

30 June 2008

Altri, S.G.P.S., S.A.
(Open capital company)

Rua General Norton de Matos, 68
4050-424 Porto
Share Capital: 25.641.459 €

ALTRI, S.G.P.S., S.A.

(OPEN CAPITAL COMPANY)

Directors' Report

Consolidated Accounts



DIRECTORS' REPORT

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DIRECTORS' REPORT

To the Shareholders

Pursuant to the legal requirements, the Board of Directors of Altri, S.G.P.S., S.A. (Open Capital Company) hereby presents its Directors' Report for the first semester of 2008.

INTRODUCTION

Altri was incorporated as of March 2005, as a result of the demerger of Cofina. Altri is a public listed company included in the PSI 20 (Portuguese Stock Index), the benchmark stock market index. Altri's main activity is pulp production and electric energy from forest renewable sources.

As of June 2008 Altri materialized a reorganization that implied the split of Altri's two business units that manage equity holdings in the pulp and paper sector and in the steel and warehousing systems sector. Thus, Altri maintains the management of pulp and paper business unit, while the new company created in the demerger process (F. Ramada Investimentos, SGPS, S.A.) stays with the management of the steel and warehousing systems business activity. Altri's shareholders who had shares until June 18 received one Ramada Investimentos share for each four shares of Altri held.

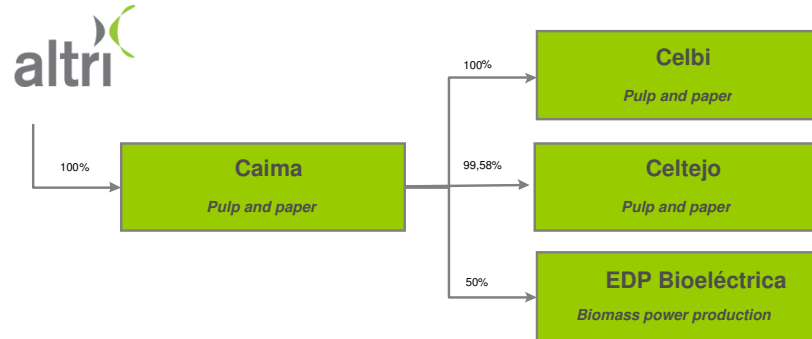
This operation was strategically justified by Altri's exclusive focus on its core business – forestall management and pulp production.

The last years were highlighted by various acquisitions that allowed Altri to reinforce its position in its operating markets and by the development of a set of expansion activity projects.

Most significant events in Altri's activity in the first half of 2008:

- F. Ramada demerger process
- Altri has over 78,000 ha of forest under management in Portugal
- Altri obtained Forest Stewardship Council (FSC) Certification to all forest area under Altri's supervision
- June 2008: New Celtejo's bleaching line started working

Currently, Altri's investments can be resumed in the following flowchart:



STOCK EXCHANGE EVOLUTION

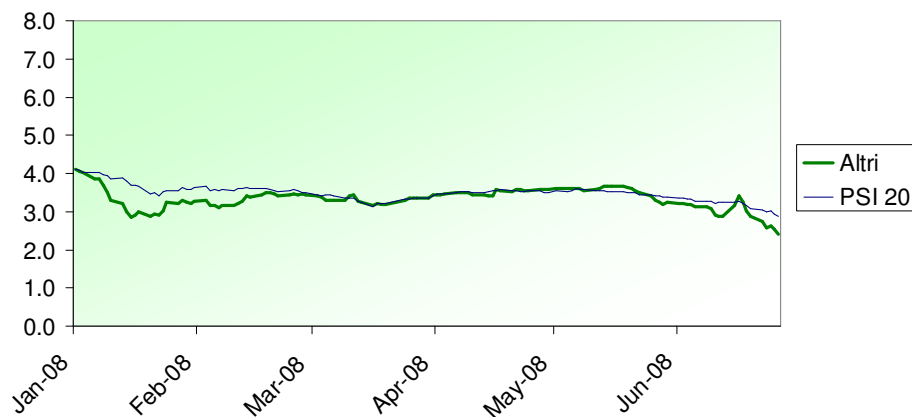
(Note: in order to enable a better comparison between the share price and the principle Portuguese stock exchange index (PSI20), the index has been considered as being equal in value to the opening price of the shares under analysis).

The first semester of 2008 was negative for the major Portuguese stock market index (PSI 20), recording one of the worse periods in the Portuguese capital market history. The main Portuguese stock exchange index (PSI 20) decreased approximately 32% in this period, representing the worst performance of 20 global stock exchange index serving as reference to Euronext.

During the first six months, the PSI 20 stock exchange capitalization reduced significantly. At the last year end, the value of the 20 companies of the major Portuguese stock market index reached 94.3 thousand million Euro, decreasing to 64.5 thousand million at the end of the first semester of 2008.

Altri's shares price decreased, comparatively with 2007, also influenced by this negative semester.

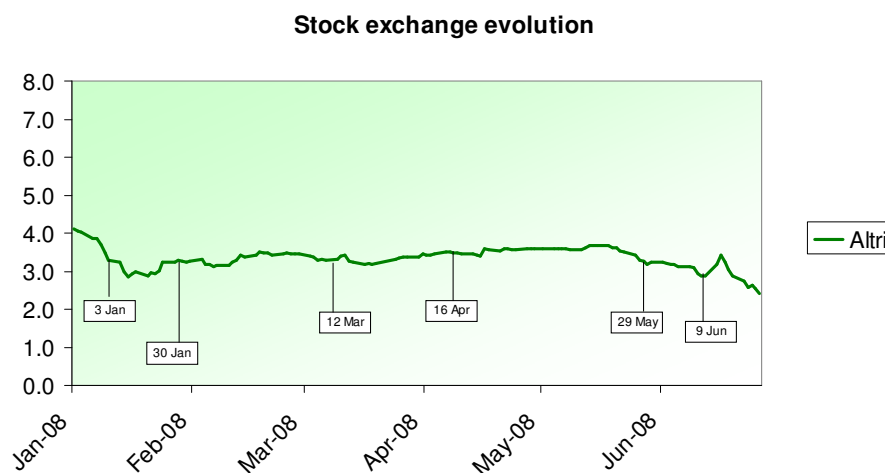
Stock exchange evolution



Altri's shares price decreased 47% in the first semester of 2008 and closed the period bearing at 2.20 Euro per share, with a market capitalization amounting to 269 million Euro.

During the first semester of 2008, 237.4 million shares of Altri were transacted in the stock market, an amount extremely relevant considering the fact that the share capital of the Company is composed by 103 million titles.

The main events that distinguished the stock evolution during the first semester of 2008 may chronologically be described as follows:



- ❖ 3 January 2008 - Altri announces that in the year 2007 the Group achieved production records in all its industrial units (Celbi, Celtejo, Caima and CPK), reaching a consolidated production of 639 thousand tons, a 5% increase comparing to 2006;

- ❖ 30 January 2008 – Altri announces that Millennium bcp – Gestão de Fundos de Investimentos, S.A., representing its funds, decrease in 28 January 2008, its participation in Altri SGPS, S.A. share capital to 1,310,979 shares corresponding to 1.28% of the share capital and voting rights of this company;

- ❖ 12 March 2008 - Altri announces the Group's financial performance for the year 2007, with a net profit (including minority interests) of 35.26 million Euro. Operating income amounted to 419 million Euro and EBITDA reached 102 million Euro. In the year 2007 Celbi/Caima/Celtejo Group's operating income reached about 312 million euro, a 59% increase if compared with 2006 and 4% when compared with pro-forma 12 months from Celbi. EBITDA amounted to approximately 92 million euro, recording a 79% growth in comparison with 2006 and 16% when comparing with pro-forma EBITDA considering 12 months of Celbi's activity. Operating profit reached 67 million euro, which represents a 99% growth when compared with 2006 figures and of 25% if considering the above mentioned pro-forma information;



DIRECTORS' REPORT

- ❖ 16 April 2008 – Altri's Board of Directors approved a demerger project (spin off) for the company. The planned reorganization implies the splitting of Altri's two business units that manage equity holdings in the pulp and paper sector and in the steel and warehousing systems sector;

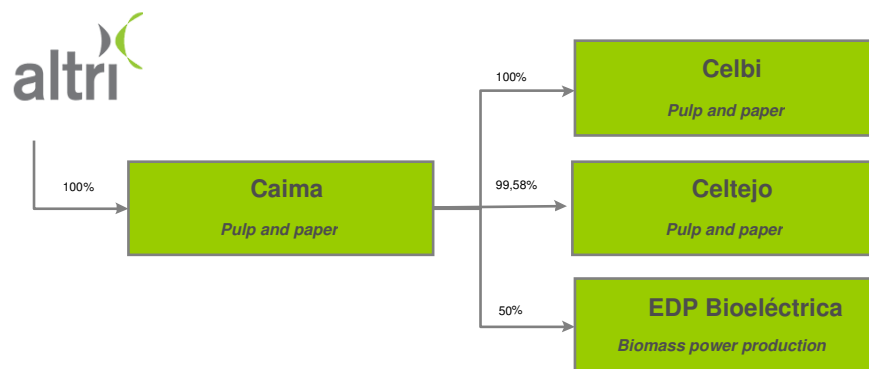
- ❖ 28 May 2008 – Altri communicated to the market the results of Altri for the 1st quarter of 2008. The consolidated operating income of Altri Group reached around 109 million euro which represents a growth of 2.5% and 3.6% compared to the 1st semester of 2007 and the 4th quarter of 2007, respectively. The EBITDA exceeded 24 million euro and registered a decrease of 15% compared with the 1st semester of 2007 (28 million euro) and a growth of 9% compared with the 4th quarter of 2007 (22 million euro);

- ❖ 9 June 2008 – the Company informed the Securities Market Commission ("Comissão do Mercado de Valores Mobiliários" - CMVM) regarding the payment of a dividend of 0.05 Euro per share for the year 2007 as from 25 June 2008. At this day the share's price listed at 3,13 Euro;

- ❖ 9 June 2008 – the Company informed the Securities Market Commission ("Comissão do Mercado de Valores Mobiliários" - CMVM) regarding the attribution clauses of F. Ramada – Investimentos share capital stocks to Altri's shareholders: the shares were attributed through the application of factor 0.25 to the number of registered demerger rights.

GROUP'S ACTIVITY

With its genesis in the reorganization process of Cofina with the purpose of setting into a separate holding the industrial operations, Altri held until 1 June 2008 the investments in the paper, pulp, steel and storage systems, date considered for the demerger process accounting impacts. The planned reorganization implies the splitting of Altri's two business units that manage equity holdings in the pulp and paper sector and in the steel and storage systems sector. This reorganization is part of a focusing and business transparency strategy, aiming at giving greater visibility to each area and increasing market perception of value.

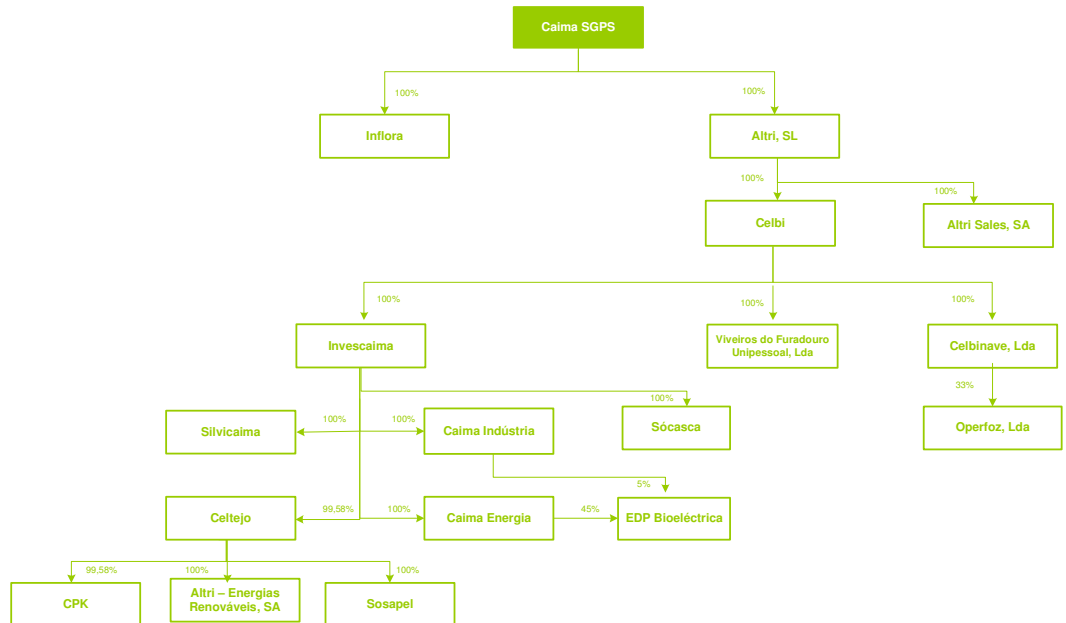


Paper and Pulp

The Group currently operates in this sector through Celulose do Caima, S.G.P.S., S.A., which, in its turn, holds participations in:

- Caima – Indústria de Celulose (Constância), producer and distributor of paper pulp;
- Celbi – Celulose da Beira Industrial, S.A. (Figueira da Foz), producer and distributor of paper pulp;
- Celtejo – Empresa de Celulose do Tejo, S.A. (Vila Velha de Ródão) - producer and distributor of paper pulp;
- CPK – Companhia Produtora de Papel Kraftsack, S.A. (Vila Velha de Ródão), producer and distributor of kraftsack paper;
- Silvicaima - Sociedade Silvícola do Caima, S.A. (Constância) - owner and manager of the Group's forestry resources;
- Caima Energia - Empresa de Gestão e Exploração de Energia, S.A. (Constância), provide its associated companies with its electric and thermal energy needs.

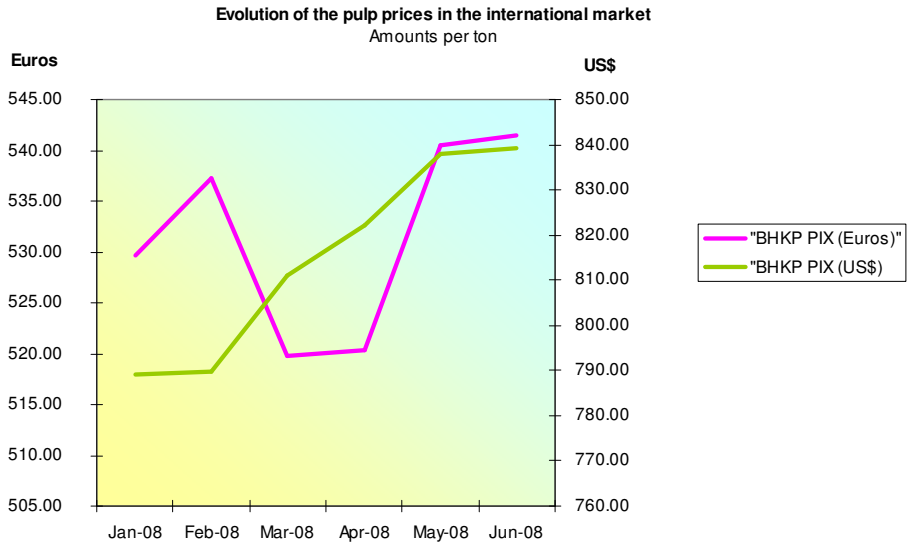
Moreover, in order to fulfil its energetic needs and expand its activity in a strategic sector, in the beginning of 2006 the Group acquired a participation of 50% of the share-capital of EDP Bioelétrica.



The pulp market performance followed the same trend as of the previous quarters: a strong demand of bleached pulp, reduction of capacity, especially in the Nordic countries, rise in production costs and systematic depreciation of US Dollar against the Euro.

Another global tendency that became stronger in the first semester of 2008 was the increase in raw material cost prices, namely wood and chemical products. The increase in wood's price was mainly motivated by: (1) growth in demand by pulp producers operating in the Portuguese market and; (2) decrease in the stock of wood available for cut, as a result of the significant forestall fires that occurred in Portugal in 2003 and 2005.

The BEKP average price during the first semester of 2008 was around 812 US\$/ton, representing a 20% growth when compared with the same period in 2007 (674 US\$/ton). Translated to euro, the BEKP average price amounted 531 EUR/ton, which represents a 5% increase when compared with the 508 EUR/ton registered in the first half of 2007.



CELBI GROUP

Celbi unity reached during the 1st semester sales amounting to 172.1 thousand tons of pulp, volume 4.1% above the same period of 2007.

The pulp production reached 166.4 thousand tons, 2.4% above the amount in homologous period in 2007.

CAIMA GROUP

In the first semester of 2008, the sales volume amounted to 57.4 thousand tons, representing a 3.4% decrease compared to the first semester of 2007. The Iberian Peninsula and the rest of the European Union maintained its ranking as main markets for the pulp sales.

During the first semester of 2008, Caima Group produced 58.2 thousand tons of pulp, volume 0.7% above the preceding year and that configures an optimal exploration of the mill's production capacity.

Silvicaima developed an important role as supplier of other Group companies, being able to Group achieve, jointly with other outside suppliers, comfortable stock levels by the end of the first semester. The wood exchanges with other segment companies, which amounted, at 30 June 2008, 1.279 m3, allowed the reduction of transportation costs.



DIRECTORS' REPORT

CELTEJO GROUP

In the first semester of 2008 the sales volume amounted to 39.1 thousand tons of raw kraft pulps and 25.4 thousand tons of kraftsack paper, corresponding to a decrease of 44% and 22%, respectively, when compared to the homologous period of 2007, related with the temporarily pause required by the new bleaching line start.

In the first semester, the raw kraft pulp production amounted to 45.9 thousand tons, 35% below to the one recorded in the first semester of 2007. Concerning the kraftsack paper, its production amounted to 30.6 thousand tons, which represents a decrease of 4.2% in comparison to the homologous period of 2007.

The Group foresees to increase its production capacity in his units, with particular emphasis on Celtejo and Celbi. Altri estimated that in 2010 will reach a total production capacity of 910 thousand tons of pulp, which puts the company among the 10 largest in the world in the area of eucalyptus pulp.

During the semester, all Group mills scrupulously complied with the environmental legislation, namely regarding the parameters of liquid and gas emissions, as well as the management and recycling of solid waste.

FINANCIAL REVIEW
Altri, SGPS, S.A.

During the second quarter of 2008 the demerger of FRamada took place, with Altri concentrating its efforts in forestall activity and pulp production. Consequently, the financial information for the first semester of 2008 only refers to the forestall and pulp production activities, with FRamada activity in group Altri from January to May 2008 being recorded under the caption "Profit for the period from discontinued operations".

For comparison effects, the financial information of the first semester of 2007 provides both a column with only forestall and pulp production activities and a consolidated column with forestall and pulp production activities and steel and warehouse systems activities, as disclosed public:

(amounts in thousand euro)	Jun-08	Dez-07	Δ%	
	IFRS	IFRS	08/07	
Balance sheet				
Net Assets	1.030.940	1.056.119	-2,4%	n.a
Shareholder's funds	85.967	118.276	-27,3%	n.a
Gross remunerated nominal debt	751.070	783.038	-4,1%	n.a
Cash and cash equivalents (b)	130.365	136.330	-4,4%	n.a
Net remunerated debt	620.705	646.708	-4,0%	n.a
Statement of profit and loss				
	Jun-08	Jun 2007 (c)	Δ%	Jun 2007 (d)
Operating income	162.023	156.931	3,2%	213.028
Operating profit (EBIT)	26.912	34.388	-21,7%	39.235
Net financial income	(17.819)	(14.259)	-25,0%	(15.007)
Net consolid. profit attrib. to the parent company's shareholders	7.569	16.337	-53,7%	19.289
Minority interests	94	42	123,8%	42
Discontinued operational units	1.312	2.951	-55,5%	-
Net consolidated profit for the period	8.974	19.331	-53,6%	19.331
Ratios				
	Jun-08	Jun 2007 (c)	Δ%	Jun 2007 (d)
Net profit / Operating income	4,7%	10,4%	n.a.	n.a.
EBITDA (a)	41.520	47.207	-12,0%	53.467
Shareholder's funds / Net Assets	8,3%	11,2%	n.a.	n.a.
Return on Equity	8,8%	13,8%	n.a.	n.a.

(a) EBITDA = Operating profit + Amortisation

(b) Including the value of investments recorded at fair value through profit and loss

(c) Forestall and pulp production activity

(d) Consolidated activity, as disclosed public

In the first semester of 2008, the operating income was over 162 million euro, which represents an increase of 3% in comparison with the same period in 2007. Respect to operating costs, in the first semester of 2008 there was an increase in the cost of raw materials, especially wood and chemicals. The increase in wood's price was mainly motivated by: (1) growth in demand by pulp producers operating in the Portuguese market and; (2) decrease in the stock of wood available for cut, as a result of the significant forestall fires that occurred in Portugal in 2003 and 2005.

EBITDA for the first semester of 2008 was, approximately, 42 million euro, compared with approximately 47 million euro in the first half of 2007 (less 12%).



DIRECTORS' REPORT

Operating profit (EBIT) reached in the first semester of 2008 was, approximately, 27 million euro, representing a 22% decrease when compared with 34 million euro reached in the first semester of 2007. The total amortization amounted 15 million euro, which represents a growth of 14% when compared with the first semester of 2007.

The net profit of the forestall and pulp production areas was, approximately, 7.6 million euro, 54% less when compared to the same period in 2007.

Note that during the second quarter of 2008 the bleaching line of Celtejo was concluded, leading to non-recurring operational costs and an increase in the level of amortization.

During the first half of 2008 the total investment (CAPEX) reached 117.5 million euro. The main responsible for the investment made was Celbi with 91.8 million euro, followed by Celtejo with 23.2 million euro and Caima with 2.4 million euro. The total investment in the second quarter of 2008 amounted, approximately, 63 million euro. Altri's nominal net debt as of June 30, 2008 was, approximately, 620.7 million euro.

During the first semester of 2008, Altri produced, approximately, 301 thousand tones of pulp and paper, that represents a 7% decrease compared to the same period in 2007.

F. Ramada demerger process originated a shareholders' funds decrease of, approximately, 39.5 million euro.



DIRECTORS' REPORT

SECOND SEMESTER 2008 OUTLOOK

Concerning Paper and Pulp sector the contraction in the production of paper combined with an increase in the supply of pulp may have negative effects on the evolution of the price, on the other hand the cost pressure of wood and of the exchange rate exert strong pressure to the contrary. It is expected to sustain the prices of pulp.

Additionally, shall also contribute positively to Group's performance, although not necessarily already in the second semester 2008, the investment in industrial units of Celbi and Celtejo, allowing to achieve in 2010 a total production capacity of 910 thousand tons of pulp.

CORPORATE GOVERNANCE

In compliance with the guidelines included in the Stock Exchange Regulation (Regulamento da CMVM) 7/2001, the Company is exempted from presenting information related with Corporate Governance, as the presentation of this information is only mandatory jointly with the annual Directors' Report.

Regarding this matter, it is to highlight the fact that the Shareholders' General Meeting of 28 May 2008 approved the constitution of a Remuneration Committee, until the term of the current mandate (2008/2010), with the following members:

- Pedro Nuno Fernandes de Sá Pessanha da Costa – President
- João da Silva Natária - Member
- Fernando Eugénio Cerqueira Magro Ferreira – Member

LEGAL MATTERS

Treasury stock

Pursuant to the requirements of article 66 of the Commercial Company Code (“Código das Sociedades Comerciais”), the Directors inform that as of 30 June 2008 Altri and its subsidiaries had no treasury stock and did not acquire or sell any treasury stock during the period.

Shares held by Altri's corporate boards

Pursuant to the requirements of article 447 of the Commercial Companies Code (“Código das Sociedades Comerciais”), the Directors inform that, as 30 June 2008, the held shares were as follows:

	Shares held at 30.06.08
Paulo Jorge dos Santos Fernandes	3,085,746
Pedro Macedo Pinto de Mendonça	852,500
Domingos José Vieira de Matos	3,469,716
João Manuel Matos Borges de Oliveira (a)	} 4,580,000
Carlos Manuel Matos Borges de Oliveira (a)	

(a) 4,580,000 shares correspond to the total number of shares of Altri, S.G.P.S., S.A. held by Caderno Azul – S.G.P.S., S.A. whose shareholders include the directors João Manuel Matos Borges de Oliveira and Carlos Manuel Matos Borges de Oliveira.

As of 30 June 2008, the Statutory Auditor, the members of the Statutory Audit Board and of the Shareholders' General Meeting held no shares of the Company, with the exception of the secretary Ana Rebelo Mendonça Fernandes that held 6,369,340 shares of the Company.

Participation in the Company's capital

Pursuant to the requirements of articles 16 and 20 of the Securities Market Code ("Código de Valores Mobiliários") and article 448 of the Commercial Companies Code ("Código das Sociedades Comerciais"), the Directors inform that, in accordance with the notifications received, the companies and/or individuals that hold qualified participations exceeding 2%, 5%, 10%, 20%, 33% and 50% of the voting rights, are as follows:

Exceeding 2% of the voting rights	Shares	Direct % of
	held at 30.06.2008	the voting rights
Caderno Azul, SGPS, S.A. (a)	4,580,000	4.47%
Domingos José Vieira de Matos	3,469,716	3.38%
Paulo Jorge dos Santos Fernandes	3,085,746	3.01%

(a) 4,580,000 shares correspond to the total number of shares of Altri, S.G.P.S., S.A. held by Caderno Azul – S.G.P.S., S.A. whose shareholders include the directors João Manuel Matos Borges de Oliveira and Carlos Manuel Matos Borges de Oliveira.

Exceeding 5% of the voting rights	Shares	Direct % of
	held at 30.06.2008	the voting rights
UBS AG – ZURIQUE	10,244,453	9.99%
Ana Rebelo Mendonça Fernandes	6,369,340	6.21%
Bestinver Gestión, SGIIC, S.A.	5,184,748	5.06%

Exceeding 20% of the voting rights	Shares held	% of the
	at 30.06.2008	voting rights
Cofihold, S.G.P.S., S.A.		
a) directly	21,000,000	20.47%
b) indirectly, through its directors		
Paulo Jorge dos Santos Fernandes		3.01%
Pedro Macedo Pinto de Mendonça		0.83%
Domingos José Vieira de Matos		3.38%
Carlos Manuel Matos Borges de Oliveira (a)	}	4.47%
João Manuel Matos Borges de Oliveira (a)		

(a) 4.47% corresponds to the total participation held by Caderno Azul – S.G.P.S., S.A. whose shareholders include the directors João Manuel Matos Borges de Oliveira and Carlos Manuel Matos Borges de Oliveira.

Altri was not informed of any Cofihold's qualified participation transaction and other participation exceeding 33% of the voting rights during the first semester of 2008.



DIRECTORS' REPORT

DECLARATION OF RESPONSABILITY

The members of the Board of Directors of Altri, S.G.P.S., S.A. declare that they assume responsibility for the information hereby presented, and assure that the items included herein are true and that, to the best of their knowledge, there are no omissions.

As required by article 8, nr. 3, of the Stock Exchange Regulation, the Board of Directors declares that the accounts that integrate this report were not subject to Limited Review.

As required by article 21 of Decree-Law 411/91 of 17 October, the Board of Directors informs that there are no overdue debts to the State, namely, with respect to Social Security.

CLOSING REMARKS

The Board of Directors concludes by expressing a vote of gratitude to the personnel of the Group for their dedication and effort, and also to the other Corporate Boards and to the Financial Institutions that co-operated with the Group.

Porto, 27 August 2008

The Board of Directors:

Paulo Jorge dos Santos Fernandes – President

João Manuel Matos Borges de Oliveira

Pedro Macedo Pinto de Mendonça

Domingos José Vieira de Matos

Carlos Manuel Matos Borges de Oliveira

Statement Under the terms of Article 246, paragraph 1, c) of the Securities Code

The signatories individually declare that, to their knowledge, the Management Report, the Individual Financial Statements prepared in accordance with generally accepted accounting principles in Portugal and the Consolidated Financial Statements prepared meeting the standards of the applicable International Financial Accounting as adopted by the European Union, and in accordance with the International Accounting Standard 34 – Interim Financial Reporting, and other accounting documents required by law or regulation, giving a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of Altri, SGPS, S.A. (“Altri”) at 30 June 2008 and that the Management Report faithfully describes the business evolution and position of Altri and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

Porto, 27 August 2008

Paulo Jorge dos Santos Fernandes
President of the Board of Directors

João Manuel Matos Borges de Oliveira
Member of the Board of Directors

Pedro Macedo Pinto de Mendonça
Member of the Board of Directors

Domingos José Vieira de Matos
Member of the Board of Directors

Carlos Manuel Matos Borges de Oliveira
Member of the Board of Directors

ALTRI, SGPS, S.A.

CONSOLIDATED BALANCE SHEETS AS OF 30 JUNE 2008 AND 31 DECEMBER 2007

(Translation of financial statements originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

ASSETS	Notes	30.06.2008	31.12.2007
NON CURRENT ASSETS:			
Biological assets		61,393,041	61,757,351
Tangible assets		345,351,734	314,751,323
Goodwill		269,178,773	270,523,604
Intangible assets		742,107	967,621
Investments in associated companies	4.2	15,476,095	11,481,318
Investments available for sale	4.3	825,316	882,572
Other non current assets		310,326	117,767
Deferred tax assets	6	9,981,172	11,925,730
Total non current assets		703,258,564	672,407,286
CURRENT ASSETS:			
Inventories		53,474,779	70,235,470
Customers		71,980,823	88,593,128
Other debtors		11,627,839	28,215,022
State and other public entities		24,091,418	29,362,081
Other current assets		7,293,641	4,877,667
Derivatives	11	7,153,934	3,748,671
Investments recorded at fair value through profit and loss	4.4	1,119,638	1,280,512
Cash and cash equivalents		129,245,489	135,049,790
Assets classified as held for sale		-	22,349,034
Total current assets		305,987,561	383,711,375
Total assets		1,009,246,125	1,056,118,661
SHAREHOLDERS' FUNDS AND LIABILITIES			
		30.06.2008	31.12.2007
SHAREHOLDERS' FUNDS:			
Share capital	7	25,641,459	25,641,459
Legal reserve		1,630,523	1,527,560
Other reserves		49,475,266	55,639,142
Consolidated net profit		8,880,775	35,193,702
Total shareholders' funds attributable to the parent company's shareholders		85,628,023	118,001,863
Minority interests		339,248	274,494
Total Shareholders' funds		85,967,271	118,276,357
LIABILITIES:			
NON CURRENT LIABILITIES:			
Bank loans	9	164,993,904	207,729,419
Other loans	9	401,143,862	327,280,808
Other non current creditors		-	349,073
Other non current liabilities		2,064,714	1,396,405
Deferred tax liabilities	6	2,498,939	1,884,051
Provisions	10	4,935,603	4,817,457
Total non current liabilities		575,637,022	543,457,213
CURRENT LIABILITIES:			
Bank loans	9	13,429,901	80,005,517
Other loans - short term	9	136,815,895	134,992,560
Suppliers		84,472,988	43,289,485
Other current creditors		49,519,265	53,281,583
State and other public entities		6,321,227	14,781,864
Other current liabilities		53,499,316	39,403,914
Derivatives	11	3,583,240	4,183,446
Liabilities associated with assets classified as held for sale		-	24,446,722
Total current liabilities		347,641,832	394,385,091
Total shareholders' funds and liabilities		1,009,246,125	1,056,118,661

The accompanying notes form an integral part of the consolidated financial statements.

The Board of Directors

ALTRI SGPS S.A.

**CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE
FOR THE SIX MONTHS AND THREE MONTHS PERIODS ENDED 30 JUNE 2008 AND 30 JUNE 2007**

(Translation of financial statements originally issued in Portuguese - Note 19)
(Amounts expressed in Euro)

	Notes	SEMESTER ENDED		QUARTER ENDED	
		30.06.2008	30.06.2007 (a)	30.06.2008	30.06.2007 (a)
Continuing operations					
Operating income					
Sales	15	147,519,279	154,087,422	75,390,525	76,473,026
Services rendered	15	519,875	567,437	260,066	284,792
Other operating income	14	13,984,195	2,276,412	7,683,458	856,362
Total operating income		<u>162,023,349</u>	<u>156,931,271</u>	<u>83,334,049</u>	<u>77,614,180</u>
Operating expenses					
Cost of sales		50,687,398	45,688,627	26,946,887	22,491,529
External supplies and services		47,973,149	44,875,523	24,376,408	23,307,417
Payroll expenses		17,255,065	15,521,990	9,023,587	8,013,058
Amortisation and depreciation		14,608,147	12,819,007	8,045,812	6,360,342
Provisions and impairment losses	10	703,403	430,000	642,831	416,087
Other operating expenses		3,884,562	3,207,876	2,122,486	1,394,651
Total operating expenses		<u>135,111,724</u>	<u>122,543,023</u>	<u>71,158,011</u>	<u>61,983,084</u>
Operating profit		26,911,625	34,388,248	12,176,038	15,631,096
Profits related with assets classified as held for sale		(251,693)	-	(14,359)	-
Gains and losses in associated companies	12	(393,224)	(71,307)	(197,033)	(76,546)
Gains and losses in other investments	12	(148,409)	947,378	(31,047)	973,455
Financial expenses	12	(21,925,874)	(16,926,904)	(11,389,087)	(8,967,318)
Financial income	12	4,900,110	1,791,989	3,055,613	1,051,646
Profit before income tax		9,092,535	20,129,404	3,600,125	8,612,333
Income tax		(1,429,664)	(3,749,818)	(663,649)	(1,294,380)
Profit after income tax		<u>7,662,871</u>	<u>16,379,586</u>	<u>2,936,476</u>	<u>7,317,953</u>
Attributable to:					
Parent company's shareholders		7,569,240	16,337,448	2,845,865	7,296,664
Minority interests	8	93,631	42,138	90,611	21,289
Discontinued operations					
Profit for the period from discontinued operations		1,311,535	2,951,054	484,323	1,389,844
Attributable to:					
Parent company's shareholders		1,311,535	2,951,054	484,323	1,389,844
Minority interests		-	-	-	-
Consolidated net profit		<u>8,974,406</u>	<u>19,330,640</u>	<u>3,420,799</u>	<u>8,707,797</u>
Attributable to:					
Parent company's shareholders		8,880,775	19,288,502	3,330,188	8,686,508
Minority interests	8	93,631	42,138	90,611	21,289
		<u>8,974,406</u>	<u>19,330,640</u>	<u>3,420,799</u>	<u>8,707,797</u>
Earnings per share					
Continuing operations					
Basic	13	0.07	0.16	0.03	0.07
Diluted	13	0.07	0.16	0.03	0.07
Continuing and discontinued operations					
Basic	13	0.09	0.19	0.03	0.08
Diluted	13	0.09	0.19	0.03	0.08

(a) excluding discontinued operations

The accompanying notes form an integral part of the consolidated financial statements.

The Board of Directors

ALTRI, S.G.P.S., S.A.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIODS ENDED
30 JUNE 2008 AND 30 JUNE 2007**

(Translation of financial statements originally issued in Portuguese – Note 19)
(Amounts expressed in Euro)

	Notes	Attributable to the parent company's shareholders						Total	Minority interests	Total shareholders' funds
		Share capital	Legal reserve	Other reserves			Net profit			
				Hedging reserves	Conversion reserves	Other				
Balance as of 1 January 2007		25,641,459	182,597	(3,396,295)	(141,249)	42,578,635	20,843,789	85,708,936	290,356	85,999,292
Appropriation of the consolidated net profit of 2006:										
Transfer to legal reserves and retained earnings		-	1,344,963	-	-	14,370,534	(15,715,497)	-	-	-
Distributed dividends		-	-	-	-	-	(5,128,292)	(5,128,292)	-	(5,128,292)
Change in reserves:										
Conversion reserves		-	-	-	(66,666)	-	-	(66,666)	-	(66,666)
Hedging reserves		-	-	4,907,500	-	-	-	4,907,500	-	4,907,500
Others		-	-	-	-	(21,155)	-	(21,155)	-	(21,155)
Acquisition of additional share capital of Celtejo - Empresa de Celulose do Tejo, S.A.		-	-	-	-	-	-	-	(69,679)	(69,679)
Net consolidated profit for the period ended 30 June 2007		-	-	-	-	-	19,288,502	19,288,502	42,138	19,330,640
Balance as of 30 June 2007		<u>25,641,459</u>	<u>1,527,560</u>	<u>1,511,205</u>	<u>(207,915)</u>	<u>56,928,014</u>	<u>19,288,502</u>	<u>104,688,825</u>	<u>262,815</u>	<u>104,951,640</u>
Balance as of 1 January 2008	7	25,641,459	1,527,560	(931,402)	(373,328)	56,943,872	35,193,702	118,001,863	274,494	118,276,357
Appropriation of the consolidated net profit of 2007:										
Transfer to legal reserves and retained earnings		-	102,963	-	-	29,962,448	(30,065,411)	-	-	-
Distributed dividends	17	-	-	-	-	-	(5,128,291)	(5,128,291)	-	(5,128,291)
Demerger of F. Ramada - Aços e Indústrias, S.A.	5	-	-	-	568,896	(40,043,529)	-	(39,474,633)	-	(39,474,633)
Change in reserves:										
Conversion reserves		-	-	-	(195,568)	-	-	(195,568)	-	(195,568)
Hedging reserves	11	-	-	3,546,238	-	-	-	3,546,238	-	3,546,238
Others		-	-	-	-	(2,361)	-	(2,361)	-	(2,361)
Acquisition of additional share capital of Sosapel - Soc. Comercial de Sacos de Papel, Lda.	5 and 8	-	-	-	-	-	-	-	(28,877)	(28,877)
Net consolidated profit for the period ended 30 June 2008		-	-	-	-	-	8,880,775	8,880,775	93,631	8,974,406
Balance as of 30 June 2008		<u>25,641,459</u>	<u>1,630,523</u>	<u>2,614,836</u>	<u>-</u>	<u>46,860,430</u>	<u>8,880,775</u>	<u>85,628,023</u>	<u>339,248</u>	<u>85,967,271</u>

The accompanying notes form an integral part of the consolidated financial statements.

The Board of Directors

ALTRI, S.G.P.S., S.A.

CONSOLIDATED CASH-FLOW STATEMENT FOR THE SIX MONTHS PERIODS
ENDED 30 JUNE 2008 AND 30 JUNE 2007

(Translation of financial statements originally issued in Portuguese - Note 19)

(Amounts expressed in Euro)

	Notes	30.06.2008	30.06.2007
Operating activities:			
<i>Cash flow from operating activities (1)</i>		40,206,989	33,419,137
Investment activities:			
Collections relating to:			
Investments	1	21,657,703	3,620,539
Tangible assets		1,735,333	1,543,720
Interest and similar income		3,791,234	2,184,744
Investment subsidies		43,691	75,916
Payments relating to:			
Investments	1	(4,538,000)	(2,887,365)
Intangible assets		(56,437)	-
Tangible assets		(90,809,721)	(33,268,746)
Biological assets		(4,457,285)	(3,071,645)
<i>Cash flow from investment activities (2)</i>		(72,633,482)	(31,802,837)
Financing activities:			
Collections relating to:			
Loans obtained		179,138,485	345,981,047
Loans granted		21,640,843	-
Payments relating to:			
Lease contracts		(159,476)	(519,324)
Interest and similar costs		(24,867,932)	(14,920,028)
Dividends		(5,128,291)	(5,128,292)
Loans obtained		(96,967,405)	(290,223,869)
Loans granted		-	(9,748,032)
<i>Cash flow from financing activities (3)</i>		73,656,224	25,441,502
Cash and cash equivalents at the beginning of the period	2	125,514,513	13,931,279
Effect of change in consolidation perimeter		(39,668,476)	-
Variation of cash and cash equivalents: (1)+(2)+(3)		41,229,731	27,057,802
Cash and cash equivalents at the end of the period	2	127,075,768	40,989,081

The accompanying notes form an integral part of the consolidated financial statements.

The Board of Directors

NOTES TO THE CONSOLIDATED STATEMENT OF CASH-FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

1. PAYMENTS/COLLECTIONS RELATING TO INVESTMENTS

During the period ended 30 June 2008 the payments/collections relating to investments were as follows:

	<u>Transaction amount</u>	<u>Amount paid/collected</u>
<u>Acquisitions</u>		
EDP – Produção Bioelétrica, S.A. (a)	4,388,000	4,388,000
Socasca – Recolha e Comércio de Recicláveis, S.A. (b)	4,930,945	150,000
	-----	-----
	9,318,945	4,538,000
	=====	=====
 <u>Sales</u>		
Ródão Power – Energia e Biomassa do Ródão, S.A.	21,657,703	21,657,703
	-----	-----
	21,657,703	21,657,703
	=====	=====

(a) – Increase of loans granted;

(b) – It was paid until 31 December 2007 the amount of 4,470,945 Euro.

2. BREAKDOWN OF CASH AND ITS EQUIVALENTS

Cash and its equivalents presented in the condensed consolidated statement of cash flows for the period and the reconciliation between that amount and the amounts shown in the balance sheet, are as follows:

	<u>30.06.2008</u>	<u>30.06.2007</u>
Cash	31,727	50,009
Bank deposits repayable on demand	129,213,762	53,217,438
	-----	-----
	129,245,489	53,267,447
 Bank overdrafts	 (2,169,721)	 (12,278,366)
	-----	-----
Cash and its equivalents	127,075,768	40,989,081
	=====	=====

1. INTRODUCTORY NOTE

Altri, SGPS, S.A. (“Altri” or “Company”) is an open capital company, incorporated at 1 March 2005, has its head-office located at Rua General Norton de Matos, 68, r/c – Porto, Portugal and its shares are listed in the Lisbon Euronext Stock Exchange.

Altri was incorporated as a result of the reorganization process of Cofina, SGPS, S.A. through the demerger of the investment previously held by this group in Celulose do Caima, SGPS, S.A. (representing 97.23% of this company’s share capital), under a simple demerger operation predicted in item 1.a), article 118 of the Commercial Companies Code (“Código das Sociedades Comerciais”). The relevant date for the production of juridical and accounting effects of this operation was 1 March 2005.

Altri’s shares were attributed to the shareholders of Cofina, SGPS, S.A. in accordance to the ratio of one share of Altri, SGPS, S.A. for each share of Cofina, SGPS, S.A. previously owned, and admitted to the official stock market, directed by Euronext Lisbon, in 1 March 2005.

During the semester ended at 30 June 2008, Altri’s activity was affected by a business reorganization, as opportunely disclosed public, which involved the demerger process of the equity share held at F. Ramada - Aços e Indústrias, S.A., representative of the voting rights of the mentioned company. The restructuring involved a simple demerger operation predicted on item 1.a), article 118, of the Commercial Companies Code (“Código das Sociedades Comerciais”), for the constitution of a new company – F. Ramada – Investimentos, SGPS, S.A. (“Ramada Investimentos”). Due to this process, the company’s patrimonial share related to the equity holdings management business unit for the sector of steel and storage systems was spited to Ramada Investimentos, including all other resources (such as human resources, assets and liabilities) related to those companies activities.

Demerger public deed was signed at 16 April 2008 and the relevant date for the production of effects of this operation was 1 June 2008.

Altri is the parent company of a group of companies listed in Note 4 known as Altri Group, and its main activity is the management of investments mainly in the industrial sector. The Group focus its operations in the production of pulp and paper through the Celbi, Celtejo and Caima Groups.

The condensed financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

The financial statements as of 30 June 2008 were prepared using accounting policies consistent with the International Financial Reporting Standards and in accordance with the International Accounting Standard 34 – Interim Financial Reporting and includes balance sheet, statements of profit and loss by nature, statement of changes in shareholders’ funds and statement of cash flows as well as selected explanatory notes.

The accounting policies used in the preparation of the consolidated financial statements of Altri are consistent with those used in the year ended 31 December 2007.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF MISTAKES

During the period there were no changes in accounting policies and were identified no material mistakes related to previous periods.

ALTRI, S.G.P.S., S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

4. INVESTMENTS

4.1 INVESTMENTS IN GROUP COMPANIES

The companies included in the consolidated financial statements by the full consolidation method, their headquarters, percentage participation held and activity developed as of 30 June 2008 and 31 December 2007 are as follows:

Company	Head Office	Percentage Held		Activity
		2008	2007	
<u>Parent Company:</u> Altri, SGPS, S.A.	Porto			Investment management
<u>Caima / Celtejo / Celbi Group</u>				
Celulose do Caima, SGPS, S.A.	Lisbon	100%	100%	Investment management
Caima Indústria de Celulose, S.A.	Lisbon	100%	100%	Production and commercialisation of pulp
Silvicaima – Sociedade Silvícola do Caima, S.A.	Lisbon	100%	100%	Sylvan exploration
Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.	Lisbon	100%	100%	Production of energy
Invescaima – Investimentos e Participações, SGPS, S.A.	Lisbon	100%	100%	Investment management
Inflora – Sociedade de Investimentos Florestais, S.A.	Lisbon	100%	100%	Sylvan exploration
Sócasca – Recolha e Comércio de Recicláveis, S.A.	Águeda	100%	100%	Commercialisation of recycled products
Celtejo – Empresa de Celulose do Tejo, S.A.	Vila Velha de Ródão	99.58%	99.58%	Production and commercialisation of pulp
CPK – Companhia Produtora de Papel Kraftsack, S.A.	Vila Velha de Ródão	99.58%	99.58%	Production and commercialisation of paper
Altri - Energias Renováveis, SGPS, S.A.	Lisbon	99.58%	99.58%	Investment management
Sosapel – Sociedade Comercial de Sacos de Papel, Lda.	Vila Velha de Ródão	99.58%	79.66%	Commercialisation of pulp
Celbi – Celulose da Beira Industrial, S.A.	Figueira da Foz	100%	100%	Production and commercialisation of pulp
Celbinave – Tráfego e Estiva SGPS, Unipessoal, Lda.	Figueira da Foz	100%	100%	Freightage of ships
Viveiros do Furadouro Unipessoal, Lda.	Óbidos	100%	100%	Production of plants in nurseries and services related with forests and landscapes
Altri, Participaciones Y Trading, S.L.	Madrid, Spain	100%	100%	Investment management
Altri Sales, S.A.	Nyon, Switzerland	100%	100%	Commercialisation of pulp
<u>Ramada Group</u>				
F. Ramada – Aços e Indústrias, S.A.	Ovar	(a)	100%	Steel commercialisation
F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A.	Ovar	(a)	100%	Production and commercialisation of storage systems
F. Ramada II, Imobiliária, S.A.	Ovar	(a)	100%	Real Estate
F. Ramada, Serviços de Gestão, Lda.	Ovar	(a)	100%	Administration and management services
Universal Afir - Aços, Máquinas e Ferramentas, S.A.	Porto	(a)	100%	Steel commercialisation
BPS – Equipements, S.A.	Paris, France	(a)	100%	Commercialisation of storage systems
Storax Racking Systems, Ltd.	Bromsgrove, United Kingdom	(a)	100%	Commercialisation of storage systems
Storax Benelux	Belgium	(a)	100%	Commercialisation of storage systems

(a) – company demerged (Note 5)

The above companies were included in the consolidated financial statements in accordance with the full consolidation method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

4.2 INVESTMENTS IN ASSOCIATED COMPANIES

The associated companies, included in the consolidated financial statements in accordance with the equity method, the percentage participation held and the activity developed as of 30 June 2008 and 31 December 2007, can be detailed as follows:

Company	Percentage Held		Activity
	2008	2007	
EDP – Produção Bioelétrica, S.A.	50%	50%	Production of energy
Operfoz – Operadores do Porto da Figueira da Foz, Lda.	33.33%	33.33%	Port's Operations

The book value of this investment as of 30 June 2008, its equity as of that date and the net profit for the period then ended, are as follows:

Company	Book Value (a)	Asset	Equity	Net Profit/(Loss)
EDP – Produção Bioelétrica, S.A.	15,169,659	92,028,946	6,225,171	(942,002)
Operfoz – Operadores do Porto da Figueira da Foz, Lda.	<u>306,436</u>	2,721,830	931,307	233,331
	<u><u>15,476,095</u></u>			

(a) – including loans granted.

4.3 INVESTMENTS AVAILABLE FOR SALE

The caption “Investments available for sale” as of 30 June 2008 and 31 December 2007 can be detailed as follows:

Company	Book value	
	30.06.2008	31.12.2007
Buildings	782,508	793,497
Others	42,808	199,957
	<u>825,316</u>	<u>993,454</u>
Accumulated impairment losses in investments (Note 10)	-	(110,882)
Net book value	<u><u>825,316</u></u>	<u><u>882,572</u></u>

4.4 INVESTMENTS RECORDED AT FAIR VALUE THROUGH PROFIT AND LOSSES

The amount recorded under the caption “Investments recorded at fair value through profit and loss” as of 30 June 2008 refers to shares of companies listed in stock exchange markets and is recorded in accordance with its market value as of that date (Note 12).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

5. CHANGES IN THE GROUP COMPANIES

At 16 April 2008 was signed the F. Ramada – Aços e Indústrias, S.A. demerger public deed. Under the terms of the project, the planned reorganization implies the split of Altri's two business units that manage equity holdings in the pulp and paper sector and in the steel and storage systems sector.

The demerger process originated the constitution of a new company, F. Ramada – Investimentos, SGPS, S.A. ("Ramada Investimentos") and the relevant date for the production of effects of this operation was 1 June 2008, the moment when F. Ramada – Aços e Indústrias, S.A. ("F. Ramada - Aços") and its subsidiaries were no longer included in the Consolidated Financial Statements of Altri, SGPS, S.A. As a consequence of the demerger process, F. Ramada – Aços and its subsidiaries contributes during five months to the consolidated income statement of Altri, SGPS, S.A., and have been classified as Discontinued Operations, according to IFRS 5 – Non Current Assets Held For Sale and Discontinued Operations.

The impacts of the Ramada – Aços and its subsidiaries' net assets demerger process on the consolidated balance sheet on the 1st of June 2008 were as follows:

	<u>Demerger date</u>
Tangible and Intangible assets	84,899,532
Goodwill	2,199,238
Deferred tax assets (Note 6)	2,681,528
Inventories	42,408,422
Derivatives (Note 11)	626,696
Cash and cash equivalents	39,668,476
Other assets (a)	94,587,310
Loans	(110,070,311)
Provisions (Note 10)	(137,084)
Deferred tax liabilities (Note 6)	(401,714)
Other liabilities	(116,987,460)
Total demerged	<u><u>39,474,633</u></u>

The impacts of the demerger process on the consolidated income statement were as follows:

	<u>Demerger date</u>
Sales and services rendered	49,278,067
Other operating income	521,685
Cost of sales	(26,972,174)
Other operating expenses	(19,489,828)
Financial results	(1,556,007)
Profit before income tax	1,781,743
Income tax	(470,208)
Profit after income tax	<u><u>1,311,535</u></u>

(a) – The caption "Other assets" includes impairment losses in investments, in the amount of 85,886 Euro and impairment losses in current assets, in the amount of 17,071,166 Euro (Note 10).

Additionally, during the semester ended in 30 June 2008 the Group acquired the remaining 20% of the share capital of the Sosapel – Sociedade Comercial de Sacos de Papel, Lda.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

6. CURRENT AND DEFERRED INCOME TAXES

In accordance with current legislation, tax returns are subject to review and correction by the tax authorities during a six-year period until 2000 and a four-year period after that date (ten years for Social Security, until 2000, inclusive, and five years after 2001), except when there have been tax losses, there have been granted tax benefits or tax inspections or claims are in progress, in which cases the periods may be extended or suspended. Therefore, the tax returns of Altri and its subsidiaries and associated companies since the year of 2004 are still subject to review.

The Board of Directors of Altri believes that any potential corrections arising from reviews/inspections of these tax returns by the tax authorities will not have a significant effect on the accompanying consolidated financial statements.

As of 30 June 2008 and 31 December 2007 the deferred tax assets and liabilities, in accordance with the timing differences that originated them, were as follows:

	30.06.2008		31.12.2007	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Provision and impairment losses not accepted for tax purposes	2,663,426	-	5,062,438	-
Tax losses carried forward	27,810	-	27,810	-
Fair value of derivatives	907,982	1,847,492	1,154,625	818,814
Depreciations not accepted for tax purposes	-	-	-	212,299
Revaluation of depreciable tangible assets	-	227,579	-	244,833
Write-off of tangible assets	299,488	-	306,826	-
Write-off of intangible assets	50,821	-	50,821	-
Pension fund	1,134,900	-	1,085,775	-
Harmonization of accounting principles	2,059,832	-	1,389,136	-
Reinvested capital gains	-	31,774	-	88,294
Write-off of accrued costs	-	87,171	-	82,501
Annulment of gains and transactions between group companies	2,489,050	-	2,489,552	-
Other	347,863	304,923	358,747	437,310
	<u>9,981,172</u>	<u>2,498,939</u>	<u>11,925,730</u>	<u>1,884,051</u>

The movement occurred in deferred tax assets and liabilities in the period ended in 30 June 2008 were as follows:

	2008	
	Deferred tax assets	Deferred tax liabilities
Opening balance as of 1 January 2008	11,925,730	1,884,051
Effect on the profit and loss statement:		
Harmonization of depreciation rates	670,696	-
Other effects	312,917	(12,076)
Effect on shareholders' funds:		
Fair values of derivatives (Note 11)	(246,643)	1,028,678
Demerger (Note 5)	(2,681,528)	(401,714)
Closing balance as of 30 June 2008	<u>9,981,172</u>	<u>2,498,939</u>

7. SHARE CAPITAL

As of 30 June 2008, the Company's share capital, fully subscribed and paid-up, consisted of 102,565,836 ordinary shares with a nominal value of 0.25 Euro each. As of that date, Altri, SGPS, S.A. and its subsidiaries did not hold own shares.

As of 30 June 2008 the following entities held more than 20% of the subscribed share capital:

- Cofihold, SGPS, S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

8. MINORITY INTERESTS

The movements occurred under this caption during the semesters ended 30 June 2008 and 2007 were as follows:

	30.06.2008	30.06.2007
Opening balance	274,494	290,356
20% share capital acquisition of Sosapel - Sociedade Comercial de Sacos de Papel, Lda.	(28,877)	-
0.133% share capital acquisition of Celtejo - Empresa de Celulose do Tejo, S.A.	-	(69,679)
Net Profit attributable to minority interests	93,631	42,138
Closing balance	<u>339,248</u>	<u>262,815</u>

9. BANK LOANS AND OTHER LOANS

As of 30 June 2008 and 31 December 2007 the captions “Bank loans” and “Other loans” can be detailed as follows:

	30.06.2008					
	Nominal Value			Book Value		
	Current	Non current	Total	Current	Non current	Total
Bank loans	11,260,180	166,041,697	177,301,877	11,260,180	164,993,904	176,254,084
Bank overdrafts	2,169,721	-	2,169,721	2,169,721	-	2,169,721
Bank loans	<u>13,429,901</u>	<u>166,041,697</u>	<u>179,471,598</u>	<u>13,429,901</u>	<u>164,993,904</u>	<u>178,423,805</u>
Commercial paper	133,750,000	-	133,750,000	133,140,862	-	133,140,862
Bonds	-	396,500,000	396,500,000	-	388,470,683	388,470,683
Other loans	3,675,033	12,673,179	16,348,212	3,675,033	12,673,179	16,348,212
Other loans	<u>137,425,033</u>	<u>409,173,179</u>	<u>546,598,212</u>	<u>136,815,895</u>	<u>401,143,862</u>	<u>537,959,757</u>
	<u>150,854,934</u>	<u>575,214,876</u>	<u>726,069,810</u>	<u>150,245,796</u>	<u>566,137,766</u>	<u>716,383,562</u>

	31.12.2007					
	Nominal Value			Book Value		
	Current	Non current	Total	Current	Non current	Total
Bank loans	70,470,240	209,055,959	279,526,199	70,470,240	207,729,419	278,199,659
Bank overdrafts	9,535,277	-	9,535,277	9,535,277	-	9,535,277
Bank loans	<u>80,005,517</u>	<u>209,055,959</u>	<u>289,061,476</u>	<u>80,005,517</u>	<u>207,729,419</u>	<u>287,734,936</u>
Commercial paper	131,000,000	-	131,000,000	130,402,691	-	130,402,691
Bonds	-	321,500,000	321,500,000	-	315,393,671	315,393,671
Factoring	1,438,136	-	1,438,136	1,438,137	-	1,438,137
Other loans	3,151,732	11,887,137	15,038,869	3,151,732	11,887,137	15,038,869
Other loans	<u>135,589,868</u>	<u>333,387,137</u>	<u>468,977,005</u>	<u>134,992,560</u>	<u>327,280,808</u>	<u>462,273,368</u>
	<u>215,595,385</u>	<u>542,443,096</u>	<u>758,038,481</u>	<u>214,998,077</u>	<u>535,010,227</u>	<u>750,008,304</u>

In the first semester of 2008 the Company issued two 10 year bond loans, amounting 50.000.000 Euro and 25.000.000 Euro, respectively. These loans have full repayment in 2018.

The expenses incurred with the issuance of loans are deducted to its nominal value and deferred and recognized as interest expenses during the period of the loan.

The nominal value of the non current loans recorded under the caption “Bank loans” and “Other loans” is repayable as follows:

Repayment year	Bank Loans	Other Loans	Total
2009	3.261.141	2.099.167	5.360.308
2010	6.223.810	3.721.892	9.945.702
2011	17.111.310	27.630.660	44.741.970
2012	21.937.698	721.460	22.659.158
2013	117.494.643	-	117.494.643
> 2014	13.095	375.000.000	375.013.095
	<u>166.041.697</u>	<u>409.173.179</u>	<u>575.214.876</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

10. ACCUMULATED PROVISIONS AND IMPAIRMENT LOSSES

The movements occurred in provisions and impairment losses during the periods ended 30 June 2008 and 2007 can be detailed as follows:

30.06.2008				
	Provisions	Impairment losses in investments	Impairment losses in accounts receivable (a)	Total
Opening balance (a)	4,817,457	110,882	24,764,407	29,692,746
Demerger (Note 5)	(137,084)	(85,886)	(17,071,166)	(17,294,136)
Increases	774,658	-	246,830	1,021,488
Decreases and Utilizations	(519,428)	(24,996)	(392,749)	(937,173)
Closing balance	<u>4,935,603</u>	<u>-</u>	<u>7,547,322</u>	<u>12,482,925</u>
30.06.2007				
	Provisions	Impairment losses in investments	Impairment losses in accounts receivable (a)	Total
Opening balance	4,270,534	110,882	24,015,972	28,397,388
Increases	518,199	-	455,771	973,970
Decreases and Utilizations	(169,702)	-	(30,207)	(199,909)
Closing balance	<u>4,619,031</u>	<u>110,882</u>	<u>24,441,536</u>	<u>29,171,449</u>

(a) - including 1,404,512 Euro relating to impairment losses on accounts receivable recorded as non current assets.

The increases in impairment losses occurred in the semester ended 30 June 2008 were recorded against the caption "Provisions and impairment losses" in the amount of 703,403 Euro and against the caption "Profit for the period from discontinued operations", in the amount of 318,085 Euro.

The amount recorded under the caption "Provisions" as of 30 June 2008 corresponds to the Board of Directors' best estimate to cover possible losses arising from legal actions in progress.

11. DERIVATIVES FINANCIAL INSTRUMENTS

As of 30 June 2008 Altri Group companies held derivative financial instruments to cover the variations in pulp paper prices and in interest rates, which were recorded at fair value.

Altri Group companies only use derivatives for interest rates to hedge future cash flows that results from the payment of interests of loans obtained.

The detail of the financial instruments fair value as of 30 June 2008 and 31 December 2007 is as follows:

Type	31.12.2007	Demerger (Note 5)	Derivatives Fair Value variation	30.06.2008
Pulp price fluctuation hedge derivatives	(4,183,446)	-	600,206	(3,583,240)
Interest rate derivatives	3,748,671	(626,696)	4,031,959	7,153,934
	<u>(434,775)</u>	<u>(626,696)</u>	<u>4,632,165</u>	<u>3,570,694</u>

The net profit for the year related with the variation in the fair value of the non matured position of derivative hedge instruments, which has been computed by financial institutions, amounting to 3,546,238 Euro, was recorded directly in the equity caption "Hedging reserves" (as established in IAS 39 – Financial Instruments: Recognition and measurement), net of the correspondent deferred tax liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 JUNE 2008

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(Amounts expressed in Euro)

12. NET FINANCIAL PROFIT

Net financial profit for the periods ended 30 June 2008 and 2007 can be detailed as follows:

	<u>30.06.2008</u>	<u>30.06.2007</u>
<u>Gains and losses in associated companies</u>		
Gains in associated companies	77,777	162,184
Losses in associated companies	<u>(471,001)</u>	<u>(233,491)</u>
	<u>(393,224)</u>	<u>(71,307)</u>
<u>Gains and losses in other investments</u>		
Gains obtained with treasury applications	-	947,378
Losses obtained with treasury applications (Note 4.4)	<u>(148,409)</u>	-
	<u>(148,409)</u>	<u>947,378</u>
<u>Financial expenses</u>		
Interests	20,187,882	15,843,265
Exchange losses	600,886	200,468
Other financial expenses	<u>1,137,106</u>	<u>883,171</u>
	<u>21,925,874</u>	<u>16,926,904</u>
<u>Financial income</u>		
Interests	3,610,039	1,460,025
Exchange gains	246,862	124,377
Financial discounts received	70,107	36,268
Other financial income	<u>973,102</u>	<u>171,319</u>
	<u>4,900,110</u>	<u>1,791,989</u>

13. EARNINGS PER SHARE

Earnings per share for the periods ended 30 June 2008 and 2007 were computed as follows:

	<u>30.06.2008</u>	<u>30.06.2007</u>
Weighted average number of shares used to compute the diluted and basic earning per share	102,565,836	102,565,836
Net profit considered for the computation of basic and diluted earning of continuing operations	7,569,240	16,337,448
Earnings per share of continuing operations		
Basic	0.07	0.16
Diluted	0.07	0.16
Net profit considered for the computation of basic and diluted earning of continuing and discontinued operations	8,880,775	19,288,502
Earnings per share of continuing and discontinued operations		
Basic	0.09	0.19
Diluted	0.09	0.19

14. OTHER OPERATING INCOME

As of 30 June 2008 this caption includes, mainly, gains obtained in fixed assets disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

15. SEGMENT REPORTING

In accordance with the origin and nature of the income generated by the Group, the main reporting segments identified are as follows:

- Steel; and
- Pulp and paper.

As a result of the steel activity demerger process (Note 5), from the 1st of June of 2008 onwards Altri's activities is focused in pulp and paper segment.

The contribution of the main business segments for some financial indicators for the semesters ended 30 June 2008 and 30 June 2007 can be presented as follows:

	30.06.2008			
	Pulp and paper	Holding and eliminations and consolidation adjustments	Consolidated	
Net operating income	162,016,753	6,596	162,023,349	
Operating cash-flow (EBITDA) (a)	41,934,248	(414,476)	41,519,772	
Operating profit (EBIT)	27,335,944	(424,319)	26,911,625	
Net profit for the period (b)	9,387,812	(413,406)	8,974,406	
	30.06.2007			
	Steel	Pulp and paper	Holding and eliminations and consolidation adjustments	Consolidated
Net operating income	55,593,032	156,731,271	703,456	213,027,759
Operating cash-flow (EBITDA) (a)	6,263,103	47,124,319	80,016	53,467,438
Operating profit (EBIT)	4,952,343	34,306,202	(23,698)	39,234,847
Net profit for the period (b)	2,994,214	16,783,737	(447,311)	19,330,640

(a) - EBITDA = Operating profit + depreciation and amortisation

(b) - net profit attributable to parent company's shareholders and minority interests

16. RELATED PARTIES

As of 30 June 2008 the relevant balances with related parties are related to the demerged F. Ramada-Aços Group and are summarized as follows:

	Payables	Receivables
F. Ramada Group	19,507,831	19,496,878

17. DIVIDENDS

The Annual Shareholders' Meeting held 28 May 2008, approved the distribution of dividends amounting to 5,128,291 Euro, corresponding to a dividend of 0.05 Euro per share.

18. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance in 26 August 2008.

ALTRI, S.G.P.S., S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

19. EXPLANATION ADDED FOR TRANSLATION

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards (IFRS/IAS) as adopted by the European Union, some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.