



## **DIRECTOR'S REPORT**

## **CONSOLIDATED FINANCIAL STATEMENTS**

## **FIRST 9 MONTHS 2010**

## **Director's Report**

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## 1 Semapa Group – Business Overview

### Financial highlights and comparison with the same period in 2009:

**Turnover: 1,234.5 million euros** ↑ 17.5%

**Total EBITDA: 335.0 million euros** ↑ 60.6%

**EBITDA Margin: 27.1%** ↑ 7.3 p.p.

**Pre-tax Profit: 184.3 million euros** ↑ 104.8%

**Net profits: 90.6 million euros** ↑ 73.4%

**Net Debt: 1,063.2 million euros** ↓ -79.8 million euros (vs. December 2009)

### Leading Financial Indicators

IFRS - accrued amounts (million euros)	Q3 2010	Q3 2009	Q3 2010/Q3 2009 (Var%)
<b>Turnover</b>	<b>1,234.5</b>	<b>1,050.8</b>	<b>17.5%</b>
Other income	32.1	39.1	-17.8%
Costs and losses	(931.7)	(881.3)	-5.7%
<b>Total EBITDA</b>	<b>335.0</b>	<b>208.6</b>	<b>60.6%</b>
Recurrent EBITDA	334.1	207.8	60.8%
Depreciation and impairment losses	(131.3)	(106.2)	-23.6%
Provisions (increases and reversals)	18.3	10.5	74.3%
EBIT	222.0	112.9	96.6%
Net financial profit	(37.7)	(22.9)	-64.3%
Pre-tax profit	184.3	90.0	104.8%
Tax on profits	(58.7)	(18.3)	-220.8%
Retained profits for the period	125.7	71.7	75.2%
<b>Attributable to Semapa equity holders</b>	<b>90.6</b>	<b>52.2</b>	<b>73.4%</b>
Attributable to minority interests	35.1	19.5	80.2%
Cash-flow	238.7	167.4	42.6%
EBITDA margin (% Sales)	27.1%	19.9%	7.3 p.p.
EBIT margin (% Sales)	18.0%	10.7%	7.2 p.p.
	<b>30-09-2010</b>	<b>31-12-2009</b>	<b>Set 10 vs. Dez 09</b>
Total net assets	3,474.7	3,373.5	3.0%
Equity (before MI)	929.5	865.7	7.4%
<b>Net debt</b>	<b>1,063.2</b>	<b>1,143.0</b>	<b>-7.0%</b>

#### Notes:

- Total EBITDA = operating profit + depreciation and impairment losses + provisions – reversal of provisions
- Cash flow = Retained profits for the period + depreciation and impairment losses + provisions – reversal of provisions
- Net debt = non-current interest bearing debt (net of loan issue charges) + current interest-bearing debt (including debts to shareholders) – cash and cash equivalents – market value of treasury stock and other securities held

We would stress that the background to the period in question is different from that for the same period in 2009, due to start-up of the new paper mill in Setúbal in the 3rd quarter of 2009, altering the business profile of the paper and pulp sector (Portucel Group), increasing their relative weight in Semapa Group.

### **Segment Reporting (IFRS)**

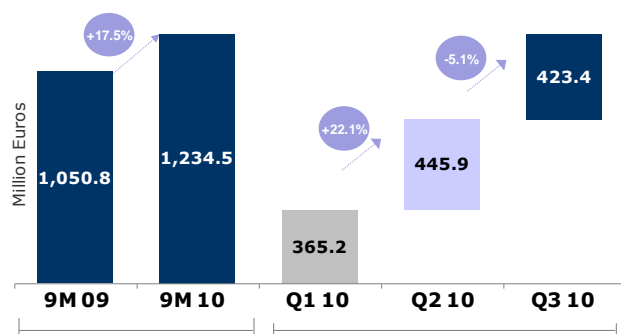
IFRS-accrued amounts (million euros)	Paper and Pulp	Cement	Environment	Holdings	Consolidated
<b>Sales</b>	<b>1,003.7</b>	<b>208.3</b>	<b>22.5</b>	<b>0.1</b>	<b>1,234.5</b>
<b>Total EBITDA</b>	<b>288.7</b>	<b>51.4</b>	<b>6.5</b>	<b>(11.6)</b>	<b>335.0</b>
Recurrent EBITDA	288.7	50.5	6.5	(11.6)	334.1
Depreciation and impairment losses	(113.6)	(16.1)	(1.6)	(0.1)	(131.3)
Provisions (increases and reversals)	20.9	(0.6)	-	(2.0)	18.3
<b>EBIT</b>	<b>196.0</b>	<b>34.8</b>	<b>5.0</b>	<b>(13.8)</b>	<b>222.0</b>
Net financial profit	(17.1)	(1.9)	(0.6)	(18.1)	(37.7)
<b>Pre-tax profits</b>	<b>179.0</b>	<b>32.9</b>	<b>4.4</b>	<b>(31.9)</b>	<b>184.3</b>
Tax on profits	(46.1)	(11.2)	(1.3)	(0.0)	(58.7)
<b>Retained profits for the period</b>	<b>132.9</b>	<b>21.6</b>	<b>3.1</b>	<b>(31.9)</b>	<b>125.7</b>
<b>Attributable to Semapa equity holders</b>	<b>102.3</b>	<b>17.7</b>	<b>2.5</b>	<b>(31.9)</b>	<b>90.6</b>
Attributable to minority interests	30.5	4.0	0.6	-	35.1
<b>Cash-flow</b>	<b>225.5</b>	<b>38.3</b>	<b>4.7</b>	<b>(29.8)</b>	<b>238.7</b>
EBITDA margin (% Sales)	28.8%	24.7%	29.1%	-	27.1%
Recurrent EBITDA margin (% Sales)	28.8%	24.2%	29.1%	-	27.1%
EBIT margin (% Sales)	19.5%	16.7%	22.2%	-	18.0%
<b>Net total assets</b>	<b>2,652.5</b>	<b>497.9</b>	<b>26.7</b>	<b>297.7</b>	<b>3,474.7</b>
<b>Net debt</b>	<b>603.9</b>	<b>45.8</b>	<b>12.8</b>	<b>400.7</b>	<b>1,063.2</b>

Notes:

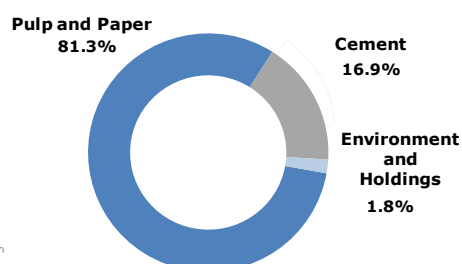
- Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments
- The 51% holding in Secil owned by the Semapa Group is consolidated by the proportional method

**Consolidated turnover was up by 17.5% over the same period in the previous year**

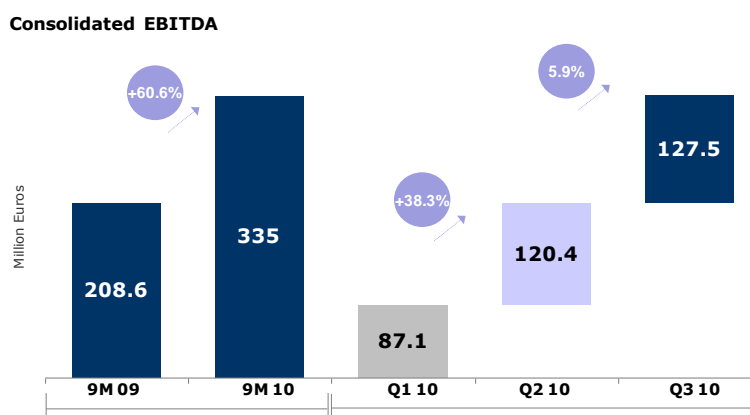
**Consolidated Turnover**



**Contribution to Turnover 3rd Quarter 10 (Q3 2010)**



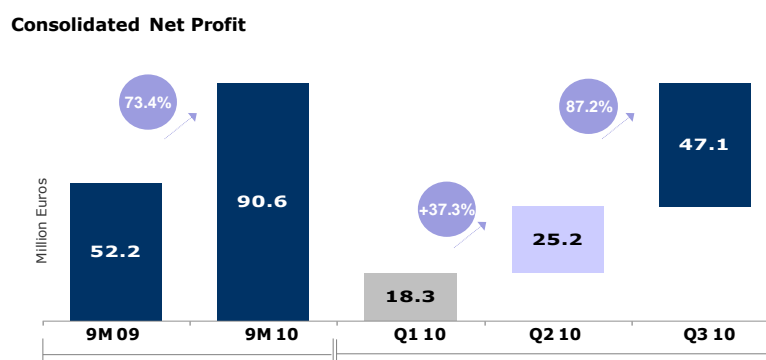
**Consolidated EBITDA : 335.0 million euros ↑ 60.6% and EBITDA Margin ↑ 7.3 p.p.**



**Financial Results: -37.7 million euros ↓ - 64.3%**

The financial loss for the first 9 months was up by 14.7 million euros over the same period in 2009, standing at -37.7 million euros.

**Consolidated Net Profits: 90.6 million euros ↑ 73.4%**



## 2 Paper and paper Pulp Business Area - Portucel

### 2.1 Leading Business Indicators

IFRS - accrued amounts (million euros)	Q3 2010	Q3 2009	Q3 2010/Q3 2009 (Var. %)
<b>Sales</b>	<b>1,003.7</b>	<b>806.1</b>	<b>24.5%</b>
Other income	17.3	24.9	(30.7%)
Costs and losses	(732.2)	(676.9)	(8.2%)
<b>EBITDA</b>	<b>288.7</b>	<b>154.1</b>	<b>87.3%</b>
Recurrent EBITDA	288.7	154.1	87.3%
Depreciation and impairment losses	(113.6)	(88.3)	(28.6%)
Provisions (increases and reversals)	20.9	10.1	107.9%
<b>EBIT</b>	<b>196.0</b>	<b>75.8</b>	<b>158.5%</b>
Net financial profit	(17.1)	(9.3)	(83.5%)
<b>Pre-tax profit</b>	<b>178.9</b>	<b>66.5</b>	<b>168.9%</b>
Tax on profits	(46.1)	(7.9)	(486.6%)
Retained profits for the period	132.9	58.7	126.4%
<b>Attributable to Portucel equity holders *</b>	<b>133.0</b>	<b>58.7</b>	<b>126.3%</b>
Attributable to minority interests (IM)	(0.1)	(0.1)	(60.2%)
<b>Cash-Flow</b>	<b>225.5</b>	<b>137.0</b>	<b>64.7%</b>
EBITDA margin (%)	28.8%	19.1%	50.5%
EBT margin (%)	19.5%	9.4%	107.6%

	30-09-2010	31-12-2009	Set 10 vs. Dez 09
Total net assets	2,652.5	2,574.4	3.0%
Equity (before MI)	1,253.1	1,180.2	6.2%
<b>Net debt</b>	<b>603.9</b>	<b>670.0</b>	<b>(9.9%)</b>

*\* of which 76,97% is attributable to Semapa*

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

## 2.2 Portucel Group – Overview of Operations

Over the first nine months of 2010, the Portucel Group recorded turnover of **1,003.7 million euros**, representing an increase of 24.5% over the same period in the previous year. This growth was due essentially to an increase in the volume of UWF paper sales, sustained by the output of the new paper mill, and to increased power generation and sales.

In the 3<sup>rd</sup> quarter of 2010, Portucel Group sales were down by 4.5% on the 2<sup>nd</sup> quarter of 2010. This performance is largely explained by the impact of planned maintenance stoppages at the Setúbal pulp mill and at the paper and pulp mills in Figueira da Foz, and also by the drop in the euro sale price for pulp, hit by evolution of the exchange rate.

EBITDA totalled **288.7 million euros** in the first 9 months of 2010, far outperforming the same period in the previous year, with growth of 87.3% and an EBITDA / Sales margin of 28.8%. This was achieved thanks to the growth in turnover and also to favourable trends in certain production costs.

In quarterly terms, performance was also positive and EBITDA for the third quarter of 2010 stood at 110.5 million euros, up by 4.4% over the previous quarter, with an EBITDA / Sales margin of 31.9%.

During the period, the Group conducted a technical assessment of its industrial assets with a view to determining their remaining useful lives. This analysis was undertaken by an international firm of independent valuers, who concluded that the Group's main assets had remaining useful lives in excess of what had previously been considered for the purposes of depreciation, and the respective depreciation rates were accordingly reviewed, with effect as from 1 July 2010.

The financial loss of **17.1 million euros** compares with a loss of 9.3 million euros in the first 9 months of 2009. However, it should be noted that this item was positively influenced in the same period in 2009 by a sum of 7.8 million euros relating to reversal of interest on fiscal matters, and also by a positive figure of approximately 4 million euros for foreign exchange gains.

The profits for the period were also brought down by the alteration in the nominal corporation tax rate to 29%, corresponding to a basic rate of 25%, plus a municipal surcharge of 2.5% and a State surcharge of 1.5%. As a result, net profits attributable to Portucel Group equity holders in the first 9 months of 2010 stood at **133 million euros**, representing growth of 126% over the same period in the previous year.

## 2.3 Business Review

### 2.3.1 Market Background

The European UWF paper market continued to consolidate the recovery which began in the final quarter of 2009, with growth in apparent consumption estimated at approximately 8% in relation to the first 9 months of the previous year. Net UWF production capacity in Europe contracted by approximately 2% in relation to the same period in 2009, despite the start-up of the new Portucel mill in August 2009, already at an extremely advanced stage of its start-up curve. Despite rallying significantly in relation to 2009, the take-up rate for Europe's UWF capacity still stood at 93% during

the reporting period (reflecting overcapacity of approximately 7%), although the Portucel Group once again operated at 100% capacity, despite the harsh market environment and the sharp rise in capacity provided by the new paper mill. This overcapacity is estimated to be even greater at the global level, at 14%, corresponding to approximately 6 million tons.

The euro fell against the currencies of the main exporters of UWF to Europe – Brazil and Indonesia – by 8% in both cases, putting pressure on the profitability of imports from outside Europe, particularly in the cut size segment.

The depreciation of the euro, which also occurred in relation to the US dollar, especially during the first half the year, has made European exports more competitive, and was reflected in growth of sales by European producers outside the European zone of 27%. However, the 3<sup>rd</sup> quarter saw the euro climb against the dollar, reflected in a drop in exports by European manufacturers. In total, sales by the European industry were up by 10%, with approximately 85% of this additional volume placed within Europe.

In this context, the Portucel Group experienced strong growth in the quantity of UWF paper sales in relation to the same period in 2009, with the added output from the new paper machine, causing its European sales to grow by approximately 20%, substantially above the market average. Estimates point to the Group having increased its market share in Europe by approximately 135,000 tons (2.5%) over the period.

Overall growth in sales was supported by expansion of 14% in the volume of premium product sales, which has been especially significant, in the current market environment. Also important is the fact that sales of the Group's own brands also grew by 18%, with Navigator, the world's best selling premium brand of office paper, enjoying growth of 12%. The Group's own brands accounted for almost 60% of cut-size sales in the period, in line with the situation recorded prior to the start-up of the new paper mill.

Despite the growth in the European market, the benchmark prices in this market (PIX Copy B – Foex) dropped by approximately 1.9% in relation to the previous half (but still rose by 4.6 from the second to the third quarters of 2010). The average net sales price recorded by the Group in the first 9 months of 2010 was up by 1.3% on the same period in the previous year, a significant success when compared with the European benchmark.

The UWF market in the US recorded a drop of 1% in apparent consumption over the first nine months of the year. Despite a further net reduction in industrial capacity of 6%, occupation rates in the industry failed to climb above 89%, as reported above. The Portucel Group increased its turnover in the US market by 17% over the same period in 2009, boosting its share in this market.

As we have seen, European UWF exports were significantly higher in the period than in the same period in 2009, reflecting price increases in export markets and the stronger dollar. However, these factors were observed primarily in the first half, and business in these regions cooled slightly in the third quarter. A very significant share in the growth of European UWF exports in 2010 was claimed by the Portucel Group, which saw its export share rise 8 percentage points from year-end 2009 to the end



of September 2010, at the same time as it continued to extend significantly the geographical reach of its sales.

After successive hikes in the listed price for hardwood pulp over the first quarter, supported by a range of factors, especially on the demand side, the market slowed in the third quarter, although the Chinese market, responsible for the cooling of world demand over part of the year, rallied strongly in September.

Stocks at manufacturers, users and ports stood at the end of the period at levels below the average for recent years.

On the foreign exchanges, the performance against the USD of the currencies of some of the main pulp producing countries (short and long fibre) has continued to act as a significant and consistent force in maintaining current price levels. This was the case of the Brazilian Real (Brazil being the leading producer of BEKP pulp), which climbed 4.8% against the US dollar over the third quarter.

As we have seen, the Group's pulp sales are not comparable with those in the same period of 2009, due to the commencement of production trials at the new paper mill in August 2009, and the consequent increase in pulp integration within the Group. Accordingly, in line with the curve anticipated for the performance of the new paper mill and the respective integration of cellulose fibre, sales of pulp on the market stood at the levels expected.

In terms of sales by paper segments, the Group was successful in giving priority to segments with greater value added – decorative and special papers – which accounted for some two thirds of sales.

Sales by destination show that practically the total volume of sales went to the European market, which is home to the higher quality paper manufacturers who require higher standards and for whom the intrinsic qualities of the globulus pulp produced by the Group is of significant added value.

### **2.3.2 Portucel Group – Operational Performance**

As in the first half of the year, the Portucel Group recorded highly positive performance in the first nine months of 2010, with consolidated sales of 1,003.7 million euros, up by 24.5% over the same period in the previous year. This growth was due essentially to an increase in the quantity of paper sales, sustained by the output of the new paper mill, and to increase energy production and sales. These business areas are increasingly important to the Group's operations, in line with what has been its development strategy.

The European market in uncoated woodfree paper (**UWF**) has presented favourable evolution in average prices since the start of the year, recovering from the losses suffered in 2009. However, despite this recovery, the average paper price in the period, measured by the benchmark index for the European market, PIX Copy B published by Foex, was lower than the average figure for the first nine months of 2009, down by 1.9%. Nonetheless, the Group's average sale price in the period was up by 1.3%, contributing to an impressive increase of 25% in the value of paper sales in the first nine months of 2010.

In the **pulp** business, the Group's performance reflects on the one hand the sharp increase in the sales price and, on the other hand, a reduction in the quantity of pulp available for sale, due to incorporation into paper at the new Setúbal mill. Sales were consequently down by almost 50% in volume, but the very positive rise in pulp prices partially offset this drop, meaning that the value of pulp sales on the market corresponded to a decrease of only 1.5%. The Group's average sales price rose by approximately 85% in relation to the same period in 2009, as compared to a variation over the same period in the PIX index for hardwood pulp in euros of approximately 66%.

Power generation was up significantly in the period, with gross generation over the nine months of approximately 1.2 thousand TWh, far in excess of the previous year's figure, and more than all the power generated over the whole of 2009. This increase was due to the start-up of the new natural gas co-generation plant in Setúbal, in August 2009, and the output of the new biomass power stations in Cacia and Setúbal, which came online in late 2009. As a result, the value of energy sales for the period was up by 75% on those in the same period in 2009.

In relation to the first nine months of 2009, a number of production costs evolved favourably, with a reduction in the cost of chemicals, and also in maintenance and logistical costs. Personnel costs were up on the first half of 2009, due essentially to new staff taken on to operate the new paper mill, and also to adjustment of estimates for performance bonuses for 2010.

As a result, EBITDA was well up on the same period in 2009, growing by 87.3% to 288.7 million euros, resulting in an EBITDA / Sales margin of 28.8%, up by 9.6 pp.

## **Development**

With the start-up in the 3<sup>rd</sup> quarter of the steam turbine for the biomass cogeneration plant at Figueira da Foz, the Group has completed its investment programme in the energy field, which in addition to this last project also included three new power plants, which started up in the final quarter of 2009.

In its ongoing analysis of development opportunities in the southern hemisphere, Portucel is considering investment alternatives in three distinct regions: Uruguay, Brazil and Mozambique.

As duly disclosed, the Group has signed a memorandum of understanding with the Government of Uruguay, setting out the terms and requirements regarded as essential for an investment project in the country. The future of this agreement will depend on developments in the logistical field, and especially the construction of a deep water port.

In Brazil, a framework agreement has been signed with the State of Mato Grosso do Sul, and work is proceeding on the studies needed to go ahead with an integrated forestry, pulp and energy project.

At the same time, after approval by the Government of Mozambique of a concession covering 173 thousand hectares in the province of Zambézia, which is expected to be complemented by an additional area of 220 thousand hectares in Manica province, the Group is currently engaged in a number industrial feasibility and logistical studies in order to determine the conditions for going ahead with an industrial project in the country. Work has also started on the necessary forestry trials, which will precede the start of planting in the concession areas.

### 3 Cement and Derivatives Business Area – SECIL

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

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

#### 3.1 Leading Business Indicators

IFRS - accrued amounts (million euros)	Q3 2010	Q3 2009	Q3 2010/Q3 2009 (Var.%)
<b>Sales</b>	<b>408.3</b>	<b>438.9</b>	<b>(7.0%)</b>
Other income	28.7	25.1	14.5%
Costs and losses	(336.3)	(346.8)	3.0%
<b>EBITDA</b>	<b>100.7</b>	<b>117.2</b>	<b>(14.0%)</b>
Recurrent EBITDA	<b>99.0</b>	<b>117.0</b>	<b>(15.4%)</b>
Depreciation and impairment losses	(31.5)	(32.3)	2.5%
Provisions (increases and reversals)	(1.1)	(0.3)	(250.3%)
<b>EBIT</b>	<b>68.1</b>	<b>84.6</b>	<b>(19.5%)</b>
Net financial profit	(3.7)	(4.7)	21.1%
<b>Pre-tax profit</b>	<b>64.5</b>	<b>79.9</b>	<b>(19.4%)</b>
Tax on profits	(22.0)	(18.3)	(20.2%)
Retained profits for the period	42.4	61.6	(31.1%)
<b>Attributable to Secil equity holders</b>	<b>34.7</b>	<b>50.4</b>	<b>(31.2%)</b>
Attributable to minority interests (IM)	7.8	11.2	(30.7%)
<b>Cash-flow</b>	<b>75.0</b>	<b>94.2</b>	<b>(20.4%)</b>
EBITDA Margin (%)	24.7%	26.7%	(7.6%)
EBIT Margin (%)	16.7%	19.3%	(13.4%)

	30-09-2010	31-12-2009	Set 10 vs. Dez 09
Total net assets	976.3	945.4	3.3%
Equity (before MI)	483.0	483.5	(0.1%)
<b>Net debt</b>	<b>89.9</b>	<b>95.3</b>	<b>(5.7%)</b>

\* of which 51% is attributable and integrated to DF's consolidated of Semapa

### **3.2 Secil Group – Overview of Operations**

In the 3<sup>rd</sup> quarter of the year, the world economy continued to move towards recovery, on the strength of performance by the emerging economies, albeit at a slower pace.

The construction industry and demand for cement fell significantly in most developed countries, including Portugal, the key market for Secil Group operations.

In this difficult environment, turnover in the first 9 months of 2010 stood at **408.3 million euros**, of which the Semapa Group appropriated approximately **208.3 million euros**. This performance was down by 7.0% on the first 9 months of the previous year, a reduction which was due essentially to poorer performance in operations in Portugal and Angola.

EBITDA stood at approximately **100.7 million euros**, of which the Semapa Group appropriated approximately **51.4 million euros**, representing a drop of approximately 14.0% in relation to the same period in 2009.

Despite successful performance in cement and clinker business in Tunisia and Lebanon, this was not sufficient to offset the decline in operations in Portugal and Angola.

Net financial results presented an improvement in the period, rising from a loss of 4.7 million euros in the first 9 months of 2009 to a loss of 3.7 million euros in the first 9 months of 2010, thanks to foreign exchange gains, a reduction in average indebtedness and lower interest rates.

Net profits stood at approximately **34.7 million euros**, of which Semapa appropriated **17.7 million euros**.

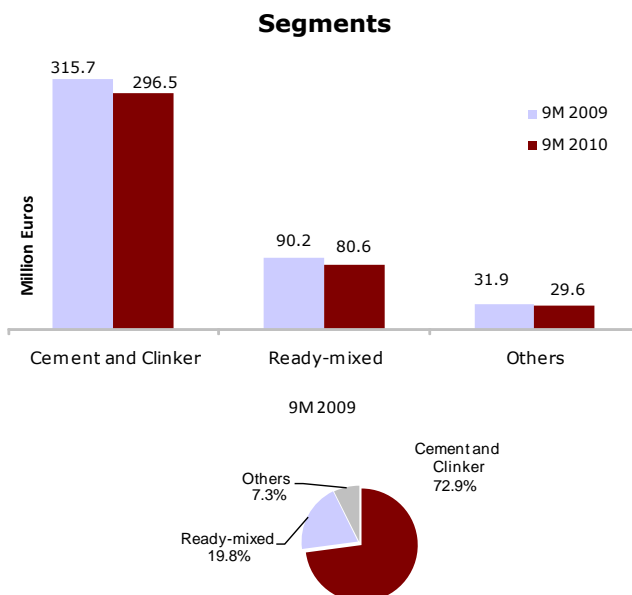
Total capital expenditure in the period stood at **31.7 million euros**, mostly relating to operational investments.

At the end of the 3<sup>rd</sup> quarter of 2010, net debt stood at approximately **89.9 million euros**, 5.7% down from the figure recorded at year-end 2009. Considering the value of the capital expenditure referred to above and the fact that the Secil Group distributed dividends of approximately 37 million euros during the 1<sup>st</sup> half of 2009, the figures for net debt reflect the Group's excellent capacity for generating cash flow.

### 3.3 Business Review

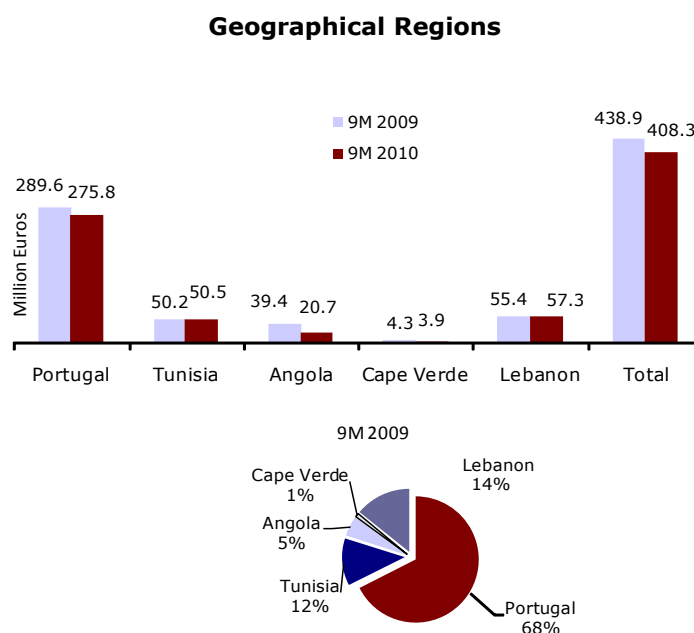
#### Sales by Segment and Geographical Region

Due to the crisis, turnover in the Secil Group's different business sectors did not evolved favourably in comparison with the first 9 months of the previous year:



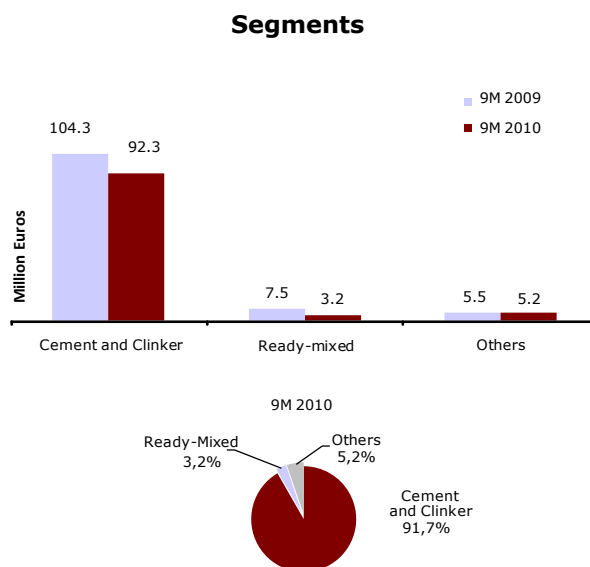
In terms of geographical regions, performance was poorer in business units in Portugal and Angola, the country where the drop in business was most pronounced.

During the first nine months of 2010, turnover from operations outside Portugal represented approximately 32% of total.



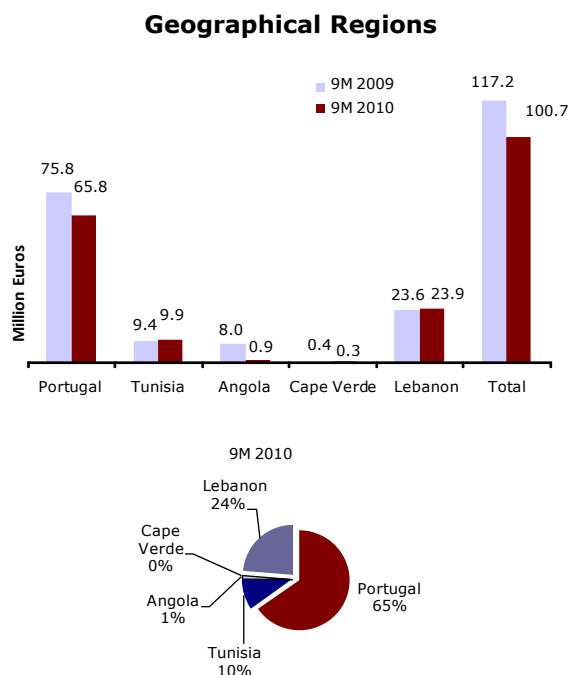
### **EBITDA by Segments and Countries**

Business in the cement and clinker segment and in ready-mixed presented a drop in EBITDA in relation to the first 9 months of 2009. The figures for the segment "Others", which includes aggregates, mortars and pre-cast concrete, show a smaller decline in relation to the first 9 months of 2009, as they include a single substantial, one-off operation.



In terms of geographical segments, the EBITDA generated by operations in Portugal and Angola was lower than that recorded in the first nine months of 2009. The most substantial growth in EBITDA was recorded in Tunisia, and also in Lebanon, which has made an increasingly significant contribution.

EBITDA generated by operations outside Portugal represented approximately 35% of the Secil Group's total EBITDA.



### 3.3.1 Portugal

The Portuguese economy appears to have outperformed expectations in the first nine months of 2010, thanks above all to a combination of growth in consumer spending, public spending, exports and gross fixed capital formation. According to recently issued forecasts from the Bank of Portugal, GDP is set to grow by approximately 1.2% in 2010 up from the estimate of 0.9% in July (Autumn Economic Bulletin – October 2010).

However, the civil construction sector remains in decline, due to the continuing crisis in the residential construction segment. Output in the construction sector for the period from January to August was down by approximately 9.4% (Production Index for Construction and Public Works – INE October 2010).

Demand for cement in the period was lower than in the first nine months of 2009, down in the order of 5%, continuing the negative tendency observed in the 2<sup>nd</sup> quarter.

In this harsh environment, the cement and clinker business unit presented turnover of approximately **176.3 million euros** for the reporting period, representing a decline of 1.3% in relation to the first nine months of the previous year.

The main contributing factors included (i) an increase in export business, allowing the Group to offset dwindling sales on the home market and (ii) weaker performance in cement business in Madeira, caused by the severe storm experienced in the islands in February, bringing construction work to a halt.

In terms of operating performance, this business unit recorded EBITDA of approximately **58.7 million euros** during the first nine months of 2010, 9.6% down on the figure recorded in the same period in the previous year.

The concrete, aggregates and mortars units all presented performance which fell short of the first nine months of 2009, due to heavy dependency on the domestic market.

The positive operating performance experienced in precast concrete business was influenced by a single one-off transaction, comprising of the sale of a plot of land in Madeira.

### 3.3.2 Tunisia

According to figures published by the IMF, the Tunisian economy is expected to grow by approximately 3% in 2010, faster than the growth recorded in 2009 (World Economic Outlook, IMF October 2010).

The construction industry enjoyed robust growth during the first 9 months of the year, with cement consumption up by approximately 10.5%, for the country as a whole, and 5.5% in the southern region, with is the natural market for the Secil Group's operations in Tunisia.

In the first 9 months of 2010, turnover in cement and clinker business stood at approximately **44.4 million euros**, practically unchanged from the figure recorded in the same period in 2009.

Quantities sold and the average unit price on the domestic market both increased over the reporting period, offsetting the reduction in exports to Libya, which have recurrently offered better margins than the home market.

For the first 9 months of 2010, EBITDA in this business unit stood at **9.0 million euros**, representing an increase of approximately 10.2% over the same period in the previous year.

This performance was positively influenced by increased turnover on the domestic market and lower thermal energy costs, thanks to a reduction in petcoke prices.

### **3.3.3 Lebanon**

According to figures published by the IMF, growth of 8% is expected in the Lebanese economy in 2010, slightly down on the growth of approximately 9% recorded in 2009 (World Economic Outlook, IMF October 2010).

The construction sector continues to growth, due essentially to the residential construction segment. Estimates point to growth of around 6% in demand for cement over the year as a whole.

During the first 9 months of 2010, turnover in cement business in Lebanon stood at approximately **51.6 million euros**, up by 4.0% on the same period in 2009. This was due in the main to increased sales on the home market.

EBITDA stood at approximately **23.6 million euros**, up by 2.3% on the same period in 2009. The growth in this indicator has been due to successful sales performance and cost savings on thermal energy due to lower petcoke prices.

### **3.3.4 Angola**

The Angolan economy is currently stabilizing and returning to a period of growth. According to a report from the IMF, the economy is expected to grow by approximately 5.9% in 2010 (World Economic Outlook, IMF, October 2010), turning around the negative trend experienced in 2009.

There are signs of economic recovery, both in the petroleum sector, and in the non-petroleum sector. However, activity in the construction industry has yet to return to the sustained pace of growth achieved in 2009.

In this context, performance by the cement and clinker business unit in the first nine months of 2010 was well down on the same period in 2009.

The turnover of **20.7 million euros** recorded in the first 9 months of 2010 represented reduction of 47.4% on the figure recorded in the same period in 2009, due to a decrease in quantities sold and in the respective average sales price.

EBITDA stood at **0.9 million euros**, down by 88.5% on the figure recorded in the same period in 2009.



## 4 Environment Business Area – ETSA

### 4.1 Leading Business Indicators

IFRS - accrued amounts (million euros)	Q3 2010	Q3 2009	Q3 2010/Q3 2009 (Var%)
Sales	22.5	20.5	9.6%
Other income	0.2	0.6	(67.5%)
Costs and losses	(16.1)	(15.5)	(4.1%)
<b>EBITDA</b>	<b>6.5</b>	<b>5.6</b>	<b>16.5%</b>
Recurrent EBITDA	6.5	5.6	16.5%
Depreciation and impairment losses	(1.6)	(1.3)	(20.2%)
Provisions (increases and reversals)	-	(0.2)	100.0%
<b>EBIT</b>	<b>5.0</b>	<b>4.1</b>	<b>20.9%</b>
Net financial profit	(0.6)	(0.4)	(60.4%)
<b>Pre-tax profit</b>	<b>4.4</b>	<b>3.8</b>	<b>17.1%</b>
Tax on profits	(1.3)	(1.1)	(20.5%)
Retained profits for the period	3.1	2.7	15.7%
<b>Attributable to ETSA equity holders</b>	<b>3.1</b>	<b>2.7</b>	<b>14.9%</b>
Attributable to minority interests (MI)	(0.0)	(0.0)	70.6%
<b>Cash-Flow</b>	<b>4.7</b>	<b>4.2</b>	<b>11.6%</b>
EBITDA margin (%)	29.1%	27.4%	6.3%
EBIT margin (%)	22.2%	20.1%	10.4%
	30-09-2010	31-12-2009	Set 10 vs. Dez 09
Total net assets	26.7	26.3	1.7%
Equity (before MI)	6.1	7.0	(12.7%)
<b>Net debt</b>	<b>12.8</b>	<b>12.8</b>	<b>(0.1%)</b>

\* of which 80% is attributable to Semapa

### 4.2 ETSA Group – Overview of Operations

The current economic situation in Portugal and Spain continues to hamper the business of the ETSA Group, placing constraints on the collection of raw materials and the quantities processed at the Group's production units.

In the first 9 months of 2010, the ETSA Group recorded turnover of **22.5 million euros**, representing growth of 9.6% over the same period in 2009. This performance was sustained by new projects initiated in the 2<sup>nd</sup> half of 2009.

Accrued EBITDA at the end of September 2010 stood at **6.5 million euros**, corresponding to an increase in this indicator of 16.5% on the first 9 months of 2009, thanks to the start-up of these new projects.

Net profits attributable to ETSA Group equity holders in the first 9 months of 2010 stood at **3.1 million euros**.

The net debt of the ETSA Group totalled **12.8 million euros**, close to the figure recorded in December 2009. It should be noted that during the reporting period 2010 the Group distributed dividends and retained earnings totalling 4 million euros.

## 5 Semapa Group Human Resources

The human resources policy of the Semapa Group and its subsidiaries is geared to continuous improvement in productivity through developing employee skills and expertise, in conjunction with streamlining and rationalization.

The commitment to a highly skilled workforce, with specialized professional careers, continues to be one of the key features of the Group's human resources policy, reflected in professional development and training activities and programmes.

The workforce of the Semapa Group rose from 5,167 in December 2009 to 5,179 employees at the end of September 2010, as shown in the following table:

Segment	30-09-2010	31-12-2009	Var. 10/09
Paper and Pulp	2,340	2,288	52
Cement	2,623	2,676	-53
Environment	196	182	14
Holdings	20	21	-1
<b>TOTAL</b>	<b>5,179</b>	<b>5,167</b>	<b>12</b>

## 6 Semapa Group – Financial Area

### 6.1 Indebtedness

The Semapa Group has concluded a phase of heavy investment focussed primarily on completing the new paper mill in Setúbal and on projects in the energy sector.

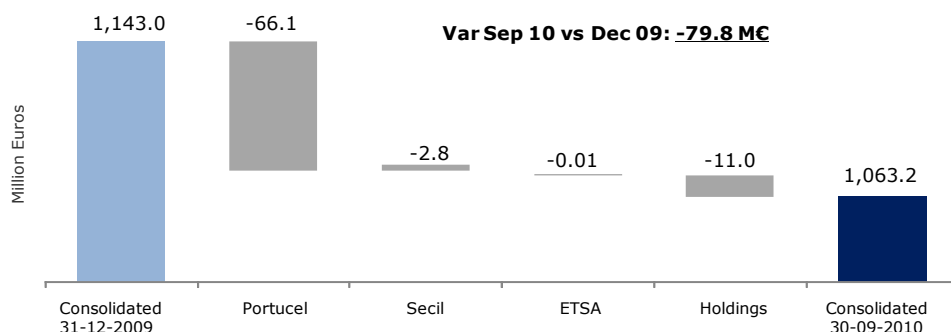
At 30 September 2010, consolidated net debt stood at 1,063.2 million euros, representing an improvement on year-end 2009. Considering, (i) the value of the capital expenditure referred to above, which totalled 907.6 million euros over the last two financial years and (ii) the fact that the Semapa Group's subsidiaries have paid out dividends totalling 104.3 million euros, the figures for debt reflect the Semapa group's excellent capacity to generate business cash flow, and its extremely sound financial structure.

The following graph shows total consolidated debt and a breakdown at the end of the first nine months of 2010, compared with year-end 2009:

#### Semapa Group: Structure of Financial Indebtedness (million euros)

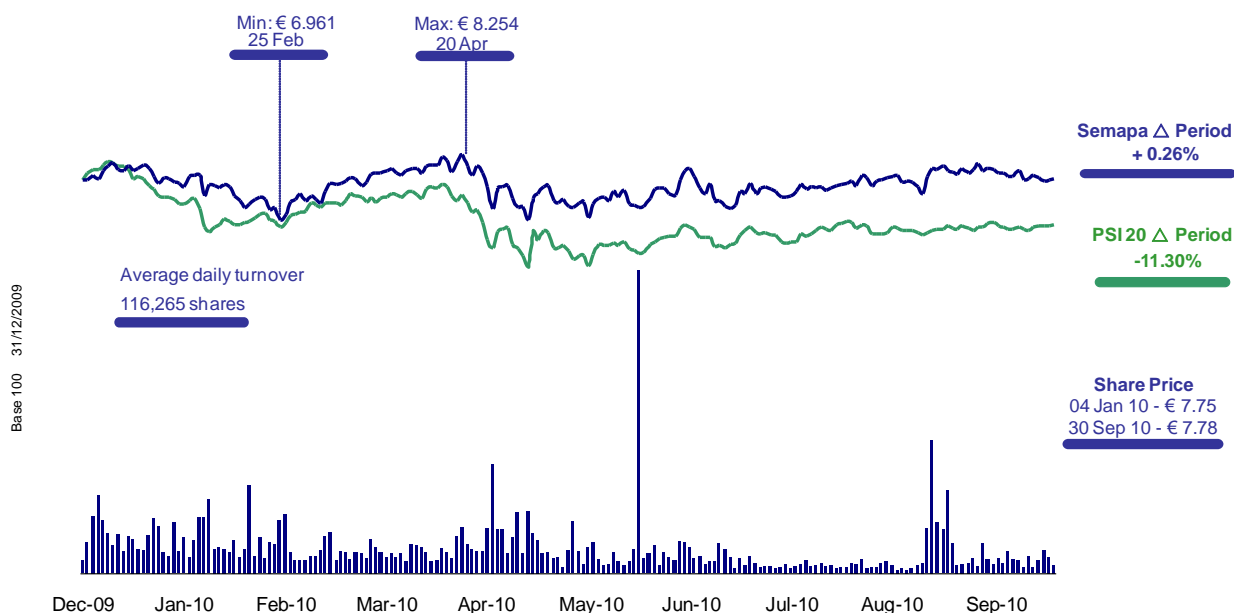
##### Consolidated Net Debt

	Dec 09	Sep 10	Var
Pulp and Paper	670,0	603,9	-66,1
Cement	48,6	45,8	-2,8
Environment	12,8	12,8	0,0
Holdings	411,7	400,7	-11,0
<b>Total</b>	<b>1,143.0</b>	<b>1,063.2</b>	<b>-79.8</b>



## 6.2 Listed Share Price

### Performance of Semapa Shares on Euronext Lisbon – First 9 months of 2010



Semapa shares outperformed the PSI 20 index over the course of the period, recording a slight increase in value (+0.26%), whilst the Portuguese share index dropped by 11.3%.

## 6.3 Dividends

In relation to the payment of dividends, the company has pursued a policy of distributing an amount which allows it not to take out significant additional borrowing and without undermining its sound financial position. The aim has been to maintain a financial structure compatible with the Group's sustained growth and different business areas, whilst maintaining sound solvency indicators. Accordingly:

- At the General Meeting of Semapa, held on 22 April 2010, it was resolved to distribute a dividend of 25.5 cents per share, representing a total dividend of 29,481,173 euros.
- At the General Meeting of Portucel, held on 15 March 2010, it was resolved to distribute a dividend of 8.25 cents per share, which was paid on 14 April, representing a total of 63,318,750 euros.

- At Secil's 2010 General Meeting it was resolved to distribute a dividend of 74 cents per share, representing a total of 37,017,345.60 euros.
- At the General Meeting of ETSA, held on 31 March 2010 it was resolved to distribute a total dividend of 2,000,000 euros. On 12 May 2010, a further General Meeting of the ETSA Group resolved to distribute retained earnings totalling 2,000,000 million euros.

#### **6.4 Net Profit for the first nine months of 2010**

Semapa's Consolidated Net Profit for the first 9 months of 2010, before minority interests, stood at **125.7 million euros**, of which **90.6 million euros** is attributable to Semapa equity holders, representing an **increase of 73.4% over the same period in the previous year**.

This growth was due primarily to:

- An improvement in EBITDA of approximately 126.4 million euros, due to the combined effect of increased turnover and tight cost control;
- An increase in depreciation of approximately 25.1 million euros, following on from the start-up of the plant acquired in the Group's ambitious capital expenditure plan. This increase was partly offset by extension of the useful lives of the industrial facilities of the Portucel Group;
- Positive contribution from provisions (+7.8 million euros in relation to the same period in the previous year);
- Increased net financial costs up by 14.7 million euros in comparison with the same period in the previous year;
- A significant increase in tax on profits, due essentially to the introduction in June this year of the State surcharge, which has pushed the tax rate in Portugal up from 26.5% to 29%. This had an impact on pre-tax profits and all deferred taxes on the balance sheet, resulting in a non-recurrent increase in these of 17.1 million euros. As a result, the effective tax rate in the first 9 months of 2010 stood at approximately 32%.

## **7 Principal Developments**

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

- Semapa paid out a dividend of 25.5 cents per share, on 10 May, representing a total dividend of 29.5 million euros.
- In the course of the first half of 2010, Semapa acquired on the stock exchange 150,000 thousand shares in Portucel for a sum of 290 thousand euros, increasing its holding to 76.97% of the share capital of the Portucel Group.
- At the General Meeting held on 22 April, new company officers were elected for the four-year term 2010-13.

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

- Portucel paid out a dividend of 8.25 cents per share, on 14 April, representing a total dividend of 63.3 million euros.
- The Council of Ministers of Mozambique approved a resolution granting Portucel a provisional permit to use and develop an area of 173,327 hectares in the province of Zambézia, for forestry purposes, along with a package of benefits for possible future industrial investment which Portucel may decide to implement in Mozambique. The same resolution also grants a permit for use and development of an additional area of 220,000 hectares in Manica province, as soon as the formalities currently underway are completed.

### **Cement and Derivatives – SECIL Group**

- In June, Secil paid out a total dividend of 37 million euros.
- Acquisition of an additional holding in its subsidiary Britobetão, increasing its total holding to 82%.

### **Environment – ETSA Group**

- At the General Meeting of ETSA, held on 31 March 2010 it was resolved to distribute a total dividend of 2,000,000 euros. On 12 May 2010, a further General Meeting of the ETSA Group resolved to distribute retained earnings totalling 2,000,000 million euros.

## 8 Outlook

Economic prospects for different world regions are relatively varied, with the Euro Zone presenting the least dynamic outlook, largely constrained by large budget deficits, accompanied by high levels of unemployment and restrictions on bank finance for the economy.

### **Paper and Pulp (Portucel Group)**

In the **paper** industry, expectations for the coming months remain prudent. The European economy remains subject to countless potential risks. In addition to the end of a phase in which stocks have been rebuilt, new paper capacity is coming online in Asia, which could cause a degree of imbalance in the market.

In the **pulp** market, the main factor of uncertainty stems from the sustainability of demand from China. Consumption in this market has already slowed slightly this year, and in combination with the return to operation of capacity which was temporarily closed this has caused some imbalance, resulting in adjustments to prices. At the same time, growth in paper production capacity as currently taking place in Asia, and in China in particular, the closure of some obsolete capacity in the same country, and the positive environment still enjoyed by the paper industry in Europe could all help to sustain demand in the medium term.

In the **energy** sector, with the start-up of the new steam turbine for the biomass cogeneration plant at the Figueira da Foz industrial complex, the Group has completed a series of investment projects in this area, representing a strong commitment to sustainable growth. With its present capacity, the Group will generate approximately 5% of all electricity produced in Portugal, most of it from renewables – forest biomass and operating by-products.

The Group is also pressing ahead with its analysis of international expansion possibilities in the southern hemisphere, in order to be reach decisions with the necessary degree of security.

### **Cemento (Secil Group)**

The current world economic environment remains unfavourable for positive developments in Secil's principal operations, particularly in Portugal and Angola.

The Group therefore expects to record a positive result overall for the year, but still down on the previous year.

For **Portugal**, which is its main market, the prospects are still poor for the various segments in which the Secil Group operates, and especially for the residential construction segment.

The economic prospects in Tunisia and Lebanon are brighter, with expected positive growth rates in the business segments in which Secil group operates.

Though the Angolan economy is experiencing an upturn, the prospects for Secil Group are for the moment less optimistic.

**Environment (ETSA Group)**

The economic environment in Portugal will largely shape the business operations of the ETSA Group as it continues to pursue sustained development of its subsidiaries' business activities.

The projects launched in 2009, continued efforts to boost commercial performance and competitiveness and other signs observed over the course of 2010 all serve to support moderate optimism as to results over the remainder of 2010.

Lisbon, 28 October 2010



## **The Board of Directors**

Pedro Mendonça de Queiroz Pereira  
**Chairman**

Maria Maude Mendonça de Queiroz Pereira Lagos  
**Director**

José Alfredo de Almeida Honório  
**Director**

Francisco José Melo e Castro Guedes  
**Director**

Carlos Maria Cunha Horta e Costa  
**Director**

José Miguel Pereira Gens Paredes  
**Director**

Paulo Miguel Garcês Ventura  
**Director**

Rita Maria Lagos do Amaral Cabral  
**Director**

António da Nóbrega de Sousa da Câmara  
**Director**

Joaquim Martins Ferreira do Amaral  
**Director**

António Pedro de Carvalho Viana-Baptista  
**Director**

Vitor Manuel Galvão Rocha Novais Gonçalves  
**Director**



CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS  
(Unaudited)

SEPTEMBER 30, 2010

# CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2010 AND 2009

Amount in Euro	Notes	9 months 30-09-2010 (Unaudited)	9 months 30-09-2009 (Unaudited)	3rd Quarter 2010 (Unaudited)	3rd Quarter 2009 (Unaudited)
<b>Revenues</b>					
Sales	4	1.208.848.455	1.025.555.795	415.151.036	342.003.150
Services rendered	4	25.648.931	25.272.197	8.239.050	8.743.470
<b>Other income</b>					
Gains on disposal of non-current assets	5	3.826.911	3.724.761	(132.181)	35.554
Other operating income	5	28.314.361	35.372.875	8.641.734	12.567.775
<b>Change in fair value of biological assets</b>	5	(7.887.664)	998.454	(3.226.058)	183.961
<b>Costs, expenses and losses</b>					
Consumed materials and services	6	(425.129.351)	(428.988.779)	(134.656.079)	(140.128.576)
Movement in finished goods and work in progress	6	(6.682.707)	(16.660.989)	(526.734)	6.545.613
Sold and consumed inventories	6	(325.629.832)	(288.646.353)	(110.410.758)	(100.273.838)
Payroll costs	6	(137.577.799)	(123.514.220)	(43.417.575)	(43.330.469)
Other costs and losses	6	(28.762.156)	(24.496.540)	(12.157.346)	(8.684.195)
Provisions increase / (decrease)	6	18.314.166	10.505.504	314.740	919.534
<b>Depreciation, amortization and impairment losses</b>	7	(131.287.486)	(106.195.368)	(33.885.012)	(37.565.195)
<b>Operational results</b>		<b>221.995.829</b>	<b>112.927.337</b>	<b>93.934.817</b>	<b>41.016.784</b>
Group share of (loss) / gains of associated companies		288.405	390.532	(99)	(1.106)
Financial costs - Net	8	(37.941.836)	(23.305.134)	(10.619.877)	(1.028.877)
<b>Profit before tax</b>		<b>184.342.398</b>	<b>90.012.735</b>	<b>83.314.841</b>	<b>39.986.801</b>
Income tax	9	(58.657.173)	(18.287.276)	(20.455.361)	(6.639.117)
<b>Net Income</b>		<b>125.685.225</b>	<b>71.725.459</b>	<b>62.859.480</b>	<b>33.347.684</b>
<b>Net profit for the period</b>					
<b>Attributable to Semapa's shareholders</b>		<b>90.579.909</b>	<b>52.245.326</b>	<b>47.098.952</b>	<b>26.426.008</b>
Attributable to non-controlling interests		35.105.316	19.480.133	15.760.528	6.921.676
<b>Earnings per share</b>					
Basic earnings per share, Eur	10	0.802	0.463	0.417	0.234
Diluted earnings per share, Eur	10	0.802	0.463	0.417	0.234

# CONSOLIDATED FINANCIAL POSITION AS OF SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

Amount in Euro	Notes	30-09-2010 (unaudited)	31-12-2009
<b>Assets</b>			
<b>Non-Current Assets</b>			
Goodwill		320.738.254	321.274.798
Other intangible assets		179.052.209	169.912.322
Plant, property and equipment	11	2.115.628.431	2.152.005.430
Investment properties		154.999	161.117
Biological assets		110.402.306	118.289.970
Investment in associates		1.895.183	1.855.433
Financial assets at fair value through profit or loss	12	13.554.788	14.871.574
Available-for-sale financial assets		611.452	798.167
Deferred tax assets	16	40.190.750	30.904.802
Other non-current assets		1.274.699	1.363.767
		<b>2.783.503.071</b>	<b>2.811.437.380</b>
<b>Current Assets</b>			
Inventories		237.246.162	189.847.791
Receivable and other current assets	13	249.625.975	226.038.886
State and other public entities		36.398.426	57.100.036
Cash and cash equivalents		167.973.056	89.034.727
		<b>691.243.619</b>	<b>562.021.440</b>
<b>Total Assets</b>		<b>3.474.746.690</b>	<b>3.373.458.820</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share capital	14	118.332.445	118.332.445
Treasury shares	14	(47.164.986)	(47.164.986)
Share premiums		3.923.459	3.923.459
Currency translation reserves	15	(18.358.051)	(17.978.700)
Fair value reserves	15	(6.989.001)	(6.220.818)
Other reserves	15	760.984.662	711.616.512
Retained earnings		28.233.411	24.386.833
Consolidated net profit for the period		90.579.909	78.849.324
<b>Consolidated shareholders' equity</b>		<b>929.541.848</b>	<b>865.744.069</b>
Non-controlling interests		323.052.151	305.375.260
<b>Total Equity</b>		<b>1.252.593.999</b>	<b>1.171.119.329</b>
<b>Non-current liabilities</b>			
Deferred taxes liabilities	16	296.396.003	280.120.078
Pensions and other post-employment benefits		122.533.267	120.484.945
Provisions	17	13.671.419	32.625.824
Interest-bearing liabilities	18	1.200.772.399	871.817.132
Other non-current liabilities		25.790.766	29.437.896
		<b>1.659.163.854</b>	<b>1.334.485.875</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	18	119.536.674	447.973.519
Payables and other current liabilities	19	357.743.489	346.913.088
State and other public entities		85.708.674	72.967.009
		<b>562.988.837</b>	<b>867.853.616</b>
<b>Total liabilities</b>		<b>2.222.152.691</b>	<b>2.202.339.491</b>
<b>Total equity and liabilities</b>		<b>3.474.746.690</b>	<b>3.373.458.820</b>

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2010 AND 2009

Amount in Euro	9 months 30-09-2010 <i>(unaudited)</i>	9 months 30-09-2009 <i>(unaudited)</i>	3rd Quarter 2010 <i>(unaudited)</i>	3rd Quarter 2009 <i>(unaudited)</i>
Retained earnings for the period before non-controlling interests	125.685.225	71.725.459	62.859.480	33.347.684
Fair value of financial derivative instruments				
Changes in fair value	914.110	(9.951.655)	3.821.349	(5.782.817)
Tax on items above when applicable	(1.032.264)	1.366.844	(1.260.087)	262.102
Currency translation reserve	531.153	(6.709.777)	(15.441.249)	(2.709.668)
Actuarial gains / (losses)				
Actuarial gains / (losses)	3.386.858	7.139.700	1.510.312	4.904.839
Tax on items above when applicable	52.640	157.472	(1.186)	(31.953)
<b>Net Profit directly recognized in equity</b>	<b>3.852.497</b>	<b>(7.997.416)</b>	<b>(11.370.861)</b>	<b>(3.357.497)</b>
<b>Total recognized income and expense for the period</b>	<b>129.537.722</b>	<b>63.728.043</b>	<b>51.488.619</b>	<b>29.990.187</b>
Attributable to:				
Semapa's shareholders	92.657.901	45.742.475	38.722.571	23.042.700
Non-controlling interests	36.879.821	17.985.568	12.766.048	6.947.487
	<b>129.537.722</b>	<b>63.728.043</b>	<b>51.488.619</b>	<b>29.990.187</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FROM JANUARY 1, 2009 TO SEPTEMBER 30, 2009 AND FROM JANUARY 1, 2010 TO SEPTEMBER 30, 2010

	Share Capital	Treasury shares	Share premiums	Fair value reserves	Other reserves	Currency Translation reserves	Retained earnings	Net profit for the period	Total	Non-controlling interests	Total
<b>Equity as of 01 January, 2009</b>	<b>118.332.445</b>	<b>(47.164.986)</b>	<b>3.923.459</b>	<b>3.580.893</b>	<b>649.750.205</b>	<b>(14.005.971)</b>	<b>574.051</b>	<b>106.347.480</b>	<b>821.337.576</b>	<b>302.940.493</b>	<b>1.124.278.069</b>
Distribution of net profit of 2008:											
- Transfer to reserves	-	-	-	-	61.866.307	-	-	(61.866.307)	-	-	-
- Transfer to retained earnings	-	-	-	-	-	-	15.000.000	(15.000.000)	-	-	-
- Dividends paid	-	-	-	-	-	-	-	(29.481.174)	(29.481.174)	-	(29.481.174)
Change in consolidation perimeter	-	-	-	-	-	-	-	-	-	(1.696.956)	(1.696.956)
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(21.576.475)	(21.576.475)
Income and expenses recognized directly in equity *	-	-	-	(7.620.558)	-	(5.068.423)	6.186.128	-	(6.502.853)	(1.494.563)	(7.997.416)
Differences in non-controlling interests acquisitions	-	-	-	-	-	-	(403.400)	-	(403.400)	(3.222.604)	(3.626.004)
Dividends distributed to subsidiary Seminv, SGPS, SA	-	-	-	-	-	-	695.634	-	695.634	-	695.634
Other movements	-	-	-	-	-	-	(901)	-	(901)	63.534	62.633
Net profit for the period	-	-	-	-	-	-	-	52.245.327	52.245.327	19.480.133	71.725.460
<b>Equity as of 30 September, 2009</b>	<b>118.332.445</b>	<b>(47.164.986)</b>	<b>3.923.459</b>	<b>(4.039.665)</b>	<b>711.616.512</b>	<b>(19.074.394)</b>	<b>22.051.512</b>	<b>52.245.326</b>	<b>837.890.209</b>	<b>294.493.562</b>	<b>1.132.383.771</b>
<i>* Net of deferred taxes</i>											
<b>Equity as of 1 January, 2010</b>	<b>118.332.445</b>	<b>(47.164.986)</b>	<b>3.923.459</b>	<b>(6.220.818)</b>	<b>711.616.512</b>	<b>(17.978.700)</b>	<b>24.386.833</b>	<b>78.849.324</b>	<b>865.744.069</b>	<b>305.375.259</b>	<b>1.171.119.328</b>
Distribution of net profit of 2009:											
- Transfer to reserves	-	-	-	-	49.368.150	-	-	(49.368.150)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(29.481.174)	(29.481.174)	-	(29.481.174)
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(18.910.244)	(18.910.244)
Income and expenses recognized directly in equity *	-	-	-	(768.183)	-	(379.351)	3.225.528	-	2.077.994	1.774.503	3.852.497
Differences in non-controlling interests acquisition	-	-	-	-	-	-	(77.028)	-	(77.028)	(292.683)	(369.711)
Dividends distributed to subsidiary Seminv, SGPS, SA	-	-	-	-	-	-	695.634	-	695.634	-	695.634
Other movements	-	-	-	-	-	-	2.444	-	2.444	-	2.444
Net profit for the period	-	-	-	-	-	-	-	90.579.909	90.579.909	35.105.316	125.685.225
<b>Equity as of 30 September, 2010</b>	<b>118.332.445</b>	<b>(47.164.986)</b>	<b>3.923.459</b>	<b>(6.989.001)</b>	<b>760.984.662</b>	<b>(18.358.051)</b>	<b>28.233.411</b>	<b>90.579.909</b>	<b>929.541.848</b>	<b>323.052.151</b>	<b>1.252.593.999</b>
<i>* Net of deferred taxes</i>											

# CONSOLIDATED CASH FLOW STATEMENT AS OF SEPTEMBER 30, 2010 AND 2009

Amount in Euro	Notes	9 months 30-09-2010	9 months 30-09-2009	3rd Quarter 2010	3rd Quarter 2009
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>OPERATING ACTIVITIES</b>					
Received from customers		1,342,425,509	1,181,308,689	479,287,939	428,599,838
Payments to suppliers		(1,034,115,494)	(847,480,027)	(358,303,504)	(251,914,390)
Payments to employees		(92,838,814)	(90,977,005)	(25,287,008)	(30,322,066)
Cash flow generated from activities		215,471,201	242,851,657	95,697,428	146,363,382
(Payments) / receipts of income tax		(19,442,628)	(34,515,882)	(13,275,225)	(29,969,043)
Other (payments) / receipts from operating activities		16,813,432	46,352,550	6,877,309	23,799,928
<b>Cash flow from operating activities (1)</b>		<b>212,842,005</b>	<b>254,688,325</b>	<b>89,299,512</b>	<b>140,194,267</b>
<b>INVESTING ACTIVITIES</b>					
<b>Inflows</b>					
Financial investments		994,000	26,912,515	994,000	-
Property, plant and equipment		1,723,418	96,125	152,757	55,074
Intangible Assets		4,552,360	5,522,900	-	-
Government Grants		49,989	6,191,855	-	182,316
Interest and similar income		7,850,757	10,233,171	671,400	2,733,056
Dividends		1,329,228	560,941	600	5
		16,499,752	49,517,507	1,818,757	2,970,451
<b>Outflows</b>					
Financial investments		(11,147,034)	(5,224,026)	(7,628,114)	-
Property, plant and equipment		(66,353,718)	(329,238,908)	(6,237,555)	(142,089,512)
		(77,500,752)	(334,462,934)	(13,865,669)	(142,089,512)
<b>Cash flow from investing activities (2)</b>		<b>(61,001,001)</b>	<b>(284,945,427)</b>	<b>(12,046,912)</b>	<b>(139,119,061)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Inflows</b>					
Borrowings		1,140,562,711	710,086,107	226,701,323	176,983,110
Capital increases, Additional paid in capital and Share premiums		1,593,750	-	1,593,750	-
		1,142,156,461	710,086,107	228,295,073	176,983,110
<b>Outflows</b>					
Borrowings		(1,142,099,059)	(667,439,207)	(233,327,623)	(183,025,058)
Amortisation of financial leases		(987,503)	(938,788)	(293,537)	(898,966)
Interest and similar expenses		(26,152,582)	(44,375,235)	(4,397,879)	(10,135,617)
Dividends		(46,802,210)	(51,517,612)	(995,108)	(2,505,794)
Treasury shares acquisition		-	(2,356,650)	-	-
		(1,216,041,353)	(766,627,492)	(239,014,148)	(196,565,435)
<b>Cash flow from financing activities (3)</b>		<b>(73,884,892)</b>	<b>(56,541,385)</b>	<b>(10,719,075)</b>	<b>(19,582,325)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)</b>		<b>77,956,112</b>	<b>(86,798,487)</b>	<b>66,533,524</b>	<b>(18,507,119)</b>
FOREIGN EXCHANGE DIFFERENCES		982,217	(890,831)	(2,036,894)	(337,796)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>89,034,728</b>	<b>205,172,631</b>	<b>103,476,426</b>	<b>136,328,227</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>167,973,057</b>	<b>117,483,313</b>	<b>167,973,057</b>	<b>136,328,227</b>

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# NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2010

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

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

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

**Head office:** Av. Fontes Pereira de Melo,  
14, Lisbon  
**Share Capital:** Euro 118,332,445  
**Registration No.:** 502 593 130

Semapa leads an Enterprise Group with activities in three distinct business segments: pulp and paper, cements and related products, and environmental developed respectively by Portucel - Companhia Produtora de Pasta e Papel, S.A Secil - Companhia Geral de Cal e Cimento, S.A. and ETSA – Empresa Transformadora de sub-Produtos Animais, SA..

The consolidated Interim financial statements were approved by the Board of Directors on October 28, 2010.

The board members, who signed this report, declare that, according to their knowledge, the information contained herein was prepared in accordance with applicable Accounting Standards and provides a true view of assets and liabilities, financial position and results of the companies included in the Group's consolidated financial statements.

## 1. Basis of presentation

The Group's consolidated interim financial statements for the nine months period ended September 30, 2010 were prepared in accordance with the International Accounting Standard nº 34 – Interim Financial Reporting.

These consolidated financial statements were prepared on a going concern basis, from the accounting books and records of companies included in the consolidation scope (Note 22) herein, and under the historic cost convention, except for biological assets and derivative financial instruments which are recorded at fair value.

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

consolidated financial position of the group as well as its performance since the last report was issued (December 31, 2009).

## 2. Accounting Policies

The accounting policies applied in the preparation these consolidated interim financial statements are consistent to those used in the preparation of the financial statements as of December 31, 2009, which are described on the respective attached notes.

## 3. Important accounting estimates and judgments

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

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

#### 4. Segment Information

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

Financial information by business segment for the nine months period ended September 30, 2010 is shown as follows:

Amount in Euro	Pulp and paper	Cement and derivatives	Environment	Holdings	Consolidated
Revenue	1.003.664.917	208.255.291	22.494.309	82.869	1.234.497.386
Operational profit	196.028.126	34.751.369	4.991.030	(13.774.696)	221.995.829
Net financial cost	(17.068.250)	(2.169.288)	(590.345)	(18.113.953)	(37.941.836)
Profit in associated companies	-	288.405	-	-	288.405
Income tax	(46.083.075)	(11.238.923)	(1.293.111)	(42.064)	(58.657.173)
Ordinary activities results	132.876.801	21.631.563	3.107.574	(31.930.713)	125.685.225
Non-controlling interests	(30.536.586)	(3.953.093)	(615.637)	-	(35.105.316)
<b>Net profit for the period</b>	<b>102.340.215</b>	<b>17.678.470</b>	<b>2.491.937</b>	<b>(31.930.713)</b>	<b>90.579.909</b>
<b>OTHER INFORMATION</b>					
Segment assets	2.652.472.061	497.912.251	26.694.562	297.667.815	3.474.746.689
Investments in associated companies	130.074	1.765.109	-	-	1.895.183
Total segmental liabilities	1.399.220.980	218.480.009	20.657.219	583.794.486	2.222.152.694
Amortization and impairment losses	113.553.347	16.053.570	1.557.011	123.558	131.287.486
Net provisions	(20.891.869)	572.702	-	2.005.001	(18.314.166)
Capital expenditures	71.409.652	16.088.545	962.063	279.636	88.739.896

Financial information by business segment for the nine months period ended September 30, 2009 is shown as follows:

Amount in Euro	Pulp and paper	Cement and derivatives	Environment	Holdings	Consolidated
<b>REVENUE</b>					
REVENUE	806.125.298	223.855.845	20.528.560	318.289	1.050.827.992
Operational results	75.839.500	43.147.036	4.126.709	(10.185.907)	112.927.338
Net financial cost	(9.300.037)	(2.775.586)	(368.333)	(10.861.178)	(23.305.134)
Profit in associated companies	-	390.532	-	-	390.532
Income tax expense	(7.855.711)	(9.351.594)	(1.072.908)	(7.063)	(18.287.276)
Ordinary activities results	58.683.752	31.410.388	2.685.468	(21.054.148)	71.725.460
Minority interests	(13.493.453)	(5.702.622)	(284.058)	-	(19.480.133)
<b>Net profit for the period</b>	<b>45.190.299</b>	<b>25.707.766</b>	<b>2.401.410</b>	<b>(21.054.148)</b>	<b>52.245.327</b>
<b>OTHER INFORMATION</b>					
Segment assets	2.477.472.401	490.193.824	28.883.007	284.470.295	3.281.019.527
Investments in associated companies	130.074	2.088.612	-	119	2.218.805
Total segmental liabilities	1.325.152.558	217.619.346	21.185.730	581.255.210	2.145.212.844
Amortization and impairment losses	88.318.352	16.462.053	1.294.862	120.101	106.195.368
Net provisions	(10.050.771)	163.484	(200.000)	(418.217)	(10.505.504)
Capital expenditures	3.401.801	589.046	16.023.594	356.726.180	376.470.621

## 5. Other operating income

As of September 30, 2010 and 2009, the caption "Other operating income" was as follows:

Amount in Euro	3rd Q 2010	3rd Q 2009
Grants - CO2 Emission licences	21.992.045	13.524.883
Impairment reversal	770.198	6.496.535
Supplementary income	745.187	-
Gains on disposals of non-current assets	3.826.911	3.724.761
Gains on inventories	70.888	787.773
Gains in current assets	18.458	37.563
Government grants	731.121	1.343.866
Other operating income	3.986.464	13.182.255
	<b>32.141.272</b>	<b>39.097.636</b>

## 6. Costs

As of September 30, 2010 and 2009, costs comprised the following:

Amount in Euro	3rd Q 2010	3rd Q 2009
<b>Cost of sales and service rendered</b>		
Cost of sales	(425.129.351)	(428.988.779)
Third party supplies	(325.629.832)	(288.646.353)
<b>Movement in finished goods and work in progress</b>	<b>(6.682.707)</b>	<b>(16.660.989)</b>
<b>Payroll costs</b>		
Board of directors	(10.995.754)	(12.817.719)
Other remunerations	(79.993.691)	(74.657.041)
Pension costs	(9.074.114)	(8.966.846)
Other payroll costs	(37.514.240)	(27.072.614)
	<b>(137.577.799)</b>	<b>(123.514.220)</b>
<b>Other costs</b>		
Works for the company	40.462	-
Contributions	(588.996)	(776.923)
Donations	(428.449)	(546.173)
Emission allowance costs	(13.721.138)	(13.524.883)
Inventories and other receivables impairment	(3.987.479)	(2.880.949)
Losses on inventories	(702.296)	(702.889)
Indirect taxes	(3.983.560)	(1.650.553)
Losses on disposal of non-current assets	(197.399)	(504.984)
Other operating costs	(5.193.301)	(3.909.186)
	<b>(28.762.156)</b>	<b>(24.496.540)</b>
<b>Net provisions</b>	<b>18.314.166</b>	<b>10.505.504</b>
<b>Total costs</b>	<b>(905.467.679)</b>	<b>(871.801.377)</b>

## 7. Depreciation, amortization and impairment losses

As of September 30, 2010 and 2009 depreciation, amortization and impairment losses were as following:

Amount in Euro	3rd Q 2010 (accum.)	3rd Q 2009 (accum.)
<b>Property, plant and equipment depreciation</b>		
Land	(764.678)	(819.498)
Buildings	(20.240.841)	(16.964.612)
Other tangible assets	(109.933.652)	(88.062.945)
	<b>(130.939.171)</b>	<b>(105.847.055)</b>
<b>Intangible assets depreciation</b>		
Industrial property and other rights	(348.315)	(348.313)
	<b>(348.315)</b>	<b>(348.313)</b>
	<b>(131.287.486)</b>	<b>(106.195.368)</b>

## 8. Net financial results

On September 30, 2010 and 2009 net financial results where detailed as follows:

Amount in Euro	3rd Q 2010 (accum.)	3rd Q 2009 (accum.)
Interest paid on loans from shareholders	-	-
Interest paid on other loans	(23.041.344)	(40.350.448)
Interest income on loans to associated companies	56.594	-
Other interest earned	1.863.184	3.587.914
Gains / (losses) on Compensatory interest	46.099	7.817.966
Fair value of financial assets available for sale	(186.716)	2.557.951
Fair value on financial assets at results	(3.164.064)	-
Gains / (losses) on financial instruments - hedging	(4.071.082)	4.115.050
Gains / (losses) on financial instruments - trading	(2.500.207)	(238.635)
Foreign exchange differences	(4.096.127)	994.408
Other financial expenses	(3.625.263)	(2.500.719)
Other financial income	777.090	711.379
	<b>(37.941.836)</b>	<b>(23.305.134)</b>

## 9. Income Tax

The groups Semapa, Portucel, Secil and ETSA are subject to special Group tax regime applicable to Group entities made up companies with shareholding of 90% or more and which meet the conditions of article 69 and subsequent articles of the Portuguese Corporate Tax Code (Código do Imposto sobre o Rendimento de Pessoas Colectivas).

As of September 30, 2010 and 2009, income tax was made up as follows:

Amount in Euro	3rd Q 2010 (accum.)	3rd Q 2009 (accum.)
Current tax	56,354,785	22,149,546
Provision for current tax	(3,798,831)	(3,510,231)
Deferred tax	6,101,219	(352,039)
	<b>58,657,173</b>	<b>18,287,276</b>

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

Amount in Euro	3rd Q 2010 (accum.)	3rd Q 2009 (accum.)
Profit before tax	184.342.398	90.012.735
Expected income tax	48.850.735	23.853.375
State Surcharge	14.679.201	-
Differences (a)	(531.983)	(4.536.905)
Taxes over previous periods	(183.427)	(280.203)
Recoverable tax losses carried forward	(135.529)	(87.021)
Non recoverable tax losses	4.834.043	4.885.164
Tax rate effect	(142.019)	2.223.822
Provision for current tax	(3.798.831)	(3.510.232)
Tax benefits	(3.243.408)	(4.003.346)
Other adjustments	(1.671.609)	(257.378)
	<b>58.657.173</b>	<b>18.287.276</b>
Effective Tax rate	31,82%	20,32%

(a) Este valor respeita essencialmente a :

Efeito da aplicação do método da Equivalência Patrim	(288.405)	(390.533)
Mais / (Menos) valias fiscais	(577)	(62.959)
(Mais) / Menos valias contabilísticas	(744.417)	(380.207)
Ajustamentos e provisões tributadas	10.139.756	7.141.400
Benefícios fiscais	(735.889)	(1.051.578)
Dividendos de empresas sediadas fora da U.E.	4.212.193	4.345.075
Redução de provisões tributadas	(22.345.044)	(10.459.075)
Dotações para fundo de pensões	3.585.624	-
Outros	4.169.277	(16.262.518)
	<b>(2.007.482)</b>	<b>(17.120.394)</b>
Impacto fiscal (26,5%)	(531.983)	(4.536.905)

In Portugal, the annual tax returns are subject to review and adjustment by the Portuguese tax authorities for a period up to 4 years. However, if tax losses are reported, these may be subject tax authority review for a larger period.

In other countries where the Group operates, these periods are different generally greater.

The Board of Directors believes that any reviews/inspections carried out by tax authorities will not have a material impact on the consolidated financial statements as of September 30, 2010. Additionally, the annual tax returns, namely of Portucel, Soporcel and Secil, up to 2007, were already reviewed.

## 10. Earnings per share

Since there are no convertible financial instruments over Group shares, its earnings are undiluted.

Amount in Euro	3rd Q 2010 (accum.)	3rd Q 2009 (accum.)
Profit attributable to Semapa's shareholders	90.579.909	52.245.326
Weighted average number of ordinary shares issued	112.884.470	112.884.470
Basic earnings per share	0.802	0.463
Diluted earnings per share	0.802	0.463

The weighted average number of shares is deducted of 2,727,975 treasury shares owned by Seminv, S.A., subsidiary owned by Semapa, SGPS, S.A. and 2,720,000 treasury shares acquired by Semapa.

## 11. Property, plant and equipment

Over the nine months period ended September 30, 2010 and the year ended December 31, 2009, changes in Property, plant and equipment, as well as the respective depreciation and impairment losses, were as follows:

Amount in Euro	Land	Buildings and other constructions	Equipments and others tangibles	Assets in progress	Total
<b>Acquisition Cost</b>					
<b>Amount as of 1 January, 2009</b>	<b>179.530.283</b>	<b>647.473.486</b>	<b>3.452.542.094</b>	<b>288.345.993</b>	<b>4.567.891.856</b>
Change of perimeter	3.016.134	64.229	1.848.399	-	4.928.762
Acquisitions	5.510.070	47.624.704	460.399.899	28.673.854	542.208.527
Disposals	(10.046)	(183.260)	(6.294.540)	-	(6.487.846)
Adjustments, transfers and write-off's	988.790	47.544.029	78.872.903	(128.259.658)	(853.936)
Foreign exchange differences	(1.311.034)	(1.160.714)	(4.285.593)	(222.741)	(6.980.082)
<b>Amount as of 31 December, 2009</b>	<b>187.724.197</b>	<b>741.362.474</b>	<b>3.983.083.162</b>	<b>188.537.448</b>	<b>5.100.707.271</b>
Change of perimeter	587.949	-	-	-	587.949
Acquisitions	2.104.799	3.485.625	34.376.718	48.772.754	88.739.896
Disposals	(1.058.301)	(1.873.539)	(1.388.096)	-	(4.319.936)
Adjustments, transfers and write-off's	2.254.059	9.751.516	181.794.143	(188.525.790)	5.273.928
Foreign exchange differences	(414.273)	728.818	1.422.341	230.221	1.967.107
<b>Amount as of 30 September, 2009</b>	<b>191.198.430</b>	<b>753.454.894</b>	<b>4.199.288.268</b>	<b>49.014.633</b>	<b>5.192.956.225</b>
<b>Accumulated depreciations and impairment losses</b>					
<b>Amount as of 1 January, 2009</b>	<b>(14.281.002)</b>	<b>(394.438.371)</b>	<b>(2.383.596.257)</b>	<b>-</b>	<b>(2.792.315.630)</b>
Change of perimeter	(111.285)	(40.836)	(1.416.255)	-	(1.568.376)
Acquisitions	(1.147.430)	(23.707.394)	(139.133.093)	-	(163.987.917)
Disposals	3.415	119.511	6.260.467	-	6.383.393
Adjustments, transfers and write-off's	-	1.982	(54.725)	-	(52.743)
Foreign exchange differences	217.526	525.896	2.096.000	-	2.839.422
<b>Amount as of 31 December, 2009</b>	<b>(15.318.776)</b>	<b>(417.539.212)</b>	<b>(2.515.843.863)</b>	<b>-</b>	<b>(2.948.701.851)</b>
Depreciations and impairment losses	(764.678)	(20.299.509)	(109.874.984)	-	(130.939.171)
Disposals	1.356	556.913	1.346.616	-	1.904.885
Adjustments, transfers and write-off's	-	642.025	400.823	-	1.042.848
Exchange differences	121.152	(274.560)	(481.097)	-	(634.505)
<b>Amount as of 30 September, 2009</b>	<b>(15.960.946)</b>	<b>(436.914.343)</b>	<b>(2.624.452.505)</b>	<b>-</b>	<b>(3.077.327.794)</b>
Net book value as of 1 January, 2009	165.249.281	253.035.115	1.068.945.837	288.345.993	1.775.576.226
Net book value as of 31 December, 2009	172.405.421	323.823.262	1.467.239.299	188.537.448	2.152.005.430
Net book value as of 30 September, 2010	175.237.484	316.540.551	1.574.835.763	49.014.633	2.115.628.431

During the current period Portucel's Group proceeded to the technical evaluation of its industrial assets regarding the respective remaining useful life. This analysis was conducted by an independent international evaluation company that concluded the remaining useful lives of the main Group's assets are higher than those calculated till the present date in respect to its depreciation. Therefore the respective depreciation rates were revised from July 1, 2010.

The Group holds a stake of 8% on Soporgen – Sociedade Portuguesa de Geração de Electricidade e Calor, S.A. (Soporgen), whose main activity is the production of steam and electric power, exclusively sold to Soporcel.

In 2009, with the launching of the new paper factory, the Group recognized the cost of the Precipitated Calcium Carbonate production unit, installed by Omya, S.A. at the industry site in Setúbal for the exclusive use of the new factory, as a financial lease contract. This acquisition contract foresees the transfer of the assets ownership on its termination date.

Following the above-mentioned agreements, the Group applies IFRIC 4 – Determining whether an arrangement contains a lease. By following this interpretation Property, plant and equipment – equipment and other tangibles was increased by Euro 58,003,950, from which the respective accumulated depreciation of Euro 32,551,300 (December 31, 2009: Euro 29,714,344), was deducted as of September 30, 2010. As of September 30, 2010, the net book value of these equipments was Euro 25,452,650 (December 31, 2009: Euro 28,289,606).

As of September 30, 2010 Construction in progress included Euro 17,400,003 related to advance payments and supplies of Property Plant and Equipment, obtained under the scope of the investment projects being developed by the Group. These amounts are fully guaranteed by first demand bank guarantees, handed by the respective suppliers that are promoting the investments of the Group companies, in accordance with the implemented policy for the mitigation of credit risk.

## 12. Financial assets at fair value through profit or loss

Over the nine months period ended September 30, 2010 and the year ended December 31, 2009, changes were as follows:

Amount in Euro	30-09-2010	31-12-2009
Fair value at the beginning of the period	14.871.574	13.400.586
Acquisitions	1.847.278	-
Changes in fair value (Note 8)	(3.164.064)	1.470.988
	<b>13.554.788</b>	<b>14.871.574</b>

As of September 30, 2010, "Financial assets at fair value through profit or loss" were made up as follows:

Fair Value		
Amount in Euro	30-09-2010	31-12-2009
Shares of Banco Comercial Português, SA	3.920.265	5.184.075
Shares of EDP - Energias de Portugal, SA	9.631.773	9.684.749
Other	2.750	2.750
	<b>13.554.788</b>	<b>14.871.574</b>

## 13. Receivables and other current assets

As of September 30, 2010 and December 31, 2009, the caption Receivables and other current assets were detailed as follows:

Amount in Euro	30-09-2010	31-12-2009
Accounts receivable	183.814.972	196.467.451
Accounts receivable-associated companies	113.762	2.800.242
Financial instruments derivatives	6.432.737	1.514.537
Other receivables	51.316.153	20.970.996
Accrued income	1.894.247	838.721
Deferred costs	6.054.104	3.446.939
	<b>249.625.975</b>	<b>226.038.886</b>

*Note: Values are presented net of impairment losses*

As of September 30, 2010 and December 31, 2009, other receivables presented the following breakdown:

Amount in Euro	30-09-2010	31-12-2009
<b>Other receivables</b>		
Prepayments to suppliers	1.972.340	707.762
AICEP - Financial incentives to receive	35.005.455	6.891.182
EDP	20.984	-
IMT	137.450	311.919
Other	14.179.924	13.060.133
	<b>51.316.153</b>	<b>20.970.996</b>

As of September 30, 2010 and December 31, 2009, Accrued income and Deferred costs, were detailed as follows:

Amount in Euro	30-09-2010	31-12-2009
<b>Accrued Income</b>		
Interest receivable	790.691	177.929
Discounts in acquisitions	120.365	122.643
Gains on financial instruments	763.470	-
Other	219.721	538.149
	<b>1.894.247</b>	<b>838.721</b>
<b>Deferred costs</b>		
Maintenance	410.383	1.043.627
Insurance	3.387.750	498.506
Rents and leases	337.642	272.189
Other	1.918.329	1.632.617
	<b>6.054.104</b>	<b>3.446.939</b>
	<b>7.948.351</b>	<b>4.285.660</b>

## 14. Share capital and treasury shares

As of September 30, 2010, the share capital of Semapa was fully subscribed for and paid for, and it is represented by 118,332,445 shares with a nominal value of 1 Euro each.

As of September 30, 2010 and December 31, 2009, the shareholders with significant stakes in the company's share capital were as follows:

Name	Nº of Shares	30-09-2010	%	31-12-2009
Longapar, SGPS, S.A.	20.869.300	17.64	17.55	
Sodim, SGPS, S.A.	18.842.424	15.92	15.92	
Circo - Gestão de Participações, SGPS, S.A.	14.106.675	11.92	11.92	
Banco BPI, SA	12.009.004	10.15	10.15	
Bestinvest Gestão, SGIC, S.A.	8.823.222	7.46	7.46	
Banco Espírito Santo, SA	3.871.957	3.27	2.72	
Seminv - Investimentos, SGPS, S.A.	2.727.975	2.31	2.31	
ESAF - Espírito Santo Fundos de Invest. Mobiliário, SA	2.569.232	2.17	2.17	
Norges Bank (the Central Bank of Norway)	2.468.712	2.09	-	
Sonaca - SGPS, S.A.	1.630.590	1.38	1.38	
Imigest, SGPS, SA	1.097.966	0.93	0.93	
OEM - Organização de Empresas, SGPS, S.A.	535.000	0.45	0.44	
Sociedade Agrícola da Quinta da Vialonga, S.A.	625.199	0.53	0.53	
Treasury shares	2.720.000	2.30	2.30	
Other shareholders with shareholdings of less than 2%	25.435.189	21.49	24.23	
	<b>118.332.445</b>	<b>100.00</b>	<b>100.00</b>	

As the company Seminv Investimentos, SGPS, S.A. is a subsidiary of Semapa Group, the 2,727,975 Semapa shares held by the company are disclosed as treasury shares in the Group's consolidated financial statements

Additionally, in 2007, Semapa - Sociedade de Investimento e Gestão, SGPS, S.A. acquired in the stock market, 2,720,000 treasury shares, holding, directly and indirectly, 4.6% of their capital.

## 15. Reserves and Retained earnings

At September 30, 2010 and December 31, 2009 the captions Fair value reserve, Foreign Currency translation reserve and Other reserves comprises:

Amount in Euro	30-09-2010	31-12-2009
Fair value of available-for-sale financial assets	(5,707,259)	(4,939,076)
Control acquisition revaluation	(1,281,742)	(1,281,742)
<b>Total of fair value reserves</b>	<b>(6,989,001)</b>	<b>(6,220,818)</b>
Currency translation reserve	<b>(18,358,051)</b>	<b>(17,978,700)</b>
Legal Reserves	23,666,489	23,666,489
Others Reserves	737,318,173	687,950,023
<b>Total of other reservers</b>	<b>760,984,662</b>	<b>711,616,512</b>
<b>Total reserves</b>	<b>735,637,610</b>	<b>687,416,994</b>

## 16. Deferred taxes

As of September 30, 2010, changes in deferred tax assets and liabilities of each subgroup were as follows:

Amount in Euro	As of January 1, 2010	Foreign exchange differences	Income Statement		Retained earnings	Changes in perimeter	As of September 30, 2010
			Increases	Decreases			
<b>Temporary differences originating deferred tax assets</b>							
Tax losses carried forward	24.471.815	-	3.478	-	-	-	24.475.293
Taxable provisions	14.879.967	(47.838)	2.365.000	(1.710.882)	-	-	15.486.246
Fixed assets adjustments	36.991.010	-	19.533.503	-	-	-	56.524.513
Underfunding of the pension fund	2.864.221	(1.942)	-	(17.369)	8.810	-	2.853.719
Financial instruments	2.317.069	-	1.706.860	-	(1.981.284)	-	2.042.645
Deferred accounting gains in inter-group transactions	5.507.032	-	9.970.046	-	-	-	15.477.078
Forest valuation	10.127.672	-	-	(1.664.792)	-	-	8.462.880
Depreciation in assets subject to IFRIC 4	3.983.424	-	342.178	(286.236)	-	-	4.039.366
Liabilities with retirement benefits	597.992	3.037	22.954	-	(5.740)	-	618.242
Liabilities with long service award	687.966	-	6.664	-	-	-	694.630
Retirement benefits not covered by an autonomous fund	5.233.862	-	-	(233.278)	(75.558)	-	4.925.027
Derecognition of government grants	2.895.940	-	-	(143.660)	-	-	2.752.280
Liabilities with healthcare benefits	5.754.960	-	25.599	-	(18.075)	-	5.762.483
Other temporary differences	2.662.263	84.119	69.459	(2.565.225)	19.685	-	270.302
	<b>118.975.191</b>	<b>37.375</b>	<b>34.045.740</b>	<b>(6.621.442)</b>	<b>(2.052.162)</b>	<b>-</b>	<b>144.384.703</b>
<b>Temporary differences originating deferred tax liabilities</b>							
Revaluation of fixed assets	(16.874.592)	-	-	3.191.467	1.679	-	(13.681.446)
Retirement benefits	(999.965)	-	(21.642)	-	17.453	-	(1.004.154)
Financial instruments	(1.514.536)	-	(67.943)	-	(1.634.998)	-	(3.217.477)
Fair Value of fixed assets- Soporcel	(232.991.369)	-	-	13.011.318	-	-	(219.980.051)
Tax Benefits	(89.442.118)	-	-	24.262.250	-	-	(65.179.868)
Extension of the useful life of the tangible fixed assets	(148.757.332)	187.448	(50.084.991)	-	-	-	(198.654.875)
Deferred accounting losses in inter-group transactions	(33.462.192)	(269.821)	-	6.830.230	-	-	(26.901.783)
Deferred tax gains	(601.752)	-	-	47.370	-	-	(554.382)
Harmonization of depreciation criteria	(81.182.313)	45.901	(119.573)	-	-	-	(81.255.985)
Fair Value of fixed assets- Brands	(151.488.000)	-	-	-	-	-	(151.488.000)
Fair Value of fixed assets- Portucel	(223.900.762)	-	-	-	-	-	(223.900.762)
Subsidiaries fair value	(70.988.607)	680.859	(172.877)	-	-	(587.949)	(71.068.574)
Overfunding of the pension fund	(2.174.097)	-	-	66.229	239.026	-	(1.868.842)
Other temporary differences	(14.225)	5	-	-	-	-	(14.220)
	<b>(1.054.391.860)</b>	<b>644.392</b>	<b>(50.467.026)</b>	<b>47.408.864</b>	<b>(1.376.840)</b>	<b>(587.949)</b>	<b>(1.058.770.420)</b>
<b>Deferred tax assets</b>	<b>30.904.802</b>	<b>1.461</b>	<b>10.884.562</b>	<b>(1.052.799)</b>	<b>(547.276)</b>	<b>-</b>	<b>40.190.750</b>
<b>Deferred tax liabilities</b>	<b>(280.120.078)</b>	<b>245.213</b>	<b>(29.197.913)</b>	<b>13.264.931</b>	<b>(432.348)</b>	<b>(155.808)</b>	<b>(296.396.003)</b>

During the year 2009, changes in deferred tax assets and liabilities of each subgroup were as follows:

Amount in Euro	As of January 1, 2009	Foreign exchange differences	Income Statement		Retained earnings	Transfers	Changes in perimeter	As of December 31, 2009
			Increases	Decreases				
<b>Temporary differences originating deferred tax assets</b>								
Tax losses carried forward	24.754.819	-	-	(283.004)	-	-	-	24.471.815
Taxable provisions	21.884.997	(56.467)	5.184.214	(11.163.778)	-	(969.000)	-	14.879.967
Fixed assets adjustments	13.149.228	-	26.958.421	(3.116.640)	-	-	-	36.991.010
Underfunding of the pension fund	2.597.369	(2.915)	268.843	(14.303)	15.227	-	-	2.864.221
Financial Instruments	-	-	269.098	-	1.981.284	66.687	-	2.317.069
Deferred accounting gains in inter-group transactions	9.535.257	-	-	(4.028.225)	-	-	-	5.507.032
Forests valuation	15.681.948	-	8.507.386	(14.061.662)	-	-	-	10.127.672
Depreciation in assets subject to IFRIC 4	3.842.014	-	368.113	(226.703)	-	-	-	3.983.424
Investment Tax Incentives	11.785.472	-	-	(11.785.472)	-	-	-	-
Liabilities with retirement benefits	582.178	(5.209)	19.855	-	1.168	-	-	597.992
Liabilities with long service award	645.460	-	28.309	-	14.197	-	-	687.966
Retirement benefits not covered by an autonomous fund	5.608.438	-	-	(369.874)	(4.702)	-	-	5.233.862
Derecognition of government grants	2.837.899	-	74.907	-	(16.866)	-	-	2.895.940
Liabilities with healthcare benefits	5.876.962	-	-	(122.002)	-	-	-	5.754.960
Other temporary differences	3.163.754	(57.398)	-	(1.346.406)	-	902.313	-	2.662.263
	<b>121.945.795</b>	<b>(121.989)</b>	<b>41.679.146</b>	<b>(46.518.069)</b>	<b>1.990.308</b>	<b>-</b>	<b>-</b>	<b>118.975.191</b>
<b>Temporary differences originating deferred tax liabilities</b>								
Revaluation of fixed assets	(22.915.042)	-	-	6.040.687	-	-	(237)	(16.874.592)
Retirement benefits	(905.721)	-	(26.200)	-	(68.044)	-	-	(999.965)
Financial instruments	(8.403.307)	-	(66.687)	-	6.955.458	-	-	(1.514.536)
Fair Value of fixed assets- Soporcel	(239.782.448)	-	-	6.791.079	-	-	-	(232.991.369)
Tax Benefits	(1.181.592)	-	(88.260.526)	-	-	-	-	(89.442.118)
Extension of the useful life of the tangible fixed assets	(120.401.323)	54.060	(47.621.465)	19.211.396	-	-	-	(148.757.332)
Deferred accounting losses in inter-group transactions	(102.863.202)	-	(6.541.729)	75.942.740	-	-	-	(33.462.192)
Deferred tax gains	(675.336)	-	-	73.584	-	-	-	(601.752)
Harmonization of depreciation	(76.846.322)	190.315	(4.526.306)	-	-	-	-	(81.182.313)
Fair Value of fixed assets- Brands	(151.488.000)	-	-	-	-	-	-	(151.488.000)
Fair Value of fixed assets- Portucel	(248.778.625)	-	-	24.877.863	-	-	-	(223.900.762)
Subsidiaries fair value	(70.354.485)	1.767.076	-	503.652	-	-	(2.904.850)	(70.988.607)
Overfunding of the pension fund	(1.899.062)	-	(305.394)	-	30.359	-	-	(2.174.097)
Other temporary differences	(29.535)	-	-	15.310	-	-	-	(14.225)
	<b>(1.046.524.000)</b>	<b>2.011.451</b>	<b>(147.348.308)</b>	<b>133.456.310</b>	<b>6.917.773</b>	<b>-</b>	<b>(2.905.087)</b>	<b>(1.054.391.860)</b>
<b>Deferred tax assets</b>	<b>31.775.603</b>	<b>33.264</b>	<b>10.984.086</b>	<b>(12.307.618)</b>	<b>529.372</b>	<b>(109.905)</b>	<b>-</b>	<b>30.904.802</b>
<b>Deferred tax liabilities</b>	<b>(278.308.207)</b>	<b>616.436</b>	<b>(34.425.347)</b>	<b>30.821.498</b>	<b>1.835.485</b>	<b>109.905</b>	<b>(769.848)</b>	<b>(280.120.078)</b>



In measuring of the deferred tax at September 30, 2010, the corporate income tax (Portuguese initials IRC) rate used was 29%. Accordingly, this rate includes the impact of the state tax surcharge introduced as part of the temporary austerity measures under the Stability and Growth Plan (*Plano de Estabilidade e Crescimento - PEC*), and promulgated in Law 12-A/2010, notwithstanding the fact that it is the company's understanding that the reversal of the deferred taxes recorded will take place in a period subsequent to that covered by the PEC, that is, after 2013.

## 17. Provisions

During the nine months period ended September 30, 2010 and the year ended December 31, 2009 changes in provisions were as follows:

Amount in Euro	Legal claims	Tax claims	Environment al recovery	Others	Total
<b>As of January 1, 2009</b>	<b>1,917,090</b>	<b>2,393,391</b>	<b>529,438</b>	<b>50,025,876</b>	<b>54,865,795</b>
Change of perimeter	-	-	1,539	148,920	150,459
Increases	687,414	-	205,807	2,000,881	2,894,102
Reversals	(507,548)	(2,393,391)	(26,153)	(22,071,779)	(24,998,871)
Direct Utilizations	-	-	(23,871)	(1,904,063)	(1,927,934)
Exchange differences	-	-	-	(99,324)	(99,324)
Transfers	-	-	-	1,741,597	1,741,597
<b>As of December 31, 2009</b>	<b>2,096,956</b>	<b>-</b>	<b>686,760</b>	<b>29,842,108</b>	<b>32,625,824</b>
Increases	-	-	73,735	2,696,083	2,769,818
Reversals	(249)	-	-	(21,083,735)	(21,083,984)
Direct Utilizations	-	-	(11,935)	(658,389)	(670,324)
Exchange differences	-	-	-	30,085	30,085
<b>As of September 30, 2010</b>	<b>2,096,707</b>	<b>-</b>	<b>748,560</b>	<b>10,826,152</b>	<b>13,671,419</b>

The Provisions for other risks were reduced due to the reassessment of the Group's exposure carried out by the Group's advisors.

## 18. Interest-bearing liabilities

As of September 30, 2010 and to December 31, 2009, Group's net debt were as follows:

Amount in Euro	30-09-2010	31-12-2009
<b>Interest-bearing liabilities</b>		
Non-current	1,200,772,399	871,817,132
Current	119,536,674	447,973,519
	<b>1,320,309,073</b>	<b>1,319,790,651</b>
<b>Cash and cash equivalents</b>		
Petty - Cash	276,250	208,914
Short term bank deposits	41,205,482	24,847,920
Other	126,491,324	63,977,893
	<b>167,973,056</b>	<b>89,034,727</b>
Treasury shares' Market Value	74,977,931	87,733,655
<b>Interest-bearing net debt</b>	<b>1,077,358,086</b>	<b>1,143,022,269</b>

### Non-current interest-bearing liabilities

As of September 30, 2010 and December 31, 2009, non-current interest-bearing liabilities were as follows:

Amount in Euro	30-09-2010	31-12-2009
<b>Non currents</b>		
Bonds loans	795,400,000	595,400,000
Commercial paper	52,100,000	59,350,000
Loans from financial institutions	354,976,495	220,402,282
Expenses with bond loans issuance	(5,364,415)	(5,681,979)
<b>Interest-bearing bank debt</b>	<b>1,197,112,080</b>	<b>869,470,303</b>
Financial leases	939,443	1,582,631
Other loans - POE	28,669	57,338
Other loans - QREN	2,692,207	706,860
<b>Other interest-bearing debts</b>	<b>3,660,319</b>	<b>2,346,829</b>
<b>Non-current interest-bearing liabilities</b>	<b>1,200,772,399</b>	<b>871,817,132</b>

### Current interest-bearing liabilities

As of September 30, 2010 and December 31, 2009, current interest-bearing liabilities were as follows:

Amount in Euro	30-09-2010	31-12-2009
<b>Currents</b>		
Bond loans	25,000,000	325,000,000
Loans from financial institutions	83,633,073	111,087,808
<b>Interest-bearing bank debt</b>	<b>108,633,073</b>	<b>436,087,808</b>
Shareholders short term loans	9,830,525	10,637,809
Financial leases	1,044,407	1,219,233
Other loans - POE	28,669	28,669
<b>Other interest-bearing debts</b>	<b>10,903,601</b>	<b>11,885,711</b>
<b>Current interest-bearing liabilities</b>	<b>119,536,674</b>	<b>447,973,519</b>

## 19. Payable and other current liabilities

As of September 30, 2010 and December 31, 2009 the caption Payables and other current liabilities showed the following breakdown:

Amount in Euro	30-09-2010	31-12-2009
Accounts payable	121,837,325	142,193,701
Accounts payable - related parties	457,871	1,369,273
Accounts payable - fixed assets suppliers	34,665,800	56,075,786
Instituto do Ambiente - CO2 Emission rights	17,439,662	19,859,906
Derivative financial instruments (Note 33)	13,207,022	6,702,720
Other payables	12,483,781	13,102,034
Accrued costs	81,018,690	63,820,894
Deferred income	76,633,338	43,788,774
	<b>357,743,489</b>	<b>346,913,088</b>

As of September 30, 2010 and December 31, 2009 the captions Accrued costs and Deferred income were made up as follows:

Amount in Euro	30-09-2010	31-12-2009
<b>Accrued Costs</b>		
Insurance	17,295	47,432
Payroll	39,895,406	36,515,061
Interests payable	10,002,011	5,541,185
Power costs	21,226,721	10,581,714
Forest acquisitions	219,914	329,796
Commitments to settle the sale of paper	294,395	1,920,346
Other	9,362,948	8,885,360
	<b>81,018,690</b>	<b>63,820,894</b>
<b>Deferred income</b>		
Government grants	62,072,418	40,809,361
Grants - CO2 Emission rights	13,073,888	1,383,589
Other	1,487,032	1,595,824
	<b>76,633,338</b>	<b>43,788,774</b>



## 20. Financial assets and liabilities

### DERIVATIVE FINANCIAL INSTRUMENTS

As of September 30, 2010 and December 31, 2009, the fair value of derivative financial instruments designated as trading instruments were as follows:

Amount in Euro	Currency	Notional	Maturity	Fair value		Change in FV in P&L
Financial instruments - trading				30-09-2010	31-12-2009	
Foreign exchange forwards	USD	5,731,380	31-Dec-10	67,943	-	67,943
	USD	23,518,000	18-Jan-11	811,457	-	811,457
	GBP	3,430,000	14-Jan-11	121,907	-	121,907
	USD	46,297,000	04-Feb-11	1,891,121	(338,615)	2,229,736
Foreign exchange options	GBP	7,251,000	14-Jan-11	272,705	(1,040,545)	1,313,250
Foreign exchange options	EUR	6,782,631	03-Dec-10	-	(25,145)	25,145
Foreign exchange options	EUR	20,400,000	28-Feb-17	(2,042,849)	(310,640)	(1,732,009)
Collar interest rate	EUR	175,000,000	20-Apr-16	(3,068,275)	1,368,373	(4,436,648)
Collar interest rate	EUR	25,000,000	30-Nov-15	(346,449)	70,070	(416,519)
Collar interest rate	EUR	25,000,000	30-Nov-15	(464,265)	20,210	(484,475)
Ending balance				(2,756,501)	(256,292)	(2,500,209)

As of September 30, 2010 and December 31, 2009, fair value of derivative financial instruments designated as hedging instruments were as follows:

Amount in Euro	Currency	Notional	Maturity	Fair value		Changes in FV in Equity
				30-09-2010	31-12-2009	
<b>Financial instruments - hedging</b>						
Interest rate hedging	EUR	150,000,000	29-Mar-10	-	(762,216)	762,216
Interest rate hedging	EUR	75,000,000	27-Oct-10	(118,067)	(1,219,066)	1,100,999
Hedge (Future sales)	EUR	39,939,195	31-Dec-10	2,033,363	-	2,033,363
Foreign exchange forwards (USD)	EUR	3,186,480	28-Feb-12	1,233,621	1,514,537	(280,916)
Collar interest rate	EUR	175,000,000	20-Apr-16	(5,704,007)	(3,749,335)	(1,954,732)
Collar interest rate	EUR	25,000,000	30-Nov-15	(769,608)	(392,999)	(386,710)
Collar interest rate	EUR	25,000,000	30-Nov-15	(693,646)	(332,911)	(360,735)
<b>Ending balance</b>				<b>(4,017,784)</b>	<b>(4,931,891)</b>	<b>914,107</b>
<b>Total financial instruments</b>				<b>(6,774,289)</b>	<b>(5,188,183)</b>	<b>(1,586,102)</b>

The changes in the fair value of derivative financial instruments between December 31, 2009 and September 30, 2010, were as follows:

Amount in Euro	Changes in Fair Value (Trading)	Changes in Fair Value (Hedging)	Total
<b>As of January 1, 2009</b>	<b>(256,289)</b>	<b>(4,931,893)</b>	<b>(5,188,182)</b>
Maturity	113,127	4,071,081	4,184,208
Change in fair value in P&L (Note 8)	(2,613,336)	(4,071,079)	(6,684,415)
Change in fair value in equity (SORIE)	-	914,106	914,106
<b>As of September 30, 2010</b>	<b>(2,756,498)</b>	<b>(4,017,785)</b>	<b>(6,774,283)</b>
Variation in fair value at earnings (Note 8)	(2,500,207)	(4,071,079)	(6,571,286)
Variation in fair value at equity (SORIE)	-	914,106	914,106

## 21. Balance and transactions with related parties

As of September 30, 2010 and December 31, 2009, receivables from related parties are as follows:

Amount in Euro	Interest-bearing liabilities	
	30-09-2010	31-12-2009
<b>Shareholders</b>		
Cimo SGPS, SA	831,074	198,015
Longapar, SGPS, SA	8,779,107	9,871,902
Sonaca SGPS, SA	220,344	567,892
	<b>9,830,525</b>	<b>10,637,809</b>

Amount in Euro	30-09-2010		31-12-2009	
	Other Receivables	Other Payables	Other Receivables	Other Payables
<b>Associated companies</b>				
Cofir Sicar	-	-	-	11,878
Serbio, S.A.	-	-	-	94,737
J.M. Henriques, Lda.	-	-	52,078	-
Cimentapor	-	-	35	-
Secil Unicon - S.G.P.S., Lda	4,932	-	103,704	-
Setefrete	-	221,987	339,788	52,965
Chryso Portugal, S.A.	-	156,261	-	119,790
Secil Prebetão - Pré-Fabricados de Betão, S.A.	5,153	6,144	86,972	12,688
Viroc Portugal - Indústria de Madeira e Cimento, S.A.	102,519	-	574,452	-
Toposet	-	-	796,363	-
Sopogem	-	-	854,034	489,856
Other related parties	1,158	73,479	2,796	587,359
<b>Total</b>	<b>113,762</b>	<b>457,871</b>	<b>2,800,242</b>	<b>1,369,273</b>

In the nine months period ended September 30, 2010, transactions with related parties were as follows:

Amount in Euro	30-09-2010	
	Service Purchase	Financial Losses
<b>Shareholders</b>		
Cimigest SGPS, SA	80,805	-
Cimo SGPS, SA	-	5,179
Longapar, SGPS, SA	-	84,042
Sonaca SGPS, SA	-	4,140
	<b>80,805</b>	<b>93,361</b>

Amount in Euro	30-09-2010			
	Service Purchase	Services rendered	Operating Income	Losses/(Gains) financial
<b>Subsidiaries shareholders and Joint Ventures</b>				
Viroc Portugal, S.A.	-	311,082	51,791	(39,671)
Chryso Portugal, S.A.	406,324	-	-	-
Setefrete, S.A.	1,313,346	-	-	-
Secil Prebetão, S.A.	20,269	238,616	44,901	-
Others	-	-	2,426	(16,923)
	<b>1,739,939</b>	<b>549,698</b>	<b>99,118</b>	<b>(56,594)</b>

## 22. Average number of employees

As of September 30, 2010 and December 31, 2009 the average number of employees working for the various Group companies, by business segment, was as follows:

Segment	30-09-2010	31-12-2009
Pulp and Paper	2,340	2,288
Cement and derivatives	2,623	2,676
Environment	196	182
Holdings and others	20	21
	<b>5,179</b>	<b>5,167</b>

## 23. Contingent liabilities

### Restructuring the retirement and survival pension Plan

#### Sub-group Portucel

During 2009, Portucel S.A. presented its employees a proposal for restructuring the pension plan currently in use. This proposal had the purpose of changing the pension plan from a defined benefit plan to a defined contribution plan. The proposal was accepted by the majority of Portucel's employees.

In 2010, the company obtained from corporate tax authorities (IRC) validation regarding the tax treatment the company predicts to follow through this restructuring process. The same validation was obtained from individual tax authorities (IRS) and the company expects to have the new regimen in course in December 1, 2010. Since the effect of this change will increase the company's shareholders' equity presented on this period's consolidated financial position, no effect was recognized at this time.

#### Sub-group Secil

At Secil Group an agreement with employees has been reached towards the change of the defined benefit plan into a defined contribution plan. The referred change has been approved by the regulator - Instituto de Seguros de Portugal at September 2, 2010.

## 24. Note added for Translation

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

## 25. Companies included in consolidation

Name	Head Office	Direct and Indirect % of equity held by subsidiary Semapa		
		Direct	Indirect	Total
Parent - company:				
Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.	Lisbon	-	-	-
Subsidiaries				
Seminv, SGPS, S.A.	Lisbon	100.00	-	100.00
Cimentospar - Participações Sociais, SGPS, Lda.	Lisbon	-	100.00	100.00
Seinpart, SGPS, S.A.	Lisbon	49.00	51.00	100.00
Verdeoculto, SGPS, S.A.	Lisbon	100.00	-	100.00
Seinpar Investments, B.V.	Amsterdam	100.00	-	100.00
Interholding Investments B.V. (ex Semapa Investments B.V.)	Amsterdam	100.00	-	100.00
Semapa Inversiones S.L.	Madrid	100.00	-	100.00
Great Earth, SA	Lisbon	100.00	-	100.00

## Subsidiary companies of sub-group Portucel - full consolidated

Name	Head Office	Direct and indirect % of equity held by subsidiary Portucel			Equity % actually held by Semapa
		Direct	Indirect	Total	
Parent - company:					
Portucel – Empresa Produtora de Pasta e Papel, SA	Setúbal	12.89	64.07	76.97	76.97
Subsidiaries					
Soporcel - Sociedade Portuguesa de Papel, SA	Figueira da Foz	100.00	-	100.00	76.97
Portucel International GmbH	Germany	100.00	-	100.00	76.97
CountryTarget SGPS SA *	Setúbal	100.00	-	100.00	76.97
Portucel Cacia - Produção de Pasta, S.A. *	Cacia	100.00	-	100.00	76.97
PortucelSoporcel Floresta, SGPS, SA	Figueira da Foz	50.00	50.00	100.00	76.97
Portucel Florestal – Empresa de Desenvolvimento Agro-Florestal, SA	Setúbal	-	100.00	100.00	76.97
Aliança Florestal – Sociedade para o Desenvolvimento Agro-Florestal, SA	Setúbal	-	100.00	100.00	76.97
Enerforest - Empresa de Biomassa para Energia, SA	Setúbal	-	100.00	100.00	76.97
Sociedade de Vinhos da Herdade de Espirra - Produção e Comercialização de Vinhos, SA	Setúbal	-	100.00	100.00	76.97
Viveiros Aliança - Empresa Produtora de Plantas, SA	Palmela	-	100.00	100.00	76.97
Aflomec - Empresa de Exploração Florestal, SA	Setúbal	-	100.00	100.00	76.97
Cofotrans - Empresa de Exploração Florestal, SA	Figueira da Foz	-	100.00	100.00	76.97
Atlantic Forests, SA	Setúbal	-	100.00	100.00	76.97
Afocelca - Agrupamento complementar de empresas para protecção contra incêndios ACE	Portugal	-	64.80	64.80	49.87
Bosques do Atlantico, SL	Spain	-	100.00	100.00	76.97
Naturfungi, ACE	Setúbal	-	50.00	50.00	38.48
Verde Arena - Sociedade Gestora de Zonas de Intervenção Florestal, S.A.	Setúbal	-	100.00	100.00	76.97
PortucelSoporcel Pulp SGPS, S.A.	Setúbal	100.00	-	100.00	76.97
EPFF - Empresa de Pasta de Figueira da Foz, S.A.	Figueira da Foz	-	100.00	100.00	76.97
CELSET - Celulose de Setúbal, S.A.	Setúbal	-	100.00	100.00	76.97
CELCACIA - Celulose de Cacia, S.A.	Cacia	-	100.00	100.00	76.97
PortucelSoporcel Papel, SGPS SA	Setúbal	100.00	-	100.00	76.97
Soporcel North America Inc.	USA	-	100.00	100.00	76.97
About the Future - Empresa Produtora de Papel, SA	Setúbal	0.01	99.99	100.00	76.97
Portucel Papel Setúbal, S.A.	Setúbal	-	100.00	100.00	76.97
Tecnipapel – Sociedade de Transformação e Distribuição de Papel, Lda	Setúbal	56.00	44.00	100.00	76.97
PortucelSoporcel Sales & Marketing NV	Belgium	25.00	75.00	100.00	76.97
Soporcel España, SA	Spain	-	100.00	100.00	76.97
Soporcel International, BV	Netherlands	-	100.00	100.00	76.97
Soporcel France, EURL	France	-	100.00	100.00	76.97
Portucel Soporcel United Kingdom, Ltd	UK	-	100.00	100.00	76.97
Portucel Soporcel Italia, SRL	Italy	-	100.00	100.00	76.97
Soporcel 2000 - Serviços Comerciais de Papel, Soc. Unipessoal, Lda	Figueira da Foz	-	100.00	100.00	76.97
Soporcel Deutschland, GmbH	Germany	-	100.00	100.00	76.97
Soporcel Handels, GmbH	Austria	-	100.00	100.00	76.97
PortucelSoporcel Afrique du Nord *	Morocco	-	100.00	100.00	76.97
PortucelSoporcel Energia, SGPS SA	Setúbal	100.00	-	100.00	76.97
SPCG – Sociedade Portuguesa de Co-Geração Eléctrica, SA	Setúbal	-	100.00	100.00	76.97
Enerpulp – Cogeração Energética de Pasta, SA	Setúbal	-	100.00	100.00	76.97
PortucelSoporcel Cogeração de Energia, SA	Setúbal	-	100.00	100.00	76.97
PortucelSoporcel Participações, SGPS SA	Setúbal	100.00	-	100.00	76.97
Arboser – Serviços Agro-Industriais, SA	Setúbal	-	100.00	100.00	76.97
Empremédia - Corretores de Seguros, Lda	Lisbon	-	100.00	100.00	76.97
Socortel - Sociedade de Corte de Papel, SA	Figueira da Foz	-	100.00	100.00	76.97
Cutpaper - Transformação, Corte e Embalagem de Papel, ACE	Figueira da Foz	-	50.00	50.00	38.48
Headbox - Operação e Contolo Industrial, SA	Setúbal	-	100.00	100.00	76.97
EMA21 - Engenharia e Manutenção Industrial Século XXI, SA	Setúbal	-	100.00	100.00	76.97
Ema Cacia - Engenharia e Manutenção Industrial, ACE	Cacia	-	91.15	91.15	70.15
Ema Setúbal - Engenharia e Manutenção Industrial, ACE	Setúbal	-	92.56	92.56	71.24
Ema Figueira da Foz- Engenharia e Manutenção Industrial, ACE	Figueira da Foz	-	91.47	91.47	70.40
ImpactValue - SGPS, SA	Setúbal	100.00	-	100.00	76.97
Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, Lda	Mozambique	25.00	75.00	100.00	76.97
Portucel Florestal Brasil - Gestão de Participações, Ltda	Brazil	25.00	75.00	100.00	76.97
Raiz - Instituto de Investigação da Floresta e Papel	Eixo	43.00	51.00	94.00	72.35
PortucelSoporcel Papel - Sales e Marketing, ACE	Figueira da Foz	50.00	50.00	100.00	76.97
PortucelSoporcel Logística de Papel, ACE	Figueira da Foz	33.33	66.67	100.00	76.97

\* Created in 2010

## Subsidiary companies of sub-group ETSA - full consolidated

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

## Subsidiary companies of Sub-group Secil - Proportional consolidation

		Direct and indirect % of equity held by subsidiary Secil			Equity % actually held by Semapa
Name	Head Office	Direct	Indirect	Total	
Parent - company:					
Secil - Companhia Geral de Cal e Cimento, S.A.	Setúbal	6.42	44.58	51.00	51.00
Subsidiaries					
Parcim Investments, B.V.	Amsterdam	100.00	-	100.00	51.00
Secilpar, SL	Madrid	-	100.00	100.00	51.00
Somera Trading Inc.	Panamá	-	100.00	100.00	51.00
IB Participações e Serviços Ltda.	Rio de Janeiro	-	99.67	99.67	50.83
Hew bol, SGPS, Lda.	Funchal	-	100.00	100.00	51.00
Secil Cabo Verde Comércio e Serviços, Lda.	Praia - Cape Verde	-	100.00	100.00	51.00
ICV - Inertes de Cabo Verde, Lda.	Praia - Cape Verde	37.50	25.00	62.50	31.88
Florimar- Gestão e Participações, SGPS, Lda.	Funchal	100.00	-	100.00	
Seciment Investments, B.V.	Amsterdam	100.00	-	100.00	51.00
Serife - Sociedade de Estudos e Realizações Industriais e de	Lisbon	100.00	-	100.00	51.00
Silonor, S.A.	Amsterdam	100.00	-	100.00	51.00
Société des Ciments de Gabés	Tunis	98.72	-	98.72	50.35
Sud- Béton- Société de Fabrication de Béton du Sud	Tunis	-	98.72	98.72	50.35
Zarzis Béton	Tunis	-	98.52	98.52	50.25
Secil Angola, SARL	Luanda	100.00	-	100.00	51.00
Secil - Companhia de Cimento do Lobito, S.A.	Lobito	-	51.00	51.00	26.01
Secil, Betões e Inertes, S.G.P.S., S.A. e Subsidiárias	Setúbal	91.85	8.15	100.00	51.00
Britobetão - Central de Betão, Lda.	Évora	-	82.00	82.00	41.82
Unibetão - Indústrias de Betão Preparado, S.A.	Lisbon	-	100.00	100.00	51.00
Minerbetão - Fabricação de Betão Pronto, Lda.	Lisbon	-	100.00	100.00	51.00
Sicobetão - Fabricação de Betão, S.A.	Lisbon	-	100.00	100.00	51.00
Secil Britas, S.A.	Lisbon	-	100.00	100.00	51.00
Quimipetra - Secil Britas, Calcários e Derivados, Lda.	Lisbon	-	100.00	100.00	51.00
Colegra - Exploração de Pedreiras, S.A.	Lisbon	-	100.00	100.00	51.00
Secil Martingança - Aglomerantes e Novos Materiais para a Construção, Lda.	Leiria	51.19	45.81	97.00	49.47
IRP - Industria de Rebocos de Portugal, S.A.	Santarém	-	97.00	97.00	49.47
Condind - Conservação e Desenvolvimento Industrial, Lda.	Setúbal	50.00	50.00	100.00	51.00
Ciminpart - Investimentos e Participações, SGPS, S.A.	Lisbon	-	100.00	100.00	51.00
Argibetão - Sociedade de Novos Produtos de Argila e Betão, S.A.	Lisbon	-	90.87	90.87	46.34
Ave- Gestão Ambiental e Valorização Energética, S.A.	Lisbon	-	70.00	70.00	35.70
Cimentos Costa Verde - Comércio de Cimentos, Lda.	Lisbon	-	100.00	100.00	51.00
Ecoresíduos - Centro de Tratamento e Valorização de Resíduos, Lda.	Setúbal	50.00	50.00	100.00	51.00
Prescor Produção de Escórias Moídas, Lda.	Lisbon	-	100.00	100.00	51.00
CMP - Cimentos Maceira e Pataias, S.A. ("CMP")	Leiria	100.00	-	100.00	51.00
Ciments de Sibline, S.A.L.	Beirute	28.64	22.41	51.05	26.04
Soime, S.A.L.	Beirute	-	51.05	51.05	26.04
Premix Liban, S.A.L	Beirute	-	51.05	51.05	26.04
Cimentos Madeira, Lda.	Funchal	57.14	-	57.14	29.14
Beto Madeira - Betões e Britas da Madeira, S.A.	Funchal	-	57.14	57.14	29.14
Promadeira - Sociedade Técnica de Construção da Ilha da Madeira, Lda.	Funchal	-	57.14	57.14	29.14
Brimade - Sociedade de Britas da Madeira, S.A.	Funchal	-	57.14	57.14	29.14
Madebritas - Sociedade de Britas da Madeira, Lda. (a)	Funchal	-	29.14	29.14	14.86
Pedra Regional - Transformação e Comercialização de Rochas Ornamentais	Funchal	-	29.14	29.14	14.86
Secil Unicon - S.G.P.S., Lda.	Lisbon	50.00	-	50.00	25.50
Secil Prébetão, S.A.	Montijo	-	39.80	39.80	20.30
Teporset - Terminal Portuário de Setúbal, S.A.	Lisbon	-	50.00	50.00	25.50

**BOARD OF DIRECTORS****Chairman:**

Pedro Mendonça de Queiroz Pereira

**Members:**

Maria Maude Mendonça de Queiroz Pereira Lagos

José Alfredo de Almeida Honório

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Carlos Maria Cunha Horta e Costa

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