
SAPEC, SA

CONSOLIDATED ACCOUNTS AT 30.06.08

Regulated information

29/08/2008 – 17:40 hrs

I. Key Figures (in thousands of €= k€)

	30.06.08	30.06.07
Revenue from ordinary activities	393.520	264.310
Operating profit	11.048	10.575
of which: recurrent	12.353	10.834
EBITDA	17.306	16.282
of which: recurrent	18.524	16.134
EBIT	11.135	10.723
Net profit	2.823	3.586

	Total balance		Excluding “energy projects”	
	30.06.08	31.12.07	30.06.08	31.12.07
Total assets	861.476	570.594	457.129	429.101
Total non-current assets	464.349	304.856	194.418	183.005
Shareholders equity (including minority interests)	132.153	131.232	131.126	131.976
Minority interests	90.627	36.314	11.758	13.704
Net liabilities	324.290	270.481	195.378	173.968

Revenue from ordinary activities increased by 48.9 %. This is basically due to the increase in prices of agricultural raw materials (corn, soya, wheat, etc.) which were imported to the Iberian Peninsula by our agro commodities distribution subsidiaries. We also note a sharp rise in sales (in volume) for our plant nutrition business.

The “operating result” increased from 10,575 k€ to 11,048 k€ (+473 k€, i.e. +4.5%) despite the recording of 1,305 k€ of non-activated development costs (259 k€ at 30.06.07) linked to our wind park projects in the USA and Canada.

Total EBITDA increased by +6% compared to the first half of 2007 and recurrent EBITDA increased by 15% reaching 18,524 k€ against 16,134 k€ at the end of June 2007, confirming its positive trend.

The rise in financial charges is the result partly of the increase in interest rates and partly of the increase in liabilities, linked to the financing of the agro commodities distribution subsidiaries’ “working capital” following the aforementioned rise in prices. Financing costs linked to investments in renewable energy have no impact here as they are activated.

As far as the balance is concerned, total assets went from 570,594 k€ to 861,476 k€, i.e. an increase of +290,882 k€ of which +262,854 k€ is linked to the development of the renewable energy projects (wind in the USA/Canada and photovoltaic in Spain). The remainder for a total of +28,028 k€ is coming from other Group businesses.

Equity (excluding minority interests) went from 131.232 k€ to 132.153 k€ taking into account the positive contribution of the net profit Group share and the dividend pay-out.

II. Analysis of the businesses

	30.06.2008	30.06.2007	(Δ %)
Turnover	393.520	264.310	48,9%
Plant protection	46.404	39.374	
Plant nutrition	17.749	12.288	
Industrial chemicals and environment	20.827	18.739	
Logistics	6.238	8.576	
Agro commodities distribution	298.779	180.531	
Energy	5.736	6.004	
Unallocated + Eliminations	-2.213	-1.202	

	30,06,2008	30,06,2007	(Δ %)
EBITDA	17.306	16.282	6,3%
Plant protection	6.136	4.168	
Plant nutrition	1.628	935	
Industrial chemicals and environment	3.051	2.113	
Logistics	494	2.294	
Agro commodities distribution	7.125	6.403	
Energy	974	3.284	
of which: recurrent	2.279	3.476	
Unallocated + Eliminations	-2.102	-2.915	

	30,06,2008	30,06,2007	(Δ %)
Operating result	11.048	10.575	4,5%
Plant protection	5.014	3.252	
Plant nutrition	1.045	464	
Industrial chemicals and environment	2.319	1.094	
Logistics	-763	1.029	
Agro commodities distribution	6.221	5.806	
Energy	-56	2.113	
of which: recurrent	1.249	2.305	
Unallocated + Eliminations	-2.732	-3.183	

Plant Protection

In a favourable agricultural context, good weather conditions and high price levels for cereals, the market is buoyant, consumption is sustained and for the moment the market is absorbing the price increases on agricultural production factors.

The market in the Iberian Peninsula, as far as sales to distributors are concerned, grew in the first half of 2008 by 20% compared to the first half of 2007. This growth is the result of an increase in volume following the rise in consumption in cereal crops and a rise in the prices of certain crop protection products following the rise in price of certain active ingredients.

A) Trends in the Portuguese market:

Sapac Agro Portugal sales in Portugal grew by 15% compared to 2007. The average gross margin stabilised on the 2007 level and is thus slightly higher than expected.

Average payment terms in Portugal have markedly improved following a strict receivables policy.

The fire at the end of May, despite destroying over 10.600 k€ of products, has not caused tangible commercial losses. The insurance appraisals are complete and we do not forecast to record losses, the insured capital being far higher than the damages suffered.

Selectis, which had a difficult first quarter, made a good recovery in the second. The company ended its half year slightly short of its objectives, achieving a sales volume equal to that of 2007. However, the gross margin improved significantly, increasing on the 2007 figure.

B) Trends in the Spanish market:

Sapac Agro Spain: saw its sales grow by 21% compared to 2007 and therefore slightly increased its market share in Spain. Sales were slightly above objectives.

The gross margin, which was sharply eroded in 2007, has tangibly improved.

Tradecorp, in the plant protection business, saw its sales increase by 36% on 2007 and was therefore able to significantly increase its market share in this sector in Spain.

The gross margin has also increased markedly compared to the first half of 2007.

Plant Nutrition

Total sales have increased by 44%, specifically 12% in the Iberian Peninsula and 66% abroad. With respect to the objectives a slight slackness in the Iberian Peninsula (-4%) was compensated by an overshoot of 21.7% on the international market.

A) Trends in the Iberian market:

At Tradecorp in Spain the growth in sales was 11% on a market that hasn't increased in volume. Unlike the case of traditional fertilizers, the price increase was slight ($\pm 5\%$) and only partly offsets the increase in the cost price which was on average over 10% following the price increases on raw materials and energy.

The average gross margin therefore decreased slightly compared to 2007.

B) International trends

Internationally, sales grew by 66% compared to 2007 and exceed objectives by over 21%. The gross margin in the first half fell slightly compared to 2007. The average increase in sale prices was more than 8%, offsetting the cost price increases. However, the Dollar's weakness against the Euro caused a decrease in the average gross margin in the Middle-East, in Mexico and in certain Asian countries.

In Mexico, the sales objectives in dollars were met.

In Brazil, sales are growing sharply and the subsidiary is on the right track.
In Europe, the sharp increase in sales is the result of an excellent spring campaign in Italy and France.
In the Middle East and Maghreb sales grew in Egypt and Morocco.
Sales also grew steadily in Colombia and Ecuador.

Industrial Chemicals and Environment

A) Industrial Chemicals

In the classic products business, the recovery in sulphuric acid supplies was decisive in the very positive growth in performance.

The polymers and solvents businesses, due to the tense economic situation, were more selective in their choice of clients. They made less volume but greatly increased their gross margins.

The buyout of Sarcoll's main businesses activities was concretized in the beginning of June and the teams are currently being set up and integrated.

B) Environment business

The first half was a good one for the CITRI business, exceeding its volume and sales objectives.

The third waste reception cell has been in operation since the beginning of August.

SISAV (hazardous industrial waste) started to receive its first tons of waste at the end of June.

Agro commodities Distribution

Our subsidiary in Spain, Interpec Ibérica, had a quite turbulent half year in consequence of two strikes in Argentina which paralysed the country's exports during a period from 18th of March to July 2nd.

Several of our boats incurred high demurrage costs linked to late loading and we also incurred significant costs for buying products from other suppliers to deliver to our Spanish clients.

During this turbulent period in Argentina, we declared two contractual arbitration procedures against certain suppliers. The losses were provisioned in accordance with company policy and the final results of the procedures will not be known before 15 to 30 months.

The port subsidiaries in Spain were also affected by this fall in imports coming from Argentina and, as far as Cadiz is concerned, by the sharp fall in clinker imports for one of our clients. However, the volumes lost in Argentina should be recovered by the end of the year.

Seteia in Portugal was not affected by the situation in Argentina, but fell slightly short of its objectives in the first half year and comparing to the same period in 2007.

Logistics

The two businesses of this activity of the group, namely the bulk port terminal business in Setúbal and the 3 multimodal terrestrial terminals business in Portugal had a very difficult first half of 2008.

The Setúbal port terminal experienced a sharp fall in its clinker traffic (Less Chinese clinker was available on the world market for importers) and raw sugar (our client's trade policy), compared to 2007. Turnover for the half year thus fell by 48% compared to 2007. The cost of this type of installation are largely fixe and this fall in volumes sent the result before tax sliding into the red (-246k€).

SPC's land terminals saw their turnover stagnate due to the economic and industrial crisis in Portugal and Spain.

This activity, already loss-making due to significant investments made to relocate in the North (Valongo) and near Lisbon (following the sale of its previous site in 2007), increased its negative results compared to the first half of 2007 (-771 k€to -1.290 k€).

A great marketing effort was made to obtain new large contracts, and the increasing number of trains operated (786 in 2008 as against 448 in 2007) is a good indicator.

However, the current forecast for the logistics division for the whole year 2008 is for a loss of around 1,700k€for the two activities.

Energy

Hydroelectric production at our power stations in Spain was affected by a relatively dry winter, in particular in the Eastern half of Spain. On the other hand, the average sale price is substantially higher than that of 2007.

Turnover fell by 25% compared to the same period in 2007 and the recurrent EBIT fell by 46% to 1.249 k€ The latter includes non-activated costs linked to projects in the USA and Canada of 1.305 k€

Real Estate

No real estate sales were made in the first half of 2007.

RECENT EVENTS AND FORECASTS FOR THE CURRENT YEAR

Energy

As far as the Spanish solar projects are concerned, the construction of the four projects Tinajeros, Almuradiel, Morallas and Casas de Don Pedro was completed in the second half of July and all the documents required to apply for their connection to the network and their registration in the definitive price premium register have been submitted in due time to the local and national authorities. We can therefore consider that we will have all our 29 MWs in production before the current price regime expires on 28 September 2008.

The new draft bill, concerning support to solar energy, is still being discussed and there are big differences between the government and sector associations over the restrictive nature of the new draft bill. We will therefore have to wait for the final text of the law in order to define the future of our “solar pipeline”.

With regard to wind parks, the building of the first park, Glacier I (107 MW) in the USA, inaugurated by the Governor of Montana in late July, should be operational in October/November of this year and will thus benefit from the current “Production Tax Credit” system. The park’s “construction loan” and the participation of the “Tax Investor” have been definitively set up over the last few days.

The political decision to renew PTCs for 2009 not yet having been taken, the significant delays on the MATL project in Canada (who is no longer able to give us a definite date for the start of line construction) and the difficulties of our turbine supplier in meeting his delivery time schedules have led us to renegotiate the 2009 turbines deliveries over 2009 and 2010. This gives us greater flexibility and postponed certain financial deadlines.

Saptec’s Board of Directors has since the beginning of the year been looking into what the Group’s best strategic option should be regarding its holdings in the renewable energies business.

Over the last few months, directly and indirectly, several players have shown us an interest in participating in our business and project portfolio.

The company started discussion with some of them.

End of year forecasts

Despite the difficulties of the logistics activity and the exceptional year for the agro commodities distribution business in 2007, which affect comparison with last year, the Group believes that the 2008 recurrent EBITDA level should be near the 2007 level.

The net result in 2008 compared with 2007 will be significantly affected by higher financial charges in the absence of exceptional results.

III. Consolidated accounts on 30.08.08

1 – Consolidated Balance

(in k€)

ASSETS	30.06.08	31.12.07
I. NON-CURRENT ASSETS	464.349	304.856
1. Tangible assets	383.325	235.931
2. Investment property	1.343	1.344
3. Intangible assets	55.162	49.014
4. Financial assets	379	744
5. Deferred tax assets	6.877	5.829
6. Other non-current financial assets	621	424
7. Non-current financial derivatives	4.714	
9. Other non-current assets	11.928	11.570
II. CURRENT ASSETS	397.127	265.738
11. Inventories	106.836	122.122
12. Other current financial assets	979	1.028
13. Derivative financial instruments		216
14. Tax receivables	756	400
15. Trade and other receivables	123.259	98.398
17. Cash and cash equivalents	140.774	38.707
18. Other current assets	24.523	4.866
TOTAL ASSETS	861.476	570.594

LIABILITIES	30.06.08	31.12.07
I. EQUITY AND MINORITY INTERESTS	222.780	167.546
A. EQUITY	132.153	131.232
1. Capital	43.727	43.727
2. Consolidated reserves	88.542	87.596
3. Own shares	-116	-90
B. Minority interests	90.627	36.314
II. LIABILITIES	638.697	403.048
A. Non-current liabilities	253.021	103.445
5. Long-term interest-bearing borrowings	234.933	88.576
6. Long-term non-interest-bearing borrowings	784	447
7. Deferred income	2.217	1.647
8. Long-term provisions	3.330	3.552
10. Deferred tax liabilities	9.433	6.968
11. Non-current trade and other payables	34	0
12. Other non-current liabilities	2.288	2.254
B. Current liabilities	385.676	299.603
13. Short-term interest-bearing borrowings	229.276	220.095
14. Short-term non-interest-bearing borrowings	70	70
15. Deferred income	1.801	531
17. Derivative financial instruments	790	236
18. Income tax payables	10.620	9.294
19. Trade and other payables	132.126	59.825
20. Other current liabilities	10.993	9.552
TOTAL EQUITY AND LIABILITIES	861.476	570.594

In view of the importance of the impact of the renewable energy projects, those represent 404.347 k€ of the total assets of the balance of 30 June 2008 of 861.476 k€ and in order to facilitate comparison of the figures, we set out below, as we did before on 31 December 2007, the consolidated balances with and without the renewable energy projects.

Comparison of consolidated balances: 30.06.08; 31.12.07

(in k€)

ASSETS	Cons. on	Cons. on	Variation	except USA / CAN and solar projects		
	30.06.08	31.12.07	Jun08/Dec07	30.06.08	31.12.07	Variation
	A	B	A-B	D	E	D-E
I. NON-CURRENT ASSETS	464.349	304.856	159.493	194.418	183.005	11.413
of wich:						
1. Tangible assets	383.325	235.931	147.394	150.299	138.556	11.742
3. Intangible assets	55.162	49.014	6.147	23.781	25.025	-1.243
5. Deferred tax assets	6.877	5.829	1.049	6.066	5.342	725
7. Derivative financial instruments	4.714	0	4.714	0	0	0
9. Other non-current assets	11.928	11.570	358	11.928	11.570	358
II. CURRENT ASSETS	397.127	265.738	131.389	262.712	246.097	16.615
of wich:						
11. Inventories	106.836	122.122	-15.286	106.836	122.122	-15.286
15. Trade and other receivables	123.259	98.398	24.861	108.190	94.738	13.452
17. Cash and cash equivalents	140.774	38.707	102.067	21.443	22.793	-1.350
TOTAL ASSETS	861.476	570.594	290.882	457.129	429.101	28.028

LIABILITIES	Cons. on	Cons. on	Variation	30.06.08	31.12.07	Variation
	30.06.08	31.12.07	Jun08/Dec07	(adjust)	(adjust)	Jun08/Dec07
	A	B	A-B	D	E	D-E
I. EQUITY AND MINORITY CAPITAL	222.780	167.546	55.233	142.884	145.680	-2.796
A. EQUITY	132.153	131.232	920	131.126	131.976	-851
B. Minority interests	90.627	36.314	54.313	11.758	13.704	-1.945
II. LIABILITIES	638.697	403.048	235.649	314.246	283.421	30.825
A. Non-current liabilities	253.021	103.445	149.576	107.198	102.984	4.214
of which:						
5. Long-term interest-bearing borrowings	234.933	88.576	146.357	93.471	88.116	5.356
6. Long-term non-interest-bearing borrowings	784	447	337	784	447	337
10. Deferred tax liabilities	9.433	6.968	2.465	5.072	6.968	-1.896
B. Current liabilities	385.676	299.603	86.073	207.048	180.437	26.611
of which:						
13. Short-term interest-bearing borrowings	229.276	220.095	9.182	122.496	108.128	14.368
14. Short-term non-interest-bearing borrowings	70	70	0	70	70	0
18. Income tax payables	10.620	9.294	1.326	10.404	8.969	1.435
19. Trade and other payables	132.126	59.825	72.301	62.775	54.993	7.782
TOTAL EQUITY AND LIABILITIES	861.476	570.594	290.882	457.129	429.101	28.028

Not including the energy projects, assets increased from 429.101 k€ at 31/12/07 to 457.129 k€ at 30/06/08 (i.e. +28.028 k€ or +6.5%). The two main reasons are:

- 1) The increase in fixed assets of (+9.782 k€): this covers mainly an investment in storage capacity in Spain, the third industrial waste landfill cell at CITRI, the completion of the logistics platform in Portugal and the European review investments in active ingredient for the plant protection business.
- 2) The “other assets” item (+19.695 k€): covers mainly the refund to be received from the insurance company following the fire which destroyed end May 2008 an important finished products and raw materials warehouse of Sapec Agro in Setúbal.

In the total balance, the net debt went from 270.481 k€ at 31/12/07 to 324.290 k€ at 30/06/08 (i.e. +53.809 k€ or +19.9%), of which 32.398 k€ was linked to renewable energy projects and 21.411 k€ linked to other Group businesses.

Equity remains practically at the same level, since the amount of dividends pay-out and the net result of the first half are quite similar. Minority interests increase by +54.313 k€ following the capital increase at Naturener.

2 – Consolidated income statement

Consolidated results account at 30.06.08 and 30.06.07

	(In k€)	
	30.06.08	30.06.07
1. Revenue	393.520	264.310
2. Other operating income	2.438	1.037
3. Operating expenses	-384.909	-254.772
4. Operating profit	11.048	10.575
6. Gain (loss) on disposal of non-current assets	87	147
8. Gain (loss) on derivatives	-446	223
9. Net financial income	-6.293	-5.230
10. Share in the net income of the companies consolidated by the equity method	-365	0
13. Earnings before taxes	4.032	5.716
14. Income taxes	-1.209	-2.130
15. Profit for the period	2.823	3.586
17. Profit after tax including discontinued operations	2.823	3.586
18. Minority interests	-2	-393
19. Net profit attributable to shareholders equity	2.821	3.193
I. EARNINGS PER SHARE (in €)		
1. Basic earnings per share	2,08	2,36
2. Diluted earnings per share	2,08	2,36

The increase in turnover from 264.310 k€ at 30/06/07 to 393.520 k€ at 30/06/08 (+48.9%) is basically due to the price increases of agricultural raw materials (corn, soya, wheat, etc.), imported to the Iberian Peninsula by our agro commodities distribution subsidiaries, as the table below confirms.

The increase in sales of the plant nutrition business is basically due to an increase in sales.

	30.06.08	30.06.07	(in, k€) %
Plant protection	46.404	39.374	17,8%
Plant nutrition	17.749	12.288	44,4%
Chemical industrial products and environment	20.827	18.739	11,1%
Logistics	6.238	8.576	-27,3%
Agro Commodities distribution	298.779	180.531	65,5%
Energy	5.736	6.004	-4,5%
Sub-total	<u>395.733</u>	<u>265.512</u>	<u>49,0%</u>
Others / eliminations	<u>-2.213</u>	<u>-1.202</u>	
TOTAL	<u>393.520</u>	<u>264.310</u>	<u>48,9%</u>

The “operating result” increased from 10.575 k€ to 11,048 k€ (+473 k€ i.e. +4.5%) despite the recording of 1.305 k€ of non-activated development costs (259 k€ at 30.06.07) linked to our wind park projects in the USA and Canada.

The financial result worsened with respect to 2007 (+20.3% for financial charges) due to the increase in the cost of funding (rates and spread) and the higher level of debt. Nevertheless, we note that the increase remains below the increase in turnover (48.9%), following the measures taken by the various businesses to reduce client liabilities and stock levels.

The value of –365 k€ of the “Proportional share in the net result of holdings consolidated by the equity method” corresponds to the recording of the loss by the company SISAV (34%, consolidated by the equity method) which will be fully operational as of September 2008.

Consequently, the profit (before tax) at 30.06.08 stands at 4.032 k€ as against 5.716 k€ in the first half of 2007. Without the SISAV loss and non-activated costs (renewable energy projects) amounting to -1.518 k€ (-259 k€ in 2007), the profit would have improved compared to 2007.

The profit after tax is 2.823 k€ (as against 3.586 k€ in 2007), and the net profit Group share stands at 2.821 k€ (as against 3.193 k€ in 2007).

IV. Consolidated statement of changes in shareholder's equity

	(in k€)								
	Capital	Primes d'émission	Reserves for conversion	Reserves for conversion	Other reserves	Own shares	Own capital	Third- party interest	Total equity
Closing balance of the year 2006	36.600	7.127	0	0	70.266	-79	113.914	15.192	129.106
Net profit for the period					3.193		3.193	393	3.586
Dividends					-2.942		-2.942		-2.942
Operations with own shares					11	-11	0		0
Others				0			0		0
Closing balance at 30 June 2007	36.600	7.127	0	0	70.527	-90	114.164	15.585	129.749
Net profit for the period					17.520		17.520	1.270	18.790
Dividends							0		0
Operations with own shares							0		0
Profits (losses) not booked in P&L account							0		0
of which the result of the conversion of foreign currencies			-261				-261	-165	-425
Increase of capital							0	18.420	18.420
Others					-191		-191	1.204	1.013
Closing balance of the year 2007	36.600	7.127	-261	0	87.856	-90	131.232	36.315	167.547
Net profit for the period					2.821		2.821	-2	2.819
Dividends and bonuses					-3.697		-3.697		-3.697
Operations with own shares					26	-26	0		0
Profits (losses) not booked in P&L account				0	0	0	0		0
of which the result of the conversion of foreign currencies			145				145	137	282
Increase of capital							0	54.881	54.881
Others				1.652	0		1.652	-702	949
Closing balance at 30 June 2008	36.600	7.127	-116	1.652	87.005	-116	132.154	90.627	222.780

V. Consolidated cash flow statement

(in k€)

	30.06.08	30.06.07
A. Cash and cash equivalents - opening balance	38.707	26.649
1. Profit of the period	2.823	3.586
2. Non-cash adjustments	6.409	5.835
Depreciations and amortization	6.170	5.559
Reductions in value	157	393
Loss (profit) on disposal of non-current assets	-87	-147
Changes in provisions for investments	-3	0
Share in net income of the companies consolidated by the equity method	365	0
Changes in provisions	-197	30
3. Changes in working capital	-22.015	10.118
Changes in inventories	4.669	7.328
Changes in trade and other receivables	-25.019	2.830
Changes in derivative financial instruments	-2.292	-802
Changes in trade and other payables	3.436	67
Changes in taxes liabilities	166	2.647
Other changes in working capital	-2.975	-1.952
B . Cash flow from operating activities	-12.784	19.539
1. Acquisitions	-92.443	-29.561
Payments made for the acquisition of non-current, non-financial assets (-)	-92.246	-28.173
Payments made for the acquisition of subsidiaries, associated companies or joint-ventures net of cash acquired (-)	-197	-1.388
2. Disposals	235	224
Entries from/to the disposal of non-current, non-financial assets	235	224
C. Net cash flows from investment activities	-92.208	-29.338
Changes in capital of affiliated companies	54.881	0
Dividends paid to the shareholders (-)	-3.697	-2.942
Changes in long-term financial debt	146.693	10.569
Changes in short-term financial debt	9.182	4.223
D. Net cash flow relating to financing activities	207.058	11.850
E. Net increase in cash and cash equivalents	102.067	2.051
G. Cash and cash equivalents, closing balance	140.774	28.700

VI. Accounting policies

The accounting policies and valuation rules adopted by the group for the drawing up of its annual accounts have been applied in the drawing up of these half year consolidated accounts.

These rules are part of the consolidated accounts closed at 31.12.07 and are available in the corresponding report.

VII. Consolidation scope

Compared to the situation at 31.12.07 there have been no changes to the consolidation scope. As far as holdings in the said companies are concerned, the Group has increased the percentage in Tharsis' capital following the increase in this company's share capital.

VIII. Notes to the consolidated accounts at 30.06.08

Accounting reference

The Group has adopted the IFRS norms adopted by the European Union as from 1 January 2005.

These consolidated accounts have been prepared in accordance with these standards and to standard IAS 34 in particular.

Dividends

The distribution of the result voted on by the GSM of 17/6/08 is as follows:

	k€
Dividends	3.697
Bonuses	109
Total	<u>3.806</u>

No. of shares	1.355.000
Dividend per share (€)	2,73
No. of own shares held	881
Own shares dividend	2
Dividend paid	3.695

Risks and uncertainties

With regard to the main risks and uncertainties with which the group could be faced, there are no significant changes to the description included in the last annual report. The group has its eye on the variation of the US dollar and, according to the business sectors concerned, is taking the appropriate action.

Transactions between linked parties

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

Declaration

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

- a) the set of abridged 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 the companies included in the consolidation;
- b) the intermediate management report contains a faithful presentation of the required information.

Antoine Velge
Managing Director

João Sinde
CFO

LIMITED AUDIT REPORT BY THE AUDITOR ON THE ABRIDGED
CONSOLIDATED INTERMEDIATE FINANCIAL INFORMATION ON SAPEC S.A.,
DRAWN UP ON 30 JUNE 2008.

TO THE SHAREHOLDERS OF SAPEC S.A.

Introduction

We have carried out a limited audit on the abridged consolidated accounts on 30.06.08 of Sapec S.A. and its subsidiaries, including the consolidated balance, the consolidated results account, the consolidated tables in variations in equity and cash flows for the six month period closed on this date, and also the notes relating to it. This intermediate financial information is drawn up according to the IFRS reference, as adopted by the European Union, relating to the communication of intermediate financial information (“IAS 34”) for which the board of directors is responsible. Our responsibility is to come to a conclusion on this intermediate financial information on the basis of our limited audit.

Scope of the limited audit

We have carried out our limited audit in accordance with international norm ISRE 2410, “Limited audit of intermediate financial information carried out by an auditor independent of the company”. A limited intermediate financial information audit involves requesting information, mainly from persons responsible for financial and accounting matters, and implementing analytical and accounting procedures and other limited audit procedures. The scope of a limited audit is considerably less than that of a full audit carried out in accordance with international auditing regulations and does not therefore mean that we can be sure that we have identified all the significant points that would have been identified in a full audit. We therefore do not give an audit opinion.

Conclusion

On the basis of our limited audit, no fact has come to our attention that would lead us to believe that the consolidated intermediate financial information summarised herewith has not been drawn up, in all important respects, in accordance with norm IAS 34 relating to the communication of intermediate financial information, as adopted by the European union.

Brussels, 28 August 2008

MAZARS & GUERARD - Reviseurs d'Entreprises S.C.C.R.L
Auditors
Represented by

Xavier DOYEN