



Quarterly Accounts

1st Quarter 2013

Quarterly Accounts

Part 1 Management Report

Part 2 Consolidated Financial Statements

PART 1

MANAGEMENT REPORT

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1. Overview of Semapa Group Operations

Comparison of leading business indicators with the same period in 2012:

Turnover: 465.4 million euros ↑ 10.5%

Total EBITDA: 98.4 million euros ↓ 14.0%

Recurrent EBITDA: 94.9 million euros ↓ 2.9%

Pre-tax profits: 32.0 million euros ↓ 54.1%

Net income: 12.2 million euros ↓ 72.9%

Net debt: 1,426.8 million euros ↓ 26.2 million euros (in relation to December 2012.)

Despite the negative business environment, recurrent EBITDA stood at 94.9 million euros, a decrease of 2.9% in relation to the same period in 2012.

Net income in the period reached 12.2 million euros negatively impacted, essentially by the reduction in the total EBITDA and the increase in the financial costs.

However, the comparability of the Semapa Group's results is affected by two structural changes which took place in the course of 2012, the impact of which was felt at the end of the 1st quarter of this year:

- As a result of taking control of Secil, as at the end of March 2012, and subsequent acquisition of the remaining 49% of its share capital from CRH, Semapa now includes Secil in its accounts on a full consolidation basis. Accordingly, in the 1st quarter of 2012, Secil's results were consolidated on a proportional basis (51%), and in the 1st quarter of 2013 they were included on a full consolidation basis.
- The Semapa Group has moved into the Brazilian cement market, having acquired a 50% stake in Supremo Cimentos in the 1st quarter of 2012. This acquisition had no impact on Semapa's consolidated results in that quarter. In the first quarter of 2013, this holding is consolidated on a proportional basis.

Leading Business Indicators

| IFRS - accrued amounts (million euros) | Q1 2013 | Q1 2012 | Var. (%) |
|--|-------------------|-------------------|----------------------------|
| Turnover | 465.4 | 421.1 | 10.5% |
| Other income | 8.7 | 29.1 | -70.0% |
| Costs and losses | (375.8) | (335.9) | -11.9% |
| Total EBITDA | 98.4 | 114.4 | -14.0% |
| Recurrent EBITDA | 94.9 | 97.7 | -2.9% |
| Depreciation and impairment losses | (43.6) | (36.4) | -19.7% |
| Provisions (increases and reversals) | (0.6) | 1.8 | -132.7% |
| EBIT | 54.1 | 79.7 | -32.1% |
| Net financial profit | (22.2) | (10.1) | -120.5% |
| Pre-tax profit | 32.0 | 69.6 | -54.1% |
| Tax on profits | (10.4) | (13.8) | 24.7% |
| Retained profits for period | 21.6 | 55.8 | -61.4% |
| Attributable to Semapa equity holders | 12.2 | 45.1 | -72.9% |
| Attributable to minority interests | 9.3 | 10.7 | -13.0% |
| Cash-flow | 65.8 | 90.5 | -27.3% |
| EBITDA margin (% Sales) | 21.1% | 27.2% | -6.0 p.p. |
| EBIT margin (% Sales) | 11.6% | 18.9% | -7.3 p.p. |
| | 31-03-2013 | 31-12-2012 | Mar13 vs. Dec12 |
| Equity (before MI) | 816.7 | 795.9 | 2.6% |
| Net debt | 1,426.8 | 1,453.0 | -1.8% |

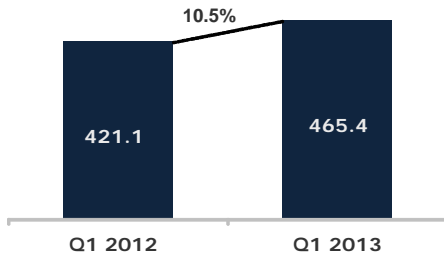
Notes:

- Total EBITDA = operating profit + depreciation and impairment losses + provisions – reversal of provisions
- Cash flow = retained earnings + depreciation and impairment losses + provisions – reversal of provisions
- Net debt = non-current interest bearing debt (net of loan issue charges) + current interest-bearing debt (including debts to shareholders) – cash and cash equivalents – market value of own shares and other listed securities held by the Group

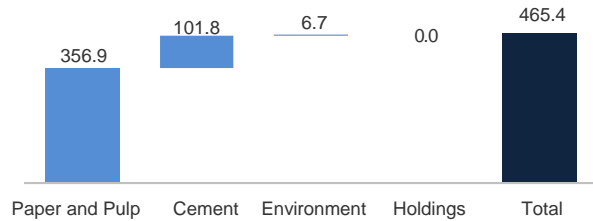
Comparability is affected in 2013 by: i) the inclusion of 50% of operations in Brazil (Supremo Group), consolidated on a proportional basis, and also ii) inclusion of Secil on a full consolidation basis, as opposed to 51% proportional consolidation in the comparative figures for the previous year

Analysis of Results

Turnover Evolution



By Business Area

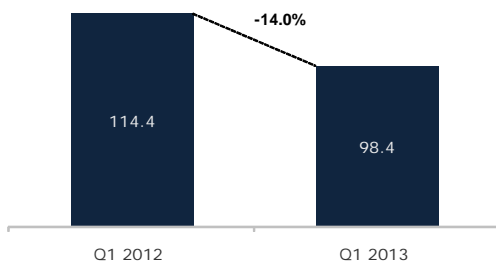


Figures in million euros

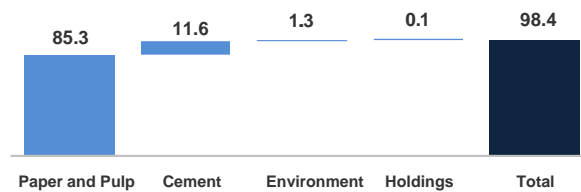
Consolidated turnover increased by 10.5% over the same period in 2012, due essentially to inclusion of an additional 49% of Secil in the consolidate accounts. Turnover by business area was as follows:

- Paper and Pulp: 356.9 million euros, up 1.1% in relation to the first 3 months of 2012.
- Cement and Derivatives: 101.8 million euros, up 68.9% on the figure recorded in the same period in the previous year (reflecting the change in the consolidation procedure and the inclusion of the Supremo Group in Semapa's consolidated accounts).
- Environment: 6.7 million euros, down 14.1% on the same period in the previous year.

EBITDA Evolution



By Business Area



Figures in million euros

Although Total EBITDA was down by 14.0%, it should be stressed that recurrent EBITDA fell by a smaller figure (2.9%), due to i) the inclusion of Secil on a full consolidation basis and ii) the recording in 2012 of various non-recurrent items with a value of 16.3 million euros in relation to holdings.

Accrued financial results up to March 2013 worsened by 12.1 million euros in relation to the same period the previous year, standing at a negative figure of 22.2 million euros.

Accrued consolidated net income for the 1st quarter of 2013 totalled 12.2 million euros, representing a reduction of 72.9% in relation to the same period in the previous year.

At 31 March 2013, consolidated net debt stood at 1,426.8 million euros, representing a reduction of 26.2 million euros from the figure recorded at year-end 2012.

2. Paper and Paper Pulp Business Area - PORTUCEL

2.1. LEADING BUSINESS INDICATORS

| IFRS - accrued amounts (million euros) | Q1 2013 | Q1 2012 | Var % |
|--|-------------------|-------------------|----------------------------|
| Sales | 356.9 | 353.0 | 1.1% |
| Other income | 4.7 | 8.8 | -46.9% |
| Costs and losses | (276.2) | (268.2) | -3.0% |
| EBITDA | 85.3 | 93.6 | -8.8% |
| Recurrent EBITDA | 82.0 | 93.4 | -12.3% |
| Depreciation and impairment losses | (30.8) | (29.8) | -3.5% |
| Provisions (increases and reversals) | (0.0) | 2.8 | -101.4% |
| EBIT | 54.4 | 66.6 | -18.2% |
| Net financial profit | (3.1) | (3.6) | 14.6% |
| Pre-tax profit | 51.4 | 63.0 | -18.4% |
| Tax on profits | (9.3) | (13.4) | 30.6% |
| Retained profits for period | 42.1 | 49.6 | -15.1% |
| Attributable to Portucel equity holders * | 42.1 | 49.6 | -15.2% |
| Attributable to minority interests (IM) | 0.0 | (0.0) | 337.2% |
| Cash-Flow | 72.9 | 76.6 | -4.7% |
| EBITDA margin (%) | 23.9% | 26.5% | -9.8% |
| EBT margin (%) | 15.3% | 18.9% | -19.1% |
| | 31-03-2013 | 31-12-2012 | Mar13 vs. Dec12 |
| Equity (before MI) | 1,377.5 | 1,336.3 | 3.1% |
| Net debt | 214.0 | 255.6 | -16.3% |

* of which 80.84% is attributable to Semapa

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

2.2. PORTUCEL GROUP – OVERVIEW OF OPERATIONS

The Portucel Group recorded a turnover of 356.9 million euros, up by 1.1%, thanks in part to improved performance in pulp business, in terms of both quantities sold and prices, and also to an increase in the value of energy sales, as a result of including the business of Soporgen – Sociedade Portuguesa de Produção de Electricidade e Calor, SA, the company operating the natural gas cogeneration plant at the Figueira da Foz industrial site, in which the Group increased its holding to 100% as from January this year.

The first quarter of 2013 saw a widespread slowdown in industrial output and consumption in Europe. The pulp and paper sector was not immune to this trend, with significant reductions in orders and deliveries of paper.

Over the course of the quarter, despite expectations to the contrary, the trend in the bleached eucalyptus **pulp** (BEKP) market was positive, with two price rises taking place and a third increase announced in April, due to take effect in May. As a result, the FOEX – BHKP index in USD for the first quarter stood at a level close to 13% higher than the price recorded in the first quarter of 2012. After exchange rate adjustment, the growth in Euros is approximately 12%. In terms of the sales volume, the trend was also positive, with the Group recording an increase of more than 4%. Rising prices, combined with growth in the volume of pulp placed on the market, led to significant growth in the value of pulp sales in comparison to the first quarter of 2012.

In the uncoated woodfree paper (UWF) sector, the business environment was completely different, with the main market indicators all showing substantial reductions in both consumption and the level of orders. Consequently, although paper output held steady in relation to the same period in the previous year, the sales volume was down by around 5%.

As happens at the end of every year, the Group ended 2012 with very low levels of stocks at its mills and in the logistical chain, meaning that these had to be replaced, which naturally also had an effect on the sales volume. In terms of prices, the Foex B-copy index edged downwards over the period, standing on average at a level approximately 0.5% lower than that for the first quarter of 2012, and down over the period by 1.6%. The Group's average price performed better, practically unchanged over the quarter.

In the **energy** sector, the Group acquired a further 82% holding in Soporgen, making it the sole shareholder, as a result of exercising its purchase option in December 2012. Given that the figures for energy business now include Soporgen's operations, these figures are not directly comparable with those from previous quarters.

In this context, EBITDA totalled 85.3 million euros, which represents a drop of 8.8% in relation to the same period in 2012 and corresponds to an EBITDA margin of 23.9%.

Operating income stood at 54.4 million euros, as compared with the figure of 66.6 million euros recorded in the first quarter of 2012.

The Group recorded a financial loss, but at 3.1 million euros it compares favourably with the loss previously recorded of 3.6 million euros. This improvement was due essentially to a reduction in net debt, combined with a reduction in Euribor rates, to which most of the Group's borrowing is indexed.

The Group accordingly recorded consolidated net income for the period of 42.1 million euros, down by 15.2% on the same period in the previous year.

2.3. BUSINESS REVIEW

2.3.1. Market Analysis

In the first quarter of 2013, the economic troubles in Europe, the main destination for the Group's sales, grew more acute, as GDP continued to contract and unemployment increased significantly. The region now has some 26 million people out of work, up by 2 million on the same period in 2012. Many sectors have been hit hard by this situation, reporting double digit drops in turnover, in particular in computers, mobile phones, printers and automobiles. In this context, demand for the different types of paper diminished, albeit more gently than in the sectors mentioned above.

In Europe, in particular, consumption of **uncoated woodfree (UWF) paper** fell by approximately 5%, making this the printing paper segment with lowest year-on-year decline. The cooling of the market was most noticeable towards the end of the quarter, causing a reduction in order books throughout the European UWF industry, which nonetheless clearly outperformed all other paper segments. As in previous periods, consumption of office paper displayed the highest levels of resilience to the crisis of the entire printing and writing paper sector.

In key overseas markets for the Group's exports, in North Africa and the Middle East, increased political and economic instability, the level of stocks at the end of the year and the poor financial health and liquidity of certain clients, not to mention the fiercely aggressive marketing by manufacturers from other regions, have combined to make it more difficult to compete.

The Group's performance, tightly constrained by these negative factors, points to a drop in the value of paper sales of around 5%, with average sale prices holding steady and a reduction in sales volume, as a result of the need to replenish stocks throughout the supply chain, after these fell to minimum levels in late 2012. It should nonetheless be noted that at the end of the quarter the Portucel Group's stocks remained at a very low level, more than 40% lower than the average for the industry in Europe.

Despite this very difficult context, the Group placed approximately 60% of its output in premium products, both in Europe and in its total sales. Growth in sales of mill brands in the European premium segment has been significant, and an important factor in the Group's stability and profitability. Taken together, these brands accounted for a further four per cent of sales, currently representing approximately 66% of all sheeted products.

The world financial markets have also continued to create difficulties for the Group's business in relation to credit risk. The Group has a strict credit risk policy and specific instruments to manage this risk, which has allowed it to withstand these conditions by systematically cutting its exposure and average collection periods, preferring in some instances to sacrifice its sales volume.

The recovery in the **pulp** market observed in the 4th quarter of 2012 continued into the 1st quarter of 2013, despite expectations in certain quarters of a renewed decline in prices due to the effect of a new large-capacity production unit starting up in Brazil at the end 2012.

Despite the increased supply of eucalyptus pulp and the apparent slowdown in the Chinese market in the first two months of the quarter in question, the pulp market has shown itself to be strong, as reflected in three announcements of short fibre price rises taking effect in 2013, the last of which has brought the price of eucalyptus pulp in Europe up to USD 850 as from 1 May. For exchange rate reasons, this increase in USD prices has not been reflected in full in prices in Euros.

However, given that the Chinese market has for several years been the main driving force behind demand, the question of whether the pulp market will remain strong will necessarily depend on rising consumption in China. This

fact will be even more crucial in a year which will see the start-up of two new major eucalyptus pulp projects, planned for the 3rd and 4th quarters, also in Latin America.

The economic troubles faced by certain European countries has caused a slowdown in the paper industry, leading manufacturers to resist the announced price rises. At the same time, the shrinking of global demand has led certain emerging countries, with export-led economies, to adopt a policy of currency devaluation, in order to keep their products competitive. This has included a number of leading pulp manufacturers, such as Brazil, Indonesia, Russia and South Africa, where local producers are therefore less dependent on the need to increase USD prices.

The Group's BEKP pulp sales for the first quarter of 2013 stood at approximately 60 thousand tons, up on the volume of sales recorded in the same period in 2012.

A breakdown of BEKP pulp sales by paper segment shows that the Group has continued to strengthen its position in the special papers segment, which undeniably offers the greatest value added, with sales to this segment rising from 63% of total in 2012 to 67% in the 1st quarter of 2013.

An analysis of sales by destinations shows that practically all the Group's pulp sales went to European markets, home to manufacturers of higher quality paper where technical demands are more stringent and where the intrinsic qualities of the *eucalyptus globulus* pulp are more properly valued.

3.3.2. Development

In the Group's integrated development project for forestry, pulp and energy in Mozambique, extremely encouraging results have been obtained in the first phase, especially in the field trials for determining the plant materials with the best potential and for testing forestry models. The Group is now preparing to speed up the pace of its forestry operation.

At the same time, in the field of logistics, studies have continued to determine the feasibility of the different alternatives for supplying raw materials and other factors of production to the mill, and for dispatching eucalyptus pulp; these studies will make it possible to reach a conclusion on the feasibility of the different scenarios considered. This phase will continue throughout 2013.

3. Cement and Derivatives Business Area – SECIL e SUPREMO

As previously reported, the Secil Group has been included in the Semapa's accounts on a full consolidation basis since the end of March 2012.

The figures presented in this chapter correspond to 100% of Secil Group operations after adjustments for consolidation in Semapa's accounts and 50% the operations of the Supremo Group in the quarter in analysis.

3.1. LEADING BUSINESS INDICATORS

| IFRS - accrued amounts (million euros) | Q1 2013 | Q1 2012 | Var. (%) |
|---|-------------------|-------------------|----------------------------|
| Sales | 101.8 | 118.3 | -13.9% |
| Other income | 4.0 | 6.5 | -39.0% |
| Costs and losses | (94.2) | (111.4) | 15.4% |
| EBITDA | 11.6 | 13.5 | -13.5% |
| Recurrent EBITDA | 11.2 | 13.1 | -14.5% |
| Depreciation and impairment losses | (12.0) | (11.5) | -4.9% |
| Provisions (increases and reversals) | (0.1) | (0.1) | 8.4% |
| EBIT | (0.5) | 1.9 | -127.3% |
| Net financial profit | (4.0) | (3.7) | -7.9% |
| Pre-tax profit | (4.5) | (1.8) | -146.8% |
| Tax on profits | (1.1) | (0.6) | -77.7% |
| Retained profits for period | (5.5) | (2.4) | -129.6% |
| Attributable to Cement area equity holders | (6.8) | (2.2) | -214.7% |
| Attributable to minority interests (IM) | 1.3 | (0.2) | 610.9% |
| Cash-flow | 6.6 | 9.2 | -28.0% |
| EBITDA Margin (%) | 11.4% | 11.4% | 0.4% |
| EBIT Margin (%) | -0.5% | 1.6% | -131.7% |
| | 31-03-2013 | 31-12-2012 | Mar13 vs. Dec12 |
| Equity (before MI) | 548.0 | 548.8 | -0.1% |
| Net debt | 316.7 | 304.3 | 4.1% |

The construction industry and cement consumption both continued on a downward course in Portugal, which is the Secil Group's principal market. During the 1st quarter of 2013, the construction sector in Portugal remained in decline and the extremely negative trend recorded in the previous year deteriorated even further. In January and February, output in the construction sector dropped by 19.9% (production index in construction and public works – INE February 2013). Demand for cement has continued to plummet, estimated to be down by around 34% in the first two months of the year.

In this difficult setting, this business area recorded a turnover in the first 3 months of 2013 of 101.8 million euros. This performance represented a decline of 13.9% from that recorded in the same period in the previous year, reflecting weaker performance across all operations in Portugal, down by 35.1%. This contrasted with excellent performance by the cement business units in Lebanon and Tunisia, where turnover grew by 17.7% and 18.1% respectively, in relation to the same period in 2012.

EBITDA stood at 11.6 million euros, down by approximately 13.5% in relation to the first 3 months of 2012. As with the figures for turnover, this drop in EBITDA was due essentially to poorer performance by business segments located in Portugal (as a direct consequence of the severe crisis affecting the construction sector), and to a lesser extent to the performance recorded by the cement business unit in Angola. Improved performance achieved by the cement business units in Tunisia and Lebanon was not enough to offset poorer performance in other segments.

The EBITDA margin stood at 11.4% for the first 3 months of 2013, similar to the margin recorded in the same period in the previous year.

This segment recorded losses of 6.8 million euros in the period, as compared to a loss of 2.2 million euros in the 1st quarter of 2012.

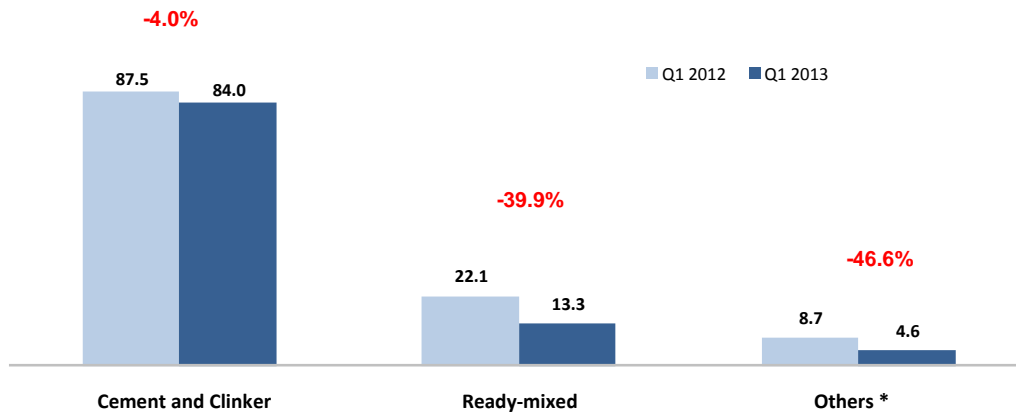
Total investment for the period stood at approximately 8.6 million euros, relating to operational investments.

At the end of the 1st quarter of 2013, net debt stood at approximately 316.7 million euros, representing an increase from year-end 2012 of approximately 12.4 million euros.

3.2. BUSINESS REVIEW

Turnover by Segment and Geographical Region

Turnover by Segment

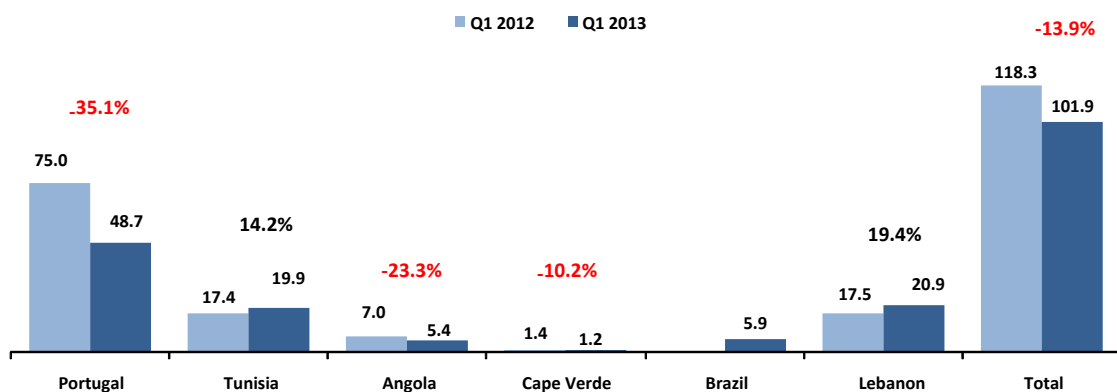


Figures in million euros

* includes Aggregates, Mortars and Pre-cast

Turnover in the cement and clinker segment declined by 4.0% in relation to the 1st quarter of 2012, due to a reduction in operations in Portugal and in cement operations in Angola. The cement and clinker segment represented a larger relative share of total Secil Group operations (82.4% in the 1st quarter of 2013, as compared to 74.0% in the 1st quarter of 2012).

Turnover by Region

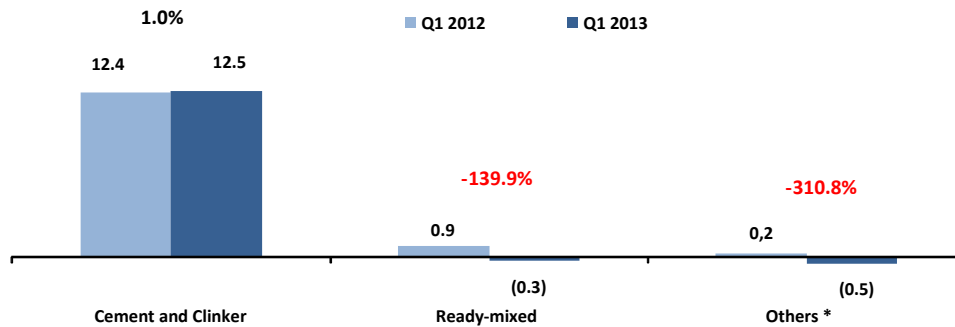


Figures in million euros

Turnover from total operations in Portugal and from exports by Portugal-based operations represented a smaller share of the total: 47.8% as against 63.5% in the 1st quarter of 2012. Operations outside Portugal represented approximately 52.2% of the Secil Group's consolidated total turnover in the 1st quarter of 2013.

Breakdown of EBITDA by segment and geographical region

EBITDA by Segment

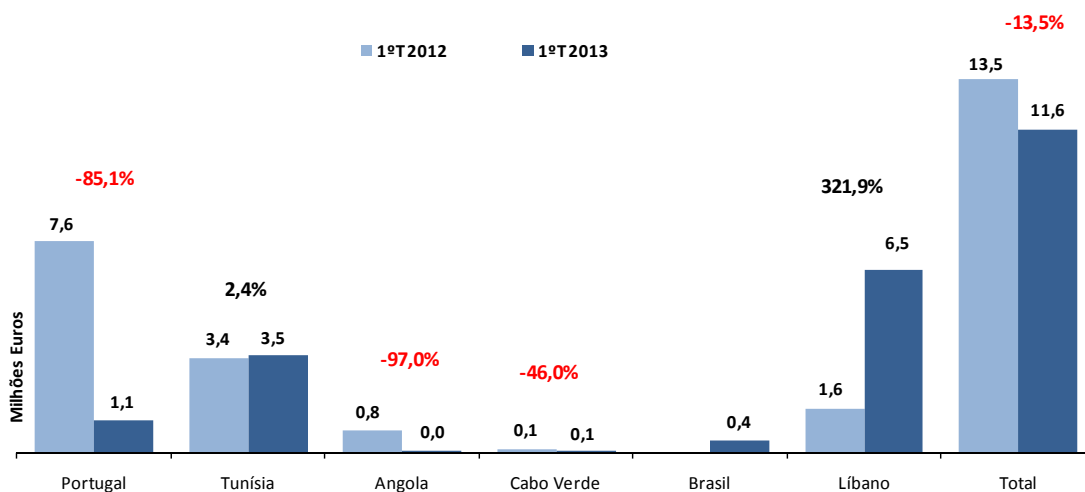


Figures in million euros

* includes Aggregates, Mortars and Pre-cast

Despite lower EBITDA in the cement and clinker segment, this segment represented a larger proportional share of the Secil Group's operations than in the 1st quarter of 2012.

EBITDA by Region



Figures in million euros

Note: The segment 'Portugal' includes the EBITDA of Silonor (France) and Secilpar (Spain)

In terms of geographical breakdown, EBITDA was more widely dispersed than in the previous year, with operations outside Portugal accounting for approximately 90.2% of the Secil Group's total EBITDA, as compared to the figure of 43.3% recorded in the first 3 months of 2012.

3.2.1. Portugal

During the 1st quarter of the year, the construction sector in Portugal remained in decline and the negative trend recorded in the previous year deteriorated even further. In January and February, output in the construction sector

dropped by 19.9% (production index in construction and public works – INE February 2013). The index for the public works segment fell by 23.3% in February and the index for construction (buildings) dropped by 15.8%.

Demand for cement has continued to plummet, estimated to be down by around 34% in relation to the same period in 2012.

In this particularly harsh environment, cement operations in Portugal recorded turnover of 35.2 million euros in the first 3 months of 2013, down by 27.4% on the same period in the previous year. This reduction in turnover was due essentially to a drop in quantities sold, as the average sales price was appreciably identical to that recorded in the 1st quarter of 2012.

In comparison with the same period in the previous year, the decline was more significant in sales on the domestic market and in export operations, at 38.6% and 3.6% respectively.

Turnover in non-cement business segments (concrete, aggregates, mortars, pre-cast and others) operating from Portugal stood at 13.5 million euros, down by 49.2% on the same period in the previous year.

EBITDA on cement operations based in Portugal stood at approximately 2.5 million euros, 65.0% down on that recorded in the 1st quarter of 2012, fundamentally explained by the reduction in turnover. We should point to the positive effect of a cut in personnel costs of approximately 17%, thanks to corporate reorganization in 2012, although this effect has not been sufficient to offset the drop in turnover.

Other business segments operating in Portugal generally recorded performance well down on 2012, due to the significant contraction of the construction market.

3.2.2. Tunisia

The Tunisian economy and the country's society continue to be marked by political and social instability. The political crisis worsened in the 1st quarter of 2012 with the assassination of one of the opposition leaders and the country failed to improve its economic and social situation. Instability therefore remains rife, meaning that the country's political, social and economic future is still highly uncertain.

Despite this situation, figures published by the IMF point to expected growth in the Tunisian economy of 4% in 2013, up from the figure of 3.6% recorded in 2012 (World Economic Outlook, IMF April 2013).

In relation to operations in Tunisia, the construction industry and cement consumption remained at practically the same level as in the previous year, down 0.14% for the country as a whole and 0.4% in the southern region which is the natural market for Secil's operations.

The cement business unit in Tunisia recorded a turnover of around 17.8 million euros, up by 18.1% on the figures for the 3 months of the previous year, due essentially to growing sales on the foreign market.

EBITDA from cement business stood at 3.2 million euros, up by approximately 6.2% in relation to the first 3 months of 2012. Despite this increase in turnover, a shortfall in clinker output, due to stoppages caused by technical problems in one of the kilns, made it necessary to import substantial quantities of clinker at higher prices, penalizing performance in this area.

Performance in ready-mixed and pre-cast was slightly poorer than in the first 3 months of 2012, with EBITDA standing at 0.3 million euros.

3.2.3. Lebanon

According to the IMF, the Lebanese economy is expected to grow by 2% in 2013, up from the rate of 1.5% recorded in 2012 (Angola Economic Outlook, IMF April 2013).

Despite the forecast for modest growth in the economy as a whole, cement consumption is expected to stabilize after sharp growth from 2003 to 2012, with estimates pointing to consumption at the same level as in 2012.

Over the period in question, turnover from cement operations in Lebanon stood at approximately 18.6 million euros, representing an increase of 17.7% over the same period in the previous year, due fundamentally to an increase in the sales volume.

EBITDA from the cement business unit stood at 6.4 million euros, up by approximately 314.1% in relation to the first 3 months of 2012. The performance recorded in the first quarter of the year was negatively affected by lengthy stoppages on production lines due to frequent power cuts and other technical problems. In order to respond to market demands, the company was obliged to buy in sizeable quantities of clinker and cement from other manufacturers, with a consequent loss of margin.

In the concrete segment, performance was positive and showed an improvement on the first 3 months of 2012. EBITDA stood at 0.2 million euros.

3.2.4. Angola

The Angolan economy continues to pick up speed, largely thanks to an upturn in the oil industry. According to the IMF, gross domestic product is expected to grow by 6.3% in 2013, albeit down from the rate of 8.4% recorded in 2012 (Angola Economic Outlook, IMF April 2012).

Despite the growth in the economy, operations in Angola presented a decline in performance in relation to the same period in 2012, with turnover standing at approximately 5.4 million euros, representing a reduction of 23.3%. This drop in performance was explained by a reduction in the sales volume and in the average sales price for cement, as a result of the start-up of a cement mill in Benguela in 2012, and also by continued imports into Angola of cement from China at cheaper prices.

EBITDA stood at 0.02 million euros, down by approximately 97.0% in relation to the first 3 months of 2012, due fundamentally to the reduction in turnover.

3.2.5. Brazil

During the 1st quarter of 2012, the Semapa Group went ahead with acquisition of a 50% stake in Supremo Cimentos S.A., a cement manufacturer located in southern Brazil, in the state of Santa Catarina, operating an integrated clinker and cement mill in Pomerode, as well as operates in the aggregates and concrete areas. The construction Project of the new mill is still in execution and in accordance with expected, will increase its cement production capacity to close to one million seven hundred thousand tons.

In the 1st quarter of 2013, the Supremo Group recorded a turnover of 11.7 million euros and an EBITDA of 0.8 million euros, of which Semapa appropriated 50%.

4. Environment Business Area – ETSA

4.1. LEADING BUSINESS INDICATORS

| IFRS - accrued amounts (million euros) | Q1 2013 | Q1 2012 | Var. (%) |
|--|-------------------|-------------------|----------------------------|
| Sales | 6.7 | 7.8 | -14.1% |
| Other income | 0.1 | 0.2 | -39.7% |
| Costs and losses | (5.5) | (6.0) | 8.7% |
| EBITDA | 1.3 | 2.0 | -33.2% |
| Recurrent EBITDA | 1.3 | 2.0 | -33.2% |
| Depreciation and impairment losses | (0.7) | (0.7) | 3.1% |
| Provisions (increases and reversals) | (0.0) | (0.3) | 94.9% |
| EBIT | 0.6 | 1.0 | -39.6% |
| Net financial profit | (0.3) | (0.4) | 25.9% |
| Pre-tax profit | 0.3 | 0.6 | -50.1% |
| Tax on profits | (0.1) | (0.3) | 84.3% |
| Retained profits for period | 0.2 | 0.2 | 1.8% |
| Attributable to ETSA equity holders * | 0.2 | 0.2 | 1.8% |
| Attributable to minority interests (MI) | - | - | - |
| Cash-Flow | 0.9 | 1.2 | -21.5% |
| EBITDA margin (%) | 19.6% | 25.3% | -22.3% |
| EBIT margin (%) | 8.9% | 12.7% | -29.7% |
| | 31-03-2013 | 31-12-2012 | Mar13 vs. Dec12 |
| Equity (before MI) | 55.9 | 55.7 | 0.4% |
| Net debt | 16.4 | 20.6 | -20.2% |

* of which 96% is attributable to Semapa

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

4.2. BUSINESS OVERVIEW: ETSA GROUP

The ETSA Group recorded total turnover for the first 3 months of 2013 of 6.7 million euros, down by approximately 14.1% on the same period in 2012. This reduction was due essentially to the economic recession affecting Portugal and Spain, with an impact on the animal slaughter level, and to deliberate reduction of collection business in Spain, insofar as the low prices charged in Spain have undermined the economic feasibility of this service. We may point to an increase, during this period, in the average sales price for category 3 by-products (fats and meals).

At 31 March 2013, the ETSA Group's consolidated EBITDA stood at approximately 1.3 million euros, down by close to 33.2% in relation to the same period in 2012, as a result of the reduction in turnover referred to above,

On the costs side, the Group recorded a reduction in average transport costs of approximately 2%, thanks to favourable evolution in the price of mineral fuels and improvement in the costs of goods sold per ton of processed raw material.

Financial costs came down in the 1st quarter of 2013 as a result of the reduction in net debt.

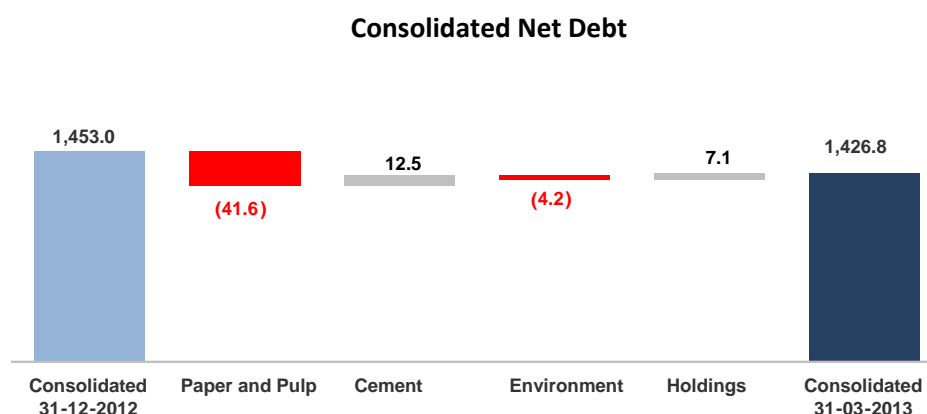
Net income in the 1st quarter of 2013 stood at approximately 0.2 million euros, 1.1% up on the same period in the previous year, having benefited from the fiscal impact of partial recognition of the tax credit which has been approved under the SIFIDE scheme.

The ETSA Group's net debt came down by approximately 4.2 million euros in relation to the figure for year-end 2012, standing at a total of 22.1 million euros at 31 March 2013. This reduction was due essentially to receiving outstanding balances from the Food and Veterinary Directorate at the start of the year.

5. Semapa Group – Financial Area

5.1. INDEBTEDNESS

| | Million Euros | | |
|----------------|----------------|----------------|--------------|
| | 31-03-2013 | 31-12-2012 | Var |
| Paper and Pulp | 214.0 | 255.6 | -41.6 |
| Cement | 316.7 | 304.3 | 12.5 |
| Environment | 16.4 | 20.6 | -4.2 |
| Holdings | 879.6 | 872.6 | 7.1 |
| Total | 1,426.8 | 1,453.0 | -26.2 |



At 31 March 2013, consolidated net debt stood at 1,426.8 million euros, representing a reduction of 26.2 million euros from the figure recorded at year-end 2012.

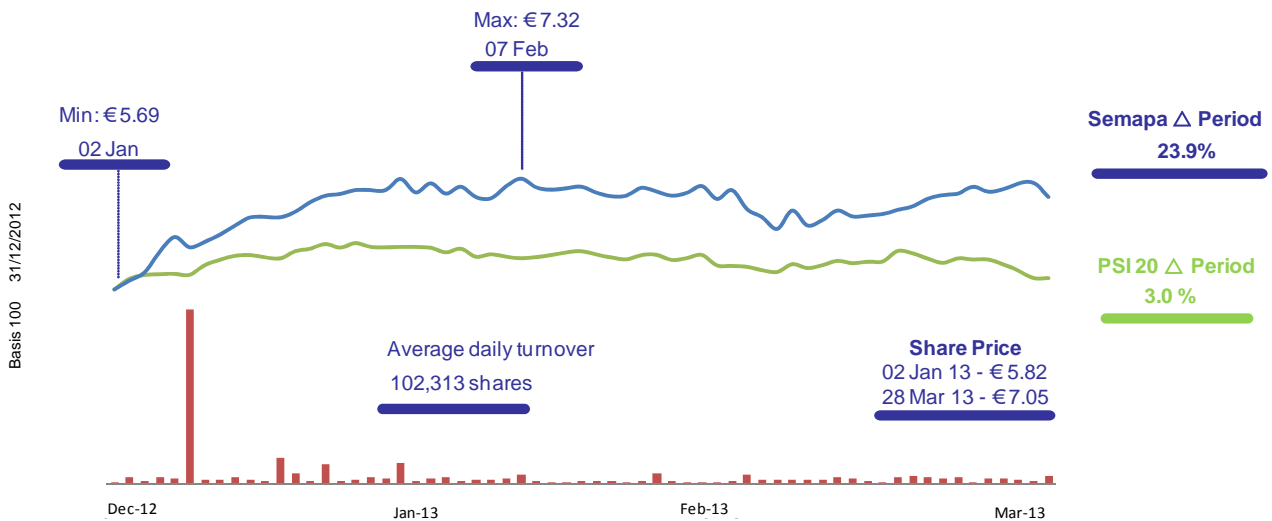
This decrease was due essentially to a combination of effects:

- i) Reduction in the Portucel Group's indebtedness of 41.6 million euros. Cash generation in the first quarter was hampered by a number of outflows which are characteristic of this period. This once again included the policy of support for wood suppliers, and payments to certain service providers, as well as a one-off payment relating to the acquisition of Soporgen. The 1st quarter was once again affected by a significant delay in overdue VAT rebates, amounting to 72.3 million euros. It should also be noted that approximately 19.1 million euros in the reduction in debt is due directly to the appreciation of own shares;
- ii) The increase of 12.5 million euros in the cement segment, resulting from increased indebtedness of the Secil and Supremo Groups;

- iii) A reduction of 4.2 million euros in the Environment sector, due essentially to receipt of outstanding balances from the Food and Veterinary Directorate at the start of the year;
- iv) An increase of 7.1 million euros in the holding companies, due to 14.8 million euros relating to financial and structural costs, less 7.8 million euros generated by appreciation of shares held in listed companies.

5.2. LISTED SHARE PRICE

The capital markets remained highly unstable during the 1st quarter of 2013, especially the Euro Zone stock exchanges. Whilst the London and New York indexes recorded very positive performance, with gains of 12.8% and 11.3% respectively, the Euronext indexes and the main European exchanges were highly volatile, with considerably more modest gains, as was the case of the Euronext Lisbon index, which was up by 3%. The only exception was the Madrid stock exchange, which ended the quarter with a loss of 3%.



Note: Closing prices

In this context, Semapa shares recorded gains, up by 23.9%, outperforming the PSI20 over the reporting period.

5.3. NET INCOME IN FIRST 3 MONTHS OF 2013

Accrued consolidated net income for the 1st quarter of 2013 totalled 12.2 million euros, representing a decrease of 72.9% in relation to the same period in the previous year. This reduction is due essentially to the following factors:

- A drop in total EBITDA of approximately 16.0 million euros;
- An increase in depreciation and impairment losses of 7.2 million euros;
- Constitution of provisions of 0.6 million euros, as compared to the cancellation of provisions of 1.8 million euros in the same period in the previous year;
- A worsening of financial results by 12.1 million euros in relation to the same period in the previous year;
- A reduction in taxes of 3.4 million euros.

6. Outlook

At the end of 2012, most indicators pointed to modest global economic growth in 2013, albeit with significant differences from region to region, and from country to country. At the end of the first quarter of this year, expectations of growth remain negative and the differences between regions appear to have been exacerbated, especially between the Euro Zone and the United States.

In the Euro Zone, the signs of an economic slowdown have grown more evident, with growth estimates for 2013 pointing to negative growth in relation to 2012. These negative estimates reflect not only the poor state of the outlying economies, but also emerging weaknesses in the economies of central Europe, raising doubts about the ability of these economies to power a return to growth in the Euro Zone.

In the United States, despite a degree of recovery in private consumption, sustained by growing demand in the property sector and for durable goods, estimates of growth remain relatively modest, and growth may not be sufficient to bring down unemployment from its current high levels. It should also be noted that this growth has occurred in the context of significant efforts to consolidate the budget, meaning that the pace and intensity of the upturn are still far from certain.

Some emerging markets, and China in particular, have also begun to cool, and growth in these economies is expected to decrease in the next few years as a result of slacker demand from the developed economies and the transition from a model of growth sustained almost entirely by exports and public spending to one in which internal demand plays a more important role. In any case, the Chinese market is expected to remain one of the main drivers of global demand.

In Portugal, most indicators point to a slowdown in the drop in output in the 1st quarter of 2013 in comparison with the 4th quarter of 2012. However, the year-on-year figures are fairly severe, showing a reduction in the order of 3.7%. Projections point to contraction in the Portuguese economy of 2.3% in 2013 (Spring Economic Bulletin - March 2013 - Bank of Portugal).

Paper and Pulp

In the context described above, the BEKP pulp market has proved fairly resilient, despite a persistently high level of uncertainty as to the impact of the start-up of new pulp capacity expected by the end of the year, although there are a number of current factors that might minimize this impact and help sustain pulp prices at present levels. On the supply side, the market should continue to benefit from a number of capacity closures and conversions from hardwood pulp, including the recent closure of a unit in Brazil with annual production capacity in excess of 400 thousand tons, and stoppages announced for the first three quarters of 2013 by a number of Brazilian manufacturers. On the demand side, major capital projects for tissue paper manufacture in China should also help to sustain the market.

In the **paper** market, the expected persistence of the economic downturn, with its inevitable impact on employment levels, will continue to drive down consumption of UWF paper in the more developed economies, in particular in Europe and the United States, the Group's main markets. In fact, apparent consumption in Europe fell by 5% over the first quarter of 2013, and this trend can be expected to continue, possibly at a more moderate rate, for as long as the crisis remains at its current level of severity. The outlook for the near future therefore remains highly uncertain.

In this difficult environment, the Group has striven consistently to expand its markets and to reposition its product mix on its traditional markets, capitalizing on the excellent penetration and awareness levels enjoyed by its own brands and wide perception of the quality of its value proposition. To this end, the Group has significantly increased its presence on new markets.

This has permitted the Group to keep its order books at levels higher than the average for the sector, which has

enabled it to operate at 100% capacity, placing nearly all its output on foreign markets.

Cement

The current economic environment remains unfavourable for Secil's main business operations.

In **Portugal**, the Secil Group's main market, IMF forecasts point to contraction in gross domestic product of 2.3% in 2013 (World Economic Outlook, IMF, 2013), meaning that the outlook remains bleak, taking into account the delicate state of the country's economy, which has had a particularly severe impact on the construction sector. As a result, the expectations for the different segments operated by the Secil Group in Portugal are not positive.

In this context, Secil is committed to implementing a series of cost cutting measures, in the most varied areas (both in operations and its central offices), and has started a process of optimizing supporting functions, which will involve projects in the field of information technology, in order to improve organizational processes.

In **Tunisia**, according to figures published by the IMF for 2013, the economy is forecast to grow by 4.0%, up from 3.6% recorded in 2012 (World Economic Outlook, IMF, April 2013).

Economic growth in **Lebanon** is forecast to stand at 2.0%, up from the figure of 1.5% recorded in 2012 (World Economic Outlook, IMF April 2013). However, despite the expected expansion in the country's economy, cement consumption is forecast to stabilize, holding steady at its 2012 levels.

With regard to **Angola**, forecasts published by the IMF point to continued economic growth, with estimates that gross domestic product will increase by 6.2% in 2013, albeit down from the figure of 8.4% recorded in 2012 (World Economic Outlook, IMF, April 2013). The construction industry is expected to continue to expand. Due to increasing competition, no significant improvement in results is expected.

The investment in acquiring Supremo Cimentos and building a new mill in **Brazil**, will result in increased debt, which will bring down financial results and consequently the Group's net income until the new plant starts operation.

Environment

In view of the current economic context, with a tendency for negative growth in the European economy and especially in Portugal, expected to result in a significant drop in domestic consumption, no improvement is anticipated in the short term in the sector in which ETSA operates, insofar that the reduction in consumption leads directly to lower levels of slaughter, and consequently a decrease in the by-products generated. This is exacerbated by increased competition between operators, as a result of the need for readjustment between demand and the supply of by-product processing capacity, and by the more aggressive approach to obtaining raw material, which is increasingly scarce.

The Group's prime objectives in the short term include: (i) concentrating on horizontal expansion of its markets, with estimates suggesting that exports will account for more than half of total turnover in 2013 (having represented approximately 46% in the first quarter of 2013); and (ii) identifying fresh opportunities for vertical growth, paying particular attention to investment in improving operational efficiency, extracting maximum value from the channels operated and locking in the main conventional and alternative collection centres.

The Ministry of Agriculture, the Sea, the Environment and Territorial Planning launched in the previous year an Open Tendering procedure, to run for a period of three years, establishing the new procedural system for providing integrated services in the collection and transport of animal carcasses for destruction (SIRCA).

ITS (an ETSA Group subsidiary), leading a consortium of bidders, was notified on 18 January 2013 of its selection as contractor by the Food and Veterinary Directorate-General, and the contract was signed by the Parties in April. Services under the new tendering procedure are expected to start up at the beginning of the 2nd half of 2013.

7. Subsequent developments

In May 2013, Portucel SA launched a successful issue of bonds on the international market aimed at Institutional Investors, in the amount of 350 million euros due in 2020, listed on the Luxembourg Stock Exchange.

Lisbon, 30 May 2013

The Board of Directors

Pedro Mendonça de Queiroz Pereira

Chairman

Maude Mendonça de Queiroz Pereira Lagos

Director

José Alfredo de Almeida Honório

Director

Francisco José Melo e Castro Guedes

Director

José Miguel Pereira Gens Paredes

Director

Paulo Miguel Garcês Ventura

Director

Rita Maria Lagos do Amaral Cabral

Director

António da Nóbrega de Sousa da Câmara

Director

Joaquim Martins Ferreira do Amaral

Director

António Pedro de Carvalho Viana-Baptista

Director

Vitor Manuel Galvão Rocha Novais Gonçalves

Director

PART 2

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED SEPARATE INCOME STATEMENT FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2013 AND 2012

| Amounts in Euro | Notes | 1st QT 2013 <i>(unaudited)</i> | 1st QT 2012 <i>(unaudited)</i> |
|---|-------|-----------------------------------|-----------------------------------|
| Revenues | | | |
| Sales | 4 | 454.168.076 | 413.024.639 |
| Services rendered | 4 | 11.259.312 | 8.121.523 |
| Other income | | | |
| Gains on disposal of non-current assets | 5 | 3.417.421 | 17.111.623 |
| Other operating income | 5 | 5.295.173 | 11.974.637 |
| Change in fair value of biological assets | 5 | 1.988.729 | (1.618.470) |
| Costs, expenses and losses | | | |
| Consumed materials and services | 6 | (193.588.641) | (171.363.626) |
| Movement in finished goods and work in progress | 6 | 5.944.471 | 10.594.286 |
| Sold and consumed inventories | 6 | (132.481.471) | (116.292.293) |
| Payroll costs | 6 | (52.714.995) | (50.323.891) |
| Other costs and losses | 6 | (4.932.170) | (6.873.915) |
| Provisions | 6 | (581.995) | 1.780.147 |
| Depreciation, amortization and impairment losses | 7 | (43.629.086) | (36.449.568) |
| Operational results | | 54.144.824 | 79.685.092 |
| Group share of (loss) / gains of associated companies | | 20.999 | 113.094 |
| Net financial results | 8 | (22.208.064) | (10.173.976) |
| Profit before tax | | 31.957.759 | 69.624.210 |
| Income tax | 9 | (10.407.332) | (13.826.300) |
| Net profit for the period | | 21.550.427 | 55.797.910 |
| Net profit for the period | | | |
| Attributable to Semapa shareholders | | 12.207.828 | 45.062.275 |
| Attributable to non-controlling interests | | 9.342.599 | 10.735.635 |
| Earnings per share | | | |
| Basic earnings per share, Eur | 10 | 0,108 | 0,399 |
| Diluted earnings per share, Eur | 10 | 0,108 | 0,399 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2013 AND 31 DECEMBER 2012

| Amounts in Euro | Notes | 31-03-2013 <i>(unaudited)</i> | 31-12-2012 |
|---|-------|----------------------------------|----------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Goodwill | | 335,700,924 | 335,700,924 |
| Other intangible assets | | 306,352,717 | 295,255,939 |
| Plant, property and equipment | 11 | 2,283,944,049 | 2,301,163,727 |
| Investment properties | | 1,608,837 | 1,615,016 |
| Biological assets | | 111,044,654 | 109,055,925 |
| Investment in associates | 12 | 3,502,566 | 5,498,397 |
| Financial assets at fair value through profit or loss | 13 | 9,466,110 | 9,026,930 |
| Assets held for sale | | 215,874 | 226,921 |
| Deferred tax assets | 17 | 60,327,028 | 60,858,404 |
| Other non-current assets | | 4,367,828 | 3,113,802 |
| | | 3,116,530,587 | 3,121,515,985 |
| Current Assets | | | |
| Inventories | | 315,914,987 | 317,329,632 |
| Receivables and other current assets | 14 | 316,569,191 | 290,925,902 |
| State and other public entities | | 115,621,319 | 80,511,929 |
| Assets held for sale | | 3,977,540 | 4,000,614 |
| Cash and cash equivalents | 19 | 452,520,160 | 413,676,080 |
| | | 1,204,603,197 | 1,106,444,157 |
| Total Assets | | 4,321,133,784 | 4,227,960,142 |
| EQUITY AND LIABILITIES | | | |
| Capital and Reserves | | | |
| Share capital | 15 | 118,332,445 | 118,332,445 |
| Treasury shares | 15 | (47,164,986) | (47,164,986) |
| Share premiums | | 3,923,459 | 3,923,459 |
| Translation reserves | 16 | (18,004,853) | (25,322,950) |
| Fair value reserves | 16 | (19,055,895) | (20,213,050) |
| Other reserves | 16 | 953,599,979 | 953,599,979 |
| Retained earnings | | (187,169,289) | (313,759,714) |
| Consolidated profit for the period | | 12,207,828 | 126,516,088 |
| Consolidated shareholders' equity | | 816,668,688 | 795,911,271 |
| Non-controlling interests | | 346,545,245 | 335,228,645 |
| Total Equity | | 1,163,213,933 | 1,131,139,916 |
| Non-current liabilities | | | |
| Deferred tax liabilities | 17 | 449,154,709 | 455,206,346 |
| Pensions and other post-employment benefits | | 9,446,157 | 9,503,059 |
| Provisions | 18 | 36,132,400 | 34,518,241 |
| Interest-bearing liabilities | 19 | 1,690,404,033 | 1,681,677,079 |
| Other non-current liabilities | | 11,032,775 | 15,616,661 |
| | | 2,196,170,074 | 2,196,521,386 |
| Current liabilities | | | |
| Interest-bearing liabilities | 19 | 363,956,579 | 333,104,559 |
| Payables and other current liabilities | 20 | 464,373,824 | 415,397,720 |
| State and other public entities | | 132,204,664 | 150,562,422 |
| Liabilities held for sale | | 1,214,710 | 1,234,139 |
| | | 961,749,777 | 900,298,840 |
| Total liabilities | | 3,157,919,851 | 3,096,820,226 |
| Total equity and liabilities | | 4,321,133,784 | 4,227,960,142 |

STATEMENT OF COMPREHENSIVE CONSOLIDATED INCOME FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2013 AND 2012

| Amounts in Euro | 1st Q 2013 <i>(unaudited)</i> | 1st Q 2012 <i>(unaudited)</i> |
|---|----------------------------------|----------------------------------|
| Retained earnings for the period without non-controlling interests | 21,550,427 | 55,797,910 |
| Fair value in financial derivative instruments | | |
| Fair value changes | 459,191 | 441,776 |
| Tax on items above when applicable | 421,985 | (659,963) |
| Actuarial gains / (losses) | | |
| Actuarial gains / (losses) | 74,265 | 4,143,625 |
| Tax on items above when applicable | 33,517 | (39,765) |
| Currency translation differences | 9,546,805 | (6,494,995) |
| Other comprehensive income for the period | 10,535,763 | (2,609,322) |
| Total other comprehensive income for the period | 32,086,190 | 53,188,588 |
| Attributable to: | | |
| Semapa's shareholders | 20,770,213 | 42,626,075 |
| Non-controlling interests | 11,315,977 | 10,562,513 |
| | 32,086,190 | 53,188,588 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FROM 1 JANUARY 2013 TO 31 MARCH 2013 AND FROM 1 JANUARY 2012 TO 31 MARCH 2012

| Amounts in Euro | Share Capital | Treasury shares | Share premiums | Fair value reserves | Other reserves | Translation reserves | Retained earnings | Profit for the period | Total | Non-controlling interests | Total |
|---|--------------------|---------------------|------------------|---------------------|--------------------|----------------------|----------------------|-----------------------|--------------------|---------------------------|----------------------|
| Equity as of 1 January 2013 | 118,332,445 | (47,164,986) | 3,923,459 | (20,213,050) | 953,599,979 | (25,322,950) | (313,759,714) | 126,516,088 | 795,911,271 | 335,228,645 | 1,131,139,916 |
| Application of 2012 profit of the year | | | | | | | | | | | |
| - Transfer to retained earnings | - | - | - | - | - | - | 126,516,088 | (126,516,088) | - | - | - |
| Income and expenses recognised directly in equity * | - | - | - | 1,157,155 | - | 7,318,097 | 87,132 | - | 8,562,384 | 1,973,379 | 10,535,763 |
| Differences in non-controlling interests acquisitions | - | - | - | - | - | - | - | - | - | 1,500 | 1,500 |
| Other movements | - | - | - | - | - | - | (12,795) | - | (12,795) | (878) | (13,673) |
| Profit for the period | - | - | - | - | - | - | - | 12,207,828 | 12,207,828 | 9,342,599 | 21,550,427 |
| Equity as of 31 March 2013 | 118,332,445 | (47,164,986) | 3,923,459 | (19,055,895) | 953,599,979 | (18,004,853) | (187,169,289) | 12,207,828 | 816,668,688 | 346,545,245 | 1,163,213,933 |

* Net of deferred taxes

| Amounts in Euro | Share Capital | Treasury shares | Share premiums | Fair value reserves | Other reserves | Translation reserves | Retained earnings | Profit for the period | Total | Non-controlling interests | Total |
|---|--------------------|---------------------|------------------|---------------------|--------------------|----------------------|-------------------|-----------------------|----------------------|---------------------------|----------------------|
| Equity as of 1 January 2012 | 118,332,445 | (47,164,986) | 3,923,459 | (11,409,673) | 858,223,719 | (15,071,293) | 17,807,527 | 124,161,800 | 1,048,802,998 | 333,216,889 | 1,382,019,887 |
| Application of 2011 profit of the year | | | | | | | | | | | |
| - Transfer to reserves | - | - | - | - | 124,161,800 | - | - | (124,161,800) | - | - | - |
| Dividends paid by subsidiaries to non-controlling interests | - | - | - | - | - | - | - | - | - | (1,338,038) | (1,338,038) |
| Income and expenses recognised directly in equity * | - | - | - | (547,242) | - | (5,094,116) | 3,205,158 | - | (2,436,200) | (173,122) | (2,609,322) |
| Differences in non-controlling interests acquisitions | - | - | - | - | - | - | 160 | - | 160 | (20,783) | (20,623) |
| Change in consolidation perimeter | - | - | - | - | - | - | - | - | - | 271,520,684 | 271,520,684 |
| Other movements | - | - | - | - | - | - | (30,189) | - | (30,189) | 528 | (29,661) |
| Profit for the period | - | - | - | - | - | - | - | 45,062,275 | 45,062,275 | 10,735,635 | 55,797,910 |
| Equity as of 31 March 2012 | 118,332,445 | (47,164,986) | 3,923,459 | (11,956,915) | 982,385,519 | (20,165,409) | 20,982,656 | 45,062,275 | 1,091,399,044 | 613,941,793 | 1,705,340,837 |

* Net of deferred taxes

CONSOLIDATED CASH FLOW STATEMENT FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2013 AND 2012

| Amounts in Euro | Notes | 1st Q 2013 <i>(unaudited)</i> | 1st Q 2012 <i>(unaudited)</i> |
|--|-------|----------------------------------|----------------------------------|
| OPERATING ACTIVITIES | | | |
| Payments from customers | | 506.699.239 | 458.450.770 |
| Payments to suppliers | | (428.021.325) | (392.593.925) |
| Payments to personnel | | (46.018.952) | (25.662.973) |
| Cash flow from operations | | <u>32.658.962</u> | <u>40.193.872</u> |
| Income tax received / (paid) | | 754.408 | (9.769.133) |
| Other receipts / (payments) relating to operating activities | | (1.197.336) | 3.336.187 |
| Cash flow from operating activities (1) | | <u>32.216.034</u> | <u>33.760.926</u> |
| INVESTING ACTIVITIES | | | |
| Inflows: | | | |
| Financial investments | | 1.397 | 367.986 |
| Property, plant and equipment | | 114.900 | 492.488 |
| Government Grants | | - | 23.953.028 |
| Interest and similar income | | 1.886.327 | 3.908.705 |
| Dividends | | 226.006 | 54.149 |
| | | <u>2.228.630</u> | <u>28.776.356</u> |
| Outflows: | | | |
| Financial investments | | (5.060.493) | (35.341.398) |
| Cash and cash equivalents - changes in consolidation perimeter | | 6.683.237 | 31.673.551 |
| Property, plant and equipment | | (18.816.163) | (8.003.462) |
| | | <u>(17.193.419)</u> | <u>(11.671.309)</u> |
| Cash flows from investment activities (2) | | <u>(14.964.789)</u> | <u>17.105.047</u> |
| FINANCING ACTIVITIES | | | |
| Inflows: | | | |
| Proceeds from borrowings | | 729.041.255 | 871.128.950 |
| Capital increases, supplementary benefits and premiums | | 1.500 | - |
| | | <u>729.042.755</u> | <u>871.128.950</u> |
| Outflows: | | | |
| Repayments of borrowings | | (695.066.273) | (527.813.505) |
| Repayment of financial leases | | (273.068) | (119.441) |
| Interest and similar expenses | | (13.708.081) | (17.962.950) |
| Dividends paid | | (59.080) | (22.052) |
| | | <u>(709.106.502)</u> | <u>(545.917.948)</u> |
| Cash flow from financing activities (3) | | <u>19.936.253</u> | <u>325.211.002</u> |
| CHANGE IN CASH AND CASH EQUIVALENTS (1)+(2)+(3) | | 37.187.498 | 376.076.975 |
| EXCHANGE GAINS/(LOSSES) ON CASH AND CASH EQUIVALENTS | | 1.656.583 | (651.104) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 413.676.079 | 415.697.575 |
| EFFECT OF NON-CURRENT ASSETS HELD FOR SALE | | - | 1.174.749 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | <u>452.520.160</u> | <u>792.298.195</u> |

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2013

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

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

Head Office: Av. Fontes Pereira de Melo, 14, Lx

Share Capital: Euros 118,332,445

Registration No.: 502 593 130

Semapa leads an Enterprise Group with activities in three distinct business segments: pulp and paper, cements and related products, and environmental developed respectively under the edge of Portucel - Companhia Produtora de Pasta e Papel, S.A Secil - Companhia Geral de Cal e Cimento, S.A., and ETSA - Investimentos, SGPS, S.A..

These interim consolidated financial statements were approved by the Board of Directors on 30 May 2013.

The Group's senior management, that is 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 Presentation

The interim consolidated financial statements for the three months period ended 31 March 2013 were prepared in accordance with the International Accounting Standard 34 – Interim Financial Reporting.

The accompanying interim consolidated financial statements were prepared on a going concern basis, from the accounting books and records of the companies included in consolidation (Note 26), and under the historic cost convention, except for derivative financial instruments and biological assets which are recorded at fair value

The following notes were selected in order to allow a full understanding of the most significant changes on the consolidated financial position of the group as well as its performance since the last report was issued (31 December 2012).

Comparability

Acquisition of 82% of the capital of Soporgen, S.A.

On 22 March 2013, the Group, through its subsidiary Soporcel, S.A., acquired the remaining representative shares of Soporgen – Sociedade Portuguesa de Geração de Electricidade e Calor, S.A. to EDP, S.A.. This acquisition is a result of exercise of the call option comprised in the shareholders agreement.

In accordance with the revised IFRS 3, Semapa measured its equity interest held in Soporcel (18%) by its fair value at the date in which control was obtained. Additionally, the Group has attributed to the 82% obtained shares the fair value of identifiable assets and liabilities, calculated by reference to the date in which control was obtained, which resulted in a gain of Euro 2.3 million (Note 12).

Therefore, the consolidated financial statements comprise the consolidation of Soporgen by the equity method for the 3 months period ended 31 March 2012 and 31 December 2012, and by the full consolidation method for the 3 months period ended 31 March 2013.

Restatement of consolidated financial statements in 1st Quarter 2012

As duly communicated to the market, Semapa and CRH held differences on understanding the arbitration's decision held under the process in which were appreciated and recognized failures of the shareholder's agreement between the two companies related to Secil.

By the end of March, due to a series of acts and facts of legal, operational and financial nature, particularly concerning to investment projects and dividends, among others, Semapa believes that the existing shareholders agreement lapsed in that date, therefore started to fully consolidate the subsidiary Secil by the end of March, based on the percentage of voting rights held in the subsidiary, restating the accounts presented for the first quarter of 2012. In accordance with the revised IFRS 3, Semapa measured its equity interest held in Secil (51%) by its fair value at the date in which control was obtained, which resulted in a gain of Euro 16.8 million. Additionally, the Group has attributed to Secil's 49% non-controlling interest the fair value of identifiable assets and liabilities calculated by reference to the date in which control was obtained. Additionally, on May 15, 2012, Semapa Group acquired the remaining 49% share capital of Secil, S.A. to CRH.

As mentioned in the previous note, the restated consolidated income statement for the three month period ended 31 March 2012 comprise the consolidation of Secil by the proportional method although the restated statement of financial position comprises the subsidiary by the full consolidation method. In the first quarter of 2013 this subsidiary is consolidated by the full consolidation method. Thus, the comparability of the financial statements is affected by this fact.

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 2012 and stated in the respective attached notes.

3. Important accounting estimates and judgments

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

These estimates are influenced by Group's management 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 take place, the outcome could be quite different from those estimates.

4. Segment information

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

The financial data by operating segment for the three months period ended 31 March 2013 is shown as follows:

| Amounts in Euro | Pulp and paper | Cement and derivatives | Environment | Holdings | Consolidated |
|---|-------------------|------------------------|----------------|---------------------|-------------------|
| RESULTS | | | | | |
| Revenue | 356,864,724 | 101,848,198 | 6,714,466 | - | 465,427,388 |
| Operational results | 54,443,596 | (506,260) | 597,791 | (390,303) | 54,144,824 |
| Net financial results | (3,086,876) | (3,977,085) | (319,276) | (14,824,827) | (22,208,064) |
| Group share of (loss)/gains of associated companies | - | 20,999 | - | - | 20,999 |
| Income tax expense | (9,291,165) | (1,063,198) | (52,599) | (370) | (10,407,332) |
| Ordinary activities results | 42,065,555 | (5,525,544) | 225,916 | (15,215,500) | 21,550,427 |
| Non-controlling interests | (8,067,456) | (1,266,106) | (9,037) | - | (9,342,599) |
| Profit for the period | 33,998,099 | (6,791,650) | 216,879 | (15,215,500) | 12,207,828 |
| OTHER INFORMATIONS | | | | | |
| Total segmental assets | 2,753,235,949 | 1,343,678,618 | 97,609,865 | 126,609,352 | 4,321,133,784 |
| Investments in associates | - | 3,502,566 | - | - | 3,502,566 |
| Total segmental liabilities | 1,375,529,254 | 706,032,407 | 41,730,397 | 1,034,627,793 | 3,157,919,851 |
| Amortisation and impairment losses | 30,835,846 | 12,015,073 | 707,398 | 70,769 | 43,629,086 |
| Provisions | 38,820 | 130,247 | 12,929 | 399,999 | 581,995 |
| Capital expenditures | 2,954,095 | 13,834,392 | 1,384,938 | 17,816 | 18,191,241 |

The financial data by operating segment for the three months period ended 31 March 2012 is shown as follows:

| Amounts in Euro | Pulp and paper | Cement and derivatives | Environment | Holdings | Consolidated |
|---|-------------------|------------------------|----------------|------------------|-------------------|
| RESULTS | | | | | |
| Revenue | 352,998,387 | 60,316,418 | 7,813,336 | 18,021 | 421,146,162 |
| Operational results | 66,579,710 | 946,961 | 990,304 | 11,168,117 | 79,685,092 |
| Net financial results | (3,723,034) | (1,873,829) | (431,207) | (4,145,906) | (10,173,976) |
| Group share of (loss)/gains of associated companies | 108,335 | 4,759 | - | - | 113,094 |
| Income tax expense | (13,389,582) | (305,065) | (335,602) | 203,949 | (13,826,300) |
| Ordinary activities results | 49,575,429 | (1,227,174) | 223,495 | 7,226,160 | 55,797,910 |
| Non-controlling interests | (10,853,087) | 126,392 | (8,940) | - | (10,735,635) |
| Profit for the period | 38,722,342 | (1,100,782) | 214,555 | 7,226,160 | 45,062,275 |
| OTHER INFORMATIONS | | | | | |
| Total segmental assets | 2,858,791,913 | 1,059,888,725 | 94,992,112 | 826,339,349 | 4,840,012,099 |
| Investments in associates | 1,632,065 | 2,096,331 | - | 94,818,912 | 98,547,308 |
| Total segmental liabilities | 1,452,127,291 | 497,253,985 | 42,204,002 | 1,133,085,986 | 3,124,671,264 |
| Amortisation and impairment losses | 29,803,890 | 5,843,455 | 729,691 | 72,532 | 36,449,568 |
| Provisions | (2,806,261) | 72,554 | 253,561 | 699,999 | (1,780,147) |
| Capital expenditures | 11,963,443 | 2,893,777 | 201,144 | 16,657 | 15,075,021 |

5. Other income

The caption “Other income” is detailed as follows for the three month periods ended 31 March 2013 and 2012:

| Amounts in Euro | 1st Q 2013 | 1st Q 2012 |
|--|------------------|-------------------|
| Grants - CO2 emissions allowances | 1,935,850 | 3,531,354 |
| Reversal of other adjustments | 243,993 | 27,488 |
| Reversal of Impairment charges | 48,923 | - |
| Disposals - CO2 emission allowances | - | 277,440 |
| Supplementary income | 323,927 | 613,792 |
| Gains on disposals of non-current assets | 3,417,421 | 17,111,623 |
| Gains in inventories | 178,818 | 326,061 |
| Gains in current assets | 8,834 | 172,168 |
| Operating government grants | 75,343 | 240,008 |
| Own work capitalised | 162 | 13,933 |
| Revenues from waste management | 143,853 | 137,718 |
| Other operating income | 2,335,470 | 6,634,675 |
| | 8,712,594 | 29,086,260 |

In the first quarter of 2013, the caption “Gains on disposals of non-current assets” comprises an amount of Euro 3,328,093 regarding the acquisition of 82% of Soporgen as described in note 12.

In the first quarter of 2012, the caption “Gains in current assets” comprises an amount of Euro 16,759,370 related to the fair value measurement, in accordance with the revised IFRS 3, of the interest held by Semapa in Secil equity (51%) at fair value on the date in which the control was obtained (March 2012).

6. Costs, expenses and losses

Costs are detailed as follows for the periods ended 31 March 2013 and 2012:

| Amounts in Euro | 1st Q 2013 | 1st Q 2012 |
|--|----------------------|----------------------|
| Cost of sales and service rendered | | |
| Cost of inventories sold and consumed | (193,588,641) | (171,363,626) |
| Cost of materials and services consumed | (132,481,471) | (116,292,293) |
| Variation in production | 5,944,471 | 10,594,286 |
| Payroll | | |
| Statutory bodies | (3,926,051) | (4,985,219) |
| Other remunerations | (35,221,798) | (30,649,104) |
| Pension costs | (1,263,108) | (2,958,279) |
| Other payroll costs | (12,304,038) | (11,731,289) |
| | (52,714,995) | (50,323,891) |
| Other costs and losses | | |
| Membership fees | (147,934) | (307,478) |
| Donations | (192,242) | (111,996) |
| Cost with emission allowance | (1,067,123) | (2,636,245) |
| Inventories and other receivables impairment | (642,324) | (620,660) |
| Losses on inventories | (105,727) | (99,678) |
| Indirect taxes | (1,885,708) | (2,036,442) |
| Losses on disposal of non-current assets | - | (10,470) |
| Other operating costs | (891,112) | (1,050,946) |
| | (4,932,170) | (6,873,915) |
| Provisions | (581,995) | 1,780,147 |
| Total of Costs, Expenses and Losses | (378,354,801) | (332,479,292) |

7. Depreciation, amortisation and impairment losses

As of 31 March 2013 and 2012, “Depreciation, amortisation and impairment losses” were as follows:

| Amounts in Euro | 1st Q 2013 | 1st Q 2012 |
|---|----------------------------|----------------------------|
| Property, plant and equipment depreciation | | |
| Land | (1,062,346) | (256,958) |
| Buldings | (5,281,261) | (4,032,227) |
| Other tangible assets | (35,772,837) | (32,165,676) |
| | <u>(42,116,444)</u> | <u>(36,454,861)</u> |
| Intangible assets depreciation | | |
| Industrial property and other rights | (1,838,199) | 8,145 |
| Other capitalised expenditure | (500) | (255) |
| | <u>(1,838,699)</u> | <u>7,890</u> |
| Impairment losses on tangible assets | | |
| Other assets | 346,159 | - |
| | <u>346,159</u> | <u>-</u> |
| Impairment losses on available-for-sale assets | <u>(15,004)</u> | <u>-</u> |
| Impairment losses on investment properties | | |
| Land | (5,098) | - |
| Buldings | - | (2,597) |
| | <u>(5,098)</u> | <u>(2,597)</u> |
| | <u>(43,629,086)</u> | <u>(36,449,568)</u> |

8. Net financial results

The caption “Net financial results” is detailed as follows for the periods ended 31 March 2013 and 2012:

| Amounts in Euro | 1st Q 2013 | 1st Q 2012 |
|---|----------------------------|----------------------------|
| Interest paid on loans from shareholders | (52,057) | (92,876) |
| Interest paid on other loans | (18,475,174) | (11,715,152) |
| Interest income on loans to associated companies | 9,858 | 26,110 |
| Other interest earned | 1,890,527 | 2,993,139 |
| Compensatory interest | 444,534 | 23,135 |
| Fair value in available for sale financial assets | (11,047) | 2,259 |
| Financial assets at fair value through results | 439,180 | (799,038) |
| Gains / (losses) on financial instruments - hedging | 219,215 | (78,704) |
| Gains / (losses) on financial instruments - trading | (2,204,565) | 3,634,158 |
| Foreign exchange gains / (losses) | (1,489,635) | (2,534,628) |
| Other financial expenses | (2,980,823) | (1,633,246) |
| Other financial income | 1,923 | 867 |
| | <u>(22,208,064)</u> | <u>(10,173,976)</u> |

9. Income tax

The groups Semapa, Portucel and Secil are subject to the special regime governing business groups, comprising companies in which the shareholding is equal to or more than 90% and which meet the conditions laid down in articles 69 and following, of the IRC Code.

As of 31 March 2013 and 2012, “Income tax” comprises:

Translation of a report originally issued in Portuguese – Note 25

| Amounts in Euro | 1st Q 2013 | 1st Q 2012 |
|---------------------------|-------------------|-------------------|
| Current tax | 16,078,937 | 20,622,482 |
| Provision for current tax | 420,422 | 106,771 |
| Deferred tax | (6,092,027) | (6,902,953) |
| | 10,407,332 | 13,826,300 |

In the three months period ended 31 March 2013 and 2012, the reconciliation of the effective income tax rate was as follows:

| Amounts in Euro | 1st Q 2013 | 1st Q 2012 |
|--|-------------------|-------------------|
| Profit before tax | 31,957,759 | 69,624,210 |
| Expected income tax | 8,468,806 | 18,450,416 |
| State Surcharge | 1,513,525 | 2,856,065 |
| Differences (a) | (2,944,251) | (5,153,848) |
| Prior year tax adjustments | (149,855) | 38,003 |
| Recoverable tax losses carried forward | (335,451) | (39,428) |
| Non recoverable tax losses | 5,691,607 | 1,786,973 |
| Tax rate effect | (63,718) | 237,394 |
| Provision for current tax | 420,422 | 106,771 |
| Tax benefits | (2,403,630) | (4,986,247) |
| Other adjustments | 209,877 | 530,201 |
| | 10,407,332 | 13,826,300 |
| Effective Tax rate | 32.57% | 19.86% |

(a) This amount is made up essentially of :

| | | |
|---|---------------------|---------------------|
| Effects arising from the application of the equity method | 238,377 | (4,759) |
| Capital gains / (losses) for tax purposes | 121,505 | 406,065 |
| Capital gains / (losses) for accounting purposes | (133,826) | (432,766) |
| Adjustments and taxable provisions | 552,229 | 1,275,239 |
| Tax benefits | (1,117,922) | (392,421) |
| Dividends received from non EU companies | - | 815,906 |
| Decrease in taxable provisions | (288,565) | (3,254,021) |
| Employees benefits | 180,309 | - |
| Others | (10,662,490) | (17,861,727) |
| | (11,110,383) | (19,448,484) |
| Tax effect (26,5%) | (2,944,251) | (5,153,848) |

In Portugal, the annual tax returns are subject to review and potential adjustment by tax authorities for a period up to 4 years. However, if tax losses are utilized, these may be subject to review by the tax authorities for a period of up to 6 years.

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 consolidated financial statements as of 31 March 2013. The income tax returns up to 2010 have already been reviewed in Portucel, Soporcel, Secil and Semapa.

10. Earnings per share

Since there are no convertible financial instruments over Semapa's shares, its earnings are undiluted.

Translation of a report originally issued in Portuguese – Note 25

| Amounts in Euro | 1st Q 2013 | 1st Q 2012 |
|---|-------------|-------------|
| Profit attributable to Semapa's shareholders | 12,207,828 | 45,062,275 |
| Weighted average number of ordinary shares in issue | 112,884,470 | 112,884,470 |
| Basic earnings per share | 0.108 | 0.399 |
| Diluted earnings per share | 0.108 | 0.399 |

The weighted average number of shares is shown after deducting 5,447,975 treasury shares owned by Semapa SGPS, S.A..

11. Property, plant and equipment

Over the three months period ended 31 March 2013 and 2012, changes in “Property, plant and equipment”, as well as the respective depreciation and impairment losses, were as follows:

| Amounts in Euro | Land | Buildings and other constructions | Equipments and others tangibles | Assets in progress | Total |
|---|---------------------|-----------------------------------|---------------------------------|--------------------|------------------------|
| Acquisition cost | | | | | |
| Amount as of 1 January 2012 | 206.569.601 | 783.553.323 | 4.185.040.983 | 48.099.238 | 5.223.263.145 |
| Change of consolidation perimeter | 189.217.573 | 193.864.753 | 631.079.995 | 25.412.856 | 1.039.575.177 |
| Acquisitions | 1.053.534 | 6.446.435 | 9.748.240 | 77.689.296 | 94.937.505 |
| Disposals | (35.308) | (77.509) | (9.485.597) | (60.126) | (9.658.540) |
| Adjustments, transfers and write-off's | 18.208.552 | 7.985.124 | (14.799.613) | (83.542.754) | (72.148.692) |
| Exchange rate adjustment | (9.590.214) | (2.406.931) | (8.854.735) | (2.185.472) | (23.037.352) |
| Amount as of 31 December 2012 | 405.423.738 | 989.365.196 | 4.792.729.273 | 65.413.037 | 6.252.931.243 |
| Change of perimeter | - | - | 927.798 | - | 927.798 |
| Acquisitions | - | 2.543 | 735.321 | 17.453.377 | 18.191.241 |
| Disposals | - | - | (1.013.873) | (102) | (1.013.975) |
| Adjustments, transfers and write-off's | (19.954) | 2.467.741 | 6.177.406 | (8.730.641) | (105.448) |
| Exchange rate adjustment | 2.728.385 | 1.771.504 | 5.371.874 | 1.669.568 | 11.541.330 |
| Amount as of 31 March 2013 | 408.132.168 | 993.606.984 | 4.804.927.798 | 75.805.239 | 6.282.472.189 |
| Accumulated amortisation and impairment losses | | | | | |
| Amount as of 1 January 2012 | (19.663.016) | (439.741.448) | (2.718.011.115) | (102.292) | (3.177.517.871) |
| Change of consolidation perimeter | (18.299.215) | (143.286.863) | (478.181.894) | - | (639.767.972) |
| Depreciations and impairment losses | (9.699.266) | (25.956.044) | (147.060.450) | - | (182.715.760) |
| Disposals | 10.340 | 80.401 | 9.512.631 | - | 9.603.372 |
| Adjustments, transfers and write-off's | 24.919 | (4.483.203) | 32.195.571 | - | 27.737.287 |
| Exchange rate adjustment | 561.574 | 749.040 | 3.679.545 | - | 4.990.159 |
| Assets held for sale | 2.277.432 | 1.960.372 | 1.665.465 | - | 5.903.269 |
| Amount as of 31 December 2012 | (44.787.232) | (610.677.745) | (3.296.200.247) | (102.292) | (3.951.767.516) |
| Change of consolidation perimeter | - | - | (491.509) | - | (491.509) |
| Depreciations and impairment losses | (1.062.346) | (5.253.283) | (36.954.397) | - | (43.270.026) |
| Disposals | - | - | 946.416 | - | 946.416 |
| Adjustments, transfers and write-off's | - | (224.257) | 16.864 | - | (207.394) |
| Exchange rate adjustment | (104.109) | (769.838) | (2.864.166) | - | (3.738.112) |
| Amount as of 31 March 2013 | (45.953.687) | (616.925.123) | (3.335.547.039) | (102.292) | (3.998.528.140) |
| Net book value as of 1 January 2012 | 186.906.585 | 343.811.875 | 1.467.029.868 | 47.996.946 | 2.045.745.274 |
| Net book value as of 31 December 2012 | 360.636.506 | 378.687.451 | 1.496.529.026 | 65.310.745 | 2.301.163.727 |
| Net book value as of 31 March 2013 | 362.178.482 | 376.681.861 | 1.469.380.760 | 75.702.947 | 2.283.944.049 |

12. Investments in associates

The following movements were registered in this caption during the three months period ended 31 March 2013 and the year ended 31 December 2012:

| Amounts in Euro | 31-03-2013 | 31-12-2012 |
|-----------------------------------|------------------|------------------|
| Opening balance | 5,498,397 | 3,924,419 |
| Change of consolidation perimeter | (1,790,832) | 2,014,122 |
| Net Profit embedded | 20,999 | 1,002,692 |
| Dividends Received | (226,006) | (826,575) |
| Exchange rate adjustment | 8 | (69) |
| Other movements | - | (616,192) |
| Closing balance | 3,502,566 | 5,498,397 |

As of 31 March 2013 and 31 December 2012, “Investment in associates” comprised:

Translation of a report originally issued in Portuguese – Note 25

| Subsidiaries / Associates | % held | Book Value | |
|--------------------------------|--------|------------------|------------------|
| | | 31-03-2013 | 31-12-2012 |
| Setefrete, SGPS, S.A. | 25.00% | 3,063,979 | 3,063,979 |
| MC - Materiaux de Construction | 49.36% | 2,447 | 2,443 |
| J.M.J. - Henriques, Lda. | 50.00% | 384,540 | 385,082 |
| Ave, S.A. | 35.00% | 51,600 | 256,061 |
| Soporgen, S.A. | - | - | 1,790,832 |
| | | 3,502,566 | 5,498,397 |

As at 31 December 2012, this caption comprises the 18% stake in Soporgen – Sociedade Portuguesa de Geração de Electricidade e Calor, S.A.. This company holds a gas power plant at the industry site in Figueira da Foz that the Group considered and recognised as a finance lease contract in the consolidated financial statements.

As mentioned before (Note 1), on 22 January 2013, the Group, through its subsidiary Soporcel, S.A., acquired the remaining share capital of Soporgen, through the exercise of the call option that it was entitled to by the shareholders agreement signed with the other shareholder, EDP, S.A..

The impact of this integration was as follows:

| Amounts in Euro | 82% JV Soporgen |
|--|----------------------|
| Assets | |
| Other intangible assets | 627,657 |
| Deferred tax assets | 237,285 |
| | 864,942 |
| Inventory | 902,000 |
| Receivable and other current assets | 5,534,185 |
| Cash and cash equivalents | 5,478,404 |
| | 11,914,589 |
| Total assets | 12,779,531 |
| Liabilities | |
| Deferred tax liabilities | 363,073 |
| Provisions | 730,917 |
| | 1,093,990 |
| Payables and other current liabilities | 2,981,329 |
| State and other public entities | 1,363,974 |
| | 4,345,303 |
| Total liabilities | 5,439,293 |
| Acquired net assets | A 7,340,238 |
| Acquisition cost | B 5,060,493 |
| Negative Goodwill | A-B 2,279,745 |

According to what has been reported, given the substance of the existing agreements regarding the co-generation unit owned by Soporgen, the Group applied “IFRIC 4 - Determining whether an arrangement contains a lease”, recognising a tangible fixed asset and the corresponding liability.

Due to the acquisition of the entire share capital of Soporgen, the Group released the existing net liabilities, that arise from the timing difference between the depreciation of the asset and the payment of the financial liability. This adjustment and the inventory and maintenance material recognition at the best present information and knowledge at the acquisition date resulted in a net book gain of Euros 2,279,745 which was recognised in the period in the following headings:

Translation of a report originally issued in Portuguese – Note 25

| Amounts in Euro | Gain |
|------------------------|------------------|
| Other operating income | 3,328,093 |
| Income tax | (1,048,348) |
| | 2,279,745 |

As of 31 March 2013 the technical evaluation of the acquired assets is not yet concluded and therefore the outcome could be different from the considered estimates.

13. Financial assets at fair value through profit or loss

The following movements were registered the year ended in this caption during the three months period ended 31 March 2013 and 31 December 2012:

| Amounts in Euro | 31-03-2013 | 31-12-2012 |
|--|------------------|------------------|
| Fair value at the beginning of the period | 9,026,930 | 9,657,695 |
| Acquisitions | - | 18,293 |
| Disposals | - | (266,670) |
| Changes in fair value | 439,180 | (382,388) |
| Fair value at the end of the period | 9,466,110 | 9,026,930 |

As of 31 March 2013 and 31 December 2012, “Financial assets at fair value through profit or loss” comprised:

| Amounts in Euro | Fair Value | |
|----------------------------------|------------------|------------------|
| | 31-03-2013 | 31-12-2012 |
| EDP - Energias de Portugal, S.A. | 9,418,852 | 8,979,672 |
| Others | 47,258 | 47,258 |
| | 9,466,110 | 9,026,930 |

14. Receivables and other current assets

As of 31 March 2013 and 31 December 2012, “Receivables and other current assets” were detailed as follows:

| Amounts in Euro | 31-03-2013 | 31-12-2012 |
|---------------------------------------|--------------------|--------------------|
| Accounts receivable | 250,080,237 | 247,596,655 |
| Accounts receivable - related parties | 4,075,985 | 31,094 |
| Derivative financial instruments | - | 1,096,619 |
| Other receivables | 38,335,769 | 28,420,439 |
| Accrued income | 5,783,133 | 2,527,891 |
| Deferred costs | 18,294,067 | 11,253,204 |
| | 316,569,191 | 290,925,902 |

As of 31 March 2013 and 31 December 2012, “Accrued income” and “Deferred costs”, were detailed as follows:

| Amounts in Euro | 31-03-2013 | 31-12-2012 |
|------------------------|-------------------|-------------------|
| Accrued Income | | |
| Interest receivable | 1,183,237 | 712,667 |
| Others | 4,599,896 | 1,815,224 |
| | 5,783,133 | 2,527,891 |
| Deferred costs | | |
| Maintenance and repair | 418,485 | - |
| Insurance | 6,319,220 | 246,408 |
| Rents and leases | 533,181 | 330,553 |
| Others | 11,023,181 | 10,676,243 |
| | 18,294,067 | 11,253,204 |
| | 24,077,200 | 13,781,095 |

15. Share capital and treasury shares

At 31 March 2013 Semapa's share capital was fully subscribed and paid up, being represented by 118,332,445 shares with a unit nominal value of 1 Euro each.

As of 31 March 2013 and 31 December 2012 the shareholders with significant positions in the Company's capital were as follows:

| Name | No. of shares | % | |
|--|--------------------|---------------|---------------|
| | | 31-03-2013 | 31-12-2012 |
| Longapar, SGPS, S.A. | 21,505,400 | 18.17 | 18.17 |
| Sodim, SGPS, S.A. | 15,657,505 | 13.23 | 13.23 |
| Cimo - Gestão de Participações, SGPS, S.A. | 16,199,031 | 13.69 | 13.69 |
| Banco BPI, SA | 12,009,004 | 10.15 | 10.15 |
| Bestinver Gestión, SGIIC, S.A. | 11,865,210 | 10.03 | 10.03 |
| Norges Bank (the Central Bank of Norway) | 5,649,215 | 4.77 | 4.77 |
| Cimigest, SGPS, S.A. | 3,185,019 | 2.69 | 2.69 |
| Sociedade Agrícola da Quinta da Vialonga, S.A. | 625,199 | 0.53 | 0.53 |
| OEM - Organização de Empresas, SGPS, S.A. | 535,000 | 0.45 | 0.45 |
| Own Shares | 5,447,975 | 4.60 | 4.60 |
| Other shareholders with less than 2% participation | 25,653,887 | 21.68 | 21.68 |
| | 118,332,445 | 100.00 | 100.00 |

Semapa – Sociedade de Investimento e Gestão, SGPS, S.A., holds 5,447,975 treasury shares.

16. Reserves and retained earnings

As of 31 March 2013 and 31 December 2012, fair value reserve, currency translation reserve and other reserves comprised:

| Amounts in Euro | 31-03-2013 | 31-12-2012 |
|---|---------------------|---------------------|
| Fair value of available-for-sale financial assets | (17.774.153) | (18.931.308) |
| Other fair value reserves | (1.281.742) | (1.281.742) |
| Total of fair value reserves | (19.055.895) | (20.213.050) |
| Translation reserve | (18.004.853) | (25.322.950) |
| Legal reserves | 23.666.489 | 23.666.489 |
| Others reserves | 929.933.490 | 929.933.490 |
| Total of other reservers | 953.599.979 | 953.599.979 |
| Total reserves | 916.539.231 | 908.063.979 |

17. Deferred tax

The following movement took place in deferred tax assets and liabilities during the three months period ended 31 March 2013:

| Amounts in Euro | As of 1 January 2013 | Exchange adjustment | Income Statement | | Retained earnings | Transfers | As of 31 March 2013 |
|---|-------------------------|------------------------|---------------------|---------------------|----------------------|---------------|------------------------|
| | | | Increases | Decreases | | | |
| Temporary differences originating deferred tax assets | | | | | | | |
| Tax losses carried forward | 30.311.858 | 23.130 | 276.149 | - | - | - | 30.611.137 |
| Taxed provisions | 35.035.471 | 77.233 | 670.595 | (163.949) | 704.228 | - | 36.323.577 |
| Fixed assets adjustments | 78.961.709 | - | 12.199 | (14.644.835) | 141.506 | - | 64.470.579 |
| Underfunding of the pension fund | 3.296.740 | 204 | - | (1.782) | - | - | 3.295.162 |
| Financial instruments | 3.356.237 | - | - | - | 1.387.151 | - | 4.743.388 |
| Deferred accounting gains in inter-group transactions | 16.906.398 | - | 12.235.687 | - | - | - | 29.142.085 |
| Forest valuation | (4.804.893) | - | - | (1.586.309) | - | - | (6.391.202) |
| Depreciation in assets subject to IFRIC 4 | 139.499 | - | - | - | - | - | 139.499 |
| Liabilities with post employment benefits | 484.567 | 10.799 | 1.250 | - | - | - | 496.616 |
| Liabilities with long service award | 551.205 | - | 4.465 | - | - | - | 555.670 |
| Post employment benefits not covered by an autonomus fund | 6.739.721 | - | - | (130.581) | - | - | 6.609.140 |
| Derecognition of government grants | 4.129.090 | - | - | (218.008) | - | - | 3.911.082 |
| Liabilities for healthcare benefits | 803.892 | - | - | - | - | - | 803.892 |
| Other temporary differences | 12.864.691 | 42.343 | 85.283 | (249.910) | - | - | 12.742.407 |
| | 203.919.686 | 153.709 | 13.285.628 | (17.360.070) | 2.232.885 | - | 202.231.838 |
| Temporary differences originating deferred tax liabilities | | | | | | | |
| Revaluation of fixed assets | (43.331.149) | (1.947.535) | - | 675.327 | - | - | (44.603.357) |
| Post employment benefits | (1.511.448) | - | (32.032) | 13.543 | 106.403 | - | (1.423.534) |
| Financial instruments | (106.308) | - | - | (25.271) | (186.831) | - | (318.410) |
| Fair Value of fixed assets | (392.105.347) | - | - | 3.817.887 | - | - | (388.287.460) |
| Tax Benefits | (101.219.133) | - | - | 20.015.776 | - | - | (81.203.357) |
| Extension of the useful life of the tangible fixed assets | (72.623.692) | (9.249) | (3.064.003) | 11.831.346 | (803.179) | - | (64.668.777) |
| Deferred accounting losses in inter-group transactions | (220.857.945) | (315.968) | (10.014.695) | - | - | - | (231.188.608) |
| Deferred tax gains | (904.480) | - | - | 45.883 | - | - | (858.597) |
| Harmonisation of depreciation criteria | (166.929.669) | (49.484) | (1.306.353) | - | - | - | (168.285.506) |
| Fair Value of intangible assets | (151.488.000) | - | - | - | - | - | (151.488.000) |
| Subsidiaries fair value | (125.066.365) | (1.690.819) | - | 1.487.991 | - | - | (125.269.193) |
| Other temporary differences | (3.326.044) | - | - | - | - | 15.509 | (3.310.535) |
| | (1.279.469.579) | (4.013.055) | (14.417.083) | 37.862.482 | (883.607) | 15.509 | (1.260.905.333) |
| Deferred tax assets | 60.858.404 | 27.529 | 3.977.746 | (5.270.489) | 733.838 | - | 60.327.028 |
| Deferred tax liabilities | (455.206.346) | (1.058.904) | (3.950.327) | 11.335.097 | (278.336) | 4.107 | (449.154.709) |

The following movement took place in deferred tax assets and liabilities during the period ended 31 March 2012:

Translation of a report originally issued in Portuguese – Note 25

| Amounts in Euro | As of 1 January 2012 | Exchange adjustment | Income Statement | | Retained earnings | Changes in perimeter | As of 31 March 2012 |
|---|-------------------------|------------------------|--------------------|--------------------|----------------------|-------------------------|------------------------|
| | | | Increases | Decreases | | | |
| Temporary differences originating deferred tax assets | | | | | | | |
| Tax losses carried forward | 25.672.642 | (14.836) | 10.439.651 | - | - | 4.371.522 | 40.468.979 |
| Taxed provisions | 22.047.015 | (100.338) | - | (43.548) | - | 9.734.540 | 31.637.669 |
| Fixed assets adjustments | 103.087.110 | - | - | (5.663.033) | - | - | 97.424.077 |
| Underfunding of the pension fund | 3.290.146 | (1.233) | - | - | - | 36.836 | 3.325.749 |
| Financial instruments | 2.869.071 | - | 37.297 | - | (642.099) | 2.175.474 | 4.439.743 |
| Deferred accounting gains in inter-group transactions | 19.740.576 | - | 748.743 | (618.330) | - | 801.464 | 20.672.453 |
| Forest valuation | (6.757.352) | - | - | - | - | - | (6.757.352) |
| Depreciation in assets subject to IFRIC 4 | 139.499 | - | 724.350 | (724.350) | - | - | 139.499 |
| Liabilities with post employment benefits | 238.738 | (6.289) | 949 | - | - | 224.245 | 457.643 |
| Liabilities with long service award | 472.538 | - | 615 | - | - | 454.598 | 927.751 |
| Post employment benefits not covered by an autonomus fund | 4.093.269 | - | - | (62.542) | - | 3.872.659 | 7.903.386 |
| Derecognition of government grants | 2.484.317 | - | - | (72.763) | - | 2.144.001 | 4.555.555 |
| Liabilities for healthcare benefits | 6.222.648 | - | 8.045 | - | - | 6.339.379 | 12.570.072 |
| Other temporary differences | 4.344.490 | (24.570) | 35.930 | (110.467) | - | 4.078.898 | 8.324.281 |
| | 204.547.096 | (147.266) | 11.995.580 | (7.659.738) | (642.099) | 34.233.616 | 242.327.189 |
| Temporary differences originating deferred tax liabilities | | | | | | | |
| Revaluation of fixed assets | (8.556.186) | - | - | 527.888 | - | (2.834.802) | (10.863.100) |
| Post employment benefits | (905.515) | - | (5.067) | 7.025 | (124.714) | - | (1.028.271) |
| Financial instruments | (802.996) | - | - | - | (1.433.692) | (775.316) | (3.012.004) |
| Fair Value of fixed assets | (407.376.897) | - | (1.017.652) | 3.817.880 | - | - | (404.576.669) |
| Tax Benefits | (97.102.975) | - | - | 10.995.045 | - | - | (86.107.930) |
| Extension of the useful life of the tangible fixed assets | (46.650.817) | 61.806 | (37.991) | - | - | - | (46.627.002) |
| Deferred accounting losses in inter-group transactions | (221.190.211) | 168.880 | - | - | - | - | (221.021.331) |
| Deferred tax gains | (502.626) | - | - | 11.560 | - | (471.809) | (962.875) |
| Harmonisation of depreciation criteria | (89.374.110) | 284.495 | (1.330.101) | - | - | (72.865.767) | (163.285.483) |
| Fair Value of intangible assets | (151.488.000) | - | - | - | - | (106.100.000) | (257.588.000) |
| Subsidiaries fair value | (74.538.809) | 1.547.105 | - | 578.013 | - | (136.120.852) | (208.534.543) |
| Other temporary differences | (22.581.438) | - | - | 1.588.952 | - | (7.852.789) | (28.845.275) |
| | (1.121.070.579) | 2.062.286 | (2.390.811) | 17.526.363 | (1.558.406) | (327.021.335) | (1.432.452.482) |
| Deferred tax assets | 61.643.040 | (32.047) | 3.365.114 | (2.303.464) | (208.832) | 9.486.208 | 71.950.019 |
| Deferred tax liabilities | (339.427.148) | 559.592 | (446.451) | 6.287.754 | (490.896) | (91.775.117) | (425.292.266) |

18. Provisions

During the three months period ended 31 March 2013 and the year ended 31 December 2012, changes in provisions were as follows:

| Amounts in Euro | Legal | Environmental | Others | Total |
|-----------------------------------|------------------|------------------|-------------------|-------------------|
| | claims | restoration | | |
| As of 1 January 2012 | 1.354.226 | 3.438.901 | 31.112.153 | 35.905.280 |
| Change of consolidation perimeter | - | 3.324.421 | 7.765.245 | 11.089.666 |
| Increases (Note 6) | 18.533 | 15.327 | 13.261.509 | 13.295.369 |
| Reversals (Note 6) | (109.635) | (103.220) | (22.591.063) | (22.803.918) |
| Direct utilisations | - | (13.087) | (3.180.473) | (3.193.560) |
| Exchange differences | - | (289) | (51.053) | (51.341) |
| Financial discounts | - | 295.234 | (18.490) | 276.744 |
| As of 31 December 2012 | 1.263.124 | 6.957.288 | 26.297.829 | 34.518.241 |
| Change of consolidation perimeter | - | - | 891.362 | 891.362 |
| Increases (Note 6) | 30.000 | - | 679.593 | 709.593 |
| Reversals (Note 6) | (1.914) | (29.996) | (95.688) | (127.598) |
| Direct utilisations | - | - | (23.224) | (23.224) |
| Exchange differences | - | 192 | 74.811 | 75.003 |
| Financial discounts | - | 89.023 | - | 89.023 |
| As of 31 March 2013 | 1.291.210 | 7.016.507 | 27.824.683 | 36.132.400 |

19. Interest-bearing liabilities

As of 31 March 2013 and 31 December 2012, Group's net debt was as follows:

Translation of a report originally issued in Portuguese – Note 25

| Amounts in Euro | 31-03-2013 | 31-12-2012 |
|-------------------------------------|----------------------|----------------------|
| Interest-bearing liabilities | | |
| <i>Non-current</i> | 1,690,404,033 | 1,681,677,079 |
| <i>Current</i> | 363,956,579 | 333,104,559 |
| | 2,054,360,612 | 2,014,781,638 |
| | | |
| Cash and cash equivalents | | |
| Cash | 532,522 | 356,386 |
| Short term bank deposits | 27,303,930 | 30,389,153 |
| Others | 424,683,708 | 382,930,541 |
| | 452,520,160 | 413,676,080 |
| | | |
| Market Value | 175,085,184 | 148,106,042 |
| | 1,426,755,268 | 1,452,999,516 |

Non-current interest-bearing liabilities

As of 31 March 2013 and December 2012, Non-current interest-bearing debt comprised the following:

| Amounts in Euro | 31-03-2013 | 31-12-2012 |
|-------------------------------------|----------------------|----------------------|
| Non current | | |
| Bonds loans | 874.154.950 | 873.695.261 |
| Commercial paper | 220.750.000 | 199.450.000 |
| Bank loans | 592.403.591 | 606.622.825 |
| Expenses with loans issuing | (9.121.433) | (10.651.043) |
| Interest-bearing bank debt | 1.678.187.108 | 1.669.117.043 |
| | | |
| Financial leases | 3.475.374 | 3.818.485 |
| Other loans - QREN | 8.741.551 | 8.741.551 |
| Other interest-bearing debts | 12.216.925 | 12.560.036 |
| | 1.690.404.033 | 1.681.677.079 |

Current interest-bearing liabilities

As of 31 March 2013 and December 2012, current interest-bearing debt comprised the following:

| Amounts in Euro | 31-03-2013 | 31-12-2012 |
|-------------------------------------|--------------------|--------------------|
| Currents | | |
| Bond Loans | 200,000,000 | 200,000,000 |
| Bank loans | 141,897,761 | 110,881,672 |
| Interest-bearing bank debt | 341,897,761 | 310,881,672 |
| | | |
| Shareholders short term loans | 5,078,401 | 5,074,358 |
| Financial leases | 1,137,275 | 1,063,241 |
| Other loans - QREN | 1,143,146 | 1,143,146 |
| Other debts | 14,699,996 | 14,942,142 |
| Other interest-bearing debts | 22,058,818 | 22,222,887 |
| | 363,956,579 | 333,104,559 |

20. Payables and other current liabilities

As of 31 March 2013 and 31 December 2012, "Payables and other current liabilities" were detailed as follows:

Translation of a report originally issued in Portuguese – Note 25

| Amounts in Euro | 31-03-2013 | 31-12-2012 |
|---|--------------------|--------------------|
| Accounts payable | 206,207,272 | 180,026,986 |
| Accounts payable - fixed assets suppliers | 8,633,212 | 11,801,711 |
| Accounts payable - fixed assets suppliers- Soporgen | 1,508,396 | 3,827,166 |
| Instituto do Ambiente | 14,887,397 | 14,957,880 |
| Derivative financial instruments (Note 21) | 26,938,262 | 27,027,199 |
| Other payables | 64,406,250 | 64,654,985 |
| Related parties (Note 22) | 2,628,596 | 2,642,398 |
| Accrued costs | 77,967,814 | 59,057,141 |
| Deferred income | 61,196,625 | 51,402,254 |
| | 464,373,824 | 415,397,720 |

As of 31 March 2013 and 31 December 2012, “Accrued costs and deferred income” were detailed as follows:

| Amounts in Euro | 31-03-2013 | 31-12-2012 |
|----------------------------------|-------------------|-------------------|
| Accrued Costs | | |
| Insurance costs | 131,020 | 105,299 |
| Payroll expenses | 40,190,319 | 32,645,933 |
| Interests payable | 19,557,208 | 10,933,003 |
| Energy costs | 7,161,246 | 6,231,426 |
| Transport costs | 750,129 | 1,259,434 |
| Bank charges | 740,168 | 1,115,049 |
| Audit fees | 105,395 | 225,023 |
| IT costs | 197,799 | 140,057 |
| Others | 9,134,530 | 6,401,917 |
| | 77,967,814 | 59,057,141 |
| Deferred income | | |
| Government grants | 47,825,134 | 49,338,748 |
| Grants - CO2 emission allowances | 11,504,765 | 1,531,321 |
| Others | 1,866,726 | 532,185 |
| | 61,196,625 | 51,402,254 |

21. Derivative financial instruments

As of 31 March 2013 and 31 December 2012, “Fair value of derivative financial instruments” used for hedging and trading was as follows:

| Amounts in Euro | Amount | Maturity | 31-03-2013 | | | 31-12-2012 |
|---|-------------|----------|------------|---------------------|---------------------|---------------------|
| | | | Positive | Negative | Net | Net |
| Hedging instruments | | | | | | |
| Collar interest rate (SWAP's) | 225.000.000 | 2015 | - | (15.433.743) | (15.433.743) | (15.981.137) |
| Coverage of Net Investment | 18.985.903 | 2013 | - | (160.556) | (160.556) | 434.383 |
| Foreign exchange forwards (future sales) USD | 66.800.000 | 2014 | - | (670.769) | (670.769) | (456.221) |
| Interest rate SWAP's | 165.000.000 | 2017 | - | (6.940.293) | (6.940.293) | (6.122.614) |
| Interest rate and foreign exchange SWAP's BRL | 64.025.000 | 2017 | - | (2.646.266) | (2.646.266) | (4.467.227) |
| | | | | (25.851.627) | (25.851.627) | (26.592.816) |
| Trading instruments | | | | | | |
| Exchange Forwards (EUR) | 52.650.933 | 2013 | - | (1.086.635) | (1.086.635) | 662.236 |
| | | | | (1.086.635) | (1.086.635) | 662.236 |
| | | | | (26.938.262) | (26.938.262) | (25.930.580) |

22. Balances and transactions with related parties

As of 31 March 2013 and 31 December 2012, balances with related parties were as follows:

Translation of a report originally issued in Portuguese – Note 25

| Amounts in Euro | 31-03-2013 | | | 31-12-2012 | | |
|---|-----------------------------|--------------------------|--|-----------------------------|--------------------------|--|
| | Other Receivables (Note 14) | Other Payables (Note 20) | Current Interest-bearing liabilities (Note 19) | Other Receivables (Note 14) | Other Payables (Note 20) | Current Interest-bearing liabilities (Note 19) |
| Shareholders | | | | | | |
| Cimo SGPS, S.A. | - | - | 169,899 | - | - | 203,445 |
| Longapar, SGPS, S.A. | - | - | 4,908,502 | - | - | 4,870,913 |
| Other related parties | | | | | | |
| Ave-Gestão Ambiental, S.A. | 1,845 | 302,771 | - | 7,160 | 471,104 | - |
| Cotif Sicar | - | - | - | - | 21,612 | - |
| Secil Prebetão, S.A. | 40,109 | 16,229 | - | 23,934 | 13,482 | - |
| Seribo, S.A. | - | - | - | - | 229,275 | - |
| Setefrete - Soc. Tráfego Cargas, S.A. | - | 353,806 | - | - | 12,638 | - |
| Supremo Cimentos, S.A. | 4,034,031 | - | - | - | - | - |
| Other related parties | - | 283,132 | - | - | 14,528 | - |
| Shareholders (Dividends allocated to NCI) | - | 1,672,658 | - | - | 1,879,759 | - |
| Total | 4,075,985 | 2,628,596 | 5,078,401 | 31,094 | 2,642,398 | 5,074,358 |

For the three months period ended 31 March 2013 and 31 March 2012 transactions with related parties were as follows:

| Amounts in Euro | 1st Q 2013 | | 1st Q 2012 | |
|----------------------|------------------|---------------------------|------------------|-----------------------------------|
| | Service Purchase | Financial Losses (Note 8) | Service Purchase | Financial Losses/(Gains) (Note 8) |
| Shareholders | | | | |
| Cimigest SGPS, S.A. | 26.935 | - | 26.935 | - |
| Cimo SGPS, S.A. | - | 1.937 | - | 32.551 |
| Longapar, SGPS, S.A. | - | 50.120 | - | 60.325 |
| | 26.935 | 52.057 | 26.935 | 92.876 |

| Amounts in Euro | 1st Q 2013 | | | |
|------------------------------|------------------|-------------------|------------------|--------------------------|
| | Service Purchase | Services rendered | Operating Income | Financial Losses/(Gains) |
| Other related parties | | | | |
| Ave-Gestão Ambiental, S.A. | 653.778 | 11.935 | 17.223 | - |
| Secil Prebetão, S.A. | 9.928 | 69.164 | - | - |
| Secil Unicon - SGPS, Lda. | - | - | - | 1.246 |
| Setefrete, S.A. | 462.650 | - | 29.574 | - |
| Others | - | - | - | 997 |
| | 1.126.356 | 81.099 | 46.797 | 2.243 |

| Amounts in Euro | 1st Q 2012 | | | |
|------------------------------|------------------|-------------------|------------------|--------------------------|
| | Service Purchase | Services rendered | Operating Income | Financial Losses/(Gains) |
| Other related parties | | | | |
| Ave - Gestão Ambiental, S.A. | 341.514 | 2.295 | 18.079 | - |
| Chryso Portugal, S.A. | 114.748 | - | - | - |
| Secil Prebetão, S.A. | 8.167 | 95.071 | 365 | - |
| Secil Unicon - SGPS, Lda. | - | - | 45 | 1.076 |
| Setefrete, S.A. | 226.151 | - | - | - |
| Viroc Portugal, S.A. | - | 109.459 | 11.319 | 20.216 |
| | 690.580 | 206.825 | 29.808 | 21.292 |

23. Number of employees

As of 31 March 2013 and 31 December 2012, the number of employees in service for the Group's various companies per business segment, was as follows:

Translation of a report originally issued in Portuguese – Note 25

| Segment | 31-03-2013 | 31-12-2012 | Var. 13/12 |
|------------------------|--------------|--------------|-------------|
| Pulp and Paper | 2,285 | 2,275 | 10 |
| Cement and derivatives | 2,620 | 2,659 | (39) |
| Environment | 266 | 254 | 12 |
| Holdings and others | 20 | 20 | - |
| | 5,191 | 5,208 | (17) |

24. Subsequent Events

In May 2013, Portucel S.A. issued a bond loan amounting to Euro 350 millions, directed to Institutional Investors. This loan will be reimbursed in 2020 and pays a semi-annual interest.

25. Note added for translation

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

26. Companies included in 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 |
| Cimentospar - Participações Sociais, SGPS, Lda. | Lisbon | 45.56 | 54.44 | 100.00 |
| Seinpart, SGPS, S.A. | Lisbon | 49.00 | 51.00 | 100.00 |
| Seinpar Investments, B.V. | Amsterdam | 100.00 | - | 100.00 |
| Interholding Investments B.V. (ex Semapa Investments B.V.) | Amsterdam | 100.00 | - | 100.00 |
| Semapa Inversiones S.L. | Madrid | 100.00 | - | 100.00 |
| Celcimo SL | Madrid | - | 100.00 | 100.00 |
| Great Earth Projectos S.A. | Lisbon | 100.00 | - | 100.00 |
| NSOSPE - Empreendimentos e Participações, S.A. | Rio de Janeiro | 100.00 | - | 100.00 |
| Aboutbalance, SGPS, S.A. | Lisbon | 100.00 | - | 100.00 |
| Inspiredplace, S.A. | Lisbon | 100.00 | - | 100.00 |

Subsidiary companies of sub-group ETSA – under full consolidation

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

Subsidiary companies of sub-group Portucel – under full consolidation

| Name | Head Office | Direct and Indirect % of equity held by subsidiary Portucel | | | Equity % actually held by Semapa |
|---|-----------------|--|----------|--------|--|
| | | Direct | Indirect | Total | |
| Parent - company: | | | | | |
| Portucel, S.A. | Setúbal | 47.29 | 33.55 | 80.84 | 80.84 |
| Subsidiaries | | | | | |
| Soporcel - Sociedade Portuguesa de Papel, S.A. | Figueira da Foz | 100.00 | - | 100.00 | 80.84 |
| Soporcel Pulp - Sociedade Portuguesa de Celulose, S.A. | Figueira da Foz | 100.00 | - | 100.00 | 80.84 |
| Portucel Florestal – Empresa de Desenvolvimento Agro-Florestal, S.A. | Setúbal | 100.00 | - | 100.00 | 80.84 |
| CountryTarget SGPS S.A. | Setúbal | 100.00 | - | 100.00 | 80.84 |
| Sociedade de Vinhos da Herdade de Espirra - Produção e Comercialização de Vinhos, S.A. | Setúbal | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Florestal - Sociedade para o Desenvolvimento Agro-Florestal, S.A. | Setúbal | - | 100.00 | 100.00 | 80.84 |
| Afocelca - Agrupamento Complementar de Empresas para Proteção Contra Incêndios, ACE | Portugal | - | 64.80 | 64.80 | 52.39 |
| Enerforest - Empresa de Biomassa para Energia, S.A. | Setúbal | - | 100.00 | 100.00 | 80.84 |
| Atlantic Forests, S.A. | Setúbal | - | 100.00 | 100.00 | 80.84 |
| Viveiros Aliança - Empresa Produtora de Plantas, S.A. | Palmela | - | 100.00 | 100.00 | 80.84 |
| Aflomec - Empresa de Exploração Florestal, S.A. | Setúbal | - | 100.00 | 100.00 | 80.84 |
| Cofotrans - Empresa de Exploração Florestal, S.A. | Figueira da Foz | - | 100.00 | 100.00 | 80.84 |
| Raiz - Instituto de Investigação da Floresta e Papel | Aveiro | - | 94.00 | 94.00 | 75.99 |
| Bosques do Atlantico, SL | Spain | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Pulp SGPS, S.A. | Setúbal | 100.00 | - | 100.00 | 80.84 |
| Soporcel Pulp - Sociedade Portuguesa de Celulose, S.A. | Figueira da Foz | - | 100.00 | 100.00 | 80.84 |
| CELSET - Celulose de Setúbal, S.A. | Setúbal | - | 100.00 | 100.00 | 80.84 |
| CELCACIA - Celulose de Cacia, S.A. | Aveiro | - | 100.00 | 100.00 | 80.84 |
| Portucel International GmbH | Germany | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Papel, SGPS S.A. | Setúbal | 100.00 | - | 100.00 | 80.84 |
| Portucel Soporcel North America Inc. | U.S.A | - | 100.00 | 100.00 | 80.84 |
| About the Future - Empresa Produtora de Papel, S.A. | Setúbal | - | 100.00 | 100.00 | 80.84 |
| Portucel Papel Setúbal, S.A. | Setúbal | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Sales & Marketing NV | Belgium | 25.00 | 75.00 | 100.00 | 80.84 |
| PortucelSoporcel Fine Paper , S.A. | Setúbal | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel España, S.A. | Spain | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel International, B.V. | Holland | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel France, EURL | France | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel United Kingdom, Ltd | U.K. | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Italia, SRL | Italy | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Lusa, Lda | Figueira da Foz | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Deutschland, GmbH | Germany | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Handels, GmbH | Austria | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Afrique du Nord | Marroco | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Poland SP Z O | Polland | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Switzerland, Ltd | Switzerland | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Energia, SGPS S.A. | Setúbal | 100.00 | - | 100.00 | 80.84 |
| SPCG – Sociedade Portuguesa de Co-Geração Eléctrica, SA | Setúbal | - | 100.00 | 100.00 | 80.84 |
| Enerpulp – Cogeração Energética de Pasta, S.A. | Setúbal | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Cogeração de Energia, S.A. | Setúbal | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Participações, SGPS S.A. | Setúbal | 100.00 | - | 100.00 | 80.84 |
| Arboser – Serviços Agro-Industriais, S.A. | Setúbal | - | 100.00 | 100.00 | 80.84 |
| Empremédia - Corretores de Seguros, Lda | Lisbon | - | 100.00 | 100.00 | 80.84 |
| Socortel - Sociedade de Corte de Papel, S.A. | Figueira da Foz | - | 100.00 | 100.00 | 80.84 |
| Cutpaper - Transformação, Corte e Embalagem de Papel, ACE | Figueira da Foz | - | 50.00 | 50.00 | 40.42 |
| Headbox - Operação e Controlo Industrial, S.A. | Setúbal | - | 100.00 | 100.00 | 80.84 |
| EMA21 - Engenharia e Manutenção Industrial Século XXI, S.A. | Setúbal | - | 100.00 | 100.00 | 80.84 |
| Ema Cacia - Engenharia e Manutenção Industrial, ACE | Aveiro | - | 91.15 | 91.15 | 73.69 |
| Ema Setúbal - Engenharia e Manutenção Industrial, ACE | Setúbal | - | 92.56 | 92.56 | 74.83 |
| Ema Figueira da Foz- Engenharia e Manutenção Industrial, ACE | Figueira da Foz | - | 91.47 | 91.47 | 73.95 |
| EucaliptusLand, S.A. | Setúbal | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Serviços Partilhados, S.A. | Figueira da Foz | - | 100.00 | 100.00 | 80.84 |
| PortucelSoporcel Internacional SGPS S.A. | Setúbal | 100.00 | - | 100.00 | 80.84 |
| Portucel Moçambique , Lda | Mozambique | 25.00 | 75.00 | 100.00 | 80.84 |
| Portucel Florestal Brasil - Gestão de Participações, Ltda | Brazil | 25.00 | 75.00 | 100.00 | 80.84 |
| PortucelSoporcel Abastecimento de Madeira, ACE | Figueira da Foz | 60.00 | 40.00 | 100.00 | 80.84 |

Subsidiary companies of sub-group Secil – under full consolidation

| Name | Head Office | Direct and indirect % of equity held by subsidiary Secil | | | Equity % actually held by Semapa |
|--|----------------|--|----------|--------|----------------------------------|
| | | Direct | Indirect | Total | |
| Parent - company: | | | | | |
| Secil - Companhia Geral de Cal e Cimento, S.A. | Setúbal | 10,86 | 89,14 | 99,998 | 99,998 |
| Subsidiaries | | | | | |
| Parcim Investments, B.V. | Amsterdam | 100,00 | - | 100,00 | 99,998 |
| Secilpar, SL | Madrid | 100,00 | - | 100,00 | 99,998 |
| Somera Trading Inc. | Panamá | - | 100,00 | 100,00 | 99,998 |
| Hewbol, S.G.P.S., Lda. | Praia | - | 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 |
| Seciment Investments, B.V. | Amsterdam | 100,00 | - | 100,00 | 99,998 |
| I3 Participações e Serviços, Ltda. | Rio de Janeiro | - | 99,97 | 99,97 | 99,968 |
| Serife - Soc. de Estudos e Realizações Industriais e de Fornecimento de Equip., Lda. | Lisbon | 100,00 | - | 100,00 | 99,998 |
| Silonor, S.A. | Dunkerque | 100,00 | - | 100,00 | 99,998 |
| Société des Ciments de Gabés | Tunis | 98,72 | - | 98,72 | 98,716 |
| Sud- Béton- Société de Fabrication de Béton du Sud | Tunis | - | 98,72 | 98,72 | 98,716 |
| Zarzis Béton | Tunis | - | 98,72 | 98,72 | 98,716 |
| 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 |
| Secil, Betões e Inertes, S.G.P.S., S.A. | Setúbal | 100,00 | - | 100,00 | 99,998 |
| Unibetão - Indústrias de Betão Preparado, S.A. | Lisbon | - | 100,00 | 100,00 | 99,998 |
| Britobetão - Central de Betão, Lda. | Évora | - | 91,00 | 91,00 | 90,998 |
| Eurobetão - Betão Pronto, S.A. | Lisbon | - | 100,00 | 100,00 | 99,998 |
| Sicobetão - Fabricação de Betão, S.A. | Lisbon | - | 100,00 | 100,00 | 99,998 |
| Secil Britas, S.A. | Lisbon | - | 100,00 | 100,00 | 99,998 |
| Quimipetra - Secil Britas, Calcários e Derivados, Lda. | Lisbon | - | 100,00 | 100,00 | 99,998 |
| Colegra - Exploração de Pedreiras, S.A. | Lisbon | - | 100,00 | 100,00 | 99,998 |
| Lusoínertes, 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 - Industria de Rebocos de Portugal, S.A. | Santarém | - | 75,00 | 75,00 | 74,998 |
| Ciminpart - Investimentos e Participações, S.G.P.S., S.A. | Lisbon | 100,00 | 0,00 | 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 | - | 90,87 | 90,87 | 90,868 |
| Cimentos Costa Verde - Comércio de Cimentos, S.A. | Lisbon | - | 100,00 | 100,00 | 99,998 |
| Solenreco-Produção e Comercialização de Combustíveis, Lda. | Porto | - | 98,00 | 98,00 | 97,998 |
| Valcem - Produtos Cimentícios, Lda. | Setúbal | 50,00 | 50,00 | 100,00 | 99,998 |
| Prescor Produção de Escórias Moídas, Lda. | Lisbon | - | 100,00 | 100,00 | 99,998 |
| CMP - Cimentos Maceira e Pataias, S.A. | Leiria | 100,00 | - | 100,00 | 99,998 |
| Ciments de Sibline, S.A.L. | Beirut | 28,64 | 22,41 | 51,05 | 51,049 |
| Soime, S.A.L. | Beirut | - | 51,05 | 51,05 | 51,049 |
| Cimentos Madeira, Lda. | Funchal | 57,14 | - | 57,14 | 57,142 |
| Beto Madeira - Betões e Britas da Madeira, S.A. | Funchal | - | 57,14 | 57,14 | 57,142 |
| Promadeira - Sociedade Técnica de Construção da Ilha da Madeira, Lda. | Funchal | - | 57,14 | 57,14 | 57,142 |
| Brimade - Sociedade de Britas da Madeira, S.A. | Funchal | - | 57,14 | 57,14 | 57,142 |
| Madebritas - Sociedade de Britas da Madeira, Lda. (a) | Funchal | - | 29,14 | 29,14 | 29,142 |
| Pedra Regional - Industria Transformadora de Rochas Ornamentais, S.A. (a) | Funchal | - | 29,14 | 29,14 | 29,142 |
| Reficomb- Refinação e Comercialização de Combustíveis Derivados de Resíduos, S.A | Setúbal | 100,00 | - | 100,00 | 99,998 |
| Uniconcreto - Betão Pronto, S.A. | Lisbon | 100,00 | - | 100,00 | 99,998 |

(a) Companies held in 51% by Brimade, S.A. so controlled by the Group

Subsidiary companies of sub-group Supremo – under proportional consolidation

| Name | Head Office | Direct and indirect % of equity held | | | Equity % actually held by Semapa |
|--------------------------------------|----------------|--------------------------------------|----------|--------|----------------------------------|
| | | Direct | Indirect | Total | |
| Supremo Cimentos, S.A. | Santa Catarina | - | 50,00 | 50,00 | 50,00 |
| Margem - Companhia de Mineração | Paraná | - | 100,00 | 100,00 | 50,00 |
| OP Beton Concreto e Engenharia, Ltda | Santa Catarina | - | 100,00 | 100,00 | 50,00 |
| Secil Unicon - S.G.P.S., Lda. | Lisbon | - | 50,00 | 50,00 | 50,00 |
| Secil Prébetão, S.A. | Montijo | - | 39,80 | 39,80 | 39,80 |

BOARD OF DIRECTORS**President:**

Pedro Mendonça de Queiroz Pereira

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