Semapa

QUARTERLY ACCOUNTS

FIRST 9 MONTHS OF 2018

QUARTERLY ACCOUNTS

(translation from the original text in Portuguese)

Semapa – Sociedade de Investimento e Gestão, SGPS, S.A.
Public Limited Company
Av. Fontes Pereira de Melo, nº 14, 10º, 1050-121 Lisboa
Companies Registry and Corporate Person no.: 502 593 130
Share Capital: EUR 81,270,000
ISIN: PTSEM0AM0004
LEI: 549300HNGOW85KIOH584
Ticker: Bloomberg (SEM PL); Reuters (SEM.LS)

PART 1

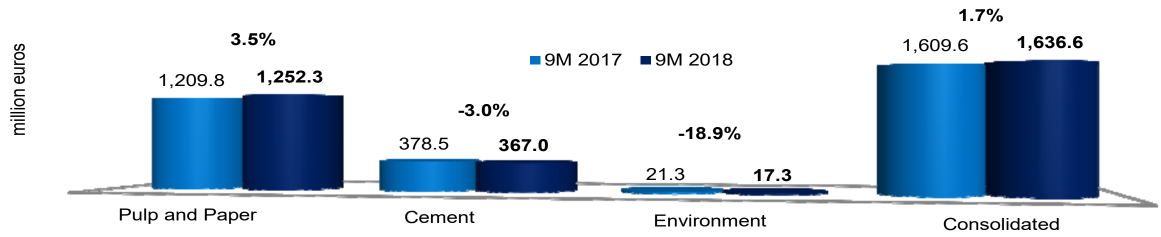
MANAGEMENT REPORT

CONTENTS

1. SEMAPA'S PERFORMANCE

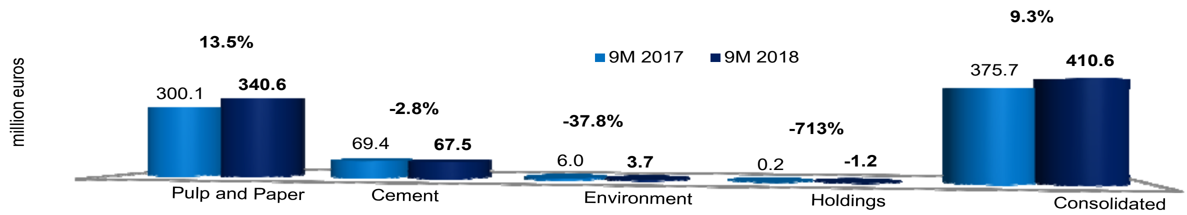
REVENUE

In the first nine months of 2018 the Semapa Group recorded consolidated revenue of 1,636.6 million euros, up by 1.7% from the same period in the previous year. Exports and foreign sales amounted to 1,233.6 million euros, accounting for 75.4% of revenue.



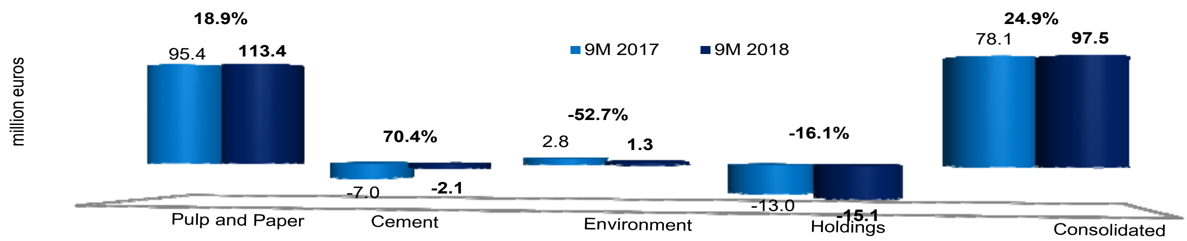
EBITDA

EBITDA for the first nine months of 2018 increased by about 9.3% in relation to the same period in the previous year, standing at 410.6 million euros. The consolidated EBITDA margin stood at 25.1%, 1.8 p.p. higher than that in the same period in the previous year.



NET PROFIT ATTRIBUTABLE TO SEMAPA SHAREHOLDERS

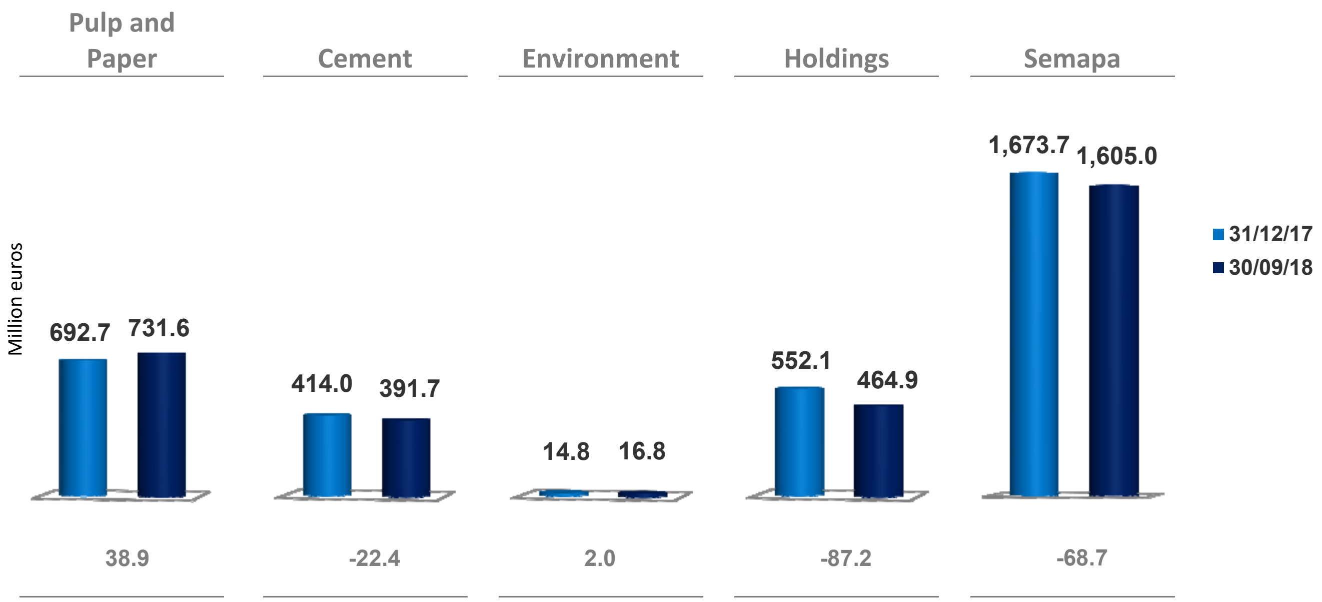
Profit before taxes increased 25.4% and net profit attributable to Semapa shareholders stood at 97.5 million euros, up by 24.9% in relation to the same period in the previous year.



The evolution in Net Profit is explained essentially by the combined effect of the following factors, in comparison with the same period in the previous year:

- An increase in total EBITDA of approximately 35.0 million euros;
- A decrease in depreciation, amortisation, impairment losses and provisions of 13.9 million euros;
- A deterioration in net financial results by about 8.2 million euros;
- An increase in income taxes of approximately 16.6 million euros.

NET DEBT



On 30 September 2018, consolidated net debt stood at 1,605.0 million euros, representing a reduction of 68.7 million euros over the figure recorded at year-end 2017, positively influenced by the generation of operating cash flow and:

- Pulp and paper: +38.9 million euros, including investments of about 148.4 million euros, the initial proceeds from the sale of the pellets business of 67.6 million euros and the payment of dividends of 200 million euros;
- Cement: -22.4 million euros, which includes the positive effect of foreign exchange denominated debt of approximately 18.3 million euros, investments of approximately 19 million euros and net working capital variation;
- Environment: +2.0 million euros, mainly arising from difficulty in collecting the amounts invoiced to the Government; and,
- Holdings: -87.2 million euros, resulting namely from dividends received from Navigator (139 million euros) and the payment of dividends (41.3 million euros).

LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	9M 2018	9M 2017	Var.	Q3 2018	Q3 2017	Var.
Revenue	**1,636.6**	**1,609.6**	**1.7%**	**567.9**	**533.3**	**6.5%**
EBITDA	**410.6**	**375.7**	**9.3%**	**141.3**	**128.9**	**9.6%**
EBITDA margin (%)	25.1%	23.3%	1.8 p.p.	24.9%	24.2%	0.7 p.p.
Depreciation, amortisation and impairment losses	(150.2)	(162.0)	7.3%	(48.9)	(52.7)	7.2%
Provisions	(1.7)	(3.8)	55.5%	0.3	(3.2)	109.6%
EBIT	**258.8**	**209.9**	**23.3%**	**92.8**	**73.0**	**27.1%**
EBIT margin (%)	15.8%	13.0%	2.8 p.p.	16.3%	13.7%	2.6 p.p.
Net financial results	(57.5)	(49.4)	-16.5%	(16.0)	(8.8)	-81.5%
Profit before taxes	**201.2**	**160.5**	**25.4%**	**76.8**	**64.2**	**19.6%**
Income taxes	(49.2)	(32.6)	-50.9%	(21.2)	(12.2)	-74.2%
Net profit for the period	152.0	127.9	18.9%	55.6	52.1	6.9%
Attributable to Semapa shareholders	**97.5**	**78.1**	**24.9%**	**38.4**	**34.7**	**10.5%**
Attributable to non-controlling interests (NCI)	54.5	49.8	9.4%	17.3	17.3	-0.4%
Cash-flow	303.9	293.7	3.5%	104.2	108.0	-3.5%
	30/09/2018	**31/12/2017**	**Sep18 vs. Dec17**			
Equity (before NCI)	863.2	843.4	2.4%			
Net debt	**1,605.0**	**1,673.7**	**-4.1%**			
Net Debt / EBITDA LTM	**3.00 x**	**3.34 x**	**-0.3 x**			

LEADING OPERATING INDICATORS

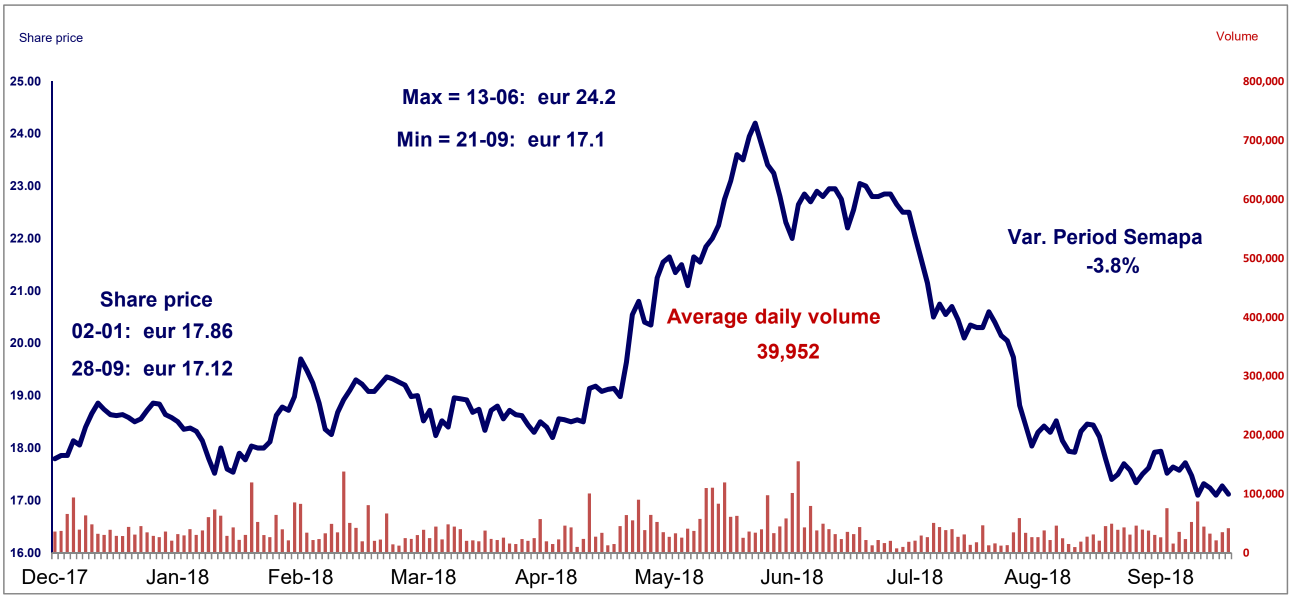
	Unit	9M 2018	9M 2017	Var.	Q3 2018	Q3 2017	Var.
Pulp and Paper							
BEKP Sales (pulp)	1 000 t	177.1	251.2	-29.5%	63.1	68.8	-8.3%
UWF Sales (paper)	1 000 t	1,136.9	1,158.2	-1.8%	380.7	386.4	-1.5%
Total sales of tissue	1 000 t	45.2	41.4	9.2%	16.7	13.3	25.3%
Cement							
Sales of Grey cement	1 000 t	3,834	3,844	-0.3%	1,348	1,389	-2.9%
Sales of Ready-mix	1 000 m3	1,155	1,075	7.4%	397	369	7.7%
Environment							
Raw Material Processed	1 000 t	92.0	88.2	4.3%	31.0	29.8	4.1%

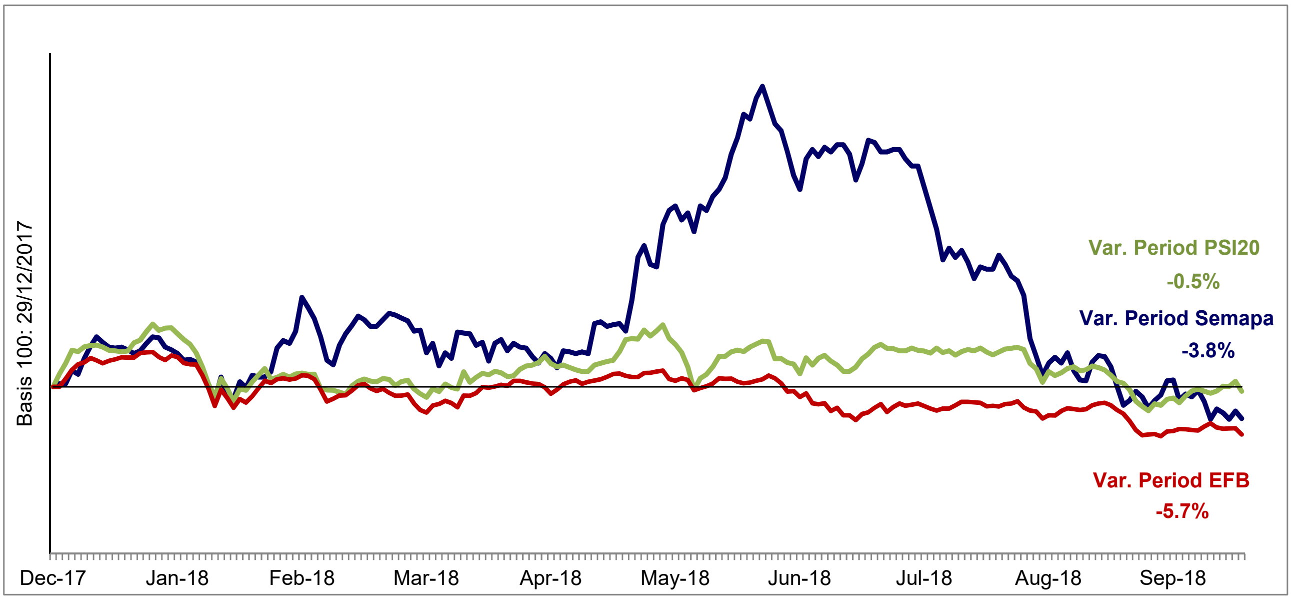
2. PERFORMANCE OF SEMAPA SHARES ON THE STOCK EXCHANGE

The financial framework in the first nine months of 2018 featured greater volatility, in contrast with the previous years, with some level of uncertainty and tension, including doubts about the sustainability of growth in China and the trade disputes involving the USA – with an emphasis on significant losses that the indexes and currencies of the emerging economies suffered in the month of August. Variations in Europe were not due only to turbulence in emerging markets, but also to greater uncertainties around the Italian fiscal policy. On the other hand, in the USA, shares continued to rise to record levels.

European markets overall recorded losses during the first nine months of 2018, with the exception of Paris whose main index rose 3.4%. On the other hand, the PSI20 decreased slightly (0.5%), with a specially damaging Q3, offsetting gains accumulated in the first half of the year. Contrasting with the European landscape, the main North-American indexes performed as mentioned above.

In this context, Semapa shares fell sharply from the first half of July, offsetting the significant gains obtained, specially in the second quarter of the year. Semapa shares closed the first nine months of 2018 with a 3.8% decrease, below the PSI20 (-0.5%) and above the Euronext Family Business Index (-5.7%). Semapa's stock price reached a maximum of 24.2 euros on 13 June, a new record in terms of market value, and a minimum of 17.1 euros on 21 September.





EFB – Euronext Family Business Index

Note: Closing quotes.

3. PERFORMANCE OF BUSINESS SEGMENTS

BREAKDOWN BY BUSINESS SEGMENTS

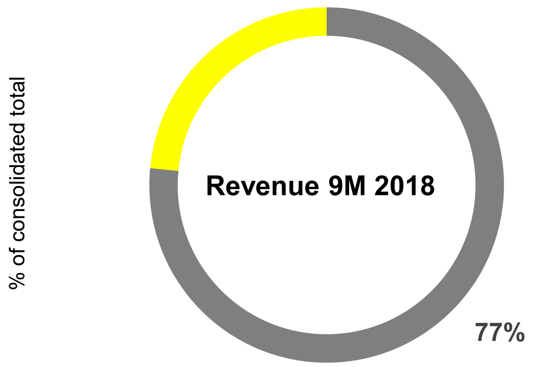
IFRS - accrued amounts (million euros)	Pulp and Paper		Cement		Environment		Holdings		Consolidated
	9M 2018	9M 18/17	9M 2018	9M 18/17	9M 2018	9M 18/17	9M 2018	9M 18/17	9M 2018
Revenue	**1,252.3**	**3.5%**	**367.0**	**-3.0%**	**17.3**	**-18.9%**	**-**	**-**	**1,636.6**
EBITDA	**340.6**	**13.5%**	**67.5**	**-2.8%**	**3.7**	**-37.8%**	**(1.2)**	**-713.5%**	**410.6**
EBITDA margin (%)	27.2%	2.4 p.p.	18.4%	0.0 p.p.	21.6%	-6.6 p.p.			25.1%
Depreciation, amortisation and impairment losses	(109.2)	11.2%	(38.6)	-5.1%	(2.2)	-3.8%	(0.1)	4.2%	(150.2)
Provisions	1.7	157.0%	(3.4)	-497.3%	-	-	-	-	(1.7)
EBIT	**233.1**	**34.0%**	**25.4**	**-20.8%**	**1.5**	**-58.9%**	**(1.3)**	**<-1000%**	**258.8**
EBIT margin (%)	18.6%	4.2 p.p.	6.9%	-1.6 p.p.	8.9%	-8.6 p.p.			15.8%
Net financial results	(16.5)	-154.9%	(29.4)	5.3%	(0.3)	10.8%	(11.2)	1.9%	(57.5)
Profit before taxes	**216.6**	**29.3%**	**(4.0)**	**-472.5%**	**1.2**	**-64.5%**	**(12.6)**	**-10.1%**	**201.2**
Income taxes	(53.1)	-76.9%	6.4	>1000%	0.1	118.2%	(2.6)	-58.7%	(49.2)
Net profit for the period	163.5	18.9%	2.4	239.9%	1.3	-52.7%	(15.1)	-16.1%	152.0
Attributable to Semapa shareholders	**113.4**	**18.9%**	**(2.1)**	**70.4%**	**1.3**	**-52.7%**	**(15.1)**	**-16.1%**	**97.5**
Attributable to non-controlling interests (NCI)	50.0	18.9%	4.5	-41.8%	0.0	-52.8%	-	-	54.5
Cash-flow	270.9	2.8%	44.5	16.9%	3.5	-30.3%	(15.0)	-16.3%	303.9
Net debt	**731.6**		**391.7**		**16.8**		**464.9**		**1,605.0**

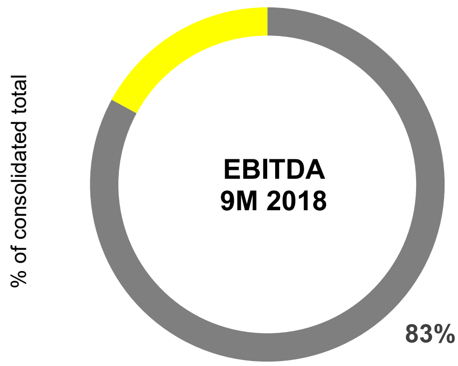
Notes:

- For the purpose of calculating the variation in net debt the values of 31.12.2017 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") published its results on 30 October 2018. The following are the highlights of that disclosure. Secil and ETSA, which are not listed, did not publish their results. Therefore, their operations are described in more detail.

PULP AND PAPER

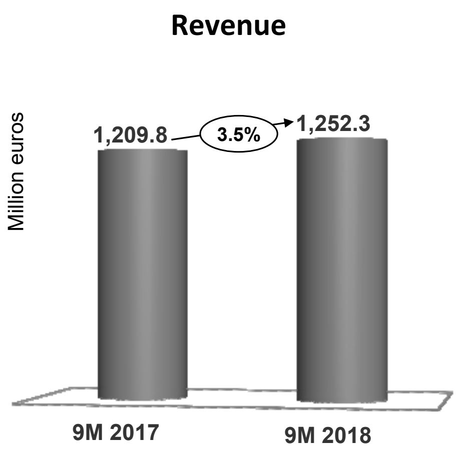




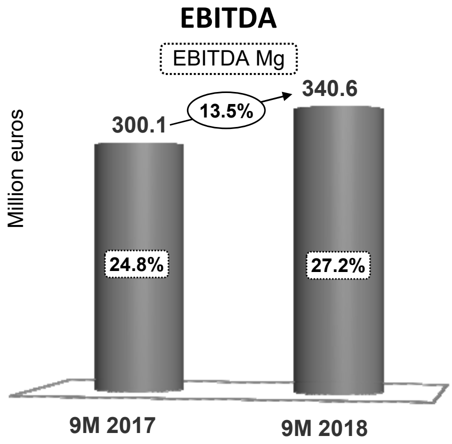
HIGHLIGHTS - FIRST 9 MONTHS 2018 (VS. 2017)

- In the first six months of 2018 there was the completion and start-up of the pulp output capacity increase in Figueira da Foz, which went from a nominal output of 580 thousand tonnes/year to 650 thousand tonnes/year.
- Production of tissue reels in Cacia started up in September 2018.

- Revenue amounted to 1,252.3 million euros, 3.5% higher year on year.
- Positive price evolution made up for the loss in volume available for sale due to scheduled and unscheduled production stoppages in the plants.



- EBITDA grew 13.5% to 340.6 million euros (vs. 300.1 million euros).
- EBITDA margin grew 2.4 p.p. to 27.2%.
- The sale of the pellets business (in the first quarter) had a final net positive impact on EBITDA of 12.4 million euros.



SUMMARY TABLE OF FINANCIAL INDICATORS

IFRS - accrued amounts (million euros)	9M 2018	9M 2017	Var.	Q3 2018	Q3 2017	Var.
Revenue	**1,252.3**	**1,209.8**	**3.5%**	**435.4**	**397.2**	**9.6%**
EBITDA	**340.6**	**300.1**	**13.5%**	**114.6**	**101.7**	**12.8%**
EBITDA margin (%)	27.2%	24.8%	2.4 p.p.	26.3%	25.6%	0.7 p.p.
Depreciation, amortisation and impairment losses	(109.2)	(123.0)	11.2%	(35.1)	(40.6)	13.4%
Provisions	1.7	(3.1)	157.0%	0.4	(2.9)	115.4%
EBIT	**233.1**	**174.0**	**34.0%**	**79.9**	**58.2**	**37.3%**
EBIT margin (%)	18.6%	14.4%	4.2 p.p.	18.4%	14.7%	3.7 p.p.
Net financial results	(16.5)	(6.5)	-154.9%	(5.2)	1.8	-384.3%
Profit before taxes	**216.6**	**167.5**	**29.3%**	**74.8**	**60.0**	**24.5%**
Income taxes	(53.1)	(30.0)	-76.9%	(25.2)	(13.1)	-93.2%
Net profit for the period	163.5	137.5	18.9%	49.6	47.0	5.5%
Attributable to Navigator shareholders	**163.5**	**137.5**	**18.9%**	**49.6**	**47.0**	**5.5%**
Attributable to non-controlling interests (NCI)	(0.0)	0.0	-130.6%	(0.0)	0.0	-126.0%
Cash-Flow	**270.9**	**263.5**	**2.8%**	84.3	90.4	**-6.8%**
	30/09/2018	**31/12/2017**				
Equity (before NCI)	956.4	998.4				
Net debt	**731.6**	**692.7**				

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

SUMMARY TABLE OF OPERATING INDICATORS

in 1 000 t	9M 2018	9M 2017	Var.	Q3 2018	Q3 2017	Var.
Pulp and Paper						
BEKP Output (pulp)	1,074.3	1,117.2	-3.8%	392.7	357.3	9.9%
BEKP Sales (pulp)	177.1	251.2	-29.5%	63.1	68.8	-8.3%
UWF Output (paper)	1,172.6	1,186.0	-1.1%	393.9	406.1	-3.0%
UWF Sales (paper)	1,136.9	1,158.2	-1.8%	380.7	386.4	-1.5%
FOEX – BHKP Eur/t	868	703	23.5%	903	747	20.9%
FOEX – A4- BCopy Eur/t	864	810	6.6%	882	819	7.7%
Tissue						
Reels Output	46.3	41.4	12.0%	17.8	13.0	36.1%
Output of finished products	46.9	36.5	28.6%	18.6	12.2	52.5%
Sales of reels and goods	0.8	5.4	-86.1%	0.0	1.1	-97.3%
Sales of finished products	44.4	35.9	23.6%	16.7	12.3	35.9%
Total sales of tissue	45.2	41.4	9.2%	16.7	13.3	25.3%

In the first nine months of 2018, the revenue of Navigator totalled 1,252.3 million euros, up by 3.5% over the first nine months of 2017. With revenue of 926 million euros, the paper business segment accounted for 74% of revenue, energy accounted for 10% (127 million euros), pulp approximately 9% (115 million euros), and the tissue business 5% (65 million euros). There was a favourable change in UWF paper, BEKP pulp and tissue prices, and less volume available for sale due to production stoppages this year.

The **pulp** business was affected by the two large maintenance stoppages in the year, one at the Setúbal plant in the first quarter and the second in the second quarter at the Figueira da Foz mill, which lasted until the installed capacity expansion project was completed. The availability of Navigator pulp for sale was under strong constraint due to the length of the stoppage and the need to build up stocks in the first nine months of 2018. Therefore, sales stood at 177.1 thousand tonnes, 29.5% below volume in the first nine months of 2017 (a period that benefitted from some destocking, which was not possible in 2018 due to very low inventories at the beginning of the year). The decrease in volume was partly compensated by the rise in sales price, which is why revenue reflects 11% reduction to around 115 million euros.

Global market conditions of pulp remained positive during the first nine months, with the average value of the reference index FOEX BHKP in the period increasing 24% (€ 868/t vs. € 703/t). PPPC figures point to overall increase of 4.7% YTD August of global demand for BEKP pulp, specially in China (+10.2%), with some constraints on the supply end

(planned and unplanned shutdowns) which caused hardwood pulp volume in the market to drop by approximately 1.4 million tonnes.

In the **paper** business, UWF sales totalled 1,136.9 thousand tonnes, standing at 1.8% below year on year, mostly due to changes in production arising from unscheduled stoppages, and to the need to build up stocks for ensuring adequate customer service level. The positive change in price made up for the reduction in volume sold, which is why revenue grew 5.8% to 926 million euros. Navigator did raise prices several times during the year, in Europe and in other parts of the world, which resulted in an increase of approximately 7.8% in average sales price in relation to the same period in 2017. The increase is higher than developments in the reference index in Europe FOEX A4 B-copy, and it was driven positively by the significant quality improvement in the product mix (55% premium sales vs. 49%) and the weight of own brands (69% vs. 62%), albeit with the negative impact of the trend of the EUR/USD exchange rate (average exchange rate stood at 1.1942 in the period, compared with the exchange rate of 1.113 year on year).

The **tissue** business featured an upward adjustment of the average sales price (+7%) year on year, as a result of the improvement in the product mix, with reels representing a smaller proportion and finished products a higher proportion, and the rise in implemented prices. Sales volumes stood at 45.2 thousand tonnes, 9.2% above the volume in the first nine months of 2017, and include the sale of finished products from the new Cacia mill. However, the increase in average tissue prices was not sufficient to absorb higher input costs by approximately 30%, in particular the price of pulp (hardwood and softwood) and chemicals.

In the **energy** business, the value of electric power sales picked up in Q3, which resulted in a rise of 2.9% compared to the first nine months in the previous year (127 million euros), benefiting from the increase in the index to which prices are linked, namely the price of Brent on the international market. The hike in Brent prices year on year was 26.7%, influencing mostly power sales prices of natural gas combined-cycle power stations. Note that this figure for power sales includes cogeneration power sales (associated with pulp and paper production) to the grid (110.8 million euros) and “stand-alone” biomass power station sales of 16.6 million euros. In spite of rising revenue, total gross production of electric power decreased 1.7% year on year, as a result of the programmed shut down of pulp plants, nonetheless reaching 1.63 TWh in total production value.

In this context, EBITDA stood at 340.6 million euros, which compares to 300.1 million euros in the first nine months of 2017, representing a rise of 13.5% and an EBITDA margin of 27.2% (vs. 24.8%). EBITDA in this period includes the positive impact of the sale of the US pellets business (which, excluding costs and adjustments, amounted to approximately 12.4 million euros) and the negative effect of the anti-dumping duty (around 10 million euros). EBITDA in the nine months without such impacts would have been 338 million euros (+12.7%) and EBITDA margin 27%.

The impact on the accounts of the anti-dumping duty brought EBITDA down by 10 million euros. This amount includes recognition of 3.6 million euros relating to retroactive application of the rate of 1.75% on sales for the first period of

review, from August 2015 to February 2017, as well as an additional amount of around 6 million euros relating to registration of the duty for the second and third periods of review. In terms of financial impact, proceedings have been initiated to obtain a refund of approximately 22 million euros, corresponding to the difference between the amounts deposited up to February 2017 and the amount now determined.

Production costs are still negatively impacted by unfavourable developments in chemicals (in a global amount of 8.3 million euros), which impacted variable unitary production costs of pulp, paper and tissue. Also, fibre costs increased approximately 9.1 million euros, essentially due to the acquisition of hardwood fibre for the tissue operations at Vila Velha de Ródão, as well as the purchase of softwood pulp. Logistic costs took a turn for the worse, increasing by 2.1 million euros, essentially due to higher Brent prices. In fixed costs, payroll costs registered the most significant increase (+14.4 million euros) as a result of workforce expansion due to the new Tissue project in Cacia, the rejuvenation programme under way and an increase in the estimate of performance bonuses reflecting the Company's healthy results. Navigator, on the other hand, continued with the M2 operational excellence programme, having reached a positive impact of approximately 17.2 million euros in EBITDA year on year.

The financial results amounted to a loss of 16.5 million euros (vs. the negative 6.5 million euros over the same period in the previous year). In spite of the improvement in Navigator borrowing costs, several factors impacted financial results negatively, including (i) a drop of 5 million euros in gains on currency hedges taken out by the company, in a rising dollar scenario with a positive impact on operating results, (ii) recognition at the end of the 1st quarter of a negative amount of approximately 3.3 million euros resulting from the difference between the nominal value and the current value of the amount to be received for the sale of the pellets business (USD 45 million) and (iii) a reduction of 1.5 million euros in yields from applications of surplus liquidity, in relation to extremely positive performance in 2017.

Profit before taxes amounted to 216.6 million euros (vs. 167.5 million euros), with the tax in the period negatively impacted with the establishment of a series of tax provisions and the increase in the state surtax, as well as higher pre-tax results.

Therefore, Navigator's net profit amounted to 163.5 million euros, up by 18.9% compared with the first nine months of 2017.

Third Quarter of 2018 vs. Third Quarter of 2017

Third quarter featured the upward course of prices compared to the third quarter of 2017 (+12.4% in paper, +23.7% in pulp and +6.2% in tissue).

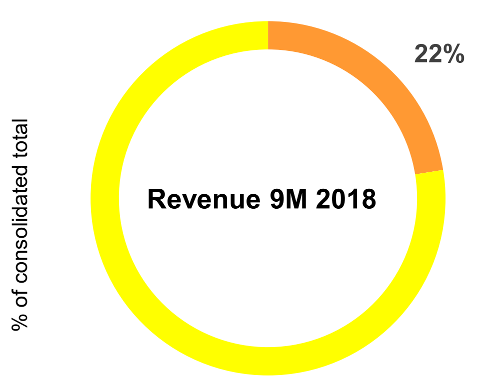
Pulp sales volume was below that recorded in the same period in the previous year. Paper sales volumes were 1.5% below sales levels of the first nine months of 2017. Tissue sales volumes in the quarter progressed very positively, with

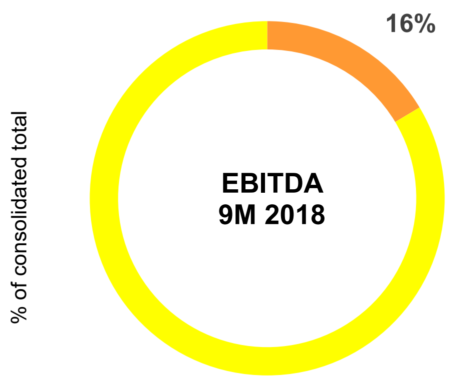
a 25.3% increase in relation to the same quarter of the previous year, including the sales of finished product from the new line at the Cacia mill.

In the third quarter of 2018, however, the price effect offset the volume effect and revenue grew to 435.4 million euros, around 9.6% year on year.

EBITDA in the third quarter of 2018 totalled 114.6 million euros, 12.8% above the level year on year and an EBITDA margin of 26.3%. It should be noted that EBITDA in this quarter includes the negative impact of the anti-dumping duty for the first period of review, and adjustments in the subsequent periods. Excluding the negative impact of the anti-dumping duty, the EBITDA in the quarter would have reached 123 million euros and EBITDA margin of 28.3%.

CEMENT AND OTHER BUILDING MATERIALS

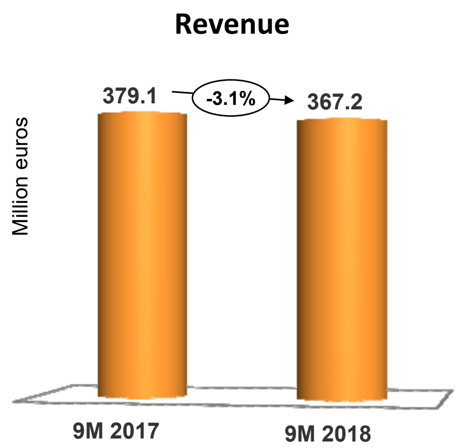




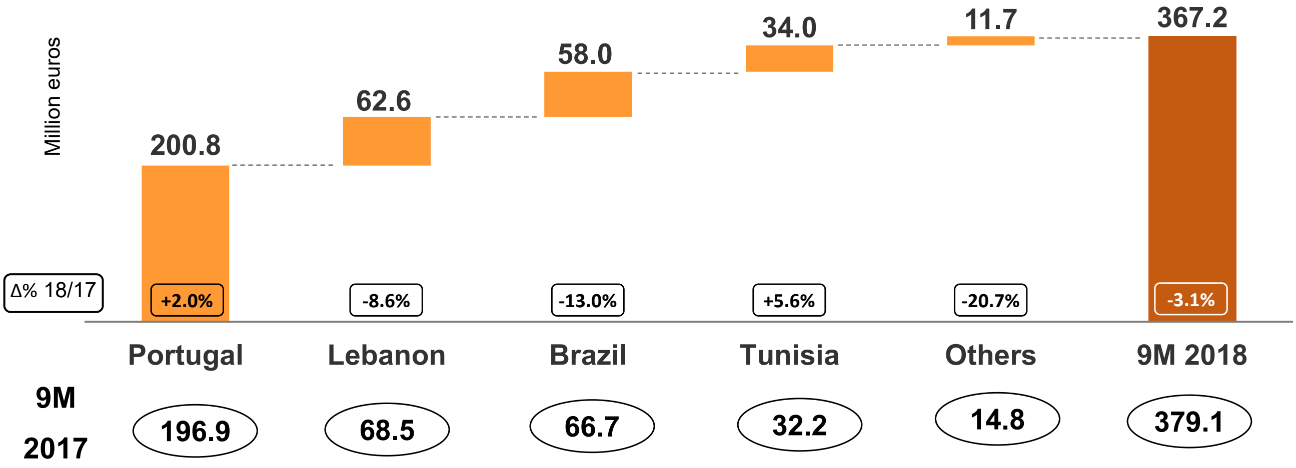
HIGHLIGHTS - FIRST 9 MONTHS 2018 (VS. 2017)

- Secil's accrueds revenue in September 2018 amounted to 367.2 million euros, 3.1% below that in the same period in the previous year, translating a 11.9 million euros decrease. This reduction was essentially due to the negative impact of the depreciation of the currencies of the countries where Secil operates, against the euro, with a negative impact of around 28.7 million euros.

- If the adverse exchange effect had not occurred, revenue would have been close to 395.9 million euros, representing a 4.4% growth.

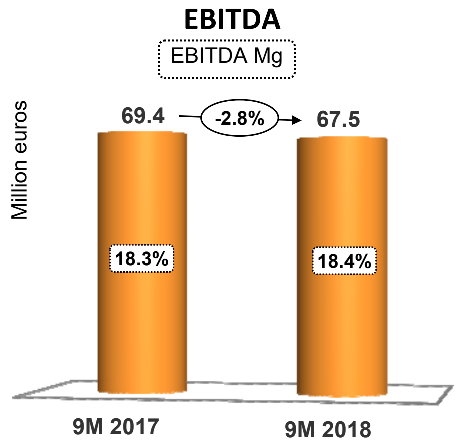


REVENUE BREAKDOWN BY COUNTRY:

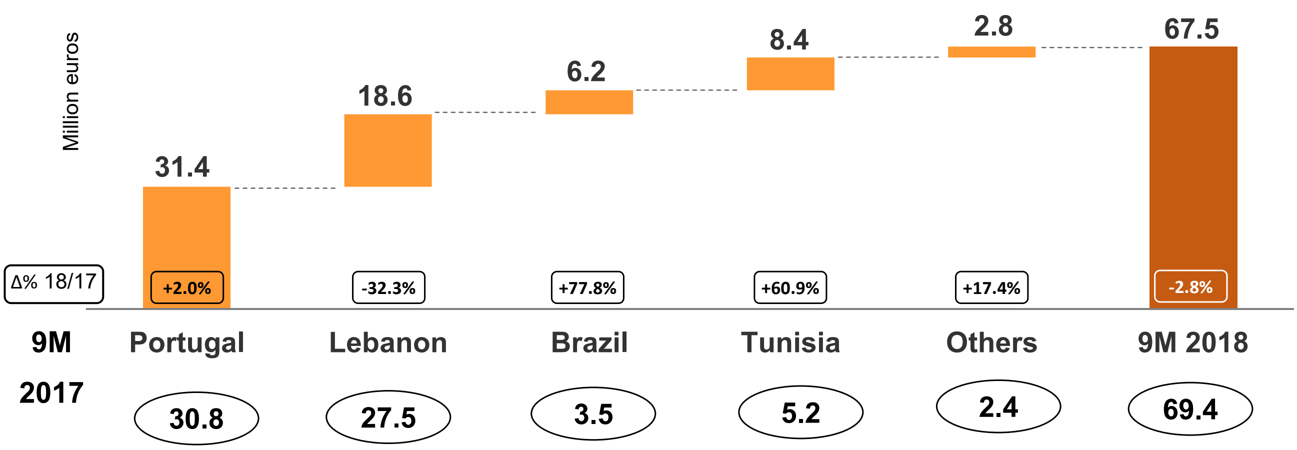


Note: Others includes Angola and Others.

- EBITDA amounted to 67.5 million euros, which translated into a decrease of around 1.9 million euros in relation to the first nine months of 2017. As was the case for revenue, the currency depreciation against the Euro produced a negative effect of approximately 5 million euros. Had there been no currency depreciation EBITDA would have reached around 72.5 million euros and growth would have been 4.4%. Despite currency devaluation, EBITDA grew in all Countries except Lebanon.



EBITDA BREAKDOWN BY COUNTRY:



Note: Others includes Angola and Others.

- Net financial results amounted to -29.4 million euros, reflecting an improvement compared with the first nine months of 2017. The positive difference in comparison with the same period in the previous year is mostly due to less borrowing in Brazil and the reduction in the cost of debt in Brazil and Portugal. The decrease helped to make up for the negative impact of 16 million euros in unfavourable foreign exchange (influenced by the currency depreciation, mainly of the Kwanza and the Real).
- Income taxes in the period are positively impacted by the reversal of a provision of 5.2 million euros.

SUMMARY TABLE OF FINANCIAL INDICATORS

IFRS - accrued amounts (million euros)	9M 2018	9M 2017	Var.	Q3 2018	Q3 2017	Var.
Revenue	**367.2**	**379.1**	**-3.1%**	**126.4**	**129.7**	**-2.6%**
EBITDA	**67.5**	**69.4**	**-2.8%**	**26.0**	**25.1**	**3.5%**
EBITDA Margin (%)	18.4%	**18.3%**	**0.1 p.p.**	20.5%	19.3%	**1.2 p.p.**
Depreciation, amortisation and impairment losses	(38.6)	(36.7)	-5.1%	(13.0)	(11.3)	-14.4%
Provisions	(3.4)	(0.6)	-497.3%	(0.1)	(0.3)	60.7%
EBIT	**25.4**	**32.1**	**-20.8%**	**12.9**	**13.4**	**-4.1%**
EBIT Margin (%)	6.9%	8.5%	-1.5 p.p.	10.2%	10.4%	-0.2 p.p.
Net financial results	(29.4)	(31.0)	5.3%	(6.9)	(6.8)	-1.3%
Profit before taxes	**(4.0)**	**1.1**	**-472.5%**	**6.0**	**6.6**	**-9.7%**
Income taxes	6.4	(0.4)	>1000%	4.3	1.7	144.7%
Net profit for the period	2.4	0.7	239.9%	10.2	8.3	22.5%
Attributable to Secil shareholders	**(2.1)**	**(7.0)**	**70.4%**	**8.1**	**5.4**	**50.5%**
Attributable to non-controlling interests (NCI)	4.5	7.7	-41.8%	2.1	2.9	-28.9%
Cash-flow	**44.5**	**38.0**	**16.9%**	23.3	20.0	**16.6%**
	30/09/2018	**31/12/2017**				
Equity (before NCI)	350.5	385.2				
Net debt	**391.7**	**414.0**				

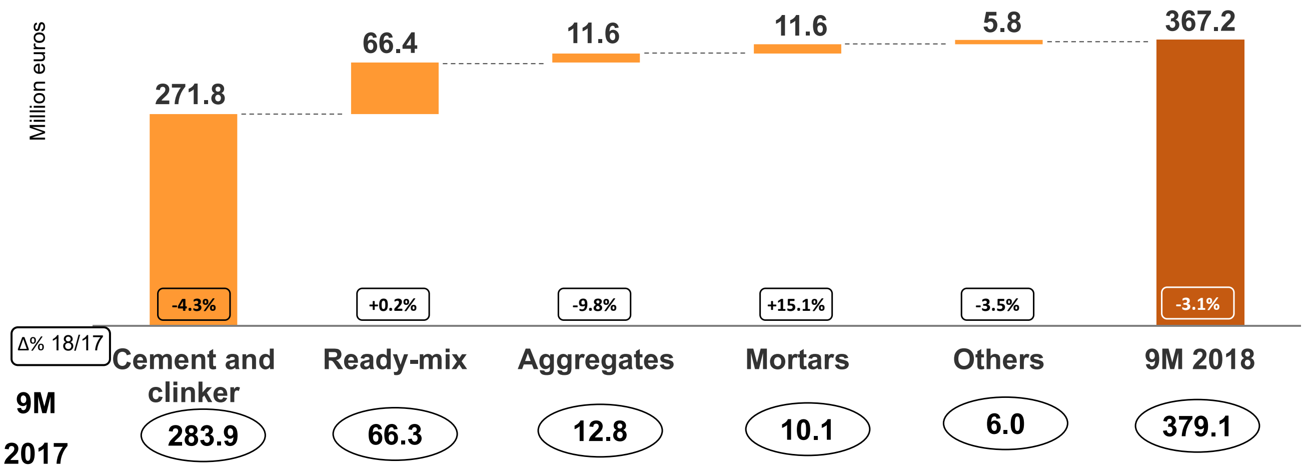
Note: Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments. Revenue in 2017 and 2018 includes intra-group sales and may differ from those presented by each segment.

SUMMARY TABLE OF OPERATING INDICATORS

in 1 000 t	9M 2018	9M 2017	Var.	Q3 2018	Q3 2017	Var.
Annual cement production capacity	9,750	9,750	0.0%	9,750	9,750	0.0%
Production						
Clinker	3,612	3,700	-2.4%	1,231	1,298	-5.1%
Cement	3,958	3,835	3.2%	1,391	1,373	1.4%
Sales						
Grey cement	3,834	3,844	-0.3%	1,348	1,389	-2.9%
White cement	67	67	0.1%	20	21	-6.3%
Clinker	438	527	-16.9%	119	115	4.0%
Aggregates	2,148	2,312	-7.1%	705	590	19.5%
Precast	94	98	-4.5%	31	36	-12.5%
Mortars	116	95	22.2%	39	31	24.3%
Hydraulic lime	19	20	-3.7%	6	7	-2.8%
Mortar fixative	14	13	4.3%	4	5	-8.3%
in 1 000 m3						
Ready-mix	1,155	1,075	7.4%	397	369	7.7%

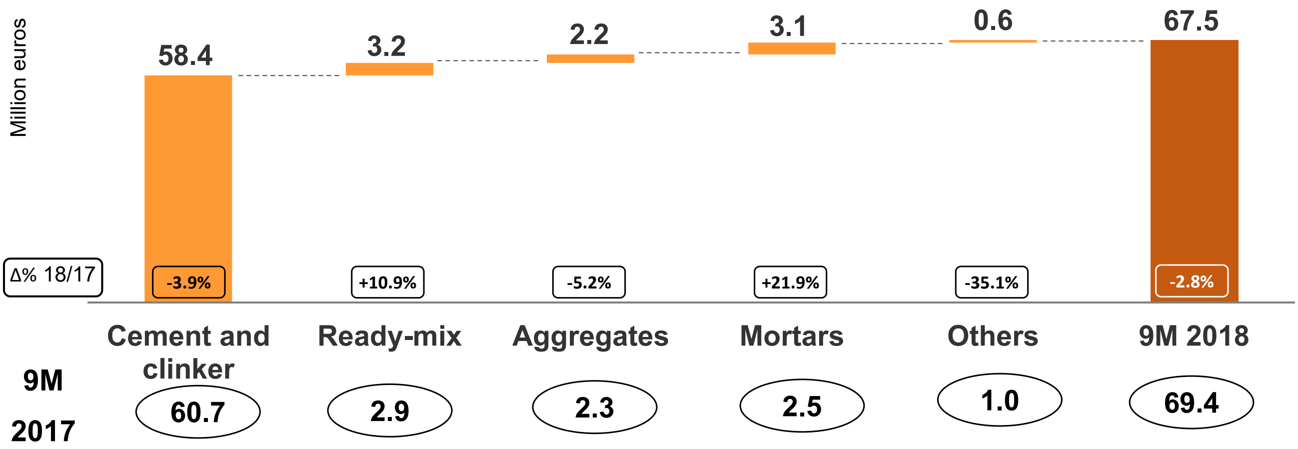
Note: Volumes excluding inter-segment sales.

REVENUE BREAKDOWN BY SEGMENT:



Note: Others includes Precast and Others.

EBITDA BREAKDOWN BY SEGMENT:



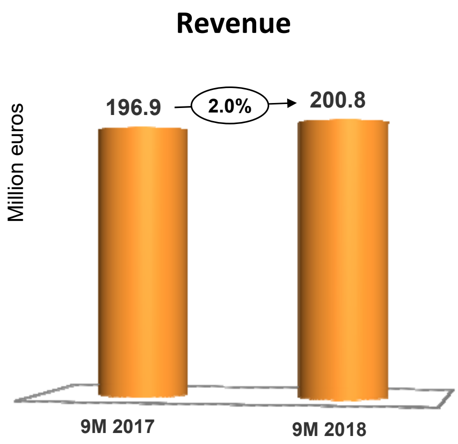
Note: Others includes Precast and Others.

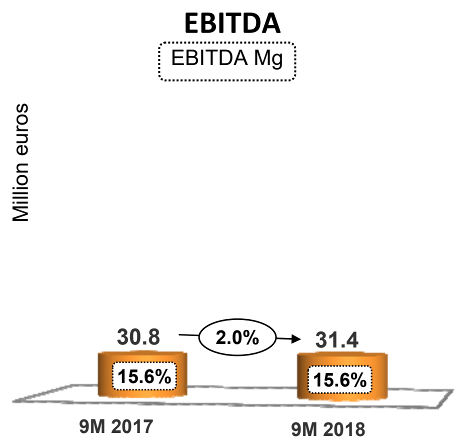
Analysing by segment, the Cement and Clinker revenue dropped 4.3% compared with the first nine months of 2017, representing a smaller share of total operations (74.0% in the first nine months of 2018 vs. 74.9% in the same period in 2017). The decrease is the result of less volumes sold and the depreciation of the local currency vis-a-vis the euro.

In the first nine months of 2018, Cement and Clinker EBITDA was down by 3.9% on the same period in the previous year, standing at 58.4 million euros. It should be noted that EBITDA in the first nine months of 2017 was favourably impacted by an insurance claim in Lebanon of approximately 2 million euros.

Concrete volumes sold increased 7.4%, which resulted in a growth in Revenue of 0.2% and in EBITDA of 10.9%, in comparison with the first nine months of the previous year.

PORTUGAL





The Bank of Portugal (Economic Bulletin – June 2018) estimated that the economy would grow 2.3% in 2018. This development is supported by rising exports, the domestic demand pick up and rise in investment.

It is estimated that cement consumption in Portugal grew around 4% in the first nine months.

Revenue for overall operations in Portugal was up by 2.0% compared to the same period in 2017, totalling 200.8 million euros.

The Cement business unit in Portugal reached revenue of 122.4 million euros, in line with the same period in 2017. Although the amounts sold dropped, the rise in average sales price in the domestic market helped sustain revenue.

In the foreign market, surplus supply in Europe, the Mediterranean and West Africa continued to drive strong competition. The strong increase in price of CO2 emission allowances penalizes exporting industries across the European Union. Total export volumes sold decreased approximately 8.4%. This trend was due to the combined effect of declining clinker sales volumes by 16% and the increase in cement sales volumes to markets outside of the Group by 12%. Secil terminals sales rose around 24% (in particular in the Netherlands and Spain, the latter having joined Secil only in April 2017). The more favourable mix of cement vs. clinker sales impacted export revenue positively, increasing it by 0.5%.

In the other business segments with operations based in Portugal (Ready-mix concrete, Aggregates, Mortars and Precast), accrued revenue in September 2018 amounted to 78.4 million euros, representing a growth of 5.8% year on year.

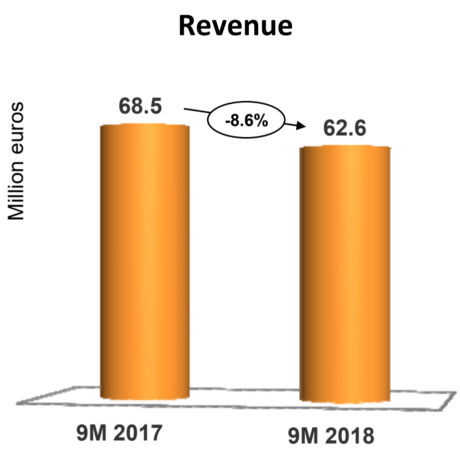
The increase took place in almost all areas of building materials, benefiting from greater building dynamics. The Concrete business unit recorded a 16.6% growth in volumes sold, in the Portuguese market, and influenced positively by sales in Spain.

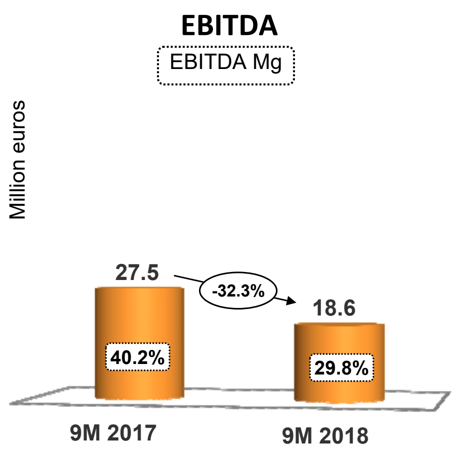
EBITDA of Portuguese operations increased 2%, standing at 31.4 million euros vs. 30.8 million euros in the first nine months of 2017.

The Cement unit had an EBITDA of 23.2 million euros, slightly higher than the EBITDA of 22.9 million euros recorded year on year. In spite of the increase in variable costs, as a result of the rise in fossil fuel prices and the decrease in export volumes, the higher sales price in the domestic market and the sale of surplus CO2 licenses (amounting to 4.9 million euros) pulled EBITDA above levels registered in the same period in 2017.

The EBITDA of the building material business units amounted to 8.2 million euros, which compares to 7.9 million euros accumulated in September 2017. Whereas there was a significant increase in revenue, EBITDA did not grow in the same proportion. The lower growth was due to pressure on sales prices of ready-mix concrete and higher variable costs of production, arising from the reduction in the availability of ash and the rise in the price of fine sand.

LEBANON





According to the latest figures published by the IMF, the Lebanese economy is expected to grow 1% in 2018 (World Economic Outlook, IMF, October 2018).

Economic and political developments in Lebanon are still uncertain. Parliamentary elections were held in May 2018 and the new Government should be in office by the end of the year.

Cement consumption in September 2018 totalled 3.7 million tonnes, 4.2% less than in the same period in the previous year, influenced by a long rainy season (Q1) and a declining market.

Revenue of combined operations in Lebanon decreased compared with the same period in the previous year, amounting to 62.6 million euros. This amount was negatively affected by the depreciation of the USD against the Euro by about 4.5 million euros.

Cement sales totalled 831 thousand tonnes, close to sales in the same period in the previous year, as the relevant markets were not particularly affected by the rainfall, nor by decreasing market. Sales prices stood at similar levels to those in 2017. Revenue decreased 8.4% year on year, mainly due to currency depreciation, totalling 58.4 million euros.

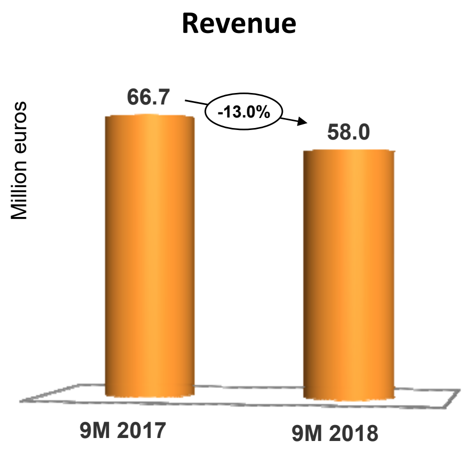
Concrete revenue dropped 10.7% compared with the same period in 2017 to 4.2 million euros, as a result of the decrease by 4.7% in volumes sold and sustained sales prices. The decrease was due to the competitive environment in the areas where Secil operates. Less revenue brought EBITDA down to a negative figure of 81 thousand euros.

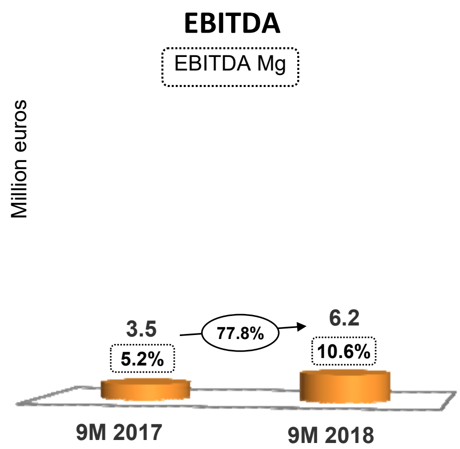
EBITDA from operations in Lebanon stood at 18.6 million euros, down by 32.3% in relation to the same period in the previous year. The Cement unit recorded EBITDA of 18.7 million euros, 31.3% below the figure in the same period in the previous year. Such decrease was due to the rise in production costs, namely due to the impact of higher solid fuel prices (an impact of approximately 2 million euros) and the implementation (in the fourth quarter of 2017) of a new special tax on cement production (with an impact of 2.9 million euros in September 2018). Note that accumulated EBITDA in September 2017 was impacted positively by approximately 2 million euros on an insurance indemnity received due to the breakdown of one of the mills in 2016.

EBITDA in September of 2018 was negatively affected by the depreciation of the USD against the Euro by about 1.3 million euros.

If the adverse exchange effect had not occurred and the indemnity mentioned above had not been received, EBITDA in 2018 would have stood at 19.9 million euros, compared with 25.5 million euros year on year.

BRAZIL





The IMF foresees a 1.4% growth of the Brazilian economy for 2018 (World Economic Outlook, IMF October 2018).

The Brazilian economy is still being affected by the lack of trust of economic agents and lack of public investment, influenced largely by the unstable political situation. Despite the drop in inflation and interest rates, private investment has not increased.

The truck drivers' strike in May led to a downwards revision in economic growth forecasts (at the beginning of the year it was estimated at around 2.7%, currently it will be only 1.3%) and to the raise of inflation forecasts, with a severe exchange rate deterioration.

In this context, the construction industry was naturally affected, with impact on cement consumption. Cement sales in Brazil by local producers decreased 2.2%, strongly impacted by the drivers' strike in May (when the market dropped around 20%). In June the market recovered somewhat, partly due to the volumes not sold in May. February and March were months also affected by strong rainfall in the entire country, which also limited the performance of cement sales.

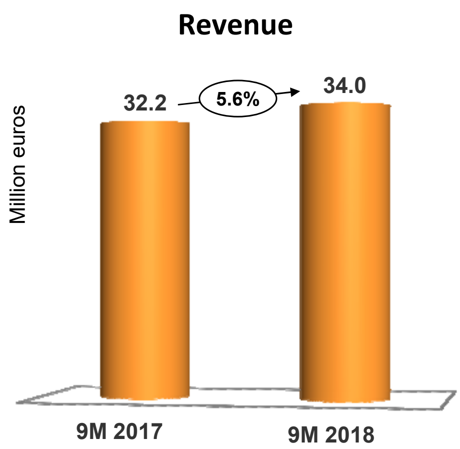
Revenue of combined operations stood at approximately 58.0 million euros, representing a drop of 13.0% in relation to the same period in 2017. The decrease was affected by the depreciation of the Real against the Euro by about 12 million euros.

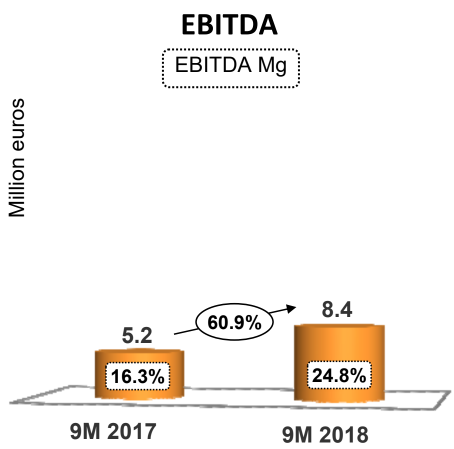
In spite of the context, Cement volumes sold were similar to year-on-year levels. On a positive note, the average net sales price rose, in line with the continuous growth since the end of the first half of 2017. The improvement in prices resulted from small price increases in the different states where Secil operates. It is an important sign, but it is still far from prices previously in place.

Concrete sales volume decreased around 8.6%, hence the market was also impacted negatively by the context, standing at 180 thousand m3 sold. Sales price rose around 3% in comparison with the same period in the last year.

The EBITDA of activities in Brazil totalled 6.2 million euros, which compares with the 3.5 million euros recorded in the first nine months of 2017. Without the exchange rate effect, EBITDA would have totalled 7.6 million euros, representing an increase of 118% due to the abovementioned increase in average net sales price. The important reorganisation of the structure carried out in 2017 allowed substantial savings in fixed costs. Variable production costs dropped in relation to the same period in the previous year, due to operating improvements, namely at the level of thermal and electrical consumption, and also strict cost control. Fixed production and structural costs were also below the level over the same period in the previous year.

TUNISIA





According to the latest figures published by the IMF, the Tunisian economy is expected to grow 2.4% in 2018, more than the 2.0% figure recorded in 2017 (World Economic Outlook, IMF October 2018).

Tunisia is still facing significant challenges, including high foreign and tax deficits, rising debt and insufficient growth to reduce unemployment. Some social unrest and pressure from union claims continue. Government deficit is reflected in public works and the real estate sector faces difficulties in obtaining funding, which impacts construction output.

In this context, it is estimated that the domestic cement market decreased 0.8% year on year. The cement market is still subject to strong competition, due to excess production capacity. However, in 2018 sales prices increased partly driven by the overall increase in purchase prices of relevant materials with a significant weight in the price structure of cement producers.

Revenue for combined operations in Tunisia stood at approximately 34 million euros, up by 5.6% on a year-on-year basis. In the absence of the negative effect of the depreciation of the Tunisian Dinar against the Euro, there would have been a 24% increase.

The Cement business unit in Tunisia recorded revenue of 30.6 million euros, up by approximately 9.9%. Domestic market sales volume grew approximately 9.2%, in spite of the slight market decrease. Most competitors increased sales prices. The increase in fuel prices and electrical power, and the overall rise in prices in Tunisia justified producer raising of cement prices.

The revenue of the Ready-mix concrete business unit dropped about 21.1%, standing at 3.4 million euros, arising from the decrease in sales volumes by around 15.0% due to a narrowing market.

In the first nine months of 2018, EBITDA of activities in Tunisia stood at 8.4 million euros, representing an increase of 60.9% in relation to the same period in 2017. This change includes the effect of the depreciation of the dinar against the euro by about 1.3 million euros; without this effect EBITDA would have been 9.7 million euros.

The increase in EBITDA is due to the rise in sales volumes and sales prices in the domestic market. These improvements more than offset the negative effects of increase in thermal power costs (resulting from the increase in fuel prices and with a negative impact of 1.5 million euros), packaging, raw material and maintenance expenses. The increase in maintenance costs was related to the fact that by September 2018 most of the large annual maintenance work had been carried out.

ANGOLA AND OTHERS

The IMF expects the Angolan economy to decrease 0.1% in 2018 (World Economic Outlook, IMF October 2018).

Angola is still going through a tough financial and economic situation. Notwithstanding higher oil prices and the implementation of some reforms, the economy is still stagnant, the banking sector is fragile and there is still big shortage of foreign currency, creating difficulties for many companies. To address the situation, the Government of Angola implemented tough cost reduction measures and launched several programs for the diversification of the economy which, however, do not produce immediate results, as there are not many foreign investors investing in the Angolan economy and the Government is faced with financial issues.

According to the latest figures available, the Angolan cement market was down 3% compared to the same period in 2017.

Cement volumes sold decreased 9.6% in comparison to accumulated sales in September 2017, amounting to 98 thousand tonnes of cement sold. In a context of strong inflation and significant depreciation of the kwanza vis-à-vis the euro, Secil Lobito has been implementing a strict price policy that can help it tackle significant increase in costs in

the national currency and those arising from imports made to guarantee its operations. Accordingly, cement prices increased around 34% in comparison with September 2017.

Consequently, revenue totalled 11.7 million euros, below the level in the same period in 2017 due to currency depreciation, which produced a negative effect of 6 million euros. Accumulated EBITDA in September 2018 amounted to 2.8 million euros, 17.4% above the value in the same period in 2017. Expenses were substantially affected by the depreciation of the kwanza vis-à-vis the euro.

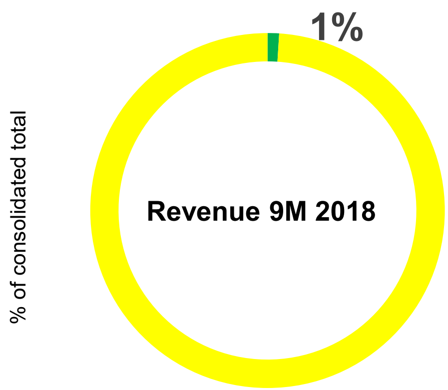
Variable costs rose 32%, mostly due to the increase in acquisition costs of clinker in the international market. On the other hand, fixed costs remained at levels rather similar to those seen in the corresponding period in 2017 which, considering the inflation in Angola and the acquisition of some conservation materials that are strongly pegged to the exchange rate, illustrate clearly the unit's efforts to control costs.

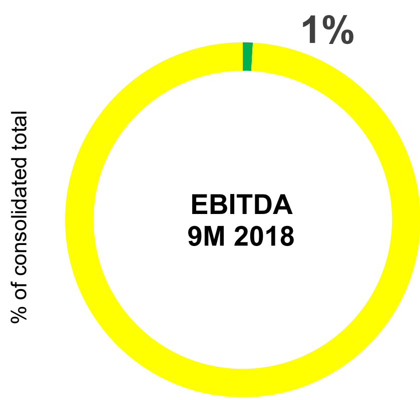
Third Quarter of 2018 vs. Third Quarter of 2017

EBITDA in the third quarter of 2018 was higher than EBITDA in the third quarter of 2017 by around 0.9 million euros. The increase was due to changes in the EBITDA of Portugal, Tunisia and Brazil. In Brazil the 1.9 million euro increase resulted from higher volumes sold (12 thousand tonnes) and higher sales price. The 1 million euro increase in Tunisia is due to higher average sales price, approximately 37 TND/t. The increase of 1.4 million euros in EBITDA for Portugal largely results of an increase in the materials segment (+0.8 million euros).

However, the positive change in these three geographies (around 4.3 million euros) was affected by the poor performance of Lebanon and Angola. In Lebanon, EBITDA decreased 2.1 million euros arising from the negative impact of the rise in the cost of petcoke (0.7 million euros) and the new cement production tax (1.1 million euros, in 2017 only began at the end of October). The decrease of 1.3 million euros in Angola is largely due to the drop in sales (18 thousand tonnes).

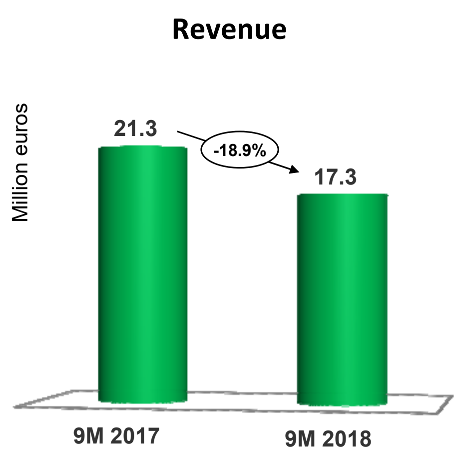
ENVIRONMENT



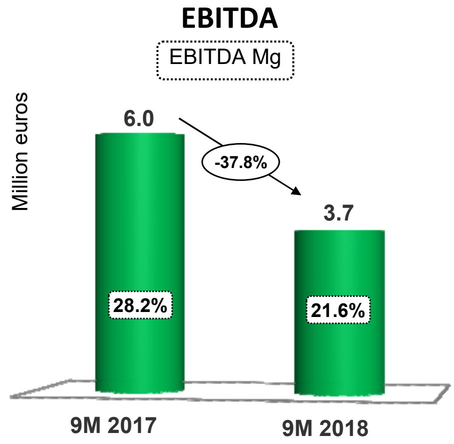


HIGHLIGHTS - FIRST 9 MONTHS 2018 (VS. 2017)

- ETSA recorded revenue of approximately 17.3 million euros in the first nine months of 2018, which represented a decrease of approximately 18.9% against the same period in 2017.



- EBITDA for ETSA totalled approximately 3.7 million euros in the first nine months of 2018, representing a drop of about 37.8% in comparison with the same period in the previous year.



- Financial results improved by about 10.8% in relation to the same period in the previous year, mostly due to the reduction in average debt and interest spreads.

SUMMARY TABLE OF FINANCIAL INDICATORS

IFRS - accrued amounts (million euros)	9M 2018	9M 2017	Var.	Q3 2018	Q3 2017	Var.
Revenue	**17.3**	**21.3**	**-18.9%**	**6.2**	**6.7**	**-6.7%**
EBITDA	**3.7**	**6.0**	**-37.8%**	**1.2**	**2.0**	**-40.8%**
EBITDA margin (%)	21.6%	28.2%	-6.6 p.p.	19.1%	30.1%	-11.0 p.p.
Depreciation, amortisation and impairment losses	(2.2)	(2.1)	-3.8%	(0.7)	(0.7)	-3.3%
Provisions	-	(0.2)	100.0%	-	(0.1)	100.0%
EBIT	**1.5**	**3.7**	**-58.9%**	**0.5**	**1.2**	**-63.6%**
EBIT margin (%)	8.9%	17.5%	-8.6 p.p.	7.3%	18.7%	-11.4 p.p.
Net financial results	(0.3)	(0.4)	10.8%	(0.1)	(0.1)	11.4%
Profit before taxes	**1.2**	**3.4**	**-64.5%**	**0.3**	**1.1**	**-69.6%**
Income taxes	0.1	(0.6)	118.2%	0.0	(0.3)	111.8%
Net profit for the period	1.3	2.8	-52.7%	0.4	0.8	-56.2%
Attributable to ETSA shareholders	**1.3**	**2.8**	**-52.7%**	**0.4**	**0.8**	**-56.2%**
Attributable to non-controlling interests (NCI)	-	-	-	-	-	-
Cash-Flow	**3.5**	**5.0**	**-30.3%**	1.1	1.6	**-31.2%**
	30/09/2018	**31/12/2017**				
Equity (before NCI)	70.0	68.7				
Net debt	**16.8**	**14.8**				

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

ETSA recorded revenue of approximately 17.3 million euros in the first nine months of 2018, which represented a decrease of approximately 18.9% against the same period in 2017. This decrease is due to about 34.0% less sales in

current market conditions of class 3 finished products, partially offset by approximately 2.9% growth in consolidated services rendered.

The EBITDA for ETSA totalled approximately 3.7 million euros in the first nine months of 2018, representing a decrease of about 37.8% in comparison with the same period in the previous year, essentially due to less volumes sold and lower sales price, although partially offset by lower cost of thermal fuels used in the process of industrial conversion. The EBITDA margin stood at 21.6%, down by around 6.6 p.p. against the same period for the previous year.

Financial results improved by about 10.4% in relation to the same period in the previous year, mostly due to the reduction in average debt, in spite of the difficulty in collecting the amounts invoiced to the Government. The amount overdue by this Entity totals 6.7 million euros at the end of the first nine months of 2018.

Net profit at the end of the first nine months of the year totalled 1.3 million euros.

Third Quarter of 2018 vs. Third Quarter of 2017

ETSA recorded revenue of about 6.2 million euros in the third quarter of 2018, down by around 6.7% in comparison with the same period in 2017. This decrease is due to about 13.3% less sales in current market conditions of class 3 finished products, while consolidated services rendered increased around 3.3%.

This development in sales was essentially caused by (i) a decrease in the average sales price of class 3 fats by around 23.8% and the same class meal by approximately 10.4% in comparison with the same period in 2017, ii) a decrease in volumes sold of class 3 (overall) by about 8.0% against the third quarter of the previous year, (iii) an increase in volumes sold of class 1 fat by about 112.0%, albeit at a 26.7% lower price.

4. SUBSEQUENT EVENTS

On October 13, after the end of the period, Portugal was affected by Hurricane Leslie landfall, which caused damage at the Figueira da Foz production centre, left without power, water and telecommunications, and forced to suspend operations. Due to the remarkable efforts and performance of the local teams, and the support and participation of several of the Group's multidisciplinary teams, it was possible to resume all of the necessary work for repairing the damage and minimising downtime, making the pulp line and paper machines 1 and 2 quickly functional again. However, this stoppage resulted in a loss of production estimated at 9 thousand tonnes of pulp and 10 thousand tonnes of paper, which will limit the volumes available for sale in the last quarter.

5. OUTLOOK

PULP AND PAPER

With no prospects of new significant increases in **pulp** production capacity in the market in the next three years, capacity utilisation rates are expected to continue to increase, sustaining the level of hardwood pulp price above 1,000 USD/t. In the short term, demand continues strong and shutdowns (either scheduled or for other reasons) continue to affect supply, offsetting the impact of new capacities that came on line last year.

In UWF **paper**, order books remain strong. After leading a series of price increases in Europe, in the US market and in international markets during the first nine months of the year, Navigator raised prices again from October in the European markets.

In the **tissue** market, producers remain under severe pressure due to rising pulp prices, the cost of chemicals and energy, with Navigator announcing a new increase in the prices of its products in November, between 8 and 12%. At the same time, the Company's new tissue plant in Cacia began producing reels in September. A strong commercial performance in recent months allows to anticipate a successful placement of the new output with clients.

The completion of the new tissue plant project in Cacia positions Navigator as the third largest tissue producer in the Iberian Peninsula, with total production capacity of 130 thousand tonnes of reels and 120 thousand tonnes of converting (finished product). The new plant benefits from upstream integration of pulp, which gives it competitive advantages in terms of production costs, the use of high quality eucalyptus pulp produced in Cacia, and location by the port of Aveiro, which allows it to sell its products in more distant markets. The transformation lines began operating in the second and third quarters; the domestic line started in May and the napkins and industrial lines began in July. Reels production started in September, and is still in the ramp-up stage.

However, this overall positive context may suffer from additional costs, specially in relation to energy, in addition to existing concerns about the developments in exchange rate, in particular the EUR/USD. Operations in the fourth

quarter will be constrained by production stoppages programmed for November and December at the Setúbal Mill site, the most significant one related to the heavyweights project, which will imply a 10 day production stoppage at paper machine 3.

CEMENT AND OTHER BUILDING MATERIALS

Expectations for 2018 are positive for **Portugal**. Macroeconomic indicators point to growth, although public investment levels, limited by deficit management, are a restricting factor.

Most of the forecasts of construction output in 2018 are positive. In the first half of 2018, according to FEPICOP, the volume of real estate transactions reached the highest level in the last 10 years, comparing with the same period in previous years, predicting total sales in the year to reach record levels of the decade, anticipating better results in Portugal.

In **Lebanon**, cement demand should decrease slightly against 2017, in spite of some improvement in the political situation. New taxes implemented in the last quarter of 2017 are expected to produce a negative impact on the profit of cement companies in the country. Possible developments in the Syrian conflict and the situation of Syrian refugees in Lebanon will probably produce a macroeconomic and market effect, which cannot be fully anticipated at this stage. The current challenging competitive environment is expected to continue throughout the rest of the year.

Brazilian economic activity should continue to face challenges for the rest of 2018, particularly activities in the building sector, due to difficulty in materializing investments. The political crisis is still a strong constraint on growth, which shall depend greatly on developments in the political framework. The impact of the truck drivers' strike and the subsequent approval of the freight charges will impact the logistical costs. The outlook on sales price is positive, and prices have been growing since mid-2017. On the other hand, efforts to improve production costs and to contain fixed costs will continue.

In **Tunisia** the level of competition is expected to remain intense, due to excess supply in the country. However, the increase in sales prices that has been seen make it possible to expect positive trends in Q4 of 2018. Tunisia is in a difficult financial situation. Social instability may worsen as a result of reforms that the Government is forced to implement to reduce the current and fiscal deficit.

The outlook for 2018 in **Angola** is moderately favourable. The Angolan Government programs to diversify the economy and the upward trend of oil prices hint at economic recovery in 2018, which will foster growth in cement consumption.

Difficulties in getting hold of foreign exchange in the context of the current exchange crisis in Angola and the resolution of operating issues by other cement competitors bring additional challenges to our operations in the near future.

ENVIRONMENT

Considering the current macroeconomic, financial and sectoral context, current conditions are expected to remain unchanged in the medium term in the sector operated by ETSA, without significant changes in consumption of foodstuffs. However, competition between operators in the collection of raw material, which is scanty, will remain intense, due to the pronounced overcapacity of industrial processing.

The European biodiesel market is expected to improve in the fourth quarter of the year after the government of Argentina recently raised tariff barriers on biodiesel exported from the country. The low prices at which this product is sold in Europe have had a very negative impact on the biodiesel industry in Europe, which had to reduce or even suspend operations in the first nine months of 2018, thus putting negative pressure on the price of animal fat.

BUSINESS DEVELOPMENT

Semapa, through its subsidiary Semapa NEXT, the venture capital business unit of the Group, and US-based Techstars have entered into a partnership to support and accelerate global startups from Lisbon. The acceleration Program is expected to accelerate 30 startups in the first three years. In the first year the program will invest and accelerate International and Portuguese startups on the Industrial and Environmental Tech, Smart Transportation, and Travel & Leisure Tech verticals.

Lisbon, 31 October 2018

BOARD OF 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

FILIPA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

FRANCISCO JOSÉ MELO E CASTRO GUEDES

JOSÉ ANTÔNIO DO PRADO FAY

LUA MÓNICA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

MAFALDA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

VÍTOR MANUEL GALVÃO ROCHA NOVAIS GONÇALVES

VÍTOR PAULO PARANHOS PEREIRA

DEFINITIONS

EBITDA = EBIT + Depreciation, amortisation and impairment losses + Provisions

EBITDA LTM = EBITDA in the last twelve months

Cash-flow = Net profit for the period + Depreciation, amortisation and impairment losses + Provisions

Net debt = Non-current interest bearing debt (net of loan issue charges) + Current interest-bearing debt (including debts to shareholders) – Cash and cash equivalents

PART 2

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE NINE-MONTH PERIODS ENDED AT 30 SEPTEMBER 2018 AND 2017

Amounts in Euro	Notes	9M 2018	9M 2017	3Q 2018	3Q 2017
		(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Revenues					
Sales	4	1,618,832,807	1,591,721,918	562,846,414	527,591,722
Services rendered	4	17,721,215	17,889,329	5,043,529	5,739,483
Other income					
Gains on disposal of non-current assets	5	18,829,613	1,725,359	601,165	534,526
Other operating income	5	39,408,133	33,103,374	15,743,371	12,569,148
Change in fair value of biological assets		1,557,146	3,186,006	437,490	(24,169)
Cost, expenses and losses					
Cost of inventories sold and consumed	6	(639,420,758)	(609,037,951)	(217,585,840)	(203,854,610)
Variation in production	6	30,098,593	(5,123,846)	10,459,792	3,272,807
Cost of materials and services consumed	6	(437,711,159)	(437,565,378)	(154,848,454)	(145,179,400)
Payroll costs	6	(197,074,341)	(189,050,908)	(63,449,982)	(61,702,293)
Other costs and losses	6	(41,626,093)	(31,192,522)	(17,927,257)	(10,035,537)
Provisions	6	(1,681,121)	(3,778,381)	312,417	(3,242,567)
Depreciation, amortisation and impairment losses	7	(150,167,249)	(161,980,802)	(48,870,094)	(52,662,543)
Operational results		**258,766,786**	**209,896,198**	**92,762,551**	**73,006,567**
Group share of (loss)/ gains of associated companies and joint ventures		753,229	917,911	303,924	658,753
Net financial results	8	(58,285,539)	(50,294,540)	(16,267,813)	(9,452,447)
Profit before tax		**201,234,476**	**160,519,569**	**76,798,662**	**64,212,873**
Income tax expense	9	(49,190,936)	(32,599,810)	(21,161,710)	(12,151,135)
Net profit for the period		**152,043,540**	**127,919,759**	**55,636,952**	**52,061,738**
Net profit for the period					
Attributable to Semapa's Shareholders		**97,525,833**	**78,100,767**	**38,384,507**	**34,742,205**
Atrirbutable to non-controlling interests	11	54,517,707	49,818,992	17,252,445	17,319,533
Earnings per share					
Basic earnings per share, Eur	10	1.209	0.968	0.872	0.791
Diluted earnings per share, Eur	10	1.209	0.968	0.872	0.791

STATEMENT OF INTERIM CONSOLIDATED COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIODS ENDED AT 30 SEPTEMBER 2018 AND 2017

Amounts in Euro	9M 2018	9M 2017	3Q 2018	3Q 2017
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Net profit for the period without non-controlling interests	**152,043,540**	**127,919,759**	**55,636,952**	**52,061,738**
Items that may subsequently be reclassified to the income statement				
Derivative financial instruments				
Fair value changes	(2,546,517)	9,407,417	3,046,860	1,119,279
Tax on items above when applicable	89,011	(2,327,165)	(1,449,167)	(307,802)
Currency translation differences	(30,026,957)	(53,743,667)	(2,141,938)	(7,657,362)
Other comprehensive income	4,411,898	5,125,744	4,404,858	5,109,273
Items that will not be reclassified to the income statement				
Remeasurement of post-employment benefits				
Remeasurements	(4,839,929)	758,591	(143,029)	767,768
Tax on items above when applicable	50,896	(11,997)	(6,305)	(17,257)
Other comprehensive income for the period net of taxes	**(32,861,598)**	**(40,791,077)**	**3,711,279**	**(986,101)**
Total comprehensive income for the period	**119,181,942**	**87,128,682**	**59,348,231**	**51,075,637**
Attributable to:				
Semapa's Shareholders	62,690,221	42,148,162	37,648,015	34,034,138
Non-controlling interests	56,491,721	44,980,520	21,700,216	17,041,499
	119,181,942	**87,128,682**	**59,348,231**	**51,075,637**

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 SEPTEMBER 2018 AND 31 DECEMBER 2017

Amounts in Euro	Note	30-09-2018	31-12-2017
ASSETS			
Non-current assets			
Goodwill	12	343,888,497	352,024,516
Other intangible assets		297,232,358	290,065,457
Property, plant and equipment	13	2,028,635,787	2,064,604,211
Biological assets		130,954,082	129,396,936
Investment in associates and joint ventures		4,285,294	4,099,421
Investment properties		384,117	385,927
Financial assets at fair value through profit or loss		-	44,508
Available-for-sale financial assets		-	424,428
Equity instruments		517,396	-
Deferred tax assets	18	80,615,662	80,075,383
Other non-current assets	14	38,322,631	6,244,448
		2,924,835,824	**2,927,365,235**
Current assets			
Inventories		314,941,719	280,756,346
Receivables and other current assets	15	376,683,888	334,867,086
State and other public entities		66,037,705	111,820,465
Income tax		1,915,975	788,673
Non-current assets held for sale	14	1,029,217	88,202,005
Cash and cash equivalents	20	194,492,796	243,187,261
		955,101,300	**1,059,621,836**
Total assets		**3,879,937,124**	**3,986,987,071**
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 reserve	17	(132,622,528)	(99,805,648)
Fair value reserve	17	(3,823,602)	(2,100,174)
Other reserve	17	796,784,857	717,616,946
Retained earnings	17	30,139,819	28,359,635
Net profit for the period		97,525,833	124,093,467
Equity attributable to the Shareholders of the parent company		**863,237,978**	**843,397,825**
Non-controlling interests	11	362,646,907	378,547,431
Total Equity		**1,225,884,885**	**1,221,945,256**
Non-current liabilities			
Deferred tax liabilities	18	236,283,753	265,510,481
Pensions and other post-employement benefits		11,900,919	8,123,335
Provisions	19	75,592,159	55,674,021
Interest-bearing liabilities	20	1,488,914,018	1,653,480,805
Other liabilities		22,401,331	25,728,280
		1,835,092,180	**2,008,516,922**
Current liabilities			
Interest-bearing liabilities	20	310,568,911	263,390,200
Payables and other current liabilities	21	396,207,766	385,598,640
State and other public entities		74,411,897	93,052,535
Income tax		37,712,064	14,419,036
Liabilities held for sale		59,421	64,482
		818,960,059	**756,524,893**
Total liabilities		**2,654,052,239**	**2,765,041,815**
Total equity and liabilities		**3,879,937,124**	**3,986,987,071**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FROM 1 JANUARY 2018 TO 30 SEPTEMBER 2018 AND 1 JANUARY 2017 TO 30 SEPTEMBER 2017

Amounts in Euro	Share Capital	Treasury Shares	Fair Value Reserves	Other Reserves	Translation Reserve	Retained Earnings	Ner profit for the period	Total	Non-controlling interests	Total
Equity as of 31 December 2017	**81,270,000**	**(6,036,401)**	**(2,100,174)**	**717,616,946**	**(99,805,648)**	**28,359,635**	**124,093,467**	**843,397,825**	**378,547,431**	**1,221,945,256**
Application of 2017 profit:										
- Transfer to other reserves	-	-	-	79,167,911	-	-	(79,167,911)	-	-	-
- Dividends paid	-	-	-	-	-	-	(41,310,040)	(41,310,040)	-	(41,310,040)
- Profit-sharing bonuses	-	-	-	-	-	-	(3,615,516)	(3,615,516)	-	(3,615,516)
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	(67,064,053)	(67,064,053)
Other comprehensive income*	-	-	(1,723,428)	-	(32,816,880)	(295,304)	-	(34,835,612)	1,974,014	(32,861,598)
Acquisitions/Disposals to non-controlling interests	-	-	-	-	-	617,002	-	617,002	(5,116,999)	(4,499,997)
IFRS 9 adoption impacts	-	-	-	-	-	(2,157,030)	-	(2,157,030)	-	(2,157,030)
Other movements	-	-	-	-	-	3,615,516	-	3,615,516	(211,193)	3,404,323
Profit for the period	-	-	-	-	-	-	97,525,833	97,525,833	54,517,707	152,043,540
Equity as of 30 September 2018	**81,270,000**	**(6,036,401)**	**(3,823,602)**	**796,784,857**	**(132,622,528)**	**30,139,819**	**97,525,833**	**863,237,978**	**362,646,907**	**1,225,884,885**

** Net of deferred taxes*

Amounts in Euro	Share Capital	Treasury Shares	Fair Value Reserves	Other Reserves	Translation Reserve	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:										
- Transfer to other reserves	-	-	-	-	-	75,045,183	(75,045,183)	-	-	-
- Dividends paid	-	-	-	-	-	-	(36,307,652)	(36,307,652)	-	(36,307,652)
- Profit-sharing bonuses	-	-	-	-	-	-	(3,509,978)	(3,509,978)	-	(3,509,978)
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	(82,753,993)	(82,753,993)
Other comprehensive income*	-	-	5,114,227	-	(45,151,947)	4,085,116	-	(35,952,604)	(4,838,473)	(40,791,077)
Acquisitions/Disposals to non-controlling interests	-	-	-	-	-	(200)	-	(200)	-	(200)
Changes in the consolidation perimeter	-	-	-	-	-	-	-	-	(228,155)	(228,155)
Other movements	-	-	-	-	-	3,273,360	-	3,273,360	121,744	3,395,104
Profit for the period	-	-	-	-	-	-	78,100,767	78,100,767	49,818,992	127,919,759
Equity as of 30 September 2017	**81,270,000**	**(6,036,401)**	**(948,286)**	**717,616,946**	**(76,752,019)**	**29,682,484**	**78,100,767**	**822,933,491**	**371,874,322**	**1,194,807,813**

** Net of deferred taxes*

INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE NINE-MONTH PERIOD ENDED AT 30 SEPTEMBER 2018 AND 2017

Amounts in Euro	Notes	9M 2018	9M 2017	3Q 2018	3Q 2017
		(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
OPERATING ACTIVITIES					
Receipts from customers		1,649,903,673	1,732,258,545	527,713,934	590,307,928
Payments to suppliers		(1,265,245,693)	(1,257,003,439)	(419,670,504)	(397,497,082)
Payments to personnel		(151,494,324)	(143,642,070)	(47,398,363)	(43,244,023)
Cash flows from operations		233,163,656	331,613,036	60,645,067	149,566,823
Income tax received/ (paid)		(33,226,740)	(39,342,369)	(30,207,858)	(21,706,483)
Other receipts/ (payments) relating to operating activities		108,293,432	18,748,563	85,288,211	13,055,693
Cash flow from operating activities (1)		**308,230,348**	**311,019,230**	**115,725,420**	**140,916,033**
INVESTMENT ACTIVITIES					
Inflows:					
Property, plant and equipment		788,353	1,735,332	215,441	244,386
Financial investments		727,005	-	-	-
Interest and similar income		-	1,861,644	-	344,775
Dividends		867,175	833,509	1	-
Other assets		69,026,158	-	-	-
		71,408,691	4,430,485	215,442	589,161
Outflows:					
Financial investments		(5,100,000)	(25,900,070)	(200,000)	321,178
Property, plant and equipment		(170,578,295)	(99,295,248)	(80,438,055)	(44,153,368)
Other assets		-	(500,359)	-	(100,707)
		(175,678,295)	(125,695,677)	(80,638,055)	(43,932,897)
Cash flow from investing activities (2)		**(104,269,604)**	**(121,265,192)**	**(80,422,613)**	**(43,343,736)**
FINANCING ACTIVITIES					
Inflows:					
Proceeds from borrowings		2,075,264,910	3,497,906,008	402,023,137	891,686,450
		2,075,264,910	3,497,906,008	402,023,137	891,686,450
Outflows:					
Repayments of borrowings		(2,175,500,485)	(3,478,138,561)	(449,571,148)	(919,332,517)
Repayment of financial leases		(636,117)	(521,088)	(194,361)	(188,557)
Interest and similar expenses		(35,953,456)	(45,229,220)	(9,442,507)	(11,002,248)
Dividends		(111,999,953)	(119,155,951)	(3,022,251)	(25,371,551)
		(2,324,090,011)	(3,643,044,820)	(462,230,267)	(955,894,873)
Cash flow from financing activities (3)		**(248,825,101)**	**(145,138,812)**	**(60,207,130)**	**(64,208,423)**
CHANGE IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)		**(44,864,357)**	**44,615,226**	**(24,904,323)**	**33,363,874**
EXCHANGE GAINS/ (LOSSES) ON CASH AND CASH EQUIVALENTS		(899,225)	(7,997,046)	(651,397)	(2,802,517)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**20**	**243,187,261**	**184,101,274**	**219,938,666**	**190,158,097**
IMPAIRMENT FROM THE APPLICATION OF IFRS 9		(3,088,883)	-	109,850	-
GAINS/ (LOSSES) OF NON-CURRENT ASSETS HELD-FOR-SALE		158,000	-	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**20**	**194,492,796**	**220,719,454**	**194,492,796**	**220,719,454**

INDEX TO THE NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

(In these Notes, all amounts are expressed in Euro, unless otherwise stated.)

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

Head office:	Av. Fontes Pereira de Melo, 14, 10º Piso, Lisboa
Share capital:	Euro 81,270,000
Corporate body no.:	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, Secil — Companhia Geral de Cal e Cimento, S.A. and ETSA — Investimentos, SGPS, S.A.

These interim consolidated financial statements were approved by the Board of Directors on 31 October 2018.

The Group's senior management, which 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 compliance with the applicable accounting standards, providing a true and fair view of the assets and liabilities, the financial position and results of the companies included in the Group's consolidation scope.

1. BASIS OF PRESENTATION

The Group's interim consolidated financial statements for the nine-month period ended at 30 September 2018 have been prepared in accordance with the International Financial Reporting Standards 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 the consolidation (Note 25), and under the historic cost convention, except for: biological assets, financial assets at fair value through profit and loss, available-for-sale financial assets and derivative financial instruments, which are recorded at fair value. Property, plant and equipment acquired up to 1 January 2004 are recorded at revalued cost.

The following Notes have been selected in order to contribute to the understanding of the most significant changes in the consolidated financial position of the Group and its performance compared to the last annual reporting date with reference to 31 December 2017.

2. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the period ended as at 31 December 2017, and are described in the accompanying notes to these financial statements.

New standards, amendments and interpretations of existing standards

There are new standards and interpretations whose application is mandatory for annual periods beginning on or after 1 January 2018, as follows:

Description	Amendments	Effective Date *
1. Standards (new and amended) that become effective on or after 1 January 2018, already endorsed by the EU		
IFRS 9 – Financial instruments	New standard for the accounting treatment of financial instruments	1 January 2018
IFRS 15 – Revenue from contracts with customers	Recognition of revenue related to the delivery of assets and provision of services by applying the 5-step method.	1 January 2018
IFRS 16 - Leases	New lease definition. New accounting of lease contracts for lessees. There are no changes to the booking of rentals by lessors.	1 January 2019
IFRS 4 – Insurance Contract (application of IFRS 4 and IFRS 9)	Temporary exemption for insurance companies only, from applying IFRS 9 for annual periods beginning before 1 January 2021. Overlay approach for assets within IFRS 4 that qualify as FVTPL under IFRS 9 and at amortised cost under IAS 39, being the measurement difference reclassified to OCI.	1 January 2018
Changes to IFRS 15 - Revenue from contracts	Identification of performance obligations, recognition of PI license revenue, revision of the indicators for the classification of the main versus agent relationship, and new regimes for the simplification of the transition.	1 January 2018
2. Standards (new and amended) and interpretations that become effective on or after 1 January 2018, not yet endorsed by the EU		
2.1 Standards		
Improvement to standards 2014 - 2016	Several clarifications: IFRS 1, IFRS 12 and IAS 28	1 January 2018
IAS 40 – Investment Properties	Clarification that evidence of change of use is required to effect the transfer of assets to and from the investment property category.	1 January 2018
IFRS 2 – Share-based payments	Measurement of financially settled share-based payment plans, accounting for changes, and classification of share-based payment plans as liquidated in equity, when the employer is required to withhold tax.	1 January 2018
IFRS 9 – Financial instruments	Accounting treatment options for financial assets with negative compensation	1 January 2019
IAS 28 - Investments in associate and joint ventures	Clarification regarding long-term investments in associates and joint ventures that are not being measured using the equity method.	1 January 2019
Improvement to standards 2015 – 2017	Several clarifications: IAS 23, IAS 12, IFRS 3 and IFRS 11	1 January 2019
IFRS 17 – Insurance Contracts	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics.	1 January 2021
2.2 - Interpretations		
IFRIC 22 – Transactions in foreign currency and advanced consideration	Exchange rate to be applied when consideration is received or paid in advance.	1 January 2018
IFRIC 23 – Uncertainties about treatment income tax	Clarification on the application of the principles of recognition and measurement of IAS 12 when there is uncertainty about the tax treatment of a transaction, concerning income tax.	1 January 2019

** Periods beginning on or after*

The Group will adopt the new standards in the periods in which they become of effective implementation. Up to the date of issuing this report, the Group is still evaluating the effects on the consolidated financial statements arising from the adoption of these standards.

IFRS 9

IFRS 9, adopted via Commission Regulation (EU) No. 2067/2016 of 22 November 2016, includes three distinct areas: classification and measurement of financial instruments, impairment of financial assets and hedge accounting.

IFRS 9 is applicable in periods beginning on or after 1 January 2018. Except for hedge accounting, retrospective application is mandatory, although without the need for disclosure of comparative information. For hedge accounting, requirements are generally applied prospectively, with some exceptions.

The Group adopted this standard on 1 January 2018 without restating comparative information, as provided for by the Standard and its adoption did not have a significant impact on the interim consolidated statement of financial position. The main changes introduced by the standard are as follows:

(a) Classification and measurement

IFRS 9 states that the classification and measurement of financial assets is based on the business model adopted for managing the assets and on the characteristics of the contractual cash flows. To this effect, financial assets are measured at amortised cost if held to collect contractual cash flows. Other financial assets are measured at fair value through other comprehensive income (if there is also an intention to sell the assets) or through profit or loss (if not included in any previous business model, for example, if managed based on their fair value).

There were no significant impact on the Group’s statement of financial position or in shareholders’ equity, from applying the classification and measurement requirements of IFRS 9. The Group continues measuring at fair value all financial assets previously measured at fair value.

(b) Impairment

IFRS 9 establishes a new asset impairment model based on “expected credit losses”, which will replace the current “incurred loss” model followed in IAS 39. Consequently, it will no longer be necessary for a loss event to occur in order for impairment to be recognised. The new model accelerates the recognition of impairment losses in held debt instruments measured at amortised cost or fair value through other comprehensive income (including loans, bank deposits, receivables and debt securities). In case the credit risk of a financial asset has not significantly increased since its initial recognition, accumulated impairment losses equal to the losses expected to occur over the following 12 months must be recognised. In case credit risk has increased significantly, accumulated impairment losses must be recognised in the amount of expected losses until asset maturity. Once a loss event (objective evidence of impairment) has taken place, accumulated impairment losses are directly allocated to the asset, being the accounting treatment similar to that of IAS 39, including the treatment of interest.

The Standard also allows the application of a simplified approach for financial assets that meet the specified requirements. In this case, impairment loss is measured at initial recognition for an amount matching the expected losses during the entire life of the asset.

(c) Hedge accounting

IFRS 9 introduced new requirements for hedge accounting, more aligned with the principles of risk management. The new requirements also establish a more principle-based approach to hedge accounting, solving some issues in the IAS 39 hedging model.

The Group analysed the changes resulting from the adoption of this standard with the following impacts at the time of transition:

a. Classification and measurement - Financial assets at fair value through profit and loss and Available-for-sale financial assets are now referred to as Equity instruments with no change in their measurement;

b. Impairment – The implementation of the new impairment model, determined the recognition of an initial negative adjustment in the amount of Euro 3,198,733 (Euro 3,088,884 as of 30 September 2018 - Note 20) under Cash and Cash equivalents.

IFRS 15

On 28 May 2014, the International Accounting Standards Board (IASB) issued IFRS 15 – Revenue from contracts with customers, amended in April 2016 (adopted via Commission Regulation (EU) No. 1905/2016 of 22 September 2016). This standard replaces the current requirements for revenue recognition and became mandatory for periods beginning on or after 1 January 2018.

The Group adopted IFRS 15 using the modified retrospective approach with impacts arising from the initial application of the standard recognised at the date of initial application (1 January 2018). Thus, the Group did not restate the comparative information. The Group analysed the changes arising from the adoption of IFRS 15 in order to identify and evaluate the qualitative and quantitative impacts of the adoption of the Standard.

3. RELEVANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements requires that the Group's management make judgments and estimates that affect the amount of revenue, costs, assets, liabilities and disclosures at statement of financial position 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 that the Group considers it may have to take in the future. However, on the date on which the operations are realised, the outcome could be quite 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 segments for the first nine months of 2018 is analysed as follows:

Amounts in Euro	Pulp and paper	Cement and derivatives	Environment	Holdings	Intra-group eliminations	Total
Revenue	1,252,303,611	367,150,123	17,293,898	9,267,334	(9,460,945)	**1,636,554,021**
Other income	32,507,467	27,090,294	195,534	2,990	(1,393)	**59,794,892**
Consumed and sold inventories	(522,223,248)	(113,399,500)	(3,798,010)	-	-	**(639,420,758)**
Materials and services consumed	(304,731,817)	(133,383,096)	(6,032,512)	(3,026,072)	9,462,338	**(437,711,159)**
Other expenses	(117,253,028)	(79,998,054)	(3,921,983)	(7,428,776)	-	**(208,601,841)**
EBITDA	**340,602,985**	**67,459,767**	**3,736,927**	**(1,184,524)**	**-**	**410,615,155**
Depreciation and amortisation	(109,217,865)	(37,921,484)	(2,198,937)	(141,854)	-	**(149,480,140)**
Impairment losses	-	(687,109)	-	-	-	**(687,109)**
Net provisions	1,741,217	(3,422,338)	-	-	-	**(1,681,121)**
EBIT	**233,126,337**	**25,428,836**	**1,537,990**	**(1,326,378)**	**-**	**258,766,785**
Interest expenses	(6,421,248)	(14,447,105)	(228,759)	(9,083,116)	32,082	**(30,148,146)**
Results of associated companies	-	753,229	-	-	-	**753,229**
Other financial gains and losses	(10,115,960)	(15,707,561)	(117,007)	(2,164,783)	(32,082)	**(28,137,393)**
Profit before tax	**216,589,129**	**(3,972,601)**	**1,192,224**	**(12,574,277)**	**-**	**201,234,475**
Income tax	(53,128,030)	6,394,548	109,546	(2,567,000)	-	**(49,190,936)**
Net profit for the period	**163,461,099**	**2,421,947**	**1,301,770**	**(15,141,277)**	**-**	**152,043,539**
Attributable to shareholders	**113,446,185**	**(2,080,701)**	**1,301,626**	**(15,141,277)**	**-**	**97,525,833**
Non-controlling interests	50,014,914	4,502,648	145	-	-	54,517,707
OTHER INFORMATION						
Total segment assets	2,444,126,818	1,347,954,432	87,221,014	34,818,000	(34,183,141)	**3,879,937,123**
Goodwill	122,907,528	184,558,035	36,422,934	-	-	**343,888,497**
Other intangible assets	154,374,603	142,857,755	-	-	-	**297,232,358**
Property, plant and equipment	1,321,662,299	679,422,666	26,837,942	712,880	-	**2,028,635,787**
Biological assets	130,954,082	-	-	-	-	**130,954,082**
Deferred tax assets	43,741,222	36,611,112	263,328	-	-	**80,615,662**
Investment in associates	-	4,285,294	-	-	-	**4,285,294**
Total segment liabilities	1,365,164,950	781,736,477	25,655,297	515,678,654	(34,183,140)	**2,654,052,238**
Interest-bearing debt	824,454,803	492,808,660	17,091,323	487,437,341	(22,309,198)	**1,799,482,929**
Capital expenditures	148,374,108	14,600,549	1,050,619	362,183	-	**164,387,459**

The financial information by operating segments for the first nine months of 2017 is analysed as follows:

Amounts in Euro	Pulp and paper	Cement and derivatives	Environment	Holdings	Intra-group eliminations	Total
Revenue	1,209,796,139	379,071,376	21,330,588	9,790,237	(10,377,094)	**1,609,611,246**
Other income	16,140,984	21,744,587	102,641	31,017	(4,490)	**38,014,739**
Consumed and sold inventories	(494,858,603)	(110,161,273)	(4,018,075)	-	-	**(609,037,951)**
Materials and services consumed	(300,891,039)	(138,745,864)	(5,953,117)	(2,356,941)	10,381,584	**(437,565,377)**
Other expenses	(130,137,332)	(82,506,807)	(5,451,911)	(7,271,227)	-	**(225,367,277)**
Depreciation and amortisation	(120,846,676)	(38,284,306)	(2,118,731)	(148,019)	-	**(161,397,732)**
Impairment losses	(2,136,213)	1,553,143	-	-	-	**(583,070)**
Net provisions	(3,055,219)	(572,962)	(150,200)	-	-	**(3,778,381)**
Interest expenses	(8,276,493)	(20,676,698)	(299,561)	(9,514,080)	-	**(38,766,832)**
Results of associated companies	-	917,911	-	-	-	**917,911**
Other financial gains and losses	1,787,749	(11,272,659)	(87,902)	(1,954,897)	-	**(11,527,709)**
Profit before tax	**167,523,297**	**1,066,448**	**3,353,732**	**(11,423,910)**	**-**	**160,519,567**
Income Tax	(30,026,109)	(353,832)	(602,170)	(1,617,699)	-	**(32,599,810)**
Net profit for the period	**137,497,188**	**712,616**	**2,751,562**	**(13,041,609)**	**-**	**127,919,757**
Attributable to shareholders	**95,420,942**	**(7,029,822)**	**2,751,254**	**(13,041,609)**	**-**	**78,100,765**
Non-controlling interests	42,076,246	7,742,438	308	-	-	49,818,992
OTHER INFORMATION (31-12-2017)						
Total segment assets	2,447,696,399	1,456,792,210	83,516,756	12,674,713	(13,693,007)	**3,986,987,071**
Goodwill	122,907,528	192,694,053	36,422,935	-	-	**352,024,516**
Other intangible assets	155,366,245	134,699,212	-	-	-	**290,065,457**
Tangible fixed assets	1,282,630,094	753,450,196	28,031,373	492,548	-	**2,064,604,211**
Biological assets	129,396,936	-	-	-	-	**129,396,936**
Deferred tax assets	44,727,571	35,159,298	188,514	-	-	**80,075,383**
Investment in associates	-	4,099,421	-	-	-	**4,099,421**
Total segment liabilities	1,326,578,733	849,513,859	23,252,806	579,389,424	(13,693,007)	**2,765,041,815**
Interest-bearing debt	818,057,471	531,447,555	15,640,144	552,415,433	(689,598)	**1,916,871,005**
Capital expenditures	114,714,693	26,309,929	2,948,918	33,309	-	**144,006,849**

GEOGRAPHICAL SEGMENTS

The revenue presented in different business and geographical segments corresponds to revenue generated with external customers based on the final destiny of the products and services supplied by the Group, and are detailed as follows:

9M 2018	Pulp and paper	Cement and derivatives	Environment	Total Amount	Total %
Sales and services rendered					
Portugal	239,381,462	150,649,613	12,914,313	402,945,388	24.62%
Rest of Europe	635,886,441	30,503,450	3,924,231	670,314,122	40.96%
America	150,583,140	63,022,712	46,264	213,652,116	13.05%
Africa	95,109,130	59,503,639	-	154,612,769	9.45%
Asia	130,742,729	63,277,099	409,090	194,428,918	11.88%
Overseas	600,709	-	-	600,709	0.04%
	1,252,303,611	366,956,513	17,293,898	1,636,554,022	100%

9M 2017	Pulp and paper	Cement and derivatives	Environment	Total Amount	Total %
Sales and services rendered					
Portugal	224,945,001	146,947,605	14,865,453	386,758,059	24.03%
Rest of Europe	692,840,914	21,068,781	6,363,170	720,272,865	44.75%
America	116,408,854	70,924,291	-	187,333,145	11.64%
Africa	57,871,242	70,563,522	101,964	128,536,728	7.99%
Asia	115,571,041	68,980,321	-	184,551,362	11.47%
Overseas	2,159,088	-	-	2,159,088	0.13%
	1,209,796,140	378,484,520	21,330,587	1,609,611,247	100%

5. OTHER INCOME

As at 30 September 2018 and 2017, the caption Other Income comprises:

Amounts in Euro	9M 2018	9M 2017
Grants — CO2 emission allowances	12,359,819	8,547,390
Compensation for insurance against damage	110,240	75,426
Gains on disposal of non-current assets	18,829,613	1,725,359
Impairment reversal	4,265,669	809,556
Disposal of emission allowances	4,858,335	2,525,148
Supplementary income	4,046,223	1,085,861
Gains on inventories	503,371	1,479,416
Own work capitalised	592,336	2,966,683
Recovery of bad debts	33,891	12,299
Gains on disposal of current assets	1,839	13,108
Government grants	1,290,021	20,948
Revenues from waste treatment	370,089	449,395
Other operating income	10,976,300	15,118,144
	58,237,746	34,828,733

The amount presented under the caption Grants — CO_2 emissions allowances regards to the recognition of the grant, due to the allocation of free allowances.

The caption Gains on disposal of non-current assets includes Euro 15,765,258 related to the gains achieved with the sale of the pellet business completed in February 2018, as well as Euro 1,955,775 related to the sale of forest land with low capacity for forestry, both obtained by the subsidiary Navigator.

6. COST, EXPENSES AND LOSSES

As at 30 September 2018 and 2017, Costs, expenses and losses were detailed as follows:

Amounts in Euro	9M 2018	9M 2017
Cost of sales and services rendered		
Cost of inventories sold and consumed	(639,420,758)	(609,037,951)
Cost of materials and services consumed		
Energy and fluids	(124,712,683)	(121,260,777)
Inventory transportation	(124,350,457)	(123,926,109)
Professional fees	(71,097,940)	(69,254,175)
Repair and maintenance	(34,289,345)	(37,088,105)
Fees	(6,079,109)	(5,998,706)
Insurance	(11,220,945)	(11,642,365)
Subcontracts	(3,273,018)	(3,524,269)
Others	(62,687,662)	(64,870,872)
	(437,711,159)	**(437,565,378)**
Variation in production	30,098,593	(5,123,846)
Payroll costs		
Remuneration of Statutory bodies	(15,055,842)	(17,015,985)
Other remunerations	(137,750,924)	(124,240,751)
Pension costs	(3,608,079)	(3,413,038)
Other payroll costs	(40,659,496)	(44,381,134)
	(197,074,341)	**(189,050,908)**
Others expenses and losses		
Membership fees	(606,834)	(806,635)
Donations	(568,425)	(701,461)
Cost with emission allowances	(14,646,664)	(8,730,152)
Inventories and other receivables impairment	(3,799,772)	(2,255,407)
Losses on inventories	(4,425,817)	(5,451,391)
Indirect taxes and fees	(10,958,084)	(8,501,696)
Losses on disposal of non-current assets	(905,333)	(210,966)
Other operating expenses	(5,715,164)	(4,534,814)
	(41,626,093)	**(31,192,522)**
Net provisions	(1,681,121)	(3,778,381)
Total Costs, Expenses and Losses	**(1,287,414,879)**	**(1,275,748,986)**

The increase in the Payroll costs in 2018 is mainly explained by the increase in the number of employees associated to the new Tissue project in Cacia being developed by the subsidiary Navigator, and by the increase in estimated bonuses to be paid to employees.

7. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

As at 30 September 2018 and 2017, the caption Depreciation, amortisation and impairment losses is detailed as follows:

Amounts in Euro	9M 2018	9M 2017
Depreciation of property, plant and equipment		
Land	(3,409,386)	(3,486,879)
Environmental restoration and landscaping	(85,623)	(84,237)
Buildings	(14,143,331)	(15,638,934)
Other tangible assets	(138,073,507)	(148,133,159)
Government grants	5,194,409	4,676,818
	(150,517,438)	(162,666,391)
Impairment of property, plant and equipment/(Losses)/Reversals		
Buildings	44,319	274,529
Equipment	221,811	517,114
Mozambique Impairment	-	(2,136,213)
	(683,870)	(583,070)
Amortisation of intangible assets		
Industrial property and other rights	(14,188)	(10,510)
	(14,188)	(10,510)
(Losses)/ Reversals of impairment losses in assets held for sale		
Impairment of land, buildings and equipments	(3,239)	(3,239)
Depreciation in investment properties	(575)	(14,094)
ICMS -Tax on movement of goods and services		
Tax included in depreciations (Brazil)	1,052,061	1,296,502
	1,052,061	1,296,502
	(150,167,249)	**(161,980,802)**

The reduction in the depreciation of property, plant and equipment derives essentially from the disposal of the pellets business of the subsidiary Navigator in the USA.

8. NET FINANCIAL RESULTS

As at 30 September 2018 and 2017, Net financial results comprise:

Amounts in Euro	9M 2018	9M 2017
Interest paid on loans from shareholders (Note 23)	(13,185)	(26,220)
Interest paid on loans from associated companies and joint ventures (Note 23)	-	(3,858)
Interest paid on other borrowings	(30,134,961)	(39,964,392)
Other interest earned	2,578,373	3,263,548
Financial assets at fair value through profit or loss	(38,544)	(2,618)
Gains / (losses) on financial instruments — hedging (Note 22)	(3,792,386)	(660,337)
Gains / (losses) on financial instruments — trading (Note 22)	(181,483)	2,532,265
Expenses with loans issuing and other comissions	(7,184,954)	(7,204,596)
Environment and landscape recovery (Note 19)	(220,861)	(212,689)
Foreign exchange gains / (losses)	(14,868,972)	(8,949,723)
(Losses)/gains with compensatory interest	(1,232,985)	1,536,508
Other financial expenses	(3,204,633)	(602,428)
Other financial income	9,052	-
	(58,285,539)	**(50,294,540)**

9. INCOME TAX

Group Semapa is 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 Article 69 and following of the Corporate Income Tax (CIT) Code, which integrates the subsidiaries Secil, S.A. and ETSA Investimentos, SGPS, S.A. and its subsidiaries that comply with those conditions.

As at 30 September 2018 and 2017, income tax expense comprises:

Amounts in Euro	9M 2018	9M 2017
Current tax	(71,874,800)	(43,311,011)
Provisions for current tax	(2,388,024)	18,753,215
Deferred tax	25,071,888	(8,042,014)
	(49,190,936)	**(32,599,810)**

The reconciliation of the effective tax rate in the nine-month period of 2018 and 2017 is as follows:

Amounts in Euro	9M 2018	9M 2017
Profit before tax	201,234,476	160,519,569
Expected income tax	45,277,757	36,116,903
State surcharge	15,277,992	4,172,719
Differences (a)	5,451,174	(10,157,263)
Prior year tax adjustments	(9,711,352)	(15,554,730)
Recoverable tax losses carried forward	(992,499)	(748,839)
Non recoverable tax losses	8,443,430	11,658,070
Provision for current tax	-	6,547,782
Reversal of provisions	(5,647,951)	-
Impact from the change in the tax rate	(2,113,793)	(2,631,161)
Tax benefits	(7,859,869)	(229,537)
Other	1,066,047	3,425,866
	49,190,936	**32,599,810**
Effective tax rate	24.44%	20.31%

(a) This amount is made up essentially of :	9M 2018	9M 2017
Effects arising from the application of the equity method (Note 9)	(753,229)	(917,911)
Capital gains/(losses) for tax purposes	38,580,466	(2,321,704)
Capital gains/(losses) for accounting purposes	(81,891,211)	(674,489)
Impairment of taxed provisions	64,778,181	1,659,473
Tax benefits	(4,442,627)	(3,965,528)
Dividends of companies located outside the EU	-	1,970,000
Reversal of taxed provisions	(371,385)	(31,589,567)
Intra-group earning's subject to taxation	16,713	1,929,808
Employees benefits	(503,533)	1,229,481
Other	8,814,064	(12,462,953)
	24,227,439	(45,143,390)
Tax effect (22.5%)	**5,451,174**	**(10,157,263)**

In Portugal, the annual tax returns are subject to review and potential adjustment by tax authorities for a period of up to 4 years. However, if tax losses are utilised, 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, higher.

The Board of Directors believes that any corrections by tax authorities will not have a material impact on the interim consolidated financial statements as of 30 September 2018. At this date all years until 2014, included, have been reviewed in Navigator, Secil and Semapa.

10. EARNINGS PER SHARE

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

Amounts in Euro	9M 2018	9M 2017
Profit attributable to Semapa's shareholders	97,525,833	78,100,767
Total number of shares issued	81,270,000	81,270,000
Average number of treasury shares in the portfolio	(586,329)	(586,329)
Weighted average number of ordinary shares	**80,683,671**	**80,683,671**
Basic earnings per share	1.209	0.968
Diluted earnings per share	1.209	0.968

11. NON-CONTROLLING INTERESTS

In the nine-month period ended as at 30 September 2018 and year 2017, the movement in non-controlling interests, by operating segments, including the results of the period attributable to each segment, was as follows:

Amounts in Euro	Pulp and paper	Cement and derivatives	Environment	Total
Balance as of 1 January 2017	**325,385,020**	**84,361,871**	**7,316**	**409,754,207**
Capital reduction	-	(314,367)	-	(314,367)
Dividends	(76,497,856)	(11,670,021)	-	(88,167,877)
Currency translation reserve	(4,035,157)	(9,064,982)	-	(13,100,139)
Financial instruments	1,392,464	16	-	1,392,480
Actuarial gains and losses	1,326,576	65	-	1,326,641
Other movements in equity	(1,850,792)	1,115	-	(1,849,677)
Net profit for the year	60,184,959	9,320,842	362	69,506,163
Balance as of 31 December 2017	**305,905,214**	**72,634,539**	**7,678**	**378,547,431**
Acquisitions / (Disposals)	-	(5,116,999)	-	(5,116,999)
Dividends	(61,197,407)	(5,866,646)	-	(67,064,053)
Currency translation reserve	(837,611)	3,627,534	-	2,789,923
Financial instruments	(734,076)	(2)	-	(734,078)
Actuarial gains and losses	(81,530)	(301)	-	(81,831)
Other movements in equity	(211,146)	(47)	-	(211,193)
Net profit for the period	50,014,914	4,502,648	145	54,517,707
Balance as of 30 September 2018	**292,858,358**	**69,780,726**	**7,823**	**362,646,907**

In the first nine months of 2018, the subsidiary Secil acquired the remaining % of the share capital of Cimentos Madeira (47%) for an amount of Euro 4,500,000. The negative difference between the acquisition amount and the fair value of the acquired non-controlling interests, in the amount of Euro 617,015, was recorded directly under shareholders' equity, as defined in the applicable accounting policy.

12. GOODWILL

In the first nine months of 2018 and year 2017, the movement in goodwill was as follows:

Amounts in Euro	30-09-2018	31-12-2017
Balance at the beginning of the period	**352,024,516**	**352,812,897**
Acquisitions	-	7,739,608
Exchange rate adjustments	(8,136,019)	(8,527,989)
Closing balance	**343,888,497**	**352,024,516**

Note: The amounts presented are net of impairment losses

As at 30 September 2018 and 31 December 2017, Goodwill was as follows:

Amounts in Euro	30-09-2018	31-12-2017
Cement and derivatives	184,558,035	192,694,054
Pulp and paper	122,907,528	122,907,528
Environment	36,422,934	36,422,934
	343,888,497	**352,024,516**

13. PROPERTY, PLANT AND EQUIPMENT

The following movements were registered during the first nine months of 2018 and year 2017 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 2017	**443,352,555**	**1,144,411,151**	**5,359,019,311**	**111,098,763**	**7,057,881,780**
Change of consolidation perimeter	101,635	855,684	1,927,500	-	2,884,819
Acquisition	5,025,610	334,545	4,200,804	134,445,890	144,006,849
Disposals	(3,909,506)	(3,445,215)	(6,455,507)	(761,500)	(14,571,728)
Adjustments, transfers and write-offs	4,762,923	9,273,845	42,490,915	(57,572,224)	(1,044,541)
Exchange rate adjustment	(20,241,660)	(24,944,987)	(73,621,817)	(1,603,560)	(120,412,024)
Assets held for sale	(1,609,029)	(28,388,030)	(54,512,455)	(924,392)	(85,433,906)
Amount as of 31 December 2017	**427,482,528**	**1,098,096,993**	**5,273,048,751**	**184,682,977**	**6,983,311,249**
Change of consolidation perimeter	-	-	-	-	-
Acquisition	287,361	185,153	645,576	163,269,370	164,387,460
Disposals	(2,731,962)	(693,568)	(7,693,667)	-	(11,119,197)
Adjustments, transfers and write-offs	(989,515)	2,588,899	119,733,263	(112,431,657)	8,900,990
Exchange rate adjustment	(12,425,412)	(14,619,989)	(36,714,036)	(3,139,852)	(66,899,289)
Amount as of 30 September 2018	**411,623,000**	**1,085,557,488**	**5,349,019,887**	**232,380,838**	**7,078,581,213**
Accumulated depreciation and impairment losses					
Amount as of 1 January 2017	**(64,858,788)**	**(683,635,699)**	**(3,940,830,251)**	**(55,066,728)**	**(4,744,391,466)**
Depreciation and impairment losses	(4,771,360)	(22,886,532)	(197,161,832)	-	(224,819,724)
Disposals	5,685	2,480,044	5,390,442	-	7,876,171
Impairment losses	(5,004,528)	-	-	(4,302,695)	(9,307,223)
Adjustments, transfers and write-offs	29,813	1,986,693	1,039,663	1,829,286	4,885,455
Exchange rate adjustment	3,471,034	7,547,391	35,674,474	356,850	47,049,749
Amount as of 31 December 2017	**(71,128,144)**	**(694,508,103)**	**(4,095,887,504)**	**(57,183,287)**	**(4,918,707,038)**
Depreciation and impairment losses	(3,409,386)	(14,184,635)	(137,049,754)	(950,000)	(155,593,775)
Disposals	-	543,076	3,502,646	-	4,045,722
Adjustments, transfers and write-offs	46,031	500,713	616,253	-	1,162,997
Exchange rate adjustment	1,677,199	2,806,459	13,550,864	1,112,146	19,146,668
Amount as of 30 September 2018	**(72,814,300)**	**(704,842,490)**	**(4,215,267,495)**	**(57,021,141)**	**(5,049,945,426)**
Net book value as of 1 January 2017	**378,493,767**	**460,775,452**	**1,418,189,060**	**56,032,035**	**2,313,490,314**
Net book value as of 31 December 2017	**356,354,384**	**403,588,890**	**1,177,161,247**	**127,499,690**	**2,064,604,211**
Net book value as of 30 September 2018	**338,808,700**	**380,714,998**	**1,133,752,392**	**175,359,697**	**2,028,635,787**

14. OTHER NON-CURRENT ASSETS

In December 2017, the subsidiary Navigator entered into a contract to buy and sell its pellet business in the United States with a joint venture managed and operated by an associate of Enviva Holdings, LP, for USD 135 million. The realisation of the sale, subject to the verification of certain previous conditions and regulatory authorisations, habitual in this type of transactions, was effective on 16 February 2018. As at 31 December 2017, these assets were classified as Non-current assets held for sale, which included an amount of Euros 85,433,905 of Property, plant and equipment and Euros 803,143 of inventories, related to the business of pellets.

As at 30 September 2018, the caption Other non-current assets includes an amount of Euro 32,262,359 corresponding to the present value of the amount of USD 45 million still not received from the sale of this business. The nominal amount receivable bears interest at the rate of 2.5%.

15. RECEIVABLES AND OTHER CURRENT ASSETS

As at 30 September 2018 and 31 December 2017, the caption Receivables and other current assets is analysed as follows:

Amounts in Euro	30-09-2018	31-12-2017
Trade receivables	280,490,512	245,876,313
Accounts receivable — related parties (Note 23)	536,344	526,632
Derivative financial instruments (Note 22)	2,944,560	4,571,589
Other receivables	60,799,015	50,873,035
Accrued income	16,634,167	20,351,232
Deferred costs	15,279,290	12,668,285
	376,683,888	**334,867,086**

As at 30 September 2018 and 31 December 2017, Other receivables included the following:

Amounts in Euro	30-09-2018	31-12-2017
Other receivables		
Advance payments to suppliers	4,449,746	1,905,594
Advance payments to personnel	1,219,716	1,590,991
Price adjustment | Acquisition of Supremo Cimentos	1,288,213	1,856,983
Financial incentives to be received	7,380,649	42,105
Collateral provided to other parties	2,981,653	4,632,589
Department of Commerce (USA)	31,186,887	29,846,612
Other	12,292,151	10,998,161
	60,799,015	**50,873,035**

In 2015 the Group was subject to an investigation of alleged dumping practices in UWF exports 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%. In August 2018, Navigator was notified by the US Department of Commerce that the final rate to be applied on sales during the first review period (from August 2015 to February 2017) would be 37.34%, although in March 2018 the Company had been notified by the same authority that, according to its preliminary assessment, the anti-dumping rate to be applied would be 0%.

The Company reacted immediately to the decision, claiming that there were administrative errors in the decision and using all measures available to prove that the abovementioned rate for the period concerned was completely unjustified. As a result, the US Department of Commerce reconsidered the calculations made, with strict compliance with the applicable rules, settling the final rate at 1.75%, which shall be applicable to all exports to the US by the Company after the date of publication of the relevant decision.

Subsequently, a request for the reimbursement of approximately 22 million Euros will be initiated, corresponding to the difference between the amounts deposited up to February 2017 and the amount calculated based on the final rate established.

The amount evidenced in the item Price Adjustment — Acquisition of Supremo Cimentos in 2016 relates to the price adjustment determined in the context of the purchase agreement of this subsidiary celebrated between the parties.

As of 30 September 2018 and 31 December 2017, the captions of Accrued income and deferred costs are detailed as follows:

Amounts in Euro	30-09-2018	31-12-2017
Accrued income		
Interest receivable	980,387	1,548,286
Energy sales	13,678,905	15,320,310
Other	1,974,875	3,482,636
	16,634,167	**20,351,232**
Deferred costs		
Insurance	4,607,691	2,001,295
Rents and leases	3,895,824	3,722,992
Other	6,775,775	6,943,998
	15,279,290	**12,668,285**
	31,913,457	**33,019,517**

16. SHARE CAPITAL AND TREASURY SHARE

As at 30 September 2018 and 31 December 2017, Semapa's share capital was fully subscribed and paid up, represented by 81,270,000 shares with no par value.

The legal persons that held relevant positions in the Company's capital are detailed as follows:

Description	No. of shares	% 30-09-2018	% 31-12-2017
Longapar, SGPS, S.A.	22,225,400	27.35	27.35
Cimo - Gestão de Participações, SGPS, S.A.	16,734,031	20.59	20.59
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	1,981,216	2.44	2.44
Noges Bank (The Central Bank of Norway)	1,699,613	2.09	2.09
Sociedade Agrícola da Quinta da Vialonga, S.A.	625,199	0.77	0.77
Treasury shares	586,329	0.72	0.72
Other shareholders with participation below 2%	11,813,711	14.54	14.54
	81,270,000	**100.00**	**100.00**

Semapa - Sociedade de Investimento e Gestão, SGPS, S.A. held, on 30 September 2018 and 31 December 2017, 586,329 treasury shares.

17. RESERVES AND RETAINED EARNINGS

As at 30 September 2018 and 31 December 2017, the captions Fair value reserve, Translation reserve and Other reserves comprised:

Amounts in Euro	30-09-2018	31-12-2017
Fair value of financial instruments	(3,823,602)	(2,100,174)
Fair value reserve	**(3,823,602)**	**(2,100,174)**
Translation reserve	**(132,622,528)**	**(99,805,648)**
Legal reserve	16,695,625	16,695,625
Other reserves	780,089,232	700,921,321
Other reserves	**796,784,857**	**717,616,946**
Total reserves	**660,338,727**	**615,711,124**

18. DEFERRED TAXES

The following movement took place in Deferred tax assets and liabilities, during the first nine months of 2018, ended as at 30 September 2018:

Amounts in Euro	As of 1 January 2018	Exchange adjustment	Income Statement		Equity	Transfers	Assets held for sale	As of 30 September 2018
			Increases	Decreases				
Temporary differences originating deferred tax assets								
Tax losses carried forward	67,932,564	(10,759,642)	9,918,061	-	-	-	-	67,090,983
Taxed provisions	21,424,472	(373,364)	1,708,780	(1,219)	-	-	-	22,758,669
Harmonisation of depreciation criteria	112,547,708	-	227,362	(13,667,298)	-	-	300,000	99,407,772
Pensions and post-employment benefits	4,575,248	(3,480)	5,981	(427,435)	(13,906)	(34,958)	-	4,101,450
Financial instruments	4,088,316	-	-	-	3,389,662	-	-	7,477,978
Deferred accounting gains on inter-group transactions	38,987,515	(10,848)	9,134,526	(1,602,385)	-	-	-	46,508,807
Fiscal investment incentives	12,073,160	-	15,405	(1,094,054)	-	-	-	10,994,511
Fair values of business combinations	1,524,164	54,849	-	-	-	-	-	1,579,013
Conventional capital remuneration	12,320,000	-	-	-	-	-	-	12,320,000
Impairment under IFRS 9	-	-	-	-	3,088,883	-	-	3,088,883
Other temporary differences	4,696,676	(676,934)	4,451,996	(2,282,367)	-	-	-	6,189,371
	280,169,823	(11,769,419)	25,462,111	(19,074,758)	6,464,639	(34,958)	300,000	281,517,437
Temporary differences originating deferred tax liabilities								
Revaluation of property, plant and equipment	(52,430,381)	7,304,594	-	1,003,142	-	-	-	(44,122,645)
Pensions and post-employment benefits	(2,255,443)	1,045	(124,610)	-	209,942	34,958	-	(2,134,108)
Financial instruments	1,129,914	(100,427)	(1,136,714)	-	-	-	-	(107,227)
Tax incentives	(8,903,131)	-	-	932,590	186,889	-	-	(7,783,652)
Harmonisation of depreciation criteria	(392,075,056)	7,182,932	(7,189,368)	45,429,232	-	-	-	(346,652,260)
Deferred accounting losses on inter-group transactions	(50,039,680)	-	(10,191,596)	49,720,256	-	-	-	(10,511,020)
Valuation of growing forests	(10,246,504)	-	(8,897,078)	-	-	-	-	(19,143,582)
Fair value of intangible assets - brands	(254,157,786)	4,971,922	(5,807,249)	-	-	-	-	(254,993,113)
Fair value of property, plant and equipment	(111,505,041)	-	-	11,453,662	-	-	-	(100,051,379)
Fair value of business combinations	(91,146,903)	1,119,085	-	9,624,492	-	-	(22,734)	(80,426,060)
Other temporay differences	(1,340,849)	64,438	(827,493)	487,415	-	-	-	(1,616,489)
	(972,970,860)	20,543,589	(34,174,108)	118,650,789	396,831	34,958	(22,734)	(867,541,535)
Deferred tax assets	80,075,383	(4,006,120)	7,473,339	(4,855,664)	1,854,963	(8,739)	82,500	80,615,662
Deferred tax liabilities	(265,510,481)	6,662,688	(3,963,767)	26,417,980	106,150	8,738	(5,061)	(236,283,753)

19. PROVISIONS

During the course of the nine-month periods ended as at 30 September 2018 and year 2017, the following movements occurred in Provisions:

Amounts in Euro	Legal claims	Tax claims	Environmental restauration	Other	Total
As of 1 January 2017	**2,221,766**	**27,605,389**	**7,258,993**	**37,485,627**	**74,571,775**
Increases	1,887,989	649,264	12,357	7,512,140	10,061,750
Reversals	-	-	(157,590)	(5,664,037)	(5,821,627)
Charge-offs	-	-	(5,310)	(6,743,671)	(6,748,981)
Exchange rate adjustments	-	-	(1,146)	(1,209,928)	(1,211,074)
Financial discounts	-	-	283,585	-	283,585
Transfers and adjustments	49,402	(1,624,463)	135,310	(14,021,656)	(15,461,407)
31 December 2017	**4,159,157**	**26,630,190**	**7,526,199**	**17,358,475**	**55,674,021**
Increases (Note 6)	1,050,467	-	568	5,158,462	6,209,497
Reversals (Note 6)	(595,119)	(649,264)	(117,974)	(3,166,019)	(4,528,376)
Charge-offs	-	-	(55,570)	(2,371,914)	(2,427,484)
Exchange rate adjustments	-	-	-	(229,767)	(229,767)
Financial discounts	-	-	(1,135)	-	(1,135)
Transfers and adjustments	34,257	20,335,454	220,861	304,831	20,895,403
30 September 2018	**4,648,762**	**46,316,380**	**7,572,949**	**17,054,068**	**75,592,159**

The amount of the provisions for tax proceedings arises from an assessment made by the Group, with reference to the date of the Interim Consolidated Statement of Financial Position, regarding potential differences of understanding with the Tax Administration, considering the developments that are occurring in tax matters.

The amount presented under Other includes provisions to cover risks related to events of a different nature, the resolution of which may result in cash outflows.

20. INTEREST-BEARING LIABILITIES

As of 30 September 2018 and 31 December 2017, the Group's interest-bearing net debt is detailed as follows:

Amounts in Euro	30-09-2018	31-12-2017
Interest-bearing liabilities		
Non-current	1,488,914,018	1,653,480,805
Current	310,568,911	263,390,200
	1,799,482,929	**1,916,871,005**
Cash and cash equivalents		
Cash	288,922	644,350
Short term bank deposits	143,865,498	188,419,369
Other short term investments	53,427,260	54,123,542
Impairment arising from the adoption of IFRS 9	(3,088,884)	-
	194,492,796	**243,187,261**
Interest-bearing net debt	**1,604,990,133**	**1,673,683,744**

NON-CURRENT INTEREST-BEARING LIABILITIES

As of 30 September 2018 and 31 December 2017, non-current interest-bearing liabilities were as follows:

Amounts in Euro	30-09-2018	31-12-2017
Non-current		
Bond loans	761,000,000	891,000,000
Commercial paper	535,400,000	540,250,000
Bank loans	192,525,552	223,730,194
Expenses with loans issuing	(5,890,430)	(7,920,335)
Interest-bearing bank debt	**1,483,035,122**	**1,647,059,859**
Financial leases	1,483,321	1,724,907
Other loans	3,937,233	4,237,695
Other interest-bearing debts	458,342	458,344
Other interest-bearing debts	**5,878,896**	**6,420,946**
Non - current interest-bearing liabilities	**1,488,914,018**	**1,653,480,805**

CURRENT INTEREST-BEARING LIABILITIES

As of 30 September 2018 and 31 December 2017, current interest-bearing liabilities were as follows:

Amounts in Euro	30-09-2018	31-12-2017
Current		
Bond loans	150,000,000	-
Commercial paper	80,000,000	50,000,000
Bank loans	73,015,859	209,415,643
Expenses with bond loans issuing	(1,497,730)	(1,415,182)
Interest-bearing bank debt	**301,518,129**	**258,000,461**
Shareholders short-term loans (Note 23)	6,534,026	4,470,475
Financial leases	578,539	919,264
Reimbursable grants	1,938,217	-
Other interest-bearing debts	**9,050,782**	**5,389,739**
Current interest-bearing liabilities	**310,568,911**	**263,390,200**

21. CURRENT ACCOUNTS PAYABLE

As of 30 September 2018 and 31 December 2017, the caption Payables and other current liabilities comprised:

Amounts in Euro	30-09-2018	31-12-2017
Accounts payable to suppliers	211,501,908	214,176,136
Accounts payable to suppliers of fixed assets	9,848,924	14,800,549
Instituto do Ambiente	14,355,534	12,643,080
Derivative financial instruments (Note 22)	5,714,366	3,777,509
Other creditors	8,306,513	8,226,238
Related parties (Note 23)	2,124,431	7,057,631
Accrued costs	111,239,120	108,022,444
Deferred income	33,116,970	16,895,053
	396,207,766	**385,598,640**

As of 30 September 2018 and 31 December 2017, the captions Accrued costs and Deferred income are detailed as follows:

Amounts in Euro	30-09-2018	31-12-2017
Accrued costs		
Payroll costs	63,647,486	58,744,091
Interest payable	11,779,694	8,753,820
Bonus payable to suppliers	6,503,270	7,761,518
Rent-related Liabilities	8,805,537	7,073,023
Accrual of expenses with energy	2,429,283	2,339,761
Hydric resources rate	2,036,555	2,011,427
Consulting fees	1,606,194	1,327,535
Bank services	224,003	456,922
Insurance	77,393	269,675
Transportation Services	99,836	243,176
IT Services	63,506	197,821
Audit fees	49,758	153,877
Other	13,916,605	18,689,798
	111,239,120	**108,022,444**
Deferred income		
Government grants	5,700,476	5,859,834
Grants — CO2 emission allowances	16,549,027	5,454,833
Other incentives	6,942,665	1,655,584
Other deferred income — ISP	3,924,802	3,924,802
	33,116,970	**16,895,053**

22. DERIVATIVE FINANCIAL INSTRUMENTS

As at 30 September 2018 and 31 December 2017, details of the fair value of derivative financial instruments were as follows:

				30-09-2018			31-12-2017
Amounts in Euro	Amount	Currency	Maturity	Positive	Negative	Net	Net
Hedging							
Net investment hedge	-	USD	2018	19,100	-	19,100	114,914
Exchange rate forwards - future sales	169,666,667	USD	2019	-	(1,419,220)	(1,419,220)	1,701,360
Exchange rate forwards - future sales	49,016,667	GBP	2019	598,413	-	598,413	-
Interest and exchange rate swaps	505,000,000	Euro	2020/23	-	(2,622,221)	(2,622,221)	(3,473,480)
				617,513	**(4,041,441)**	**(3,423,928)**	**(1,657,206)**
Trading							
Exchange rate forwards	81,000,000	USD	2018	-	(722,144)	(722,144)	669,733
Exchange rate forwards	6,850,000	GBP	2019	-	(23,452)	(23,452)	8,407
Cross currency interest rate swap	17,739,298	USD	2018/2019	831,792	-	831,792	18,044
Currency Collar	800,000	BRL	2018	-	-	-	(25,370)
Non Deliverable Forward (NDF)	70,970,456	BRL	2018	745,057	(927,329)	(182,272)	630,491
Non Deliverable Forward (NDF)	1,305,000	USD	2018	57,976	-	57,976	-
Non Deliverable Forward (NDF)	6,166,612	Euro	2018/19	692,221	-	692,221	-
Cash Anti-Dumping risk hedging	29,250,000	USD	2018	-	-	-	1,149,981
				2,327,047	**(1,672,925)**	**654,122**	**2,451,286**
				2,944,560	**(5,714,366)**	**(2,769,806)**	**794,080**
Interest and exchange rate swaps | Hedge	180,000,000	Euro	2020	-	(282,955)	(282,955)	
				2,944,560	**(5,997,321)**	**(3,052,761)**	**1,463,813**

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

As of 30 September 2018 and 31 December 2017, related parties receivables are detailed as follows:

	30-09-2018			31-12-2017		
Amounts in Euro	Other receivables (Note 15)	Other payables (Note 21)	Current interest-bearing liabilities (Note 20)	Other receivables (Note 15)	Other payables (Note 21)	Current interest-bearing liabilities (Note 20)
Shareholders						
Cimigest, SGPS, S.A.	-	11,043	-	2,763	3,242	-
Cimo SGPS, S.A.	-	-	6,497,077	-	-	4,433,589
Longapar, SGPS, S.A.	-	1,169	36,949	106	-	36,886
Other related entities						
Cimilonga - Imobiliária, S.A.	-	20,788	-	-	31,215	-
Hotel Ritz, S.A.	-	2,896	-	-	12,487	-
Soc. Agrícola Herdade dos Fidalgos, Lda.	-	-	-	-	504	-
Ave-Gestão Ambiental, S.A.	133,896	198,489	-	128,262	481,578	-
Cotif Sicar	-	103,730	-	-	92,844	-
Enermontijo, S.A.	60,947	18,338	-	54,656	12,551	-
Enerpar, SGPS, S.A.	-	-	-	-	21,598	-
Inertogrande	214,321	-	-	213,993	-	-
J.M.J. Henriques, Lda.	127,180	-	-	126,852	-	-
Refundos, SGFII, S.A.	-	(45,430)	-	-	-	-
Seribo, S.A.	-	-	-	-	324,717	-
Grupo Setefrete - Soc. Tráfego Cargas, S.A.	-	189,447	-	-	183,471	-
Minority shareholders of Ciment de Sibline*	-	1,604,204	-	-	5,873,015	-
UTIS, Lda	-	-	-	-	-	-
Other subsidiaries shareholders	-	19,757	-	-	20,409	-
Total	**536,344**	**2,124,431**	**6,534,026**	**526,632**	**7,057,631**	**4,470,475**

** Allocated dividends pending settlement*

During the nine-month period ended 30 September 2018 and 2017, transactions with related parties are detailed as follows:

	9M 2018				9M 2017			
Amounts in Euro	Service purchase	Sales and services rendered	Operating income	Net financial costs	Service purchase	Sales and services rendered	Operating income	Net financial costs
Shareholders								
Sodim, SGPS, S.A.	-	-	-	-	-	-	-	-
Cimigest SGPS, S.A.	(80,805)	-	-	-	(80,805)	-	2,502	(1,547)
Cimo SGPS, S.A.	-	-	-	(12,851)	-	-	-	(18,027)
Longapar, SGPS, S.A.	-	-	-	(84)	-	-	-	(1,048)
OEM SGPS, S.A.	-	-	-	-	-	-	-	(5,598)
	(80,805)	-	-	(12,935)	(80,805)	-	2,502	(26,220)
Other related entities								
Sonagi - Imobiliária, S.A. (former Cimilonga)	(724,666)	-	-	-	(765,910)	-	-	-
Refundos, SGFII, S.A.	(381,653)	-	-	-	(140,145)	-	-	-
Hotel Ritz, S.A.	(37,268)	-	-	-	(37,326)	-	-	-
Sonagi, SGPS, S.A.	-	-	-	-	-	-	1,200	-
Enermontijo, S.A.	(416,031)	292,269	-	-	(85,049)	187,474	-	-
Enerpar, SGPS, S.A.	(17,401)	-	-	-	(169,029)	-	-	-
Ave-Gestão Ambiental, S.A.	(1,524,261)	42,575	138,469	-	(2,113,002)	41,146	17,669	-
Setefrete, S.A.	(2,332,190)	-	37,011	-	(2,654,610)	-	20,351	-
Soc. Agrícola Herdade dos Fidalgos, Lda.	-	-	-	-	-	-	-	-
Other	-	48,638	-	(250)	(5,371)	-	-	(3,858)
	(5,433,470)	383,482	175,480	(250)	(5,970,442)	228,620	39,220	(3,858)

24. NUMBER OF EMPLOYEES

As of 30 September 2018 and 31 December 2017, the number of Employees in service of the Group's various companies was 5,924 and 6,045, respectively.

25. COMPANIES INCLUDED IN THE CONSOLIDATION

Name	Head Office	Direct and indirect % of equity held by Semapa		
		Direct	Indirect	Total*
Parent-Company				
Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.	Lisboa			
Subsidiaries				
Seminv, SGPS, S.A.	Lisboa	100.00	-	100.00
Seinpart, SGPS, S.A.	Lisboa	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
Semapa Next, S.A.	Lisboa	100.00	-	100.00
Aphelion, S.A.	Lisboa	100.00	-	100.00

** % held on 31-12-2017 and 31-12-2016*

SUBSIDIARY COMPANIES OF SUB-GROUP ETSA

Name	Head Office	Direct and indirect % of equity held in ETSA			% shares held by Semapa	
		Direct	Indirect	Total	30-09-2018	31-12-2017
Parent-Company						
ETSA - Investimentos, SGPS, S.A.	Loures	99.99	-	99.99	99.99	99.99
Subsidiaries						
ETSA LOG,S.A.	Loures	100.00	-	100.00	100.00	100.00
SEBOL – Comércio e Industria de Sebo, S.A.	Loures	100.00	-	100.00	100.00	100.00
ITS – Indústria Transformadora de Subprodutos Animais, S.A.	Coruche	100.00	-	100.00	100.00	100.00
ABAPOR – Comércio e Industria de Carnes, S.A.	Coruche	100.00	-	100.00	100.00	100.00
BIOLOGICAL - Gestão de Resíduos Industriais, Lda.	Loures	100.00	-	100.00	100.00	100.00
AISIB – Aprovechamiento Integral de Subprodutos Ibéricos, S.A.	Spain	100.00	-	100.00	100.00	100.00

SUBSIDIARY COMPANIES OF SUB-GROUP NAVIGATOR

		Direct and indirect % equity held in Navigator			% of shares held by Semapa	
Name	Head Office	Direct	Indirect	Total	30-09-2018	31-12-2017
Parent - company:						
The Navigator Company, S.A.	Setúbal	35.71	33.69	69.40	69.40	69.40
Subsidiaries:						
Navigator Paper Figueira, S.A.	Figueira da Foz	100.00	-	100.00	69.40	69.40
Navigator Parques Industriais, S.A.	Setúbal	100.00	-	100.00	69.40	69.40
Navigator Products & Tecnology, S.A.	Setúbal	100.00	-	100.00	69.40	69.40
Enerpulp – Cogeração Energética de Pasta, S.A.	Setúbal	100.00	-	100.00	69.40	69.40
Navigator Pulp Figueira, S.A.	Figueira da Foz	100.00	-	100.00	69.40	69.40
Navigator Pulp Setúbal, S.A.	Setúbal	100.00	-	100.00	69.40	69.40
Navigator Pulp Cacia, S.A.	Aveiro	100.00	-	100.00	69.40	69.40
Navigator International GmbH	Germany	100.00	-	100.00	69.40	69.40
About Balance - SGPS, S.A.	Lisboa	100.00	-	100.00	69.40	69.40
Navigator Tissue Cacia, S.A.	Aveiro	-	100.00	100.00	69.40	69.40
Navigator Tissue Ródão , S.A.	Vila Velha de Ródão	-	100.00	100.00	69.40	69.40
Navigator Internacional Holding SGPS, S.A.	Setúbal	100.00	-	100.00	69.40	69.40
Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, Lda	Mozambique	20.05	60.15	80.20	55.66	55.66
Magellan Holdings Inc.	USA	25.00	75.00	100.00	69.40	69.40
Navigator Financial Services Sp. Z o.o.	Poland	25.00	75.00	100.00	69.40	69.40
Navigator Floresta, SGPS, S.A.	Setúbal	100.00	-	100.00	69.40	69.40
Raiz - Instituto de Investigação da Floresta e Papel	Aveiro	-	97.00	97.00	67.32	65.24
Navigator Forest Portugal, S.A.	Setúbal	100.00	-	100.00	69.40	69.40
Sociedade de Vinhos da Herdade de Espirra - Produção e Comercialização de Vinhos, S.A.	Setúbal	-	100.00	100.00	69.40	69.40
Gavião - Sociedade de Caça e Turismo, S.A.	Setúbal	-	100.00	100.00	69.40	69.40
Afocelca - Agrupamento complementar de empresas para protecção contra incêndios, ACE	Portugal	-	64.80	64.80	44.97	44.97
Viveiros Aliança - Empresa Produtora de Plantas, S.A.	Palmela	-	100.00	100.00	69.40	69.40
Atlantic Forests, S.A.	Setúbal	-	100.00	100.00	69.40	69.40
Bosques do Atlantico, SL	Spain	-	100.00	100.00	69.40	69.40
Navigator Paper Holding, SGPS, S.A.	Setúbal	100.00	-	100.00	69.40	69.40
Navigator Fine Paper , S.A.	Setúbal	-	100.00	100.00	69.40	69.40
About the Future - Empresa Produtora de Papel, S.A.	Setúbal	-	100.00	100.00	69.40	69.40
Navigator Paper Setúbal, S.A.	Setúbal	-	100.00	100.00	69.40	69.40
Navigator North America Inc.	USA	-	100.00	100.00	69.40	69.40
Navigator Sales & Marketing, S.A.	Belgium	25.00	75.00	100.00	69.40	69.40
Navigator Africa, SRL	Italy	-	100.00	100.00	69.40	69.40
Navigator Participações Holding ,SGPS, S.A.	Setúbal	100.00	-	100.00	69.40	69.40
Portucel Florestal, S.A.	Setúbal	-	100.00	100.00	69.40	69.40
Arboser – Serviços Agro-Industriais, S.A.	Setúbal	-	100.00	100.00	69.40	69.40
EMA21 - Engenharia e Manutenção Industrial Século XXI, S.A.	Setúbal	-	100.00	100.00	69.40	69.40
Ema Cacia - Engenharia e Manutenção Industrial, ACE	Aveiro	-	95.00	95.00	65.93	64.27
Ema Setúbal - Engenharia e Manutenção Industrial, ACE	Setúbal	-	89.91	89.91	62.40	63.36
Ema Figueira da Foz- Engenharia e Manutenção Industrial, ACE	Figueira da Foz	-	90.72	90.72	62.96	61.56
Empremédia - Corretores de Seguros, S.A.	Lisboa	-	100.00	100.00	69.40	69.40
EucaliptusLand, S.A.	Setúbal	-	100.00	100.00	69.40	69.40
Headbox - Operação e Controlo Industrial, S.A.	Setúbal	-	100.00	100.00	69.40	69.40
Navigator Added Value, S.A.	Setúbal	-	100.00	100.00	69.40	69.40
Navigator Switzerland Ltd.	Switzerland	25.00	75.00	100.00	69.40	69.40
Navigator Afrique du Nord	Morocco	-	100.00	100.00	69.40	69.40
Navigator España, S.A.	Spain	-	100.00	100.00	69.40	69.40
Navigator Netherlands, BV	Holand	-	100.00	100.00	69.40	69.40
Navigator France, EURL	France	-	100.00	100.00	69.40	69.40
Navigator Paper Company UK, Ltd	United Kingdom	-	100.00	100.00	69.40	69.40
Navigator Italia, SRL	Italy	-	100.00	100.00	69.40	69.40
Navigator Deutschland, GmbH	Germany	-	100.00	100.00	69.40	69.40
Navigator Paper Austria, GmbH	Austria	-	100.00	100.00	69.40	69.40
Navigator Paper Poland SP Z o o	Poland	-	100.00	100.00	69.40	69.40
Navigator Eurasia	Turkey	-	100.00	100.00	69.40	69.40
Navigator Rus Company, LLC	Russia	-	100.00	100.00	69.40	69.40
Navigator Paper Mexico	Mexico	-	100.00	100.00	69.40	69.40
Navigator Abastecimento de Madeira, ACE	Setúbal	97.00	3.00	100.00	69.40	69.40

SUBSIDIARY COMPANIES OF SUB-GROUP SECIL

		Direct and indirect % equity held in Secil			% of shares held by Semapa	
Name	Head Office	Direct	Indirect	Total	30-09-2018	31-12-2017
Parent Company:						
Secil - Companhia Geral de Cal e Cimento, S.A.	Setúbal	99.998	-	99.998	99.998	99.998
Subsidiaries:						
Hewbol, S.G.P.S., Lda.	Funchal	100.00	-	100.00	99.998	99.998
Secil Cabo Verde Comércio e Serviços, Lda.	Cape Verde	99.80	0.20	100.00	99.998	99.998
ICV - Inertes de Cabo Verde, Lda.	Cape Verde	37.50	25.00	62.50	62.499	62.499
Florimar- Gestão e Participações, S.G.P.S., Lda.	Funchal	100.00	-	100.00	99.998	99.998
Sociedade de Inertes, Lda	Mozambique	-	100.00	100.00	99.998	99.998
Seciment Investments, B.V.	The Netherlands	100.00	-	100.00	99.998	99.998
Serife - Sociedade de Estudos e Realizações Industriais e de Fornecimento de Equipamento, Lda.	Lisboa	100.00	-	100.00	99.998	99.998
Silonor, S.A.	France	100.00	-	100.00	99.998	99.998
Société des Ciments de Gabés	Tunisia	98.72	-	98.72	98.716	98.716
Sud- Béton- Société de Fabrication de Béton du Sud	Tunisia	-	98.72	98.72	98.716	98.716
Zarzis Béton	Tunisia	-	98.52	98.52	98.519	98.519
Secil Angola, SARL	Angola	100.00	-	100.00	99.998	99.998
Secil - Companhia de Cimento do Lobito, S.A.	Angola	-	51.00	51.00	50.999	50.999
Unibetão - Indústrias de Betão Preparado, S.A.	Lisboa	100.00	-	100.00	99.998	99.998
Secil Britas, S.A.	Lisboa	100.00	-	100.00	99.998	99.998
Lusoinertes, S.A.	Lisboa	-	100.00	100.00	99.998	99.998
Secil Martingança - Aglomerantes e Novos Materiais para a Construção, S.A.	Leiria	51.19	48.81	100.00	99.998	99.998
IRP - Industria de Rebocos de Portugal, S.A.	Santarém	-	75.00	75.00	74.998	74.998
Ciminpart - Investimentos e Participações, S.G.P.S., S.A.	Lisboa	100.00	-	100.00	99.998	99.998
ALLMA - Microalgas, Lda.	Leiria	-	70.00	70.00	69.999	69.999
Allmicroalgae Natural Products, S.A.	Leiria	-	100.00	100.00	99.998	99.998
Argibetão - Sociedade de Novos Produtos de Argila e Betão, S.A.	Lisboa	-	99.53	99.53	99.528	99.528
Secil Brasil Participações, S.A.	Brazil	-	100.00	100.00	99.998	99.998
Supremo Cimentos, SA	Brazil	-	100.00	100.00	99.998	99.998
Margem - Companhia de Mineração, SA	Brazil	-	100.00	100.00	99.998	99.998
I3 Participações e Serviços, Ltda.	Brazil	-	100.00	100.00	99.998	99.998
Secil Brands - Marketing, Publicidade, Gestão e Desenvolvimento de Marcas, Lda. (ex Prescor Produção de Escórias Moídas, Lda.)	Lisboa	-	100.00	100.00	99.998	99.998
CMP - Cimentos Maceira e Pataias, S.A.	Leiria	100.00	-	100.00	99.998	99.998
Ciments de Sibline, S.A.L.	Lebanon	28.64	22.41	51.05	51.049	51.049
Soime, S.A.L.	Lebanon	-	51.05	51.05	51.049	51.049
Cimentos Madeira, Lda.	Funchal	100.00	-	100.00	99.998	57.142
Beto Madeira - Betões e Britas da Madeira, S.A.	Funchal	-	100.00	100.00	99.998	57.142
Promadeira - Sociedade Técnica de Construção da Ilha da Madeira, Lda.	Funchal	-	100.00	100.00	99.998	57.142
Brimade - Sociedade de Britas da Madeira, S.A.	Funchal	-	100.00	100.00	99.998	57.142
Madebritas - Sociedade de Britas da Madeira, Lda.	Funchal	-	51.00	51.00	50.999	29.142
Pedra Regional - Industria Transformadora de Rochas Ornamentais, S.A.	Funchal	-	100.00	100.00	99.998	57.142
Uniconcreto - Betão Pronto, S.A.	Lisboa	100.00	-	100.00	99.998	99.998
Secil Cement BV (ex Finlandimmo Holding BV)	The Netherlands	100.00	-	100.00	99.998	99.998
SPB, SGPS, LDA	Setúbal	100.00	-	100.00	99.998	99.998
Secil Prébetão, S.A.	Montijo	-	100.00	100.00	99.998	99.998
Cementos Secil, SLU	Spain	100.00	-	100.00	99.998	99.998

26. SUBSEQUENT EVENTS

Recently, after the closing of the period, on 13 October the Hurricane Leslie in Portugal caused damages in the Figueira da Foz plant, which was without electricity, water and telecommunications and forced to suspend work. The effort and outstanding performance of the local teams, as well as the support and involvement of several multidisciplinary teams of the Group, allowed to start immediately all the work necessary to repair the damages caused and to minimise downtime, placing the pulp line and the paper machines 1 and 2 quickly into operation. However, this downtime caused a loss of production estimated at about 9 thousand tons of pulp and 10 thousand tons of paper, which will limit the volumes available for sale in the last quarter.

27. 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

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

FILIPA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

FRANCISCO JOSÉ MELO E CASTRO GUEDES

JOSÉ ANTÔNIO DO PRADO FAY

LUA MÓNICA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

MAFALDA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

VÍTOR MANUEL GALVÃO ROCHA NOVAIS GONÇALVES

VÍTOR PAULO PARANHOS PEREIRA