CIMPOR H1 2011 Results

Robust ride despite turbulent times!

CIMPOR – Cimentos de Portugal, SGPS, S.A. | August 17th, 2011

Disclaimer

The contents of this presentation must be understood in light of the Financial Reports of CIMPOR - Cimentos de Portugal, SGPS, S.A. (CIMPOR) which prevail in regard to any data here presented.

This document does not constitute and should not be construed as an offer to sell or buy nor as a solicitation or an invitation to purchase or subscribe for securities of CIMPOR or of any of its subsidiaries. No representation, warranty or undertaking, express or implied, is made hereto and no investment decision shall be taken on the basis of this document.

The following pages may contain forward-looking statements which do not constitute forecasts regarding CIMPOR's performance and results but rather trends or targets, as the case may be. Forward-looking statements in this presentation are based upon various assumptions (e.g. management's examination of historical operating trends, data contained in the CIMPOR's records and other data available from third parties). Although CIMPOR believes that these assumptions were reasonable at the time they were made, the latter are subject to significant known and unknown risks, uncertainties, contingencies and other important factors difficult or impossible to predict and beyond its control. Such risks, uncertainties, contingencies and other important factors could cause the actual trends and achievements to differ materially from those expressed or implied hereto.

Although the information provided herein may be amended at any time in whole or in part, at the sole discretion of CIMPOR, the latter does not undertake any obligation to provide updates in respect to said information (namely on forward-looking statements).

Structure

Robust ride despite turbulent times!

1H'11 EBITDA of €316M, up 6% yoy.

- **Portfolio advantage:** Emerging markets, despite Egypt, offset Iberia contraction and deliver 75% of EBITDA.
- **Brazil: renewed record** high quarter.
- **Margin kept at top of industry peers 27.5%:** higher cement prices offset increasing energy costs.
- **Turnarounds** deliver:
  - **China** leveraging on improved market conditions;
  - **Turkey** capturing strong demand increase.

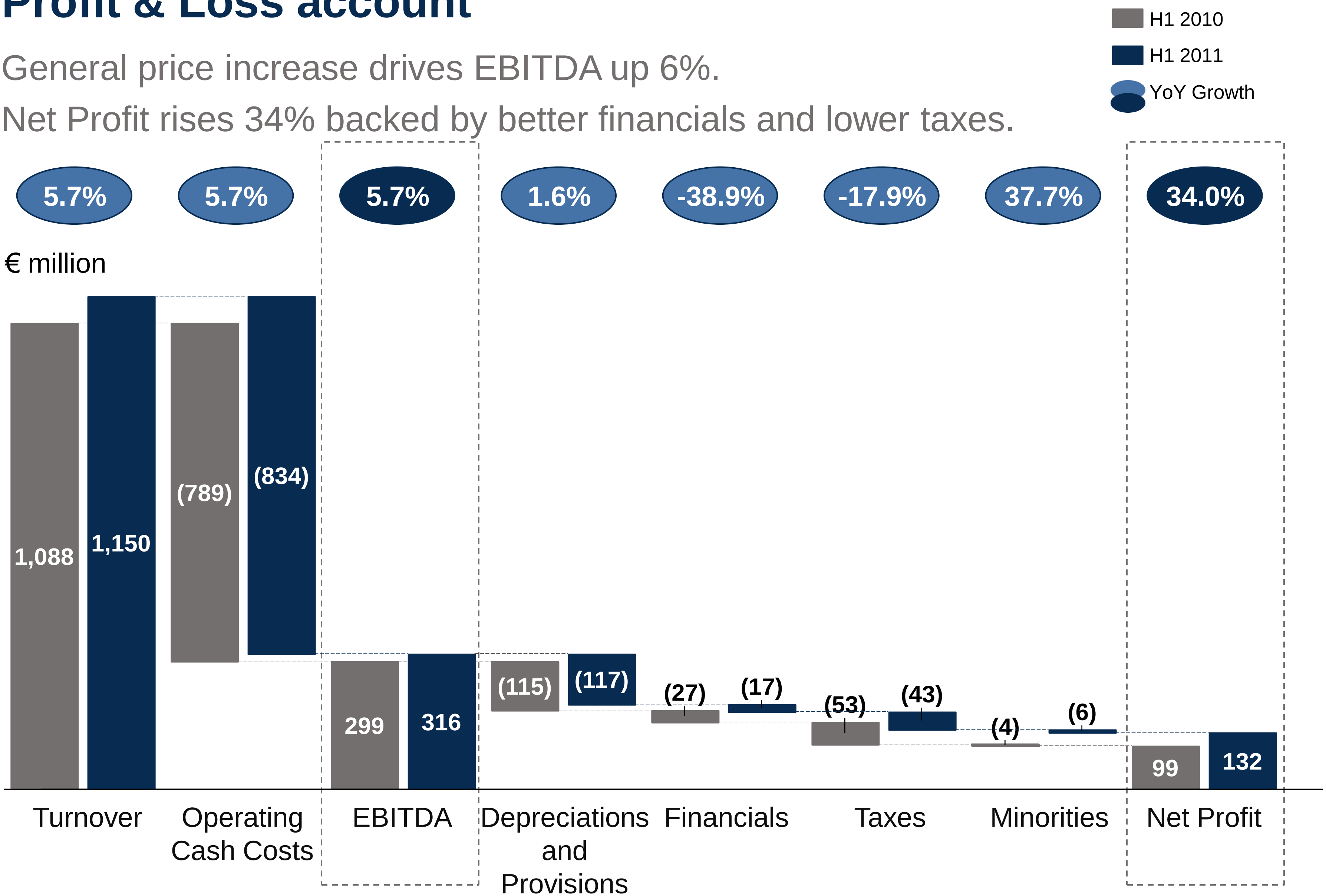
Net Profit up 34% yoy.

- Lower financial costs with no imparity losses (-39%);
- Lower taxes due to no Portuguese Surtax one-off impact (-18%).

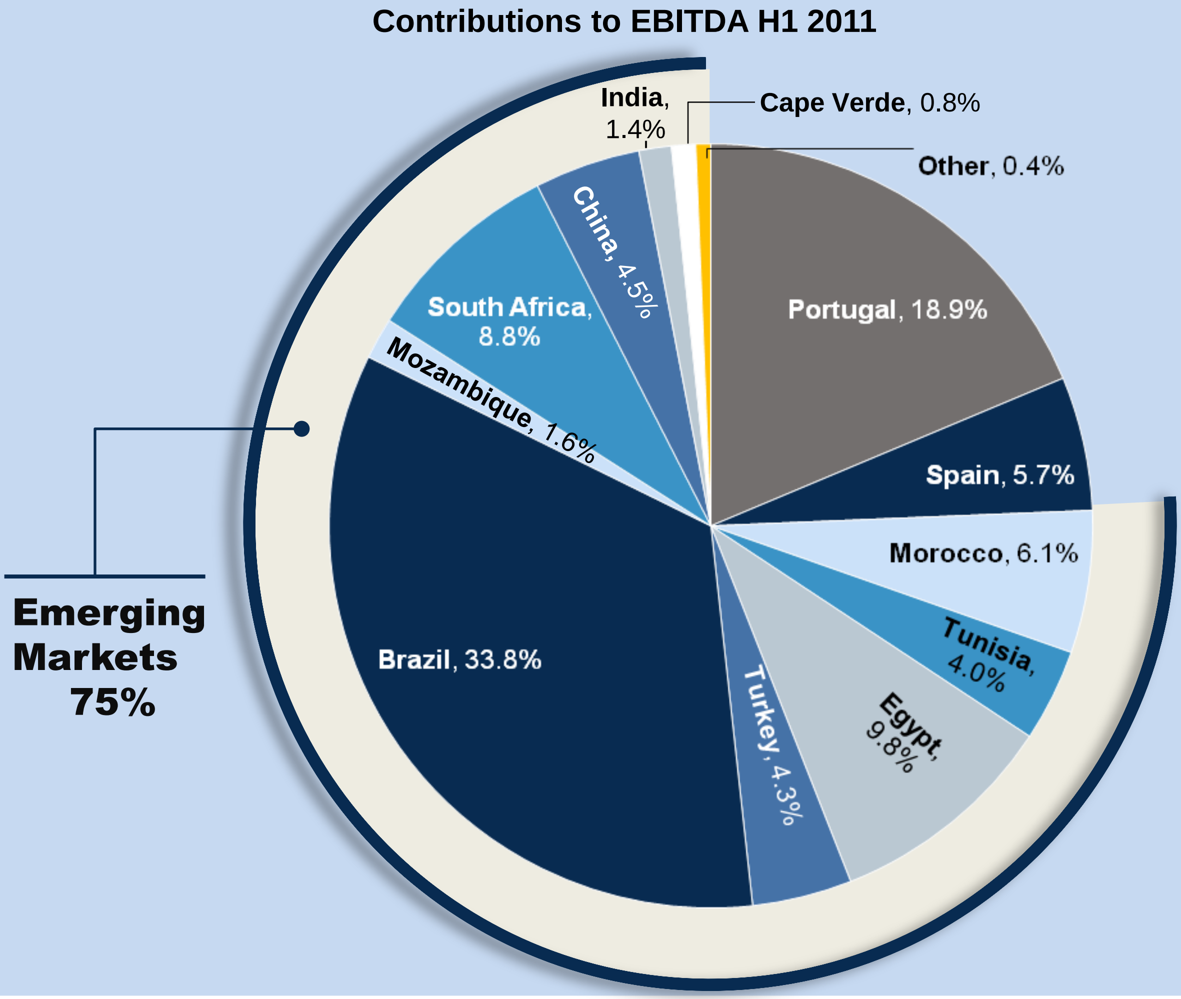
Profit & Loss account

General price increase drives EBITDA up 6%.

Net Profit rises 34% backed by better financials and lower taxes.



Emerging and Generating Cash



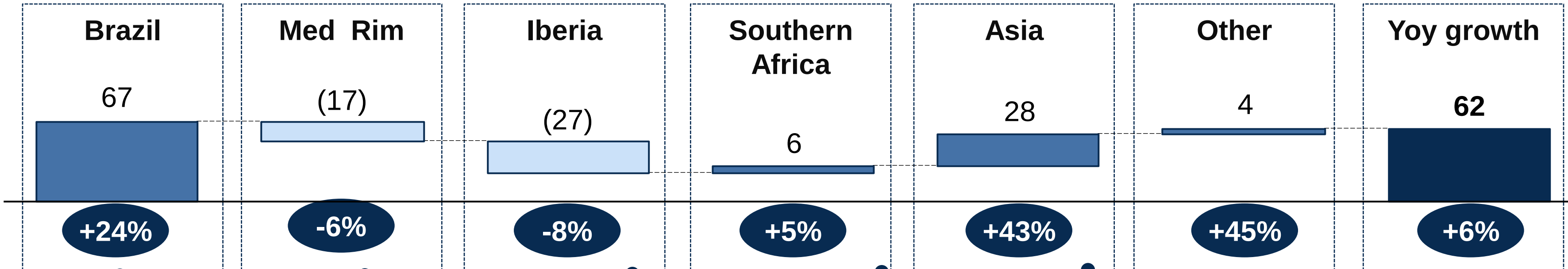
Structure

Growth stars: Brazil, Turkey and China

YoY growth (%)

H1 Turnover increase

€ million



Brazil: economic and construction dynamics feed steady demand growth. EBITDA leveraged by higher cement volumes (10%), prices (7%) , and increasing concrete contributions. BRL app: +4.5%.

Egypt political/social turbulence affects local demand and leads to production interruptions in Q2. New entrants pressure in Egypt and **Morocco. Tunisia** operations proceed at good pace. **Turkey** turnaround and booming construction. Depreciation of EGP (12%) and TRY (9%) impacts regional contributions.

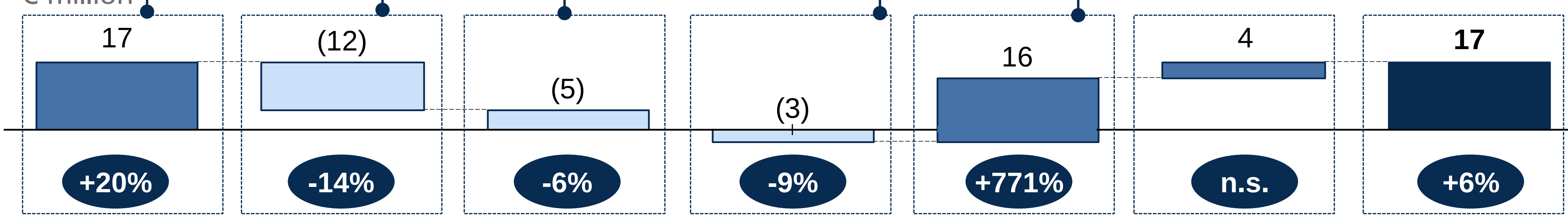
Iberia struggles with economic issues. Cement demand contraction, end of exports to Egypt and lower concrete sales somehow offset by 2% cement price increase and Cape Verde growth.

South Africa aggressive commercial strategy overcomes internal lower demand and increases exports to address **Mozambique** growing demand. New milling facility acquired in Mozambique. Stoppage required for operational improvements.

Turnaround delivers in **China** taking advantage of new investments and favorable market conditions. EBITDA steep rise. EBITDA margin stands at 22%. **India:** highly competitive environment in Gujarat prevented growth.

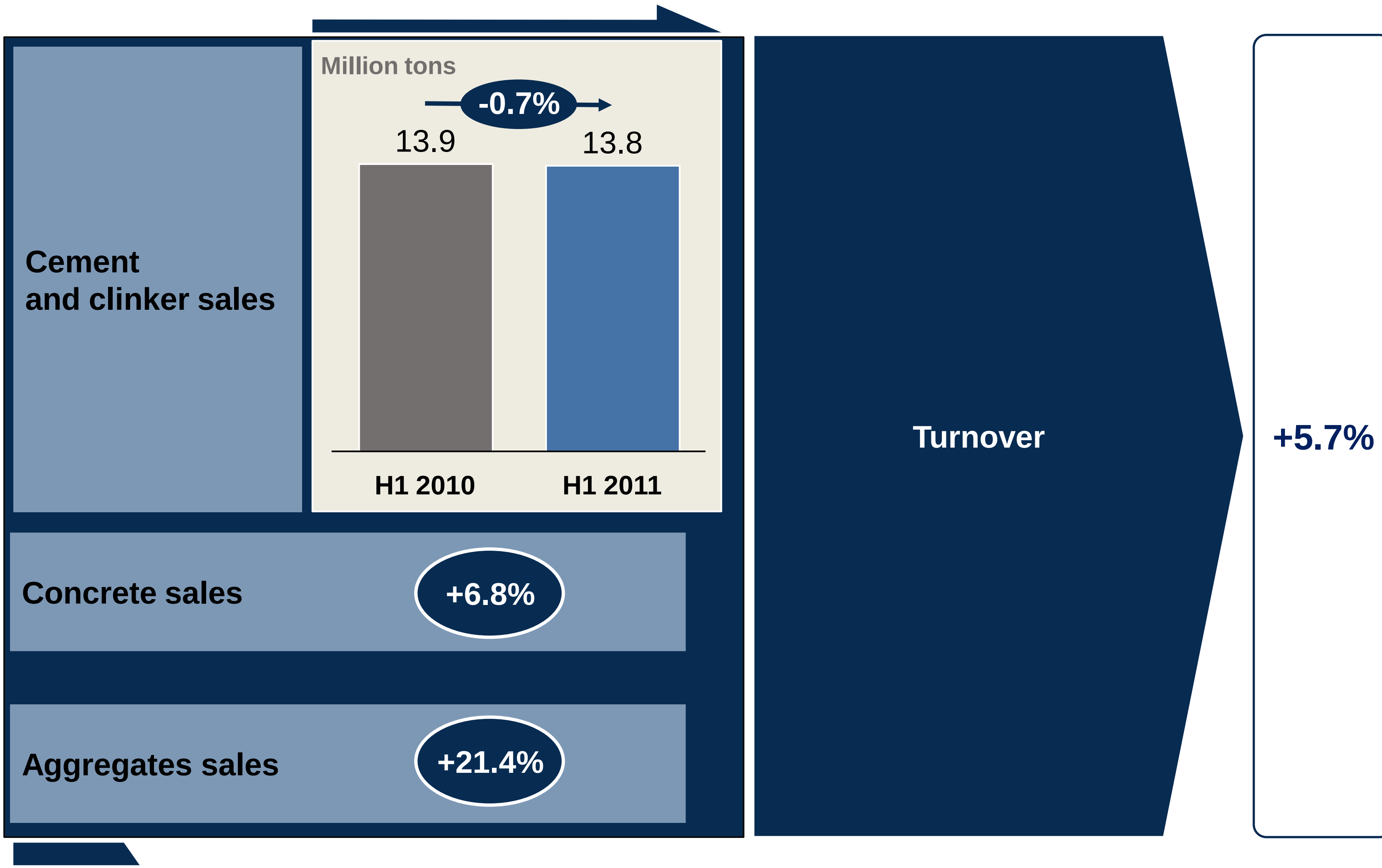
H1 EBITDA increase

€ million



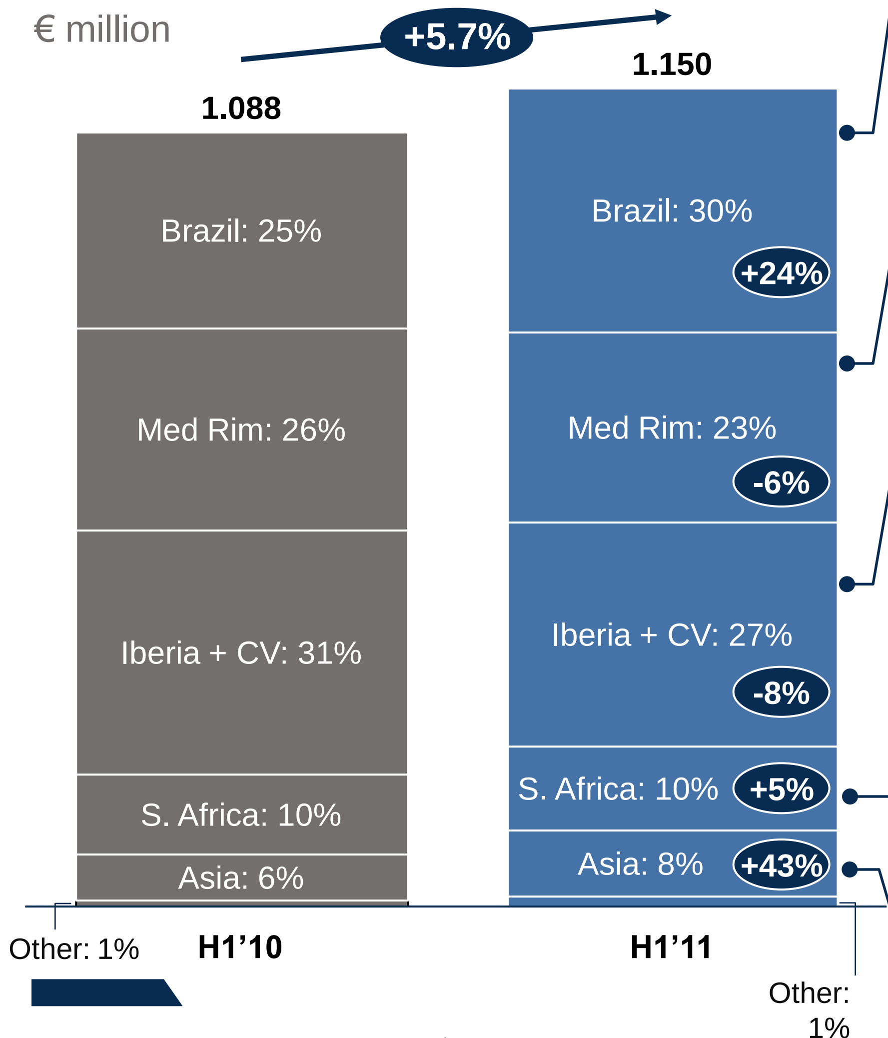
Turnover grows 5.7% driven by cement prices

Better concrete and aggregates.



Turnover significant increase vs. H1'10

Brazil continues, Turkey delivers and China rises.



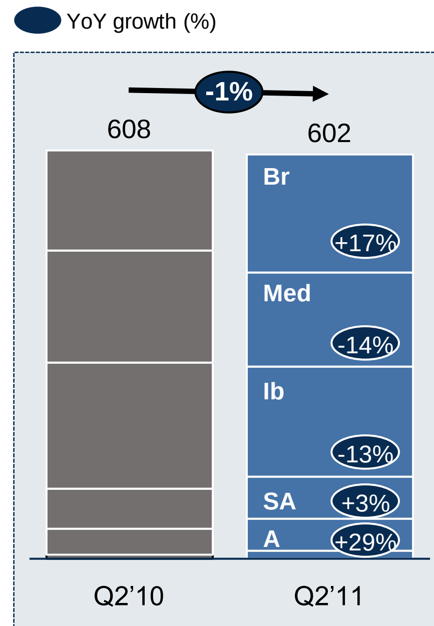
Brazil strong cement and concrete growth proceeds. BRL appreciation: +5%.

Turkey turnaround starts delivering but **Egypt** faces with demand contraction and new competition**. Morocco** faces entrant. Steady **Tunisia.** Currencies devaluation.

Demand contraction in **Portugal** (-9%) and **Spain** (-8%). Exports 40% down, despite redirecting from Egypt to Brazil. Increasing activity in Cape Verde. Cement price 2% up.

South Africa higher sales and ZAR app. compensate aggressive pricing strategy (-9%). **Mozambique** strong price increase overcomes MZN devaluation (-8%).

China: prices stabilize after ye pick up and stand 47% above H1´10. Favorable local demand and new plant allow 17% sales rise. **India** new entrants increase competition eroding recent price pick up.

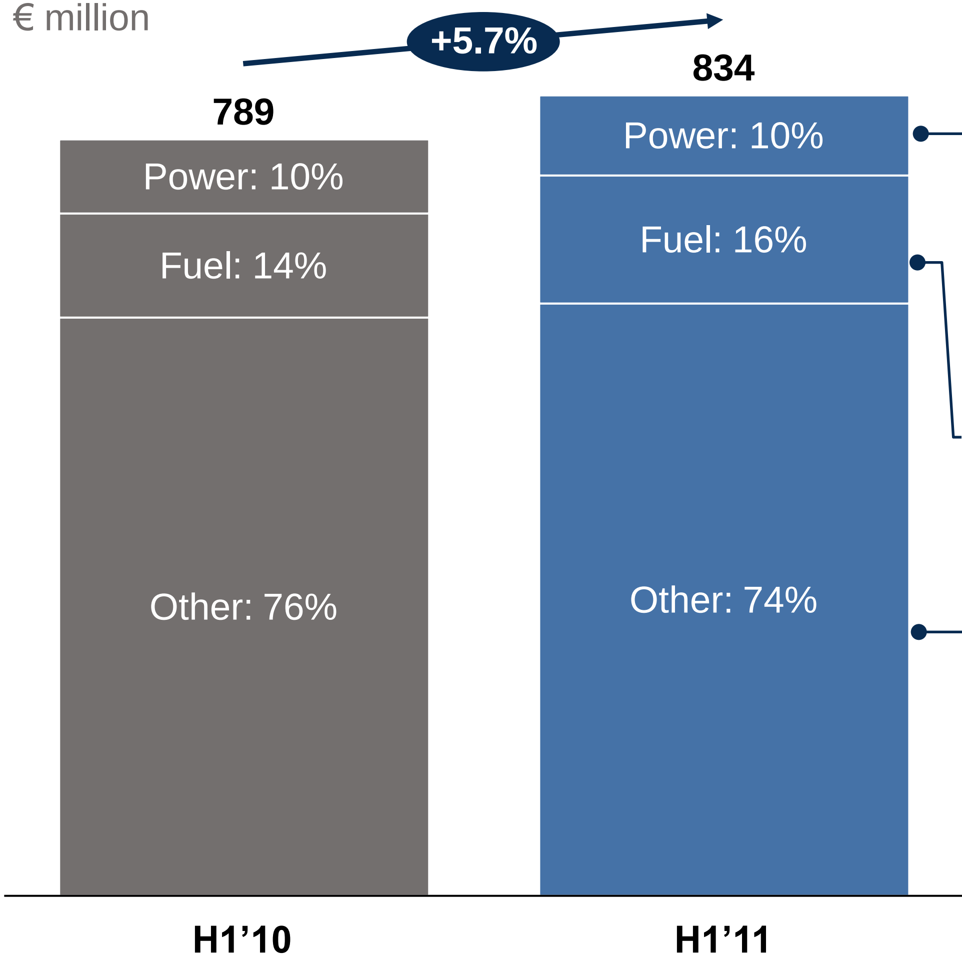


Slight decrease over Q2'10 (a CIMPOR record high). EUR appreciation partially offsets price increase.

Cash costs performance

Energy costs increase offsets cost cutting effort.

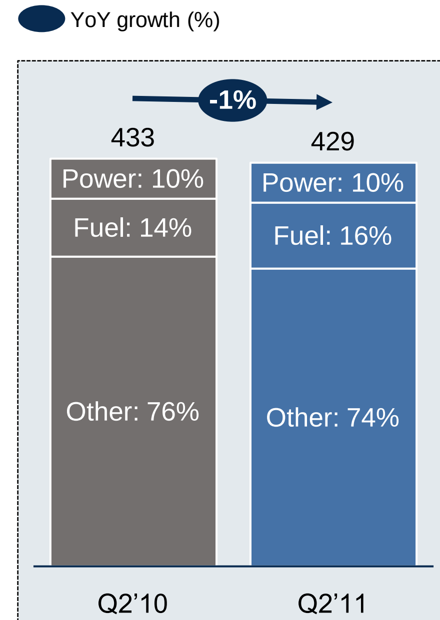
€ million



Cement **power costs** increase 8%, with South Africa and Spain, leading cost increases per ton.

Cement **fuel costs** increase 24%:
as costs per ton increase mainly in Iberia and Northern Africa.

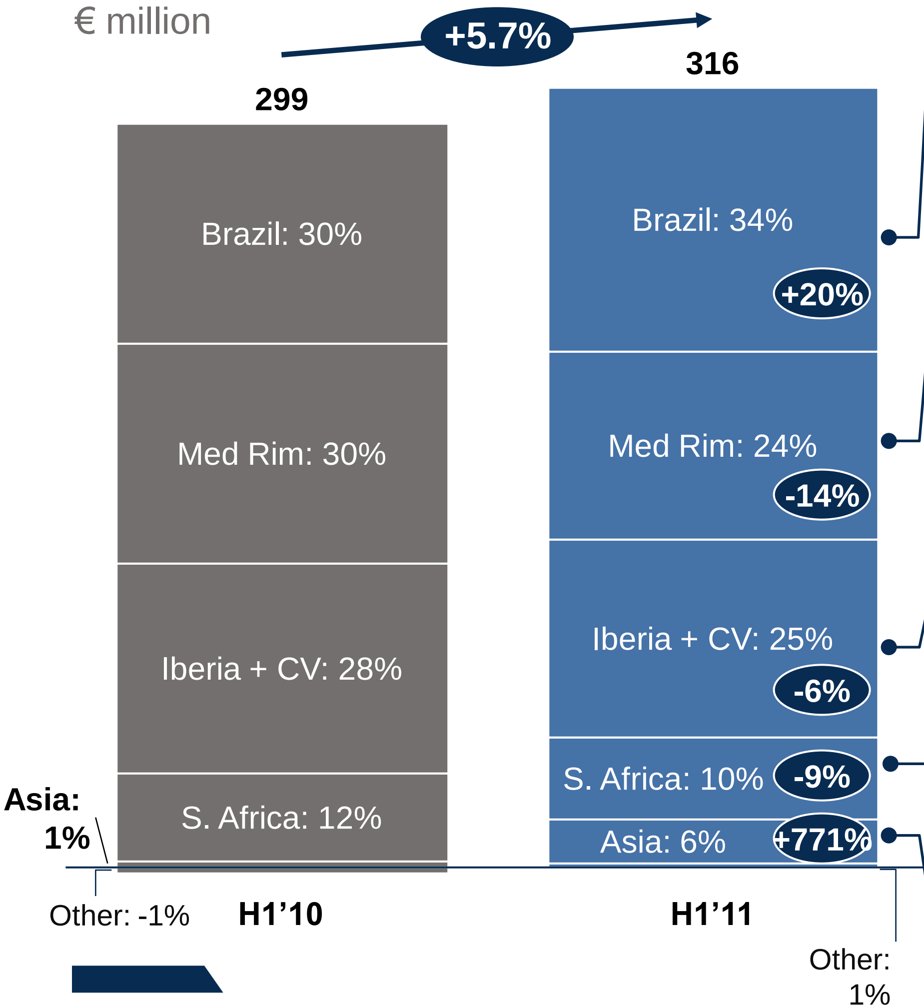
"BEST" cost cutting program proceeds. E.g.: 2.7% personnel decrease.



Lower activity in Q2 justifies lower costs

EBITDA up 5.7%

Prices cover energy costs. Unlike 2010 no Forex positive impact. China stars increasing €17M EBITDA.



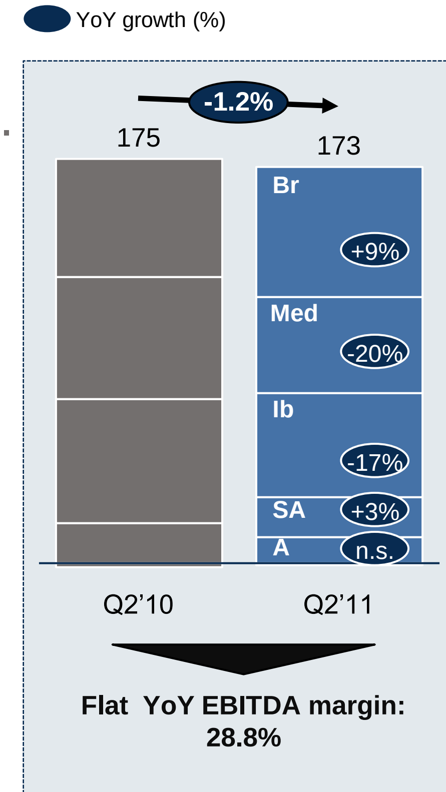
Brazil: leads EBITDA growth keeping margin at 31%.

Egypt contraction and operating constraints further penalized by EGP depreciation.
Turkey increasing profitability (margin up 4.1pp) partially offset by TRY fall.
Morocco: steep increase in energy costs affects deliverance.
Tunisia increasing contribution despite record-high energy costs.

Iberia: EBITDA margin kept at 25%, despite lower activity. Price increase and CO2 sales compensate steep fuel cost increases (+44%).

Despite good Q2 in **South Africa** (stronger sales counterbalance higher energy costs) and ZAR app,
Mozambique plant intervention and MZN depreciation justify lower EBITDA.

China: Increasing turnover together with operating improvement allow growth from negative to €14M.
India: Lower sales combined with higher energy costs drop EBITDA.

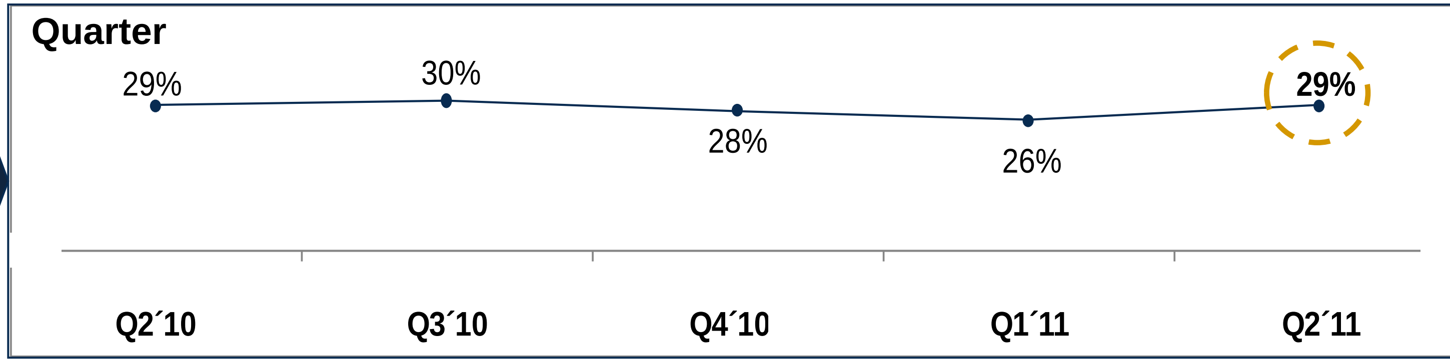


H1 Reaffirmed top of the industry EBITDA margin: 27.5%

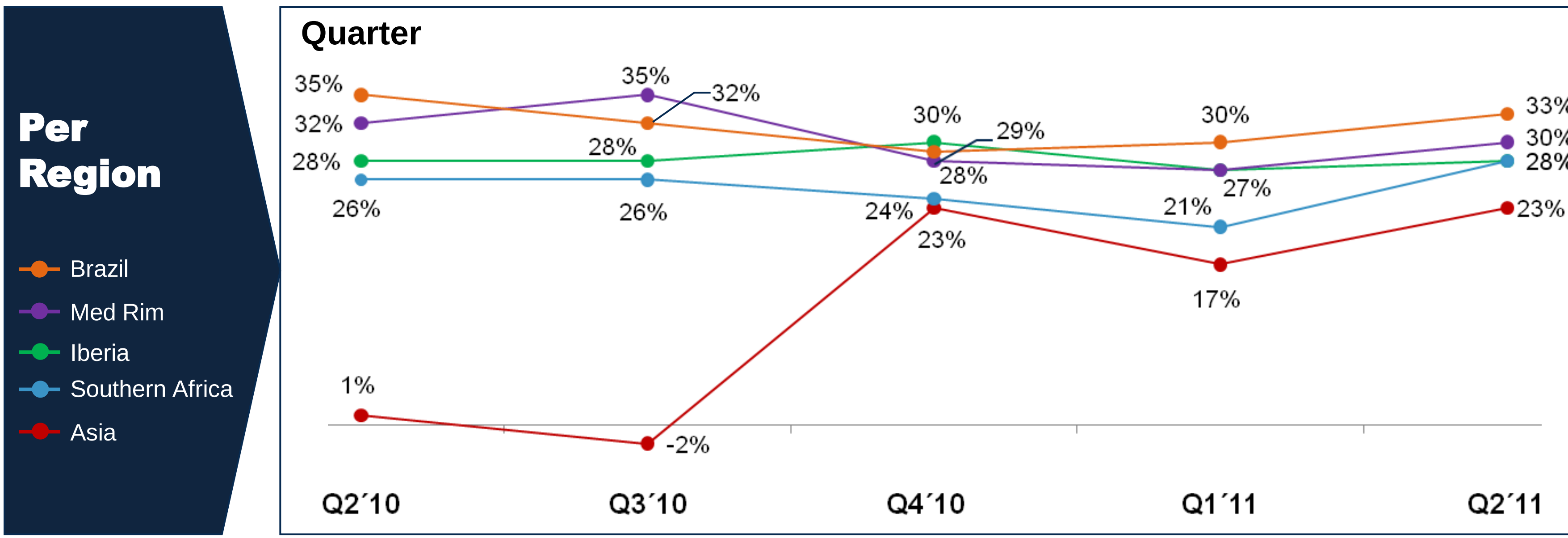
Despite cost inflation, good performance sustains profitability.

Flat H1 and Q2 EBITDA margins vs. 2010.

Group



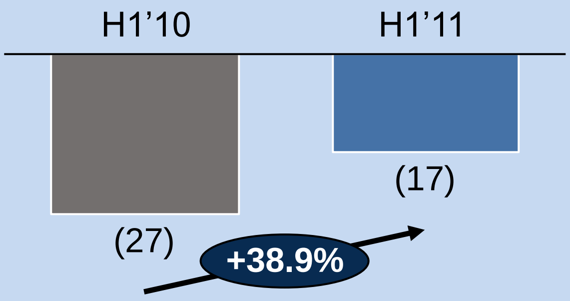
Per Region



Financials and taxes

Financial Results

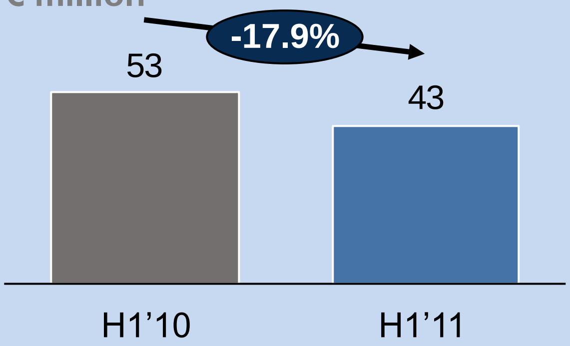
€ million



- Higher interest rates impact softened by higher cash remuneration and forex gains. H1’10 negatively impacted by C+PA imparity loss.

Taxes

€ million



- Smaller taxes due to one off Portuguese surtax impact on deferred taxes in H1’10.

Improving P&L

Net Profit increases 34%.

ROCE improves.

Summary of Profit & Loss Statement

€ Million	H1'11	H1'10	% chg.	Q2'11	Q2'10	% chg.
Turnover	1149.5	1087.8	5.7%	601.8	608.4	-1.1%
Operating Cash Costs	834.0	789.1	5.7%	428.7	433.2	-1.1%
EBITDA	315.6	298.7	5.7%	173.1	175.2	-1.2%
EBITDA margin	27.5%	27.5%		28.8%	28.8%	
Depreciation & Provisions	117.0	115.1	1.6%	63.3	59.0	7.2%
EBIT	198.6	183.5	8.2%	109.9	116.2	-5.4%
Net Financial Results	-16.8	-27.4	-38.9%	-6.9	-23.7	-70.8%
Net Profit before taxes	181.8	156.1	16.5%	102.9	92.5	11.3%
Corporate tax	43.5	53.0	-17.9%	23.9	36.9	-35.2%
Net Profit	138.4	103.1	34.2%	79.0	55.6	42.2%
Minorities	6.2	4.5	37.7%	4.7	2.5	91.4%
Net Profit after minorities	132.2	98.7	34.0%	74.3	53.1	40.0%

Avg. Capital Employed	3,898.7	3,790.8	2.8%
ROCE (1)	8.5%	8.1%	+0.4p.p.

(1) ROCE calculation considering average Capital Employed

CIMPOR

Strong Balance Sheet

Summary of Consolidated Balance Sheet

€ Million	Jun'11	Dec'10	% Chg.
Assets			
▪ Non-current Assets	3,779.4	3,937.5	-4.0%
▪ Current Assets			
▪ Cash and Equivalents	414.0	659.7	-37.2%
▪ Other Current Assets	836.1	787.7	6.2%
Total Assets	5,029.7	5,384.9	-6.6%
Shareholders' Equity attributed to:			
▪ Equity Holders	1,978.9	2,132.8	-7.2%
▪ Minority Interests	83.7	97.4	-14.1%
Total Shareholders' Equity	2,062.6	2,230.2	-7.5%
Liabilities			
▪ Loans	2,014.5	2,194.1	-8.2%
▪ Provisions	204.2	195.2	4.6%
▪ Other liabilities	748.4	765.3	-2.2%
Total Liabilities	2,967.1	3,154.6	-5.9%
Total Liabilities and Shareholders' Equity	5,029.7	5,384.9	-6.6%

EUR appreciation justifies lower Assets

Solid credit profile…

...despite financial markets turbulence.

	Jun' 11	FY' 10	Jun' 10
Net Debt (€ Million)	1,654	1,561	1,719
▪ Net Debt/EBITDA[(1)]	2.6x	2.48x	2.84x
▪ Net Debt/EV	32%	31%	35%
▪ EBITDA/Net Financial Expenses[(1)]	9.2x	10.5x	17.8x

H1 self financing exceeds investments. €136M dividends payment.

€600 m bond refinanced, lowering liquidity risk.

Financial ratios well below covenants:

Net Debt/EBITDA < 3.5

EBITDA/ Net Finance Expenses >= 5

(1) USPP disclosure criteria (LTM)

Structure

Brazil

* y-o-y changes

Brazil

	H1	Q2
Sales*	9.9%	10.6%
Turnover*	24.5%	16.6%
EBITDA*	19.5%	9.5%
EBITDA Mg.	-1.3 p.p.	-2.1 p.p.
	31%	33%

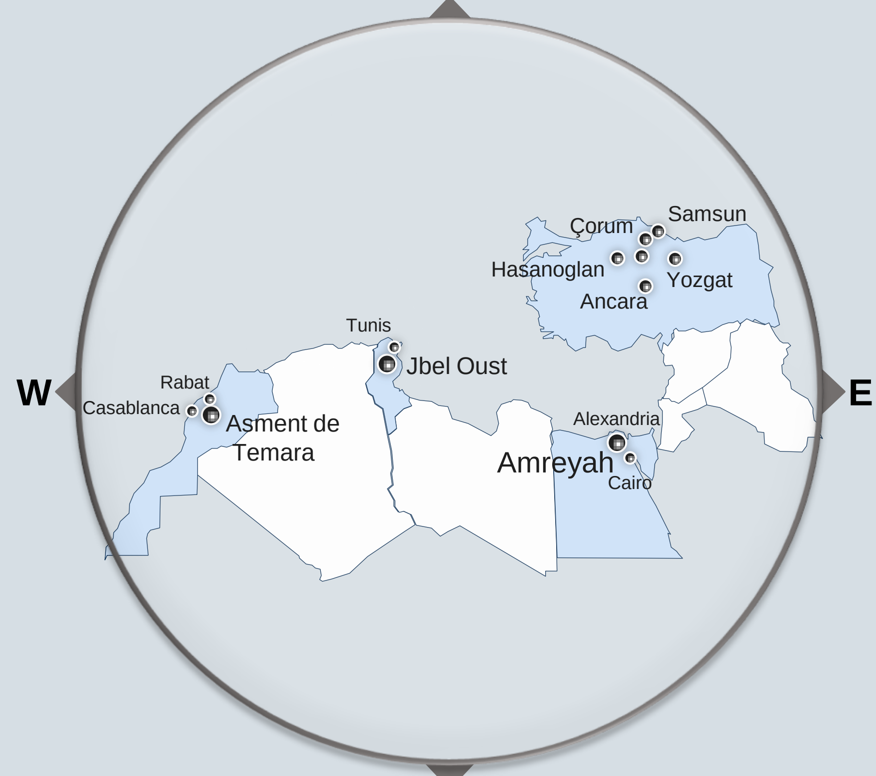
- Strong economic and construction momentum boosting cement and cement related products demand.
- CIMPOR benefits from regional positioning and increasing concrete and aggregates contributions.
- H1 Local cement price increase : +7% (Q2: +6%)
- EBITDA mg stands at 31%, despite imports. Imports to proceed pending capacity increases.
- No BRL app since Q1, but 4.5% above H1’10.

Mediterranean Rim

* y-o-y changes

	Morocco H1	Morocco Q2	Tunisia H1	Tunisia Q2
Sales*	1.8%	-5.2%	-1.7%	-3.3%
Turnover*	3.5%	-6.5%	6.7%	5.3%
EBITDA*	-11.4%	-17.2%	1.9%	-14.5%
EBITDA Mg.	-6.3 p.p.	-5.4 p.p.	-1.3 p.p.	-7.1 p.p.
	37%	42%	28%	31%

	Egypt H1	Egypt Q2	Turkey H1	Turkey Q2
Sales*	-19.5%	-27.8%	12.2%	5.5%
Turnover*	-28.8%	-42.0%	24.3%	13.0%
EBITDA*	-33.3%	-38.0%	65.7%	23.8%
EBITDA Mg.	-2.3 p.p.	+2.3 p.p.	+4.1 p.p.	+1.6 p.p.
	34%	36%	16%	19%



- **Turkey** turnaround starts delivering in H1. CIMPOR cement sales (+28%) beat market local recovery (+16%); concrete sales are up 39%. Price increases (17%), overcome higher energy costs. Margin rises despite 9%TRY depreciation.
- **Egypt** turbulence contracts demand, erodes prices (as local capacity just increased), imposes stoppages and depreciates currency. Electricity cost increase.
- **Morocco:** Increasing demand. Supply adjusts to new entrant. Steep increase in energy costs justify lower EBITDA .
- **Tunisia** good demand following lighter construction regulation offset by political instability and 30% increase in energy costs.

Iberia

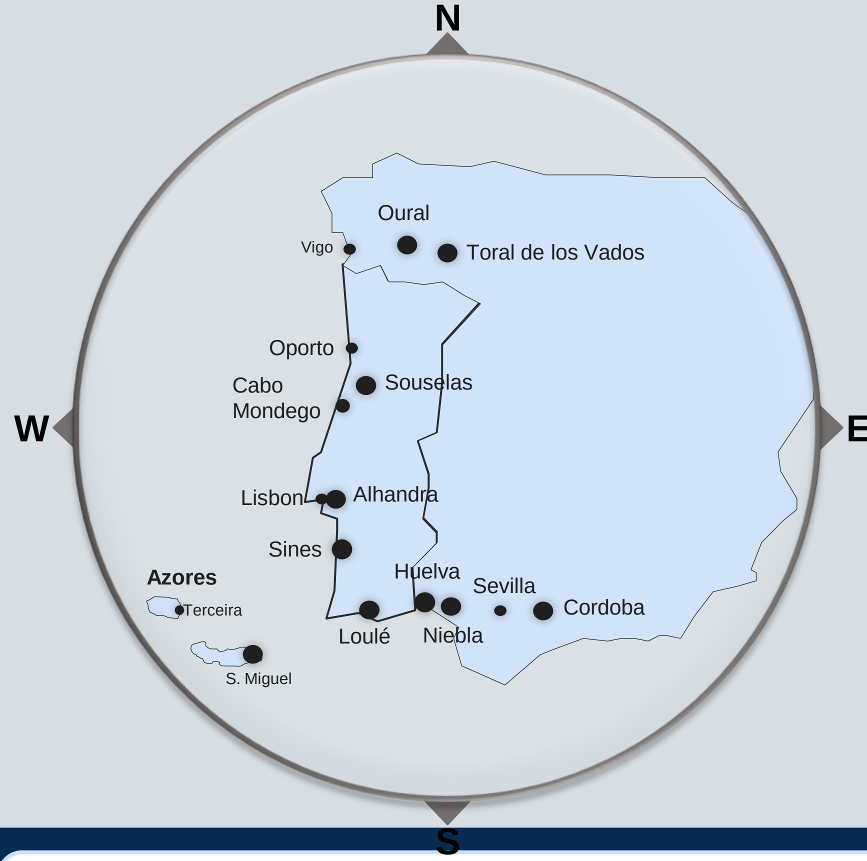
* y-o-y changes

Portugal

	H1	Q2
Sales*	-21.4%	-25.6%
Turnover*	-10.7%	-17.0%
EBITDA*	-12.0%	-15.7%
EBITDA Mg.	-0.5 p.p.	+0.5 p.p.
	30%	34%

Spain

	H1	Q2
Sales*	-15.0%	-23.2%
Turnover*	-9.4%	-13.8%
EBITDA*	18.3%	-25.2%
EBITDA Mg.	+3.3 p.p.	-1.9 p.p.
	14%	13%



- **Iberia** struggles with government pressures to cut deficit and stabilize debt.
- **Portugal:** New airport and HST cancelled; 9% cement market contraction; exports decrease 40% while redirecting from clinker to Egypt to cement (at a higher price) to Brazil. Inland 1% price increase and CO2 sales.
- **Spain:** cement demand contraction (-8%), and lower exports partially compensated by ~3% price increase in all products. CO2 sales in Q1. Turnaround in progress
- Full property of Arenor concrete and aggregates assets achieved in nil cash exchange with CIMPOR stake in company.

Southern Africa

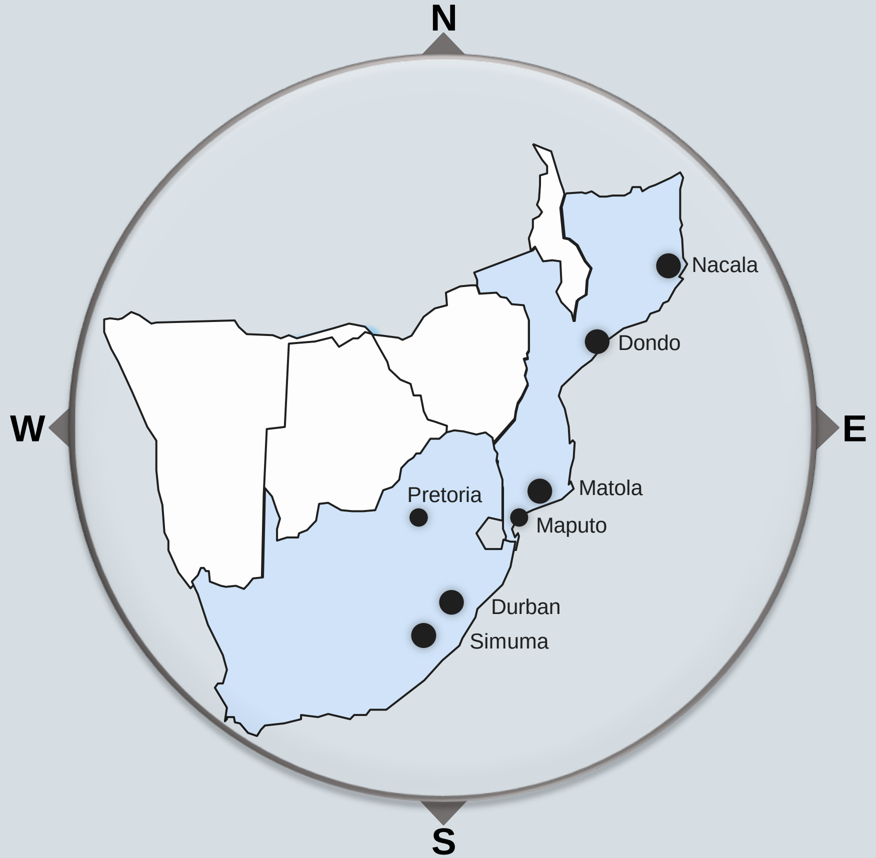
* y-o-y changes

Mozambique

	H1	Q2
Sales*	0.6%	9.4%
Turnover*	9.3%	1.6%
EBITDA*	-23.0%	-41.3%
EBITDA Mg.	-4.5 p.p.	-5.8 p.p.
	11%	8%

South Africa

	H1	Q2
Sales*	9.2%	12.4%
Turnover*	3.5%	5.3%
EBITDA*	-5.9%	13.7%
EBITDA Mg.	-3.8 p.p.	+2.9 p.p.
	38%	40%



- **South Africa:** Aggressive commercial policy delivers higher internal sales and increases exports, covering electricity cost increase and allowing EBITDA growth in Q2 despite 11% price decrease.
- **Mozambique:** Foreign investment boosts local demand. CIMPOR acquires new milling unit in Nacala (CINAC) and imports from South Africa while upgrading Matola plant. Strong price increase but tough logistics, stoppages and MZN devaluation erode EBITDA.

CIMPOR

Asia

* y-o-y changes

China

	H1	Q2
Sales*	16.6%	2.0%
Turnover*	71.9%	45.8%
EBITDA*	n.s.	n.s.
EBITDA Mg.	+29.5 p.p.	+33.8 p.p.
	22%	27%

India

	H1	Q2
Sales*	-1.7%	-4.4%
Turnover*	4.9%	-2.0%
EBITDA*	-9.7%	-19.2%
EBITDA Mg.	-2.4 p.p.	-2.5 p.p.
	15%	12%

- Impressive **China** rising. Recent turnaround allows taking advantage of:
  - favourable market conditions (increasing demand and prices stable 47% above H1)
  - new plant (operating since March 2010)

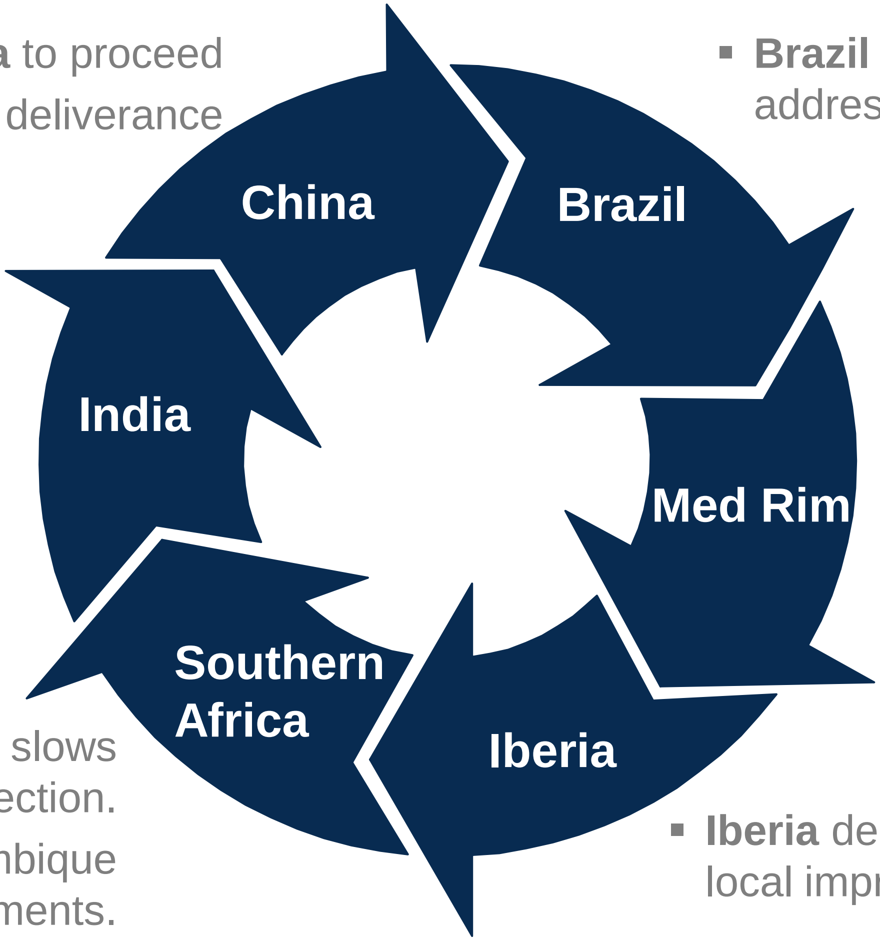
  EBITDA raises from negative (-€3M) to €14M after moderate energy cost increases.
- **India:** Entrants increase competition. Despite erosion prices still stand 12% above H1'10. Lower sales and higher energy costs drop profitability.

Structure

Positive Outlook

Emerging economies to deliver. Price increases to compensate high energy costs.

- **China** to proceed EBITDA deliverance
- **Brazil** focused on investments to address growing demand.
- **India** high competitive growing market



- **Med Rim** low visibility in Arabic countries. Ongoing Turkey recovery.
- **South Africa** slows correction. Ongoing Mozambique improvements.
- **Iberia** deleveraging toughens local improvement.

No finance requirements up to 2013.

CIMPOR access to finance evidences decoupling from sovereign deleveraging.

APPENDIX

Sales Volumes and Turnover by Country

Clinker and Cement Sales (Million tons)

	Half Year 2011	Half Year 2010	Half Year % Chg.	Q2 % Chg.
Portugal	1,924	2,449	-21.4%	-25.6%
Spain	1,253	1,474	-15.0%	-23.2%
Morocco	617	606	1.8%	-5.2%
Tunisia	931	947	-1.7%	-3.3%
Egypt	1,666	2,068	-19.5%	-27.8%
Turkey	1,454	1,296	12.2%	5.5%
Brazil	2,767	2,519	9.9%	10.6%
Mozambique	421	418	0.6%	9.4%
South Africa	614	562	9.2%	12.4%
China	1,924	1,650	16.6%	2.0%
India	501	510	-1.7%	-4.3%
Cape Verde	118	123	-4.3%	-0.4%
Intra-Group	-370	-707	n.s.	n.s.
Consolidated	**13,820**	**13,915**	**-0.7%**	**-4.9%**

Turnover (Million Euros)

	Half Year 2011	Half Year 2010	Half Year % Chg.	Q2 % Chg.
Portugal	199.9	223.8	-10.7%	-17.0%
Spain	127.5	140.7	-9.4%	-13.8%
Morocco	51.6	49.8	3.5%	-6.5%
Tunisia	44.2	41.5	6.7%	5.3%
Egypt	91.3	128.3	-28.8%	-42.0%
Turkey	81.6	65.7	24.3%	13.0%
Brazil	341.6	274.4	24.5%	16.6%
Mozambique	47.5	43.5	9.3%	1.6%
South Africa	73.3	70.8	3.5%	5.3%
China	63.5	36.9	71.9%	45.8%
India	28.8	27.4	4.9%	-2.0%
Cape Verde	17.5	16.3	7.6%	8.8%
Trading/Shipping	101.7	57.9	75.8%	44.8%
Other (1)	-120.6	-89.2	n.s.	n.s.
Consolidated	**1,149.5**	**1,087.8**	**5.7%**	**-1.1%**

(1) Including Intra-group eliminations.

EBITDA and EBITDA margin per Country

EBITDA (Million Euros)	Half Year 2011	Half Year 2010	Half Year % Chg.	Q2 % Chg.
Portugal	59.5	67.6	-12.0%	-15.7%
Spain	18.1	15.3	18.3%	-25.2%
Morocco	19.2	21.6	-11.4%	-17.2%
Tunisia	12.5	12.2	1.9%	-14.5%
Egypt	31.0	46.6	-33.3%	-38.0%
Turkey	13.4	8.1	65.7%	23.8%
Brazil	106.8	89.3	19.5%	9.5%
Mozambique	5.1	6.6	-23.0%	-41.3%
South Africa	27.8	29.6	-5.9%	13.7%
China	14.1	-2.7	n.s.	(1)
India	4.3	4.8	-9.7%	-19.2%
Cape Verde	2.5	2.1	20.5%	18.1%
Trading / Shipping	5.2	4.0	30.2%	18.9%
Other	-4.0	-6.5	n.s.	n.s.
Consolidated	**315.6**	**298.7**	**5.7%**	**-1.2%**
EBITDA Margin	**27.5%**	**27.5%**		

EBITDA margin (%)	Half Year 2011	Half Year 2010	Half Year p.p. Chg.	Q2 2011	Q2 2010
Portugal	29.8%	30.2%	-0.5	34.5%	33.9%
Spain	14.2%	10.8%	3.3	12.8%	14.8%
Morocco	37.1%	43.4%	-6.3	41.6%	47.0%
Tunisia	28.2%	29.5%	-1.3	30.5%	37.6%
Egypt	34.0%	36.3%	-2.3	36.0%	33.6%
Turkey	16.5%	12.4%	4.1	18.6%	17.0%
Brazil	31.3%	32.6%	-1.3	32.7%	34.8%
Mozambique	10.7%	15.2%	-4.5	8.0%	13.8%
South Africa	38.0%	41.8%	-3.8	40.1%	37.2%
China	22.3%	-7.2%	29.5	26.8%	-6.9%
India	15.1%	17.5%	-2.4	11.6%	14.0%
Cape Verde	14.3%	12.8%	1.5	14.4%	13.3%
Trading/Shiping	5.1%	6.9%	-1.8	5.9%	7.2%
Other Activities	n.s.	n.s.	n.s.	n.s.	n.s.
Total	**27.5%**	**27.5%**	**0.0**	**28.8%**	**28.8%**

(1) Recovery from -€1.7M in Q2'10 to +€9.7M in Q2'11.