



REPORT AND ACCOUNTS



30 June 2017

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Management Report

*(This is a translation of a document originally issued in Portuguese.
In the event of discrepancies, the Portuguese language version prevails – Note 20)*

To the Shareholders

Pursuant to the legal requirements, the Board of Directors of Altri, SGPS, S.A. (“Altri”) hereby presents its Management Report for the first half of 2017.

INTRODUCTION

Altri was incorporated as of March 2005, as a result of Cofina’s demerger. Altri is a reference European producer of bleached eucalyptus pulp and is a listed company included in Euronext Lisbon, integrating the PSI 20 (Portuguese Stock Index), the benchmark stock market index. In addition to pulp and dissolving pulp production, the company is also present in the sector of renewable energy based on forest resources, namely industrial cogeneration from black liquor and biomass. The forestry strategy is based on full use of all the components provided by the forest: pulp, black liquor and forest wastes.

Over the past years, Altri invested in Portugal approximately 580 million Euro on its industrial units. Currently, Altri owns three pulp mills in Portugal with a total capacity of 1 million tons/year of bleached eucalyptus pulp in 2016.

Forest is a strategic asset of Altri, with a forest area under management amounting 79,000 hectares in Portugal. Eucalyptus stands out as the main production of Altri’s forest, ensuring a self-supply of wood and biomass that complements the market supply. This forest area is certified by the Forest Stewardship Council® (FSC®)¹ and by the Programme for the Endorsement of Forest Certification (PEFC), two of the most worldwide acknowledged certification entities. Altri Florestal management practices are certified by the main sustainable forest management certification systems, ensuring the achievement of the company’s current and future goals.

Although Altri’s forests are scattered across the country, the vast majority is concentrated in Tejo’s valley, close to the group’s mills, increasing its relevance. This proximity has a strategic importance as it allows the optimization of transportation costs, as well as an increase in efficiency in wood mobility when compared to productions held at higher distances.

Altri’s industrial strategy implementation is based on integrated forest management in Portugal. This model is based on forest optimisation, ensuring a full recovery of all its components. Thus, the eucalyptus is processed in Altri mills, producing pulp and power (cogeneration). The bark, the branches and forest waste are used to produce electric energy from biomass.

Altri’s development strategy is clearly based on strengthening its operating efficiency and, at the same time, the diversification of revenue into segments with higher value added, enabling an increase in the value chain. In order to compete in the commodities market and with an adverse exchange rate environment, the company has to cut its operating costs and to invest on the production of higher value added products, allowing for future growth, despite the increases of pulp production capacity in recent and despite the investments already announced for the near future all over the world.

Altri aims to be the most efficient producer in placing pulp at the client’s facilities. As so, the Company developed a strategy based on three pillars:

- Cutting cash cost per ton: recent years’ projects and ongoing projects do not imply an increase in fixed costs, leading to a dilution of the cash cost per ton;

¹ FSC-C004615

- Strategic location of its customers: the prime location for Altri's customers is Western and Central Europe, which optimises the balance between quality of customer service and transportation costs;
- Wood self-sufficiency: Altri has a forest area under intervention of about 79,000 hectares (reported values on 31/12/2016) in Portugal, granting a potential level of wood self-sufficiency of around 20%.

Since the beginning of its activity Altri carried out various acquisitions (Celtejo in 2005 and in 2006 Celbi) that allowed Altri to reinforce its position in its operating markets through the development of several capacity increase projects.

For a better valuation of forest resources, Altri acquired in 2005, 50% of EDP Produção - Bioelétrica, S.A., in a joint-venture with EDP to produce electricity from forest biomass. This company is leader in its market segment with a share of 50% of licenses to produce electricity through forest biomass.

Preliminary note regarding the fires occurred in June in Pedrógão Grande

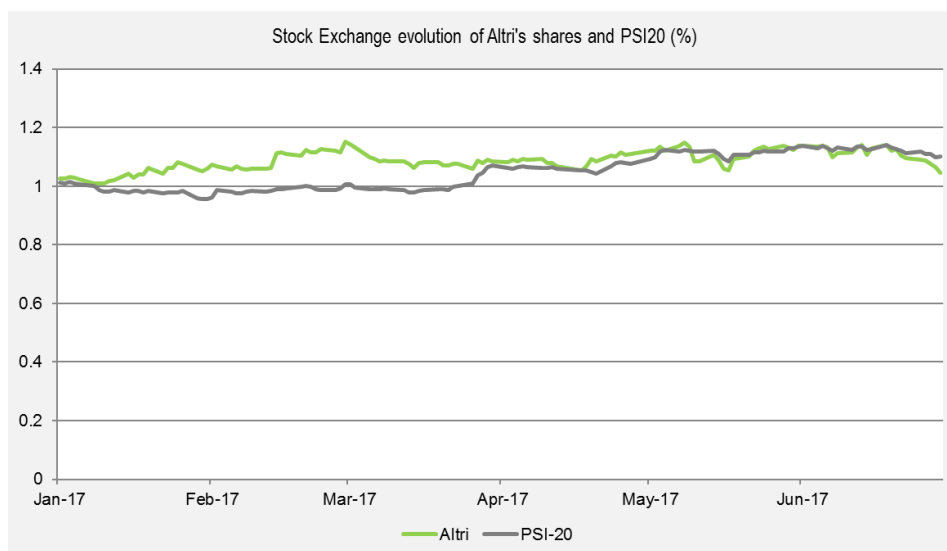
The companies Altri and The Navigator Company ("Navigator") were involved from the first hour in the fight against the fires that devastated the Portuguese territory in the month of June, deploying the specialist firefighting teams operated by Afocelca. The human losses resulting from these fires were dramatic and unparalleled in history, both companies being in solidarity with all those affected by this tragedy.

In this sense, Altri and Navigator decided to contribute one million Euro, of which half a million Euro will be allocated to the special fund to support civil society organizations in the region of Pedrógão Grande, constituted by the Calouste Gulbenkian Foundation. This contribution aims to help minimize the consequences of the fires and the tragedy that affected the municipalities of Pedrógão Grande, Figueiró dos Vinhos and Castanheira de Pêra.

The two forest-based companies also decided to invest in the recovery of slopes, water lines and forest infrastructures in the areas affected by the fires, according to a technical plan with 12 actions, also providing the specialized support of their teams.

STOCK EXCHANGE EVOLUTION

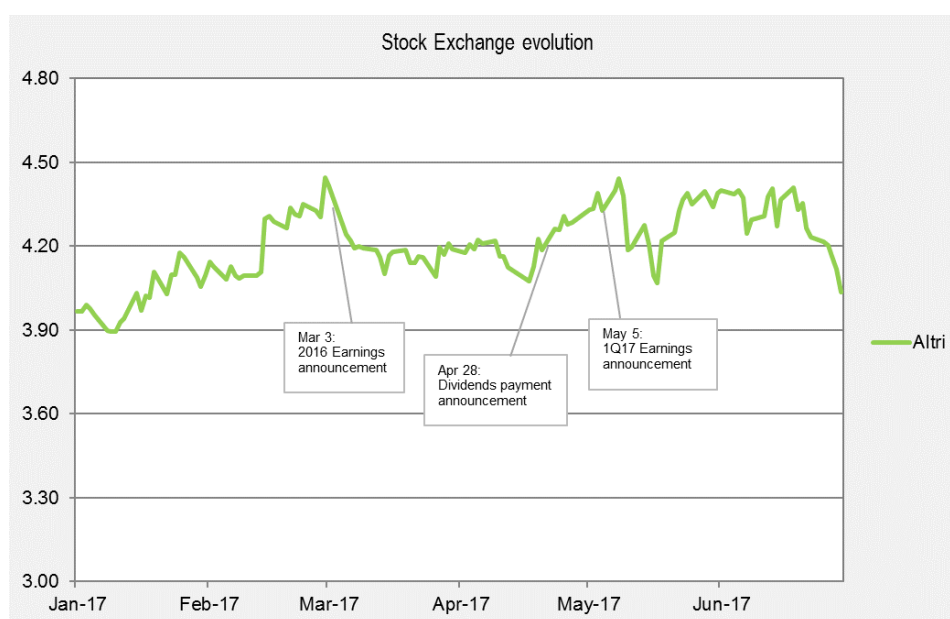
(Note: in order to enable a better comparison of the stock fluctuations, the PSI 20 index has been considered as being equal in value to the opening price of the shares.)



Altri's share price closed in the first half of 2017 at 4.036 Euro per share, an increase of 4.5% when compared to the end of 2016. The market capitalization at the end of that period was approximately 828 million Euro.

During the first half of 2017, Altri's shares were traded at a maximum price of 4.446 Euro per share and at a minimum of 3.894 Euro per share. In total, 40.4 million shares were traded in the first half of the year.

The main events that marked the evolution of the Company's shares in the first half of 2017 may be described chronologically as follows:



- On February 16th, 2017, Altri announced to the market the call option exercise of CELBI 2014/2019 bonds, through its subsidiary Celbi;
- On March 3rd, 2017, the Group announced its financial performance for the year 2016, reaching a consolidated net profit of 77 million Euro. Total revenue amounted to 664.8 million Euro. Consolidated EBITDA amounted to 167 million Euro, being a record year in terms of production and pulp sales. On that date shares closed at 4.37 Euro per share;
- On March 6th, 2017, Altri informed that it issued a seven-year bonds in the amount of Euro 70,000,000 (seventy million Euro), by private placement, named "ALTRI 2017-2024". Furthermore, on the same date, the company acquired 500 (five hundred) "ALTRI / NOVEMBRO 2018" bonds, in the nominal amount of 50,000,000 Euro and proceeded with its amortisation. Thus, this issue became represented by 200 (two hundred) bonds, in the nominal amount of 20,000,000 Euro.
- In a press release issued on April 28th, 2017, the Company announced that the dividends for the 2016 financial year, corresponding to 0.25 Euro per share, would be paid as from May 15th;
- Through an announcement made on May 5th, the Group announced the results for the first quarter of 2017. In that period, total revenue amounted to 159.8 million Euro, EBITDA reached about 40 million Euro, while the consolidated net profit amounted to 17.1 million Euro.

GROUP'S ACTIVITY

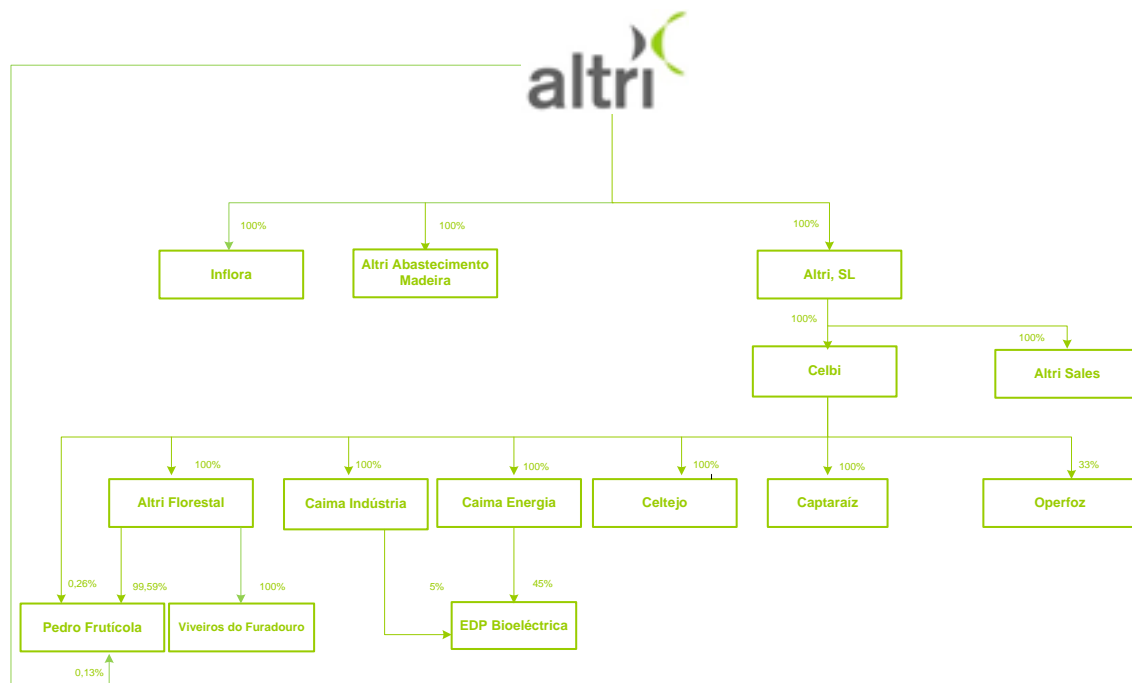
With its genesis in the reorganization process of Cofina, held in 2005, with the purpose of setting into a separate holding the industrial operations, Altri held until June 1, 2008 the investments in pulp and steel and storage systems. On that date, the steel and storage systems business was demerged to F. Ramada – Investimentos, SGPS, S.A.. This reorganization was part of a focusing and business transparency strategy, aiming at giving greater visibility to each area and increasing market's perception of value.

The main investments held by Altri are as follows:

- Caima – Indústria de Celulose (Constância) – producer and distributor of dissolving pulp;
- Celulose Beira Industrial (Celbi) (Figueira da Foz) – producer and distributor of paper pulp;
- Celtejo – Empresa de Celulose do Tejo (Vila Velha de Ródão) – producer and distributor of paper pulp;
- Altri Florestal (Constância) – manager of the Group's forestry resources.

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

Altri's complete structure of participation as of 30 June 2017 is as follows:



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I. Management Report

Pulp market

According to the latest data from the Pulp and Paper Products Council (PPPC World Chemical Market Pulp Global 100 Report - May 2017), during the first five months of 2017, total demand for hardwood pulp grew by 5% over the same period of 2016, reaching about 13.5 million tonnes, corresponding to a nominal growth of 644 thousand tonnes. The hardwood eucalyptus pulp registered an increase of 5.2% in the same period.

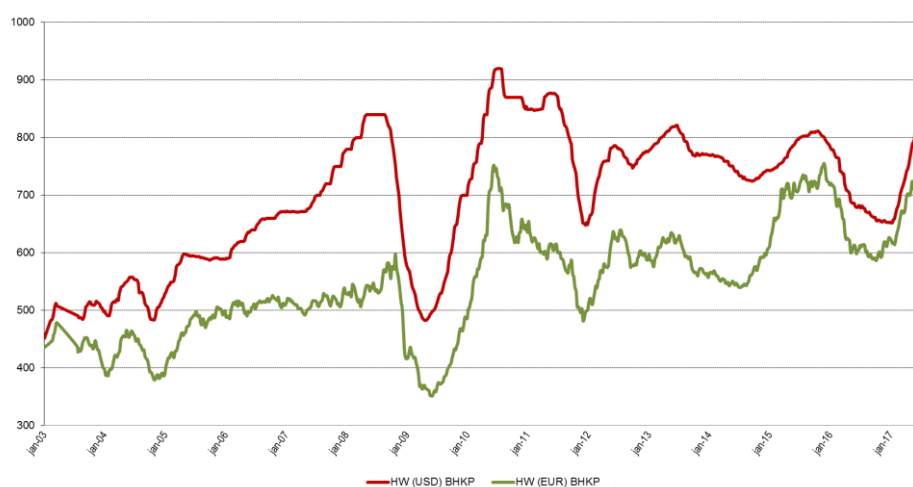
Analysing in terms of geography, it is noted that in Europe the consumption of hardwood pulp decreased by about 2.5%, while in China the growth reached 16.6%. As far as eucalyptus pulp is concerned, demand is down by 2.6% in Europe and grew by 10.7% in China. In terms of stock days, in May 2017, hardwood had 36 days of inventory (adjusted seasonally), compared to 39 days in May 2016.

In terms of BEKP pulp prices, the second quarter of 2017 was characterised by a 15% increase in the price in USD compared to the previous quarter and an increase of 11% in the price in Euro. The average price recorded in the period under analysis was USD 782.8/ton (vs. USD 680.5/ton in the previous quarter and USD 693.3/ton in the same quarter of 2016), while in Euro terms, it stood at EUR 713.5/ton (vs. EUR 640.5/ton in the previous quarter and EUR 613.1/ton in the same quarter of 2016).

According to the latest data available from the World Plastics Pulp Statistics (PPPC) - Flash Report for June 2017, pulp sales of the world's leading producers grew by 4.8% in June, with growth in all regions, with special emphasis to North America and to Asian countries other than China and Japan.

Market price evolution in BEKP pulp in Europe since 2003 to the date of the press release (EUR)

Source: FOEX



During the first half of 2017, Altri's industrial units produced 528.4 thousand tons of pulp and sold 541.6 thousand tons of pulp.

In the first half of 2017, the total pulp production increased 9% over the same period of last year.

One of the most important events in the first six months of the year was the continuation of investment projects in the Celbi and Celtejo industrial units. In relation to the investment project in Celtejo, there were interventions in the recovery boiler, steam reduction's facility and in the industrial wastewater treatment plant, leading to a limitation of the mill's operational potential, namely in terms of production costs' efficiency. This investment shall be completed by the end of the first half of 2018.

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I. Management Report

In the first half of 2017, in May, there was also the scheduled annual mill stoppage for maintenance in the Caima industrial unit with a significant impact on dissolving pulp production.

In terms of exports, during the first half of 2017, Altri exported 492.9 thousand tons of pulp (vs. 454.8 thousand tons in the same period of 2016).

FINANCIAL REVIEW

The consolidated financial information of Altri was prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

The main indicators and data of Altri Group are the following:

thousand Euro	1H 2017	1H2016	var %
Total revenue	325,253	303,861	7.0%
Cost of sales	137,962	117,875	17.0%
External supplies and services	81,832	78,514	4.2%
Payroll expenses	16,181	16,155	0.2%
Other expenses	1,776	2,994	-40.7%
Provisions and impairment losses	0	-88	ss
Total expenses (a)	237,750	215,451	10.3%
EBITDA (b)	87,503	88,410	-1.0%
Margin	26.9%	29.1%	-2,2 pp
Depreciation and amortisation	27,833	26,556	4.8%
EBIT (c)	59,670	61,854	-3.5%
Margin	18.3%	20.4%	-2,0 pp
Gains and losses in associated companies	1,420	727	95.3%
Financial expenses	-12,194	-10,752	13.4%
Financial income	1,698	2,524	-32.7%
Financial profit	-9,075	-7,500	21.0%
Profit before income tax	50,595	54,354	-6.9%
Income tax	-9,042	-14,134	-36.0%
Net consolidated profit	41,552	40,220	3.3%

(a) Operating costs excluding amortisation, financial expenses and taxes

(b) EBITDA = Earnings before interest, taxes, depreciation and amortisation

(c) EBIT = Earnings before interest and taxes

The total revenue of the first half of 2017 amounted to 325 million Euro, an increase of 7% compared to the same period of 2016.

In the first half of 2017, total costs, excluding depreciation, interest and taxes, amounted to around 237.8 million Euro.

EBITDA amounted to 87.5 million Euro, which corresponds to a decrease of 1% over the first half of 2016. The half-year net result reached 41.6 million Euro, a 3% increase compared to the same period of 2016.

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I. Management Report

Balance sheet key indicators

thousand Euro	Jun-17	Dec-16	Var%
Biological assets	97,876.0	102,302.6	-4%
Tangible fixed assets	378,150.5	359,638.8	5%
Goodwill	265,531.4	265,531.4	0%
Investments available for sale	16,348.6	14,983.1	9%
Other non current assets	53,979.4	55,072.8	-2%
Non current assets	811,885.8	797,528.7	2%
Inventories	64,637.2	58,890.4	10%
Customers	93,764.1	92,261.4	2%
Cash and cash equivalents	190,028.2	300,094.3	-37%
Other current assets	32,727.4	36,291.8	-10%
Current assets	381,156.9	487,537.8	-22%
Total assets	1,193,042.7	1,285,066.5	-7%
Shareholders' funds and non-controlling interests	337,920.9	343,642.2	-2%
Bank loans	94,500.0	118,000.0	-20%
Other loans	389,816.1	462,357.6	-16%
Reimbursable subsidies	16,404.3	14,946.6	10%
Other non current liabilities	50,868.6	48,451.2	5%
Non current liabilities	551,589.0	643,755.4	-14%
Bank loans	51,567.1	38,897.7	33%
Other loans	111,360.0	120,854.4	-8%
Reimbursable subsidies	1,929.6	3,115.2	-38%
Suppliers	73,591.5	69,045.1	7%
Other current liabilities	65,084.6	65,756.4	-1%
Current liabilities	303,532.9	297,668.9	2%

The total net investment (CAPEX) made until the end of June 2017 by the Group's industrial units amounted to 47.7 million Euro.

The remunerated nominal net debt of Altri at June 30, 2017 amounted to 455.8 million Euro, which corresponds to an increase of approximately Euro 23.6 million compared to the net debt of 432.2 million Euro, recorded at the end of March 2017. It should be noted that in May the dividend of 0.25 Euro per share, approved at the General Meeting, was paid.

It should be noted that at the end of the first half of 2017, Altri's cash and cash equivalents amounted to approximately 190 million Euro.

In July 2017, the Altri Group issued 3 bond loans. Thus, through the subsidiary Celbi, two bond loans were issued: one in the amount of 40 million Euro, for a period of 8 years, with the designation "CELBI 2017/2025"; and a second, also in the amount of 40 million Euro, for a period of 10 years, with the designation "CELBI 2017/2027". On the other hand, Altri SGPS issued another 50 million Euro for a term of 8 years, with the designation "ALTRI 2017/2025", and simultaneously repurchased and amortised a bond loan denominated "ALTRI 2014/2020", in the amount of 50 million Euro.

Relatively to risk management, Altri uses exchange rate derivatives to hedge future cash flows. Accordingly, Altri has contracted European-style call and put options on 10 million USD per month, covering the period from July 2017 to December 2018.

For the second half of 2017, exchange collars have lower levels between 1.000 and 1.065 and protection levels of 1.15 and 1.17.

OUTLOOK

During the third quarter of 2017 there will be a scheduled annual stoppage of the Celtejo industrial unit, projected for September.

Taking into account the demand dynamics and the annual maintenance stops that will occur in several pulp production units during the summer months, it is expected that the price level will remain high during the third quarter.

CORPORATE GOVERNANCE

According to legal provisions, the Company is not required to provide information relating to corporate governance, since it is compulsory only together with the annual management report. The detailed annual corporate governance report is part of the Annual Report and Accounts of 2016 and is available on the website (www.altri.pt).

On this matter, it is important to mention that the Shareholders' General Meeting held on April 26, 2017 appointed the corporate boards for the 2017/2019 triennium.

Thus, for the Board of Directors were appointed for the 2017/2019 mandate:

- Paulo Jorge dos Santos Fernandes - President
- João Manuel Matos Borges de Oliveira – Vice-president
- Domingos José Vieira de Matos – Member
- Laurentina da Silva Martins – Member
- Pedro Miguel Matos Borges de Oliveira – Member
- Ana Rebelo de Carvalho Menéres de Mendonça – Member
- José Manuel de Almeida Archer – Member

For the Statutory Audit Board, the following members were appointed:

- Pedro Nuno Fernandes de Sá Pessanha da Costa – President
- António Luís Isidro de Pinho – Member
- Guilherme Paulo Aires da Mota Correia Monteiro – Member
- André Seabra Ferreira Pinto – Substitute

The Statutory Auditor appointed for the 2017/2019 triennium was Ernst & Young Audit & Associados – SROC, S.A., represented by Rui Manuel da Cunha Vieira or Rui Abel Serra Martins.

LEGAL MATTERS

Own Shares

Pursuant to the requirements of article 66 of the Portuguese Companies Act, the Directors inform that as of 30 June 2017 Altri had no own shares and did not acquire nor sell any own shares during the semester.

Shares held by Altri's corporate boards

Pursuant to the requirements of article 447 of the Portuguese Companies Act, the Directors inform that, as of 30 June 2017, they held the following shares:

Paulo Jorge dos Santos Fernandes ^(a)	24,024,874
João Manuel Matos Borges de Oliveira ^(b)	30,000,000
Domingos José Vieira de Matos ^(c)	24,150,110
Ana Rebelo de Carvalho Menéres de Mendonça ^(d)	43,191,552
José Manuel de Almeida Archer	11,500

^(a) – The 24,024,874 shares correspond to Altri SGPS, S.A. total shares held by the company ACTIUM CAPITAL – SGPS, S.A., of which Paulo Jorge dos Santos Fernandes is director and dominant shareholder.

^(b) – The 30,000,000 shares correspond to Altri SGPS, S.A. total shares held by the company CADERNO AZUL – SGPS, S.A., of which João Manuel Matos Borges de Oliveira is director and shareholder.

^(c) – The 24,150,110 shares correspond to Altri SGPS, S.A. total shares held by the company LIVREFLUXO – SGPS, S.A. of which Domingos José Vieira de Matos is director and dominant shareholder.

^(d) – The 43,191,552 shares correspond to Altri SGPS, S.A. total shares held by the company PROMENDO – SGPS, S.A., of which Ana Rebelo de Carvalho Menéres de Mendonça is director and dominant shareholder.

As of June 30, 2017, the Statutory Auditor, the members of the Supervisory Board and the members of the Board of the General Shareholders' Meeting held no shares of Altri.

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I. Management Report

Participation in the Company's share capital

Pursuant to the requirements of articles 16 and 20 of the Securities Market Code and article 448 of the Portuguese Companies Act, 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:

Norges Bank		No. of shares held on 30 June 2017	% Share capital with voting rights
Directly		4,149,572	2.02%
Total attributable		4,149,572	2.02%

Lazard Frères Gestion		No. of shares held on 30 June 2017	% Share capital with voting rights
Directly		4,150,000	2.02%
Total attributable		4,150,000	2.02%

Indumenta Pueri, S.L.		No. of shares held on 30 June 2017	% Share capital with voting rights
Through Wilmington Capital, S.L.		10,260,489	5.00%
Total attributable		10,260,489	5.00%

1 Thing, Investments SGPS, S.A.		No. of shares held on 30 June 2017	% Share capital with voting rights
Directly ^(a)		14,359,708	7.00%
Total attributable		14,359,708	7.00%

(a) - The 14,359,708 shares represent Altri, SGPS, S.A. total shares held directly by 1 THING INVESTMENTS - SGPS, S.A., whose board of directors includes Altri's director Pedro Miguel Matos Borges de Oliveira.

Paulo Jorge dos Santos Fernandes		No. of shares held on 30 June 2017	% Share capital with voting rights
Through Actium Capital - SGPS, S.A. (of which he is dominant shareholder and director)		24,024,874	11.71%
Total attributable		24,024,874	11.71%

Domingos José Vieira de Matos		No. of shares held on 30 June 2017	% Share capital with voting rights
Through Livrefluxo - SGPS, S.A. (of which he is dominant shareholder and director)		24,150,110	11.77%
Total attributable		24,150,110	11.77%

João Manuel Matos Borges de Oliveira		No. of shares held on 30 June 2017	% Share capital with voting rights
Through CADERNO AZUL - SGPS, S.A. (of which he is shareholder and director)		30,000,000	14.62%
Total attributable		30,000,000	14.62%

Promendo - SGPS, S.A.		No. of shares held on 30 June 2017	% Share capital with voting rights
Directly ^(a)		43,191,552	21.06%
Through its director José Manuel de Almeida Archer		11,500	0.01%
Total attributable		43,203,052	21.06%

(a) - The 43,191,552 shares represent Altri, SGPS, S.A. total shares held directly by Promendo - SGPS, S.A. that are considered equally attributable to Ana Rebelo de Carvalho Meneses de Mendonça, director and dominant shareholder of Promendo - SGPS, S.A. and director of Altri, SGPS, S.A.

Altri was not informed of any participation exceeding 33% of voting rights.

CLOSING REMARKS

We don't want to conclude without thanking the various partners of the group for their trust in our organisation. Finally, we would like to express our gratitude to all our employees for their dedication and commitment.

Oporto, July 27, 2017

The Board of Directors

Paulo Jorge dos Santos Fernandes

João Manuel Matos Borges de Oliveira

Domingos José Vieira de Matos

Laurentina da Silva Martins

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo de Carvalho Menéres de Mendonça

José Manuel de Almeida Archer



**Appendixes to the
management report**

STATEMENT UNDER THE TERMS OF ARTICLE 246, PARAGRAPH 1, C) OF THE SECURITIES MARKET CODE

The signatories individually declare that, to the best of their knowledge, the Condensed Consolidated Financial Statements prepared 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”) and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

STATEMENT OF RESPONSIBILITY

The members of the Board of Directors of Altri, SGPS, S.A. declare that they assume responsibility for this information and affirm that the items included herein are true and that, to the best of their knowledge, there are no omissions.

As required by article 8 paragraph 3 of the Securities Market Code, the Board of Directors informs that these condensed consolidated financial statements were not subject to a limited review.

As required by article 210 of the Social Security Contributions Plan Code (approved by Law 110/2009 of 16 September), the Board of Directors informs that there are no overdue debts to the State, namely with respect to Social Security.

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II. Appendixes to the management report

Article 447 of the Portuguese Companies Act and Article 14, paragraph 7 of Portuguese Securities Regulator (CMVM) Regulation no. 5/2008

Disclosure of shares and other securities held by members of the Board of Directors and by those discharging managerial responsibilities, as well as by people closely connected with them (article 248-B of the Portuguese Securities Code), and disclosure of the respective transactions during the first semester involving such shares and other securities

Member of the Board of Directors	Shares held at			Shares held at 30 June 2017
	31 December 2016	Acquisitions	Disposals	
Paulo Jorge dos Santos Fernandes (through ACTIUM CAPITAL - SGPS, S.A.)	23,854,874	170,000	-	24,024,874
João Manuel Matos Borges de Oliveira (through CADERNO AZUL - SGPS, S.A.)	30,000,000	-	-	30,000,000
Domingos José Vieira de Matos (through LIVREFLUXO - SGPS, S.A.)	24,150,110	-	-	24,150,110
Ana Rebelo de Carvalho Menéres de Mendonça (through PROMENDO - SGPS, S.A.)	42,954,552	237,000	-	43,191,552
José Manuel de Almeida Archer	1,500	10,000	-	11,500

Paulo Jorge dos Santos Fernandes (through ACTIUM CAPITAL - SGPS, S.A.)

Date	Type	Volume	Price (€)	Local	No. of shares
31-Dec-16	-	-	-	-	23,854,874
15-May-17	Acquisition	20,000	4.235000	Euronext Lisbon	23,874,874
15-May-17	Acquisition	30,000	4.236000	Euronext Lisbon	23,904,874
15-May-17	Acquisition	25,000	4.223000	Euronext Lisbon	23,929,874
15-May-17	Acquisition	553	4.230000	Euronext Lisbon	23,930,427
15-May-17	Acquisition	605	4.230000	Euronext Lisbon	23,931,032
15-May-17	Acquisition	1,342	4.230000	Euronext Lisbon	23,932,374
15-May-17	Acquisition	2,500	4.230000	Euronext Lisbon	23,934,874
15-May-17	Acquisition	200	4.238000	Euronext Lisbon	23,935,074
15-May-17	Acquisition	592	4.239000	Euronext Lisbon	23,935,666
15-May-17	Acquisition	300	4.239000	Euronext Lisbon	23,935,966
15-May-17	Acquisition	605	4.239000	Euronext Lisbon	23,936,571
15-May-17	Acquisition	650	4.239000	Euronext Lisbon	23,937,221
15-May-17	Acquisition	153	4.239000	Euronext Lisbon	23,937,374
15-May-17	Acquisition	2,200	4.250000	Euronext Lisbon	23,939,574
15-May-17	Acquisition	300	4.250000	Euronext Lisbon	23,939,874
15-May-17	Acquisition	2,300	4.250000	Euronext Lisbon	23,942,174
15-May-17	Acquisition	4,500	4.250000	Euronext Lisbon	23,946,674
15-May-17	Acquisition	2,500	4.250000	Euronext Lisbon	23,949,174
15-May-17	Acquisition	5,700	4.250000	Euronext Lisbon	23,954,874
16-May-17	Acquisition	569	4.228000	Euronext Lisbon	23,955,443
16-May-17	Acquisition	571	4.228000	Euronext Lisbon	23,956,014
16-May-17	Acquisition	60	4.228000	Euronext Lisbon	23,956,074
16-May-17	Acquisition	960	4.232000	Euronext Lisbon	23,957,034
16-May-17	Acquisition	340	4.232000	Euronext Lisbon	23,957,374
16-May-17	Acquisition	286	4.230000	Euronext Lisbon	23,957,660
16-May-17	Acquisition	1,214	4.230000	Euronext Lisbon	23,958,874
16-May-17	Acquisition	14	4.230000	Euronext Lisbon	23,958,888
16-May-17	Acquisition	136	4.230000	Euronext Lisbon	23,959,024
16-May-17	Acquisition	350	4.230000	Euronext Lisbon	23,959,374
16-May-17	Acquisition	821	4.226000	Euronext Lisbon	23,960,195
16-May-17	Acquisition	179	4.226000	Euronext Lisbon	23,960,374
16-May-17	Acquisition	96	4.223000	Euronext Lisbon	23,960,470
16-May-17	Acquisition	122	4.223000	Euronext Lisbon	23,960,592
16-May-17	Acquisition	282	4.223000	Euronext Lisbon	23,960,874
16-May-17	Acquisition	122	4.223000	Euronext Lisbon	23,960,996
16-May-17	Acquisition	282	4.223000	Euronext Lisbon	23,961,278
16-May-17	Acquisition	96	4.223000	Euronext Lisbon	23,961,374

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II. Appendixes to the management report

Date	Type	Volume	Price (€)	Local	No. of shares
16-May-17	Acquisition	500	4.220000	Euronext Lisbon	23,961,874
16-May-17	Acquisition	193	4.220000	Euronext Lisbon	23,962,067
16-May-17	Acquisition	307	4.220000	Euronext Lisbon	23,962,374
16-May-17	Acquisition	500	4.217000	Euronext Lisbon	23,962,874
16-May-17	Acquisition	262	4.215000	Euronext Lisbon	23,963,136
16-May-17	Acquisition	238	4.215000	Euronext Lisbon	23,963,374
16-May-17	Acquisition	500	4.215000	Euronext Lisbon	23,963,874
16-May-17	Acquisition	74	4.215000	Euronext Lisbon	23,963,948
16-May-17	Acquisition	400	4.215000	Euronext Lisbon	23,964,348
16-May-17	Acquisition	26	4.215000	Euronext Lisbon	23,964,374
16-May-17	Acquisition	500	4.211000	Euronext Lisbon	23,964,874
16-May-17	Acquisition	449	4.211000	Euronext Lisbon	23,965,323
16-May-17	Acquisition	51	4.211000	Euronext Lisbon	23,965,374
16-May-17	Acquisition	500	4.209000	Euronext Lisbon	23,965,874
16-May-17	Acquisition	500	4.209000	Euronext Lisbon	23,966,374
16-May-17	Acquisition	456	4.207000	Euronext Lisbon	23,966,830
16-May-17	Acquisition	44	4.207000	Euronext Lisbon	23,966,874
16-May-17	Acquisition	500	4.207000	Euronext Lisbon	23,967,374
16-May-17	Acquisition	500	4.201000	Euronext Lisbon	23,967,874
16-May-17	Acquisition	500	4.201000	Euronext Lisbon	23,968,374
16-May-17	Acquisition	483	4.209000	Euronext Lisbon	23,968,857
16-May-17	Acquisition	410	4.209000	Euronext Lisbon	23,969,267
16-May-17	Acquisition	548	4.210000	Euronext Lisbon	23,969,815
16-May-17	Acquisition	59	4.210000	Euronext Lisbon	23,969,874
16-May-17	Acquisition	330	4.201000	Euronext Lisbon	23,970,204
16-May-17	Acquisition	255	4.209000	Euronext Lisbon	23,970,459
16-May-17	Acquisition	284	4.209000	Euronext Lisbon	23,970,743
16-May-17	Acquisition	446	4.209000	Euronext Lisbon	23,971,189
16-May-17	Acquisition	54	4.209000	Euronext Lisbon	23,971,243
16-May-17	Acquisition	131	4.209000	Euronext Lisbon	23,971,374
16-May-17	Acquisition	500	4.209000	Euronext Lisbon	23,971,874
16-May-17	Acquisition	500	4.209000	Euronext Lisbon	23,972,374
16-May-17	Acquisition	450	4.205000	Euronext Lisbon	23,972,824
16-May-17	Acquisition	1,669	4.210000	Euronext Lisbon	23,974,493
16-May-17	Acquisition	381	4.210000	Euronext Lisbon	23,974,874
16-May-17	Acquisition	711	4.209000	Euronext Lisbon	23,975,585
16-May-17	Acquisition	289	4.209000	Euronext Lisbon	23,975,874
16-May-17	Acquisition	500	4.207000	Euronext Lisbon	23,976,374
16-May-17	Acquisition	500	4.207000	Euronext Lisbon	23,976,874
16-May-17	Acquisition	500	4.209000	Euronext Lisbon	23,977,374
16-May-17	Acquisition	131	4.209000	Euronext Lisbon	23,977,505
16-May-17	Acquisition	369	4.209000	Euronext Lisbon	23,977,874
16-May-17	Acquisition	499	4.205000	Euronext Lisbon	23,978,373
16-May-17	Acquisition	1	4.205000	Euronext Lisbon	23,978,374
16-May-17	Acquisition	154	4.205000	Euronext Lisbon	23,978,528
16-May-17	Acquisition	346	4.205000	Euronext Lisbon	23,978,874
16-May-17	Acquisition	1,000	4.205000	Euronext Lisbon	23,979,874
17-May-17	Acquisition	481	4.118000	Euronext Lisbon	23,980,355
17-May-17	Acquisition	19	4.118000	Euronext Lisbon	23,980,374
17-May-17	Acquisition	26	4.116000	Euronext Lisbon	23,980,400
17-May-17	Acquisition	29	4.116000	Euronext Lisbon	23,980,429
17-May-17	Acquisition	145	4.116000	Euronext Lisbon	23,980,574
17-May-17	Acquisition	300	4.116000	Euronext Lisbon	23,980,874
17-May-17	Acquisition	799	4.111000	Euronext Lisbon	23,981,673
17-May-17	Acquisition	201	4.111000	Euronext Lisbon	23,981,874
17-May-17	Acquisition	1,500	4.101000	Euronext Lisbon	23,983,374
17-May-17	Acquisition	1,500	4.097000	Euronext Lisbon	23,984,874
17-May-17	Acquisition	1,000	4.097000	Euronext Lisbon	23,985,874
17-May-17	Acquisition	351	4.091000	Euronext Lisbon	23,986,225
17-May-17	Acquisition	1,131	4.091000	Euronext Lisbon	23,987,356
17-May-17	Acquisition	18	4.091000	Euronext Lisbon	23,987,374

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Date	Type	Volume	Price (€)	Local	No. of shares
17-May-17	Acquisition	5,000	4.140000	Euronext Lisbon	23,992,374
17-May-17	Acquisition	2,000	4.160000	Euronext Lisbon	23,994,374
17-May-17	Acquisition	100	4.160000	Euronext Lisbon	23,994,474
17-May-17	Acquisition	284	4.160000	Euronext Lisbon	23,994,758
17-May-17	Acquisition	116	4.160000	Euronext Lisbon	23,994,874
17-May-17	Acquisition	742	4.171000	Euronext Lisbon	23,995,616
17-May-17	Acquisition	1,758	4.171000	Euronext Lisbon	23,997,374
17-May-17	Acquisition	555	4.121000	Euronext Lisbon	23,997,929
17-May-17	Acquisition	800	4.121000	Euronext Lisbon	23,998,729
17-May-17	Acquisition	145	4.121000	Euronext Lisbon	23,998,874
17-May-17	Acquisition	158	4.111000	Euronext Lisbon	23,999,032
17-May-17	Acquisition	1,342	4.111000	Euronext Lisbon	24,000,374
17-May-17	Acquisition	70	4.106000	Euronext Lisbon	24,000,444
17-May-17	Acquisition	45	4.106000	Euronext Lisbon	24,000,489
17-May-17	Acquisition	60	4.106000	Euronext Lisbon	24,000,549
17-May-17	Acquisition	34	4.106000	Euronext Lisbon	24,000,583
17-May-17	Acquisition	81	4.106000	Euronext Lisbon	24,000,664
17-May-17	Acquisition	47	4.106000	Euronext Lisbon	24,000,711
17-May-17	Acquisition	1,163	4.106000	Euronext Lisbon	24,001,874
17-May-17	Acquisition	152	4.102000	Euronext Lisbon	24,002,026
17-May-17	Acquisition	87	4.102000	Euronext Lisbon	24,002,113
17-May-17	Acquisition	1,261	4.102000	Euronext Lisbon	24,003,374
17-May-17	Acquisition	673	4.097000	Euronext Lisbon	24,004,047
17-May-17	Acquisition	827	4.097000	Euronext Lisbon	24,004,874
18-May-17	Acquisition	1,532	4.037000	Euronext Lisbon	24,006,406
18-May-17	Acquisition	269	4.037000	Euronext Lisbon	24,006,675
18-May-17	Acquisition	199	4.037000	Euronext Lisbon	24,006,874
18-May-17	Acquisition	306	4.035000	Euronext Lisbon	24,007,180
18-May-17	Acquisition	194	4.035000	Euronext Lisbon	24,007,374
18-May-17	Acquisition	327	4.035000	Euronext Lisbon	24,007,701
18-May-17	Acquisition	173	4.035000	Euronext Lisbon	24,007,874
18-May-17	Acquisition	500	4.025000	Euronext Lisbon	24,008,374
18-May-17	Acquisition	25	4.025000	Euronext Lisbon	24,008,399
18-May-17	Acquisition	130	4.025000	Euronext Lisbon	24,008,529
18-May-17	Acquisition	248	4.025000	Euronext Lisbon	24,008,777
18-May-17	Acquisition	97	4.025000	Euronext Lisbon	24,008,874
18-May-17	Acquisition	278	4.031000	Euronext Lisbon	24,009,152
18-May-17	Acquisition	222	4.031000	Euronext Lisbon	24,009,374
18-May-17	Acquisition	411	4.031000	Euronext Lisbon	24,009,785
18-May-17	Acquisition	35	4.031000	Euronext Lisbon	24,009,820
18-May-17	Acquisition	54	4.031000	Euronext Lisbon	24,009,874
18-May-17	Acquisition	500	4.025000	Euronext Lisbon	24,010,374
18-May-17	Acquisition	500	4.025000	Euronext Lisbon	24,010,874
18-May-17	Acquisition	135	4.011000	Euronext Lisbon	24,011,009
18-May-17	Acquisition	248	4.011000	Euronext Lisbon	24,011,257
18-May-17	Acquisition	117	4.011000	Euronext Lisbon	24,011,374
18-May-17	Acquisition	430	4.011000	Euronext Lisbon	24,011,804
18-May-17	Acquisition	70	4.011000	Euronext Lisbon	24,011,874
18-May-17	Acquisition	220	4.041000	Euronext Lisbon	24,012,094
18-May-17	Acquisition	450	4.041000	Euronext Lisbon	24,012,544
18-May-17	Acquisition	653	4.045000	Euronext Lisbon	24,013,197
18-May-17	Acquisition	506	4.045000	Euronext Lisbon	24,013,703
18-May-17	Acquisition	347	4.046000	Euronext Lisbon	24,014,050
18-May-17	Acquisition	5,533	4.047000	Euronext Lisbon	24,019,583
18-May-17	Acquisition	400	4.047000	Euronext Lisbon	24,019,983
18-May-17	Acquisition	132	4.047000	Euronext Lisbon	24,020,115
18-May-17	Acquisition	1,368	4.047000	Euronext Lisbon	24,021,483
18-May-17	Acquisition	600	4.047000	Euronext Lisbon	24,022,083
18-May-17	Acquisition	900	4.047000	Euronext Lisbon	24,022,983
18-May-17	Acquisition	1,260	4.047000	Euronext Lisbon	24,024,243
18-May-17	Acquisition	631	4.047000	Euronext Lisbon	24,024,874
30-Jun-17	-	-	-	-	24,024,874

Ana Rebelo de Carvalho Menéres de Mendonça (through PROMENDO - SGPS, S.A.)

Date	Type	Volume	Price (€)	Local	No. of shares
31-Dec-16	-	-	-	-	42,954,552
07-Mar-17	Acquisition	50,000	4.195700	EuronextLisbon	43,004,552
08-Mar-17	Acquisition	40,000	4.200970	EuronextLisbon	43,044,552
09-Mar-17	Acquisition	40,000	4.208390	EuronextLisbon	43,084,552
10-Mar-17	Acquisition	20,000	4.205470	EuronextLisbon	43,104,552
13-Mar-17	Acquisition	15,000	4.192000	EuronextLisbon	43,119,552
14-Mar-17	Acquisition	25,000	4.159000	EuronextLisbon	43,144,552
15-Mar-17	Acquisition	20,000	4.123000	EuronextLisbon	43,164,552
16-Mar-17	Acquisition	27,000	4.163000	EuronextLisbon	43,191,552
30-Jun-17	-	-	-	-	43,191,552

José Manuel de Almeida Archer

Date	Type	Volume	Price (€)	Local	No. of shares
31-Dec-16	-	-	-	-	1,500
06-Mar-17	Acquisition	10,000	4.270000	EuronextLisbon	11,500
30-Jun-17	-	-	-	-	11,500



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(Translation of a document originally issued in Portuguese – Note 20)

ALTRI, SGPS, S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2017 AND 31 DECEMBER 2016

(Translation of financial statements originally issued in Portuguese - Note 20)
(Amounts expressed in Euro)

ASSETS	Notes	30.06.2017	31.12.2016
NON CURRENT ASSETS:			
Biological assets		97,876,002	102,302,637
Tangible fixed assets		378,150,464	359,638,821
Investment property		113,310	113,310
Goodwill		265,531,404	265,531,404
Intangible assets		730,703	643,354
Investments in associated companies and joint ventures	4.2	16,348,591	14,983,101
Investments available for sale	4.3	11,262,914	11,262,914
Other non current assets		3,548,178	3,544,289
Derivative financial instruments	11	772,461	-
Deferred tax assets	7	37,551,799	39,508,901
Total non current assets		811,885,826	797,528,731
CURRENT ASSETS:			
Inventories		64,637,217	58,890,414
Biological assets		1,602,144	-
Customers		93,764,122	92,261,372
Other debtors		2,010,725	4,297,543
State and other public entities		25,333,078	29,538,312
Other current assets		2,967,460	2,455,926
Derivative financial instrument	11	813,987	-
Cash and cash equivalents	6	190,028,156	300,094,254
Total current assets		381,156,889	487,537,821
Total assets		1,193,042,715	1,285,066,552
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS:			
Share capital	8	25,641,459	25,641,459
Legal reserve		5,128,292	5,128,292
Other reserves		265,598,987	235,894,619
Advance on profits		41,552,124	76,977,826
Consolidated net profit / (loss)		337,920,862	343,642,196
Total shareholders' funds attributable to the parent company's shareholders		-	-
Non controlling interests		337,920,862	343,642,196
Total shareholders' funds		337,920,862	343,642,196
LIABILITIES:			
NON CURRENT LIABILITIES:			
Bank loans	9	94,500,000	118,000,000
Other loans	9	389,816,067	462,357,627
Reimbursable subsidies	9	16,404,293	14,946,631
Other non current liabilities		23,239,850	19,698,356
Deferred tax liabilities	7	19,588,570	18,731,619
Pension liabilities		2,528,818	2,528,818
Provisions	10	5,058,300	5,064,402
Derivatives	11	453,083	2,428,023
Total non current liabilities		551,588,981	643,755,474
CURRENT LIABILITIES:			
Bank loans	9	51,567,094	38,897,709
Other loans	9	111,360,031	120,854,418
Reimbursable subsidies	9	1,929,607	3,115,183
Suppliers		73,591,491	69,045,134
Other current creditors		14,217,121	14,915,753
State and other public entities		17,399,378	14,318,318
Other current liabilities		32,629,938	34,099,716
Derivatives	11	838,212	2,422,650
Total current liabilities		303,532,872	297,668,881
Total shareholders' funds and liabilities		1,193,042,715	1,285,066,552

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

The official chartered accountant

The Board of Directors

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III. Consolidated financial statements and notes

(Translation of a document originally issued in Portuguese – Note 20)

ALTRI, SGPS, S.A.

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS FOR THE SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2017 AND 2016

(Translation of financial statements originally issued in Portuguese - Note 20)
(Amounts expressed in Euro)

	Notes	SIX MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED		
		30.06.2017	30.06.2016	30.06.2017	30.06.2016	
Sales		316,662,824	295,299,121	161,663,673	137,635,617	
Services rendered		4,726,357	4,599,072	2,314,724	2,400,254	
Other income	14	3,863,837	3,963,224	1,438,807	2,119,584	
Cost of sales		(137,961,937)	(117,875,408)	(68,700,477)	(57,635,431)	
External supplies and services		(81,831,799)	(78,514,389)	(40,048,706)	(38,189,331)	
Payroll expenses		(16,180,527)	(16,154,622)	(8,461,466)	(8,365,598)	
Amortisation and depreciation		(27,833,269)	(26,556,172)	(13,918,157)	(13,293,317)	
Provisions and impairment losses		-	87,602	-	95,798	
Other costs	15	(1,775,842)	(2,994,136)	(825,605)	(1,740,157)	
Gains and losses in associated companies and joint ventures	4.2	1,420,490	727,426	925,277	469,313	
Financial expenses	12	(12,194,054)	(10,751,658)	(7,112,344)	(4,182,503)	
Financial income	12	1,698,434	2,524,164	1,249,983	1,058,064	
		Profit before income tax	50,594,514	54,354,224	28,525,709	20,372,293
Income tax		(9,042,390)	(14,133,758)	(4,097,674)	(5,268,890)	
		Profit after income tax	41,552,124	40,220,466	24,428,035	15,103,403
Consolidated net profit		41,552,124	40,220,466	24,428,035	15,103,403	
Attributable to:						
Parent company's shareholders		41,552,124	40,220,466	24,428,035	15,103,403	
Non controlling interests		-	-	-	-	
		41,552,124	40,220,466	24,428,035	15,103,403	
Earnings per share:						
Basic	13	0.20	0.20	0.12	0.07	
Diluted	13	0.20	0.20	0.12	0.07	

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

The official chartered accountant

The Board of Directors

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(Translation of a document originally issued in Portuguese – Note 20)

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

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2017 AND 2016

(Translation of financial statements originally issued in Portuguese - Note 20)

(Amounts expressed in Euro)

	Notes	SIX MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
		30.06.2017	30.06.2016	30.06.2017	30.06.2016
Net consolidated profit / (loss) for the period		41,552,124	40,220,466	24,428,035	15,103,403
Other comprehensive income:					
Items that will not be reclassified to profit or loss		-	-	-	-
Items that may be reclassified to profit and loss					
Change in fair value of cash flow hedging derivatives	11	3,989,443	(421,491)	2,016,116	(421,491)
Changes in currency translation reserves		(12,208)	(8,582)	(14,430)	2,407
Others		32,225	-	18,296	-
		<u>4,009,460</u>	<u>(430,074)</u>	<u>2,019,981</u>	<u>(419,085)</u>
Other comprehensive income for the period		<u>4,009,460</u>	<u>(430,074)</u>	<u>2,019,981</u>	<u>(419,085)</u>
Total comprehensive income for the period		<u>45,561,584</u>	<u>39,790,392</u>	<u>26,448,016</u>	<u>14,684,318</u>
Attributable to:					
Shareholders' of the parent company		45,561,584	39,790,392	26,448,016	14,684,318
Non controlling interest		-	-	-	-

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

The official chartered accountant

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 2017 AND 2016

(Translation of financial statements originally issued in Portuguese - Note 20)
(Amounts expressed in Euro)

Notes	Attributable to the parent company's shareholders						Non controlling interests	Total shareholder's funds
	Share capital	Legal reserve	Other reserves	Advance on profits	Net profit	Total		
Balance as of 1 January 2016	25,641,459	4,336,498	225,998,128	(51,282,918)	117,656,401	322,349,568	-	322,349,568
Appropriation of the consolidated net profit of 2015	-	791,794	66,581,689	51,282,918	(117,656,401)	-	-	-
Dividend distribution	-	-	(51,282,918)	-	-	(51,282,918)	-	(51,282,918)
Total comprehensive income for the period	-	-	(430,074)	-	40,220,466	39,790,392	-	39,790,392
Balance as of 30 June 2016	<u>25,641,459</u>	<u>5,128,292</u>	<u>240,866,825</u>	<u>-</u>	<u>40,220,466</u>	<u>310,857,042</u>	<u>-</u>	<u>310,857,042</u>
Balance as of 1 January 2017	25,641,459	5,128,292	235,894,619	-	76,977,826	343,642,196	-	343,642,196
Appropriation of the consolidated net profit of 2016	18	-	76,977,826	-	(76,977,826)	-	-	-
Dividend distribution	18	-	(51,282,918)	-	-	(51,282,918)	-	(51,282,918)
Total comprehensive income for the period	-	-	4,009,460	-	41,552,124	45,561,584	-	45,561,584
Balance as of 30 June 2017	<u>25,641,459</u>	<u>5,128,292</u>	<u>265,598,987</u>	<u>-</u>	<u>41,552,124</u>	<u>337,920,862</u>	<u>-</u>	<u>337,920,862</u>

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

The official chartered accountant

The Board of Directors

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(Translation of a document originally issued in Portuguese – Note 20)

ALTRI . SGPS . S.A

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS FOR THE SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2017 AND 2016

(Translation of financial statements originally issued in Portuguese - Note 20)
(Amounts expressed in Euro)

	Notes	SIX MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
		30.06.2017	30.06.2016	30.06.2017	30.06.2016
Operating activities:					
Cash flow from operating activities (1)		84,817,260	51,582,294	48,425,853	13,866,670
Investment activities:					
Receipts relating to:					
Tangible assets		55,086	413,941	38,277	190,145
Investment subsidies		316,817	675,495	223,816	150,870
Dividends distribution		55,000	-	55,000	-
Interest and similar income		-	524,807	-	524,276
Payments relating to:					
Tangible assets		(1,729,914)	(279,436)	(1,729,914)	(279,436)
Intangible assets		(47,699,292)	(10,181,542)	(23,264,075)	(6,741,936)
Other financial assets		(36,772)	(226,628)	(34,708)	(186,878)
Investment subsidies		-	(103,000)	-	-
Cash flow from investment activities (2)		(49,039,075)	(9,176,364)	(24,711,604)	(6,342,960)
Financing activities:					
Receipts relating to:					
Loans obtained		37,400,461	50,566,365	14,289,416	45,005,526
Other financial operations		-	-	-	-
Payments relating to:					
Loans obtained		(123,473,361)	(174,300,127)	(383,479)	(2,366,185)
Interest and similar costs		(8,488,465)	(7,414,032)	(2,923,678)	(3,149,174)
Dividends distribution	18	(51,282,918)	(51,282,918)	(51,282,918)	(51,282,918)
Cash flow from financing activities (3)		(145,844,283)	(182,430,712)	(40,300,659)	(11,792,751)
Cash and cash equivalents at the beginning of the period		300,094,254	243,154,160	206,614,566	107,398,419
Variation of cash and cash equivalents: (1)-(2)+(3)		(110,066,098)	(140,024,783)	(16,586,410)	(4,269,042)
Cash and cash equivalents at the end of the period	6	190,028,156	103,129,377	190,028,156	103,129,377

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

The official chartered accountant

The Board of Directors

1. INTRODUCTORY NOTE

Altri, SGPS, S.A. (“Altri” or “Company”) is a public company incorporated as of 1 March 2005, as a result of the reorganization process of Cofina, SGPS, S.A., has its head-office located at Rua General Norton de Matos, 68, r/c – Porto, Portugal and its shares are listed in the Euronext Lisbon Stock Exchange. Its main activity is the management of investments.

Altri is the parent company of a group of companies listed in Note 4 known as Altri Group. The current activity of Altri Group focuses on the production of bleached pulp of eucalyptus through three mills (Celbi in Figueira da Foz, Caima in Constância do Ribatejo and Celtejo in Vila Velha de Ródão).

Due to this reality of Altri Group, the Board of Directors believes that there is only one business segment (production and commercialization of bleached pulp from eucalyptus) and the management information is also analysed on this basis, for which the segmental information mentioned in Note 16 is limited by this.

The consolidated financial statements of Altri Group are presented in Euro rounded off to the unit, which is the currency used by the Group in its operations and considered as the functional currency.

2. MAIN ACCOUNTING POLICIES AND BASIS FOR PRESENTATION

The consolidated financial statements as of 30 June 2017 were prepared using accounting policies consistent with the International Financial Reporting Standards and in accordance with the International Accounting Standard and International Accounting Standard 34 – Interim Financial Reporting and includes the statement of financial position, the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the condensed statement of cash flows as well as the 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 2016.

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 years.

4. INVESTMENTS

4.1 INVESTMENTS IN SUBSIDIARIES

The companies included in the consolidated financial statements by the full consolidation method, its headquarters, percentage participation held and main activity as of 30 June 2017 and 31 December 2016, are as follows:

Company	Head Office	Percentage Held		Main Activity
		2017	2016	
<u>Parent-Company</u>				
Altri, SGPS, S.A.	Porto			Investment management
<u>Subsidiaries</u>				
Altri Abastecimento de Madeira, S.A.	Figueira da Foz	100%	100%	Wood commercialization
Altri Florestal, S.A.	Figueira da Foz	100%	100%	Forest management
Altri Sales, S.A.	Nyon, Switzerland	100%	100%	Group management support services
Altri, Participaciones Y Trading, S.L.	Vigo, Spain	100%	100%	Commercialization of pulp
Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.	Constância	100%	100%	Production of energy
Caima Indústria de Celulose, S.A.	Constância	100%	100%	Production and commercialization of pulp
Caplaraiz Unipessoal, Lda.	Figueira da Foz	100%	100%	Purchase and sale of properties
Cellejo – Empresa de Celulose do Tejo, S.A.	Vila Velha de Ródão	100%	100%	Production and commercialization of pulp
Celulose Beira Industrial (Celbi), S.A.	Figueira da Foz	100%	100%	Production and commercialization of pulp
Inflora – Sociedade de Investimentos Florestais, S.A.	Figueira da Foz	100%	100%	Forest management
Pedro Fruticola, Sociedade Frutícola, S.A.	Constância	100%	100%	Agriculture production
Sociedade Imobiliária Porto Seguro - Investimentos Imobiliários, S.A.	Porto	100%	100%	Purchase and sale of properties
Viveiros do Furadouro Unipessoal, Lda.	Óbidos	100%	100%	Production of plants in nurseries and services related with forests and landscapes

All the above companies were included in the Altri Group consolidated financial statements in accordance with the full consolidation method.

4.2 INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

The associated companies and joint ventures, percentage of capital held and main activity as of 30 June 2017 and 31 December 2016 are as follows:

Company	Head Office	Statement of financial position		Percentage Held		Activity
		2017	2016	2017	2016	
<u>Associated companies:</u>						
Opeforz – Operadores do Porto da Figueira da Foz, Lda.	Figueira da Foz	784,223	719,057	33.33%	33.33%	Harbor operations
<u>Joint ventures:</u>						
EDP – Produção Bioelétrica, S.A.	Lisboa	15,564,368	14,264,044	50%	50%	Energy production
		<u>16,348,591</u>	<u>14,983,101</u>			

Associated companies and joint ventures were included in the Altri Group consolidated financial statements in accordance with the equity method.

The movements occurred in the balance of this caption in the periods ended in 30 June 2017 and 2016 were as follows:

	Statement of financial position			
	30 June 2017		30 June 2016	
	Operfz	EDP Bioelétrica (a)	Operfz	EDP Bioelétrica (a)
Opening balance	719,057	14,264,044	697,453	11,310,766
Equity method:				
Effects on gains and losses in associated companies and joint ventures	65,166	1,300,324	-	727,426
Closing balance	784,223	15,564,368	697,453	12,038,192

(a) - Includes loans granted.

The total amount of the statement of financial position, equity and net profit for the periods ended on 30 June 2017 and 31 December 2016 for the main joint ventures and associated companies were as follows:

	30.06.2017	31.12.2016
	EDP Bioelétrica (a) / (b)	EDP Bioelétrica (a)
Non-current assets	117,031,442	119,046,942
Current assets	19,842,813	23,102,698
Non-current liabilities	56,777,672	61,633,836
Current liabilities	45,066,496	47,838,608
Equity attributable to shareholders of the parent company	35,030,087	32,677,196
Turnover	20,116,853	39,115,664
Net profit	2,352,890	5,423,422
Total comprehensive income	2,352,890	5,423,422

(a) - Includes loans granted.

(b) - Financial statements non-audited.

EDP – Produção Bioelétrica, S.A. owns shares representing the total share capital of Ródão Power – Energia e Biomassa do Ródão, S.A..

The accounting policies used by these companies do not differ significantly from those used by Altri Group, fact that led to no accounting policies harmonization.

4.3 INVESTMENTS AVAILABLE FOR SALE

As of 30 June 2017 and 31 December 2016 the investments available for sale are as follows:

	Statement of financial position	
	30.06.2017	31.12.2016
Rigor Capital - Produção de Energia, Lda.	10,527,397	10,527,397
Other investments	735,517	735,517
	11,262,914	11,262,914

It is the understanding of the Altri Group that the caption “Investments available for sale” includes financial investments under 20%, in companies where Altri Group has no significant influence on its management and is stated at acquisition cost, reduced by impairment losses, does not differ significantly from their fair value.

5. CHANGES OCCURED IN THE CONSOLIDATION PERIMETER

During the six months period ended on 30 June 2017, there were no changes in the consolidation perimeter compared to 31 December 2016.

6. CASH AND CASH EQUIVALENTS

As of 30 June 2017 and 2016, the caption “Cash and cash equivalents” can be detailed as follows:

	<u>30.06.2017</u>	<u>30.06.2016</u>
Cash	49,249	45,465
Bank deposits	189,978,907	103,083,912
Cash and cash equivalents	<u>190,028,156</u>	<u>103,129,377</u>

During the six months periods ended on 30 June 2017 and 2016, there were no receipts or payments related to investments.

7. CURRENT AND DEFERRED TAXES

In accordance with current legislation, tax returns are subject to review and correction by the tax authorities during a four-year period (five years for Social Security), with the exception when there have been tax losses, cases when 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 Company tax returns since 2013 are still subject to review.

The Board of Directors of Altri believes that any potential corrections resulting from reviews/inspections of these tax returns by the tax authorities will not have a significant effect on the consolidated financial statements as of 30 June 2017.

The movements occurred in deferred tax assets and liabilities in the six months periods ended in 30 June 2017 and 2016 were as follows:

	<u>2017</u>	
	<u>Deferred tax assets</u>	<u>Deferred tax liabilities</u>
Opening balance as of 1.1.2017	39,508,901	18,731,619
Effects on income statement:		
Harmonization of depreciation rates	(176,570)	-
Goodwill tax amortization	-	500,000
Others	(979,258)	-
Total effect on income statement	<u>(1,155,828)</u>	<u>500,000</u>
Effects on shareholders' funds:		
Fair value of derivatives	(801,274)	356,951
Closing balance as of 30.06.2017	<u>37,551,799</u>	<u>19,588,570</u>

	2016	
	Deferred tax assets	Deferred tax liabilities
Opening balance as of 1.1.2016	27,060,866	15,871,624
Effects on income statement:		
Increases/(Decreases) in provisions not accepted	627,000	-
Harmonization of depreciation rates	(112,904)	-
Others	-	-
Total effect on income statement	514,096	-
Effects on shareholders' funds:		
Fair value of derivatives	162,081	-
Closing balance as of 30.06.2016	27,737,043	15,871,624

8. SHARE CAPITAL

As of 30 June 2017 and 2016 the Company's fully subscribed and paid up capital consisted of 205,131,672 shares with a nominal value of 12.5 cents of a Euro each.

9. BANK LOANS, OTHER LOANS AND REIMBURSABLE SUBSIDIES

As of 30 June 2017 and 31 December 2016, the captions “Bank loans”, “Other loans” and “Reimbursable subsidies” can be detailed as follows:

	30.06.2017					
	Nominal value			Book value		
	Current	Non current	Total	Current	Non current	Total
Bank loans	31,000,000	94,500,000	125,500,000	31,509,316	94,500,000	126,009,316
Pledged current accounts	20,000,000	-	20,000,000	20,057,778	-	20,057,778
Bank loans	51,000,000	94,500,000	145,500,000	51,567,094	94,500,000	146,067,094
Commercial paper	50,000,000	58,500,000	108,500,000	50,029,240	58,500,000	108,529,240
Bonds	35,000,000	345,000,000	380,000,000	35,953,657	330,836,067	366,789,724
Other loans	25,377,134	480,000	25,857,134	25,377,134	480,000	25,857,134
Other loans	110,377,134	403,980,000	514,357,134	111,360,031	389,816,067	501,176,098
Reimbursable subsidies	1,929,607	16,404,293	18,333,900	1,929,607	16,404,293	18,333,900
	163,306,741	514,884,293	678,191,034	164,856,732	500,720,360	665,577,092

	31.12.2016					
	Nominal value			Book value		
	Current	Non current	Total	Current	Non current	Total
Bank loans	13,500,000	118,000,000	131,500,000	13,854,263	118,000,000	131,854,263
Pledged current accounts	25,000,000	-	25,000,000	25,043,446	-	25,043,446
Bank loans	38,500,000	118,000,000	156,500,000	38,897,709	118,000,000	156,897,709
Commercial paper	58,500,000	115,000,000	173,500,000	58,500,000	115,000,000	173,500,000
Bonds	31,600,000	346,500,000	378,100,000	31,790,307	347,357,627	379,147,934
Other loans	30,564,111	-	30,564,111	30,564,111	-	30,564,111
Other loans	120,664,111	461,500,000	582,164,111	120,854,418	462,357,627	583,212,045
Reimbursable subsidies	3,115,183	14,946,631	18,061,814	3,115,183	14,946,631	18,061,814
	162,279,294	594,446,631	756,725,925	162,867,310	585,304,258	758,171,568

The expenditures with the constitution of the loans were deducted from its nominal value, being these recognized as financial expenses along the loan’s life period (Note 12).

10. ACCUMULATED PROVISIONS AND IMPAIRMENT LOSSES

The movements occurred in provisions and impairment losses for the six months periods ended at 30 June 2017 and 2016 can be detailed as follows:

	30.06.2017			
	Provisions	Impairment losses in		Total
		Impairment losses in accounts receivable	inventories and biological assets	
Opening balance	5,064,402	3,717,961	8,319,880	17,102,243
Increases	-	-	-	-
Reversals and utilizations	(6,102)	(1,518)	-	(7,620)
Closing balance	5,058,300	3,716,443	8,319,880	17,094,623

	30.06.2016			
	Provisions	Impairment losses in		Total
		Impairment losses in accounts receivable	inventories and biological assets	
Opening balance	5,062,741	3,720,996	7,764,789	16,548,526
Increases	-	-	-	-
Reversals and utilizations	(93,704)	-	-	(93,704)
Closing balance	4,969,037	3,720,996	7,764,789	16,454,822

The amount recorded under the caption “Provisions” as at 30 June 2017 and 2016 is the best estimate of the Board of Directors in order to face all the losses that may be supported due to claims in force.

11. DERIVATIVE FINANCIAL INSTRUMENTS

As of 30 June 2017 and 2016 the companies of the Group operated with contracts for derivatives related to hedge interest rate variations and as of 30 June 2017 it had contracts of exchange rate derivatives, which are recorded according to their fair value.

Altri Group's companies only use derivatives to hedge cash flows associated with operations created related with their activities.

As of 30 June 2017 and 2016 the detail of the financial derivative instruments and its movements occurred in the six months period then ended are as follows:

	Ex change rate deriv atives				Interest rate deriv atives	Total
	Non current assets	Current assets	Non current liabilities	Current liabilities	Current liabilities	
Opening balance as of 31 December 2016	-	-	(2,428,023)	(1,873,584)	(549,066)	(4,850,673)
Deriv atives fair value variation/cessation						
Effects on shareholder's funds	772,461	813,987	1,974,940	1,497,056	89,225	5,147,669
Effects on the profit and loss statement	-	-	-	-	(1,843)	(1,843)
Closing balance as of 30 June 2017	<u>772,461</u>	<u>813,987</u>	<u>(453,083)</u>	<u>(376,528)</u>	<u>(461,684)</u>	<u>295,153</u>

	Interest rate deriv atives
Opening balance as of 31 December 2015	(141,283)
Deriv atives fair value variation/cessation	
Effects on shareholder's funds	(583,572)
Effects on the profit and loss statement	(7,366)
Closing balance as of 30 June 2016	<u>(732,221)</u>

12. FINANCIAL RESULTS

The financial results for the six months periods ended at 30 June 2017 and 2016 are detailed as follows:

	30.06.2017	30.06.2016
<u>Financial expenses:</u>		
Interests	7,281,807	7,320,785
Other financial expenses	4,912,247	3,430,873
	<u>12,194,054</u>	<u>10,751,658</u>
<u>Financial income:</u>		
Interests	310,964	382,283
Other financial income	1,387,470	2,141,882
	<u>1,698,434</u>	<u>2,524,165</u>

The caption "Other financial expenses" includes, mainly, expenses with loans setup, which are recognized in the profit and loss statement through the duration of those loans (Note 9) and on interest rate derivatives instruments that matured or were paid until that date (Note 11).

13. EARNINGS PER SHARE

Earnings per share for the six months periods ended as of 30 June 2017 and 2016 were determined taking into consideration the following amounts:

	30.06.2017	30.06.2016
Share number considered for the computation of basic and diluted earnings	205,131,672	205,131,672
Net profit considered for the computation of basic and diluted earnings	41,552,124	40,220,466
Earnings per share		
Basic	0.20	0.20
Diluted	0.20	0.20

14. OTHER INCOME

As of 30 June 2017 and 2016 the caption of the statement of profit and loss “Other Income” is detailed as follows:

	30.06.2017	30.06.2016
Subsidies to investment and exploitation	2,368,049	2,401,066
Gains on disposal of fixed assets	41,829	372,031
Other income	1,453,959	1,190,127
	<u>3,863,837</u>	<u>3,963,224</u>

15. OTHER EXPENSES

As of 30 June 2017 and 2016 the caption of the statement of profit and loss “Other expenses” is detailed as follows:

	30.06.2017	30.06.2016
Direct taxes and charges	878,727	823,996
Other costs	897,115	2,170,140
	<u>1,775,842</u>	<u>2,994,136</u>

16. SEGMENTAL INFORMATION

On April 16, 2008, it was signed the Altri, SGPS, S.A. spin-off public deed. Under the terms of that 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. This reorganization aimed a bigger focus and transparency on Altri's business, and giving each of the areas an opportunity to be better seen and better evaluated by the market. This allows for the Altri Group to focus its activity on its core business, production and commercialization of bleached pulp from eucalyptus, so the Board of Directors believes that there is only one business segment and the management information is reported and analysed on this basis.

17. RELATED PARTIES

The subsidiary companies of the Group have between each other transactions that classify as transactions with related parties and which are made at market prices.

In the consolidation procedures, the transactions between the companies included in consolidation by the full consolidation method are eliminated, once the consolidated financial statements present the owner and its subsidiaries information as one single company, therefore they are not disclosed in this note.

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III. Consolidated financial statements and notes

(Translation of a document originally issued in Portuguese – Note 20)

During the six months periods ended at 31 March 2017 and 2016, there were no transactions or loans granted to the members of the Board of Directors.

As of 30 June 2017 and 2016 the balances and transactions with related parties are as follow:

Transactions	Purchases and services obtained		Sales and services rendered		Interest income	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Associated companies and joint ventures (a)	1,223,508	1,207,962	8,478,506	7,290,145	152,732	109,095
Other related parties (b)	1,050,010	3,223,592	-	-	-	-
	<u>2,273,518</u>	<u>4,431,554</u>	<u>8,478,506</u>	<u>3,619,280</u>	<u>152,732</u>	<u>76,436</u>

Balances	Purchases and services obtained		Sales and services rendered		Interest income	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Associated companies and joint ventures (a)	321,851	335,916	2,295,348	2,550,767	11,482,905	11,482,905
Other related parties (b)	675,197	46,235	20,790	-	-	-
	<u>997,048</u>	<u>382,151</u>	<u>2,316,138</u>	<u>2,550,767</u>	<u>11,482,905</u>	<u>11,482,905</u>

- (a) All entities consolidated by the equity method as of 30 June 2017 and 2016 (Note 4.2);
 (b) Were considered as related parties the companies listed below.

Besides the companies included in consolidation (Note 4), entities considered as related parties as of 30 June 2017 can be detailed as follow:

- Actium Capital, SGPS, S.A.
- Adcom Media Anúncios e Publicidade, S.A.
- Alteria, SGPS, S.A.
- A Nossa Aposta – Jogos e Apostas On-line, S.A.
- Base Holding, SGPS, S.A.
- Caderno Azul, SGPS, S.A.
- Cofihold, SGPS, S.A.
- Cofina Media, S.A.
- Cofina, SGPS, S.A.
- Destak Brasil – Editora de Publicações, S.A.
- Destak Brasil – Empreendimentos e Participações, S.A.
- Elege Valor, SGPS, S.A.
- Expeliarmus – Consultoria, S.A.
- F. Ramada II, Imobiliária, S.A.
- F. Ramada – Investimentos, SGPS, S.A.
- Grafedisport – Impressão e Artes Gráficas, S.A.
- Livrefluxo, SGPS, S.A.
- Mercados Globais – Publicação de Conteúdos, Lda.
- Planfuro Global, S.A.
- Préstimo – Prestígio Imobiliário, S.A.
- Promendo, SGPS, S.A.
- Ramada – Aços, S.A.
- Ramada Storax, S.A.
- Socitrel – Sociedade Industrial de Trefilaria, S.A.
- Storax S.A.
- Storax Benelux, S.A.
- Storax Ltd.
- Storax España, S.L.
- Universal Afir, S.A.
- Valor Autêntico, SGPS, S.A.
- VASP – Sociedade de Transportes e Distribuições, Lda.
- 1 Thing, Investments SGPS, S.A.

18. APPLICATION OF THE NET PROFIT

The Board of Directors proposed, in its annual report, approved at the General Shareholders' Meeting held on April 26, 2017, that the individual net profit of Altri, SGPS, S.A. amounting to 59,541,558.30 Euros would be allocated as follows:

Free reserves	8,258,640.30
Distribution of dividends	51,282,918.00

	59,541,558.30
	=====

19. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorised for issuance on July 27, 2017.

20. EXPLANATION ADDED FOR TRANSLATION

These condensed consolidated financial statements are a translation of financial statements originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards and with accordance with the International Accounting Standard 34 – Interim Financial Reporting, 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.

The Board of Directors

Paulo Jorge dos Santos Fernandes

João Manuel Matos Borges de Oliveira

Domingos José Vieira de Matos

Laurentina da Silva Martins

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo de Carvalho Menéres de Mendonça

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