



## **MATERIAL INFORMATION**

CIMPOR, Cimentos de Portugal SGPS, S.A. (CIMPOR), informs that its subsidiary Cimpor del Ecuador, S.A. (51% held by Cimpor Inversiones, S.A.- a Group sub-holding), signed on October 12, a Memorandum of Understanding with the Government of the Republic of Ecuador setting the conditions to launch a public bid over the entire share capital of Cemento Chimborazo, C.A., a company 95% held by “Banco Nacional de Fomento” of Ecuador. The public offer will be launched in very short term representing a total investment, for 100% of the share capital, of circa USD 20 million to be paid within one year.

Cemento Chimborazo, C.A. is one of the four cement companies with activity in Ecuador. In 2008 its cement sales reached 238 thousand tons, representing a 5.7% market share; turnover was USD 28 million and net income before taxes USD 5.6 million. As soon as Cimpor del Ecuador, S.A. holds the majority of the share capital of Cemento Chimborazo, C.A., the necessary investments of circa USD 25 million will be made to increase both clinker and cement production capacities to 363 thousand tons and 500 thousand tons per year respectively.

The Memorandum of Understanding also includes Cimpor del Ecuador, S.A. commitment for Cemento Chimborazo, C.A., upon the fulfilment of several conditions, some assured by the government other depending on the market situation, to set up a new company which will be responsible for the construction of a new cement plant,. The respective share capital will be held at least 70% by Cemento Chimborazo, C.A. and 20% by the State. The new plant will have a kiln with a clinker capacity of 1,500 tons per day and a cement production capacity of 715 thousand tons per year, requiring an estimated investment of circa USD 135 million.

With this new eventual acquisition, CIMPOR enters another country in South America, as a producer, reinforcing its presence in high growth potential and interesting profitability markets.

Lisbon, October 13, 2009

The Executive Committee of the Board of Directors