

REPORT
on structure and corporate governance practices
Financial year of 2005

Chapter 0
Declaration of Compliance

Recommendation nr. 1

The company stays in constant contact with the market, keeping to the principle of equal treatment for all shareholders, and taking steps to ensure that all investors enjoy uniform access to information. The company operates an investor support office, as described below.

This recommendation has therefore been adopted in full.

Recommendation nr. 2

The recommendation has been adopted with regard to postal votes, with the voting slips available on the company's website. Postal votes are only required to arrive at the company three business days prior to the meeting, and the articles of association place no further limitation on this form of voting.

The only restriction in the articles of association on voting by proxy is that on the representation of individual shareholders, as referred to in article 380, nr. 1, of the Companies Code.

The company did not previously adopt the recommendation that the requirement for deposit or freezing of shares be for no more than five business days, and instead required that the documents proving the freezing of shares be presented 8 calendar days prior to the meeting. This was therefore a difference of merely one day, and did not therefore constitute a divergence from the principles which this recommendation seeks to preserve.

Nonetheless, the Board of Directors decided to propose to the shareholders that the period be reduced to only five days, and this motion is included in the order of business for the annual general meeting, where it will be discussed and put to the vote.

This recommendation has not therefore been adopted in full, although it is expected to be so in the near future, if the shareholders so decide.

Recommendation nr. 3

The company has adopted the recommendation that an internal system of control be created.

In addition to the specific bodies and procedures which exist in our subsidiaries, the company has an Internal Control Committee (ICC) with specific powers in the field of risk control, as described below.

Recommendation nr. 4

No measures have been adopted in order to prevent the success of takeover bids, meaning that this recommendation has been adopted in full.

Recommendation nr. 5

The management body comprises several members, who effectively direct the management of the company and its senior staff, as described in greater detail below. The recommendation to this effect has therefore been adopted by the company.

Recommendation nr. 5-A

The company has a number of non-executive directors who are responsible for continuous monitoring and assessment of the management of the company by the executive directors.

In addition to these duties performed by non-executive directors, there is also an internal body, the Internal Control Committee, whose members may not be executive directors, and which also plays an important role in supervising and monitoring the affairs of the company, with an advisory function in relation to the choice of external auditors.

This recommendation has therefore been adopted in full.

Recommendation nr. 6

There are currently no independent members of the company's Board of Directors, in accordance with the concept adopted in Article 1.2 of Securities Market Board Regulations 7/2001, although this situation may change at the annual general meeting which is to elect the officers for the next four years, should the shareholders so decide.

Nonetheless, this recommendation is adopted by the company, due to the existence of at least one member of the supervisory board who meets the independence requirements set in the said regulations and who effectively exercises duties equivalent to those which would be exercised by a director who could be categorized as independent. The person in question, Dr. Duarte Nuno d'Orey da Cunha, not only effectively exercises supervisory duties as established in law, with regard to general supervision of the management and monitoring compliance with the law, but is also a member of the company's Internal Control Committee, which also plays a roles in the field of supervision and control, with an advisory function as to the choice of external auditors.

As we have already seen, therefore, this recommendation is adopted by the company.

Recommendation nr. 7

The company has a Corporate Governance Supervisory Committee (CGSC) with specific powers for assessing the structure and governance of the company, as detailed below. This recommendation has therefore now been fully adopted by the company.

Recommendation nr. 8

The structure of the directors' remuneration, which under the articles of association may comprise a fixed and a variable component, the variable components possibly including profit sharing, makes it possible to align the directors' interests with those of the company.

The company has not adopted the recommendation that individual directors' remuneration be disclosed. This decision has been taken after weighing up all the interests at play, and in the opinion of the board of directors, in addition to other potentially negative effects, the gains resulting from such disclosure would not be greater than the loss to the right of privacy of each director.

Recommendation nr. 8-A

It is recommended that the Remuneration Committee submits to the general meeting a document containing guidelines to be followed by the committee. This recommendation has not yet been adopted, which is not to say that it is regarded as undesirable. In effect, as the term of office of the existing Remuneration Committee comes to an end at the next annual general meeting, its members considered that the decision to draw up such a document and the respective content should be a matter for the members elected for the next term of office.

Recommendation nr. 9

The company's remuneration committee comprises only corporate bodies. In the light of the concept of independence followed by the recommendation, this means that the recommendation cannot but be deemed to be fully adopted.

Recommendation nr. 10

This recommendation is not applicable because the company has not adopted any share and/or share option allocation scheme.

Recommendation nr. 10-A

The company has adopted internal rules on notification of irregularities alleged to have taken place within the company. These rules fix the means of communication, the persons to be legitimately notified, the rules on treatment and other matters detailed below.

This recommendation has therefore been adopted in full by the company.

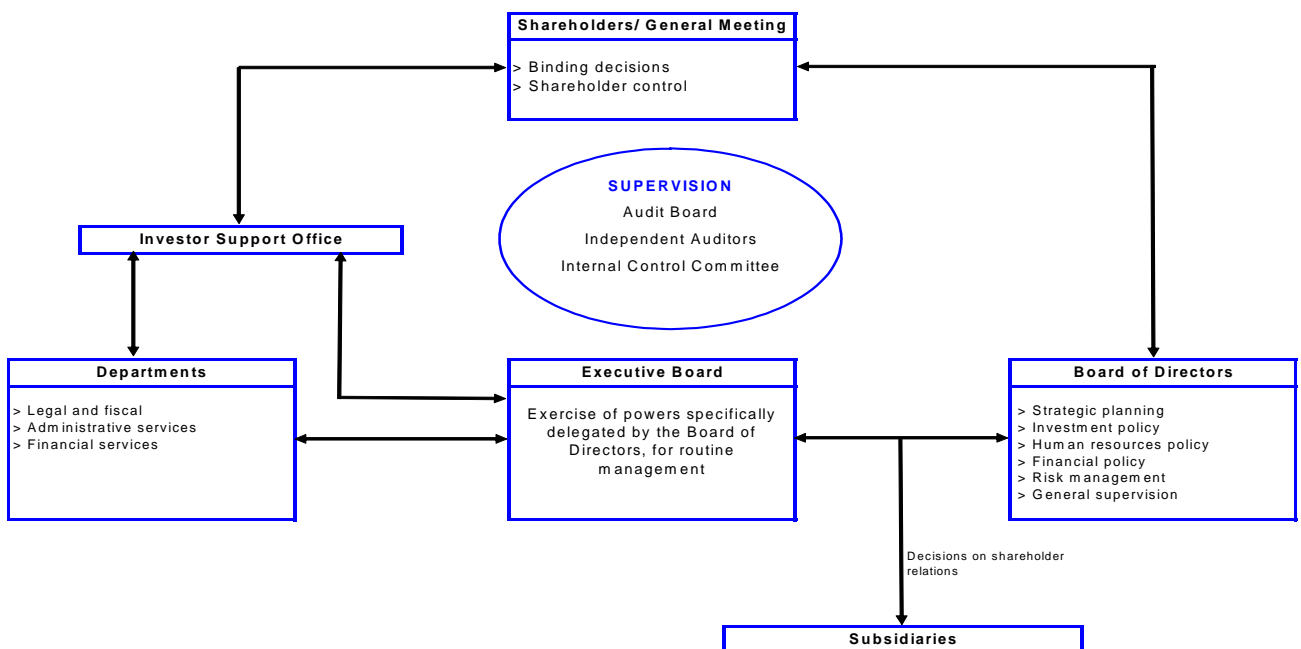
Recommendation nr. 11

This recommendation is also not applicable, as it is aimed only at institutional investors.

Chapter I
Disclosure of information

1. Organisational structure

The following diagram shows how powers are distributed with regard to business decisions:



Although duties and responsibilities are not rigidly compartmentalized within the Board of Directors, four main areas may be distinguished in the way responsibilities are shared out:

- 1 Strategic planning and investment policy, which are the responsibility of the Chairman of the Board of Directors, Pedro Mendonça de Queiroz Pereira, and the director, Eng. Carlos Eduardo Coelho Alves.
- 2 Financial policy and risk management, which is the responsibility of the director Dr. José Alfredo de Almeida Honório.
- 3 Human resources policy and administrative control, which is the responsibility of the director Dr. Francisco José de Melo e Castro Guedes.

- 4 General supervision, which is the special responsibility of Eng. Frederico José da Cunha Mendonça e Meneses, the only director to sit on the Internal Control Committee.

2. Specific Committees

The company has three specific committees: the Remuneration Committee, the Internal Control Committee and the Corporate Governance Supervisory Committee.

The Remuneration Committee has specific powers to fix the remuneration of company officers, and comprises the following members, all of them corporate shareholders in the company:

Sociedade Agrícola da Quinta da Vialonga, S.A.
Cimo - Gestão de Participações, SGPS, S.A.
Longapar, SGPS, S.A.

The Internal Control Committee (ICC) has special responsibilities in the area of detecting and controlling all significant risks in the company's affairs, in particular legal and financial risks, as detailed below, and comprises the following members:

Dr. Duarte Nuno D'Orey da Cunha – member of the Audit Board
Dr. Henrique Reynaud Campos Trocado – Chairman of the General Meeting
Eng. Frederico José da Cunha Mendonça e Meneses – Non-executive director

The Corporate Governance Supervisory Committee (CGSC) monitors on a continuous basis the company's compliance with the provisions of the law, regulations and articles of association applicable to corporate governance, and is responsible for critical analysis of the company's practices and procedures in the field of corporate governance and for proposing for debate, altering and introducing new procedures designed to improve the structure and governance of the company.

The CGSC meets at intervals appropriate to its duties, and is required to submit an annual report to the Board of Directors on corporate governance, together with any proposals for changes, as it sees fit.

The Committee comprises three to five members appointed by the Board of Directors, and must include at least one non-executive director and a person without management duties in the company. The Committee members are:

Eng. Frederico José da Cunha Mendonça e Meneses – Non-executive director
Eng. Gonçalo Allen Serras Pereira – Consultant who held the office of executive director until 2005
Dr. António Duarte Serrão – General Manager of the company.

3. Risk control

Risk control activities in the company are carried on through an organizational unit with specific responsibilities in this field – the Internal Control Committee -, and also through independent audits and the work of the company bodies.

The main purpose of the ICC is to detect and control all relevant risks in the company's affairs, in particular legal and financial risks, and the Committee enjoys full powers to pursue this aim, namely::

- a) To assure compliance by the company with the entire regulatory framework applicable to it, deriving both from law and regulations;
- b) To monitor the company's business affairs, with integrated and permanent analysis of the risks associated with these affairs;
- c) To monitor the quality of financial and accounting information, taking steps to ensure that it is reliable;
- d) To propose the approval of specific measures and procedures for the control and reduction of risks in the company's affairs, with a view to improving the internal risk control system;
- e) To issue its opinion on the choice of external auditors and to monitor their independence; and
- f) To oversee the system for notification of irregularities within the company, in keeping with the duties assigned to it in this area.

The ICC comprises three to five members appointed by the Board of Directors, which members cannot be executive directors. Its current members are those indicated above.

In addition to the important role played by the Audit Board in this field, internal procedures for risk control are also particularly important in each of the company's main subsidiaries. The nature of the risks and the degree of exposure vary from company to company, and each subsidiary therefore has its own independent system for controlling the risks to which they are subject.

Independent audits of Semapa and the companies it controls are carried out by PriceWaterhouseCoopers.

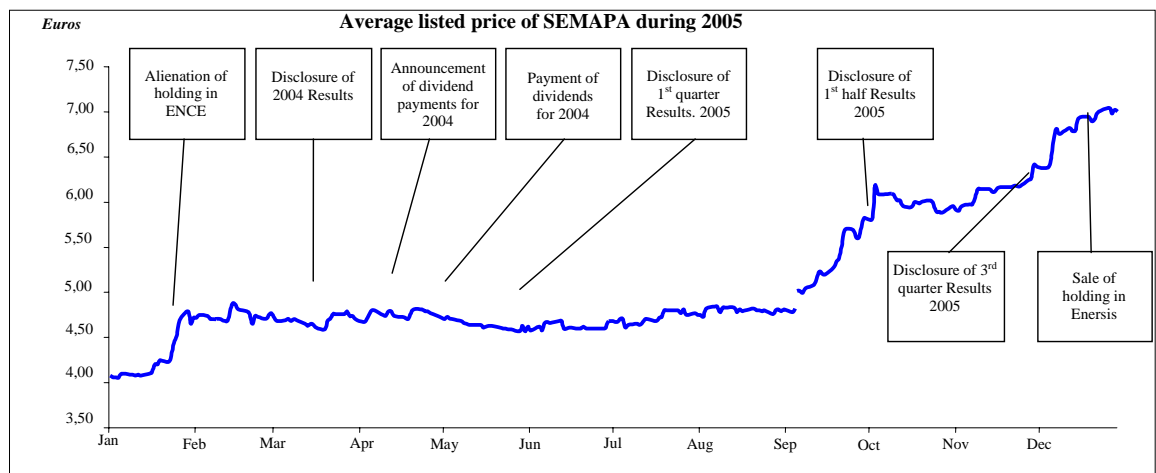
4. Listed share prices

Over the course of 2005, shares in the company progressively increased in value, with accrued appreciation over the period of approximately 66%. The daily listed price varied between a minimum of EUR 4.05 and a maximum of EUR 6.85. Average daily trading stood at 70,241 shares over the year.

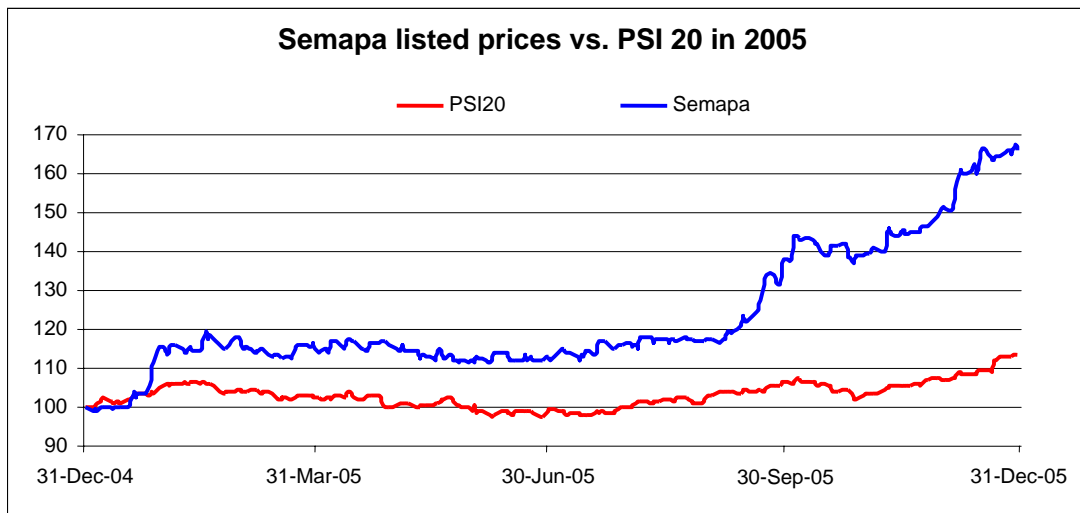
No adjustment in the share price took place at the session after disclosure of the 2004 results, on 15 March 2005.

Likewise, the distribution of a dividend of EUR 0.11 per share, which in net terms represented, for shareholders subject to taxation, a dividend of approximately EUR 0.0935 per share for resident shareholders, and EUR 0.0825 per share for non-resident shareholders, had no significant impact on the formation of the share price.

The following graph shows listed prices over the period, together with the main disclosures made to the market:



As already stated, listed prices of company shares performed well, especially when compared with the performance of the main Portuguese equity market index, the PSI 20, as may be seen in the following graph:



5. Dividend distribution policy

The Company has followed a policy of distributing a large amount without resorting to borrowing for this purpose and without jeopardising its sound financial position. The aim is to maintain a financial structure compatible with the sustained growth of the company and the different business areas, whilst also maintaining sound solvency indicators.

The pay-out ratio (dividends/net profit) in recent years has been high, reaching a high point of 94% in 1995, and standing at its lowest in 2001, at 26%.

In the last three years, the dividend per share in circulation has been as follows:

2003 (in relation to 2002)	0.10 € per share
2004 (in relation to 2003)	0.10 € per share
2005 (in relation to 2004)	0.11 € per share

6. Share and option allocation schemes

The Company runs no share or option allocation scheme.

7. Transactions with company officers, holders of qualifying holdings and subsidiaries

No transactions to report.

8. Investor Support Office

The investor support service is provided from an office headed by Dr. José Miguel Gens Paredes, who is also the company's market relations representative. The office is adequately staffed and enjoys swift access to all sectors of the company, in order to ensure an effective response to requests, and also to transmit relevant information to shareholders and investors in good time and without any inequality.

In addition to the general contact details for the company, Dr. José Miguel Gens Paredes can be contacted at the address jmparedes@semapa.pt or on the company's general telephone numbers.

All public information on the company can be accessed in this form. Please note, in any case, that the information most frequently requested by investors is available at the company's website at www.semapa.pt.

9. Remuneration Committee

As indicated above, the Semapa Remuneration Committee is made up as follows:

Sociedade Agrícola da Quinta da Vialonga, S.A.
Cimo – Gestão e Participações, S.A.
Longapar, SGPS, S.A.

Cimo and Longapar have directors who are also directors of Semapa.

10. Remuneration of Auditors

The following costs were incurred in relation to auditors in 2005 by the company and other related companies:

Services – Audit of Accounts	521 762 €	(59,2%)
Other services – reliability assurance	32 344 €	(3,7%)
Fiscal consultancy services	299 481 €	(34,0%)
Services other than legal auditing	<u>28 120 €</u>	<u>(3,1%)</u>
	881 707 €	(100,0%)

NB: In relation to the Portucel Soporcel Group, it should be noted that the figures stated include 100% of the amounts paid annually by this corporate group, without taking Semapa's proportional share into account.

In relation to fiscal consultancy services and services other than legal auditing, our auditors have set strict rules to guarantee their independence, and these rules have been adopted in the provision of these services and monitored by the company, in particular by the Internal Control Committee.

Chapter II

Exercise of voting rights and representation of shareholders

1. Company rules on voting rights

There are no company rules which in any way limit voting rights or disallow postal voting. The only company rules on the exercise of voting rights by shareholders are those detailed below.

2. Postal vote form

The company provides a postal vote form. This form is available at the company's website and may be requested from the investor support office.

3. Electronic voting

Electronic voting is still not provided for. Note that no shareholder or investors in the company have yet requested or expressed an interest in such procedures.

4. Period for freezing shares

The company's articles of association require that shareholders submit a document proving ownership of the shares no less than eight days prior to the date of the general meeting.

The same document must also state that the shareholder has owned the shares in the company since at least 30 days prior to the date of the meeting, and that the shares will be frozen until the end of the meeting. As stated in this report, this 30 day period may be certified by the party making the deposit, without any requirement that shares be blocked for any part of this period in excess of the 8 calendar day period required for notice.

As stated above, the Board of Directors has tabled a motion for the next annual general meeting for reduction of the period for freezing shares to 5 days.

5. Deadline for receipt of postal votes

Postal votes must be received no less than three business days prior the date of the general meeting.

6. Number of shares corresponding to one vote

There is one vote for each 385 shares in the company.

Chapter III Company Rules

1. Codes of Conduct

The Company has a set of “Principles of Professional Conduct”, approved by the Board of Directors. This document establishes ethical principles and rules applicable to company staff and officers.

In particular, this document establishes the duty of diligence, requiring professionalism, zeal and responsibility, the duty of loyalty, which in relation to the principles of honesty and integrity is especially geared to guard against conflict of interest situations, and the duty of confidentiality, in relation to the treatment of relevant information.

The document also establishes duties of environmental conservation and protection of all shareholders, namely minority shareholders, ensuring that information is fairly disclosed, and all shareholders treated equally and fairly.

The company also has a set of “Regulations on Notification of Irregularities”, which govern the procedure whereby company employees give notice of irregularities allegedly taking place within the company.

These regulations enshrine the general duty to give notice of alleged irregularities, indicating the person to be informed, who is designated by the Board of Directors, and also providing for an alternative solution in the event of there being a conflict of interests on the part of this person as regards the irregularity to be reported.

The person receiving the information has powers to conduct a preliminary investigation and is required to propose to the Internal Control Committee, which has supervisory powers in this area, that the notification be filed immediately or else that a full enquiry be undertaken. This full process ends with filing or with a submission to the Board of Directors or the Executive Board, depending on whether a company officer is involved, of a proposal for appropriate measures in the light of the irregularity in question.

The regulations also contain other provisions designed to safeguard the confidentiality of disclosure and non-prejudicial treatment of the employee reporting the irregularity, as well as rules on providing information on the regulations throughout the company.

Access to the “Principles of Professional Conduct” and to the “Regulations on Notification of Irregularities” is reserved.

2. Control of operating risks

The company has an internal unit with powers to control the risks of the company's business activities. This is the Internal Control Committee, whose responsibilities were described in item 3 of chapter I.

3. Measures capable of interfering with takeover bids

There are no provisions in the articles of association or measures adopted by the company such as may interfere with the success of takeover bids, and the company has no knowledge of any shareholders' agreements which might have this effect, without prejudice to the open co-ordination of voting rights by the shareholders holding more than half the share capital, on the terms indicated in the respective annex to the Directors' Report.

Chapter IV Management Body

1. Details of Board of Directors

The company's Board of Directors comprises seven members: Pedro Mendonça de Queiroz Pereira, Maria Maude Mendonça de Queiroz Pereira Lagos, Eng. Carlos Eduardo Coelho Alves, Dr. José Alfredo de Almeida Honório, Dr. Francisco José Melo e Castro Guedes, Eng. Frederico José da Cunha Mendonça e Meneses and Eng. Luís Manuel Pego Todo Bom. As stated above, none of the members of the Board of Directors is independent in accordance with the concept as defined in Securities Market Commission Regulations 11/2003.

Below we detail, for each of the members, the nature of their duties, their professional qualifications, the number of shares held, the date when first appointed and term of office, office held in other companies, identifying those belonging to the Semapa Group (identified with the initials "SG"), and other professional activities carried on in the last 5 years.

Pedro Mendonça de Queiroz Pereira

1. Nature of duties on board of director: Executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: General High School Certificate (Lisbon), studies at the Instituto Superior de Administração
4. Date of first appointment and term of office: 1991 - 2005
5. Office held in other companies:

CIMENTOSPAR Participações Sociais, SGPS, Lda (SG) Manager
CIMIANTO - Gestão de Participações, SA, Chairman Board of Directors
CIMINPART - Investimentos e Participações, SGPS, S.A. (SG) Chairman Board of Directors

CIMO - Gestão de Participações, SGPS, SA.....	Chairman Board of Directors
CMPartin - Inversiones y Participaciones Empresariales SL (SG).....	Chairman Board of Directors
CMP - Cimentos Maceira e Pataias, SA (SG).....	Chairman Board of Directors
ECOLUA - Actividades Desportivas, Lda.....	Manager
LONGAPAR, SGPS, SA	Chairman Board of Directors
O E M - Organização de Empresas, SGPS, SA	Chairman Board of Directors
PARSECIL, SL (SG)	Chairman Board of Directors
PARSEINGES - Gestão de Investimentos, SGPS, S.A. (SG).....	Chairman Board of Directors
PORTUCEL - Empresa Produtora de Pasta e Papel, S.A. (SG).....	Chairman Board of Directors
SECIL - Companhia Geral de Cal e Cimento, SA (SG)	Chairman Board of Directors
SECILPAR, SL (SG)	Chairman Board of Directors
SEINPART Participações, SGPS, S.A (SG)	Chairman Board of Directors
SEMAPA Inversiones, SL (SG).....	Chairman Board of Directors
SEMINV - Investimentos, SGPS, S.A (SG).....	Chairman Board of Directors
SODIM SGPS, SA	Chairman Board of Directors
SOPORCEL - Sociedade Portuguesa de Papel, S.A. (SG)	Chairman Board of Directors
VÉRTICE-Gestão de Participações, SGPS, SA	Chairman Board of Directors

6. Other professional activities over the last 5 years:

BANCO ESPÍRITO SANTO, S.A.	Director
GOLIATUR – Sociedade de Investimentos Imobiliários, S.A.	Chairman of Board of Directors
HOTEL RITZ, S.A.	Director
IMOCIPAR – Imobiliária, S.A.	Director
LAGUM – Sociedade Imobiliária, Lda.	Manager
Sociedade Agrícola da QUINTA DA VIALONGA, S.A.	Chairman of Board of Directors
SOREL, SGPS, S.A.	Director

Maria Maude Mendonça de Queiroz Pereira Lagos

1. Nature of duties on board of director: Non-executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: General High School Certificate (Lisbon).
4. Date of first appointment and term of office: 1994 - 2005
5. Office held in other companies:

CIMIANTO-Gestão de Participações, SA	Director
O E M - Organização de Empresas, SGPS, SA	Director
SODIM, SGPS, SA	Director
Hotel RITZ, SA.....	Chairman Board of Directors
LONGAVIA-Imobiliária, SA	Director

6. Other professional activities over the last 5 years:

IDEIAS INTERACTIVAS – Informática, S.A.....	Director
VÉRTICE – Gestão de Participações, SGPS, S.A.....	Director

Carlos Eduardo Coelho Alves

1. Nature of duties on board of director: Executive
2. Number of shares held in the company: holds no shares in the company

3. Professional qualifications: Degree in Mechanical Engineering, from the Instituto Superior Técnico (1971).
4. Date of first appointment and term of office: 1991 - 2005
5. Office held in other companies:

SONACA – Sociedade Nacional de Canalizações, S.A.....	Director
SODIM, SGPS, SA	Director
SECIL - Companhia Geral de Cal e Cimento, SA (SG)	Chairman of Executive Board
CMP - Cimentos Maceira e Pataias, SA (SG).....	Chairman of Executive Board
CIMO - Gestão de Participações, SGPS, SA.....	Director
SCG – Sociéte des Ciments de Gabès, SA (SG)	Chairman Board of Directors
SEMINV - Investimentos, SGPS, S.A (SG).....	Director
SECILPAR, SL (SG)	Director
CIMINPART - Investimentos e Participações, SGPS, S.A. (SG)	Director
PARCIM – Investments B.V. (SG)	Director
PARSEINGES - Gestão de Investimentos, SGPS, S.A. (SG).....	Director
SEINPART Participações, SGPS, S.A (SG)	Director
LONGAPAR, SGPS, SA	Director
BETOPAL, S.L. (SG)	Director
CMPartin-Inversiones y Participaciones Empresariales SL (SG).....	Director
PARSECIL, SL (SG)	Director
SEMAPA Inversiones, SL (SG).....	Director
CIMENTOSPAR - Participações Sociais, Lda. (SG).....	Manager
FLORIMAR – Gestão e Participações, SGPS, Soc. Unipessoal, Lda. (SG)	Manager
PORTUCEL – Empresa Produtora de Pasta e Papel, SA (SG).....	Director
SOPORCEL – Sociedade Portuguesa de Papel, SA (SG)	Director

6. Other professional activities over the last 5 years:

CIMIANTO - Gestão de Participações, S.A.	Director
ENERSIS - Sociedade Gestora de Participações Sociais, S.A.....	Chairman of Board of Directors
FESPECT – Serviço de Consultadoria, S.A.....	Director
GOLIATUR - Sociedade de Investimentos Imobiliários, S.A.....	Director

José Alfredo de Almeida Honório

1. Nature of duties on board of director: Executive
2. Number of shares held in the company: 20,000 shares
3. Professional qualifications: Degree in Economics from the Faculty of Economics, University of Coimbra (1980)
4. Date of first appointment and term of office: 1994 - 2005
5. Office held in other companies:

PORTUCEL – Empresa Produtora de Pasta e Papel, SA (SG).....	Chairman of Executive Board
SOPORCEL – Sociedade Portuguesa de Papel, SA (SG)	Chairman of Executive Board
PORTUCEL FLORESTAL – Empresa de Desenv. Agro-Florestal, SA (SG)	Chairman of Board of Directors
ALIANÇA FLORESTAL – Sociedade para o Des. Agro-Florestal, SA (SG).....	Chairman of Board of Directors
SEMINV - Investimentos, SGPS, S.A (SG).....	Director
CMPartin-Inversiones y Participaciones Empresariales SL (SG).....	Director
PARSECIL, SL (SG)	Director

SEMAPA Inversiones, SL (SG).....	Director
CIMENTOSPAR - Participações Sociais, SGPS, Lda. (SG).....	Manager
FLORIMAR – Gestão e Participações, SGPS, Soc. Unipessoal, Lda. (SG).....	Manager
BETOPAL, S.L. (SG).....	Director
LONGAPAR, SGPS, S.A.....	Director
CIMINPART-Investimentos e Participações, SGPS, S.A. (SG).....	Director
PARSEINGES-Gestão de Investimentos, SGPS, S.A. (SG).....	Director
SEINPART Participações, SGPS, S.A. (SG).....	Director
CIMO-Gestão de Participações, SGPS, S.A.....	Director
CMP-Cimentos Maceira e Pataias, S.A (SG).....	Director
SECIL-Companhia Geral de Cal e Cimento, S.A. (SG).....	Director
Hewbol-SGPS, Lda. (GS).....	Manager

6. Other professional activities over the last 5 years:

PARCIM Investment B.V. (SG).....	Director
CIMIANTO-Gestão de Participações, SGPS, S.A.	Director
CIMPOR – Cimentos de Portugal, SGPS, S.A.....	Director
SECILPAR, SL.....	Director

Frederico José da Cunha Mendonça e Meneses

1. Nature of duties on board of director: Non-executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: Degree in Chemical and Industrial Engineering, IST (1959); PMD Harvard Business School (1970)
4. Date of first appointment and term of office: 1994 - 2005
5. Office held in other companies:

CIMILONGA – Imobiliária S.A.....	Chairman Board of Directors
LONGAVIA – Imobiliária, S.A.	Chairman Board of Directors
IMOCIPAR – Imobiliária, S.A.....	Chairman Board of Directors
SONAGI, SGPS, S.A.	Chairman Board of Directors
SONAGI – Imobiliária S.A.....	Chairman Board of Directors
Sociedade Imobiliária de Baldio de Paula, S.A.....	Chairman Board of Directors
SAIVANE Imobiliária, S.A.	Chairman Board of Directors
Hotel RITZ, SA.....	Director
SCG – Société des Ciments de Gabès, SA (SG)	Director
Goliatur – Sociedade Investimentos Imobiliários SA	Chairman Board of Directors
Cunha e Meneses, Lda.....	Manager

6. Other professional activities over the last 5 years:

CIMIANTO-Gestão de Participações, S.A.	Director
PVQ – Produção de Vinho da Quinta, Lda	Manager
SCG – Société des Ciments de Gabès, S.A. (GS)	Director
DIMO – Desenvolvimento Imobiliário e Construção, S.A.....	Chairman Board of Directors
ALELUIA – Cerâmica Comércio e Indústria, S.A.	Director
SECLA – Sociedade de Exportação de Cerâmica, S.A.	Chairman Board of Directors

Francisco José Melo e Castro Guedes

1. Nature of duties on board of director: Executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: Degree in Finance from the Instituto Superior de Ciências Económicas e Financeiras; MBA Insead.
4. Date of first appointment and term of office: 2001 - 2005
5. Office held in other companies:

CMP- Cimentos Maceira e Pataias, S.A (SG).....	Director
PARSEINGES-Gestão de Investimentos, SGPS, S.A. (SG).....	Director
SECIL – Companhia Geral de Cal e Cimento, S.A. (SG).....	Director
SEINPART Participações, SGPS, S.A. (SG)	Director
SEMINV – Investimentos, SGPS, S.A. (SG).....	Director
SCG – Société des Ciments de Gabès, S.A. (SG)	Director
CDS- Ciments de Sibline, SGPS, S.A. (SG).....	Director
CIMINPART-Investimentos e Participações, SGPS, S.A. (SG)	Director
SEMAPA Inversiones, SL (SG).....	Director
SILONOR, S.A. (SG)	Director

6. Other professional activities over the last 5 years:

Enersis II, SGPS, S.A.	Director
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Luís Manuel Pego Todo Bom

1. Nature of duties on board of director: Non-executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: Degree in Chemical and Industrial Engineering - Instituto Superior Técnico (1971); M.B.A. – from Univ. Nova de Lisboa/Wharton School of Pennsylvania (1982); Stanford Executive Program (1997) & Executive Program on Strategy and Organization (1998) – University of Stanford; Concluded first year of DBA – Doctor of Business Administration Program – Cranfield University (2000) and currently preparing for doctorate in Business Strategy, at ISCTE.
4. Date of first appointment and term of office: 2003 - 2005
5. Office held in other companies:

Amorim Imobiliária, SGPS, S.A.	Director
Celulose do Caima, SGPS, S.A.....	Director
Companhia de Seguros Sagres, S.A.	Director
Portugal Telecom Investimentos Internacionais, S.A.....	Director

6. Other professional activities over the last 5 years:

Banco Finantia, S.A.	Director
Ambelis, S.A.	Director
ParaRede, SGPS, S.A.	Director

2. Executive Board

The only board with management powers is the Executive Board, which comprises, as already stated, Messrs. Pedro Mendonça de Queiroz Pereira, Eng. Carlos Eduardo Coelho Alves, Dr. José Alfredo de Almeida Honório and Dr. Francisco José Melo e Castro Guedes.

The Executive Board has been granted the widest management powers, largely detailed in the respective act of delegation, and only limited with regard to the matters indicated in article 407, nr. 4, of the Companies Code.

3. Workings of the Management Body

The management of the company is centred on the relationship between the Board of Directors and the Executive Board.

The two bodies are co-ordinated and kept in contact by the fact that they have a common chairman, and through regular transmission of all relevant information on the day-to-day management of the company to the non-executive directors, in order to keep them abreast of the company's life at all times. In addition, meetings of the Board of Directors are called for all decisions regarded as especially important, even if they fall within the scope of the powers delegated to the Executive Board.

It is relevant to note in this regard that the members of the Executive Board are available at all times to provide the information requested by the other members of the Board of Directors. It is standard practice for this information to be transmitted immediately when the importance or urgency of the matter so requires.

The Executive Board cannot resolve on the following:

- i) Selection of the chairman of the Board of Directors;
- ii) Co-opting of directors;
- iii) Requests for the call of a general meeting;
- iv) Annual reports and financial statements;
- v) Provision of bonds and personal or real guarantees by the company;
- vi) Change in registered offices and increases in share capital; and
- vii) Plans for merger, break-up or transformation of the company.

There are no internal rules on incompatibility or on the maximum number of offices which directors can hold in the management bodies of other companies.

The Board of Directors met seven times in 2005.

4. Remuneration Policy

Remuneration policy is not set by the Board of Directors, and aligns the interests of the directors with those of the company, dividing remuneration into a fixed component and a variable component.

The fixed component is determined in line with the usual criteria in directorships, taking special account of responsibilities, the size and capacity of the company, the remuneration paid in the market for equivalent posts and the fact of the director being executive or non-executive. The variable component consisted in the previous period in a share in profits approved by the General meeting and limited by the articles of association to 5% of the net profits.

There are no formal rules on distinguishing between the remuneration of executive and non-executive directors, and this factor is taken into account in a general way when setting remuneration, both fixed and variable.

The company has no policy on compensation or other payments on departure from office, other than the retirement benefits approved by the general meeting and detailed below.

5. Remuneration and retirement benefits

The total remuneration earned by the company's directors is indicated in the following table, which provides a breakdown between executive and non-executive directors, and between fixed and variable components.

	Executive directors	Non-exec. directors	Total
Fixed remuneration	1.252.416,77€	641.537,70€	1.893.954,47€
Variable remuneration	11.435.500,00€	864.500,00€	12.300.000,00€
Total	12.687.916,77€	1.506.037,70€	14.193.954,47€

(Figures for the 9 Directors, including therefore those who left office in the course of the year)

The figures indicated as variable remuneration result essentially from the resolution by the general meeting on the distribution of profits which, under the terms of Article 17.3 of the Articles of Association, provided for profit sharing by the directors. As already indicated, is limited by the articles to 5% of profits. In addition to this, the variable remuneration includes performance bonuses to some of the executive directors, totalling 3,200,000 €, fixed by the Remuneration Committee; these are exceptional, and relate to the disposal of Enersis.

The variable remuneration system is therefore based on results and on the respective resolution of the general meeting, and may also include a performance bonus component set by the Remuneration Committee. It is also the Remuneration Committee which resolves on the distribution between the directors of the profit sharing approved by the general meeting; there are no pre-set mandatory criteria for these decisions.

In addition to these amounts, the company's executive directors also earned remuneration for their management duties in controlled companies totalling 4,934,292.22€.

The company does not allocate any non-pecuniary benefits or other pecuniary benefits other than the remuneration indicated. There is also no share allocation or share option scheme in operation, and no compensation was paid or due to former executive directors leaving office in the course of the year.

There is a retirement benefits system for directors approved by the general meeting, under which the directors are entitled to a monthly life pension, paid 12 times a year, as from the age of 55, if they have served as directors of the company for a minimum of 8 years, consecutively or non-consecutively. In the event of invalidity, the entitlement is not subject to an age requirement.

The value of the pension is fixed at between 80% and 27.2% of the result of dividing by 12 the fixed annual remuneration earned by the director at the date of leaving office as director of Semapa or any other controlled company. The percentage is determined by the total length of service, in this case including service in Semapa or controlled companies, as director or in another capacity. The percentage of 80% applies to service of 20 years or more, and there is a sliding scale with 27.2% being applied to those with 8 years' service.

It is relevant to note that the regulations also allow for half the value of the pension to be transferred to the surviving spouse or underage or handicapped children of the director. In addition, any sums earned for services subsequently rendered to Semapa or controlled companies, together with the value of any pensions which the beneficiary is entitled to receive from public social security systems in relation to the same period of service, must be deducted from the pension paid.

6. Policy on Notification of Irregularities

The general thrust of the policy for notification of irregularities has been broadly described in item 3 of Chapter 3 of this Report, to which we refer.