Presentation of Results

1st Quarter 2016

Semapa – Sociedade de Investimento e Gestão, SGPS, S.A.
Public Limited Company
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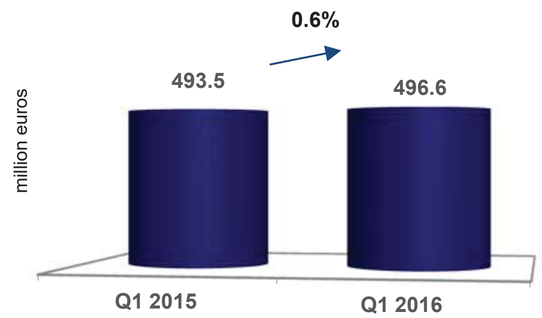
Companies Registry and Corporate Person no.: 502 593 130
Share Capital: 81,645,523 euros

1 Highlights

The Semapa Group showed a significant improvement in its key financial and economic indicators, despite the especially unfavourable environment in some markets where it operates:

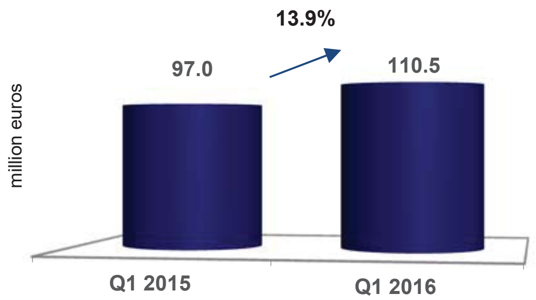


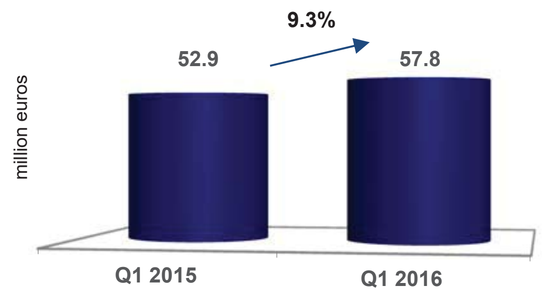
Turnover

In the first quarter of 2016 the Semapa Group recorded a consolidated turnover of 496.6 million euros, an increase of 0.6% from the same period in the previous year. Exports and foreign sales amounted to 390.8 million euros: 78.7% of turnover.

EBITDA

Total EBITDA for the first quarter of 2016 grew by 13.9% in relation to the same period in the previous year, standing at 110.5 million euros. The consolidated margin stood at 22.3%, 2.6 p.p. up from that recorded in the first quarter of 2015.





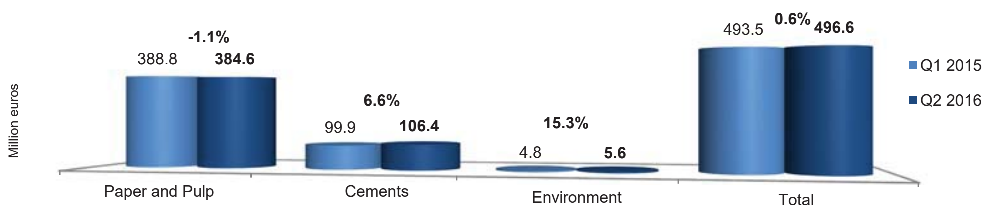
EBIT

Consolidated EBIT grew by 9.3% compared to the first quarter of 2015, and stood at 57.8 million euros.

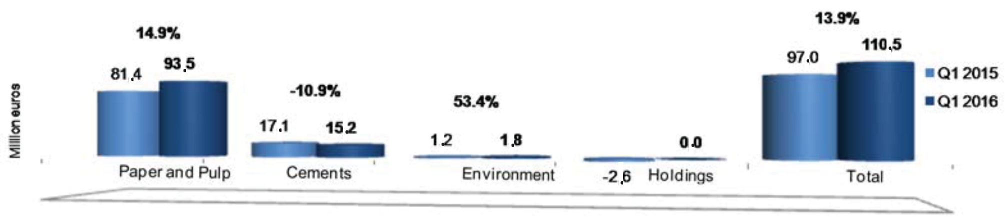
Leading Business Indicators

IFRS - accrued amounts (million euros)	Q1 2016	Q1 2015	Var.
Turnover	**496.6**	**493.5**	**0.6%**
Total EBITDA	**110.5**	**97.0**	**13.9%**
EBITDA margin (%)	22.3%	19.7%	2.6 p.p.
Depreciation and impairment losses	(51.6)	(49.1)	-5.2%
Provisions (increases and reversals)	(1.0)	5.0	<-100%
EBIT	**57.8**	**52.9**	**9.3%**
EBIT margin (%)	11.6%	10.7%	0.9 p.p.
Net financial profit	(19.2)	(26.5)	27.5%
Profit before tax	**38.6**	**26.4**	**46.4%**
Income tax	(8.2)	1.6	<-100%
Retained profits for the period	30.4	28.0	8.9%
Attributable to Semapa shareholders	**17.6**	**20.2**	**-13.1%**
Attributable to non-controlling interests (NCI)	12.9	7.8	65.8%
Cash-flow	83.1	72.1	15.3%
	31-03-2016	**31-12-2015**	**Mar16 vs. Dec15**
Equity (before NCI)	733.0	716.3	2.3%
Net debt	**1,808.9**	**1,803.0**	**0.3%**

Consolidated Turnover



Consolidated EBITDA



Notes:

- Total EBITDA = operating profit + depreciation and impairment losses + provisions (increase and reversal)
- Cash flow = retained earnings + depreciation and impairment losses + provisions (increase and reversal)
- Net debt = non-current interest bearing debt (net of loan issue charges) + current interest-bearing debt (including debts to shareholders) – cash and cash equivalents
- In comparison with the same period of the previous year, the period was impacted by the full consolidation of the Supremo Group on 1 July 2015, the change in The Navigator Company stake from 81.19% to 69.4% in July 2015; the latter only impacts the retained profits attributable to Semapa shareholders

2 Main and subsequent events

- In early March, Moody´s reviewed upwards the long term rating of the Navigator Group, from “Ba3” to “Ba2”, awarding it a “stable” outlook.

- Between 1 January 2016 and 31 March 2016, Semapa – Sociedade de Investimento e Gestão, SGPS, S.A. purchased 379,422 own shares, corresponding to 0.471% of its share capital.

Subsequent Events

- From 31 March 2016 until now, Semapa – Sociedade de Investimento e Gestão, SGPS, S.A. purchased 31,504 own shares, and now owns 0.510% of its share capital.

- At the Annual General Meeting of Semapa Shareholders held on 20 April 2016 the following was adopted:
  - The decrease of the share capital from 81,645,523.00 euros to 81,270,000.00 euros, in the amount of 375,523.00 euros, by the cancellation of 375,523 own shares, according to Article 463 of the Companies Code, with the resulting amendment to the Articles of Association, namely to no. 1 of Article 4, regarding the composition of the share capital (item 8 of the Meeting Agenda);
  - The increase of the share capital from 81,270,000.00 euros to 117,028,800.00 euros, in the amount of 35,758,800.00 euros, by incorporation of reserves, with the proportional increase of the nominal value of all Company shares of 0.44 euros per share to 1.44 euros per share, with the resulting amendment to no. 1 of Article 4 of the Articles of Association, regarding the composition of the share capital (item 9 on the Meeting Agenda); and
  - The decrease of the share capital from 117,028,800.00 euros to 81,270,000.00 euros, in the amount of 35,758,800.00 euros, aimed at releasing the excess capital, transferring to free reserves the released amount of share capital and by proportionally reducing the nominal value of all Company shares from 0.44 euros per share, to the nominal value of 1.00 euro per share, with the resulting amendment to the Articles of Association, namely no. 1 of Article 4, regarding the composition of the share capital, and no. 4 of Article 9, regarding the number of shares that shall correspond to one vote (item 10 on the Meeting Agenda).
  - The payment of dividends arising from 2015 income of 26.7 million euros (32.9 cents per share in circulation).

3 Operational Performance

Segment Reporting (IFRS)

IFRS - accrued amounts (million euros)	Paper and Pulp		Cement		Environment		Holdings		Consolidated
	Q1 2016	15/14	Q1 2016	15/14	Q1 2016	15/14	Q1 2016	15/14	Q1 2016
Sales	**384.6**	**-1.1%**	**106.4**	**6.6%**	**5.6**	**15.3%**	**-**	**-**	**496.6**
Total EBITDA	**93.5**	**14.9%**	**15.2**	**-10.9%**	**1.8**	**53.4%**	**(0.0)**	**99.8%**	**110.5**
EBITDA margin (% Sales)	24.3%	3.4 p.p.	14.3%	-2.8 p.p.	32.0%	8.0 p.p.			22.3%
Depreciation and impairment losses	(39.8)	-7.8%	(11.1)	3.3%	(0.7)	-3.1%	(0.0)	14.6%	(51.6)
Provisions (increases and reversals)	(1.1)	118.9%	0.1	107.7%	-	-	-	-	(1.0)
EBIT	**52.6**	**4.4%**	**4.2**	**-10.3%**	**1.0**	**133.5%**	**(0.1)**	**98.1%**	**57.8**
EBIT margin (% Sales)	13.7%	0.7 p.p.	4.0%	-0.8 p.p.	18.8%	9.5 p.p.			11.6%
Net financial profit	(2.7)	68.7%	(11.1)	-533.0%	(0.2)	17.7%	(5.2)	67.2%	(19.2)
Pre-tax profits	**49.9**	**19.6%**	**(6.9)**	**331.3%**	**0.9**	**266.6%**	**(5.3)**	**71.6%**	**38.6**
Tax on profits	(8.0)	-200.4%	0.3	128.6%	(0.2)	-125.9%	(0.3)	105.1%	(8.2)
Retained profits for the period	41.9	7.3%	(6.6)	-461.8%	0.7	342.9%	(5.5)	57.5%	30.4
Attributable to Semapa equity holders	**29.1**	**-8.1%**	**(6.7)**	**-585.4%**	**0.7**	**342.9%**	**(5.5)**	**57.5%**	**17.6**
Attributable to minority interests	12.7	73.5%	0.1	-65.3%	0.0	348.3%	-	-	12.9
Cash-flow	82.8	18.2%	4.4	-68.7%	1.4	63.6%	(5.5)	57.6%	83.1
Net debt	**636.4**	**-2.8%**	**454.6**	**-0.6%**	**19.5**	**7.2%**	**698.4**	**3.8%**	**1,808.9**
Nr Employees	**2,892**		**2,639**		**267**		**25**		**5,823**

Notes:

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

Paper and Pulp

IFRS - accrued amounts (million euros)	Q1 2016	Q1 2015	Var.
Turnover	**384.6**	**388.8**	**-1.1%**
EBITDA	**93.5**	**81.4**	**14.9%**
EBITDA margin (%)	24.3%	20.9%	3.4 p.p.
Depreciation and impairment losses	(39.8)	(36.9)	-7.8%
Provisions (increases and reversals)	(1.1)	5.9	-118.9%
EBIT	**52.6**	**50.4**	**4.4%**
EBT margin (%)	13.7%	13.0%	0.7 p.p.
Net financial profit	(2.7)	(8.7)	68.7%
Profit before tax	**49.9**	**41.7**	**19.6%**
Tax on profts	(8.0)	(2.7)	-200.4%
Retained profits for the period	41.9	39.0	7.3%
Attributable to Portucel shareholders	**42.0**	**39.0**	**7.5%**
Attributable to non-controlling interests (NCI)	(0.1)	0.0	<-1000%
Cash-Flow	**82.8**	**70.0**	**18.2%**
	31-03-2016	**31-12-2015**	**Mar16 vs. Dec15**
Equity (before NCI)	1,085.1	1,041.7	4.2%
Net debt	**636.4**	**654.5**	**-2.8%**

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

Operating indicators

(000 tons)	Q1 2016	Q1 2015	Var.
Pulp and paper			
BEKP Output	370	343	8.1%
BEKP Sales	65	57	12.7%
UWF Output	398	374	6.2%
UWF Sales	378	361	4.6%
FOEX – BHKP Euros/ton	695	660	5.2%
FOEX – A4- BCopy Euros/ton	836	814	2.8%
Tissue			
Output of reels	11	7	56%
Output of finished products	10	9	16%
Sale of reels other goods	2	0	na
Sale of finished products	10	9	9%

In the first quarter of 2016, the turnover of The Navigator Company was 384.6 million euros, down by approximately 1.1% in relation to the same period in 2015. In spite of the positive performance of the paper, pulp and tissue business, the Group's turnover was negatively impacted by the drop in sales value of energy, as a result of the review of sales tariffs to the grid of the co-generation plant in Figueira da Foz.

In the **paper** business, the European market of uncoated woodfree printing and writing paper (UWF) underwent, in the first quarter of 2016, a significant drop in existing capacity (approximately 7%), which fostered positive progress of capacity utilization rates. In parallel, exports and imports from and to the European market decreased and increased, respectively, and apparent consumption is estimated to have dropped about 3%. In this context, Group sales was at 378 thousand tons, the highest level ever recorded in a first quarter, thus growing by 4.6% in comparison with volume in the first quarter of 2015. The main benchmark index for UWF prices (PIX A4-Copy B) was up by 2.8%, with the Group's price in the European market progressing accordingly. Consequently, paper sales value was 297 million euros, up by 4.9% year-on-year.

In the bleached eucalyptus **pulp** business (BEKP), the sales volume of The Navigator Company grew in the first quarter of 2016 (+13%), and so did average sales price (+2%) when compared to the first quarter of 2015. The rise in sales volume is mostly due to greater availability of pulp arising from the increase in the production capacity of the Cacia plant in 2015. Pulp price levels were above that in the first quarter of 2015, in spite of the downward trend at the end of 2015. Since the start of 2016, the reference index PIX BHKP fell approximately 10% in USD and around 13% in Euros, with an even more significant price correction in the Asian market. Therefore, pulp sales value in the quarter grew by 15%, amounting to 35 million euros.

In **energy** the maintenance operations and large repairs of the turbogenerators of the Cacia and Setúbal plants were concluded in the first quarter of 2016. A programmed maintenance of the natural gas co-generation of the industrial complex in Setúbal was also completed. The natural gas co-generation of the Figueira da Foz complex started operating for self-consumption in February, thus reducing the volume of energy sales to the grid and, simultaneously, reducing the purchase of electric power.

The reduction in the price of Brent in the last months influenced the sales price of electric power produced by gas co-generation in Setúbal and reduced the purchase price of natural gas for different uses. The gross power output in the first quarter of 2016 dropped 14.4% compared to the same period in 2015. Energy sales volume (MWh) was down by 25%, partly due to changes in self-consumption of gas co-generated power in Figueira da Foz. The two power stations fuelled by biomass, dedicated solely to the sale of electric power to the grid, increased its gross power output by 3.3%.

The **tissue** business developed as expected; sales volume of goods and merchandise from the Vila Velha de Rodão plant grew approximately 22% in the first quarter of 2016 (in tons sold), driven by the rise in output capacity and product finishing in 2015. The increase in amounts sold, together with the slight decrease in average sales price, resulted in tissue sales of 15.9 million euros.

The Navigator Group's **EBITDA** evolved favourably to 93.5 million euros in the 1st quarter 2016, which represents an increase of 14.9% compared to the same period of the previous year and translates an improvement in the margin of 3.4 pp to 24.3%. The negative effect of about 2.7 million euros on EBITDA of the implementation of the anti-dumping tax in the United States in this quarter must be highlighted.

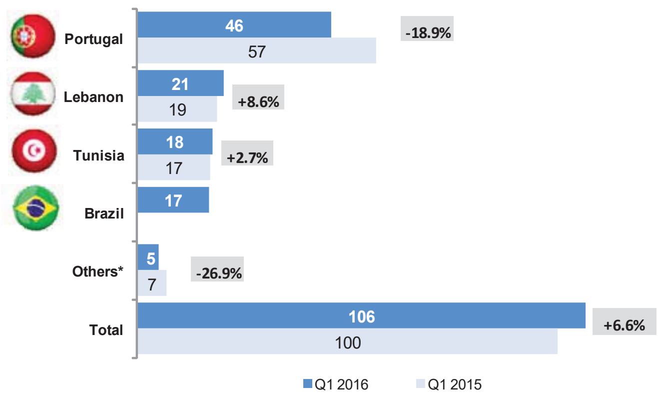
This trend reflects the drop in the specific consumption of wood that made it possible to reduce production costs. The change in the supply mix of wood, with a larger share coming in from the domestic market and own woodland, helped to improve the overall cost of this raw material. The logistic costs of paper and pulp also developed positively, as a result of the drop in the price of oil and improved and more efficient procedures for the Group's export logistics.

Cement

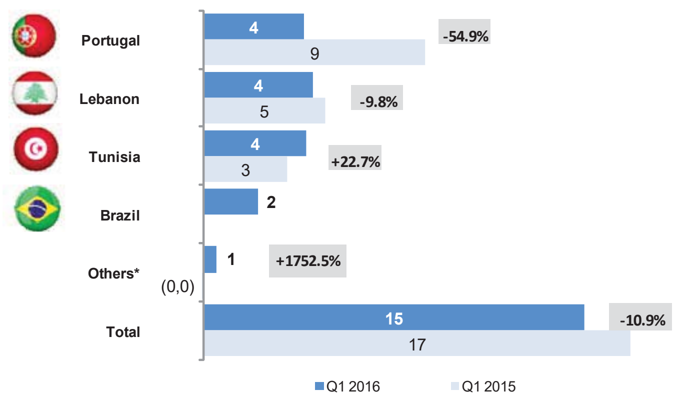
IFRS - accrued amounts (million euros)	Q1 2016	Q1 2015	Var.
Sales	**106.4**	**99.9**	**6.6%**
EBITDA	**15.2**	**17.1**	**-10.9%**
EBITDA Margin (%)	14.3%	**17.1%**	**-2.8 p.p.**
Depreciation and impairment losses	(11.1)	(11.4)	3.3%
Provisions (increases and reversals)	0.1	(0.9)	107.7%
EBIT	**4.2**	**4.7**	**-10.3%**
EBIT Margin (%)	4.0%	4.7%	-0.8 p.p.
Net financial profit	(11.1)	(1.8)	-533.0%
Pre-tax profit	**(6.9)**	**3.0**	**-331.3%**
Tax on profits	0.3	(1.2)	128.6%
Retained profits for the period	(6.6)	1.8	-461.8%
Attributable to Secil equity holders	**(6.7)**	**1.4**	**-585.4%**
Attributable to non-controlling interests (NCI)	0.1	0.4	-65.3%
Cash-flow	**4.4**	**14.2**	**-68.7%**
	31-03-2016	**31-12-2015**	**Mar16 vs. Dec15**
Equity (before NCI)	420.4	426.1	-1.3%
Net debt	**454.6**	**457.4**	**-0.6%**

(million euros)

Turnover



EBITDA



* includes Angola and Cape Verde

Notes:

- Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments.
- The integration of the Supremo Group in the Semapa consolidated financial statements for 2015, taking into account that the acquisition of the remaining 50% of the Group that forced the full consolidation occurred at the end of the month of June, had the following impact: 50% of the results of the first half were integrated using the equity method, the balance sheet position was fully consolidated (100%) with reference to 30 June 2015 and the results in the second half (July to December) were also fully consolidated (100%).

Operating indicators

	Unit	Q1 2016	Q1 2015	Var.
Annual cement production capacity	1 000 t	9,750	7,650	27%
Sales				
Grey cement	1 000 t	1,156	971	19%
White cement	1 000 t	15	21	-30%
Clinker	1 000 t	23	121	-81%
Ready-mixed	1 000 m3	1,389	939	48%
Aggregates	1 000 t	2,179	1,792	22%
Precast concrete	1 000 t	29	24	20%
Mortars	1 000 t	100	90	11%
Hydraulic lime	1 000 t	26	24	9%
Mortar fixative	1 000 t	15	12	31%

In the first quarter of 2016, the turnover in the Cement business area was 106.4 million euros, 6.6% higher than the figure for the same period of the previous year. This increase was mainly due to the growth in the turnover of operations in Lebanon and Tunisia, and the integration of the Supremo Group as from July 2015. Ever since, operations in Brazil are fully consolidated in the Cement Segment (Secil now owns 100% of the Supremo Group), with a rather positive impact on turnover, which in the first quarter of 2016 amounted to 17.1 million euros.

EBITDA in the Cement area stood at 15.2 million euros, which translated into a decrease of 1.9 million euros in relation to same period 2015. The EBITDA dropped essentially as a result of operations in Portugal, where this indicator decreased 4.8 million euros. In the first quarter of 2016, the EBITDA margin stood at 14.3%, 2.8 p.p. down on the same period in the previous year.

In **Portugal**, the Construction Production Index (INE – the Indices of Production, Employment and Remuneration in Construction – February 2016) was down by 4.7% in February 2016, on a year-on-year basis. Although early 2016 figures outline a drop in the construction activity, according to figures available from FEPICOP – the Portuguese Construction and Public Works Industry for the construction sector, 2016 is expected to evolve favourably, albeit more moderately than in 2015 (+3%), in terms of construction activity. Construction is expected to grow approximately 2.5%, and the residential segment should undergo more positive development (+4%).

According to the latest figures available, cement consumption in Portugal was down by 6.8% on the same period in the previous year. It is thus estimated that the market reached approximately 606 thousand tons.

In this environment, turnover for overall operations in Portugal during the first quarter of 2016 was down by 18.9% compared to the previous year.

In the Cement business in Portugal, including sales in Portugal and exports, amounts sold in the domestic market decreased 1.2% in relation to figures in 2015. As the quantities sold for export dropped around 52.2% year-on-year, this business area overall had a fall in turnover of 22.4%. This development was driven by the rise in competition and the slower growth in construction activity in countries dependent on revenues from fossil fuels, namely Algeria.

In the other business segments with operations based in Portugal (ready-mixed concrete, aggregates, mortars, pre-cast and others), turnover in the first quarter of 2016 stood at approximately 16.4 million euros, down by 11.7% in relation to the same period of the previous year. Mention should be made of the ready-mix concrete business unit, which dropped 20.5% in comparison with the same period of 2015, with turnover amounting to 10.4 million euros, in addition to the aggregates sector, with a turnover that registered 3.0 million euros, 17.9% above that in the same period of the previous year. The year featured the supply of concrete to the Marão Tunnel project, so excluding this project concrete sales volume decreased around 6%. Sales in the first quarter of 2016 were lower than that in the same period of 2015, due to the weather conditions in the north and centre of the country, and volumes are expected to improve slightly in the next quarters.

In the first quarter of 2016, EBITDA for total operations in Portugal was down by 54.9% year-on-year, at 4.0 million euros vs. 8.9 million euros in the first quarter of 2015.

The cement business unit in Portugal recorded EBITDA of 3.7 million euros in the first quarter of 2016, down by 50.6% on the figure recorded in the first quarter of 2015. Thermal energy costs dropped, impacted positively by the overall reduction in fuel costs and the implementation in Q1 of part of the maintenance works. Consequently, these expenses will be less in the following quarters.

The EBITDA of the mortars, ready-mix concrete and aggregates business units was approximately 0.4 million euros, against 1.4 million euros in Q1 2015.

Lebanon is still feeling the impact of the global slowdown and regional instability, especially with the situation in Syria. Despite this situation, there are expectations of modest economic growth.

In regard to cement consumption in Q1 2016, there has been a significant rise. The market grew 20.9%, unlike what happened in 2015, as weather conditions in the first quarter of 2016 were more favourable than the same period in the previous year, but it was also influenced by the completion of some projects that continued from 2015. Consumption is expected to drop in Q2 2016.

The performance of the cement business was influenced by the market conditions and therefore higher than in the first quarter of 2015. The quantities of cement sold by this business unit totalled 242 thousand tons, rising 9.1% due to the reasons already mentioned. The competitive nature of the market is increasingly challenging and reflected in the fall of average prices in the local currency. Turnover grew around 9.7%, driven by the rise in amounts sold.

In the first quarter of 2016, total EBITDA from operations in Lebanon stood at 4.4 million euros, down by 9.8% in relation to the previous year. In this period, costs increased namely due to the shutdown of line 2 for the installation of bag filters which resulted in a decrease in clinker output, originating losses in output for stock which affected output variation

The cement unit recorded EBITDA of 4.3 million euros, down by 10.0% over the figure in the same period in 2015.

After completing the political transition in early 2015 and having weathered the international economic crisis, **Tunisia** could meet the political conditions for tracing a path of recovery, prosperity, stability and completion of the economic transformation needed to ensure sustained growth. However, the year was marked by trade union claims, terrorist attacks, and ongoing political instability. Unstable political status and a climate of insecurity hinder economic recovery.

According to the latest figures published by the IMF, the Tunisian economy is expected to grow by 2% in 2016, above the 0.8% figure recorded in 2015 (World Economic Outlook, IMF, April 2016).

In spite of the climate of uncertainty, cement consumption grew about 3.9% in the first quarter of 2016, compared with the same period in 2015. Market competition in Tunisia is getting stronger, there are a large number of competitors and pressure on sales prices is high, causing them to drop. Such competition is also visible in exports.

Turnover for combined operations in Tunisia in the first quarter of 2016 stood at approximately 17.7 million euros, up by 2.7% on a year-on-year basis.

The cement and clinker business unit recorded turnover of approximately 15.7 million euros, up by 1.6% on the figure for the 1st quarter of 2015.

The increase (by about 1.9%) was seen in the amounts sold in the domestic market as a result of the growing market. In spite of strong competition, prices grew approximately 3% in the domestic market against the same period in 2015, partly due to the product mix.

As far as exports are concerned, and in spite of the rise in supply and enhanced competition, and of some limitations to imports in Algeria and Libya, amounts sold also increased 15.1% compared to the first quarter of 2015. This rise was brought about by lower prices than in the previous year, due to competitive pressure.

In Tunisia, EBITDA from business operations in the first quarter of 2016 stood at 4.1 million euros, representing an improvement of 22.7% year-on-year. This variation was due to the increase in turnover, combined with improved performance in production.

Clinker production in the first quarter of 2016 was higher than that of the Q1 2015. The energy gains helped to improve thermal energy consumption indicators in comparison with 2015, due to the decrease in thermal energy costs, as a result of the global drop in oil costs.

Forecasts for 2016 for **Angola** are negative. Although the IMF is forecasting growth of 2.5% for Angola in 2016 (World Economic Outlook, IMF, April 2016), the negative impact from the recent variations in the price of oil could not help but affect the economy in this quarter. Given the heavy dependence of the economy on the revenues from the oil sector, this situation is limiting its economic performance and making its presence felt in the major economic and financial variables.

The difficulties in processing payments abroad, as a result of the foreign-exchange restrictions imposed by the National Bank of Angola, paint a rather negative image for the construction and public works sector. The year got off with increasing diesel and fuel oil prices, together with a new and steep 15% depreciation of the kwanza.

The cement market in Angola was not immune to these difficulties and domestic consumption in the first quarter of 2016 decreased around 31% year-on-year.

Cement amounts sold decreased in comparison to sales in the Q1 2015, amounting to 32 thousand tons of cement, 11 thousand less than in the same period of 2015. The decrease was due to market contraction, considering the current conditions of the Angolan economy. Turnover amounted to 3.8 million euros in total, down by 32.1% compared to the first quarter of 2015. The decrease was negatively affected by the depreciation of the kwanza against the euro by 1.7 million euros. The exchange rate effect aside, the turnover would have been the same as in the same period of 2015, as the sales price increased significantly, thus offsetting the drop in amounts.

The Group has made an exceptional effort to reduce total costs. The fixed costs also dropped, specially thanks to staff costs that decreased as a result of workforce cuts. On the other hand, variable costs increased due to the rise in clinker import costs (as a result of the devaluation of the kwanza).

Activities developed in Angola improved in terms of the EBITDA, which reached 234 thousand euros in the first quarter of 2015, compared to a negative figure of 161 thousand euros in the same period of the previous year.

The economy of **Cape Verde** is expected to grow by 2.9% in 2016, a value higher than the 1.8% recorded in 2015 (World Economic Outlook, IMF, April 2016). According to available data, cement consumption in the first quarter of 2016 is believed to have grown between 10% and 15% in relation to the same period of the previous year. The public works developed in Q1 2016 are nearing completion and, considering the Cape Verde government's financial constraints, no new relevant projects are foreseen.

Turnover for combined operations in the country in the first quarter of 2016 stood at approximately 1.4 million euros, down by 7.3% on a year-on-year basis. EBITDA amounted to 0.3 million euros, representing an increase of 105.8%

In the first quarter of 2016, the effect of the consolidation of all activities in **Brazil** developed by the Supremo Group[1] on turnover was 17.1 million euros. EBITDA stood at 2.2 million euros in the same period.

[1] The integration of the Supremo Group in the Semapa consolidated financial statements, taking into account that the acquisition of the remaining 50% of the Group that forced the full consolidation occurred at the end of the month of June 2015, had the following impact: 50% of the results of the first half of 2015 were integrated using the equity method, the balance sheet position was fully consolidated (100%) with reference to 30 June 2015 and the results in the second half (July to December) were also fully consolidated (100%). For a more suitable comparative analysis, the main economic and financial indicators of the Supremo Group are provided separately.

Brazil

The integration of the Supremo Group in the Semapa consolidated financial statements, taking into account that the acquisition of the remaining 50% of the Group that forced the full consolidation occurred at the end of the month of June 2015, had the following impact:

- 50% of the results of the Q1 2015 were integrated using the equity method,
- the balance sheet position was fully consolidated (100%) with reference to 30 June 2015 and the results in the second half (July to December) were also fully consolidated (100%).

For a more suitable comparative analysis, the main economic and financial indicators of the Supremo Group are provided separately.

IFRS - accrued amounts (million euros)	Q1 2016	Q1 2015	Var.
Sales	**17.1**	**12.7**	**34.1%**
EBITDA	**2.2**	**0.4**	**>100%**
EBITDA Margin (%)	12.9%	3.2%	9.7 p.p.
Depreciation and impairment losses	(2.4)	(0.6)	<-100%
Provisions (increases and reversals)	(0.0)	(0.0)	94.7%
EBIT	**(0.2)**	**(0.2)**	**17.4%**
EBIT Margin (%)	-1.1%	-1.9%	0.7 p.p.
Net financial profit	(1.9)	(1.7)	-16.0%
Profit before tax	**(2.1)**	**(1.9)**	**-11.8%**
Tax on profits	0.4	(0.0)	>100%
Retained profits for the period	(1.7)	(1.9)	10.5%
Attributable to Supremo equity holders	**(1.7)**	**(1.9)**	**10.5%**
Attributable to minority interests (MI)	-	-	
Cash-flow	**0.7**	**-1.3**	**151.1%**
	31-03-2016	**31-12-2015**	**Mar16 vs. Dec15**
Equity (before MI)	156.6	151.1	3.6%
Net debt	**127.2**	**121.0**	5.1%

Recent IMF projections point to a contraction of the Brazilian economy of 3.8% (World Economic Outlook-Update, IMF, April 2016) in 2016.

The economy of Brazil continued to be significantly affected by the political instability, tax adjustments and a number of proceedings/inquiries which received plenty of media coverage (like the "lava-jato" case, involving Petrobras, and the President's impeachment). The combination of these events produced a great deal of uncertainty about which way the economy would go, making expectations difficult to manage. In this scenario, there was a strong deterioration of the major macroeconomic indicators, specifically: a decline in the GDP, the impact on inflation and subsequent increase in the interest rates in order to control the inflationary pressure.

In this context, the construction industry was naturally affected: less works and projects, with an impact on cement consumption. Recent information (SNIC – March 2016) about the cement market in Brazil suggests a drop in the market in the first quarter of 2016 of around 14.7% year-on-year.

In the first quarter of 2016, total operations by the Supremo Group generated turnover of 17.0 million euros, representing an increase of around 34.1% in relation to the same period in the previous year. Note that the Adrianópolis plant began production only in April 2015 and, consequently, the average daily sales volume increased. In the first quarter of 2016, 264 thousand tons of cement and 192 thousand tons of clinker were produced, compared to 81 thousand tons and 32 thousand tons, respectively, in the same period of the previous year.

At the end of the first quarter of 2016, EBITDA stood at 2.2 million euros, compared to 0.4 million euros on the previous year.

When the new plant began operating, amortisations rose from 629 thousand euros in the first quarter of 2015 to 2.9 million euros at the end of the first quarter of 2016.

Net financial charges of the Supremo Group stood at a negative figure of 1.9 million euros at the end of the first quarter of 2016 vs. the negative value of 1.7 million euros on the same period in the previous year.

Consequently, net income for the first three months of 2016 totalled the negative figure of 1.7 million euros, representing an improvement of around 204 thousand euros compared to the same period in the previous year.

At the end of the first quarter of 2016, net debt of the Supremo Group amounted to 127.2 million euros, which translated an increase of 6.2 million euros compared to the figure on 31 December 2015, mostly due to the currency exchange.

Environment

IFRS - accrued amounts (million euros)	Q1 2016	Q1 2015	Var.
Turnover	**5.6**	**4.8**	**15.3%**
EBITDA	**1.8**	**1.2**	**53.4%**
EBITDA margin (%)	32.0%	24.1%	8.0 p.p.
Depreciation and impairment losses	(0.7)	(0.7)	-3.1%
Provisions (increases and reversals)	-	-	-
EBIT	**1.0**	**0.4**	**133.5%**
EBIT margin (%)	18.8%	9.3%	9.5 p.p.
Net financial profit	(0.2)	(0.2)	17.7%
Profit before tax	**0.9**	**0.2**	**266.6%**
Tax on profits	(0.2)	(0.1)	-125.9%
Retained profits for the period	0.7	0.2	342.9%
Attributable to ETSA shareholders	**0.7**	**0.2**	**342.9%**
Attributable to non-controlling interests (NCI)	-	-	-
Cash-Flow	**1.4**	**0.9**	**63.6%**
	31-03-2016	**31-12-2015**	**Mar16 vs. Dec15**
Equity (before NCI)	63.2	62.5	1.1%
Net debt	**19.5**	**18.1**	**7.2%**

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

In the first quarter of 2016, the ETSA Group recorded turnover of approximately 5.6 million euros, up by around 15.3% vs. the first quarter of 2015.

This was caused essentially by a rise in turnover associated to the sale of the main end products, caused not only by higher sales volumes, but also due to lower sales prices.

This positive development was essentially caused by (i) an increase in amounts sold by several of the Group's companies, mostly explained through the behaviour of the subsidiary SEBOL, whose fat sales rose about 72.9%, although at a lower average sales price, around 4.8% below the price in the same period in 2015, (ii) an increase of approximately 11.5% of the amounts sold of fish sub-products by the subsidiary ABAPOR, (iii) 179.4% more used cooking oil sold at a price 3.8% higher than that charged in the same period of the previous year, and (iv) a growth of approximately 6.4% in consolidated services provided, particularly by the subsidiary ABAPOR (which grew around 24.5% from the same period in the previous year).

The downward trend of the sales price of low acidity fats is in line with the significant decrease in products in the main destination markets, due to the depressed business environment in the main commodities markets worldwide (oilseed and oil).

EBITDA for the ETSA Group totalled approximately 1.8 million euros in the first quarter of 2016, representing an increase of about 53.4% in comparison with the same period of the previous year. This is explained fundamentally by (i) the rise in turnover described above, (ii) the increase in class 3 by-products which, combined with better income levels, contributed to the rise in amounts produced, thus optimising installed capacity, and (iii) the reduction in the cost of thermal fuels and mineral fuels used in the industrial conversion process and collection of by-products, as a result of the drop in oil prices during the period in analysis.

Due to the high investments made by the Group in the last years, alternative chosen that has prevented it from paying dividends, EBITDA margin achieved 32.0% in the first quarter of 2016.

Holdings (Semapa SGPS and instrumental sub-holdings)

In the first quarter of 2016, EBITDA of the holdings was nil, comparing favourably with the negative amount of 2.6 million euros for the same period of the previous year.

4 Consolidated Financial Performance

Consolidated Net Debt

(million euros)	31-03-2016	31-12-2015	Var.
Pulp and Paper	636.4	654.5	-18.0
Cement	454.6	457.4	-2.8
Environment	19.5	18.1	1.3
Holdings	698.4	673.0	25.4
Total	**1,808.9**	**1,803.0**	**5.9**

At 31 March 2015, consolidated net debt stood at 1,808.9 million euros, representing a reduction of 6 million euros from the figure recorded at year-end 2015. Turnover by business area was as follows:

- Pulp and paper: - 18.0 million euros, including investments of about 49 million euros;
- Cement: - 2.8 million euros;
- Environment: + 1.3 million euros; and
- Holdings: + 25.4 million euros, arising essentially from the purchase of own shares and corporate income tax (IRC) payments.

Financial Results

In the first quarter of 2016 financial results amounted to a negative figure of 19.2 million euros, an improvement of 27.5 % in relation to the figure recorded in the same period of the previous year. The positive variation of 7.3 million euros was primarily the result of:

- Positive effect arising from a decrease in interest rates, repayment of the costlier debt and debt renegotiation;
- The negative effect of the integration of the Supremo Group.

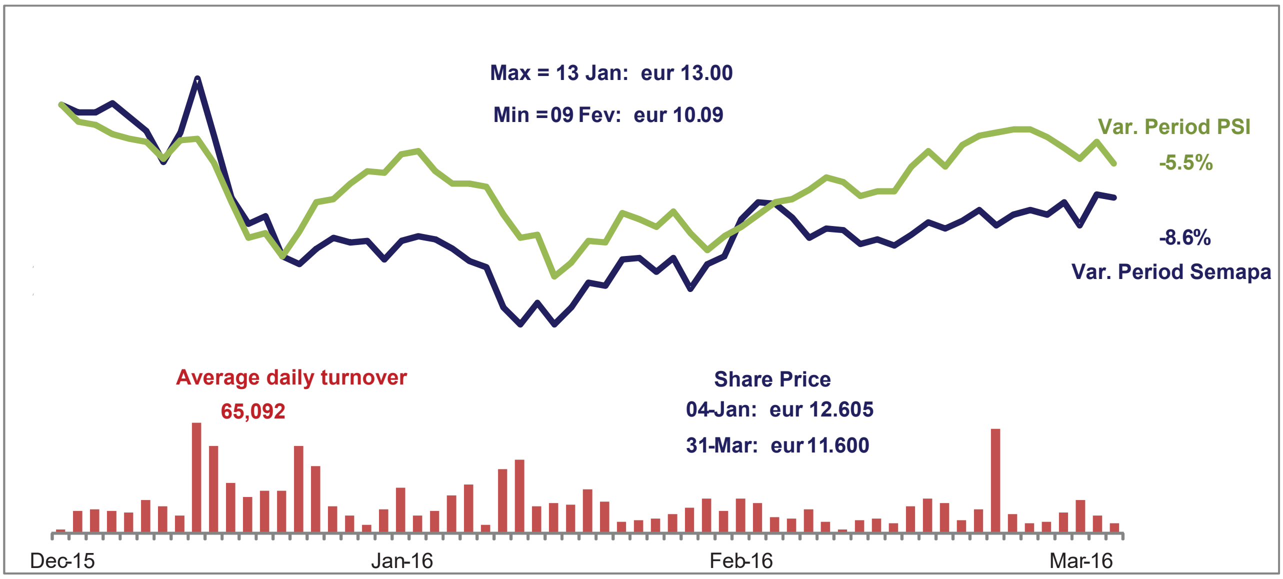
Consolidated Net Income

Consolidated net income in Q1 2016 attributable to the shareholders of Semapa was 17.6 million euros, which translated a reduction of 13.1% year-on-year. Net income per share stood at 0.216 euros/share, representing a rise of 13.7% on the same period of the previous year, as a result of the cancellation of shares after the first quarter of 2015.

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

- The appropriation of lower results from The Navigator Company in the first quarter of 2016 vs. the previous year (69.40% versus 81.19%, respectively), following the Public Exchange Offer in July 2015;
- An increase of about 9.8 million euros in income taxes, which was greatly owed to the fact that The Navigator Company and its subsidiaries, are no longer covered by the Special Taxation Regime of Company Groups of which Semapa is the controlling company, as a result of the reduction of the aforementioned stake, with effect from 1 July 2015;
- An increase in total EBITDA of approximately 13.5 million euros;
- Increase in amortisations and impairment losses, mostly resulting from the full integration of Supremo;
- Increase of provisions with a value of 6.0 million euros, due essentially to the release of provisions in the same period in the previous year, which proved to be unnecessary;
- An improvement of net financial results by about 7.3 million euros, in relation to the previous year.

5 Performance of Semapa Shares on Euronext Lisbon in the 1st Quarter of 2016



Basis 100 = 31/12/2015

The beginning of 2016 was a rather negative year for most stock markets; the main indexes fell sharply in January, and continued to fall in the following month. Developments in the price of oil and fear of a slowdown in economic activity in Asian countries helped trigger such sharp falls. In March, the main stock markets recovered somewhat, investors reacting positively to the ECB's announcement of measures to foster Euro Area economy and inflation, and to the economic information published on the USA, more positive than expected. However, the recovery was not enough to make up for accumulated losses since the beginning of the year.

Therefore, European stock exchanges ended the quarter on negative ground, Eurostoxx 50 presenting a loss of 10%, the IBEX 35 at -8.6% and DAX at -7.2%. The Portuguese index was fairly dynamic in the quarter, driven by bank securities, but it also suffered a loss of 5.5%, following the downward growth forecasts for the Portuguese economy and Fitch's review of its rating of the Portuguese debt, which went from positive to stable.

In this context, the value of Semapa shares in the period decreased by 8.6%, below PSI20 average. The Semapa stock value reached a high of 13.000 euros on 13 January, and a low of 10.090 euros on 9 February.

6 Outlook

The latest IMF and OECD projections revised world growth in 2016 and 2017 downwards. Global economy continues to grow, but expansion is slower and depends on stimulus policies implemented in the developed countries. The effect of the economic slowdown of China and other emerging countries on the world economy and the instability caused by the change in cycle of the US Federal Reserve's monetary policy are factors of uncertainty. In the Euro Area, an accommodating monetary policy by the European Central Bank is a positive element, among others. However, the economic slowdown of emerging countries, combined with other factors of uncertainty, namely political, can cause investments to be postponed, being a burden on growth.

In Portugal, the general economic outlook for 2016 is in line with 2015. The latest projections of the Bank of Portugal (March 2016) point to a 1.5% growth in economic activity in 2016. The most recent projections of the IMF also hint at 1.4% growth.

Paper and Pulp

Concerning the **paper** business, the European market should continue to benefit during the rest of 2016 from the recent reduction in and conversion of capacity of some productive units in Europe. However, the impact of the anti-dumping proceedings brought by the American authorities is still producing changes between supply and demand in several parts of the world, namely more pressure in Asia, Latin America, the Middle East and in some African Countries. Paper imports from the Asian market into Europe continue to intensify, which may cause more competitive pressure and, consequently, higher price discounts.

In the United States, the closure of 340 thousand tons of uncoated paper capacity announced for April will produce a positive impact on the market, and a rise in prices in May has already been announced. Exchange rate variations will naturally play a decisive part in the competitiveness of the industries' manufacturers.

Following strong pressure under which the price of **pulp** has been in recent months, some signs of slowdown in the downward trend are visible. Pulp purchases in China and in other markets have picked up, suggesting that eucalyptus pulp stocks are at low levels and the spot price has probably touched the bottom. Also the price gap between short and long fibre has widened again, reaching historical levels of 100 USD/ton. Although the second quarter may improve in terms of the demand for pulp, the growth in supply forecast in 2016 remains, however, high. Carefully managed new capacities coming in from Latin America will be a fundamental factor for the balance of the pulp market.

In the Iberian **tissue** market, the second and third quarters are traditionally months of greater consumption, namely in the Away From Home segment, due to the tourism and food industry services activity-related development. Macroeconomic trends in Portugal and Spain and their impact on consumption will weigh significantly on the sector's good performance.

As for the Cacia Project, for which the Group has a conditionally approved investment in a tissue paper production line and the corresponding transformation into final products, with a nominal capacity of 70 thousand tons per annum, at an estimated value of 121 million euros, hereby enhancing the Group's productive capacity to 130,000 tons/year, is still awaiting the approval of State incentives. In this stage, the analysis of the paper machine is almost complete and the technical and financial-economic analysis of the processing equipment is now being finalised.

The Colombo Energy Inc. project of the new **pellets** plant in the USA (in Greenwood, South Carolina) is entering the final construction stage; 96.5% of the total investment of 116.5 million USD has been committed, and 53 of the 70 estimated total workforce has been hired. The assembly of the equipment should be completed by May 2016, when the commissioning and testing period is expected to begin, and the start up of production is planned for end of July.

In **Mozambique**, forest planting proceeded in the first quarter of 2016, supplied by the plants grown in the Viveiro Florestal do Luá nursery, the largest forest nursery in Africa. In this quarter 2,200 new hectares have been planted. The country is politically and economically unstable, which brings additional challenges to the Project, in terms of the safety of all who are involved in it and the guarantees of supply of the goods needed for the project. Metical has been under pressure caused by price inflation since 2015, and rising.

The company is still focused on implementing the Social Development Programme, an investment in the local communities embracing the Project and which is expected to contribute significantly to the improvement of living conditions of all their members.

Cement

In **Portugal**, GDP growth outlooks for 2016, the recovery in domestic demand and investment, with a reversal in the licensing of home construction and an increase in construction productivity, helped to foresee a slight growth in the construction market and in cement consumption in 2016. The expected recovery in the domestic market, combined with savings and gains achieved through the streamlining measures implemented in previous years, offer the prospect of favourable results.

In **Lebanon**, 2016 should not be very different to 2015. The changes which have occurred in the Middle East have not helped to preserve macroeconomic stability. The cement market is expected to decline in 2016 due to the expected slowdown in residential construction and lower investor confidence, caused by the uncertain political situation in the country and region. Continuation of a challenging and competitive environment with impact on sales prices is expected. However, these negative effects may be partly offset by less energy costs, due to lower oil prices. Block sales should rise in the coming months, as the new plant is receiving more orders and is beginning to build a customer portfolio.

For **Tunisia**, the latest IMF figures point to 2% growth of the economy. However, economic growth prospects remain somewhat uncertain due to recent events and the unstable environment. Competition should continue intense and increased pressure on sales prices is expected (in the domestic and foreign markets).

The outlook for 2016 for **Angola** is negative. In early April, Angolan authorities asked the IMF to negotiate a programme of financial and economic support. Although the IMF is forecasting growth of 3.5% for the economy in 2016, the negative impact from the recent variations in the price of oil cannot help but affect the economy over the course of this year. The year got off with increasing diesel and fuel oil prices, together with a new and steep depreciation of the kwanza. Although the cement market is expected to drop in 2016, increasing costs will impact clinker producers more than other Group activities.

In **Brazil**, no improvement in the macroeconomic scenario is expected in 2016, which foretells the continuation of the difficulties in economic activity and especially in the activities tied to the construction sector, due to the difficulty in investments coming to fruition. The economy may shrink about 3.8%, according to the latest estimates of the IMF (April 2016).

The cement market is expected to drop again, albeit slightly less than in 2015. Public works should not perform better than in 2015, but the elections for the local governments may bring some dynamics to the sector.

Environment

Considering the current macroeconomic, financial and sectoral environment, slight improvements are envisaged in the medium term in the sector operated by the ETSA group, insofar as boosting consumption of foodstuffs (due to effective increase or simply to changes in the average shopping basket) will result, in time, in a slight increase in the animal slaughter rate, after a period of reinvestment in the main collection centres and especially after the implementation of gradual import replacement mechanisms which, consequently, albeit deferred and still uncertain, will allow an increase in the volume of some categories of by-products generated. However, the competition between operators in arranging raw material, which is scanty, will remain intense, because of the pronounced overcapacity of industrial processing.

The ETSA group’s prime objectives in the short term include (i) concentrating on the horizontal expansion of its production and destination markets (exports accounted for around 29.0% of total accrued sales on 31 March 2016), (ii) identifying fresh opportunities for vertical growth, channelling its investments to improving operational efficiency, extracting maximum value from the channels operated and retaining the loyalty of the main conventional and alternative collection centres, (iii) the gradual and progressive recovery of balanced sales margins in the market, and (iv) focus on sustained innovation and research and development addressed at ensuring new profit thresholds for the business.

Lisbon, 29 April 2016

The Directors