



QUARTERLY ACCOUNTS

FIRST 9 MONTHS OF 2017

QUARTERLY ACCOUNTS

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PART 1

MANAGEMENT REPORT

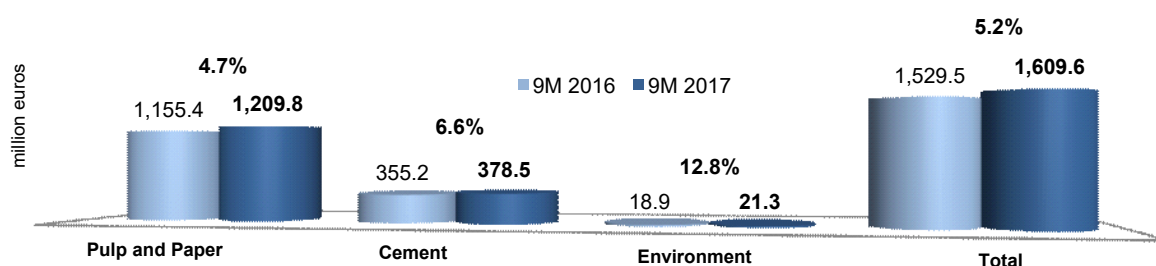
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1. HIGHLIGHTS

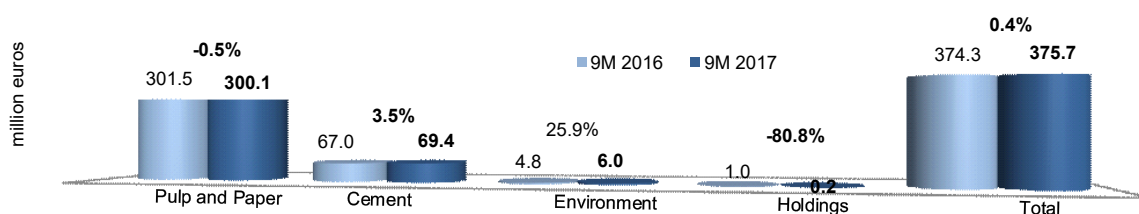
REVENUE

In the first 9 months of 2017 the Semapa Group recorded a consolidated revenue of 1,609.6 million euros, an increase of 5.2% from the same period in the previous year. Exports and foreign sales amounted to 1,222.9 million euros, representing 76.0% of revenue.



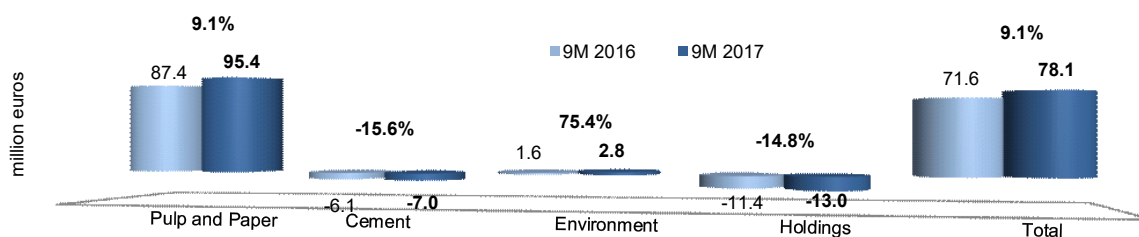
EBITDA

EBITDA for the first 9 months of 2017 increased by about 0.4% in relation to the same period in the previous year, standing at 375.7 million euros. The consolidated margin stood at 23.3%, 1.1 p.p. lower than in the same period in 2016.



NET RESULTS ATTRIBUTABLE TO SEMAPA EQUITY HOLDERS

Earnings before taxes increased 15.6% and net profit attributable to Semapa equity holders stood at 78.1 million euros, up by 9.1% in relation to the same period in the previous year.



LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	9M 2017	9M 2016	Var.	Q3 2017	Q3 2016	Var.
Revenue	1,609.6	1,529.5	5.2%	533.3	506.7	5.3%
EBITDA	375.7	374.3	0.4%	128.9	133.9	-3.7%
EBITDA margin (%)	23.3%	24.5%	-1.1 p.p.	24.2%	26.4%	-2.3 p.p.
Depreciation, amortisation and impairment losses	(162.0)	(176.2)	8.1%	(52.7)	(57.8)	9.0%
Provisions	(3.8)	(2.3)	-61.0%	(3.2)	(0.2)	<-100%
EBIT	209.9	195.8	7.2%	73.0	62.2	17.5%
EBIT margin (%)	13.0%	12.8%	0.2 p.p.	13.7%	12.3%	1.4 p.p.
Net financial results	(49.4)	(57.0)	13.4%	(8.8)	(17.3)	49.1%
Profit before taxes	160.5	138.8	15.6%	64.2	44.9	43.1%
Income taxes	(32.6)	(22.7)	-43.8%	(12.2)	(16.7)	27.4%
Net profit for the period	127.9	116.1	10.2%	52.1	28.1	85.0%
Attributable to Semapa shareholders	78.1	71.6	9.1%	34.7	10.6	>100%
Attributable to non-controlling interests (NCI)	49.8	44.6	11.8%	17.3	17.5	-1.2%
Cash-flow	293.7	294.7	-0.3%	108.0	99.8	8.1%
	30/09/2017	31/12/2016	Sep17 vs. Dec16			
Equity (before NCI)	822.9	817.3	0.7%			
Net debt	1,739.4	1,779.7	-2.3%			

Notes:

- EBITDA = EBIT + Depreciation, amortisation and impairment losses + Provisions
- Cash-flow = Net profit for the period + Depreciation, amortisation and impairment losses + Provisions
- Net debt = Non-current interest bearing debt (net of loan issue charges) + Current interest-bearing debt (including debts to shareholders) - Cash and cash equivalents

2. OPERATIONAL PERFORMANCE

BREAKDOWN BY BUSINESS SEGMENT

IFRS - accrued amounts (million euros)	Pulp and Paper		Cement		Environment		Holdings		Consolidated
	9M 2017	9M 17/16	9M 2017	9M 17/16	9M 2017	9M 17/16	9M 2017	9M 17/16	9M 2017
Revenue	1,209.8	4.7%	378.5	6.7%	21.3	12.8%	-	-	1,609.6
EBITDA	300.1	-0.5%	69.4	3.5%	6.0	25.9%	0.2	-80.8%	375.7
EBITDA margin (%)	24.8%	-1.3 p.p.	18.3%	-0.6 p.p.	28.2%	2.9 p.p.	-	-	23.3%
Depreciation, amortisation and impairment losses	(123.0)	6.8%	(36.7)	12.3%	(2.1)	4.0%	(0.1)	-2.3%	(162.0)
Provisions	(3.1)	-3.2%	(0.6)	<-100%	(0.2)	-	-	-	(3.8)
EBIT	174.0	4.5%	32.1	24.5%	3.7	45.6%	0.0	-94.8%	209.9
EBIT margin (%)	14.4%	0.0 p.p.	8.5%	1.2 p.p.	17.5%	4.0 p.p.	-	-	13.0%
Net financial results	(6.5)	61.0%	(31.0)	-11.7%	(0.4)	18.9%	(11.5)	5.3%	(49.4)
Profit before taxes	167.5	11.7%	1.1	153.7%	3.4	60.4%	(11.4)	-1.5%	160.5
Income taxes	(30.0)	-25.1%	(0.4)	<-100%	(0.6)	-15.2%	(1.6)	<-1000%	(32.6)
Net profit for the period	137.5	9.2%	0.7	>100%	2.8	75.4%	(13.0)	-14.8%	127.9
Attributable to Semapa equity holders	95.4	9.1%	(7.0)	-15.6%	2.8	75.4%	(13.0)	-14.8%	78.1
Attributable to minority interests	42.1	9.2%	7.7	28.1%	0.0	74.5%	-	-	49.8
Cash-flow	263.5	1.0%	38.0	-7.8%	5.0	33.0%	(12.9)	-14.9%	293.7
Net debt	742.0	15.8%	433.2	2.4%	15.9	1.4%	548.2	-21.7%	1,739.4

Notes:

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

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

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

2.1 PULP AND PAPER BUSINESS AREA – THE NAVIGATOR COMPANY GROUP

HIGHLIGHTS - FIRST 9 MONTHS 2017 (VS. FIRST 9 MONTHS OF 2016)

- Positive evolution of revenue (+5%) with strong performance in pulp, energy and tissue business:
 - Pulp sales grow 32% in value, with volume and price both rising
 - Power sales up by 16%, reflecting successful operation of power generation assets
 - Tissue sales grow by 11% in volume and value
- EBITDA of 300 million euros in line with previous year and EBITDA/sales margin of 25% (vs. 26%)
- Financial costs slashed to -6.5 million euros (vs. -16.6 million euros), due to lower costs on borrowing operations and profits on currency hedges

SUMMARY TABLE OF FINANCIAL INDICATORS

IFRS - accrued amounts (million euros)	9M 2017	9M 2016	Var.	Q3 2017	Q3 2016	Var.
Revenue	1,209.8	1,155.4	4.7%	397.2	376.8	5.4%
EBITDA	300.1	301.5	-0.5%	101.7	106.2	-4.3%
EBITDA margin (%)	24.8%	26.1%	-1.3 p.p.	25.6%	28.2%	-2.6 p.p.
Depreciation, amortisation and impairment losses	(123.0)	(132.0)	6.8%	(40.6)	(38.4)	-5.7%
Provisions	(3.1)	(3.0)	-3.2%	(2.9)	(1.6)	-83.3%
EBIT	174.0	166.6	4.5%	58.2	66.3	-12.2%
EBIT margin (%)	14.4%	14.4%	0.0 p.p.	14.7%	17.6%	-2.9 p.p.
Net financial results	(6.5)	(16.6)	61.0%	1.8	(3.2)	>100%
Profit before taxes	167.5	150.0	11.7%	60.0	63.1	-4.9%
Income taxes	(30.0)	(24.0)	-25.1%	(13.1)	(16.9)	22.7%
Net profit for the period	137.5	126.0	9.2%	47.0	46.2	1.6%
Attributable to Navigator shareholders	137.5	126.0	9.1%	47.0	46.1	2.0%
Attributable to non-controlling interests (NCI)	0.0	(0.0)	128.8%	0.0	0.2	-98.0%
Cash-Flow	263.5	260.9	1.0%	90.4	86.2	4.9%
	30/09/2017	31/12/2016	Sep17 vs. Dec16			
Equity (before NCI)	955.2	1,056.0	-9.5%			
Net debt	742.0	640.7	15.8%			

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

OPERATING INDICATORS

(000 tons)	9M 2017	9M 2016	Var.	Q3 2017	Q3 2016	Var.
Pulp and Paper						
BEKP Output (pulp)	1,117.2	1,111.4	0.5%	357.3	367.8	-2.8%
BEKP Sales	251.2	200.9	25.1%	68.8	71.2	-3.4%
UWF Output (paper)	1,186.0	1,194.5	-0.7%	406.1	399.9	1.6%
UWF Sales	1,158.2	1,155.5	0.2%	386.4	380.0	1.7%
FOEX – BHKP Euros/ton	703	636	10.6%	747	600	24.5%
FOEX – A4- BCopy Euros/ton	810	829	-2.3%	819	820	-0.1%
Tissue						
Output of reels	41.4	32.3	28.3%	13.0	13.1	-0.6%
Output of finished product	36.5	31.0	17.6%	12.2	10.9	12.1%
Sale of reels and other goods	5.4	6.3	-14.5%	1.1	2.4	-56.0%
Sale finished products	35.9	31.1	15.7%	12.3	10.7	14.3%
Total tissue sales	41.4	37.4	10.6%	13.3	13.2	1.4%

In the first 9 months of 2017, the revenue of Navigator totalled 1,209.8 million euros, up by 4.7% over the same period in the previous year, sustained essentially by the strong operating performance in sales of pulp, power and tissue.

Pulp sales of Navigator grew by around 25%, to more than 250 thousand tons, driven by the strong demand experienced over the period, and the greater availability of market pulp at the Cacia plant compared to the same period in 2016, with prices continuing on the upward course recorded since late 2016. The benchmark PIX – BHKP index in euros recorded an average price of 703 euros/ton, as compared to 636 euros/ton in the same period in 2016 (up by 10.6%). Navigator's average price also followed an upward course, with pulp sales growing by 32% in value, to a total of 129.5 million euros.

Conditions in the paper market also improved gradually over the year, with progressively stronger order books in Europe and in overseas markets. Navigator recorded a healthy volume of paper sales, setting a new record of 1,158 tons sold, around 3 thousand tons more than in the first nine months of 2016.

In the period, Navigator implemented three price rises up to July, and also announced a fourth increase from September onwards. These increases helped to offset the price reduction recorded in the final quarter of 2016, with the Group's average price in the first nine months of 2017 still lower than the average price in the same period last year. Despite the improvement in the product mix sold, with premium and own-brand products accounting for a larger share of sales, Navigator's average price in Europe was brought down by the evolution of the exchange rate and by the evolution of the market mix. In Europe, the main impact was the weakness of the sterling which, combined with an increase in sales

in markets outside Europe, mostly USD-denominated, and with exchange rate trends in recent months, had a negative effect on Navigator's overall sales average price.

Tissue sales also recorded growth in volume, up by 11% to approximately 41 thousand tons, made possible by the expansion in production and converting capacity over the course of 2015. Portugal and Spain remained the Group's main geographical markets and away-from-home products represented a larger slice of sales. Overall, the product mix improved, with reels accounting for a smaller share of sales and, as a result, the average sales price was slightly higher than in the same period in 2016, with sales volume totalling 55.3 million euros (up +11%).

At the end of Q3 of 2017, power sales were up by 16% in value from the same reference date in 2016, reflecting successful operation of power generation assets, with especially strong performance from the renewable cogeneration plant and the natural gas combined-cycle power station at the Setúbal industrial complex. Of course, figures for power sales at the end of the 3rd quarter of 2016 had shown the negative impact of stoppages and breakdowns at the renewable co-generation plants in Setúbal and Cacia. Due to these factors, Navigator's total gross power output at the end of Q3 of 2017 was up by 6% year on year.

Power sales from the operation of the natural gas combined-cycle power stations also benefited from the sharp hike (roughly 20% year on year) in Brent prices, to which the sales price is indexed.

Having completed its new pellets mill in late 2016 in Greenwood, South Carolina, USA, Navigator started up production and marketing of products in 2017. Sales up to the end of September totalled 91 thousand tons in volume, and approximately 12 million euros. The pellets business continues to contribute negatively to EBITDA, although the situation has improved in relation to the end of the 1st half.

In the first 9 months of 2017, the EBITDA of Navigator reached 300.1 million euros, in line with the figure for the same period of the previous year, reflecting a 24.8% margin. Over the course of the year, Navigator has pressed ahead with its programme of cost optimisation and efficiency, M2, and results have continued to outperform targets. At the end of September, this programme's accumulated impact on EBITDA entailed an overall reduction in costs and an improvement in productivity adding up to around 18 million euros, in relation to 2016.

Concerning the impact of the forest fires up to the end of September in mainland Portugal (essentially in the central region of the country), estimates point to an area burned of roughly 216 thousand hectares, including 2,700 hectares of Navigator's eucalyptus forests. As a result, biological assets have been written down by a total amount year to date of 2.2 million euros (1.4 million euros registered in Q3).

In the first 9 months of 2017, depreciations, amortisations and impairment losses of Navigator totalled 123.0 million euros, as compared with the figure of 132.0 million euros year on year. Although only beginning to amortize investments made, namely of Colombo Energy assets, the recording of an impairment in the tangible fixed assets of Mozambique in the first 9 months of 2016 resulted in the reduction in this item's value.

Net financial results evolved favourably, down to -6.5 million euros in the first 9 months of 2017, as compared with -16.6 million euros recorded in the same period of 2016. This was essentially due to a significant reduction in borrowing costs, thanks to the restructuring of the Group's debt concluded in 2016 as well as the commercial paper issue at very favourable rates. On a comparable basis, excluding the cost in 2016 of the decision to proceed with early repayment of a bond issue of 6 million euros, interest expense fell by 4.2 million euros, whilst financial results also benefited from gains of approximately 3.2 million euros on forex hedges.

The increase in corporate income tax derives mostly from the fact that in the first 9 months of 2017 the amount of tax benefits applicable to the corporate income tax charged to Navigator was much less, as it had been used in previous periods.

THIRD QUARTER OF 2017 VS. THIRD QUARTER OF 2016

Third quarter performance reflected improving market conditions over the course of the year. Revenue grew by 5.4% when compared with the figure recorded in the same quarter last year, due essentially to strong performance in pulp business, where the sales price rose by almost 22%, and to the growing volume of paper sales (up by 1.7%). Figures were also positive for sales of tissue and power, and the new pellets business also added roughly 5 million euros to total Group revenue.

EBITDA stood at 101.7 million euros in the 3rd quarter of 2017, as compared to a figure of 106.2 million euros in the same period last year, when earnings were positively impacted by a series of non-recurrent items with a net impact of around 3 million euros, related essentially to the discount rate used in valuing biological assets. In 2017, EBITDA was negatively affected by the impact of forest fires, bringing down the total by 1.4 million euros in Q3.

Financial results improved and the Group recorded a financial profit in the quarter by 1.8 million euros, reflecting the gains recorded on forex hedges.

As a result, net income totalled 49.8 million euros, comparing positively with the figure of 48.8 million euros recorded in Q3 of 2016.

2.2. CEMENT AND OTHER BUILDING MATERIALS BUSINESS AREA – SECIL GROUP

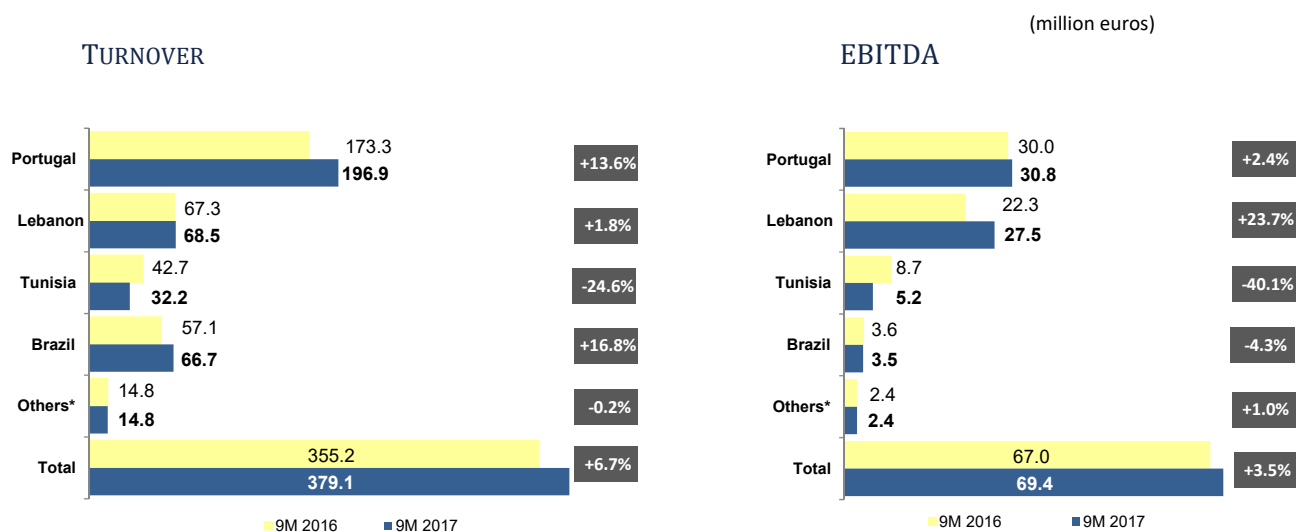
HIGHLIGHTS - FIRST 9 MONTHS 2017 (VS. FIRST 9 MONTHS OF 2016)

- Revenue had a positive growth to 379.1 million euros (+6.7%), particularly due to strong growth in Portugal and Brazil
- EBITDA stood at 69.4 million euros, which translated into an increase of around 2.4 million euros in relation to the amount accumulated until September 2016
- Net financial results amounted to -31 million euros, compared to -27.8 million euros in the same period of 2016. The deterioration was due to unfavourable foreign exchange evolution of around 5.7 million euros

SUMMARY TABLE OF FINANCIAL INDICATORS

IFRS - accrued amounts (million euros)	9M 2017	9M 2016	Var.	Q3 2017	Q3 2016	Var.
Revenue	379.1	355.2	6.7%	129.7	123.3	5.2%
EBITDA	69.4	67.0	3.5%	25.1	25.4	-1.2%
EBITDA Margin (%)	18.3%	18.9%	-0.6 p.p.	19.3%	20.6%	-1.3 p.p.
Depreciation, amortisation and impairment losses	(36.7)	(41.9)	12.3%	(11.3)	(18.7)	39.4%
Provisions	(0.6)	0.6	<-100%	(0.3)	1.3	<-100%
EBIT	32.1	25.8	24.5%	13.4	8.0	66.9%
EBIT Margin (%)	8.5%	7.3%	1.2 p.p.	10.4%	6.5%	3.8 p.p.
Net financial results	(31.0)	(27.8)	-11.7%	(6.8)	(11.2)	38.8%
Profit before taxes	1.1	(2.0)	153.7%	6.6	(3.1)	>100%
Income taxes	(0.4)	2.0	<-100%	1.7	0.5	>100%
Net profit for the period	0.7	(0.0)	>100%	8.3	(2.6)	>100%
Attributable to Secil equity holders	(7.0)	(6.1)	-15.6%	5.4	(5.9)	>100%
Attributable to non-controlling interests (NCI)	7.7	6.0	28.1%	2.9	3.2	-9.2%
Cash-flow	38.0	41.2	-7.8%	20.0	14.7	35.7%
	30/09/2017	31/12/2016	Sep17 vs. Dec16			
Equity (before NCI)	393.5	444.9	-11.6%			
Net debt	433.2	422.9	2.4%			

Note: Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments.
In the first 9 months of 2017, revenue included 0.6 million euros resulting from intra-group sales



* includes Angola and Others. The figures for the first 9 months of 2016 were restated following the same criteria as in the first 9 months of 2017

OPERATING INDICATORS

in 1 000 t	9M 2017	9M 2016	Var.	Q3 2017	Q3 2016	Var.
Annual cement production capacity	9,750	9,750	0.0%	9,750	9,750	0.0%
Sales						
Grey cement	3,844	3,880	-0.9%	1,389	1,330	4.4%
White cement	67	61	10.8%	21	20	5.6%
Clinker	527	351	49.9%	115	120	-4.4%
Aggregates	2,312	1,880	22.9%	590	641	-8.0%
Precast concrete	216	45	>100%	74	30	>100%
Mortars	95	76	26.0%	31	27	15.8%
Hydraulic lime	20	18	5.6%	7	6	14.7%
Mortar fixative	13	12	8.0%	5	4	9.2%
in 1 000 m3						
Ready-mixed	1,075	909	18.2%	369	316	16.6%

Note: Amounts excluding sales between segments. The figures for the first 9 months of 2016 were restated following the same criteria as in the first 9 months of 2017

In the first 9 months of 2017, revenue of the Cement business reached 379.1 million euros, 6.7% higher than the figure for the same period of the previous year. This increase was mainly due to the growth in revenue of operations in Portugal and Brazil, despite the decrease in revenue in Tunisia.

EBITDA totalled 69.4 million euros, up by 3.5% over the same period of the previous year. EBITDA increased essentially as a result of operations in Lebanon, where this indicator increased 5.3 million euros. In the first 9 months of 2017, EBITDA margin stood at 18.3%, 0.6 p.p. below that of the same period in the previous year.

In Portugal, the Bank of Portugal maintained the economic growth projection for 2017 at 2.5% (Economic Bulletin - October 2017). This development is supported by rising exports, the domestic demand pick up and rise in investment.

The positive performance of the construction sector's indicators in the first half of 2017 (higher investment in the construction sector and GVA, growing employment, increase in the public works market and more private project licenses) sustained the good expectations for production development in the construction sector in 2017.

According to the latest figures available, cement consumption in mainland Portugal was up by 14% year on year. It is estimated that the market reached approximately 2.3 million tons.

In this environment, revenue for overall operations in Portugal was up by 13.6% compared to the same period in 2016, totalling 196.9 million euros.

The Cement and Clinker business unit in Portugal recorded revenue of 122.8 million euros in the first 9 months of 2017, representing growth of 4.7%. In the domestic market, revenue grew 13.7%, with volumes sold rising 7.2%. Good weather conditions, as well as more local government and private projects (tourism and residential) and rehabilitation works, especially in Lisbon and Oporto, contributed to this progress.

In the external market, the surplus supply of the Mediterranean Area, due to the increase in production capacity of exporter countries like Turkey, and less demand on behalf of countries dependant on fossil fuel revenue, still remains. Total export volumes sold decreased by around 11.4% year on year, to 921 thousand tons. This was mostly the result of approximately 47% less cement sales, largely due to the reduction in sales to Algeria, a main destination of cement exports in previous years. Clinker exports largely exceeded previous year's numbers, up by 50%.

In the other business segments with operations based in Portugal (Ready-mix concrete, Aggregates, Mortars and Pre-cast), revenue in the first 9 months of 2017 amounted to 74.1 million euros, up by 32.4% in relation to the same period of the previous year.

All areas of building materials grew, arising from the positive effects of a more dynamic construction sector and private and public investment picking up, linked with the local government elections in 2017. In the Ready-mix concrete business unit, the volumes of concrete sold increased more than 26.5% and in the Aggregates business unit increased 22.9%.

In the first 9 months of 2017, EBITDA for total operations in Portugal was up by 2.4% year on year, at 30.8 million euros vs. 30.0 million euros in the same quarter of the previous year.

The Cement unit recorded EBITDA of 22.9 million euros, below 26.6 million euros in the same period in 2016. It should be noted that EBITDA in the first 9 months of 2016 was influenced by the extraordinary current asset gains of around 3.3 million euros recorded. In addition to the rise in the volumes sold in the domestic market and of clinker in the foreign market, the variable costs of clinker and cement production decreased, as a result of the increasing rate of alternative fuels used, which was up by approximately 5 p.p.. The fixed costs of production and maintenance were also down. These elements helped in part to make up for the decrease in cement sales in the external market.

EBITDA of construction material business units stood at 7.9 million euros, which compares with 3.4 million euros in the first 9 months of 2016. The most significant improvement was in Ready-mix concrete, arising from greater volumes sold, and also from the increase in average sales prices and lower staff and transport costs.

In Lebanon, according to the latest figures published by the IMF, the economy is expected to grow by 1.5% in 2017 (World Economic Outlook, IMF October 2017), below potential.

Cement consumption until September 2017 stood at 3.8 million tons, 2% less year on year, in spite of a better political environment in the country (the election of a president and the appointment of a new Prime-minister at the end of 2016).

Revenue of combined operations in Lebanon increased 1.8%, compared to the previous year, amounting to 68.5 million euros.

Cement sales totalled 839 thousand tons, up by 2.0% compared to the first 9 months of 2016. Sales prices in local currency stood at similar levels to those in 2016, due to changes in the sales mix. Revenue grew around 2.4%, as a result of an increase in volumes sold and the positive impact of the appreciation of the US dollar against the euro, totalling 63.8 million euros.

Ready-mix concrete business revenue decreased 5.6% compared to the first 9 months of 2016, standing at 4.7 million euros, arising from 5.5% less sales and similar sales price.

EBITDA from operations in Lebanon stood at 27.5 million euros, up by 23.7% in relation to the same period of the previous year. The Cement unit recorded EBITDA of 27.2 million euros, 23.3% over the figure in the same period in the previous year. The growth was driven by increasing cement and clinker production and lower production costs. In 2016 clinker production was less due to the planned maintenance stop of one of the kilns to install the filter sleeves. This investment fostered the optimised use of raw materials and a drop in production costs. Less thermal and electric power consumption also provided a positive input. EBITDA in the first 9 months of 2017 was impacted positively by approximately 2 million euros on an insurance indemnity received due to the shutdown of one of the mills in 2016.

In Tunisia, the political and social environments improved somewhat in 2017, which had a positive impact on the economy. The Tunisian economy is still facing significant challenges, including high external and tax deficits, rising debt and insufficient growth for reducing unemployment. Some social unrest and pressure from union claims continue. According to the latest figures published by the IMF, the Tunisian economy is expected to grow by 2.3% in 2017, above the 1% figure recorded in 2016 (World Economic Outlook, IMF October 2017).

In this context, it is estimated that the domestic cement market increased 1% year on year. The cement market continued to be characterized by intense competition and high pressure on sales prices, which dropped. The cement export market decreased significantly due to constraints on the Libyan border and in obtaining foreign currency in the Libyan financial market. In the Algerian market, the government did not issue any import licenses.

Consequently, revenue for combined operations in Tunisia in the first 9 months of 2017 stood at approximately 32.2 million euros, representing a 24.6% decrease on a year on year basis.

The revenue of the Cement and Clinker business unit dropped approximately 25.1%, and stood at 27.8 million euros due to the decrease in revenue in the domestic market and an increase in the external market, albeit not enough to offset the drop. The aforementioned constraints in the case of exports and greater competition in the domestic market determined the pace of cement sales of this unit. To counteract the reduction in cement exports (-39%), clinker exports were made to West Africa in the first 9 months of 2017, in a total of around 174 thousand tons, impacting positively total export sales. Sales price in the domestic market was lower than the accumulated amount in September 2016 by approximately 1%. In the export market, prices remained below 2016 levels due to competition, the fact that there were no exports to Algeria (where price is higher) and clinker sales (at a lower price).

The revenue of the Ready-mix concrete business unit dropped 20.3%, standing at 4.3 million euros, arising from the decrease in sales volume and similar prices during the same period in the previous year.

EBITDA from business operations in Tunisia in the first 9 months of 2017 stood at 5.2 million euros, a decrease of 40.1% in comparison with the same period of the previous year. The decrease resulted from the reduction in revenue and change in the export product mix. Note that the variable unitary production costs of cement were lower than in the same period in the previous year, brought down mostly by less electrical power costs, due to the drop in the price (in June 2016 price dropped significantly) and the decrease in specific consumption.

Recent IMF projections point out to a growth of the economy of Brazil by 0.7% in 2017 (World Economic Outlook, IMF, October 2017). Brazilian economy is still being affected by the lack of trust of economic agents, rising unemployment and scarce public investment. Despite the drop in inflation rates and interest rates, private investment has not increased, as a result of the unstable political situation.

In this context, the construction industry was naturally affected, with impact on cement consumption. The cement market decreased 7.6% in relation to the same period in 2016. However, in the last three months market decrease slowed down significantly, with a decrease of 2.8% in September. The South/South-east region, where the group operates, behaved in a similar way. However it decreased 5.8%, less than the overall market decrease.

Revenue of combined operations stood at approximately 66.7 million euros in the first nine months of 2017, of which 54.7 million euros in cement and clinker and 11.9 million euros in ready-mix concrete. The growth in revenue of 16.8% was positively impacted by the increase in volumes sold in both operations, and by the decrease of sales price of cement and ready-mix year on year. In the last quarter a slight rise in prices began.

The volumes of ready-mix sold, market which was also impacted negatively by the context, increased by around 22.6%, with sales of 197 thousand m³ of ready-mix, a performance positively influenced by the start-up of two new Ready-mix concrete plants and the development of a commercial excellence project.

In the first 9 months of 2017, EBITDA stood at 3.5 million euros, compared to 3.6 million euros in the same period of the previous year. The increase in volumes sold and the improvement of variable production costs (less energy consumption and lower electric power prices), were not enough to mitigate the effect of the drop in sales price in both business units.

According to the IMF, the Angolan economy is expected to grow slightly by 1.5% in 2017 (World Economic Outlook, IMF October 2017). The negative effects of oil price developments since 2014 are still being felt. However, the gradual rise in oil price, the fact that this year government elections were held (generally featuring a rise in public investment) and the growing availability of foreign currency at the Central Bank, suggested a recovery of the construction industry and cement consumption. These growth expectations did not materialise and in September 2017 the Angolan cement market decreased by 35% year on year.

In the first nine months of 2017, the cement volumes sold decreased year on year, amounting to 108 thousand tons of cement, 11.5% less than in the previous year. Revenue stood at 14.8 million euros in total, down by 0.2% year on year, as a result of the appropriate and strict management of the sales price, which grew around 11% compared to the same period in 2016.

EBITDA in the first 9 months of 2017 stood at approximately 2.4 million euros, equivalent to the figure in the same period in 2016.

In the first nine months of 2017, depreciations, amortisations and impairment losses of Secil totalled 36.7 million euros, as compared with the figure of 41.9 million euros year on year. Such reduction resulted from one off impairment losses of 5.7 million euros in 2016.

The net financial results in the first nine months of 2017 amounted to a negative 31.0 million euros, which compares with an equally negative value of 27.8 million euros in the same period of 2016. These results were more negative, due to an unfavourable foreign exchange evolution of around 5.7 million euros.

THIRD QUARTER OF 2017 VS. THIRD QUARTER OF 2016

Revenue in Q3 of 2017 grew by 5.2% when compared with the figure recorded in the same quarter last year, mostly due to the good business performance of Portugal and Brazil.

EBITDA stood at 25.1 million euros in the 3rd quarter of 2017, similar to the figure in the same period last year. However, in Q3 of 2016 EBITDA included the positive impact of 3.3. million euros arising from a one off effect, as previously mentioned.

Depreciations, amortisations and impairment losses decreased 7.4 million euros year on year, as a result of the recognition of an impairment of 5.7 million euros in Q3 of 2016.

In Q3 of 2016 a provision of 2.5 million euros was reversed.

The financial results evolved favourably, from -11.2 million euros in Q3 of 2016 to -6.8 million euros in the same period of 2017, reflecting better financing conditions and favourable foreign exchange evolution.

As a result, net income for shareholders totalled 5.4 million euros, comparing positively with the figure of -5.9 million euros recorded in Q3 of 2016.

2.3 ENVIRONMENT BUSINESS AREA – ETSA GROUP

SUMMARY TABLE OF FINANCIAL INDICATORS

IFRS - accrued amounts (million euros)	9M 2017	9M 2016	Var.	Q3 2017	Q3 2016	Var.
Revenue	21.3	18.9	12.8%	6.7	6.5	2.7%
EBITDA	6.0	4.8	25.9%	2.0	1.5	30.0%
EBITDA margin (%)	28.2%	25.2%	2.9 p.p.	30.1%	23.8%	6.3 p.p.
Depreciation, amortisation and impairment losses	(2.1)	(2.2)	4.0%	(0.7)	(0.7)	1.0%
Provisions	(0.2)	-	-	(0.1)	-	-
EBIT	3.7	2.6	45.6%	1.2	0.8	50.8%
EBIT margin (%)	17.5%	13.6%	4.0 p.p.	18.7%	12.7%	5.9 p.p.
Net financial results	(0.4)	(0.5)	18.9%	(0.1)	(0.2)	17.2%
Profit before taxes	3.4	2.1	60.4%	1.1	0.7	66.7%
Income taxes	(0.6)	(0.5)	-15.2%	(0.3)	(0.2)	-72.1%
Net profit for the period	2.8	1.6	75.4%	0.8	0.5	65.1%
Attributable to ETSA shareholders	2.8	1.6	75.4%	0.8	0.5	65.1%
Attributable to non-controlling interests (NCI)	-	-	-	-	-	-
Cash-Flow	5.0	3.8	33.0%	1.6	1.2	30.6%
	30/09/2017	31/12/2016	Sep17 vs. Dec16			
Equity (before NCI)	68.2	65.5	4.2%			
Net debt	15.9	15.7	1.4%			

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

The ETSA group recorded revenue of approximately 21.3 million euros in the period in analysis, which represented an increase of approximately 13% against the same period in 2016.

This development was essentially caused by (i) an increase in the average sales price of class 3 fats by around 24% and the same class meal by approximately 31% in comparison with the same period of 2016, (ii) a decrease in volumes sold of class 3 by about 14% year on year, (iii) volumes sold of class 2 were very significant in the period in analysis, representing a 198% growth, albeit at a price around 3% lower, and (iv) an increase of 17% in services rendered.

EBITDA for the ETSA Group totalled approximately 6.0 million euros in the first 9 months of 2017, representing an increase of about 26% in comparison with the same period of the previous year.

In the first 9 months of 2017, depreciations, amortisations and impairment losses of ETSA totalled 2.1 million euros, in line with the figure recorded year on year.

The net financial results in the first 9 months of 2017 totalled a negative amount of -0.4 million euros, an improvement compared with the first half of 2016, as a result of total average debt reduction and repricing of current debt conditions.

THIRD QUARTER OF 2017 VS. THIRD QUARTER OF 2016

In Q3 of 2017 revenue amounted to 6.7 million euros, representing a growth of 2.7% when compared to the amount recorded year on year.

EBITDA in Q3 of 2017 totalled 2.0 million euros, which translates a rise of 30.0% on the same period of the previous year, affected negatively by the Government's decision to cancel temporarily and exceptionally the official SIRCA collection from 26 August to 4 October 2016.

3. CONSOLIDATED FINANCIAL PERFORMANCE

CONSOLIDATED NET DEBT

(million euros)	30/09/2017	31/12/2016	Var.
Pulp and Paper	742.0	640.7	101.3
Cement	433.2	422.9	10.3
Environment	15.9	15.7	0.2
Holdings	548.2	700.4	-152.2
Total	1,739.4	1,779.7	-40.4

On 30 September 2017, consolidated net debt stood at 1,739.4 million euros, representing a decrease of 40.4 million euros over the figure recorded at year-end 2016, positively influenced by the generation of operating cash flow and:

- Pulp and paper: +101.3 million euros, including investments of about 75.5 million euros and the payment of dividends of 250 million euros;
- Cement: +10.3 million euros, which includes the exchange rate effect of foreign exchange denominated debt, that reduced debt by approximately 9 million euros, and investments of approximately 42.3 million euros;
- Environment: +0.2 million euros; and
- Holdings: -152.2 million euros, resulting namely from dividends received from Navigator (173.5 million euros), dividend payments (36.3 million euros) and Government reimbursement of previously made payments on account of corporate income tax (IRC).

CONSOLIDATED NET INCOME

Consolidated net income in the first nine months of 2017 attributable to Semapa shareholders was 78.1 million euros, 9.1% more compared to the same period in the previous year. Net income per outstanding share stood at 0.968 euros/share.

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

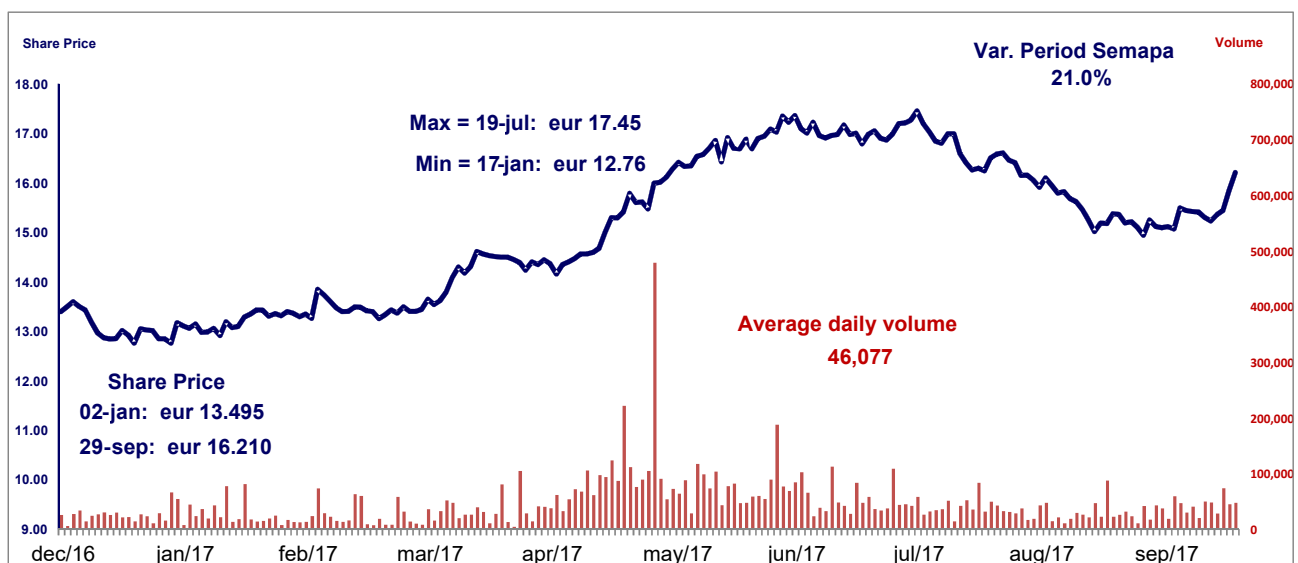
- An increase in total EBITDA of approximately 1.3 million euros;
- Provisions increase of 1.4 million euros;

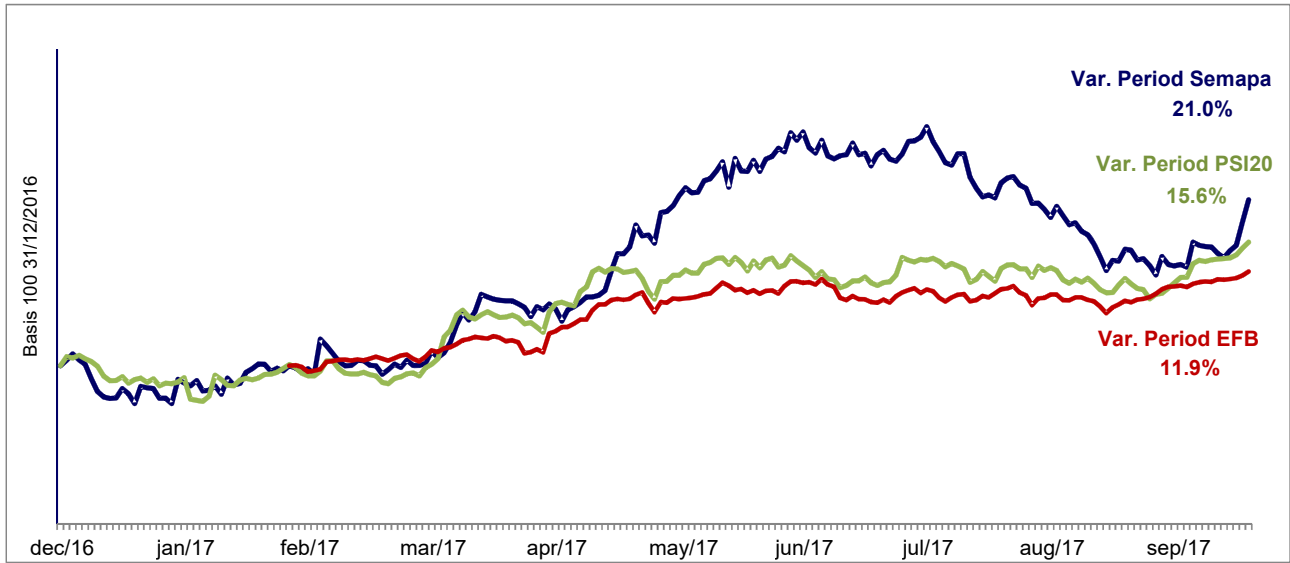
- A decrease in Depreciation, amortisation and impairment losses of 14.2 million euros, reflecting the recording of an impairment in tangible fixed assets in the first 9 months of 2016;
- An improvement of net financial results by about 7.6 million euros, in relation to the previous year;
- Increase in corporate income tax by approximately 9.9 million euros, arising namely from the reduction of tax benefits applicable to the payable corporate income tax of the Navigator Group and from the fact that in 2016 tax provisions (gains) were reversed.

4. SHARE PRICE PERFORMANCE

Despite the lingering uncertainties surrounding political changes in the United States and the impact of the Brexit process on Europe, the capital markets were optimistic during the third quarter of 2017, after a slight slowdown in the second quarter of the year. The equity markets recorded gains in the first 9 months of 2017, the Milan stock exchange in particular, whose main index appreciated 18.0%. The PSI20 index was no exception and rose 15.6%, the second best performance within the main stock exchanges in the Euro Area. Outside the Euro area, the Dow Jones Industrial continued to rise and the main index of the São Paulo stock exchange behaved very positively in the first 9 months of 2017 (+23.4%).

In this context, the value of Semapa shares in the period increased 21.0%, above PSI20 (+15.6%) and EFB (11.9%) average. Semapa's stock price reached a maximum of 17.45 euros on 19 July and a minimum of 12.76 euros on 17 January.





EFB – Euronext Family Business Index (since 21/02/2017)

Note: Closing market prices

5. SUBSEQUENT EVENTS

In October, Portugal was again ravaged by a large number of fires, estimated to have raised the total area burned to around 520 thousand hectares across the country and approximately 6100 hectares related to the Group, whose financial impact is still being assessed. It is difficult to estimate the consequences of these fires for wood supplies in future years, but at this time no risks are anticipated to the supply of wood to the Group's industrial units.

6. OUTLOOK

PULP AND PAPER

Over the first nine months of 2017, the short fibre pulp market continued to present the strong performance recorded since the end of last year: demand has grown sharply, stock levels are low and upward pressure on prices is strong. Most forecasts for pulp prices in 2017 have been revised upwards, and concerns about the impact of new capacity have been partially offset by the production shutdowns still planned for 2017. However, the pace of growth in demand over recent quarters will be hard to sustain and the price differential between short and long fibre pulp has been at all-time lows, which could lead to a degree of adjustment in the market in 2018.

The project at the Figueira da Foz pulp site is designed to achieve improvements in production efficiency and environmental performance, whilst at the same time increasing capacity by 70 thousand tons, to a total annual capacity of 650 thousand tons of BEKP pulp. Total capital expenditure in the first nine months of 2017 stood at 34.3 million euros.

The tissue market in 2017 has seen an increase in competition in the Iberian Peninsula and a rise in production costs caused by higher pulp prices. Navigator announced a price increase for its tissue products in Portugal and Spain, for gradual implementation from October to January 2018. Total capital expenditure in the first nine months of 2017 in the new tissue plant in Cacia stood at 17.3 million euros.

Conditions in the paper market also improved gradually over the year, and by the end of September global demand for UWF grew by around 0.9%, with a special focus on Asian markets, and China in particular. In Europe, apparent consumption edged down by 0.3% in the first 9 months of the year, although demand for folio sizes grew by approximately 2% and demand for cut size held steady in relation to the same period last year. The Group has taken the lead in a series of price increases since the start of the year, the last of these in September. Order books remain comfortably full, and sound performance can be expected in Q4. Forex trends, in particular the EUR/USD rate, remain the main cause for concern.

Navigator has decided to proceed with its capital project in Mozambique at a more moderate pace and to implement its plans in stages. At this moment, the project is essentially a forestry venture, with the option of industrial development involving construction of a large-scale pulp mill. The first phase includes developing a eucalyptus woodchip production and export operation, geared essentially to the Asian market. This is planned to be up and running by 2023, with phase two - if it goes ahead - being implemented up to 2030.

Operating through its subsidiary Portucel Moçambique, the Navigator Group is focused on resolving the outstanding issues, which include, among others, the legalization, regularization and demarcation of the DUAT (Direito de Utilização e Aproveitamento de Terra) areas, the revision of the access to land model, the confirmation of appropriate logistical conditions, the definition of a stable legal and fiscal framework and the project social acknowledgement. The Group expects that the bulk of these issues will be overcome by the coming months, which will allow forestry plans to proceed at the envisaged pace.

CEMENT AND OTHER BUILDING MATERIALS

For Portugal, GDP growth outlook in 2017 is more positive; according to the latest projections of the Bank of Portugal, the economy is expected to grow by 2.5%. After the construction industry output decreased by 3.3% in 2016, activity is expected to pick up in 2017. This recovery outlook points out to a pickup in domestic market activities, which has already taken place in the first 9 months of 2017.

In Lebanon, notwithstanding the unstable environment caused by the war in Syria, greater political stability in the country makes it possible to anticipate higher confidence among economic agents. However, cement demand is expected to slow down until the end of the year.

A 2.3% growth of the economy is the forecast for Tunisia (World Economic Outlook, IMF October 2017). Competition should continue to be intense and increased pressure on sales prices is expected (in the domestic and foreign markets), due to oversupply in the country.

Brazil is expected to grow modestly by 0.7% in 2017 (World Economic Outlook, IMF October 2017), which foretells the continuation of the difficulties in economic activity and especially in the activities tied to the construction sector, due to the difficulty in investments coming to fruition. Growth remains constrained by the political crisis. This will continue to put pressure on the volumes sold. Sales price developments will have an impact on performance, which is why efforts will continue to be put into improving production costs and controlling fixed costs.

The Angolan economic outlook is slightly positive for 2017. IMF is forecasting 1.5% economic growth in 2017. Government programmes to diversify the economy in 2016, the upward trend of oil prices on the international markets and the elections held in 2017 are expected to foster growth of the economy. Although cement consumption increase has not occurred yet, in Q4, due to the shutdown of two producers, current sales volumes of our operations should remain flat and average sales price is expected to increase.

ENVIRONMENT

Considering the current macroeconomic, financial and sectorial context, current conditions are envisaged to remain unchanged in the medium term in the sector operated by the ETSA group, in the consumption of foodstuffs. However, competition between operators in the collection of raw material, which is scanty, will remain intense, due to the pronounced overcapacity of industrial processing.

The ETSA group's prime objectives in the short term include (i) concentrating on the horizontal expansion of its production and destination markets (exports accounted for around 51.3% of total sales on 30 September 2017), (ii) identifying new opportunities for vertical growth, channelling its investments to improving operational efficiency, extracting maximum value from the channels operated and retaining the loyalty of the main conventional and alternative collection centres, (iii) the gradual and progressive recovery of balanced sales margins in the market, and (iv) focus on sustained innovation and research and development addressed at ensuring new profit thresholds for the business.

Lisbon, 31 October 2017

The Directors

THE BOARD OF DIRECTORS

CHAIRMAN:

Pedro Mendonça de Queiroz Pereira

DIRECTORS:

João Nuno de Sottomayor Pinto de Castello Branco

José Miguel Pereira Gens Paredes

Paulo Miguel Garcês Ventura

Ricardo Miguel dos Santos Pacheco Pires

António Pedro de Carvalho Viana Baptista

Carlos Eduardo Coelho Alves

Francisco José Melo e Castro Guedes

Manuel Custódio de Oliveira

Vítor Manuel Galvão Rocha Novais Gonçalves

Vítor Paulo Paranhos Pereira

PART 2

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

SEPARATE CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 AND 2016

Amounts in Euro	Notes	9M 2017 (Unaudited)	9M 2016 (Unaudited)	3rd Quarter 2017 (Unaudited)	3rd Quarter 2016 (Unaudited)
Revenues					
Sales	4	1,591,721,918	1,514,861,073	527,591,722	501,817,616
Services rendered	4	17,889,329	14,618,513	5,739,483	4,842,391
Other Income					
Gains on disposal of non-current assets	5	1,725,359	1,916,609	534,526	1,426,148
Other operating income	5	33,103,374	45,923,586	12,569,148	13,449,327
Change in fair value of biological assets		3,186,006	10,579,146	(24,169)	3,640,900
Costs, expenses and losses					
Cost of inventories sold and consumed	6	(609,037,951)	(607,695,904)	(203,854,610)	(192,147,285)
Variation in production	6	(5,123,846)	14,481,560	3,272,807	9,819,248
Cost of materials and services consumed	6	(437,565,378)	(415,073,691)	(145,179,400)	(145,095,113)
Payroll costs	6	(189,050,908)	(177,862,064)	(61,702,293)	(56,137,499)
Other costs and losses	6	(31,192,522)	(27,420,228)	(10,035,537)	(7,749,448)
Provisions	6	(3,778,381)	(2,347,472)	(3,242,567)	(218,766)
Depreciation, amortisation and impairment losses	7	(161,980,802)	(176,191,357)	(52,662,543)	(57,844,016)
Operational results		209,896,198	195,789,771	73,006,567	75,803,503
Group share of (loss)/gains of associated companies and joint ventures		917,911	1,309,694	658,753	165,004
Net financial results	8	(50,294,540)	(58,294,614)	(9,452,447)	(17,438,506)
Profit before tax		160,519,569	138,804,851	64,212,873	58,530,001
Income tax	9	(32,599,810)	(22,677,523)	(12,151,135)	(16,743,932)
Net profit for the period		127,919,759	116,127,328	52,061,738	41,786,069
Net profit for the period					
Attributable to the shareholders of Semapa		78,100,767	71,554,484	34,742,205	24,262,940
Attributable to non-controlling interests	11	49,818,992	44,572,844	17,319,533	17,523,129
Earnings per share					
Basic earnings per share, Eur	10	0.968	0.880	0.431	0.299
Diluted earnings per share, Eur	10	0.968	0.880	0.431	0.299

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 AND 2016

Amounts in Euro	Notes	9M 2017 (Unaudited)	9M 2016 (Unaudited)	3rd Quarter 2017 (Unaudited)	3rd Quarter 2016 (Unaudited)
Net profit for the period without non-controlling interests		127,919,759	116,127,328	52,061,738	41,786,069
Items that may subsequently be reclassified to the income statement					
Derivative financial instruments					
Fair value changes	22	9,407,417	(8,046,581)	1,119,279	(1,467,612)
Tax on items above when applicable	18	(2,327,165)	2,747,292	(307,802)	403,592
Currency translation differences	17	(53,743,667)	10,656,554	(7,657,362)	(17,788,797)
Share of other comprehensive income of associates		5,125,744	(2,194,734)	5,109,273	-
Items that will not be reclassified to the income statement					
Remeasurements of post employment benefit obligations					
Actuarial gains / (losses)		758,591	(752,130)	767,768	2,471,883
Tax on items above when applicable	18	(11,997)	(498,316)	(17,257)	(396)
Other comprehensive income for the period net of taxes		(40,791,077)	1,912,085	(986,101)	(16,381,330)
Total comprehensive income for the period		87,128,682	118,039,413	51,075,637	25,404,739
Attributable to:					
The shareholders of Semapa		42,148,162	80,489,969	34,034,138	10,453,684
Non-controlling interests		44,980,520	37,549,444	17,041,499	14,951,055
		87,128,682	118,039,413	51,075,637	25,404,739

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2017 AND 31 DECEMBER 2016

Amounts in Euro	Notes	30-09-2017	31-12-2016
ASSETS			
Non-current assets			
Goodwill	12	355,367,366	352,812,897
Other intangible assets		289,789,538	296,621,604
Property, plant and equipment	13	2,193,486,733	2,313,490,314
Investment properties		935,916	958,112
Biological assets		128,798,954	125,612,948
Investments in associates and joint ventures	14	3,969,485	3,885,458
Financial assets at fair value through profit or loss		44,508	47,258
Available-for-sale financial assets		400,415	342,122
Deferred tax assets	18	78,290,157	78,652,223
Other non-current assets		6,652,905	6,744,351
		3,057,735,977	3,179,167,287
Current assets			
Inventories		320,072,006	308,717,695
Receivable and other current assets	15	316,134,055	304,904,426
State and other public entities		83,358,811	97,489,849
Income tax		2,478,532	13,059,045
Non-current assets held for sale		1,033,536	1,036,774
Cash and cash equivalents	20	220,719,454	184,101,274
		943,796,394	909,309,063
Total assets		4,001,532,371	4,088,476,350
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16	81,270,000	81,270,000
Treasury shares	16	(6,036,401)	(6,036,401)
Translations reserves	17	(76,752,019)	(31,600,075)
Fair value reserves	17	(948,286)	(6,062,513)
Other reserves	17	717,616,946	717,616,946
Retained earnings	17	29,682,484	(52,720,971)
Net profit for the period		78,100,767	114,862,812
Equity attributable to the shareholders of Semapa		822,933,491	817,329,798
Non-controlling interests	11	371,874,322	409,754,207
Total Equity		1,194,807,813	1,227,084,005
Non-current liabilities			
Deferred tax liabilities	18	276,978,815	276,468,649
Pensions and other post-employment benefits		10,025,844	10,085,423
Provisions	19	60,367,085	74,571,775
Interest-bearing liabilities	20	1,642,855,656	1,697,565,380
Other non-current liabilities		28,868,667	33,301,140
		2,019,096,067	2,091,992,367
Current liabilities			
Interest-bearing liabilities	20	317,220,653	266,268,367
Payables and other current liabilities	21	365,412,611	379,782,809
State and other public entities		66,933,004	76,253,728
Income tax		37,996,054	47,023,845
Non-current liabilities held for sale		66,169	71,229
		787,628,491	769,399,978
Total liabilities		2,806,724,558	2,861,392,345
Total equity and liabilities		4,001,532,371	4,088,476,350

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FROM 1 JANUARY 2017 TO 30 SEPTEMBER 2017 AND 1 JANUARY 2016 TO 30 SEPTEMBER 2016

Amounts in Euro	Share Capital	Treasury shares	Share premiums	Fair value reserves	Other reserves	Translation reserves	Retained earnings	Net profit for the period	Total	Non-controlling interests	Total
Equity as of 1 January 2017	81,270,000	(6,036,401)	-	(6,062,513)	717,616,946	(31,600,072)	(52,720,975)	114,862,813	817,329,798	409,754,207	1,227,084,005
Application of 2016 profit of the year:											
- Transfer to reserves	-	-	-	-	-	-	75,045,183	(75,045,183)	-	-	-
- Dividends	-	-	-	-	-	-	-	(36,307,652)	(36,307,652)	-	(36,307,652)
- Profit-sharing bonuses reclassified to payroll costs	-	-	-	-	-	-	-	(3,509,978)	(3,509,978)	-	(3,509,978)
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(82,753,993)	(82,753,993)
Income and expenses recognized directly in equity*	-	-	-	5,114,227	-	(45,151,947)	4,085,116	-	(35,952,604)	(4,838,473)	(40,791,077)
Acquisitions / Disposals to non-controlling interests	-	-	-	-	-	-	(200)	-	(200)	-	(200)
Changes in the consolidation perimeter	-	-	-	-	-	-	-	-	-	(228,155)	(228,155)
Other movements	-	-	-	-	-	-	3,273,360	-	3,273,360	121,744	3,395,104
Profit for the period	-	-	-	-	-	-	-	78,100,767	78,100,767	49,818,992	127,919,759
Equity as of 30 September 2017	81,270,000	(6,036,401)	-	(948,286)	717,616,946	(76,752,019)	29,682,484	78,100,767	822,933,491	371,874,322	1,194,807,813

*Net of deferred taxes

Amounts in Euro	Share Capital	Treasury shares	Share premiums	Fair value reserves	Other reserves	Translation reserves	Retained earnings	Net profit for the period	Total	Non-controlling interests	Total
Equity as of 1 January 2016	81,645,523	(53,116)	3,923,459	(4,921,087)	665,696,408	(65,903,206)	(45,580,414)	81,530,041	716,337,608	415,289,455	1,131,627,063
Application of 2015 profit of the year:											
- Transfer to reserves	-	-	-	-	51,586,338	-	-	(51,586,338)	-	-	-
- Dividends/ reserves paid	-	-	-	-	11,822	-	-	(26,736,183)	(26,724,361)	-	(26,724,361)
- Profit-sharing bonuses reclassified to payroll costs	-	-	-	-	-	-	-	(3,207,520)	(3,207,520)	-	(3,207,520)
Extinction of treasury shares	(375,523)	(5,983,285)	-	-	(3,601,081)	-	-	-	(9,959,889)	-	(9,959,889)
Capital increase	35,758,800	-	(3,923,459)	-	(31,835,341)	-	-	-	-	-	-
Capital decrease	(35,758,800)	-	-	-	35,758,800	-	-	-	-	-	-
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(61,010,660)	(61,010,660)
Income and expenses recognized directly in equity*	-	-	-	(2,955,544)	-	14,217,961	(2,326,932)	-	8,935,485	(7,023,400)	1,912,085
Acquisitions / Disposals to non-controlling interests	-	-	-	-	-	-	473	-	473	-	473
Changes in the consolidation perimeter	-	-	-	-	-	-	-	-	-	(2,953,592)	(2,953,592)
Other movements	-	-	-	-	-	-	3,178,086	-	3,178,086	(1,921,212)	1,256,874
Profit for the period	-	-	-	-	-	-	-	71,554,484	71,554,484	44,572,844	116,127,328
Equity as of 30 September 2016	81,270,000	(6,036,401)	-	(7,876,631)	717,616,946	(51,685,245)	(44,728,787)	71,554,484	760,114,366	386,953,435	1,147,067,801

*Net of deferred taxes

CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 AND 2016

Amounts in Euro	Notes	9M 2017 (Unaudited)	9M 2016 (Unaudited)	3rd Quarter 2017 (Unaudited)	3rd Quarter 2016 (Unaudited)
OPERATING ACTIVITIES					
Receipts from customers		1,732,258,545	1,662,736,031	590,307,928	553,631,064
Payments to suppliers		(1,257,003,439)	(1,285,835,644)	(397,497,082)	(415,581,857)
Payments to personnel		(143,642,070)	(134,089,166)	(43,244,023)	(41,397,924)
Cash flow from operations		331,613,036	242,811,221	149,566,823	96,651,283
Income tax received / (paid)		(39,342,369)	(20,750,503)	(21,706,483)	(735,573)
Other receipts / (payments) relating to operating activities		18,748,563	14,886,668	13,055,693	3,943,839
Cash flow from operating activities (1)		311,019,230	236,947,386	140,916,033	99,859,549
INVESTING ACTIVITIES					
Inflows:					
Financial investments		-	4,707,612	-	4,438,520
Property, plant and equipment		1,735,332	258,406	244,386	237,500
Interest and similar income		1,861,644	3,392,639	344,775	2,009,917
Dividends		833,509	868,684	-	-
		4,430,485	9,227,341	589,161	6,685,937
Outflows:					
Financial investments		(25,900,070)	(29,578,533)	321,178	(1,588,205)
Cash and cash equivalents - changes in consolidation perimeter		-	42,149	-	29,485
Property, plant and equipment		(99,295,248)	(80,572,457)	(44,153,368)	(22,363,839)
Other assets		(500,359)	-	(100,707)	-
		(125,695,677)	(110,108,841)	(43,932,897)	(23,922,559)
Cash flow from investing activities (2)		(121,265,192)	(100,881,500)	(43,343,736)	(17,236,622)
FINANCING ACTIVITIES					
Inflows:					
Proceeds from borrowings		3,497,906,008	4,426,150,188	891,686,450	1,158,232,014
		3,497,906,008	4,426,150,188	891,686,450	1,158,232,014
Outflows:					
Repayments of borrowings		(3,478,138,561)	(4,443,775,413)	(919,332,517)	(1,209,509,542)
Repayment of financial leases		(521,088)	(714,547)	(188,557)	(202,501)
Interest and similar expenses		(45,229,220)	(60,740,422)	(11,002,248)	(15,240,716)
Dividends		(119,155,951)	(86,976,875)	(25,371,551)	(599,824)
Treasury shares acquisitions		-	(9,959,889)	-	(678,495)
		(3,643,044,820)	(4,602,167,146)	(955,894,873)	(1,226,231,078)
Cash flow from financing activities (3)		(145,138,812)	(176,016,958)	(64,208,423)	(67,999,064)
CHANGE IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)		44,615,226	(39,951,072)	33,363,874	14,623,863
EXCHANGE GAINS / (LOSSES) ON CASH AND CASH EQUIVALENTS		(7,997,046)	(3,162,276)	(2,802,517)	641,261
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	20	184,101,274	206,255,763	190,158,097	147,877,291
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	20	220,719,454	163,142,415	220,719,454	163,142,415

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SELECTED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2017

(Translation of a report originally issued in Portuguese)

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

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

Head Office: Av. Fontes Pereira de Melo, 14, 10th Floor, Lisbon

Share Capital: Euro 81,270,000

Corporate Body Number: 502 593 130

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

The Board of Directors approved these interim consolidated financial statements on 31 October 2017.

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

1. BASIS OF PREPARATION

The interim consolidated financial statements for the nine months period ended 30 September 2017 have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting.

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

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

2. ACCOUNTING POLICIES

The accounting policies applied in the preparation of these interim consolidated financial statements are consistent to those used in the preparation of the financial statements as of 31 December 2016 and stated in the respective attached Notes.

3. ESTIMATES AND JUDGEMENTS

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

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

4. SEGMENT REPORTING

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

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

Amounts in Euro	Pulp and paper	Cement and derivatives	Environment	Holdings	Consolidated
RESULTS					
Revenues	1,209,796,139	378,484,520	21,330,588	-	1,609,611,247
Operational results	174,012,040	32,097,894	3,741,195	45,069	209,896,198
Net financial results (Note 8)	(6,488,744)	(31,949,357)	(387,463)	(11,468,976)	(50,294,540)
Group share of (loss) / gains of associated companies and joint ventures (Note 14)	-	917,911	-	-	917,911
Income tax (Note 9)	(30,026,109)	(353,832)	(602,170)	(1,617,699)	(32,599,810)
Profit for the period	137,497,187	712,616	2,751,562	(13,041,606)	127,919,759
Profit for the period - Attributable to non-controlling interest	(42,076,246)	(7,742,439)	(307)	-	(49,818,992)
Profit for the period - Attributable to Semapa's Shareholders	95,420,941	(7,029,823)	2,751,255	(13,041,606)	78,100,767
OTHER INFORMATION					
Total segment assets	2,315,744,548	1,480,474,102	92,175,174	113,138,547	4,001,532,371
Total deferred tax assets (Note 18)	45,331,690	32,784,860	173,607	-	78,290,157
Investment in associates and joint ventures (Note 14)	-	3,969,485	-	-	3,969,485
Total segment liabilities	1,358,106,870	1,000,333,665	23,954,739	424,329,284	2,806,724,558
Depreciation, amortisation and impairment losses (Note 7)	122,982,889	36,731,163	2,118,731	148,019	161,980,802
Net provisions (Note 19)	3,055,219	572,962	150,200	-	3,778,381
Capital expenditures (Note 13)	78,530,633	16,308,436	2,425,196	18,447	97,282,712

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

Amounts in Euro	Pulp and paper	Cement and derivatives	Environment	Holdings	Consolidated
RESULTS					
Revenues	1,155,393,736	355,170,858	18,914,992	-	1,529,479,586
Operational results	166,573,881	25,787,762	2,568,684	859,444	195,789,771
Net financial results (Note 8)	(16,619,934)	(29,084,758)	(477,640)	(12,112,282)	(58,294,614)
Group share of (loss) / gains of associated companies and joint ventures (Note 14)	-	1,309,694	-	-	1,309,694
Income tax (Note 9)	(23,992,818)	1,950,039	(522,511)	(112,233)	(22,677,523)
Profit for the period	125,961,129	(37,263)	1,568,533	(11,365,071)	116,127,328
Profit for the period - Attributable to non-controlling interest	(38,526,404)	(6,046,264)	(176)	-	(44,572,844)
Profit for the period - Attributable to Semapa's Shareholders	87,434,725	(6,083,527)	1,568,357	(11,365,071)	71,554,484
OTHER INFORMATION					
Total segment assets	2,342,781,563	1,520,720,092	91,708,349	123,617,844	4,078,827,848
Total deferred tax assets (Note 18)	46,084,156	30,051,286	114,199	-	76,249,641
Investment in associates and joint ventures (Note 14)	-	3,815,046	-	-	3,815,046
Total segment liabilities	1,355,043,425	992,082,199	27,625,633	557,008,790	2,931,760,047
Depreciation, amortisation and impairment losses (Note 7)	131,972,605	41,867,306	2,206,769	144,677	176,191,357
Net provisions	2,961,513	(614,041)	-	-	2,347,472
Capital expenditures	107,005,454	15,328,071	1,128,646	47,476	123,509,647

GEOGRAPHICAL SEGMENT

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

9M 2017	Pulp and paper	Cement and derivatives	Environment	Total amount	Total %
Revenues					
Portugal	224,945,001	146,947,605	14,865,453	386,758,059	24.03%
Rest of Europe	692,840,914	21,068,781	6,363,170	720,272,865	44.75%
America	116,408,854	70,924,291	-	187,333,145	11.64%
Africa	114,975,129	70,563,522	101,964	185,640,615	11.53%
Asia	58,467,154	68,980,321	-	127,447,475	7.92%
Overseas	2,159,088	-	-	2,159,088	0.13%
	1,209,796,140	378,484,520	21,330,587	1,609,611,247	100.00%

9M 2016	Pulp and paper	Cement and derivatives	Environment	Total amount	Total %
Revenues					
Portugal	203,415,588	122,931,937	12,648,105	338,995,630	22.16%
Rest of Europe	681,225,703	2,789,179	6,199,475	690,214,357	45.13%
America	136,590,038	58,409,756	-	194,999,794	12.75%
Africa	104,921,696	103,526,562	67,411	208,515,669	13.63%
Asia	28,998,699	67,513,424	-	96,512,123	6.31%
Overseas	242,013	-	-	242,013	0.02%
	1,155,393,737	355,170,858	18,914,991	1,529,479,586	100.00%

5. OTHER INCOME

As of 30 September 2017 and 2016, the caption Other income comprises:

Amounts in Euro	9M 2017	9M 2016
Grants - CO2 emission allowances	8,547,390	10,228,192
Impairment reversal	809,556	4,648,243
Gains on disposals of CO2 emission allowances	2,525,148	2,440,500
Supplementary income	1,085,861	2,547,497
Gains on disposals of non-current assets	1,725,359	1,916,609
Gains on inventories	1,479,416	2,403,429
Gains on disposals of current assets	13,108	109,069
Government grants	20,948	299,957
Own work capitalised	2,966,683	10,735,731
Revenues from waste management	449,395	275,195
Other operating income	15,205,869	12,235,773
	34,828,733	47,840,195

6. COSTS, EXPENSES AND LOSSES

As of 30 September 2017 and 2016, Costs, expenses and losses comprises:

Amounts in Euro	9M 2017	9M 2016
Cost of sales and services rendered		
Cost of inventories sold and consumed	(609,037,951)	(607,695,904)
Cost of materials and services consumed		
Energy and fluids	(121,260,778)	(117,528,475)
Inventory transportation	(123,926,109)	(119,218,231)
Professional fees	(69,254,175)	(67,845,677)
Repair and maintenance	(37,088,104)	(36,353,245)
Fees	(5,998,706)	(5,050,069)
Insurance	(11,642,366)	(10,243,757)
Subcontracts	(3,524,269)	(2,829,159)
Others	(64,870,871)	(56,005,078)
	(437,565,378)	(415,073,691)
Variation in production	(5,123,846)	14,481,560
Payroll costs		
Statutory bodies	(17,015,985)	(14,330,228)
Other remunerations	(124,240,752)	(119,131,277)
Pension costs	(3,413,038)	(3,012,869)
Other payroll costs	(44,381,133)	(41,387,690)
	(189,050,908)	(177,862,064)
Others costs and losses		
Membership fees	(806,635)	(372,808)
Donations	(701,462)	(640,768)
Cost with CO2 emission allowances	(8,730,152)	(9,276,088)
Inventories and other receivables impairment	(2,255,407)	(3,685,504)
Losses on inventories	(5,451,391)	(2,301,727)
Indirect taxes	(8,501,697)	(7,584,491)
Losses on disposal of non-current assets	(210,966)	(131,705)
Other operating costs	(4,534,812)	(3,427,137)
	(31,192,522)	(27,420,228)
Net Provisions	(3,778,381)	(2,347,472)
Total of Costs, Expenses and Losses	(1,275,748,986)	(1,215,917,799)

7. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

As of 30 September 2017 and 2016, the caption Depreciation, amortisation and impairment losses were detailed as follows:

Amounts in Euro	9M 2017	9M 2016
Depreciation of property, plant and equipment		
Land	(3,486,879)	(3,103,891)
Environmental restoration and landscaping	(84,237)	-
Buildings	(15,638,934)	(14,573,440)
Equipments and other tangibles	(148,133,159)	(138,660,000)
Government grants	4,676,818	-
	<u>(162,666,391)</u>	<u>(156,337,331)</u>
Amortisation and impairment losses of tangible assets		
Land	-	(14,478,835)
Buildings	274,529	364,185
Equipments	517,114	414,622
Assets under construction		
Land	(2,136,213)	-
	<u>(583,070)</u>	<u>(13,700,028)</u>
Amortisation of intangible assets		
Industrial property and other rights	(10,510)	(14,574)
CO2 emission rights	-	(1,528,588)
	<u>(10,510)</u>	<u>(1,543,162)</u>
Impairment losses in assets held for sale	<u>(3,239)</u>	<u>(26,138)</u>
Amortisations in investment properties	<u>(14,094)</u>	<u>(14,093)</u>
ICMS -Tax on movement of goods and services		
Tax included in depreciations (Brazil)	1,296,502	1,199,805
	<u>1,296,502</u>	<u>1,199,805</u>
	<u>(161,980,802)</u>	<u>(176,191,357)</u>

8. NET FINANCIAL RESULTS

As of 30 September 2017 and 2016, Net financial results comprise:

Amounts in Euro	9M 2017	9M 2016
Interest paid on loans from shareholders (Note 23)	(26,220)	(54,892)
Interest paid on loans from associated companies and joint ventures (Note 23)	(3,858)	-
Interest paid on borrowings	(39,964,392)	(48,372,864)
Interest earned on loans to associated companies	-	(1,558)
Other interest earned	3,263,548	5,665,677
Fair value in available-for-sale financial assets	-	(35,503)
Financial assets at fair value through profit and loss	(2,618)	(27,046)
Gains / (losses) on financial instruments - hedging	(660,337)	(4,464,591)
Gains / (losses) on financial instruments - trading	2,532,266	462,002
Expenses with loans issuing and other commissions	(7,204,596)	(8,318,806)
Early repayment of bond financing	-	(7,942,200)
Foreign exchange gains / (losses)	(8,949,723)	3,032,275
(Costs)/gains with compensatory interest	1,536,508	2,520,197
Other financial expenses	(815,118)	(824,181)
Other financial income	-	66,876
	<u>(50,294,540)</u>	<u>(58,294,614)</u>

9. INCOME TAX

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

The companies that integrate the tax business group led by Semapa as the dominant company, as well as those that integrate the tax business group led by The Navigator Company S.A. had, until 31 December 2016, a tax-reporting period starting 1 July of each year and ending 30 June of the following year. Since 1 January 2017, the tax-reporting period for all the Group's subsidiaries matches with the civil year.

For the nine months period ended 30 September 2017 and 2016 the caption Income tax comprises:

Amounts in Euro	9M 2017	9M 2016
Current tax	(43,311,011)	(36,336,800)
Provisions for current tax	18,753,215	4,942,081
Deferred tax	(8,042,014)	8,717,196
	(32,599,810)	(22,677,523)

The reconciliation of the effective tax rate for the first nine months period of 2017 and 2016 is as follows:

Amounts in Euro	9M 2017	9M 2016
Profit before tax	160,519,569	138,804,851
Expected income tax	36,116,903	31,231,091
State surcharge	4,172,719	3,670,687
Differences (a)	(10,157,263)	(50,302,185)
Prior year tax adjustments	(15,554,730)	(1,636,855)
Recoverable tax losses carried forward	(748,839)	(7,734,639)
Non recoverable tax losses	11,658,070	37,800,738
Provision for current current tax	6,547,782	16,264,184
Impairment and reversal of provisions	-	6,486,625
Impact of the change in the income tax rate	(2,631,161)	-
Tax benefits	(229,537)	(14,168,883)
Other	3,425,866	1,066,760
	32,599,810	22,677,523
Effective tax rate	20.31%	16.34%

(a) This amount is made up essentially of :	9M 2017	9M 2016
Impairment losses - Goodwill	-	5,770,410
Impairment losses of tangible assets		
Effects arising from the application of the equity method (Note 14)	(917,911)	(1,309,694)
Capital gains / (losses) for tax purposes	(2,321,704)	(179,441,679)
Capital gains / (losses) for accounting purposes	(674,489)	(9,392,987)
Impairment of taxed provisions	1,659,473	5,621,486
Tax benefits	(3,965,528)	(2,414,283)
Dividends from non-EU companies	1,970,000	-
Reversal of taxed provisions	(31,589,567)	(22,412,508)
Intra-group earning's subject to taxation	1,929,808	1,609,614
Employees benefits	1,229,481	(4,195,542)
Others	(12,462,953)	(17,400,085)
	<u>(45,143,390)</u>	<u>(223,565,268)</u>
Tax effect (22,5%)	(10,157,263)	(50,302,185)

In Portugal, the annual tax returns are subject to review and potential adjustment by tax authorities for a period of 4 years. However, if tax losses are deducted, these may be subject to review by the tax authorities for a longer period. In other countries where the Group operates, these periods are different and, in most cases, longer.

The Board of Directors believes that any reviews/ inspections by tax authorities will not have a material impact on the interim consolidated financial statements as of 30 September 2017. The income tax returns up to 2014, inclusive, in Navigator, Secil and Semapa have already been reviewed.

10. EARNINGS PER SHARE

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

Amounts in Euro	9M 2017	9M 2016
Profit attributable to Semapa's shareholders	78,100,767	71,554,484
Weighted average number of ordinary shares in issue	80,683,671	81,272,056
Basic earnings per share	0.968	0.880
Diluted earnings per share	0.968	0.880

11. RETAINED EARNINGS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

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

Amounts in Euro	Pulp and paper	Cement and derivatives	Environment	Total
Balance as of 1 January 2016	327,364,027	87,918,441	6,987	415,289,455
Acquisitions / (Disposals)	-	(133,592)	-	(133,592)
Dividends	(52,018,480)	(17,663,591)	-	(69,682,071)
Currency translation reserve	(1,978,947)	2,290,221	-	311,274
Financial instruments	(1,744,933)	29	-	(1,744,904)
Actuarial gains and losses	(3,050,775)	370	-	(3,050,405)
Other movements in equity	(5,678,108)	-	-	(5,678,108)
Profit for the year	62,492,236	11,949,993	329	74,442,558
Balance as of 31 December 2016	325,385,020	84,361,871	7,316	409,754,207
Currency translation reserve	(151,463)	(8,440,257)	-	(8,591,720)
Financial instruments	1,966,012	13	-	1,966,025
Actuarial gains and losses	218,676	157	-	218,833
Other movements in equity	1,690,208	(76)	1	1,690,133
Profit for the period	42,076,246	7,742,439	307	49,818,992
Balance as of 30 September 2017	294,686,843	77,179,855	7,624	371,874,322

12. GOODWILL

During the first nine months of 2017 and the year 2016, the movement regarding Goodwill was as follows:

Amounts in Euro	30-09-2017	31-12-2016
Balance at the beginning of year	352,812,897	335,643,370
Impairment	-	(5,770,410)
Acquisitions	7,739,608	10,756,626
Exchange rate adjustments	(5,185,139)	12,183,311
Final balance	355,367,366	352,812,897

As of 30 September 2017 and 31 December 2016, Goodwill was comprised as follows:

Amounts in Euro	30-09-2017	31-12-2016
Cement and derivatives	196,036,904	193,482,435
Pulp and paper	122,907,528	122,907,528
Environment	36,422,934	36,422,934
	355,367,366	352,812,897

CHANGES IN THE PERIMETER

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

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

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

13. PROPERTY, PLANT AND EQUIPMENT

The following movements were registered in the first nine months period ended 30 September 2017 and in the year ended 31 December 2016 under the caption Property, plant and equipment, as well as on the respective depreciation and impairment losses accounts:

Amounts in Euro	Land	Buildings and other constructions	Equipments and other tangibles	Assets under construction	Total
Acquisition Cost					
Amount as of 1 January 2016	427,676,574	1,102,015,756	5,189,921,579	103,150,144	6,822,764,053
Change of consolidation perimeter	2,465,305	9,800,758	22,452,956	110,636	34,829,655
Acquisition	1,368,547	1,651,379	14,777,926	168,260,495	186,058,347
Disposals	(39,818)	(2,444,016)	(13,089,543)	(6,351)	(15,579,728)
Adjustments, transfers and write-off's	3,223,165	16,461,261	118,088,961	(160,730,192)	(22,956,805)
Exchange rate adjustment	8,658,782	16,926,013	26,867,432	314,031	52,766,258
Amount as of 31 December 2016	443,352,555	1,144,411,151	5,359,019,311	111,098,763	7,057,881,780
Change of consolidation perimeter	101,635	855,684	1,927,500	-	2,884,819
Acquisition	4,954,021	118,504	2,630,091	92,448,411	100,151,027
Disposals	(929,448)	(2,628,047)	(3,585,711)	(541,083)	(7,684,289)
Adjustments, transfers and write-off's	4,658,544	1,819,019	25,305,047	(35,149,569)	(3,366,959)
Exchange rate adjustment	(16,483,618)	(19,036,527)	(60,942,032)	(1,147,952)	(97,610,129)
Amount as of 30 September 2017	435,653,689	1,125,539,784	5,324,354,206	166,708,570	7,052,256,249
Accumulated depreciations and impairment losses					
Amount as of 1 January 2016	(56,668,444)	(664,476,228)	(3,760,939,850)	(3,741,590)	(4,485,826,112)
Change of consolidation perimeter	(1,787,836.00)	(9,365,208.00)	(22,545,174.00)	-	(33,698,218.00)
Depreciation	(4,522,293.00)	(19,033,655.00)	(172,351,541.00)	-	(195,907,489.00)
Disposals	-	336,201.00	9,620,843.00	-	9,957,044.00
Impairment losses	(2,960,025.00)	-	-	(51,325,138.00)	(54,285,163.00)
Adjustments, transfers and write-off's	-	7,799,554.00	3,362,798.00	-	11,162,352.00
Exchange rate adjustment	1,079,810.00	1,103,637.00	2,022,673.00	-	4,206,120.00
Amount as of 31 December 2016	(64,858,788)	(683,635,699)	(3,940,830,251)	(55,066,728)	(4,744,391,466)
Depreciation	(3,486,879)	(15,721,936)	(144,755,505)	-	(163,964,320)
Disposals	-	2,256,772	3,191,275	-	5,448,047
Impairment losses	(5,004,528)	274,529	517,114	761,500	(3,451,385)
Adjustments, transfers and write-off's	29,813	2,582,375	2,832,427	-	5,444,615
Exchange rate adjustment	3,370,388	6,983,880	31,790,725	-	42,144,993
Amount as of 30 September 2017	(69,949,994)	(687,260,079)	(4,047,254,215)	(54,305,228)	(4,858,769,516)
Net book value as of 1 January 2016	371,008,130	437,539,528	1,428,981,729	99,408,554	2,336,937,941
Net book value as of 31 December 2016	378,493,767	460,775,452	1,418,189,060	56,032,035	2,313,490,314
Net book value as of 30 September 2017	365,703,695	438,279,705	1,277,099,991	112,403,342	2,193,486,733

14. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

As of 30 September 2017 and 31 December 2016, Investment in associates and joint ventures comprised:

Entities	%Held	Book Value		
		30-09-2017	31-12-2016	
Associated companies				
Setefrete, SGPS, S.A.	25.00%	3,468,197	3,329,903	
MC - Materiaux de Construction	49.36%	1,693	2,068	
J.M.J. - Henriques, Lda.	50.00%	376,595	376,752	
Ave, S.A.	35.00%	123,000	176,735	
		3,969,485	3,885,458	

The following movements were registered in this caption during the nine months period ended 30 September 2017 and the year of 2016:

Amounts in Euro	30-09-2017	31-12-2016
Opening balance	3,885,458	3,403,708
Appropriated net profit	917,911	1,380,062
Dividends received	(833,509)	(868,685)
Group share of (loss)/gains of associated companies	-	(29,434)
Exchange rate adjustments	(375)	(193)
Closing balance	3,969,485	3,885,458

15. RECEIVABLES AND OTHER CURRENT ASSETS

As of 30 September 2017 and 31 December 2016 the caption Receivables and other current assets comprised:

Amounts in Euro	30-09-2017	31-12-2016
Accounts receivable	223,610,234	244,913,009
Accounts receivable - related parties (Note 23)	559,416	859,869
Derivative financial instruments (Note 22)	8,112,522	942,139
Other receivables	50,632,199	43,720,096
Accrued income	17,949,146	2,747,450
Deferred costs	15,270,538	11,721,863
	316,134,055	304,904,426

As of 30 September 2017 and 31 December 2016 the caption Other Receivables comprised:

Amounts in Euro	30-09-2017	31-12-2016
Other receivables		
Advance payments to suppliers	3,140,785	2,123,078
Advance payments to personnel	1,725,424	1,392,317
Price adjustment - Acquisition of Supremo Cimentos	1,969,274	2,143,467
Financial incentives to be received	42,005	58,869
Collateral provided to other parties	4,583,195	4,281,655
Department of Commerce (EUA)	29,440,180	26,369,181
Others	9,731,336	7,351,529
	50,632,199	43,720,096

The amount shown as Advances to suppliers includes Euro 1,166,447 of advanced payments made to wood suppliers. As a way of ensuring the sustainability of the forest value chain to the industry, the Navigator Group advances payments to its suppliers upon presentation of guarantees, for the wood to be bought throughout the year. Those advances are settled as supplies are delivered.

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

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

As of 30 September 2017 and 31 December 2016 the captions Accrued income and Deferred costs comprised:

Amounts in Euro	30-09-2017	31-12-2016
Accrued income		
Interest receivable	1,600,565	531,667
Energy sales	12,198,286	-
Other	4,150,295	2,215,783
	17,949,146	2,747,450
Deferred costs		
Maintenance and repairs	237,213	-
Insurance	4,194,023	579,987
Rents and leases	3,361,996	3,303,855
Other	7,477,306	7,838,021
	15,270,538	11,721,863
	33,219,684	14,469,313

During the first nine months of 2017, the Navigator Group joined the EDP – Serviços Universal, S.A. self-billing system. At the reporting date, the invoices did not have been all received, thus the amount to be invoiced was recognized under the caption Other accrued income, explaining both the increase in this item and the reduction in the balance of accounts receivable.

16. SHARE CAPITAL AND TREASURY SHARES

At 30 September 2017 and 31 December 2016, Semapa share capital was fully subscribed and paid up, being represented by 81,270,000 shares with a unit nominal value of 1 Euro. The following entities had substantial holdings in the company's capital on these dates:

Name	Number of shares	%	
		30-09-2017	31-12-2016
Longapar, SGPS, S.A.	22,225,400	27.35	27.35
Cimo - Gestão de Participações, SGPS, S.A.	16,199,031	19.93	19.93
Sodim, SGPS, S.A.	15,252,726	18.77	18.77
Bestinver Gestión, SGIIC, S.A.	7,166,756	8.82	8.82
Cimigest, SGPS, S.A.	3,185,019	3.92	3.92
Santander Asset Management España, SA	1,981,216	2.44	2.79
Norges Bank (the Central Bank of Norway)	1,699,613	2.09	-
Sociedade Agrícola da Quinta da Vialonga, S.A.	625,199	0.77	0.77
OEM - Organização de Empresas, SGPS, S.A.	535,000	0.66	0.66
Treasury shares	586,329	0.72	0.72
Other shareholders with less than 2% participation	11,813,711	14.54	16.27
	81,270,000	100.00	100.00

As of 30 September 2017 and 31 December 2016, Semapa – Sociedade de Investimento e Gestão, SGPS, S.A. holds 586,329 treasury shares.

17. RESERVES

As of 30 September 2017 and 31 December 2016 the captions Fair value reserves, Translation reserves and Other reserves comprised:

Amounts in Euro	30-09-2017	31-12-2016
Fair value of financial instruments	333,456	(4,780,771)
Other fair value reserves	(1,281,742)	(1,281,742)
Total amount of fair value reserves	(948,286)	(6,062,513)
Translation reserves	(76,752,019)	(31,600,075)
Legal reserve	16,695,625	16,695,625
Others reserves	700,921,321	700,921,321
Total amount of other reserves	717,616,946	717,616,946
Total	639,916,641	679,954,358

18. DEFERRED TAXES

The following movements took place in the caption Deferred tax assets and liabilities during the nine months period ended 30 September 2017:

Amount in Euro	As of 1	Exchange	Income statement		Retained	Transfers	Assets held	As of 30
	January 2017	adjustment	Increases	Decreases	earnings		for sale	September 2017
Temporary differences originating deferred tax assets								
Tax losses carried forward	57,504,185	(5,266,424)	10,908,781	-	-	-	-	63,146,542
Taxed provisions	30,560,249	(1,437,114)	386,584	(5,590,509)	-	2	-	23,919,212
Harmonisation of depreciation criteria	116,353,989	-	-	(10,281,310)	-	3,500,000	-	109,572,679
Underfunding of pension funds	5,156,848	(16,905)	48,243	(439,854)	64,452	-	-	4,812,784
Financial instruments	10,398,848	-	-	-	(8,462,417)	-	-	1,936,431
Deferred accounting gains on inter-group transactions	33,270,651	(4,410)	9,655,603	(3,845,573)	-	1	-	39,076,272
Fiscal investment incentives	14,174,165	-	-	(1,379,687)	-	-	-	12,794,478
Fair values of business combinations	1,734,023	(185,795)	-	-	-	-	-	1,548,228
Share capital remuneration	-	-	-	-	15,400,000	-	-	15,400,000
Other temporary differences	8,690,053	(230,471)	521,422	(4,070,786)	-	(2,083,174)	-	2,827,044
	277,843,011	(7,141,119)	21,520,633	(25,607,719)	7,002,035	1,416,829	-	275,033,670
Temporary differences originating deferred tax liabilities								
Fixed tangible asset revaluation	(60,835,881)	4,691,983	-	488,572	-	5,643	-	(55,649,683)
Retirements benefits	(2,121,065)	-	(30,517)	-	(106,735)	1	-	(2,258,316)
Derivative financial instruments	1,769,836	(154,668)	(16,960)	-	-	-	-	1,598,208
Fiscal incentives	(1,270,679)	-	(8,499,617)	221,696	326,164	(1)	-	(9,222,437)
Harmonisation of depreciation criteria	(388,205,374)	7,540,420	(26,483,520)	6,058,989	-	-	-	(401,089,485)
Deferred accounting losses on inter-group transactions	(3,250,619)	-	(9,654,313)	2,890,583	-	1	-	(10,014,348)
Valuation of biological assets	(3,979,927)	-	(6,082,127)	-	-	-	-	(10,062,054)
Fair value of intangible assets - brands	(257,146,542)	4,803,534	(2,169,177)	-	-	-	-	(254,512,185)
Fair value of tangible assets	(126,776,591)	-	-	11,453,662	-	-	-	(115,322,929)
Fair value of business combinations	(180,076,742)	11,567,841	-	9,050,042	-	(5,643)	(22,734)	(159,487,236)
Other temporary differences	(2,027,027)	58,095	(305,354)	813,894	-	-	-	(1,460,392)
	(1,023,920,611)	28,507,205	(53,241,585)	30,977,438	219,429	1	(22,734)	(1,017,480,857)
Deferred tax assets	78,652,223	(2,224,379)	3,755,949	(3,819,218)	1,925,588	(6)	-	78,290,157
Deferred tax liabilities	(276,468,649)	7,411,794	(12,494,180)	4,515,435	61,844	2	(5,061)	(276,978,815)

19. PROVISIONS

The following movement took place in the caption Provisions during the nine month period ended 30 September 2017 and the year ended 31 December 2016:

Amounts in Euro	Legal claims	Tax claims	Environmental restoration	Others	Total
As of 1 January 2016	2,626,047	56,214,594	7,144,503	38,245,671	104,230,815
Change in perimeter	-	-	-	(2,530,781)	(2,530,781)
Increases	-	2,112,283	516	17,221,369	19,334,168
Reversals	(374,826)	(2,173,379)	(157,298)	(19,016,560)	(21,722,063)
Direct utilisations	-	-	(19,813)	3,201,438	3,181,625
Exchange rate adjustments	-	-	1,595	364,490	366,085
Financial discounts	-	-	289,490	-	289,490
Transfers and adjustments	(29,455)	(28,548,109)	-	-	(28,577,564)
As of 31 December 2016	2,221,766	27,605,389	7,258,993	37,485,627	74,571,775
Increases (Note 6)	1,192,681	1,008,083	-	3,548,044	5,748,808
Reversals (Note 6)	-	(1,022,696)	(118,151)	(829,580)	(1,970,427)
Direct utilisations	-	-	(5,310)	(5,350,817)	(5,356,127)
Exchange rate adjustments	-	-	(690)	(981,769)	(982,459)
Financial discounts	-	-	212,689	-	212,689
Transfers and adjustments	-	(11,857,174)	-	-	(11,857,174)
As of 30 September 2017	3,414,447	15,733,602	7,347,531	33,871,505	60,367,085

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

20. INTEREST BEARING LIABILITIES

As of 30 September 2017 and 31 December 2016, the Group's net debt was as follows:

Amounts in Euro	30-09-2017	31-12-2016
Interest-bearing liabilities		
Non-current	1,642,855,656	1,697,565,380
Current	317,220,653	266,268,367
	1,960,076,309	1,963,833,747
Cash and cash equivalents		
Cash	744,535	679,425
Short term bank deposits	178,610,109	143,499,139
Other short term investments	41,364,810	39,922,710
	220,719,454	184,101,274
Interest-bearing net debt	1,739,356,855	1,779,732,473

NON-CURRENT INTEREST-BEARING LIABILITIES

As of 30 September 2017 and 31 December 2016, Non-current interest-bearing liabilities were as follows:

Amounts in Euro	30-09-2017	31-12-2016
Non-current		
Bond loans	871,000,000	871,000,000
Commercial paper	529,800,000	510,000,000
Bank loans	242,947,738	318,194,383
Expenses with loans issuing	(7,597,027)	(9,753,767)
Interest-bearing bank debt	1,636,150,711	1,689,440,616
Financial leases	2,008,907	2,038,700
Other refundable loans	4,237,695	5,692,866
Other debt	458,343	393,198
Other interest-bearing debts	6,704,945	8,124,764
Non current interest-bearing liabilities	1,642,855,656	1,697,565,380

CURRENT INTEREST-BEARING LIABILITIES

As of 30 September 2017 and 31 December 2016, Current interest-bearing liabilities were as follows:

Amounts in Euro	30-09-2017	31-12-2016
Current		
Bond loans	40,000,000	40,000,000
Commercial paper	150,000,000	95,000,000
Bank loans	123,365,439	108,985,402
Expenses with bond loans issuing	(1,774,962)	(1,702,642)
Interest-bearing bank debt	311,590,477	242,282,760
Shareholders short-term loans (Note 23)	4,690,063	8,830,127
Financial leases	940,113	773,982
Other loans	-	223,854
Other debt	-	14,157,644
Other interest-bearing debts	5,630,176	23,985,607
Current interest-bearing liabilities	317,220,653	266,268,367

21. PAYABLES AND OTHER CURRENT LIABILITIES

As of 30 September 2017 and 31 December 2016 the caption Payables and other current liabilities comprised:

Amounts in Euro	30-09-2017	31-12-2016
Accounts payable to suppliers	203,538,477	182,449,988
Accounts payable to suppliers of tangible assets	23,007,333	39,150,234
Instituto do Ambiente	9,847,781	13,495,261
Derivative financial instruments (Note 22)	3,845,156	10,185,130
Other creditors	8,983,494	9,209,742
Related parties (Note 23)	3,058,641	3,487,349
Accrued costs	98,734,676	109,546,762
Deferred income	14,397,053	12,258,343
	365,412,611	379,782,809

As of 30 September 2017 and 31 December 2016 the captions Accrued costs and Deferred income comprised:

Amounts in Euro	30-09-2017	31-12-2016
Accrued costs		
Insurance costs	142,367	7,834
Payroll expenses	54,328,109	54,199,992
Interest payable	11,963,507	11,306,041
Accrued energy costs	2,359,577	8,757,517
Transport services	198,930	490,024
Bank services	222,321	475,123
Audit fees	147,193	92,364
Consulting fees	1,442,435	1,826,588
IT Services	186,000	322,995
Other	27,744,237	32,068,284
	98,734,676	109,546,762
Deferred income		
Government grants	5,678,166	5,929,823
Grants - CO2 emission allowances	7,726,974	5,351,466
Others	991,913	977,054
	14,397,053	12,258,343

22. DERIVATIVE FINANCIAL INSTRUMENTS

As of 30 September 2017 and 31 December 2016 the fair value of hedging and trading derivative financial instruments was as follows:

Amounts in Euro	Amount	Currency	Maturity	30-09-2017			31-12-2016
				Positive	Negative	Net	Net
Hedging							
Coverage of net investment	25,050,000	USD	2017	1,066,515	-	1,066,515	(249,273)
Exchange rate forwards - future sales	99,000,000	USD	2018	4,617,771	-	4,617,771	901,050
Exchange rate forwards - future sales	13,333,334	GBP	2018	50,732	-	50,732	-
Interest rate swaps (SWAP's)	365,000,000	Euro	2017/23	-	(3,523,585)	(3,523,585)	(6,954,515)
				5,735,018	(3,523,585)	2,211,433	(6,302,738)
Trading							
Exchange rate forwards	46,600,000	USD	2017	1,122,970	-	1,122,970	(1,778,650)
Exchange rate forwards	10,175,000	GBP	2017	-	(16,792)	(16,792)	(164,752)
Cross currency interest rate swap	17,739,298	USD	2018/2019	-	-	-	(426,933)
Exchange Collar	23,894,658	BRL	2018	-	-	-	(153,640)
Non Deliverable Forward (NDF)	31,585,356	BRL	2017/2018	326,244	(304,779)	21,465	(416,278)
Anti-Dumping Forward	18,211,079	Euro	2018	928,290	-	928,290	-
				2,377,504	(321,571)	2,055,933	(2,940,253)
				8,112,522	(3,845,156)	4,267,366	(9,242,991)

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

As of 30 September 2017 and 31 December 2016 balances with related parties are detailed as follows:

Amounts in Euro	30-09-2017			31-12-2016		
	Other receivables (Note 15)	Other payables (Note 21)	Interest-bearing liabilities (Note 20)	Other receivables (Note 15)	Other payables (Note 21)	Interest-bearing liabilities (Note 20)
Shareholder						
Cimigest, SGPS, S.A.	-	11,043	-	-	-	6,209,058
Cimo SGPS, S.A.	-	-	4,653,213	-	-	321,842
Longapar, SGPS, S.A.	-	-	36,850	-	-	73,064
OEM SGPS, S.A.	-	-	-	-	-	2,226,163
Other related entities						
Cimilonga - Imobiliária, S.A.	-	(13,700)	-	-	(13,700)	-
Hotel Ritz, S.A.	-	1,122	-	-	10,843	-
Ave-Gestão Ambiental, S.A.	83,015	342,335	-	148,734	(146,844)	-
Cotif Sicar	-	92,527	-	-	89,255	-
Enermontijo, S.A.	137,021	-	-	363,682	6,708	-
Enerpar, SGPS, S.A.	-	21,448	-	-	-	-
Inertogrande	215,174	3,840	-	214,669	2,091	-
J.M.J. Henriques, Lda.	124,206	-	-	123,701	-	-
Seribo, S.A.	-	229,275	-	-	319,907	-
Setefrete - Soc. Tráfego Cargas, S.A.	-	304,537	-	-	3,423	-
Refundos - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	-	93,430	-	-	-	-
Other related parties	-	1,972,784	-	9,083	3,215,666	-
Total	559,416	3,058,641	4,690,063	859,869	3,487,349	8,830,127

For the nine months period ended 30 September 2017 and 2016 transactions with shareholders and other related parties were as follows:

Amounts in Euro	9M 2017				9M 2016			
	Service purchase	Sales of goods and services rendered	Other operating income	Net financial costs	Service purchase	Sales of goods and services rendered	Other operating income	Net financial costs
Shareholders								
Cimigest SGPS, S.A.	(80,805)	-	2,502	(1,547)	(53,870)	-	-	(9,050)
Cimo SGPS, S.A.	-	-	-	(18,027)	-	-	-	(234)
Longapar, SGPS, S.A.	-	-	-	(1,048)	-	-	-	(29,549)
OEM SGPS, S.A.	-	-	-	(5,598)	-	-	-	(5,323)
	(80,805)	-	2,502	(26,220)	(53,870)	-	-	(44,156)
Other related entities								
Cimilonga - Imobiliária, S.A.	(765,910)	-	-	-	(507,214)	-	-	-
Refundos, S.A.	(140,145)	-	-	-	-	-	-	-
Hotel Ritz, S.A.	(37,326)	-	-	-	-	-	-	-
Sonagi, SGPS, S.A.	-	-	1,200	-	-	-	-	-
Enermontijo, S.A.	(85,049)	187,474	-	-	(149,121)	539,536	-	-
Enerpar, SGPS, S.A.	(169,029)	-	-	-	(147,502)	-	-	-
Ave-Gestão Ambiental, S.A.	(2,113,002)	41,146	17,669	-	(1,523,166)	25,510	(43,441)	-
Secil Prebetão, S.A.	-	-	-	-	(21,321)	356,793	43,732	-
Seribo, S.A.	-	-	-	(3,608)	-	-	-	(2,405)
Setefrete, S.A.	(2,654,610)	-	20,351	-	(1,558,168)	-	24,086	-
Others	(5,371)	-	-	(250)	-	-	-	(167)
	(5,970,442)	228,620	39,220	(3,858)	(3,906,492)	921,839	24,377	(2,572)

24. NUMBER OF EMPLOYEES

As of 30 September 2017 and 31 December 2016 the number of employees in service of the Group's several companies were 6,044 e 6,028, respectively.

25. COMPANIES INCLUDED IN THE CONSOLIDATION

Name	Head Office	Direct and indirect % of equity held by Semapa		
		Direct	Indirect	Total
Parent - company				
Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.	Lisbon			
Subsidiaries				
Seminv, SGPS, S.A.	Lisbon	100.00	-	100.00
Seinpart, SGPS, S.A.	Lisbon	49.00	51.00	100.00
Seinpar Investments, B.V.	Amsterdam	100.00	-	100.00
Semapa Inversiones S.L.	Madrid	100.00	-	100.00
Celcimo S.L.	Madrid	-	100.00	100.00
Semapa Next, S.A.	Lisbon	100.00	-	100.00
Aphelion, S.A.	Lisbon	100.00	-	100.00

SUBSIDIARIES OF THE SUBGROUP ETSA

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

SUBSIDIARIES OF THE SUBGROUP NAVIGATOR

Name	Head Office	Direct and indirect % equity held in The Navigator Company			% of shares held by Semapa
		Direct	Indirect	Total	
Parent - company:					
The Navigator Company, S.A.	Setúbal	35.71	33.69	69.40	69.40
Subsidiaries:					
Navigator Paper Figueira, S.A.	Figueira da Foz	100.00	-	100.00	69.40
Navigator Lusa, Lda.	Figueira da Foz	-	100.00	100.00	69.40
Navigator Parques Industriais, S.A.	Setúbal	100.00	-	100.00	69.40
Navigator Products & Tecnology, S.A.	Setúbal	100.00	-	100.00	69.40
Enerpulp – Cogeração Energética de Pasta, S.A.	Setúbal	100.00	-	100.00	69.40
Aboutbalance - SGPS, S.A.	Lisbon	100.00	-	100.00	69.40
Navigator Tissue Cacia, S.A.	Aveiro	-	100.00	100.00	69.40
Navigator Tissue Rodão, S.A.	Vila Velha de Ródão	-	100.00	100.00	69.40
Navigator Internacional Holding SGPS, S.A.	Setúbal	100.00	-	100.00	69.40
Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, Lda	Mozambique	20.05	60.15	80.20	55.66
Colombo Energy Inc.	USA	25.00	75.00	100.00	69.40
Portucel Finance, Zoo	Poland	25.00	75.00	100.00	69.40
Navigator Africa, SRL	Italy	-	100.00	100.00	69.40
Navigator Floresta, SGPS, S.A.	Setúbal	100.00	-	100.00	69.40
Sociedade de Vinhos da Herdade de Espirra - Produção e Comercialização de Vinhos, S.A.	Setúbal	-	100.00	100.00	69.40
Gavião - Sociedade de Caça e Turismo, S.A.	Setúbal	-	100.00	100.00	69.40
Navigator Forest Portugal, S.A.	Setúbal	-	100.00	100.00	69.40
Afocelca - Agrupamento complementar de empresas para protecção contra incêndios, ACE	Portugal	-	64.80	64.80	44.97
Viveiros Aliança - Empresa Produtora de Plantas, S.A.	Palmeira	-	100.00	100.00	69.40
Atlantic Forests, S.A.	Setúbal	-	100.00	100.00	69.40
Raiz - Instituto de Investigação da Floresta e Papel	Aveiro	-	94.00	94.00	65.24
Bosques do Atlantico, SL	Spain	-	100.00	100.00	69.40
Navigator Pulp Holding ,SGPS, S.A.	Setúbal	100.00	-	100.00	69.40
Navigator Pulp Figueira, S.A.	Figueira da Foz	-	100.00	100.00	69.40
Navigator Pulp Setúbal, S.A.	Setúbal	-	100.00	100.00	69.40
Navigator Pulp Cacia, S.A.	Aveiro	99.93	0.07	100.00	69.40
Navigator International GmbH	Germany	-	100.00	100.00	69.40
Navigator Paper Holding ,SGPS, S.A.	Setúbal	100.00	-	100.00	69.40
Navigator Fine Paper , S.A.	Setúbal	-	100.00	100.00	69.40
About the Future - Empresa Produtora de Papel, S.A.	Setúbal	-	100.00	100.00	69.40
Navigator Paper Setúbal, S.A.	Setúbal	-	100.00	100.00	69.40
Portucel Soporcel North America Inc.	USA	-	100.00	100.00	69.40
Navigator Sales & Marketing, S.A.	Belgium	25.00	75.00	100.00	69.40
Navigator Participações Holding ,SGPS, S.A.	Setúbal	100.00	-	100.00	69.40
Portucel Florestal, S.A.	Setúbal	100.00	-	100.00	69.40
Arboser – Serviços Agro-Industriais, S.A.	Setúbal	-	100.00	100.00	69.40
EMA21 - Engenharia e Manutenção Industrial Século XXI, S.A.	Setúbal	-	100.00	100.00	69.40
Ema Cacia - Engenharia e Manutenção Industrial, ACE	Aveiro	-	92.60	92.60	64.27
Ema Setúbal - Engenharia e Manutenção Industrial, ACE	Setúbal	-	91.30	91.30	63.36
Ema Figueira da Foz- Engenharia e Manutenção Industrial, ACE	Figueira da Foz	-	88.70	88.70	61.56
Empremédia - Corretores de Seguros, S.A.	Lisbon	-	100.00	100.00	69.40
EucaliptusLand, S.A.	Setúbal	-	100.00	100.00	69.40
Headbox - Operação e Contolo Industrial, S.A.	Setúbal	-	100.00	100.00	69.40
Navigator Added Value, S.A.	Setúbal	-	100.00	100.00	69.40
Navigator Switzerland Ltd.	Switzerland	25.00	75.00	100.00	69.40
Navigator Afrique du Nord	Morocco	-	100.00	100.00	69.40
Navigator España, S.A.	Spain	-	100.00	100.00	69.40
Navigator Netherlands, BV	Netherlands	-	100.00	100.00	69.40
Navigator France, EURL	France	-	100.00	100.00	69.40
Navigator Paper Company UK, Ltd	United Kingdom	-	100.00	100.00	69.40
Navigator Italia, SRL	Italy	-	100.00	100.00	69.40
Navigator Deutschland, GmbH	Germany	-	100.00	100.00	69.40
Navigator Paper Austria, GmbH	Austria	-	100.00	100.00	69.40
Navigator Paper Poland SP Z o o	Poland	-	100.00	100.00	69.40
Navigator Eurasia	Turkey	-	100.00	100.00	69.40
Navigator Rus Company, LLC	Russia	-	100.00	100.00	69.40
Navigator Abastecimento de Madeira, ACE	Setúbal	-	100.00	100.00	69.40

SUBSIDIARIES OF THE SUBGROUP SECIL

Name	Head Office	Direct and indirect % equity held in Secil			% of shares held by Semapa
		Direct	Indirect	Total	
Parent - company:					
Secil - Companhia Geral de Cal e Cimento, S.A.	Setúbal	-	99.998	99.998	99.998
Subsidiaries:					
Hewbol, S.G.P.S., Lda.	Funchal	100.00	-	100.00	99.998
Somera Trading Inc.	Panama	-	100.00	100.00	99.998
Secil Cabo Verde Comércio e Serviços, Lda.	Praia	-	100.00	100.00	99.998
ICV - Inertes de Cabo Verde, Lda.	Praia	37.50	25.00	62.50	62.499
Florimar- Gestão e Participações, S.G.P.S., Lda.	Funchal	100.00	-	100.00	99.998
Sociedade de Inertes, Lda	Nacala	-	100.00	100.00	99.998
Seciment Investments, B.V.	Amsterdam	100.00	-	100.00	99.998
I3 Participações e Serviços, Ltda.	Rio de Janeiro	-	100.00	100.00	99.998
Serife - Sociedade de Estudos e Realizações Industriais e de Fornecimento de Equipamento, Lda	Lisbon	100.00	-	100.00	99.998
Silonor, S.A.	Dunkerque	100.00	-	100.00	99.998
Société des Ciments de Gabès	Tunis	98.72	-	98.72	98.716
Sud- Béton- Société de Fabrication de Béton du Sud	Tunis	-	98.72	98.72	98.716
Zarzis Béton	Tunis	-	98.52	98.52	98.519
Secil Angola, SARL	Luanda	100.00	-	100.00	99.998
Secil - Companhia de Cimento do Lobito, S.A.	Lobito	-	51.00	51.00	50.999
Unibetão - Indústrias de Betão Preparado, S.A.	Lisbon	100.00	-	100.00	99.998
Secil Britas, S.A.	Lisbon	100.00	-	100.00	99.998
Lusoinertes, S.A.	Lisbon	-	100.00	100.00	99.998
Secil Martingança - Aglomerantes e Novos Materiais para a Construção, S.A.	Leiria	51.19	48.81	100.00	99.998
IRP - Indústria de Rebocos de Portugal, S.A.	Santarém	-	75.00	75.00	74.998
Giminpart - Investimentos e Participações, S.G.P.S., S.A.	Lisbon	100.00	-	100.00	99.998
ALLMA - Microalgas, Lda.	Leiria	-	70.00	70.00	69.999
Argibetão - Sociedade de Novos Produtos de Argila e Betão, S.A.	Lisbon	-	99.53	99.53	99.528
Cimentos Costa Verde - Comércio de Cimentos, S.A.	Lisbon	-	100.00	100.00	99.998
Prescor Produção de Escórias Moldas, Lda.	Lisbon	-	100.00	100.00	99.998
Secil Brasil Participações, S.A. (ex Nsospa, S.A.)	Brazil	-	100.00	100.00	99.998
Supremo Cimentos, SA	Brazil	-	100.00	100.00	99.998
Margem - Companhia de Mineração, SA	Brazil	-	100.00	100.00	99.998
CMP - Cimentos Maceira e Pataias, S.A.	Leiria	100.00	-	100.00	99.998
Cimentos de Sibline, S.A.L.	Beirute	28.64	22.41	51.05	51.049
Soime, S.A.L.	Beirute	-	51.05	51.05	51.049
Cimentos Madeira, Lda.	Funchal	57.14	-	57.14	57.142
Beto Madeira - Betões e Britas da Madeira, S.A.	Funchal	-	57.14	57.14	57.142
Promadeira - Sociedade Técnica de Construção da Ilha da Madeira, Lda.	Funchal	-	57.14	57.14	57.142
Brímade - Sociedade de Britas da Madeira, S.A.	Funchal	-	57.14	57.14	57.142
Madebritas - Sociedade de Britas da Madeira, Lda. (a)	Funchal	-	29.14	29.14	29.142
Pedra Regional - Indústria Transformadora de Rochas Ornamentais, S.A.	Funchal	-	57.14	57.14	57.142
Allmicroalgae Natural Products SA	Leiria	-	100.00	100.00	99.998
Uniconcreto - Betão Pronto, S.A.	Lisbon	100.00	-	100.00	99.998
Secil Netherlands BV (ex Finlandimmo Holding BV)	Netherlands	100.00	-	100.00	99.998
Secil Immo Netherlands BV	Netherlands	-	100.00	100.00	99.998
Secil Cement BV	Netherlands	-	100.00	100.00	99.998
SPB, SGPS, LDA (Ex. Secil Unicon)	Setúbal	100.00	-	100.00	99.998
Secil Prébetão, S.A. (b)	Montijo	-	100.00	100.00	99.998
Cementos Secil SLU	Madrid	100.00	-	100.00	99.998

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

(b) Companies included in the consolidation as of 1 July 2016

26. NOTE ADDED FOR TRANSLATION

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

BOARD OF DIRECTORS

CHAIRMAN:

Pedro Mendonça de Queiroz Pereira

MEMBERS:

João Nuno de Sottomayor Pinto de Castello Branco

José Miguel Pereira Gens Paredes

Paulo Miguel Garcês Ventura

Ricardo Miguel dos Santos Pacheco Pires

António Pedro de Carvalho Viana Baptista

Carlos Eduardo Coelho Alves

Francisco José Melo e Castro Guedes

Manuel Custódio de Oliveira

Vítor Manuel Galvão Rocha Novais Gonçalves

Vítor Paulo Paranhos Pereira