2012 Results Annoucement

(Translated from the original version in Portuguese)

CIMPOR

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2012 a boost to Cimpor potential

Takeover bid leads Cimpor to focus on emerging markets

The success of the takeover by InterCement leads to a new geographical perimeter for Cimpor that is more focused on Latin America and Africa and provides greater shareholder stability for the Group's development.

Cimpor more profitable
New profile presents a pro-forma[1] EBITDA of circa 760 million euros and a 27% margin in 2012

The Net Income of the assets that remain with Cimpor: 49 million euros, and excluding non-recurring charges and impairments it exceeded the figure for 2011.

Sales of cement remained at 2011 levels, with strong export profile contributing to mitigate the sales decrease in Portugal. In 2012 the prices augmented. However, the exchange rate negative impact led to a 3% drop in Turnover.

EBITDA: Brazil (+7%) and Mozambique (+49%) stand out for the sales and efficiency increase, the latter also justifies Egypt contribution increase (and EBITDA 7% growth). Although the exchange rates impact and the perimeter modification to EBITDA (that retracted 3%), **the EBITDA margin remained at its 2011 level in this group of countries (30%).**

Financial results retracted due to debt renegotiation and impairments.

Net Income of the swapped assets affected by impairments and forex.
Market contexts and outlooks led to impairments of 283 million euros, along with a negative exchange rate impact of 141 million euros, leading to a Net Loss of 473 million euros.

Net Assets totalled 7 billion euros (+35%), due to Cimpor perimeter alteration.

New assets brought in justify debt evolution
The Net Debt increase by 1.5 billion euros is attached to the increase of net assets swapped. The new debt profile remains at a cost below 6% and its average maturity is extended to 5 years.

Investment plan makes it possible to leverage footprint in Latin America and Africa.

[1] Pro-forma represents the results of 12 months with the new Cimpor perimeter, i.e. considering all the new assets brought by InterCement.

1. Background

Challenging economic scenario

The world economic scenario did not change in the fourth quarter and the general climate of uncertainty and risk aversion remained. In this context growth of developing economies has once again been a mitigating factor for the global economic slowdown, which has been positive for Cimpor given its footprint in emerging economies.

Given this background, the company was confronted with significant operational and refinancing challenges, leading it to renew its profile, presenting today a stronger and more competitive Cimpor.

Stability of the new shareholder structure

Following the takeover bid for Cimpor's entire share capital, launched by InterCement Áustria Holding GmbH (“InterCement”), in June 2012 InterCement / Camargo Corrêa Group took shareholder control of Cimpor, with a total stake of 72.9% of its capital, and later increased its position to 94.1% by acquiring the 21.2% stake owned by another main shareholder – in exchange for a number of assets received from a previous transaction with Cimpor.

Cimpor now has a stable shareholder structure that ensures a clear, strong and effective strategy, implemented by making use of operational, technical and management best practices.

New profile following asset swap

On 21 December InterCement and Cimpor carried out an asset swap through which InterCement handed over (i) all its cement, concrete and aggregate assets and operations in South America, specifically in Brazil, Argentina and Paraguay, and in Angola, (ii) as well as all the debt tied to those, in exchange for (a) assets owned by Cimpor in Spain, Morocco, Tunisia, Turkey, China, India and Peru and (b) a 21.2% portion of Cimpor’s Consolidated Net Debt.

The underlying values of the asset and debt swap between Cimpor and InterCement were determined by independent investment banks, and Cimpor’s net assets were valued at 817.1 million euros and those of InterCement at 1,199 million euros, which left Cimpor with a difference of 381.9 million euros to be paid off within six months of the date of the swap.

Cimpor's geographical reach is now especially significant in Latin America and Africa, as it is present in nine countries, and is the market leader or second in the market of all the regions in which it operates. It has a cement production capacity of 38 million tons from 39 factories, along with 128 concrete units and 24 aggregates units.

The effect of the Swap on the presentation of the Financial Statements

The conclusion of the asset swap between Cimpor and InterCement so close to the end of 2012 means that the Financial Statements for the year do not include the results corresponding to the new assets handed over by InterCement. It should also be noted that all the information relating to the swapped assets ("Discontinued Operations") has only been presented independently as Net income of Discontinued Operations. Therefore, presentation of the Net Income separately includes the results of the assets that remain in the company ("Continuing Operations") and the results of assets swapped by Cimpor.

In terms of the Balance Sheet, it reflects Cimpor's new asset perimeter, which means it excludes swapped assets and includes new assets in Brazil, Argentina and Paraguay, and in Angola handed over by InterCement.

2. Operating Performance

(Relating to the assets that remained at Cimpor, without including new assets handed over to its perimeter)

Sales

In 2012 Cimpor sold around 14.5 million tons of cement and clinker, which was practically identical to 2011, despite a 2.1 percent drop seen in the final quarter of the year when growth in sales in Brazil and Mozambique was not enough to offset reduced sales in the other countries.

Excellent sales performance by Cimpor in Brazil (+4.5%) and Mozambique (+21.3%), due to their size and rate, shaped this financial year, reasserting the positive trend seen in previous years. In fact Mozambique exceeded its annual sales record by selling over 1 million tons.

In Portugal, although economic adversity led to a drop in internal demand of 26.7%, the main focus of investing in exports managed to reduce the drop in sales by 7.2%. In Egypt the difficult economic and social climate affecting fuel supply and the ability to manufacture for export led to a drop in sales (-3.7%), whilst in South Africa the overriding factor for reduced sales (13.1%) was increased competition from growing imports.

Cement and Clincker Sales						
(thousand tons)				4th Quarter		
	2012	2011	Var. %	2012	2011	Var. %
Portugal	3,435	3,700	-7.2	656	803	-18.3
Cape Verde	189	227	-16.8	37	45	-18.4
Brazil	5,881	5,626	4.5	1,463	1,366	7.1
Egypt	3,108	3,226	-3.7	734	805	-8.8
Mozambique	1,184	976	21.3	328	274	19.9
South Africa	1,069	1,230	-13.1	266	293	-9.5
Intra-Group	-413	-465	n.m.	-50	-78	n.m.
Consolidated	**14,453**	**14,520**	**-0.5**	**3,433**	**3,508**	**-2.1**

Concrete sales fell overall by 15.5% in 2012. The good performances achieved in Brazil and South Africa were in a final analysis unable to offset a drop in sales in the remaining countries, notably in Portugal which saw its sales fall by 36.2%, 653 thousand cubic meters less than in 2011. Sales of aggregates fell in step with the slowdown seen in concrete sales, although for mortars this was less pronounced.

Other Activities Sales						
				4th Quarter		
	2012	2011	Var. %	2012	2011	Var. %
Concrete Sales (thousand m3)	3,246	3,841	-15.5	746	860	-13.3
Aggregates Sales (thousand tons)	5,457	6,328	-13.8	1,071	1,269	-15.6
Mortars Sales (thousand tons)	298	313	-4.7	61	75	-18.7

Turnover

Cimpor's Turnover in 2012 totalled 1.51 billion euros, which was a decrease of 3.1% against 2011 and was affected by business in the final quarter (-7.9% year on year).

As well as being influenced by a drop in cement sales and export prices in Portugal, consolidated Turnover was essentially affected by negative exchange rate factors, above all in countries such as Brazil and South Africa. A price increase in practically all the countries and increased Trading and Shipping activity partly made up for this.

Turnover						
(€ million)				4th Quarter		
	2012	2011	Var. %	2012	2011	Var. %
Portugal	310.6	378.2	-17.9	62.0	81.9	-24.4
Cape Verde	27.3	32.1	-14.9	5.8	6.3	-7.9
Brazil	690.8	688.9	0.3	162.4	162.9	-0.3
Egypt	178.1	165.6	7.5	40.4	38.5	4.7
Mozambique	134.6	114.6	17.4	37.2	33.6	10.7
South Africa	133.7	148.7	-10.1	29.5	33.8	-12.8
Trading / Shipping	216.6	205.8	5.3	46.2	55.9	-17.4
Others (1)	-181.7	-176.4	n.m.	-44.0	-44.7	n.m.
Consolidated	**1,510.0**	**1,557.6**	**-3.1**	**339.3**	**368.3**	**-7.9**

(1) Includes intra-group eliminations.

EBITDA

Cimpor's consolidated EBITDA totalled 449.6 million euros, which was 3.3% lower than the 464.7 million euros posted in 2011. This figure was clearly affected by performance in the last quarter of the year, which fell 11.2% year on year mainly due to downturns in Portugal, Cape Verde and South Africa not being entirely offset by strong performance in Brazil, operating improvements and market growth in Mozambique and margin recovery in Egypt. The EBITDA margin in 2012 remained practically unchanged at 29.8% when compared against 2011.

In 2012 Mozambique was a highlight due to its increased business, posting EBITDA growth of 49.4%. Egypt managed to overcome unrest in the country and the problems posed by constraints on fuel supply, and improved its results by 7.1% in 2012. Brazil improved on its performance in 2011, increasing EBITDA by 7.4%, as it continued to benefit from the effects of the initiatives to boost efficiency, following integration of the InterCement Brazilian assets in Cimpor, and good market conditions.

In Portugal, despite increasing income following the sales of CO2 credits, efforts directed at exports did not entirely make up for the loss of EBITDA in the internal market (exports generate lower margins) and non-recurring charges related to the restructuring process, and therefore EBITDA fell by 24.8%. In South Africa increased cement imports and a rise in production costs, mainly of electricity, negatively affected EBITDA, which fell 18.3%.

In terms of exchange rate impact on EBITDA, the biggest influence was a 7.9% drop in the value of the real against the euro, which reduced the company's result by 17.8 million euros. In consolidated terms, the impact of the variation of the different currencies was 13.5 million euros, which means that excluding exchange rate impacts, EBITDA remained at 2011 levels.

EBITDA						
(€ million)				4th Quarter		
	2012	2011	Var. %	2012	2011	Var. %
Portugal	74.7	99.4	-24.8	10.0	12.8	-21.8
Cape Verde	3.3	4.1	-19.7	0.2	0.4	-39.2
Brazil	225.6	210.1	7.4	51.4	44.4	15.8
Egypt	53.5	50.0	7.1	12.5	9.6	29.4
Mozambique	35.3	23.6	49.4	12.7	9.4	34.3
South Africa	48.7	59.7	-18.3	8.5	14.4	-41.1
Trading / Shipping	15.5	11.8	31.0	1.6	4.3	-63.6
Others	-7.0	6.1	n.m.	-2.6	10.8	n.m.
Consolidated	**449.6**	**464.7**	**-3.3**	**94.3**	**106.1**	**-11.2**
EBITDA margin	**29.8%**	**29.8%**	**-0.1 p.p.**	**27.8%**	**28.8%**	**-1.0 p.p.**

3. Amortizations, Provisions and Impairment of Non-Current Assets

(Relating to the assets that remained at Cimpor, without including new assets handed over to its perimeter)

At the end of 2012 the amortizations, provisions and impairments of non-current assets line totalled 143.9 million euros. This figure includes around 26.5 million euros for impairments, most of which were recorded in Portugal – particularly of assets from its concrete and aggregates businesses and several real estate properties that were valued. In 2011, this line totalled 143.6 million euros, and at that time had been influenced by recording provisions in several jurisdictions in the overall amount of 16.2 million euros.

4. Financial Income and Taxes

(Relating to the assets that remained at Cimpor, without including new assets handed over to its perimeter)

At the end of 2012 Cimpor's Financial Income was negative by 138.2 million euros, which compares with the negative 46.8 million euros figure for the previous year.

This deterioration of Financial Income is essentially explained by extraordinary costs resulting from the early amortization of US Private Placements ("USPP") of around 45 million euros, as well as, by the impairment losses of 33.6 million euros were also recorded relating to the sale (in 2013) of the financial stake in C+PA and loans to associated companies.

Taxes on income totalled 116.1 million euros, which was a rise of 51.7% against 2011. In 2012, excluding extraordinary effects (essentially recording impairments and adjustments for deferred tax assets in Spain), the actual overall tax rate would have been 28.5% (which compares to 28% in 2011), and was significantly affected by results in Brazil, where the rate of tax was in excess of 31%.

5. Net Income

Continuing Operations

Net Income from assets that remained at Cimpor ("Continuing Operations"), attributable to equity holders in 2012, was 49.5 million euros, which is a drop of 74.6% against the figure of 194.8 million euros for 2011. This drop was mainly due to a number of non-recurring impacts on EBITDA, that totalled 23,9 million euros (compensation to former board members, restructuring costs and cost of defending the takeover bid, and separating assets), to Impairments of non-current assets in the amount of 26.5 million euros, Impairments of financial assets in the amount of 33.6 million euros, financial costs of debt restructuring in the amount of circa 50 million euros, as well as adjustments to deferred tax assets of 33 million euros. Without these effects the 2012 Net income would have exceeded the previous year amount.

Discontinued Operations

In relation to the Net Income of swapped assets the effect of the difficult context and outlook of some markets must be considered, which added to significant cost from the restructuring processes, meant that EBITDA in those countries on a comparable basis fell from around 151 million euros in 2011 to around 26 million euros in 2012. In addition to this, due to adverse conditions in local markets impairments of around 283 million euros were recorded, particularly in Spain, which along with the 141 million euros euro exchange rate impact of the swapped assets (in countries with currencies other than the euro), explain the figure for Net Income of Discontinued Operations.

Income Statement						
(€ million)				4th Quarter		
	2012	2011	Var. %	2012	2011	Var. %
Turnover	**1,510.0**	**1,557.6**	**-3.1**	**339.3**	**368.3**	**-7.9**
Net Operational Cash Costs	1,060.3	1,092.9	-3.0	245.1	262.2	-6.5
Operational Cash Flow (EBITDA)	**449.6**	**464.7**	**-3.3**	**94.3**	**106.1**	**-11.2**
Amortisations and Provisions (1)	143.9	143.6	0.2	35.8	35.2	1.5
Operating Income (EBIT)	**305.8**	**321.2**	**-4.8**	**58.5**	**70.9**	**-17.5**
Financial Results	-138.2	-46.8	n.m.	-54.9	-17.6	n.m.
Pre-tax Income	**167.5**	**274.3**	**-38.9**	**3.6**	**53.3**	**-93.2**
Income Tax	116.1	76.5	51.7	60.6	22.6	168.9
Net Income of Continuing Operations	**51.5**	**197.8**	**-74.0**	**-57.0**	**30.7**	**n.m.**
Attributable to:						
Shareholders	49.5	194.8	-74.6	-57.5	29.0	n.m.
Minority Interests	2.0	3.0	-33.2	0.5	1.7	-67.8
Net Income of Discontinued Operations	**-482.7**	**8.3**	**n.m.**	**-206.3**	**-15.7**	**n.m.**
Attributable to:						
Shareholders	-473.2	3.3	n.m.	-201.2	-11.7	n.m.
Minority Interests	-9.5	5.0	n.m.	-5.0	-4.1	n.m.
Total Net Income	**-431.2**	**206.1**	**n.m.**	**-263.3**	**15.0**	**n.m.**
Attributable to:						
Shareholders	-423.7	198.1	n.m.	-258.8	17.3	n.m.
Minority Interests	-7.5	8.0	n.m.	-4.5	-2.4	n.m.

(1) Amortisations, provisions and impairment losses in non-current assets

6. Balance Sheet

On 31 December 2012, Cimpor's Net Assets totalled 7,090 million euros, which was a rise of 35% on figures for the end of 2011. This increase was driven by additions to the consolidation perimeter as a result of the asset swap, increased assets of around 4,033 million euros, partially offset by the exit of discontinued assets (around 1,621 million euros). The negative results for the year, essentially related to assets that left the perimeter within the swap, and the drop in value against the euro of the currencies of most of the countries where Cimpor has its assets, meant that the increase in assets could not be greater.

Another highlight is net operating investments which totalled 178 million euros (which compares to the 217 million euros[1] presented in the same period of 2011), particularly investments to increase capacity in Brazil, to build a new mill in Dondo, Mozambique, on revamping in Egypt and acquisition of the "Souselas" ship in the first quarter of 2012.

[1] This amount relates to the assets that remained at Cimpor, without including new assets handed over to its perimeter

On 31 December 2012 Cimpor's Net debt stood at 3,183 million euros, compared to 1,623 million euros on 31 December 2011. The 1,570 million euros debt increase is attached to the increase of net assets swapped.

By absorbing the new debt and its refinancing carried out, the group's debt profile changed considerably. The BRL gained economic expression and the Group's assets are now financed in three main currencies (USD accounting for 42% of all debt, BRL around 29% and EUR for 26%), with a view to achieving a better correlation currencies in which the debt is denominated and the new income generation profile.

With this new debt the Group managed to keep financing costs at similar levels to 2011 (< 6%), by substantially extending average debt maturity which, on 31 December 2012 was 5 years. In the next two years there are no significant amortizations to be re-financed.

On 31 December 2012 Cimpor met all its debt covenant obligations.

Consolidated Balance Sheet Summary			
(€ millions)	31 Dec 2012	31 Dec 2011	Var. %
Assets			
Non-current Assets	5,524.5	3,866.6	42.9
Current Assets			
Cash and Equivalents	837.7	610.4	37.2
Other Current Assets	716.7	719.2	-0.4
Non Current Assets available for sale	10.6	40.8	-74.1
Total Assets	**7,089.5**	**5,237.0**	**35.4**
Shareholders' Equity attributable to:			
Equity Holders	1,456.9	1,982.9	-26.5
Minority Interests	76.0	101.5	-25.1
Total Shareholders' Equity	**1,532.9**	**2,084.3**	**-26.5**
Liabilities			
Loans	4,020.7	2,207.8	82.1
Provisions	202.1	223.0	-9.4
Other Liabilities	1,333.8	721.9	84.8
Total Liabilities	**5,556.6**	**3,152.7**	**76.2**
Total Liabilities and Shareholders' Equity	**7,089.5**	**5,237.0**	**35.4**

7. Outlook

Footprint expansion

Cimpor, whose new business perimeter in Latin America, Europe and Africa is not fully operational, expects to boost its geographical footprint via an ambitious Investment Plan that includes increasing capacity in certain geographical areas particularly in Brazil, Mozambique and Angola, and expansion to new geographical areas - a process in which exports from Portugal are particularly important as a basis for approaching and analysing new markets.

In 2012, Cimpor carried on its investment policy, anticipating to expand it in the next three years.

Cimpor strengthening

In pro-forma[1] terms Cimpor new perimeter in 2012 had sales of 27 million tons of cement, generating Turnover of approximately 2.8 billion euros and EBITDA of around 760 million euros, demonstrating an EBITDA margin of some 27%, which was only possible because of the return offered by the emerging markets in which Cimpor has increased its presence.

Considering Cimpor perimeter prior to the corporate reorganization and asset swap, its EBITDA was inferior to 480 million euros, with an EBITDA margin below 23%.

In terms of synergies, in 2013 it is predictable that the InterCement assets incorporation will imply a gain of 85 million euros, while after conclusion of the asset integration, expected to occur in 2015, it is expected that the synergies will add up circa 120 million euros per year.

Market outlook

In terms of market outlook, only cement consumption in Portugal is still of some concern, and every effort is being made to minimise this constraint by investing in exports.

Following sustained economic growth in Latin America, it is expected that Brazil, Argentina and Paraguay will post yearly growth of 5% per year in the near future. In Africa consumption is not expected to increase in the South African market, whilst in Egypt an interesting dynamic is apparent and thus a slight increase in sales is expected in this region. Mozambique is a clear highlight because of an expected increase in annual consumption of around 10% over the next few years.

[1] Pro-forma represents the results of 12 months with the new Cimpor perimeter, i.e. considering all the new assets brought by InterCement.