



ALTRI, SGPS, S.A.
Public Company

Head Office: Rua do General Norton de Matos, 68, r/c – Porto
Fiscal number 507 172 086
Share Capital: 25,641,459 Euro

Financial Information – 1st Quarter of 2016
(Unaudited)

This document is a translation of a document 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.

Financial Information 1Q 2016

The financial information was prepared in accordance with the International Financial Reporting Standards (IFRS).

Income Statement - 1Q 2016 - a quarter of records

thousand Euro	1Q 2015	1Q 2016	1Q16/1Q15 Var%	4Q 2015	1Q16/4Q15 Var%
Total Revenues	154,078	161,706	5.0%	170,546	-5.2%
Costs of sales	58,545	60,240	2.9%	58,646	2.7%
External supplies and services	40,490	40,325	-0.4%	41,695	-3.3%
Payroll expenses	7,735	7,789	0.7%	10,802	-27.9%
Others expenses	1,017	1,254	23.3%	-460	-372.9%
Provisions and impairment losses	-288	8		1,928	-99.6%
Total Expenses (a)	107,499	109,616	2.0%	112,611	-2.7%
EBITDA (b)	46,580	52,090	11.8%	57,935	-10.1%
Margin	30.2%	32.2%	+2,0 pp	34.0%	-1,8 pp
Amortisation and depreciation	13,155	13,263	0.8%	13,577	-2.3%
EBIT (c)	33,425	38,827	16.2%	44,358	-12.5%
Margin	21.7%	24.0%	+2,3 pp	26.0%	-2,0 pp
Gains/Losses in associated companies	160	258	61.4%	821	-68.6%
Financial costs	-9,271	-6,569	-29.1%	-7,781	-15.6%
Financial gains	3,364	1,466	-56.4%	1,827	-19.7%
Financial results	-5,747	-4,845	-15.7%	-5,133	-5.6%
Profit Before Income Tax	27,677	33,982	22.8%	39,225	-13.4%
Income tax	-5,514	-8,865	60.8%	-6,269	41.4%
Minority interests	6	0	ss	0	ss
Profit for the period attributable to parent company's shareholders	22,157	25,117	13.4%	32,956	-23.8%

(a) Operating costs excluding amortisation, financial expenses and income tax
(b) EBITDA = Earnings before interests, taxes, depreciation and amortisation
(c) EBIT = Earnings before interest and taxes

The first quarter of 2016 was characterized by a decrease in the pulp price of 5% (both in USD and EUR) in relation to the last quarter of 2015, which had the same impact on revenues. In the first quarter of 2016 the pulp price was 1.7% and 4.6% higher than in the same period of 2015, in USD and EUR, respectively.

In detail, the total revenue of the first quarter of 2016 amounted to 161.7 million Euro, an increase of 5% comparing to the first quarter of 2015 and a decrease of 5% compared to the amount recorded in the previous quarter (4Q2015).

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During the first quarter, the three industrial units of Altri produced around 250.7 thousand tons of pulp (-2% comparing to the same period of 2015), of which 23.1 thousand tons were dissolving pulp (-7% comparing to the same period of 2015). In terms of sales, during the first quarter of 2016, they were sold 253.5 thousand tons of pulp (+2% comparing to the first quarter of 2015), of which 25.8 thousand tons were dissolving pulp (+2% comparing to the same period of 2015).

During the first quarter of 2016, Caima – Altri's industrial unit in charge of the dissolving pulp production - performed its scheduled annual stoppage for maintenance.

In terms of exports, during the first quarter of 2016, Altri exported 232.0 thousand tons of pulp (+1% comparing to first quarter of 2015).

The revenues from sales of pulp of the first quarter of 2016 amounted to 139.4 million Euro, an increase of 8% comparing to the first quarter of 2015 and a decrease of 4.1% compared to the amount recorded in the previous quarter (4Q2015).

Quarterly EBITDA amounted to 52 million Euro

The operating costs increased 2% when compared to the same period of 2015 in line with the sales evolution. Total costs, excluding depreciation, interest and taxes, on the first quarter of 2016, amounted to approximately 109.6 million Euro, which represents a decrease of 2.7% compared to the last quarter of 2015.

The EBITDA of the first quarter of 2016 reached 52.1 million Euro, a decrease of 10% comparing to the EBITDA recorded in the previous quarter and an increase of 12% compared to the same period of 2015.

The financial result amounted to a net charge of around 4.8 million Euro.

Net profit of Altri reached 25 million Euro.

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Net debt of 412 million Euro: reduction of 30 million compared to 2015

Altri's nominal debt net of cash and cash equivalents as of 31 March 2016 amounted to 412.2 million Euro, representing a decrease of approximately 30.4 million Euro compared to net debt of 442.6 million Euro recorded in the end of 2015.

The total net investment (CAPEX) made in the 1st quarter of 2016 by the industrial units of the Group amounted to 4.0 million Euro.

The scheduling of Altri's remunerated gross debt maturity is as follows:

	2016	2017	2018	2019	2020	2021	2022
Bank loans	-	14	31	24	16	-	-
Commercial paper	41	28	-	-	-	-	25
Bonds	-	-	105	110	50	35	-
Other loans (includes factoring)	43	-	-	-	-	-	-
TOTAL	83	42	136	133	66	35	25

Altri Group issued, in April 2016, a bond loan of 40 million Euro, with maturity in 2024.

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Key balance sheet indicators

thousand Euro	2015	1Q 2016	Var%
Biological assets	101,472.9	102,038.2	1%
Tangible assets	364,119.6	354,196.7	-3%
Goodwill	265,531.4	265,531.4	0%
Investments available for sale	10,691.1	10,691.1	0%
Others	42,756.7	43,575.7	2%
Total non current assets	784,571.7	776,033.1	-1%
Inventories	56,396.6	64,027.9	14%
Customers	91,521.3	89,427.5	-2%
Cash and cash equivalents	243,154.2	107,398.4	-56%
Others	19,597.6	23,930.5	22%
Total current assets	410,669.6	284,784.4	-31%
Total assets	1,195,241.4	1,060,817.5	-11%
Shareholder's equity and non controlling interests	322,349.6	347,455.6	8%
Bank loans	153,587.5	78,000.0	-49%
Other loans	413,733.4	353,078.0	-15%
Reimbursable incentives	17,439.1	17,439.1	0%
Others	45,566.5	44,601.9	-2%
Total non current liabilities	630,326.6	493,119.0	-22%
Bank loans	10,775.0	6,000.0	-44%
Other current loans	105,438.1	82,746.5	-22%
Reimbursable incentives	558.9	558.9	0%
Suppliers	61,243.4	55,963.0	-9%
Others	64,549.8	74,974.4	16%
Total current liabilities	242,565.3	220,242.8	-9%

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Pulp Market

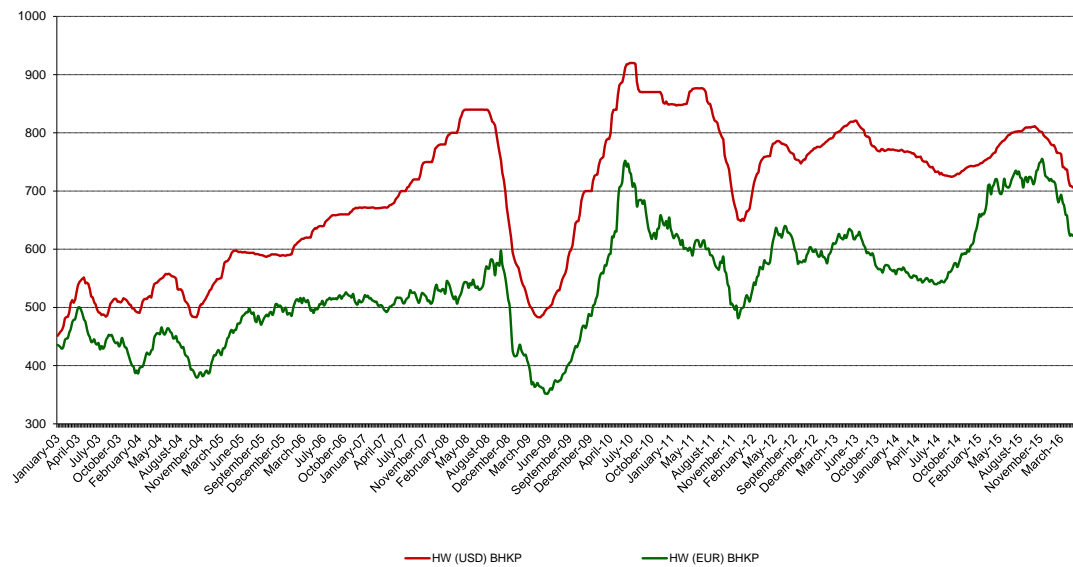
In accordance with information from the Pulp and Paper Products Council (PPPC Global – 100 flash report), during the first quarter of 2016, total demand for hardwood pulp increased by 1.3% (comparing to the same period of 2015). It is highlighted the eucalyptus pulp, which recorded an increase in demand of 5.5% in the same period.

Geographically, the consumption of hardwood pulp in Europe increased 1.4% while in China the increase reached 6.9%. In relation with eucalyptus pulp, the demand grew 3.8% in Europe and 13.1% in China. The market share of eucalyptus pulp increased, in the hardwood segment, from 68.9% in the first quarter of 2015, to 71.4% in the end of the reporting period (1Q2016).

The 1st quarter of 2016 in terms of prices evolution of BEKP pulp, was characterized by a decrease of 5% of the price (both in USD and EUR), when compared to the previous quarter. The average price in the first quarter of the year amounts to 762 USD / ton (vs. 802 USD / ton in the previous quarter and 750 USD / ton in the same quarter of 2015), while in Euro recorded 693 EUR / ton (vs.732 EUR / ton in the previous quarter and 663 EUR / ton in the same quarter of 2015).

Evolution of BEKP pulp price in Europe since 2003 until April 2016 (EUR)

Source: *FOEX*



A horizontal banner with a background of green leaves and branches. The text "Financial Information 1Q 2016" is centered in white.

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Future Perspectives – 2Q 2016

During the second quarter of 2016 it is scheduled the annual stoppage for maintenance for the remaining industrial units of the Altri Group: Celtejo on April and Celbi and May. Consequently the production and productivity will be affected by these annual stoppages.

Concerning the pulp market, it is expected a decrease of the price in Euro on the second quarter of 2016.

Altri – Business Profile

Altri is a reference in European eucalyptus pulp producers. In addition to pulp production, the Company is also present in the renewable power production business from forest base sources namely industrial cogeneration through black liquor and biomass. The forestry strategy is based on the full use of all the components provided by the forest: pulp, black liquor and forest wastes.

Currently, Altri has under its intervention over 82 thousand hectares of forest in Portugal entirely certified by Forest Stewardship Council® (FSC®)¹ and by the Program for the Endorsement of Forest Certification (PEFC), two of the most worldwide acknowledged certification entities.

Currently, Altri has three pulp mills in Portugal with an installed capacity that reached in 2015 1 million tons/year of bleached eucalyptus pulp. The Group is concluding a series of ongoing small projects for optimizing operating efficiency.

Porto, May 5, 2016

The Board of Directors

¹ FSC-C004615



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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 31 MARCH 2016 AND 31 DECEMBER 2015

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

ASSETS	Notes	31.03.2016	31.12.2015
NON CURRENT ASSETS:			
Biological assets		102 038 220	101 472 915
Tangible fixed assets		354 196 685	364 119 629
Investment property		113 310	113 310
Goodwill		265 531 404	265 531 404
Intangible assets		63 939	83 821
Investments in associated companies and joint ventures	4.2	12 266 332	12 008 219
Investments available for sale	4.3	10 691 097	10 691 097
Other non current assets		3 511 234	3 490 469
Deferred tax assets	7	27 620 894	27 060 866
Total non current assets		776 033 115	784 571 730
CURRENT ASSETS:			
Inventories		64 027 878	56 396 615
Customers		89 427 529	91 521 269
Other debtors		10 614 161	8 401 481
State and other public entities		10 625 934	8 469 842
Other current assets		2 690 431	2 726 281
Cash and cash equivalents	6	107 398 419	243 154 160
Total current assets		284 784 352	410 669 648
Total assets		1 060 817 467	1 195 241 378
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS:			
Share Capital	8	25 641 459	25 641 459
Legal reserve		4 336 498	4 336 498
Other reserves		292 360 622	225 998 128
Advance on profits		-	(51 282 918)
Consolidated net profit / (loss)		25 117 063	117 656 401
Total shareholders' funds attributable to the parent company's shareholders		347 455 642	322 349 568
Non controlling interests		-	-
Total shareholders' funds		347 455 642	322 349 568
LIABILITIES:			
NON CURRENT LIABILITIES:			
Bank loans	9	78 000 000	153 587 500
Other loans	9	353 078 027	413 733 394
Reimbursable subsidies	9	17 439 139	17 439 139
Other non current liabilities		22 892 549	23 854 161
Deferred tax liabilities	7	15 871 624	15 871 624
Pension liabilities		778 000	778 000
Provisions	10	5 059 690	5 062 741
Total non current liabilities		493 119 029	630 326 559
CURRENT LIABILITIES:			
Bank loans	9	6 000 000	10 775 000
Other loans	9	82 746 543	105 438 128
Reimbursable subsidies	9	558 872	558 872
Suppliers		55 962 984	61 243 404
Other current creditors		6 489 376	3 908 405
State and other public entities		28 459 852	26 453 118
Other current liabilities		39 878 502	34 051 538
Derivatives	11	146 667	136 786
Total current liabilities		220 242 796	242 565 251
Total shareholders' funds and liabilities		1 060 817 467	1 195 241 378

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 THREE MONTHS PERIODS ENDED 31 MARCH 2016 AND 2015

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

	Notes	31.03.2016	31.03.2015
Sales		157 663 504	149 202 715
Services rendered		2 198 818	2 163 624
Other income	14	1 843 640	2 712 027
Cost of sales		(60 239 977)	(58 545 465)
External supplies and services		(40 325 058)	(40 490 003)
Payroll expenses		(7 789 024)	(7 734 658)
Amortisation and depreciation		(13 262 855)	(13 155 046)
Provisions and impairment losses	10	(8 196)	288 345
Other costs	15	(1 253 979)	(1 017 027)
Gains and losses in associated companies and joint ventures	4.2	258 113	159 957
Financial expenses	12	(6 569 155)	(9 270 788)
Financial income	12	1 466 100	3 363 787
	Profit before income tax	<u>33 981 931</u>	<u>27 677 468</u>
Income tax		(8 864 868)	(5 514 084)
	Profit after income tax	<u>25 117 063</u>	<u>22 163 384</u>
	Consolidated net profit	<u>25 117 063</u>	<u>22 163 384</u>
Attributable to:			
Parent company's shareholders		25 117 063	22 156 960
Non controlling interests		-	6 424
		<u>25 117 063</u>	<u>22 163 384</u>
Earnings per share:			
Basic	13	0,12	0,11
Diluted	13	0,12	0,11

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

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2016 AND 2015

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

	<u>Notes</u>	<u>31.03.2016</u>	<u>31.03.2015</u>
Net consolidated profit / (loss) for the period		25 117 063	22 163 384
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		-	210 224
Changes in currency translation reserves		(10 989)	-
Others		-	122 865
		<u>(10 989)</u>	<u>333 089</u>
Other comprehensive income for the period		<u>(10 989)</u>	<u>333 089</u>
Total comprehensive income for the period		<u>25 106 074</u>	<u>22 496 473</u>
Attributable to:			
Shareholders' of the parent company		25 106 074	22 490 049
Non controlling interest		-	6 424

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The Board of Directors

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2016 AND 2015

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

Notes	Attributable to the parent company's shareholders						Non controlling interest	Total shareholder's funds
	Share capital	Legal reserve	Other reserves	Advance on profits	Net profit	Total		
Balance as of 1 January 2015	25 641 459	3 405 143	205 680 587	-	37 381 548	272 108 737	155 240	272 263 977
Appropriation of the consolidated net profit of 2014	-	-	37 381 548	-	(37 381 548)	-	-	-
Total comprehensive income for the period	-	-	333 089	-	22 156 960	22 490 049	6 424	22 496 473
Balance as of 31 March 2015	<u>25 641 459</u>	<u>3 405 143</u>	<u>243 395 224</u>	<u>-</u>	<u>22 156 960</u>	<u>294 598 786</u>	<u>161 664</u>	<u>294 760 450</u>
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	-	-	66 373 483	51 282 918	(117 656 401)	-	-	-
Total comprehensive income for the period	-	-	(10 989)	-	25 117 063	25 106 074	-	25 106 074
Balance as of 31 March 2016	<u>25 641 459</u>	<u>4 336 498</u>	<u>292 360 622</u>	<u>-</u>	<u>25 117 063</u>	<u>347 455 642</u>	<u>-</u>	<u>347 455 642</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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ALTRI, SGPS, S.A.

CONDENSED CONSOLIDATED CASH-FLOW STATEMENTS FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2016 AND 2015

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

	Notes	31.03.2016	31.03.2015
Operating activities:			
<i>Cash flow from operating activities (1)</i>		<u>37 715 624</u>	<u>29 091 149</u>
Investment activities:			
Receipts relating to:			
Tangible assets		223 796	530 066
Investment subsidies		531	646
Interest and similar income		524 625	875 023
1 405 735		748 952	1 405 735
Payments relating to:			
Tangible assets		(3 439 606)	(9 781 786)
Intangible assets		(39 750)	-
Other financial assets		(103 000)	-
Investment subsidies		-	(3 592 682)
(13 374 468)		(3 582 356)	(13 374 468)
<i>Cash flow from investment activities (2)</i>		<u>(2 833 404)</u>	<u>(11 968 732)</u>
Financing activities:			
Receipts relating to:			
Loans obtained		5 555 736	284 460 287
Other financial operations		5 103	-
284 460 287		5 560 839	284 460 287
Payments relating to:			
Interest and similar costs		(4 264 858)	(6 788 487)
Loans obtained		(171 933 942)	(316 628 123)
(323 416 610)		(176 198 800)	(323 416 610)
<i>Cash flow from financing activities (3)</i>		<u>(170 637 961)</u>	<u>(38 956 323)</u>
Cash and cash equivalents at the beginning of the period		243 154 160	260 855 007
Variation of cash and cash equivalents: (1)+(2)+(3)		(135 755 741)	(21 833 906)
Cash and cash equivalents at the end of the period	6	<u>107 398 419</u>	<u>239 021 101</u>

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 an open capital 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 31 March 2016 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 2015.

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.

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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 31 March 2016 and 31 December 2015, are as follows:

Company	Head Office	Percentage Held		Main Activity
		2016	2015	
<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
Capitraz 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 Frutícola, Sociedade Frutícola, S.A.	Constância	100%	100%	Agriculture production
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 31 March 2016 and 31 December 2015 are as follows:

Company	Head Office	Statement of financial position		Percentage Held		Activity
		2016	2015	2016	2015	
<u>Associated companies:</u>						
Operfoz – Operadores do Porto da Figueira da Foz, Lda.	Figueira da Foz	697 453	697 453	33,33%	33,33%	Harbor operations
<u>Joint ventures:</u>						
EDP – Produção Bioelétrica, S.A.	Lisboa	11 568 879	11 310 766	50%	50%	Energy production
		<u>12 266 332</u>	<u>12 008 219</u>			

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

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The movements occurred in the balance of this caption in the periods ended in 31 March 2016 and 31 December 2015 were as follows:

	Statement of financial position			
	31.March.2016		31.March.2015	
	Operfoz (b)	EDP Bioelétrica (a)	Operfoz	EDP Bioelétrica (a)
Opening balance	697 453	11 310 766	616 581	8 441 559
Reimbursement of supplementary capital	-	-	-	-
Equity method:				
Effects on gains and losses in associated companies and joint ventures	-	258 113	-	159 957
Closing balance	697 453	11 568 879	616 581	8 601 516

The total amount of the statement of financial position, equity and net profit for the periods ended on 31 March 2016 and 31 December 2015 for the main joint ventures and associated companies were as follows:

	31.03.2016	31.12.2015
	EDP Bioelétrica (c)	EDP Bioelétrica (c)
Non-current assets	127,457,550	126,905,069
Current assets	19,773,446	15,245,714
Non-current liabilities	79,430,536	70,276,436
Current liabilities	45,193,740	44,620,574
Equity attributable to shareholders of the parent company	22,606,720	27,253,773
Turnover	8,373,358	40,049,682
Net profit	515,191	4,998,523
Total comprehensive income	515,191	4,998,523

(a) – includes loans granted.

(b) – Financial statements as of 31 December 2015.

(c) – EDP – Produção Bioelétrica, S.A. owns shares representing the entire 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 31 March 2016 and 31 December 2015 the investments available for sale are as follows:

	Statement of financial position	
	2016	2015
Rigor Capital - Produção de Energia, Lda.	10 527 397	10 527 397
Other investments	163 700	163 700
	10 691 097	10 691 097

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 three months period ended on 31 March 2016, there were no changes in the consolidation perimeter compared to 31 December 2015.

6. CASH AND CASH EQUIVALENTS

As of 31 March 2016 and 2015, the caption "Cash and cash equivalents" can be detailed as follows:

	<u>31.03.2016</u>	<u>31.03.2015</u>
Cash	53,437	22,225
Bank deposits	107,344,982	238,998,876
Cash and cash equivalents	<u>107,398,419</u>	<u>239,021,101</u>

During the three months periods ended on 31 March 2016 and 2015, 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 2012 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 31 March 2016.

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The movements occurred in deferred tax assets and liabilities in the three months periods ended in 31 March 2016 and 2015 were as follows:

	2016	
	Deferred tax assets	Deferred tax liabilities
Opening balance as of 1 January 2016	27 060 866	15 871 624
Effects on income statement		
Increases/(Decreases) in provisions not accepted	627 000	-
Harmonization of depreciation rates	(66 972)	-
Total effect on income statement	560 028	-
Closing balance as of 31 March 2016	27 620 894	15 871 624

	2015	
	Deferred tax assets	Deferred tax liabilities
Opening balance as of 1 January 2015	27 541 201	15 283 810
Effects on income statement		
Harmonization of depreciation rates	(54 627)	-
Others	58 105	(319)
Total effect on income statement	3 479	(319)
Effects on shareholders' funds:		
Fair value of derivatives	(61 033)	-
Closing balance as of 31 March 2015	27 483 647	15 283 491

8. SHARE CAPITAL

As of 31 March 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.

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9. BANK LOANS, OTHER LOANS AND REIMBURSABLE SUBSIDIES

As of 31 March 2016 and 31 December 2015, the captions “Bank loans”, “Other loans” and “Reimbursable subsidies” can be detailed as follows:

	31.03.2016					
	Nominal Value			Book Value		
	Current	Non Current	Total	Current	Non Current	Total
Bank loans	6 000 000	78 000 000	84 000 000	6 000 000	78 000 000	84 000 000
Bank loans	6 000 000	78 000 000	84 000 000	6 000 000	78 000 000	84 000 000
Commercial paper	40 500 000	53 000 000	93 500 000	40 175 026	53 186 928	93 361 954
Bonds	-	299 500 000	299 500 000	-	299 891 099	299 891 099
Other loans	42 571 517	-	42 571 517	42 571 517	-	42 571 517
Other loans	83 071 517	352 500 000	435 571 517	82 746 543	353 078 027	435 824 570
Reimbursable subsidies	558 872	17 439 139	17 998 011	558 872	17 439 139	17 998 011
	89 630 389	447 939 139	537 569 528	89 305 415	448 517 166	537 822 581

	31.12.2015					
	Nominal Value			Book Value		
	Current	Non Current	Total	Current	Non Current	Total
Bank loans	11 000 000	154 000 000	165 000 000	10 775 000	153 587 500	164 362 500
Bank loans	11 000 000	154 000 000	165 000 000	10 775 000	153 587 500	164 362 500
Commercial paper	64 000 000	115 500 000	179 500 000	63 519 337	115 500 000	179 019 337
Bonds	-	299 376 900	299 376 900	-	298 233 394	298 233 394
Other loans	41 918 791	-	41 918 791	41 918 791	-	41 918 791
Other loans	105 918 791	414 876 900	520 795 691	105 438 128	413 733 394	519 171 522
Reimbursable subsidies	558 872	17 439 139	17 998 011	558 872	17 439 139	17 998 011
	117 477 663	586 316 039	703 793 702	116 772 000	584 760 033	701 532 033

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 three months periods ended at 31 March 2016 and 2015 can be detailed as follows:

	31.03.2016			
	Provisions	Impairment losses in accounts receivable	Impairment losses in inventories and biological assets	Total
Opening balance	5 062 741	3 720 996	7 764 789	16 548 526
Increases	-	8 196	-	8 196
Utilizations	(3 051)	-	-	(3 051)
Closing balance	5 059 690	3 729 192	7 764 789	16 553 671

	31.03.2015			
	Provisions	Impairment losses in accounts receivable	Impairment losses in inventories and biological assets	Total
Opening balance	5 073 481	7 838 675	-	12 912 156
Increases	-	-	-	-
Utilizations	(6 893)	(288 345)	-	(295 238)
Closing balance	5 066 588	7 550 330	-	12 616 918

The amount recorded under the caption “Provisions” as at 31 March 2016 and 2015 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 31 March 2016 and 2015 the companies of the Group operated with contracts for derivatives related to hedge interest rate variations, 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 31 March 2016 and 2015 the detail of the financial derivative instruments and its movements occurred in the three months period then ended are as follows:

	<u>Interest rate derivatives</u>
Opening balance as of 1 January 2016	(141 283)
Derivatives fair value variation/cessation	
Effects on shareholder's funds	-
Effects on the profit and loss statement	(5 384)
Closing balance as of 31 March 2016	<u>(146 667)</u>
	<u>juro</u>
Opening balance as of 1 January 2015	(1 902 297)
Derivatives fair value variation/cessation	
Effects on shareholder's funds	271 257
Effects on the profit and loss statement	1 631 040
Closing balance as of 31 March 2015	<u>-</u>

12. FINANCIAL RESULTS

The financial results for the three months periods ended at 31 March 2016 and 2015 are detailed as follows:

	<u>31.03.2016</u>	<u>31.03.2015</u>
<u>Financial expenses:</u>		
Interests	3,306,273	4,465,879
Other financial expenses	3,262,882	4,804,909
	<u>6,569,155</u>	<u>9,270,788</u>
<u>Financial income:</u>		
Interests	325,265	888,962
Other financial income	1,140,835	2,474,825
	<u>1,466,100</u>	<u>3,363,787</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 three months periods ended as of 31 March 2016 and 2015 were determined taking into consideration the following amounts:

	31.03.2016	31.03.2015
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	25,117,063	22,156,960
Earnings per share		
Basic	0.12	0.11
Diluted	0.12	0.11

14. OTHER INCOME

As of 31 March 2016 and 2015 the caption of the statement of profit and loss "Other Income" is detailed as follows:

	31.03.2016	31.03.2015
Subsidies to investment and exploitation	1 334 498	1 398 148
Gains on disposal of fixed assets	184 714	20 609
Other income	324 428	1 293 271
	<u>1 843 640</u>	<u>2 712 027</u>

15. OTHER EXPENSES

As of 31 March 2016 and 2015 the caption of the statement of profit and loss "Other expenses" is detailed as follows:

	31.03.2016	31.03.2015
Direct taxes and charges	401,716	432,741
Other costs	852,263	584,286
	<u>1,253,979</u>	<u>1,017,027</u>

16. SEGMENTAL INFORMATION

On 16 April 2008, 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 paper 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.

During the three months periods ended at 31 March 2016 and 2015, there were no transactions or loans granted to members of the Board of Directors.

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As of 31 March 2016 and 2015 the balances and transactions with related parties are as follow:

Transactions	Purchases and services obtained		Sales and services rendered		Interest income	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Associated companies and joint ventures (a)	489 179	675 954	3 619 280	3 741 010	76 436	61 627
Other related parties (b)	1 664 054	1 581 936	-	1 419	-	-
	<u>2 153 233</u>	<u>2 257 890</u>	<u>3 619 280</u>	<u>3 742 429</u>	<u>76 436</u>	<u>61 627</u>

Balances	Accounts payable		Accounts receivable		Loans granted	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Associated companies and joint ventures (a)	380 656	284 249	3 863 629	2 550 399	11 569 312	11 544 780
Other related parties (b)	43 204	6 365 430	2 521 897	2 650 057	-	-
	<u>423 859</u>	<u>6 649 679</u>	<u>6 385 526</u>	<u>5 200 456</u>	<u>11 569 312</u>	<u>11 544 780</u>

- (a) All entities consolidated by the equity method as of 31 March 2016 and 2015 (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 31 March 2016 can be detailed as follow:

Actium Capital, S.G.P.S., S.A.
 Adcom Media Anúncios e Publicidade, S.A.
 Alteria, S.G.P.S., S.A.
 Caderno Azul, S.G.P.S., S.A.
 Cofihold, S.G.P.S., 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, S.G.P.S., S.A.
 F. Ramada – Investimentos, SGPS, S.A.
 F. Ramada II, Imobiliária, S.A.
 Grafedisport – Impressão e Artes Gráficas, S.A.
 Livrefluxo, S.G.P.S., S.A.
 Malva – Gestão Imobiliária, S.A.
 Mercados Globais – Publicação de Conteúdos, Lda.
 Ramada – Aços, S.A.
 Ramada Storax, S.A.
 Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.
 Storax Benelux, S.A.
 Storax España, S.L.
 Storax Limited
 Storax S.A.
 Torres da Luz – Investimentos Imobiliários, S.A.
 Universal Afir, S.A.
 Valor Autêntico, SGPS, S.A.
 VASP – Sociedade de Transportes e Distribuições, Lda.

18. APPLICATION OF THE NET PROFIT

The Board of Directors proposed, in its annual report, approved at the General Shareholders' Meeting held on 21 April 2016, that the individual net profit of Altri SGPS, S.A. amounting to 103,489,990.30 Euros would be allocated as follows:

Legal reserve	791,793.55
Other reserves	132,360.75
Distribution of dividends	102,565,836.00

	103,489,990.30
	=====

19. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance in 5 May 2016.

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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