

CORPORATE GOVERNANCE REPORT
FINANCIAL YEAR OF 2006

Approved in the General Meeting, dated 21st March 2007

Corporate Governance

Introduction

Corporate governance issues are attracting increasing attention from shareholders. This interest is wholly reasonable, and Semapa has responded by making efforts to recognize its shareholders' concerns.

As detailed below, Semapa currently complies with almost all the recommendations of the Securities Market Commission.

One of the most recent recommendations proposes that the general meeting of shareholders be called on to assess a declaration on remuneration policy. This is a recommendation with which Semapa is pleased to comply, and it has included in this part of the report, devoted to corporate governance, a motion drawn up by the company Remuneration Committee.

Article 245-A of the Securities Code also now requires, in addition to the report on the structure and corporate governance practices governed by SMC regulation no. 7/2001, a set of specific information on the same topic, partially overlapping with that required by the regulation, but which should be set out in a report to be submitted to the general meeting.

The requirements of Articles 447 and 448 of the Companies Code also come under the heading of corporate governance issues.

Accordingly, in view of the various legal recommendations and requirements, we have structured our report on corporate governance as follows:

- I. Report on structure and corporate governance practices, drawn up under the terms of SMC regulation no. 7/2001;
- II. Report on the issues referred to in Article 245-A.1 of the Securities Code;
- III. Declaration on remuneration policy;
- IV. Disclosures required by Articles 447 and 448 of the Companies Code, and
- V. Qualifying holdings in Semapa.

Although these various documents, and in particular the report on the issues referred to in Article 245-A.1 of the Securities Code and the declaration on remuneration policy, are therefore submitted to the shareholders for consideration in conjunction with the other financial reporting documents in which they are incorporated, they will nonetheless be discussed and voted on separately from the management report, if any of the company's shareholders so request.

I. REPORT on structure and corporate governance structure, drawn up under the terms of SMC Regulation 7/2001

Chapter 0 Declaration of Compliance

Recommendation no. 1

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

This recommendation has therefore been adopted in full.

Recommendation no. 2

The company has no type of restriction on the exercise of voting rights or the representation of shareholders, and the time limits established in the articles of association for submission of the documentation necessary for attendance of general meetings of casting postal votes are shorter than the recommended minimum.

This recommendation has therefore also been adopted in full.

Recommendation no. 3

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

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

Recommendation no. 4

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

Recommendation no. 5

The management body comprises several members, who effectively direct the management of the company and its senior staff, as described in greater detail below.

The recommendation to this effect has therefore been adopted by the company.

Recommendation no. 5-A

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

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

This recommendation has therefore been adopted in full.

Recommendation no. 6

Semapa's Board of Directors included independent non-executive directors: Messrs. Joaquim Martins Ferreira do Amaral and António da Nóbrega de Sousa da Câmara.

In addition, all the members of the Audit Board are independent and effectively exercise their powers. The Chairman of the Audit Board is also a member of the company's Internal Control Committee, with responsibilities in the areas of supervision and control, including advisory powers on the selection of external auditors.

This recommendation has therefore also been adopted in full.

Recommendation no. 7

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

Recommendation no. 8

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

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

This recommendation is therefore only partially adopted.

Recommendation no. 8-A

This recommendation was adopted with the inclusion in the financial statements, to be submitted to the next general meeting, of a declaration on remuneration policy for company officers, drawn up by the Remuneration Committee. The shareholders will therefore be able to discuss and vote on this declaration as recommended.

Recommendation no. 9

This recommendation has also been adopted as all members of the Remuneration Committee are independent.

Recommendation no. 10

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

Recommendation no. 10-A

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

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

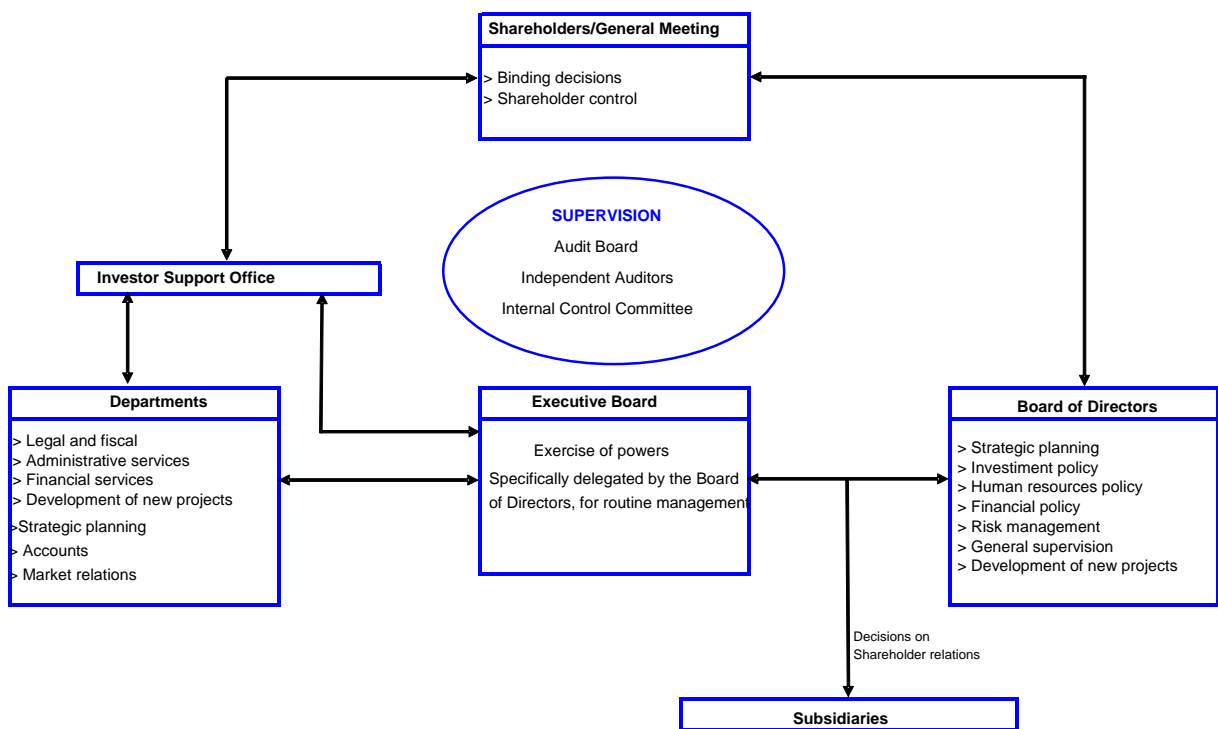
Recommendation no. 11

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

**Chapter I
Disclosure of information**

1. Organisational structure

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



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

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

4 General supervision, which is the special responsibility of Eng. Joaquim Martins Ferreira do Amaral, the only director to sit on the Internal Control Committee.

2. Specific Committees

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

The Remuneration Committee has specific powers to fix the remuneration of company officers, and comprises the following members, none of them shareholders or members of other company bodies:

- António Mota de Sousa Horta Osório
- Egon Zehnder, represented by José Gonçalo Maury
- Frederico José da Cunha Mendonça e Meneses.

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

- Dr. Duarte Nuno D'Orey da Cunha – Chairman of the Audit Board
- Dr. Álvaro Manuel Ricardo Nunes – director of a company with a qualifying holding in Semapa
- Eng. Joaquim Martins Ferreira do Amaral – independent non-executive director.

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

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

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

- Rita Maria Lagos do Amaral Cabral – Non-executive director
- Gonçalo Allen Serras Pereira – Consultant who was an executive director of the company until 2005.
- Jorge Manuel de Mira Amaral – director of controlled/controlling companies who was for several years an officer of Semapa's general meeting.

3. Risk control

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

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

- (a) To assure compliance by the company with the entire regulatory framework applicable to it, deriving both from law and regulations;

- (b) To monitor the company's business affairs, with integrated and permanent analysis of the risks associated with these affairs;
- (c) To monitor the quality of financial and accounting information, taking steps to ensure that it is reliable;
- (d) To propose the approval of specific measures and procedures for the control and reduction of risks in the company's affairs, with a view to improving the internal risk control system;
- (e) To issue its opinion on the choice of external auditors and to monitor their independence.

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

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

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

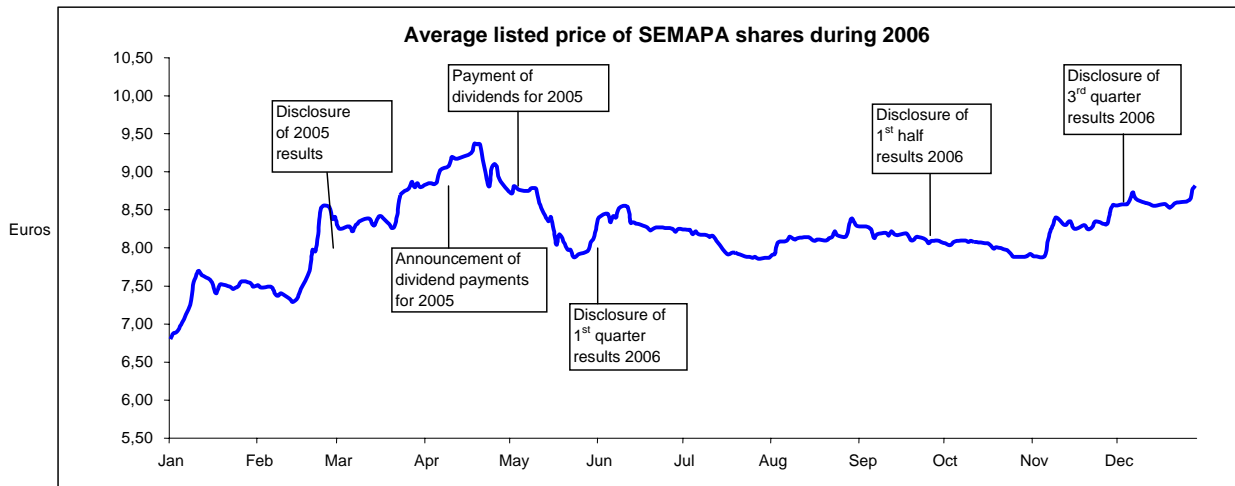
4. Listed share prices

Semapa shares performed positively in 2006, recording significant appreciation, similar to that registered by the main Portuguese equities index. The average daily listed price for Semapa shares varied between EUR 6.80 and EUR 9.37, with average daily trading of 204 185 shares.

No significant adjustment occurred in the listed price at the session after announcement of the 2005 results, on 17 March 2006.

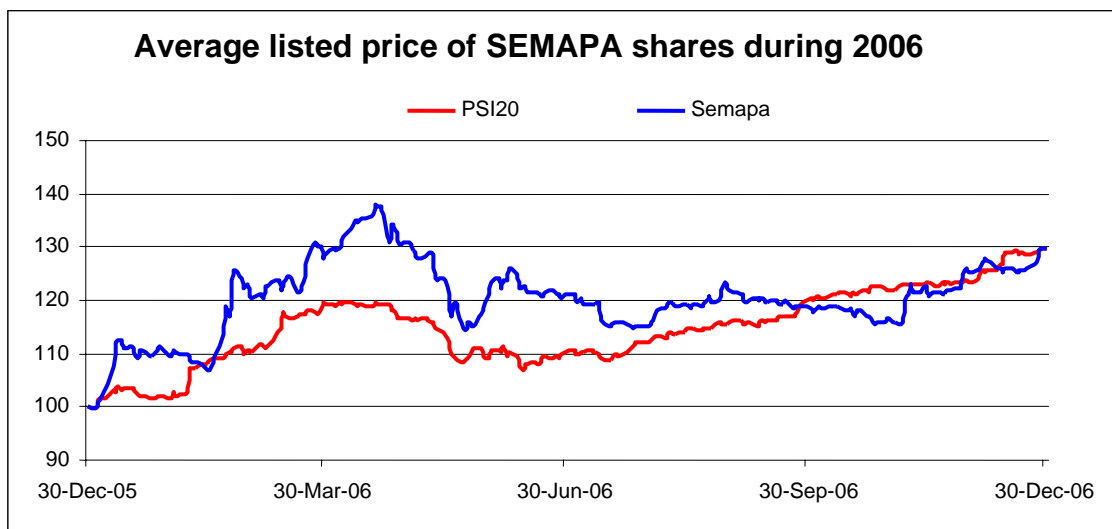
Likewise, the distribution of a dividend of EUR 0.42 per share, which in net terms represented, for shareholders subject to taxation, a dividend of approximately EUR 0.336 per share, had no significant immediate impact on the formation of the share price.

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



As may be seen, listed prices rose gradually up to the end of April, followed by a period of adjustment, before the upward trend was resumed for the rest of the year.

The shares performed well in 2006, with accrued appreciation of 30%. The trend in Semapa share prices was in line with the main thrust of the market, as illustrated by the following comparative graph:



5. Dividend distribution policy

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

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

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

2004 (in relation to 2003)	0.10 € per share
2005 (in relation to 2004)	0.11 € per share
2006 (in relation to 2005)	0.42 € per share

6. Share and option allocation schemes

The Company runs no share or option allocation scheme.

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

No transactions to report.

8. Investor Support Office

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

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

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

9. Remuneration Committee

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

- António Mota de Sousa Horta Osório
- Egon Zehnder, represented by José Gonçalo Maury
- Frederico José da Cunha Mendonça e Meneses.

10. Remuneration of Auditors

The following costs were incurred in relation to auditors in 2006 by the company and other related companies:

Services – Audit of Accounts	435.460 € (52,57%)
Other services – reability assurance	66.742 € (8,06%)
Fiscal advisory services	279.645 € (33,76%)
Services other than legal auditing	<u>46.534 € (5,62%)</u>
	828.381 € (100,0%)

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

Exercise of voting rights and representation of shareholders

1. Company rules on voting rights

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

2. Postal vote form

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

3. Electronic voting

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

4. Period for freezing shares

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

5. Deadline for receipt of postal votes

Postal votes must be received by the day before the date of the general meeting.

6. Number of shares corresponding to one vote

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

Chapter III Company Rules

1. Codes of Conduct and notification of irregularities

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

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

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

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

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

The Audit Board may request the assistance of the Internal Control Committee, and is required to conduct a preliminary investigation of all the facts necessary for assessing the alleged irregularity. This process ends with filing or with a submission to the Board of Directors or the Executive Board, depending on whether a company officer is involved, of a proposal for appropriate measures in the light of the irregularity in question.

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

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

2. Control of operating risks

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

3. Measures capable of interfering with takeover bids

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

Chapter IV Management Body

1. Details of Board of Directors

The Board of Directors comprises thirteen members, including seven executive directors. Two of the non-executive directors are independent, as shown in the following table

	Executive	Independent
Pedro Mendonça de Queiroz Pereira	X	
Maria Maude Mendonça de Queiroz Pereira Lagos		
Carlos Eduardo Coelho Alves	X	
José Alfredo de Almeida Honório	X	
Francisco José Melo e Castro Guedes	X	
Carlos Maria Cunha Horta e Costa	X	
José Miguel Gens Paredes	X	
Paulo Miguel Garcês Ventura	X	
Rita Maria Lagos do Amaral Cabral		
António da Nóbrega de Sousa da Câmara		X
António Paiva de Andrada Reis		

	Executive	Independent
Fernando Maria Costa Duarte Ulrich		
Joaquim Martins Ferreira do Amaral		X

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

Pedro Mendonça de Queiroz Pereira

1. Nature of duties on board of director: Executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: General High School Certificate (Lisbon), studied at the Instituto Superior de Administração
4. Date of first appointment and term of office: 1991 - 2009
5. Office held in other companies:

About The Future – Empresa Produtora de Papel, S.A (GS).....	Director
CIMENTOSPAR - Participações Sociais, SGPS, Lda (GS).....	Manager
CIMIGEST, SGPS, S.A.....	Chairman of the Directors
CIMINPART - Investimentos e Participações, SGPS, S.A. (GS)	Chairman of the Directors
CIMO - Gestão de Participações, SGPS, SA.....	Chairman of the Directors
CMP - Cimentos Maceira e Pataias, SA (GS).....	Chairman of the Directors
ECOLUA - Actividades Desportivas, Lda.....	Manager
ECOVALUE – Investimentos Imobiliários, Lda	Manager
LONGAPAR, SGPS, SA	Chairman of the Directors
O E M - Organização de Empresas, SGPS, SA	Chairman of the Directors
PORTUCEL - Empresa Produtora de Pasta e Papel, S.A. (GS).....	Chairman of the Directors and member of Executive Board
SECIL - Companhia Geral de Cal e Cimento, SA (GS)	Chairman of the Directors
SECILPAR, SL (GS)	Chairman of the Directors
SEINPART Participações, SGPS, S.A (GS)	Chairman of the Directors
SEMAPA Inversiones, SL (GS).....	Chairman of the Directors
SEMINV - Investimentos, SGPS, S.A (GS).....	Chairman of the Directors
SODIM SGPS, SA	Chairman of the Directors
SOPORCEL - Sociedade Portuguesa de Papel, S.A. (GS)	Chairman of the and member of Executive Board
SOPORCEL – Gestão de Participações Sociais, SGPS, S.A. (GS)	Director
TEMA PRINCIPAL – SGPS, SA	Director
VÉRTICE - Gestão de Participações, SGPS, SA	Chairman of the Directors

6. Other professional activities over the last 5 years:

CMPartin-Inversiones y Participaciones Empresariales SL (GS)	Chairman of the Directors
PARSECIL, SL (GS)	Chairman of the Directors
PARSEINGES - Gestão de Investimentos, SGPS, S.A (GS).....	Chairman of the Directors
Sociedade Agrícola da QUINTA DA VIALONGA, S.A.	Chairman of the Directors
IMOCIPAR – Imobiliária, S.A.	Director
CIMIPAR – Sociedade Gestora de Participações Sociais, S.A.....	Chairman of the Directors

Maria Maude Mendonça de Queiroz Pereira Lagos

1. Nature of duties on board of director: Non-executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: General High School Certificate (Lisbon).
4. Date of first appointment and term of office: 1994 - 2009
5. Office held in other companies:

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

6. Other professional activities over the last 5 years:

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

Carlos Eduardo Coelho Alves

1. Nature of duties on board of director: Executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: Degree in Mechanical Engineering, from the Instituto Superior Técnico (1971).
4. Date of first appointment and term of office: 1991 - 2009
5. Office held in other companies:

SONACA – Sociedade Nacional de Canalizações, S.A.....	Chairman of the Directors
SODIM, SGPS, SA	Director
SECIL - Companhia Geral de Cal e Cimento, SA (GS)	Director and Chairman of Executive Board
CMP - Cimentos Maceira e Pataias, SA (GS).....	Director and Chairman of Executive Board
CIMO - Gestão de Participações, SGPS, SA.....	Director
SCG – Soci��t�� des Ciments de Gab��s, SA (GS)	Chairman of the Directors
SEMINV - Investimentos, SGPS, S.A (GS).....	Director
SECILPAR, SL (GS)	Director
CIMINPART - Investimentos e Participa��es, SGPS, S.A. (GS)	Director
PARCIM – Investments B.V. (GS)	Director
PARSEINGES - Gest��o de Investimentos, SGPS, S.A. (GS).....	Director
SEINPART Participa��es, SGPS, S.A (GS)	Director
LONGAPAR, SGPS, SA	Director
BETOPAL, S.L. (GS)	Director
SEMAPA Inversiones, SL (GS).....	Director
CIMENTOSPAR - Participa��es Sociais, Lda. (GS).....	Manager
FLORIMAR – Gest��o e Participa��es, SGPS, Soc. Unipessoal, Lda. (GS)	Manager
PORTUCEL – Empresa Produtora de Pasta e Papel, SA (GS).....	Director
SOPORCEL – Sociedade Portuguesa de Papel, SA (GS)	Director
HEWBOL – SGPS, L.da (GS).....	Manager

6. Other professional activities over the last 5 years:

CIMIGEST, SGPS, S.A.....	Director
ENERSIS II - Sociedade Gestora de Participa��es Sociais, S.A.....	Chairman of the Directors
FESPECT – Servi��o de Consultadoria, S.A.....	Director
CMPartin-Inversiones y Participaciones Empresariales SL (GS).....	Director
PARSECIL, SL (GS)	Director

Jos   Alfredo de Almeida Hon  rio

1. Nature of duties on board of director: Executive
2. Number of shares held in the company: 20,000 shares
3. Professional qualifications: Degree in Economics from the Faculty of Economics, University of Coimbra (1980)
4. Date of first appointment and term of office: 1994 - 2009
5. Office held in other companies:

About The Future – Empresa Produtora de Papel, S.A. (GS)	Chairman of the Directors
ALIANÇA FLORESTAL – Sociedade para o Des. Agro-Florestal, SA (GS)	Chairman of the Directors
BETOPAL, S.L. (GS)	Director
CIMENTOSPAR - Participações Sociais, SGPS, Lda. (GS).....	Manager
CIMINPART-Investimentos e Participações, SGPS, S.A. (GS)	Director
CIMO-Gestão de Participações, SGPS, S.A.....	Director
CMP-Cimentos Maceira e Pataias, S.A (GS).....	Director
FLORIMAR – Gestão e Participações, SGPS, Soc. Unipessoal, Lda. (GS)	Manager
HEWBOL – SGPS, L.da (GS).....	Manager
LONGAPAR, SGPS, S.A.....	Director
PORTUCEL – Empresa Produtora de Pasta e Papel, SA (GS).....	Chairman of the Executive Board and Director
PORTUCEL FLORESTAL – Empresa de Desenv. Agro-Florestal, SA (GS)	Chairman of the Directors
SECIL-Companhia Geral de Cal e Cimento, S.A. (GS)	Director
SEINPART Participações, SGPS, S.A. (GS)	Director
SEMAPA Inversiones, SL (GS).....	Director
SEMINV - Investimentos, SGPS, S.A (GS).....	Director
SOPORCEL – Sociedade Portuguesa de Papel, SA (GS)	Chairman of the Executive Board and Vice-Chairman of the Directors
SOPORCEL – Gestão de Participações Sociais, SGPS. S.A.....	Chairman of the Directors

6. Other professional activities over the last 5 years:

CIMIGEST, SGPS, S.A.....	Director
CIMPOR – Cimentos de Portugal, SGPS, S.A	Director
CMPartin-Inversiones y Participaciones Empresariales SL (GS).....	Director
PARCIM Investment B.V. (GS)	Director
PARSECIL, SL (GS)	Director
PARSEINGES-Gestão de Investimentos, SGPS, S.A. (GS).....	Director
SECILPAR, SL (GS)	Director

Francisco José Melo e Castro Guedes

1. Nature of duties on board of director: Executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: Degree in Finance from the Instituto Superior de Ciências Económicas e Financeiras; MBA Insead.
4. Date of first appointment and term of office: 2001 - 2009
5. Office held in other companies:

CMP- Cimentos Maceira e Pataias, S.A (GS).....	Director
PARSEINGES-Gestão de Investimentos, SGPS, S.A. (GS).....	Director
SECIL – Companhia Geral de Cal e Cimento, S.A. (GS)	Director
SEINPART Participações, SGPS, S.A. (GS)	Director
SEMINV – Investimentos, SGPS, S.A. (GS).....	Director
SCG – Société des Ciments de Gabès, S.A. (GS)	Director
CDS - Ciments de Sibline, SGPS, S.A. (GS).....	Director
CIMINPART-Investimentos e Participações, SGPS, S.A. (GS)	Director
SEMAPA Inversiones, SL (GS).....	Director
SILONOR, S.A. (GS)	Director
Cimentospar – Participações Sociais, SGPS, Lda (GS)	Manager
Viroc Portugal – Indústrias de Madeira e Cimento, S.A. (GS)	Chairman of the Directors

6. Other professional activities over the last 5 years:

Geciment, Sociedade Gestora de Participações Sociais, S.A.	Director
Enersis II – Sociedade Gestora de Participações Sociais, S.A.....	Director

Carlos Maria Cunha Horta e Costa

1. Nature of duties on board of director: Executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: Degree in Economics from the Instituto Superior de Economia
4. Date of first appointment and term of office: 2006 - 2009
5. Office held in other companies:

CIMIGEST, SGPS, S.A..... Director
 CIMIPAR, Sociedade Gestora de Participações Sociais, S.A..... Chairman of the Directors
 Longapar, SGPS, S.A. Director

6. Other professional activities over the last 5 years:

CTT- Correios de Portugal, S.A. Chairman of the Directors
 CTT Expresso, S.A. Chairman of the Directors
 CTT – Gestão de Serviços e Equipamentos Postais Chairman of the Directors
 Payshop, S.A. Chairman of the Directors
 Mailtec – Holding, SGPS, S.A..... Chairman of the Directors
 Postcontacto, Lda. Manager
 Lucent Technologies – Portugal Chairman
 João Lagos Sports, S.A. Director

José Miguel Pereira Gens Paredes

1. Nature of duties on board of director: Executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: Degree in Economics
4. Date of first appointment and term of office: 2006 - 2009
5. Office held in other companies:

Sonaca – Sociedade Nacional de Canalizações, S.A..... Director
 CIMIPAR – Sociedade Gestora de Participações Sociais, S.A..... Director
 Tercim – Terminais de Cimento, S.A. (GS)..... Director
 SEINPART Participações, SGPS, S.A. (GS) Director
 SEMINV - Investimentos, SGPS, S.A (GS) Director
 Secilpar Inversiones S.L. (GS)..... Director
 Sodim, SGPS, S.A. Member of Audit Board

6. Other professional activities over the last 5 years:

Eneris II – Sociedade Gestora de Participações Sociais, SGPS, SA..... Director
 Eneris – Sociedade Gestora de Participações Sociais, SGPS, SA..... Director
 ECH – Exploração de Centrais Hidroeléctricas, S.A..... Director
 PESL – Parque Eólico da Serra do Larouco, S.A. Director
 BECIM – Correctora de Seguros, Lda Manager
 Silonor, S.A. (GS) Director
 Cimipart – Investimentos e Participações, SGPS, S.A. (GS)..... Director

Paulo Miguel Garcês Ventura

1. Nature of duties on board of director: Executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: Degree in Law from Faculty of Law, University of Lisbon. Registered with the Portuguese Bar Association.
4. Date of first appointment and term of office: 2006 - 2009
5. Office held in other companies:

Beira-Rio – Sociedade Construtora de Armazéns, S.A.	Chairman of the General Meeting
CIMIPAR – Sociedade Gestora de Participações Sociais, S.A.....	Chairman of the General Meeting
CIMO - Gestão de Participações, SGPS, SA.....	Chairman of the General Meeting
GOLIATUR – Sociedade de Investimentos Imobiliários, S.A.	Chairman of the General Meeting
LONGAPAR, SGPS, SA	Chairman of the General Meeting
O E M - Organização de Empresas, SGPS, SA	Chairman of the General Meeting
SEINPART Participações, SGPS, S.A (GS)	Chairman of the General Meeting
SEMINV - Investimentos, SGPS, S.A (GS).....	Chairman of the General Meeting
Sonagi – Imobiliária, S.A.	Chairman of the General Meeting
Vértice – Gestão de Participações, SGPS, S.A.	Chairman of the General Meeting
Sociedade Agrícola da Quinta da Vialonga, S.A.....	Chairman of the General Meeting

6. Other professional activities over the last 5 years:

Held the post of Semapa Company Secretary.
Legal practice.

Rita Maria Lagos do Amaral Cabral

1. Nature of duties on board of director: Non-executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: Degree in Law from Faculty of Law, University of Lisbon. Registered with the Portuguese Bar Association.
4. Date of first appointment and term of office: 2006 - 2009
5. Office held in other companies:

CIMIGEST, SGPS, S.A.....	Director
Sociedade Amaral Cabral & Associados – Sociedade de Advogados, RL. .	Director
Casa Agrícola Amaral Cabral, Lda.	Manager
Sociedade Agrícola do Margarido, Lda.....	Manager
Companhia Agrícola da Quinta do Duque	Chairman of the General Meeting

6. Other professional activities over the last 5 years:

Guest lecturer, Faculty of Law, Portuguese Catholic University.
Member of the National Council of Ethics for Life Sciences.

António da Nóbrega de Sousa da Câmara

1. Nature of duties on board of director: Non-executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: Degree Civil Engineering (1977), IST; MSc (1979) and PhD (1982) in Environmental Engineering Systems.
4. Date of first appointment and term of office: 2006 - 2009
5. Office held in other companies:

IDEIAS INTERACTIVAS – Informática, S.A. (Ydreams).....	Chief Executive Officer
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6. Other professional activities over the last 5 years:

Professor of the Faculty of Science and Technology, Universidade Nova de Lisboa.

António Paiva de Andrada Reis

1. Nature of duties on board of director: Non-executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: Degree in Law from Faculty of Law, University of Lisbon.
4. Date of first appointment and term of office: 2006 - 2009
5. Office held in other companies:

CIMIGEST, SGPS, S.A..... Director
 CIMIPAR, Sociedade Gestora de Participações Sociais, S.A..... Director
 Longapar, SGPS, S.A. Director

6. Other professional activities over the last 5 years:

Associação Portuguesa de Seguradores..... Chairman

Fernando Maria Costa Duarte Ulrich

1. Nature of duties on board of director: Non-executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: Attended Business Management Course at the Instituto Superior de Economia de Lisboa
4. Date of first appointment and term of office: 2006 - 2009
5. Office held in other companies:

Banco BPI, S.A..... Chairman of the Executive Board and
 Vice-Chairman of the Directors
 BFA – Banco de Fomento SARL (Angola)..... Chairman of the Directors
 Banco Português de Investimento, S.A. Vice-Chairman of the Directors
 BPI Vida – Companhia de Seguros Vida, S.A. Chairman of the Directors
 BPI Gestão de Activos – Sociedade Gestora de Fundos de Investimento
 Mobiliários, S.A. Chairman of the Directors
 BPI Pensões – Sociedade Gestora de Fundos de Pensões, S.A. Chairman of the Directors
 Inter-Risco – Sociedade de Capital de Risco, S.A..... Director
 Petrocer, L.da Manager
 BPI Capital Finance Limited (Cayman Islands)..... Director
 BPI Global Investment Fund Management Company S.A. (Luxemburgo)... Chairman
 BPI Madeira, SGPS, Unipessoal Director

6. Other professional activities over the last 5 years:

Portugal Telecom, S.A..... Non-executive Director
 Banco de Fomento de Angola – BFA Director
 Banco de Fomento S.A.R.L. (Angola)..... Vice-Chairman of the Directors
 Banco BPI, S.A. Vice-Chairman of the Executive Board
 Companhia de Seguros Allianz Portugal, S.A..... Non-executive Director
 PT – Multimédia, Serviços de Telecomunicações e
 Multimédia, SGPS, S.A. Non-executive Director
 Solo – Investimentos em Comunicações, SGPS, S.A. Chairman of the Directors
 Banco de Fomento S.A.R.L. (Moçambique) Vice-Chairman of the Directors
 Impresa – SGPS, S.A. Director
 SIC – Sociedade Independente de Comunicação, S.A. Director
 Investec, SGPS, S.A..... Vice-Chairman of the Directors
 CIP..... Member of the Advisory Board

Joaquim Martins Ferreira do Amaral

1. Nature of duties on board of director: Non-executive
2. Number of shares held in the company: holds no shares in the company
3. Professional qualifications: Degree in mechanical engineering - IST
4. Date of first appointment and term of office: 2006 - 2009

5. Office held in other companies:

Dresdner Bank..... Senior Advisor
Transdev – Transportes..... Consultant

6. Other professional activities over the last 5 years:

Cimianto - Sociedade Técnica de Hidráulica, S.A. Director
Enersis II – Sociedade Gestora de Participações Sociais, SGPS, SA..... Director
Galp Energia, SGPS, S.A. Chairman of the Directors

2. Executive Board

The only board with management powers is the Executive Board, which comprises, as already stated, Messrs. Pedro Mendonça de Queiroz Pereira, Eng. Carlos Eduardo Coelho Alves, Dr. José Alfredo de Almeida Honório, Dr. Francisco José Melo e Castro Guedes, Dr. Carlos Maria Cunha Horta e Costa, Dr. José Miguel Gens Paredes and Dr. Paulo Miguel Garcês Ventura.

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

3. Workings of the Management Body

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

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

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

The Executive Board cannot resolve on the following:

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

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

The Board of Directors met six times in 2006.

4. Remuneration Policy

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

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

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

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

We refer on this issue to the declaration from the Remuneration Committee, included in the report and financial statements.

5. Remuneration and retirement benefits

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

	Executive directors	Non-exec. directors	Total
Fixed remuneration	1.400.475,45 €	883.415,55 €	2.283.891,00 €
Variable remuneration	10.954.065,00 €	1.938.270,00 €	12.892.335,00 €
Total	12.354.540,45 €	2.821.685,55 €	15.176.226,00 €

Although up to the annual general meeting in 2006 the variable component in the remuneration of directors was directly resolved on by the general meeting as part of the distribution of profits, the need to comply with accounting standards which recommend that the variable remuneration of directors be accounted for in the period to which it relates led to the a different solution being adopted in 2006 when approving the accounts for 2005. As a provision had been made for a part of the possible variable remuneration, it would make no sense to allocate variable remuneration from the company's results which already considered the provision created.

In the last year, the variable part of the directors' remuneration was fixed by the Remuneration Committee, in keeping with the limit established in the Articles of Association, which lay down that: "The remuneration may comprise a fixed component and a variable component, which shall include profit sharing, and such profit sharing shall not exceed, for the directors as a whole, five per cent of the net profits from the preceding period." The variable part fixed in 2006 by the Remuneration Committee stood at approximately 4% of the result for the period to which it related.

The variable remuneration system is therefore based on results and on the criteria of the Remuneration Committee.

In addition to these amounts, the company's executive directors also earned remuneration for their management duties in controlled companies totalling 5,824,731.92 €.

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

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

The value of the pension is fixed at between 80% and 27.2% of the result of dividing by 12 the fixed annual remuneration earned by the director at the date of leaving office as director of Semapa or any other controlled company. The percentage is determined by the total length of service, in this case including service in Semapa or controlled companies, as director or in another capacity. The percentage of 80% applies to service of 20 years or more, and there is a sliding scale with 27.2% being applied to those with 8 years' service. The General Meeting of 30 March 2005 decided to apply the upper limit to 6 directors.

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

6. Policy on Notification of Irregularities

The general thrust of the policy for notification of irregularities has been broadly described in item 1 of Chapter 3 of this Report, to which we refer.

II. REPORT ON THE ISSUES REFERRED TO IN ARTICLE 245-A.1 OF THE SECURITIES CODE

Article 245-A.3 of the Securities Code requires the management bodies of companies issuing shares listed on regulated markets to submit an annual report to the general meeting on a number of corporate governance issues identified in paragraph 3 of the same Article.

This chapter provides the information required, identifying the precise sub-paragraphs to which each issue relates. In cases where the information has already been provided in the report on structure and corporate governance practices required by SMC Regulation 7/2001, we will simply refer the reader accordingly.

a) Capital structure, including indication of shares not listed for trading, different share categories, rights and duties attaching to shares and the percentage of the capital represented by each category.

Semapa's share capital is represented solely by ordinary shares, with a nominal value of 1 euro each, identical rights and duties attaching to all shares.

The share capital is represented by a total of 118,332,445 shares, corresponding to a nominal value of 118,332,445 euros, all shares being listed for trading.

The decision to adopt a single category of shares has been maintained since the formation of the company, and circumstances have not arisen to justify proposing to the shareholders that this situation be altered.

b) Any restrictions on the transferability of shares, such as consent for disposal clauses, or limits on the ownership of shares

There are not restrictions of any kind at Semapa on the transferability or ownership of shares. This is also a situation which has existed since the formation of the company, and still offers the most balanced solution in the interest of all the shareholders.

c) Qualifying holdings in the share capital

We refer the reader to the information in the relevant section of the management report.

It may be seen from the list of qualifying holdings that there is a set of controlling companies, which have retained this position since Semapa shares were first listed. A significant part of the remaining capital is also divided between qualifying holdings.

Semapa is a company which has enjoyed a significant degree of shareholder stability, with some repercussions for the liquidity of the shares.

d) Identification of shareholders with special rights, and description of these rights

No special rights are enjoyed by any shareholder or category of shareholder in Semapa.

e) Control procedures in any employee share ownership scheme, insofar as voting rights may not be directly exercised by such employees

There is no employee share ownership scheme at Semapa.

As Semapa is a holding company with a very small staff of its own, there would appear to be no reason for adopting such a scheme.

f) Any restrictions on voting rights, such as limits on the exercising of voting rights depending on the ownership of a number of percentage of shares, time limits for exercising voting rights or systems for detaching voting rights from ownership rights

Nothing to report in this respect, save for the time limits for submitting the documentation needed for attending general meetings and for postal votes.

The time limits were recently altered in order to bring them closer to the recommendations for best practice in corporate governance. They are now as follows:

Deadline for presenting documents proving ownership of shares in company – 5 days

Deadline for presenting proxy letters – 5 days

Deadline for presenting postal vote documents – day before general meeting

We believe that the current rules are reasonable and no change is currently needed.

g) Shareholders' agreement known to the company which may lead to restrictions on the transfer of securities or voting rights

The company is not aware of any shareholders' agreement relating to its shares, without prejudice to the fact that voting rights are openly coordinated by Cimigest SGPS, S.A. and other entities, as follows from the list of qualifying holdings.

h) Rules on the appointment and replacement of directors and on amendment of the Articles of Association

Semapa has no special rules on the appointment and replacement of directors or on amendment of its articles of association. The general rules in the Companies Code are therefore applicable.

As the general legal rules are balanced, both with regard to the appointment and substitution of directors, and on the procedure for amending the articles of association, and given that there are no particular reasons for Semapa adopting another solution, we believe that this situation should be maintained.

i) Powers of the management body, namely to resolve to increase share capital

Semapa's articles of association do not authorize the Board of Directors to resolve to increase the share capital.

It is acknowledged that granting powers to the directors to adopt resolutions on this matter may have practical advantages, including the benefit of speed. However, the need has not been felt to propose this to shareholders, but it is a possibility which is regularly considered.

j) Significant agreements to which the company is party and which take effect, are amended or terminate in the event of a change in the control of the company due to a takeover bid, together with the respective effects, unless, due to its nature, disclosure of such agreements would be seriously detrimental to the company, except if the company is specifically required to disclose such information by mandatory provision of law

There are no agreements of any kind which take effect in the event of a change in control of the company as the result of a takeover bid.

This situation is preferable to the existence of direct links between the stability and operation of the company and its shareholder situation, and the Board of Directors will strive to maintain this position.

l) Agreements between the company and directors or employees providing for compensation in the event of resignation by the employee, dismissal without due cause or termination of the employment relationship following on from a takeover bid

There are no agreements between the company and company officers or employees providing for compensation in the event of termination of relationship following on from a takeover bid.

m) Internal control and risk management systems implemented in the company

There are internal control and risk management systems implemented as described in item 3 of chapter I of the report on structure and corporate governance practices drawn up under the terms of SMC Regulation 7/2001, to which we refer.

The system existing in the company appears appropriate and sufficient in view of the nature of the company and the effective risks it runs. Semapa is a holding company with a small organizational structure of its own, which in our view does not justify the creation of more elaborate control and supervisory structures than those currently in place.

III. DECLARATION ON REMUNERATION POLICY

The Securities Market Commission specifically recommends that a declaration on remuneration policy or company officers be submitted for the consideration of the general meeting of shareholders.

The remuneration policy is first and foremost the responsibility of the shareholders and the Remuneration Committee they appoint. Nonetheless, in connection with its corporate governance report, the Board of Directors has in previous years disclosed the essential elements of this policy as followed by the Remuneration Committee, as it again does this year.

We are now seeking to go further. It is the Remuneration Committee which is responsible for this declaration, which is hereby reproduced for the consideration of the shareholders:

Declaration on the remuneration policy, issued by the Remuneration Committee

1. Introduction

The two most common possibilities for setting the remuneration of company officers are significantly different from each other. On the one hand, the remuneration may be fixed directly by the general meeting, a solution which is not often adopted for various reasons of practicality, whilst on the other hand there is the option of remuneration being set by a committee, which decides in accordance with criteria on which the shareholders have no say.

We therefore believe in the value of an intermediate solution, whereby a declaration on remunerations policy, to be followed by the committee, is submitted for the consideration of the shareholders. This is what this document seeks to do.

2. The law and the articles of association

Any remuneration system must inevitably take into account both the general legal rules and the particular rules established in the articles of association, if any.

The legal rules for the directors are basically established in Article 399 of the Companies Code, from which it follows that:

- Powers to fix the remuneration lie with the general meeting of shareholders of a committee appointed by the same.
- The remuneration is to be fixed in accordance with the duties performed and the company's state of affairs.
- Remuneration may be fixed, or may consist in part of a percentage of the profits for the period, but the maximum percentage to be allocated to the directors must be authorized by a clause in the articles of association, and shall not apply to distribution of reserves or any part of the profits for the period which could not, under the law, be distributed to shareholders.

For the Audit Board and the officers of the General Meeting, the law states that the remuneration shall consist of a fixed amount, determined in the same way by the general meeting, or by a committee appointed by the same, in accordance with the duties performed and the company's state of affairs.

Semapa's articles of association contain a specific clause only for the directors. This is article 17, which also makes provision for retirement pensions, and lays down the following in respect of remuneration:

"2 – The remuneration of the directors [...] is fixed by a Remuneration Committee comprising an uneven number of members, elected by the General Meeting.

3 – The remuneration may consist of a fixed part and a variable part, which shall include a share in profits, which share in profits shall not exceed five per cent of the net profits of the previous period, for the directors as a whole."

This is the formal framework within which the remuneration policy must be defined.

3 – Historical background

Since the incorporation of Semapa and up to 2002, all directors of Semapa received remuneration comprising a fixed component, paid fourteen times a year, and fixed by the Remuneration Committee, then called the *Comissão de Fixação de Vencimentos*.

In 2003, the resolution on the distribution of profits from 2002 included, for the first time, a part of the profits to be directly paid as remuneration to the directors, divided between the directors as decided by the Remuneration Committee.

This procedure was repeated through to 2005, with regard to the profits from 2004.

In 2006, the allocation of profits from 2005 did not provide for any amount for directors' remuneration, which was understandable, given that the profits already reflected a provision for the variable remuneration of the directors, under the new accounting standards applicable. The variable component of the remuneration was fixed in 2006 by the Remuneration Committee, also with reference to the profits, in accordance with the articles of association.

The variable remuneration of the directors has represented a percentage of approximately 5% of profits since variable remuneration was first paid, except for the remuneration paid in 2006, with regard to 2005, when it was approximately 4%.

There is therefore a procedure which has been constant since 2003, whereby the remuneration of the directors comprises a fixed component and another variable components, determined as a percentage of profits.

Since the incorporation of the company, the members of the Audit Board have received fixed monthly remuneration. The officers of the general meeting have only recently received remuneration, calculated in accordance with the number of meetings actually held.

4. General Principles

The general principles to be observed in fixing the remuneration of company officers are essentially those deriving in a very general way from the law: they depend on the duties performed, and on the state of the company's affairs. If we add to these the general market conditions for equivalent positions, we find what we may call the three main general principles:

a) Duties performed

It is necessary to consider the duties performed by each company officer, not merely in the formal sense, but also in the broader sense of the work actually undertaken and the associated responsibilities. For instance, not all executive directors are in the same

position, nor very often all the members of the audit board. Duties must be assessed in the broadest sense, using criteria as diverse as, for example, responsibility, time devoted to duties, or the value to the company resulting from a given type of work or from institutional representation.

Office held in other controlled companies may also be a factor in this, as it may add to responsibilities whilst also providing other sources of income.

b) The state of the company's affairs

This criterion also needs to be understood and interpreted with care. The size of the company and inevitable complexity of the management tasks is clearly one of the relevant aspects of the state of affairs taken in the broadest sense. The implications exist both in the need to remunerate a responsibility which is greater in larger companies, with more complex management models, and in the capacity to remunerate management services appropriately.

c) Market criteria

The match between supply and demand is an unavoidable factor in defining any remuneration, and company officers are no exception to this. Only by conforming to market practices is it possible to retain professionals of the calibre appropriate to the complexity of the duties and the responsibility to be accepted, and thereby assure not only the interests of the officers, but also those of the company, and consequently of the shareholders.

5. *Specific policies*

The specific remuneration policies which we are pleased to submit for the consideration of the shareholders are as follows:

1. The remuneration of the executive directors shall comprise a fixed component and a variable component.
2. The remuneration of the non-executive directors, the members of the Audit Board and the officers of the General Meeting shall comprise a fixed component only. Exceptionally, non-executive directors may receive extra remuneration for additional work requested and carried out. In these cases, this remuneration shall be separate from that they earn regularly due to holding office.
3. The fixed component of the remuneration paid to directors shall consist of a monthly amount paid fourteen times a year, or of a pre-set amount for each meeting of the Board of Directors attended.
4. The monthly amount for the fixed component of the directors' remuneration shall be set for all those who sit on the Executive Board and for those who although not members of the Executive Board exercise specific duties or carry out specific work on a recurrent or continuous basis.
5. The pre-set amount for attendance at each meeting shall be fixed for those directors with essentially advisory or supervisory duties.
6. The fixed remuneration paid to all members of the Audit Board shall consist of a fixed monthly amount payable fourteen times a year.
7. The fixed remuneration of the officers of the General Meeting shall consist in all cases of a pre-set amount for each meeting.

8. The process of awarding variable remuneration to the executive directors shall conform to the criteria proposed by the Remuneration Committee, and shall not exceed a total of five per cent of the net consolidated profits, recorded under the IFRS, without prejudice to other considerations in the event of results of a highly exceptional nature.
9. In setting all remuneration, including the distribution of the total amount for the variable remuneration for the directors, the general principles set out above shall be followed: duties performed, the state of the company's affairs and market criteria.

We consider that these options should be maintained through to the end of the present term of office of the company officers.

The Remuneration Committee

Chairman: Egon Zehnder, represented by José Gonçalo Maury
Member: António Mota de Sousa Horta Osório
Member: Frederico José da Cunha Mendonça e Meneses

IV. DISCLOSURES REQUIRED BY ARTICLES 447 AND 448 OF THE COMPANIES CODE

(with reference to the financial year of 2006)

1. Securities issued by the company and held by company officers:

- José Alfredo de Almeida Honório - 20.000 shares.
- Duarte Nuno d'Orey da Cunha – 1.130 shares.

2. Securities issued by companies controlled by or belonging to the Semapa Group, held by company officers:

- Carlos Maria Cunha Horta e Costa – 700 shares in Portucel – Empresa Produtora de Pasta e Papel, S.A.
- António Paiva de Andrada Reis – 4.400 shares in Portucel – Empresa Produtora de Pasta e Papel, S.A.
- Carlos Eduardo Coelho Alves – 153.600 shares in Portucel – Empresa Produtora de Pasta e Papel, S.A.
- Duarte Nuno d'Orey da Cunha – 5.700 shares in Portucel – Empresa Produtora de Pasta e Papel, S.A.

3. Securities issued by the company held by companies in which directors and auditors hold corporate office:

- Cimigest, SGPS, S.A. – 100 shares in Semapa.
- Cimo - Gestão de Participações, SGPS, S.A. - 14.592.300 shares in Semapa.
- Longapar, SGPS, S.A. - 20.000.000 shares in Semapa.
- Sodim SGPS, SA - 26.115.000 shares in Semapa.
- Sociedade Agrícola da Quinta da Vialonga, SA - 642.535 shares in Semapa.
- Sonaca - Sociedade Nacional de Canalizações, SA - 1.250.000 shares in Semapa.
- OEM - Organização de Empresas, SGPS, SA – 500.000 shares in Semapa.
- Seminv - Investimentos, SGPS, S.A. – 2.727.975 shares in Semapa.
- Banco BPI, SA – 101.100 shares in Semapa.
- BPI Pensões – Sociedade Gestora de Fundos de Pensões, SA – 11.699.888 shares in Semapa.
- BPI Vida – Companhia de Seguros de Vida, SA – 401.151 shares in Semapa.
- Banco BPI, SA – 224.975 shares in Portucel.
- Banco Português de Investimento, SA – 915.550 shares in Portucel.

- BPI Pensões – Sociedade Gestora de Fundos de Pensões, SA - 2.100 shares in Portucel.
- BPI Vida – Companhia de Seguros de Vida, SA – 2.029.356 shares in Portucel.

4. Acquisition, disposal or encumbrance of securities issued by the company or related or group companies by company officers and the companies referred to in 3:

- Carlos Maria Cunha Horta e Costa acquired 700 shares in Portucel – Empresa Produtora de Pasta e Papel, S.A. on 14 November 2006 for a price of 2,15€ per share.
- António Paiva de Andrada Reis acquired 4.400 shares in Portucel – Empresa Produtora de Pasta e Papel, S.A. on 14 November 2006, of which 3.600 were acquired for a price of 2,04€ per share and 800 were acquired for a price of 2,15€ per share.
- Carlos Eduardo Coelho Alves acquired 153.600 shares in Portucel – Empresa Produtora de Pasta e Papel, S.A. on 14 November 2006 for a price of 2,15€ per share.
- Duarte Nuno d'Orey da Cunha acquired 5.700 shares in Portucel – Empresa Produtora de Pasta e Papel, S.A. on 14 November 2006, of which 4.700 were acquired for a price of 2,05€ per share and 1.000 were acquired for a price of 2,16€ per share.
- Banco Português de Investimento S.A., effected the following transactions in Semapa shares:

Quantity	Value per share	Date of transaction	Purchase/Sale
120	7,00 €	20060105	S
18.270	7,58 €	20060110	P
18.270	7,56 €	20060110	S
500	7,65 €	20060112	P
500	7,70 €	20060112	S
2.395	7,43 €	20060118	S
2.395	7,40 €	20060118	P
12.000	7,51 €	20060201	P
3.369	7,47 €	20060203	P
15.369	7,50 €	20060206	S
6.442	7,42 €	20060210	S
41.000	7,35 €	20060216	P
19.750	7,64 €	20060220	P
25.000	7,86 €	20060221	P
25.000	7,90 €	20060221	S
15.000	7,98 €	20060222	S
15.000	7,88 €	20060222	P
14.961	7,98 €	20060222	P

Quantity	Value per share	Date of transaction	Purchase/Sale
8.822	8,23 €	20060223	S
8.822	8,10 €	20060223	P
5.265	8,53 €	20060224	P
14.987	8,56 €	20060227	S
12.722	8,50 €	20060227	P
1.000	8,40 €	20060227	P
1.000	8,41 €	20060227	S
5.460	8,44 €	20060301	S
2.460	8,35 €	20060301	P
7.366	8,30 €	20060302	S
23.000	8,27 €	20060302	P
17.470	8,28 €	20060303	S
1.836	8,27 €	20060303	P
10.000	8,39 €	20060313	P
8.000	8,32 €	20060314	P
28.000	8,34 €	20060315	S
10.000	8,26 €	20060315	P
4.973	8,34 €	20060315	P
1.500	8,36 €	20060316	P
6.473	8,35 €	20060316	S
2.000	8,45 €	20060320	S
50.000	8,32 €	20060320	S
121	8,30 €	20060322	P
16.544	8,60 €	20060324	P
16.544	8,70 €	20060324	S
23.000	8,73 €	20060324	S
10.000	8,73 €	20060324	S
10.000	8,70 €	20060324	P
40.000	8,83 €	20060405	S
117	9,40 €	20060419	S
111	9,41 €	20060419	P
6	9,39 €	20060420	P
3.500	9,10 €	20060426	S
3.500	9,10 €	20060426	P
4.068	8,45 €	20060515	S
4.068	8,40 €	20060516	P
50.000	8,40 €	20060602	S
3.315	8,25 €	20060630	S
6.000	7,86 €	20060728	S
43.000	7,87 €	20060731	S
69	8,10 €	20060821	S
3.640	8,09 €	20060926	P
3.640	8,08 €	20060926	S
170	7,90 €	20061027	S
71.340	8,12 €	20061107	P
20.000	8,26 €	20061108	P
12.609	8,26 €	20061108	S
7.391	8,32 €	20061109	S
32.558	8,32 €	20061110	P

Quantity	Value per share	Date of transaction	Purchase/Sale
7.884	8,46 €	20061110	S
10.200	8,32 €	20061113	S
10.200	8,27 €	20061113	P
7.326	8,21 €	20061114	P
32.000	8,33 €	20061114	S
6.000	8,23 €	20061117	P
6.000	8,30 €	20061117	S
25.000	8,35 €	20061124	P
15.000	8,62 €	20061211	P
20.000	8,59 €	20061213	P
20.000	8,57 €	20061214	S
5.000	8,65 €	20061218	S
25.000	8,52 €	20061219	P
10.000	8,64 €	20061219	S
12.000	8,60 €	20061221	S
13.000	8,62 €	20061227	S
2.000	8,61 €	20061227	P
2.000	8,63 €	20061227	S
85	8,84 €	20061229	S

- O Banco Português de Investimento S.A., effected the following transactions in shares in Portucel:

Quantity	Value per share	Date of transaction	Purchase/Sale
5.406	1,74 €	20060103	P
15.800	1,87 €	20060105	S
5.800	1,82 €	20060105	P
20.000	1,84 €	20060109	P
200.000	1,95 €	20060216	S
80.000	1,97 €	20060217	S
144.000	2,02 €	20060220	S
150.000	2,02 €	20060220	S
96.658	2,20 €	20060221	S
8.134	2,15 €	20060222	S
8.134	2,13 €	20060222	P
12.059	2,17 €	20060222	S
20.000	2,21 €	20060224	S
20.000	2,22 €	20060224	P
200.000	2,21 €	20060224	S
12.059	2,16 €	20060227	P
2.000	2,21 €	20060316	S
2.000	2,23 €	20060316	P
20.000	2,31 €	20060406	S
20.000	2,25 €	20060406	P
15.000	2,36 €	20060420	S
15.000	2,32 €	20060420	P
29.250	2,33 €	20060421	S
29.250	2,30 €	20060421	P
10.000	2,20 €	20060505	S

Quantity	Value per share	Date of transaction	Purchase/Sale
10.000	2,17 €	20060505	P
20.000	2,07 €	20060523	P
20.000	2,06 €	20060524	S
11.000	2,27 €	20060921	P
11.000	2,26 €	20060921	S
29.300	2,28 €	20061012	P
29.300	2,34 €	20061012	S
16.500	2,23 €	20061013	P
16.500	2,20 €	20061016	S
20.000	2,25 €	20061020	P
19.150	2,28 €	20061026	P
29.150	2,28 €	20061030	S
25.000	2,24 €	20061102	P
5.000	2,22 €	20061102	S
14.898	2,21 €	20061103	P
4.898	2,24 €	20061103	S
20.000	2,22 €	20061106	P
20.000	2,24 €	20061106	S
21.583	2,24 €	20061107	S
20.000	2,28 €	20061108	P
29.346	2,31 €	20061108	S
9.071	2,33 €	20061109	S
10.481	2,29 €	20061110	S
10.481	2,28 €	20061110	P
180.000	2,23 €	20061114	P
180.000	2,24 €	20061114	S
100.000	2,23 €	20061114	P
86.200	2,25 €	20061114	P
80.000	2,25 €	20061114	S
589.400	2,25 €	20061114	S
100.000	2,25 €	20061115	P
50.000	2,25 €	20061115	S
1.598	2,25 €	20061115	P
1.598	2,25 €	20061116	S
22.100	2,25 €	20061117	P
22.100	2,27 €	20061117	S
50.000	2,24 €	20061120	P
92.127	2,25 €	20061120	S
92.131	2,23 €	20061121	P
100.004	2,24 €	20061121	S
50.000	2,24 €	20061121	S
50.000	2,24 €	20061122	P
7.869	2,25 €	20061122	S
18.012	2,24 €	20061122	S
5.262	2,27 €	20061123	P
79.381	2,25 €	20061123	S
200.000	2,30 €	20061124	P
150.000	2,30 €	20061124	S
50.000	2,29 €	20061127	P

Quantity	Value per share	Date of transaction	Purchase/Sale
100.000	2,30 €	20061127	S
91.300	2,31 €	20061127	S
91.300	2,31 €	20061127	P
100.000	2,27 €	20061128	P
100.000	2,28 €	20061128	S
168.375	2,31 €	20061129	P
168.375	2,32 €	20061129	S
200.000	2,33 €	20061130	P
122.500	2,34 €	20061130	S
77.500	2,34 €	20061201	S
200.000	2,35 €	20061204	P
52.977	2,36 €	20061204	S
147.023	2,36 €	20061205	S
200.000	2,36 €	20061207	P
259.594	2,36 €	20061207	S
59.194	2,36 €	20061208	P
100.400	2,35 €	20061211	P
100.000	2,35 €	20061211	S
100.000	2,35 €	20061213	P
100.000	2,36 €	20061214	S
150.000	2,36 €	20061218	P
150.000	2,37 €	20061218	S
108	2,37 €	20061220	S
108	2,37 €	20061221	P
150.000	2,40 €	20061222	P
5.000	2,40 €	20061222	P
5.000	2,39 €	20061222	S
40.405	2,40 €	20061227	S
31.450	2,40 €	20061229	P
13.187	2,40 €	20061229	S

- The Banco BPI Pension Fund effected the following transactions in shares in Semapa:

Quantity	Value per share	Date of transaction	Purchase/Sale
75.167	7,05 €	20060106	P
2.720	7,17 €	20060109	P
5.000	7,20 €	20060109	P
5.000	7,20 €	20060109	P
18.000	7,20 €	20060109	P
20.000	7,20 €	20060109	P
3.491	7,20 €	20060109	P
1.178	7,20 €	20060109	P
317	7,22 €	20060109	P
8.000	7,23 €	20060109	P
2.150	7,23 €	20060109	P
4.747	7,24 €	20060109	P
2.509	7,24 €	20060109	P
1.635	7,24 €	20060109	P
3.000	7,25 €	20060109	P

Quantity	Value per share	Date of transaction	Purchase/Sale
200	7,25 €	20060109	P
4.000	7,25 €	20060109	P
9.690	7,25 €	20060109	P
2.685	7,25 €	20060109	P
10.000	7,25 €	20060109	P
2.500	7,26 €	20060109	P
2.500	7,26 €	20060109	P
14.675	7,27 €	20060109	P
7.500	7,28 €	20060109	P
10.000	7,28 €	20060109	P
4.405	7,28 €	20060109	P
1.150	7,29 €	20060109	P
600	7,30 €	20060109	P
15.000	7,30 €	20060109	P
2.630	7,30 €	20060109	P
15.000	7,30 €	20060109	P
10.000	7,30 €	20060109	P
1.000	7,30 €	20060109	P
5.000	7,30 €	20060109	P
1.379	7,30 €	20060109	P
1.000	7,30 €	20060109	P
5.000	7,30 €	20060109	P
100	7,30 €	20060109	P
8.850	7,30 €	20060109	P
1.441	7,32 €	20060109	P
209	7,32 €	20060109	P
725	7,32 €	20060109	P
15.000	7,32 €	20060109	P
3.350	7,32 €	20060109	P
15.000	7,32 €	20060109	P
15.000	7,32 €	20060109	P
998	7,35 €	20060109	P
24.002	7,35 €	20060109	P
11.498	7,35 €	20060109	P
3.502	7,35 €	20060109	P
725.000	7,51 €	20060110	P
258.000	7,63 €	20060111	P
770.864	7,70 €	20060112	P
330.000	7,58 €	20060116	P
210.000	7,52 €	20060117	P
237.242	7,40 €	20060118	P
50.000	7,48 €	20060119	P
100.000	7,52 €	20060120	P
66.950	7,49 €	20060123	P
79.448	7,46 €	20060124	P
5.907	7,50 €	20060125	P
49.959	7,50 €	20060126	P
200.000	7,56 €	20060127	P
20.000	7,53 €	20060130	P

Quantity	Value per share	Date of transaction	Purchase/Sale
52.265	7,49 €	20060131	P
24.988	7,49 €	20060201	P
20.000	7,50 €	20060202	P
250.000	7,50 €	20060206	P
220.000	7,47 €	20060207	P
200.000	7,40 €	20060208	P
10.000	7,37 €	20060209	P
993	8,57 €	20060224	P
149.007	8,57 €	20060224	P
150.000	8,55 €	20060227	P

- BPI Vida – Companhia de Seguros de Vida, S.A. effected the following transactions in shares in Semapa:

Quantity	Value per share	Date of transaction	Purchase/Sale
219	7,39 €	20060208	P
2.100	7,30 €	20060215	P
2.952	7,74 €	20060220	P
43.355	7,74 €	20060220	P
7.500	8,28 €	20060302	P
1.500	8,85 €	20060405	P
872	8,95 €	20060407	P
14.128	8,95 €	20060407	P
2.143	8,49 €	20060609	S
2.590	8,49 €	20060609	S
2.000	8,15 €	20060822	P
7.931	8,15 €	20060822	P
1.090	8,15 €	20060822	P
1.457	8,19 €	20060824	P
8.184	8,19 €	20060824	P
173	8,19 €	20060908	P
174	8,19 €	20060908	P
177	8,19 €	20060908	P
201	8,19 €	20060908	P
222	8,19 €	20060908	P
297	8,19 €	20060908	P
846	8,19 €	20060908	P
1.053	8,19 €	20060908	P
1.054	8,19 €	20060908	P
1.135	8,19 €	20060908	P
34.554	8,19 €	20060908	P
1.515	8,16 €	20060919	S
344	8,05 €	20060926	P
347	8,05 €	20060926	P
351	8,05 €	20060926	P
390	8,05 €	20060926	P
400	8,05 €	20060926	P
442	8,05 €	20060926	P
592	8,05 €	20060926	P

Quantity	Value per share	Date of transaction	Purchase/Sale
1.682	8,05 €	20060926	P
2.093	8,05 €	20060926	P
2.099	8,05 €	20060926	P
2.261	8,05 €	20060926	P
8.462	8,05 €	20060926	P
28.061	8,05 €	20060926	P
63.340	8,05 €	20060926	P
1.000	8,06 €	20061005	P
10.210	8,10 €	20061005	P
60	7,93 €	20061025	P
75	7,93 €	20061025	P
75	7,93 €	20061025	P
81	7,93 €	20061025	P
87	7,93 €	20061025	P
92	7,93 €	20061025	P
113	7,93 €	20061025	P
1.787	7,93 €	20061025	P
7.659	7,93 €	20061025	P
14.021	7,93 €	20061025	P
2.374	8,32 €	20061128	P
15.465	8,59 €	20061221	P
4.784	8,59 €	20061221	P
90	8,59 €	20061221	P

- BPI Vida – Companhia de Seguros de Vida, S.A. effected the following transactions in shares in Portucel:

Quantity	Value per share	Date of transaction	Purchase/Sale
447.639	2,15 €	20061113	P
37.084	2,15 €	20061113	P
175.969	2,15 €	20061113	P
9.054	2,15 €	20061113	P
3.703	2,15 €	20061113	P
756	2,15 €	20061113	P
19.092	2,15 €	20061113	P
2.168	2,15 €	20061113	P
2.576	2,15 €	20061113	P
2.250	2,15 €	20061113	P
10.499	2,15 €	20061113	P
13.073	2,15 €	20061113	P
16.030	2,15 €	20061113	P
2.760	2,15 €	20061113	P
20.672	2,15 €	20061113	P
13.088	2,15 €	20061113	P
2.498	2,15 €	20061113	P
14.098	2,15 €	20061113	P
39.714	2,15 €	20061113	P
589.400	2,15 €	20061113	P
61.516	2,37 €	20061215	P
278.571	2,37 €	20061215	P

Quantity	Value per share	Date of transaction	Purchase/Sale
6.603	2,37 €	20061215	P
8.525	2,37 €	20061215	P
16.355	2,37 €	20061215	P
7.865	2,37 €	20061215	P
198.791	2,37 €	20061215	P
1.598	2,37 €	20061215	P
326	2,37 €	20061215	P
936	2,37 €	20061215	P
971	2,37 €	20061215	P
4.536	2,37 €	20061215	P
5.647	2,37 €	20061215	P
1.191	2,37 €	20061215	P
5.654	2,37 €	20061215	P
1.079	2,37 €	20061215	P
6.090	2,37 €	20061215	P
979	2,37 €	20061215	P

- Banco BPI, S.A. effected the following transactions in shares in Semapa:

Quantity	Value per share	Date of transaction	Purchase/Sale
1.178.800	2,15 €	20061113	P
147.350	2,34 €	20061130	S
77.625	2,36 €	20061215	P

V. QUALIFYING HOLDINGS IN SEMAPA

(with reference to the date of this report)

	Holder	No. shares	% shares	% non-suspended voting rights
A -	Cimigest, SGPS, S.A.	100	0,00%	0,00%
	Cimo - Gestão de Participações, SGPS, S.A.	14.592.300	12,33%	12,62%
	Longapar, SGPS, S.A.	20.000.000	16,90%	17,30%
	Sonaca - Sociedade Nacional de Canalizações, S.A.	1.250.000	1,06%	1,08%
	OEM - Organização de Empresas, SGPS, S.A.	500.000	0,42%	0,43%
	Sociedade Agrícola da Quinta da Vialonga, S.A.	642.535	0,54%	0,56%
	Sodim, SGPS, S.A.	26.115.000	22,07%	22,59%
	José Alfredo Almeida Honório	20.000	0,02%	0,02%
	Duarte Nuno d' Orey da Cunha	1.130	0,00%	0,00%
	Subtotal:	63.121.065	53,34%	54,60%
B -	Banco BPI, S.A.	-	-	-
	Banco Português de Investimento, S.A. – own portfolio	150.680	0,13%	0,13%
	BPI Vida - Companhia de Seguros de Vida, S.A.	105.388	0,09%	0,09%
	Pension funds managed by BPI Pensões - Sociedade Gestora de Fundos de Pensões, S.A.	10.362.388	8,76%	8,96%
	Investment funds managed by BPI Fundos – Gestão de Fundos de Investimento Mobiliário, S.A.	1.237.518	1,05%	1,07%
	Subtotal:	11.855.974	10,02%	10,26%
C -	Banco Espírito Santo, S.A.	-	-	-
	BES Pension Fund	6.191.854	5,23%	5,36%
	BES group companies, or controlled or controlling companies	30.000	0,03%	0,03%
	Subtotal	6.221.854	5,26%	5,38%
D -	Credit Suisse	-	-	-
	Credit Suisse International	23.600.000	19,94%	20,41%
	Subtotal	23.600.000	19,94%	20,41%

The company Seminv Investimentos, SGPS, S.A. holds 2.727.975 shares in Semapa, corresponding to 2,305% of the share capital and subject to the rules on treasury stock.