increased 10.5% compared to the same period in 2016. The two power stations fuelled by biomass dedicated solely to the sale of electrical power to the national grid increased their gross power output by 6%, benefiting from improved operations of the Cacia mill.

Once Colombo Energy, the Group's operations in the USA, initiated continuous operation in the final quarter of the previous year, the Group made its first **pellet** sales in 2017. Sales volume amounted to approximately 26.5 thousand tons, which is low but reflects the current start-up phase of the plant. Some non-recurrent costs associated with the start of pellet production and marketing were recorded.

The EBITDA of Navigator for the first quarter of 2017 totaled 90.2 million euros, down from the figure of 93.5 million in the first quarter of the previous year, reflecting a margin of 23.0%, vs. 24.3% in the same period in the previous year. The negative impact of the drop in paper and pulp prices was partly outweighed by increasing sales volume and cost reduction.

Navigator is still working on reducing overall costs and enhancing productivity and has achieved positive results in the first quarter already, with an estimated impact on EBITDA of 6 million. The positive impact on packaging and chemicals (1.9 million euros), power purchase (0.7 million euros) and the purchase of wood (0.7 million euros) are worth noting.

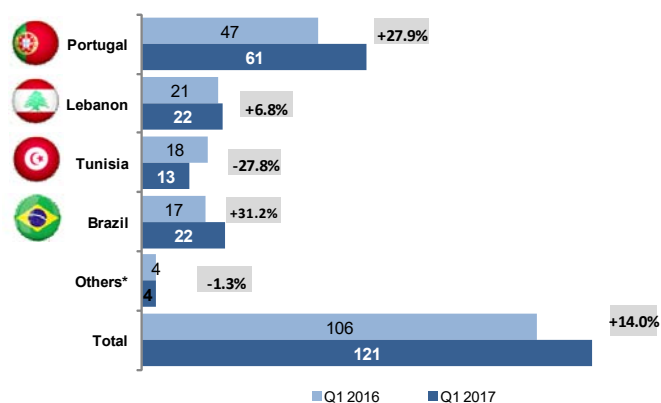
Regarding the developments in the cost of raw material, the Group recorded a drop in the average cost of wood purchase. However, this did not impact the overall cost of production, as a result of worsening specific consumption, due to the use of wood from sources with poorer industrial performance.

2.2. CEMENT AND DERIVATIVES BUSINESS AREA – SECIL GROUP

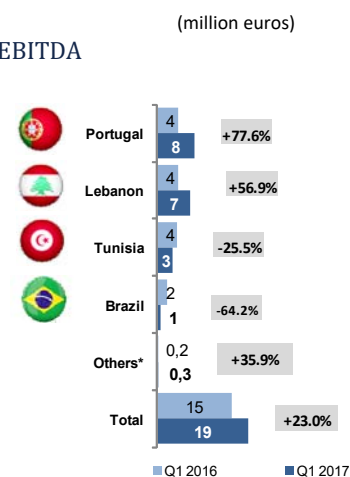
IFRS - accrued amounts (million euros)	Q1 2017	Q1 2016	Var.
Sales	121.4	106.4	14.0%
EBITDA	18.7	15.2	23.0%
EBITDA Margin (%)	15.4%	14.3%	1.1 p.p.
Depreciation and impairment losses	(12.9)	(11.1)	-16.2%
Provisions (increases and reversals)	0.1	0.1	-12.9%
EBIT	5.9	4.2	39.9%
EBIT Margin (%)	4.9%	4.0%	0.9 p.p.
Net financial profit	(9.5)	(11.1)	14.4%
Pre-tax profit	(3.6)	(6.9)	47.9%
Tax on profits	(0.3)	0.3	-193.5%
Retained profits for period	(3.9)	(6.6)	40.5%
Attributable to Secil equity holders	(5.5)	(6.7)	18.3%
Attributable to non-controlling interests (NCI)	1.6	0.1	955.4%
Cash-flow	8.9	4.4	100.6%
	31-03-2017	31-12-2016	Mar17 vs. Dec16
Equity (before NCI)	441.3	444.9	-0.8%
Net debt	433.6	422.9	2.5%

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

TURNOVER



EBITDA



* includes Angola and Others. The figures for the first quarter of 2016 were reproduced following the same criteria as in the first quarter of 2017.

OPERATING INDICATORS

in 1 000 t	Q1 2017	Q1 2016	Var.
Annual cement production capacity	9,750	9,750	0.0%
Sales			
Grey cement	1,181	1,183	-0.2%
White cement	20	15	32.7%
Clinker	199	23	769.1%
Aggregates	734	585	25.4%
Precast concrete	72	7	901.3%
Mortars	32	23	40.8%
Hydraulic lime	7	6	1.9%
Mortar fixative	4	4	17.6%
in 1 000 m ³			
Ready-mixed	341	285	19.6%

In the first quarter of 2017, the turnover of the Cement business was 121.4 million euros, 14.0% higher than the figure for the same period of the previous year. This increase was mainly due to the growth in turnover of operations in Portugal and Brazil, despite the drop in turnover in Tunisia.

EBITDA stood at 18.7 million euros, which translated into an increase of around 3.5 million euros in relation to same period in 2016. EBITDA grew essentially as a result of operations in Portugal, where this indicator increased 3.3 million euros, and in Lebanon, where it was up by 2.5 million euros. In the first quarter of 2017, EBITDA margin stood at 15.4%, 1.1 p.p. above that of the same period in the previous year.

In **Portugal**, the Bank of Portugal reviewed upwards the economic growth projection for 2017, 1.8% against 1.4% previously. This development is supported by rising exports and the domestic demand pick up. The positive performance of the building sector's indicators in the last quarter of 2016 (investment and GVA increase, growing employment, increase in the public works market and more private project licenses) sustained the good expectations for production development in the building sector in 2017. According to the figures available from FEPICOP, the Portuguese Construction and Public Works Industry Federation, the activity is expected to recover in 2017 at a rate of 2.6%.

According to the latest figures available, cement consumption in mainland Portugal was up by 18.3%. It is thus estimated that the market reached approximately 720 thousand tons.

In this environment, turnover for overall operations in Portugal was up by 27.9% compared to the same period in 2016, totalling 60.6 million euros.

The Cement and clinker business unit in Portugal recorded turnover of 37.5 million euros in the first quarter of 2017, representing growth of 21.8%. In the domestic market, turnover grew 4%, arising mostly from positive market development, good weather conditions, and more local government and private projects (tourism and residential).

The export market is still burdened by excess supply in the Mediterranean and less demand in countries dependent on revenues from fossil fuels. In spite of the setbacks, total export amounts sold increased thanks to resilient operations and ongoing search for alternative markets. This development resulted mainly from significantly higher clinker sales, while the amounts of exported cement sold dropped by 18.6%. The turnover of cement and clinker for export amounted to 15 million euros, having grown 64% year on year.

In the other business segments with operations based in Portugal (Ready-mixed Concrete, Aggregates, Mortars and Pre-cast), turnover in the first quarter of 2017 amounted to approximately 23.1 million euros, up by 39.3% in relation to the same period of the previous year.

All areas of construction materials grew, arising from the positive effects of a more dynamic building sector and private and public investment picking up, linked with the local government elections in 2017. Concrete and Mortar business units recorded over 30% more amounts sold.

In the first quarter of 2017, EBITDA for total operations in Portugal was up by 77.6% year on year, at 7.7 million euros vs. 4.3 million euros in the first quarter of the previous year.

The Cement business unit recorded EBITDA of 5.4 million euros, over the figure recorded in the first quarter of 2016 of 3.8 million. In addition to the rise in the amounts sold in the domestic market and of clinker in the foreign market, the variable costs of clinker and cement production decreased, as a result of the increasing rate of alternative fuels used. The fixed costs of production and maintenance were also down. CO2 licenses sold stood at 420 thousand euros (during the same period in the previous year no license had been sold). These elements helped to make up for the drop in cement sales in the external market.

EBITDA of construction material business units stood at 2.3 million euros, which compares with 540 thousand euros in the first quarter of 2016. The most significant increase was in Concrete, arising from greater amounts sold, and also from the rise in average sales prices and lower staff and transport costs.

The long conflict in Syria continues to overshadow the outlook on **Lebanon**. This situation affects the local communities, poverty and unemployment is still on the rise, all of which puts public finance and economy under more pressure. According to the latest figures published by the IMF, the Lebanese economy is expected to grow by 2% in 2017 (World Economic Outlook, FMI April 2017), below its potential.

Cement consumption in the first quarter of 2017 was similar to that of the first quarter of 2016, standing at 1.1 million tons. In spite of less favourable weather conditions compared to the first quarter of 2016, cement consumption benefited from a better political environment in the country (the election of a president and the appointment of a new Prime-minister at the end of 2016 may help drive the country towards a revived political framework).

Turnover of combined operations in Lebanon increased 6.8%, compared to the previous year, amounting to 21.9 million euros.

Cement and Clinker sales totalled 248 thousand tons, up by 2.6% year on year. Sales prices in the local currency stood at similar levels to that in 2016, only slightly down by 0.6% due to changes in the sales mix. Turnover grew by 7.4%, driven by the rise in amounts sold, standing at 20.1 million euros.

Concrete business turnover was equivalent to that in the first quarter of 2016, standing at 1.7 million euros, arising from 1.6% more sales and lower sales price.

Total EBITDA from operations in Lebanon stood at 6.9 million euros, up by 56.9% in relation to the same period of the previous year. The Cement unit recorded EBITDA of 6.8 million euros, 59.0% over the figure in the same period in the previous year. The growth was driven by increasing cement and clinker production and lower production costs. Note that in the first quarter of 2016 clinker production was down due to the programmed shut down of one of the lines to fit in the bag filter. This investment fostered the optimised use of raw materials and a drop in production costs. Less thermal and electric power consumption also provided a positive input.

In **Tunisia**, the political and social environments improved somewhat in 2017, which had a positive impact on the economy. However, the economy is still facing significant challenges, including high external and fiscal deficits, rising debt and insufficient growth for reducing unemployment. According to the latest figures published by the IMF, the Tunisian economy is expected to grow by 2.5% in 2017, above the 1% figure recorded in 2016 (World Economic Outlook, IMF, April 2017).

Better conditions in the beginning of 2017 had a positive effect on cement consumption, which in 2017 grew by 2.3% year on year. The cement market continued to suffer severe competition and high pressure on sales prices, which dropped once more. The cement export market decreased by around 28% due to constraints on the Libyan border and difficulties in obtaining foreign currency in the Libyan financial market. In the Algerian market, the government did not issue any import licenses.

Consequently, turnover for combined operations in Tunisia in the first quarter of 2017 stood at approximately 12.8 million euros, down by 27.8% on a year-on-year basis.

The turnover of the Cement and Clinker business unit dropped approximately 30.8%, and stood at 10.9 million euros, due to the decrease in turnover in the domestic and external market. Amounts sold were down by about 23.9% in the domestic market and exports were down by 27.8% year on year. The aforementioned constraints in the case of exports and greater competition in the domestic market determined the pace of sales of this unit. Sales price in the domestic market was above that in the first quarter of 2016 (+1.1%), in spite of the ongoing pressure, and in the export market prices were approximately 9% lower, due to competition and the fact that there were no exports to Algeria (where prices are higher).

The turnover of the Concrete business unit dropped 2.5%, standing at 1.8 million euros, arising from equivalent sales volume and prices during the same period in the previous year and the negative impact of the depreciation of the Tunisian dinar against the euro, with an impact of approximately 170 thousand euros. Notwithstanding the constraints and the downturn in the regions' markets where the unit operates, it was possible to sustain sales due to the consumptions of some projects that carried over from 2016 and are ongoing.

EBITDA from business operations in Tunisia in the first quarter of 2017 stood at 3.1 million euros, down by 25.5% in comparison with the same period of the previous year due to a drop in the turnover. Note that the variable costs of cement production dropped against the same period in the previous year, brought down mostly by less electrical power costs, as a result of less specific consumption and a drop in the price of electrical power in Tunisia (in June 2016 price dropped significantly). Staff costs were also down, as a result of the decrease in the number of employees.

Recent IMF projections point to a slight growth of the economy of **Brazil** by 0.2% in 2017 (World Economic Outlook, IMF, April 2017).

Brazilian economy is still being affected by the lack of trust of economic agents, rising unemployment and scarce public investment. Despite the drop in inflation rates and interest rates, private investment has not increased, as a result of the unstable political situation.

In this context, the construction industry was naturally affected, with an impact on cement consumption. The cement market has continued to contract, and in the first quarter of 2017 it decreased by 8%, against the first quarter in 2016. The South/South-east region, where the Group has its operations, behaved in the same way.

Turnover of combined operations stood at approximately 22.4 million euros in the first quarter of 2017, representing an increase of 31.2%, of which 18.8 million euros in cement and clinker and 3.6 million euros in ready-mixed concrete. The growth was positively impacted by the rise in the amounts sold in both operations and the appreciation of the Brazilian real against the euro (of approximately 2 million euros), the sales price of cement and concrete having dropped year on year.

Cement sales in Brazil stood at 303 thousand tons, representing a 13.7% increase compared to the first quarter of 2016. Although the market was down, the unit managed to increase sales, which were consolidated by customer support service and the set up of new distribution centres in the second half of 2016. Sales prices continued to drop in the first quarter of 2017, due to rising competition caused by excess supply.

The amounts of Concrete sold, which were also impacted negatively by the context, grew around 16.9%, having sold 56 thousand m3 of concrete, a performance influenced positively by the start up of two new plants and the development of a world-class project.

In the first quarter of 2017, EBITDA stood at 771 thousand euros, compared to 2.2 million euros in the same period of the previous year. The rise in amounts sold and the improvement of the variable costs of production (less energy consumption and lower electric power prices), were not enough to mitigate the effect of the drop in sales price in both business units and higher fixed costs associated with a larger structure as a result of the opening up of the distribution centres and the new concrete plants.

According to the IMF, the economy of **Angola** is expected to grow only slightly by 1.3% in 2017 (World Economic Outlook, IMF April 2017). The negative effects of oil price developments since 2014 are still felt. However, the gradual rise in oil price, the fact that this year government elections will be held (generally featuring a rise in public investment) and the growing availability of foreign currency at the Central Bank, suggested a recovery of the construction industry and of cement consumption. The expectations of growth did not materialise and in the first quarter of 2017 the Angolan cement market decreased by 28.6% year on year.

The amount of cement sold decreased in comparison to sales in the first quarter of 2016, amounting to 27 thousand tons of cement sold, 17.3% less than in the previous year. This decrease was due to market contraction, considering the challenging conditions of the Angolan economy. In the first quarter of 2017 turnover stood at 3.7 million euros in total, down by 1.3% year on year, as a result of the appropriate and strict management of the sales price, which grew around 19% compared with the first quarter of 2016.

In the first quarter of 2017, EBITDA amounted to around 0.3 thousand euros, which is an improvement year on year. This was possible thanks to rising prices and an effort to decrease fixed costs, notwithstanding decreasing sales. In addition to rising prices, the effort to reduce costs was maintained with a view to counteract the contracting market. The restructuring plan enforced in 2016, which brought the number of employees and service providers down, produced a positive effect in 2017.

2.3 ENVIRONMENT BUSINESS AREA – ETSA GROUP

IFRS - accrued amounts (million euros)	Q1 2017	Q1 2016	Var.
Turnover	7.5	5.6	34.6%
EBITDA	2.3	1.8	29.8%
EBITDA margin (%)	30.9%	32.0%	-1.1 p.p.
Depreciation and impairment losses	(0.7)	(0.7)	3.7%
Provisions (increases and reversals)	(0.1)	-	-
EBIT	1.6	1.0	48.6%
EBIT margin (%)	20.8%	18.8%	2.0 p.p.
Net financial profit	(0.1)	(0.2)	23.0%
Profit before tax	1.4	0.9	62.7%
Tax on profits	(0.3)	(0.2)	-79.4%
Retained profits for period	1.1	0.7	58.1%
Attributable to ETSA shareholders	1.1	0.7	58.1%
Attributable to non-controlling interests (NCI)	-	-	-
Cash-Flow	1.8	1.4	29.7%
	31-03-2017	31-12-2016	Mar17 vs. Dec16
Equity (before NCI)	66.6	62.5	6.5%
Net debt	16.0	15.7	1.8%

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

In the first quarter of 2017, the ETSA Group recorded turnover of approximately 7.5 million euros, up by around 34.6% vs. the first quarter of 2016.

This positive development was essentially caused by (i) an increase in class 3 amounts by around 14.9% year on year, (ii) an increase in the average sales price of category 3 fats and the same category meal, (iii) amounts sold of category 2, practically non-existent in the first quarter of 2016, were very significant in the period in analysis, albeit at a price around 51.7% lower, iv) enhanced consolidated services rendered, essentially resulting from the billing of animal carcass collection, but also from higher amounts billed by the subsidiary ABAPOR.

In the first 3 months of 2017, EBITDA of the ETSA Group totalled about 2.3 million euros, which represented an increase by around 29.8% compared to the same period in 2016, arising mainly from larger amounts sold and higher sales prices, although partially offset by the rising costs of thermal fuels and mineral fuels, used in the process of industrial conversion and by-product transportation. EBITDA margin stood at 30.9%, down by around 1.1 p.p. on the margin for the same period of 2016.

2.4 HOLDINGS (SEMAPA SGPS AND INSTRUMENTAL SUB-HOLDINGS)

IFRS - accrued amounts (million euros)	Q1 2017	Q1 2016	Var.
EBITDA	(0.0)	(0.0)	<-100%
Depreciation and impairment losses	(0.1)	(0.0)	-6.4%
Provisions (increases and reversals)	-	-	-
EBIT	(0.1)	(0.1)	-81.3%
Net financial profit	(3.9)	(5.2)	24.4%
Profit before tax	(4.0)	(5.3)	23.4%
Tax on profits	(0.1)	(0.3)	74.7%
Retained profits for period	(4.1)	(5.5)	26.0%
Attributable to Semapa shareholders	(4.1)	(5.5)	26.0%
Cash-Flow	-4.0	-5.5	26.3%
	31-03-2017	31-12-2016	Mar17 vs. Dec16
Net debt	692.4	700.4	-1.1%

In the first quarter of 2017, EBITDA of the holdings was 43 thousand euros negative, approximately at the same level as in the same period of 2016.

3. CONSOLIDATED FINANCIAL PERFORMANCE

CONSOLIDATED NET DEBT

(million euros)	31-03-2017	31-12-2016	Var.
Pulp and Paper	616.6	640.7	-24.2
Cement	433.6	422.9	10.7
Environment	16.0	15.7	0.3
Holdings	692.4	700.4	-8.0
Total	1,758.5	1,779.7	-21.2

On 31 March 2017, consolidated net debt stood at 1,758.5 million euros, representing a decrease of 21.2 million euros over the figure recorded at year-end 2016, positively influenced by the creation of operating cash flow and:

- Pulp and paper: -24.2 million euros, including investments of around 14.3 million euros, namely the Figueira da Foz project, paper pulp and paper business and tissue paper in Vila Velha de Rodão;
- Cement: +10.7 million euros, which include the exchange rate effect of debt denominated in foreign exchange of approximately +3 million euros and investments made;
- Environment: +0.3 million euros; and
- Holdings: -8.0 million euros, arising namely from the reimbursement of previous years' corporate income tax (IRC) payments made.

FINANCIAL RESULTS

In the first quarter of 2017 financial results amounted to a negative figure of 17.5 million euros, an improvement of 8.8 million euros in relation to the figure recorded in the same period in the previous year. The positive variation of 1.7 million euros resulted mostly from the positive effect of the debt repayment and the refinancing of the debt in more favourable terms.

CONSOLIDATED NET INCOME

Consolidated net income in the first quarter of 2017 attributable to shareholders of Semapa was 14.3 million euros, 18.7% less compared to the same period in the previous year. Net income per outstanding share stood at 0.177 euros/share.

This development is explained essentially by the combined effect of the following factors:

- An increase in total EBITDA of approximately 0.7 million euros;
- An increase in Depreciation and impairment losses of 3.9 million euros, arising mainly from the start of depreciation of investments made;
- Provision variation of 1.1 million euros;
- An improvement of net financial results by about 1.7 million euros, in relation to the previous year;
- The increase in income tax by approximately 4.8 million euros, arising essentially from the fact that in the first quarter of 2016 tax provisions were reversed (gains) to the amount of 5.4 million euros. Additionally, contractual tax benefits available for income tax deduction at Navigator reduced.

4. SHARE PRICE PERFORMANCE



Note: Closing market prices

Despite the uncertainties surrounding political changes in the United States and the impact of Brexit on Europe, the capital markets were reasonably optimistic during the first quarter of 2017, with all equity markets recording gains, the Madrid stock exchange in particular, whose main index – IBEX35 - appreciated 11.9%. The PSI20 index was no exception and rose 7.0%, in line with the DAX / Frankfurt and above the Milan MIB and the Paris CAC40. Outside of the Euro Area, the stock exchanges were also bullish, which was reflected in the gains of the Bovespa, Dow Jones Industrial and FTSE indexes.

In this context, Semapa shares in the period increased their value by 6.7%, slightly below the PSI20 average (+7.0%). Semapa's stock price reached a maximum of 14.30 euros on 31 March and a minimum of 12.76 euros on 17 January.

5. OUTLOOK

The global economy demonstrated renewed energy in late 2016, and this carried through into the early months of this year. In a financial context which remains favourable and propitious for growth, the IMF report published for the Spring Meetings adopted a more optimistic tone. In EMU countries, business and confidence indicators point to a significant rate of growth in the first quarter which, if confirmed, would add to the likelihood of a scenario of slightly accelerating GDP this year.

PAPER AND PULP

In the short fibre **pulp** market, first quarter performance was strong with sharp growth in demand, low levels of stocks and upward pressure on prices. Several manufacturers have already announced price increases for the second quarter, and the months ahead may be expected to be fairly positive for the sector. However, concerns still persist in relation to new pulp capacities due to come onto the market as from the second half of the year and the impact this will have on the balance between supply and demand for pulp.

In the **paper** market, Navigator has benefited from improving conditions in the market as from late 2016; this trend was maintained throughout the first quarter, and has resulted in record order books for this time of year. The sharp rise in pulp prices and production costs in general, combined with the low level of paper prices and evolution of the EUR/USD exchange rate, have made a global increase in UWF prices inevitable. Already in April, the Group raised the price of products in Europe and in Middle Eastern and North African markets further. Order books in the industry are at their strongest for seven years, and the strong conditions currently enjoyed by the sector are expected to continue over the second quarter.

Regarding the investment project at the Figueira da Foz pulp mill, the plans are designed to achieve improvements in production efficiency and environmental performance and to boost capacity by 70 thousand tons, to total annual capacity of 650 thousand tons of BEKP. Significant progress has already been made on the initial pile work and the building contract has been awarded. The main equipments are programmed to be set up by September 2017. The preliminary production trials are expected to begin after the maintenance shut down programmed for March 2018.

Tissue business in 2017 remains constrained by the general health of the economy, in particular levels of employment and growth in earnings, as well as by a sharp increase in competition. Navigator will continue to work on developing its sales, although increased pressure is expected on its margins due to the sharp rise in pulp prices and the arrival of new capacity on the market.

As already reported, the Cacia project involves building a tissue production line and the relevant converting facilities, with annual production capacity of around 70 thousand tons. Investment will total around 121 million euros. The main

equipment suppliers have already been selected and preliminary site preparation work is under way. The paper machine is planned to start up in August 2018.

We wish to highlight that the Group is concerned about the Government's plans to limit eucalyptus plantations that are negative for 400 thousand forestry producers and could harm the competitiveness of the Pulp and Paper Industry, already forced to import 200 million euros worth of wood each year.

During the quarter, the Group successfully completed a pilot operation in **Mozambique**, launched in late 2016, which consisted of exporting 2 thousand tons of eucalyptus timber from Zambézia through the Port of Nacala. This was a necessary trial run and an important learning experience, which resulted in improved knowledge of local processes, agents, logistics, certification procedures and the workings of the institutions involved in seeing through an operation of this kind. In the meantime, the Group has welcomed the announcement of plans to build the Moatize-Macuse railway line and the port of Macuse, to be completed in 2021-22. This project is still at the pre-launch stage and financing has yet to be arranged; if it goes ahead, it will represent a gain in competitiveness for the operation based in Zambézia.

CEMENT

For **Portugal**, GDP growth outlook in 2017 is more positive; according to the latest projections of the Bank of Portugal, the economy is expected to grow by 1.8%. After the construction industry dropped by 3.3% in 2016, the activity is expected to pick up in 2017, with a growth estimated at 2.6%. This recovery outlook points to a pick up in domestic market activities, which has already taken place in the first quarter of 2017.

In **Lebanon** cement demand is expected to sustain the good momentum, in line with the first quarter. Notwithstanding the unstable environment in Syria caused by the war, greater political stability in the country makes it possible to anticipate higher confidence among economic agents.

A 2.5% growth of the economy is the forecast for **Tunisia** (World Economic Outlook, IMF April 2017). Competition should continue to be intense and increased pressure on sales prices is expected (in the domestic and foreign markets), due to oversupply in the country. In 2017, new commercial premises will help boost sales. The Algerian government is expected to give out import licenses.

Brazil is expected to grow modestly by 0.2% in 2017 (World Economic Outlook, IMF April 2017), which foretells the continuation of the difficulties in economic activity and especially in the activities tied to the construction sector, due to the difficulty in investments coming to fruition. Growth remains constrained by the political crisis. This will continue to put pressure on the amounts sold, while operation sales are expected to grow. Sales price developments will have an impact on the performance of operations, which is why efforts will continue to be put into improving production costs and controlling fixed costs.

The economic outlook for **Angola** is slightly positive for 2017. The IMF is forecasting 1.3% economic growth in 2017. Government programmes to diversify the economy launched in 2016, the upward trend of oil prices on the international markets and the elections in 2017 are expected to foster growth of the economy and cement consumption. While it has not yet been the case in the first quarter, cement consumption is expected to grow in the coming months as some public works are kicking off now.

ENVIRONMENT

Considering the current macroeconomic, financial and sector environment, current conditions are envisaged to remain unchanged in the medium term in the sector operated by the ETSA group, insofar as consumption of foodstuffs are maintained (due to actual increase or simply to changes in the average shopping basket). However, the competition between operators in arranging raw material, which is scanty, will remain intense, because of the pronounced overcapacity of industrial processing.

The ETSA group's prime objectives in the short term include (i) concentrating on the horizontal expansion of its production and destination markets (exports accounted for around 46.6% of total accrued sales on 31 March 2017), (ii) identifying fresh opportunities for vertical growth, channelling its investments to improving operational efficiency, extracting maximum value from the channels operated and retaining the loyalty of the main conventional and alternative collection centres, (iii) the gradual and progressive recovery of balanced sales margins in the market, and (iv) focus on sustained innovation and research and development addressed at ensuring new profit thresholds for the business.

Lisbon, 09 May 2017

The Directors

THE BOARD OF DIRECTORS

CHAIRMAN:

Pedro Mendonça de Queiroz Pereira

DIRECTORS:

João Nuno de Sottomayor Pinto de Castello Branco

José Miguel Pereira Gens Paredes

Paulo Miguel Garcês Ventura

Ricardo Miguel dos Santos Pacheco Pires

António Pedro de Carvalho Viana Baptista

Carlos Eduardo Coelho Alves

Francisco José Melo e Castro Guedes

Manuel Custódio de Oliveira

Vítor Manuel Galvão Rocha Novais Gonçalves

Vítor Paulo Paranhos Pereira

PART 2

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 AND 2016

Amount in Euro	Notes	1st Q 2017 (unaudited)	1st Q 2016 (unaudited)
Revenues			
Sales	4	515,246,345	491,728,620
Services rendered	4	6,281,931	4,834,409
Other income			
Gains on disposal of non-current assets	5	28,616	154,590
Other operating income	5	11,392,415	12,809,739
Change in fair value of biological assets		(502,582)	(271,889)
Costs, expenses and losses			
Cost of inventories sold and consumed	6	(217,688,726)	(215,042,769)
Variation in production	6	13,270,197	17,062,020
Cost of materials and services consumed	6	(143,037,612)	(132,652,240)
Payroll costs	6	(62,748,011)	(58,453,484)
Other costs and losses	6	(11,061,287)	(9,646,177)
Provisions	6	11,082	(1,045,760)
Depreciation, amortisation and impairment losses	7	(55,576,688)	(51,644,282)
Operational results		55,615,680	57,832,777
Group share of (loss)/gains of associated companies and joint-ventures		(26,088)	39,370
Net financial results	8	(17,515,724)	(19,277,030)
Earnings before taxes		38,073,868	38,595,117
Income tax	9	(12,917,626)	(8,155,252)
Net profit		25,156,242	30,439,865
Net profit for the period			
Attributable to Semapa shareholders		14,273,077	17,550,751
Attributable to non-controlling interests	11	10,883,165	12,889,114
Earnings per share			
Basic earnings per share, Eur	10	0.177	0.216
Diluted earnings per share, Eur	10	0.177	0.216

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 AND 2016

Amounts in Euro	Notes	1st Q 2017 (unaudited)	1st Q 2016 (unaudited)
Net profit for the period without non-controlling interests		25,156,242	30,439,865
Items that may subsequently be reclassified to the income statement			
Derivative financial instruments			
Fair value changes	22	2,105,601	(1,597,581)
Tax effect	18	(319,166)	(405,180)
Differences on foreign currency exchange	17	3,119,785	(444,046)
Share of other comprehensive income of associates		(11,736)	-
Items that will not be reclassified to the income statement			
Remeasurements of post employment benefit obligations			
Actuarial gains / (losses)		1,762,566	3,754,344
Tax effect	18	(59)	2,747,201
Other comprehensive income for the period		6,656,991	4,054,738
Total comprehensive income for the period		31,813,233	34,494,603
Attributable to:			
Semapa's shareholders		20,224,978	23,399,201
Non-controlling interests		11,588,255	11,095,402
		31,813,233	34,494,603

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 AND 31 DECEMBER 2016

Amounts in Euro	Notes	31-03-2017 (Unaudited)	31-12-2016
ASSETS			
Non-current assets			
Goodwill	12	361,473,135	352,812,897
Other intangible assets		310,102,267	296,621,604
Property, plant and equipment	13	2,285,744,131	2,313,490,314
Investment properties		946,135	958,112
Biological assets		125,110,366	125,612,948
Investment in Associates and joint-ventures	14	3,733,541	3,885,458
Financial assets at fair value through profit or loss		47,258	47,258
Available-for-sale financial assets		342,122	342,122
Deferred tax assets	18	79,910,838	78,652,223
Other non-current assets		6,888,341	6,744,351
		3,174,298,134	3,179,167,287
Current assets			
Inventories		336,624,377	308,717,695
Receivable and other current assets	15	323,553,939	304,904,426
State and other public entities		94,556,541	97,489,849
Income tax		3,816,844	13,059,045
Non-current assets held for sale		1,035,695	1,036,774
Cash and cash equivalents	20	202,775,516	184,101,274
		962,362,912	909,309,063
Total Assets		4,136,661,046	4,088,476,350
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	16	81,270,000	81,270,000
Treasury shares	16	(6,036,401)	(6,036,401)
Translation Reserves	17	(28,197,639)	(31,600,075)
Fair value reserves	17	(4,728,109)	(6,062,513)
Other reserves	17	717,616,946	717,616,946
Retained earnings	17	63,356,902	(52,720,971)
Net profit for the period		14,273,077	114,862,812
Consolidated Shareholder's equity		837,554,776	817,329,798
Non-controlling interests	11	420,946,488	409,754,207
Total Equity		1,258,501,264	1,227,084,005
Non-current liabilities			
Deferred tax liabilities	18	276,820,120	276,468,649
Pensions and other post-employment benefits		8,747,475	10,085,423
Provisions	19	70,443,883	74,571,775
Interest-bearing liabilities	20	1,687,817,076	1,697,565,380
Other non-current liabilities		31,401,026	33,301,140
		2,075,229,580	2,091,992,367
Current liabilities			
Interest-bearing liabilities	20	273,473,570	266,268,367
Payables and other current liabilities	21	404,965,005	379,782,809
State and other public entities		76,496,451	76,253,728
Income tax		47,925,634	47,023,845
Non - current liabilities held for sale		69,542	71,229
		802,930,202	769,399,978
Total Liabilities		2,878,159,782	2,861,392,345
Total equity and liabilities		4,136,661,046	4,088,476,350

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FROM 1 JANUARY 2017 TO 31 MARCH 2017 AND FROM 1 JANUARY 2016 TO 31 MARCH 2016

Amounts in Euro	Share Capital	Treasury Shares	Share Premiums	Fair value reserves	Other reserves	Translation Reserves	Retained earnings	Net profit for the period	Total	Non-controlling interests	Total
Equity as of 1 January 2017	81,270,000	(6,036,401)	-	(6,062,513)	717,616,946	(31,600,072)	(52,720,975)	114,862,813	817,329,798	409,754,207	1,227,084,005
Application of 2016 profit of the year:											
- Transfer to reserves	-	-	-	-	-	-	114,862,813	(114,862,813)	-	-	-
Other comprehensive income for the year *	-	-	-	1,334,404	-	3,402,433	1,215,064	-	5,951,901	705,090	6,656,991
Other movements	-	-	-	-	-	-	1	-	1	(395,974)	(395,974)
Profit for the period	-	-	-	-	-	-	-	14,273,077	14,273,077	10,883,165	25,156,242
Equity as of 31 March 2017	81,270,000	(6,036,401)	-	(4,728,109)	717,616,946	(28,197,639)	63,356,903	14,273,077	837,554,777	420,946,488	1,258,501,264

* 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 period	Total	Non-controlling interests	Total
Equity as of 1 January 2016	81,645,523	(53,116)	3,923,459	(4,921,087)	665,696,408	(65,903,206)	(45,580,414)	81,530,041	716,337,608	415,289,455	1,131,627,063
Application of 2016 profit of the year:											
- Transfer to reserves	-	-	-	-	-	-	81,530,041	(81,530,041)	-	-	-
Treasury shares sales & acquisitions	-	(4,027,453)	-	-	-	-	-	-	(4,027,453)	-	(4,027,453)
Other comprehensive income for the year *	-	-	-	(1,146,944)	-	2,483,210	1,763,474	-	3,099,740	(3,005,572)	94,168
Acquisitions / Disposals to non-controlling interests	-	-	-	-	-	-	473	-	473	-	473
Changes in consolidation perimeter	-	-	-	-	-	-	-	-	-	(75,557)	(75,557)
Other movements	-	-	-	-	-	-	-	-	-	(99,690)	(99,690)
Net profit for the period	-	-	-	-	-	-	-	17,550,751	17,550,751	12,889,114	30,439,865
Equity as of 31 March 2016	81,645,523	(4,080,569)	3,923,459	(6,068,031)	665,696,408	(63,419,996)	37,713,574	17,550,751	732,961,119	424,997,750	1,157,958,869

* Net of deferred taxes

CONSOLIDATED CASH FLOW STATEMENT FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 AND 2016

Amounts in Euro	Notes	1st Q 2017 (unaudited)	1st Q 2016 (unaudited)
OPERATING ACTIVITIES			
Receipts from customers		562,738,463	541,456,834
Payments to suppliers		(433,435,266)	(437,531,104)
Payments to personnel		(41,337,083)	(36,866,386)
Cash flow from operations		87,966,114	67,059,344
Income tax received / (paid)		(5,067,004)	(13,849,302)
Other receipts / (payments) related to operating activities		(11,181,424)	(1,674,954)
Cash flow from operating activities (1)		71,717,686	51,535,088
INVESTING ACTIVITIES			
Inflows:			
Financial investments		-	143,365
Property, plant and equipment		272,428	55,122
Interest and similar income		1,009,615	651,475
Dividends		125,822	141,497
		1,407,865	991,459
Outflows:			
Financial investments		(13,558,800)	(398,359)
Property, plant and equipment		(33,019,063)	(30,971,156)
		(46,577,863)	(31,369,515)
Cash flow from investing activities (2)		(45,169,998)	(30,378,056)
FINANCING ACTIVITIES			
Inflows:			
Proceeds from borrowings		1,451,993,728	1,194,768,046
		1,451,993,728	1,194,768,046
Outflows:			
Repayments of borrowings		(1,443,651,638)	(1,218,015,921)
Repayment of financial leases		(161,907)	(236,550)
Interest and similar expenses		(14,737,674)	(13,388,154)
Dividends		(553,630)	(355,348)
Treasury shares acquisitions		-	(4,027,453)
		(1,459,104,849)	(1,236,023,426)
Cash flow from financing activities (3)		(7,111,121)	(41,255,380)
CHANGE IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)		19,436,567	(20,098,348)
EXCHANGE GAINS / (LOSSES) ON CASH AND CASH EQUIVALENTS		(762,325)	(4,113,838)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	20	184,101,274	206,255,763
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	20	202,775,516	182,043,577

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SELECTED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2017

(Translation of a report originally issued in Portuguese)

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

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

HEAD OFFICE:	Av. Fontes Pereira de Melo, 14, 10th Floor, Lisbon
SHARE CAPITAL:	Euro 81,270,000
CORPORATE BODY NUMBER:	502 593 130

Semapa leads an Enterprise Group with activities in three distinct business segments: Pulp and Paper, Cement and Derivatives, and Environment, developed respectively through its subsidiaries The Navigator Company, S.A., Secil - Companhia Geral de Cal e Cimento, S.A. and ETSA – Investimentos, SGPS, S.A.

These consolidated financial statements were approved by the Board of Directors on 09 May 2017.

The Group's Senior Management, that are 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 perimeter.

1. BASIS OF PREPARATION

The interim consolidated financial statements for the three months period ended 31 March 2016 were prepared in accordance with the International Accounting Standard 34 – Interim Financial Reporting.

The accompanying interim consolidated financial statements were prepared on the going concern basis from the accounting books and records of the companies included in consolidation (Note 25), and under the historic cost convention, except for biological assets, available-for-sale financial assets, financial assets at fair value through profit or loss and derivative financial instruments which are recorded at fair value. Tangible assets acquired until 1 January 2004 have been recorded at revaluated cost.

The following notes were selected in order to allow a full understanding of the most significant changes on the consolidated financial position and performance of the group since the last annual report as of 31 December 2016.

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 2016 and stated in the respective attached Notes.

3. ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires that the Group's management performs judgments and estimates that affect the amount of revenue, costs, assets, liabilities and disclosures at balance sheet date.

These estimates are influenced by the 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 are realized, the outcome can be different from those estimates.

4. SEGMENT REPORTING

Segmental information is presented in relation to the business segments identified, namely Pulp and Paper, Cement and Derivatives, Environment and Holdings. The earnings, assets and liabilities for each segment correspond to those which are directly attributed to them, as well as those which can be imputed to them on a reasonable basis.

The financial information by operating segment for the three months period of 2017 is shown as follows:

Amounts in Euro	Pulp and paper	Cement and derivatives	Environment	Holdings	Consolidated
Results					
Revenue	392,656,974	121,379,179	7,492,123	-	521,528,276
Operational results	48,205,787	5,947,435	1,555,239	(92,781)	55,615,680
Net financial results (Note 8)	(3,936,664)	(9,510,273)	(132,941)	(3,935,846)	(17,515,724)
Group share of (loss) / gains of associated companies and joint ventures (Note 14)	-	(26,088)	-	-	(26,088)
Income tax expense (Note 9)	(12,194,502)	(311,806)	(339,877)	(71,441)	(12,917,626)
Profit for the period	32,074,621	(3,900,732)	1,082,421	(4,100,068)	25,156,242
Profit for the period - Attributable to non-controlling interest	(9,307,083)	(1,575,961)	(121)	-	(10,883,165)
Profit for the period - Attributable to Semapa's Shareholders	22,767,538	(5,476,693)	1,082,300	(4,100,068)	14,273,077
Other information					
Segment assets	2,335,433,325	1,594,822,913	92,411,267	113,993,541	4,136,661,046
Deferred tax assets (Note 18)	43,937,615	35,838,675	134,548	-	79,910,838
Investment in associates and joint ventures (Note 14)	-	3,733,541	-	-	3,733,541
Total segment liabilities	1,239,654,433	1,059,201,086	25,859,972	553,444,291	2,878,159,782
Depreciation, amortisation and impairment losses (Note 7)	41,961,206	12,857,891	707,488	50,103	55,576,688
Net Provisions (Note 19)	1,736	(62,818)	50,000	-	(11,082)
Capital expenditures (Note 13)	14,346,490	6,652,998	846,908	8,859	21,855,255

The financial information by operating segment for the three months period of 2016 is shown as follows:

Amounts in Euro	Pulp and paper	Cement and derivatives	Environment	Holdings	Consolidated
Results					
Revenue	384,567,136	106,430,808	5,565,085	-	496,563,029
Operational results	52,587,494	4,249,839	1,046,619	(51,175)	57,832,777
Net financial results (Note 8)	(2,715,629)	(11,180,234)	(172,674)	(5,208,493)	(19,277,030)
Group share of (loss) / gains of associated companies and joint ventures	-	39,370	-	-	39,370
Income tax expense (Note 9)	(8,016,657)	333,518	(189,448)	(282,665)	(8,155,252)
Profit for the period	41,855,208	(6,557,507)	684,497	(5,542,333)	30,439,865
Profit for the period - Attributable to non-controlling interest	(12,739,712)	(149,326)	(76)	-	(12,889,114)
Profit for the period - Attributable to Semapa's Shareholders	29,115,496	(6,706,833)	684,421	(5,542,333)	17,550,751
Other information					
Segment assets	2,377,316,470	1,506,357,414	95,414,285	123,204,667	4,102,292,836
Deferred tax assets	54,615,373	25,253,090	75,459	-	79,943,922
total assets of post-employment benefits	3,312,462	-	-	-	3,312,462
Investment in associates and joint ventures	-	3,301,524	-	-	3,301,524
Total segment liabilities	1,283,787,743	991,978,756	32,215,605	636,351,865	2,944,333,969
Depreciation, amortisation and impairment losses (Note 8)	39,798,001	11,064,583	734,600	47,098	51,644,282
Net Provisions	1,117,864	(72,104)	-	-	1,045,760
Capital expenditures	46,378,518	4,296,463	314,250	24,085	51,013,316

GEOGRAPHICAL SEGMENT

The revenue presented in the diverse business segments corresponds to revenue generated with external clients based on the destination country of the Group's commercialised products and services, and are detailed as follows:

1st Q 2017	Pulp and paper	Cement and derivatives	Environment	Total amount	Total %
Sales and services rendered					
Portugal	65,893,608	48,691,201	5,532,632	120,117,441	23.03%
Rest of Europe	223,227,872	1,150,112	1,925,767	226,303,751	43.39%
America	43,663,112	23,815,827	-	67,478,939	12.94%
Africa	24,076,692	25,670,769	33,724	49,781,185	9.55%
Asia	35,576,122	22,051,270	-	57,627,392	11.05%
Oceania	219,568	-	-	219,568	0.04%
	392,656,974	121,379,179	7,492,123	521,528,276	100.00%

1st Q 2016	Pulp and paper	Cement and derivatives	Environment	Total amount	Total %
Sales and services rendered					
Portugal	63,707,688	37,557,916	4,829,658	106,095,262	21.37%
Rest of Europe	233,983,974	675,131	735,426	235,394,531	47.40%
America	41,845,782	17,260,847	-	59,106,629	11.90%
Africa	36,274,748	30,362,921	-	66,637,669	13.42%
Asia	7,397,116	20,573,993	-	27,971,109	5.63%
Oceania	1,357,829	-	-	1,357,829	0.27%
	384,567,137	106,430,808	5,565,084	496,563,029	100.00%

5. OTHER INCOME

For the three months period ended 31 March 2017 and 2016 the caption Other income comprises:

Amounts in Euro	1st Q 2017	1st Q 2016
Grants - CO2 emission allowances	3,804,110	4,278,328
Impairment reversal	148	794,745
Supplementary income	133,071	1,438,894
Gains on disposals of emission allowances	28,616	154,590
Gains on inventories	2,816,736	1,625,023
Gains on disposals of current assets	427,676	-
Government grants	1,509	27,852
Own work capitalised	43,004	9,266
Revenues from waste management	158,274	66,418
Other operating income	4,007,887	4,569,213
	11,421,031	12,964,329

6. EXPENSES AND LOSSES

For the three months period ended 31 March 2017 and 2016 Costs, expenses and losses comprises:

Amounts in Euro	1st Q 2017	1st Q 2016
Cost of sales and services rendered		
Cost of inventories sold and consumed	(217,688,726)	(215,042,769)
Cost of materials and services consumed		
Energy and Fluids	(40,592,222)	(37,955,036)
Materials Transportation	(40,006,733)	(35,670,228)
Specialized Services	(23,435,824)	(22,759,927)
Maintenance and repair	(11,751,645)	(12,131,677)
Fees	(1,870,663)	(1,306,199)
Insurance	(4,341,635)	(4,032,362)
Subcontract work	(549,018)	(533,538)
Other	(20,489,872)	(18,263,273)
	(143,037,612)	(132,652,240)
Variation in Production	13,270,197	17,062,020
Payroll costs		
Statutory bodies	(5,211,084)	(5,136,400)
Other remunerations	(41,723,364)	(38,923,045)
Pension costs	(783,353)	(1,044,506)
Other payroll costs	(15,030,210)	(13,349,533)
	(62,748,011)	(58,453,484)
Other costs and losses		
Membership fees	(218,213)	(121,326)
Donations	(184,181)	(152,156)
Cost with CO2 emission allowances	(3,804,110)	(4,483,963)
Inventories and other receivables impairment	(998,654)	(776,748)
Losses on inventories	(2,308,438)	(631,483)
Indirect taxes	(2,497,189)	(2,259,634)
Losses on disposal of non-current assets	(37,401)	(54,497)
Other operating costs	(1,013,101)	(1,166,370)
	(11,061,287)	(9,646,177)
Net provisions	11,082	(1,045,760)
Total of Costs, expenses and losses	(421,254,357)	(399,778,410)

7. DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

For the three months period ended 31 March 2017 and 2016 the caption Depreciation, amortization and impairment losses were detailed as follows:

Amounts in Euro	1st Q 2017	1st Q 2016
Depreciation of property, plant and equipment		
Land	(1,158,820)	(1,118,161)
Environmental restoration and landscaping	(28,079)	(28,918)
Buildings	(5,402,488)	(5,129,615)
Equipments and other tangibles	(50,321,807)	(46,888,833)
Government grants	1,642,788	2,704,571
	<u>(55,268,406)</u>	<u>(50,460,956)</u>
Amortisation of intangible assets		
Land	-	272,520
Buildings	112,007	-
Equipments and other tangibles	199,304	29,658
Assets under construction		
Land	(1,068,210)	-
	<u>(756,899)</u>	<u>302,178</u>
Amortisation of intangible assets (Note 16)		
Industrial property and other rights	(3,503)	(4,807)
CO2 Emission Rights	-	(1,798,613)
	<u>(3,503)</u>	<u>(1,803,420)</u>
Impairment losses of assets held for sale	<u>(1,080)</u>	<u>(12,502)</u>
Amortisation of investment properties	<u>(4,698)</u>	<u>(4,698)</u>
ICMS - tax on movement of goods and services		
Tax included on amortisations (Brazil)	457,898	335,116
	<u>457,898</u>	<u>335,116</u>
	<u>(55,576,688)</u>	<u>(51,644,282)</u>

8. NET FINANCIAL RESULTS

For the three months periods ended 31 March 2017 and 2016, Net financial results comprise:

Amounts in Euro	1st Q 2017	1st Q 2016
Interest paid on loans from shareholders (Note 23)	(10,953)	(27,317)
Interest paid on loans from associated companies and joint ventures (Note 23)	(1,286)	(1,285)
Interest paid on other borrowings	(14,093,174)	(17,327,145)
Interest earned on loans from associated companies and joint ventures (Note 23)	-	1,294
Other interest earned	1,169,440	1,794,564
Financial assets at fair value through profit and loss	-	(26,591)
Gains / (losses) on financial instruments - hedging	(2,015,218)	(1,888,171)
Gains / (losses) on financial instruments - trading	1,851,119	2,256,677
Expenses with loans issuing and other comissions	(2,401,801)	(2,777,169)
Foreign exchange gains / (losses)	(2,348,495)	(1,129,939)
(Costs)/ gains with compensatory interests	616,839	147,874
Other financial income/expenses	(282,195)	(299,822)
	<u>(17,515,724)</u>	<u>(19,277,030)</u>

9. INCOME TAX

Semapa SGPS, S.A. is the dominant company of the group subject to the special regime governing business groups comprising companies in which the shareholding is equal to or more than 75% and which meet the conditions laid down in articles 69 and following of the Corporate Income Tax Code. Thus, the tax business group comprises the subsidiaries Secil, S.A. and ETSA Investimentos, SGPS, S.A., and corresponding subsidiaries that comply with the referred conditions.

The companies that integrate the tax business group led by Semapa as the dominant company, as well as those that integrate the tax business group led by The Navigator Company S.A. had, until 31 December 2016, a tax reporting period starting 1 July of each year and ending 30 June of the following year.

As the State Budget Law for 2017 (“Lei do Orçamento de Estado para 2017” - Lei nº 42/2016, de 28 de Dezembro) defined the obligation of coincidence between taxation and accounting periods, following the request for definitive understanding submitted by Semapa, the competent authorities allowed the group (due to the new requirements introduced by The State Budget Law for 2017) to change their taxation period in 2017 to its accounting period, even though the obligation of five years stay in the previous period had not yet been accomplished. As so, Semapa companies changed, with effects from 1 January 2017, its taxation period from 1 July to 30 June to the period starting 1 January and ending 31 December of each year.

As of 31 March 2017 and 2016 the caption Income tax expense comprises:

Amounts in Euro	1st Q 2017	1st Q 2016
Current tax	(16,129,346)	(20,084,143)
Provision for current tax	1,955,404	5,438,520
Deferred tax	1,256,316	6,490,371
	(12,917,626)	(8,155,252)

The effective tax rate reconciliation regarding the first three months of 2017 and 2016 was as follows:

Amounts in Euro	1st Q 2017	1st Q 2016
Profit before tax	38,073,868	38,595,117
Expected income tax	8,566,620	8,683,901
State surcharge	1,338,800	2,126,386
Differences (a)	605,186	164,360
Prior year tax adjustments	(137,546)	(53,929)
Recoverable tax losses carried forward	(186,559)	(213,650)
Non recoverable tax losses	3,284,166	4,040,086
Impairment and reversal of provisions	-	(5,438,520)
Impact of the change in the income tax rate	(1,200,435)	(477,120)
Provision for current tax	176,553	-
Tax benefits	-	(696,313)
Other	470,841	20,051
	12,917,626	8,155,252
Effective tax rate	33.93%	21.13%

(a) This amount is made up essentially of :

Impairment losses on fixed assets		
Effects arising from the application of the equity method (Note 14)	26,088	(39,370)
Capital gains / (losses) for tax purposes	(22,315)	(6,257)
Capital gains / (losses) for accounting purposes	(8,742)	(30,428)
Impairment of taxed provisions	3,423,580	1,395,534
Tax benefits	(569,290)	(492,195)
Reversal of taxed provisions	(236,614)	(119,702)
Intra-group earnings subject to taxation	630,394	(1,393,517)
Employees benefits	196,181	698,638
Reversal of deferred taxes	(140,442)	-
Others	(609,125)	717,788
	2,689,715	730,491
Tax effect (22.5%)	605,186	164,360

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 longer period. 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 interim consolidated financial statements as of 31 March 2017. The income tax returns up to 2013, inclusive, in Navigator, Secil and Semapa have already been reviewed.

10. EARNINGS PER SHARE

There are no convertible financial instruments over Semapa's shares, so there is no dilution of earnings.

Amounts in Euro	1st Q 2017	1st Q 2016
Profit attributable to Semapa's shareholders	14,273,077	17,550,751
Weighted average number of ordinary shares in issue	80,683,671	81,427,349
Basic earnings per share	0.177	0.216
Diluted earnings per share	0.177	0.216

11. RETAINED EARNINGS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

The movement in the Non-controlling interests, by operating segments, in the first quarter of 2017 and 2016, including its attributable retained earnings for the period was as follows:

Amounts in Euro	Pulp and paper	Cement and derivatives	Environment	Total
Balance as of 1 January 2016	327,364,027	87,918,441	6,987	415,289,455
Acquisitions / (Disposals)	-	(133,592)	-	(133,592)
Dividends	(52,018,480)	(17,663,591)	-	(69,682,071)
Currency translation reserve	(1,978,947)	2,290,221	-	311,274
Financial instruments	(1,744,933)	29	-	(1,744,904)
Remeasurments	(3,050,775)	370	-	(3,050,405)
Other movements in equity	(5,678,108)	-	-	(5,678,108)
Profit for the year	62,492,236	11,949,993	329	74,442,558
Balance as of 31 December 2016	325,385,020	84,361,871	7,316	409,754,207
Currency translation reserve	800,766	(1,083,413)	-	(282,647)
Financial instruments	452,026	6	-	452,032
Remeasurments	535,705	-	-	535,705
Other movements in equity	(395,904)	(70)	-	(395,974)
Profit for the period	9,307,083	1,575,961	121	10,883,165
Balance as of 31 March 2017	336,084,696	84,854,355	7,437	420,946,488

12. GOODWILL

During the first quarter of 2017 and 2016, the movement regarding Goodwill was as follows:

Amounts in Euro	31/03/2017	31/12/2016
Opening balance	352,812,897	335,643,370
Impairment losses	-	(5,770,410)
Acquisitions	7,739,608	10,756,626
Exchange rate adjustment	920,630	12,183,311
Closing balance	361,473,135	352,812,897

Note: The presented figures are net of impairment losses (Note 22)

As of 31 March 2017 and 31 December 2016, Goodwill was comprised as follows

Amounts in Euro	31-03-2017	31-12-2016
Cement and derivatives	202,142,673	193,482,435
Pulp and paper	122,907,528	122,907,528
Environment	36,422,934	36,422,934
	361,473,135	352,812,897

CHANGES IN THE PERIMETER

On March 2017, the Group's subsidiary Secil concluded the acquisition of a group of assets in Spain previously owned by LafargeHolcim Group, namely a cement terminal, two quarries and thirteen ready-mixed concrete plants, located in the Spanish regions of Asturias, Galicia and Castile and León.

This acquisition generated a Goodwill of Euro 7,739,608, computed as follows:

Amounts in Euro	Cementos Secil, SLU
Non-Current Assets	
Other intangible assets	1,803,911
Property, Plant and Equipment	2,884,819
Current Assets	
Inventories	1,071,662
State and other public entities	58,800
Acquired net equity	5,819,192
Difference of Acquisition (Positive)	7,739,608
Acquisition value	13,558,800

13. PROPERTY, PLANT AND EQUIPMENT

The following movements were registered in the three months period ended 31 March 2017 and in the year ended 31 December 2016 under the caption Property, plant and equipment, as well as on the respective depreciation and impairment losses accounts:

Amounts in Euro	Land	Buildings and other constructions	Equipments and other tangibles	Assets under construction	Total
Acquisition Cost					
Amount as of 1 January 2016	427,676,574	1,102,015,756	5,189,921,579	103,150,144	6,822,764,053
Change of consolidation perimeter	2,465,305	9,800,758	22,452,956	110,636	34,829,655
Acquisition	1,368,547	1,651,379	14,777,926	168,260,495	186,058,347
Disposals	(39,818)	(2,444,016)	(13,089,543)	(6,351)	(15,579,728)
Adjustments, transfers and write-off's	3,223,165	16,461,261	118,088,961	(160,730,192)	(22,956,805)
Exchange rate adjustment	8,658,782	16,926,013	26,867,432	314,031	52,766,258
Amount as of 31 December 2016	427,676,574	1,102,015,756	5,189,921,579	103,150,144	7,057,881,780
Change of consolidation perimeter	101,635	855,684	1,927,500	-	2,884,819
Acquisition	130,039	19,712	865,811	20,839,693	21,855,255
Disposals	-	-	(940,712)	(856)	(941,568)
Adjustments, transfers and write-off's	1,589,219	876,880	866,746	(7,465,058)	(4,132,213)
Exchange rate adjustment	432,785	403,129	(449,395)	(1,373)	385,146
Amount as of 31 March 2017	429,930,252	1,104,171,161	5,192,191,529	116,522,550	7,077,933,219
Accumulated depreciations and impairment losses					
Amount as of 1 January 2016	(56,668,444)	(664,476,228)	(3,760,939,850)	(3,741,590)	(4,485,826,112)
Change of consolidation perimeter	(1,787,836)	(9,365,208)	(22,545,174)	-	(33,698,218)
Amortizations and impairment losses	(4,522,293)	(19,033,655)	(172,351,541)	-	(195,907,489)
Disposals	-	336,201	9,620,843	-	9,957,044
Impairment Losses	(2,960,025)	-	-	(51,325,138)	(54,285,163)
Adjustments, transfers and write-off's	-	7,799,554	3,362,798	-	11,162,352
Exchange rate adjustment	1,079,810	1,103,637	2,022,673	-	4,206,120
Amount as of 31 December 2016	(64,858,788)	(683,635,699)	(3,940,830,251)	(55,066,728)	(4,744,391,466)
Amortizations and impairment losses	(1,158,820)	(5,318,149)	(43,687,479)	-	(50,164,448)
Disposals	-	-	906,056	-	906,056
Impairment Losses	-	-	-	(1,068,107)	(1,068,107)
Adjustments, transfers and write-off's	-	74,744	(7,926)	-	66,818
Exchange rate adjustment	79,605	479,491	1,902,963	-	2,462,059
Amount as of 31 March 2017	(65,938,003)	(688,399,613)	(3,981,716,637)	(56,134,835)	(4,792,189,088)
Net book value as of 1 January 2016	371,008,130	437,539,528	1,428,981,729	99,408,554	2,336,937,941
Net book value as of 31 December 2016	362,817,786	418,380,057	1,249,091,328	48,083,416	2,313,490,314
Net book value as of 31 March 2017	363,992,249	415,771,548	1,210,474,892	60,387,715	2,285,744,131

14. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

As of 31 March 2017 and 31 December 2016, Investment in associates and joint ventures comprised:

Entities	Book Value			
	% Held	31-03-2017	% Held	31-12-2016
Associated companies				
Setefrete, SGPS, S.A.	25.00%	3,329,903	25.00%	3,329,903
MC - Materiaux de Construction	49.36%	2,060	49.36%	2,068
J.M.J. - Henriques, Lda.	50.00%	376,752	50.00%	376,752
Ave, S.A.	35.00%	24,826	35.00%	176,735
		3,733,541		3,885,458

The following movements were registered in this caption during the three months period ended 31 March 2017 and the year ended 31 December 2016:

Amounts in Euro	31-03-2017	31-12-2016
Opening balance	3,885,458	3,403,708
Incorporated Net Profit	(26,088)	1,380,062
Dividends received	(125,822)	(868,685)
Group share of (loss) / gains of associated companies	-	(29,434)
Exchange rate adjustments	(7)	(193)
Closing Balance	3,733,541	3,885,458

15. RECEIVABLES AND OTHER CURRENT ASSETS:

As of 31 March 2017 and 31 December 2016 the caption Receivables and other current assets comprised:

Amounts in Euro	31-03-2017	31-12-2016
Accounts receivable	248,268,338	244,913,009
Accounts receivable - related parties (Note 23)	501,448	859,869
Derivative financial instruments (Note 22)	1,295,278	942,139
Other receivables	51,679,295	43,720,096
Accrued income	1,609,245	2,747,450
Deferred costs	20,200,335	11,721,863
	323,553,939	304,904,426

Note: The presented figures are net of impairment losses

As of 31 March 2017 and 31 December 2016 the caption Other Receivables comprised:

Amounts in Euro	31-03-2017	31-12-2016
Other receivables		
Advances to suppliers	5,094,117	2,123,078
Advances to staff	1,151,013	1,392,317
Price Adjustment Acquisition of Supremo Cimentos	2,174,395	2,143,467
Financial Incentives	58,870	58,869
Guarantees in favour of third parties	4,933,451	4,281,655
Department of Commerce (USA)	28,741,654	26,369,181
Other	9,525,795	7,351,529
	51,679,295	43,720,096

In the first quarter of 2017, the amount shown as “Advances to suppliers” includes Euro 3,191,369 of advanced payments made to wood suppliers. As a way of ensuring the sustainability of the forest value chain to the industry, the Navigator Group advances payments to its suppliers upon presentation of guarantees, for the wood to be bought throughout the year. Those advances are settled as supplies are delivered.

In 2015 the Navigator Group was subject to an investigation of alleged dumping practices in UWF imports to the United States of America, and an anti-dumping provisional tax rate was imposed over those sales, of 29.53%. On 11 January 2016, the US Department of Commerce settled the final duty rate at 7.8%. Although the final rate is substantially lower than the initially determined margin, The Navigator Company disagrees with any anti-dumping margin and will use all legal resources available to demonstrate that this measure is not justified, as there is no causal link between paper exports to the United States of America and the alleged injury of the local paper industry from August 2015 onwards. Given this understanding, a receivable for the whole amount already paid was booked by the Group.

The amount shown under “Price Adjustment – Acquisition of Supremo Cimentos” in 2016, regards the price adjustment made under the acquisition contract of this subsidiary celebrated between both parties.

As of 31 March 2017 and 31 December 2016 the captions Accrued income and Deferred costs comprised:

Amounts in Euro	31-03-2017	31-12-2016
Accrued income		
Interest receivable	524,713	531,667
Other	1,084,532	2,215,783
	1,609,245	2,747,450
Deferred costs		
Insurance	7,830,896	579,987
Rents and leases	3,656,926	3,303,855
Other	8,712,513	7,838,021
	20,200,334	11,721,863
	21,809,579	14,469,313

16. SHARE CAPITAL AND TREASURY SHARES

At 31 March 2017 and 31 December 2016, Semapa share capital was fully subscribed and paid up, being represented by 81,270,000 shares with a unit nominal value of 1 Euro.

At 31 March 2017 and 31 December 2016 the following entities had substantial holdings in the company's capital:

Name	Number of shares	%	
		31-03-2017	31-12-2016
Longapar, SGPS, S.A.	22,225,400	27.35	27.35
Cimo - Gestão de Participações, SGPS, S.A.	16,199,031	19.93	19.93
Sodim, SGPS, S.A.	15,252,726	18.77	18.77
Bestinver Gestión, SGIIC, S.A.	7,166,756	8.82	8.82
Cimigest, SGPS, S.A.	3,185,019	3.92	3.92
Santander Asset Management España, SA	2,268,346	2.79	2.79
Sociedade Agrícola da Quinta da Vialonga, S.A.	625,199	0.77	0.77
OEM - Organização de Empresas, SGPS, S.A.	535,000	0.66	0.66
Treasury shares	586,329	0.72	0.72
Other shareholders with less than 2% participation	13,226,194	16.27	16.27
	81,270,000	100.00	100.00

As at 31 March 2017 and 31 December 2016, Semapa – Sociedade de Investimento e Gestão, SGPS, S.A. held 586,329 treasury shares.

17. RESERVES

As of 31 March 2017 and 31 December 2016 the captions Fair value reserves, Translation reserves and Other reserves comprised:

Amounts in Euro	31/03/2017	31/12/2016
Fair value of financial instruments	(3,446,367)	(4,780,771)
Other fair value reserves	(1,281,742)	(1,281,742)
Total amount of fair value reserves	(4,728,109)	(6,062,513)
Translation reserve	(28,197,639)	(31,600,075)
Legal reserves	16,695,625	23,666,489
Others reserves	700,921,321	693,950,457
Total amount of other reserves	717,616,946	717,616,946
Total reserves	684,691,198	679,954,358

18. DEFERRED TAXES

The following movement took place in the caption Deferred tax assets and liabilities during the three months period ended 31 March 2017:

Amounts in Euro	As of 1 January 2017	Exchange adjustment	Income Statement		Retained earnings	Transfers	Assets held for sale	As of 31 March 2017
			Increases	Decreases				
Temporary differences originating deferred tax assets								
Tax losses carried forward	57,504,185	763,297	5,817,614	-	-	-	-	64,085,096
Taxed provisions	30,560,249	(64,601)	5,990,415	(251,465)	-	1	-	36,234,599
Harmonisation of depreciation criteria	116,353,989	-	-	(10,460,221)	-	1	-	105,893,769
Pensions and other post-employment benefits	5,156,848	(347)	-	(166,121)	-	-	-	4,990,380
Financial Instruments	10,398,848	-	-	-	(334,362)	-	-	10,064,486
Deferred accounting gains on inter-group transactions	33,270,651	942	7,166,440	(3,764,334)	-	1	-	36,673,700
Fiscal investment incentives	14,174,165	-	-	(457,870)	-	-	-	13,716,295
Fair value of business combinations	1,734,023	(24,315)	-	-	-	-	-	1,709,708
Other temporary differences	8,690,053	68,968	-	(1,363,946)	-	512,261	-	7,907,336
	277,843,011	743,944	18,974,469	(16,463,957)	(334,362)	512,264	-	281,275,369
Temporary differences originating deferred tax liabilities								
Fixed tangible asset revaluation	(60,835,881)	(838,231)	-	181,331	-	-	-	(61,492,781)
Pensions and other post-employment benefits	(2,121,065)	-	(8,181)	-	(214)	-	-	(2,129,460)
Financial Instruments	1,769,836	23,835	-	1,158,163	(826,239)	-	-	2,125,595
Tax Benefits	(1,270,679)	-	(4,360,665)	-	66,879	-	-	(5,564,465)
Harmonisation of depreciation criteria	(388,205,374)	(243,643)	(8,981,005)	7,830,886	-	-	-	(389,599,136)
Deferred accounting losses on inter-group transactions	(3,250,619)	-	-	19,850	-	-	-	(3,230,769)
Valuation of biological assets	(3,979,927)	-	(69,386)	-	-	-	-	(4,049,313)
Fair Value of intangible assets - brands	(257,146,542)	461,251	-	(666,827)	-	-	-	(257,352,118)
Fair Value of tangible assets	(126,776,591)	-	-	3,817,887	-	1	-	(122,958,703)
Fair value of business combinations	(180,076,742)	166,215	-	2,915,856	-	-	(7,578)	(177,002,249)
Other temporary differences	(2,027,027)	(13,385)	(187,749)	-	-	-	-	(2,228,161)
	(1,023,920,611)	(443,958)	(13,606,986)	15,257,146	(759,574)	1	(7,578)	(1,023,481,560)
Deferred tax assets	78,652,223	271,872	4,730,163	(3,651,471)	(91,950)	1	-	79,910,838
Deferred tax liabilities	(276,468,649)	(318,526)	(2,578,541)	2,756,165	(208,883)	1	(1,687)	(276,820,120)

19. PROVISIONS

The following movement took place in the caption Provisions during the three-month period ended 31 March 2017 and the year ended 31 December 2016:

Amounts in Euro	Legal claims	Tax claims	Environmental restoration	Others	Total
As of 1 January 2016	2,626,047	56,214,594	7,144,503	38,245,671	104,230,815
Change in perimeter	-	-	-	(2,530,781)	(2,530,781)
Increases	-	2,112,283	516	17,221,369	19,334,168
Reversals	(374,826)	(2,173,379)	(157,298)	(19,016,560)	(21,722,063)
Direct utilisations	-	-	(19,813)	3,201,438	3,181,625
Exchange rate adjustments	-	-	1,595	364,490	366,085
Financial discounts	-	-	289,490	-	289,490
Transfers and adjustments	(29,455)	(28,548,109)	-	-	(28,577,564)
As of 31 December 2016	2,221,766	27,605,389	7,258,993	37,485,627	74,571,775
Change in perimeter	-	-	-	-	-
Increases (Note 6)	-	1,736	71	155,956	157,763
Reversals (Note 6)	-	-	(39,325)	(129,520)	(168,845)
Direct utilisations	-	-	(2,910)	(1,459,006)	(1,461,916)
Exchange rate adjustments	-	-	123	(61,288)	(61,165)
Financial discounts	-	-	70,896	-	70,896
Transfers and adjustments	78,578	(1,521,550)	-	(1,221,653)	(2,664,625)
As of 31 March 2017	2,300,344	26,085,575	7,287,848	34,770,116	70,443,883

The amount shown as Others is related with provisions for multiple risks of different natures, which may originate cash outflows in the future.

20. INTEREST BEARING LIABILITIES

As of 31 March 2017 and 31 December 2016, Group's net debt was as follows:

Amounts in Euro	31-03-2017	31-12-2016
Interest-bearing liabilities		
Non-current	1,687,817,076	1,697,565,380
Current	273,473,570	266,268,367
	1,961,290,646	1,963,833,747
Cash and cash equivalents		
Cash	814,831	679,425
Short term bank deposits	161,439,573	143,499,139
Other short term investments	40,521,112	39,922,710
	202,775,516	184,101,274
Interest bearing net debt	1,758,515,130	1,779,732,473

NON-CURRENT INTEREST-BEARING LIABILITIES

As of 31 March 2017 and 31 December 2016 Non-current interest-bearing liabilities were as follows:

Amounts in Euro	31-03-2017	31-12-2016
Non-current		
Bond loans	871,000,000	871,000,000
Commercial paper	572,050,000	510,000,000
Bank loans	247,175,421	318,194,383
Expenses with loans issuing	(8,908,361)	(9,753,767)
Interest-bearing bank debt	1,681,317,060	1,689,440,616
Financial leases	1,869,122	2,038,700
Other loans	4,237,695	5,692,866
Other debt	393,199	393,198
Other interest-bearing debts	6,500,016	8,124,764
Non-current interest-bearing liabilities	1,687,817,076	1,697,565,380

CURRENT INTEREST-BEARING LIABILITIES

As of 31 March 2017 and 31 December 2016, Current interest-bearing liabilities were as follows:

Amounts in Euro	31-03-2017	31-12-2016
Current		
Bond loans	40,000,000	40,000,000
Commercial paper	95,000,000	95,000,000
Bank loans	116,874,139	108,985,402
Expenses with bond loans issuing	(1,696,023)	(1,702,642)
Interest-bearing bank debt	250,178,116	242,282,760
Shareholders short- term loans (Note 23)	8,681,174	8,830,127
Financial leases	781,654	773,982
Other loans - QREN	-	223,854
Other debts	13,832,626	14,157,644
Other interest-bearing debts	23,295,454	23,985,607
Current interest-bearing liabilities	273,473,570	266,268,367

21. PAYABLES AND OTHER CURRENT LIABILITIES

As of 31 March 2017 and 31 December 2016 the caption Payables and other current liabilities comprised:

Amounts in Euro	31-03-2017	31-12-2016
Accounts payable to suppliers	199,395,225	182,449,988
Accounts payable to suppliers of tangible asset	35,749,865	39,150,234
Instituto do Ambiente	14,779,142	13,495,261
Derivative financial instruments (Note 22)	7,086,083	10,185,130
Other creditors	7,439,725	9,209,742
Related parties (Note 23)	3,337,872	3,487,349
Accrued costs	115,818,065	109,546,762
Deferred income	21,359,028	12,258,343
	404,965,005	379,782,809

As of 31 March 2017 and 31 December 2016 the captions Accrued costs and Deferred income comprised:

Amounts in Euro	31-03-2017	31-12-2016
Accrued Costs		
Insurance costs	35,534	7,834
Payroll expenses	65,040,787	54,199,992
Interests payable	11,518,404	11,306,041
Accrued energy costs	9,308,724	8,757,517
Transport services	272,858	490,024
Bank services	243,450	475,123
Audit fees	53,610	92,364
Consulting fees	1,935,288	1,826,588
IT Services	395,000	322,995
Other	27,014,410	32,068,284
	115,818,065	109,546,762
Deferred Income		
Government grants	5,954,397	5,929,823
Grants - CO2 emission allowances	14,359,419	5,351,466
Others	1,045,212	977,054
	21,359,028	12,258,343

22. DERIVATIVE FINANCIAL INSTRUMENTS

As of 31 March 2017 and 31 December 2016 the fair value of hedging and trading derivative financial instruments was as follows:

Amounts in Euro	Amount	Currency	Maturity	31/03/2017			31/12/2016
				Positive	Negative	Net	Net
Hedging							
Coverage of net investment	25,050,000	USD	2017	11,528	-	11,528	(249,273)
Exchange rate forwards (future sales)	347,000,000	USD	2017	1,283,750	(338,660)	945,090	901,050
Interest rate swaps (SWAP'S)	505,000,000	Euro	2020/23	-	(4,859,508)	(4,859,508)	(6,954,515)
				1,295,278	(5,198,168)	(3,902,890)	(6,302,738)
Trading							
Exchange rate forwards	62,300,000	USD	2017	-	(92,283)	(92,283)	(1,778,650)
Exchange rate forwards	10,680,000	GBP	2017	-	-	-	(164,752)
Cross currency interest rate swap	17,739,298	USD	2018/2019	-	(761,227)	(761,227)	(426,933)
Interest rate Collar	23,894,658	BRL	2018	-	(253,441)	(253,441)	(153,640)
Non Deliverable Forward (NDF)	(27,435,044)	BRL	2017/2018	-	(774,113)	(774,113)	(416,278)
Interest rate swaps (SWAP'S)	460,000	USD	2017	-	(6,851)	(6,851)	-
				-	(1,887,915)	(1,887,915)	(2,940,253)
				1,295,278	(7,086,083)	(5,790,805)	(9,242,991)

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

As of 31 March 2017 and 31 December 2016 balances with related parties are detailed as follows:

Amounts in Euro	31/03/2017			31/12/2016		
	Other Receivables (Note 15)	Other payables (Note 21)	Interest-bearing liabilities (Note 20)	Other Receivables (Note 15)	Other payables (Note 21)	Interest-bearing liabilities (Note 20)
Shareholders						
Cimigest, SGPS, S.A.	-	-	-	-	-	6,209,058
Cimo SGPS, S.A.	-	-	5,952,766	-	-	321,842
Longapar, SGPS, S.A.	-	-	500,458	-	-	73,064
OEM SGPS, S.A.	-	-	2,227,950	-	-	2,226,163
Other related entities						
Cimilonga - Imobiliária, S.A.	-	(13,700)	-	-	(13,700)	-
Hotel Ritz, S.A.	-	27,592	-	-	10,843	-
Ave-Gestão Ambiental, S.A.	113,739	167,431	-	148,734	(146,844)	-
Cotif Sicar	-	88,940	-	-	89,255	-
Enermontijo, S.A.	48,489	-	-	363,682	6,708	-
Inertogrande	215,094	3,648	-	214,669	2,091	-
J.M.J. Henriques, Lda.	124,126	-	-	123,701	-	-
Seribo, S.A.	-	321,110	-	-	319,907	-
Setefrete - Soc. Tráfego Cargas, S.A.	-	245,451	-	-	3,423	-
Other related parties	-	2,497,400	-	9,083	3,215,666	-
Total	501,448	3,337,872	8,681,174	859,869	3,487,349	8,830,127

For the three months period ended 31 March 2017 and 2016 transactions with shareholders and other related parties were as follows:

Amounts in Euro	31-03-2017				31-03-2016			
	Service purchase	Sales of goods and services rendered	Operating Income	Net Financial Costs	Service purchase	Sales of goods and services rendered	Operating Income	Net Financial Costs
Shareholders								
Cimigest SGPS, S.A.	(26,935)	-	2,502	(1,547)	(26,935)	-	-	(3,359)
Cimo SGPS, S.A.	-	-	-	(6,099)	-	-	-	-
Longapar, SGPS, S.A.	-	-	-	(524)	-	-	-	(21,348)
OEM SGPS, S.A.	-	-	-	(2,783)	-	-	-	(2,610)
	(26,935)	-	2,502	(10,953)	(26,935)	-	-	(27,317)
Other related entities								
Cimilonga - Imobiliária, S.A.	(218,090)	-	-	-	(102,728)	-	-	-
Hotel Ritz, S.A.	(31,040)	-	-	-	(61,196)	-	-	-
Sonagi, SGPS, S.A.	-	-	600	-	-	-	300	-
Enermontijo, S.A.	(65,445)	42,957	-	-	(47,167)	293,999	-	-
Enerpar, SGPS, S.A.	(58,964)	-	-	-	(85,398)	-	-	-
Ave-Gestão Ambiental, S.A.	(503,758)	14,561	12,463	-	(728,362)	13,383	4,217	-
Secil Prebetão, S.A.	-	-	-	-	(10,924)	173,027	23,943	1,294
Seribo, S.A.	-	-	-	(1,203)	-	-	-	-
Setefrete, S.A.	(623,356)	-	20,351	-	(515,236)	-	24,086	-
Others	(1,277)	-	-	(83)	-	-	-	(1,285)
	(1,501,930)	57,518	33,414	(1,286)	(1,551,011)	480,409	52,546	9

24. NUMBER OF EMPLOYEES

As of 31 March 2017 and 31 December 2016 the number of employees in service of the Group's several companies, by business segment were 5,955 and 6,028, respectively.

25. COMPANIES INCLUDED IN THE CONSOLIDATION

		Direct and indirect % of equity held by Semapa		
Name	Head Office	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
Seinpart, SGPS, S.A.	Lisbon	49.00	51.00	100.00
Seinpar Investments, B.V.	Amsterdam	100.00	-	100.00
Semapa Inversiones S.L.	Madrid	100.00	-	100.00
Celcimo S.L.	Madrid	-	100.00	100.00
Inspiredplace, S.A.	Lisbon	100.00	-	100.00
Aphelion, S.A.	Lisbon	100.00	-	100.00

SUBSIDIARIES OF THE SUBGROUP ETSA

Name	Head Office	Direct and indirect % of equity held in ETSA			Direct and indirect % of equity held by Semapa
		Direct	Indirect	Total	
Parent - company:					
ETSA - Investimentos, SGPS, S.A.	Loures	99.99	-	99.99	99.99
Subsidiaries:					
ETSA LOG,S.A.	Loures	100.00	-	100.00	99.99
ABAPOR – Comércio e Industria de Carnes, S.A.	Coruche	100.00	-	100.00	99.99
SEBOL – Comércio e Industria de Sebo, S.A.	Loures	100.00	-	100.00	99.99
ITS – Indústria Transformadora de Subprodutos Animais, S.A.	Coruche	100.00	-	100.00	99.99
BIOLOGICAL - Gestão de Resíduos Industriais, Lda.	Loures	100.00	-	100.00	99.99
AI SIB – Aprovechamiento Integral de Subprodutos Ibéricos, S.A.	Mérida	100.00	-	100.00	99.99

SUBSIDIARIES OF THE SUBGROUP NAVIGATOR

Name	Head Office	Direct and indirect % of equity held in The Navigator Company			Direct and indirect
		Direct	Indirect	Total	% of equity held by Semapa
Parent - company:					
The Navigator Company, S.A.	Setubal	35.71	33.69	69.40	69.40
Subsidiaries:					
Navigator Paper Figueira, S.A.	Figueira da Foz	100.00	-	100.00	69.40
Navigator Parques Industriais, S.A.	Setubal	100.00	-	100.00	69.40
Navigator Products & Tecnologia, S.A.	Setubal	100.00	-	100.00	69.40
Enerpulp – Cogeração Energética de Pasta, S.A.	Setubal	100.00	-	100.00	69.40
Aboutbalance - SGPS, S.A.	Lisbon	100.00	-	100.00	69.40
Navigator Tissue Rodão, SA	Vila Velha de Ródão	-	100.00	100.00	69.40
Navigator Tissue Cacia, S.A.	Aveiro	-	100.00	100.00	69.40
Navigator Internacional Holding SGPS, S.A.	Setubal	100.00	0.00	100.00	69.40
Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, Lda	Mozambique	20.05	60.15	80.20	55.66
Colombo Energy Inc.	USA	25.00	75.00	100.00	69.40
Portucel Finance, Zoo	Poland	25.00	75.00	100.00	69.40
Navigator Africa, SRL	Italy	-	100.00	100.00	69.40
Navigator Floresta, SGPS, S.A.	Setubal	100.00	-	100.00	69.40
Sociedade de Vinhos da Herdade de Espirra - Produção e Comercialização de Vinhos, S.A.	Setubal	-	100.00	100.00	69.40
Gavião - Sociedade de Caça e Turismo, S.A.	Setubal	-	100.00	100.00	69.40
Navigator Forest Portugal, S.A.	Setubal	-	100.00	100.00	69.40
Afoelca - Agrupamento complementar de empresas para protecção contra incêndios, ACE	Portugal	-	64.80	64.80	44.97
Viveiros Aliança - Empresa Produtora de Plantas, S.A.	Palmela	-	100.00	100.00	69.40
Atlantic Forests, S.A.	Setubal	-	100.00	100.00	69.40
Raiz - Instituto de Investigação da Floresta e Papel	Aveiro	-	94.00	94.00	65.24
Bosques do Atlantico, SL	Spain	-	100.00	100.00	69.40
Navigator Pulp Holding ,SGPS, S.A.	Setubal	100.00	-	100.00	69.40
Navigator Pulp Figueira, S.A.	Figueira da Foz	-	100.00	100.00	69.40
Navigator Pulp Setúbal, S.A.	Setubal	-	100.00	100.00	69.40
Navigator Pulp Cacia, S.A.	Aveiro	-	100.00	100.00	69.40
Portucel International GmbH	Germany	-	100.00	100.00	69.40
Navigator Paper Holding ,SGPS, S.A.	Setubal	100.00	-	100.00	69.40
Navigator Cartolinas , S.A.	Setubal	-	100.00	100.00	69.40
About the Future - Empresa Produtora de Papel, S.A.	Setubal	-	100.00	100.00	69.40
Navigator Paper Setúbal, S.A.	Setubal	-	100.00	100.00	69.40
Portucel Soporcel North America Inc.	USA	-	100.00	100.00	69.40
Navigator Sales & Marketing, S.A.	Belgium	25.00	75.00	100.00	69.40
Navigator Lusa, Lda	Figueira da Foz	-	100.00	100.00	69.40
Navigator Switzerland Ltd.	Switzerland	25.00	75.00	100.00	69.40
PortucelSoporcel Afrique du Nord	Morocco	-	100.00	100.00	69.40
PortucelSoporcel España, S.A.	Spain	-	100.00	100.00	69.40
Navigator Netherlands, BV	Netherlands	-	100.00	100.00	69.40
PortucelSoporcel France, EURL	France	-	100.00	100.00	69.40
Navigator Paper Company UK, Ltd	United Kingdom	-	100.00	100.00	69.40
Navigator Italia, SRL	Italy	-	100.00	100.00	69.40
PortucelSoporcel Deutschland, GmbH	Germany	-	100.00	100.00	69.40
Navigator Paper Austria, GmbH	Austria	-	100.00	100.00	69.40
PortucelSoporcel Poland SP Z o o	Poland	-	100.00	100.00	69.40
Navigator Eurasia	Turkey	-	100.00	100.00	69.40
Navigator Rus Company, LLC	Russia	-	100.00	100.00	69.40
Navigator Participações Holding ,SGPS, S.A.	Setubal	100.00	-	100.00	69.40
Portucel Florestal, S.A.	Setubal	100.00	-	100.00	69.40
Arboser – Serviços Agro-Industriais, S.A.	Setubal	-	100.00	100.00	69.40
EMA21 - Engenharia e Manutenção Industrial Século XXI, S.A.	Setubal	-	100.00	100.00	69.40
Ema Cacia - Engenharia e Manutenção Industrial, ACE	Aveiro	-	92.60	92.60	64.27
Ema Setúbal - Engenharia e Manutenção Industrial, ACE	Setubal	-	91.30	91.30	63.36
Ema Figueira da Foz- Engenharia e Manutenção Industrial, ACE	Figueira da Foz	-	88.70	88.70	61.56
Empremédia - Corretores de Seguros, S.A.	Lisbon	-	100.00	100.00	69.40
EucaliptusLand, S.A.	Setubal	-	100.00	100.00	69.40
Headbox - Operação e Contolo Industrial, S.A.	Setubal	-	100.00	100.00	69.40
Navigator Added Value, S.A.	Setubal	-	100.00	100.00	69.40
Navigator Abastecimento de Madeira, ACE	Setubal	-	100.00	100.00	69.40

SUBSIDIARIES OF THE SUBGROUP SECIL

Name	Head Office	Direct and indirect % of equity held in Secil			Direct and indirect % of equity held by Semapa
		Direct	Indirect	Total	
Parent - company:					
Secil - Companhia Geral de Cal e Cimento, S.A.	Setubal	-	99.998	99.998	99.998
Subsidiaries:					
Hewbol, S.G.P.S., Lda.	Funchal	100.00	-	100.00	99.998
Somera Trading Inc.	Panama	-	100.00	100.00	99.998
Secil Cabo Verde Comércio e Serviços, Lda.	Praia	-	100.00	100.00	99.998
ICV - Inertes de Cabo Verde, Lda.	Praia	37.50	25.00	62.50	62.499
Florimar- Gestão e Participações, S.G.P.S., Lda.	Funchal	100.00	-	100.00	99.998
Sociedade de Inertes, Lda	Nacala	-	100.00	100.00	99.998
Seciment Investments, B.V.	Amsterdam	100.00	-	100.00	99.998
I3 Participações e Serviços, Ltda.	Rio de Janeiro	-	100.00	100.00	99.998
Serife - Sociedade de Estudos e Realizações Industriais e de Fornecimento de Equipamento, Lda	Lisboa	100.00	-	100.00	99.998
Silonor, S.A.	Dunkerque	100.00	-	100.00	99.998
Société des Ciments de Gabés	Tunis	98.72	-	98.72	98.716
Sud- Béton- Société de Fabrication de Béton du Sud	Tunis	-	98.72	98.72	98.716
Zarzis Béton	Tunis	-	98.52	98.52	98.519
Secil Angola, SARL	Luanda	100.00	-	100.00	99.998
Secil - Companhia de Cimento do Lobito, S.A.	Lobito	-	51.00	51.00	50.999
Unibetão - Indústrias de Betão Preparado, S.A.	Lisbon	100.00	-	100.00	99.998
Britobetão - Central de Betão, Lda.	Evora	9.00	91.00	100.00	99.998
Secil Britas, S.A.	Lisbon	100.00	-	100.00	99.998
Lusoinertes, S.A.	Lisbon	-	100.00	100.00	99.998
Secil Martingança - Aglomerantes e Novos Materiais para a Construção, S.A.	Leiria	51.19	48.81	100.00	99.998
IRP - Indústria de Rebocos de Portugal, S.A.	Santarém	-	75.00	75.00	74.998
Ciminpart - Investimentos e Participações, S.G.P.S., S.A.	Lisbon	100.00	-	100.00	99.998
ALLMA - Microalgas, Lda.	Leiria	-	70.00	70.00	69.999
Argibetão - Sociedade de Novos Produtos de Argila e Betão, S.A.	Lisbon	-	99.37	99.37	99.368
Cimentos Costa Verde - Comércio de Cimentos, S.A.	Lisbon	-	100.00	100.00	99.998
Prescor Produção de Escórias Moidas, Lda.	Lisbon	-	100.00	100.00	99.998
Secil Brasil, SA	Brazil	-	100.00	100.00	99.998
Supremo Cimentos, SA	Brazil	-	100.00	100.00	99.998
Margem - Companhia de Mineração, SA	Brazil	-	100.00	100.00	99.998
Nacional Mineração e Engenharia S.A.	Brazil	-	100.00	100.00	99.998
CMP - Cimentos Maceira e Pataias, S.A.	Leiria	100.00	-	100.00	99.998
Ciments de Sibline, S.A.L.	Beirut	28.64	22.41	51.05	51.049
Soime, S.A.L.	Beirut	-	51.05	51.05	51.049
Cimentos Madeira, Lda.	Funchal	57.14	-	57.14	57.142
Beto Madeira - Betões e Britas da Madeira, S.A.	Funchal	-	57.14	57.14	57.142
Promadeira - Sociedade Técnica de Construção da Ilha da Madeira, Lda.	Funchal	-	57.14	57.14	57.142
Brimade - Sociedade de Britas da Madeira, S.A.	Funchal	-	57.14	57.14	57.142
Madebritas - Sociedade de Britas da Madeira, Lda. (a)	Funchal	-	29.14	29.14	29.142
Pedra Regional - Indústria Transformadora de Rochas Ornamentais, S.A.	Funchal	-	57.14	57.14	57.142
Allmicroalgae Natural Products SA	Leiria	-	100.00	100.00	99.998
Uniconcreto - Betão Pronto, S.A.	Lisbon	100.00	-	100.00	99.998
Finlandimmo Holding BV (futura Secil Netherlands BV)	Netherlands	100.00	-	100.00	99.998
Secil Immo Netherlands BV	Netherlands	-	100.00	100.00	99.998
Secil Cement BV	Netherlands	-	100.00	100.00	99.998
SPB, SGPS, LDA (Ex. Secil Unicon)	Setubal	100.00	-	100.00	99.998
Secil Prébetão, S.A.	Montijo	-	100.00	100.00	99.998
Cimentos Secil SLU	Madrid	100.00	-	100.00	99.998

(a) Company 51% owned by Brimade, S.A. And therefore controlled by the Group

26. NOTE ADDED FOR TRANSLATION

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

BOARD OF DIRECTORS

CHAIRMAN:

Pedro Mendonça de Queiroz Pereira

MEMBERS

João Nuno de Sottomayor Pinto de Castello Branco

José Miguel Pereira Gens Paredes

Paulo Miguel Garcês Ventura

Ricardo Miguel dos Santos Pacheco Pires

António Pedro de Carvalho Viana Baptista

Carlos Eduardo Coelho Alves

Francisco José Melo e Castro Guedes

Manuel Custódio de Oliveira

Vítor Manuel Galvão Rocha Novais Gonçalves

Vítor Paulo Paranhos Pereira