

Official Statement – Regulated information

Consolidated Results as at 31/12/2007

Audited figures

Strong Improvement in the Group's Results

The Board of Directors of the SAPEC Group has examined the Consolidated Results as at December 31, 2007

CONSOLIDATED RESULTS

(k€= €000's)	31/12/2007 (in k€)	31/12/2006 (in k€)	Evolution %
Revenues of the ordinary activities	572,465	516,362	11%
Operational result before taxes, financial costs and other expenses	23,562	15,203	55%
Gain (loss) on derivatives	440	-44	1100%
Gain (loss) on disposals of non-current assets/investments	16,185	8,070	101%
Interest income (expenses) net	-10,974	-8,595	28%
Share in net profit (loss) of equity affiliates	-109	0	-
Result before taxes	29,104	14,634	99%
Taxes	-6,728	-4,258	58%
Results for the period	22,375	10,376	116%
Group share of the result for the period	20,712	7,448	178%
EBITDA ¹	34,835	26,790	30%
<u>Data per share €</u>			
Number of shares	1,355,000	1,355,000	
Result per share	15.29	5.50	
EBITDA per share	25.71	19.77	

¹ EBITDA = Operational result + amortisations

GENERAL COMMENTS

The operational results, after a rather difficult 2006 for all the activities of the Sapec Group, experienced a strong recovery in 2007, thanks principally to an exceptional year in the agro commodities distribution sector.

The recording of significant capital gain further to the sale of lands of the logistical platform near Lisbon allowed the Group's total results to progress noticeably and reach a record level.

Analysis of the Profit and Loss Statement reveals a turnover increasing from 11% and an operational result that went from 15,203 k€ in 2006 to 23,562 k€ in 2007, which is an improvement of 55%.

This improvement in the operational result is found at the level of the EBITDA (gross operating profit) which went from 26,790 k€ in 2006 to 34,835 k€ in 2007 and is an increase of 30 %.

As a consequence of the increase in the net debt and above all the soaring of the cost of money, the net financial costs went from -8,595 k€ in 2006 to -10,974 k€ in 2007 (+28%). The increase in the net debt linked with the investments in renewable energies has no impact since the interest has been capitalised.

The products of sales of no-current assets and on investments for a total of 16,185 k€ cover the sale of the land of the logistics platform near Lisbon, the sale of an old logistics warehouse near Porto and a part of the capital gain on the transfer of our wind farm projects in Spain, the major part of which was already recorded in 2006.

The result before taxes was 29,104 k€ as compared with 14,634 k€ in 2006, and the net consolidated result reached 22,375 k€ in 2007 compared with 10,376 k€ in 2006 (+116%).

The income share of the Group stands at 20,712 k€ compared with 7,448 k€ in 2006.

The significant growth in the total assets on the balance sheet, which went from 405,224 k€ at the end of 2006 to 570,594 k€ at the end of 2007 (+165,370 k€ or +41%), is essentially due to the investments made in the renewable energies sector (wind in the USA/Canada and photovoltaic in Spain), as the weight of this sector in the assets on the balance sheet went from 26,412 k€ in 2006 to 147,365 k€ in 2007 (which is, +120,953 k€).

The net consolidated debt of the Group, as a consequence primarily of the same investments, went from 167,201 k€ at the end of 2006 to 270,481 k€ at the end of 2007, that is +103,280 k€, 92,603 k€ of which is connected with the energy sector.

Aside from projects in renewable energies, the net debt went from 154,739 k€ at the end of 2006 to 165,415 k€ at the end of 2007, which is an increase of 7%, concentrated primarily in the sector of the distribution of agro commodities, which needs for working capital increased further to the severe rise in the prices of raw materials.

The other activities of the Group were able in general to reduce their needs for working capital.

The solvency ratio (excluding renewable energy projects) is 34.6% in 2007 compared with 34.1% in 2006, and the shareholder's equity of the Group is located at 131,232 k€ compared with 113,914 k€ in 2006, which is, an increase of 15%.

The long term financing went from 224,585 k€ in 2006 to 256,570 k€ in 2007. Excluding projects in renewable energies which went from 224,585 k€ to 235,395 k€ in spite of the reduction in the long and medium-term debt, which went from 95,480 k€ in 2006 to 89,024 k€ in 2007.

The reduction of this debt originates from the reduction in the leasing of 2,850 k€ further to the sale of the plots of land in Póvoa in Portugal and the short-term reclassifying of the bonded debt of 10,492 k€ which will mature in September 2008. The negotiations for its replacement are already under way.

In compliance with legal obligations, the Group advises that it is maintaining a contract for share liquidity with a banking institution charged with its discretionary management. On the date of 31/12/07, the Group held 881 own shares, acquired in respect of the decision of the General Assembly of 19/06/2007.

RESULTS BY ACTIVITIES

	2007 (in k€)	2006 (in k€)
Crop protection		
- Turnover ²	66,620	60,647
- Operational result	4,688	4,485
- Current gross EBT ³	2,249	2,167
- Current EBITDA	7,321	6,382
Crop nutrition		
- Turnover ²	27,449	22,328
- Operational result	1,910	399
- Current gross EBT ³	1,010	-464
- Current EBITDA	3,396	1,413
Industrial chemical products and environmental		
- Turnover ²	34,427	32,870
- Operational result	1,775	2,254
- Current gross EBT ³	1,180	1,868
- Current EBITDA	3,482	4,282
Agro commodities distribution		
- Turnover ²	417,680	373,485
- Operational result	17,967	8,536
- Current gross EBT ³	13,969	5,604
- Current EBITDA	19,411	9,865
Logistics		
- Turnover ²	15,127	12,247
- Operational result ⁴	15,545	-569
- Current gross EBT ³	127	-1,609
- Current EBITDA	3,646	2,127
Energy		
- Turnover ²	10,648	9,565
- Operational result ⁴	5,057	9,097
- Current gross EBT ³	2,434	2,624
- Current EBITDA	5,289	5,953

² Turnover = Sales + Provision of services

³ Current EBT = Operational result + financial result

⁴ Includes added value

COMMENTS ON ACTIVITIES

Crop Protection Sector

In the Iberian Peninsula the market for crop protection products at distribution level experienced an increase of $\pm 5\%$ on 2006.

The distribution benefited from the favourable climate to dispose of surplus stocks accumulated since 2005. Consumption at agricultural level was sustained and it is estimated that the average level of stocks at distribution level at the end of 2007 was reduced by nearly 15% in comparison with the end of 2006.

In spite of the favourable agricultural context and contrary to what is happening with the majority of the other agricultural inputs, the sales prices of crop protection have remained under pressure, negatively affecting the margins, principally in Spain. The fact that significant quantities of products, which were going to lose their authorisation for sale (further to the entry into effect of the European approval), were put on this market at discounted prices and the struggle of the multinationals against the constant increase market share of generics products explain this atypical development. We think that these factors are cyclical and that starting in 2008 a recovery of the margins should be possible.

In Portugal in 2007 SAPEC Agro was able to consolidate its market share and to limit the pressure on the margins.

Further to measures taken, the amount of outstanding customer payments experienced a favourable development during the course of the final quarter of the year and makes it possible to forecast a noticeable improvement for 2008 in the average time period for customer payments, which remained too long throughout the year 2007.

SELECTIS was able to increase its market share and recover its position as the fourth player on the Portuguese market.

The SAPEC Group, through its two subsidiaries, thus remains the largest player in Portugal on the market for crop protection products.

In Spain the sales of our two subsidiaries, SAPEC Agro (E) and TRADECORP, increased by 13%, and 14% respectively, in comparison with 2006 and thus strengthened their market shares.

The pressure on the prices and the margins was the strongest in Spain, leading to erosion in the average gross margin of 1.6%.

Overall on the Iberian Peninsula, the market having increased by 5%, our sales experienced a growth of 10%, thus allowing the Group to strengthen its position and become the third largest player in this sector on the Iberian Peninsula.

Within the framework of the European approval system, which makes it compulsory to license and register every active ingredient used in agriculture, a programme of investment over three years was approved in order to allow this sector to register on its behalf, at European level, the principal active ingredients that make up its product portfolio.

This investment will make it possible to make access to the active ingredients secure, to diversify the supplier risk, to open up new opportunities upstream and downstream from the activity, to improve the bargaining power significantly and, finally, should enable an average improvement in the gross margin.

Crop Nutrition Sector

In the Iberian Peninsula we estimate that in terms of volume, the market must have grown by $\pm 5\%$. The markets for citrus fruits and horticultural products suffered from significant imports coming from the Middle East and the Maghreb. However, vineyards, olive trees, fruit growing and everything connected with cereal grains is flourishing.

On the Iberian market, we sell these products through three networks, SAPEC Agro in Portugal, Tradecorp and SAPEC Agro (E) in Spain. Our network outperformed the market, because our sales increased by 11% in comparison with 2006; the introduction of new products is the principal explanation for this.

Internationally, the growth in sales in comparison with 2006 was 30 % and the average gross margin, in spite of the weakness of the dollar, increased by more than two points.

- In Europe, the growth of sales was 35% further to good campaigns in Italy and in France and the success of the launch of new products in the North.
- In the Middle East, the growth of sales was 15% further to good campaigns in Egypt and the countries of the Maghreb and the average gross margin experienced significant development, improving by nearly five points in comparison with 2006.
- In Mexico the growth of sales was 12% in Dollars and only 3% in Euros. However, there was a net improvement in the average gross margin.
- In Brazil, the turn around accomplished by the new manager is bearing fruit; sales have increased significantly in quantity (more than 100%) and quality (margins, guarantees and payment periods), a new sales team is already operational and the potential of this market is being confirmed.
- Sales made from Madrid, principally in Latin America (aside from Mexico and Brazil) and some countries in Asia had 29% growth.

The total sales from this sector of activity went from 22,328 k€ in 2006 to 27,449 k€ in 2007 which is a growth of 23 %.

Industrial chemical products and environmental sector

In industrial chemical products in Portugal, the market remains hesitant; there was a timid recovery in consumption but the constant increase in the prices of the raw materials could not be completely passed on to the market in 2007, which caused an erosion of the average gross margin. In the polymers sector, dominated by a network of small family businesses, prudence must be exercised in the analysis of the solvency of the potential customers.

An exceptional strengthening of 1,161k€ of the provision for doubtful customers was carried out to cover a set of small customers and principally, the court-ordered bankruptcy of a major customer, whose total debt amounts to 1,250 k€.

This activity therefore experienced sales that are slightly higher in terms of volume and in value than those of 2006 (+4%), i.e. 87,816 tonnes in 2007 compared with 84,440 tonnes in 2006 and 31,125 k€ in 2007 compared with 30,046 k€ in 2006.

The average gross margin experienced a slight erosion of 0.6% in comparison with 2006.

Two players and traditional competitors have been put for sale by their shareholders and we have analysed the two dossiers.

With the shareholders of one of the companies we have reached an agreement for the buyout of a major part of the company's business.

This business is complementary to ours and represents a turnover of more than 14,000 k€ and a potential EBITDA of more than 900 k€ per year.

The acquisition will therefore enable us to significantly increase our market share in this activity sector, enlarge the customer portfolio and enter into new industrial markets. The due diligence is under way.

The environment (CITRI activity) again experienced a good year. The tonnes of non-toxic industrial residues received were 125,798 tonnes in 2007 compared with 105,720 tonnes in 2006. Prices stayed at a good level throughout the year with the result that the turnover for this activity increased in 2007.

The production on an industrial scale of a secondary fuel from the residue received started up and nearly 5,000 tonnes of this type of fuel have already been sold.

In the environmental sector the following elements are worthy of note;

- The construction of the third rubbish tip unit on the CITRI site, whose capacity is more or less equal to the sum of the first two units, is being completed and the inauguration is planned for the second quarter of 2008.
- The construction of a centre for the treatment and re-use of toxic industrial residues in Portugal is at an advanced stage. This project, a SISAV, is a consortium in which SAPEC has a participating interest of 35% and the investment of a total amount of 27,000 k€ is financed by a non-recourse "project finance". The start-up of the activity is planned for the end of June 2008.
- The environmental sector is flourishing in Portugal, especially in the area of treatment and re-use of waste materials and residues. Several projects are currently being studied.

Agro commodities Distribution Sector

The principal worldwide indicators (population growth, increase in life standard in China and in India, replacement of part of the mineral-based fuels with plant-based fuels, massive needs for biomass) lead us to believe that we are entering a cycle where the prices of agricultural products will remain high and the demand for “inputs” for agriculture will remain significant. Prices will also be more volatile given the amounts of money invested by the funds on the principal agricultural commodities markets.

This cycle should last at least until the recomposition of strategic levels of world stocks, which will necessitate one or two record harvests in order to re-balance supply and demand.

Interpec Ibérica in Spain broadly anticipated, then followed the rise in the prices of agricultural raw materials, having thus cleared record pre-tax profits of 13,9 M€

Good decisions taken at the right time in respect of both products and shipping allowed us to achieve this figure. This sector with its record year explains by itself more than 70% of the improvement in the Group’s operational result.

We were voluntarily selective in our sales in the course of the second half of the year since the risks of “non-fulfilment” are higher in a market that is so volatile. Since the beginning of 2008, we have noticed a drop in consumption; many meat producers have not succeeded in earning money against the backdrop of rising prices for animal feed and prefer to send their livestock to slaughter.

Although certain products (and freight in general) have experienced a downward correction from 20 to 30 % since the beginning of the year, the quotations remain high.

Our port subsidiaries Seporta and Seporsur performed very well. Aside from food processing products, in 2007 Seporsur unloaded more than 1 million tonnes of clinker, tripling the volume unloaded in 2006.

In Cadiz (Seporsur) we are in the process of building an installation for the storage of vegetable oils intended for the biodiesel market. It should be operational in the month of April 2008 and will make it possible to further diversify our range of products and customers.

Our commercial subsidiary in Portugal, Seteia, also performed well and succeeded in increasing its market share and its results.

Logistics Sector

The logistics sector of the group presently consists of the land sector (multi-usage and multi-modal platforms) and the port sector (bulk terminal at Setúbal and 50% of Navipor, port subsidiary specialising in Roll-on/Roll-off at Setúbal as well).

In the land sector, in an economic context that is still troubled in Portugal, sales increased by 12% in comparison with 2006 thanks, among other things, to the renovation of the sales teams. The container segment was relatively weak, compensated for by the grouping and logistics activity. It was still not possible to reach the “break-even point” in 2007.

The sale, in the form of a “sale-partial lease-back” of the Lisbon terminal (Póvoa), allowed SPC to record a very significant capital gain and noticeably reduce its debt and its net investment. The R.O.I. for this activity should improve noticeably in 2008. On the other hand, the opening of the new terminal in concession with the Portuguese railways in Lisbon will make it possible to stimulate the railway activity between Lisbon and Valongo (Porto) benefiting the two terminals. Economic activity in Portugal remained weak in 2007 but certain recent signs lead us to hope for a better 2008.

Concerning port activity, the bulk terminal at Setúbal was sustained and exceeded one millions of tonnes for the first time in its history.

New customers (and products) such as cement clinker and sugar had a significant impact on the dilution of the fixed costs and therefore the increase of the result. The installed capacity of our solid bulk quay is near saturation and major investments, both for increasing the unloading capacity and for improving the environmental conditions, will be necessary in the next few years. We are continuing to negotiate with the authorities of the port of Setúbal concerning the possibility of extending our activity.

The quay for bulk liquids unfortunately continues to be under-utilised as long as no major industrial installation for fuels or other industrial liquids is installed on our land in Setúbal.

The subsidiary Navipor closed the financial year with a profit, with sustained activity but without news as to the future concessions of terminals announced for Setúbal.

Energy Sector

The production of our hydroelectric plants in Spain increased by 12% in comparison with 2006 but the turnover increased by only 2% due to a price per kwh, slightly lower than that obtained in 2006. The increase in production was noticeable above all in the spring as autumn was rather dry.

Concerning our developments in the United States and Canada, we greatly increased the management team based in San Francisco and opened an office, at the beginning of 2008, in Calgary for our activities in Canada. In fact, after the acquisition in 2007 of the company West Windeau, we noticeably increased our presence in this country.

Insofar as the portfolio of projects is concerned, we have cut out a certain number of projects that had little chance of success and strengthened the Canadian portfolio.

The three secured projects, for which we have the authorisation, the land, the points of connection to the electrical network and a major part of the turbines, have a total capacity of 600 MW (of which 510 MW in Montana and 90 MW in Alberta) and will be connected to the network in 2008 and 2009.

The projects that are well on the way to being secured, for which we do not yet have turbines or all the necessary authorisations, represent 400 MW in Alberta, with connection to the grid planned for 2010 and 2011.

Therefore we are counting on building a total portfolio of 1,000 MW between 2008 and 2011, a balance of around 300 MW still being under consideration.

In photovoltaic solar energy, we are in the process of building four projects totalling 29 MWp in Spain. All these projects will be terminated in July/August 2008 and should benefit from the attractive price premium system currently in effect until 28 September 2008. We have other projects in the pipeline amounting to around 90 MWp to be built between 2008 and 2009, pending announcement of the new price premium system in force as of the end of September 2008.

For this sector, the recurring profit is being maintained in practice at the level of that of 2006; the great difference from the preceding year is located at the level of non-recurrent results. In 2006 we recorded the largest share of the capital gain on the sale of Naturener Eolica in Spain with the balance recorded in 2007.

Real Estate Property

Only one plot in the infrastructured part of the industrial park of Setubal, where we still have a small stock of lots, was sold in 2007. This part of the park has already entered into its phase of normal operation with management provided by the Group.

Finally, work to improve the road access to the industrial zone where our park is located has begun. This new infrastructure will benefit the future development of the park.

In Lousal, where the Group's old pyrite mine is located, an urban touristy plan has been approved. Contact has been made with various promoters interested in the purchase of the land.

Recent Group Developments

The agricultural and food processing sectors are experiencing a favourable cycle which should benefit our activities connected with these sectors. In crop protection, growth in the market share is still possible in Spain and continuing the improvement in the working capital remains the principal objective in Portugal. In crop nutrition, international growth will be able to continue as the result of investments in commercial structures and developments of new products completed.

In the agro commodities distribution sector, the year 2007 was completely exceptional, because all the factors were positive. The first quarter is giving positive indications and the year should be come back to normal.

In the logistics sector, business remains sustained at the beginning of 2008, which is the result of the new commercial dynamics established by this subsidiary.

As regards the industrial chemical products and environment sector, the acquisition of the businesses of the competing company should be concretized soon and will have a positive impact already in 2008. The SISAV project (environment) will be able to start up in June 2008.

In wind energy, the construction of the first wind farm in Montana (210 MW) is in the start-up phase. In photovoltaic energy in Spain, the construction of the first four projects totalling 29 MWp is under way. In order to finance these structures, the shareholders of Naturener contributed 180 M€ in the form of an increase of capital in October 2007 and March 2008. Sapec SA obtained a medium term loan to finance the Group's part of capital increase for an amount of more or less 80,000 k€

In this sector and as a shareholder of Naturener, Sapec is studying the various options for its strategy. These could lead to the entrance of new partners, the transfer of our investment or the sale of one branch or another of this sector.

For the whole of the Sapec Group the first quarter is developing in line with our prospects. However, it is too early to make concrete forecasts.

Dividend

The gross dividend for financial year of 2007 will amount to 2,729€ per share, subject to the approval by the next Ordinary General Assembly of 17 June 2008.

The net dividend will amount to 2,0465 € per share.

Calendar for shareholders

General Assembly 2008	June 17, 2008
Dividend payable	June 23, 2008
Publication of Results for first six months of 2008	September 1, 2008

The auditor confirmed that his review, which is practically completed, did not reveal any significant correction that would have to be made to the accountancy information covered in the official statement.

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