

2009 FIRST HALF YEAR FINANCIAL REPORT
SAPEC GROUP

Regulated Information by the article 36§3 of the royal decree of November 14th, 2007

August 31st, 2009

MANAGEMENT REPORT OF THE 2009 FIRST HALF OF THE SAPEC GROUP

During the second quarter of 2009, the traditional activities of the Group experienced an improvement of their operating result, increasing from -3,391 k€ at the end of March 2009 to +1,371 k€ at the end of June 2009.

Compared with 2008, the context of intense economic regression in Iberian Peninsula and the sharp fall of agriculture commodities prices, considerably lower than those of the first half of 2008, strongly affected the performance of some of our businesses mainly during the first quarter of 2009.

The net income at June 30th, 2009 was -432 k€ against 2,823 k€ at June 30th, 2008. In the first half of 2009, this result books on one hand 2,551 k€ of financial costs related to the loan subscribed by the Group to finance the capital increase of Naturener, which was used for the development of the parks, these financial costs having been immobilized in 2008 under capitalized interests. On the other hand this result benefited, following the application of IFRS 5 on “renewable energy”, from a positive contribution of 5,363 k€.

It is without any doubt our sector of the agro commodities distribution which was most affected. The absence of positive contribution in the first half of the year of this sector, which, in normal conditions, is a large contributor to the performance of the Group, explains most of the differences recorded when compared to the first half of 2008.

The totality of the sales decline and 90% of the difference between the recurring EBITDA of the Group in the first half of 2009 as compared to the first half of 2008 is attributable to this sector.

This sector was indeed penalized by the fall of meat consumption in Spain, and exceptional losses on the soya-bean positions.

In crop protection, in an agricultural context contrasted between Portugal and Spain our two Portuguese companies and Tradecorp our company in Spain had a performance in line with our expectations and are in light progress compared to the first half of 2008. Our Spanish company Sapec Agro had on the other hand difficulties and was penalized, in this crisis, by its commercial profile.

In crop nutrition, in spite of an unfavorable context, this sector could carry out a light progression compared to 2008 and stays slightly on top of our expectations. The progression on the international markets is done due to the good campaigns in Europe, mainly in Italy and France. The gross margin progresses and the increase in commercial structures expenses is due to the enlargement during 2008, of our commercial teams in Brazil and Mexico, whose sales are mainly done in the second half of the year.

In chemical products, the decrease of the industrial activity and the absence of sales in sulfuric acid penalized the performance of this sector compared to the first half of 2008.

In the environment sector, processing and valorization of industrial waste, the first half of the year was good for the CITRI activity. On the other hand the processing center of hazardous industrial waste, the SISAV (of which it is the first business year), in which SAPEC has a stake of 34%, remained below our expectations, affected by the industrial slowdown.

For logistics, the lack of critical mass and the slowdown of the economic activity, in spite of an improvement noted in the second quarter, continues to penalize the land terminal

activity as well as the sea terminal activity, which saw its volume at the Setubal terminal decrease more than 30% compared to the first half of 2008.

In Spain, the increase of the production of our hydro-electric power stations was offset by the fall in the price of electricity and our photovoltaic power stations knew a good level of production. In the USA, Glacier Wind 1 is still below its business plan due to the low price of electricity for the no-hedged part and on the other hand due to the difficulties of the start-up of the Park, which are overcome today. Glacier Wind 2 closed its financing package in July and will be able to start production in October 2009.

In the energy renewable sector, our intention to dispose of our stake in Naturener is still complete. Considering the technical character and the diversity of the assets and portfolio of projects we adapted the outstanding sales process to allow bilateral negotiations with all the interested candidates.

The recent measures taken in the USA to encourage the development of the renewable energy (federal grants to finance projects, extension of the tax incentives, capital expenditure to develop the electrical network) should strengthen the attractiveness of our North American assets.

In conclusion, the consolidated results of the first half of 2009, compared with those of the first half of 2008, were mainly affected by the operating losses, with nonrecurring character, of the activity of the agro commodities distribution and the booking of the financial costs related to the renewable energies investments.

KEY FIGURES

(in k€)	june 30, 2009	june 30, 2008	Δ%
Crop protection			
Revenus	49.303	46.404	6%
EBITDA	6.437	6.136	5%
<i>of wich: recurrent items</i>	<i>6.117</i>	<i>6.134</i>	<i>0%</i>
EBIT	5.274	5.016	5%
<i>of wich: recurrent items</i>	<i>4.954</i>	<i>5.014</i>	<i>-1%</i>
Crop nutrition			
Revenus	18.510	17.749	4%
EBITDA	1.174	1.628	-28%
<i>of wich: recurrent items</i>	<i>1.174</i>	<i>1.628</i>	<i>-28%</i>
EBIT	539	1.045	-48%
<i>of wich: recurrent items</i>	<i>539</i>	<i>1.045</i>	<i>-48%</i>
Chemicals products and environment			
Revenus	21.974	20.827	6%
EBITDA	2.388	3.051	-22%
<i>of wich: recurrent items</i>	<i>2.388</i>	<i>3.038</i>	<i>-21%</i>
EBIT	1.436	2.332	-38%
<i>of wich: recurrent items</i>	<i>1.436</i>	<i>2.319</i>	<i>-38%</i>
Agro commodities distribution			
Revenus	181.793	298.779	-39%
EBITDA	-1.212	7.125	-117%
<i>of wich: recurrent items</i>	<i>-1.212</i>	<i>7.100</i>	<i>-117%</i>
EBIT	-2.304	6.246	-137%
<i>of wich: recurrent items</i>	<i>-2.304</i>	<i>6.221</i>	<i>-137%</i>
Logistics			
Revenus	5.966	6.238	-4%
EBITDA	-25	494	-105%
<i>of wich: recurrent items</i>	<i>-25</i>	<i>494</i>	<i>-105%</i>
EBIT	-1.214	-763	n.d.
<i>of wich: recurrent items</i>	<i>-1.214</i>	<i>-763</i>	<i>n.d.</i>

CROP PROTECTION

In a contrasted agricultural context, growth of the market in Portugal of about 20% and drop of the market in Spain of about 7% at the end of the first half of 2009, our two Portuguese companies and Tradecorp our company in Spain had a performance in line with our expectations and are in light progress compared to the first half of 2008. Our Spanish company Sapec Agro had on the other hand difficulties and was penalized, in this crisis period, by its commercial profile.

In Iberian Peninsula our turnover growth by 5% in the first half of 2009 compared to the same period of 2008 and this on a global market in drop by 2 to 3%.

A) Trends in the Portuguese market

The growth in Portugal in the first half of 2009 compared to the first half of 2008 is atypical, comparing with the evolution of different markets of reference in Europe; the year to year growth is approximately 10%. This evolution is explained on the one hand by the important weight of the vineyards, crop which maintains all its economic indicators

positive, and on the other hand by the choice of an important player to transfer a large part of its invoicing from the last quarters of 2008 to the first half 2009.

In Portugal our two subsidiaries see their turnover increasing by 14, 4% and Sapec Agro, being focused on a strict control of its trade receivables, saw its average terms of payment of the clients being reduced appreciably, 130 days at the end of June 2009 against more than 170 days at the end of June 2008.

The EBITDA (4,291 k€) and the EBIT (3,237 k€), for this sector in Portugal increased, at the end of June 2009, respectively by 17% and 16%, compared to 2008.

Sapec through its two subsidiaries remains the principal player in the crop protection market in Portugal.

B) Trends in the Spanish market

The Spanish market of the crop protection dropped by 7% in the first half of 2009 compared to the first half of 2008.

Certain crops, important for Spain, saw their agricultural prices falling appreciably: olives (-25%), cereals (on average -30%), citrus fruits (-37%). Consequently the vegetable production, according to the rough estimates, would have decreased by 9% in the first half of 2009. The financial crisis, the real estate bubble, the fall of the market of fertilizers also strongly affected the medium and large wholesalers.

Sapec Agro Spain having a large number of customers of the medium and large type, having acquired strong positions in the cultures quoted above and having an important market share in glyphosate (market generic more affected by the crisis) was strongly penalized.

Compared to the first half of 2008, sales fell by 11% and the average gross margin lost 2 points.

Tradecorp could carry out a good performance in first half of the year. Sales increased 9% compared to the first half of 2008 and the gross margin is in line with that of 2008. Thanks to its history and its know how in crop nutrition this company has a set of customers made of small-medium sized retailers, acquired positions in crops like vegetables, corn, vine and fruit (less touched by the crises) and has an optimized portfolio of products.

For this business in Spain the EBITDA (2,039 k€) at the end of June 2009 is lower 580 k€ than in the first half of 2008, exclusively due to the difficulties of our related company Sapec Agro.

The average term of payment improved 12 days compared to the end of December 2008.

CROP NUTRITION

In the first half of 2008, in a highly favorable agricultural context, the sales had increased by 44%.

The general context for the crop nutrition sector (all fertilizers included) was catastrophic in the first half of 2009, we estimate that the market of traditional fertilizers would have fallen in volume between 35% and 45%, the compound fertilizers sector having been the worst penalized by the crisis.

In spite of this unfavorable context, Tradecorp could carry out sales in light progression compared to 2008, that is due to the following main factors: the predominant agricultural crops for the Tradecorp products are those which were less touched by the instability of the agricultural prices, the selling prices of the Tradecorp products are less volatile than the prices of the commodity fertilizers (thus less risks of stocks for the distributor) and on certain markets we positioned our products as an alternative and a good solution against the non usage of commodity fertilizers.

A) Trends in the Iberian market

Tradecorp in Spain, in this difficult context, made the internal decision to focus its efforts of sales on the direct market (sale of our branded products in distribution) and to marginalize our sales on the indirect market (sale of our products to mixers or industrials) where the margins are under intense pressure.

In spite of a light delay on the first half of the year, the commercial team foresees a recovery of gross margin in the second half of the year in order to carry out the yearly objectives.

Sapac Agro Portugal and Sapac Agro Spain, due to a better commercial focusing, made good performances, as well in volume as in gross margin.

B) International Trends

Internationally, sales grew 5% compared to 2008.

- Mexico, in a very difficult economic context, due to a country covering commercial team and a more favorable dollar/Euro exchange rate, sees a good progression of its sales in Euro.
- Brazil, in a low activity period for agriculture, but in a reasonably favorable context and due to the set up of its commercial team, also makes a good progression.
- Europe, in spite of the context of crisis, makes an excellent spring campaign. In France and Italy, the good position on the market of our products allowed a good progression.
- The Middle East is on line with our expectations.
- In Madrid, the delay is explained mainly by non-deliveries of products to three important customers in Central America and South America which did not give the necessary payment guarantee.

The average gross margin remained stable in the first half of 2009 compared to the same period of 2008.

The overhead costs are in line with our expectations and higher than that of the first half of 2008, due to the enlargement of our commercial structures in Brazil and Mexico during

2008. These two markets concentrate a very important part of sales in the second half of the year.

The average term of payment improved and stands at 130 days.

All the measures to cover the various currency risks are systematically taken and controlled.

CHEMICAL PRODUCTS AND ENVIRONMENT

Affected by the slowdown of the industrial activity, the absence of sales in sulfuric acid and by the drop in price of the raw material, this sector compared to the first half of 2008 was penalized.

In the sector of the conventional chemicals, the absence of sales in sulfuric acid was slightly compensated by an increase in the business of water treatment, where we sell a manufactured product with good margins.

The sector of polymers holds stand. This sector diversified its customers and its product range being able to achieve the first half of the year on the level of that of 2008.

The sector of solvents was the most penalized, highly depending on the good health of the construction and automobile sectors.

In Sarcol, the activity bought in 2008, the first half of the year remained below expectations. Its commercial team is qualified and seems able to answer the objectives for the second half of 2009.

In the Environment business, the first half of the year was good for CITRI activity.

The reception of waste coming from industrial activities dropped 30%, but this lack of volume could be compensated by an agreement with a public urban waste treatment center, of which fill cells are full, to receive their non hazardous waste. This agreement will continue into 2010, when the new cells, in construction, will become operational.

For SISAV (stake of 34%) the performance is penalized on the one hand by the shortage of volume resulting of the lowering of the industrial activity and on the other hand by a level of price practiced for the various processing's on an average 15% lower than expected. The political authorities will be strongly sensitized because a large tonnage of industrial waste continues to be exported towards Spain and small operators in Portugal continue to collect them without the required licenses.

The Group took a minority stake (35%) in Portuguese society TRATOSPITAL; this small firm is specialized in collection and processing of hospital waste. This investment enhances our strategy to have a foot in different segments of industrial waste treatment. This acquisition was done in "partnership" with our joint shareholder in the SISAV, the EGEO group.

AGRO COMMODITIES DISTRIBUTION

Although the tonnage of Interpec Ibérica continues to be lower when compared to the same period of 2008, the mid-year gap is much less significant than on March 31st.

This last quarter was characterized by a strong presence in cereals through the Ukrainian wheat bids won by Interpec at the beginning of April. The cereals group of products saw its sales increased from 106,000 MT at the end of the first quarter to 636,000 MT at the end of the second quarter. The group of by-products, which contributes significantly to the margin, continues to have an important gap compared to 2008 exclusively due to the delay taken by the Thai authorities in marketing their tapioca stocks.

We definitively decided in July to liquidate the positions in soya-bean, which were responsible for the major part of the poor performances of this business at the end of June 2009.

The port subsidiary companies of Interpec reduced their gap of tonnages compared to the first quarter, but remain lower than in 2008. The profit before taxes of the two subsidiaries (442 k€) are significantly lower than those of 2008.

Seteia is also strongly affected by the shortage of tapioca on the market, traditionally its most important product. Fortunately, it could boost the marketing of CGF (corn gluten feed) with success. The profit before taxes was 90 k€ in 30/06, against 206 k€ in 2008.

LOGISTICS

Land terminals

The activity of the land terminals during the second quarter was better than that of the 1st quarter in containers storage, repair and consolidation, due to good performance of the African lines.

The logistic activity suffers from a lack of critical mass, a reduced activity and also the still important weight of low margin customers. This last issue sees a gradual improvement, according to our capacity of finding new customers.

The freight railway traffic is still weak and much lower than that of last year for the same period which significantly affects the profitability of the terminals of Valongo and Setúbal. We forecast a recovery of the aforementioned as from September, with traffics of pet coke in Setúbal and containers trains in Valongo.

All things being equal it seems that we hit the bottom with an “invested capital” that did not increase since last year and a result before tax, which stabilized (slightly higher in Lisbon and Valongo and lower in Setúbal).

The different projects developed, during the last months, with the private Portuguese freight railway operator should yield in the next months.

Sea terminal sector

The Setúbal bulk terminal remains very weak, with a fall of the tonnage of 30% compared to the 1st half of 2008. The most important gap is due to fertilizers, followed by cement, then some other customers of which Sapec Química. On the other hand, sugar and scrap – iron are doing better.

The profit before taxes is negative in 350 k€ (against -250 k€ in 2008). Here also we think we have touched the bottom of the cycle at the end of August and the forecast is better as from September and especially October with increased tonnage in fertilizers, sugar, and scrap-iron. The cash-flow remains positive, +126 k€ in this semester.

RENEWABLE ENERGY (figures without application of IFRS5 standard)

In the USA, the production of Glacier Wind 1 is 18% lower than the business plan. The electricity price on the MID-C is in the half year, of 2,9 cents USD/kwh against 7,2 forecasted in the plan that means a reduction of approximately 60%.

We closed, at the end of July, the “construction loan” and the “tax equity” of Glacier Wind 2 with Morgan Stanley for, respectively, 117,500 kUSD and 120,000 kUSD. The sales contract of the energy of GW 2 provides a hedge (collar) over 6 yrs with a decreasing proportion, in order to profit from the expected recovery of the energy prices. Glacier Wind 2 (103,5 MW) should start its production in October 2009.

The photovoltaic parks in Spain continue to perform well. The accumulated production over the first half of 2009 is of 29,6 MWh which, combined with a price of 45 cents €/kwh, gives a turnover of 13,370 k€ and a EBITDA of 11,387 k€. After depreciation of 4,928 k€ and net financial costs of 8,137 k€ in the half year, the profit before income taxes was negative at 1,678 k€.

The hydroelectric production of the power stations of Naturener amounts to 57,6 MWh over the period, an increase of 34% compared to 2008. On the other hand, the average price fell by 21%, giving a turnover in 2009 of 4,600 k€ only 6.2% up compared with 2008. The profit before taxes, slightly positive, is affected by higher financial costs.

REAL ESTATE AND OTHERS

The economic situation did not allow any sale of plots from our industrial park.

The improvements of the road accesses to our industrial park are completed, giving thus a better visibility to this real estate asset.

FORECASTS FOR 2009

In spite of the improvement of the operating result of our traditional activities during the second quarter, compared to the first quarter 2009, the lack of visibility and the instability, which still characterize today's markets, oblige us to be prudent in the forecasts for the current year.

For our crop protection sector, backing on good performances during the spring campaigns, it seems possible to close the year with results in light progress compared to 2008, in spite of the difficulties encountered by one of our Spanish subsidiaries.

For our crop nutrition sector, the second half is very important and the contribution must mainly come from Brazil and Mexico, it is thus too early to make an accurate forecast, but this sector seems to better resist the crisis.

For our agro commodities distribution, the consolidated result improved during the 2nd quarters but remains still significantly negative. The result of this sector, in the absence of nonrecurring profits, will remain negative this year.

The slow-down of the industrial activity in Portugal will continue to have a negative impact on the performance of the chemical products sector which we are not yet able to quantify. Without repeating the excellent results of 2008, this sector will benefit however in 2009 from the full integration of Sarcol, acquired in June 2008.

In the environment sector, CITRI should have a year in line with that of 2008. Sisav will continue to be penalized by the industrial slow down and consequently the share in the profit of the investments accounted by the equity method will have to be adjusted.

The slow down of the economic activity will continue to penalize the logistics sector. We however forecast to have reached the bottom of the curve.

In renewable energies, the hydraulic power stations, the photovoltaic parks and the wind farms produce normally. The electricity prices have fallen in the first half of the year both in Europe and in the USA, as a consequence of the drop in industrial consumption and fuel prices. An industrial upheaval during the second half of the year could reverse this tendency.

In conclusion, we estimate that the elements available today do not entail us to consider an improvement of the consolidated results of the Group until the end of the year.

CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30th, 2009

Consolidated Income Statement		(en k€)	
	30.06.09	30.06.08 ^(a)	
1. Revenue	276.522	387.783	
2. Other operating income	1.896	2.394	
3. Operating expenses	-277.046	-379.071	
4. Operating profit	1.371	11.106	
6. Gain (loss) on disposal of non-current assets	11	86	
8. Gain (loss) on derivative financial instruments	-666	-332	
9. Finance costs - net	-6.969	-5.858	
10. Share in results of associates consolidated by the equity method	-500	-365	
13. Profit (loss) before income tax	-6.752	4.637	
14. Income tax expense	957	-1.376	
15. Profit (loss) for the year from continuing operations	-5.795	3.261	
16. Profit (loss) for the year from discontinued operations	5.363	-438	
17. Profit (loss) for the year	-432	2.823	
17.1. Attributable to minority interest	-3.047	-2	
17.2. Attributable to equity holders of the company	-3.480	2.821	
I. EARNINGS PER SHARE (en €)			
1. Basic earnings per share	-0,32	2,08	
2. Diluted earnings per share	-0,32	2,08	

(a) adjusted by the application of the IFRS5 standard

Statement of Comprehensive Income		
	30.06.09	30.06.08
Profit (loss) for the year	-432	2.823
Cash flow hedges	-1.334	3.110
Currency translation differences	-2.100	282
Other comprehensive income (loss)	-3.435	3.392
Total comprehensive income (loss)	-3.867	6.215
- attributable to minority interest	746	1.595
- attributable to equity holders of the company	-4.614	4.620

The decrease in turnover, of 29% (276,522 k€ against 387,783 k€ in 2008) and EBIT, amounted 1,371 k€ against 11,106 k€ at the end of June 2008, are basically attributable to the agro commodities distribution sector, due to the different reasons commented above in the report.

The financial costs at June 30th, 2009 include the expenses of the debt related to the loan subscribed by the Sapec Group in 2008 to finance the capital increase of Naturener: these represent 2,551 k€ making abstraction of these specific financial expenses, the costs of the debt to finance the traditional activities of the Sapec Group appreciably decreased. The financial costs decreased from 5,858 k€ in 2008 to 4,419 k€ at the end of June 2009, less 25%. This is on the one hand related to the lowering of the interest rates (partly eliminated by the increase of the “spreads”) and on the other hand to the various actions taken by the businesses to keep their debts under control, by freezing the investment plans and by lowering the working capital needs

The item “share in results of associates consolidated by the equity method” takes the contribution to the performances of SISAV (34,14%) and TRATOSPITAL (35%) of the environment sector. The negative value comes from the contribution of SISAV, as forecasted in the business plan for this first operational year, but for a lower value due to the industrial slowdown affecting this activity.

The adoption of the IFRS 5 standard starting from 12/31/2008, imposes not only the booking of the result of the “discontinued operations” in a specific heading, but also to suspend the booking of depreciation of this activity, starting from the date of application of the standard.

Following the application of the standard, the contribution of the renewable energy sector to the consolidated result is of 5,363 k€ against -438 k€ at 6/30/2008.

The profit for the year including “discontinued operations” is -432 k€ at the end of June 2009 against 2,823 k€ at June 30th, 2008.

After deduction of minority interests (mainly Tax Equity Investor from Glacier 1) the profit for the year attributable to the equity holders of the company is fixed at -3,480 k€ (against 2,821 k€ at the 6/30/2008).

Segment results

June, 2009

(en k€)

	Crop protection	Crop nutrition	Chemical products and environment	Logistics	Agro commodities distribution	Unallocated ⁽¹⁾	Eliminations	Consolidated
Turnover								
. External sales	49.199	18.510	21.154	5.857	181.793	9		276.522
. Intersegment sales	104		820	108		753	-1.785	0
EBITDA	6.437	1.174	2.388	-25	-1.212	-2.232		6.529
EBIT	5.274	539	1.436	-1.214	-2.304	-2.348		1.382

June, 2008 ⁽²⁾

	Crop protection	Crop nutrition	Chemical products and environment	Logistics	Agro commodities distribution	Unallocated ⁽¹⁾	Eliminations	Consolidated
Turnover								
. External sales	46.047	17.749	19.179	6.030	298.779	0		387.783
. Intersegment sales	358		1.648	208		744	-2.957	0
EBITDA	6.136	1.628	3.051	494	7.125	-2.312		16.120
EBIT	5.274	1.045	2.332	-763	6.246	-2.943		11.192

⁽¹⁾ contains: " holdings", "real estate" and "consolidation adjustments"

⁽²⁾ adjusted by the application of IFRS 5 for comparative purposes

Statement of financial position

(in k€)

ASSETS	30.06.09	31.12.08	var.
I. NON-CURRENT ASSETS	147.690	146.671	1.019
1. Property, plant and equipment	121.765	120.879	886
2. Investment property	1.343	1.343	0
3. Intangible assets	17.401	17.224	178
4. Investments in associates	132	744	-612
5. Deferred tax assets	6.756	6.404	352
6. Other non-current investments	130	77	53
8. Trade and other receivables	163	0	163
II. CURRENT ASSETS	982.326	921.317	61.009
10. Assets held for sale	727.448	644.058	83.390
11. Inventories	120.376	127.377	-7.002
12. Other current financial assets	1.038	922	117
14. Tax receivable	4.033	2.460	1.573
15. Trade and other receivables	113.379	106.835	6.545
17. Cash and cash equivalents	14.001	29.989	-15.988
18. Other current assets	2.052	9.677	-7.625
TOTAL ASSETS	1.130.016	1.067.988	62.028

LIABILITIES	30.06.09	31.12.08	var
I. TOTAL EQUITY	298.515	306.068	-7.553
A. EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY	112.797	118.292	-5.494
1. Capital	43.727	43.727	0
2. Consolidated reserves	73.600	78.659	-5.058
3. Own shares	-192	-139	-53
5. Cumulative income (expense) recognised directly in equity holders related with discontinued operations	-4.337	-3.955	-383
B. Minority interests	185.718	187.776	-2.059
II. LIABILITIES	831.501	761.920	69.581
A. Non-current liabilities	168.627	166.847	1.780
5. Long-term interest-bearing borrowings	158.458	157.107	1.351
6. Long-term non-interest-bearing borrowings	550	550	0
7. Deferred income		813	-813
8. Long-term provisions	2.166	2.204	-38
10. Deferred tax liabilities	3.636	3.130	506
12. Other non-current liabilities	3.817	3.043	774
B. Current liabilities	662.873	595.073	67.801
13. Liabilities associated with assets held for sale	427.155	341.976	85.179
14. Short-term interest-bearing borrowings	169.175	176.300	-7.124
15. Short-term non-interest-bearing borrowings	130	190	-60
16. Deferred income	1.053	359	694
18. Derivative financial instruments	862	1.104	-243
19. Income tax payable	6.357	4.549	1.808
20. Trade and other payables	49.857	61.108	-11.250
21. Other current liabilities	8.284	9.486	-1.202
TOTAL EQUITY AND LIABILITIES	1.130.016	1.067.988	62.028

The total assets of the balance sheet increased from 1,067,988 k€ at 12/31/2008 to 1,130,016 k€ at 6/30/2009, an increase of 62,028 k€. The assets held for sale (renewable energies) increased by 83,390 k€. The assets of the traditional activities of the Group show thus a reduction of 21,362 k€, mainly due to the final payment by the insurance company

covering the damages caused by the fire on April 2008 in Setúbal and a decrease of the cash.

The fixed assets do not experienced significant variation following the freezing of the new investments decided by the Group. The only significant investments which were carried out, for an amount of 6,210 k€ (practically equal to the depreciations), are those which were already running, mainly the investments done in the crop protection sector for the inclusion of our active ingredients in the European review.

The “customers receivables + inventories” headings remain constant, which indicates that the actions taken by the management to decrease the working capital needs are yielding, the strong seasonal character of the crop protection business mobilizes normally much more funds at the end of first half of the year.

On the liabilities of the balance sheet, if the financial debt shows a light slump in first half of the year, the net financial debt increases by 10,154 k€ following the decrease in suppliers liabilities.

State of charges in the equity

	Share capital	Share premium	Currency translation reserve (1)	Hedging reserve (1)	Other reserves	Own shares	Equity attributable to equity holders of the company	Minority interests	Total equity
As at December 31, 2007	36.600	7.127	-261	0	87.856	-90	131.232	36.315	167.546
Total comprehensive income (loss)			145	1.652	2.821		4.618	1.593	6.211
Dividends paid					-3.697		-3.697		-3.697
Operations with own shares					26	-26	0		0
Capital increase							0	54.881	54.881
Others					0		0	-702	-702
As at June 30, 2008	36.600	7.127	-115	1.652	87.005	-116	132.153	90.627	222.780
As at December 31, 2008	36.600	7.127	5.579	-8.782	77.906	-138	118.292	187.777	306.069
Total comprehensive income (loss)			-443	-691	-3.480		-4.614	746	-3.867
Dividends paid					-881		-881		-881
Operations with own shares					53	-53	0		0
Capital increase							0	7.362	7.362
Others							0	-10.167	-10.167
As at June 30, 2009	36.600	7.127	5.136	-9.473	73.599	-191	112.797	185.718	298.516

(1) relates primarily to the post “Equity holders related with discontinued operations” of the “Statement of financial position”

The variation of the equity of -5,494 k€ results primarily from the negative consolidated result of -3.480 k€, the variation in exchange and hedging gaps and from the dividends paid.

Cash flow statement

(in k€)

	30.06.09	30.06.08
A. Cash and cash equivalents - opening balance	29.989	20.149
1. Profit (loss) for the year	-432	2.823
2. Non-cash adjustments	5.639	6.409
Depreciation and amortization	5.147	6.170
Reductions in value	-56	157
(Profit)/loss on disposal of property, plant and equipment and financial assets	-11	-87
Impairment on investments	59	0
Share in results of associates consolidated by the equity method	500	365
Changes in provisions	0	-197
3. Changes in working capital	-714	-4.927
Changes in inventories	7.002	4.669
Changes in trade and other receivables	-6.489	-10.190
Changes in derivative financial instruments	-243	1.945
Changes in trade and other payables	-8.231	4.682
Changes in taxes liabilities	223	649
Other changes in working capital	7.024	-6.683
4. Operating cash flows from discontinued operations	10.815	-10.143
B. Cash flows from operating activities	15.308	-5.838
1. Acquisitions	-9.253	-20.904
Payments made for the acquisition of non-current assets (excluding financial assets) (-)	-9.253	-20.707
w hich: half year acquisitions	-6.246	-20.743
Payments made for the acquisition of investments (-)	0	-197
2. Disposals	47	884
Entries from the disposal of non-financial non-current assets	47	884
3. Investing cash flows from discontinued operations	-68.103	-75.366
C. Cash flow from investing activities	-77.310	-95.385
Dividends paid to the company's shareholders (-)	-881	-3.697
Changes in long-term interest-bearing borrowings	1.351	85.751
Changes in short-term interest-bearing borrowings	-7.184	7.983
Financing cash flows from discontinued operations	52.728	5.255
D. Net cash used in financing activities	46.014	95.292
E. Net (decrease)/increase in cash and cash equivalents	-15.988	-5.931
G. Cash and cash equivalents at the end of the period	14.001	14.218

Accounting policies

The accounting policies and valuation rules adopted by the Group for the drawing up of its annual accounts have been applied in this half year financial report.

These rules are part of the consolidated accounts closed at 31/12/2008 and are available in the corresponding report.

Consolidation scope

Compared to the situation at 31/12/2008 there have been no changes to the consolidation scope.

Notes to the consolidated accounts at 30/06/2009

Accounting reference

The Group adopts the International Financial Reporting Standards, adopted by the European Union as from January 1st, 2005, including the new standards, amendments to standards and interpretations, starting from January 1st, 2009, in particular the IAS 1 (amendment) - "Presentation of financial statements" and IFRS 8 - "Operating Segments".

The consolidated accounts were prepared in accordance with these reference standards and IAS 34 in particular.

Dividends

The distribution of the result voted on by GSM of 16/06/09 is as follows :

Dividends	881
Bonuses	109
Total	<u>990</u>

Nr. of shares	1.355.000
Dividend per share (€)	0,65
Nr. of own shares held	2.481

Risks and uncertainties

With regard to the main risks and uncertainties with which the Group could be faced, there are no significant changes compared to the mentioned in the last annual report.

Transactions between linked parties

During the period there were no transactions between linked parties as described in the European directive with a significant influence on the financial situation or on the result.

Contacts

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Statement

In the name and on behalf of Sapec, we hereby confirm that, to our knowledge:

- a) the set financial statements, drawn up in accordance with applicable accounting regulations, is a faithful illustration of the assets and liabilities, financial situation and results of Sapec and companies included in the consolidation;
- b) the first half year management report contains a faithful presentation of the required information

Antoine Velge
Managing Director

João Sinde
CFO

REVIEW REPORT OF THE AUDITOR ON THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION OF SAPEC S.A. AS OF JUNE 30, 2009

TO THE SHAREHOLDERS OF SAPEC S.A.

Introduction

We have reviewed the condensed consolidated financial statements of Sapec S.A. and its subsidiaries as of June 30, 2009, including the consolidated statement of financial position, the related consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and the explanatory notes related thereto. The board of directors is responsible for the preparation and presentation of this interim financial information in accordance with IFRSs as adopted by the European Union applicable to interim financial reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union applicable to interim financial reporting.

Brussels, August 27, 2009

MAZARS & GUERARD -REVISEURS D’ENTREPRISES S.C.C.R.L

Auditor
Represented by

Xavier DOYEN