2015
ANNUAL REPORT
Building sustainable partnerships

(*Translated from the original version in portuguese*)

CIMPOR

a member of InterCement

SECTION A
MESSAGES

Message from the Chairman of The Board of Directors

Daniel Proença de Carvalho

"CIMPOR MAINTAINED ITS REGIONAL OR NATIONAL LEADERSHIP STRATEGY IN THE MARKETS WHERE IS PRESENT..."

Dear Shareholders,

Along 2015, we have observed a global economic downturn cycle, according to the expectations at the beginning of the year, leading the International Monetary Fund and the Organisation for Economic Cooperation and Development to lower their predictions.

The world's economy, the global commerce and some of the major financial stock exchanges, particularly the Asian, suffered considerable breakdowns in this complex year of 2015.

I introduce this issue on this message, which reflects Cimpor's balance in 2015 only to underline, as told to us by the philosopher Ortega y Gasset, "I am me and my circumstance." Which means, the companies, even the most internationalized ones and with more diversified risk by a portfolio present in distinct markets, which is the case of Cimpor – an InterCement Company, they are themselves and their circumstances.

Cimpor maintained its regional or national leadership strategy in the markets where is present, balancing that presence with the development of a trading ability, allowing to test new markets to compensate consumption and demand in markets where is operating. It is, without any doubt, remarkable to point out the continuous exportation effort from Portugal, after a consumption decline in home market, not only to maintain in operation the installed capacity as well as a contribution to Cimpor's position among the biggest international cement traders.

In this uncertain climate in international financial markets and the slowdown of some economies so flourishing until recently, as in the case of Brazil - the major market of Cimpor, give in my view some strength and sense to Cimpor's profile as "heavy industry"; resilient, medium-range, seeking the sustained creation of added value, to professionals, suppliers and other partners but naturally permeable to the contextual variations in its path.

Is in this context that I believe must be read the results presented because more than the challenge of the present times, that I am sure will be surpassed, it is important to focus on the objective(s) of the future.

So I give a word of recognition to the management team that did not escape from taking hard but necessary decisions, as it was for example the temporary suspension of some units in Brazil, the sale of minority positions as it happened in Paraguay or the restructure that led some professionals to leave the company in some geographies where we are present.

Although in 2015 the EBITDA has retreated to EUR 525.7 million (-18.6% in relation to 2014), the business volume has been readjusted to EUR 2.5 billion (-4.3%) and the cement sales have been on EUR 28 million tons (-6.1% in relation to 2014), the EBITDA margin maintained as a reference in the international cement market which reveals the responsiveness in practice along this challenging year of 2015.

Cimpor remains as one of the 10 major cement companies in the world with an international performance and besides the macroeconomic framing preserves the ambition of being among the five most profitable.

Allow me to close this message with a word about Alhandra, where this year of 2015 the local factory completed 125 years of existence and is the oldest cement factory in Portugal. Being one of the biggest and most relevant in Portugal, is a living proof that with hard work and strategy the results are achieved and after a less productive phase due to the home market breakdown, the cement manufacturing to export was a well-succeeded path. Partnerships like this one, which we maintain with Alhandra's village are part of our company's DNA and are remarkable.

Daniel Proença de Carvalho
Chairman of the Board of Directors

Message from the Chief Executive Officer

Ricardo Lima

"IT IS TELLING, NONETHELESS, THAT THE CIMPOR EBITDA MARGIN REMAINS A BENCHMARK IN THE INTERNATIONAL CEMENT MARKET..."

Dear shareholder,

This was undoubtedly a challenging year for Cimpor, particularly due to the macroeconomic situation in Brazil, which accounts for about 35% of the cement production, the largest contribution within the company. The scenario was even more complex, as coupled with the economic downturn in the largest market where it operates, Cimpor faced average unfavourable exchange rate during the year in the countries where we operate.

However, the geographical diversification strategy and flexibility to continuously respond to adverse scenarios enabled us to significantly mitigate the negative impact on our results. The situation, above all, challenged us to take our operational efficiency standards even further.

EBITDA reached EUR 525.7 million (18.6% lower than in the previous year); sales totaled EUR 2.5 billion and cement and clinker volumes sold reached 28 million tons, figures that, respectively, present a 4.3% and 6.1% decrease from 2014. It is telling, nonetheless, that the Cimpor EBITDA margin remains a benchmark in the international cement market, and that despite the constraints, the company ended the year with positive cash generation.

These results show large-scale discipline and financial organisation, which is made possible by the efficiency at which we work in our operations and the proactivity with which we tailor the company to meet the present challenges and prepare ourselves to embrace our future ambitions.

We took measures throughout the year, responding to current challenges that proved to be the right ones in enabling us to work more effectively, always in accordance with the characteristics and capabilities of each site and without giving up on strengthening our position in each market. This will continue to be our strategy for the short term. We heavily invested, among many actions, in reducing costs and operational improvements, increasing our productivity and evolving our performance. We also enhanced investment in research and development in partnership with universities, institutes and start-ups, and we focused very decisively on the continuous improvement and training programmes. The effective sharing of best practices has contributed to the improvement of production indicators. The result in the last two years of all the practices shared has let us achieve an overall productivity gain of around 20% in the tons produced per hour worked ratio.

We continue an intense search for a strategic focus, adopting measures that make us more agile and strengthen our balance sheet, while preparing to embrace our future ambitions, besides the immediate safeguarding of cash generation.

These includes, in addition to the suspension of production in underutilised units, the sale of a minority stake in Paraguay and a promissory sale agreement over a non-core asset in Brazil[1]. Also in Brazil we sold quarries and we defined a versatility and streamlining plan in our use of the concrete channel as a means of distribution of cement.

[1] Operation described in notes 4, 46 and 49 of 2015 Financial Statement notes

These measures, accompanied by an ongoing search for improving our debt profile, were eventually reflected in the stability of the financial results as well as the reduction of the company's net debt by EUR 366 million.

On a country-by-country basis, I must call your attention to the following points:

We concentrated our efforts in **Brazil** on adjusting our costs to the economic reality, with a significant market and volume decline. We have taken austerity measures, such as the temporary suspension of Jacarei and Suape grinding units and the kiln at João Pessoa, to rationalize assets and reduce costs, preparing us to face the year of 2016 if the retraction of consumption persists. Agility in decision-making was essential and, even with overall production contraction, the reorganisation led some units to set new monthly production records, which is a clear

Message from the Chief Executive Officer -Ricardo Lima (continuation)

indicator of correct management in times of crisis. However, from a macroeconomic point of view, we do not expect this climate to last and the country will return to growth in the medium term.

Argentina, in turn, had quite a hot market, which gave us the opportunity to work the plants at total capacity to meet demand, supported by a traditional brand recognised for its quality - Loma Negra, with almost half of the market share. We achieved a record result and the highest historical market share ever reached.

This operation also supported the entry into operation in 2015 of the integrated plant in Paraguay. The results of this full first year operating an integrated unit were encouraging, with lower costs owing to own production of clinker and the launch of new products, better suited to the local market. This plant has already started the co-processing.

Our activity in **Egypt** stood out once again by its industrial performance indicators, remaining as a reference among the best practices of the company. Also, the urban residues co-processing represents a successful partnership between industry and the society. Co-processing is, on one hand, critical in maintaining the operation profitable due to changes in the local solid fuel policies, and on the other, it is relevant for the country as it represents less 35 000 tons of waste that would be channeled to landfills. In addition to expanding the use of residues as an alternative energy source, we are investing in a coal mill that will come into operation at the end of 2016. This mill shall enable us to diversify our energy sources and drive our business.

We also obtained, in relation to co-processing, very positive results from the burning of solid waste at the Alhandra plant in **Portugal**. This was the company's first unit to surpass the 50% co-processing monthly rate. This positive momentum comes at a particularly important moment for the country, which is in frank recovery after a period of economic decline. We were able to answer the uptake of the internal market with agility and customer focus, as cement sales were driven up by around 10%. The country makes us optimistic as it gives signs that this performance should continue in forthcoming years.

Cape Verde, a traditional market of Cimpor in Africa, registered production decline as investment fell in the local social housing building programme. We expect, however, a quick upturn and the maintenance of historical sales levels in the country.

In **South Africa**, we deepened our strategy of approach to the market establishing long term partnerships with new clients, expanding our operations into new regions and developing new products, which allowed market share to be maintained, even with the entry of new players. We have, in this way, achieved what was planned for the country in terms of results.

Structural problems are still a challenge for our operations in **Mozambique**. We faced electricity supply difficulties in 2015 and, as a result, our kiln experienced a stoppage. However, we were able to serve market demand via trading, keeping our share at 59%.

At the same time, we proceeded with the Mutirão project, in which professionals from different countries of Cimpor in the industrial, commercial and logistics areas draft an action plan to improve local performance. In this project, we enhanced its "People" dimension, specially in capacitation and training local professionals, which we believe is an essencial leverage to bring our Mozambique's operations performance to the higher standard levels of the company.

The same project in **Paraguay** trained teams composed of 100% local and quite motivated labour, which now follow the highest standards of efficiency. This experience confirms that the road to excellence in the African country involves this sharing of information and internal talent.

Another very important point in our strategy is the strong performance of ***Trading***. In 2015, about 10% of our sales were through this channel. We surpassed the 4 million tons barrier, a very positive result taking into account that traditional importing countries were affected by the oil market price crisis. So, in order to maintain satisfactory levels, the teams sought out alternative countries and improved the whole process - with highly competitive products, prices and delivery times.

We continue to believe that the main strength of the business is the sustainable and fruitful partnerships we entered into with our stakeholders. The proximity to our customers, suppliers and communities is what will make us achieve the goals set in the 2023 Vision, in line with the UN Global Compact guidelines, which we are signatories of and under which we are committed to developing actions related to the four areas of its principles: human rights, labour rights, environment and anti-corruption.

Our work to evolve in safety is also to be highlighted. In 2015, we directed our efforts so that all leaders were trained and that they might take up the role of agents of change in this area. The slogan "we will do it safely or not at all", the peak of the overall corporate safety programme is the reality to be lived in our operations so that we may significantly improve our indicators and drastically reduce accidents. The topic is addressed in our Culture project, which was disseminated in 2015 to all countries.

The construction of a common culture in a company with diverse geographical operations like ours is not an easy task, but it has proved to be possible and these attributes considered essential to our growth have been mapped in the InterCement Attitudes. The result can be perceived in our 2015 climate survey which, even in an unfavourable macroeconomic situation, obtained a favourable rate of 62% in issues related to career development, leadership, workload, safety, among others.

I reiterate that, with this material, Cimpor hopes to convey, in a clear and transparent manner, its strategy, values, goals and results. Enjoy the read.

Ricardo Fonseca de mendonça Lima
CEO of Cimpor

SECTION B

CIMPOR AMONG THE 10 LARGEST AND THE 5 MOST PROFITABLE

I. CIMPOR, AN INTERNATIONAL PLAYER

Cimpor is an international cement manufacturer operating in eight countries

Cimpor is one of the ten largest international cement players in the sector, with 40 cement production facilities in eight countries and an installed capacity of 47 million tons. Besides cement, the company operates in the concrete production and aggregates areas. The company has a total of 8,451 professionals. It is the market leader in Portugal, Argentina, Mozambique and Cape Verde, deputy leader in Brazil and in Paraguay, and it holds a notable position in South Africa and in Egypt.

Cimpor: Overview

Broad geographical presence:

40 CEMENT PRODUCTION UNITS

23 INTEGRATED PLANTS

17 MILLS

28 MILLION TONS OF CEMENT AND CLINKER SOLD IN 2015

3 CONTINENTS

8 COUNTRIES

(South Africa, Argentina, Brazil, Cape Verde, Egypt, Mozambique, Paraguay and Portugal)

8,451 PROFESSIONALS

II. ESSENTIAL PRINCIPALS

Guidelines

The guiding Vision, Mission, tagline "Building Sustainable Partnerships" and strategy map steer the operations and the future of the company, guiding all the decision-making intended to answer what was established in the 2013-2023 strategic planning.

2023 Vision

Stand out for its customers through the level of collaboration and services provided, remaining always among the sector's ten largest companies and in the top-five soundest and most profitable international companies of the industry.

Mission

Grow and develop together with customers, employees, suppliers, shareholders and communities, steered by innovation, sustainability and operational excellence.

Values

Respect for people and the environment – Act always correctly and fairly towards shareholders, employees, customers, suppliers, governments, communities and society at large Act responsibly in relation to the environment.

Operate Responsibly – Respect that established in the legislation of the countries and regions where we operate; live up to the values defined here; act in an upright manner and according to universal standards of good human coexistence, without discrimination of race, sex, creed, religion, title, function or another.

Transparency – Provide clear and comprehensive information about the activities, achievements, policies and performance, in a systematic and accessible manner.

Focus on Results – Always seek to maximize performance in order to ensure business continuity, the investments made, the return for shareholders and the right conditions for employees.

Quality And Innovation – Ensure customers obtain the highest possible quality in the execution of services or the supply of products and continuously invest in the improvement of business activities and employees.

TAGLINE: "Building Sustainable Partnerships"

The slogan "Building sustainable partnerships" announced along with the 2023 Vision and Mission in 2013, is an indicator that all the company's projects, programmes and actions should take into consideration the motto "building sustainable partnerships." The internal evolution of this concept, also supported by the Culture Project, gave rise to the Partnership Project, whose goal is the company's differentiation among its various stakeholders.

CIMPOR STRATEGIC MAP

Cimpor's Strategic Map is presented in this Report on Section III. Business Strategy.

Commitments

Cimpor is aligned with initiatives that promote business activities guided by sustainability. The company supports and sets each of these signed commitments.

- Compact of the United Nations (UN Global Compact);
- United Nations Environment Programme (UNEP);
- UN Framework Convention on Climate Change (UNFCCC);
- Pledge for Access to Safe Water, Sanitation and Hygiene at the workplace (WASH);
- Caring for Climate (aligned with the UN Global Compact);
- Word Business Council for Sustainable Development (WBCSD) through the sectorial initiative;
- Cement Sustainability Initiative (CSI);
- Cement Low Carbon Technology Partnership initiative (LCTPi);
- The Paris Pledge for Action;
- Open Letter to Brazil on Climate Change from the Ethos Institute;
- In the Right Hand Program of Childhood Brazil.

Certifications

ISO 9001 – Quality Management

Certified units: Durban, Newcastle and Simuma (South Africa), Barker, Catamarca, L'Amalí, Lomaser, Olavarría, Ramallo, Recycomb, San Juan, Sierras Bayas and Zapala (Argentina), Apiaí, Bodoquena, Brumado, Cajati, Campo Formoso, Candiota, Cezarina, Cubatão, Jacareí, João Pessoa, Ijaci, Nova Santa Rita, Pedro Leopoldo, Santana do Paraíso, São Miguel dos Campos and Suape (Brazil), AMCC and ACCC (Egypt), Matola 1 (Mozambique), Alhandra, Loulé and Souselas (Portugal).

ISO 14001 – Environmental Management

Certified units: Durban, Newcastle and Simuma (South Africa), L'Amalí, Lomaser, Olavarría, Ramallo, Recycomb, San Juan and Zapala (Argentina), Apiaí, Bodoquena, Brumado, Cajati, Campo Formoso, Candiota, Cezarina, Cubatão, Jacareí, João Pessoa, Ijaci, Nova Santa Rita, Pedro Leopoldo, Santana do Paraíso, São Miguel dos Campos and Suape (Brazil), AMCC and ACCC (Egypt), Alhandra, Loulé and Souselas (Portugal).

OHSAS 18001 – Occupational Health and Safety

Certified units: Durban (South Africa), Catamarca, L'Amalí, Lomaser, Ramallo and Recycomb (Argentina), Apiaí, Bodoquena, Brumado, Cajati, Campo Formoso, Candiota, Cezarina, Cubatão, Jacareí, João Pessoa, Ijaci, Nova Santa Rita, Pedro Leopoldo, Santana do Paraíso, São Miguel dos Campos and Suape (Brazil), AMCC and ACCC (Egypt), Alhandra, Loulé and Souselas (Portugal).

III. BUSINESS STRATEGY

Seeking for the largest goal defined in the 2023 Vision: to differentiate near the clients by the level of cooperation and services, always being among the ten largest and the five most profitable international companies of the industry, Cimpor adopts a strategy of approaching the business that due to its intense short-term dynamics anticipates the perspectives which has proposed itself in a long-term.

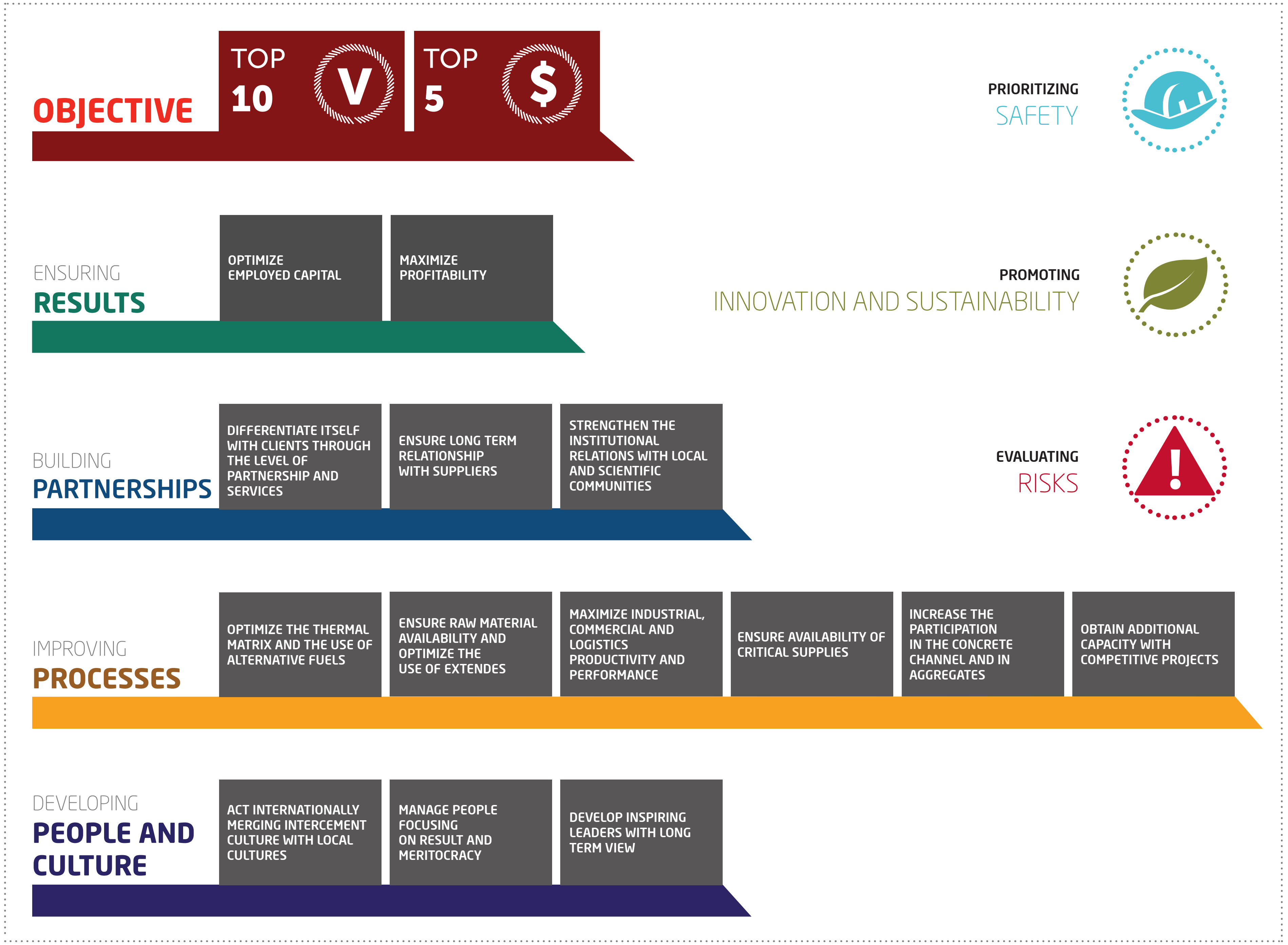
On its internationalisation and growth path that has been developing, the company promote in a short time the entrenchment of its position in the markets where operates, quickly developing their efficiency in a transversal mode while promoting the solidity of the balance through its current deleveraging process.

This way, and following a clear partnership position with its partners, establishes the basis for its expansion in developing markets – assuming itself as a dynamic agent of the local economies and growing in line with them – constructing a portfolio of actives balanced and prepared to the effective creation of value.

Cimpor 's strategy is systematized in the Strategic Map which, involving different levels of the company, steers and sets goals that permeate the entire company towards the mentioned 2023 Vision.

The Strategic Map is divided into four components, which are pillars on which the targets are established: Results, Partnerships, Processes, People and Culture. Three cross-cutting aspects were established, which are essential values of Cimpor. Everything must be done always respecting these three fundamental items: Risks, Innovation and Sustainability, and Safety.

Each component has strategic goals that derive from a 2014-2023 Action Plan and have indicators and targets that allow Cimpor to keep track of whether the strategy is being effectively implemented. Managers, defined from among the senior management, are in charge of managing compliance with the targets of each component - ensuring compliance in the short term and taking action for their fulfilment in the medium and long-term.



IV. INTERNATIONAL PRESENCE

Label

- Cement Capacity (M. tons)
- Growth (GAGR 2003-2014)
- Ranking

Sales over more than **4 Mtons**, mainly departing from Portugal to attend **28 countries** in Africa and the Americas. **5th major cement trader operation in the world.**

V. FINANCIAL PERFORMANCE - 2015

Cimpor responds to contextual adversity with a programme to increase efficiency and strengthen the balance sheet.

The results of Cimpor in 2015 reflect the general slowdown in developing economies and particularly the impact of political and economic adversity in Brazil. The company responds to this with the launch of a set of initiatives to raise efficiency and strengthen the balance sheet, preparing to leverage the expected reversal of the economic cycle which is forecast for 2017.

Thus, despite the external adversity faced in 2015, Cimpor launched the bases to enhance operational efficiency that allowed it to, right away, hold EBITDA at the level of EUR 525.7 million, generate a EUR 160 million cash flow and reduce its net debt by EUR 366 million compared to 2014, continuously improving its profile and entering 2016 strengthened to address the anticipated challenges.

Geographical diversification and, in particular, the outstanding contributions from Argentina, Paraguay and Portugal, in 2015, allowed the operational performance in Brazil and Africa to be mitigated. This adjustment in performance in Egypt was expected, following the benefits gained from the commanding leadership position in atypical market conditions in 2014.

Sales reached EUR 2.5 billion, positively influenced by a 6.2% increase in the average price of cement, however it would still be 4.3% off the 2014 figure, reflecting a 6.1% slowdown in the cement and clinker volume sold as well as an unfavourable exchange rate effect.

EBITDA margin was 21.1%, remaining one of the industry references.

EBITDA rose to EUR 525.7 million. The result of a simultaneous and atypical combination of a set of economic challenges and specific market situations, to which were added the non-recurring effects of the corporate restructure (about EUR 17 million) and the reacquisition of a credit (EUR 8 million), led to a contraction of 18.6% in this indicator.

- **Argentina** - registered its highest ever EBITDA. Market dynamics and strategic competitive advantages of the market leader generate the greatest contribution to consolidated EBITDA of the company. Efficiency increase and corporate restructure;

- **Brazil** - Political and economic uncertainty led to a contraction in demand combined with an increase in capacity in the market. Cimpor adjusts its commercial approach to market needs, adapts cement production structure, rebuilds concrete businesses and alienates other non-strategic assets in preparation for the challenges of 2016. Depreciation of the Brazillian Real and corporate reorganisation affect 2015's contribution.

- **Paraguay** – Full year of operation with the integral plant allows it to stand out for efficiency, recording the highest EBITDA margin of the company;

- **Portugal and Cape Verde** – Positive evolution of the domestic market in Portugal allows it to register substantially improved results. In Cape Verde, despite market contraction, operating efficiencies drove the positive evolution of EBITDA;

- **Egypt** - Sales underwent the expected adjustment, average price contraction in the 1st half of 2015 due to increased competition. Beginning of the energy matrix optimization programme;

- **Mozambique** – Reaffirmed leadership position contradicts market decline and allows growth, mitigating local constraints and increases of costs pegged to the dollar;

- **South Africa** – Exploring new regions and customers compensates clinker's atypical sales in 2014.

Neutrality of the exchange rate effect on debt of holdings, insufficient to contain the impact of this effect to the debt level operations, deteriorating Financial Results by 9.4 %. The evolution of taxes was favorable, reflecting the achieved results.

Unfavorable net income evolution attributable to equity holders passing of EUR 27 million in 2014 to a loss of 71 million euros in 2015.

EUR 160 million Free Cash Flow (FCF) reflects the success of the working capital program, the efficiency improvement measures to sustain EBITDA, the investment discipline and the non-strategic assets sale in Paraguay and Brazil.

A EUR 366 million reduction of financial net debt (-11%) and improving its profile. Contrasts with reduction of the asset (-15%) mainly due to currency effects in the valuation of operations.

Main Indicators

	Jan - Dec		
	2015	2014	Chg. %
Cement and Clinker Volumes (thousand ton)	28,136.9	29,979.3	-6.1
Sales (million Euros)	2,492.7	2,603.7	-4.3
EBITDA (million Euros)	525.7	645.6	-18.6
EBITDA margin	21.1%	24.8%	-3.7 p.p,
Net Profit (million Euros) (1)	(71.2)	27.2	n.m.

(1) Attributable to Shareholders

VI. FINANCING

The company, in a context marked by adversity and lack of visibility of the capital markets trends in 2015, continued to pursue the main lines of the Financing Policy designed in 2014, i.e. a reduction of financial leverage and debt together with the continued adjustment of its financing profile, supporting the healthy development of its current business activity and simultaneously strengthening the balance sheet so that it may match its future development ambitions.

Reduction of Financial Leverage and of Debt

The implementation of this policy has already driven the reduction achieved in net debt from EUR 3.439 million in 2014 to EUR 3.073 million in 2015, i.e. EUR 366 million less (-10.6%) from the previous year. However, the EBITDA performance would avoid its immediate impact on the reduction of financial leverage, particularly in the calculation of the Net Debt / adjusted EBITDA.

On the scope of Cimpor's responsabilities towards its creditors, the indebtedness indicator (Financial Net Debt / EBITDA) measured at the level of InterCement Participações, S.A. – its controlling shareholed - attended to the convenants contractually established.

The reduction in the level of indebtedness is directly linked to a cash generation made possible by a series of initiatives outlined. These initiatives include the reduction in working capital - as proven by the reduction in the cash cycle conversion and patent release of EUR 11 million, that compares to the EUR 41 million draw in equal period last year; ii) investment discipline (continuously gauging the duplication of priority / speed of return variables) and the iii) opportunistic sale of non-strategic assets, especially the recently announced sales of minority stakes and assets in Paraguay and in Brazil.

It should be noted that in terms of EBITDA measures were introduced to increase operational efficiency and operational productivity that, although these are not yet evident in the development of this indicator, owing to the economic environment of 2015, they justify its maintenance at the registered level.

Financial Profile Adjustment

The continuity given to the debt profile improvement process throughout 2015, intensified its focus on the following fronts:

I. Prosecution of the currency hedging policy of financial commitments over a time horizon of two years[2];

II. Containment of foreign exchange exposure at the holding lever, following the path of debt hedging initiated in 2014;

III. Developing a natural currency hedging, based on adjusting the funding currencies to the income generated in the different currencies – which is evident in the new refinancing options taken up in Argentina and Mozambique;

IV. Capturing the best financing opportunities - as noted by the contracting of financing in Portugal taking advantage of that period's favourable market liquidity conditions.

[2] Excluding loans with its shareholders

The initiatives implemented, in which highlights the refunding processes in 2015, would eventually be reflected in an improvement of the debt profile observable: lower average cost of debt; sustaining its average maturity above 5 years, maintaining a high level of liquidity (EUR 730 million).

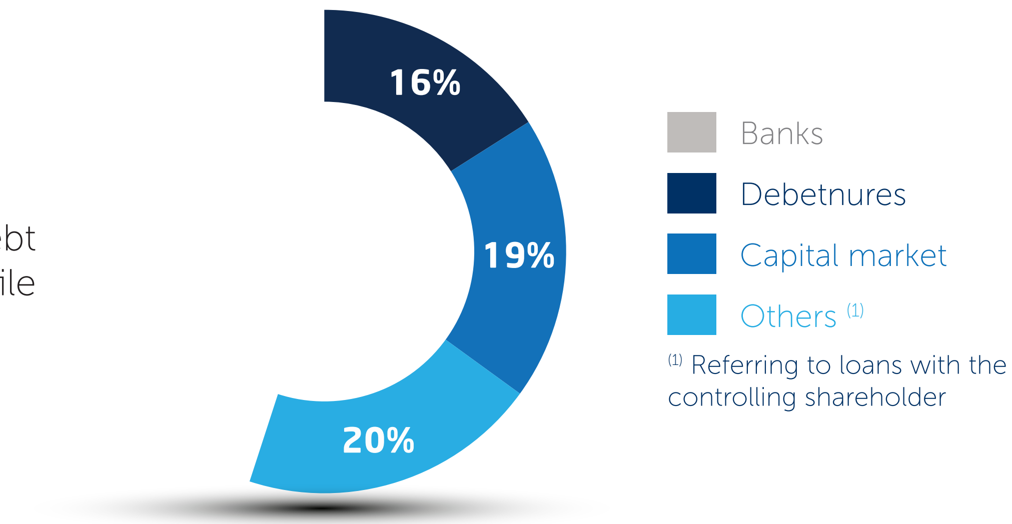
In this context, it must be noted that beyond the borrowings from its controlling shareholder, the liquidity level of Cimpor presented on 31 December 2015 revealed to be enough to cover the financial commitments of the next 3 years and that there is no needs of refinancing materials until 2019.

The success of the refunding processes above mentioned, especially the deadline stretching and the refinanced debt costs, enhanced once again the solid reputation of the company towards the bank sector, mainly considering the environment of the financial markets.

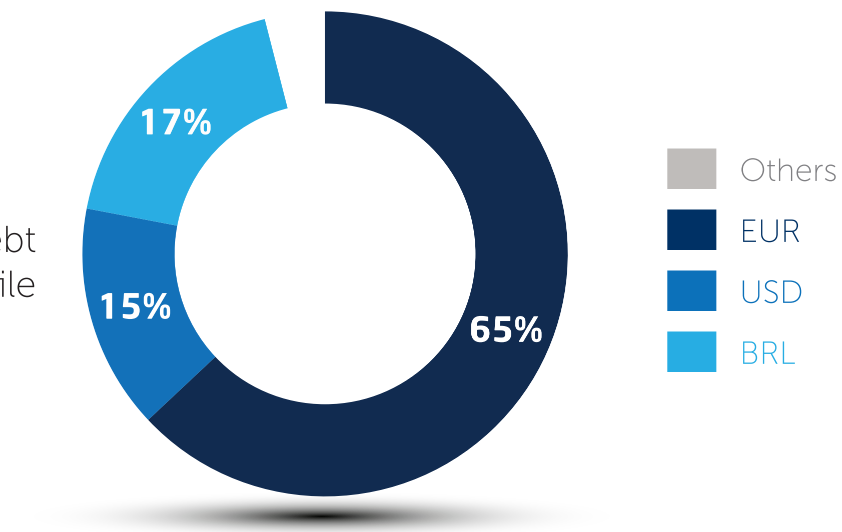
Cimpor – Cimentos de Portugal, SGPS, S.A. currently does not have any rating. Under its sphere It is nevertheless maintained the individual rating for InterCement Brasil, SA (currently "BB-, negative outlook"), which together with InterCement Participações, SA (currently "BB-, negative outlook" and "BB; outlook negative" by S&P and Fitch respectively), presents itself as the guarantor of the Senior Unsecured Notes issued in 2014 by Cimpor Financial Operations BV. It should be noted that the criterion of Standard&Poor's expects that the conditioning of the rating of the subsidiary by its controlling shareholder , in this case InterCement Participações, S.A..

Maturities
(Million euros)

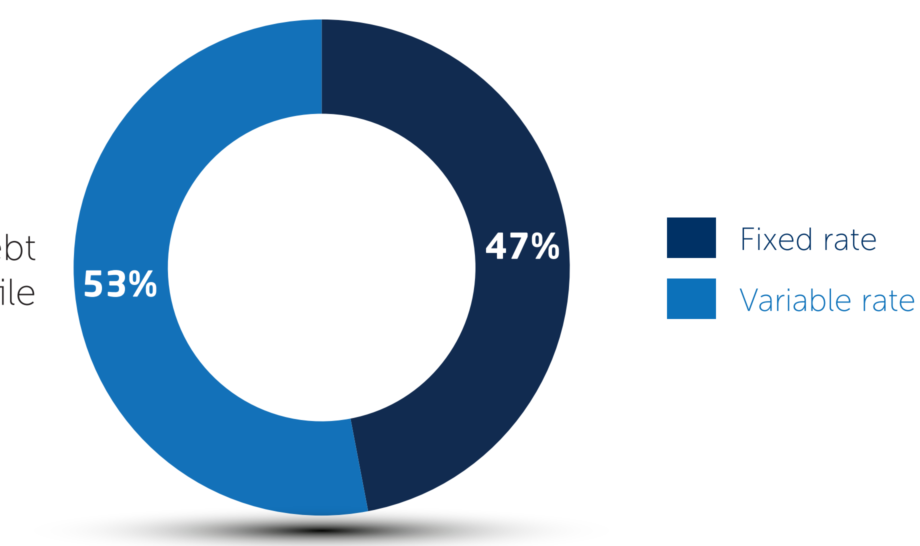
Debt Profile



Debt Profile



Debt Profile



VII. CONTROLLED RISKS

Cimpor has it clear that managing risks and maintaining reliable control systems is essential to keep the business healthy in the long term. The topic is even a transversal attitude in all the company's actions, and should permeate all aspects and components of the Strategic Map.

The company, in this way, overcomes adversities associated with the complexity of the operation, the business activity and cultural diversity. The Corporate Risk Management and Crisis Management policies were concluded in 2014 and were widely advertised in all operations. The new realignment of the risk matrix, through the reassessment of the most relevant risk factors in all operations, led to the classification of those situations into two major groups: business and operation.

These tools proved very useful in 2015, a particularly difficult year from a macroeconomic point of view. They were used to continuously aid in the identification, parameterization, evaluation and finally the proposals for contingency actions or activities to mitigate factors that might adversely impact on the results of the business. The "Ensure Financial Discipline" chapter indicates some of the specific actions that exemplify the proposition of Cimpor in risk situations, even when these are clearly imposed and/or contaminated by worsened external scenarios.

The business risks, being important information, are evaluated by Cimpor as regards the impact on five key aspects that may affect the results: reduction of EBITDA, market share, debt, reputation and image, and ongoing nature of operations. The operating risks encompass controls to ensure that the activities are not jeopardised by failures of equipment or processes.

There is a plan of action for each risk and managers for adopting monitoring measures and mitigating action, which includes the participation of a member of the Executive Board or senior management and directors of the business units. The process also envisages the development of a methodology that defines tolerance and limits the risk, as a means of defending the business. Risk management is coordinated by the area of risk management and audit and it has a structure in each business unit represented by those responsible for the internal audit process. This structure is strongly focused on the commitment of all and management excellence - and its robustness and agility of action were put to the test in 2015, as mentioned, due to the external environment.

It is important to note that the risks hedging policy with financial instruments are only adopted to meet financial obligations in a horizon of 24 months. The financial hedging policy of all other company activities is supported by the geography of its portfolio of assets.

SECTION C
FOCUS ON EXCELLENCE

Cimpor constantly follows excellence in all aspects of the business, mainly to reach the highest levels in in-house activities. Hence, the company gains density to mitigate more quickly unfavourable external scenarios - and it is better structured to respond quickly to economic upturns.

In this spirit, were highlighted in 2015 four initiatives with immediate impact, transversal to all the Company.

- Adopting InterCement Attitudes, launched by InterCement;
- The expansion of commitments with the Sustainability Agenda;
- Greater depth given to the concept of Compliance;
- The new Climate Search.

The above initiatives reinforce the company's commitment on four decisive action fronts in pursuit of its strategic objectives, which are listed below:

I. *Building Sustainable Partnerships;*

II. *Seek Technological Leadership;*

III. *Pursue Operational Excellence;*

IV. *Ensure Financial Discipline*

10 InterCement Attitudes

- BUILD SUSTAINABLE PARTNERSHIPS
- TAKE THE CUSTOMER INTO CONSIDERATION
- COMMIT TO RESULTS
- LEAD BY EXAMPLE
- STRENGTHEN THE TEAM
- HAVE AN INNOVATIVE BEHAVIOUR
- OPTIMIZE PROCESSES
- THINK SAFE
- EXERCISE POSITIVE INFLUENCE
- PERMANENTLY CHALLENGE YOURSELF

I. BUILDING SUSTAINABLE PARTNERSHIPS

Cimpor believes that maintaining sustainable partnerships with all stakeholders is essential for the future of business. It has therefore adopted the tagline "Building Sustainable Partnerships", so that all of its employees and all stakeholders with which it interacts are always aware that everything must be done considering not only the company itself but also the interests of partners, since the success of these also has influence on the company's results.

This premise is so strong that it forms part of the strategic set steering towards full compliance with the 2023 Vision, and to be a highlight of the Strategic Map. Cimpor develops, with this interpretation, programmes and actions that are undertaken with these partners (customers, suppliers and communities). The goal of Cimpor is to grow and direct to its partners, and that is the main vision of large projects such as Partnerships, in relation to customers, suppliers and communities, and the creation of the InterCement Institute.

This commitment is internally reflected in the InterCement Attitudes. Launched in 2015 under the Organisational Culture project, it was structured from a profound reflection on the values, internal policies and desirable behaviour. Cimpor also organised this year the sixth edition of Climate Research, as part of a policy of monitoring and continuous development of the internal environment.

InterCement Attitudes

Launched by InterCement at the beginning of 2015...

Launched by InterCement at the beginning of 2015, soon Cimpor – an InterCement Company – adopted InterCement Attitudes, a set of ten behaviours that should be implicit in everyday life of a company's professional, whatever their hierarchical level, area or country. The company believes that it is essential to adopt a single culture, the InterCement "way of being and doing" in all countries in which it operates, to thus be able to meet the targets, actions and goals so that the 2023 Vision may be fully achieved. The listed ways of behaving are not new. Attitudes now systematizes what was already the human differential of the company, and certainly one of the factors responsible for the business success so far.

The Attitudes were disclosed in all operations over the year through training, presentations and internal communications - always stressing that such attitudes, lived in everyday life, should represent and differentiate InterCement professionals. The desire of the company is that they are also known among its external stakeholders, a process that must be expanded during 2016, since Cimpor seeks for partners aligned with the concept of "Building Sustainable Partnerships."

Find here a resume of 10 Intercement Attitudes.

1. BUILD SUSTAINABLE PARTNERSHIPS

An attitude that has become the slogan of the company, since Cimpor believes that a sustainable partnership is essential for the future of business. This means that cooperation must be imbued with respect, the alignment of expectations, transparency and convergence of goals.

2. TAKE THE CUSTOMER INTO CONSIDERATION

Achieving customer satisfaction is the role of all professionals in Cimpor, regardless of their function or area, since the main goal of the company is to provide excellence.

3. COMMIT TO RESULTS

Seek to do the best in its activity, thinking about the sustainability of the long-term operation, valuing teamwork and the feeling of unity is what is expected of each professional of Cimpor so that, as a team, the company reaches the results and objectives established by the strategic planning goals and actions.

4. LEAD BY EXAMPLE

Being an example of conduct goes far beyond "saying how to do it". It means to act in the most appropriate manner. The company wants to strengthen this position, because it believes that it is able to ensure the integration of the different teams to focus on common goals.

5. STRENGTHEN THE TEAM

Acting as a team is essential, as the result of this willingness to join efforts results in a much stronger and consistent operation, always ready to face new challenges. The company understands that true teamwork is when all participants are aware of the ultimate goal of the task and the time required for every action, and add to this their effort, dedication and knowledge.

6. HAVE AN INNOVATIVE BEHAVIOUR

The company understands that each professional is fully able to promote innovation in their daily lives, through ideas and knowledge developed in their own routine and work environment.

7. OPTIMIZE PROCESSES

Whatever the process, it only makes sense if it simplifies the routine and brings better results. Thus, it is evident that in order to optimize a process, it must be known, evaluated and, from there, use the best tools available to us to act with simplicity, speed and efficiency.

8. THINK SAFE

Safety is a value of Cimpor, and it is clear as one of three themes that permeates all actions of the Strategic Map. It is a natural commitment that professionals should have and experience following points already well reported in the company, how to meet the Golden Rules, report and correct unsafe acts, understand the risks, hazards and controls required for each activity.

9. EXERCISE POSITIVE INFLUENCE

The main features required to achieve this attitude are dialogue, transparency, respect, confidence and ability to inspire and motivate. These aspects are also present in the other InterCement Attitudes, however, the uniqueness of "Exerting a Positive Influence" is the ability to interact in order to recognise, praise and celebrate better results; give recurring feedback that is constructive and structured; and incisively convey an optimistic and inspiring vision for the future.

10. PERMANENTLY CHALLENGE YOURSELF

Cimpor has, throughout its history, created an environment for all professionals to overcome technical, operational and market challenges, because it brings opportunities for every professional and also for the business. This happens through the incentives for learning, for the opportunities to share good practices, to participate in discussions and assessment and to work as a team.

InterCement Institute

Its mission is Community development.

2015 can be considered historic in relation to the performance of Cimpor in the communities where it has its operations. 2015 was the year of creation of the InterCement Institute, which now manages the company's private social investment and its subsidiaries, in which Cimpor is included. The Institute will carry on the projects carried out up to now by the Camargo Corrêa Institute, but now more closely, with greater focus and being more effective thanks to the immediacy of the beneficiaries.

The effectiveness of the projects is ensured by careful planning. All initiatives are based on diagnosis made to understand the existing realities, and the practical development is the responsibility of an "operator partner" with previous experience and knowledge. Those partners may be other institutes, foundations or companies that already operate in the specific area of the project.

The creation of the Institute is an evidence that the social performance of the company is fully aligned with the business and part of the company's goal is to establish strong and long-term partnerships with the communities. The InterCement Institute is positioned as an articulator of the operator partners, CIVICOS (Committees Encouraging Volunteering and Interaction with the Community), formed by five or six professionals and working as an extension of the arms of the Institute in each unit of Cimpor, and the CDC´s (Community Development Committees), a group that brings together representatives of the community and local government.

On the issue of corporate social responsibility, the company has a long history in Argentina, from coordinated actions by the Loma Negra Foundation created in 2006. The Loma Negra Foundation is fully aligned with the general guidelines of private social investment in Cimpor and operates in constant partnership with the InterCement Institute, sharing values, targets and objectives.

The Corporate Committee for Social Responsibility is responsible for the governance of the Institute and the development of strategies. It is formed by shareholders and executive committee members. Each unit will also have a local Social Responsibility Committee starting in 2016, composed of representatives of the Executive Committee of each country. This governance will bring the issues and projects closer to the board, in order to further intensify the social responsibility strategy for business.

The InterCement Institute believes that:

- Partnerships and collaboration networks are important mechanisms for social development;
- Private social investment is more effective when aligned with public policy;
- Social programmes must reflect modernity and constant innovation;

- Voluntary work should be an instrument for the exercise of civic behaviour and an opportunity for growth and personal fulfillment.

Action fields and target audience

The InterCement Institute develops its projects and actions in three action fields and to three profiles. Find out more about:

Action Fields

- **Community development:** In partnership with civil society and the authorities, the InterCement Institute develops actions aimed at generating more equitable development opportunities;
- **Inclusive business:** Support the dynamism of the local economy by strengthening small business involving them, whenever possible, as suppliers or customers;
- **Contribution to the business environment:** Support the company through its network of relationships in the dialogue with stakeholders, building methodologies and tools.

Target audience

Early childhood - aged 0-6 years - works in the defence of children's rights;

Basic education – aged 6-13 years – aims to contribute to improving education in public schools, teaching the fundamentals and basic education;

Youth - aged 14 - 29 years - aims to encourage entrepreneurship and the generation of employment and financial income.

GAIVs and volunteering

The Institute also stimulates individual actions by the professionals of Cimpor and supports volunteering in the initiatives of the Institute as well as with other entities. The Volunteering Ideal Action Groups (GAIVs) are structured in a spontaneous way by professionals who want to act voluntarily for causes that spark their interest. Besides the allocation of funds for an initial boost, there are incentives to ensure their mobilisation is continuous, planned and in group.

The Volunteering Ideal is, therefore, a transversal program which operates in projects of the InterCement Institute and also external projects.

Projects

The InterCement Institute has a number of ongoing projects. We highlight the Do-Good Day (in all countries), Baby Week (Brazil), Building the Future Project (Mozambique) and Future Builders (Egypt).

Do-Good Day

The Do-Good Day 2015 is held in all the countries where Cimpor is present. It united a contingent of more than 10,000 volunteers benefiting about 85,000 people in eight countries. It is the largest volunteering action of the company. Cimpor professionals and partner companies, their family and friends and members of the communities devoted their time and effort to implement a number of significant improvements to recipient entities, schools, infant schools, health centres and town squares. An example of the initiatives is the complete construction from scratch (from the earthworks stage, through landscaping and adding urban furniture and playground, to lighting installation) of two public squares, one in South Africa and the other in Brazil.

Baby Week

All units of InterCement Brazil directed in their municipalities, with the support of the InterCement Institute, the Baby Week in 2015. The initiative follows the systematization proposed by UNIFEC Brazil (United Nations Children Fund) for work that began in the city of Canela (Rio Grande do Sul) in 2000, conceived by a psychiatrist who proposed working collectively on issues of early childhood.

The municipalities were involved in 2015 in an intense and varied agenda of activities concerning the issue, aiming to disseminate practical information on baby care to expectant mothers and their babies and the strengthening of family ties. The focus was not only to raise awareness of pregnant women and parents to the needs during childhood, but also involve educators, health professionals and social workers in order to promote comprehensive care for this age group. Workshops, lectures, conversations around the table, cultural and sports activities were all implemented. Baby Week was considered so important that in six of the participating municipalities (Apiaí-SP, Bodoquena-MS, Brumado-BA, Itaoca-SP, Nova Santa Rita-RS and São Miguel dos Campos-AL) it was transformed into public policy.

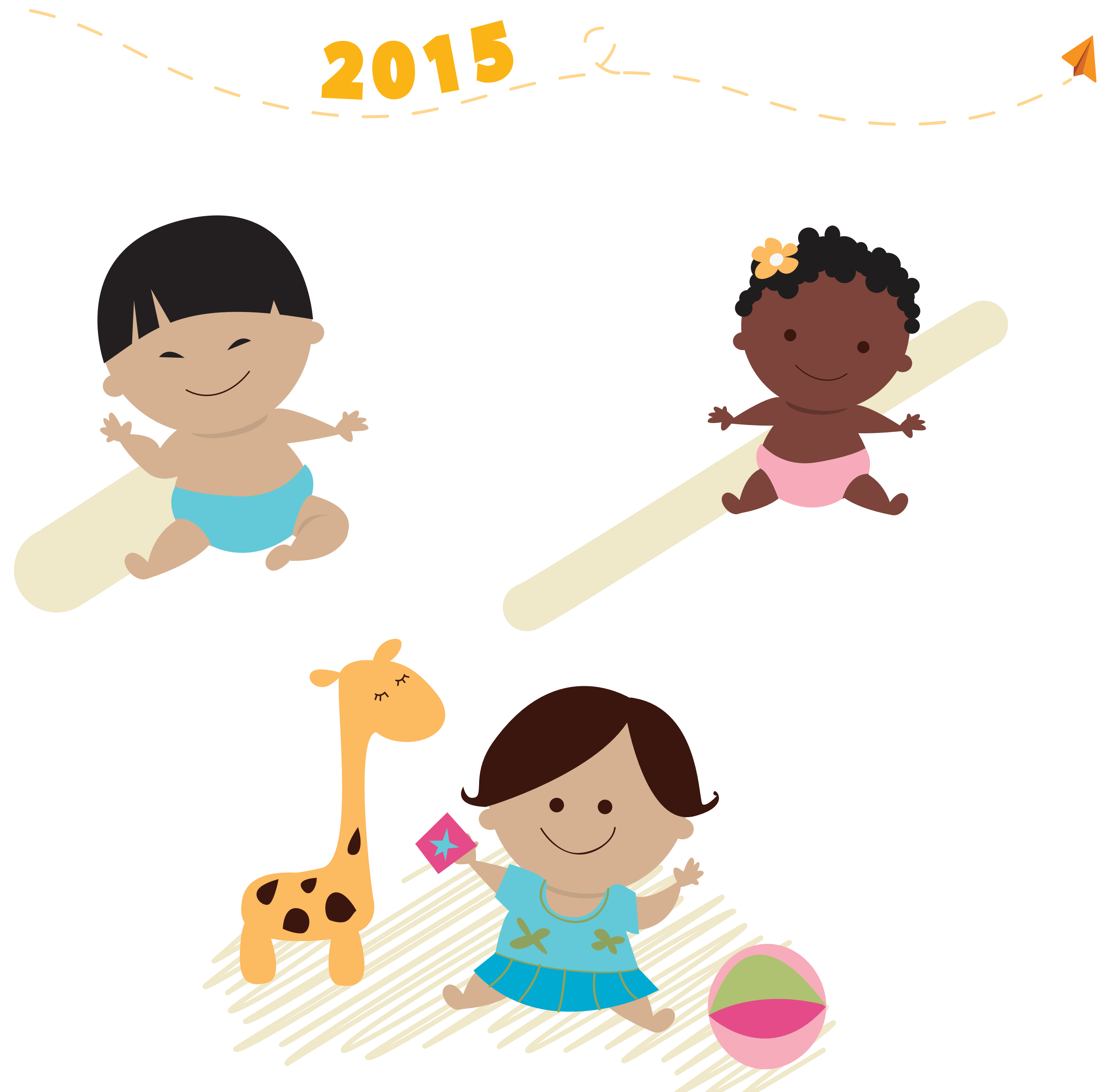
Future Builders

Unemployment among young people is a global problem. In Egypt, however, it is particularly alarming among young women (aged between 15 and 29 years) with an unemployment rate of 32.3% compared with 13.3% among young men. To contribute to improving this situation, we developed the Future Builders programme which aims to train 200 youth from Borg el-Arab (where the company has its production unit). The project seeks to provide them the competencies and skills needed to tackle the search for work in the labour market or to find entrepreneurial solutions that generate income.

The project began in May 2015 with the planning phase and, then, interviews and contacts with representatives of stakeholders, information gathering, formatting opportunity reports, the production of training manuals and seminars for the capacity building of three local NGOs. The first group, composed by 50 young people, started training in November. The concept underlying Future Builders is to ensure the diversity of gender and providing a solution for the most vulnerable.

Building the Future

This is the first project in the country aligned with the Ideal Future structural programme, focused on strengthening entrepreneurship and creating employment and income among young people. Building the Future, launched in mid-2015, brings together 42 small producers of cement artifacts in the city of Matola, in order to improve the management, quality and diversification of products, access to financing channels and the formation of cooperatives to purchase raw materials and for marketing of the products.



PARTNERSHIPS PROJECT

Partnerships Project

The Partnerships Project began in Brazil and in 2015 was expanded to Argentina and Portugal...

The Partnerships Project began in Brazil and in 2015 was expanded to Argentina and Portugal, where workshops were held to present the programme. It will reach the other countries in 2016. The main objective of Partnerships is to position Cimpor as a differentiated partner with its different external stakeholders: customers, suppliers and the communities surrounding the operations. Specific actions and programmes have been developed within Partnerships for each of them.

The project was structured after meetings with audiences relating with the Company so that Cimpor could identify the priorities and systematize activities of interest to both the company and the partners. In this way, the project is divided into actions according to the target audience.

Customer Partnerships

Customer Partnerships aims to move InterCement Brasil even closer to this group because the Company believes that in addition to improving the relationship with this audience and ensuring commercial advantages, it can also contribute to the development and sustainability of its customers' businesses.

After listening to its customers' needs and requirements in terms of products and services, the company structured seven major projects, still under test, around the following topics:

- **Pricing** - in order to always provide the right positioning to the customer in an agile manner, responding to market volatility and the need for customer flexibility in payments;
- **Distribution and relationship** - with the aim of spreading distribution out, increasing proximity to customers, differentiating the relationship with distributors and developing an environment for expansion of the product mix;
- **Stocking and delivery** - developing logistics projects to improve the units ' stocking, providing solutions for customers' logistics operations, strengthening the exchange of information, providing assurance and assertiveness in delivering their cargo.

Supplier Partnerships

In the case of suppliers, there are two significant examples in Brazil of how Partnerships can work to generate more results for both parties, reinforcing a win-win culture. These are the Partner Programme and Intersected Intelligence.

This action was launched in 2015 in Brazil, focused on 50 of the company's major suppliers. It aims to recognize and encourage productivity and innovation of suppliers as well as expand their sustainability, safety and social responsibility practices. Hence, Cimpor has started to follow-up on the evolution of its suppliers through periodic assessments, because it believes that working together and the proactivity to leverage results impact positively on productivity and safety for partners. The company still wants to continue the effort to divulge among its suppliers the concept of action in the private social investment field.

Of the 50 suppliers, three won awards in the Shipping, Services and Raw Materials categories, and three more as Highlights of SHE, Innovation and Social Project.

The programme will be expanded in 2016 to 80 suppliers in Brazil, thanks to this good result, and it will also begin to be designed into the operations of Portugal and Argentina, and presented in workshops on Partnerships in other locations.

Community Partnerships

The communities were also called to participate in this initiative. The Open Doors structure is part of this effort. This means that this programme has been consolidated even in areas not yet effectively reached by Partnerships.

With the goal of passing on, in an aligned manner, information about the mission and company values, clarify any doubts and be a catalyst for important community feelings about the company's operation, a structure was built to meet the demands for visiting the operational units.

People and Climate Research

People and Culture is one of the dimensions of Cimpor's Strategic Map, which breaks down in three goals to be achieved so that the company achieves the 2023 Vision...

People and Culture is one of the dimensions of Cimpor's Strategic Map, which breaks down in three goals to be achieved so that the company achieves the 2023 Vision. The topic has such weight because the company believes that its success is directly linked to the quality of its professionals and their individual development.

Given the relevance of the topic, Cimpor develops a set of actions with its workers, in the context of People Management. These actions come under the scope of 10 preset guidelines:

1. Constant and active safety

Safety is a fundamental value and responsibility of all.

2. Manager in the centre and HR as a business partner

Managers are primarily responsible for the management of people and all the issues inherent to them, as well as the development of a high performance work environment. The HR teams support the managers.

3. Agents of change

Under InterCement Attitudes, managers are responsible for being an example to be followed and for strengthening their team, as well as to encourage and promote an environment of innovation.

4. Quality of life

Cimpor encourages the balance between professional and personal life. Therefore, it supports its professionals in activities and volunteer programmes, offers flexible work plans and encourages physical and healthy eating activities.

5. Diversity

The company seeks to insert in its staff people from different cultures, genders and nationalities, always giving priority to local labour. Cimpor believes that different cultures, nationalities, genders and abilities are necessary and even essential for a management style in harmony with the global scope of its operations and with its social responsibility and commitment.

6. Labour sustainability

Cimpor gives preference in hiring from the local community in order to contribute to the improvement of employment levels, professional development, and consequently the quality of life in the regions where it operates.

7. Talent management focused on results and meritocracy

The company ensures alignment and the breakdown into realistic business goals, both collective and individual. Professionals receive regular feedback on their performance through formal monitoring of goals and an annual 360° assessment. All professionals have the opportunity to pursue new positions and apply for work in the units of other countries.

8. Integration and development of people

The company seeks professionals that assume the InterCement Attitudes and invests in training to develop the required technical skills. Capacity building can be formal instruction or through mentoring and coaching. Each professional has their Individual Development Plan (IDP), updated after the annual assessment and it contains specific measures and actions for their career plan.

9. Competitive and fair remuneration

The company offers a competitive wage in the markets in which it operates and equitable between roles. InterCement works with the concept of total remuneration, which includes, in addition to fixed wage, variable remuneration, benefits and other non-financial factors.

10. Labour relations and legislation

Cimpor complies with all legal and contractual provisions in force in the countries where it operates and defends the freedom of association of its employees and the recognition of the right to collective bargaining.

Climate survey

Cimpor undertook its sixth climate survey in 2015. The results were very positive and show a positive growth in the degree of satisfaction of professionals. Even in an unfavourable macroeconomic situation, the survey, in which 89% of the company's professionals participated, indicated a 62% favourable rating for issues related to career development, leadership, workload, safety, among others aspects. The result shows an increase of 4 % from the 2013 survey.

The survey led to focus groups being conducted in all of the countries where Cimpor operates in order to identify the causes associated with the less favourable results and to structure action plans for improvement together with the professionals.

The next survey cycle is planned for 2017.

Focus group numbers

Operation	Focus group meetings	Number of participants
Argentina / Paraguay	50	480
South Africa	12	118
Brazil	45	420
Egypt	13	120
Mozambique	12	80
Portugal / Cape Verde	7	150
Total Cimpor	139	1.368

II. SEEKING FOR TECHNOLOGICAL LEADERSHIP

Cimpor aims to be one of the leading companies in the world in innovation and methods that ensure greater productivity with low environmental impact. Therefore, it perennially searches for new raw materials, processes and also techniques and partnerships with universities and institutes to promote research into innovation.

This desire and management has its origin in the concept of "industrial ecology", a term for studies and/or actions that jointly consider industrial activity and the environment. In addition to the evolution of many indicators, the deepening of the Sustainability Agenda stands out.

SUSTAINABILITY AGENDA

Cimpor has shown its concern about climate change since its foundation, particularly due to the nature of its operation, since the cement industry accounts for about 5% of global emissions of greenhouse gases.

The company ratified the "Sustainability Charter" in 2006, in which it described its integrated vision of economic, social and environmental issues. The "Climate Agenda" was created in 2009, which is a set of nine commitments for mitigation and adaptation to climate change. After that, the Strategic Map was established in 2013, as part of 2023 Vision. In this Map, Sustainability has become a cross-cutting issue and it should, therefore, be thought of in all the defined components and goals.

From there, the company acknowledged that it was time to revisit the key points of Sustainability and rearrange them in a systematic manner aligned with the 2023 Vision. A social-environmental materiality analysis of Cimpor was then carried out with its external and internal stakeholders and the topics of the 2023 Sustainability Agenda established: **Climate Change, Industrial Ecology, Community Development, Transparency and Ethics and Health and Safety.**

Initiatives are being established for each of the themes so that the company's operations and its entire value chain become more efficient and sustainable - and so the two main indicators related to clean production can be achieved.

Cimpor, as a form of expanding its commitment and being aligned with global guidelines, correlated its strategic themes of the Sustainability Agenda with the Sustainable Development Goals (SDGs) of the United Nations, as it considers that the general framework of this set of principles provides an opportunity to strengthen internal and external initiatives. A Strategic Sustainability Plan arises from that amplified view, covering 16 topics aligned with the SDG, indicating the current position of the company and its expectations for the future.

Climate changes

CO_2 Emissions

Cement production requires the intensive use of raw materials and electricity and thermal energy, which results in air emissions, with carbon dioxide (CO_2) being the most significant.

Cimpor, as part of its Climate Change and Energy Policy, has been monitoring its carbon footprint since 1990 in order to determine the level of exposure, evaluate opportunities to reduce that footprint by developing specific projects, define reduction goals and contribute to the process of development of policies by regular participation in national and international forums. The calculation of emissions of Greenhouse Gases (GHGs) follows the WBCSD/WRI Cement CO_2 & Energy Protocol 3.04 developed by CSI and modelled on the GHG Protocol. They have been audited and certified since 2005 by an independent external entity and are prepared in all countries where the company operates.

Net specific emissions have achieved extremely positive developments, and were in 2015 circa 570 kgCO_2 / t of cementitious product. This value places Cimpor prominently among the CSI member companies, and it is the result of a set of short, medium and long-term strategies. Indirect emissions are related to the electricity the company uses and are also the focus of reduction policies, through the rationalization of electricity consumption of the facilities.

All other emissions, caused mainly by the transport of products, represent a relatively small percentage compared to the total value of our CO_2 emissions. Their reduction encompasses the optimisation of road transport and greater use of rail and maritime transport, wherever possible, to replace road transport.

2013 x 2023 challenge

- CO_2 Emissions per ton of cementitious product 565 kg CO_2/ton cementitious product - 450 kgCO_2/ ton cementitious product (2023);
- Replacement of fossil fuels with alternative energy sources 15% - 40%.

CIMPOR CLIMATE CHANGE STRATEGY

SHORT-TERM STRATEGIES

- Clinker / cement factor (e.g. cement compounds with additives that replace part of the clinker in cement).
- Thermal substitution rate (e.g. alternative fossil fuels and biomass).
- Fuel emission factor (e.g. fuels with lower emissions factors).
- Specific heat consumption of the kilns (e.g. reduction of energy consumption of kilns).
- Specific power consumption (e.g. "Consumption Awareness" campaign aimed at energy efficiency).

MEDIUM-TERM STRATEGIES

- Modernisation of lines and construction of new clinker production lines (e.g. specific heat consumption).
- Replacement rate of raw materials (e.g. use of alternative decarbonised raw materials).
- Recovery of waste heat from the process hot gases to produce electricity (e.g. specific power consumption).

LONG-TERM STRATEGIES

- Research and development programmes (R&D) in various topics related to the reduction of carbon intensity of products and processes.

The current long-term strategy of the company, reflected in the 2023 Vision and the Strategic Map envisages concern about the carbon variable and establishes effective technical solutions, likely to be applied on a larger scale in our industry, as well as commitments to:

- Increase the replacement of conventional fossil fuels in cement kilns for alternative energy sources, from 15% in 2013 (0% in 1990) to around 40% in 2023;
- Increase the clinker replacement rate for additives in the cement production process, from 28% in 2013 (14% in 1990) to over 40% in 2023, innovating in the production of low carbon cements and paving the way for the development of new techniques to help reduce the consumption of natural resources and thus decrease CO_2 emissions;
- Invest about USD 80 million between 2013 and 2023 in a portfolio of R&D projects geared largely to a low carbon economy;
- Reduce specific net CO_2 emissions per ton of cement by 40% in 2023 compared to 1990 (728-450 kgCO_2/tcmt).

OTHER EMISSIONS

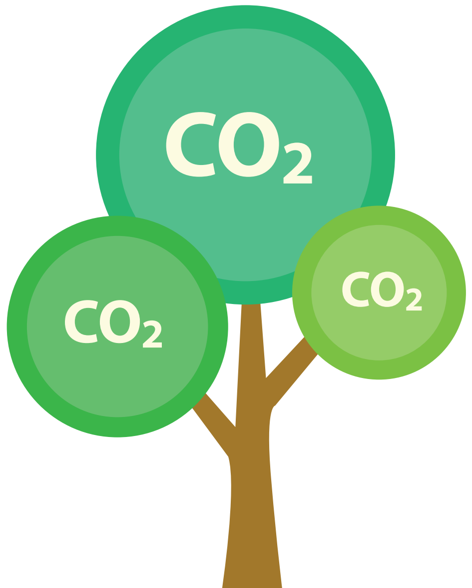
The dust emissions of kilns were cut from 243 to close to 150 g/t-clinker between 2007 and 2015. The target set for 2015 has already been achieved. The company has invested in the installation and maintenance of bag filters and improving the existing electrofilters at the kilns in order to achieve that performance. Today, more than 60% of the kilns are equipped with bag filters/hybrid filters, considered to be the best available technology.

Specific emissions of nitrogen oxides (NO_x), resulting from the combustion process of the kilns, have been reduced from 1,924 in 2007 to circa 1,600 g/t-clinker in 2015. A set of primary measures contributed to this purpose such as cooling the flame of the main burners and secondary measures such as the installation of non-catalytic reduction systems (SNCR) and optimization of the operating parameters of some of the kilns.

The investment in facilities for the treatment of gas effluents by injecting hydraulic lime/calcium hydroxide drove the reduction of emissions of sulphur dioxide (SO_2) from the natural raw materials used in the production of clinker, recording a decrease from 375 in 2007 to around 320 g/t-clinker in 2015.

TARGETS FOR THE REDUCTION OF GREENHOUSE GAS EMISSIONS

Cimpor is aligned with the charter principles from Cement Sustainability Initiative (CSI) and the Ethos Institute and has set the robust targets presented below for the reduction of CO_2.



Sustainability Agenda

Topic	Vision	Commitment
Climate change	Be recognised as a company that leads by the example, incorporated into the strategy and differentiates in a low carbon economy.	• Be placed in the 1st quartile of companies of the global CSI and regionally - in terms of CO_2 emissions • Consider the carbon variable and life cycle analysis as criteria for evaluating new investment projects, as well as energy efficiency, the availability of additives, alternative fuels and other alternative and renewable energy sources.
Industrial ecology	Offer an environmental service for industries and cities, reducing their environmental liabilities and optimizing how we use our own resources.	• Identify partnerships with companies from different sectors in order to use waste or by-products of other industries as raw materials and fuels, which would otherwise be discarded without economic value and, in many cases, with significant environmental damage.
Community development	Be recognised as a partner that inspires, supports and leads the community in overcoming its challenges.	Be a local development agent by creating direct and indirect jobs and developing professional skills in the local community. • Create autonomous development prospects of communities through their organisation and participation. • Foster the generation of social capital for the company and for society.
Transparency and Ethics	Do things correctly, with the highest level of ethics and compliance with laws, regulations and policies relating to our business. This is not the best example that exists, rather the only example we can give.	• Ensure compliance of our processes and operations in accordance with local laws and regulations, as well as in relation to internal policies, standards, manuals and procedures • Establish a code of conduct for professionals and partners and Anticorruption and Antitrust corporate standards. • Maintain a compliance system, with risk mapping, prevention, capacity building and communication channels.
Health and Safety	Do it safely, or not at all.	• Adopt a preventionist posture with a high maturity of safety culture reflected in proactive attitudes and the interdependent relationship between hierarchies. • Pursue the sharing skills and knowledge with others who collaborate in our operations. • Be an agent of change of SHE culture in the places where it operates, influencing businesses and society itself to think and act safely.

Co-processing

The search for cleaner production is permanent in Cimpor and, so far, the most obvious aspect and with greatest return from an environmental point of view is the company's commitment to co-processing, a technology in which Cimpor is one of the global leaders. Co-processing allows waste, such as urban waste and discarded tyres, to substitute fossil fuels and raw materials in cement industry kilns, without generating significant environmental impact.

The environmental benefits are more obvious in the short term, since the industry uses waste that would be disposed of in landfills or a correct destination. So, the first gain is for society, which avoids that disposal of waste. In addition, another important environmental gain is the reduction of greenhouse gas emissions and lower use of non-renewable natural resources, such as fossil fuels. In South Africa, the company was the first cement manufacturer in the country to use tyres to replace coal.

The substitution of the energy source will also, in the long-term, bring competitiveness to the company. This is the case because the supply of waste continuously and systematically results in a reduction in production costs. Co-processing also brings advantages in reverse logistics for other industries, giving adequate disposal for products at the end of their life cycle.

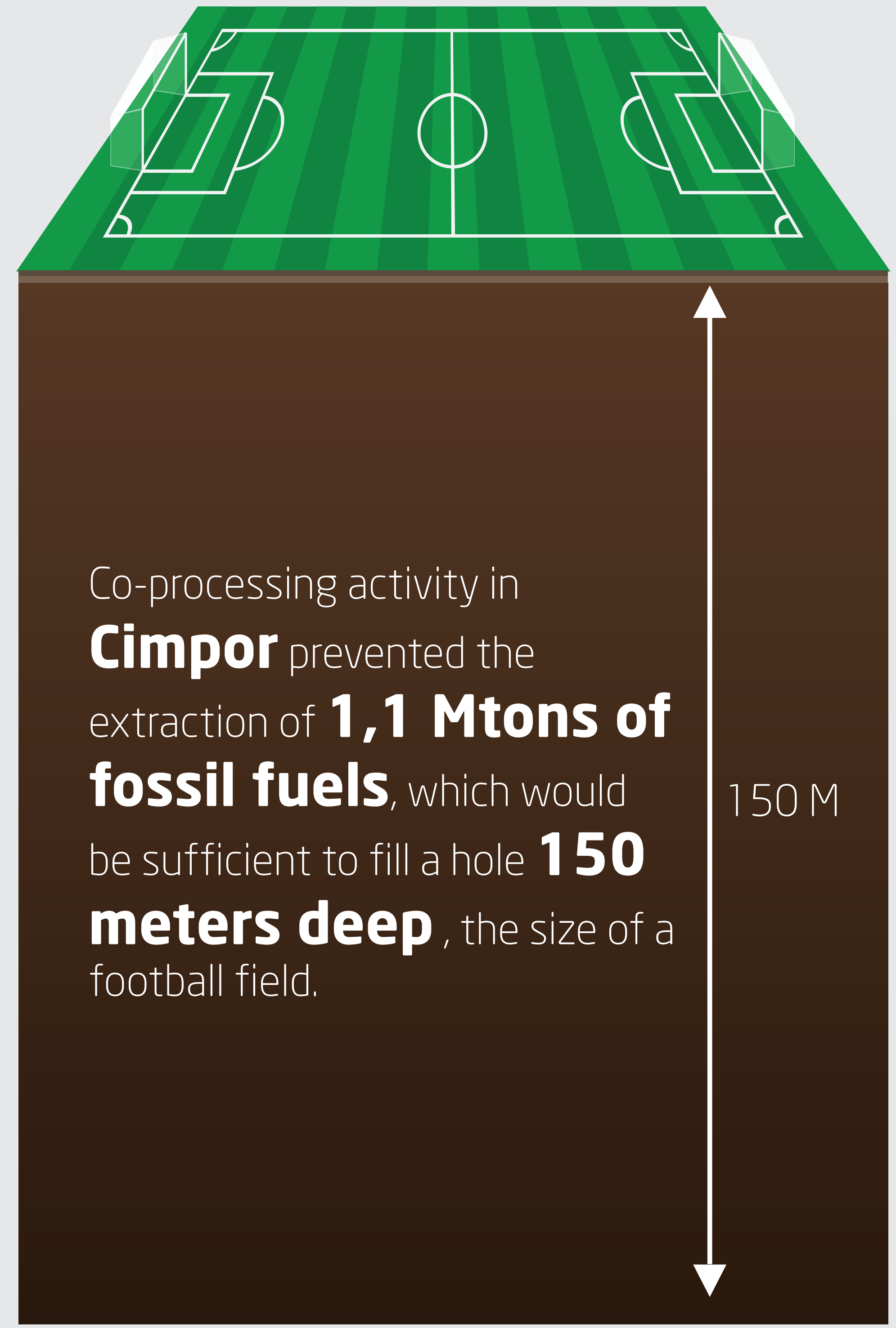
Accordingly, the company invests in the entire process to help achieve excellence in co-processing, in terms of environmental and energy gains. This means carrying out actions related to the storage, selection, homogenization and use of waste so that the material to be burned is in adequate conditions and will not cause harm to the environment or the health of the community in the areas of company operations.

Currently, all countries where Cimpor operates perform co-processing activities. The co-processing rate averaged 20% per month in all operations in 2015, and it surpassed 50% in the Alhandra unit, in Portugal, a co-processing record. This is because in that country some production sectors, such as motor vehicles, tyres, glass and plastics, among others, are required to be accountable for their recycling rate as regards reverse logistics. Thus, through the partnership with Cimpor, which receives these materials and uses them in co-processing, Portuguese industry has been able to render accounts for its waste.

One tyre takes until
600 years
to decompose,

and Co-processing generates
27 GJ/ton
of thermal energy.

Cimpor already co-processed
142 million tyres
if which, ligned up, would go around the earth
two and a half times.



CO-PROCESSING HIGHLIGHTS IN 2015

Co-processing result grew by 34% compared to the previous year - thanks to the increase in fuel prices and greater amount of waste substituting raw materials

In Euros per ton, it evolved 38.6% compared to 2014

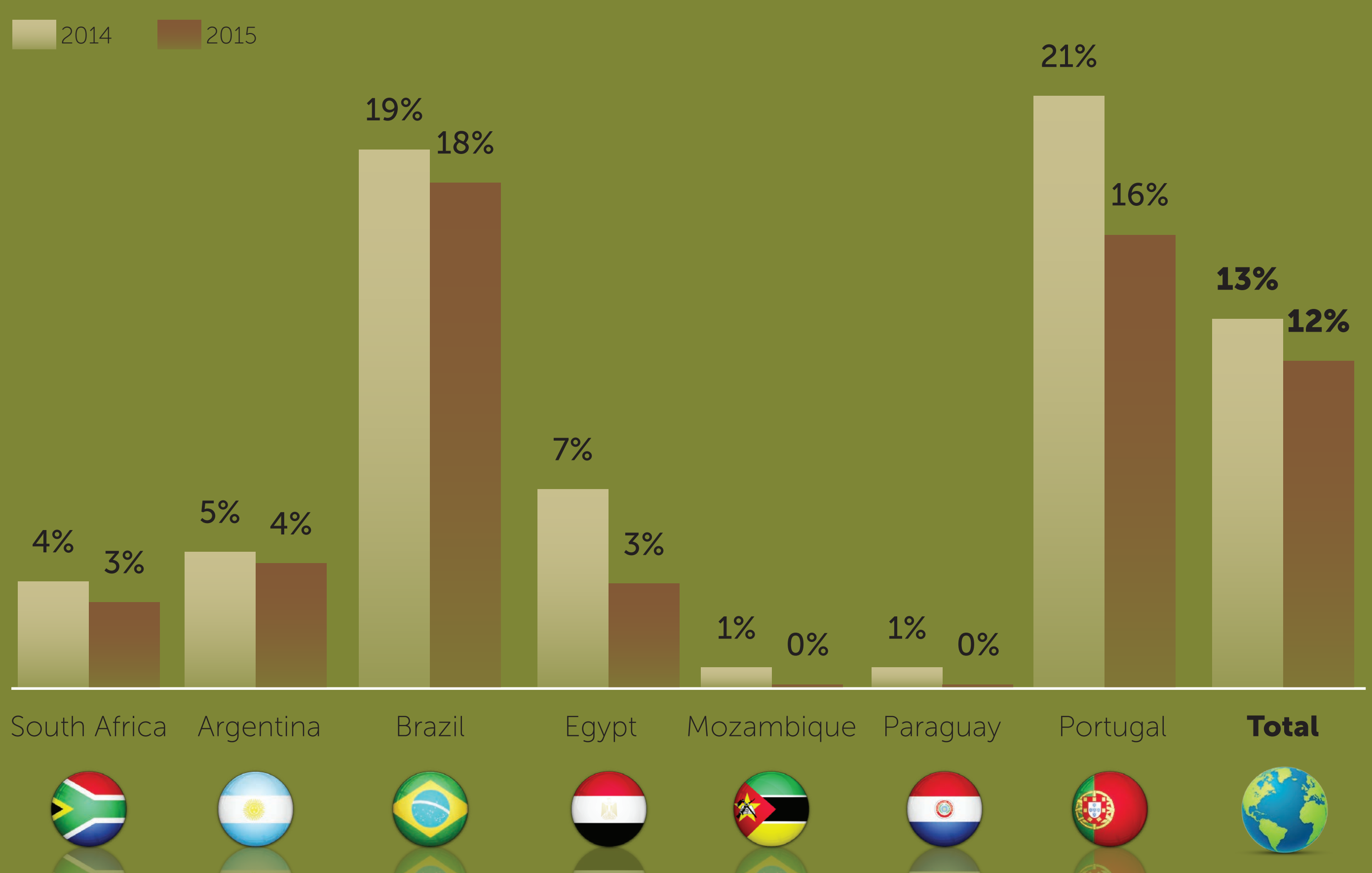
Annual co-processing rate increased from 11.5% (in 2014) to 13.2% (in 2015)

The activity replaced 295 ktons (12% more than in 2014) of fossil fuels and 162 ktons of raw materials (increase of 37%)

In total, 723 ktons of waste were co-processed against 653 ktons in 2014 (increase of 11%)

Investments in co-processing exceeded EUR 34 million

Co-processing percentage



Additives

Cimpor also seeks, in addition to the replacement of fossil energy sources, to reduce the use of natural raw materials in the process, identifying alternative sources that reduce extraction and thus reduce the exploitation of still virgin natural resources. These raw materials can be used in the clinker manufacturing process, but also as a replacement for clinker, natural gypsum and natural pozzolanas. The environmental benefits are obvious and may also represent savings in the acquisition of traditional raw materials.

Rehabilitation of quarries

Cimpor is fully aware of its responsibility to the environment and the impact caused by its operations in the communities where it is located. Therefore, it has developed a series of mitigating actions so as not to interfere with the welfare of the residents close to their areas of activity. For this reason, the quarries of the company, high-impact activity sites, are 100% aligned with the best global sustainability practices.

The high-impact issues for communities regarding the quarries are noise and diffusive dust or "fugitive dust", generated during handling and cargo transport. A corporate action plan is adopted in the production units to mitigate this problem. This plan includes the coverage of trucks, improving dust removal and materials transfer points, in addition to eliminating, where possible, open-air storage.

Cimpor adopts an explosion based system with micro-delay detonators for the extraction of rocks from quarries, which reduces the levels of vibration and noise resulting from the operation. All the units have a noise map, which allows the effectiveness of the measures implemented to be continuously evaluated and possible new solutions to minimise noise pollution to be selected.

The rehabilitation of quarries, when they cease to be explored, is fundamental for the conservation of biodiversity and protection of ecosystems. Cimpor adopts mitigation actions throughout the life of the quarry to ensure this goal is achieved after exploration.

Accordingly, the company has implemented action plans for the rehabilitation of quarries and improving the biodiversity of those located in sensitive areas, i.e. those that are located within a 500 metre radius of protected habitats or animal and plant species.

Cimpor developed a new tool in 2015 to facilitate the development of Biodiversity Management Plans by the plants, and also to serve as a guide to support the units in the hiring of specialised services to make the quarries meet the requirements of the new guideline.

All the quarries of the Cement activity of Cimpor are currently mapped and monitored by means of Geographic Information Systems (GIS), in which the sensitive areas are marked out.

Sensitive areas are deemed to mean the "legally protected areas" (natural parks, conservation areas, wetlands, endangered species, migration routes, Natura 2002, natural heritage, wilderness areas, forests, mangrove forests, according to local, national or international legislation), "international biodiversity hotspots" and "biodiversity key areas" (including, without limitation, particular aspects of biodiversity related to the existence of limestone cave areas). Unlike the first area, the last two areas are not legally protected but recognised by government and non-governmental organizations for having important biodiversity features. These areas include priority habitats for conservation, such as Important Bird and Biodiversity Areas (IBA), sites recognised by the Alliance for Zero Extinction (AZE), and others (according to local technical assessments).

A "Quarries Roadmap 2016-2025" was prepared in 2015, intended to bring all the quarries of Cimpor in line with this internal guideline, following a predefined schedule. The material was developed according to a risk analysis and to ensure that all quarries will have rehabilitation plans by 2025 and, depending on each case, sufficiently robust biodiversity management plans developed with the involvement of local stakeholders.

Projects to raise the awareness of workers and local communities were also created in individual plants. These projects are designed to highlight the importance of preserving biodiversity, and are developed in partnership with local universities and NGOs.

The company ended 2015 with 71% of cement quarries having formatted plans for environmental rehabilitation. 33% of these are in areas of high biodiversity value and, within that goal, 50% have implemented biodiversity management plans.

Water Management

The cement industry is not a particularly intensive user of water although it constitutes a fundamental resource for the development of the business activity. Cimpor internally promotes a widespread culture of rational use of water and advocates stringent standards for the use of that resource. Those standards include the measurement of consumption and losses, treatment, recycling and reuse of water, use of rainwater and constantly raising awareness for more rational consumption.

Today, the careful monitoring of consumption, by means of direct measurements or correct estimates, helps to identify the best reduction opportunities.

Cimpor has used the Global Water Tool, developed by the World Business Council for Sustainable Development (WBCSD), since 2011. This tool identifies, in a systematic manner, operations located in areas of water stress, water scarcity and extreme water scarcity. These principles are present in the Blue Attitude water management programme of the company.

It concerns units located in extreme water scarcity areas. In the Cement Activity, the plants of Catamarca, in Argentina, and Campo Formoso (BA), in Brazil were chosen as pilot facilities for the development of more ambitious initiatives of sustainable water management and to identify best practices, such as water treatment and recycling and rainwater harvesting, for replication in the ongoing projects in other units. The involvement of local communities is an important aspect of the project.

About 30% of the 7 million cubic metres of total water abstracted in 2015 by Cimpor occurred in 11 operating units of a total of 38, located in environments of predictable water stress, water scarcity or extreme water scarcity in 2025.

More than 70% of the cement units of Cimpor are equipped with water recycling systems. 30% of these recycle over 50% in terms of volume. About 50% of the units have wastewater treatment systems in the production unit, contributing to a lower environmental impact of the discharged water. When only the integrated plants are considered, that figure rises to almost 70%.

An average of 0.300 cubic meters of water were used in 2015 to produce one ton of clinker, which is below the figure established seven years ago for 2015 (0.310 m^3/t of clinker).

Research and Development

Cimpor, in addition to technical knowledge of the industry, acquired over the years through its participation and monitoring of the development of standards and work in the area and also through the performance of its operations, heavily invests in R&D projects that lead to operational improvements and contribute to mitigating environmental issues.

The company does this in partnership with renowned universities and institutes recognised for their research aimed at innovation.

CO_2 biofixation by microalgae - Partnership between UFSM (Santa Maria Federal University), UFSCar (São Carlos Federal University) and Cimpor. The goal is to develop a mechanism that absorbs the CO_2 produced by the cement industry, preventing it from being released into the environment. It has generated three patent applications in two years. The post-photosynthetic result produced is algae reproduction, which can be considered a type of waste and therefore requires proper disposal. For this reason, through another agreement signed with ESALQ (Luiz de Queiroz Agriculture University College, of São Paulo University) and UFC (Ceará Federal University), Cimpor funds research to use this biomass as an animal feed and human food supplement.

Eco-efficient concrete – Cimpor invests, in partnership with the Polytechnic School of USP (São Paulo University), in a low cement concrete formula, significantly reducing the environmental impact and lowering the CO_2 footprint. The product entered testing in 2015.

Use of steel slag to produce cement - Steel slag is a waste product of the steel industry that began to be analysed in 2015 through a partnership between Cimpor, IPT (Institute for Technological Research – Brazil) and the steelmaker ArcelorMittal - Brazil, to be used large scale instead of clinker in cement production. The project also received non-refundable funding from Embrapii (Brazilian Industrial Research and Innovation Corporation), which will fund 53% of the programme. One patent has already been filed as a result.

Low carbon clinker - Initiative resulting from a partnership with the Lisbon Technical University (IST, Portugal), which has already resulted in the filing of two patents. It is an innovation that was introduced in the process, allow a reduction of up to 25% of CO_2 emissions resulting from the production of clinker.

Use of biomass as fuel for kilns - In partnership with Embrapa (Brazilian Agricultural Research Corporation), the project has been mapping the generators of biomass waste in the vicinity of Cimpor units since 2013, to assess their possible use.

Development of technology for the production of cement from construction and demolition waste - The project, in partnership with the IPT, with 50% funding from BNDES (National Economic and Social Development Bank), aims to develop a binder with low CO_2 emissions, using aggregate and cement resulting from construction and demolition waste. A first formulation is already being tested in paving and a patent application was filed.

Project for carbon sequestration and storage – Cimpor participates together with several cement manufacturers associated with the European Cement Research Academy - ECRA. The project seeks ways to capture carbon emitted from cement kilns and is in the pilot phase.

AWARD WINNING PROJECTS

Eco-efficient Concrete - The thesis "Concept for concrete formulations with low consumption of binders, rheology control, packaging and particle dispersion", by the civil engineer Bruno Damineli, at Escola Politécnica, won the 4th edition of the Best Thesis Prize of USP (São Paulo University), under the Eco-efficient Concrete programme, with the support of Cimpor.

Carbon dioxide biofixation - Algae Biotecnologia (Brazil), partner of Cimpor and responsible for the development of the pilot production unit won the Empreendetec Prize 2015 - company category, for its research and development work to find environmental solutions based on microalgae cultivation, with applications mainly in carbon dioxide biofixation, animal nutrition, human health and effluent treatment.

The prize is for the best technological innovation of the year in the business and professional categories and it is awarded by ESALQTec - Technology Incubator, Luiz de Queiroz Agriculture University College (ESALQ / USP), and the Luiz de Queiroz Agrarian Studies Foundation (FEALQ – Brazil).

INNOVATION CULTURE

CLICKLAB

Cimpor has created tools and opportunities to internally promote a culture of innovation among its employees. The company wants to reinforce the importance of ideas on a variety of topics and processes from all areas and levels that can be transformed into business of great value, especially when fostered through teamwork and in a comprehensive manner.

The most significant tool is the **ClickLab**. ClickLab was launched globally in 2014, after three projects in Brazil. In general, it is a portal where professionals of all units in all countries can post comments and suggestions and contribute to projects on a predefined theme. All posts are translated into all the languages of the places where Cimpor is present. All collaboration - whether an idea or comment - earns points for the professional, which they can then redeem for prizes.

Since then, the company has managed to obtain a gain of around 2 million euros, thanks to the proposals submitted. 12 projects are currently being implemented around the world (1 in South Africa, 6 in Argentina, 3 in Brazil, 1 in Mozambique and 1 in Paraguay).

Highlight - Click Lab Figures

2014 TOPIC PRODUCTION 100%

920	311	1,660	5,188
PARTICIPANTS	IDEAS	COMMENTS	VOTES

2015 TOPIC (IMPLEMENTA + AÇÃO)

831	143	527	2,342
PARTICIPANTS	IDEAS	COMMENTS	VOTES

Neogera

Neogera is the branch of Cimpor responsible for the acceleration of small businesses since 2014. It accelerated two startups in 2015 (construction management and reduction of waste of materials), both aligned with the company's slogan "Build Sustainable Partnerships" in these cases, with customers and/or specifiers, reinforcing the competitive edge of Cimpor through these proposals generating shared value. These businesses are presently only developed in Brazil.

Stant has established a complete online works management system, enabling monitoring and control of works from anywhere and anytime. The tool has several modules, such as inspection activities and automated reports, which substantially reduces the use of paper documents. No server is needed because it is based in the cloud. The application was implemented in 80 works in 2015. 12 major construction materials companies support this startup. InterCement is one of the major sponsors.

ConstruSave, in turn, has developed a system to control waste materials from works. Waste in Brazil can lead to a 20% increase in the price of the works. 100 million tons of material is lost in the country every year, according to Abrecon (Brazilian Association for Construction and Demolition Waste Recycling). The tool provides parameters and information for decision making regarding the calculation of ideal material consumption. Four large construction companies joined ConstruSave pilot projects in 2015.

Box: Innovation with smaller packaging in Brazil

Customer focus led the company to invest in the research and development of new packaging in Brazil. Market demand for smaller packages was detected, mainly for customers committed to more sustainable practices, besides preventing financial waste.

The company had to make, before placing the product (5 and 10 kg bags), several internal adjustments to adapt production to the new packaging, as well as reassess logistics, pricing and marketing. Sales began, still in the pilot phase, from June 2015 in building materials stores in São Paulo city. The attributes of the product that set it apart meant the aggregate value generated an average contribution margin higher than that of 50kg of cement in Brazil, in terms of BRL / t.

III. PURSUE OPERATIONAL EXCELLENCE

Cimpor pursues the continuous improvement of its productivity indicators, which is a particularly important topic in this type of industry. Operational excellence is a clear indicator that the company is on a safe path to maintain the business in the long term. The company uses several tools for this, to measure, monitor and increase operational productivity and management.

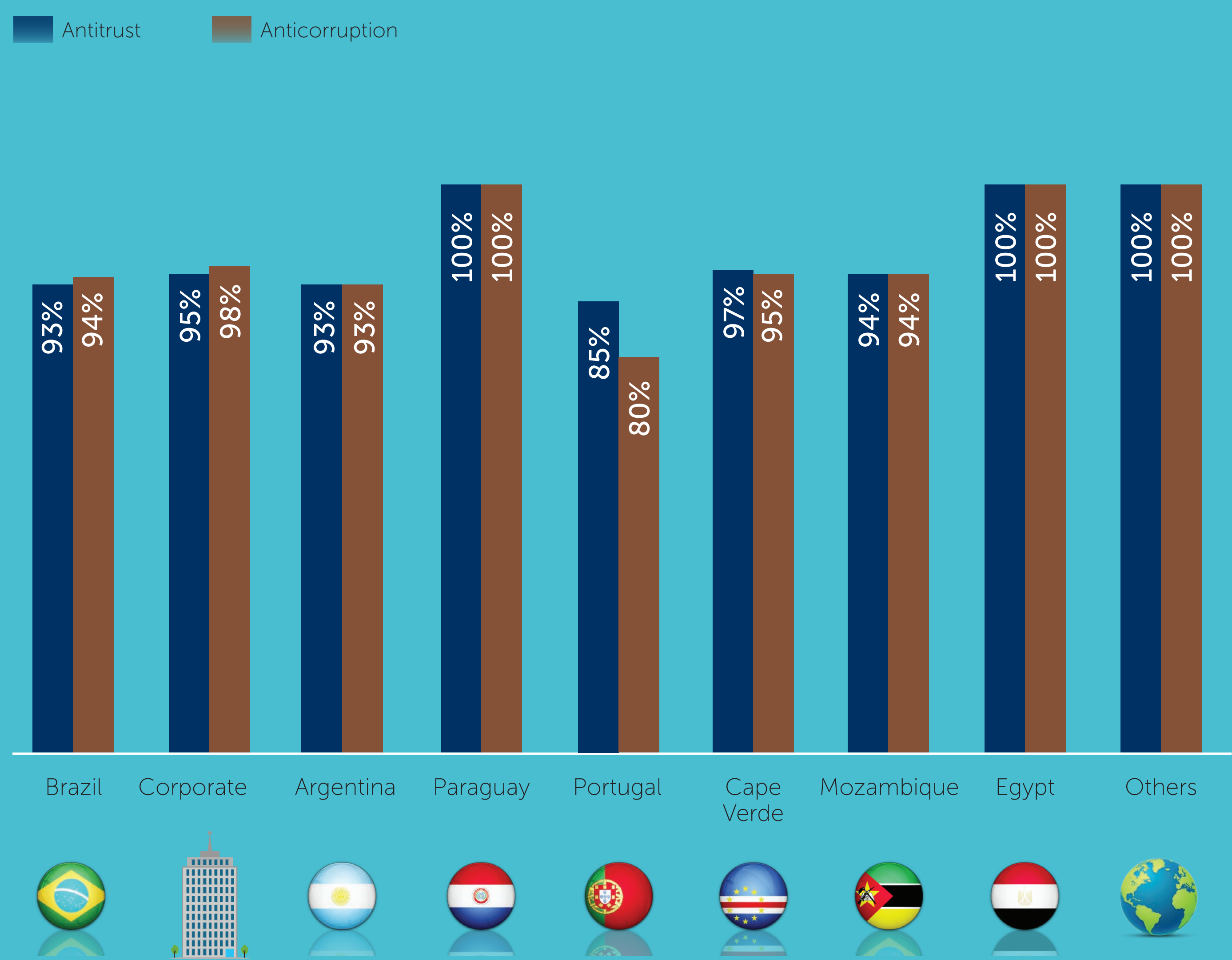
The company has numerous examples in the operational excellence theme of tools with the fundamental attribute of guaranteeing the same evaluation parameters in all countries where it has industrial operations. Thus, it becomes possible to share information, view internal best practices and replicate action plans. The main platforms indicative of the productivity of Cimpor will be presented below. Also of note is the emphasis on the improvement of the control and business and operational risk tools presented in the Compliance item, and for Safety, a key issue for the company and one that should be considered in all its strategic decisions.

Compliance

Cimpor acts in an ethical and transparent manner in accordance with the laws and regulations of each country in which it operates. It also has internal regulations and is guided by the best market practices. To fully meet these requirements, the company continually seeks to enhance controls and prevent operational and reputation losses. For example, it undertook a very thorough mapping of its business and operational risks in 2014 and in 2015 it made a strong commitment to compliance, to monitor that all rules and policies are being complied with. This concern also extends to ensuring that all executives act according to strict ethical standards whether in the company, with the authorities, as well as with all stakeholders.

All the rules and policies of the company are being revised to ensure that this monitoring is done very effectively. At the end of the review of each of rule and policy, all administrative and operational staff are trained on the subject and sign a liability waiver through which they attest to know the behaviour expected of them and that they are aware of the possible consequences in the event of non-compliance. Each theme has a responsible executive - a compliance owner – who prepares the material, trains all people and becomes the focal point in each unit as regards that topic. This person responsible takes the results and questions to the Ethics and Compliance Committee which, in turn, reports them to the Executive Committee. The topics worked in 2015 were anti-corruption and antitrust.

Training Courses by Country.



The Ethics Line has also undergone changes in 2015 and went on to be coordinated in each country by independent companies which receive and channel the complaints or questions related to the Code of Conduct. The line is open to all target audiences. Complaints, queries or suggestions can be made anonymously, and the company undertakes to process 100% of them, with the help of an external audit when necessary.

A global variable compensation indicator of risk factors and Compliance will be implemented for all executives from 2016.

Topics for the Compliance 2016 process

Corporate Governance

Focus: Develop and start implementation of the Compliance Process for Corporate Governance in all countries in order to identify the current scenario, standardize the process and start monitoring.

Mining Law

Focus: Develop and start implementation of the Compliance Process for Mining Law, defining and training the Compliance Owner and Compliance Officers in each Business Unit.

Procurement and Logistics

Focus: Implement the monitoring process in the area of Procurement and Logistics Brazil, in order to ensure that the activities are being implemented in accordance with Policies, Standards and Procedures.

Travel and Overnight Stays

Focus: Implement the monitoring process in all business units in order to verify that travel expenses are in line with the Corporate Travel Standard.

Safety

The safety issue is considered to be strategic in Cimpor and, given its relevance, permeates all components of the Strategic Map, and all plans of action aimed at serving these components. SHE governance (Safety, Health and Environment) was restructured in 2015 in order to expand the results and make the sharing of concepts and information, follow-up actions and assessment of results more effective. CSI launched the Health Management Manual during the year, which should also guide the measures to be implemented in the company's operations.

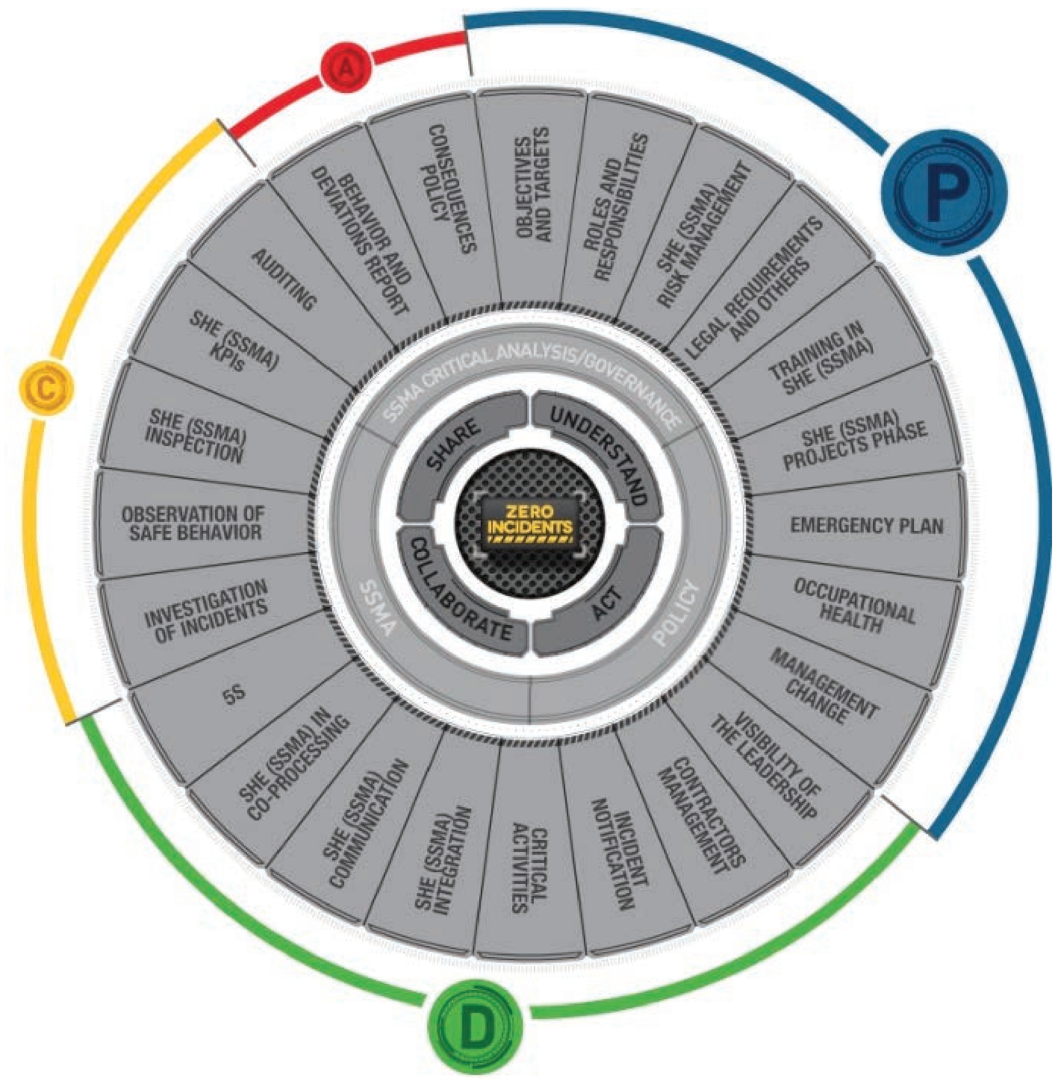
SHE Governance is based on a committees' structure, made up of the Technical Committees, in which the corporate structure and SHE-related structures of the various countries participate, and the Strategic Committees, in which the SHE-related structures and also the Directors General of the business units and company chairman also participate. The role of the Strategic Committee is to continuously and critically evaluate the SHE Management System and relevant issues, propose solutions, share best practices and, based on this information, establish strategies for the company.

In the production units there are also Tactical Committees, formed by management level professionals of the unit, and Operational Committees, in which each area addresses the relevant issues such as inspections, accidents/incidents, monitoring and deviations and proposes solutions for the situations of SHE risk.

The meetings of the Technical Committees became monthly in 2015 and the Strategic Committee meetings are held every two months, in order to make the discussion and decisions regarding SHE more dynamic.

The motto is widespread in the company, "We do it safely or not at all". This gives the worker the right to refuse to perform any task identified as a risk out of control - without penalty against the worker.

SHE Management System



The health, safety and environment management system consists of 24 complementary processes, from which the implementation of the topic in all the company's production units is monitored. This system is aligned with the OHSAS 18001 and ISO 14001 standards and other contemporary SHE management methodologies and it provides corporate guidelines, standards and procedures, which are replicated in all countries where Cimpor is present, even if these are not a local legal requirement. In this way, the best practices for the management of the topic are applied in each of the countries where Cimpor operates.

In 2015, in line with development of InterCement Attitudes, the company gave greater focus to four of those 24 processes: leadership visibility, risk management, safe behaviour and management of contracted personnel. Working on these four fronts was the essence of the behavioural safety project. These four themes will be joined in 2016 by SHE training and critical processes.

Behavioural safety

The **Behavioural Safety** project, consolidated in 2015, aims to call the leaders of Cimpor to assume their role as agents in matters related to safety and environment, encouraging their teams to adopt safe behaviour. This process involves identifying and removing barriers to safe behaviour, the strengths and opportunities for improvement of the health and safety management system, as well as the continuing commitment to leadership, communication and positive influence on behaviour and the change in attitude.

Pilot projects were implemented in all units of Cimpor during the year, and leaders received 12 hours of capacity building. In the training course, the leaders learned how to unite their teams to proactively identify problems. Once those problems were identified, the leaders received all the support of the Technical and Strategic Committees to foster the necessary changes in order to make the activities safer.

Business Intelligence

Cimpor uses a business intelligence tool (BI), internally called "Interintelligence", covering all the management information of the company. This tool unites multiple platforms that monitor the company's operating performance in several areas, such as sales, industrial performance of kilns and mills and particulate emissions, energy and water consumption.

It is a tool in constant evolution. In December 2015 a new module was added: management of expenses, cash flow and operating fund.

Monitoring performance indicators

This tool, like the Business Intelligence tool, is applied to the management area. The technical sector has the Indicators Book, a tool that allows a comparison of all 40 Cimpor cement plants' performance. The analysis includes productivity, labour, kiln, mill, energy consumption indicators, among others, in a total of more than 100 indicators. This allows internal benchmarks to be identified that can then be established in other units

IMS (InterCement Management System)

The IMS is a set of tools of Cimpor's management system that enables the monitoring of all action plans for the improvement and sharing of best practices to increase productivity. The goal is to help all business units to improve their results, from a strategic, tactical and operational perspective. Two of the tools in the IMS are Matrix Management and PDCA (Plan, Do, Check, Act).

244 PDCA were worked in 2015, 58% of them related to "Improving Processes" and 22% to "Ensuring Results".

Of these 244 PDCA, 170 were developed in Brazil, 39 in Argentina, 20 in Portugal, 10 in South Africa, 4 in Mozambique and 1 in Paraguay.

Lean Office Implementation

Cimpor started implementing the Lean Office philosophy in administrative areas in 2015. The pilot project was in the Brazil unit. The action is within the overall management system of the InterCement Management System (IMS), and it aims to optimize administrative processes in order to, in this way, identify and eliminate waste, bottlenecks and reworks, adding value to the final delivery of each process.

Two processes were put into practice in 2015, as the pilot action: Purchase Requisition to Invoice Payment and Billing of Concrete. These processes initially involve the Brazil Management System teams of Procurement, Concrete, Financial, Commercial, IT and Legal.

In the first process, the aim of the work was to increase procurement via contract, the elimination of contract leaks and it intended to replicate that learned, reducing the lead time. In the concrete-related process, the goals were to reduce billing errors, payment deadline extensions and financial losses. This reduced the Purchase Requisition to Invoice Payment process from 84 to 63 activities and the Billing of concrete process from 109 to 54 steps, generating productivity, eliminating waste and optimizing processes.

The implementation in the other areas of the company, after this first stage, will occur from 2016, expanding the Lean Office philosophy to the entire company.

Lean Office originates from the TPS - Toyota Production System, developed from the 1950s in Japan. Initially located on the production line, the philosophy constantly strives to increase the efficiency and flexibility of any process, reducing all types of waste.

IV. ENSURE FINANCIAL DISCIPLINE

2015 was a challenging year for Cimpor, especially due to the macroeconomic situation in the countries where the company operates. Two factors had the greatest impact in this respect. The first was the economic slowdown in Brazil, the country accounts for about 37% of the company's production volume. Moreover, it was a year of unfavourable exchange rates in most countries where the company is present.

The strategy of operating in various countries makes it possible to minimise the negative impact caused by some operations. The generally coordinated governance structure also allows planning and strategies to be constantly reassessed. The agility to adjust the company's direction, and subsequently, the strong commitment of the teams with the new positioning are a great advantage and these drove adequate results in 2015, despite all the external dilemmas.

The emergency adjustments due to the change of scenario and worsening of unfavourable situations, were focused on ensuring satisfactory standards of productivity and profitability were maintained, thus ensuring the continuity of the business in the long run. The commitment to financial discipline and strengthening the capital structure led to various actions such as the restructuring of staff and realignment of the cement production facilities in Brazil, selling the minority stake in Paraguay, new strategic focus for the concrete channel, actions that mitigated the unfavourable external environment and which also prepared the company for, in a positive scenario, a faster and more effective recovery.

Also of note was the new governance structure, as a result of the realignment in view of the company's challenges.

Corporate Governance

Cimpor develops the best practices in Corporate Governance and largely complies with the recommendations of the adopted CMVM Corporate Governance. Finding patent on its Corporate Governance Report, an integral part of this Annual Report, the merits of the policies and procedures adopted by the company.

Cimpor maintains a robust and active governance model, able to support the accelerated growth in recent years and to ensure the Mission, Vision and Values of the company are met. It seeks to maintain best practices that convert principles into objective recommendations, aligning interests with the end purpose of preserving and optimizing the value of the organisation, facilitating its access to capital and contributing to its longevity.

Restructuring corporate functions and operations in Brazil

Plan, organise and perform actions to implement strategic definitions is a principle that is heavily present throughout the company's history, as well as acting with speed and flexibility to adjust expectations based on new macroeconomic realities.

The slowdown in demand in 2015 led to a complete corporate restructuring, with a reduction of the workforce from 8,768 to 8,451 professionals. This occurred in operations in Brazil in particular, which presented a more forceful unfavourable external scenario. There, more profound adjustments were made in the administrative and operational areas.

Also, with regard to local operations, the entire production structure was streamlined. The country has 16 production units, and the decline of the construction market as a whole, and particularly cement sales (around 10%), required greater commercial focus - especially in terms of product and pricing adaptation and market approach - and redesign of productive activities, including partial or total shutdown of some lines and units (Jacarei, Suape and João Pessoa). The decision proved to be right, because it made it possible to maximize production, which ultimately led to production records in some units.

In addition to the adjustment to the cement production map, a new business profile was established for the Concrete area, as described below. These two actions combined contributed to a satisfactory operating and financial result, in a very unfavourable scenario. This rapid alignment was crucial to reduce potential financial losses that could jeopardize the consolidation of healthy parameters for the operation, even in a challenging external environment.

New concrete business profile in Brazil

Cimpor has a very consistent position in the concrete business, because this is a major cement sales channel. In European countries, for example, the sale of cement via concreting services reach the 50% level.

In countries where Cimpor operates, this level is much lower, but there is a growth trend. Throughout the years, the company has achieved great expertise on the subject and it has been continuously leveraging its participation in the concrete business.

This process indicated that a new strategy for the concrete business in Brazil was needed, in a context of portfolio prioritization and transfer of control of low profitability plants – based on operational agreements with partners - and keeping the strategic intent of the company. Cimpor conceived and advanced with an innovative partnership model in the segment, seeking greater participation in this channel through the leasing out of operations with low profitability and / or outside of the strategic plan of the business.

Global Procurement

The company established the guiding principles of the Corporate Procurement Policy in 2015, defining the mission, health and safety, ethics, code of conduct, performance, best practices, responsibility matrix and risk management. This reorganization establishes centralized and / or hybrid models, value thresholds and authorization levels.

The working group formatted the Procurement Manual in four segments: guiding principles (including health and safety, ethics and code of conduct, performance and good practices), organisation (including responsibilities and separation between sourcing and procurement), resources (such as the assessment and recognition of suppliers) and risk management (critical inputs, matrix and strategic plan).

The goal for this set of actions is to maximize short-term results by leveraging purchases with corporate guidance (over EUR 300 million), which includes energy consumption (petcoke, coal, natural gas, electricity, etc.), materials and inputs for production (refractories, grinding balls, paper for bags, adjuvants, etc.). In 2015, it was possible to achieve savings of 15.6% for these categories.

Improvement of working capital profile

The company undertook a rather austere management of its working capital in 2015, through a series of measures and negotiations undertaken according to the needs, characteristics and possibilities in each of its countries. This process to increase the efficiency of working capital management was accelerated in 2014 in order to optimize and accelerate the company's cash generation and mitigate the impact that the economic slowdown and the depreciation of the currency exchange rates could have on business.

One of the results obtained from the working capital management programme was a reduction of EUR 118 million and reduction of 14 days in Net Revenue compared to 2014, which positioned the company among the leaders of the global benchmark. This was possible due to renegotiation of better term contracts with key suppliers and customers, stock optimization initiatives, among others.

Debt profile improvement

Until 2014, bank loans taken out for the units in all countries tended to be concentrated in the holding. From 2015, funding began to be sought, wherever possible, in local currency in the countries where Cimpor operates. And the first large-scale operation has occurred: a long-term loan was taken on in local currency in Mozambique. Other loans should follow this initiative, putting the funding in the regions in which the cash is generated to ensure a debt profile in line with the strategies, investments and long-term income expectations.

Strengthen the capital structure

Cimpor adopted, besides the change in the management of bank financing, a series of new policies in 2015to strengthen the company's capital structure and keep it financially sound over the next few years. Some of these measures began in 2015, and the successful experiences should continue over the next few years in order to strengthen the capital structure and increase the profitability of the company.

The actions already completed include: the sale of a minority interest in the Paraguayan operation, the promissory sale agreement contract of other assets[3]; the realignment of the cement production units and the new strategic focus for the concrete channel in Brazil - with the inherent disposals; and the sale of non-strategic assets such as quarries in Brazil.

[3] Operation described in notes 4, 46 and 49 of 2015 Financial Statement notes

Local minority shareholders

Cimpor evaluated that the sale of shares to minority shareholders of the same country can be beneficial for the business, as a local development strategy. The action reinforces the concept of sustainable partnerships and will be assessed on a case-by-case basis, in accordance with the long-term goals of the company, but with the priority condition that Cimpor will continue to be the controlling shareholder of the operation. The first negotiation under that strategy resulted in the sale of 16% of the capital of Yguazú Cementos Paraguay to Concretmix for EUR 32 million, the local partner, which now owns 49% of the company, while Cimpor remains in control with 51%. Additionally, as further proceeds the conclusion of a promissory sale agreement contract with a minority participation of other non-strategic assets[4].

[4] Operation described in notes 4, 46 and 49 of 2015 Financial Statement notes

Conversion of non-strategic assets into cash

The company closed 2015 with the sale of the quarries of Guarulhos and Barueri, São Paulo, for EUR 20 million. This action was complemented by the sale of the concrete producers falling in the above-stated strategic framework.
The strategy of selling assets that are not strategic began in 2013. This allows Cimpor to concentrate on developing its core business.

Investments

The climate demanded the extension of investment schedules (investment compression), but meticulously assessing whether this extension of the term will not jeopardize the possible recovery and the company's future position. Investments totalled EUR 177 million.

The relevant items that concerned the results were not changed, and the investment was maintained. Some of the main investments in 2015 are presented next.

Construction of a coal mill in Egypt

Work began in June 2015 and it is expected that the new mill will be opened in the second half of 2016, for a total investment of EUR 47 million. The initiative will bring operational and financial benefits to Cimpor, as the company will reduce fuel costs, resulting automatically in increased productivity. There are also environmental advantages, since the use of coal ensures production with lower emissions of greenhouse gases compared to the mazut presently used in the operation.

New filters in Matola unit - Mozambique

The new bag filters system was opened in August at the Matola unit, in Mozambique. It comprised a total investment 4of EUR 7.5 million. This ensured the unit aligned with the corporate sustainability guidelines of Cimpor.

Palletizing sector in Paraguay

EUR 2.2 million were invested at the Paraguay unit to expand the attending service excellence, through the implementation of a cement palletizing area of about 1,250 square metres.

SECTION D
PERFORMANCE AND FINANCIAL RESULTS IN 2015

Operational Performance

Geographical diversification mitigates economic impact of Brazil, which is adjusting and preparing for short-term challenges.

The operational profit of Cimpor is supported on the performance in Argentina, Paraguay and Portugal. Which mitigated the slowdown of the Brazilian economy and the adjustment in Egypt where, the already expected adjustment in the business activity was further compounded by increased competitiveness.

Sales in a generally more competitive environment, although benefiting from a 6.4% increase in average cement price (in local currency) decreased by 4% compared with the previous year, to EUR 2.5 billion. This performance reflects the contraction found of the consolidated cement and clinker volumes sold (-6.1%), mainly influenced by the volumes in Brazil and Egypt.

EBITDA margin of Cimpor in 2015 reached 21.1%, again proving to be a reference in the industry. However, the depreciation of the operating currencies of Cimpor against the USD, negatively impacted imported raw materials costs - especially energy resources - preventing a reduction of costs in harmony with the evolution of sales.

The EBITDA of EUR 525.7 million (-18.6% compared with 2014) is limited by the unusual combination of a number of challenges, which the company responded to by introducing adjustment measures of a strategic nature in corporate and operational areas. The company's approach had particular focus on Brazil, adapting operations to the current economic reality and giving the strength needed to tackle the challenges anticipated for 2016.

The analysis by country showed that despite annual results being restricted by the adversity in Brazil and Egypt, **the remaining countries jointly recorded EBITDA growth close to 32%, triggered by the performances in Argentina, Paraguay and Portugal.**

Cement and Clinker Volumes Sold

Record results in Argentina and market recovery in Portugal, mitigate slowdown of Brazil and readjustments in Egypt.

Cement and Clinker Volumes Sold

(Thousand tons)

	Jan - Dec		
	2015	2014	Change %
Brazil	10,545	12,601	-16.3
Argentina	6,572	6,178	6.4
Paraguay	398	422	-5.7
Portugal	4,427	4,371	1.3
Cape Verde	167	182	-8.2
Egypt	3,384	3,761	-10.0
Mozambique	1,585	1,512	4.9
South Africa	1,438	1,502	-4.3
Sub-Total	**28,516**	**30,530**	**-6.6**
Intra-Group Eliminations	-380	-551	-31.1
Consolidated Total	**28,137**	**29,979**	**-6.1**

The record performance in Argentina associated with the recovery of the domestic market in Portugal and excellent performance in Mozambique in the last quarter of the year, partially mitigated the slowdowns observed in Brazil, Egypt and exports from Portugal. Cement and clinker volumes sold in 2015 totalled 28.1 million tons, which is a 6.1% decline compared with 2014.

The effect of the decline of demand in Brazil became more pronounced in the 2nd half of 2015 due to the worsening political and economic situation accompanied by the startup of new cement plants, mainly in the Northeast and South regions, which contributed to the 16.3% slowdown compared to 2014.

Cimpor reached a new record year in Argentina with historical volumes sold in 2015. The demand growth combined with the operational efforts to attract customers resulted in a 6.4% increase in volumes and in market share gains.

The appreciation of the local currency in Paraguay against the neighboring countries (which was more pronounced in the last quarter) encouraged imports of cement and ended up limiting the company's performance.

In Portugal, following the end of 2014, the domestic market kept growing in 2015 at a rate of 10%. However, owing to the economic contraction of countries that have been export destinations, export volumes decreased therefore conditioning total volumes sold by this country.

A consumption slowdown was registered in Cape Verde from the start of the 2nd quarter, mainly caused by the slowdown of construction projects funded by the State.

In Egypt, as expected, an adjustment in volumes sold occurred after the company had anticipated the fuel supply failures in 2014 and met demand beyond its natural market share. In 2015, the competitive pressure to increase market share following recent investments by some competitors ended up influencing the volumes performance.

In Mozambique, despite the pressure of imports, Cimpor recorded an increase in volumes sold higher than that of the local market, surpassing the political and economic constraints and delays in the performance of public works.

Cement volumes sold grew in South Africa by around 5% as a result of a commercial strategy based on attracting new customers and moving into new regions.

Sales

Increase in the average price of cement partially mitigates the contraction of sales.

Sales

(Million euros)

	Jan - Dec		
	2015	2014	Change %
Brazil	814.2	2014	-30.3
Argentina	763.7	1,168.4	40.0
Paraguay	53.1	545.4	-5.1
Portugal	291.9	55.9	6.4
Cape Verde	26.1	274.3	-3.4
Egypt	217.2	27.0	-12.0
Mozambique	161.4	246.9	8.4
South Africa	130.7	148.9	3.7
Trading / Shipping	301.9	126.1	-1.2
Others	45.7	305.5	-6.0
Sub-Total	**2,805.9**	**48.6**	**-4.8**
Intra-Group Eliminations	-313.2	2,947.0	-8.8
Consolidated Total	**2,492.7**	**-343.3**	**-4.3**

Sales amounted, in accumulated terms, to EUR 2,493 million. A decline of 4.3% compared with the previous year. Excluding foreign exchange rate impact, this would present an increase of +0.4% compared to 2014.

The evolution of the cumulative average sale price (+6.4%) partially mitigated the unfavourable evolution of total sales. Generally, a price growth trend was recorded, except in Brazil, Egypt, (in this case where a recovery was already recorded at the end of the year) and in Paraguay (owing to the pressure of imports from neighboring countries).

The strong growth observed in Argentina is, above all, due to the positive growth of demand which was combined with price adjustments, aiming to incorporate inflation effect in costs. The same is true for

Mozambique, Portugal and South Africa – the latest for recording a positive performance by increasing the proportion of cement in the mix of products, thus partially offsetting declines in other regions.

EBITDA

Cimpor margin of 21.1% remains one of the references in the industry.

EBITDA

(Million euros)

	Jan - Dec		
	2015	2014	Change %
Brazil	173.8	322.2	-46.1
Argentina & Paraguay	200.9	128.0	56.9
Portugal & Cape Verde	31.2	32.8	-4.9
Africa	110.2	148.4	-25.8
Trading / Shipping and Others	9.5	14.1	s.s.
Consolidated Total	**525.7**	**645.6**	**-18.6**
EBITDA margin	**21.1%**	**24.8%**	**-3.7 p.p.**

The EBITDA margin of Cimpor in 2015 remained a reference for the industry, achieving 21.1% at a time when the majority of the sector underwent contraction.

This was a year that simultaneously required a response to a set of political and economic instability challenges, expected volumes downward adjustments, and adaptation to new sporadic market conditions. Cimpor introduced, in this climate, a package of measures that helped sustain its EBITDA in 2015 at the level of EUR 525.7 million - 18.6% down compared with 2014 – and will only show their impact in a sustained manner from 2016.

These measures include: (i) suspension of the activity of underutilized production units; (ii) the enhancement of programmes to increase operational efficiency – by stimulating productivity, reducing costs, adjust the approach to the local market and present new products and services; (iii) the expansion of co-processing to all countries; (iv) restructuring the corporate and business support areas; and (v) the disposal of non-strategic assets.

Nonetheless, EBITDA generation fell short of the 2014 figure, influenced by (i) the effect of the contraction of economic activity, with the impact resulting from reduced dilution of fixed costs; (ii) the difficulty of increasing prices to match inflationary pressure in a context of more aggressive competition in countries like Brazil, Paraguay and Egypt; (iii) the impact of exchange rate depreciation in most countries where the Company operates, reflected in its translation into euros but mainly in higher raw materials costs pegged to dollars - particularly in Brazil, Argentina and Mozambique; and (iv) the non-recurring effects of corporate restructuring (EUR 17 million) and credit repurchase relative to the reacquisition of a credit (Portugal) (EUR 8 million).

It is worth mentioning the EBITDA increase in Argentina, where market dynamics associated with operational efficiency enabled growing demand to be met in a pre-election period of expansion. Similarly, the performance of Paraguay and Portugal are also notable. In the former, due to the first full year of operation with an integrated production unit, which drove significant operational efficiency gains, and in Portugal due to the opportunities arising from the positive dynamic of the domestic market - reversing the negative cycle that had been registered since 2001.

Moving in the opposite direction was the EBITDA of the Brazilian operations, which reflects the impact of the political and economic crisis and also the increase in competition with new capacity starting up in the market. The company has pursued, in this climate, a set of operational and structural initiatives that helped it increase its strategic focus and performance robustness in order to tackle the anticipated short-term challenges.

Egypt recorded a correction of EBITDA, as envisaged. This stems from the atypical EBITDA recorded in 2014 – arising from the company's privileged position to supply the market in that year – and also the general decline in prices in 2015.

Finally, despite the increase in turnover recorded in Mozambique, EBITDA declined due to the impact on the costs structure of the depreciation of the local currency against the USD, especially for the relevance of the value on imported raw materials.

Amortizations and Provisions

Increased impairments and investment compared with 2014

Amortizations and provisions totalled EUR 212 million in 2015, compared with EUR 197 million in 2014. This was influenced by an increase through impairments of fixed assets by the amount of EUR 12 million - particularly in assets of the Trading/Shipping activity and other items in Portugal - in parallel with the impact of investments carried out throughout 2014 – primarily in Paraguay.

Financial Results and Taxes

Financial results reflect exposure to debt of USD in the Business Units. Taxes accompany the results evolution.

Financial results remain negatives in EUR 406 million, losing 9.3% when compared to 2014. The exchange rate hedging policy implemented in holdings and financial companies throughout 2015 showed favorable results, namely on the coverage of Euro/USD exposure. However, in comparison with 2014, the benefit of the stability achieved compared with the losses then observed, was eventually cancelled out by the impact of the forex depreciation on the debt issued and intercompany loans at the operations level.

Taxes on profits showed a positive contribute of EUR 12 million, reversing the trend from the negative EUR 48 million of 2014. This arises from the trend observed in pre-tax income, while, on a consolidated basis and as in previous years, still no benefit is gained from the recording of deferred taxes related to the negative results of the holdings and financial companies holding debt.

Net Income

EBITDA slowdown joined with penalties on Financial Results increased amortization drive a fall of Net Income

Income Statement

(Million euros)

	Jan - Dec		
	2015	2014	Change %
Sales	**2,492.7**	**2,603.7**	**-4.3**
Net Operational Cash Costs	1,967.0	1,958.1	0.5
Operational Cash Flow (EBITDA)	**525.7**	**645.6**	**-18.6**
Amortisations and Provisions	212.4	196.9	7.9
Operating Income (EBIT)	**313.3**	**448.8**	**-30.2**
Financial Results	-406.1	-371.4	9.3
Pre-ta, Income	**-92.8**	**77.3**	**n.m.**
Income Ta,	-12.4	47.8	n.m.
Net Income	**-80.4**	**29.6**	**n.m.**
Attributable to:			
Shareholders	-71.2	27.2	n.m.
Minority Interests	-9.1	2.4	n.m.

In 2015 the combined effect of EBITDA contraction and the penalties on financial results in net income affected negatively net income attributable to equity shareholders, with a loss of EUR 71 millions.

Balance sheet

Net Debt declines EUR 366 million. Total assets reaches EUR 5.6 billion

Consolidated Balance Sheet Summary

(Million euros)

	31 Dec 2015	31 Dec 2014	Change %
Assets			
Non-current Assets	4,180	5,049	-17.2
Current Assets			
Cash and Equivalents	730	724	0.9
Other Current Assets	685	778	-12.0
Total Assets	**5,595**	**6,551**	**-14.6**
Shareholders' Equity attributable to:			
Equity Holders	268	928	-71.2
Minority Interests	41	50	-17.9
Total Shareholders' Equity	**309**	**978**	**-68.5**
Liabilities			
Loans & Obligations under finance leases	4,060	4,285	-5.3
Provisions & Employee benefits	137	145	-5.1
Other Liabilities	1,089	1,144	-4.9
Total Liabilities	**5,286**	**5,574**	**-5.2**
Total Liabilities and Shareholders' Equity	**5,595**	**6,553**	**-14.6**

Total assets of Cimpor at 31 December 2015 was EUR 5,595 million, a 14.6% reduction compared with 2014. That impact is influenced by the depreciation of the currencies of developing countries where Cimpor operates.

The reduction of shareholders' equity in 2015 results mainly from the aforementioned exchange rate depreciation against the euro on the translation of assets denominated in other currencies - including the Brazilian real, Argentine peso and South African rand.

Net debt at 31 December 2015 shows a decrease of 10.6% compared to the same period of 2014, falling to EUR 3,073 million. This trend is very noticeable from September 2015 to the end of the year, with this indicator falling 6.6%. This reflects the careful selection of investments, strict working capital control achieved through the implementation in the last 12 months of a plan for this purpose, and lastly the recent disposals of assets and the promissory sale agreement contract of a minor participation in Brazil[5]. These disposals include the sale of a minority stake in Yguazú Cementos (Paraguay) along with other non-strategic assets such as two quarries and 13 concrete units in Brazil.

Strategically, the company will continue to comply with a set of initiatives to strengthen its capital structure, preparing itself the best wzay to embrace future opportunities for development. These initiatives include: the internal restructuring and optimization of production processes, seeking greater efficiency in the costs structure; precision and discipline in working capital management and CAPEX, and the disposal of non-strategic assets.

[5] Operation described in notes 4, 46 and 49 of 2015 Financial Statement notes

Cash Flow

Working capital efficiency, CAPEX discipline and sale of assets improve cash generation.

(Million euros)

	2014	2015				
	FY	QT	QT	QT	QT	FY
EBITDA	646	123	156	116	130	526
Working Capital	-41	-122	21	46	66	11
Others	-15	1	-3	-1	-29	-32
Operating Activities	**590**	**2**	**173**	**162**	**167**	**504**
Interest Paid	-240	-73	-24	-104	-49	-250
Income taxes Paid	-42	-1	-27	-4	-15	-47
Cash Flow before investments	**308**	**-71**	**122**	**54**	**103**	**208**
CAPEX	-199	-48	-28	-33	0	-109
Assets / Others	5	8	2	2	50	61
Free Cash Flow too the company	**113**	**-111**	**96**	**23**	**153**	**160**
Borrowings, financing and debentures	1,773	112	36	59	30	237
Repayment of borrowings, financ. and debent.	-1,886	-38	-141	-137	-95	-411
Dividends	-2	0	0	0	0	0
Other financing activities	-24	37	11	4	87	139
Changes in cash and cash equivalents	-24	0	2	-51	175	126
Exchange diffeences	29	24	-26	-49	-12	-63
Cash and cash equivalents, End of the Period	645	669	645	545	707	707

The combination of greater efficiency in working capital management, greater discipline of CAPEX and sale of assets made it possible to increase by EUR 47 million the Free Cash Flow which stood at EUR 160 million despite the drop observed in EBITDA generation.

The implementation of the programme to increase working capital management efficiency was evident in the reduction of invested capital (EUR 52 million) especially in Brazil, Portugal and Egypt, where several initiatives were implemented to reduce the cash conversion cycle.

Greater CAPEX austerity, giving priority to large investments with rapid returns implies cash outflow restraint, of EUR 90 million in 2015 compared to 2014.

The Others item of Operating activities has contracted, reflecting the costs of restructuring, the reacquisition of a credit (Portugal) and also the transfer of non-recurring effects recorded in EBITDA.

Cash in from the sale of quarries and concrete units in Brazil, as well as the minority stake in Yguazu Cementos (Paraguay) is recorded in the Sale of assets / Others item.

Lastly, it should be noted that Other investing activities include funds, received in December, from the promissory sale agreement[6] of a minority stake Brazil (EUR 56 million).

[6] Operation described in notes 4, 46 and 49 of 2015 Financial Statement notes

Performance by country

Geographical diversification is a competitive advantage, but it requires continuous monitoring of the scenarios in each country and region and decision-making flexibility. Each country has its challenges, and Cimpor acts to maximize the opportunities and minimize the possible risks as much as possible.

BRAZIL BUSINESS UNIT

The Political and economic instability in Brazil in a post-elections year with many uncertainties ended up being reflected in a contraction of the economy estimated at over 3.8%, and in the depreciation of the real against the US dollar (by 29.0%) and euro (by 14.9%).

This climate led to a reduction in the level of investment, and therefore the demand for cement (-10%), which combined with the recent increase in competition by the startup of new production capacity in the Northeast and South markets, which are major business areas of this company, led to a slowdown in sales of Cimpor (-16.3%).

Cimpor implemented a series of measures to adjust to this situation and prepare to embrace the short-term challenges and development potential that the Brazilian market structurally holds. These measures were:

- Implementation of a programme to improve productivity, adjustment of the allocation of human and other resources and reduction of production costs - including innovation by additives;
- Pursue the implementation of co-processing, optimizing its energy matrix;
- New approach to markets, intensifying the sales strategy and introducing innovative products and services;
- Closer relations with suppliers, strengthening partnership relations;
- Making the cement production structure more adequate, with the suspension of the operation of underutilized and low profitability units in the face of market conditions - such as the Jacarei and Suape mills as well as the kiln of the integrated João Pessoa plant - ensuring the more efficient distribution of cement among the other units;
- Sale and rental of concrete plants in a restricted manner, i.e. guaranteeing loyalty contracts for the supply of cement by Cimpor, in order to leverage the cement distribution channel in this way;
- Disposal of non-strategic assets, such as the Guarulhos and Barueri quarries at the end of 2015 for EUR 20 million.

The measures stated above, although their actual scope is still not reflected in 2015, have already contributed to the support of EBITDA, and it is hoped that their effective impact occur in 2016.

ARGENTINA AND PARAGUAY BUSINESS UNIT

The growth dynamic of sales and increased efficiency of operations in these two countries, resulted in a 3.3 p.p. increase in EBITDA margin to 24.6% highlighting the effective costs reduction with full production in Paraguay – which posted the best margin of the company in individual terms.

The Argentina and Paraguay business unit made the greatest contribution

to consolidated EBITDA in 2015, with EUR 201 million, accounting for about 38% of the total EBITDA of the company. These results embody an impressive growth of 18pp.

ARGENTINA

The pre-election period in Argentina stimulated the economy in 2015, contributing to an increase in investment and cement consumption. In this year, the construction sector established itself as one of the pillars of the economy, stimulated by both public investment in infrastructure and by residential development.

2015 was again a record year for Cimpor cement sales in Argentina. Sales grew 6.4% from 2014 and even surpassed 2013, which was already a year of record sales.

Strategically customer oriented and focused on satisfying local demand dynamics, Cimpor has reaffirmed its leadership position locally, proceeding with a continued and sustained growth of its market share.

The operational efficiency of production and distribution, together with the adopted commercial policy, drove an yoy increase in EBITDA margin, despite the exchange rate pressure on costs – rising from the depreciation of the peso against the dollar, which was heightened in the post-election period, at the end of the year.

Thus, EBITDA growth in 2015 compared with 2014 was more than 50%, reflecting the merits of the local operation and assertiveness of its strategy.

The continued growth and improved operating performance of the business in Argentina gives this country a prominent role in the portfolio of Cimpor, broadly contributing to the increasing representation of the Argentina and Paraguay business unit in the generation of the company's EBITDA.

PARAGUAY

Paraguay continued to benefit from a positive economic cycle in 2015. Even though its economy was contaminated by the uncertainty in neighbouring countries, it was one of the countries with the highest economic growth in Latin America, hence encouraging foreign investment.

Cement demand growth remained strong in 2015. However, the economic slowdown and the depreciation of the currencies of neighbouring countries, especially in the 4th quarter, spurred an important flow of imports of cement surpluses at lower prices, reflected in the sales of local producers and a fall of average prices in this market.

Cimpor registered for the first time in 2015 a full year of integrated cement production in Paraguay, which combined with operational stability, confirmed the merits of Cimpor having invested in the local integrated cement plant. This strategy allowed EBITDA and the EBITDA margin to almost double, making it a benchmark of the company.

In terms of investments, the new palletizing sector opened at this unit in 2015 is to be mentioned.

PORTUGAL AND CAPE VERDE BUSINESS UNIT

The good performance of Portugal was the key driver for the growth of the operating results of the business unit. This business area, driven by the recovery of the Portuguese domestic market, increased its EBITDA excluding non-recurring items by approximately 20% in 2015, with a margin improvement of 1.4 p.p. compared with 2014.

PORTUGAL

The Portuguese economy confirmed the previous year's growth trend, functioning as an incentive for the growth of cement consumption, estimated at about 10% compared with 2014.

Sales of Cimpor accompanied the good momentum of the internal market, while export activity declined due to the economic downturn in some destination countries in North Africa, which were economically impacted by the fall in the oil price. Nevertheless, the 10% increase of domestic sales allowed the volume of consolidated sales of Portugal to surpass the values observed in 2014 by 1.3%.

The increase of the share of domestic sales over exports had a positive effect on the evolution of turnover which surpassed 2014 by 6.4%, operating as a foundation for the generation of EBITDA in the year.

The financial loss from the repurchase of a credit related to ongoing legal process justifies EUR 8.4 million non-recurring impact affecting EBITDA.

CAPE VERDE

2015 was marked by a slowdown in cement consumption in Cape Verde, mainly due to the slowdown of construction projects funded by the State. This decline was however mitigated by the development of investments in the tourism sector.

The work of the management team should be noted, which despite a reduction in sales and turnover, managed to generate more EBITDA than in 2014 through costs containment.

OPERATIONS IN AFRICA

Operations on the African continent posted, in consolidated terms, a lower operating result than that of 2014, essentially due to the anticipated adjustment in Egypt and the impact of the depreciation of the metical against the dollar. As a result, the joint contribution of Cimpor operations in Africa to the Group in 2015 was 21% while in 2014 it was 23%. Nevertheless, it is expected that its contribution gains further share in the consolidated results of 2016.

EGYPT BUSINESS UNIT

The GDP of Egypt will have grown by around 4% in 2015 and the cement market followed this trend, achieving national consumption over 53 million tons in the year.

Cimpor in Egypt as envisaged, recorded a sales correction after having reached an extraordinary level in 2014 (over 18% in terms of sales and over 37% in turnover higher than in 2013) - a period in which Cimpor, anticipating the shortage of fuel, implemented management of fuel and raw materials stocks that allowed it to constantly supply market demand, unlike some of its competitors.

Competitiveness increased in 2015, by virtue of the need for the profitability of different investments made by competitors, causing a widespread fall in cement prices. This fact, combined with an increase of energy costs by about 15%, has penalized the generation of EBITDA.

Considering the current energy policy in Egypt, which comprises the removal of government subsidies on energy consumption, Cimpor is pursuing a programme of optimization of its energy matrix. This programme, besides the investments in co-processing, includes the operational startup of a new coal mil in 2016, an investment of around EUR 47 million, which will have a significant impact on the profitability of the operation.

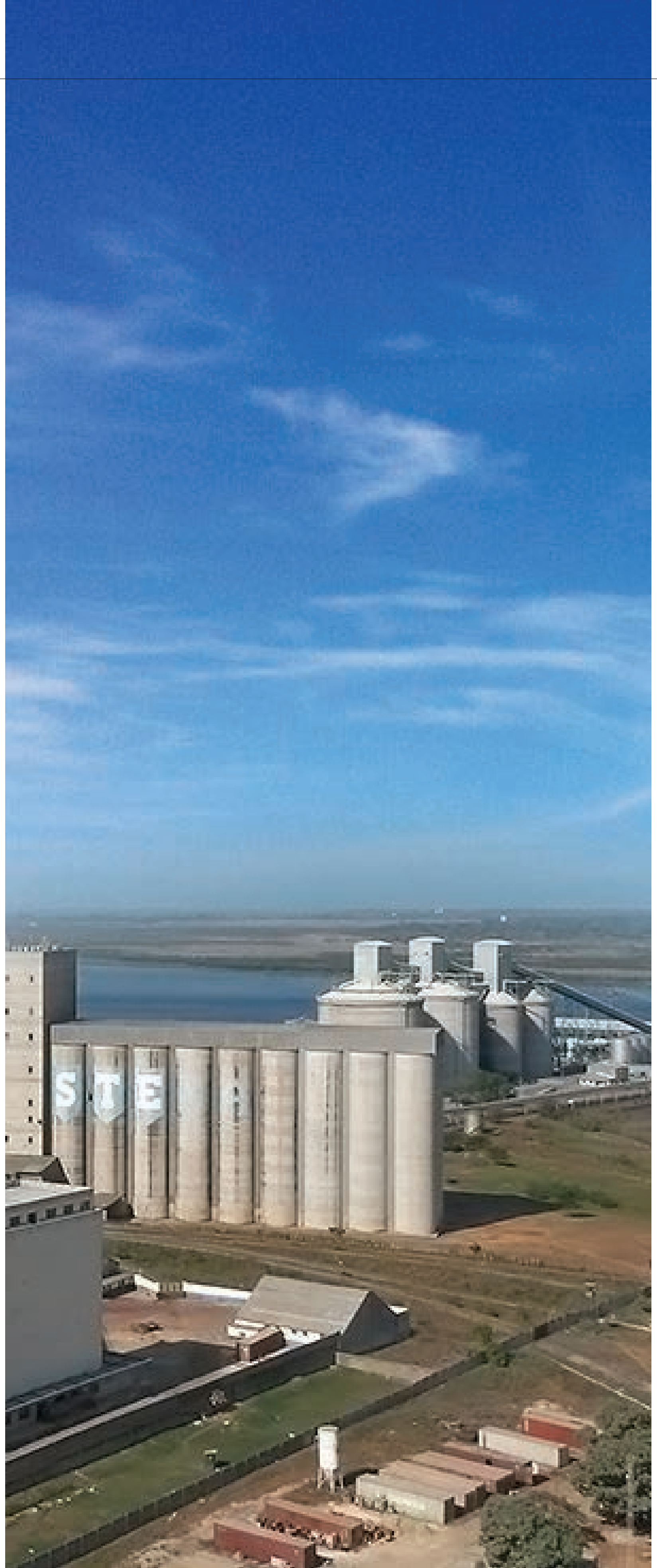
MOZAMBIQUE BUSINESS UNIT

The Mozambican economy is estimated to have grown by about 7% in 2015, positively influencing the construction industry.

The cement market, although limited by some delays in the performance of public works, followed this trend. It is forecast it grew positively from 2014, by around 3.3%. On the other hand, the pressure of imports has decreased, also as a consequence of devaluation of the metical against the dollar which ended up inflating the price of imported cement.

Again Cimpor has reaffirmed its leadership with a market share of about 60%. In fact, after a less favourable 1st quarter in terms of sales, and 2nd and 3rd quarters with timid growth, the last quarter of the year posted a double digits growth rate compared with the same period of 2014. This growth is similar to that registered in 2014 and it raises the prospects of 2016 being a year of strong growth.

In view of the devaluation of the local currency against the dollar, the



commercial strategy implemented from the beginning of the year turned out to be crucial to achieve the turnover in local currency with growth of 15.6%.

The impact of some operational constraints in the 1st quarter and disruptions in the energy supply in the 3rd and 4th quarters were observed on the cost side. The depreciation of the metical against the dollar also impacted on local costs. The latter effect had a greater impact, given the need to import raw material to offset the above-referred constraints, and in order to meet the growing demand observed throughout the year.

Nevertheless, the EBITDA in local currency increased compared with 2014 – which was, however, consumed by the exchange rate - already benefiting from the effects of the management measures set out by the "Mutirão" and "Mutirão Gente" projects. These projects aim to improve operating efficiency and optimize local resources.

Investments made in Mozambique in 2015 include the new bag filter system in the Matola unit, in Mozambique, as part of the policy to align this unit with the corporate sustainability guidelines of Cimpor.

Cimpor announced in June, aware of the immense potential of this country, the beginning of the process to build a new integrated cement production plant in Nacala.

SOUTH AFRICA BUSINESS UNIT

In South Africa, boosted by GDP growth at the same pace of previous years (1.4%), it is estimated that the cement market followed the same trend, resulting in growth slightly over 1% compared with 2014.

Although 2015 cement and clinker sales in South Africa were 4.3% below sales in 2014, the performance of cement sales, individually, exceeded 2014 values by 5.9%. This is due to the fact that in 2014 the company registered atypical total clinker sales owing to sporadic sales completed.

The opposite trend in EBITDA and Sales should be noted. Sales recorded growth of around 4% compared with 2014. 2015 performance reflects not only the growth of cement sales in the total mix, but also the commercial approach to the market as well as the measures to improve efficiency introduced in the second half of the year.

SECTION E
OUTLOOK

Outlook – Cimpor prespectives

Focus on efficiency, discipline and agility, consolidate bases for prosperous development.

2015 was a year of challenges. Nonetheless, several measures taken in terms of governance, management of operations and strengthening the balance sheet, allowed Cimpor to prepare for 2016 soundly and with expectation of growth.

The increasing integration of its international portfolio along with the measures and actions of 2015 reported herein, equip Cimpor with the flexibility needed to perform the fine and rapid adjustments of its operations and their management, in order to fully comply with its 2023 Vision: to be among the top ten international cement companies and among the five most profitable.

From a macroeconomic point of view, the performance of the BRICS in 2016 should influence the international economic outlook. The increasing possibility of a slowing Chinese economy and its effects on world economies coupled with the scenario of GDP decreases in Brazil and Russia may have implications on other world economies. On the other hand, the slow but consistent growth of the world's major economies can bring beneficial balance to international trade.

2015 was a year of mergers of the giants of the cement industry and 2016 should be a year of consolidation and strengthening of the positions acquired or defence of the space already won in the past.

Cimpor shall pursue a strategy of strengthening its position in the markets in which it operates, with a particular focus on South America, in order to be better positioned for the potential economic recovery of the region and its impact on cement consumption.

The focus on the development of its strategic operations, moving closer to the markets and its customers, together with the increased productivity, greater occupation of capacity and operational efficiency will be the constant emphasis in forthcoming years. The opportunities in the additives field and expansion of co-processing processes will be developed across the board throughout the entire company.

In financial terms, Cimpor continues with the initiatives to strengthen its balance sheet, including:

- The working capital efficiency plan, which in 2015 reduced EUR 118 million and 14 days of net revenue compared to 2014;
- Fine-tuning its debt profile;
- Investment discipline (budgeted at about EUR 110 million for 2016) which, in addition to maintenance investment of about EUR 65 million per year for the next three years, focuses on the completion of the coal mill in Egypt and the co-processing and additives projects;
- Identification of non-strategic assets to be sold.

In other words, a set of initiatives that have an impact on the generation of immediate and future free cash flow will translate into a reduction of debt. This, along with EBITDA generation stimulus (excpected to keep this indicator at the present level in 2016) will allow the company's leverage ratio to be reduced.

By this means Cimpor is preparing to re-embrace new development opportunities, alone or doing justice to its slogan of "building sustainable partnerships" or together with new partners.

BRAZIL

2016 is expected to be a year of major challenges for the Brazilian economy, with the latest outlook pointing to a slowdown in GDP of 3.5% and a scenario of stagnation in 2017[7]. Brazil, still under the spectre of political instability, is faced with the need to restore the confidence of economic agents, promoting the containment of inflation and reducing the budget deficit, in order to alleviate fiscal and monetary contraction.

The residential sector, due to its scale and the deficit of housing, continues to be the main driver of cement consumption in Brazil. Although it is affected by the current economic context, it will benefit from government interventions such as the start of the 3rd phase of the "my home, my life" programme. The urgency of infrastructure in Brazil has promoted a government policy of delivery of concessions and privatization projects in order to ensure their construction is accelerated.

It is forecast that in 2016 cement demand will still be slow, translating into a fall of between 7 and 10%, although, on the other hand, it is estimated that the signs of greater definition and the political stability expected for 2016 will drive, in 2017, the growth in demand for cement suppressed to then.

In Brazil, Cimpor will continue to implement a set of adjustment measures in the current context of the local market, while at the same time it will continue with the introduction of measures to increase the efficiency of its operations - improving its costs structure. This will create the conditions to contain EBITDA decline below 5%[8] arising from the activity slowdown, and come to leverage its growth in the market upturn expected to occur in subsequent years.

[7] Data IMF World Economic Outlook (WEO) January 2016 Update
[8] In local currency

These measures include:

I. The adequacy of prices and products, aiming for greater alignment with demand;

II. The sale of concrete plants, keeping Cimpor cement supply contracts and thus safeguarding its distribution channels today on the ground;

III. The suspension of the activity of underutilized units at times of a weaker market, constantly monitoring their profitability and strategic direction.

IV. Various investment to increase productivity and energy efficiency, which include those allocated to the development of the co-processing activity.

ARGENTINA

Surpassing the exchange rate adjustment that had been predicted (28% depreciation of the peso in 2015), Argentina enters 2016 in a climate of optimism and confidence with its new economic guidelines that will be reflected in the level of activity from 2017. Greater economic liberalization and opening up to the exterior, the prospect of resolving the issues with international creditors, the IMF intervention request and the panoply of measures to rebalance public accounts have been promoting an increase of confidence among domestic and international economic agents and well as attracting domestic and foreign investment for the development of the Argentine economy in the short term.

The residential sector will continue to show good momentum. On the infrastructure side the plan envisaged by the government amounts to USD 25 billion over four years, while the power generation and oil and gas projects, to be completed by 2024, are budgeted at about USD 300 billion.

In this context, Cimpor in the role of market leader, reaffirms its commitment to ensure the supply of cement demand assuming its role as a catalyst for the local economy and reopening the analysis of capacity expansion projects it has in its portfolio.

After a cycle of more than 10 years of growth, cement consumption in Argentina reached a sustainable level, registering record sales peaks in 2015. Thus, despite the expected stability in sales and commercial dynamics, the depreciation of the local currency will prevent the growth of sales, when consolidated in Euros. Subject to the same effect, the generation of EBITDA may also be impacted by the current time of adjustment in the local economy, i.e. the increase of labour and energy costs (removal of subsidies and the pricing in USD).

PARAGUAY

The positive dynamics of the Paraguayan economy should continue to stand out in the region, with the construction sector as one of its main drivers, albeit with lower growth rates in 2016 due to the commodities' price decline and the "el niño" effect.

In a market where the residential sector accounts for about 70% of cement consumption, the new micro-credit projects aimed at financing the housing shortage, estimated at about one million homes, are to be highlighted.

Cimpor, with local integrated production capacity, will pursue its activity in Paraguay focused both on the development of its commercial position - already envisaging a double-digit increase of sales in 2016, and the inherent increase in market share – in line with the optimization of the efficiency of its latest production facility. This context should result in an EBITDA increase[9] estimated at over 30%, increasing the EBITDA margin of Yguazú Cementos to a benchmark for the company.

[9] In euros

PORTUGAL

The Portuguese economy continues showing recovery, mainly driven by private consumption and national export growth.

Cimpor predicts growth of sales internally (with demand indicating growth between 5 and 7%) but exports due to the retraction of the economies of some of its customers, particularly affected by the decrease of the oil price.

Cimpor is advancing with the exploration of new markets to counter this trend, having already extended its portfolio of export customers beyond the West African coast, to today supply from Portugal customers in North and South America, among others.

Operations in Portugal will continue to pursue productivity initiatives, making their response to the external market more agile, which is presently the destination of 70% of its production.

In this context, the strengthening of the domestic market should allow EBITDA growth in 2016.

CAPE VERDE

The Cape Verde economy is stable providing the desirable attractiveness to foreign investment. The development of tourism infrastructure along with the "home for all" programme in the residential sector will fuel local demand.

EGYPT

It is estimated that the Egyptian economy will advance at a rate of 4.26% in 2016[10], in an environment of growing political and economic stabilization and accreditation of its institutions. Simultaneously, the economic adjustment measures introduced by the Egyptian government have been promoting investor confidence and attracting foreign investment.

The strengthening of the country's economic growth is to be achieved. Demographic and social characteristics that support the residential sector growth in Egypt, accounting for about 75% of cement consumption, are to be kept. Furthermore, the infrastructure plans are encouraging, ranging from the urban development plans for a new capital, the expansion of the Cairo subway system and the modernisation and expansion of the rail and port networks.

The EBITDA contribution of this business unit to consolidated EBITDA is expected to grow to more than 30%, in 2016[11].

This will be a year of significant improvements in Cimpor operations, against a backdrop of price recovery - particularly due to the improvements made to Kiln 1 at the Amreyah plant and optimization of the energy matrix. In addition to the expansion of co-processing, the entry into operation of the new coal mill in the 2nd half of 2016, will immediately provide increased flexibility and raise energy efficiency, which will benefit the competitive positioning of Cimpor in this region.

[10] Data IMF World Economic Outlook Database October 2015
[11] In euros

MOZAMBIQUE

The economic outlook for Mozambique remains robust, despite some recent political uncertainty. Local GDP growth is estimated at 8.2% for 2016, despite the monetary and fiscal adjustments[12]. Growth of 7.5%-8% per year may be envisaged the medium to long term – driven in particular by the potential investments in natural gas and coal exploration projects.

The prospects of the activity of Cimpor in Mozambique are especially optimistic in view of the conditions of operational stability, the expected recovery in cement consumption (growth above 15%) and the less favourable environment for cement imports. These facts ensure appropriate competitiveness, a catalyst for major growth of Cimpor's operations in Mozambique, as a local operator.

Moreover, the interventions resulting from the company's industrial, commercial and human resources task forces in Mozambique – Mutirão and Mutirão Gente – have already had a positive impact on EBITDA generation, which is expected to grow in euros by over 8%[13].

Lastly, we refer to the start of the project to build a new integrated cement production plant in Nacala, Mozambique.

The new capacity to install increases the level of responsiveness to the local cement demand, in which Cementos de Moçambique recognizes its role as sustainable economic development accelerator of Nacala's region.

[13] In euros
[14] Data IMF World Economic Outlook Database October 2015

SOUTH AFRICA

The South African economy is expected to record GDP growth short of 2% in the short term, however expectations of average growth of 2.5% over the next four years should drive the increase in cement consumption in the country[14].

In South Africa Cimpor continues with customer loyalty initiatives already started in 2015, expanding its operating zone beyond the immediate neighbouring urban areas of its plants. It is also conducting, in parallel, a programme to raise efficiency, with the most significant results in 2017. Increased EBITDA generation is not forecast for 2016.

[14] Data IMF World Economic Outlook Database October 2015

SECTION F
SUBSEQUENT EVENTS

Subsequent events

Reacquisition of Credit (Portugal)

In January 25, 2016 the Supreme Administrative Court refused the claim presented by Cimpor and already in February 2016 Cimpor held the reacquisition of the equivalent credit for the amount of EUR 14.2 million. Based on the doctrine and jurisprudence known about the matter, and in the context of specific review of the constitutionality attributed to the Constitutional Court, in February 8, 2016, Cimpor filed an appeal against the decision to that Court. It remains convinced of the merits of its case and, therefore, expects, in the end, the preservation of the credit in the amount that had been initially recognised.

SECÇÃO G
CIMPOR SHARE PERFORMANCE

Cimpor Share Performance

During the year 2015 the reduced number of actions not attributable to the majority of shareholders in conjunction with developments in the Portuguese equity market over the last two years, conditioned the evolution of the title.

Therefore, during the year 2015 the shares of Cimpor ranged from between EUR 0.211 (December 16th) and and a maximum of EUR 1,485 (April 20th). The closing price for the year was EUR 0.32, with a total of 16,720,000 shares transacted, corresponding to EUR 13.17 million.

In 2015 were not paid any dividends in amounts as the net income of Cimpor - Cimentos de Portugal, SGPS, SA, on an individual basis in 2014 amounted to 868,646.56 euros. Thus, any distribution of these results by the shareholders would not have a significant impact, showing up that, for some small shareholders, counterproductive in face of the charges for the respective receipt.

Cimpor held 5,906,098 own shares at 31 December 2015. Since no shares were traded during 2015, the number of treasury shares remained the same as that of the close of 2014.

The Annual General Meeting of 2015 did not approve any shares plan therefore, so given the termination of the plans implemented in 2012, in 2015 were not in force any action plans or stock.

SECTION H
PROPOSED APPROPRIATION OF PROFIT

Proposed appropriation of profit:

Whereas the consolidated loss for the year ended in 31 December 2015 attributable to shareholders stood at 71,230,830.22 euros, and the net result on an individual basis was negative in 9,470,218.17 euros, the Board of Directors will propose the following to the General Assembly:

a. the transfer of the negative net result of the 2015 year to Retained Earnings;

b. the allocation of bonuses to employees working at the end of December 2015 up to a maximum of 150,000 euros, through the use of retained earnings.

SECTION I
DECLARATION OF CONFORMITY

Declaration of Conformity

The members of the Board of Directors declare, pursuant to Article 245(1)(c) of the Portuguese Securities' Code, that to the best of their knowledge, the management report, annual accounts and other financial statements have been prepared in accordance with applicable accounting standards. The same members also state that the referred documents give a true and fair view of the assets and liabilities, financial position and profits of CIMPOR - Cimentos de Portugal, SGPS, S.A. and the undertakings included in the consolidation perimeter, and that the management report faithfully relates the evolution of the business, the performance and position of CIMPOR and the companies included in the consolidation perimeter, and it contains a description of the principal risks and uncertainties faced.

THE BOARD OF DIRECTORS

Daniel Proença de Carvalho

Armando Sérgio Antunes da Silva

Paulo Sérgio de Oliveira Diniz

Ricardo Fonseca de Mendonça Lima

José Édison Barros Franco

António Henrique de Pinho Cardão

António Soares Pinto Barbosa

Pedro Miguel Duarte Rebelo de Sousa

2015
FINANCIAL STATEMENTS

Building sustainable partnerships

CIMPOR

a member of InterCement

Consolidated Statements

of Profit and loss and other Comprehensive Income for the years ended 31 December 2015 and 2014

(Amounts stated in thousands of euros)
(Translation from the Portuguese original – Note 51)

	Notes	2015	2014
Operating income:			
Sales and services rendered	7	2,492,708	2,603,685
Other operating income	8	97,130	45,275
Total operating income		**2,589,839**	**2,648,960**
Operating expenses:			
Cost of goods sold and material used in production	9	(641,887)	(646,102)
Outside supplies and services		(1,012,435)	(1,046,245)
Payroll costs	10	(335,200)	(285,117)
Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets	7, 17 and 18	(212,854)	(197,205)
Provisions	7 and 36	437	349
Other operating expenses	11	(74,630)	(25,875)
Total operating expenses		(2,276,569)	(2,200,195)
Net operating income	**7**	**313,269**	**448,765**
Net financial expenses	7 and 12	(407,686)	(372,961)
Share of profits of associates	7 and 12	1,325	960
Other investment income	7 and 12	272	578
Profit before income tax	7	(92,819)	77,342
Income tax	7 and 13	12,449	(47,759)
Net profit/(loss) for the year	**7**	**(80,371)**	**29,584**
Other comprehensive income:			
That will not be subsequently reclassified to expenses and income:			
Actuarial gain and loss on employee's responsabilities		(88)	(2,742)
That might be subsequently reclassified to espenses and income:			
Derivative financial instruments		15,714	(5,972)
Currency translation adjustments (Variation)		(625,926)	(32,733)
Results recognize directly in equity		(610,301)	(41,447)

(continued on the next page)

Consolidated Statements

of Profit and loss and other Comprehensive Income for the years ended 31 December 2015 and 2014

(Amounts stated in thousands of euros)
(Translation from the Portuguese original – Note 51)

(continuation)

	Notes	2015	2014
Total comprehensive income for the year		(690,671)	(11,863)
Net profit for the period attributable to:			
Equity holders of the parent	15	(71,231)	27,207
Non-controlling interests	7 and 33	(9,140)	2,377
		(80,371)	29,584
Total comprehensive income for the period attributable to:			
Equity holders of the parent		(677,084)	(16,131)
Non-controlling interests		(13,587)	4,268
		(690,671)	(11,863)
Earnings per share of operations:			
Basic	15	(0.11)	0.04
Diluted	15	(0.11)	0.04

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2015.

Consolidated Statements

of Financial Position at 31 December 2015 and 2014

(Amounts stated in thousands of euros)
(Translation from the Portuguese original – Note 51)

	Notes	2015	2014
Non-current assets:			
Goodwill	16	1,531,291	1,935,467
Intangible assets	17	26,867	35,003
Tangible assets	18	2,166,141	2,749,557
Investments in associates	19	10,612	10,752
Other investments	20	7,809	8,845
Accounts receivable-other	22	34,625	35,616
Taxes recoverable	23	27,776	38,836
Other non-current assets	24	238,895	115,175
Deferred tax assets	25	135,572	119,712
Total non-current assets		4,179,588	5,048,962
Current assets:			
Inventories	26	390,802	467,752
Accounts receivable-trade	27	163,772	176,075
Accounts receivable-other	22	46,754	41,646
Taxes recoverable	23	53,243	74,387
Cash and cash equivalents	46	730,387	723,868
Other current assets	24	30,202	18,311
		1,415,161	1,502,039
Non-current assets held for sale	21	-	1,867
Total current assets		1,415,161	1,503,906
Total assets	7	5,594,749	6,552,868
Shareholders' equity:			
Share capital	28	672,000	672,000
Treasury shares	29	(27,216)	(27,216)
Currency translation adjustments	30	(1,084,050)	(462,584)
Reserves	31	299,256	267,273
Retained earnings	32	478,849	451,692
Net profit for the year	15	(71,231)	27,207
Equity before non-controlling interests		267,609	928,371
Non-controlling interests	33	41,046	50,020
Total shareholders' equity	7	308,655	978,391

(continued on the next page)

Consolidated Statements

of Financial Position at 31 December 2015 and 2014

(Amounts stated in thousands of euros)
(Translation from the Portuguese original – Note 51)

(continuation)

	Notes	2015	2014
Non-current liabilities			
Deferred tax liabilities	25	418,515	539,054
Employee benefities	34	16,107	17,229
Provisions	36	105,545	122,276
Loans	37	3,942,862	4,115,219
Account payable - other	41	16,668	19,425
Taxes payable	23	5,222	7,292
Other non-current liabilities	42	5,843	6,124
Total non-current liabilities		4,510,762	4,826,620
Current liabilities			
Employee benefits	34	899	904
Provisions	36	14,912	4,469
Loans	37	117,182	169,997
Accounts payable - trade	43	258,609	222,195
Accounts payable - others	41	168,507	108,809
Taxes payable	23	49,955	61,954
Other current liabilities	42	165,268	179,530
Total current liabilities		775,332	747,857
Total liabilities	7	5,286,094	5,574,478
Total liabilities and shareholders' equity		5,594,749	6,552,868

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2015.

Consolidated Statements

of Financial Position at 31 December 2015 and 2014

(Amounts stated in thousands of euros)
(Translation from the Portuguese original – Note 51)

	Notes	Share capital"	Treasury shares	Currency translation adjustments	Reserves	Retained earnings	Net profit	Shareholder's equity attributable to equity holders	Non-controlling interest	Shareholder's equity
Balances at 31 December 2013		672,000	(27,216)	(428,017)	276,222	473,386	(19,351)	947,025	40,536	987,561
Consolidated net profit for the year	7	-	-	-	-	-	27,207	27,207	2,377	29,584
Results recognized directly in equity		-	-	(34,568)	(8,770)	-	-	(43,338)	1,891	(41,447)
Total comprehensive income for the year		-	-	(34,568)	(8,770)	-	27,207	(16,131)	4,268	(11,863)
Appropriation of consolidated profit of 2013:										
Transfer to legal reserves and retained earnings		-	-	-	-	(19,351)	19,351	-	-	-
Dividends	14 and 33	-	-	-	-	(1,931)	-	(1,931)	(1,377)	(3,307)
Variation in financial investments and other	33	-	-	-	(179)	(412)	-	(592)	6,592	6,001
Balances at 31 December 2014		672,000	(27,216)	(462,584)	267,273	451,692	27,207	928,371	50,020	978,391
Consolidated net profit for the year	7	-	-	-	-	-	(71,231)	(71,231)	(9,140)	(80,371)
Results recognized directly in equity		-	-	(621,465)	15,612	-	-	(605,853)	(4,447)	(610,301)
Total comprehensive income for the year		-	-	(621,465)	15,612	-	(71,231)	(677,084)	(13,587)	(690,671)
Appropriation of consolidated profit of 2014:										
Transfer to legal reserves and retained earnings		-	-	-	-	27,207	(27,207)	-	-	-
Dividends	33	-	-	-	-	-	-	-	(1,280)	(1,280)
Variation in financial investments and other	33	-	-	-	16,371	(49)	-	16,322	5,893	22,215
Balances at 31 December 2015		672,000	(27,216)	(1,084,050)	299,256	478,849	(71,231)	267,609	41,046	308,655

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2015.

Consolidated Statements

of Changes in Shareholders' Equity for the years ended 31 December 2015 and 2014

(Amounts stated in thousands of euros)
(Translation from the Portuguese original – Note 51)

	Notes	2015	2014
Operating activities			
Receipts from clients		3,082,425	2,731,971
Payments to suppliers		(2,010,286)	(1,786,654)
Payments to employers		(342,040)	(247,314)
Cash Flows generated by operations		730,099	698,003
Income tax recovered/ (paid)		(46,600)	(41,682)
Other payments related to operating activities		(225,818)	(108,141)
Cash Flows from operating activities (1)		457,681	548,181
Investing activities			
Receipts relating to:			
Financial investments	46	68,637	13,477
Tangible assets		38,750	8,200
Interest and similar income		10,592	9,011
Dividends	19	1,506	665
Others		15	411
		119,500	31,764
Payments relating to:			
Financial investments		(118)	(35,859)
Tangible assets		(105,109)	(195,883)
Intagible assets		(4,177)	(2,992)
Others		-	(4,603)
		(109,404)	(239,338)
Cash flow from investing activities (2)		10,096	(207,574)

(continued on the next page)

Consolidated Statements

of Changes in Shareholders' Equity for the years ended 31 December 2015 and 2014

(Amounts stated in thousands of euros)
(Translation from the Portuguese original – Note 51)
(continuation)

	Notes	2015	2014
Financing activities:			
Receipts relating to:			
Loans obtained	46	236,971	1,773,330
Others	46	96,942	4,032
		333,912	1,777,363
Payments related to:			
Loans obtained	46	(410,901)	(1,885,846)
Interest and similar costs		(260,232)	(249,489)
Dividends	14	-	(1,931)
Others	46	(4,920)	(5,185)
		(676,052)	(2,142,451)
Cash flows from financing activities (3)		(342,140)	(365,088)
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		125,638	(24,482)
Effect of currency translation and other non monetary transactions		(63,012)	28,729
Cash and cash equivalents at the beginning of the year	46	644,573	640,326
Cash and cash equivalents at the end of the year	46	707,198	644,573

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2015.

Consolidated Statements

of Profit and loss and other Comprehensive Income for the years ended 31 December 2015 and 2014

(Amounts stated in thousands of euros)
(Translation from the Portuguese original – Note 51)

	Notes	2015	2014
Operating income:			
Services rendered	47	3,762	3,762
Other operating income	8 and 47	93	144
Total operating income		3,855	3,906
Operating expenses:			
Outside supplies and services	47	(2,775)	(2,781)
Payroll costs	10	(2,940)	(3,106)
Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets	18	(44)	(58)
Other operating expenses	11	(48)	(330)
Total operating expenses		**(5,808)**	**(6,275)**
Net operating income		(1,953)	(2,369)
Financial income, net	12	(724)	4,517
Investment income	12	(11,762)	1,912
Profit before income tax		(14,439)	4,060
Income tax	13	4,969	(3,191)
Net profit for the year	15	(9,470)	869
Earnings per share:			
Basic	15	(0.014)	0.001
Diluted	15	(0.014)	0.001

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2015.

Separate Statements

of Financial Position at 31 December 2015 and 2014

(Amounts stated in thousands of euros)
(Translation from the Portuguese original – Note 51)

	Notes	2015	2014
Non-current assets:			
Tangible assets	18	366	399
Investments in subsidiaries and associates	19	1,230,065	1,121,340
Other investments	20	87	87
Accounts receivable-other	22	22,700	98,000
Deferred tax assets	25	13,118	11,795
Total non-current assets		1,266,336	1,231,621
Current assets:			
Accounts receivable-trade	27	2,391	238
Accounts receivable-other	22	3,281	5,838
Taxes recoverable	23	2,883	2,902
Cash and cash equivalents	46	138	404
Other current assets	24	10	31
Total current assets		8,702	9,413
Total assets		1,275,038	1,241,034
Shareholders' equity:			
Share capital	28	672,000	672,000
Treasury shares	29	(27,216)	(27,216)
Reserves	31	306,732	306,732
Retained earnings	32	255,247	254,379
Net profit for the year	15	(9,470)	869
Equity before minority interest		1,197,293	1,206,763
Total shareholders' equity		1,197,293	1,206,763

(continued on the next page)

Separate Statements

of Changes in Shareholders' Equity for the years ended 31 December 2015 and 2014

(Amounts stated in thousands of euros)
(Translation from the Portuguese original – Note 51)

(continuation)

	Notes	2015	2014
Non-current liabilities:			
Provisions	36	23,845	26,929
Loans	37	50,000	-
Accounts payable-other	41	-	964
Total non-current liabilities		73,845	27,893
Current liabilities:			
Provisions	36	186	180
Accounts payable-trade	43	274	426
Accounts payable-other	41	1,253	4,423
Taxes payable	23	526	783
Other current liabilities	42	1,661	567
Total current liabilities		3,900	6,378
Total liabilities		77,745	34,271
Total liabilities and shareholders' equity		1,275,038	1,241,034

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2015.

Separate Statements

of Changes in Shareholders' Equity for the years ended 31 December 2015 and 2014

(Amounts stated in thousands of euros)
(Translation from the Portuguese original – Note 51)

	Notes	Share capital	Treasury shares	Reserves	Retained earnings	Net profit	Total shareholders' equity
Balances at 31 december 2013		672,000	(27,216)	306,732	248,766	7,543	1,207,825
Net profit for the year		-	-	-	-	869	869
Total comprehensive income for the year		-	-	-	-	869	869
Appropriation of profit of 2013:							
Transfer to legal reserves and retained earnings	32	-	-	-	7,543	(7,543)	-
Dividends	14 and 32	-	-	-	(1,931)	-	(1,931)
Balances at 31 december 2014		672,000	(27,216)	306,732	254,379	869	1,206,763
Net profit for the year		-	-	-	-	(9,470)	(9,470)
Total comprehensive income for the year		-	-	-	-	(9,470)	(9,470)
Appropriation of profit of 2014:							
Transfer to legal reserves and retained earnings	32	-	-	-	869	(869)	-
Balances at 31 december 2015		672,000	(27,216)	306,732	255,247	(9,470)	1,197,293

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2015.

Separate Statements

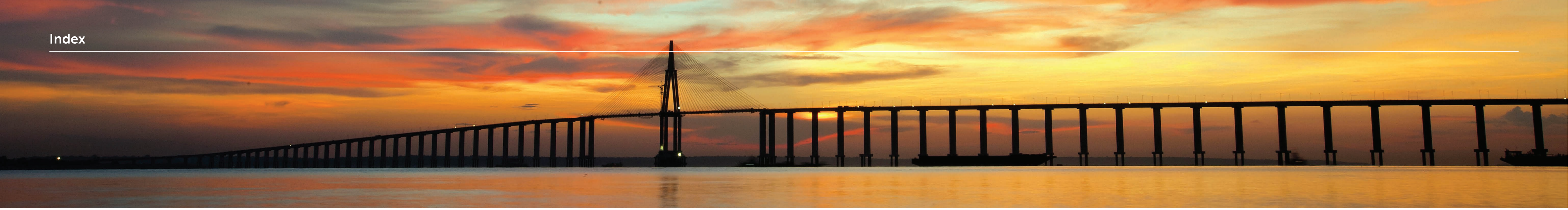
of Cash Flows for the years ended 31 December 2015 and 2014

(Amounts stated in thousands of euros)
(Translation from the Portuguese original – Note 51)

	Notes	2015	2014
Operating activities:			
Receipts from clients		1,105	5,765
Payments to suppliers		(2,897)	(3,483)
Payments to employees		(4,108)	(4,355)
Cash flows generated by operations		(5,899)	(2,073)
Income tax recovered/(paid)	36	(1,997)	(15,832)
Other payments related to operating activities		(624)	(1,294)
Cash flows from operating activities (1)		(8,521)	(19,199)
Investing activities:			
Receipts relating to:			
Loans granted	46	83,100	17,000
Tangible assets		11	423
Interest and similar income		4,634	2,928
Dividends	46	1,300	901
		89,045	21,252
Payments relating to:			
Financial investments	19	(121,500)	(7)
Loans granted	46	(9,000)	-
		(130,500)	(7)
Cash flows from investing activities (2)		(41,455)	21,245
Financing activities:			
Receipts relating to:			
Loans obtained	46	50,000	-
		50,000	-
Payments relating to:			
Interest and similar costs		(291)	(53)
Dividends	14	-	(1,931)
		(291)	(1,984)
Cash flows from financing activities (3)		49,709	(1,984)
Variation in cash and cash equivalents (4) = (1) + (2) + (3)		(266)	62
Effect of currency translation and other non monetary transactions		1	1
Cash and cash equivalents at the beginning of the year	46	404	341
Cash and cash equivalents at the end of the year	46	138	404

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2015.

Index



Notes to the consolidated and separate financial statements

For the year ended 31 December 2015

(Amounts stated in thousands of euros)

(Translation of notes originally issued in Portuguese – Note 51)

1. INTRODUCTORY NOTE

Cimpor - Cimentos de Portugal, SGPS, S.A. ("Cimpor" or the "Company") was incorporated on 26 March 1976, with the name Cimpor - Cimentos de Portugal, E.P.. The Company has undergone several structural and legal changes, which have resulted in it becoming the parent company of a Business Group which, in 31 December 2015 held operations in 8 countries: Portugal, Egypt, Paraguay, Brazil, Mozambique, South Africa, Argentina and Cape Verde (the "Cimpor Group" or "Group").

Cimpor Group's core business is the production and sale of cement. The Group also produces concrete and sells aggregates and mortar in a vertical integration of its businesses.

The Cimpor Group investments are held essentially through two sub-holding companies: (i) Cimpor Portugal, SGPS, S.A., which holds the investments in companies dedicated to the production of cement, concrete, aggregates, mortar, and related activities in Portugal; and (ii) Cimpor Trading e Inversiones, S.A., which holds the investments in companies operating abroad.

2. SUMMARY OF ACCOUNTING POLICIES

2.1 Basis of presentation

The accompanying consolidated and non-consolidated financial statements were prepared on a going concern basis from the books and accounting records of the Company and the companies included in the consolidation, maintained in accordance with generally accepted accounting principles in Portugal and in the headquarter of foreign company, restated in the consolidation process to the International Financial Reporting Standards as endorsed by the European Union, effective for the years beginning 1 January 2015. Such standards include the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), the International Accounting Standards ("IAS") issued by the Accounting Standards Committee ("IASC") and the interpretations issued by the IFRS Interpretation Committee ("IFRIC") and Standing Interpretation Committee ("SIC") which were endorsed by the European Union. These standards and interpretations are hereinafter referred to collectively as "IFRS".

2.2. New standards and interpretations, revisions and amendments

That came into effect during the year

The following standards, interpretations, amendments and revisions adopted ("endorsed") by the European Union have for the first time mandatory for the year ended 31 December 31 2015:

Standard/Interpretation	Applicable in the European Union in the years beginning on or after	Observations
IFRIC 21 – Levies	17th June, 2014	Provides guidance on when to recognise a liability for a levy imposed by the government. The liability is recognised progressively if the obligation event occurs over a period of time. If an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.
Amendment to IFRS 3 - Concentration of business activities (Included in the improvement of international financial reporting standards - cycle 2011-2013)	1st January, 2015	Clarifies that IFRS 3 excludes from the scope of application the creation of a joint settlement on the financial statements of the agreement together.
Amendment to IFRS 13 - Fair Value Measurement (Included in the improvement of international financial reporting standards - cycle 2011-2013)	1st January, 2015	Clarifies that the exception of implementing the financial assets and liabilities offset positions extends to all contracts under IAS 39, regardless of complying with the definition of financial asset or liability in IAS 32.

There is no significant impact on the Group's financial statements for the year ended 31 December 2015 arising from the adoption of the above mentioned standards, interpretations, amendments and revisions.

That will take effect in future years

The following standards, interpretations, amendments and revisions with mandatory application in future financial years, have until the date of approval of these financial statements adopted ("endorsed") by the European Union:

Standard/Interpretation	Applicable in the European Union in the years beginning on or after	Observations
Amendment to IAS 19 - Employee Benefits - Contributions from employees	1st February, 2015	Clarifies the circumstances in which employees' contributions to post-employment benefit plans are a reduction in the cost of short-term benefits.
Improvements to International Financial Reporting Standards (IFRS) (2010-2012 cycle)	1st February, 2015	These improvements involve the clarification of certain aspects related to: IFRS 2 - Share-based payments: definition of vesting condition; IFRS 3 - Concentration of business activities: accounting for contingent payments; IFRS 8 - Operating Segments: disclosures relating to the judgment used in relation to the aggregation of segments and clarification on the need for reconciliation of total assets by segment with the value of assets in the financial statements; IAS 16 - Tangible Assets and IAS 38 - Intangible assets proportional revaluation need to accumulated depreciation in the case of revaluation of fixed assets; and IAS 24 - Related Party Disclosures: defines an entity that provides management services to the Company or to its parent company is considered a related party; and IFRS 13 - Fair value: clarifications regarding the measurement of accounts receivable or payable in the short term

(continued on the next page)

(continuation)

Standard/Interpretation	Applicable in the European Union in the years beginning on or after	Observations
Improvements to International Financial Reporting Standards (IFRS) (cycle 2012-2014)	1st January, 2016	These improvements involve the clarification of certain aspects related to: IFRS 5 - Non-current assets held for sale and discontinued operations: introducing guidelines on how to proceed in case of changes regarding the expected method of realization (sale or distribution to shareholders); IFRS 7 - Financial Instruments: Disclosures: clarifies the impact of active monitoring of contracts within the scope of disclosures related to continuing involvement in derecognised assets and free the interim financial statements of the disclosures required in respect of compensation of financial assets and liabilities; IAS 19 - Employee benefits: sets that the rate for defined benefit discounting purposes shall be determined by reference to high quality corporate bonds that have been issued in the currency in which the benefits will be paid; and IAS 34 - Interim Financial Reporting: clarification on the procedures to adopt when the information is available in other documents issued in conjunction with the interim financial statements.
Amendment to IFRS 11 - Joint arrangements - interests of acquisitions accounting for joint arrangements	1st January, 2016	This amendment is related to the acquisition of interests in joint operations. It establishes that the mandatory application of IFRS 3 as the joint operation acquired constitute a business activity in accordance with IFRS 3. When the joint operation in question does not constitute a business activity, the transaction should be recorded as an acquisition of assets. This change has prospective application to new acquisitions of interests.
Amendment to IAS 1 - Presentation of Financial Statements - "Disclosure Initiative"	1st January, 2016	This amendment classifying some aspects of the initiative disclosures, including: (i.) an entity would not hamper the understandability of financial statements by aggregating material items with immaterial items or by aggregating material items with different natures; (ii.) the disclosures required by IFRS specifically need only be given if the information in question is material; (iii.) the lines of the financial statements specified in IAS 1 can be aggregated or disaggregated, as this is most relevant for the purposes of financial reporting; (iv.) the part of the other resulting comprehensive income from the application of the equity
Amendment to IAS 16 - Tangible Assets and IAS 38 - Intangible assets - acceptable depreciation methods	1st January, 2016	This amendment establishes an assumption (which can be refuted) that the revenue is not an appropriate basis for amortizing an intangible asset and excludes the use of revenue as depreciation of tangible fixed assets base. The assumption established for amortization of intangible assets can only be refuted as intangible assets if it is expressed in terms of revenue generated or when the use of economic benefits is highly correlated with the revenue generated.
Amendment to IAS 16 - Tangible Assets and IAS 41 - Agriculture - Production plants	1st January, 2016	This amendment was made to exclude plants that produce fruit or other components designed to harvest and / or removal from the scope of IAS 41, passing the same to be covered by IAS 16.
Amendment to IAS 27 - Application of the equity method in the separate financial statements	1st January, 2016	This amendment introduces the possibility of measurement of interests in subsidiaries, joint arrangements and associates in separate financial statements by the equity method, in addition to the currently existing measurement methods. This amendment applies in a retrospectively way.

The evaluation of the impact of the referred improvements on the Group's financial statements was not yet completed but it is not foreseen to be relevant.

Not yet adopted by the European Union

The following standards, interpretations, amendments and revisions with mandatory application in future financial years, have not to date of approval of these financial statements, adopted ("endorsed") by the European Union:

Standard/Interpretation	Observations
IFRS 9 - Financial Instruments (2009) and subsequent amendments	This standard is part of the revision of IAS 39 project and sets new requirements for the classification and measurement of financial assets and also liabilities, impairment calculation methodology and the application of hedge accounting rules. This standard is applicable to fiscal years beginning on or after January 1, 2018.
IFRS 14 - Regulated Assets	This standard has set the reporting requirements on the part of entities that adopt the first time applicable to regulated assets IFRS;
IFRS 15 - Revenue from contracts with customers	This standard introduces a structure of principles-based revenue and based on a model to be applied to all contracts with customers, replacing IAS 18 - Revenue, IAS 11 - Construction Contracts; IFRIC 13 - Customer loyalty programs; IFRIC 15 - Agreements for the Construction of Real Estate; IFRIC 18 - Coming Asset Transfer Customers and SIC 31 - Revenue - Transactions involving barter advertising services. This standard is applicable to fiscal years beginning on or after January 1, 2018;
IFRS 16 - Leases	This standard introduces the principles of recognition and measurement of leases, replacing IAS 17 - Leases. This standard defines a unique lease contracts accounting model that results in the recognition by the lessee of assets and liabilities for all leases, except for the locations with less than 12 months or for locations that relate to value assets reduced. Landlords continue to classify the leases between operating or financial, and IFRS 16 will not entail substantial changes to such entities in relation to the defined in IAS 17.
Amendment to IFRS 10 - Consolidated Financial Statements, IFRS 12 - Disclosure of Interests in Other Entities and IAS 28 - Investments in associates and jointly controlled entities	These amendments include clarification of various aspects related to the application of the exception for consolidation by investment entities.
Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in associates and joint ventures	These amendments come finish an existing conflict between those standards, related with the sale or contribution of assets between the investor and with or between the investor and the joint venture.

These standards have not yet been adopted ("endorsed") by the European Union and, as such, were not applied by the group in the year ended December 31, 2015.

2.3. Critical accounting judgements/estimates

The preparation of financial statements in accordance with IFRS recognition and measurement principles requires the Cimpor Board of Directors ("Management") to make judgements, estimates and assumptions that can affect the presented amount of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, as well as of income and expenses.

These estimates are based on the best knowledge existing at each moment and the planned actions, and are regularly reviewed based on the information available. Changes in facts and circumstances can lead to a revision of the estimates and so actual results may differ from these estimates.

The significant estimates and assumptions made by the Management in preparing these financial statements include assumptions used in estimating the following items:

➲ Impairment of non-current assets (excluding Goodwill)

The determination of a potential impairment loss can arise as result from the occurrence of several events, many of them external to the Cimpor Group, such as future availability of financing, capital cost or any other changes, either internal or external, to Cimpor Group.

The identification of impairment indicators and the determination of the assets' recoverable amount, are subject of a Management's judgement referring to the identification and evaluation of the different impairment indicators, cash-generating units, expected cash flows, applicable discount rates, growth rates, useful lives and transaction values.

➲ Impairment of goodwill

Goodwill is subjected to annual impairment tests or whenever there are indications of a possible loss in value, in accordance with the policy mentioned in Note 2.4. e). The recoverable amounts of the cash-generating units to which goodwill has been allocated, is the higher between the market value, determined according with recent transaction multiples, and the value in use, determined according to the expected cash flows. The calculation of these amounts requires the use by the Management of estimates regarding the future evolution of the activity and the discount rates considered.

➲ Accounts receivable impairment

The credit risk associated to accounts receivable is evaluated at the end of each reporting period, taking into consideration the debtor's historical information and his risk profile. The accounts receivable are adjusted by the assessment of the estimated collection risks at the statements of financial position dates, which might differ from the effective risk to incur.

➲ Useful lives of intangible and tangible fixed assets

The useful life of an asset is the time period during which an entity expects that an asset will be available for use and it must be reviewed at least at the end of each economical year.

The determination of the assets useful lives, amortization/depreciation method to apply, it's residual value and of the estimated losses resulting from the early replacement of equipment's, due to technological obsolescence, is essential to determine the amount of amortization/depreciation charge to the profit and loss of each year.

These parameters are defined according to Management's best estimate, for the assets and businesses in question, also considering the best practices adopted by companies operating in the same business activity.

➲ Provisions recognition and contingent liabilities disclosure

The Group periodically analyses possible obligations that arise from past events that should be recognized or disclosed. The inherent subjectivity to the determination of the probability and amount of internal resources required to settle the obligations, might lead to significant adjustments, either by the variation of the assumptions used or by the future recognition of provisions previously disclosed as contingent liabilities.

➲ Recognition of deferred tax assets

Deferred tax assets are only recognised when there is strong expectation that there will be sufficient future taxable income to utilise them or when there are deferred tax liabilities whose reversal is expected to occur in the same period of the reversal of the deferred tax assets. The carrying amount of deferred tax assets is reviewed by Management at the end of each year and takes into consideration the expectation about the future performance.

➲ Retirement and healthcare benefits

An actuarial valuation made by independent experts and based on economic and demographic assumptions is performed each year in order to assess the liabilities resulting from retirement and healthcare benefits granted to Group's employees. Any change in these assumptions will have an impact on the on the amount of the liability for retirement and health benefits, being the Group's policy to periodically review the assumptions.

➲ Measurement of Derivative financial instruments

The measurement of derivative financial instruments involves a number of estimates and assumptions variables procedure, in particular exchange and interest rates, as well as estimates of the Group's credit risk and several involved counterparties, which may be different that they will effective occur.

2.4. Consolidation principles

a. Controlled companies

Controlled companies have been consolidated in each accounting period by the full consolidation method. Control is considered to exist where the Group holds, directly or indirectly, a majority of the voting rights at Shareholders' General Meetings, or has the power to determine the companies' financial and operating policies.

Third party participation in shareholders' equity and net profit of such companies is presented separately in the consolidated statement of financial position and consolidated statement of comprehensive income under the caption "Non-controlling interests".

The results of controlled companies acquired or sold during the period are included in the consolidated statement of comprehensive income from the date of their control is obtained to the date of their control is lost, respectively.

Significant balances and transactions between controlled companies are eliminated in the consolidation process. Capital gains or losses within the Group on the sale of subsidiary and associated companies are also eliminated.

Whenever necessary, adjustments are made to the financial statements of subsidiaries and associated companies to conform to the Group's accounting policies.

b. Business combinations

Business combinations, namely the acquisition of controlled companies are recorded in accordance with the purchase method.

Acquisition cost is determined by the sum of the fair value of the assets given, liabilities and contingent liabilities incurred or assumed and equity instruments issued by the Group in exchange for the assumption of control in the entity acquired. Costs relating to the acquisition are recognized as expenses when incurred. Where applicable, cost includes the fair value of the contingent payments measured as of the date of acquisition. Subsequent changes in the value of the contingent payments or deferred payments are recorded in accordance with the accounting standard that sets the recording of those assets and liabilities except where they qualify as adjustments in the period of provisional measurement.

The identifiable assets, liabilities and contingent liabilities of a subsidiary that meet the criteria to be recognised in accordance with IFRS 3 - Business Combinations ("IFRS 3"), are measured by their fair value as of the purchase date, except for non-current assets (or groups of assets) that are identified as held for sale in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations ("IFRS 5"), which are recognised and measured by their respective fair values less costs to sell.

Any excess of cost plus the amount of the non-controlling interests over the fair value of the identifiable assets and liabilities acquired as of the purchase date is recorded as Goodwill. Where acquisition cost increased with non-controlling interests is lower than the fair value of the net assets identified, the difference is recorded as a gain of profit and loss for the period in which the acquisition is made after reconfirmation of the fair value attributed.

If the process for recording combinations of business activities is incomplete at the end of the year in which the combination occurs, the Group discloses the situation and the amounts provided can be adjusted during the measuring period (the period between the date of acquisition and the date the Group obtains complete information on the facts and circumstances that existed as of the date of acquisition, up to a maximum of 12 months), or new assets and liabilities can be recognized to reflect facts and circumstances that existed as of the balance sheet date which, if recognized, would affect the amounts recognized on the date of acquisition.

Non-controlling interests without control are reflected separately in equity from the interests of the shareholders. Non-controlling interests can initially be measured at their fair value or by the proportion of the fair value of the assets and liabilities of the subsidiary acquired. This option is made separately for each transaction.

After initial recognition, the book value of the non-controlling interests is determined as the amount initially recognized plus the proportion of changes in equity of the subsidiary. Comprehensive income of a subsidiary is attributed to non-controlling interests even if it is negative.

The results of subsidiaries acquired or sold during the period are included in the statement of comprehensive income as from the date of acquisition or up to the date of sale.

In specific situations in which the Group has in substance control of other entities created for a specific purpose, even if it does not have participations directly in the entities, they are consolidated by the full consolidation method.

Changes in the percentage of control over subsidiaries that do not result in loss of control are recorded as equity transactions. The value of the Group's non-controlling interests is adjusted to reflect changes in percentages. Any difference between the amount for which the non-controlling interests is adjusted and the fair value of the transaction is recorded directly in equity and attributed to the shareholders of the parent company.

When the Group loses control over a subsidiary, the gain or loss on the sale is calculated as the difference between (i) the aggregated amount of the fair value of the assets received and the fair value of the interests retained and (ii) the book value of the assets (including goodwill) and liabilities of the subsidiary and the non-controlling interests. Amounts previously recognized in equity as "Other comprehensive income", namely the exchange effect resulting from the translation of foreign currency financial statements as set in the Note 2.10 below, are transferred to profit and loss or to retained earnings in the same way as would happen if related assets or liabilities were sold. The fair value of the interests retained corresponds to the fair value at the initial recognition for purposes of the subsequent recording in accordance with IAS 39 – Financial instruments or, where applicable, cost for purposes of the initial recognition of an investment in an associate or joint venture.

c. Investments in associates

An associated company is one over which the Group exercises significant influence, but does not have control or joint control, through participation in decisions relating to its financial and operating policies.

Investments in the associated companies are recorded in accordance with the equity method, except where they are classified as held for sale, being initially recorded at cost which is then increased or decreased by the difference between cost and the proportional value of the equity of such companies as of the purchase date or the date the equity method and adjusted, whenever necessary, to reflect the Group's accounting policies.

In accordance with the equity method investments are recorded at cost at purchase date, adjusted periodically by the amount of comprehensive income in the associate (including net results of associated companies) by corresponding entry to net profit for the year or other comprehensive income, respectively, and dividends received.

Losses in associated companies in excess of the investment in them are not recognised, unless the Group has assumed commitments to participate in the losses.

Any excess of cost over the fair value of the identifiable net assets and contingent liabilities is recorded as "Investments in associates – Goodwill". Where cost is lower than the fair value of the net assets and contingent liabilities identified, the difference is recorded as a gain in the consolidated statement of comprehensive income for the period in which the acquisition is made.

In addition, dividends received from these companies are recorded as decreases in the amount of the investments.

Unrealised gains on transactions with associated companies are eliminated in proportion to the Group's interest in such companies, by corresponding entry to the amount of the corresponding investment. Unrealised losses are also eliminated, but only up to the point in which the loss does not show that the asset transferred is in a situation of impairment.

A valuation is made of investments in associated when there are indications that the asset may be impaired, any impairment losses being recognized. When impairment losses recognized in previous periods cease to exist, they are reversed. The reversal of impairment losses is recognized as income up to the carrying amount of the investment that would have been determined had no impairment loss been recognized.

d. Jointly controlled entities

The financial investments in jointly controlled entities are registered by equity method of accounting. According to this method, financial investments are registered by their acquisition cost, adjusted by the correspondent value to the Group participation in Shareholders' Equity variation (including net profit for the year) of these companies against gains and losses of exercise and by received dividends, liquid of accumulated impairment losses.

The classification of financial interests held for sale in jointly controlled entities is determined based on: i) shareholder agreements that regulate the joint control; ii) effective ownership percentage; iii) voting rights held.

e. Goodwill

Differences between the cost of investments in subsidiaries or jointly controlled entities, plus the amount of non-controlling interests, and the fair value of the identifiable assets, liabilities and contingent liabilities of these companies as of the date of acquisition, if positive, are recognized as goodwill.

Goodwill is recorded as an asset and is not amortised, being reflected in a separate caption of the consolidated statement of financial position. Annually, or whenever there are indications of a possible loss in value, goodwill is subjected to impairment tests. Any impairment loss is immediately recorded as a cost in the consolidated statements of profit and loss and other comprehensive income for the period and is not subject to subsequent reversal.

Goodwill is included in determining the gain or loss on the sale of a subsidiary or jointly controlled entity.

Goodwill is stated in the functional currency of the respective cash-generating unit, being translated to the Group reporting currency (euros) at the rate of exchange as of the balance sheet date. Exchange differences generated in that translation are recorded in the equity caption "Currency translation adjustments".

Goodwill on acquisitions prior to 31 December 1998 was maintained at the former amount and denominated in euros, being subject to annual impairment tests as from that date.

Where cost is lower than the fair value of the net assets and contingent liabilities identified, the difference is recorded as a gain in the consolidated statement of profit and loss and other comprehensive income for the period in which the acquisition takes place.

2.5. Intangible assets

Intangible assets, which comprise essentially contractual rights and costs incurred on specific projects with future economic value, are stated at cost less accumulated amortisation and impairment losses. Intangible assets are only recognised if it is probable that they will produce future economic benefits for the Group, they are controlled by the Group and their value can be determined reliably.

Internally generated intangible assets, namely current research and development costs, are recognised as costs when incurred.

Internal costs relating to the maintenance and development of software are recorded as costs in the statement of profit and loss and other comprehensive income when incurred, except where such costs relate directly to projects which will probably generate future economic benefits. In such cases these costs are capitalised as intangible assets.

Amortisation of such assets is provided on a straight-line basis as from the date the assets are available for use, in accordance with their estimated useful life.

2.6. Tangible assets

Tangible assets used in production, rendering services or for administrative use are stated at cost, including expenses incurred with their purchase, less accumulated depreciation and impairment losses, when applicable.

Assets relating to the cement operations on 1 January 2004 were revalued as allowed by the transition provisions of IFRS 1 – First Adoption of Financial Reporting Standards, the resulting amount being considered as the deemed cost.

Depreciation of tangible fixed assets is provided on a straight-line basis over their estimated useful lives, except when another method is shown to be more adequate based on its use, as from the date the assets become available for their intended use and in the proper place, in accordance with the following estimated periods of useful life:

	Average useful life
Buildings and other constructions	10 – 50
Basic equipment	7 – 30
Transportation equipment	4 – 8
Administrative equipment	2 – 14
Other tangible fixed assets	2 – 10

Land relating to stone quarry operations and mineral resources is depreciated on a straight-line basis over their expected operating periods less, where applicable, their residual amount.

The amount subject to depreciation does not include, when determinable and significant the estimated residual value of the assets at the end of their useful lives. Additionally, the assets stop being depreciated when they are classified as assets held for sale.

Improvements are only recognised as assets when they increase the useful life or efficiency of the assets, resulting in increased future financial benefits.

Tangible assets in progress correspond to tangible assets under construction/production and are recorded at acquisition or production cost less possible impairment losses. These assets are depreciated as from the date they become available for their intended use.

Gains and losses arising from the sale or write off of tangible assets, which are determined by the difference between the proceeds of the sale of the assets and their net book value at the date of sale, are recognised by its net amount in the statement of profit and loss and other comprehensive income as "Other operating income" or "Other operating expenses".

2.7. Investments in subsidiaries and associates (separate financial statements)

Investments in subsidiaries and associates are recognized at cost, except for those already existing on 1 January 2009, for which the option of recording them at the amount as of that date was followed ("deemed cost") in accordance with the options established for transition to IFRS. Investments in subsidiaries and associates are subject to impairment tests whenever there are indications that their book value is higher than their recoverable value considering the higher of value in use and sale.

2.8. Leases

Lease contracts are classified as: (i) finance leases, if substantially all the risks and benefits of ownership are transferred under them; and (ii) operating leases, if substantially all the risks and benefits of ownership are not transferred under them.

Leases are classified as finance or operating leases based on the substance and not form of the contract. Tangible fixed assets acquired under finance lease contracts, as well as the corresponding liabilities are recorded in accordance with the financial method. In accordance with this method, the cost of assets are recorded as tangible assets, the corresponding liability is recognised and the interest included in the lease instalments and depreciation of the assets, calculated as explained above, are recognised in the consolidated statement of comprehensive income for the period to which they relate.

In the case of operating profit and loss and other, the lease instalments are recognised, on a straight- basis, in the consolidated statement of profit and loss and other comprehensive income over the period of the lease contracts.

In accordance with IFRIC 4 – Determination if an agreement contains a lease, if an agreement entered into contains a lease, including transactions that transfer the right to use an asset or, if compliance with the agreement depends on the use of a specific asset, the Group analyses the agreement so as to assess if it contains a lease and if the requirements of IAS 17 – Leases should be applied.

2.9. Impairment of non-current assets, excluding goodwill

Impairment valuations are made whenever an event or change in circumstances is identified that indicates that the book value of an asset may not be recovered. Where such indications exist, the Group determines the recoverable value of the asset, so as to determine the possible extent of the impairment loss. In situations in which the individual asset does not generate cash flows independently of other assets, the recoverable value is estimated for the cash generating unit to which the asset belongs.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognised by charge to the consolidated statement of comprehensive income caption "Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets".

The recoverable amount is the higher between the net selling price (selling price, less costs to sell) and the value in use. Net selling price is the amount that would be obtained from selling the asset in a transaction between knowledgeable independent entities, less the costs directly attributable to the sale. The value in use is the present value of the estimated future cash flows resulting from the continued use of the asset and sale thereof at the end of its useful life. The recoverable amount is estimated for each asset individually or, where this is not possible, for the unit generating the cash flows to which the asset belongs.

Impairment losses recognised in prior periods are reversed when there are indications that such losses no longer exist or have decreased. The reversal of impairment losses are recognised in the consolidated statement of comprehensive income caption "Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets". However, the impairment loss is reversed up to the amount that would have been recognised (net of amortisation or depreciation) if the impairment loss had not been recorded in prior periods.

2.10. Foreign currency assets, liabilities and transactions

Transactions in currencies other than euro are recorded at the exchange rates in force on the date of the transaction. Foreign currency monetary assets and liabilities at the balance sheet dates are translated to euros at the rates of exchange in force on that dates.

Exchange gains and losses resulting from differences between the exchange rates in force on the dates of the transactions and those in force on the dates of collection, payment or the balance sheet date are recognised as income or costs in the consolidated statement of comprehensive income, except for those relating to non monetary items where the change in fair value is recognised directly in shareholders' equity ("Currency translation adjustments"), namely:

- Exchange differences resulting from the translation of medium and long term foreign currency intra Group balances which, in practice, are extensions of investments;

- Exchange differences on financial operations to hedge exchange risk on foreign currency investments as established in IAS 21 - The effects of changes in foreign exchange rates ("IAS 21"), provided that they comply with the efficiency criteria established in IAS 39 – Financial instruments: Recognition and measurement ("IAS 39") .

The foreign currency financial statements of subsidiary and associated companies are translated as follows: assets and liabilities at the exchange rates in force on the balance sheet dates; shareholders' equity captions at the historical exchange rates; and consolidated statement of profit and loss and other comprehensive income and statement of cash-flows captions at the average exchange rates.

The exchange effect of such translations after 1 January 2004 is recognized as income and costs and reflected in the shareholders' equity caption "Currency translation adjustments" in the case of subsidiary companies and in the shareholders' equity caption "Reserves - Adjustments in investments in associates" in the case of investments in associated companies, and is transferred to the statement of profit and loss caption "Net financial expenses" when the corresponding investments are sold.

In accordance with IAS 21, goodwill and fair value corrections determined on the acquisition of foreign entities are considered in the reporting currency of such entities, and are translated to euros at the exchange rate in force on the balance sheet date. Exchange differences arising from these translations are reflected as income and costs in the equity caption "Currency translation adjustments", except when they correspond to a discontinued operation in accordance with Note 2.14, in which case they are included in Net result of discontinued operations.

The Group contracts derivative financial hedging instruments when it wishes to reduce its exposure to exchange rate risk.

2.11. Borrowing costs

Costs incurred on loans obtained directly to finance the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for its intended use or sale ("qualifying assets") are capitalised as part of the cost of the assets during that period.

To the extent that variable interest rate loans, attributable to finance the acquisition, construction or production of qualifying assets, are being covered through a cash flow hedge relation, the effective portion of fair value of the derivative financial instrument is recognized in Reserves and transferred to profit and loss when the qualifying asset has an impact on results. Additionally, to the extent that fixed interest rate loans used to finance a hedged item are covered by a fair value hedge relation, the financial burden in addition to the cost of the asset should reflect the interest rate covered.

Any financial income generated by loans obtained in advance to finance specific capital expenditure is deducted from the capital expenditure subject to capitalisation.

2.12. Subsidies

Subsidies are recognised based on their fair value, when there is reasonable certainty that they will be received and that the Group will comply with the conditions required for them to be granted.

Operating subsidies, namely those for employees training, are recognised in the profit and loss of the period, together with the costs incurred.

Investment subsidies relating to the acquisition of tangible fixed assets are recorded in the caption "Other non-current liabilities" and transferred to profit and loss for the period on a consistent straight-line basis in proportion to depreciation of the subsidised assets.

2.13. Inventories

Merchandise and raw, subsidiary and consumable materials are stated at average cost using the average cost as the costing method.

Finished and semi-finished products and work in progress are stated at production cost, which includes the cost of the raw materials incorporated, labour and production overheads.

Inventories are adjusted when net realisable value is lower than book value, through the recognition of an impairment loss, the reduction being reversed when the reasons that gave rise to it cease to exist.

2.14. Non-current assets held for sale and discontinued operations

Non-current assets (or disposal group) are classified as held for sale if their value is realizable through a sale transaction rather than through its continued use. This situation is only considered to arise when: (i) the sale is highly probable; (ii) the asset is available for immediate sale in its present condition; (iii) the management is committed to a plan of sale; and (iv) the sale is expected to take place within a period of twelve months.

Non-current assets (or disposal group) classified as held for sale are measured at the lower of the book value or their fair value less the costs incurred in their sale, and are presented separately in the consolidated statement of financial position.

A discontinued operation is a component of an entity which was either sold or is classified as available for sale and:

- Represents a significant separate operating or geographic business line;
- Is part of a single coordinated plan to sell a significant separate business line or geography
- Is a subsidiary acquired exclusively to be resold.

The amounts included in the consolidated statement of profit and loss and other comprehensive income and consolidated statement of cash flows relating to these discontinued operations are presented separately for the current period and all earlier periods that are presented in the financial statements.

Assets and liabilities relating to discontinued operations (not yet sold) are presented in separate lines for the latest year presented, without readjustment of prior years.

2.15. Segment reporting

An operating segment is a distinguishable component of an entity that is engaged in providing a product or service or a group of related products or services which are different from those of other segments.

The Group reports its assets and liabilities, as well as its operations, as geographical segments, following the way Management carries out businesses.

2.16. Balance sheet classification

Assets to be realized and liabilities to be settled within one year of the balance sheet date are classified as current assets and current liabilities, respectively.

In addition, the liabilities are also classified as current, when there is no unconditional right to defer its settlement for a period of at least twelve months after the balance sheet date.

2.17. Net operating income

Net operating income includes operating income and expenses, whether recurring or not, including restructuring costs and operating income and expenses associated to tangible assets and intangible assets. Also comprise, gains or losses on the sale of companies consolidated using the full or proportional integration method, except in cases where they correspond to discontinued operations (as explained in Note 2.14), in which case the resulting effects are recognized in the Consolidated statement of profit and loss and other comprehensive income caption "Net result of discontinued operations". As such the operating results, the net financial expenses, the share of results of associates, other financial investments and income tax are excluded.

2.18. Provisions

Provisions are recognised when: (i) exists an obligation (legal or constructive) resulting from a past event; (ii) under which it is probable that it will have an outflow of resources to settle the obligation; and (iii) the amount of the obligation can be reasonably estimated. At each balance sheet date provisions are reviewed and adjusted to reflect the best estimate as of that date.

When one of the conditions described is not completed the Group disclosures the events in question as contingent liabilities, unless the possibility of outflow of resources is remote, in which case they are not subject to disclosure.

a) Provisions for restructuring costs

Provisions for restructuring costs are recognised by the Group whenever there is a formal detailed restructuring plan which has been communicated to the parties involved.

b) Environmental rehabilitation

In accordance with current legislation and practices in force in several business areas in which the Group operates, land used for quarries must be environmentally rehabilitated.

In this regard, provisions are recorded to cover the estimated cost of environmentally recovering and rehabilitating the land used for quarries, whenever this can be reasonably determined. Such provisions are recorded together with a corresponding increase in the amount of the underlying assets, based on the conclusions of landscape rehabilitation studies, being recognised in profit and loss as the corresponding assets are depreciated.

In addition, the Group has the procedure of progressively rehabilitating the areas freed up by the quarries, using the recorded provisions.

2.19. Financial instruments

a) Cash and cash equivalents

The caption "Cash and cash equivalents" includes cash, bank deposits, term deposits and other treasury applications which mature in the short term (three months or less), highly liquid and immediately convertible into cash with insignificant risk of change in value.

For the purpose of statement of cash flow, the caption "Cash and cash equivalents" also includes bank overdrafts, which are included in the consolidated statement of financial position in the caption "Loans".

b) Accounts receivable

Accounts receivable are measured at fair value on the initial recognition and are subsequently stated at amortised cost in accordance with the effective interest rate method. When there is evidence that the accounts receivable are impaired, the corresponding adjustment is recorded in profit and loss, for the difference between the book value of the accounts receivable and the present value of the cash flows discounted at the effective interest rate determined upon initial recognition.

c) Other investments

Other investments are recognised (and derecognised) as of substantially all the risks and benefits of ownership are transferred under them, irrespective of the settlement date.

Investments are initially recognised at cost, which is the fair value of the price paid, including transaction costs. The subsequent measurement depends on its classification.

Investments are classified as follows:
- Held-to-maturity investments;
- Assets at fair value through profit and loss; and
- Available-for-sale financial assets.

Held-to-maturity investments are classified as non-current assets, except if they mature in less than twelve months from the balance sheet date and include, investments with a defined maturity date which the Group intends and has the capacity to hold up to that date. These investments are recognised at amortised cost, using the effective interest rate, net of capital repayments and interest received. Impairment losses are recognised in the profit and loss when the recorded amount of the investment is higher than the estimated value of the cash flows discounted at the effective interest rate determined at the time of initial recognition. Impairment losses can only be reversed subsequently when there is an increase in the recoverable amount of the investment can be objectively related to an event occurring after the date in which the impairment loss was recognised. In any case the recognised amount of the investment cannot exceed the amount corresponding to amortised cost of the investment had the impairment loss not been recognised.

After initial recognition, assets measured at fair value through profit and loss and available-for-sale financial assets are revalued to fair value by reference to their market value as of the balance sheet date with no deduction for transaction costs that could arise up to the date their sale. Investments in equity instruments not listed on regulated markets, where it is not feasible to estimate their fair value on a reliable basis, are maintained at cost less possible impairment losses.

Available-for-sale financial assets are classified as non-current assets. Gains and losses due to changes in the fair value of available-for-sale financial assets are reflected in the shareholders' equity caption "Fair value reserve" until the investment is sold, collected or in any other way realised, or where impairment losses are believed to exist, in which case the accumulated gain or loss is transferred to profit and loss. Those who do not have listed in an active market and whose fair value cannot be reliably measured are kept at cost adjusted for estimated impairment losses.

d) Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contract independently of its legal form. Equity instruments are contracts that have a residual interest in the Group's assets after deducting its liabilities.

Equity instruments issued are recorded at the amount received net of costs incurred to issue them.

e) Loans

Loans are initially recorded as liabilities at the amount received, net of loan issuing costs, which corresponds to their fair value on that date. Loans are subsequently measured at amortised cost, being the corresponding financial costs calculated at the effective interest rate.

Accrued interest is recognized on an accruals basis and is presented in the consolidated statement of financial position caption "Other current liabilities – Accrued interest".

f) Accounts payable

Accounts payable are initially recognised at fair value and subsequently measured at amortised cost in accordance with the effective interest rate method.

g) Derivative financial instruments and hedge accounting

The Group has the policy of resorting to financial derivative instruments to hedge the financial risks to which it is exposed as a result of changes in interest and exchange rates.

The Group resorts to financial derivative instruments in accordance with internal policies set and approved by the Board of Directors.

Financial derivative instruments are measured at fair value. The method of its recognition depends on the nature and purpose of the transaction.

Hedge instruments

Derivative financial instruments are designated as hedging instruments in accordance with the provisions of IAS 39, as regards their documentation and effectiveness.

Changes in the fair value of derivative instruments designated as "fair value hedging" are recognised as financial income or expense for the period, together with changes in the fair value the asset or liability subject to the risk.

Changes in the fair value of derivative financial instruments designated as "cash flow hedging" instruments are recorded as other comprehensive income in the caption "Reserves - Hedging operations" regarding their effective component and in financial income or expense for the period regarding their non effective component. The amounts recorded under "Reserves - Hedging operations" are transferred to financial income or expense in the period in which the effect on the item covered is also reflected in profit and loss.

Changes in the fair value of derivative financial instruments hedging net investments in a foreign entity, are recorded as other income and costs in the equity caption "Currency translation adjustments" regarding their effective component. The ineffective component of such changes is recognised immediately as net financial expenses for the period. If the hedging instrument is not a derivative, the corresponding variations resulting from changes in the exchange rate are recorded as income and costs in the equity caption "Currency translation adjustments".

Hedge accounting is discontinued when the hedging instrument matures, is sold or exercised, or when the hedging relationship ceases to comply with the requirements of IAS 39.

Trading instruments

Changes in the fair value of derivative financial instruments which are contracted for financial hedging purposes in accordance with the Group's risk management policies, but do not comply with all the requirements of IAS 39 to qualify for hedge accounting, are recorded as net financial expenses in the statement of profit and loss and other comprehensive income for the period in which they occur.

h) Treasury shares

Treasury shares are recorded at cost, as a decrease in shareholders' equity. Gains and losses on the sale of treasury shares are recorded in equity.

i) Fair value of financial instruments

The fair value of financial assets and financial liabilities is determined as follows:

- Level 1: the fair value of financial instruments is based on listings on net active markets as of the date of the financial statements;

- **Level 2:** the fair value of financial instruments is not based on listings on net active markets but rather based valuation models;

- **Level 3:** the fair value of financial instruments is not based on listings on net active markets but rather on valuation models, the principal inputs of which are not observable in the market.

2.20. Impairment of financial assets

At each balance sheet date, the Group reviews for any indication that a financial asset or a group of financial assets may be impaired.

<u>Available-for-sale financial assets</u>

For the financial assets classified as available-for-sale, a continuous or a significant decline in the fair value of the instrument below its cost, is considered as an indicator of impairment. In this situation, the eventual cumulative loss – measured as the difference between the asset's carrying amount and the current fair value, less any impairment loss already recognised in profit and loss – is removed from reserves (other comprehensive income recognised in equity) to profit and loss for the period. Impairments losses on equity instruments recognized in profit and loss are not reversed through profit and loss for the period, directly affecting other income recognized in equity.

<u>Clients, debtors and other financial assets</u>

Impairment losses are recorded whenever there are clear indicators that the Group will not be able to collect all the amounts it should receive, according to the original terms contracted. To identify these losses, several indicators are used, such as:

- accounts receivable ageing;
- debtor's financial difficulties;
- debtor's bankruptcy probability.

The impairments are determined by the difference between the recoverable amount and the book value of the financial asset and recognized by corresponding entry to profit and loss. Whenever a trade or other receivable it is considered as uncollectible it is derecognized using the respective impairment. Subsequent recovery of these amounts is recorded in profit and loss.

2.21. Employee benefits – retirement

Responsibilities for the payment of retirement, pensions, disability and survivor are recorded in accordance with IAS 19 - Employee benefits ("IAS 19").

<u>Defined benefit plans</u>

Costs of these benefits are recognised as the services are rendered by the beneficiary employees.

Therefore, at the end of each accounting period actuarial valuations are performed by independent entities to determine the amount of the liability as of that date and the pension cost to be recognised in the period, in accordance with the "projected unit credit" method. The liability thus estimated is compared with the market value of the pension fund, so as to determine the amount of the difference to be recorded in the consolidated statement of financial position.

As established in the above mentioned standard, pension costs are recognised in the caption "Payroll costs – retirement benefits", based on the amounts determined on an actuarial basis, and include current service costs (increase in the liability), which corresponds to the additional benefits accrued to the employees during the period and net interest costs, which result from updating the initial past service liability using the discount rate. Actuarial gains and losses are recorded as other comprehensive income directly in equity.

<u>Defined contribution plans</u>

Contributions made by the Group to defined contribution plans are recorded as costs when they are due.

2.22. Employee benefits – healthcare

Some Group companies provide supplementary healthcare benefits to their employees in addition to those provided by the Public Social Security, extensive to their families, early retired and retired personnel. The liability resulting from these benefits is recorded in a similar manner to the retirement pension liability, in the caption "Payroll costs - healthcare benefits".

As in the case of retirement benefits, actuarial valuations made by an independent entity are obtained at the end of each accounting period, so as to determine the amount of the liability as of that date. Actuarial gains and losses are recognized directly in the statement of comprehensive income.

2.23. Contingent assets and liabilities

A contingent liability is (i) a possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events; or (ii) a present obligation that arises from past events, but that is not recognized because an outflow of funds are not probable or the amount cannot be reliably measured.

Contingent liabilities are not recognised in the financial statements but are disclosed in their notes, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not subject to disclosure.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events.

Contingent assets are not recognised in the financial statements, but are disclosed in the notes to the financial statements when a future economic benefit is probable.

2.24. Revenue recognition and accruals basis

Income resulting from sales is recognised in the statement of comprehensive income when the risks and rewards of assets ownership are transferred to the purchaser and the revenue amount can be reasonably quantified. Sales are recognised at the fair amount received or receivable, net of taxes, discounts and other costs incurred to realise them, by the fair value of the amount received or receivable.

Income from services rendered is recognised in the statement of comprehensive income in the period in which they are rendered considering the phase of completion of the transaction as of the statement of financial position date.

Interest and financial income are recognised on an accrual basis in accordance with the effective interest rate.

Costs and income are recognised in the period to which they relate regardless the date of invoicing. Costs and income, the amount of which is not known, are estimated.

Costs and income attributable to the current period which will only be paid or received in future periods, as well as amounts paid and received in the current period that relate to future periods and will be attributed to each of the periods by the amount corresponding to them, are recorded in the captions "Other current assets" and "Other current liabilities".

Dividends relating to investments recorded at cost or in accordance with IAS 39 are recognized when is given the right to receive them.

2.25. Income tax

Tax on income for the year is calculated based on the taxable results of the companies included in the consolidation and takes into consideration deferred taxation.

Current income tax is calculated based on the taxable results (which could differ from the accounting results) of the companies included in the consolidation, in accordance with the tax rules applicable to the area in which the tax jurisdiction of each Group company.

Deferred taxes refer to temporary differences between the amounts of assets and liabilities for accounting purposes and the corresponding amounts for tax purposes and are recorded in the statement of profit and loss and other comprehensive income, except when they are related with items registered as other comprehensive income recognised directly in equity, in which case the deferred tax is recorded in equity.

Deferred tax assets and liabilities are calculated and assessed periodically using the tax rates expected to be in force when the temporary differences reverse, and are not subject to discounting.

Deferred tax liabilities are recognised for all the taxable temporary differences. Deferred tax assets are only recognised when there is reasonable expectation that there will be sufficient future taxable income to utilise them. At each balance sheet date a reappraisal is made of the temporary differences underlying the deferred tax assets so as to recognize or adjust them based on the current expectations of their future recovery. The compensation of deferred tax assets and liabilities is not allowed, except if: i) there is a legal right to compensate such assets and liabilities or there is the intention and its allowed to do such compensation; ii) such assets and liabilities are related to income taxes due to the same tax authority; iii) there is an intention to clear those balances for settlement purposes.

2.26. Earnings per share

Earnings per share are calculated dividing the result attributable to the ordinary shareholders of the parent company, by the weighted average number of shares in circulation during the period.

The diluted earnings per share are calculated dividing the result attributable to the ordinary shareholders of the parent company, by the weighted average number of shares in circulation during the period, adjusted by potential ordinary diluting shares.

Potential ordinary diluting shares can result from options over shares and other financial instruments issued by the Group, convertible to shares of the parent company.

2.27. Subsequent events

Events that occur after the date of the balance sheet that provide additional information on conditions that existed as of the balance sheet date are reflected in the financial statements.

Events that occur after the balance sheet date, that provide information on conditions that exist after the balance sheet date, if material, are disclosed in the notes to the financial statements.

2.28. CO_2 emission licences – Emissions market

Some of the Group's production units in Portugal are covered by the European greenhouse effect gas emissions market. While the IASB does not issue accounting policies covering the granting and trading of emission licences, the Group adopts the following policy:

- Emission licences granted at no cost, as well the corresponding emissions covered by that licences, do not give rise to the recognition of any asset or liability;
- Gains from the sale of emission rights are recognised in Net operating income;
- When it is estimated that annual CO_2 emissions will exceed the licences granted annually, a liability, measured in accordance with the price at the end of the year, is recognised by corresponding charge to "Other operating expenses";
- Licences acquired are recognised at cost, in a specific intangible assets account under the "Industrial property and other rights" caption.

3. Changes in policies, estimates and errors

During the year ended 31 December 2015, there were no changes in accounting policies in relation to those considered in the preparation of the financial information for the year ended on 31 December 2014, except as regards the adoption of the revised or amended standards and interpretations, revisions and amendments mentioned in Note 2, which did not have a significant impact on financial position or comprehensive income, nor were any identified errors that should have been corrected.

4. SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

4.1. Companies consolidated in accordance with the full consolidation method

The parent company, Cimpor - Cimentos de Portugal, SGPS, S.A., and the following subsidiaries, in which it has majority participation (control), have been consolidated using the full consolidation method:

Name	Full Name/Headquarters	Effective participation 2015	Effective participation 2014
HOLDINGS AND BUSINESS AND CORPORATE SUPPORT COMPANIES SEGMENT			
CIMPOR SGPS	CIMPOR - CIMENTOS DE PORTUGAL, SGPS, S.A.		
CIMPOR INVERSIONES	CIMPOR *TRADING* E INVERSIONES, S.A.	100.00	100.00
CIMPOR B.V.	CIMPOR FINANCIAL OPERATIONS, B.V.	100.00	100.00
CIMPOR REINSURANCE	CIMPOR REINSURANCE, S.A.	100.00	100.00
CIMPOR PORTUGAL	CIMPOR PORTUGAL, SGPS, S.A.	100.00	100.00
CIMPOR SERVIÇOS	CIMPOR – SERVIÇOS DE APOIO À GESTÃO DE EMPRESAS, S.A.	100.00	100.00
KANDMAD	KANDMAD – SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, LDA.	100.00	100.00
CIMPSHIP	CIMPSHIP - TRANSPORTES MARÍTIMOS, S.A.	60.00	60.00
CECIME	CECIME – CIMENTOS, S.A.	100.00	100.00
CTA	CEMENT *TRADING* ACTIVITIES - COMÉRCIO INTERNACIONAL,S.A.	100.00	100.00
INTERCEMENT AUSTRIA EQUITY	INTERCEMENT AUSTRIA EQUITY PARTICIPATIONS GMBH	100.00	100.00
CAUE AUSTRIA	CAUE AUSTRIA HOLDING GMBH	100.00	100.00

(continued on the next page)

Name	Full Name/Headquarters	Effective participation 2015	Effective participation 2014
PORTUGAL AND CAPE VERDE SEGMENT			
CIMPOR INDÚSTRIA	CIMPOR – INDÚSTRIA DE CIMENTOS, S.A.	100.00	100.00
MOSSINES	MOSSINES – CIMENTOS DE SINES, S.A.	100.00	100.00
CIMENTAÇOR	CIMENTAÇOR - CIMENTOS DOS AÇORES, LDA.	100.00	100.00
BETÃO LIZ	BETÃO LIZ, S.A.	98.50	98.50
AGREPOR	AGREPOR AGREGADOS - EXTRACÇÃO DE INERTES, S.A.	100.00	100.00
SOGRAL	SOGRAL - SOCIEDADE DE GRANITOS, S.A.	100.00	100.00
SANCHEZ	SANCHEZ, S.A.	100.00	100.00
BENCAPOR	BENCAPOR - PRODUÇÃO DE INERTES, S.A.	75.00	75.00
IBERA	IBERA - INDÚSTRIA DE BETÃO, S.A.	50.00	50.00
PREDIANA	PREDIANA - SOCIEDADE DE PRÉ-ESFORÇADOS, S.A.	100.00	100.00
GEOFER	GEOFER - PRODUÇÃO E COMERCIALIZAÇÃO DE BENS E EQUIPAMENTOS, S.A.	b)	100.00
SACOPOR	SACOPOR - SOCIEDADE DE EMBALAGENS E SACOS DE PAPEL, S.A.	100.00	100.00
CIARGA	CIARGA - ARGAMASSAS SECAS, S.A.	100.00	100.00
ALEMPEDRAS	ALEMPEDRAS - SOCIEDADE DE BRITAS, LDA.	100.00	100.00
CIMPOR IMOBILIÁRIA	CIMPOR IMOBILIÁRIA, S.A.	100.00	100.00
MECAN	MECAN - MANUFACTURA DE ELEMENTOS DE CASAS DE CONSTRUÇÃO NORMALIZADA, LDA.	100.00	100.00
SOGESSO	SOGESSO - SOCIEDADE DE GESSOS DE SOURE, S.A.	100.00	100.00
TRANSFORMAL	TRANSFORMAL, S.A.	100.00	100.00
LUSOBETI	LUSOBETIMOBILIÁRIA, S.A.	b)	100.00
CIMPOR CABO VERDE	CIMPOR CABO VERDE, S.A.	98.13	98.13
CABO VERDE BETÕES E INERTES	CABO VERDE BETÕES E INERTES, S.A.	b)	98.13

(continued on the next page)

(continuation)

Name	Full Name/Headquarters	Effective participation 2015	Effective participation 2014
SEGMENTO PORTUGAL E CABO VERDE			
ITP	INDÚSTRIA DE TRANSFORMAÇÃO DE PEDRAS, LDA.	b)	98.13
BETÕES DE CABO VERDE	BETÕES DE CABO VERDE, S.A.	b)	98.13
BRAZIL SEGMENT			
INTERCEMENT BRASIL	INTERCEMENT BRASIL, S.A.	100.00	100.00
CAUE FINANCE	CAUE FINANCE LIMITED	100.00	100.00
CCCIMENTOS PARTICIPAÇÕES	CCCIMENTOS PARTICIPAÇÕES, LTDA.	99.82	99.82
ECO-PROCESSA	ECO-PROCESSA – TRATAMENTO DE RESÍDUOS LTDA.	50.00	50.00
RIOS PRIMEIRA	INVERSIONES RÍOS PRIMEIRA LIMITADA	99.99	99.99
BAESA	BAESA - ENERGÉTICA BARRA GRANDE, S.A.	9.00	9.00
CCCE	COMPANHIA CAMARGO CORREIA ENERGIA	100.00	100.00
TRANSVIARIA BR	TRANSVIARIA LOGÍSTICA E TRANSPORTES, LDA.	100.00	100.00
NEOGERA	NEOGERA INVESTIMENTOS EM INOVAÇÃO LTDA.	98.76	98.76
BARRA GRANDE	BARRA GRANDE PARTICIPAÇÕES, S.A. a)	100.00	-
EGYPT SEGMENT			
CEC	CIMPOR EGYPT FOR CEMENT COMPANY, S.A.E.	100.00	100.00
AMCC	AMREYAH CEMENT COMPANY, S.A.E.	99.14	99.14
AMREYAH CIMPOR	AMREYAH CIMPOR CEMENT COMPANY, S.A.E.	99.36	99.36
CSC	CEMENT SERVICES COMPANY, S.A.E.	99.61	99.61
CIMPSAC	CIMPOR SACS MANUFACTURE COMPANY, S.A.E.	99.90	99.90
AMREYAH DEKHEILA	AMREYAH DEKHEILA TERMINAL COMPANY, S.A.E.	99.37	99.37
AMREYAH CIMPOR READY MIX	AMREYAH CIMPOR READY MIX COMPANY, S.A.E.	99.25	99.25

(continued on the next page)

(continuation)

Name	Full Name/Headquarters	Effective participation 2015	Effective participation 2014
MOZAMBIQUE SEGMENT			
CIM. MOÇAMBIQUE	CIMENTOS DE MOÇAMBIQUE, S.A.	82.64	82.64
CIMBETÃO	CIMPOR BETÃO MOÇAMBIQUE, S.A.	82.64	82.64
IMOPAR	IMOPAR - IMOBILIÁRIA DE MOÇAMBIQUE, S.A.	100.00	100.00
CINAC	CIMENTOS DE NACALA, S.A.	82.72	82.72
SOUTH AFRICA SEGMENT			
NPC	NPC - CIMPOR (PTY) LIMITED	74.00	74.00
NPCC	NATAL PORTLAND CEMENT COMPANY (PTY) LTD.	100.00	100.00
DC	DURBAN CEMENT LTD.	100.00	100.00
SRT	SIMUMA REHABILITATION TRUST	33.30	33.30
CONCRETE	NPC CONCRETE (PTY) LTD.	100.00	100.00
S. C. STONE	SOUTH COAST STONE CRUSHERS (PTY) LTD.	74.00	74.00
S. C. MINING	SOUTH COAST MINING (PTY) LTD.	100.00	100.00
EEDESWOLD	EEDESWOLD HIGHLANDS (PTY) LTD.	b)	100.00
STERKSPRUIT AGGREGATES	STERKSPRUIT AGGREGATES (PTY) LTD.	74.00	74.00
ARGENTINA AND PARAGUAY SEGMENT			
HOLDTOTAL	HOLDTOTAL, S.A.	b)	99.98
LOMA NEGRA	LOMA NEGRA C.I.A., S.A.	99.44	96.46
BETEL	BETEL, S.A.	b)	96.47
COFESUR	COFESUR, S.A.	97.10	94.20

(continued on the next page)

(continuation)

Name	Full Name/Headquarters	Effective participation 2015	Effective participation 2014
ARGENTINA AND PARAGUAY SEGMENT			
CIA. ARG. DE CEMENTO	CIA. ARG. DE CEMENTO PORTLAND, S.A.	b)	96.47
LA PREFERIDA DE OLAVARRIA	LA PREFERIDA DE OLAVARRÍA,S.A.	b)	96.47
RECYCOMB	RECYCOMB, S.A.	99.45	96.47
YGUAZU CEMENTOS	YGUAZU CEMENTOS, S.A. c)	50.81	65.76

Changes in ownership from 2014 to 2015 are mainly in connection with share acquisition described in Note 1. Further changes are as follow:

a. On 22 April 2015, the company Barra Grande Participações SA ("Barra Grande") was incorporated. On 8 December 2015, the Group increased the capital of this subsidiary, through the incorporation of all shares held in the jointly operation, BAESA – Energética Barra Grande S.A. ("BAESA"), representing 9% of its share capital. After the mentioned capital increase, the subsidiary Barra Grande held 63,829,456 shares, of which 51,701,860 ordinary shares and 12,127,596 preference shares, without voting rights, but with priority in the distribution of dividends. On 29 December 2015, the Group has signed a promissory contract of purchase and sale the 12,127,596 preference shares representing the share capital of Barra Grande, by the amount of 240,769 thousand BRL (56,646 thousand euros), already received in advance on that date. On 31 December 2015, the effective transfer of shares is still pending of compliance a set of preceding contractual conditions, by which the amount received is recorded as "Accounts payable - Other" (Note 41). The public disclosure of this operation was subject to specific contractual clauses.
b. Excluded from the consolidation perimeter as a result of mergers with other subsidiaries and liquidations.
c. The reduction in the effective participation corresponds to the sale of part of the share capital of Yguazu Cementos to minority interests (Note 33). The effect of this sale resulted in a gain of 16,371 thousand euros (net of tax effect in the amount of 9,997 thousand euros (Note 25)) in the sale of non-controlling interest in the subsidiary Iguazu Cementos, which was recognized in reserves (Note 31).

4.2. Associates and joint ventures

Investments in associates, recorded in accordance with the equity method (Note 19) as at 31 December 2015 and 2014 are as follows:

Name	Full Name/Headquarters	Effective participation 2015	Effective participation 2014
PORTUGAL SEGMENT			
AVE	AVE- GESTÃO AMBIENTAL E VALORIZAÇÃO ENERGÉTICA, S.A.	35.00	35.00
SETEFRETE	SETEFRETE, SGPS, S.A.	25.00	25.00
BRAZIL SEGMENT			
COMICAN	COMPANHIA DE MINERAÇÃO CANDIOTA	48.00	48.00
CAMARGO CORRÊA ESCOM	CAMARGO CORRÊA ESCOM CEMENT B.V.	50.10	50.10

5. CHANGES IN THE CONSOLIDATION PERIMETER

Changes in the consolidation perimeter and discontinued operations

In the years ended 31 December 2015 and 2014, there were no significant changes in the consolidation perimeter.

6. EXCHANGE RATES

The exchange rates used to translate, to euros, the foreign currency assets and liabilities at 31 December 2015 and 2014, as well the results for the years then ended were as follows:

Currency		Closing exchange rate (EUR / Currency)			Average exchange rate (EUR / Currency)		
		2015	2014	Var.% (a)	2015	2014	Var.% (a)
USD	US Dollar	1.0885	1.2149	11.6	1.1085	1.3285	19.8
BRL	Brazilian Real	4.2504	3.2270	(24.1)	3.6681	3.1221	(14.9)
MZN	Mozambique Metical	50.6181	40.0919	(20.8)	42.8663	41.2062	(3.9)
CVE	Cape Verde Escudo	110.265	110.265	-	110.265	110.265	-
EGP	Egyptian Pound	8.5230	8.6864	1.9	8.7102	9.3968	7.9
ZAR	South African Rand	16.9339	14.0488	(17.0)	13.8415	14.3847	3.9
ARS	Argentinian Peso	14.1941	10.1734	(28.3)	10.1282	10.7470	6.1
PYG	Paraguayan Guaraní	6,328.51	5,623.91	(11.1)	5,686.78	5,916.51	4.0

a) The variation is calculated using the exchange rate converting local currency to euros.

7. OPERATING SEGMENTS

The main profit and loss information for years ended 31 December 2015 and 2014, of the several continued operational segments, being each of them one geographical area where **Group** operates, was as follows:

	December 2015				December 2014			
	Sales and services rendered			Operating results	Sales and services rendered			Operating results
	External sales	Inter segment sales	Total		External sales	Inter segment sales	Total	
Operating segments:								
Brazil	814,170	-	814,170	98,981	1,168,245	203	1,168,448	240,769
Argentina and Paraguay	816,747	-	816,747	150,011	600,823	-	600,823	92,636
Portugal and Cape Verde	201,059	116,614	317,673	(11,176)	188,941	112,063	301,003	(9,878)
Egypt	217,242	-	217,242	28,197	246,895	-	246,895	69,125
Mozambique	161,441	-	161,441	17,241	148,939	-	148,939	19,439
South Africa	126,320	4,394	130,714	35,087	122,416	3,675	126,092	32,427
Total	2,336,979	121,008	2,457,987	318,340	2,476,259	115,941	2,592,200	444,518
Unallocated (a)	155,729	191,840	347,570	(5,070)	127,426	226,588	354,014	4,247
Eliminations	-	(312,848)	(312,848)	-	-	(342,529)	(342,529)	-
	2,492,708	**-**	**2,492,708**	**313,269**	**2,603,685**	**-**	**2,603,685**	**448,765**
Net financial expenses				(407,686)				(372,961)
Share of results of associates				1,325				960
Other investment income				272				578
Result before income tax				(92,819)				77,342
Income tax				12,449				(47,759)
Net result for the year				**(80,371)**				**29,584**

a. This cation includes; (i) holding companies and trading companies not attributable to specific segments and, (ii) intra-group eliminations between segments.

In the year ended 31 December 2015, Operating results in the segment "Portugal and Cape Verde" are positively influenced by a net gain of 2,528 thousand euros, as a result of the sale of CO_2 emissions (Note 44), as well as by the recognition of a provision for the estimated loss on the acquisition of a credit occurred already in 2016 (Notes 11 and 36).

It should also be notice that, as a result of restructuring processes, especially in the Argentinian, Brazilian and Portuguese business areas, in the year ended 31 December 2015, nonrecurring costs with indemnities amounted to 17,055 thousand euros (around 6,873 thousand euros in the year ended 31 December 2014) (Note 10).

The above net income of the **Group** includes the full amount of the segments, without considering the following amounts attributable to non-controlling interests:

	December 2015	December 2014
Operating segments:	**(6,523)**	**837**
Argentina and Paraguay	243	177
Portugal and Cape Verde	107	372
Egypt	(3,012)	1,302
Mozambique	2,774	2,141
South Africa	(2,730)	(2,452)
Unallocated	(9,140)	2,377

Other information of the Group:

	December 2015			December 2014		
	Fixed capital expenditure	Depreciation, amortisation and impairment losses a)	Provisions	Fixed capital expenditure	Depreciation, amortisation and impairment losses a)	Provisions
Operating segments:						
Brazil	67,534	74,288	561	137,402	84,556	(3,116)
Argentina and Paraguay	67,360	49,998	891	46,821	34,518	887
Portugal and Cape Verde	6,427	43,305	(894)	7,901	42,639	85
Egypt	23,740	13,608	103	7,462	10,187	11
Mozambique	13,432	8,190	19	12,695	8,033	-
South Africa	5,982	7,745	2	1,413	9,188	2
Unallocated	2,856	15,719	(1,119)	1,805	8,085	1,782
	187,330	**212,854**	**(437)**	**215,499**	**197,205**	(349)

a. The impairment losses, when applicable, respects to impairment losses on goodwill, tangible and intangible assets. In the year ended 31 December 2015, impairment losses in tangible assets were recorded in the amount of 12.600 thousand euros, approximately, in assets unallocated to operating segments and, in the Portuguese business area in the amount of 3.500 thousand euros, approximately. In the year ended 31 December 2014 impairment losses were recorded in the amount of 5.000 thousand euros, approximately, in assets unallocated to operating segments (Note 18).

In addition, assets and liabilities, by reportable segment, reconciled to the total consolidated amounts as at 31 December 2015 and 2014, are as follows:

	December 2015			December 2014		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Brazil	2,828,031	1,329,138	1,498,893	3,655,571	1,650,058	2,005,513
Argentina and Paraguay	935,899	489,177	446,722	1,174,579	591,191	583,388
Portugal and Cape Verde	460,215	440,800	19,415	472,850	421,989	50,861
Egypt	371,601	91,285	280,317	377,225	93,730	283,496
Mozambique	236,697	177,823	58,874	222,355	130,454	91,901
South Africa	232,215	108,230	123,985	265,516	118,316	147,201
	5,064,659	2,636,453	2,428,206	6,168,096	3,005,738	3,162,359
Unallocated	1,084,151	3,214,315	(2,130,164)	972,350	3,167,070	(2,194,720)
Eliminations	(564,674)	(564,674)	-	(598,330)	(598,330)	-
Investments in associates	10,612	-	10,612	10,752	-	10,752
Consolidated total	**5,594,749**	**5,286,094**	**308,655**	**6,552,868**	5,574,478	978,391

8. OTHER OPERATING INCOME

Other operating income of continued operations for the years ended 31 December 2015 and 2014 were as follows:

	Group		Company	
	2015	2014	2015	2014
Supplementary income	11,867	13,194	78	104
Gains on the sale of assets tangible and intangible (a)	61,358	15,024	11	28
Reversal of receivables impairment (Note 27)	639	1,246	1	2
Investment subsidies	11	10	-	-
Own work for the company	1,309	605	-	-
Reversal of inventories impairment (Note 26)	3,130	1,232	-	-
Reversal of receivables impairment (Note 22)	171	12	-	-
Others (b)	18,645	13,953	3	11
	97,130	**45,275**	**93**	**144**

a. In the years ended 31 December 2015 and 2014 this caption includes the gain on the sale of CO_2 licenses in the Portuguese business area in the amount of 25,180 thousand euros and 2,468 thousand euros, respectively (Note 44), as well as the gain, in the year ended 31 December 2015, in the Brazilian business area, with the sale of tangible assets, essentially related to aggregates and concrete activities, in the amount of 34,095 thousand euros.

b. In the year ended 31 December 2015, this caption includes the gain, in the Argentine business area, related to a favourable outcome of a process concerning to taxes on railway activities, in the amount of 10,742 thousand euros.

9. COST OF GOODS SOLD AND MATERIAL USED IN PRODUCTION

The cost of goods sold and material used in production of continued operations for the years ended 31 December 2015 and 2014 was as follows:

	2015	2014
Goods	310,174	366,905
Material used in production	331,658	278,951
Gain/(Loss) on inventories	55	246
	641,887	**646,102**

10. PAYROLL COSTS

Payroll expenses of continued operations for the years ended 31 December 2015 and 2014 were made up as follows:

	Group		Company	
	2015	2014	2015	2014
Remuneration	241,417	201,466	1,910	2,183
Bonus	13,789	19,149	123	114
Charges on remuneration	29,450	30,436	328	340
Social action and other (a)	31,841	27,979	69	86
Indemnities and compensations (b)	17,055	6,873	438	256
Employee benefits - retirement (Note 34)	1,030	3,014	46	75
Employee benefits - healthcare (Note 34)	159	(4,304)	-	-
Insurance	457	505	25	51
	335,200	**285,117**	**2,940**	**3,106**

a. The caption "Social action and other" includes occupational health, healthcare assistance, professional training and meal allowance costs.
b. The indemnities and compensation costs correspond to non-recurrent costs with indemnities as a result of ongoing restructuring processes in the Group, in particular, in the Argentine, Brazilian and Portuguese business areas (Note 7).

The average number of employees of continued operations of the **Group** in the years ended 31 December 2015 and 2014 were as follows:

	2015	2014
Portugal	849	869
Egypt	507	516
Brazil	3,220	3,019
Mozambique	594	635
South Africa	364	388
Cape Verde	99	103
Argentina	2,967	2,974
Paraguay	104	95
	8,704	8,599
Unallocated	222	216
	8,926	**8,815**

The average number of employees of the **Company** in the years ended 31 December 2015 and 2014, included in Common functions, was 13 and 21, respectively.

11. OTHER OPERATING EXPENSES

Other operating expenses for the years of continued operations ended 31 December 2015 and 2014 were as follows:

	Group		Company	
	2015	2014	2015	2014
Taxes (a)	24,366	14,899	21	39
Receivables impairment (Note 27)	2,635	4,134	-	-
Subscriptions	534	482	22	27
Inventory impairment (Note 26)	877	363	-	-
Loss on disposal of assets	8,693	2,908	-	-
Donations	1,381	1,542	5	262
Fines and penalties	262	143	-	-
Uncollectible debts	878	61	-	-
Others receivables impairment (Note 22)	65	64	-	-
CO_2 emission licences (Note 44)	22,652	-	-	-
Others (b)	12,288	1,278	-	2
	74,630	**25,875**	**48**	**330**

a. In the year ended 31 December 2015, this caption includes, among others, an increase in tax rates related to the increase of the sales volume and operation of quarries rights in the Argentine business area, in the amount of 4,401 thousands of euros.

b. In the year ended 31 December 2015, the increase facing the previous year is essentially related to the recognition of a provision for an estimated loss on the acquisition of a credit occurred in 2016 (Note 36).

12. NET FINANCIAL EXPENSES

Net financial expenses of continued operations for the years ended 31 December 2015 and 2014 were made up as follows:

	Group		Company	
	December 2015	December 2014	December 2015	December 2014
Financial expenses:				
Interest expense	262,558	272,969	1,213	-
Foreign exchange loss (a)	258,734	209,078	1	3
Changes in fair-value:				
Trading derivative financial instruments (b)	5,481	29,936	-	-
	5,481	29,936	-	-
Other financial expenses (c)	64,466	55,187	491	114
	591,239	**567,170**	**1,704**	**117**
Financial income:				
Interest income	36,928	35,516	977	4,629
Foreign exchange gain (a)	103,784	122,562	3	5
Changes in fair-value:				
Trading derivative financial instruments (b)	22,506	31,448	-	-
	22,506	31,448	-	-
Other financial income (c)	20,334	4,683	-	-
	183,553	194,208	980	4,634
Net financial expenses	**(407,686)**	**(372,961)**	**(724)**	**4,517**
Share of profits of associates:				
From equity method (Note 19):				
Loss in associated companies	(17)	(8)	-	-
Gain in associated companies	1,342	968	-	-
	1,325	**960**	**-**	**-**
Other investment income:				
Gains on holdings	14	-	1,013	1,912
Gains/(Losses) on investments	258	578	(12,775)	-
	272	**578**	**(11,762)**	**1,912**

a. In the year ended 31 December 2015, the unfavourable and favourable exchange differences are mainly influenced by the effect of the valuation of USD against all functional currencies in Group in the conversion of assets and liabilities registered in that currency. As a result of contracting interest rate hedging derivative financial instruments of Euro against the USD of the debts settled in this last currency (Note 39), through hedge accounting mechanism, negative exchange differences of around 125 million euros were compensated (around 100 million euros in 2014). In the year ended 31 December 2014, the unfavourable and favourable exchange differences were influenced by the effect of the valuation of USD against Euro in assets and liabilities registered in that currency, occurred previously to the above mentioned contracting hedging derivative financial instruments.

b. These captions are composed by fair value variation of trading derivative financial instruments, contracted to cover exchange and interest rate risks, which weren't qualified for hedge accounting. In the years ended 31 December 2015 and 2014, due to changes in fair-value, it was recognise a net financial income in the amount of 17, 025 thousand euros and a net financial expense in the amount of 1,512 thousand euros, respectively.

c. In Other financial income and expenses, are included income and costs related to the financial adjustments of assets and liabilities, including the effect of the financial adjustment of provisions (Note 36), prompt payment discounts granted and obtained and the costs related to commissions, guarantees and other bank charges in general. In the year ended 31 December 2015, this caption is also influenced by the repurchase of bonds issued by Cimpor Financial Operations, B.V. with a nominal value of 54,290 thousand USD, which has generated a financial income in the amount of 12,863 thousand euros (Note 37). In the year ended 31 December 2014, it was also included in this caption emission charges related to the early repayment of loans in the amount of approximately 22,000 thousand euros.

13. INCOME TAX

Group corporate income tax

The Group companies are taxed, whenever possible, under group's special income tax schemes allowed by tax legislation from each jurisdiction in which the Group operates.

Tax on income relating to the other geographic segments is calculated at respective rates in force, as follows:

	December 2015	December 2014
Portugal (a)	22.5%	24.5%
Brazil	34.0%	34.0%
Mozambique	32.0%	32.0%
South Africa	28.0%	28.0%
Egypt (b)	22.5%	30.0%
Argentina	35.0%	35.0%
Paraguay	10.0%	10.0%
Austria	25.0%	25.0%
Spain (c)	28.0%	30.0%
Others	21%-25.5%	21%-25%

a. Additionally, taxable income in excess of 1,500,000 euros are subject to a state surcharge in accordance with article 87 – A of the Corporation Income Tax Code, at the following rates:
- 3% for taxable income from 1,500,000 euros to 7,500,000 euros;
- 5% on taxable income from 7,500,000 and 35,000,000 euros;
- 7% on taxable income exceeding 35,000,000 euros.

b. For the year 2016 and following, income tax in Egypt will be 25%.
c. For the year 2016 and following, income tax in Egypt will be 25%.

Pursuant to legislation in force in the different jurisdictions in which the Group operates, the corresponding tax returns are subject to review by tax authorities for a period varying from 4 to 5 years, which may be extended under certain circumstances, namely when there are tax losses or ongoing investigations, claims or disputes.

The **Group** income tax expense of discontinued operations for the years ended 31 December 2015 and 2014 was as follows:

	December 2015	December 2014
Current tax	54,351	58,581
Deferred tax (Note 25)	(64,001)	(11,865)
Increases in tax provisions (Note 36)	(2,799)	1,042
Charge for the period	**(12,449)**	**47,759**

The reconciliation between the tax rate applicable in Portugal and the effective tax rate in the Group in the years ended 31 December 2015 and 2014, without considering the losses (around 68 million euros and 151 million euros, respectively) of entities with debt on which the corresponding tax effects were not recognized since at present there are no projections that enable them to be expected to be recovered, is as follows:

	December 2015	December 2014
Profit before income tax	(92,819)	77,342
Profit from financial entities	67,565	151,369
Adjusted profit for income tax reconciliation	(25,254)	228,712
Tax rate applicable in Portugal	22.50%	24.50%
Theorical income tax	(5,682)	56,034
Non-taxable operational and financial results	4,032	(13,108)
Adjustments on deferred taxes	(10,239)	3,221
Tax rate differences	1,962	7,787
Other	(2,522)	(6,176)
Charge for the year	**(12,449)**	**47,759**

On 31 December 2015, Non-taxable operational and financial results were negatively influenced by permanent differences, essentially by impairment recognition in unallocated operational assets (Note 7). On 31 December 2014, were positively influenced by a tax exemption benefit in a group company, which ended in that year.

On 31 December 2015, compared to 31 December 2014, the tax rate differences reduction reflect a compensation effect of positive and negative taxable results contributions of taxable results in jurisdictions with higher tax rates.

The December 2014 Adjustments on deferred taxes, reflects the reassessment of certain deferred tax liabilities.

In "Other" are included the costs associated with the taxation of dividends, tax benefits and the provision for tax contingencies changes.

In addition to the tax charge, in 2015 and 2014 the Group recorded deferred tax of 14,400 thousand euros and 2,026 thousand euros, respectively, directly in income and costs recognized in equity (Note 25).

Company corporate income tax

The Company is taxed under the special income tax scheme for corporate groups, comprising the companies in which it directly or indirectly holds by eligible entities at least 75% of the capital and which comply with the requirements of law. This tax scheme consists of applying the CIT rate to the consolidated taxable results of the companies included in the tax scheme plus the municipal surcharge, and excluding profits distributed between those companies.

In accordance with current legislation, the Company's tax returns are subject to tax audits for a period of four years, except if there are tax losses computed, tax benefits granted or tax audits, claims or appeals in progress, in which cases the periods can be extended or suspended.

At the date of this report, the Company's tax returns were reviewed by the tax authorities up to the tax year of 2013. The tax returns for the years 2014 and 2015 are still subject to review.

The Board of Directors, based on the positions of its tax consultants and taking into account the recognised responsibilities, believes that any review of these tax returns will not result in adjustments with any significant effect on the financial statements.

The **Company** Income tax expense for the years ended 31 December 2015 and 2014 was as follows:

	2015	2014
Current tax	(729)	3,194
Deferred tax (Note 25)	(1,239)	(1,003)
Increases/ Decreases in tax provisions (Note 36)	(3,000)	1,000
Charge for the year	**(4,969)**	**3,191**

The reconciliation between the tax rate applicable in Portugal and the effective tax rate in the **Company** is as follows:

	December 2015	December 2014
Profit before income tax	(14,439)	4,060
Tax rate applicable in Portugal	22.50%	24.50%
Theorical income tax	(3,249)	995
Non-taxable operational and financial results	2,446	(489)
Increases / (Decreases) in tax provisions	(3,000)	1,000
Adjustments on deferred taxes	(693)	1,067
Other	(473)	618
Charge for the year	**(4,969)**	**3,191**

Non-taxable net operating and financial items refer essentially to an impairment loss in the investment in the subsidiary Kandmad (Note 19) and to dividend income received from subsidiaries (Note 12). Others include corrections to prior year taxes and the effect of the adjustment to the internal results of the tax group.

14. DIVIDENDS

In the Shareholders' General Meeting held on 25 March 2015 it was proposed not to distribute dividends for the year 2015. In the year ended 31 December 2014 it was decided to pay dividends corresponding to 0.0029 euros per share, being paid a total amount of 1,931 thousand euros.

15. EARNINGS PER SHARE

Basic and diluted earnings per share for the years ended 31 December 2015 and 2014 were computed as follows:

	Group		Company	
	2015	2014	2015	2014
Basic earnings per share:				
Net profit considered in the computation of basic earnings per share	(71,231)	27,207	(9,470)	869
Weighted average number of ordinary shares used to calculate the basic earnings per share (thousands) (a)	666,094	666,094	666,094	666,094
	(0.11)	0.04	(0.014)	0.001

By the fact there were no dilution effects, basic and diluted earnings per share are equal.

(a) The average number of shares is weighted by the average number of treasury shares in each of the corresponding financial years.

16. GOODWILL

The changes in goodwill and related accumulated impairment losses in the years ended 31 December 2015 and 2014 were as follows:

	Portugal	Egypt	Brazil	Mozambique	South Africa	Cape Verde and other	Argentina	Total
Gross assets:								
Balances at 31 December 2013	27,004	60,207	1,512,924	23,758	71,623	9,458	271,698	1,976,672
Currency translation adjustments	-	6,134	(206)	700	2,107	-	(31,939)	(23,204)
Balances at 31 December 2014	27,004	66,341	1,512,717	24,459	73,731	9,458	239,759	1,953,468
Currency translation adjustments	-	1,272	(320,875)	(4,096)	(12,562)	-	(67,916)	(404,176)
Balances at 31 December 2015	27,004	67,613	1,191,842	20,363	61,169	9,458	171,843	1,549,292
Accumulated impairment losses:								
Balances at 31 December 2013	18,001	-	-	-	-	-	-	18,001
Balances at 31 December 2014	18,001	-	-	-	-	-	-	18,001
Balances at 31 December 2015	18,001	-	-	-	-	-	-	18,001
Carrying amount:								
As at 31 December 2014	**9,003**	**66,341**	**1,512,717**	**24,459**	**73,731**	**9,458**	**239,759**	**1,935,467**
As at 31 December 2015	**9,003**	**67,613**	**1,191,842**	**20,363**	**61,169**	**9,458**	**171,843**	**1,531,291**

Goodwill is subject to impairment tests annually or whenever there are indications of possible impairment. The impairment tests are made based on the recoverable amounts of each of the corresponding business segments (Note 2.3.).

For impairment test purposes, considering the financial statement structure adopted for management purposes, goodwill is attributed generally to each operating segment (Note 7), due to the existence of synergies between the units of each segment in a perspective of vertical integration of business (Introductory note).

The recoverable value of each group of cash-generating units is compared, in the tests performed, with the respective book value. An impairment loss is only recognised when the book value exceeds the higher of the value in use and transaction value. For the value in use, the future cash flows, after taxes, are discounted based on the weighted average cost of capital, after taxes ("WACC"), adjusted for the specific risks of each market.

The cash flow projections are based on the medium and long term business plans approved by the Board of Directors, plus perpetuity.

The determination of the value in use was based on discounted cash flows calculated in local currency, using the corresponding WACC and perpetuities rates, as follows:

	2015			2014		
Segments	Goodwill	WACC rate	Long term growth rate	Goodwill	WACC rate	Long term growth rate
Portugal and Cape Verde	18,461	6.2% - 12.1%	0.0%	18,461	7.0%	0.0%
Egypt	67,613	18.1%	0.0%	66,341	20.6%	1.0%
Brazil	1,191,842	10.4%	0.0%	1,512,717	10.0%	1.0%
Mozambique	20,363	14.3%	0.0%	24,459	14.3%	1.0%
South Africa	61,169	11.0%	0.0%	73,731	11.4%	1.0%
Argentina	171,843	22.3%	0.0%	239,759	21.6%	1.0%
	1,531,291			1,935,467		

The long term growth rates indicated correspond to the real growth rates (above long term inflation in each of the segments).

The Group examined the impact of a 50 basis points change in the discount rates or long-term growth rates and, no situations were identified in which the recoverable amount of the assets would became lower than the corresponding book value.

17. INTANGIBLE ASSETS

The changes in intangible assets and corresponding accumulated amortization and impairment losses in **Group** in the years ended 31 December 2015 and 2014 were as follows:

	Industrial property and other rights	Intangible assets in progress	Total
Gross assets:			
Balances at 31 December 2013	55,428	1,620	57,048
Currency translation adjustments	(297)	16	(280)
Additions	3,183	30	3,212
Write-offs	(6)	-	(6)
Transfers	5,583	(333)	5,250
Balance at 31 December 2014	63,892	1,333	65,225
Currency translation adjustments	(10,080)	(266)	(10,345)
Additions	4,185	12	4,197
Sales	(90)	-	(90)
Transfers	(591)	-	(591)
Balances at 31 December 2015	57,317	1,079	58,396
Accumulated amortisation and impairment losses:			
Balances at 31 December 2013	24,627	-	24,627
Currency translation adjustments	51	-	51
Increases	6,287	-	6,287
Write-offs	(6)	-	(6)
Transfers	(737)	-	(737)
Balances at 31 December 2014	30,222	-	30,222
Currency translation adjustments	(4,490)	-	(4,490)
Increases	5,766	-	5,766
Decreases	(1)	-	(1)
Transfers	31	-	31
Balances at 31 December 2015	31,529	-	31,529
Carrying amount:			
As at 31 December 2014	**33,670**	**1,333**	**35,003**
As at 31 December 2015	**25,788**	**1,079**	**26,867**

The "Industrial property and other rights" caption mainly includes contractual rights, land surface rights and licences, including the use of software.

18. TANGIBLE ASSETS

The **Group** changes in tangible assets and corresponding accumulated depreciation and impairment losses in the years ended 31 December 2015 and 2014 were as follows:

	Land	Buildings and other constructions	Basic equipment	Transportation equipment	Administrative equipment	Tools and dies	Other tangible assets	Tangible assets in progress	Advance to suppliers of tangible assets	Total
Gross assets:										
Balances at 31 December 2013	616,890	975,136	2,671,113	131,820	37,259	9,922	8,025	348,119	80,643	4,878,929
Currency translation adjustments	(15,489)	(11,785)	3,631	(2,488)	19	85	(195)	4,962	17,241	(4,019)
Additions	8,262	1,243	20,223	529	646	110	606	130,113	50,552	212,287
Sales	(654)	(11,878)	(15,978)	(1,931)	(358)	(122)	(165)	-	-	(31,087)
Write-offs	-	-	(3)	(25)	(39)	(16)	(1)	-	-	(84)
Transfers	9,698	27,722	226,386	(2,333)	287	235	(1,143)	(263,837)	(11,462)	(14,447)
Balances at 31 December 2014	618,707	980,439	2,905,372	125,572	37,815	10,213	7,128	219,357	136,975	5,041,579
Currency translation adjustments	(116,500)	(145,121)	(387,333)	(18,103)	(3,462)	(593)	(1,494)	(59,948)	(32,714)	(765,269)
Additions	22,727	1,421	23,529	1,190	470	237	1,724	104,885	26,951	183,133
Sales	(2,333)	(2,595)	(9,177)	(1,997)	(82)	(14)	(1,088)	(1)	-	(17,286)
Write-offs	-	(4,425)	(1,828)	-	(110)	(14)	-	-	-	(6,377)
Transfers	24,052	11,797	55,749	2,188	909	496	(251)	(5,710)	(100,222)	(10,992)
Balances at 31 December 2015	546,653	841,515	2,586,312	108,850	35,540	10,325	6,018	258,583	30,990	4,424,787
Accumulated depreciation and impairment losses:										
Balances at 31 December 2013	58,512	388,989	1,563,414	51,508	30,621	8,026	3,368	-	-	2,104,438
Currency translation adjustments	(187)	91	23,596	245	217	128	11	-	-	24,100
Increases	15,912	39,877	114,816	15,502	1,954	448	1,067	-	-	189,576
Decreases	-	(4,731)	(14,000)	(636)	(349)	(121)	(80)	-	-	(19,917)
Write-offs	-	-	(3)	(17)	(39)	(10)	(1)	-	-	(70)
Transfers	95	(1,290)	3,120	(6,911)	(508)	-	(612)	-	-	(6,107)
Balances at 31 December 2014	74,333	422,936	1,690,943	59,690	31,897	8,470	3,753	-	-	2,292,021
Currency translation adjustments	(8,000)	(34,055)	(158,235)	(7,511)	(2,473)	(226)	(666)	-	-	(211,166)
Increases	19,664	37,412	120,160	23,501	1,830	449	1,338	2,733	-	207,088
Decreases	(134)	(301)	(5,050)	(1,410)	(71)	(14)	(2)	-	-	(6,981)
Write-offs	-	(4,409)	(1,828)	-	(110)	(14)	-	-	-	(6,361)
Transfers	2,777	(4,513)	(5,866)	(8,160)	(92)	-	(102)	-	-	(15,956)
Balances at 31 December 2015	88,640	417,070	1,640,123	66,110	30,981	8,666	4,322	2,733	-	2,258,646
Carrying amount:										
As at 31 December 2014	544,374	557,503	1,214,429	65,882	5,918	1,743	3,375	219,357	136,975	2,749,557
As at 31 December 2015	458,013	424,444	946,190	42,740	4,559	1,659	1,696	255,850	30,990	2,166,141

The value of the operating land includes the estimated future cost of environmental recovery and rehabilitation of the land, which also increased liabilities (Note 36).

The additions during the financial years ended on 31 December 2015 and 2014 include 4,589 thousand euros and 26,013 thousand euros, respectively, of financial expenses related to loans contracted to finance the construction of qualifying assets.

In the year ended 31 December 2015, there were impairment losses of tangible fixed assets unallocated totalling 12,600 thousand euros and impairment losses of tangible fixed assets in the Portuguese business area totalling 3,500 thousand euros and, in 31 December 2014 there were impairment losses of tangible fixed assets unallocated totalling 5,000 thousand euros (Note 7).

Tangible assets in progress and advance to suppliers of tangible assets, in the years ended 31 December 2015 and 2014, include the construction and improvement of installations and equipment of the cement sector of several production units, essentially in the Brazil, Egypt, Argentina and Mozambique business areas.

The changes in tangible assets, corresponding depreciation and impairment losses in the years ended 31 December 2015 and 2014 for the **Company** were as follows:

	Basic equipment	Transportation equipment	Administrative equipment	Total
Gross assets:				
Balances at 31 December 2013	6	208	4,391	4,606
Sales	-	(83)	(64)	(148)
Balances at 31 December 2014	6	125	4,327	4,459
Additions	11	-	-	11
Sales	-	(24)	(14)	(38)
Balances at 31 December 2015	17	101	4,313	4,432
Accumulated depreciation and impairment losses:				
Balances at 31 December 2013	6	128	4,009	4,143
Increases	-	37	17	54
Decreases	-	(73)	(64)	(137)
Balances at 31 December 2014	6	92	3,962	4,060
Increases	1	26	17	44
Decreases	-	(24)	(14)	(38)
Balances at 31 December 2015	7	94	3,965	4,066
Carrying amount:				
As at 31 December 2014	-	32	365	399
As at 31 December 2015	-	7	348	366

19. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

In the **Group**, the changes in investments in subsidiaries, associates and joint ventures in the years ended 31 December 2015 and 2014 were as follows:

	Investment	Goodwill	Total
Gross assets:			
Balances at 31 December 2013	1,445	6,969	8,414
Exchange translation adjustments	(68)	-	(68)
Equity method effect:			
On financial expenses (Note 12)	960	-	960
On shareholders' equity	(24)	-	(24)
Dividends received	(665)	-	(665)
Sales and write-offs	(408)	-	(408)
Transfers	2,544	-	2,544
Balances at 31 December 2014	3,783	6,969	10,752
Currency translation adjustments	(579)	-	(579)
Equity method effect:			
On financial expenses (Note 12)	1,325	-	1,325
On shareholders' equity	563	-	563
Dividends received	(1,506)	-	(1,506)
Acquisitions and increases	118	-	118
Sales and write-offs	(61)	-	(61)
Balances at 31 December 2015	3,643	6,969	10,612
Accumulated impairment losses:			
Balances at 31 December 2014	-	-	-
Balances at 31 December 2015	-	-	-
Carrying amount:			
As at 31 December 2014	**3,783**	**6,969**	**10,752**
As at 31 December 2015	**3,643**	**6,969**	**10,612**

The breakdown of **Group** investment in associates and joint ventures, its respective equity values in 31 December 2015 and 2014 and its net profit for the years ended in such dates were as follows:

	2015							
Name	Operating segment	Ownership percentage	Assets	Liabilities	Shareholders' equity	Sales and services rendered	Net profit	Balance value Investments in associates a)
Setefrete, SGPS, S.A.	Portugal and Cape	25%	5,577	(39)	5,538	163	4,707	3,672
Companhia de Mineração Candiota	Brazil	48%	407	(244)	164	338	49	79
CCEscom	Brazil	50%	4,717	(692)	4,025	-	(34)	2,017
AVE- Gestão Ambiental e Valorização Energética, S.A.	Unallocated	35%	3,940	(3,475)	465	12,777	404	4,845
								10,612

	2015							
Name	Operating segment	Ownership percentage	Assets	Liabilities	Shareholders' equity	Sales and services rendered	Net profit	Balance value Investments in associates a)
Setefrete, SGPS, S.A.	Portugal and Cape	25%	6,281	(26)	6,255	103	3,273	3,851
Companhia de Mineração Candiota	Brazil	48%	26	-	26	-	-	13
CCEscom	Brazil	50%	4,685	(623)	4,063	-	(16)	2,035
AVE- Gestão Ambiental e Valorização Energética, S.A.	Unallocated	35%	3,958	(3,469)	489	12,380	428	4,853
								10,752

The breakdown of **Company** investments in subsidiaries and associates and its respective equity values in 31 December 2015 and 2014, and its net profit for the years ended in such dates were as follows:

		2015				2014			
Name	Country	Ownership percentage	Shareholders' equity	Net profit	Balance value		Shareholders' equity	Net profit	Balance value
Cimpor Trading e Inversiones, S.A.	Spain	90	1,125,474	(91,891)	762,944	90	1,075,846	705	641,444
Cimpor Portugal, SGPS, S.A.	Portugal	100	243,739	(5,589)	438,480	100	250,788	(1,781)	438,480
Cimpor Reinsurance, S.A.	Luxembourg	95	16,433	3,171	10,855	95	14,288	2,524	10,855
Kandmad, SGPS, Lda.	Portugal	100	13,446	(12,372)	14,720	100	25,818	(1,606)	27,495
Cimpor - Serviços de Apoio e Gestão de Empresas, S.A.	Portugal	100	3,265	909	1,900	100	2,356	779	1,900
Cimpor Financial Operations, B.V.	Holand	74.595	4,288	1,499	1,024	74.595	2,790	909	1,024
Cement Services Company, S.A.E.	Egypt	45	626	374	137	45	268	42	137
Cimpor Egypt For Cement Company, S.A.E.	Egypt	0.002	277,721	348	5	0.002	266,535	2,733	5
					1,230,065				1,121,340

The changes in **Company** investments in subsidiaries and associates in the years ended 31 December 2015 and 2014 were as follows:

	Investments in subsidiaries and associates
Gross investment:	
Balances at 31 December 2013	1,121,840
Decreases	(500)
Balances at 31 December 2014	1,121,340
Decreases	121,500
Balances at 31 December 2015	(12,775)
Saldo em 31 de dezembro de 2015	1,230,065

In the year ended 31 December, 2015, the increases correspond to the share capital increase of the company Cimpor Inversiones, S.A. and the decreases refer to the recognition of an impairment loss in the investment in the subsidiary Kandmad, SGPS, Lda.. The decreases in 2014 correspond essentially to the repayment of supplementary capital contributions of the company Kandmad, SGPS, Lda..

20. OTHER INVESTMENTS

The changes in "Other investments" in the scope of IAS 39 for the years ended 31 December 2015 and 2014 were as follows:

	Group				Company
	Available-for-sale financial assets		Financial assets at fair-value through profit and loss	Total	Available-for-sale financial assets
	Cost	Fair value			Cost
Gross investment:					
Balances at 31 December 2013	14,542	1,510	1,627	17,679	4,138
Currency translation adjustments	200	-	(32)	168	-
Revaluation/adjustments	-	38	-	38	-
Increases	4	-	3,375	3,379	-
Transfers	(2,544)	-	-	(2,544)	-
Sales	(3,375)	-	(2,406)	(5,781)	-
Balances at 31 December 2014	8,827	1,547	2,564	12,939	4,138
Currency translation adjustments	(94)	-	(683)	(777)	-
Revaluation/adjustments	-	12	-	12	-
Increases	7	-	480	487	-
Sales	(1)	(756)	-	(758)	-
Balances at 31 December 2015	8,739	803	2,361	11,903	4,138
Accumulated impairment losses:					
Balances at 31 December 2014	4,094	-	-	4,094	4,051
Balances at 31 December 2015	4,094	-	-	4,094	4,051
Carrying amount:					
As at 31 december 2014	**4,733**	**1,547**	**2,564**	**8,845**	**87**
As at 31 december 2015	**4,645**	**803**	**2,361**	**7,809**	**87**

This caption includes: (i) available for sale financial assets measured at fair value as well as their cost of acquisition adjusted for estimated impairment losses when they do not have listed market prices in an active market the cost of which cannot be reliably measured; and (ii) financial assets at fair value to results, that correspond essentially to a portfolio of investment funds.

21. NON-CURRENT ASSETS HELD FOR SALE

At 31 December 2014 this caption included essentially assets in the Portuguese business area, which were alienated during the year 2015, generating a capital gain of 418 thousand euros.

22. ACCOUNTS RECEIVABLE – OTHER

This caption at 31 December 2015 and 2014 was made up as follows:

	Group				Company			
	2015		2014		2015		2014	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Subsidiaries, associated and participated companies	73	12,922	64	1,709	3,173	22,700	5,728	98,000
Other shareholders	4,876	-	283	-	-	-	-	-
Advances to suppliers of fixed assets	66	11,653	-	14,020	-	-	-	-
Other debtors	43,211	10,471	42,932	20,279	390	328	392	328
	48,227	35,046	43,279	36,008	3,564	23,028	6,121	98,328
Accumulated impairments	(1,473)	(421)	(1,632)	(393)	(283)	(328)	(283)	(328)
	46,754	**34,625**	**41,646**	**35,616**	**3,281**	**22,700**	**5,838**	**98,000**

In the years ended 31 December 2015 and 2014, those accounts receivable ageing were as follow:

	Group				Company			
	2015		2014		2015		2014	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Undue balances	43,756	23,116	31,592	35,933	3,281	22,700	5,838	98,000
Due balances:								
Up to 180 days	2,797	2,072	7,471	15	-	-	-	-
From 181 to 360 days	70	342	417	61	-	-	-	-
More than 361 days	1,603	9,515	3,799	-	283	328	283	328
	48,227	**35,046**	**43,279**	**36,008**	**3,564**	**23,028**	**6,121**	**98,328**

Impairments to accounts receivable - other

In the years ended 31 December 2015 and 2014 the changes in this caption were as follows:

	Group	Company
Balances at 31 December 2013	7,354	611
Currency translation adjustments	20	-
Increases (Note 11)	64	-
Decreases (Note 8)	(12)	-
Utilisations	(5,347)	-
Transfers	(54)	-
Balances at 31 December 2014	2,025	611
Currency translation adjustments	(23)	-
Increases (Note 11)	65	-
Decreases (Note 8)	(171)	-
Utilisations	(2)	-
Balances at 31 December 2015	1,894	611

The recognized impairments represent the estimated loss on the accounts receivable, as a result of the credit risk analysis, after deducting the amounts covered by credit insurance and other warranties.

23. TAXES RECOVERABLE AND TAXES PAYABLE

Taxes recoverable and taxes payable at 31 December 2015 and 2014 were as follows:

	Group				Company	
	2015		2014		2015	2014
	Current	Non-current	Current	Non-current	Current	Non-current
Taxes recoverable:						
Corporate income tax	17,030	1,333	21,850	1,676	2,851	2,621
Personal income tax	2,518	-	3,470	-	32	32
Value added tax	29,678	12,783	47,519	21,780	-	249
Other	4,016	13,659	1,549	15,380	-	-
	53,243	**27,776**	**74,387**	**38,836**	**2,883**	**2,902**
Taxes payable:						
Corporate income tax	20,768	5,012	30,124	6,860	384	638
Personal income tax	4,647	-	2,888	-	31	60
Value added tax	13,941	-	18,360	-	76	43
Social security contributions	9,233	-	7,646	-	35	42
Other	1,365	210	2,936	432	-	-
	49,955	**5,222**	**61,954**	**7,292**	**526**	**783**

In compliance with the requirements of Artº 21 Decree-Law nº 411/91 of 17 October, it is declared that the Company does not have any overdue liabilities to the tax administration or the social security.

24. OTHER CURRENT AND NON-CURRENT ASSETS

Other current and non-current assets at 31 December 2015 and 2014 were as follows:

	Group				Company	
	2015		2014		2015	2014
	Current	Non-current	Current	Non-current	Current	Non-current
Accrued interest	541	-	1,447	-	-	-
Derivative financial instruments (Note 45)	24,770	238,895	13,456	115,175	-	-
Leases	157	-	546	-	-	-
Insurances	747	-	458	-	7	21
Other deferred costs and accrued income	3,988	-	2,404	-	3	10
	30,202	**238,895**	**18,311**	**115,175**	**10**	**31**

25. DEFERRED TAXES

The changes in **Group** deferred taxes in the years ended 31 December 2015 and 2014 were as follows:

	Intangible assets	Goodwill	Tangible assets	Tax losses carried forward	Provisions for risks and charges	Doubtful accounts	Inventories	Investments	Available-for-sale financial assets	Other	Total
Deferred tax assets:											
Balances at 31 December 2013	251	2,095	4,766	73,595	27,384	1,037	979	381	198	16,715	127,401
Currency translation adjustments	1	69	8	(48)	(184)	(77)	42	1	-	(593)	(782)
Income tax (Note 13)	(41)	(2,164)	(466)	(4,361)	(963)	2,500	(172)	140	(198)	(3,225)	(8,949)
Shareholders' equity (Note 13)	-	-	-	-	1,227	-	-	-	-	814	2,042
Balances at 31 December 2014	211	-	4,308	69,186	27,464	3,459	849	523	-	13,712	119,712
Currency translation adjustments	(9)	-	(187)	(10,931)	(3,820)	(793)	(82)	(0)	-	(8,030)	(23,852)
Income tax (Note 13)	6	-	205	12,558	1,857	661	(5)	146	-	35,153	50,581
Shareholders' equity (Note 13)	-	-	-	(9,997)	(844)	-	-	-	-	(28)	(10,869)
Balances at 31 December 2015	208	-	4,326	60,816	24,658	3,328	762	668	-	40,807	135,572
Deferred tax liabilities:											
Balances at 31 December 2013	-	166,748	379,373	-	7,259	-	-	33	-	22,387	575,799
Currency translation adjustments	-	237	(15,754)	-	1	-	-	-	-	(432)	(15,947)
Income tax (Note 13)	-	(12,004)	(14,200)	-	360	-	-	(6)	-	5,038	(20,813)
Shareholders' equity (Note 13)	-	-	-	-	-	-	-	-	-	16	16
Balances at 31 December 2014	-	154,981	349,419	-	7,619	-	-	27	-	27,009	539,054
Currency translation adjustments	-	(33,136)	(76,168)	-	(3)	-	-	-	-	(4,154)	(113,461)
Income tax (Note 13)	-	(4,869)	9,238	-	818	-	-	-	-	(18,606)	(13,419)
Shareholders' equity (Note 13)	-	-	-	-	-	-	-	-	-	3,530	3,530
Transfers	-	-	-	-	-	-	-	-	-	2,811	2,811
Balances at 31 December 2015	-	116,976	282,488	-	8,434	-	-	27	-	10,590	418,515
As at 31 December 2014	**211**	**(154,981)**	**(345,111)**	**69,186**	**19,846**	**3,459**	**849**	**496**	**-**	**(13,297)**	**(419,342)**
As at 31 December 2015	**208**	**(116,976)**	**(278,162)**	**60,816**	**16,224**	**3,328**	**762**	**641**	**-**	**30,217**	**(282,943)**

The deferred tax assets are recorded directly in other profit and loss on shareholders' equity when the situations that have originated them have similar impact, namely:

- The deferred tax assets and liabilities arising from provisions, resulting from the tax effect associated to the actuarial gains and losses recorded directly in Reserves;

- The deferred tax assets and liabilities related to hedging reserve in the cash flow hedge accounting;

Temporary differences originating deferred taxes are influenced by the allocation of fair values, without tax base, to assets and liabilities acquired in business combination processes, with significant impact on tangible assets and, for most types, differences in valuation and the accounting policies between the accounting basis of assets and liabilities of the Group companies and the corresponding tax base.

The deferred tax liabilities related to Goodwill arise from the existence of some jurisdictions in which the goodwill is taxable deductible.

At 31 December 2015 the Group had tax losses of approximately 959 million euros to be used (1,020 million euros at 31 December 2014) deductible from future profits, having recognized deferred tax assets of 60,816 thousand euros (69,186 thousand euros at 31 December 2014). Deferred tax assets of approximately 747 million euros were not recognized for losses (785 million euros at 31 December 2014) due the unpredictability of their recovery.

Deferred tax assets were recognized when it is probable that future taxable profits will occur, which could be used to recover fiscal losses and temporary differences. This evaluation was performed in accordance with the Group's entities business plans, periodically reviewed and updated.

The changes in **Company's** deferred taxes in the years ended 31 December 2015 and 2014 were as follows:

	Tangible assets	Tax losses carried forward	Doubtful accounts	Others	Total
Deferred tax assets:					
Balances at 31 December 2013	-	9,958	277	534	10,769
Income tax (Note 13)	-	(984)	(22)	-	(1,006)
Transfers	-	2,332	-	(300)	2,032
Balances at 31 December 2014	-	11,306	255	234	11,795
Income tax (Note 13)	-	1,257	-	(17)	1,239
Transfers	-	83	-	-	83
Balances at 31 December 2015	-	12,646	255	217	13,118
Deferred tax liabilities:					
Balances at 31 December 2013	2	-	-	1	3
Income tax (Note 13)	(2)	-	-	(1)	(3)
Balances at 31 December 2014	-	-	-	-	-
Balances at 31 December 2015	-	-	-	-	-
Carrying amount:					
As at 31 December 2014	**-**	**11,306**	**255**	**234**	**11,795**
As at 31 December 2015	**-**	**12,646**	**255**	**217**	**13,118**

In the Company, deferred tax assets for losses result from the appropriation results, under the special income tax scheme for corporate groups, related to tax years 2013 and 2015, and recoverable as follows:

	Amount	Maturity
Assessment date		
2013	43,061	2018
2014	13,896	2026
2015	3,539	2027
	60,496	

The transfers include fiscal consolidation losses of the year, whose tax payable to companies in the tax group is stated as current debt (Note 41).

26. INVENTORIES

Group inventories as at 31 December 2015 and 2014 were as follows:

	2015	2014
Raw, subsidiary and consumable materials	271,526	341,492
Work in process	83,310	74,528
Finished and semi-finished products	33,657	43,888
Merchandise	3,633	3,561
Advances on purchases	2,702	11,040
	394,828	474,509
Accumulated impairments	(4,026)	(6,758)
	390,802	467,752

Accumulated inventory impairments

The changes in Group inventories adjustments in the years ended 31 December 2015 and 2014 were as follows:

Balances at 31 December 2013	9,787
Currency translation adjustments	192
Increases (Note 11)	363
Decreases (Note 8)	(1,232)
Utilisations	(2,353)
Balances at 31 December 2014	6,758
Currency translation adjustments	(479)
Increases (Note 11)	877
Decreases (Note 8)	(3,130)
Balances at 31 December 2015	4,026

27. ACCOUNTS RECEIVABLE – TRADE

This caption at 31 December 2015 and 2014 was as follows:

	Group		Company	
	2015	2014	2015	2014
Trade receivables	153,128	172,331	2,391	238
Notes receivable - trade	160	251	-	-
Doubtful trade accounts receivable	20,228	21,785	2,146	2,147
Advances to suppliers	18,208	10,769	-	-
	191,723	205,136	4,536	2,385
Accumulated impairments	(27,951)	(29,061)	(2,146)	(2,147)
	163,772	176,075	2,391	238

Accumulated impairments to accounts receivable - trade

During the years ended 31 December 2015 and 2014, the changes in this caption were as follows:

	Group	Company
Balances at 31 December 2013	31,480	2,381
Currency translation adjustments	(362)	-
Increases (Note 11)	4,134	-
Decreases (Note 8)	(1,246)	(2)
Utilisations	(4,996)	(233)
Transfers	51	-
Balances at 31 December 2014	29,061	2,147
Currency translation adjustments	(2,699)	-
Increases (Note 11)	2,635	-
Decreases (Note 8)	(639)	(1)
Utilisations	(407)	-
Balances at 31 December 2015	**27,951**	**2,146**

In the years ended 31 December 2015 and 2014, the ageing of this caption, was as follows:

	Group		Company	
	2015	2014	2015	2014
Undue balances	119,257	118,120	2,391	238
Due balances:				
Up to 180 days	48,362	58,506	-	-
From 180 to 360 days	2,872	8,421	-	-
More than 360 days	21,231	20,088	2,146	2,147
	191,723	**205,136**	**4,536**	**2,385**

The book value of the accounts receivable is close to its fair value.

The Group does not have a significant concentration of credit risk, as the risk is spread over a broad range of trade and other debtors. The recognized impairments represent the estimated loss on the accounts receivable, as a result of the credit risk analysis, after deducting the amounts covered by credit insurance and other warranties.

28. SHARE CAPITAL

The Company's fully subscribed and paid up capital at 31 December 2015 consisted of 672,000,000 privatized shares, listed on Euronext Lisbon market, with a nominal value of one euro each.

The official qualifying shareholders are disclosed in the appendix to these financial statements.

29. TREASURY SHARES

Commercial legislation relating to treasury shares requires that a free reserve equal to the cost of those treasury shares be unavailable while the shares are not sold (Note 31). In addition, the applicable accounting rules require that gains and losses on the sale of treasury shares be recorded in reserves.

In 31 December 2015 and 2014 the company held 5,906,098 treasury shares.

In the years ended 31 December 2015 and 2014 there were no movements in treasury shares.

30. CURRENCY TRANSLATION ADJUSTMENTS

The changes in this caption in the years ended 31 December 2015 and 2014 were as follows:

	Egyptian Pound	Brazilian Real	Mozambique Metical	South African Rand	Argentinian Peso	Others	Total
Balances at 31 December 2013	(72,577)	(1,541)	(7,478)	(121,433)	(225,228)	241	(428,017)
Currency translation adjustments	26,122	(1,255)	1,646	4,398	(67,398)	1,919	(34,568)
Balances at 31 December 2014	(46,455)	(2,796)	(5,832)	(117,035)	(292,627)	2,160	(462,584)
Currency translation adjustments	6,061	(425,867)	(13,332)	(28,371)	(159,393)	(564)	(621,465)
Balances at 31 December 2015	**(40,395)**	**(428,663)**	**(19,163)**	**(145,405)**	**(452,019)**	**1,596**	**(1,084,050)**

In the years ended 31 December 2015 and 2014, no financial derivative instruments were contracted to hedge investments in foreign entities.

31. RESERVES

This caption at 31 December 2015 and 2014 was as follows:

	Group		Company	
	2015	2014	2015	2014
Legal Reserve	134,400	134,400	134,400	134,400
Other reserves	164,856	132,873	172,332	172,332
	299,256	**267,273**	**306,732**	**306,732**

Legal reserve: Commercial legislation establishes that at least 5% of annual net profit must be appropriated to a legal reserve until the reserve equals at least 20% of share capital. This reserve is not available for distribution, but can be used to absorb losses once the other reserves have been exhausted, or to increase capital.

Other reserves: As of 31 December 2015 and 2014, "Other reserves" includes non-distributable reserves of 27,216 thousand euros, corresponding to the cost of these treasury shares acquisition (Note 29). In the year ended 31 December 2015 Other income and costs recognized in the Group's Reserves in 2015 includes the recognition of actuarial losses on the liability to employees in the net amount of 102 thousand euros (2,736 thousand euros of actuarial losses in 2014) and the recognition of hedging operations gains of 15,714 thousand euros (6,034 thousand euros losses in 2014). Additionally a gain of 16,371 thousand euros (net of tax effect of 9,997 thousand euros (Note 25)) in the sale of non-controlling interest in the subsidiary Yguazu Cementos (Note 4.1), was also recognized.

32. RETAINED EARNINGS

The changes in retained earnings in the years ended 31 December 2015 and 2014 were as follows:

	Group	Company
Balances at 31 December 2013	473,386	248,766
Appropriation of profit of 2013	(21,281)	5,613
Other	(412)	-
Balances at 31 December 2014	451,692	254,379
Appropriation of profit of 2014	27,207	869
Other	(49)	-
Balances at 31 December 2015	**478,849**	**255,247**

33. NON-CONTROLLING INTERESTS

The changes in this caption in the years ended 31 December 2015 and 2014 were as follows:

Balances at 31 December 2013	40,536
Currency translation adjustments	1,835
Dividends	(1,377)
Financial instruments hedging	63
Actuarial gain and loss on personnel responsabilities (Note 34)	(6)
Variation in investments	1,884
Other changes	4,708
Net profit for the year attributable non-controlling interests	2,377
Balances at 31 December 2014	50,020
Currency translation adjustments	(4,461)
Dividends	(1,280)
Actuarial gain and loss on personnel responsabilities (Note 34)	14
Variation in investments (a)	5,658
Other changes	235
Net profit for the year attributable non-controlling interests	(9,140)
Balances at 31 December 2015	**41,046**

(a) Corresponds to the sale of part of the share capital of Yguazu Cementos (Note 4.1).

34. EMPLOYEE BENEFITS

Defined benefit plan

The Group has defined benefit retirement pension plans and healthcare plans, for which the liability is determined annually based on actuarial valuations made by independent entities, the cost determined by these valuations being recognised in the year.

Most of the liability for the retirement benefit plans has been transferred to pension funds managed by specialised independent entities.

The valuations as of 31 December 2015 and 2014 were made using the "Projected Unit Credit" method and were based in the following assumptions and technical bases:

	2015	2014
Actuarial technical rate (in local currency)		
Portugal	2.4%	2.6%
South Africa	9.6%	8.3%
Annual pension growth rate		
Portugal	1.0%	1%
Annual fund income rate		
Portugal	2.4%	2.6%
Annual salary growth rate		
Portugal	2%	2%
Mortality tables		
Portugal	TV88/90	TV88/90
South Africa	SA 85-90	SA 85-90
Disability tables		
Portugal	EKV 80	EKV 80
Nominal growth rate of medical costs		
Portugal		
Medical inflation rate	2%	2.0%
South Africa	9.3%	8%

In the Portuguese business area, changes in principal actuarial assumptions result, essentially, of changes in the main market variables and expectations that determine them.

In accordance with the actuarial valuations the pension and healthcare benefits costs for the years ended 31 December 2015 and 2014 were as follows:

	Pension plans	
	2015	2014
Current service cost	538	578
Interest cost	1,838	2,814
Administrative costs	-	188

(continued on the next page)

(Continuation)

		Healthcare plans	
		2015	2014
Current service cost		85	133
Interest cost		319	585
Plan change		(245)	(5,022)
Total cost/(income) of the healthcare plans (Note 10)	(II)	159	(4,304)
Total cost/(income) of the defined benefit plans	(I) + (II)	**(455)**	**(3,363)**

The changes in the amount of the responsibilities for defined benefit plans and related market value of fund assets during the years ended 31 December 2015 and 2014 were as follows:

	Pension plans		Healthcare plans		Total	
	2015	2014	2015	2014	2015	2014
Defined benefit liability - 1 january	73,663	71,402	10,716	14,223	84,378	85,625
Benefiits and bonuses paid	(4,855)	(4,817)	(787)	(796)	(5,643)	(5,614)
Current service cost	538	578	85	133	624	711
Past service cost	-	-	(245)	(5,022)	(245)	(5,022)
Interest cost	1,838	2,814	319	585	2,156	3,399
Actuarial gains and losses	(656)	3,686	145	1,567	(511)	5,253
Exchange differences	-	-	(145)	25	(145)	25
Defined benefit liability - 31 december	**70,527**	**73,663**	**10,088**	**10,716**	80,615	**84,378**
Value of the pension funds - 1 january	66,246	68,085	-	-	66,246	68,085
Contributions	-	24	-	-	-	24
Benefits and bonuses paid	(4,855)	(4,829)	-	-	(4,855)	(4,829)
Expected income of the funds' assets	2,990	2,640	-	-	2,990	2,640
Actuarial gains and losses in income from the funds' assets	(311)	514	-	-	(311)	514
Administrative costs	-	(188)	-	-	-	(188)
Value of the pension funds - 31 december	**64,069**	**66,246**	**-**	**-**	**64,069**	**66,246**

In the year ended 31 December, 2014, past service cost included an estimate of the effect resulting from the increase in the legal retirement age in the Portuguese business area, as well as the effect of changes in the Health Plan.

The effect of the decrease of 0.20% p.p. in the discount rate on the liability for defined pension benefit plans and the health area in the Portuguese business area, which represents more than 95% of the Group's liability, was estimated to amount to an increase of around 1,734 thousand euros in the liability.

The movements of net actuarial gains and losses during the years ended 31 December 2015 and 2014 were as follows:

	2015	2014
Changes during the year:		
Related to the liabilities	511	(5,253)
Related to the funds assets	(311)	514
Corresponding defferred tax	268	1,304
Non-controlling interests (Note 33)	14	(6)
	482	**(3,442)**

In addition, actuarial gains and losses include the following experience adjustments:

	2015	2014
Related to the liabilities	1,027	729
Related to the funds assets	(311)	514

The difference between the present value of the benefit plan liability and the market value of the funds' assets for the last five years ended 31 December was as follows:

Pension plans	2015	2014	2013	2012	2011
Liability	70,527	73,663	71,402	74,715	76,917
Value of the pension funds	(64,069)	(66,246)	(68,085)	(68,582)	(70,402)
Deficit	**6,458**	**7,417**	**3,317**	**6,133**	**6,515**
Liability for employee benefits:					
Current liability	-	-	-	-	3,708
Non-current liability	6,917	7,417	3,317	6,133	3,708
	6,917	7,417	3,317	6,133	7,416
Fund surplus	460	-	-	-	(901)
Total exposure	**7,377**	**7,417**	**3,317**	**6,133**	**6,515**

Healthcare plans	2015	2014	2013	2012	2011
Liability for employee benefits:					
Current liability	899	904	903	902	1,003
Non-current liability	9,190	9,812	13,320	14,995	15,148
Total exposure	**10,088**	**10,716**	**14,223**	**15,897**	**16,151**

The **Group** has not established funds for the health plans. The main assets of the funds as at 31 December 2015 and 2014 are as follows:

	2015	2014
Shares	15.1%	20.8%
Fixed rate bonds	67.7%	47.2%
Variable rate bonds	1.6%	14.7%
Real estate investment funds, hedge funds, cash and insurance	15.6%	17.3%
	100.0%	100.0%

Real estate investments include a property valued at 5,900 thousand euros, which is rented, for use within the Group, for an annual rent of 372 thousand euros (560 thousand euros in the year ended 31 December 2014).

Defined contribution plans

In the years ended 31 December 2015 and 2014 the Group incurred costs of 1,644 thousand euros and 2,074 thousand euros, respectively with defined contribution plans (Note 10). The cost of the Company's defined contribution plans in 2015 and 2014 amounted to 46 thousand euros and 75 thousand euros, respectively (Note 10).

35. CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

Contingent liabilities

In the normal course of its business the Group is involved in several legal cases and complaints relating to its products and services as well for environmental, labor and regulatory cases. Facing to those natures, valuation and recorded provisions, there is an existing expectation that there are no relevant effects on the developed activity, equity and operating results.

On 31 December 2015, the Group exposure not provided for is of about 659 million euros (663 million euros in 31 December 2014), being 8 million euros of contingencies related to labor (8 million euros in 31 December 2014), 459 million euros of tax contingencies (435 million euros in 31 December 2014), 192 million euros of civil contingencies and administrative processes of other natures (220 million euros in 31 December 2014), whose likelihood of loss was considered possible, according to the opinion of legal counsellors, qualifying accordingly as a possible obligation.

The most significant of the contingencies are:

Brazil

The Group and other companies in the industry were parties to administrative proceedings related to antitrust regulation in progress at the Administrative Council for Economic Defence ("CADE"). In July, 2015, CADE's tribunal judged the administrative appeal presented by the Group under the process initiated in 2007 by the competition authorities in Brazil (as well by other involved companies), maintaining the condemnation decision as regards cartel formation and the imposition of a pecuniary fine and other accessory penalties. In the year ended 31 December 2015, the Group contingency ascend to 557 thousand BRL, approximately, 131 million euros (which corresponds to 241,700 thousand BRL to Intercement and 297,820 thousand BRL to CCB, meanwhile merged), besides the obligation to sell 20% of its concrete´s assets in Brazil, among other accessory penalties.

After the referred administrative CADE's decision become final, the Group appealed judicially, having obtained, on 22 October 2015, the grant of the preliminary injunction to suspend all penalties imposed by CADE, by the presentation of real guarantees (two plants in Brazil), until the judgment decision, to suspend all penalties imposed by CADE, until merits of the case judgement. Such preliminary injunction decision was judicially appealed by CADE pending of judgment by Federal Regional Court of the First Region. Based on the opinion of its legal advisors, that the risk of loss before the court is considered as possible, no provision was recorded for this contingent liability as of 31 December 2015 and 2014.

Concerning to processes with tax nature with a possible loss risk, in 31 December 2015, the contingent liabilities amounts to 353 million euros, (about 328 million euros in 31 December 2014).

Egypt

In the context of the industrial licensing process in the industrial unit of Amreyah Cimpor Cement Company, the Industrial Development Authority (IDA), an Egyptian government entity, claims a payment in the amount of 217 million EGP (around 25,5 million euros). The Board of Directors, based on the understanding of the company's legal advisors, believes that the payment is not due, having submitted a legal petition in this respect. Under this process, a bank guarantee in favor of the Industrial Development Authority (IDA) was presented.

As a result of tax inspections, additional tax assessments on income were realized for the years 2002 to 2004 in the amount of 795 million EGP (93 million euros in 31 December 2015). In the sequence of administrative demarches realized by the Group, the mentioned assessments were reduced to around 150 million EGP (17 million euros on 31 December 2015). This decision was subject of appeal, being the conviction of Administration, supported by the opinion of tax advisers, that does not assist a substantial reason to the maintenance of those assessments, for that reason, at the end of the process, it is not expected any relevant impact on Group's assets.

Following the notifications received by two of our companies from the electricity supplier company to pay a fine and to have the obligation to make investments related with electricity supply, and following the complaint made before the Electricity Regulatory Agency, on November, 12, an agreement with that Agency was signed and the right of contracting the electricity supplying to those Companies were obtained, against a payment of 8,6 million euros (73 million EGP) over the next two years. With the signature of these contracts, all alleged requests in those notifications will be solved.

Spain

As a result of tax inspections of the years 2002 to 2004 and 2005 to 2008, additional tax assessments were realized, of approximately 27 million euros and 120 million euros, respectively. Already in 2015, the Supreme Court issued a ruling that annulled the additional payments made by the tax authorities for the financial years 2002 to 2004, whose value amounted to approximately 27 million euros. The additional assessments relate essentially to net financial items resulting mainly from interpretations not adjusted to the nature of certain transactions, Management believes that the conclusion of the legal processes resulting from the actions in progress, which has been already contested, will not result in significant costs for the Group. This opinion is confirmed by the understanding and opinion of its legal and tax advisors, which consider the possibility of loss, with the processes of 2005 to 2008, as possible (around 34 million euros) to remote (around 86 million euros). Following these assessments the company submitted to the Spanish tax administration guarantees which at this time amount to approximately 120 million euros.

During the second half of 2014, the Spanish tax authorities began inspecting the years 2009 to 2012. For the years 2009 to 2011, tax inspection report projects were already presented, and the interpretations that led to the corrections started in 2002 were maintained, resulting in these years in the correction of the company negative taxable income of about 33 million euros. For the year 2012, the inspection is ongoing. As in previous years, the Board of Directors and its legal and tax counsellors remains convinced that from the conclusion of the legal proceedings that may be brought contesting these corrections, no significant charges will occur in the Group.

Guarantees

At 31 December 2015 and 2014 Group companies had requested guarantees totalling 446,813 thousand euros and 429,282 thousand euros, respectively, given to third parties, are as follows:

	December 2015	December 2014
Guarantees given		
For tax processes in progress	284,963	271,762
Financing entities	124,036	116,048
To Suppliers	3,444	5,003
Other	34,370	36,469
	446,813	**429,282**

In the Portugal business area, due to legislation on the legal responsibilities for environmental damage reserves were established or assets of the Group companies assigned in a total of approximately 8.4 million euros.

The above guarantees for tax processes include 7,495 thousand euros and 8,680 thousand euros at 31 December 2015 and 2014, respectively, relating to the Company.

Guarantees provided to Other entities at 31 December 2015 and 2014 include the bank guarantee in favor for the Industrial Development Authority (IDA), Egyptian governmental entity, in the amount of around 25.5 and 24.9 million euros, respectively (217 million Egyptian pounds).

Other commitments

In the normal course of its business the Group assumes commitments related essentially to the acquisition of equipment, under its investment operations in progress and for the purchase and sale of investments.

Additionally, as of 31 December 2015 and 2014, there are commitments related to contracts for the acquisition of tangible fixed assets and stocks as well as for the operation of facilities located on the property of third parties, as follows:

	December 2015	December 2014
Business area:		
Brazil	65,115	100,059
Argentina	74,633	85,102
Paraguay	25,791	-
Portugal	22,851	7,907
Egypt	10,383	19,257
South Africa	19	751
	198,791	**213,076**

In accordance with the Commercial Company Code ("Código das Sociedades Comerciais"), the parent company Cimpor – Cimentos de Portugal, SGPS, S.A. is jointly responsible for the obligations of its subsidiaries.

36. PROVISIONS

In the year ended as of 31 December 2015 and 2014, the classification of provisions was as follows:

	Group		Company	
	2015	2014	2015	2014
Non-current provisions:				
Provisions for tax risks	35,235	39,219	23,000	26,000
Provisions for environmental rehabilitation	36,612	43,117	-	-
Provisions for employees	25,114	29,980	814	898
Other provisions for risks and charges	8,583	9,961	31	31
	105,545	122,276	23,845	26,929
Current provisions:				
Provisions for employees	4,060	4,469	186	180
Other provisions for risks and charges	10,852	-	-	-
	14,912	4,469	186	180
	120,457	**126,746**	**24,031**	**27,108**

The provisions for tax risks cover liabilities from tax assessments, which have been claimed. The Board of Directors, together with its tax and legal consultants, believes that, for the majority of the issues in dispute with the tax authorities, the Group has a strong possibility of winning those processes. However, the inexistence of case law and the technical complexity of some of the issues advise the recording of such provisions.

The provisions for environmental rehabilitation represent the Group's legal or constructive obligation to rehabilitate land used for quarries. Payment of this liability depends on the period of operation and the beginning of the related exploration.

The provisions relating to personnel correspond essentially to the estimate of costs of the liability for termination of employment and long term remuneration, of which 16,899 thousand euros and 19,421 thousand euros, respectively, relating to 31 December 2015 and 2014 correspond to the pre-retirement of employees (Note 10).

The other provisions for risks and charges are to cover specific business risks resulting from the Group's operations, including those resulting from litigation, as well as provisions for liabilities resulting from participations in associated companies.

The changes in the **Group's** provisions in 2015 and 2014 were as follows:

	Provisions for tax risks	Environmental rehabilitation	Provisions for employees	Other provisions for risks and charges	Total
Balances at 31 December 2013	38,503	42,802	30,878	13,049	125,233
Currency translation adjustments	529	(597)	(393)	393	(69)
Increases	3,329	1,355	12,822	5,611	23,117
Decreases	(3,239)	-	(3,279)	(5,586)	(12,104)
Utilisations	-	(443)	(5,579)	(3,409)	(9,431)
Transfers	96	-	-	(96)	-
Balances at 31 December 2014	**39,219**	**43,117**	**34,449**	**9,961**	**126,746**
Balances at 31 December 2014	39,219	43,117	34,449	9,961	126,746
Currency translation adjustments	(1,402)	(7,302)	(3,305)	(295)	(12,304)
Increases	931	1,956	3,769	13,141	19,797
Decreases	(3,234)	(463)	(341)	(2,061)	(6,099)
Utilisations	(192)	(695)	(5,273)	(1,523)	(7,683)
Transfers	(86)	-	(125)	211	-
Balances at 31 December 2015	**35,235**	**36,612**	**29,174**	**19,435**	**120,457**

In year ended on 31 December 2013, the Group alienated a compensation credit that had been previously held by a final court decision on a civil liability action arising out of tort/delict against a Municipality. In 2015, following an appeal to standardise jurisprudence ("recurso de uniformização de jurisprudência") made by the Municipality, the Supreme Administrative Court delivered a partially unfavourable judgment to the Group, which resulted on a reduction of the credit value to 2.5 million euros (3.3 million euros including interests). Following that decision, the Group filed a complaint before the Supreme Administrative Court, which has been rejected on 25 January 2016. By the end of 2015, the Group concluded an agreement with the entity to which it had sold the credit; under that agreement, it was established the commitment of repurchasing the credit, which then actually occurred in February 2016 and amounted to 14.2 million euros (Note 28). Notwithstanding the fact that the Group's legal advisers consider the abovementioned judgement to be unconstitutional, indicating that the Group is entitled to have the decision reviewed by the Constitutional Court, taking into consideration the uncertainty associated therewith, on 31 December 2015 a Provision for liabilities and charges amounting to 10.9 million euros, which represents the difference between the repurchase estimated value and the reduced credit value, has been recognized.

Provisions increases for the year ended 31 December 2014 include mainly the increase of provisions for staff in Brazil.

The decrease of provisions in the years ended 31 December 2015 and 2014 results essentially from reappraisal of the degree of probability of the occurrence of losses in several business areas.

In the Company, as a result of audits performed by the tax authorities to the CIT returns for the years of 1996 to 2013, additional adjustments were made to the assessment basis and to tax, determined under the tax consolidation regimes in force in each year. The Board of Directors believes, based on the understanding of its tax consultants that the above mentioned adjustments have no legal basis and therefore they have been legally claimed. Even so, due to the lack of jurisprudence and the technical complexity of some matters, provisions were set up for most of the issues in dispute.

In addition, the Board of Directors believes that any responsibility of the above tax, resulting from tax assessments up to the tax year of 2001 or subsequent if influenced by operations up to that date, are the responsibility of the “Fundo de Regularização da Dívida Pública” (In this way, Administrative Court already decided for the years 1997,1998 and 1999). Some of the tributary processes related to those additional assessments are still in course, as well as some administrative processes, in order that the “Fundo de Regularização da Dívida Pública” assumes the respective responsibility.

The changes in the **Company** provisions in the years ended 31 December 2015 and 2014 were as follows:

	Provisions for tax risks	Provision for employees	Other provisions for risks and charges	Total
Balances at 31 december 2013	25,000	1,056	31	26,087
Increases	1,000	221	-	1,221
Utilisation	-	(201)	-	(201)
Balances at 31 December 2014	26,000	1,077	31	27,108
Increases	-	133	-	133
Decreases	(3,000)	-	-	(3,000)
Utilisation	-	(210)	-	(210)
Balances at 31 December 2015	**23,000**	**1,000**	**31**	**24,031**

The increases and decreases in the provisions in the years ended 31 December 2015 and 2014 were recorded by corresponding entry to the following accounts:

	Group		Company	
	December 2015	December 2014	December 2015	December 2014
Net result for the year:				
Operating costs	8,386	2,219	-	-
Payroll costs	312	2,356	77	(21)
Operating Income	(218)	(1,738)	-	-
Provisions	(437)	(349)	-	-
Financial expenses	8,453	7,482	-	-
Income tax (Note 13)	(2,799)	1,042	3,000	(1,000)
	13,698	**11,013**	**3,077**	**(1,021)**

The caption financial expenses include the financial actualizations of the provision for environmental rehabilitation.

37. LOANS

Loans in the **Group** as at 31 December 2015 and 2014 were as follows:

	December 2015	December 2014
Non-currents liabilities:		
Bonds	1,262,123	1,442,146
Bank loans	1,911,997	1,904,331
Other loans	768,743	768,743
	3,942,862	4,115,219
Currents liabilities:		
Bank loans	116,967	169,969
Other loans	215	27
	117,182	169,997
	4,060,044	**4,285,216**

Bonds

Non-convertible bonds at 31 December 2015 and 2014 were as follows:

						December 2015	December 2014
Business unit	Financial instrument	Currency	Emission date	Coupon (b)	Final maturity	Non-current	Non-current
Brazil	Debênture - Brazil (a)	BRL	Mar.12	Floating rate indexed to CDI	Apr.22	352,116	462,465
Brazil	Debênture - Brazil	BRL	Jan.12	Floating rate indexed to CDI	Aug.16	-	479
Brazil	Debênture - Brazil	BRL	Aug.12	Floating rate indexed to CDI	Aug.22	281,694	371,861
Holdings and Financial Vehicles	Senior Notes (c)	USD	Jul.14	5.75%	Jul.24	628,312	607,342
						1,262,123	**1,442,146**

(a) Guaranteed by controlling entities of the Company;

(b) The contractual variable rates include spreads till 15% over the index;

(c) In 17 July, 2014, issued Cimpor Financial Operations, B.V. (Cimpor B.V.), the Senior Notes ("Bonds") in the amount of 750 million USD, with a payment maturity of 10 years. The Bonds were launched with coupon of 5.75% per annum and are listed on the Singapure Stock Exchange. The net funds of this issuance was used to refinance existing debt and for corporate use in general, allowing an increase in the average maturity of the company's debt.in the year ended 31 December 2015, the Group purchased bonds in the nominal value of 54,290 thousand USD, for an average price of 74%, which resulted in the derecognition of a liability in the amount of 49,876 thousand euros and in the recognition of a gain in the amount of 12,863 thousand euros (Note 12).

Bank loans

Group bank loans as at 31 December 2015 and 2014 were as follows:

							December 2015		December 2014	
Business unit	Type	Currency	Interest rate (b)	Contract date	Maturity	Notes	Current	Non-Current	Current	Non-Current
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	May-12	Jan-22	(a)	-	455,333	-	406,921
Holdings and Financial Vehicles (*)	Bilateral	EUR	"Floating rate indexed to Euribor	Feb-12	Feb-22	(a)	-	303,805	-	303,340
Holdings and Financial Vehicles (*)	Bilateral	EUR	"Floating rate indexed to Euribor	Feb-14	Aug-19	(a)	-	59,953	-	59,528
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Feb-14	Aug-19	(a)	-	197,803	-	176,614
Holdings and Financial Vehicles (*)	Bilateral	EUR	"Floating rate indexed to Euribor	Feb-14	Aug-21	(a)	-	59,953	-	59,528
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Feb-14	Aug-21	(a)	-	197,800	-	176,614
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Feb-14	Aug-21	(a)	-	216,886	-	243,606
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	May-14	May-19		-	45,374	-	137,711
Holdings and Financial Vehicles (*)	Bilateral	EUR	Fixed rate	Dec-14	Dec-18		-	22,394	-	24,000
Company	Commercial paper	EUR	Floating rate	Mar-15	Mar-18	(a) and (c)	-	50,000	-	-
Argentina and Paraguay	Bilaterals	ARS	Floating rates indexed to Badlar	Several	Several		18,204	45,949	76,058	60,275
Argentina and Paraguay	Bilaterals	USD	Floating rates indexed to US Libor	Several	Several		57,437	2,525	2,271	49,987
Brazil	Bilaterals	USD	Fixed and floating rates	Several	Several		-	-	37,604	-
Brazil	Bilaterals	BRL	Fixed and floating rates	Several	Several		10,837	62,752	23,254	84,235
Argentina and Paraguay	Bilaterals	USD	Fixed and floating rates	Several	Several		18,723	70,675	18,729	76,195
Argentina and Paraguay	Bilaterals	PYG	Fixed rates	Oct-15	Feb-16		8,968	-	-	-
South Africa	Bilateral	ZAR	Floating rate indexed to Jibar	Dec-13	Dec-18		-	35,432	-	42,708
Portugal and Cape Verde	EIB	EUR	EIB rate	Sep-03	Sep-15		-	-	6,667	-
Portugal and Cape Verde	Bilaterals	EUR	Fixed and floating rates	Several	Several	(a)	-	75,000	-	-
Mozambique	Bilaterals	MZN	Floating rates indexed to BT 3M	Several	Several		1,467	7,055	2,549	1,853
Egypt	Bilaterals	EGP	Floating rates indexed to Corridor	Several	Several		1,331	3,310	2,837	1,214
							116,967	**1,911,997**	**169,969**	**1,904,331**

(*) Considerados no conjunto das empresas incluídas no segmento Holdings, entidades de suporte ao negócio, corporativas e trading (Nota 4).

(a) Garantido por entidades controladoras da Empresa;
(b) As taxas variáveis contratadas para os principais financiamentos em dólares e em euros consideram spreads entre 2,5% e 3,5%.
(c) Emissão de papel comercial, pela Empresa, no montante de 50 milhões de euros (Nota 46).

Other loans

Other loans obtained correspond, essentially, to loans from Cimpor Inversiones to InterCement Austria Holding GmbH, as described below:

						December 2015	December 2015
Business unit	Financial instrument	Currency	Emission date	Coupon	Final maturity	Non-current	Non-current
Holdings and Financial Vehicles	Intercompany Loan	EUR	Feb.13	Floating rate indexed to Euribor	Feb.18	41,843	41,843
Holdings and Financial Vehicles	Intercompany Loan	EUR	Dec.12	Fixed rate	Apr.17 (*)	381,900	381,900
Holdings and Financial Vehicles	Intercompany Loan	EUR	Feb.14	Fixed rate	Apr.17 (*)	345,000	345,000
						768,743	**768,743**

(*) In the second quarter of 2015 the terms of this debt were amended. The maturities were reduced from, June 2018 and February 2021, to April 2017, also with effects from April 2015, changing the remuneration to fixed rate, adjusted according to new maturity.

In current liability is also included a financing from official entities, under a mutual contract related to software acquisition, in the amount of 215 thousand euros.

The non-current portion of loans as at 31 December 2015 and 2014 is repayable as follows:

Year	December 2015	December 2014
2016	-	166,935
2017	961,974	222,146
2018	340,449	642,717
2019	843,854	863,880
Following years	1,796,584	2,219,542
	3,942,862	**4,115,219**

The loans at 31 December 2015 and 2014 are stated in the following currencies:

	December 2015		After Hedging	December 2014		After Hedging
Currency	Currency	Euros	Euros	Currency	Euros	Euros
USD	2,058,220	1,890,866	591,485	2,349,125	1,933,595	597,275
BRL	3,006,731	707,400	707,400	3,040,783	942,294	942,294
EUR	-	1,340,063	2,639,444	-	1,221,832	2,558,153
ARS	910,591	64,153	64,153	1,386,971	136,333	136,333
MZN	431,373	8,522	8,522	176,481	4,402	4,402
EGP	39,550	4,640	4,640	35,188	4,051	4,051
ZAR	600,000	35,432	35,432	600,002	42,708	42,708
		4,060,044	4,060,044		4,285,216	4,285,216

Due to the existence of derivative financial instruments exchange rate hedging, of total loans in dollars, 591 million euros (597 million euros in 31 December 2014) are exposed to foreign exchange risk, which, considering the cash in USD in the amount of 238 million euros (141 million euros in 31 December 2014), reduces the net exposure to that currency to around 353 million euros (456 million euros in 31 December 2014). The net exposure of debt in euros, considering the financial derivative instruments, is inferior of about 225 million euros (100 million euros in 31 December 2014).

Comfort letter and guarantee letters

The comfort letters and guarantees given in the Group at 31 December 2015 and 2014 correspond to liabilities reflected in the consolidated financial position of 3,031,323 thousand euros and 3,067,016 thousand euros, respectively.

38. OBLIGATIONS UNDER LEASES

Operating leases

The current operating lease contracts relate essentially to transport and office equipment.

Future commitments as at 31 December 2015 and 2014 under the current operating lease contracts were as follows (minimum lease payments):

	Group		Company	
	2015	2014	2015	2014
Up to 1 year	2,866	3,307	13	13
From 1 to 5 years	8,449	9,194	4	21
More then 5 years	5,664	5,681	-	-

Total operating costs of the **Group's** continuing operations under operating lease contracts for 2015 and 2014 amounted to 3,391 thousand euros and 3,256 thousand euros, respectively.

In the **Company** current operating lease contracts relate essentially to transport equipment and in the years ended 31 December 2015 and 2014 the costs incurred amounted to 14 thousand euros.

39. DERIVATIVE FINANCIAL INSTRUMENTS

At 31 December 2015 and 2014, a range of derivative financial instruments have been contracted to hedge interest and exchange rate risk.

Fair value of derivative financial instruments

The fair value of derivative financial instruments at 31 December 2015 and 2014 is as follows:

	Other assets				Other liabilities			
	Current		Non-current		Current		Non-current	
	December 2015	December 2014	December 2015	December 2014	December 2015	December 2014	December 2015	December 2014
Cash flow hedges:								
Interest rate and cross currency swaps	24,770	13,456	238,895	90,576	2,501	1,838	4,602	4,032
Trading:								
Interest rate derivatives	-	-	-	-	-	594	-	-
Exchange and interest rate derivatives	-	-	-	24,599	-	-	-	-
	24,770	**13,456**	**238,895**	**115,175**	**2,501**	**2,432**	**4,602**	**4,032**

Some derivative financial instruments, although complying with the Group's financial risk management policies as regards volatility risk management, do not comply with requirements to qualify for hedge accounting and so are classified as trading instruments ("trading").

Under the risk management policy of the Group, in the year ended 31 December 2014, fair value hedging instruments were contracted (through setting exchange and interest rate), intending cover the exchange rate risk of part of the deb in USD. With interest rate hedging derivative instruments, the Group proceeds to setting a funding rate that was previously variable.

The following schedule shows the operations at 31 December 2015 and 2014 that qualify as fair value hedging instruments:

					Fair value	
Type of hedge	Notional	Type of Operation	Maturity	Financial purpose	December 2015	December 2014
Cash-flow	USD 200.000.000	Cross Currency Swap	Jul-24	Swich a USD loan into EUR loan	45,281	13,657
Cash-flow	USD 200.000.000	Cross Currency Swap	Jul-24	Swich a USD loan into EUR loan a)	-	10,603
Cash-flow	USD 100.000.000	Cross Currency Swap	Jul-24	Swich a USD loan into EUR loan	19,566	5,719
Cash-flow	USD 50.000.000	Cross Currency Swap	Jul-24	Swich a USD loan into EUR loan	11,059	3,395
Cash-flow	USD 150.000.000	Cross Currency Swap	Jul-24	Swich a USD loan into EUR loan	32,581	8,976
Cash-flow	USD 217.500.000	Cross Currency Swap	Feb-19	Swich a USD loan into EUR loan	25,434	11,668
Cash-flow	USD 217.500.000	Cross Currency Swap	Feb-19	Swich a USD loan into EUR loan	38,045	15,086
Cash-flow	USD 500.000.000	Cross Currency Swap	Jan-22	Swich a USD loan into EUR loan	85,676	34,927
Cash-flow	EUR 379.218.809	Interest Rate Swap	Jan-22	Swich to fixed interest rate	(7,103)	(5,869)
Cash-flow	USD 49.000.000	Foreign Exchange Future	May-16	Swich a USD loan into ARS loan	6,022	-
					256,561	**98,162**

(a) On 18 December 2015, it was subject to an early amortization, by the amount of 31,285 thousand euros.

In addition, the fair value of the portfolio of derivative financial instruments at 31 December 2015 and 2014 that do not qualify as hedging instruments is as follows:

				Fair value	
Face Value	Type of Operation	Maturity	Economic purpose	December 2015	December 2014
USD 50.000.000	Cross-Currency-Swap	Sep-18	Swich a USD Loan into a BRL Loan a)	-	6.215
USD 50.000.000	Cross-Currency-Swap	Sep-18	Swich a USD Loan into a BRL Loan a)	-	5.926
USD 50.000.000	Cross-Currency-Swap	Sep-18	Swich a USD Loan into a BRL Loan a)	-	6.189
USD 50.000.000	Cross-Currency-Swap	Sep-18	Swich a USD Loan into a BRL Loan a)	-	6.270
EUR 25.000.000	IRS with conditioned receivable Leg	Jun-15	Reduce the cost of funding - IRS with options sold on an Interest Rate Index b)	-	(594)
				-	**24.005**

a. Due to the early amortization of the underlying liability of this hedging, the derivative financial instrument at market value was settled by the amount of 39,640 thousand euros of which have resulted a net gain of 17,025 thousand euros (Note 12).
b. In June, 2015, this hedging reached maturity.

40. FINANCIAL RISK MANAGEMENT

General principles

During its normal business activities, Cimpor Group is exposed to a variety of financial risks likely to change its net worth, which can be grouped, according to their nature, in the following categories:

- Interest rate risk;
- Exchange rate risk;
- Liquidity risk;
- Credit risk;
- Counterparty risk.

Financial risk is deemed to mean the probability of obtaining a positive or negative outcome different to that expected, and which materially and unexpectedly alters the Group's net worth.

All risk management, focused on that objective, is conducted according to two core concerns:

- Reducing, whenever possible, fluctuations in profit/loss and cash flows that are exposed to risk situations;
- Curbing deviation from forecast financials by means of meticulous financial planning based on multi-year budgets.

Furthermore, another concern of the Group is that the processes for managing these risks meet internal information needs and also external requirements (regulators, auditors, financial markets and all other stakeholders).

The Group, as a rule, does not take speculative positions and so the sole aim of all operations carried out with the purpose of managing financial risks is to control existing risks to which the Group is unavoidably exposed.

Hedging the interest-rate risk and exchange-rate risk normally means contracting financial derivatives on the over-the-counter market (for reasons of flexibility), involving a limited number of counterparties with high ratings. All these operations are undertaken with financial entities with which ISDA contracts have been concluded beforehand, in accordance with international standards.

The whole treasury department is responsible for managing financial risks, including identifying, assessing and hedging such risks. This risk management is conducted under the guidance of the Executive Committee, in particular of the director responsible for the financial risk area (whose approval is required prior to any operation).

Interest rate risk

The Group's exposure to interest-rate risk arises from the fact that its balance sheet includes financial assets and liabilities that may have been contracted at fixed interest rates or at variable interest rates. In the former case, the Group runs the risk of variation in the fair value of those assets and liabilities, whereby any change in market rates involves a (positive or negative) opportunity cost. In the latter case, such change has a direct impact on the amount of interest paid/received, resulting in cash account changes.

Interest-rate swaps are normally contracted to hedge this type of risk, in accordance with the Group's expectations concerning the development of market rates.

At 31 December 2015 the Group's liability by type of interest rate, considering derivative financial instruments, between floating and fixed rate, was as follows:

	Dec-15	Dec-14
Floating rates	53%	72%
Fixed rates	47%	28%

Exchange rate risk

The Group's internationalisation means that it is exposed to the exchange-rate risk for the currencies of different countries, particularly the following ones, due to the amounts of capital invested there: Brazil, Argentina, Paraguay, Egypt and South Africa (Note 7).

The exchange effects of the translation of local financial statements in the Group's consolidated financial statements can be mitigated by hedging the net investments made in those countries. These operations aren't frequent, considering the maturity of those markets and it's considered that the cost of such operations (the difference between the local interest rates and the Group's reference currency) is generally too high considering the risks involved.

When the exchange-rate risk is hedged, swaps and forward contracts and standard exchange options, generally with maturities equivalent to debt instrument that serves as a hedging basis.

The Group does not carry out exchange-rate operations that do not adequately cover existing or contracted positions.

The fact that the Group operates in countries with significant interest rate differentials in relation to the consolidation currency (EUR), results in the search for natural hedge strategies. In this respect this year there was an increase in the debt of the Business Units (Portugal and Mozambique) in order to obtain better correspondence between assets and liabilities in the same currency, thus decreasing the Group's overall exposure.

The Company owns in the derivatives portfolio, hedging instruments, to help manage the Group's exchange exposure, namely a cross-currency swap that transforms a liability in USD to a liability contracted in Euros (Note 39).

The main debt instruments as at 31 December 2015 and 2014, and considering the effect of the existing cross currency swaps, were denominated in the following currencies:

	Dec-15	Dec-14
USD	15%	15%
BRL	19%	23%
EUR	63%	59%
Others	3%	3%

Liquidity risk

Liquidity risk management means maintaining an appropriate level of cash resources and contracting credit limits that not only ensure the normal pursuit of the Group's activities but also meet the needs of any extraordinary operations.

The debt profile, together with the significant amount in cash and cash equivalents at the end of the year (730 million euros) which practically eliminates the Group's liquidity risk, results in the need for the existence of backup lines being residual.

This risk is monitored through a cash budget, which is reviewed on a weekly basis.

The cash surpluses of the different segments are, whenever possible, channelled to the Company through the payment of dividends or made available to other areas with a shortage of funds, through intercompany loans.

Credit risk

The markets view of Cimpor's credit risk in regards to financing operations is naturally reflected in the financial costs associated to such operations. The Group's influence in such matters is merely ancillary, embodying the prudent and balanced management of the business in order to lessen the probability of defaulting on its obligations.

The Group's degree of solvency is also reflected in its Leverage ratio (Net Debt / EBITDA). To be noted that the contractual measurement of this covenant is not made at Cimpor Group level, but rather at the level of its indirect controller InterCement Participações S.A.. At 31 December 2015 this ratio was complied with.

Besides Financial Covenant (Net Debt / EBITDA), the Group is also subject to some other restrictive clauses, such as the close-out netting by shareholder control exchange, or by breaking the Covenant in some financings ("Cross acceleration").

Counterparty risk

When the Cimpor Group establishes different contractual relations with third parties, it takes on the risk of the probability of non-fulfilment or even, in an extreme scenario, default by a counterparty.

The Group endeavours to limit its exposure to this risk, when making bank deposits and other cash investments and also when contracting derivative instruments, by carefully selecting the counterparties, based on their rating and taking into account the nature, maturity and scope of the operations.

No losses due to non-compliance are expected based on the information currently available.

Sensitivity analyses

a) Interest rate

Exposure to interest-rate risk results in the variability of the Group's net financial expenses.

The results of a sensitivity analysis of exposure at 31 December de 2015 were as follows considering that the EUR and USD monetary rates are at levels below 1% only scenarios relating to increase in the Euribor and Libor were simulated.

A parallel change of +/- 1% in the interest rate curve with all the other assumptions remaining constant would result in an increase in financial costs for the year then ended (before taxes) of approximately 9.2 million euros on the euro liability indexed to the variable rate and 3.2 million dollars on the variable rate loan in USD, as shown in table below:

Indexing	Currency	Value	1.0%	2.0%	3.0%
Euribor	EUR	924,180	9,242	18,484	27,725
US Libor	USD	321,294	3,213	6,426	9,639

In the case of rates indexed in BRL, 3 scenarios were simulated: maintenance of the year end rates, assumed as probable, and two scenarios of increase of 25% and 50% in the rates, being specifically considered that as there were significant amounts invested in this currency, there was a simulation of the impact that an decrease in rates would have on these applications (CDI and Selic – Assets). The results for the assets and liabilities impacts are as follows:

	Total	Risk	Scenario 1	Scenario 2	Scenario 3
Asset					
CDI	184,128	Index Decrease	29,203	21,902	14,601
SELIC	24,214	Index Decrease	3,843	2,882	1,921
Loans and bonds					
IGP-M	6,685	Index Increase	513	641	769
CDI	707,442	Index Increase	112,200	140,251	168,301
TJLP	42,465	Index Increase	2,973	3,716	4,459

b) Exchange rates

In the debt and financial derivatives components, considering the currency distributing aforementioned, the exchange rate risks result from exchange rate volatility as well as its impact on consolidated financial results.:

Considering the Group's financial assets and liabilities profile, and considering derivative financial instruments, at 31 December 2015 the more significant impact on net financial results would be as follows:

				USD depreciation			USD depreciation	
Amount in USD	Functional Currency	FX Rate (31-12-15)		-10%	-5.0%	0.0%	5.0%	10.0%
-61,608	EUR	1.089	Efect in EUR	-5,660	-2,830	-	2,830	5,660
-29,760	ARS	13.04	Efect in ARS	-38,808	-19,404	-	19,404	38,808
			Efect in EUR	-3,038	-1,439	-	1,302	2,486
-105,164	PYG	5,813.97	Efect in PYG	-61,142,080	-30,571,040	-	30,571,040	61,142,080
			Efect in EUR	-10,735	-5,085	-	4,601	8,783
-158,120	BRL	3.90	Efect in BRL	-61,743	-30,872	-	30,872	61,743
			Efect in EUR	-16,140	-7,645	-	6,917	13,206
51,000	ZAR	15.56	Efect in ZAR	79,341	39,670	-	-39,670	-79,341
			Efect in EUR	5,206	2,466	-	-2,231	-4,259
-114,422	MZN	46.50	Efect in MZN	-532,090	-266,045	-	266,045	532,090
			Efect in EUR	-11,680	-5,533	-	5,006	9,556

				EUR depreciation			EUR depreciation	
Amount in USD	Functional Currency	FX Rate (31-12-15)		-10%	-5.0%	0.0%	5.0%	10.0%
-33,130	ZAR	16.93	Efect in ZAR	56,102	28,051	-	-28,051	-56,102
			Efect in EUR	3,382	1,602	-	-1,449	-2,767

				EGP depreciation			EGP depreciation	
Amount in USD	Functional Currency	FX Rate (31-12-15)		-10%	-5.0%	0.0%	5.0%	10.0%
212,222	EUR	8.523	Efect in EUR	2,490	1,245	-	-1,245	-2,490

(Thousands)

41. ACCOUNTS PAYABLE – OTHER

Accounts payable – other as at 31 December 2015 and 2014 were as follows:

	Group				Company			
	2015		2014		2015		2014	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Subsidiaries, associated and participanted companies (Note 47)	3,802	-	3,504	-	157	-	2,015	-
Other shareholders (Note 47)	372	-	2,873	-	84	-	84	-
Suppliers of fixed assets	38,572	7,475	37,239	8,646	-	-	-	-
Other creditors a)	125,761	9,193	65,193	10,779	1,013	-	2,323	964
	168,507	**16,668**	**108,809**	**19,425**	**1,253**	**-**	**4,423**	**964**

a. In the year ended 31 December 2015, Other current creditors of the Group includes: i) the amount of 56,646 thousand euros (240,769 thousand BRL), received in the year ended 31 December 2015, as an advance payment with the celebration of a promissory contract of purchase and sale corresponding to 18.99% of the share capital of the subsidiary Barra Grande (Note 4.1) and ii) the debt to the Environment Institute for CO_2 emission licenses in 2015 in the amount of 22,652 thousand euros, to be paid until March 2016 (Note 44).

42. OTHER CURRENT AND NON-CURRENT LIABILITIES

These captions as at 31 December 2015 and 2014 were as follows:

	Group				Company	
	2015		2014		2015	2014
	Current	Non-current	Current	Non-current	Current	Non-current
Accrued interest	105,929	-	120,310	-	1,213	-
Accrued payroll	20,577	-	18,470	-	431	540
Derivative financial instruments (Note 39)	2,501	4,602	2,432	4,032	-	-
Investment subsidies	-	22	-	22	-	-
Other accrued costs and deferred income	36,260	1,219	38,319	2,071	16	27
	165,268	**5,843**	**179,530**	**6,124**	**1,661**	**567**

43. ACCOUNTS PAYABLE – TRADE

The caption "Accounts payable - trade" at 31 December 2015 and 2014 was as follows:

	Group		Company	
	2015	2014	2015	2014
Trade payables	196,253	183,676	274	426
Suppliers - invoices for approval	29,172	18,406	-	-
Notes payable - trade	4,481	-	-	-
Advances from clients	28,704	20,112	-	-
	258,609	**222,195**	**274**	**426**

44. CO_2 EMISSION LICENSES

In transposing European Parliament and Council Directive 2003/87/CE to internal legal orders, lists of the installations of participants in the trading of emissions and the respective emission licences have been approved by the Portuguese government.

In the period from 2013 to 2020 the Group considered four installations in Portugal annual emission licences corresponding, in the end of 2020, to 25,887,686 tons of CO_2, attribute in the first year 3,468,143 tons of CO_2 being attributed to it, being gradually reduced in subsequent years.

In the year ended 31 December 2015, 3,400,000 CO_2 emissions were sold by the amount of 25,180 thousand euros (Note 8), which deducted from the registered responsibility of 22,652 thousand euros (Notes 11 and 41), corresponds to 2,936,144 tons of CO_2 issued in the year ended 31 December 2015, results in a net gain of 2,528 thousand euros in Operating results in the segment "Portugal and Cape Verde" (Note 7).

It is also worth of mention that, in the year ended 31 December 2015 it was signed the acquisition of 2,750,000 CO_2 emissions, with maturity in 22 March 2016, to average price of 7.68 per license. Already in 2016, the Group also acquired an additional 190,000 CO_2 emission licenses by the price of 6 euros per license, which completely mitigate the licenses deficit, verified in 31 December 2015.

45. FINANCIAL ASSETS AND LIABILITIES ACCORDING TO IAS 39

The accounting policies in accordance with IAS 39 to financial instruments were applied to following items of the **Group**:

2015	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Financial assets and liabilities at fair value	Total
Assets:					
Cash and cash equivalents	711,460	-	-	18,927	730,387
Accounts receivable-trade	163,772	-	-	-	163,772
Other investments	-	5,448	-	2,361	7,809
Other non-current accounts receivable	34,625	-	-	-	34,625
Other current accounts receivable	46,754	-	-	-	46,754
Other non-current assets	-	-	-	238,895	238,895
Other current assets	1,452	-	-	24,770	26,222
Total assets	**958,063**	**5,448**	**-**	**284,953**	**1,248,464**
Liabilities:					
Non-current loans	-	-	3,942,862	-	3,942,862
Current loans	-	-	117,182	-	117,182
Current accounts payables-trade	-	-	258,609	-	258,609
Other non-current accounts payable	-	-	16,668	-	16,668
Other current accounts payable	-	-	168,507	-	168,507
Other non-current liabilities	-	-	1,219	4,602	5,821
Other current liabilities	-	-	162,767	2,501	165,268
Total liabilities	**-**	**-**	**4,667,815**	**7,103**	**4,674,918**

(continued on the next page)

(continuaon)

2014	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Financial assets and liabilities at fair value	Total
Assets:					
Cash and cash equivalents	644,573	-	-	79,295	723,868
Accounts receivable-trade	176,075	-	-	-	176,075
Other investments	-	6,281	-	2,564	8,845
Other non-current accounts receivable	35,616	-	-	-	35,616
Other current accounts receivable	41,646	-	-	-	41,646
Other non-current assets	0	-	-	115,175	115,175
Other current assets	3,061	-	-	13,456	16,517
Total assets	**900,971**	**6,281**	**-**	**210,489**	**1,117,742**
Liabilities:					
Non-current loans	-	-	4,115,219	-	4,115,219
Current loans	-	-	169,997	-	169,997
Current accounts payables-trade	-	-	222,195	-	222,195
Other non-current accounts payable	-	-	19,425	-	19,425
Other current accounts payable	-	-	108,809	-	108,809
Other non-current liabilities	-	-	2,071	4,032	6,103
Other current liabilities	-	-	177,098	2,432	179,530
Total liabilities	**-**	**-**	**4,814,813**	**6,463**	4,821,277

Estimated fair value – assets measured at fair value

The following table presents the Group's assets and liabilities measured at fair value as of 31 December 2015 in accordance with the following fair value seniority levels:

Category	Item	Level 1	Level 2	Level 3
Assets:				
Financial assets available for sale	Investment fund	803	-	-
Financial assets at fair value	Cash and cash equivalents	18,927	-	-
Financial assets at fair value	Financial derivative instruments	-	263,665	-
Financial assets at fair value	Other investments	2,361	-	-
Liabilities:				
Financial liabilities at fair value	Financial instruments derivatives	-	7,103	-

Estimated fair value – assets and liabilities not measured at fair value

Measurement of fair value of derivatives financial instruments is based on criteria extracted from external database agencies, and the results obtained faced with the corresponding evaluations made by counterparties.

Except as regards non-current loans the majority of financial assets and liabilities mature in the short term and so their fair value is considered to be the same as their book values.

Regarding loans and bonds, as shown in Notes 37, in general, are contracted at variable interest rates, with margins there are estimate to be close to those that possibly could be contracted in 31 December 2015. Consequently, it is understood that the corresponding book value (amortized cost) does not differ significantly from their corresponding market value, except for the Senior Notes issued by Cimpor BV and fixed interest rate loans contracted in the Brazilian, Argentinian and Paraguayan business areas, being the effect of their valuation to fair value in relation to their book value as follows:

	2015	2014
Fair-Value	1,187,446	1,535,421
Accounting Value	1,399,226	1,610,066

For the **Company** the accounting policies in accordance with IAS 39 to financial instruments were applied to following items:

2015	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Total
Assets:				
Cash and cash equivalents	138	-	-	138
Accounts receivable-trade	2,391	-	-	2,391
Other investments	-	87	-	87
Other non-current accounts receivable	22,700	-	-	22,700
Other current accounts receivable	3,281	-	-	3,281
Other current assets	10	-	-	10
Total assets	28,520	87	-	28,607
Liabilities:				
Non-current loans	-	-	50,000	50,000
Current liabilities-trade	-	-	274	274
Other current accounts payable	-	-	1,253	1,253
Other current liabilities	-	-	1,213	1,213
Total liabilities	-	-	52,740	52,740

2014	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Total
Assets:				
Cash and cash equivalents	404	-	-	404
Accounts receivable-trade	238	-	-	238
Other investments	-	87	-	87
Other non-current accounts receivable	98,000	-	-	98,000
Other current accounts receivable	5,838	-	-	5,838
Other current assets	31	-	-	31
Total assets	104,511	87	-	104,598
Liabilities:				
Current liabilities-trade	-	-	426	426
Other current accounts payable	-	-	4,423	4,423
Total liabilities	-	-	4,848	4,848

46. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENTS

Cash and cash equivalents as at 31 December 2015 and 2014 were as follows:

	Group		Company	
	2015	2014	2015	2014
Cash	211	299	-	-
Bank deposits immediately available	277.828	297.155	138	104
Term bank deposits	281.748	134.733	-	300
Marketable securities	147.411	212.385	-	-
	707.198	644.573	138	404

The caption "Cash and cash equivalents" comprises cash, deposits repayable on demand, treasury applications, government bonds, deposit certificates and term deposits maturing in less than three months with insignificant risk of change in value.

The caption cash and cash equivalents in the consolidated statement of financial position at 31 December 2015 and 2014 includes, in addition, the amounts of 23,189 thousand euros and 79,295 thousand euros, respectively, corresponding to exclusive funds that do not fully comply with the requirements necessary for them to be recognized as cash and cash equivalents in the Statement of cash flows.

In the year ended 31 December 2015, cash and cash equivalents includes the amount of 56,646 thousand euros related to a promissory contract of purchase and sale. According to the terms of this agreement, on 11 January 11 2016, this amount was transferred to a restricted access account, waiting for the conclusion of some performance clauses and, as a consequence, the completion of the transaction.

In the year ended 31 December 2015 and 2014, Cash and cash equivalents in the financial statements, are expressed in the following currencies:

	December 2015		December 2014	
Currency	Currency	Euros	Currency	Euros
USD	259,044	237,981	170,948	140,710
BRL	990,756	233,097	845,571	262,030
EUR	133,068	133,068	134,270	134,270
ARS	248,800	17,528	219,776	21,603
MZN	1,953,360	38,590	447,025	11,150
EGP	313,020	36,727	958,997	110,402
PYG	18,954,164	2,995	19,689,312	3,501
ZAR	455,373	26,891	531,071	37,802
CVE	386,985	3,510	264,636	2,400
		730,387		723,868

The cash flows of the **Group's** investing and financing activities in 2015 and 2014 include:

Investing activities

In the year ended 31 December 2015 and 2014 the caption exclusive funds receipts and other investments it concerns to: i) to the partial receipt on the sale of 15.99% of the investment in Yguazu, in the amount of 21,175 thousand euros; and ii) to above-mentioned exclusive funds redemption.

Financing activities

2015

- The receipts related to loans obtained includes: i) in the Portuguese business area, a new contract with Citibank in the amount of 50 million euros, and a financing in the amount of 25 million euros with BBVA.
- The payments related to loans obtained includes: i) a partially pre-amortization in Cimpor BV, in 120 million USD, Bradesco's financing, initially taken in the amount of 200 million USD, as well as a partial pre-amortization, in 61 million USD of the Tranche C, of the Sindicated Loan with Itaú; ii) repurchase of bonds issued in the amount of 37 million euros (Note 37) and; iii) in the Brazilian business area, the remaining amortization of 46 million USD of the financing initially taken in the amount of 150 million USD.
- The payments related to "Others" includes: i) the advance received with the promissory share-purchase agreement, in the amount of 56,646 thousand euros (Notes 4.1 and 41) and; ii) the cancellation of derivative financial instruments in the amount of 39,640 thousand euros (Note 39).

2014:

- The receipts related to loans obtained includes: i) a syndicated loan of 900 million USD; ii) an intercompany loan of 345 million euros, conceded by InterCement Austria Holding GmbH; iii) an issue of 750 million USD Senior Notes; iv) a bank loan of 200 million USD and; v) It was taken in Cimpor Inversiones a new financial loan of 24 million euros with a maturity of 4 years.

- The payments related to loans obtained includes: i) The partial amortization of bank loans totaling 1,710 million USD and 510 million euros and; ii) the partially pre-amortization in Cimpor BV, in 30 million USD, of the Bradesco's financing, initially taken in the amount of 200 million dollars.

In the years ended 31 December 2015 and 2014, Payments relating to Others includes the payment of dividends to non-controlling interests.

The Company cash flows regarding investment and financing activities occurred in the years ended 31 December 2015 and 2014, highlight to the following:

Receipts relating to dividends:

	2015	2014
Cimpor Portugal, SGPS, S.A.	300	-
Kandmad - Sociedade Gestora de Participações Sociais, Lda.	1,000	900
Cimpor Egypt For Cement Company, S.A.E.	-	1
	1,300	**901**

Loans granted to group companies:

	2015		2014
	Amounts received during the year	Amounts paid during the year	Amounts received during the year
Cimpor Portugal, SGPS, S.A.	80,300	5,000	16,500
Kandmad, SGPS, Lda.	2,800	4,000	500
	83,100	**9,000**	**17,000**

In the years ended 31 December 2015 and 2014, the caption Receipts related to loans obtained concerns to the issuance of commercial paper in the amount of 50 million euros.

Other information:

The income tax recovered / (paid) includes the income tax payments made by the Company on behalf of the Portuguese tax group.

47. RELATED PARTIES

Transactions and balances between Group companies consolidated by the full consolidation method or by the proportional consolidation method were eliminated in the consolidation process and so are not disclosed in this note.

The terms and conditions of the transactions between the Group companies and related parties are substantially similar to those contracted, accepted and practiced in similar operations with independent entities.

Balances at 31 December 2015 and 2014 and transactions for the year then ended between the Group and associated companies and other related parties are detailed below:

	Associated companies		Camargo Corrêa Group	
	2015	2014	2015	2014
Assets:				
Accounts receivable-trade	-	363	1,101	124
Accounts receivable-other	4	4	12,991	1,769
	4	**368**	**14,092**	**1,893**
Liabilities:				
Suppliers	437	7	101	100
Other loans (Note 37)	-	-	768,743	768,743
Accounts payable-other (Note 41)	-	-	4,174	6,377
Other current liabilities	-	-	14,073	22,896
	437	**7**	**787,091**	**798,116**
Transactions:				
External supplies and services	(3,986)	(5,044)	(6,650)	(1,445)
Sales and services rendered	-	-	4,618	1,649
Other operating income	48	19	2,454	-
Financial expenses, net	-	-	(18,403)	(29,001)
	(3,938)	**(5,024)**	**(17,982)**	**(28,797)**

In addition to the above, the Company's controlling entities gave assurances and pledges of shares as explained in Note 37.

Benefits of the members of the Company's corporate board and executive seniors

Benefits of the members of the Company's corporate board and senior executive during the years ended 31 December 2015 and 2014 were as follows:

Group:

	2015		2014	
	Fixed	Variable	Fixed	Variable
Board of directors:				
Executive directors	282	975	284	1,142
Non-executive directors	835	-	1,053	-
	1,117	975	1,336	1,142
Alta Senior executives	2,458	1,539	2,473	1,481
	3,574	**2,514**	**3,809**	2,622
Short-term benefits	3,477	2,514	3,715	2,622
Post employment benefits	97	-	94	-
	3,574	**2,514**	**3,809**	2,622

Company:

	2015		2014	
	Fixed	Variable	Fixed	Variable
Board of directors:				
Executive directors	282	975	284	1,142
Non-executive directors	835	-	1,053	-
	1,117	**975**	**1,336**	**1,142**
Short-term benefits	1,117	975	1,145	1,142
Post employment benefits	-	-	191	-
	1,117	**975**	**1,336**	**1,142**

Balances at 31 December 2015 and 2014 and transactions in such years ended between the **Company** and related parties are detailed below.

Balances:

	2015		
	Accounts receivable	Group companies, accounts receivable (Note 22)	Group companies, accounts payable
Subsidiaries:			
Agrepor Agregados - Extracção de Inertes, S.A.	-	-	2
Amreyah Cement Company, S.A.E.	-	2	-
Betão Liz, S.A.	-	-	4
Cement Services Company, S.A.E.	-	46	-
Cimentos de Moçambique, SARL	-	1	-
Cimpor - Indústria de Cimentos, S.A.	2,153	-	12
Cimpor Imobiliária, S.A.	-	1	-
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	231	34	305
Cimpor Portugal , SGPS, S.A.	-	24,571	-
Imopar, SARL	-	11	-
Kandmad, SGPS, Lda.	7	1,207	-
	2,391	**25,873**	**324**

	2014		
	Accounts receivable	Group companies, accounts receivable (Note 22)	Group companies, accounts payable
Subsidiaries:			
Betão Liz, S.A.	-	-	9
Cement Services Company, S.A.E.	-	32	-
Cimpor - Indústria de Cimentos, S.A.	-	-	1,403
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	231	57	350
Cimpor Portugal , SGPS, S.A.	-	102,629	1,957
Imopar, SARL	-	10	-
Kandmad, SGPS, Lda.	7	1,000	-
	238	**103,728**	**3,719**

In the years ended 31 December 2015 and 2014, the caption "Group companies, accounts receivable" includes loans granted in the amounts of 22,700 thousand euros and 98,000 thousand euros, respectively, which bears interest at market rates.

Transactions:

	2015			
	Outside supplies and services	Services rendered	Other operating income	Interest income (Note 12)
Agrepor Agregados - Extracção de Inertes, S.A.	-	-	2	-
Amreyah Cement Company, S.A.E.	-	-	2	-
Betão Liz, S.A.	344	-	-	-
Cimentos de Moçambique, SARL	-	-	1	-
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	1,765	750	62	-
Cimpor Indústria de Cimentos, S.A.	-	3,000	1	-
Cimpor Portugal , SGPS, S.A.	-	-	-	965
Kandmad, SGPS, Lda.	-	12	-	13
	2,108	3,762	68	977

	2014			
	Outside supplies and services	Services rendered	Other operating income	Interest income (Note 12)
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	1,759	750	84	-
Cimpor Indústria de Cimentos, S.A.	-	3,000	10	-
Cimpor Portugal , SGPS, S.A.	-	-	-	4,629
Cimpor *Trading* e Inversiones, S.A.	-	-	1	
Kandmad, SGPS, Lda.	-	12	-	-
	1,759	3,762	95	4,629

48. AUDITORS FEES AND SERVICES

In the years ended 31 December 2015 and 2014, the fees and services provided by Deloitte to the Company and to the Group were as follows:

	Value		%	
	2015	2014	2015	2014
Cimpor Holding:				
Legal certification of accounts	29	33	1%	2%
Other assurance services	21	26	1%	0%
	50	59	2%	2%
Subsidiaries:				
Legal certification of accounts	1,217	1,126	61%	52%
Other assurance services	432	623	22%	35%
Tax consultancy services	294	199	15%	9%
Other	11	19	1%	2%
	1,953	**1,967**	**98%**	**98%**
	2,003	**2,026**	**100%**	**100%**

49. SUBSEQUENT EVENTS

As mentioned in Note 36, on 25 January 2016 the Supreme Administrative Court has rejected the complaint presented by the Group and, in February 2016, the Group repurchased the respective credit for 14,2 million euros. Under the available doctrine and case-law concerning this matter, and under the possibility of having a concrete review of constitutionality by the Constitutional Court, the Group has, on 8 February 2016, filed an appeal of the judgement before the Constitutional Court, considering that it has legal grounds to do so and, therefore, deeming that, in the end, the Group shall preserve the credit corresponding to the amount that had initially been recognized to it.

50. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issuance by the Board of Directors on 24 February 2016 and are subject to approval at the Shareholders' General Meeting scheduled for 30th March 2016.

51. NOTE ADDED FOR TRANSLATION

These consolidated financial statements are a translation of financial statements originally issued in Portuguese.

In the event of discrepancies the Portuguese language version prevails.

THE BOARD OF DIRECTORS

Daniel Proença de Carvalho

Armando Sérgio Antunes da Silva

Paulo Sérgio de Oliveira Diniz

Ricardo Fonseca de Mendonça Lima

José Édison Barros Franco

António Henrique de Pinho Cardão

António Soares Pinto Barbosa

Pedro Miguel Duarte Rebelo de Sousa

2015
OTHER CORPORATE INFORMATION DOCUMENTS

Building sustainable partnerships

CIMPOR

a member of InterCement

CORPORATE GOVERNANCE REPORT 2015

Part I – Information on the Shareholder Structure, Organisation

A. SHAREHOLDER STRUCTURE

I. CAPITAL STRUCTURE

1. The capital structure (share capital, number of shares, distribution of capital by shareholders, etc.), including an indication of shares that are not admitted to trading, different classes of shares, rights and duties of same and the capital percentage that each class represents (Article 245-A(1)(a)).

The share capital of Cimpor stands at 672 million euros, and it is fully paid up. It is represented by 672 million ordinary shares, nominative and book entered, each with a par value of one euro. All shares are admitted to trading on Euronext, the regulated market managed by Euronext Lisbon.

The majority of the shares (94.19%) are held by Participações Morro Vermelho, S.A., as described in No. 7 below, while ownership of the remaining share capital is dispersed among other shareholders.

2. Restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares (Article 245-A(1)(b)).

All Cimpor shares are freely transferable, with no restrictions on their ownership provided for in the articles of association.

3. Number of own shares, the percentage of share capital that it represents and percentage of voting rights that correspond to own shares (Article 245-A(1)(a)).

Cimpor held 5,906,098 treasury shares in portfolio on 31 December 2015 (i.e. 0.9% of the share capital and voting rights). No treasury stock was acquired or disposed of during 2015.

4. Important agreements to which the company is a party and that come into effect, are amended or terminated in cases such as a change in the control of the company after a takeover bid, and the respective effects, except where due to their nature, the disclosure thereof would be seriously detrimental to the company; this exception does not apply where the company is specifically required to disclose said information pursuant to other legal requirements (Article 245-A(1)(j)).

There is no significant agreement to which the Company is a party and which, in the event of any change in control of the Company, would automatically come into force, be amended or cease to be effective.

Some debt instruments contracted by subsidiaries of Cimpor, as is market practice, include change of control clauses which envisage the possibility of immediate maturity of the debt, at the discretion of the relevant financial entity

5. The scheme by which the renewal or withdrawal of countermeasures are bound, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.

There are no measures intended to prevent the success of a takeover bid. There are also no countermeasures, measures in the articles of association or of any other nature that have the effect of limiting the number of votes capable of being held or exercised by a single shareholder individually or in concert with other shareholders, in the event of a shift in control or change in the composition of the management body.

6. Shareholders' agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights (Article 245-A(1)(g)).

As far as Cimpor knows, there were no shareholders' agreements that may result in restrictions on the transfer of securities or voting rights, at 31 December 2015 and on the publication date of this report.

II. SHAREHOLDINGS AND BONDS HELD

7. Details of the natural or legal persons who, directly or indirectly, are holders of qualifying holdings (Article 245-A(1)(c) & (d) and Article 16) with details of the percentage of capital and votes attributed and the source and causes of the attribution.

According to the Statements of Qualifying Holdings received by the Company and in compliance with the rules of imputing voting rights established in the Portuguese Securities' Code, the holders of the referred shareholdings, at 31 December 2015 were as follows:

List of Shareholders Possessing Qualifying Holdings (1)

Shareholders	No. of Shares	% of Share Capital (2)	% of Voting Rights (3)
Participações Morro Vermelho	**632,933,437**	**94.19%**	**94.19%**
Rosana Camargo de Arruda Botelho,Renata de Camargo Nascimento and Regina de Camargo Pires Oliveira Dias who, jointly, directly control the company RRRPN - Empreendimentos e Participações, S.A. and individually, respectively, the companies (a) RCABON Empreendimentos e Participações, S.A. and RCABPN Empreendimentos e Participações, S.A.; (b) RCNON Empreendimentos e Participações, S.A. e RCNPN Empreendimentos e Participações, S.A.; and (c) RCPODON Empreendimentos e Participações, S.A. and RCPODPN Empreendimentos e Participações, S.A..	632,933,437	94.19%	94.19%
Throuth the companies RRRPN Empreendimentos e Participações, S.A., RCABON Empreendimentos e Participações, S.A., RCABPN Empreendimentos e Participações, S.A., RCNON Empreendimentos e Participações, S.A., RCNPN Empreendimentos e Participações, S.A., RCPODON Empreendimentos e Participações, S.A. and RCPODPN Empreendimentos e Participações, S.A..	632,933,437	94.19%	94.19%
Through the jointly and directly controlled company, Participações Morro Vermelho, S.A.	632,933,437	94.19%	94.19%
Through the company Camargo Corrêa, S.A. which it fully controls	632,933,437	94.19%	94.19%
Through the company Camargo Corrêa Cimentos Luxembourg, S.à.r.l. which it fully controls	131,353,069	19.55%	94.19%
Through the company InterCement Participações S.A. controlled	501,580,368	74.64%	94.19%
Through InterCement Austria Holding GmbH which it fully controls	501,580,368	74.64%	94.19%
It is imputable to InterCement Austria Holding GmbH, according to the CMVM understanding following the launch of the Public Offer by the former over the total share capital of Cimpor, the sum of the voting rights of the following:			
Participations held by itself (5)	501,580,368	74.64%	74.64%
Camargo Corrêa Cimentos Luxembourg, S.à.r.l. (company of the Camargo Corrêa Group, as above mentioned) (4)	131,353,069	19.55%	19.55%

(1) As per official qualifying shareholdings announcements and other information received by the company
(2) With voting rights
(3) The calculation basis includes the number of own shares, i.e. all the shares with voting rights, with the suspension of the respective exercise being of noconsequence to the calculations (according to the criteria of paragraph b), no. 3 of the article 16 of the Portuguese Securities Code)
(4) According to CMVM, pursuant to subparagraph c) of paragraph 1 of Article 20 of the Portuguese Securities Code
(5) Except Qualified Shareholding mentioned in this line, all other in this table in order to comply with paragraph b) of paragraph 1 of article 20 of the Portuguese Securities Code

8. A list of the number of shares and bonds held by members of the management and supervisory boards.

There were no changes in 2015 to the number of shares or bonds held by members of the management and supervisory bodies. Therefore, the following positions are to be noted:

- Daniel Proença de Carvalho (Chairman of the Board of Directors) holds one Cimpor share; and
- António Pinto Barbosa (member of the Board of Directors and Chairman of the Audit Committee) holds 1,780 shares.

9. Special powers of the Board of Directors, especially as regards resolutions on capital increases (Article 245-A(1)(i)) with indication as to the allocation date, time period within which said powers may be carried out, the upper ceiling for the capital increase, the amount already issued pursuant to the allocation of powers and mode of implementing the powers assigned.

The powers of the Board of Directors are those conferred by the Companies Code, as the management body, with exclusive and full powers of representation of the Company. Such powers give it the responsibility of managing the Company's business activities. It must comply with the decisions of the shareholders or the interventions of the Audit Committee, in those cases required by law or the articles of association.

In addition, pursuant to the Articles of Association[15] approved at the Extraordinary General Meeting of 16 July 2012, the Board of Directors has the powers to:

I. increase the share capital, by capital contributions in cash, with preferential rights for shareholders, until the share capital attains the amount of one billion euros;
I. issue autonomous warrants on its own securities (which may confer the right to subscribe to or purchase shares of the Company up to the mentioned limit of one billion euros).

The period for which such powers of the Board of Directors may be exercised and the manner of implementing those powers are not mentioned in the company's articles of association. Those terms are governed by law.

In 1995 and 1999, the share capital was increased by incorporation of reserves in the amount of EUR 70 million and EUR 253 million, respectively. These capital increases were performed in accordance with the wording of the articles of association then in force, decided in the General Meeting. No warrants were ever issued.

[15] Articles 4 and 5

10. Information on any significant business relationships between the holders of qualifying holdings and the company.

Cimpor or any of the companies it controls does not have any relevant commercial relationships with the shareholders of qualifying holdings or entities related with such shareholders, pursuant to Article 20 of the Portuguese Securities Code, with the exception of some transactions of no financial significance to either of the parties involved, conducted under normal market conditions for similar operations and part of Cimpor's regular business activity.

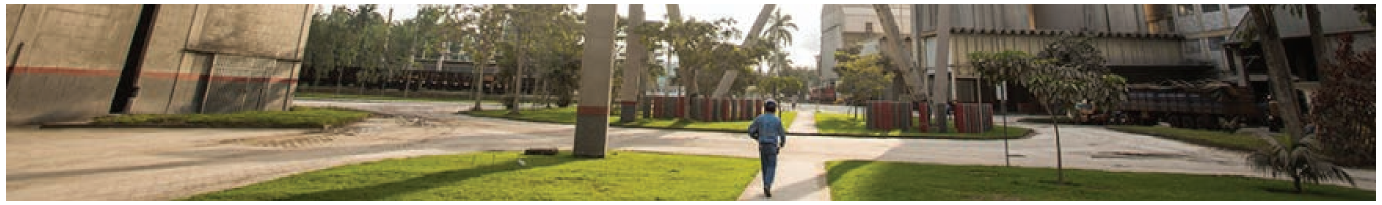
The transactions with shareholders of qualifying holdings or entities related with such shareholders, are presented on note 47 of the Financial Statements, revealing a negative balance of 18 million euros.

This balance comprehends costs with obtained services (3.6 million euros), contributions to Instituto Camargo Corrêa (1.3 million euros), rental costs with Cimpor building in Lisbon (1.5 million euros) and interests on contracted loans (18.4 million euros). As income it registered, the sale of realty (2.5 million euros) and sale of cement and related products in Brazil amounting to 4.1 million euros, i.e. 0.5% of local Sales.

B. CORPORATE BOARDS AND COMMITTEES

I. GENERAL MEETING

a) Composition of the Presiding Board of the General Meeting



11. Details and position of the members of the Presiding Board of the General Meeting and respective term of office (beginning and end).

The Annual General Meeting of 25 March 2015 re-elected the following members of the Presiding Board of the General Meeting for the 2015-2017 term:

	General Meeting Board	Date of first appointment
Chairman	Luís Manuel de Faria Neiva dos Santos	11.05.2007
Vice-Chairman	Rodrigo de Melo Neiva dos Santos	13.05.2009

b) Exercising the Right to Vote

12. Any restrictions on the right to vote, such as restrictions on voting rights subject to holding a number or percentage of shares, deadlines for exercising voting rights, or systems whereby the financial rights attaching to securities are separated from the holding of securities (Article 245-A(1)(f));

The blocking of shares to attend and vote at the General Meeting is not required. Any shareholder holding at least one share may attend and vote, one share carries one vote, at the General Meeting provided they declare such intention in writing to the Chairman of the General Meeting Board and the financial intermediary in which the individual registration account is held, no later than 00:00 of the fifth trading day prior to the date of the General Meeting (this date will be, in any case, indicated in the Notice of Meeting). An e-mail message may be used for this purpose.

Shareholders may be represented by third parties. To that end they must ensure the Chairman of the General Meeting Board receives the necessary instruments of representation, pursuant to the terms and conditions set forth in the relevant Notice of Meeting.

Shareholders holding, in a professional capacity, company shares in their own name on behalf of clients may vote differentially with their shares, provided that, in addition to that required by paragraphs 3 and 4 of Article 23-C of the Securities Code, they provide the Chairman of the General Meeting Board, within the same time limit and using sufficient and proportional means of proof, with: (a) The identification of each client and the number of shares held to vote on their behalf; (b) The specific voting instructions defined by each client for each item on the agenda[16]. Cimpor does not establish any mechanisms that have the effect of causing a time lag between the right to receive dividends or to subscribe for new securities and the voting rights of each ordinary share.

Thus according to the articles of association of Cimpor, and as mentioned above, shareholders need only hold one share to attend and vote at the General Meetings of the company, thus complying with recommendation I.1. of the CMVM corporate governance code, version of 2013 (hereinafter "Governance

Code"), as regards the incentive to shareholders to attend and vote at the General Meetings of the company. Postal voting, by mail, is also provided for in the articles of association of this company. In view of the number of shareholders and their representatives attending recent General Meetings, the implementation of an electronic voting system makes no sense in practical and economic terms.

[16] Article 23-C(5)

13. Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in Article 20(1).

According to the Cimpor Articles of Association[17] each share is equivalent to one vote. There are no statutory limits to the maximum percentage of voting rights that can be cast by a single shareholder or by shareholders in any of the relations with the former provided for in Article 20(1) of the Portuguese Securities Code.

[17] Article 7(2)

14. Details of shareholders' resolutions that, imposed by the articles of association, may only be taken with a qualified majority, in addition to those legally provided for, and details of said majority.

As stated in the Cimpor Articles of Association[18], the General Meeting shall decide by majority vote, without prejudice to the requirement of qualified majority in the cases established by law.

The rules applying to General Meeting resolutions are those of Portuguese general law (the Companies Code). They do not establish any quorum for calling meetings to order or percentage for the approval of decisions that is higher than that legally provided for, nor is there any special system for detaching the financial rights attached to securities from the holding of securities.

[18] Article 11

II. MANAGEMENT AND SUPERVISION

a) Composition

15. Details of corporate governance model adopted.

Cimpor follows the Corporate Governance model commonly referred to as the "one-tier Anglo-Saxon" model, as provided for in the Companies' Code[19]. The governing bodies are, therefore, the General Meeting, Board of Directors, including an Audit Committee, and the Statutory Auditor.

[19] Article 278(1)

16. Regras estatutárias sobre requisitos procedimentais e materiais aplicáveis à nomeação e substituição dos membros, consoante aplicável, do Conselho de Administração, do Conselho de Administração Executivo e do Conselho Geral e de Supervisão e do (art. 245.º-A, n.º 1, al. h).

The Board of Directors is elected by the General Meeting by means of lists of members selected by the proposing shareholder or shareholders (with votes solely cast for lists). The lists are drawn up by shareholders without the intervention of the Company.

The articles of association do not establish any specific rules regarding the replacement of members of the Board of Directors. The articles of association only provide for, during the course of a term in office, (ii) the change to the number of members (within statutory limits)[20] and (ii) rules on replacement due to definitive absence[21].

Three successive absences or five absences spread over the course of a term of office from meetings of the Board of Directors by any member of the Board, according to the articles of association[22], without justification accepted by the Board proper, will lead to the Board declaring the respective director to be in permanent absence. Since neither the articles of association nor the Rules of Procedure of the Board of Directors define specific rules for replacement in the event of permanent absence, only the provisions of the Companies Code apply for this purpose[23].

If an extra election is held or substitution occurs, the term of office of the member(s) thus elected shall coincide with that of the other Directors.

In the absences and temporary impediment of the Chairman, the duties of that office shall be performed by the Director sitting on the Board in whom the Chairman has delegated such representation or, if no such director has been designated, then the Director of the Board that is designated by the majority of the other members of the Board. Whatever the case, this Director will be responsible for performing all the duties of the office of Chairman of the Board of Directors at the meeting in question.

The Chief Executive Officer, given the role established for the Appointments and Assessment Committee according to the Rules of Procedure of the Board of Directors, is not permitted, in the event of co-opting, and despite being an ex-officio member, to participate in and vote on resolutions related to the process of selection of non-executive Directors and also vote on resolutions relating to the performance evaluation and the setting of remuneration and respective criteria for the Company's executive Directors, in order to ensure non-interference by the executive Directors in these processes.

[20] Article 6(4)

[21] Article 13(3)
[22] Article 13(3)
[23] Article 393

17. Composition of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable, with details of the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date when first appointed and end of the term of office of each member.

The Board of Directors, pursuant to the articles of association[24], is composed of five to fifteen Directors, one of whom is Chairman and the others are members. The members of the governing bodies are appointed for a three-year term of office, and they may be re-elected. The General Meeting elects the Board of Directors and also appoints the Chairman (who holds the casting vote pursuant to the articles of association[25]). The current term of office (2015 - 2017) of the members of the Board of Directors, approved at the Annual General Meeting of 25 March 2015, ends on 31 December 2017.

[24] Article 12(1) and Article 6(2)
[25] Article 12(3)

Board of Directors at the date of the Annual general Meeting of March 25, 2015		Date of first appointment
Chairman	Daniel Proença de Carvalho	16/07/2012
Members	Claudio Borin Guedes Palaia	26/08/2013
	Nélson Tambelini Júnior	26/08/2013
	Ricardo Fonseca de Mendonça Lima	16/07/2012
	Albrecht Curt Reuter Domenech	29/04/2010
	André Pires Oliveira Dias	20/12/2012
	José Édison Barros Franco	29/04/2010
	Luiz Roberto Ortiz Nascimento	20/12/2012
	António Soares Pinto Barbosa	16/07/2012
	Pedro Miguel Duarte Rebelo de Sousa	16/07/2012
	Pedro Miguel Duarte Rebelo de Sousa	16/07/2012

The referred General Meeting elected the following as effective members of the Board of Directors, with term of office from 2015 to 2017:

Members Elected at the Annual General Meeting of march 25, 2015		Date of first appointment
Chairman	Daniel Proença de Carvalho (1)	16/07/2012
Members	Claudio Borin Guedes Palaia (1)	26/08/2013
	Nélson Tambelini Júnior (1)	26/08/2013
	Ricardo Fonseca de Mendonça Lima (1)	16/07/2012
	José Édison Barros Franco (1)	29/04/2010
	António Soares Pinto Barbosa (1)	16/07/2012
	António Henrique de Pinho Cardão	25/03/2015
	Pedro Miguel Duarte Rebelo de Sousa (1)	16/07/2012

(1) The highlighted directors continued from the previous term of office (2012-2015)

Following the resignations presented by Claudio Borin Guedes Palaia (on 17 August 2015) and Nélson Tambelini Júnior (on 22 December 2015) the Board of directors appointed by co-option, Paulo Sérgio de Oliveira Diniz and Armando Sérgio Antunes da Silva, respectively to fill the seats left vacant. The Board of Directors was composed of 8 members at 31 December 2015, as indicated in the following table:

Board of Directors		Data da 1ª designação
Chairman	Daniel Proença de Carvalho (1)	16/07/2012
Members	Paulo Sérgio de Oliveira Diniz	18/08/2015
	Armando Sérgio Antunes da Silva (2)	16/07/2012
	Ricardo Fonseca de Mendonça Lima (1)	16/07/2012
	José Édison Barros Franco (1)	29/04/2010
	António Soares Pinto Barbosa (1)	16/07/2012
	António Henrique de Pinho Cardão	25/03/2015
	Pedro Miguel Duarte Rebelo de Sousa (1)	16/07/2012

(1) The highlighted directors continued from the previous term of office (2012-2015)

(2) Armando Sérgio Antunes da Silva was a director of Cimpor between 16-07-2012 and 26-08-2013, and was again appointed to this post at the end of 2015 as referred to above.

18. Distinction to be drawn between executive and non-executive directors and, as regards non-executive members, details of members that may be considered independent, or, where applicable, details of independent members of the General and Supervisory Board.

The Board of Directors includes a number of non-executive members, guaranteeing the effective supervision, monitoring and assessment of the activity of the executive members. On 31 December 2015, the majority of the members of the Board of Directors of Cimpor (five of a total of eight) were non-executive Directors.

The Executive Committee is composed of Ricardo Fonseca de Mendonça Lima, Paulo Sérgio de Oliveira Diniz and Armando Sérgio Antunes da Silva.

The non-executive members of the Board of Directors considered to be independent, in compliance with recommendation II.1.7 of the Governance Code, are António Soares Pinto Barbosa, António Henrique de Pinho Cardão and Pedro Miguel Duarte Rebelo de Sousa. The proportion of 3 independent directors in a total of 8 is deemed adequate, considering the characteristics of Cimpor, the adopted governance model, the shareholder structure and the limited free float.

The assessment of the independence of the members of the Audit Committee meets the criteria established in the Companies Code[26], according to which the independent members of the Audit Committee are the directors António Soares Pinto Barbosa and António Henrique de Pinho Cardão.

[26] Article 414(5) of the Companies' Code.

19. Professional qualifications and other relevant curricular information of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

The posts currently held and curricula vitae of the members of the Board of Directors are presented in Annex I of this Report.

20. Customary and meaningful family, professional or business relationships of members of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, with shareholders that are assigned qualifying holdings greater than 2% of the voting rights.

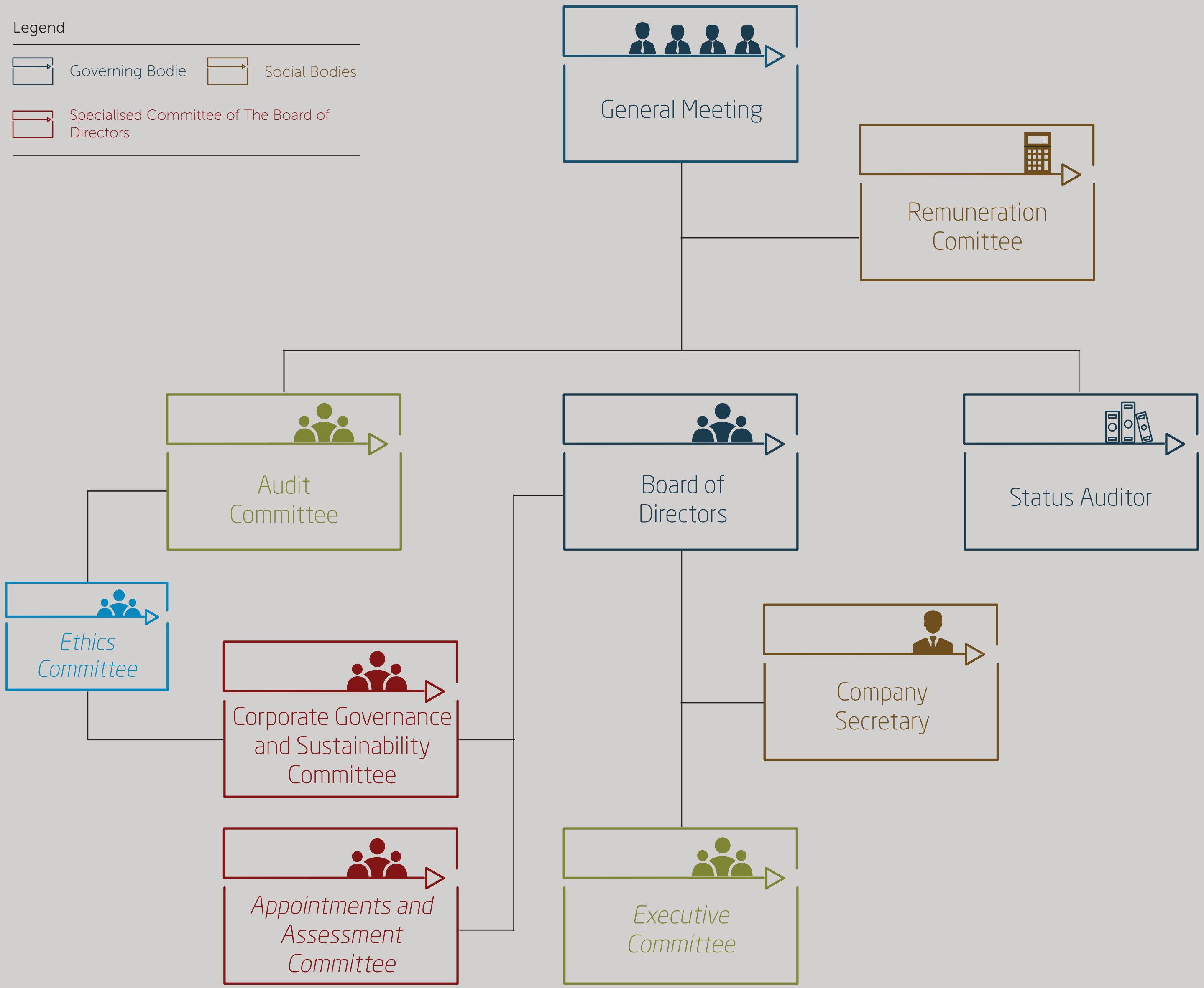
José Edison Barros Franco has professional relations with the companies listed in item 7, as indicated in the CV presented in Annex I.

The members of the Board of Directors do not maintain significant commercial relations with shareholders of qualifying holdings greater than 2%.

21. Organisational charts or flowcharts concerning the allocation of powers between the various corporate boards, committees and/or departments within the company, including information on delegating powers, particularly as regards the delegation of the company's daily management

21.1. Organisational chart relative to the division of powers between the various corporate boards and committees

The division of powers between the different bodies and committees of Cimpor are shown in the following organisational chart:



21.2. Delegation of the Board of Directors in its Executive Committee

The Board of Directors has delegated the powers relating to the day-to-day management of the Company in an Executive Committee composed of three of its members, reserving for itself the key decisions.

Hence, pursuant to law[27], the Rules of Procedure of the Board of Directors and the delegation of powers of the Board of Directors, the following matters are reserved for the plenary meeting of the Board of Directors:

- The appointment by co-option of directors to fill any vacancies that may occur;
- Convene General Meetings;
- Approve the annual reports and accounts, the sustainability report as well as quarterly and half-year management reports;
- Approve the budget and annual business and financial plans as well as three-year business plans, including the investment plan;
- Decide on the provision of bonds and personal or real guarantees by the Company;
- Decide on the change of headquarters and capital increases pursuant to the articles of association;
- Decide on company merger, split and transformation operations to be submitted to the General Meeting;
- Appoint the Company Secretary and substitute;
- Approve the Company's strategy and general practices;
- Approve Cimpor's business structure;
- Approve rules of procedure, rules of general application and of an ethical nature, and amendments to the Rules of Procedure of the Board of Directors;
- Approve the Financial Policy of Cimpor, and other instruments of a strategic nature;
- Take decisions that must be considered strategic due to the amounts or risk involved, or their special nature, and which may include the following:
    - The acquisition of equity holdings or physical assets: (i) outside of the context of the main business activity of Cimpor, (ii) in countries where the Group does not yet operate, or (iii) of value, per acquisition operation, exceeding ten million euros;
    - The sale of equity holdings or physical assets exceeding five million euros in value per transaction;
    - The undertaking of development investments envisaged in the budget previously approved by the Board of Directors, exceeding fifteen million euros in value;
    - The undertaking of development investments not envisaged in the budget previously approved by the Board of Directors, exceeding five million euros in value per investment operation and twenty-five million euros in annual accrued total;
    - The granting of credit to customers where such credit exceeds five million euros in value per customer;
    - Undertaking financial operations that do not comply with the Financial Policy approved by the Board of Directors.
- Deciding on the issue of preferred shares without voting rights and autonomous warrants on its own securities and subordinated bonds or debentures or other debt securities permitted by law;
- Appoint the director who shall act as Chairman in the absence or impairment of the designated chairman.

The Executive Committee may decide, whenever necessary in the defence of the interests of the company, on any matters that may not have been delegated and there is no possibility of convening the Board of Directors in time, provided it has, through the Chairman of the Board of Directors, referred the matter in advance to all the members of the Board and obtained a consensual opinion from most of these.

The Executive Committee shall submit to the Board of Directors for approval any matters concerning any business, commitments, contracts, agreements and conventions to be concluded by Cimpor, or any company of the group or with which it is in a control relationship, with shareholders owning 2% or more of the share capital of Cimpor (or with parties related to such shareholders in any of the forms established in the Portuguese Securities' Code[28]), except when, considering the nature or monetary value involved, those matters may be considered day-to-day interests or encompassed in the business of the Company, and provided no special advantage is granted the holder of the qualifying shareholding or the related party.

[27] Portuguese Companies' Code
[28] Article 20

21.3. Disclosure Duties of the Executive Committee

The following procedures have been adopted to ensure that all members of the management body are made aware of the decisions taken by the Executive Committee:

- The minutes of the Executive Committee and the notices convening the meetings are made available to the members of the Board of Directors;
- At meetings of the Board of Directors, the Executive Committee shall regularly summarize the significant aspects of the business undertaken since the previous meeting;
- The Executive Committee also provides to members of the Board of Directors the clarifications and additional or supplementary information that they may request;
- The executive directors provide the information requested from them by the members of the governing bodies, in good time and a manner appropriate to the information request made.

21.4. Competências do Presidente do Conselho de Administração

The responsibilities of the Chairman of the Board of Directors are:

- Coordinate the activity of the Board of Directors;
- Convene the Board of Directors, establish the agenda of the meetings and direct the discussions and decide on all matters relating to its functioning. The Chairman will also convene the Board whenever such is requested by two or more Directors and will include on the agenda the items that such Directors shall request for inclusion;
- Foster communication between the Company and all its stakeholders;
- Monitor and consult with the Executive Committee on the performance of the powers delegated in the latter;
- Contribute to the effective performance of duties and powers by the non-executive Directors and the Internal Committees of the Board of Directors;
- Have the casting vote.

The Chairman of the Board of Directors does not perform an executive role, though he may perform such a role in exceptional circumstances following specific resolution of the Board of Directors.

In the absence or temporary impediment of the Chairman, the duties of that office shall be performed by the Director sitting on the Board in whom the Chairman has delegated such representation or, if no such director has been designated, then the Director that is designated by the majority of the other members of the Board. Whatever the case, this Director will be responsible for performing all the duties of the office of Chairman of the Board of Directors at the meeting in question.

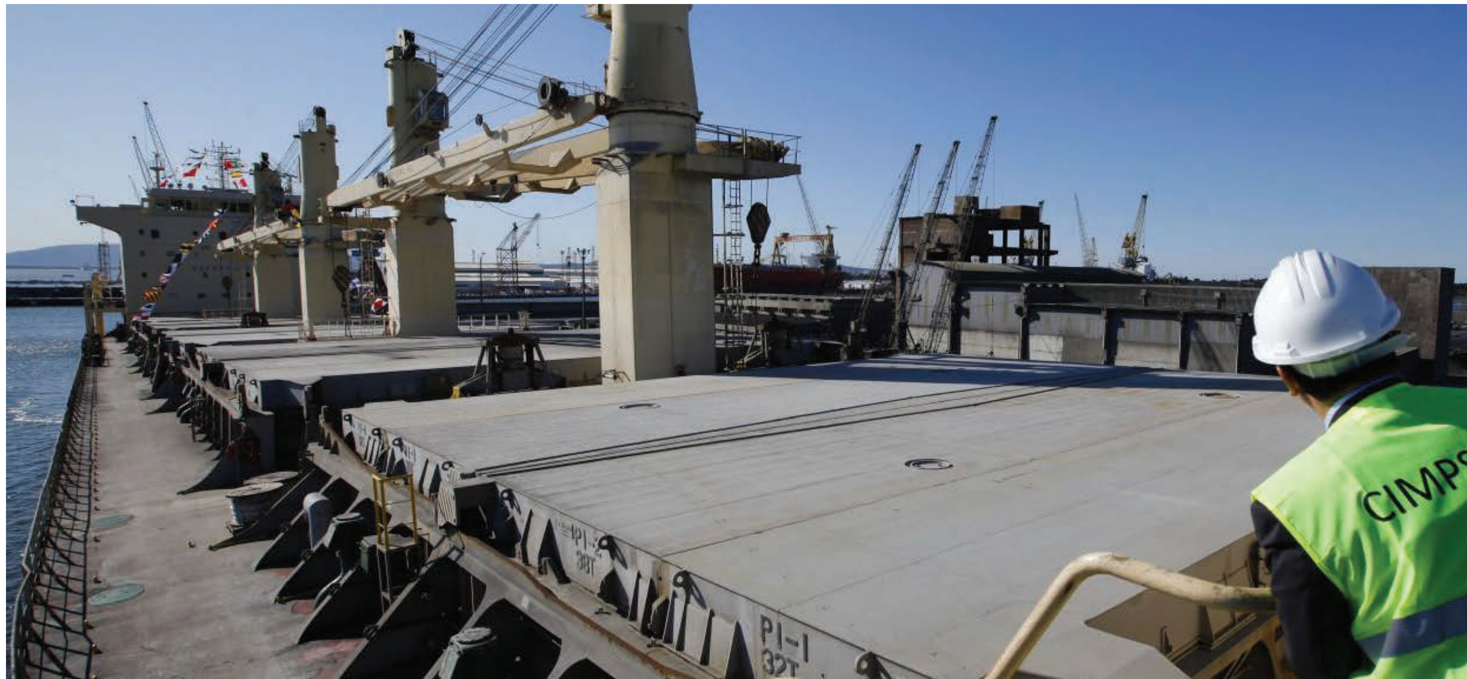
21.5. Powers of the Chief Executive Officer

The responsibilities of the Chief Executive Officer are:

- Represent the Executive Committee;
- Convene and preside over meetings of the Executive Committee;
- Coordinate the activities of the Executive Committee, distributing among its members the preparation or monitoring of the matters that should merit the appraisal or decision by the Executive Committee;
- Propose to the Board of Directors the list of management matters that each member of the Executive Committee should have specific responsibility for;
- Act to ensure the correct implementation of the resolutions of the Executive Committee.

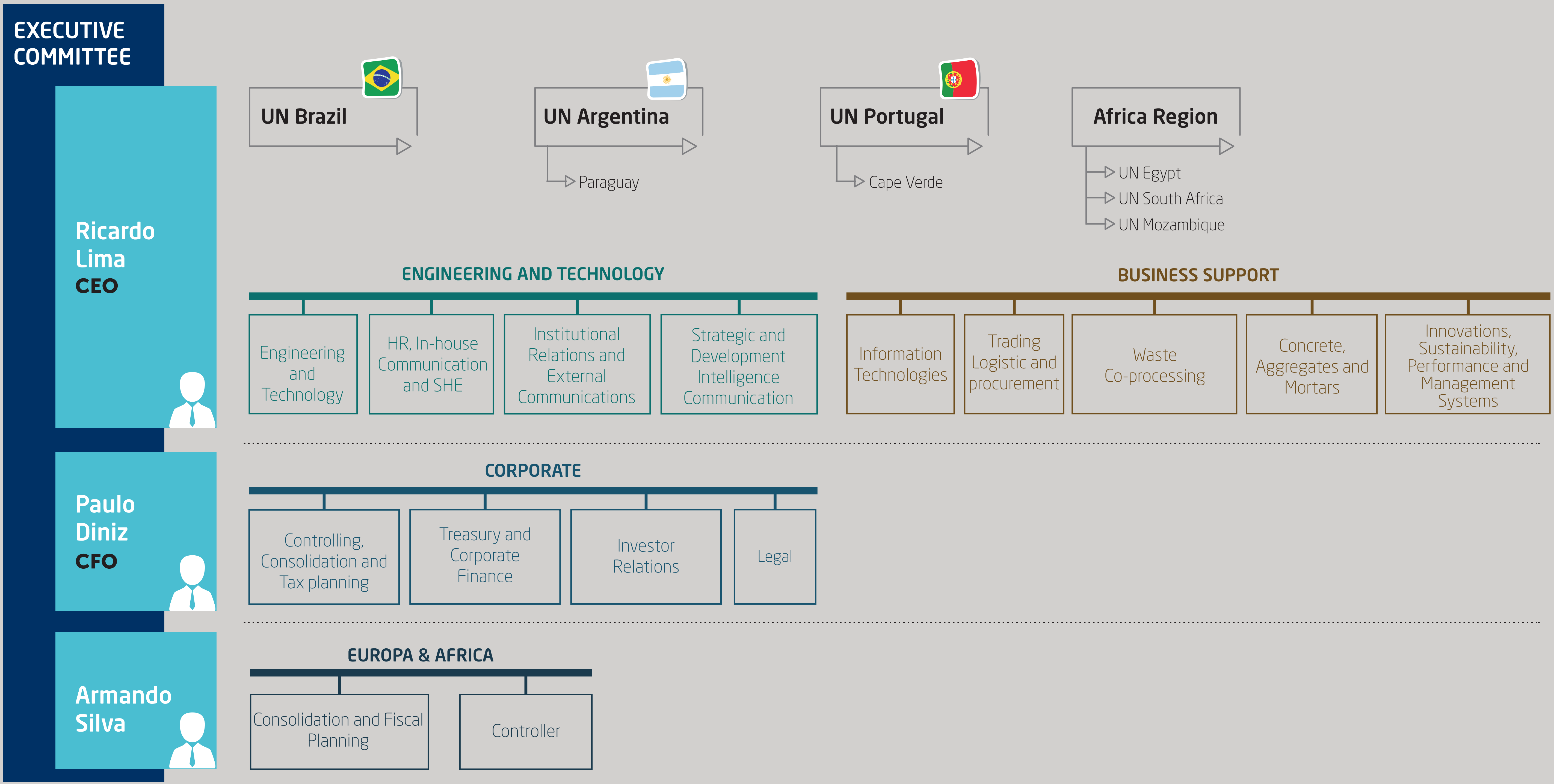
The Chief Executive Officer must also, besides the above-described duties:

- Ensure that all information concerning the activities and decisions of the Executive Committee is provided to the other members of the Board of Directors;
- Ensure compliance with the limits of the delegation of powers, the Company's strategy and the duty of collaboration with the Chairman of the Board of Directors.



21.6. Division of areas of responsibility on the Executive Committee

- Notwithstanding the collective exercise of duties delegated in the Executive Committee, each of its members has been specifically entrusted with the responsibility of supervising certain matters, as shown in the following chart.



The Executive Committee of Cimpor, an InterCement company, has the support of all the professionals of its subsidiaries and of InterCement Participações. This support is provided from a perspective of articulated and coordinated management between different areas to ensure maximum efficiency in the capture of synergies, particularly in the areas of business support, which include, in addition to those presented above, the Risk Management, Compliance and Audit areas.

The holding of Cimpor is, in addition to the overall management of the Business Units, also responsible for the Corporate and Business Support areas, in accordance with the above functional chart.

BUSINESS UNITS

Cimpor is structured in Business Units, corresponding to the countries where it operates, as shown above.

The various activities in each Business Unit are grouped by product, and the core business is the production and sale of cement.

Each of the above-mentioned Business Units is coordinated by a General Manager, who sits on the management bodies of the major companies located in the respective countries, reporting directly to the CEO.

The organisational model of each Business Unit is adapted to the business' characteristics and conditions and the country's legal system. The aim is to take advantage of possible synergies and benefits arising from more favourable financial and tax frameworks. The organisational model in each country follows a standardised template with small adjustments according to national needs, and it comprises the development of the businesses, under the responsibility of the General Manager of the country, through Industrial, Commercial, Concrete and Aggregates, and Finance and Shared Services responsibilities.

Each Business Unit operates on principles of management autonomy, especially for current and operational management matters, under a system of planning and control conducted by the holding company. The most important decisions, e.g. those that exceed specific values or that have greater impact on profits or on Cimpor's strategic development - must be approved or ratified by the Board of the holding company. This also applies to decisions or actions that, when dealt with at Cimpor level, enable significant synergies to be generated.

The structure and composition of the management and supervisory bodies of the subsidiaries of Cimpor obey the relevant laws and regulations of the respective jurisdiction.

BUSINESS SUPPORT

The units with Business Support duties identified in the functional chart above, support the business activity of Cimpor by providing technology and specialised technical assistance and allowing them to benefit from economies of scale and sharing best practices across Cimpor. Delegation in the Executive Committee are partly made operational through intermediate management platforms.

21.7. Specialised Committees of the Board of Directors

21.7.1. Corporate Governance and Sustainability Committee

This Committee has the function of assisting the Board of Directors on matters of corporate governance and standards of conduct, as well as in the areas of sustained development and social responsibility of Cimpor. It is responsible for[29]:

- The evaluation of the corporate governance model, principles and practices of the Company and the relevant subsidiaries of Cimpor (as may be determined by the Board of Directors and referred to hereinafter as "Relevant Subsidiaries"), in order to seek its constant improvement and submit proposals to that end to the Board of Directors, which encompass in particular the functioning and powers of the Board of Directors and its internal committees and their articulation with the other governing bodies and management structures, as well as the prevention of conflicts of interest and information discipline;

- The definition of the guidelines of the policies that ensure the sustained development of the Company and Cimpor, fostering social responsibility and environmental protection;

- The definition, collaboration in the implementation and supervision of compliance with standards of conduct appropriate to the adherence to strict ethical and moral principles, in the performance of the duties attributed to the members of the governing bodies and employees of Cimpor;

- The improvement and update of the Rules of Procedure on Irregularities' Reporting and the Code of Ethics adopted by Cimpor, submitting proposals in this regard to the Board of Directors, whenever such is deemed necessary;

- The coordination of the drafting of the annual report on the governance of the Company in the areas of its responsibility and the presentation of proposals to the Board regarding the statements to be included in that report concerning the effectiveness of the adopted governance model, the standards of conduct and the internal control and risk management systems;

- The presentation of proposals to the Board relative to the adoption of the measures to ensure the Company complies with legal and regulatory requirements, recommendations and good practices, applying at any time to matters of corporate governance, standards of conduct and social responsibility and sustainability standards.

[29] Article 18 of the Rules of Procedure of the Board of Directors

21.7.2. Appointments and Assessment Committee

The duties of the Appointments and Assessment Committee are, inter alia, and in accordance with the Rules of Procedure of the Board of Directors[30], are to assist the Board in the following matters:

a. Occupancy of positions vacated on the Board of Directors, pursuant to law and the articles of association;

b. Monitoring the procedures for the selection and appointment of senior management of the Company and Relevant Subsidiaries and the members of the governing bodies of Relevant Subsidiaries, informing the Board of Directors on such processes;

c. Annual process of assessment of the overall performance of the Board of Directors and its Internal Committees, as well as the annual assessment of the members of the Executive Committee of the Company, consulting with the relevant Chairman on such;

d. Drawing up opinions to be submitted to the Remunerations Committee for the process of defining the remuneration of members of the Executive Committee.

It is also responsible for, in the performance of its duties referred to in sub-paragraphs (a) to (b) above:

- Keeping up-to-date information on the qualifications, knowledge, professional experience and independence necessary to perform the duties of director of the Company;

- Assisting the Board of Directors and the Executive Committee in the approval and implementation of the succession plan for members of the boards of directors and senior management of the Company and the Relevant Subsidiaries;

- Whenever deemed necessary, it will draw up a reasoned opinion for the purpose of co-option or appointment of members of the Board of Directors, identifying the parties and/or persons that, in its view, have the most appropriate profile for the performance of a specific job.

It is also responsible for, in the performance of its duties referred to in sub-paragraphs (c) and (d) above:

- Proposing to the Board of Directors the criteria to be used in the evaluation process, on an annual basis and per term of office;

- Proposing to the Remuneration Committee the criteria to be used for determining the variable remuneration on an annual basis and per term of office, in particular the individual performance goals after, in this latter case, consulting the Chief Executive Officer;

- Proposing or issuing an annual opinion to the Board of Directors and the Remuneration Committee, as applicable, on the remuneration policy and remuneration principles of the management and supervisory bodies and other managers of the Company, and an opinion on the annual statement submitted to the General Meeting in this regard.

When performing the functions and duties referred to above, the Appointments and Assessment Committee should also make any proposals to the Board of Directors and the Remuneration Committee, as applicable, it deems necessary for the purposes of the Company's compliance with legal and regulatory requirements, recommendations and good practices in matters of appointments and remuneration, applying at any time.

[30] Article 19

21.8. Supervisory Bodies

21.8.1. Audit Committee

The responsibilities of the Audit Committee are those mentioned in Nos. 37 and 38 below.

21.8.2. Statutory Auditor

The Statutory Auditor is responsible, pursuant to the Portuguese Companies Code[31], for checking the accounting books and records and the supporting documents thereto, and, whenever such is deemed appropriate and in the manner deemed suitable, verify the extent of cash and the stocks of any kind of goods or assets belonging to the Company or received by it as security, deposit or under any other form, as well as the accuracy of the accounts. It also checks that the accounting policies and the valuation criteria adopted by the Company result in a correct evaluation of the assets and profits.

The Statutory Auditor is also responsible, as external auditor and in the scope of its powers, for checking the implementation of the remuneration policies and systems, the effectiveness and functioning of the internal control mechanisms and the reporting of any defects to the Audit Committee.

[31] Article 420(1) sub-paragraphs (c), (d), (e) and (f) and article 446.

21.9. Ethics Committee

In March 2013, the Corporate Governance and Sustainability Committee approved a proposal from the Executive Committee for the creation of the Ethics Committee with dual reporting to the Corporate Governance and Sustainability Committee and the Audit Committee. This Committee is responsible for assessing all matters relating to this area and for implementing the adoption of the New Cimpor Code of Conduct. It had the following members on 31 December 2015:

- Pedro Rebelo de Sousa (Chairman)
- José Édison Barros Franco
- Gueber Lopes (Remuneration Committee)
- Ricardo Lima (CEO and Director responsible for the Human Resources area)

The powers of this committee are presented in No. 49 below.

b) Functioning

22. Availability and place where rules on the functioning of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, may be viewed.

The rules of procedure of the Board of Directors can be viewed at www.cimpor.com, and at the registered office of the Company.

23. The number of meetings held and the attendance report for each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

The Board of Directors met 8 times during 2015. None of its members were absent without approved reason: Luiz Roberto Ortiz Nascimento was justifiably absent from the sole meeting held in 2015 while he occupied the position of director, and Pedro Rebelo de Sousa was present at 88% of the meetings (no attending just one meeting, at which he was represented by Daniel Proença de Carvalho). The other members of the Board of Directors were not absent on any occasion, which represents an attendance record of 100%.

The Executive Committee of the Board of Directors of Cimpor met 12 times in 2015. Ricardo Lima (Chairman) and Nelson Tambelini attended all the meetings held, and as such posted no unjustified absences. Cláudio Palaia did not attend the meetings of the Executive Committee (and all his absences were justified) until his replacement by Paulo Diniz, who then attended all the meetings of this Committee after the date of his appointment.

24. Details of competent corporate boards undertaking the performance appraisal of executive directors.

The Appointments and Assessment Committee and the Chief Executive Officer are responsible for the performance assessment of the members of the Executive Committee. This assessment is based on criteria that are as objective and transparent as possible, in order to allow comparison with the main non-financial companies listed on Euronext Lisbon and with a group of cement companies comparable to Cimpor in terms of size and geographical distribution.

Despite the Chief Executive Officer being a member of the Appointments and Assessment Committee, he is precluded from voting on resolutions related to performance assessment, the criteria for determining the remuneration of Company's executive directors, and of course for himself, thereby ensuring his independence.

25. Predefined criteria for assessing executive directors' performance.

The criteria for assessing the performance of the executive Directors are divided into three categories:

- Individual and collective criteria: In this context, it is intended that there is greater appreciation of collective criteria over individual criteria, taking into consideration the number of executive directors of Cimpor and the allocated areas of responsibility;
- Company profitability criteria and creating value for shareholders: These criteria include indicators of growth and sector comparability (value creation and the relative performance of the return on assets, compared with the Sector Peer Group - companies of size and geographic distribution comparable with Cimpor);
- Qualitative management criteria: These criteria focus on and support an individual and collective qualitative assessment of the executive Directors.

The combination of these three vectors ensures alignment with the interests of shareholders, adequate incentive of management performance, the pursuit of real growth of the company, the creation of wealth for the shareholders, as well as the long-term sustainability of the Company.

26. The availability of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and details of the positions held at the same time in other companies within and outside the group, and other relevant activities undertaken by members of these boards throughout the financial year.

The curricula vitae and statements of availability of the members of the Board of Directors are presented in Annex I of this Report. All members of the referred Board state their availability for the performance of their duties.

c) Committees within the Board of Directors or Supervisory Board and Board Delegates

27. Details of the committees created within the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and the place where the rules on the functioning thereof are available.

There are four committees within the Board of Directors: Executive Committee, Audit Committee, Corporate Governance and Sustainability Committee and the Appointments and Assessment Committee.

In addition to the laws and regulations applying to commercial companies, companies with share capital open to public investment and the securities markets, the functioning of the Company's bodies is governed by the provisions of the articles of association, Rules of Procedure of the Board of Directors and the Rules of Procedure of the Audit Committee, which can be viewed at www.cimpor.com.

27.1. Executive Committee

The composition of the Executive Committee is described in No. 28. Further information regarding the Executive Committee can be found in No. 21 above.

27.2. Audit Committee

The composition of the Audit Committee is described in No. 31. Further information regarding the Audit Committee can be found in Nos. 21 and 30, below.

27.3. Corporate Governance and Sustainability Committee

The committee has between three and seven non-executive directors, at least one of whom must comply with the criteria of independence applicable to the members of the management body.

The Corporate Governance and Sustainability Committee, by resolution of the Board of Directors of 25 March 2015, comprises three directors, all non-executive: These being:

- Daniel Proença de Carvalho (Chairman)
- António Pinto Barbosa (Independent)
- José Édison Barros Franco

Further information regarding the Corporate Governance and Sustainability Committee can be found in No. 21.7.1 above.

27.4. Appointments and Assessment Committee

The Appointments and Assessment Committee has between three and seven non-executive directors, at least one of whom must comply with the criteria of independence applying to members of the management body. The Chief Executive Officer is an ex-officio member of this committee.

The Chief Executive Officer, despite being an ex-officio member of the Appointments and Assessment Committee, is not permitted according to the Rules of Procedure of the Board of Directors[32], to participate in and vote on resolutions related to the process of selection of non-executive directors and also vote on resolutions relating to the performance evaluation and the setting of remuneration and respective criteria for the Company's executive directors.

The Appointments and Assessment Committee, by resolution of the Board of Directors of 25 March 2015, is composed of three directors, one of whom is an independent non-executive director:

- Daniel Proença de Carvalho (Chairman)
- José Édison Barros Franco
- Pedro Miguel Duarte Rebelo de Sousa (Independent)
- Ricardo Fonseca de Mendonça Lima (Chief Executive Officer, ex-officio member)

Further information regarding the Appointments and Assessment Committee can be found in No. 21.7.2 above.

[32] Article 19(5)

28. Composition of the Executive Board and/or details of the Board Delegate/s, where applicable.

The Executive Committee comprised the following Directors on 31 December 2015:

- Ricardo Fonseca de Mendonça Lima (Chief Executive Officer)
- Paulo Sérgio de Oliveira Diniz (CFO)
- Armando Sérgio Antunes da Silva

Until the resignations of Claudio Borin Guedes Palaia (17 August 2015) and Nélson Tambelini Júnior (22 December 2015) as members of the Board of Directors, they were members of the Executive Committee. They were replaced by Paulo Sérgio de Oliveira Diniz and Armando Sérgio Antunes da Silva, respectively.

29. Description of the powers of each of the committees established and a summary of activities undertaken in exercising said powers.

The powers of each of the committees created in the Board of Directors are explained in No. 21 above. The activities developed by these committees in 2015 complied with the powers assigned them, as presented in No. 27.

The Corporate Governance and Sustainability Committee met three times, the Appointments and

Assessment Committee met once and the Executive Committee met 13 times during 2015. Minutes were drawn up for all the meetings.

III. SUPERVISION

a) Composition

30. Details of the supervisory body (Supervisory Board, Audit Committee or General and Supervisory Board) representing the model adopted.

An Audit Committee composed of three members elected by the General Meeting is responsible for the supervision of the Company, according to the articles of association[33]. One of those three members shall be its chairman.

Moreover, the articles of association state that the examination of the company's accounts is the responsibility of a Statutory Auditor elected by the General Meeting, on proposal from the Audit Committee.

[33] Article 18

31. Composition of the Supervisory Board, the Audit Committee, the General and Supervisory Board or the Financial Matters Committee, where applicable, with details of the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date of first appointment, date of end of the term of office for each member and reference to the section of the report where said information is already included pursuant to paragraph 18.

In accordance with No. 30. (above) the Audit Committee is composed of three members elected by the General Meeting, one of whom shall be its chairman. The members of the Audit Committee are appointed jointly with the other members of the Board of Directors. The lists for voting on must specify the members intended to occupy positions on the Audit Committee and indicate the proposed chairman. If the General Meeting does not indicate the Chairman of the Audit Committee then such will be appointed by the committee members themselves.

The current term of office of the Audit Committee coincides with that of the other members of the Board of Directors, elected at the Annual General Meeting of 25 March 2015 and ending on 31 December 2017. The members are as follows:

	Audit Committee	Date of first appointment
Chairman	António Soares Pinto Barbosa (1) (2)	16/07/2012
Members	António Henrique de Pinho Cardão (1)	25/03/2015
	José Édison Barros Franco (2)	16/07/2012

(1) Independent member.
(2) The highlighted directors continued from the previous term of office 2012-2015.

As duly disclosed to the market José Manuel Neves Adelino was member of the Audit Committee until 31 December 2014. In the period from the beginning of 2015 and the assignment of António Pinho Cardão as member of the Board of Directors and also member of the Audit Committee, this Committee has ensured its duties while chaired by António Pinto Barbosa.

32. Details of the members of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, which are considered to be independent pursuant to Article 414(5) of the CSC and reference to the section of the report where said information already appears pursuant to paragraph 19.

According to the respective self-assessment, the incompatibility rules and independence criteria established in the Portuguese Companies' Code[34] are complied with by two of the three members of the Audit Committee, as mentioned in No. 18 above.

[34] Article 414-A(1) and Article 414(5) of the Portuguese Companies' Code.

33. Professional qualifications of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and other important curricular information, and reference to the section of the report where said information already appears pursuant to paragraph 21.

The posts currently held and curricula vitae of the members of the Board of Directors currently sitting on the Audit Committee are presented in Annex I of this Report, in accordance with No. 19 above.

b) Functioning

34. Availability and place where the rules on the functioning of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, may be viewed, and reference to the section of the report where said information already appears pursuant to paragraph 24.

The rules of procedure of the Audit Committee can be viewed at www.cimpor.com, as indicated in No. 27 herein.

35. The number of meetings held and the attendance report for each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and reference to the section of the report where said information already appears pursuant to paragraph 25.

The Audit Committee met 6 times during 2015. The attendance record of its members at the committee's meetings was 100%.

36. The availability of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of these Boards throughout the financial year, and reference to the section of the report where such information already appears pursuant to paragraph 26.

The members of the Audit Committee provided the availability required for the exercise of their duties in 2015. The curricula vitae and statements of availability of the members of the Audit Committee are presented in Annex I of this Report.

c) Powers and duties

37. A description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the external auditor.

Services other than audit services are contracted under special authorisation granted by the Audit Committee at the request of the management, based on the comparative advantage of the services provided, namely through the gains arising from knowledge already in place of Cimpor's companies, structures and operations arising from its position as auditor.

To safeguard the independence of these entities, the acquisition from them of any type of service that may jeopardize such independence is expressly forbidden, namely:

- Accounting and administrative services, such as book-keeping, the preparation of financial statements and reports, the processing of salaries and the preparation of tax returns;
- Conception, design and implementation of management information systems;
- Assessment of assets or liabilities that may be recorded in Cimpor's financial statements;
- Internal auditing services;
- Legal consultancy services requiring the entities in question to represent any of Cimpor's companies to resolve litigation and disputes with third parties;
- Recruitment and selection of senior staff.

In addition, the acquisition of services from the external auditor or entities belonging to its "network", both in Portugal and in the countries where Cimpor operates, must comply with a set of rules established by the holding company and communicated to all Cimpor companies. And so, besides prohibiting the contracting of the aforementioned services, the following must be emphasized:

- The entities in question must, without fail, demonstrate the ability, credentials, resources and comparative advantages in relation to third parties, with respect to the provision of the services in question;
- Proposals to render services submitted by those entities are analysed and assessed, and compared (whenever possible) to the market, by the person in charge of the area (or company) requiring the service, and subsequently, depending on the amount of the proposal, by the Director of the respective area of responsibility or the Executive Committee responsible for deciding whether or not to award the contract.

38. Other duties of the supervisory bodies and, where appropriate, the Financial Matters Committee

The Audit Committee is responsible for, notwithstanding the other powers assigned it by law and the articles of association, in accordance with the rules of procedure of the Audit Committee[35], monitoring and supervising the management of the Company, ensuring compliance with the law and the articles of association, including:

- Check whether the accounting policies and valuation criteria adopted by the company lead to a correct assessment of the assets and profits;
- Monitor and supervise the correct implementation of accounting principles and standards in force, in liaison with the internal audit activity, the Statutory Auditor and the External Auditor, collecting the

necessary information and fostering the exchange of relevant information;

- Supervise the effectiveness of internal procedures for accounting and auditing, as well as the systems of internal control, compliance and risk management, if any. Meet with the Executive Committee and relevant operational managers of the areas to discuss annual work plans and their implementation;
- Analyse monitoring and internal audit reports and the responses of the Executive Committee;
- Analyse and check the accuracy of the Company's financial information, supervising its preparation and disclosure processes;
- Propose to the General Meeting the appointment of the Company's Statutory Auditor and substitute;
- Monitor and assess the activity of the Statutory Auditor, checking its independence, particularly where the provision of additional services are concerned;
- Supervise the audit of the Company's financial statements and documents;
- Receive and process reports of financial and accounting irregularities submitted by shareholders, company employees or others, recording the steps taken and the results thereof;
- Propose measures to the Board of Directors intended to improve the functioning of the internal control systems for financial reporting, internal auditing, compliance and risk management, as well as the procedures relating to the receipt and processing of complaints regarding financial and accounting irregularities;
- Prepare a report every year on its supervisory activities and assess and give an opinion on the report, accounts and proposals submitted by the management;
- Convene the General Meeting when the chairman of the respective Board does not do so when such is required;
- Give a prior opinion on business of significant relevance, in the terms defined by the Audit Committee following proposal by the Board of Directors, to be concluded between holders of qualifying holdings or entities related thereto and Cimpor or any company with which it is in a control or group relationship;
- Perform the other duties established by law or by the Company's Articles of Association.

According to the above-referred Rules of Procedure[36], it represents the Company before the external auditor, for all purposes, and it is especially responsible for:

- Proposing the hiring, renewal of the contract and remuneration of the external auditor, promoting and undertaking the respective selection process;
- Ensuring that the external auditor is afforded adequate conditions for the provision of services to the Company and the companies with which it is in a group or control relationship;
- Ensuring the personal and professional independence of the External Auditor, particularly as regards the process of prior approval of other services to be provided to Cimpor outside the scope of the audit;
- Annually monitor and assess the performance of the Company's External Auditor, namely through prior discussion of the minutes and reports of the audit of the accounts and opinion on the internal control system, as well as the regular reports on the development and provisional or final findings of the audit work audit. It shall annually assess and propose the dismissal to the General Meeting, whenever there is just cause for such.
- Examine and approve the annual audit planning proposal for the company's accounts to be undertaken by the External Auditor;

Define internal quality control procedures for the external auditor.

- This Committee is also responsible for that referred to in No. 37 above.

The Audit Committee can also, as part of its duties:

- Check the accuracy of the Company's financial statements and documents;
- and contract the provision of expert services to assist one or more of its members in the exercise of their duties. Such hiring and remuneration of experts must take into account the importance of the matters committed to them and the financial situation of the company.

[35] Article 2(2)
[36] Article 2(3)

IV. STATUTORY AUDITOR

39. Details of the statutory auditor and the partner that represents same.

CIMPOR's Statutory Auditor is currently Deloitte & Associados, SROC, S.A., represented by Carlos Alberto Ferreira da Cruz since May 2013.

40. The number of years that the statutory auditor consecutively carries out duties with the company and/or group.

Deloitte & Associados, SROC, S.A. has performed the role of statutory auditor of Cimpor since 2001, therefore for 14 years.

41. Description of other services that the statutory auditor provides to the company

The statutory auditor of Cimpor also performs the role of external auditor of this Company. See No. 46 below for more information about the services provided.

V. EXTERNAL AUDITOR

42. Details of the external auditor appointed in accordance with Article 8 and the partner that represents same in carrying out these duties, and the respective registration number at the CMVM.

The external auditor of Cimpor is Deloitte & Associados, SROC, S.A., registered in the CMVM under number 43 and represented by its partner Carlos Alberto Ferreira da Cruz, holding professional registration number 1146.

43. The number of years that the external auditor and respective partner that represents same in carrying out these duties consecutively carries out duties with the company and/or group.

Deloitte & Associados, SROC, S.A. has been providing services to Cimpor and its subsidiaries for 14 consecutive years. In 2007, six years since the beginning of the provision of those services, a new partner was appointed to oversee or directly implement the referred services. The General Meeting of 25 March 2015 approved the proposal, duly substantiated, of the Audit Committee to reappoint Deloitte & Associados, SROC, SA. The partner responsible was again changed, and it is now Carlos Alberto Ferreira da Cruz.

44. Rotation policy and schedule of the external auditor and the respective partner that represents said auditor in carrying out such duties.

Deloitte & Associados, SROC, S.A. has provided external audit services to Cimpor under services contracts since 2001.

The draft resolution of the General Meeting to keep the external auditor for a period exceeding three terms of office is accompanied with specific opinion of the supervisory body, specifically appraising the independence conditions of the auditor and the advantages and costs of its replacement.

45. Details of the Board responsible for assessing the external auditor and the regular intervals when said assessment is carried out.

The Audit Committee is responsible for annually assessing the external auditor, in accordance with its rules of procedure[37].

[37] Article 2(3)(c)

46. Details of services, other than auditing, carried out by the external auditor for the company and/or companies in a control relationship and an indication of the internal procedures for approving the recruitment of such services and a statement on the reasons for said recruitment.

The work other than audit work performed by the external auditor for the company and/or companies with which it is in a control relationship are focused on Tax Advisory Services. The other work in this context were scattered throughout the different countries where Cimpor operates, and was not, as a whole, of material value or significance.

The approval for hiring these services complied with the procedures and criteria set out in No. 37 above. Moreover, the authorisation duly granted by this Committee for the recruitment of services other than audit services from Deloitte, identified above and justified by the competitive advantage of this service provider, mainly owing to the gain from knowing the business and companies of Cimpor, structures and operations arising from its position as auditor.

47. Details of the annual remuneration paid by the company and/or legal entities in a control or group relationship to the auditor and other natural or legal persons pertaining to the same network and the percentage breakdown relating to the following services

In 2015, the total cost of services rendered to Cimpor and its subsidiaries by its external auditor (Deloitte & Associados, SROC, S.A.), including all natural or legal persons belonging to its "network" (as set forth in European Commission Recommendation No. C (2002) 1873 of 16 May), amounted to EUR 2.013 million, broken down in the following percentages:

By society*	€ thou.	%
Amount of the certification of accounts services (€)	29	59%
Amount of assurance services (€)	21	41%
Amount of tax consultancy services (€)	0	0%
Amount of services other than certification of accounts (€)	0	0%
By entities within the group*		
Amount of the certification of accounts services (€)	1,217	62%
Amount of assurance services (€)	432	22%
Amount of tax consultancy services (€)	294	15%
Amount of services other than certification of accounts (€)	11	1%
Consolidated Total		
Amount of assurance services (€)	1,246	62%
Amount of tax consultancy services (€)	452	22%
Amount of services other than certification of accounts (€)	294	15%
Valor de outros serviços que não revisão de contas	11	1%

*Including individual and consolidated accounts

C. INTERNAL ORGANISATION

I. ARTICLES OF ASSOCIATION

48. The rules governing amendments to the articles of association (Article 245-A(1)(h)).

The articles of association can be amended pursuant to applicable legislation[38]:

- So that the General Meeting may take a decision to amend the articles of association on its first notice to convene, the shareholders attending or represented at the Meeting must hold at least one-third of the share capital. On the second notice to convene, the General Meeting may take decisions regardless of the number of shareholders attending or represented and the capital they represent[39].
- Decisions to amend the articles of association have to be approved by a minimum of two-thirds of the votes cast, irrespective of whether the General Meeting is convened at the first call or the second call, unless, in the latter case, the shareholders attending or represented at the Meeting hold at least half of the share capital, in which event such decisions may be approved by simple majority of the votes cast[40].

[38] The rules described herein also apply to cases of merger, spin-off, transformation and winding up of the company, or other matters for which the law requires a qualified majority, without specifying such.
[39] Article 383(2) and (3) of the Portuguese Companies' Code.
[40] Article 386(3) of the Companies' Code.

II. REPORTING OF IRREGULARITIES

49. Means and policy for the reporting of irregularities in the company

The Audit Committee - without prejudice to the powers of the Corporate Governance and Sustainability Committee – is responsible for receiving and processing reports of financial and accounting irregularities, as well as monitoring and supervising the entire system, in particular the respective levels of adequacy and effectiveness.

The policy of Cimpor for reporting irregularities, embodied in the Ethics Line, Operation Manual of the Ethics Line and Code of Business Conduct, is disseminated among all employees of Cimpor, and it is publicly available to all of the stakeholders (in www.cimpor.com) generally identifying the different types of irregularities and establishing a set of rules and procedures related to their handling.

These irregularities are analysed in the light of the provisions of laws and regulations, the articles of association, the recommendations applying at any time and the principles and rules of the Code of Business Conduct adopted by Cimpor.

The Code of Business Conduct establishes the standards and principles that should guide behaviour in relationships with different audiences: ethics, legal, respect for others, reject any form of discrimination, stimulate personal and professional development, and social, environmental and cultural responsibility, among others.

The Ethics Committee is responsible for managing the implementation of the Code of Business Conduct, with double reporting to the Corporate Governance and Sustainability Committee and the Audit Committee, and it is responsible for appraising all issues relating to this matter.

The Ethics Committee is advised by the Audit and Risk Management area, which ensures the implementation and Monitoring of the Irregularities' Reporting Policy and Code of Conduct in all Business Units of Cimpor and among the different various stakeholders. This area has the "Ethics Line" for this purpose, a channel advertised among all employees, suppliers, customers and stakeholders, which has public access on the site and on the internal networks of Cimpor, and where questions, suggestions, comments and complaints of behaviour deviating from that set out in the Code of Conduct can be posted. The Risk Management, Compliance and Audit area has delegated to specialised external consultants the receipt of communications and feedback on the action taken. Confidentiality is fully guaranteed. The contact channels for this purpose will be the telephone, e-mail and post.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. Individuals, boards or committees responsible for the internal audit and/or implementation of the internal control systems.

The creation and operation of the internal control, risk management, compliance and audit systems is the responsibility of the Board of Directors and its Executive Committee, to the extent of its delegated powers. The Audit Committee is responsible for reviewing the effectiveness of the referred systems, assessing their operation, as well as proposing any adjustments according to the Company's needs.

The Audit Committee is responsible for Internal Audit, as stated in its the rules of procedure. In addition to the duties assigned it and described in No. 38 above, it is the responsibility of the Audit Committee to comment on the work plans and resources allocated to the internal audit service and the services that ensure compliance with the rules applicable to the company (compliance services). It should be the recipient of reports made by these services, at least when matters related to the rendering of accounts, identification or settlement of conflicts of interest and the detection of potential illegalities are concerned.

A process of formal compliance, with the objective of monitoring compliance with laws and regulations, as well as policies, standards and procedures, was implemented in all the business units in 2015. Its aim is to maintain the high quality of internal control, ensure the fulfilment of the mission and vision of the company, mitigate the risks associated with the business and processes and, lastly, protect the assets, image and reputation of Cimpor and its business units.

51. Details, even including organisational structure, of hierarchical and/or functional dependency in relation to other boards or committees of the company.

The internal control systems of Cimpor include:

- Strategic control;
- Management control, with particular reference to health and safety, technical and financial control subsystems;
- Operational control.

Systemic redundancy is primarily monitored by Internal and External Audits, Compliance and by the Irregularities' Reporting System (Ethics Line).

The operational implementation of these systems is primarily the responsibility of the hierarchical structure, broken down into successive levels of responsibility by the Board of Directors, which delegates these matters in its Executive Committee, and which, in turn, refers to the operational and support structures.

Risk Management is a core responsibility of the entire management structure of Cimpor, aimed at the timely identification of the main risks and respective risk factors facing the company and the study, approval and implementation of the appropriate measures.

The Cimpor SGPS and other financial and holding companies within the group are responsible for managing the financial risks requiring specific hedging.

The operating managers are responsible for designing and implementing the most suitable risk control mechanisms. The efficiency of such mechanisms is periodically evaluated, through the corporate support of the Risk Management, Compliance and Audit area, in accordance with an annually prepared and implemented plan for auditing financial areas and information systems, and verifying processes and conformity with approved procedures.

Several areas have special responsibilities in risk management where the corporate support areas are concerned, namely:

Health and Safety – Cimpor Serviços, where the cement production business is concerned, and the Mortar, Aggregates and Concrete Competence Centre, with particular responsibilities in the identification, analysis and measurement and management of the health and safety, technical and operational, and industrial facilities risks of Cimpor.

Treasury – responsible, among other duties, for the management of risks of a financial nature, including interest rate, liquidity, currency and counterparty risks.

Insurance – responsible for the global insurance programmes of Cimpor and for the coordination of Cimpor practices in all other coverage.

Planning and Control and Investor Relations – responsible, together with the Risk Management and Audit area, for the control, preparation and disclosure of financial information, in the manner provided for in No. 55 below.

Risk Management, Compliance and Audit - working together with the Board of Directors, Executive Committee and the Audit Committee of Cimpor, it has the task of not only ensuring the adequacy and effectiveness of the internal control systems in all Cimpor areas, but also the good performance of those systems.

The main responsibilities of this area are:

- Define and implement the methodology for the identification, prioritization and mitigation of risk and respective risk factors;
- Assist the Directors of the Business Units in the integrated process of identifying, assessing and mitigating the risks of the Business Units;
- Manage the Internal Audit Activity (e.g. audit of processes, continuous auditing, and evaluation of misconduct);
- Manage compliance activities in order to assess if the rules and policies of risk management are complied with, identifying points of non-conformity and improvement actions;
- Manage the External Audit activity;
- Manage the process of monitoring the use of the so-called Ethics Line code of conduct;
- Define the annual budgets for each process;
- Advise the Executive Committee and Audit Committee.

52. Other functional areas responsible for risk control.

The different functional areas with risk control duties are identified in No.51 of this report.

53. Details and description of the major economic, financial and legal risks to which the company is exposed in pursuing its business activity.

BUSINESS RISK FACTORS

Dependence on the construction industry

Cement consumption is cyclic and is highly correlated with the levels of construction. Our business in the countries in which we operate is very dependent on the levels of construction, particularly residential and commercial construction activity, as well as expenditure on public and private infrastructure. The reduction of activity in the construction industry is generally resulting from a decline in economic conditions. A contraction of economic activity in the countries in which we operate or a decline of the real estate or building sectors in those countries could have a materially adverse effect on demand for our products and could have a materially adverse impact on our operating results and our financial situation. Moreover, we cannot ensure that growth of gross domestic product, or GDP, of the countries in which we operate will translate into increased demand for our products.

We are also subject to the risk of creating excess capacity, for example, as a result of our incorrect assessment of the markets' evolution. Any failure on our part in the adequate use of our production capacity could lead to the appropriation of funds owing to impairment of goodwill and adversely affect our operating results and our financial situation.

Economic conditions in the markets in which we operate

We largely depend on the growth of the economies of the countries where we sell our products. These countries' economies are at different stages of development. We are, as a result, and like many other companies with significant international operations, exposed to risks from changes in foreign currency exchange rates, interest rates, inflation, government expenditure, social instability and other political, economic or social developments which could have materially adverse effects on our business, our financial situation and the results of our operations.

Expansion of our operations

Our medium-term business strategies include the continued expansion of our cement production capacity and distribution network and the acquisition of additional assets. This requires investment, including capital expenditure. Accordingly, any such investments would probably have to be financed by contracting additional debt and/or via equity funding. However, adequate funding may not be available or, if it is, it may not be available in satisfactory conditions, in particular as a result of adverse macroeconomic conditions. We may not be able to obtain sufficient additional capital at an acceptable cost in the future, to fund our capital requirements and our business strategy. If we are not successful in accessing additional capital on terms that are acceptable to us, we may not be able to fully implement our business strategy. This may limit the future growth and development of our business. If we require additional capital as a result of operating losses, those losses may make it difficult for us to raise the additional capital necessary to finance our expansion projects.

The implementation of our growth strategies is dependent on certain factors that we can't control, such as changes in the conditions of the markets in which we operate, operations by our competitors, and the laws and regulations in force in the jurisdictions in which we operate. Our inability to successfully implement any part of our strategy will adversely impact on us in material terms.

Mergers and acquisitions

We are unable to predict if, or when, we may make further acquisitions or alliances, or the likelihood that an acquisition or material transaction shall be completed in terms that are favourable to us. Our ability to continue to grow successfully through acquisitions and strategic alliances depends on several factors, including the general availability of suitable targets, as well as our ability to identify those targets, negotiate favourable terms, get financing and close the transactions.

FINANCIAL RISK FACTORS

Consolidated debt

Total consolidated debt at 31 December 2015 was 4,060 million euros (excluding accrued interest). Our level of indebtedness, including our deleveraging plans, could have important consequences for our business, such as:

- limiting our ability to get any kind of financing needed in the future for working capital, capital expenditure, funds related to servicing the debt or for other purposes;
- requiring that a substantial amount of our cash flow from operations is channelled to the payment of interest and principal of our debt, and these amounts are thus not available to serve other purposes, such as capital expenditure;
- limiting our flexibility in planning or react to changes in our business sector and in the industry, placing us at a competitive disadvantage vis-à-vis competitors who may have lower leverage ratios; and this may adversely affect our operating margins;
- making us more vulnerable in the event of a slowdown of our sector of activity.

Contract for Issuing Consolidated Debt

The contractual framework encompassing the issuance of senior notes and the terms of some of our loan contracts imposes certain restrictions which may limit our operational flexibility or our ability to attract business opportunities.

These restrictions may limit our ability to, among others:

- incur debt;
- make certain investments;
- sell assets;
- enter into agreements that restrict dividends or other restricted distributions of subsidiaries;
- set up or take on asset seizures;
- undertake certain mergers or consolidations.

These restrictions may limit our operational flexibility and our ability to take advantage of attractive growth opportunities in our business sector, especially if we don't have the capacity to finance these opportunities by contracting additional debt or to make investments that will allow us to take advantage of such opportunities. Our ability to comply with some of these restrictions could be influenced by economic conditions and volatility in foreign exchange rates, as well as general conditions in the financial markets and capital markets in which we operate.

The infringement of any of these provisions could result in, if not promptly resolved, a situation of default in the light of the contract governing the issuance of senior notes, as well as some of our other existing debt obligations, particularly as a result of cross-default provisions laid down in the instruments governing these debt obligations. If the speeding up of indebtedness is necessary, in the form of senior notes or other debt obligations that already exist, as a result of a possible default, we cannot guarantee that it would be possible for us to pay all that debt or any other debt we may have incurred.

Moreover, in addition to our participation in new loan contracts or changes to existing loan contracts, our financial and operational flexibility may suffer further reductions as a result of even more restrictive agreements and requirements relating to the provision of guarantees and making other agreements.

Rating

The ratings of Cimpor – Cimentos de Portugal, SGPS, S.A. and of Cimpor Inversiones, S.A. are dependent on the rating of its controlling shareholder. In accordance with the rules of Standard & Poor's (which envisages the pegging of the rating of subsidiaries to their parent company), Cimpor – Cimentos de Portugal, SGPS, S.A. requested in 2014 that Standard & Poor's (S&P) remove the ratings that were assigned to itself and its subsidiary Cimpor Inversiones, S.A. This request was based on the fact that none of the above companies had issued any debt that might require a rating.

Under the sphere of Cimpor – Cimentos de Portugal, SGPS, S.A., the rating for InterCement Brasil, S.A. is nonetheless maintained (currently at "BB-" with negative outlook) that, just like InterCement Participações, S.A., is the guarantor for the issuance of Senior Unsecured Notes Due 2024 by Cimpor Financial Operations BV, which is rated "BB-" by S&P.

The credit ratings are subject to change at any time and, as a result of the above-described, the credit rating of Cimpor's subsidiaries may suffer a downgrade or upgrade at any time, thus impacting on the conditions that Cimpor competes in the financing market. This can positively or negatively affect its business, financial health and financial results.

Litigation

We are, and we may come to be involved in numerous tax and civil cases, as well as litigation arising from professional relationships, among others, related to monetary claims. At 31 December 2015, we were engaged in several judicial and administrative proceedings related to civil, environmental, employment and tax issues, which could cause a possible or probable loss of the disputed amount of around 881 million euros, and we set up provisions of 70 million euros for the cases in which there is a probable risk of losing. If one or more of these lawsuits has an unfavourable outcome, we may be forced to pay significant sums, which may affect us adversely in a material form We have still not established provisions for some of these claims, or we have established provision for only one part of the disputed value, based on the evaluation of our lawyer involved in these disputes. Besides, as stated in the international rules of the financial report, we don't set up any provisions regarding lawsuits for which the risk of loss is considered to be possible or remote. An unfavourable result in our pending or future litigation cases may reduce our liquidity and negatively affect our performance and our financial situation.

Exposure to emerging markets

Our presence and our expansion plans in emerging markets expose us to economic and political risks that are lesser in more mature markets.

Emerging markets have political and economic risks as well as risks generally associated with the fact that the legal systems are more uncertain than the systems in more mature economies. Approximately 80% of our total installed cement production capacity was located in so-called emerging markets, at 31 December 2015. Emerging markets are even more exposed than developed markets to the volatility of GDP, inflation, exchange rates and interest rates, and these may negatively affect construction activity and, hence, our operating results in the emerging markets in which we operate or may operate in the future.

Other potential risks posed by certain emerging markets include:

- disruptions in our operations due to civil disturbances, acts of terrorism and other current and possible conflicts;
- fluctuations in exchange rates;
- restrictions on the payment of dividends and repatriation of capital;
- nationalisation or expropriation of private property;
- imposition of price controls;
- changes in regulatory frameworks, including laws, rules and regulations relating to the environment, health and safety, local planning, establishment of operational zones and labour;
- variation of tax schemes, including with respect to the imposition of withholding tax at source on shipments or other payments paid by subsidiaries and public-private partnerships;
- reduction of wages and levels of economic activity;
- fluctuations in exchange rates and restrictions on repatriation of capital;
- difficulties in attracting and retaining employees and qualified management staff;
- other political, social and economic developments present in these markets or which may impact on them in the future.

Any of these risks of emerging markets could have a materially adverse effect on our business sector, our financial situation and our operating results.

RISK FACTORS RELATED TO MARKET SHARE

Competition

The cement, aggregates, ready-mix concrete, mortar and other building materials markets in which the company operates are highly competitive. The company operates in certain consolidated markets with a substantial level of competition from national and international competitors. We may also competition from imports in some markets. Our competitive position is influenced by price, logistics and production costs. If we don't have the ability to remain competitive, or if our competitors overtake us, this could have a materially adverse impact on the markets in which we operate.

PRODUCTION COST RISK FACTORS

Supply of raw materials, thermal energy and electricity

We work with raw materials in our industry, including clinker, gypsum, slag, fly ash and other materials needed for the production of clinker and cement. The raw materials supply conditions pose several risks, as a rule, including the possibility of raw material costs rising and that we may have less control over delivery times. Such risks can adversely impact on us in material terms, in part or as a whole. We may not be able to obtain an adequate supply of raw materials in a timely and cost-efficient manner, which can adversely impact on us in material terms.

We use substantial amounts of petroleum coke in our cement production processes and we are dependent on a limited number of suppliers that define the price of coke in or with reference to US dollars, which may adversely affect our operating results. Furthermore, any shortage or disruption in the supply of petroleum coke could also disrupt our operations.

We consume substantial amounts of electricity in our cement production processes and we are currently dependent on other providers for a significant part of our overall energy needs. Our operating results may be adversely affected in material terms by higher electricity costs, electricity unavailability or failures, or even by an interruption in the energy supply.

Rising energy and fuel prices

Our operations consume considerable amounts of energy and fuel, and the price of these has fallen significantly around the world in recent years. Fuel prices usually have a certain volatility, particularly during periods of political turmoil in Iran, Iraq and other countries of the Middle East and Africa. We cannot guarantee that our operations will not be adversely affected in material terms if energy and fuel prices rise.

Moreover, if our efforts to increase our use of alternative fuels fail, we will be forced to use larger quantities of traditional fuels. Such a situation will increase our energy and fuel costs and could have a materially adverse effect on our business, our financial situation and our operating results.

Government permits, licences and approvals

We may not be able to acquire or renew or suffer delays in the application for the government permits, licences and approvals required for the performance of our business activity.

We require several approvals, licences, permits and certificates for conducting our business activity. We cannot guarantee that we will not be faced with difficulties in obtaining new approvals, licences, permits or certificates, or the renewal of others already existing, which are necessary for conducting our business, or that we will continue to meet the conditions under which these approvals, licences, permits and certificates are awarded. Similarly, there may be delays on the part of the regulatory and administrative bodies in the renewal of our applications and the granting of approval. If we are unsuccessful in obtaining and/or maintaining the approvals, licences, permits and certificates required for conducting our business, we may have to incur substantial costs or temporarily suspend operations in one or more of our production facilities, which could have a materially adverse effect on our business, our financial situation, our operating results and perspectives.

We also need permits, concessions and licences from governmental agencies and other regulatory bodies (including environmental and mining sector agencies) to perform our mining activities and activities relating to processing, transportation, storage and production facilities. We must comply with these permits, concessions and licences, which establish conditions and rules promulgated by the relevant government authorities. Our mining concessions and licences require that we make certain payments to the relevant governments, including royalties and applicable rights, taxes and duties relating to the exploration, transport, production, exploitation and use of mineral resources. These may change or increase substantially as a result of unfavourable court decisions in the event of a dispute with the applicable government entities, or simply because these rights (which are different in each phase of development of the mineral rights) tend to accumulate higher amounts at the mining concession phase than in the operating licence phase (e.g. royalties are only payable at the mining concession stage). If the royalties, duties and taxes related to mining activity that are levied on us increase substantially, this may have an adverse impact on our business and on our operating results. Therefore, we must continually assess the mineral potential of each mining concession to determine if the maintenance costs of the operating licences and mining concessions remain feasible in comparison with the returns from the operations or planned operations. There is no guarantee that we can obtain or keep the necessary mining concessions at terms favourable to us, or at all, considering our mining activity plans or current and future operating targets. In addition, if we are unable to demonstrate the existence of viable mineral deposits, in technical and economic terms, in an area covered by our operating licences, we may be required to return them, which could lead to a substantial loss of part of the mineral deposit originally identified in our prospecting, exploration or feasibility studies.

We have obtained, or are we about to obtain, all necessary material permits, concessions and licences to implement our mining operations and others related to the mining sector. We may, however, have to renew such permits, concessions and licences or require additional permits, concessions and licences. Although we expect to obtain the permits, concessions and licences necessary or the respective renewals when and in the manner we want, there is no guarantee that such permits, concessions, licences or renewals shall be provided with certainty or that additional conditions will not be imposed with respect to such renewals.

If we infringe any of the referred laws and regulations or the conditions of our approvals, licences, permits, certificates, concessions and authorisations, we may be liable for the payment of fines and substantial criminal penalties, the revoking of operating permits or licences and the possible closure of some facilities.

New cement plants (Greenfield and Brownfield)

Delays in the construction of new cement plants and the expansion of our existing facilities can have a materially adverse impact on us.

The construction or expansion of a cement works generates several risks, including challenges in terms of engineering and construction, governmental, environmental and regulatory challenges, as well as other significant challenges that might delay or prevent the successful operation of a project or considerably increase its cost. The delay in the start-up of a new project in a new location or a location with little or no infrastructure available to support the project may, for example, be the result of engineering challenges related to the exploitation of limestone in difficult topography. We may also not be able to identify attractive locations for the construction of new facilities. Our ability to successfully complete any construction or expansion project within the prescribed time limit may also be open to financing risks or risks of another nature. We may incur additional costs, for this reason, if we are unable to complete a construction or expansion project in good time or within budget, or if new or expanded facilities do not work with the capacity designed for them or if the costs of construction, expansion or operation are greater than expected. We cannot guarantee that these additional costs, whatever they may be, will not adversely affect us in material terms.

CO_2 ENVIRONMENTAL RISK FACTORS

Compliance with environmental, health and safety standards can result in significant additional costs. The non-compliance with environmental legislation may result in penalties for environmental damage as well as criminal and administrative sanctions.

Our operations often involve the use, handling, disposal and the discharge of hazardous materials in the environment and use of natural resources. Most of our operations are subject to extensive environmental, health and safety rules. Careful and regular monitoring and the update of the main issues are, for this reason, systematically carried out at the corporate and operational unit level, with the purpose of putting the relevant corrective measures into practice. The specific model serves to closely monitor the social and environmental risks. The corrective action plans at the corporate level are in conformity.

The establishment of more stringent laws and regulations, a different or stricter interpretation or application of existing laws or regulations may lead to new risks or costs or imply the need for additional investment in pollution control equipment, which could result in a relevant decrease in profit. Efforts to combat climate change through federal, state and regional laws and regulations in the countries where we operate, as well as through international agreements to reduce greenhouse gas emissions (GHG), can create risks and uncertainties for our business. This is because the cement manufacturing process requires the combustion of large amounts of fuel, generating carbon dioxide as a by-product of the calcination process. These risks may include the cost of acquiring emission allowances or credits to meet GHG emission limits; necessary costs with equipment to reduce the emissions of pollutants, in order to meet these limits, or decrease the profits achieved through higher production costs arising directly or indirectly from the imposition of legal or regulatory controls. The company may be required to modify or adjust some of our facilities at a substantial cost, in order to comply with waste disposal and emissions rules. Cimpor continuously monitors the development and potential impact on its business of a more restrictive carbon emissions economy, more specifically those arising from the recent Paris Agreement (at the end of 2015), after the UNFCCC/COP21 which resulted in a legally binding international agreement on climate change. Cimpor is closely monitoring the Intended Nationally Determined Contributions (INDC) and their consequences on all business units (BU), particularly in the countries at the forefront of this process: i) the commitments already made by the Brazilian Federal Government and the various states; ii) the EU 2020 climate policy - Climate and Energy Package, launched in 2014, which will introduce a reform in the system of European emission allowances trading (EU ETS) and impact on our operations in Portugal even before 2020; and iii) potential introduction of a carbon tax in South Africa.

Several short, medium and long term projects are already in force, in accordance with our Climate Agenda. These projects are not only to reduce the impact of such rules on CO_2 emissions and electricity costs, but also to consolidate Cimpor as an international reference in terms of carbon emissions. Co-processing, the use of alternative raw materials/cement extenders, energy efficiency programmes and R&D projects are some of the potential levers.

We may be liable for repairing any damage that has been or may be caused if there is non-compliance with environmental laws and regulations, as well as health and safety standards. This can also damage our reputation or demand from us (Cimpor) and our directors, criminal, civil, labour, and social security compensation or administrative penalties. These penalties may include fines, restriction of rights, community service and compensation. The imposition of any penalty or obligation of repair for breach of environmental legislation can adversely affect us.

There are various internal action plans being continually started to improve our overall operational and environmental performance in different areas (for example, health and safety, mitigation of CO_2, main pollutants and the reductions of micro-pollutant emissions, water conservation, access to drinking water, sanitation and hygiene in the workplace, circular economy, rehabilitation of quarries and management of biodiversity, noise, vibrations, etc.), as well as industrial investment.

One of the main objectives of the Environmental Liability Directive, April 2004, of the European Union (EU) was the implementation of the "polluter pays" principle. To assess the risk of Cimpor needing to take action or finance the additional measures needed to repair or avoid paying penalties for failure or negligence resulting from its business activity.

The European Union (EU) through the November 2010 directive on industrial emissions (IPPC/Integrated Pollution Prevention and Control) defined the obligations of industrial activities for environmental and health protection. Accordingly, an operational licensing process and some requirements that may need a certain level of investment were established, although our operating units in the EU are already equipped with advanced technologies and comply with the BREF guidelines (Best Available Technologies Reference Documents) for the control of emissions of industrial pollutants. Other future directives are being closely monitored by means of the company's participation in the relevant forums.

We are party to some legal and administrative cases. Any losses that may arise as a result of these cases can materially and adversely affect the results of our operations or financial situation.

RELIANCE ON TECHNOLOGY AND INFORMATION SYSTEMS

We are dependent on information technologies and our systems and infrastructure as well as those provided by our service providers pose certain risks, including cyber-security risks.

We rely on a variety of information technologies and automatic operating systems for managing or supporting our operations. The correct functioning of these systems is crucial for the efficient management and operation of our business. Moreover, these systems can require modifications or updates as a result of technological changes or the growth of our business. These changes can be costly, disrupt our operations and lead to substantial demands on management time. Our systems, as well as the systems provided by our service providers, may be vulnerable to damage or disruption caused by circumstances we can't control, such as physical or electronic intrusion, disasters, power failures, natural disasters, failures in computer systems or networks, viruses or malware, unauthorized access and cyberattacks. Although we take measures to ensure our systems and electronic information are secure, these security measures may not be adequate. Any significant disruption in our systems may have a materially adverse effect on our business, financial situation and the results of operations.

54. Description of the procedure for identification, assessment, monitoring, control and risk management.

The Process of Integrated Management and Control of Risk of Cimpor was developed based on the COSO concept - Committee of Sponsoring of Organization - comprising five key phases:

- Preparation and approval of the Corporate Policy - defining the purpose, scope, responsibility of the Risk Management process - and Risk Management Manual - detailing the procedures (step by step) for adequate Risk Management in all business units;
- Identification of Critical Processes - Through the analysis of the individual activities of each Business Unit, identifying the respective business processes and operations, evaluating and classifying them according to the level of criticality: high critical, average critical and low critical. This assessment is mostly performed considering the complexity of the activities, transaction volumes, quality control and impact or relevance on the business. As a result, all Business Units are equipped with respective critical processes charts, which are annually reviewed;
- Preparation of Risk Dictionary - a dictionary of the risks involved based on the analysis of the business, processes and external benchmarking of the cement industry, is drawn up in order to promote reasonable standardization of the management of the Risk Management and Audit processes;
- Identification of Critical Risks - Identification, organization and classification as business risks and process risks of the Critical Risks inherent to each Business Unit;
- Identification of factors associated with such critical risks; and
- Preparation and monitoring of the Action Plans designed to mitigate the identified critical risks.

Business risks are those that on appearing de facto significantly affect EBITDA, the ability to pay financial obligations, the ongoing nature of business operations and the image and reputation of the Business Units. The evolution of these risks is periodically monitored by the Executive Committee.

Process risks are those that on appearing de facto affect business performance and are primarily managed by the general managers and staff of the respective Business Units.

When the risks and respective risk factors are identified they are assessed and prioritized according to two parameters - Business Impact and Occurrence Vulnerability.

The Critical Risk Charts for all business units result at this phase. There are also reviewed and updated on an annual basis.

Definition of Mitigation Plan - After the previous phases, the heads of each Business Unit jointly drawn up with the Risk Management, Complience and Audit area specific action plans to mitigate the identified critical risks, concentrating on those considered to be most critical (high impact and high likelihood of occurrence). These plans are monitored as described below.

Definition of the Tolerance Limits - The Tolerance Indicators are defined for the critical risks associated with critical processes, which demonstrate the tolerance level of the Administration to risks.

Continuous monitoring - mainly performed by the Internal and External Audit processes that assess the level of compliance of the actions plans in place to mitigate the risks.

Compliance processes (conformity) are also adopted at this stage to verify compliance with laws and regulations in order to mitigate the risks of a regulatory nature.

55. Core details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information (Article 245-A(1)(m)).

The internal control system concerning the preparation and disclosure of financial information is jointly guaranteed by the Management Planning and Control Department - with contributions from the various Units of the Cimpor business - and by the Risk Management, Compliance and Audit areas and Investor Relations Department. The Chief Executive Officer and the Executive Director responsible for the financial area are tasked with the definition of the goals, supervision, evaluation of effectiveness and continuous improvement of the activities undertaken.

As regards financial reporting, this occurs whenever the evaluation of the impact or nature of the same leads to its classification, depending on the case, by the Executive Committee or Executive Director responsible for the financial area, as one of the legal aspects requiring disclosure, in which case the Investor Relations area is responsible for its prompt publication.

IV. INVESTOR ASSISTANCE

56. Department responsible for investor assistance, composition, functions, the information made available by said department and contact details.

The "Investor Assistance" duties envisaged in applicable law are the responsibility of the Investor Relations area, which has the function of keeping contacts with the financial community and informing it of the evolution of Cimpor's business and supporting current and potential shareholders of Cimpor in good time in their relations with the Company, in full compliance with the principle of equal treatment of shareholders.

Cimpor's contact with private and institutional investors, fund managers and other collective investment bodies, analysts and other stock market operators is maintained through meetings and replies to requests for information by telephone, e-mail or traditional postal services.

INVESTOR RELATIONS DEPARTMENT CONTACTS:

Personal Contacts:
Filipa Mendes (Representative for Market Relations)
Francisco Sequeira

Address:
Investor Relations Department
Cimpor – Cimentos de Portugal, SGPS, S.A.
Rua Alexandre Herculano, 35
1250-009 Lisbon
PORTUGAL

Telephone	Fax	E-Mail	Internet
21 311 81 00	21 311 88 39	investorrelations@cimpor.com	www.cimpor.com

The Cimpor site (www.cimpor.com) provides various content of interest in Portuguese and English, in addition to information that might influence the share price, which is also published on the website of the CMVM (www.cmvm.pt) and Euronext (www.euronext.com). It also publishes the compulsory information provided for in the CMVM Regulation No 4/2013[41].

[41] Article 3

57. Market Liaison Officer

The market liaison officer for the securities' market and the CMVM, pursuant to and for the purposes of the Securities Code, is, since 1 October 2004, Filipa Mendes.

58. Data on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years.

The information enquiries received in 2015 were answered in less than 24 hours, on average. No enquiries for prior years are pending.

In this way, Cimpor ensures that the requests for information, clarification and other enquiries by shareholders or other stakeholders were swiftly answered by the Investor Relations Department in 2015.

V. WEBSITE

59. Address

The website address of Cimpor is www.cimpor.com.

60. Place where information on the firm, public company status, headquarters and other details referred to in Article 171 of the Commercial Companies Code is available.

Information about the company, the public company status, registered office and other legally required information[42] can be found at www.cimpor.com.

[42] Article 171 of the Portuguese Companies' Code

61. Place where the articles of association and regulations on the functioning of the boards and/or committees are available.

The articles of association and rules of procedure governing the functioning of the bodies and committees of Cimpor are available at www.cimpor.com.

62. Place where information is available on the names of the corporate boards' members, the Market Liaison Officer, the Investor Assistance Office or comparable structure, respective functions and contact details.

The information on the identity of the members of the governing bodies, the representative for market relations, the Investor Relations Department, their roles and means of access is available at www.cimpor.com.

63. Place where the financial accounts reporting documents are available, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, inter alia, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements.

The accounting documents, accessible for at least five years, as well as the half-yearly calendar of corporate events, published at the beginning of each half-year period, and which includes, among others, general meetings, disclosure of annual, half-yearly and quarterly accounts, are available at www.cimpor.com.

64. Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto is disclosed.

The notices of general meetings and all the preparatory and subsequent related information are available at www.cimpor.com and also www.cmvm.pt.

65. Place where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results relating to the preceding three years are available.

The historical archive with the resolutions of the general meetings of the company, the share capital represented and voting results are available for viewing on the Cimpor site (www.cimpor.com) for at least the preceding three years.

D. REMUNERATION

I. POWER TO ESTABLISH

66. Details of the powers for establishing the remuneration of corporate boards, members of the executive committee or chief executive and directors of the company.

The determination of the remuneration of the governing bodies and members of the executive committee is subject to the intervention of the General Meeting in the Remuneration Policy and Performance Assessment of the Directors of the Company. It occurs on four levels:

- Election of a Remuneration Committee.
- Delegation of remuneration policy powers in the Remuneration Committee, as provided for in the articles of association[43].
- Annual resolution on the statement concerning the remuneration policy to apply to members of the management and supervisory bodies, pursuant to Law No. 28/2009 of 19 June.
- General appraisal at each Annual General Meeting of the Company's management, pursuant to the Portuguese Companies' Code[44], which also implies the assessment of the members of the Board of Directors.

The current Remuneration Committee was elected at the General Meeting of 25 March 2015 for the 2015-2017 term of office.

As regards the remuneration policy for all other managers, that is defined by the Board of Directors through the Executive Committee, within the meaning of the Portuguese Securities Code[45].

[43] Article 17(2)

[44] Article 376

[45] Article 248-B

II. REMUNERATION COMMITTEE

67. Composition of the remuneration committee, including details of individuals or legal persons recruited to provide services to said committee and a statement on the independence of each member and advisor.

67.1. Composition of the Remuneration Committee

The Remuneration Committee, pursuant to the articles of association[46], with term in office 2015-2017, had the following members at 31 December 2015:

- Manuel Soares Pinto Barbosa (Chairman);
- Aparecida Shizue Yamashita
- Gueber Lopes;

This Committee met 2 times during 2015, drawing up minutes of the meetings.

The remuneration of the Remuneration Committee solely consists of a fixed amount. The value of that remuneration is established pursuant to the articles of association by a committee composed of representatives of the three largest shareholders, as detailed below.

Remuneration of the Remuneration Committee in 2015	Post	(Value in Euros)
Manuel Soares Pinto Barbosa	Chairman	16,800
Aparecida Shizue Yamashita	Member	15,600
Gueber Lopes	Member	15,600

In relation to this point it should be noted that over the course of 2015 no natural or legal person was hired to provide support to the Remuneration Committee. Various consultancies provided to Cimpor for its ordinary operation are available and which the Committee may use when deemed necessary.

[46] Article 17

67.2. Independence of the members of the Remuneration Committee

The independent members of the Remuneration Committee compared with the executive members of the Board of Directors are Manuel Pinto Barbosa, Chairman of the Remuneration Committee (despite being the brother of António Pinto Barbosa, non-executive director of Cimpor) and Aparecida Shizue Yamashita. The Chairman of the Remuneration Committee, in view of that family relationship, abstained from the decision-making process regarding the remuneration of the director António Pinto Barbosa. Furthermore, at 31 December 2015 Gueber Lopes was bound by an employment contract concluded with InterCement Brasil, S.A..

68. Knowledge and experience in remuneration policy issues by members of the Remuneration Committee.

Manuel Pinto Barbosa has experience as a director of several companies and a member of the Remuneration Committee: of particular note is that between 1995 and 1998 he was non-executive director of Portucel Industrial, from 1996 to 1999 he was a member of the advisory committee of Barclays Bank, from 2002 to 2006 he was non-executive director of PTII and from 2004 to 2006 he was chairman of the Board of Directors of TAP. He is currently chairman of the Board of Directors of Nova Forum (since 2005), chairman of the General and Supervisory Board of TAP (since 2007) and member of the Remunerations and Welfare Committee of BCP.

Gueber Lopes had extensive experience in auditing, in particular in matters relating to remuneration and human resources in general. Significant posts he has held are Corporate Director of Risk Management, Complience and Auditing, Audit Director, Risk and Standards Manager Controller Manager, Auditor and Consultant.

Aparecida Shizue Yamashita, member of the Remuneration Committee since 27 March 2014, has 27 years of experience in the Remunerations and Benefits areas in companies of the financial and industrial sectors. She has experience in several areas of Human Resources, of particular note: Benefit Plans, Variable Remuneration and Incentive Programmes. Her experience also includes the deployment and development of executive programmes and management, as well as those for other non-executive levels.

III. REMUNERATIONS STRUCTURE

69. Description of the remuneration policy of the Board of Directors and Supervisory Boards as set out in Article 2 of Law No. 28/2009 of 19 June.

The articles of association establish that the remuneration policy, the amount and form of fixed and/or variable remuneration and the amounts payable to members of corporate bodies as compensation or damages for severance of the respective legal ties shall be set by the General Meeting or by a Remuneration Committee nominated by such for periods of three years, on consulting the Appointments and Assessment Committee. The General Meeting delegated in the Remuneration Committee the duties provided by law in this respect.

In the 2015 Annual General Meeting, held on 25 March, the Remuneration Committee ensured that the Statement on the Remuneration Policy for Members of the Management and Supervisory Bodies was adopted relative to the 2015 financial year ("2015 Statement"), which is attached to this report. This meant the new bodies to be elected would be responsible for defining the remuneration policy for 2015.

The areas where the Remuneration Committee and the Appointments and Assessment Committee act are defined in the articles of association and the Rules of Procedure of the Board of Directors.

- Remuneration Committee's powers:
  - Those granted by the applicable legal rules and the articles of association of Cimpor[47].
  - In this context, the Remuneration Committee will decide in particular on: (a) the fixed remuneration of management and supervisory bodies, (b) variable remuneration to be awarded to members of the Executive Committee (annual and multi-year), (c) contributions to retirement plans.
  - In relation to variable remuneration, the Remuneration Committee decides with respect to the limit established in Article 17(1) of the articles of association, taking into account the information conveyed by the shareholders, particularly as regards the following global parameters: maximum percentage cap of remuneration of the management and supervisory bodies in terms of company payroll costs; the annual change in remuneration of the management and supervisory bodies; the percentage of variable pay of total remuneration; and the distribution of variable remuneration over annual and multi-year components.
  - Accordingly, the Remuneration Committee will decide on variable remuneration taking into account the performance assessment of the members of the Executive Committee made by the Appointments and Assessment Committee and the CEO [Chief Executive Officer], based on criteria that are as objective and transparent as possible, in order to allow comparison with the main non-financial companies listed on Euronext Lisbon and with a group of cement companies comparable to Cimpor in terms of size and geographical distribution.
- Role of the Appointments and Assessment Committee:
  - The role of the Appointments and Assessment Committee with regard to the remuneration of the management and supervisory bodies is limited to evaluating the performance of the members of the Executive Committee, which will be taken into account in determining the variable component of the Total Annual Remuneration. The performance assessment criteria considered by the

Appointments and Assessment Committee, as well as the respective results will be made known to the Remuneration Committee in time for its due consideration and subsequent decision.

- Relationship of the Remuneration Committee with the majority shareholders and the Appointments and Assessment Committee:

  - The Remuneration Committee should be provided with the relevant guidelines in good time, for the purposes of the proper performance of its duties.

  - For decision-making purposes, the Remuneration Committee and Appointments and Assessment Committee will meet, preferably in the month following the General Meeting where the overall variable remuneration to be awarded to the Executive Committee is voted on, to share information on the performance assessment of the executive Directors, based on the approved metrics and criteria.

[47] Article 17

69.1 Board of Directors

The remuneration of the members of the Board of Directors of the Company includes a fixed portion, to which, in the case of executive Directors, is added a variable remuneration.

The variable component may not, on aggregate, exceed 5% of the profits of the Company, as provided for in the articles of association[48]. The Remuneration Committee determined during 2015 that the variable remuneration must reach a maximum of 50% of fixed remuneration. The maximum fixed remuneration is set by that committee.

The fixed remuneration of the members of the governing bodies with term of office from 2015 to 2017 was revised considering in particular the present shareholder structure of Cimpor (existence of a shareholder holding the majority of shares) and the new Corporate Governance model and profile.

The total remuneration amounts earned by the members of the management body of the Company in the year ended on 31 December 2015, were as follows:

(value in Euros)	Fixed Remuneration awarded and paid in 2015	Tied Remuneration awarded and paid in 2012 and deferred to 2015 (1)	Total Remuneration paid in 2015
Executive Directors until July 16, 2012	0	974,640	974,640
Other Executive Directors	276,850	0	276,850
Non-Executive Directors	698,688	0	698,688
Total	975,538	974,640	1,950,178

(1) Part of the performance bonus relating to 2012, deferred to 2015 and paid in cash.

Thus, the calculation of the total remuneration paid to Directors in 2015 amounted to 0.29% of the consolidated payroll costs of Cimpor.

Remuneration of Non-Executive Directors:

The remuneration of non-executive directors solely has a fixed component and is paid as cash. It seeks to ensure a balanced compromise between:

a. Competitive values that attract and retain suitably qualified persons for the roles and which adequately compensate the effort and dedication made in the adequate exercise of the roles;
b. Remunerations that mitigate the creation of a dependent relationship with the Company, ensuring in particular, with respect to independent directors, an appropriate positioning in relation to the Company.

Remuneration of Executive Directors:

With regard to the remuneration of the executive directors, the Remuneration Committee maintained the payment policy in 2015 for both fixed and variable remuneration, ensuring alignment of the interests of members of the Executive Committee with those of the Company.

In 2015, in accordance with the remuneration paid in 2012, the total amount of EUR 974,640 was paid, deferred until 2015, to members of the Executive Committee in office up to 16 July 2012, in accordance with number 77.

The executive directors in office in 2014. Ricardo Fonseca de Mendonça Lima, Claudio Borin Guedes Palaia and Nélson Tambelini Júnior agreed not to receive any sum by way of variable remuneration from Cimpor. Therefore, and without prejudice to the variable remuneration policy of the company, they were not paid any variable remuneration by the company in 2015.

The criteria for award of variable remuneration are set forth in No. 71 below.

The Annual General Meeting of 2015 did not approve any shares plan therefore, given the termination of the plans implemented in 2012, meaning that no Cimpor shares plans or stock option plans were in force in 2015.

[48] Article 17(1) of the articles of association.

69.2. Audit Committee

The remuneration of the supervisory bodies is only composed of a fixed component. It seeks to ensure balanced compensation for the work carried out, also taking into account the prevailing market values for similar roles.

The remuneration of the Audit Committee is defined by the Remuneration Committee and it solely has a fixed component, which totalled EUR 64,667 in 2015, broken down as indicated in No. 81.

The Statement on the Remuneration Policy for Members of the Management and Supervisory Bodies relative to 2016, which is submitted to the General Meeting by the Remuneration Committee, is attached hereto (Annex III).

70. Information on how remuneration is structured so as to enable the aligning of the interests of the members of the board of directors with the company's long-term interests and how it is based on the performance assessment and how it discourages excessive risk taking.

The remuneration of executive Directors is structured so as to guarantee, on one hand, a fixed remuneration that is competitive and adequately compensates the effort and dedication made in the appropriate exercise of duties and, on the other, a variable remuneration that fosters the creation of value in a sustained manner for the shareholder.

The set of indicators and metrics used to determine the variable component, which have been consistently used over the years, mitigate less appropriate acts as regards risk taking, and instead encourage the pursuit of a policy of active risk management and the reward of long-term performance.

Moreover, the existence of adequate proportionality between the fixed and variable components as well as the definition of a ceiling for the variable component, both contribute to discouraging the pursuit of business strategies that encompass inadequate risk profiles.

Lastly, as is clear from the criteria and metrics described below, the recommendations of the Governance Code on remunerations (section III) are partially complied with by the Company, to the extent applicable, taking into account the following elements:

- The variable remuneration component is based on the performance assessment made by the Appointments and Assessment Committee and decided by the Remuneration Committee, within its powers, in accordance with impartial and transparent criteria and considering, inter alia, the real growth of Cimpor, alignment with corporate strategy and the generation of effective wealth for the shareholders, as well as ensuring the sustainability of the Company and compliance with the rules applying to its business;

- The maximum potential variable remuneration will be equal to 50% of the fixed annual remuneration.

- Moreover, the value of the remuneration (fixed and variable) of executive directors takes into account their status of non-permanent residents in Portugal (with remuneration paid outside the consolidation perimeter of Cimpor).

71. Reference, where applicable, to there being a variable remuneration component and information on any impact of the performance appraisal on this component.

The remuneration structure of executive directors has a fixed component and a variable component that is annually defined by a set of predetermined criteria better described below. Those criteria encompass a set of indicators regarding the performance of the Company and its executive management, focusing on financial parameters, the creation of value and the qualitative performance of the executive members.

This component is calculated based on a percentage of the annual fixed remuneration and the annual performance assessment derived from predetermined criteria. It is only payable if a minimum level of 80% compliance with defined objectives is achieved. Those objectives aim to simultaneously create a performance stimulus that tends to be competitive and aggressive, while continuing to ensure a balanced weighting between the fixed and variable components.

Their determination is based on criteria as impartial and transparent as possible in order to allow comparison with a group of cement companies of size and geographical distribution comparable to Cimpor. The referred criteria underlying the assessment include consideration of the Company's performance as well as an individual assessment of the executive directors.

During 2015, the Remuneration Committee determined that the variable remuneration, considering due criteria of reasonableness, must reach a maximum of 50% of fixed remuneration. The maximum fixed remuneration is set by that committee.

72. The deferred payment of the remuneration's variable component and specify the relevant deferral period.

No variable remuneration was paid by Cimpor in 2015 and so no variable remuneration was deferred, in accordance with that stated in No. 69.1 above. The variable remuneration awarded in 2012 to the members of the Executive Committee in office on that date, and which had been deferred for three years, was however paid in 2015.

73. The criteria whereon the allocation of variable remuneration on shares is based, and also on maintaining company shares that the executive directors have had access to, on the possible share contracts, including hedging or risk transfer contracts, the corresponding limit and its relation to the total annual remuneration value.

Cimpor does not award shares as remuneration to its executive directors.

The Directors of the Company have not entered into any contracts which may have the effect of mitigating the risk inherent to the variability of the remuneration they are paid.

74. The criteria whereon the allocation of variable remuneration on options is based and details of the deferral period and the exercise price.

No stock option plans were issued in 2015. Since all plans in force terminated in 2012, no member of the governing bodies of Cimpor held any stock options over Cimpor shares in 2015.

75. The key factors and grounds for any annual bonus scheme and any additional non-financial benefits.

There are no annual bonus schemes besides those already mentioned above, and there are also no other non-cash benefits.

76. Key characteristics of the supplementary pensions or early retirement schemes for directors and date when said schemes were approved at the general meeting, on an individual basis.

The remuneration of both executive directors and non-executive directors does not take the form of a Retirement Benefit or a Supplementary Pension.

IV. REMUNERATION DISCLOSURE

77. Details on the amount relating to the annual remuneration paid as a whole and individually to members of the company's board of directors, including fixed and variable remuneration and as regards the latter, reference to the different components that gave rise to the same.

In compliance with the provisions of Law No. 28/2009[49], the annual amount of remuneration earned by the members of the Board of Directors from Cimpor - Cimentos de Portugal, SGPS, S.A. is individually disclosed below.

Directors in office at December 31, 2015 (Value in Euros)	Fixed Remuneration awarded and paid in 2015
Daniel Proença de Carvalho [2]	280,375
Armando Sérgio Antunes da Silva [1] [a]	0
Claudio Borin Guedes Palaia [3]	51,200
Nelson Tambelini Junior [3]	84,000
Paulo Sérgio de Oliveira Diniz [1] [a]	29,500
Ricardo Fonseca de Mendonça Lima [1]	112,150
Albrecht Curt Reuter Domenech [4]	18,281
Andre Pires Oliveira Dias [4]	18,387
José Édison Barros Franco [2] [7]	98,000
Luiz Roberto Ortiz Nascimento [4]	18,387
José Manuel Trindade Neves Adelino [5]	0
António Soares Pinto Barbosa [2] [6]	109,350
António Henriques de Pinho Cardão [2] [7]	77,053
Pedro Miguel Duarte Rebelo de Sousa [2]	78,855
Total	**975,538**

(1) Executive Director
[a] co-opted during the current term - Specifically in the case of Armando Silva, the director didn't receive remuneration for their administrative duties one time was co-opted by the end of December 2015.
(2) Non-Executive Director
(3) Executive Director (resigned in the current term course)

(4) Non-Executive (It was not re-elected for the current term)
(5) Non-Executive (resigned in 2014)
(6) Includes amount received as Chairman oh the Audit Committee
(7) Includes amount received as member of the Audit Committee

Directors in office until July 16, 2012 (Value in Euros)	Tied Remuneration awarded and paid in 2012 and deferred to 2015
Francisco José Queiroz de Barros de Lacerda	290,380
António Carlos Custodio de Morais Varela	232,880
Luís Filipe Sequeira Martins	232,880
Luís Miguel da Silveira Ribeiro Vaz	218,500
Total	974,640

(1) Part of the performance bonus relating to 2012, deferred to 2015 and paid in cash.

The annual amount of remuneration earned by the members of the Audit Committee is disclosed individually in No. 81.

Altogether, the amount earned by the management and supervisory bodies represents 0.29% of total consolidated payroll costs of Cimpor.

49 Article 3 of Law No. 28/2009 of 19 June

78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or are subject to a common control.

In the year in question, no amounts were paid to non-independent members of the Board of Directors in the consolidation perimeter of Cimpor besides those stated in No. 77, above, and these were paid by Cimpor - Cimentos de Portugal, SGPS, S.A.

79. Remuneration paid in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded.

Sharing in the profits of the Company, as provided for in the articles of association[50], translates into the award of bonuses. The amount paid in bonuses to the executive directors in 2015 amounted to EUR 974,640 as individually detailed in No. 77 above, complying with the award criteria in force at that time.

50 Article 17(1)

80. Compensation paid or owed to former executive directors concerning contract termination during the financial year.

No compensation was paid or owed to former executive directors in 2014.

81. Details of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory board for the purposes of Law No. 28/2009 of 19 June.

The remuneration paid to the members of the Audit Committee, as members of that supervisory board of the company in 2015, was broken down as follows:

Remuneration of Audit Committee - 2015	Post	Supplement(1) (value in euros)
António Soares Pinto Barbosa (2)	Chairman	30,450
José Édison Barros Franco	Member	19,250
António Henriques de Pinho Cardão (3)	Member	14,967

(1) Supplement paid to each Director for holding post of chairman or member of audit committee
(2) From March 25, 2015, as Chairman of the Audit Committee
(3) Took office on March 25, 2015

82. Details of the remuneration in said year of the Chairman of the Presiding Board to the General Meeting.

The remuneration of the Chairman of the General Meeting Board takes the form of an attendance fee of up to EUR 4,500, by decision of the Remuneration Committee.

V. AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. The envisaged contractual restraints for compensation payable for the unfair dismissal of directors and the relevance thereof to the remunerations' variable component.

Pursuant to the remuneration policy for members of the Board of Directors approved by the Remuneration Committee, in the event of dismissal of any director or termination by agreement of the director's position, no compensation will be paid when the dismissal or termination is due to inadequate performance of the role.

84. Reference to the existence and description, with details of the sums involved, of agreements between the company and members of the board of directors and managers, pursuant to Article 248-B(3) of the Securities Code, that envisage compensation in the event of resignation or unfair dismissal or termination of employment following a takeover. (Article 245-A(1)(l)).

There are no agreements between the members of the management body or senior managers of Cimpor (under the terms of the Portuguese Securities' Code) and the Company or third parties, that envisage the payment of compensation in the event of resignation, unfair dismissal or severance of the employment contract with the Company, in the wake of a change of control of the Company or which have the aim of mitigating the risk arising from the variability of their remuneration established by the Company.

VI. SHARE ALLOCATION AND/OR STOCK OPTION PLANS

85. Details of the plan and the number of persons included therein.

86. Characteristics of the plan (allocation conditions, non-transfer of share clauses, criteria on share-pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares or options to be allocated, the existence of incentives to purchase and/or exercise options).

87. Stock option plans for the company employees and staff.

88. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by said employees (Article 245-A(1)(e)).

The issues of Nos. 85 to 88 do not apply since the General Meeting did not approve in 2014 and 2015 any new shares plan or award of stock options, and also no plans to award shares or share options approved in previous years are in force.

E. RELATED PARTY TRANSACTIONS

I. CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties (*For said purpose, reference is made to the concept resulting from IAS 24*).

The Executive Committee shall submit to the Board of Directors for approval, as established in the Rules of Procedure of the Board of Directors , any business, commitments, contracts, agreements and conventions to be concluded by Cimpor, or any company of the group or with which it is in a control relationship, with shareholders owning 2% or more of the share capital of Cimpor (shareholders with qualifying holdings), or entities with which such shareholders have any kind of relationship pursuant to the Portuguese Securities' Code (related parties), except when, considering the nature or monetary value involved, those matters may be considered day-to-day interests or encompassed in the business of the Company, and provided no special advantage is granted the shareholder with the qualifying holding or the related party.

The Board of Directors submits to the Audit Committee for appraisal prior to their conclusion, transactions with special financial significance for any of the parties or in conditions that may be construed as distanced from normal market conditions for similar operations and outside of the scope of the current business activity of Cimpor.

The Audit Committee examines the evidence provided, requesting additional information or studies if necessary, including support from the external auditor, and it checks compliance with the rules in the areas of conflict of interest, fair treatment, non-discrimination, equal relationship with suppliers and service providers and preserving the interests of the Company.

[51] Article 20

90. Details of transactions that were subject to control in the referred year.

In 2015, the Audit Committee gave its approval to the alteration of financial costs and change from floating rate to fixed rate, in market conditions, associated with the debt contracted by Cimpor from the controlling shareholder InterCement Austria Holding GmbH. Additionally, and in view of the aforementioned, the maturities of the loans were changed from June 2018 and February 2021, to April 2017.

91. A description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the holders of qualifying holdings or entity-relationships with the former, as envisaged in Article 20 of the Securities Code.

The procedures and criteria for intervention of the Audit Committee for the prior assessment of business to be conducted between the company and shareholders with qualifying holdings or entities with which such shareholders have any type of relationship, are described in No. 89, above.

II. DATA ON BUSINESS DEALS

92. Details of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24, or alternatively a copy of said data.

Information on the business with related parties is to be found in Note 47 of the Notes to the Consolidated and Individual Financial Statements of 2015.

Parte II – Corporate Governance Assessment

1. Details of the Corporate Governance Code implemented

The Corporate Governance Code that the Company is subject to or has voluntarily decided to abide by should be identified pursuant to Article 2 of this Regulation.

The company should also indicate the place where the relevant texts of the Corporate Governance Code, to which the issuer is subject, are available to the public (Article 245-A(1)(p)).

Pursuant to CMVM Regulation No. 4/2013, Cimpor adopts the Corporate Governance Code of the CMVM in its version of July 2013 (hereinafter the "Governance Code"), which is available for viewing at the CMVM website www.cmvm.pt and at the registered office of Cimpor – Cimentos de Portugal, SGPS, S.A.. ("Cimpor").

2. Analysis of compliance with the Corporate Governance Code implemented

Pursuant to Article 245-A//o), a statement should be included relating to the acceptance of the Corporate Governance Code, to which the issuer is subject, by stating any divergence from said Code and the reasons for said divergence.

The information to be submitted should include the following for each recommendation:

a. Information enabling the verification of compliance with the recommendation or referring to the part of the report where the issue is discussed in detail (chapter, title, paragraph, page);
b. Grounds for any non-compliance or partial compliance thereof;
c. In the event of non-compliance or partial compliance, the details of any alternative mechanism adopted by the company for the purpose of pursuing the same objective of the recommendation.

Recommendations that have or have not been adopted

Cimpor adopts the best Corporate Governance practices. There is a small number of recommendations of the Governance Code that it does not fully comply with, and for which it has provided good reason.

		Recommendation	Compliance	Reference
I.		**Voting and Corporate Control**		
I.1.		Companies should encourage shareholders to attend and vote at general meetings, in particular by not setting an excessively high number of shares required to be entitled to one vote and implementing the necessary resources to exercise the right to vote by mail and electronically.	Partially adopted. Only electronic voting not complied with	12. and 13.
I.2.		Companies should not adopt mechanisms that hamper the taking of decisions by their shareholders, including securing a quorum of Directors for making decisions that is higher than that envisaged by law.	Complies	14.
I.3.		Companies must not establish any mechanisms that have the effect of causing a time lag between the right to receive dividends or to subscribe for new securities and the voting rights of each ordinary share, unless good reason is provided for such according to the long-term interests of the shareholders.	Complies	12.
I.4.		The articles of association of companies which provide for a limitation on the number of votes that may be held or exercised by a single shareholder, individually or in concert with other shareholders, must also envisage that the General Meeting pass a resolution on the continuation of such a statutory provision, at least every five years – without stricter quorum requirements compared with that established by legislation - and that in this resolution all votes are counted without that limitation operating.	Complies	13.
I.5.		Measures should not be adopted that have the effect of requiring payments or the assumption of costs by the company in case of transition of control or change in the composition of the management body and which are likely to jeopardise the free transferability of shares and unhindered assessment by shareholders of the performance of members of the management body.	Does not comply	4.
II.		**Supervision, Management and Auditing**		
II.1.		Supervision and Management		
II.1.	1	Within the limits established by law, and except as a result of the small size of the company, the Board of Directors shall delegate the daily management of the company. The delegated powers shall be identified in the annual corporate governance report.	Complies	21.2.
II.1.	2	The Board of Directors shall ensure that the company operates in a manner consistent with its objectives and should not delegate its powers, in particular, with regard to: i) define the strategy and general policies of the company; ii) define the corporate structure of the Group; iii) decisions which are to be considered strategic due to their amount, risk or special characteristics.	Complies	21.2.
II.1.	3	The General and Supervisory Board, besides the exercise of supervisory powers committed to it, must take full responsibilities in terms of corporate governance, by which, through statutory provision or by equivalent means, the obligation of this body must be established as regards giving its opinion on the strategy and main policies of the company, the definition of the corporate structure of the group and the decisions which are to be considered strategic due to their amount or risk. This body should also assess the fulfilment of the strategic plan and the implementation of the company's main policies.	Not Applicable	

(continued on the next page)

(continuation)

		Recommendation	Compliance	Reference
II.1.	4	The Board of Directors and the General and Supervisory Board, depending on the model adopted and unless by virtue of the small size of the company, must create the committees deemed necessary: a. Ensure a competent and independent assessment of the performance of the executive directors and their own overall performance, as well as that of the different existing committees; b. Reflect on the system structure and governance practices adopted, check their effectiveness and propose to the competent bodies the measures to be taken with a view to its improvement.	Complies	21.7.1. and 21.7.2.
II.1.	5	The Board of Directors and the General and Supervisory Board, depending on the model adopted, must set objectives in terms of risk-taking and create systems for their control to ensure that the risks effectively incurred are consistent with those goals.	Complies	54.
II.1.	6	The Board of Directors must include a number of non-executive members who guarantee the effective monitoring, supervision and assessment of the activity of the other members of the management body.	Complies	18.
II.1.	7	The non-executive directors should include an appropriate proportion of independents, taking into account the adopted governance model, the size of the company and its shareholder structure, and the respective free float. The independence of the members of the General and Supervisory Board and the members of the Audit Committee is gauged in accordance with legislation in force. As for the other members of the Board of Directors, independent members are considered to be those not associated with any specific interest group in the company or in any circumstance likely to influence their impartiality in any analysis or decision making, particularly by virtue of: a. Having been a worker of the company or company with which it is in a control or group relationship in the last three years; b. Having, in the past three years, provided services or established a significant business relationship with the company or company with which it is in a control or group relationship, whether directly or as a shareholder, director, manager or leader of a legal person; c. Being the beneficiary of remuneration paid by the company or company with which it is in a control or group relationship, beyond the remuneration resulting from the exercise of the role of director; d. Living in a common-law union or being the spouse, relative or similar in a straight line and up to the 3rd degree, including, in a collateral line, of directors or natural persons directly or indirectly holding qualifying holdings; e. Being the holder of qualifying holding or representative of a shareholder holding qualifying holdings.	Complies	18.
II.1.	8	The directors with executive roles must provide information when requested to do so by the members of the governing bodies, in good time and in a manner appropriate to the request made.	Complies	21.3.
II.1.	9	The chairman of the executive management body or the executive committee must send the notices convening the meetings and the minutes of the respective meetings, as appropriate, to the chairman of the Board of Directors, the chairman of the Supervisory Board, the chairman of the Audit Committee, the chairman of the General and Supervisory Board and the chairman of the Financial Committee.	Complies	21.3.
II.1.	10	If the chairman of the management body conducts executive duties, this body should indicate an independent administrator from among its members to ensure the coordination of the work of the other non-executive members and the conditions so that they can decide independently and in an informed manner, or find another equivalent mechanism to ensure that coordination.	Not Applicable	

(continued on the next page)

(continuation)

	Recommendation	Compliance	Reference
II.2.	**Supervision**		
II.2. 1	The chairman of the supervisory board, audit committee or the financial matters committee, depending on the applicable model, must be independent in accordance with the applicable legal criterion, and be adequately qualified to carry out the duties of that office.	Complies	31. to 33.
II.2. 2	The supervisory body shall be the main correspondent of the external auditor and the first recipient of the respective reports. This body is also responsible for, inter alia, proposing the respective remuneration and ensuring that adequate conditions for the provision of services, within the company, are safeguarded.	Complies	38.
II.2. 3	The supervisory body shall annually assess the external auditor and propose to the competent body its dismissal or termination of the contract for the provision of its services when there is just cause for this.	Complies	38.
II.2. 4	The supervisory body shall assess the functioning of the systems of internal control and risk management and propose the adjustments deemed necessary.	Complies	38.
II.2. 5	The Audit Committee, General and Supervisory Board and Supervisory Board must give their opinion on the work plans and resources allocated to the internal audit service and the services that ensure compliance with the rules applicable to the company (compliance services). They must also be the recipient of reports drawn up by these services, at least when matters related to the rendering of accounts, identification or settlement of conflicts of interest and the detection of potential illegalities are concerned.	Complies	38. and 50.
II.3.	**Definition of Remunerations**		
II.3. 1	All members of the Remuneration Committee or equivalent should be independent from the executive members of the management entity and include at least one member with knowledge and experience in matters of remuneration policy.	Does not comply	67.2. and 68.
II.3. 2	No individual or legal person should be hired, to support the Remuneration Committee in carrying out its duties, that provides or has provided in the past three years services to any structure under the control of the management board, the management board proper of the company or which has a current relationship with the company or with a consultant of the company. This recommendation also applies to any individual or legal person that is related to the same by contract of employment or provision of services.	Not Applicable	
II.3. 3	The statement on the remuneration policy of the management and supervisory bodies as set out in Article 2 of Law No. 28/2009 of 19 June, should also contain: a) the identification and clarification of the criteria for determining the remuneration to award to members of the governing bodies; b) details of the maximum potential value, in individual terms, and the maximum potential amount in aggregated terms, payable to the members of the governing bodies, and identification of the circumstances in which these maximum amounts may be due; d) details on the enforceability or unenforceability of payments relating to the dismissal or termination of duties of directors.	Complies	69.
II.3. 4	Deve ser submetida à Assembleia Geral a proposta relativa à aprovação de planos de atribuição de ações, e/ou de opções de aquisição de ações ou com base nas variações do preço das ações, a membros dos órgãos sociais. A proposta deve conter todos os elementos necessários para uma avaliação correta do plano.	Not Applicable	85. to 88.
II.3. 5	Deve ser submetida à Assembleia Geral a proposta relativa à aprovação de qualquer sistema de benefícios de reforma estabelecidos a favor dos membros dos órgãos sociais. A proposta deve conter todos os elementos necessários para uma avaliação correta do sistema.	Not Applicable	76.

(continued on the next page)

(continuation)

	Recommendation	Compliance	Reference
III.	**Remuneration**		
III.1.	The remuneration of executive members of the management body shall be based on actual performance and discourage excessive risk taking.	Complies	69.1.; 70.; 71. and 72.
III.2.	The remuneration of non-executive members of the management body and the remuneration of members of the supervisory body must not include any component whose value depends on the performance of the company or its worth.	Complies	69.1.
III.3.	The variable component of remuneration must be largely reasonable in relation to the fixed remuneration component, and maximum limits should be fixed for all components.	Complies	71.
III.4.	A significant portion of the variable remuneration must be deferred for a period of no less than three years, and its actual payment made dependent on the continued positive performance of the company during that period.	Not Applicable	72
III.5.	The members of the management body must not conclude contracts with either the Company or with third parties that have the effect of mitigating the risk arising from the variability of the remuneration established by the company.	Complies	84.
III.6.	Executive directors must hold, until the expiry of their term of office, the shares of the company they have been awarded by virtue of variable remuneration schemes, up to the ceiling of twice the value of total annual remuneration, with the exception of those that need to be sold for the payment of taxes as a result of benefits from these same shares.	Not Applicable	85. to 89.
III.7.	When the variable remuneration encompasses the award of options, the start of the exercise period should be deferred for a period of no less than three years.	Not Applicable	85. to 89.
III.8.	When the dismissal of a director is not due to serious violation of duties or unfitness for normal exercise of the respective duties but, nonetheless, is traced to inadequate performance, the company is equipped with the adequate and necessary legal instruments so that any indemnity or compensation, besides that legally due, is not demanded.	Complies	83. and 84.
IV.	**Audit**		
IV.1.	The external auditor, in the scope of its powers, checks the implementation of the remuneration policies and systems of the governing bodies, the effectiveness and functioning of the internal control mechanisms and the reporting of any defects to the company's supervisory body.	Complies	38.
IV.2.	The company or any entities with which it is in a control relationship should not hire from the external auditor, nor any entities that are in a group or control relationship with the same or forming part of the same network, services other than audit services. If there are reasons for the contracting of such services - that must be approved by the supervisory body and set out in its annual report on corporate governance - they should not exceed 30% of the total value of the services provided to the company.	Complies	37. and 46.
IV.3.	The companies must promote auditor rotation after two or three terms, depending on whether these are four or three years, respectively. Any continuation beyond this time limit must be based on a specific opinion of the supervisory body that specifically weighs up the independence conditions of the auditor and the benefits and costs of its replacement.	Complies	44.

(continued on the next page)

(continuation)

	Recommendation	Compliance	Reference
V.	**Conflicts of Interest and Transactions with Related Parties**		
V.1.	The company's business with holders of qualifying holdings, or with entities with they are in any relationship, pursuant to Article 20 of the Securities' Code, must be carried out under normal market conditions.	Complies	10.; 90. and 91.
V.2.	The supervisory or audit body must establish the procedures and criteria required to define the relevant level of significance of business with holders of qualifying holdings - or with entities related thereto under any of the relationships described in Article 20(1) of the Portuguese Securities Code -, ensuring that the conduct of business of significant importance depends on the prior approval of that body.	Does not comply	
VI.	**Information**		
VI.1.	Companies must provide, through their website in Portuguese and English, access to information that allows their development and current economic, financial and governance situation to be evaluated.	Complies	56. and 59. to 65.
VI.2.	The companies should ensure the existence of an investor support office and permanent contact with the market, responding to the enquiries of investors in a timely manner, and keeping records of the enquiries made and how they were handled.	Complies	56. to 58.

Comply or explain

Cimpor, as mentioned above and in light of the criteria set forth in the Governance Code, did not comply with five of the recommendations of that Code, which it justifies in the following manner.

2.1 Electronic voting

Recommendation I.1. Companies should encourage shareholders to attend and vote at general meetings, in particular by not setting an excessively high number of shares required to be entitled to one vote and implementing the necessary resources to exercise the right to vote by mail and electronically.

In accordance with nos. 12 and 13 above, the company complies with the recommendation, with the exception of the electronic voting requirement. The number of shareholders and their representatives attending recent General Meetings does not make the implementation of an electronic voting system feasible in practical and economic terms.

2.2 Absence of defensive measures

Recommendation I.5. Measures should not be adopted that have the effect of requiring payments or the assumption of costs by the company in case of transition of control or change in the composition of the Board of Directors and which are likely to jeopardise the free transferability of shares and unhindered assessment by shareholders of the performance of members of the Board of Directors.

According to the interpretation of the CMVM, this recommendation should be considered not complied with despite the fact that no measures will be enforced on the company that have the effect of requiring payment or the company being held liable for costs in the event of change of control or change in the composition of the board of directors, and which are likely to jeopardise the free transferability of shares and unhindered assessment by shareholders of the performance of the members of the board of directors. The exception is the case, and in accordance with market practices, for some debt instruments entered into by subsidiaries of Cimpor, that include change of control clauses which provide for the possibility of early due payment, by decision of the financing entities.

2.3 Independence and powers of the members of the Remuneration Committee

Recommendation II.3.1: All members of the Remuneration Committee or equivalent should be independent from the executive members of the management entity and include at least one member with knowledge and experience in matters of remuneration policy.

In accordance with that mentioned above in No. 67.2. The members of the remuneration committee are independent vis-à-vis the executive members of the Board of Directors, however Gueber Lopes was bound by an employment contract concluded with InterCement Brasil, S.A.

2.4 Deferral of part of the variable remuneration

Recommendation III.4: A significant portion of the variable remuneration must be deferred for a period of no less than three years, and its actual payment made dependent on the continued positive performance of the company during that period.

In 2014, Cimpor did not award variable remuneration to the executive directors in office at the time, so this recommendation is not applicable, as described in No. 72.

2.5 Definition of the relevant level of significance of business conducted with shareholders with a qualifying holding

Recommendation V.2 The supervisory or audit body must establish the procedures and criteria required to define the relevant level of significance of business with holders of qualifying holdings - or with entities related thereto under any of the relationships described in Article 20(1) of the Portuguese Securities Code -, ensuring that the conduct of business of significant importance depends on the prior approval of that body.

It is the understanding of the Board of Directors and also the Audit Committee that any quantification for business concluded between, on the one hand, any shareholder with a qualifying holding or related entity and, on the other, Cimpor or any company with which it is in a control or group relationship is not sufficient to require that it is appraised by the Audit Committee. It should be noted that, in the opinion of the Audit Committee of Cimpor, the criteria to be observed in the identification of business to be submitted for its approval should not be based purely on arithmetical criteria but rather on the identification, by the Board of Directors, of the transactions which, due to their particular economic significance (for any of the parties involved) or the conditions in which they are carried out, can be considered to have moved away from normal market conditions for similar operations conducted in the scope of Cimpor's current business activity.

Still, by the closing date of this report, the Audit Committee had adopted as arithmetic criterion in the context and for the purposes mentioned above, a minimum of 5 million euros, for business or group of businesses, business related to sale products of Cimpor, or its subsidiaries, and 1 million euros, for business or group of businesses, for any other types of business.

3. Other information

The company should provide any evidence or additional information that, not set forth in the preceding paragraphs, is deemed relevant to understanding the adopted governance model and practices.

Nothing to add.

ANNEX I

Menbers of the management and Supervisory Bodies

Board of Directors

Daniel Proença de Carvalho

Chairman of the Board of Directors (since 16 July 2012)

Date of birth:	15 September 1941
Nationality:	Portuguese
Date of 1st appointment:	16 July 2012
End of the term-off-office:	2017

Education:

1965 - Law degree by Faculdade de Direito in Universidade de Coimbra.

Professional activities in last 5 years:

Chairman of the Board of Directors of ZON MULTIMÉDIA, SGPS, S.A. (2007 – 2013);

Vice-Chairman of the general meeting of Caixa Geral de Depósitos, S.A. (2007 – 2011);

Chairman of the general meeting of:

- BESI – Banco Espírito Santo de Investimento;
- Edifer – Investimentos, Sociedade Gestora de Participações Sociais, S.A., (2003 – 2011);
- Edifer - Sociedade Gestora de Participações Sociais, S.A., (2003 – 2011);
- Euroatlântica - Investimentos e Comércio, S.A., (1998 – 2011);
- PANATLÂNTICA - HOLDING, Sociedade Gestora de Participações Sociais, S.A., (1995 – 2011);
- Estoril Sol, SGPS, S.A.;
- Socitrel – Sociedade Industrial de Trefilaria;
- G.A. – Estudos e Investimentos, SA, (1996 – 2011);

Member of the Board of Directors of SINDCOM - Sociedade de Investimento na Indústria e Comércio, SGPS, S.A., (2005 – 2010);

Member of the remuneration committee of Banco Espírito Santo, S.A..

Positions held in entities outside the Group at 31 December 2015:

Chairman of the Board of Directors of Global Notícias – Media Group, S.A..

Chairman of the general meeting of:

- Galp Energia, SGPS, S.A.;
- Portugália – Administração de Patrimónios, S.A.;
- Almonda – Sociedade Gestora de Participações Sociais, S.A.;
- Renova – Fábrica de Papel do Almonda, S.A.;
- INTEROCEÂNICO – Capital, SGPS, S.A.;
- Cabo Raso – Empreendimentos Turísticos, S.A.;
- SOGEB – Sociedade de Gestão de Bens, S.A.;
- Sociedade Agrícola Belo de Mértola, S.A.;
- Sociedade Agrícola dos Namorados, S.A.;
- Coaltejo – Criador de Ovinos Algarve e Alentejo, S.A.;
- Sogesfin – Sociedade Gestora de Participações Sociais, S.A.;
- 3 Z – Administração de Imóveis, S.A.;
- Sétimos - Participações, SGPS, S.A.;
- Confiança Participações, SGPS, S.A.;
- Calhau Participações, S.A.;
- Fonte dos Canais, Imobiliária, S.A.;
- Sociedade Agrícola da Serra Branca, S.A.;
- Gotan, SGPS, S.A.;
- Companhia Agrícola da Apariça, S.A.;
- Companhia Agrícola das Polvorosas, S.A.;
- Companhia Agrícola de Corona, S.A.;
- Herdade do Monte da Pedra, S.A.;
- TRABELIBEX - Investimentos Imobiliários, S.A.;
- ÉCAMPO - Cinegética e Turismo, S.A.;
- FREIXAGRO - Empresa Agrícola do Freixo, S.A.;
- Mares Lusos, S.A.;
- Sociedade Comercial Orey Antunes, S.A..

Chairman of the Board of the general meeting of Instituto Português de Corporate Governance, (since 21 June 2010);

Number of shares held at 31 December 2015: 1

Statement of Availability:

"I declare that I have available time to perform the non-executive Chairman of the Board of Directors of Cimpor - Cimentos de Portugal, SGPS, S.A., which I consider compatible with the other posts, all non-executive, currently I perform in other companies".

Ricardo Fonseca de Mendonça Lima

Member of the Board of Directors and Chief Executive Officer
(since 16 July 2012)

Date of birth:	5 May 1966
Nationality:	Brazilian
Date of 1st appointment:	16 July 2012
End of the term-off-office:	2017

Education:

Degree in Metallurgical Engineering by Escola Politécnica – Universidade de São Paulo;

Master's Degree in Metallurgical Engineering by Universidade de São Paulo;

Postgraduate diplome in Industrial Management by Universidade de São Paulo, Fundação Vanzolini;

MBA in Management by Fundação Dom Cabral;

Advanced Management Program by Harvard.

Professional activities in last 5 years:

Operations Vice-President of InterCement (Brasil), (2010 – 2012).

General Manager of:

- InterCement Brasil, S.A. (Brasil) (2008);
- Kandmad - Sociedade Gestora de Participações Sociais, (Portugal), (2012-2014).

Chairman of the Board of Directors of:

- Loma Negra CIASA (Argentina) (2008-2010);
- NPC – Cimpor (PTY) Limited (South Africal), (2013-2013);
- Natal Portland Cement Company (Proprietary) Limited (South Africa), (2012-2013);
- Cimpor – Serviços de Apoio à Gestão de Empresas S.A. (Portugal), (2012-2014);
- Cimpor Trading e Inversiones, S.A. (Spain), (2012-2014);
- Holdtotal, S.A. (Argentina), (2015).

Member of the Board of Directors of:

- Recycomb, S.A. (Argentina), (2008-2014);
- Betel, S.A. (Argentina), (2008-2014);
- Compañia Argentina Cemento Portland, S.A. (Argentina), (2009-2014);
- Cofesur, S.A. (Argentina), (2009-2014);
- Ferrosur Roca S.A. (Argentina) (2008-2013);
- La Preferida de Olavarría S.A. (Argentina) (2009-2014);
- Loma Negra CIASA (Argentina) (2010-2014).

Positions held in entities inside the Group at 31 December 2015:

Chairman of the Board of Directors of:

- Cimpor Portugal, SGPS, S.A. (Portugal);
- Cimpor – Indústria de Cimentos, S.A. (Portugal);
- Cimentos de Moçambique, S.A. (Mozambique);

Positions held in entities outside the Group at 31 December 2015:

Chief Executive Officer of InterCement Participações, S.A..

Advisor of:

- Instituto Camargo Corrêa
- Câmara Portuguesa de comércio de São Paulo

No shares of Cimpor were held at 31 December 2015.

Statement of Availability:

"For all intents and purposes come to declare my availability to hold the position of Chairman of the Executive Committee of Cimpor, which I take to comply with the other responsibilities that are currently assigned me the companies listed in my job description."

Armando Sérgio Antunes da Silva

Member of the Board of Directors and Member of the Executive Committee
(since 23 December 2015)

Date of birth:	19 June 1969
Nationality:	Brazilian
Date of 1st appoinment:	23 December 2015
End of the term-off-office:	2017

Education:

Economics degree by Universidade de Ponta Grossa;

Postgraduate diploma in Finance by Fundação Álvares Penteado;

MBA in Management by Fundação Dom Cabral.

Professional activities in last 5 years:

Member of the Executive Committee of Cimpor – Cimentos de Portugal, SGPS, S.A. (2012-2013).

Finance Operations and a Investor Relations of InterCement Brasil, S.A. (2008-2011);

Chairman of the Board of Directors of Estabelecimentos, Social do Norte, S.A. (2012-2013).

Director of:

- Companhia Industrial e Mercantil de Cimento, S.A. (2008-2011);
- Camargo Corrêa Cimentos Luxembourg, S.à.r.L. (2008-2011);
- Camargo Corrêa Cimentos Participações Ltda. (2008-2011);
- Cauê Finance Ltd. (2008-2011);

Member of the Board of Directors:

- Cimpor – Cimentos de Portugal, SGPS, S.A. (2012-2013);
- Recycomb, S.A. (2011-2012);
- Betel, S.A. (2011-2012);
- Companhia Argentina de Cemento Portland, S.A. (2011-2012);
- La Preferida de Olavarria, S.A. (2011-2012);
- Canteras Del Riachuelo, S.A. (2011-2012);
- Ferrosur Roca, S.A. (2011-2012);
- Cofesur, S.A. (2011-2012);
- Yguazú Cementos, S.A. (2011-2012);
- Ferrosur Roca (2005-2008).

Finance Director of Loma Negra CIASA (2011-2012).

Positions held in entities inside the Group at 31 December 2015:

Chairman of the Board of Directors of:

- Cimpor Imobiliária, S.A. (Portugal);
- Mecan, S.A. (Portugal);
- Prediana, S.A. (Portugal);
- Cimpor Reinsurance, S.A. (Luxemburg);
- Cimpor Trading e Inversiones, S.A. (Spain);

Member of the Board of Directors of:

- Cimpor – Indústria de Cimentos, S.A. (Portugal);
- Cimpor Portugal, SGPS, S.A. (Portugal);
- Cimpor – Serviços de Apoio à Gestão de Empresas, S.A. (Portugal);
- Agrepor Agregados, S.A. (Portugal);
- Betão Liz, S.A. (Portugal);
- Bencapor, S.A. (Portugal);
- Ciarga, S.A. (Portugal);
- Ibera, S.A. (Portugal);
- Transformal, S.A. (Portugal).

Director of:

- InterCement Austria Equity Participation GMBH (Austria);
- Camargo Corrêa Escom Cement B.V. (Netherlands);
- Caue Austria Holding GMBH (Austria).

Manager da Cimpor Financial Operations BV (Netherlands).

Gerente da Kandmad, Sociedade Gestora de Participações Sociais, Lda. (Portugal).

No shares of Cimpor were held at 31 December 2015.

Statement of Availability:

"I confirm that I haven't obstacle to my post of director of performance (and member of the Executive Committee) of Cimpor Cimentos de Portugal, SGPS."

Paulo Sérgio de Oliveira Diniz

Member of the Board of Directors and Member of the Executive Committee
(since 18 August 2015)

Date of birth:	31 May 1957
Nationality:	Brazilian
Date of 1st appoinment:	18 August 2015
End of the term-off-office:	2017

Education:

1980: Bachelor's degree in Production engineering from Universidade de São Paulo.

1985: MBA, IMD International, Switzerland.

1994: Human Resources, INSEAD, France.

Professional activities in last 5 years:

Chairman of the Board of Directors of Amyris (Brazil) (2015);

Group Chief Financial Officer of Amyris (USA) (2013 – 2015);

Chief Executive Officer of Amyris (Brazil) (2011 – 2013);

Chief Financial Officer of Bunge (Brazil) (2009 – 2010).

Positions held in entities outside the Group at 31 December 2015:

Finance and Investor Relations Vice-President of InterCement Participações, S.A..

No shares of Cimpor were held at 31 December 2015.

Statement of Availability:

"I, Paul S. O. Diniz, declare through this that, despite the position of Vice-President of Finance of InterCement Participações, S.A, as expressed in my summarizes available, possess adequate capacity and availability required to perform the Chief Financial Officer in the executive Committee, and member of the Board of Directors of Cimpor - Cimentos de Portugal, SGPS, S.A."

José Édison Barros Franco

Member of the Board of Directors
(since 29 April 2010)

Date of birth:	4 March 1950
Nationality:	Brazilian
Date of 1st appoinment:	29 April 2010
End of the term-off-office:	2017

Education:

1974: Degree in Mechanical Engineering from Escola Politécnica of Universidade de São Paulo.

1978: Postgraduate in Management from Fundação Getúlio Vargas.

1998: Advanced Management Program from Harvard University (EUA).

Professional activities in last 5 years:

Chairman of the Board of Directors of:

- Ferrosur Roca (2005 –2011 - Argentina);
- São Paulo Alpargatas S.A. (2008 – 2011 - Brazil e Argentina);
- InterCement Portugal, SGPS, S.A. (2010 – 2014 Portugal);
- Loma Negra CIASA (2006 – 2015 – Argentina).

Member of the Board of Instituto Camargo Corrêa;

Member of the Finance Committees of Alpargatas, Santista and CCSA; of the Human Resources Committees of Alpargatas, CCSA and Cimpor; of Audit of Alpargatas and CCSA; of Corporate Governance Committee of CCR and Cimpor and Executive Committee of Camargo Corrêa Group.

Positions held in entities inside the Group at 31 December 2015:

Chairman of the Board of Directors of InterCement Brasil S.A.;

Positions held in entities outside the Group at 31 December 2015:

Chairman of the Board of Directors of InterCement Participações S.A.;

Chairman and Diretor of Instituto InterCement:

Member of the Board of Directors of Camargo Corrêa Cimentos Luxembourg, S.à.R.L.;

Member of Strategic Advisory Board of Fundação Loma Negra.

No shares of Cimpor were held at 31 December 2015.

Statement of Availability:

"I hereby declare that I have available time to devote myself as a non-executive director of the Board of Directors of Cimpor SGPS as I have done in the last five years. I note that I don't have executive positions in any company, just advice."

António Soares Pinto Barbosa

Member of the Board of Directors
(since 16 July 2012)

Date of birth:	20 May 1944
Nationality:	Portuguese
Date of 1st appoinment:	16 July 2012
End of the term-off-office:	2017

Education:

1966: Graduate Degree in Finance, Universidade Técnica de Lisboa.

1978: PhD in Economics, Virginia Polytechnic Institute and State University (Center For Study of Public Choise).

1984: Habilitatus, Faculdade de Economia, Universidade de Nova de Lisboa.

1986: Associate Doctor, Faculdade de Economia, Universidade Nova de Lisboa.

1986: Professor, Faculdade de Economia, Universidade Nova de Lisboa.

Professional activities in last 5 years:

Chairman Working Group for the elaboration of the Articles of Portuguese Conselho Finanças Públicas;

Member of the Advisory Committee of Banif.

Positions held in entities outside the Group at 31 December 2015:

Member of the Board of Directors of Impresa, SGPS, S.A.;

Member of the Audit Committee of Impresa, SGPS, S.A.;

Member of the Audit Board of Fundação Champalimaud.

Number of shares held at 31 December 2015: 1.780

Statement of Availability:

"For all intents and purposes come to declare my readiness for the performance of the Chairman of the Audit Committee and Board of Directors member, functions that I consider compatible with the other professional activities performed by me and those in my CV."

António Henriques de Pinho Cardão

Member of the Board of Directors
(since 25 March 2015)

Date of birth:	31 May 1943
Nationality:	Portuguese
Date of 1st appoinment:	25 March 2015
End of the term-off-office:	2017

Education:

Licenciate Degree in Finance, Instituto Superior de Ciências Económicas e Financeiras.

Professional activities in last 5 years:

Member of Ethics and Professional Conduct Commission of Banco Millennium BCP, S.A. (2012

Member of the Supervisory Board of Banco Millennium BCP, S.A. (2001 – 2012);

Member of the Board of Auditors of companies of Group Monte & Monte and of the holding Monte & Monte, SGPS, S.A. (2009 – 2012);

Economist, as a self-employed individual: consulting, making of economic and financial studies, evaluation of companies (2005 – 2012);

Member of the Board of Directors of Fundação Millennium BCP (2012);

Positions held in entities outside the Group at 31 December 2015:

Member of the Board of Directors of Banco Millennium BCP, S.A.;

Member of Risk Assessments Commission of Banco Millennium BCP, S.A.;

Member of Appointments and Remuneration Commission of Banco Millennium BCP, S.A.;

Vice-President of the Executive Board of Associação Missão Crescimento;

Chairman of the Audit Board of the company Vila Galé, S.A.;

Chairman of the Audit Board of Associação Por Uma Democracia de Qualidade;

Member of the Specialty Council of Economics and Business Studies of the Ordem dos Economistas;

Member of:

- Ordem dos Economistas;
- Ordem dos Técnicos Oficiais de Contas.

Partner of SEDES.

No shares of Cimpor were held at 31 December 2015.

Statement of Availability:

"For all intents and purposes, come to declare my availability hold the position of Non-Executive Director of Cimpor SGPS, S.A."

Pedro Rebelo de Sousa

Member of the Board of Directors
(since 16 July 2012)

Date of birth:	29 April 1955
Nationality:	Portuguese
Date of 1st appoinment:	16 July 2012
End of the term-off-office:	2017

Education:

Masters of Business Administration, Getúlio Vargas Foundation – School of Business Administration, São Paulo, Brazil;

Specialisation (Postgraduate Diploma) in Commercial and Business Law, Universidade Pontifica Católica, Brazil;

Graduate Degree in Law, Universidade de Lisboa, Portugal.

Professional activities in last 5 years:

Non-Executive Member of the Board of Directors, Chairman of the Strategy, Governance and Evaluation Committee and Member of the Audit Committee of Caixa Geral de Depósitos, S.A. (2011 – 2013);

Member of the Board of Directors of Circulo Eça de Queiroz;

Member of the Advisory Board of Marsh.

Chairman of Comissão de Banking Internacional of Union Internacionale des Avocats.

Positions held in entities outside the Group at 31 December 2015:

Senior Partner of Sociedade Rebelo de Sousa & Advogados Associados RL, formerly Simmons & Simmons Rebelo de Sousa, since 2009.

Member of the Remuneration Committee of Novabase, SGPS, S.A..

Chairman of the general meeting of:

- Atitude/SSE – Associação pelo Desenvolvimento do Investimento Social;
- AICD – Associação para Inserção por Centros Digitais de Informação;
- Associação Turma do Bem;
- CADIN – Centro de Apoio ao Desenvolvimento Infantil;
- Grémio Literário;
- Bolsa de Valores Sociais;
- Refrigor, SGPS, S.A.;
- Tecnovia, SGPS, S.A..

Board Member of Câmara de Comércio Portugal-Holanda.

Member of the curador board of the CADIN – Centro de Apoio ao Desenvolvimento Infantil.

Member of the Advisory Board of:

- SUN AID – Associação para o Desenvolvimento pela Energia Solar;
- Universidade Europeia (Laureat)

Member of the curador board of the Fundação Luso-Brasileira para o Desenvolvimento do Mundo de Língua Portuguesa.

Chairman of the board of:

- Instituto Português de Corporate Governance;
- Circulo Eça de Queiroz.

Chairman's Advisor of Union Internacionale des Avocats.

No shares of Cimpor were held at 31 December 2015.

Statement of Availability:

"For all intents and purposes declare that, as inferred from reading my CV date attached, becomes unquestionable my availability for the exercise of Non-Executive Director functions in Cimpor."

ANNEX II

Remuneration Committee Statement

2015

Pursuant to Articles 2 and 3 of Law No. 28/2009 of 19 June, the Remuneration Committee presents the Statement on the Remuneration Policy of the Members of the Management and Supervisory Bodies to be submitted to the General Meeting of Cimpor - Cimentos de Portugal, SGPS, S.A. (Cimpor).

This Statement takes into account, in addition to the above-indicated law, the Corporate Governance Recommendations of the Portuguese Securities Market Commission (2013 version) and the applicable rules of the Portuguese Companies' Code, the Portuguese Securities' Code, CMVM Regulation No. 1/2010 and No. 4/2013 (in force since 1 January 2014, revoking CMVM Regulation No. 1/2010), and the Articles of Association of Cimpor.

1. The year 2014

REMUNERATION POLICY

2014 was a year of continuity and consolidation of the changes made in 2013 to the remuneration policy and the assessment model for Cimpor and its subsidiaries. These changes were made to ensure alignment with the practice followed in the InterCement Group, without jeopardising the upkeep of the general guidelines of the remuneration policy of Cimpor in force in previous years. The Remuneration Committee developed its work under normal circumstances. It met three times during the 2014 financial year.

No variable remuneration was paid to the members of the Executive Committee in 2014, who, taking into account the changes in the composition of that Committee made in 2013, agreed not to receive any amount by way of variable remuneration from Cimpor. The variable remuneration assigned in 2011 was, nonetheless, paid in 2014 to the executive directors who were in office at the time when such payment was deferred for three years, in accordance with the remuneration policy of this company.

PAYMENTS RELATIVE TO THE DISMISSAL OR TERMINATION OF OFFICE OF DIRECTORS

No payments concerning the termination of office of directors were made during 2014, as no such payments were required.

2. Guidelines for 2015

The mandate of the Remuneration Committee that is ongoing and the Cimpor remuneration policy detailed in chapter III of the Annual Report and Accounts of Cimpor have assimilated, to the extent applicable, the recommendations of the CMVM Corporate Governance Code (2013 version) and the provisions of CMVM Regulation No. 4/2013, from its entry into force on 1 January 2014.

Unless there is a significant change of circumstances in the course of the financial year that provides grounds for an extraordinary review, the potential maximum amount of fixed remuneration payable to members of the corporate bodies of Cimpor in 2015 will be the following:

Board of Directors	Annual Fixed Remuneration[1]
Chairman of the Board of Directors	280,000
Chief Executive Officer	112,000
Members of the Executive Committee [2]	84,000
Chairman of the Audit Committee	112,000
Members of the Audit Committee [2]	98,000
Other members of the Board of Directors [4]	78,750
Total[1]	**1,183,000**

[1] Estimated gross amounts in force from 1 January 2015, subject to taxes and contributions payable under law, considering 12 full members of the Board of Directors.

The fixed remuneration amounts listed above are subject to a maximum variation of up to 5% to cover any exchange losses resulting from payment in a currency other than the euro.

Maintaining the existing conditions of restricting the achievement of the performance and results goals based on predefined criteria, the members of the Executive Board of Cimpor can be awarded a variable remuneration, which shall only be payable if at least 80% of the goals are attained. The maximum potential variable remuneration will be equal to 50% of the fixed annual remuneration. Moreover, the value of the remuneration (fixed and variable) of executive directors takes into account their status of non-permanent residents in Portugal (with remuneration paid by InterCement in Brazil, outside the consolidation perimeter of Cimpor).

The maximum potential fixed remuneration payable to Deloitte & Associados SROC, S.A., for performing the role of statutory auditor of the accounts of Cimpor, in 2015, is still not defined. Nonetheless, a substantial change from the base values paid for the statutory audit of the individual and consolidated accounts of Cimpor in 2014 is not expected. The amount paid in 2014 was, according to the Annual

Report and Accounts of the company, EUR 432,869.

The Remuneration Committee, notwithstanding the above-stated, recommends that the remuneration policy in force remains unchanged for 2015.

20 February 2015

Manuel Soares Pinto Barbosa	Gueber Lopes	Aparecida Shizue Yamashita
Signature unreadable	Signature unreadable	Signature unreadable
(Chairman)	(Member)	(Member)

ANNEX III

Remuneration Committee Statement

2016

Pursuant to Articles 2 and 3 of Law No. 28/2009 of 19 June, the Remuneration Committee presents the Statement on the Remuneration Policy of the Members of the Management and Supervisory Bodies to be submitted to the General Meeting of Cimpor - Cimentos de Portugal, SGPS, S.A. (Cimpor).

This Statement takes into account, in addition to the above-indicated law, the Corporate Governance Recommendations of the Portuguese Securities Market Commission (2013 version) and the applicable rules of the Portuguese Companies' Code, the Portuguese Securities' Code, CMVM Regulation No. 1/2010 and No. 4/2013 (in force since 1 January 2014, revoking CMVM Regulation No. 1/2010), and the Articles of Association of Cimpor

1. The year 2015

REMUNERATION POLICY

No changes were made in 2015 to the remuneration policy and the assessment model for Cimpor and its subsidiaries, which were applied in the preceding financial year in a manner consistent with the practices followed in the InterCement Group and the remuneration policy guidelines of Cimpor in force in previous years. The Remuneration Committee developed its work under normal circumstances. It met twice during the 2015 financial year.

No variable remuneration was paid to the members of the Executive Committee in 2015, who agreed not to receive any amount by way of variable remuneration from Cimpor. The variable remuneration assigned in 2012 was, nonetheless, paid in 2015 to the executive directors who were in office up to 16 July 2012, as such payment had been deferred for three years, in accordance with the remuneration policy of this company.

PAYMENTS RELATIVE TO THE DISMISSAL OR TERMINATION OF OFFICE OF DIRECTORS

No payments concerning the termination of office of directors were made during 2015, as no such payments were required.

2. Guidelines for 2016

The mandate of the Remuneration Committee that is ongoing and the Cimpor remuneration policy detailed in chapter III of the Annual Report and Accounts of Cimpor have assimilated, to the extent applicable, the recommendations of the CMVM Corporate Governance Code (2013 version) and the provisions of CMVM Regulation No. 4/2013, from its entry into force on 1 January 2014.

Unless there is a significant change of circumstances in the course of the financial year that provides grounds for an extraordinary review, the potential maximum amount of fixed remuneration payable to members of the corporate bodies of Cimpor in 2016 will remain at the level of the preceding year, and shall be the following:

Board of Directors	Annual Fixed Remuneration[1]
Chairman of the Board of Directors	280,000
Chief Executive Officer	112,000
Members of the Executive Committee [2]	84,000
Chairman of the Audit Committee	112,000
Members of the Audit Committee [2]	98,000
Other members of the Board of Directors [4]	78,750
Total[1]	**1,183,000**

[1] Estimated gross amounts in force from 1 January 2016, subject to taxes and contributions payable under law, considering 8 full members of the Board of Directors.

The fixed remuneration amounts listed above are subject to a maximum variation of up to 5% to cover any exchange losses resulting from payment in a currency other than the euro.

Maintaining the existing conditions of restricting the achievement of the performance and results goals based on predefined criteria, the members of the Executive Committee of Cimpor can be awarded a variable remuneration, which shall only be payable if at least 80% of the goals are attained. The maximum potential variable remuneration will be equal to 50% of the fixed annual remuneration. Moreover, the value of the remuneration (fixed and variable) of executive directors takes into account their status of non-permanent residents in Portugal (with remuneration paid by InterCement in Brazil, outside the consolidation perimeter of Cimpor).

The maximum potential fixed remuneration payable to Deloitte & Associados SROC, S.A., for performing the role of statutory auditor of the accounts of Cimpor, in 2016, is still not defined. Nonetheless, a substantial change from the base values paid for the statutory audit of the individual and consolidated accounts of Cimpor in 2015 (approximately EUR 344,00 according to the company's Annual Report) is not expected.

The Remuneration Committee, notwithstanding the above-stated, recommends that the remuneration policy in force remains unchanged for 2016

11 February 2016

Manuel Soares Pinto Barbosa	Gueber Lopes	Aparecida Shizue Yamashita
Signature unreadable	Signature unreadable	Signature unreadable
(Chairman)	(Member)	(Member)

LIST OF SHAREHOLDERS POSSESSING QUALIFYING HOLDINGS[1]

Shareholders	No. of Shares	% of Share Capital [2]	% of Voting Rights [3]
Participações Morro Vermelho	632,933,437	94.19%	94.19%
Rosana Camargo de Arruda Botelho,Renata de Camargo Nascimento and Regina de Camargo Pires Oliveira Dias who, jointly, directly control the company RRRPN - Empreendimentos e Participações, S.A. and individually, respectively, the companies (a) RCABON Empreendimentos e Participações, S.A. and RCABPN Empreendimentos e Participações, S.A.; (b) RCNON Empreendimentos e Participações, S.A. e RCNPN Empreendimentos e Participações, S.A.; and (c) RCPODON Empreendimentos e Participações, S.A. and RCPODPN Empreendimentos e Participações, S.A..	632,933,437	94.19%	94.19%
Throuth the companies RRRPN Empreendimentos e Participações, S.A., RCABON Empreendimentos e Participações, S.A., RCABPN Empreendimentos e Participações, S.A., RCNON Empreendimentos e Participações, S.A., RCNPN Empreendimentos e Participações, S.A., RCPODON Empreendimentos e Participações, S.A. and RCPODPN Empreendimentos e Participações, S.A..	632,933,437	94.19%	94.19%
Through the jointly and directly controlled company, Participações Morro Vermelho, S.A.	632,933,437	94.19%	94.19%
Through the company Camargo Corrêa, S.A. which it fully controls	632,933,437	94.19%	94.19%
Through the company Camargo Corrêa Cimentos Luxembourg, S.à.r.l. which it fully controls	131,353,069	19.55%	94.19%
Through the company InterCement Participações S.A. controlled	501,580,368	74.64%	94.19%
Through InterCement Austria Holding GmbH which it fully controls	501,580,368	74.64%	94.19%
It is imputable to InterCement Austria Holding GmbH, according to the CMVM understanding following the launch of the Public Offer by the former over the total share capital of Cimpor, the sum of the voting rights of the following:			
Participations held by itself (5)	501,580,368	74.64%	74.64%
Camargo Corrêa Cimentos Luxembourg, S.à.r.l. (company of the Camargo Corrêa Group, as above mentioned) (4)	131,353,069	19.55%	19.55%

[1] As per official qualifying shareholdings announcements and other information received by the company
[2] With voting rights
[3] The calculation basis includes the number of own shares, i.e. all the shares with voting rights, with the suspension of the respective exercise being of noconsequence to the calculations (according to the criteria of paragraph b), no. 3 of the article 16 of the Portuguese Securities Code)
[4] According to CMVM, pursuant to subparagraph c) of paragraph 1 of Article 20 of the Portuguese Securities Code
[5] Except Qualified Shareholding mentioned in this line, all other in this table in order to comply with paragraph b) of paragraph 1 of article 20 of the Portuguese Securities Code

INFORMATION REQUIRED BY LAW

According to the requirements of Article 447 of the Companies Code and CMVM Regulation No. 5/2008, the movement occurred during 2015 in terms of Cimpor shares and bonds belonging to members of the management and supervisory bodies, senior management and entities closely related thereto, are set out below:

Shares

Members of the Management and Supervisory Bodies

Shareholders	No. of Shares 31-12-2014	No. of Shares 31-12-2015	Transactions in 2015			
			Acquisitions	Disposals	Price €	Date
Daniel Proença de carvalho	1	1	-	-	-	-
António Soares Pinto barbosa	1,780	1,780	-	-	-	

Companies closely related to Managers

Shareholders	No. of Shares 31-12-2014	No. of Shares 31-12-2015	Transactions in 2015			
			Acquisitions	Disposals	Price €	Date
	161,527,515	-	-	-	-	-
Camargo Corrêa Cimentos Luxembourg, S.à.r.l [1]	-	-	-		3,03	23-07-2015
	-	131,353,069	-	-	-	-

[1] As José Édison Barros Franco, related thereto, is also a member of the Board of Directors of Cimpor.

INFORMATION DISCLOSED AND SOURCES OF INFORMATION

In its capacity as an issuer of securities admitted to trading on the market, Cimpor – Cimentos de Portugal, SGPS, S.A. (Cimpor) published the following information during 2014 on the site of Cimpor. According to law or regulations, these announcements were also published on the site of the CMVM and Euronext, and also the Justice site when specifically required.

26 February	Announcement of consolidated financial results for 2014 and publication of the 2014 Annual Report.
27 February	Cimpor publishes notice for the General Meeting of 25 March 2015
25 March	2015 Annual General Meeting approves the documents of presentation of the accounts for the 2014 financial year, envisaging no dividends payment; all the remaining items on the agenda were approved.
25 March	Appointment of the Executive Committee: Ricardo Fonseca de Mendonça Lima, as Chairman of the Executive Committee (CEO), Claudio Borin Guedes Palaia (CFO) and Nélson Tambelini Junior. The Company Secretary and Deputy Company Secretary are also appointed.
14 May	Interim Financial Report for 1st Quarter 2015.
23 June	Cimpor announces it has begun the process of building a new integrated cement production plant in Nacala, Mozambique. A project estimated to cost around USD 250 million.
28 July	Cimpor informs that CCC Luxembourg sold to InterCement Austria Holding GmbH, outside the regulated market, 30,174,446 shares representing the share capital of Cimpor
28 July	Cimpor publishes announcement on changes to the attribution of voting rights
29 July	Cimpor informs the market on the progress of the administrative procedure to investigate alleged practice by several companies of the sector of economic offences in the cement and ready-mix concrete markets in Brazil.
18 August	Cimpor informs of the resignation of Claudio Borin Guedes Palaia and appointment of Paulo Sérgio de Oliveira Diniz as Chief Financial Officer (CFO).
18 August	Interim Financial Report for the 1st Half of 2015.
18 November	Interim Financial Report for 3rd Quarter 2015.
21 December	Cimpor publishes statement on sale of minority stake in Paraguay.
23 December	Cimpor informs of the resignation of Nélson Tambelini Junior and appointment of Armando Sérgio Antunes da Silva.
28 December	Cimpor announces sale of quarries in Brazil.

2015
SUPERVISION AND AUDIT DOCUMENTS

Building sustainable partnerships

CIMPOR

a member of InterCement

CIMPOR

uma empresa InterCement

AUDIT COMMITTEE REPORT AND OPINIONON THE CONSOLIDATED AND INDIVIDUAL ACCOUNTS OF CIMPOR – CIMENTOS DE PORTUGAL, SGPS, SA FOR 2015

Pursuant to Article 423-F(1)(g) of the Company's Code, the Audit Committee of Cimpor - Cimentos de Portugal, SGPS, S.A. presents the report of its monitoring action, its opinion on the Annual Report for the financial year ended 31 December 2015, and its opinion on the proposals submitted by the Board of Directors of the company to the General Meeting.

Supervision of the Company

During the year 2015 the Audit Committee monitored the risk management system and internal control adopted by the company. This committee regularly monitored the activity developed by the internal audit of the company through access to information provided by these services in the context of work carried out according to the schedule approved by the Audit Committee. The Audit Committee believes that the systems in place are adequate and progress in the identification, monitoring and managing the risks the Company is exposed to.

At the same time it is important to refer that in following up of the activities developed by units integrated in the universe of the Cimpor Group, during the year 2015, it has not detected any fact worthy of relief. The Audit Committee has fostered compliance with the law and the Company's articles of association, and accuracy of the published accounting documents. It has also checked the validity of the accounting records, the adequacy of the accounting policies adopted, and supervised the process of preparation and disclosure of financial information, including periodic information disclosed to the market.

During 2015, the Audit Committee, pronounced in favor of the operation of income alterations and the maturity of loans contracted by Cimpor along its shareholder InterCement Austria Holding GmbH. Additionally, Audit Committee regularly monitored the information on the existing system of receiving and dealing with irregularities. The Audit Committee did not encounter any constraint on the exercise of its activity. It met six times and participated, with all its members attending, in all the meetings of the Board of Directors.

The Audit Committee maintained necessary contact with the Statutory Auditor and the External Auditor to monitor the audit work performed and learn the respective conclusions, ensuring the independence of the external auditor is maintained and evaluating its performance.

It is important to note that during 2015, in the framework of its powers, this Committee proposed to the 2015 General Meeting, held on march 25th, the transition from the Statutory Auditor of Cimpor, Deloitte & Associados, SROC, SA for the current term of the governing bodies (2015-2017).

Statement of Compliance

The members of the Audit Committee declare, pursuant to Article 245(1)(c) of the Portuguese Securities' Code applicable by virtue of Article 8(1)(a) of CMVM Regulation no. 5/2008 (Duty of Disclosure), that to the best of their knowledge the data contained in the annual report, the accounts, the statutory audit certificate and other accounting documents of Cimpor – Cimentos de Portugal, SGPS, S.A. relative to the 2015 financial year were all drawn up in conformity with applicable accounting standards. Those members also state that the referred documents provide an accurate and appropriate image of the assets and liabilities, the financial situation and the profits of that company and the companies included in the consolidation perimeter, and that the management report faithfully reports the evolution of the business, the performance and the position of Cimpor and the companies included in the consolidation perimeter, also containing a description of the main risks and uncertainties facing them.

Opinion

The Audit Committee examined the proposals presented by the Board of Directors to the Shareholders, the Management Report and the consolidated and individual financial statements for the year ended 31 December 2015, which include the consolidated statements of financial position, the individual and consolidated profit and loss statement, the individual and consolidated statements of comprehensive income, cash flows and changes in equity and the annexes thereto, for the year ended on that date and prepared in accordance with International Financial Reporting Standards.

Its duties included the analysis of the Statutory Audit Certificate and the Audit Reports of those consolidated and individual financial statements, prepared by the Statutory Auditor.

The Audit Committee agrees with the Statutory Audit Certificate of the individual and consolidated accounts prepared by the Statutory Auditor.

The Audit Committee also reviewed the Corporate Governance Report for 2015, prepared by the Board of Directors in accordance with the provisions of Regulation no. 4/2013 (Corporate Governance of Listed Companies), as established by the Portuguese Securities' Market Commission and includes, inter alia, the factors identified in Article 245-A of the Portuguese Securities' Code.

It is the Audit Committee's opinion, in view of the above, that the individual and consolidated financial statements and the Management Report to 31 December 2015, as well as the proposed appropriation of profits expressed in the Management Report, are in accordance with the accounting, legal and statutory requirements so there is no obstacle to its approval by the Shareholders.

Lisbon, 23 February, 2016

LEGAL CERTIFICATION OF ACCOUNTS AND AUDITORS' REPORT

(Translation of a report originally issued in Portuguese)

Introduction

1. In compliance with the applicable legislation we hereby present our Legal Certification of Accounts and Auditors' Report on the consolidated and separate financial information contained in the Board of Directors' Report and the accompanying consolidated and separate financial statements of Cimpor – Cimentos de Portugal, SGPS, S.A. ("the Company") for the year ended 31 December 2015, which comprise the consolidated and separate statements of financial position as of 31 December 2015 (that present totals of 5,594,749 thousand Euros and 1,275,038 thousand Euros, respectively and consolidated and separate shareholders' equity of 308,655 thousand Euros and 1,197,293 thousand Euros, respectively, including a consolidated net loss attributable to the shareholders of the Company of 71,231 thousand Euros and a separate net loss of 9,470 thousand Euros, respectively), the consolidated and separate statements of profit and loss and other comprehensive income, of changes in shareholders' equity and of cash flows for the year then ended and the corresponding notes.

Responsibilities

2. The Company's Board of Directors is responsible for: (i) the preparation of consolidated and separate financial statements which present a true and fair view of the financial position of the Company and of the companies included in the consolidation, the consolidated and separate results and comprehensive income of their operations, the changes in their consolidated and separate shareholders' equity and their consolidated and separate cash flows; (ii) the preparation of historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union ("IAS/IFRS") and that is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code ("*Código dos Valores Mobiliários*"); (iii) the adoption of adequate accounting policies and criteria and the maintenance of appropriate systems of internal control; and (iv) the disclosure of any significant facts that have influenced the operations of the Company and the companies included in the consolidation, their financial position or their results and comprehensive income.

3. Our responsibility is to examine the consolidated and separate financial information contained in the documents of account referred to above, including verifying that, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code, and to issue a professional and independent report based on our examination.

Scope

4. Our examination was performed in accordance with the Auditing Standards ("*Normas Técnicas e Directrizes de Revisão/Auditoria*") issued by the Portuguese Institute of Statutory Auditors ("*Ordem dos Revisores Oficiais de Contas*"), which require the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated and separate financial statements are free of material misstatement. Our examination included verifying, on a sample basis, evidence supporting the amounts and disclosures in the consolidated and separate financial statements and assessing the significant estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation. Our examination also included verifying the consolidation procedures, application of the equity method and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting policies used, their uniform application and their disclosure, taking into consideration the circumstances, verifying of the applicability of the going concern concept, assessing the adequacy of the overall presentation of the consolidated and separate financial statements and assessing if, in all material respects, the financial information is complete, true, timely, clear, objective and licit. Our examination also included verifying that the consolidated and separate financial information included in the Directors' Report is consistent with the other consolidated and separate financial statements as well as carrying out the verifications set forth in items 4 and 5 of article 451 of the Portuguese Commercial Company Code ("*Código das Sociedades Comerciais*"). We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated and separate financial statements referred to in paragraph 1 above, present fairly, in all material respects, the consolidated and separate financial position of Cimpor – Cimentos de Portugal, SGPS, S.A. as of 31 December 2015 and the consolidated and separate results and comprehensive income of its operations, the changes on its consolidated and separate shareholders' equity and its consolidated and separate cash flows for the year then ended, in accordance with International Financial Reporting Standards as endorsed by the European Union and the information included therein is, in accordance with the definitions contained in the standards referred to in paragraph 4 above, complete, true, timely, clear, objective and licit.

Emphasis

6. In the year ended 31 December 2015, the Company recognized in other comprehensive income on its consolidated financial statements, a negative currency translation adjustments amounting to, approximately, 626,000 thousand Euros on the translation into Euros of the financial statements of foreign subsidiaries with a different functional currency. At that date, the accumulated currency translation losses, recorded in the consolidated statement of the financial position, amounts to, approximately, 1,084,000 thousand Euros. As explained in Note 2.7 to the financial statements, on

the Company's separate financial statements, the investments in subsidiaries and associates are recorded at the acquisition cost less impairment losses and, as such, these separate financial statements do not include the consolidation effect of these subsidiaries and, in particular, the currency translation adjustments on the translation to Euros of their financial statements. Consequently, as of 31 December 2015, shareholder's equity on the Company's consolidated financial statements was lower than its share capital and lower than its shareholder's equity on its separate financial statements, on approximately 888,600 thousands Euros.

Report on other legal requirements

7. It is also our opinion that the consolidated and separate financial information included in the Directors' Report is consistent with the annual consolidated and separate financial statements and the Corporate Governance Report includes the information required for the Company in accordance with article 245 - A of the Portuguese Securities Market Code

Lisbon, 24 February 2016

Deloitte & Associados, SROC S.A.
Represented by Carlos Alberto Ferreira da Cruz

CIMPOR – Cimentos de Portugal, SGPS, S.A.
Publicly traded company
Share Capital: EUR 672 000 000
Tax and Lisbon Companies Registry and Registration number: 500 722 900

REGISTERED OFFICE
Rua Alexandre Herculano, 35
1250-009 Lisboa
Tel.: +351 21 311 81 00
Fax: +351 21 356 13 81
dcom@cimpor.com
www.cimpor.pt

CIMPOR
a member of InterCement

Building
sustainable
partnerships