2013

Annual Report

(Translated from the original version in Portuguese)

L´Amalí Plant, Buenos Aires - Argentina

CIMPOR

a member of InterCement

Building Sustainable Partnerships

2013 will be a memorable year in the history of Cimpor due to the success of its integration with InterCement at various levels. This year will also be notable for the new strategic alignment covering the next decade, by which the company aims to steer its performance, and with the differentiation of the partnership and services provided to customers as the order of the day, always positioned among the sector's ten largest companies and the top-five soundest and most profitable international companies of the industry.

GENERAL CONTENTS

Message from the Chairman of the Board of Directors

Dear shareholders,

The current Board of Directors of Cimpor completed its first full year of activity in 2013, which coincided with the beginning of a new phase in the life of the company following the conclusion of the separation of assets resulting from the takeover by InterCement.

2013 was, therefore, a year of change in the life of your company. It has now become especially focused on South America, Africa and Portugal, plus exponential development of the Trading area, which on 2013 has virtually doubled the number of tons exported.

I believed that the takeover and consequent transfer of assets would, as I wrote in the Annual Report 2012, "strengthen your company and benefit all shareholders." Today, we know that the incremental contribution from the new assets (Brazil, Argentina, Paraguay) was evident throughout 2013 compared with the sold assets, whether we consider turnover or in terms of EBITDA.

Cimpor is now a company with greater ability to generate results, exposed to emerging countries with higher cement consumption than in mature economies, as is the case in Portugal.

The year now ending will have marked, according to the projections of the major international institutions, the beginning of the end of the crisis that affected Europe and North America in particular.

This positive outlook is helping to strengthen Cimpor's ambition to remain among the world's 10^{th} largest cement companies with an international profile and among the top-5 of these in terms of profitability. This is the case even taking into account the current climate of European economies.

It was possible to put into practice throughout 2013 the slogan of Cimpor, an InterCement company, and despite this economic climate - "Building sustainable partnerships". We were able to solidify and strengthen our relations with the universe of suppliers, employees, customers and stakeholders during 2013.

I emphasize here a set of initiatives that summarize the goals that guide our business.

The meeting of suppliers organised by Cimpor and by AICEP. This meeting brought together in Lisbon the procurement managers of Cimpor and Portuguese, Brazilian and Argentinean companies, with the aim of promoting a climate of greater interaction.

The announcement of the registration of a patent that reduces CO_2 emissions of the cement production process by 25%, in a laboratory context - as the result of a research partnership with Instituto Superior Técnico (Portugal)-, and the advances in patenting the use of demolition waste to produce a hydraulic binder, a project developed in partnership with the *Instituto de Pesquisa Tecnológica* from the University of Sao Paulo (Brazil).

I think these are two examples of how we can do more and better by growing together with our partners.

I also take this opportunity to direct a word of recognition, appreciation and praise to all the employees of Cimpor who made it possible every day throughout 2013 for us to achieve the results published in this report.

The Chairman of the Board of Directors
Daniel Proença de Carvalho

Message from the Chief Executive Officer

Dear shareholders,

2013 was the first year of a new and promising phase in the life of your company which, as you know, after the takeover by InterCement in June 2012 and subsequent separation of assets, is now very focused on three areas of the world: Latin America, Africa and Portugal.

This shift in strategy has allowed Cimpor to achieve what was envisaged, i.e. increase the capacity of Cimpor to generate results given its greater exposure to emerging economies with greater demand for cement consumption. This trend is mirrored in the main indicators of Cimpor, which are expressed in this report. In 2013 Cimpor recorded, compared to 2012, higher sales (+19.1%), higher turnover (+25.9), more EBITDA (45.5%) and a higher EBITDA margin (+3.5 p.p.).

Cimpor ends 2013 stronger, with 40 plants in operation and an installed capacity of 46 million tons. Cimpor recorded the highest sales in its history in this period: 28.4 million tons. 19 million tons of sales are located in Latin America, especially Brazil, which contributed to around 60% of EBITDA.

I would also like to point out Argentina, where the subsidiary of Cimpor, Loma Negra, registered record sales of 6.4 million tons, presently presenting itself as the second largest contribution to the consolidated EBITDA of this company. It is also worth menstioning the sales increase in Egypt, Mozambique and South Africa of 3.3%, 9.8% and 20% respectively.

We are also proud of the work of our trader, operating out of Portugal, where exports grew 75% compared to 2012, from 1.5 million tons to 2.5 million tons. This fact indicates three fundamental aspects: (i) the quality of the operating assets installed in Portugal, as well as its highly qualified workforce, (ii) the added value of Portuguese infrastructures that allow the outflow from the country of large amounts of cement and clinker via railway line and sea, (iii) the geostrategic positioning of Portugal which makes it financially feasible to sell cement and clinker in areas as far apart as Latin America, the Maghreb and the West African coast.

Paraguay is a case at hand, where the construction of a new plant tha advanced during 2013, and which already has an operating grinding facility, while cement and clincker was being transported there from Portugal to drive the development of commercial activities.

This was also a demanding and challenging year for the Executive Committee in relation to the integration of the two companies, Cimpor and InterCement, but the results achieved were rewarding. This fact earns our recognition vis-à-vis the nearly 8,900 employees of 30 nationalities who in 10 countries on three continents helped Cimpor step up a level.

We believe the soundness of our growth lies in the perpetual building of *sustainable partnerships* with our customers, suppliers, employees, stakeholders and shareholders.

We know that the results we post are the fruit of thorough planning and an effective strategy developed in the past and, as equally important, meticulous implementation.

We are confident that today’s successes are the best way to design tomorrow’s goals.

The Chief Executive Officer

Ricardo Lima

Governing Bodies and Management

The non-executive directors, in parallel to the duties performed by the Executive Committee and as assigned them pursuant to the Rules of Procedure of the Board of Directors, regularly monitored the general activity of the company throughout 2013, attending the various meetings of the Board of Directors and specifically the meetings of the specialised committees to which they belonged (see the Corporate Governance Report for more information).

General Meeting

Luís Manuel de Faria Neiva dos Santos
Chairman
Rodrigo de Melo Neiva dos Santos
Vice-Chairman

Audit Committee

José Manuel Neves Adelino
Chairman
António Soares Pinto Barbosa
Member
José Édison Barros Franco
Member

Executive Committee

Ricardo Fonseca de Mendonça Lima
Chairman and CEO
Claudio Borin Guedes Palaia
Nelson Tambelini Junior

Remuneration Committee

Manuel Soares Pinto Barbosa
Chairman
Gueber Lopes
Member

Corporate Governance and Sustainability Committee

Daniel Proença de Carvalho
Chairman
José Manuel Neves Adelino
Member
Albrecht Curt Reuter
Member

Board of Directors

Daniel Proença de Carvalho
Chairman
Luiz Roberto Ortiz Nascimento
Albrecht Curt Reuter Domenech
José Édison Barros Franco
Claudio Borin Guedes Palaia
André Pires Oliveira Dias
Ricardo Fonseca de Mendonça Lima
Nelson Tambelini Junior
José Manuel Neves Adelino
Pedro Miguel Duarte Rebelo de Sousa
António Soares Pinto Barbosa

Appointments and Assessment Committee

Albrecht Curt Reuter
Chairman
Pedro Miguel Duarte Rebelo de Sousa
Member
José Édison Barros Franco
Member

Statutory Auditor

Deloitte & Associados, SROC S.A., represented by Carlos Alberto Ferreira da Cruz

Company Secretary

Ana Filipa Mendes de Magalhães Saraiva Mendes (Secretary)
Francisco Saudade de Silva Lopes Sequeira (Deputy Secretary)

I. MANAGEMENT REPORT

CONTENTS

I – Management Report

2013 - Record sales and operating profitability over 26%, demonstrate success and potential of the new assets portfolio of Cimpor

Sales of 28.4 million tons of cement, up 19% from 2012, particularly driven by the trading activity and the good performance of the new assets in Brazil and Argentina. Turnover 26% higher.

EBITDA grew 46%, reaching EUR 692 million - another record for Cimpor. Increased efficiency: Cimpor confirms leadership among peers in terms of operating profitability, recording an increase of the EBITDA margin to 26.4%, +3.5 pp.:

- Assets acquired at the end of 2012 amplify turnover (2.2x) and EBITDA (x11.4) compared with the assets sold. New assets contribute EUR 292.5 million to EBITDA compared with EUR 25.7 million of the divested assets.

- Increased efficiency and synergies in Brazil leverage the contribution to growth of the local business, Argentina hits record sales and Paraguay inaugurates new grinding facility.

- Operational start-up of two grinding facilities in Mozambique and more aggressive commercial policy in South Africa drive improved competitiveness against imports. Revenue increases in Egypt partially offset increased fuel costs.

- Exports remain the anchor of the performance in Portugal, who again recorded a decline of the internal market. Restructuring costs and lower sales of CO_2 allowances penalize the comparison with 2012.

Sharp devaluations of the Brazilian real (14%), Argentinean peso (24%), Egyptian pound (16%), Mozambican metical (9%) and the South African rand (21%), prevent even better results. Excluding the unfavourable currency effect (over EUR 100 million) and the non recurrent effects of EUR 54 million, Cimpor's EBITDA would have reached EUR 846 million.

Financial Results of negative EUR 407 million reflect foreign exchange loss of EUR 200 million – appreciation of the euro and the dollar against the real - and the new debt profile.

Net income attributable to equity holders substantially recovers, although still negative (by EUR 19 million) owing to the impact of unfavourable foreign exchange differences.

46 million tons per year
Cement Production Capacity

8,875
Professionals

€ **2.6 bn**
Turnover in 2013

4 million tons per year
International Trading

40 Plants
Worldwide

1. Strategy

Cimpor invests continuously in the improvement and innovation of its industrial operations, management and the financing structure, focused on the development and creation of sustainable value by leveraging the convergence of the multicultural and multidisciplinary nature of its stakeholders to build their own culture and identity.

The redesign of the portfolio of assets in 2012 and the successful integration of the new operations throughout 2013 was undoubtedly a catalyst in determining the strategy aimed at strengthening the presence of Cimpor in the global cement industry.

Cimpor, an InterCement company, adopting the motto of *Building Sustainable Partnerships*, builds the key development guidelines for the next decade into its Mission and Vision 2023, uniting them in its Strategic Plan. That Plan addresses different scenarios and critical success factors, outlines the goals Cimpor sets itself and establishes the actions to be taken to achieve them.

Vision

Differentiation with customers through the partnerships and services provided, remaining always among the sector's ten largest companies and 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.

1.1 Strengthen the International Profile

The geographical focus of operations is centred on South America and Africa. It is reinforced by the focus of the Trading area, which has Portugal as the preferred platform for the export of cement.

Cimpor is currently among the world's largest cement traders. **Trading** activity is strategically crucial since it permits the optimization of assets use in operations where the utilization of production capacity is low and, secondly, it can be used to develop commercial activities that identify and assess opportunities for the installation of future production units in the target regions. Paraguay is an example of this. The installation of a grinding operation in that country, which was the main destination for exports from Portugal, was considered viable and it has been operating since the end of 2013. An integrated cement production plant is currently being built in that country. The Trading activity is also coordinated with Shipping, which manages all port logistics and supply to the targeted markets.

1.2 Leverage the Critical Success Factors

The stand-out factors identified as critical to the **operational** success of Cimpor include the established thermal energy policy (where the increased focus on co-processing is a determining factor), the development of the production process and new products and services, and strengthening vertical integration in the concrete and aggregates businesses.

Co-processing activities play an increasingly important role in Cimpor's operations because this process, more than the replacement of non-renewable fuels in operations (with all the political, economic and environmental advantages arising from such), is recognised as an asset for the sustainability of contemporary society by permitting the efficient and safe disposal of certain non-recyclable waste.

Cimpor is developing partnerships with various international institutions for the **development of the production process and new products**. Of particular note is the replacement of clinker for other materials such as crushed limestone, slag, construction waste and others, which reduces CO_2 emissions in the cement production process, among other advantages.

Vertical integration has been developed, particularly with regard to the increased penetration in concrete and aggregates markets. It has accompanied the maturation of certain markets and responded to the demands of local consumers.

1.3 Cross-cutting Management

The integration process arising from the redesign of the assets portfolio in 2012 required convergence into an Internal Integrated Management System of the management practices and methods being implemented across the company. The development of this unified management system provides for the management of the daily business, matrix management of fixed and variable costs, the matrix management of results and management by guidelines.

1.4 Adjust the Financing Structure

Cimpor began the process of restructuring the financing profile, aiming to **meet the operational challenges, geographical exposure and the development ambitions.**

The financing policy currently pursued follows two main lines of guidance: *Reduce Leverage and Debt, and Debt Profile Redesign*.

The process of *Reducing Leverage and Debt* in 2013 encompassed, in particular, the sale of non-operating assets, the careful selection of the investments made and planned and also increase efficiency across the whole company.

Cimpor proposes, in relation to the *New Financing Profile*, to extend average debt maturity, relieve liquidity pressure and contract funding in the regions where it operates, as a form of natural hedging.

1.5 Engage Stakeholders as Partners

Cimpor fosters, under the slogan of ***Building Sustainable Partnerships***, closer ties with all its stakeholders, looking to leverage common interests towards truly sustainable development. The company seeks to achieve constructive and enduring ties with customers, suppliers, business partners, the surrounding community and organisations within its sphere of action, in addition to closer ties with its employees.

The strategic priorities of Cimpor include, undoubtedly, **closer relations with customers**, offering products and services that leverage their development and create value. A process of dissemination of best commercial practices was established with a clear brand architecture that favours the recognition and strength of regional brands.

The same spirit is applied to **long-term relations with suppliers.** A series of meetings with current and potential suppliers of the company in various parts of the world was initiated this year, aiming to create networking opportunities, share experiences and business opportunities. The first such meeting took place in 2013 under the theme "Growing Together". This meeting between Brazilian, Argentinean and Portuguese suppliers was held in Portugal.

1.6 Foster a culture of excellence

The development of people and the corporate culture is central to the strategy of Cimpor. Build an identity and culture grounded in the multicultural and multidisciplinary nature of its stakeholders, taking advantage in particular of the different experiences and skills of employees in the different roles and countries where they operate, is acknowledged as a capital gain on the path to excellence. This momentum is explored and developed continuously in five fields, in a comprehensive process of integration: Internationalization, Leadership, People Management, Performance Management and External Orientation and Innovation.

2. Corporate Governance

2013 was a decisive year in terms of Corporate Governance. The system of corporate governance has been improved and simplified throughout the year, benefitting from a framework of shareholder stability and strategic definition. The results of this process are evident both in terms of the process of integration and the company's operations, as can be observed throughout this report.

Cimpor develops the best practices in Corporate Governance and largely complies with the recommendations of the new CMVM Corporate Governance Code of 2013, which it has adopted. Compliance with those recommendations is presented in the separate Report on Corporate Governance (attached hereto).

3. Cimpor Shares

3.1. Performance

The shareholder concentration following the takeover bid in 2012 led to a new level of free-float that is currently around 6%. Accordingly, liquidity has been reduced, with around 13 million Cimpor shares traded, corresponding to EUR 41 million.

The share’s performance in the first months of 2013 was fairly regular. Performance at the end of the year was less positive, leading to the closing price of 2.65 euros for the year, after having registered a maximum price of 3.54 on 17 January and a minimum of 2.37 on 22 November.

3.2. Dividends

The dividends relating to 2012 were paid on 23 May 2013, at EUR 0.0162 per share. This represented a dividend yield of 0.5% and a payout that contrasts with the negative net result recorded in 2012.

The Board of Directors of Cimpor Cimentos de Portugal, SGPS, S.A. proposes to its shareholders a gross dividend per share for the 2013 financial year of EUR 0.0029.

The Board of Directors took into account in this proposal the results of Cimpor in the 2013 financial year, in particular owing to the macroeconomic environment in some of the countries where Cimpor operated; the industrial investments required to maintain and increase market share in countries where Cimpor will focus its growth strategy; and the prudence which must be followed considering the doubts that hang over the global economic environment.

3.3. Treasury Shares Portfolio

Cimpor held 5.906.098 treasury shares in portfolio at 31 December 2013. No shares were traded during 2013, so the number of treasury shares remained the same as that of the close of 2012.

3.4. Employee Share Plans

The Annual General Meeting of 2013 did not approve any employee share plans. Therefore, given the termination of the plans in 2012, no employee share or stock option plans were in force in 2013.

4. Sustainable Organisational Development

Cimpor adopts Sustainability as the strategic vector of management in the economic, social and environmental fields, seeking to harmonise technical, economic and financial performance with exacting standards in ethical, social and environmental areas.

It has become essential, given increasing demand in developing countries, to increase the level of efficiency in different dimensions - such as the use of raw materials and non-renewable energy sources - mitigating the impact of its activities and its production process on the environment and simultaneously seeking to actively contribute in partnership with its stakeholders to a better future of the society in its sphere of influence.

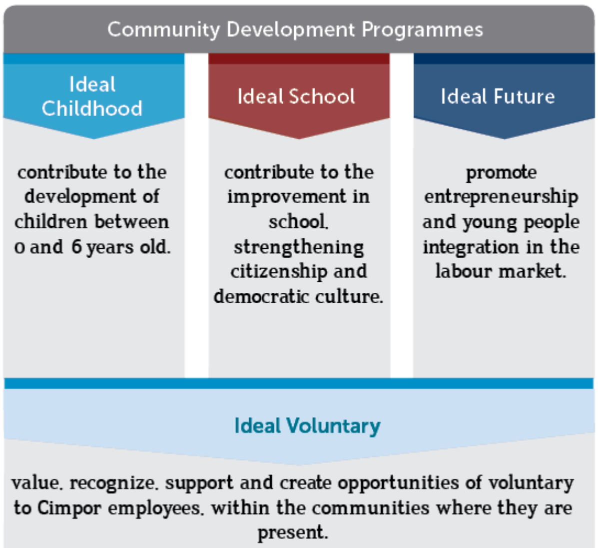
4.1. Environmental and Social Responsibility

In environmental terms, besides the regular investment in the modernisation of equipment, processes and products, there is a constant concern with saving resources; monitoring and reducing CO_2 emissions; monitoring and reducing emissions of pollutants; rehabilitating quarries; protecting animal and plant biodiversity and the recovery of protected areas; noise mitigation; water management; and raising the environmental awareness of young people and local populations.

The main indicators and various advances in this field ensure Cimpor is outstanding among its peers in relation to many of these major environmental topics.

Cimpor sees society as a strategic partner that is key to sustainable development. Hence, it aims to cultivate, through its Social Responsibility Policy, constructive and lasting relationships of proximity in the society within its sphere of influence. It seeks to go beyond mere financial support or supply of the products it manufactures, by intervening in the recovery of monuments and built heritage and in the social, educational, cultural, environmental and sports fields, involving the local and regional authorities where possible.

Its aim is to improve the social well-being of the communities it is close to, counting on the methodology support of Instituto Camargo Corrêa (ICC) for such - an institution with an extensive track record in this area. It has converged the social intervention projects in a new methodology that develops four structural programmes: Ideal Childhood, Ideal School, Ideal Future and Ideal Volunteer.



Cimpor has accordingly provided, whether through voluntary programs involving employees or through partnerships with local institutions involved in improving the everyday life of the communities in which they operate, various kinds of support to different projects with the goal of promoting social and professional inclusion, and income generation; the promotion of inclusive education and citizenship; improving the quality of life through recreational, sporting and cultural activities; the creation of knowledge through diagnostic studies; and also education and promoting innovation in public and private social intervention.

This method annually celebrates the scope of its actions and commitment of those taking part in the volunteering programmes through a major initiative called "Doing Good Day". This initiative in 2013 is in its 5th year in the Brazil and Argentina operations and in its first year in Portugal, Cape Verde, Egypt, Mozambique, South Africa and Paraguay. This initiative comprised 142 activities in 2013 and mobilized about 15,000 volunteers, including employees and other stakeholders, working to fulfil the needs of over 100,000 people.

Moreover, Cimpor has supported historical and cultural heritage for many years, through sponsorship of the restoration of historical heritage of major social and cultural value, such as the support provided for the restoration of the Charola cloister of the Convent of the Order of Christ, in Tomar (Portugal), classified as a UNESCO World Heritage Site.

The main programmes and/or projects developed in 2013 under private social investment are the following:

Country	Programme / Project	Description and Goals
Brazil	Infância Ideal	Support for pregnant women, early childhood education, improvement in physical network of nurseries, affective and sexual education and strengthening the System to Guarantee the Rights of Children and Adolescents.
	Escola Ideal	Partnership with the Municipal Education Department to evaluate all education units of the municipal network and develop projects focused on the defined intervention priorities.
	Futuro Ideal	Formação de Jovens: investimento na habilitação técnica e de gestão e em aspetos ligados à produção, embalagem, transporte e comercialização.
	Ideal Voluntário	Youth Training: investment in technical and management capacity building and aspects related to production, packaging, transport and marketing.
Argentina	EducAcción	Programme to promote inclusive education and citizenship among young people.
	RecreAcción	Programme aimed at improving the quality of life of young people through recreational, sporting and cultural activities.
	ConscientizAcción	Programme to develop knowledge through diagnostic studies, education and promoting innovation in public and private social intervention.
	Voluntarios Acción	Facilitate the development of volunteering initiatives offered by partners to promote citizenship.
Portugal	"Restoration of the Charola cloister of Convent of the Order of Christ, Tomar"	Conclusion of the programme started in 2007 for the restoration of the Charola Cloister of the Convent of the Order of Christ in Tomar, a UNESCO world heritage site.
Mozambique	Renovation of Muanza Primary School	Contribution to improving education quality.
	HIV/AIDS Project	Programme for the Prevention and Mitigation of HIV/AIDS in the business units and surrounding communities.
	Welcome for Tourists to Maputo Province	Partnership with the Provincial Directorate for the Coordination of Environmental Action (MICOA), aimed at educating and raising the awareness among tourists for the sustainable use of coastal tourism and to disseminate good sanitation practices.
	Donation of cement	Sporadic projects to support non-profit institutions in the building and rehabilitation of buildings.
South Africa	Murchison Primary School Library Project	Volunteering by employees for equipment for a primary school's new library.
	Genesis Trust Youth Centre	Financial support for the building to house the Youth Resource Centre.
	Dennis Hurley Centre (DHC) new building	Financial support for the building to house the Dennis Hurley Center – partnership between Ethekwini Municipality, private companies and financial donors to develop job creation and skills programmes for young people in the city of Durban.
	Bux Farm Primary School "Wendy House Classroom"	Financial support for the building to of a new set of Wendy House classrooms.

4.2. Research and Development

The challenge of sustainable development is also crucial in the approach to the production process, as one of the buttresses of research and development philosophy (R&D).

Research & Development initiatives are carried out in partnership with prestigious universities and research institutes such as the Instituto Superior Técnico (Portugal), MIT (Boston, USA), ECRA (Germany), CSIC/Institute Eduardo Torroja (Spain), University of São Paulo (Brazil), Instituto de Pesquisas Tecnológicas (Brazil), Federal University of Minas Gerais (Brazil), Federal University of São Carlos (Brazil) and University of Buenos Aires/Engineering Faculty (Argentina).

Cimpor and Instituto Superior Técnico presented in 2013 an innovation in the cement production process, as the result of a joint project. This innovation maintains the conventional technology of the production process based on rotary kilns and permits a reduction of up to about 25% in CO_2 emissions. This discovery has justified the registration of a patent, following the examination of the state of the art processes worldwide. Cimpor has exclusive rights to the commercial operation of the innovation.

It is also wothmentioning the advances in patenting the use of demolition waste to produce a hydraulic binder, a project developed in partnership with the Instituto de Pesquisa Tecnológica from the University of Sao Paulo (Brazil).

These projects are especially focused on finding solutions to reducing CO_2 emissions associated with the cement manufacturing process, such as the capture and sequestration of carbon, the development of new lower carbon content hydraulic binders, the use of alternative fuels and raw materials and increased energy efficiency.

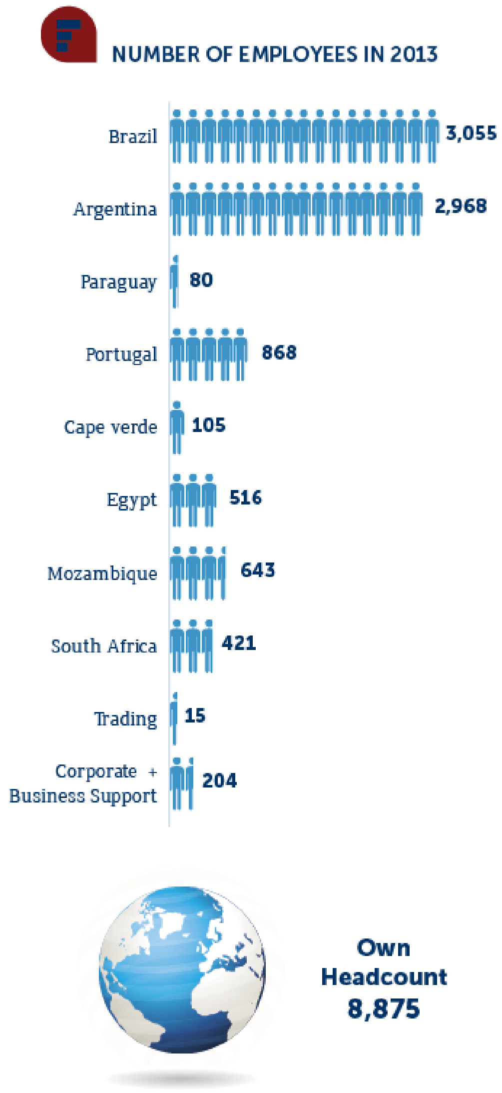
Cimpor has a central laboratory that provides support to all plants. This laboratory conducted about 40,000 tests during 2013 and participated in various national and international trials programmes. It also had an especially active role in the Research & Development projects in partnership with Instituto Eduardo Torroja and with Instituto Superior Técnico.

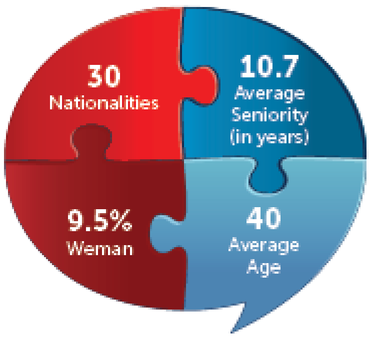
4.3. Human Resources

Cimpor's success is based on the qualification and personal commitment of around 8,900 employees in its universe worldwide. The skill, dedication, creativity and energy of its teams have proven to be key to ensuring its success and high level of competitiveness. These characteristics have been especially meritorious in the impetus required for the integration process, particularly with regard to the realignment and resizing of structures.

The organisational model of Cimpor strengthens corporate support to local operations, supported by a central structure that combines the Corporate and Business Support functions and which harmonises the organisation in each country, led by a Managing Director to whom all local areas report.

The Corporate area of People Management ensures a single rhythm for the management of processes related to human assets throughout Cimpor. This area was particularly focused in 2013 on resizing the structures so that they would be aligned with the new demands of the markets and the standardization of the human capital management tools and processes, such as the performance assessment of senior managers of Cimpor and variable remuneration, among others.





4.4. Occupational Health and Safety

Cimpor has a set of "Golden Rules" that form the cornerstones of its occupational health and safety policy, implemented across all countries where it operates.

The challenge of developing a single occupational health and safety culture, given the different cultural and professional realities characterising the company, is embraced by a number of internal teams composed of professionals from various countries and areas that continually unite their efforts and synergies, and combine knowledge and best practices aiming to standardise processes, standards and procedures in the various units.

The occupational health and safety management system, based on the PDCA management model (Plan, Do, Check, Act) and with the slogan “We Will Do It Safely or Not At All”, articulates four key areas - UNDERSTAND, ACT, COLLABORATE and SHARE:

UNDERSTAND - All professionals must know the risks and dangers of the operations and the checks each activity requires.

ACT – Professionals, possessing the information and knowledge, must act in a safe manner using the necessary checks and not taking on any risk during activities.

COLLABORATE - Everyone must behave in a safe manner in their workplace, valuing their own life and that of other professionals.

SHARE - Professionals must share information and have positive attitudes, ensuring that everyone is involved in the safety culture in search of a common outcome.

A campaign based on these 4 areas was launched in 2013, entitled “100% Safety- Total Attitude, Zero Accidents”. The aim is to engage all employees in a total commitment to safety making this a core value of all stakeholders. The “Safety+ Portal” was launched in this context, which is a communication and information tool on safety available to all employees.

5. Business Support

The following activities provide the appropriate support for the development of the day-to-day activities of the operational businesses in the cement, concrete and aggregates fields throughout the company.

5.1. Waste Co-processing

Co-processing is a technique that permanently eliminates waste without generating environmental liabilities, allowing the cement industry to harness the energy and/or mineral potential of the material. It provides savings in the consumption of non-renewable natural resources and is therefore a more sustainable final disposal alternative for waste at the end of its lifetime (i.e. waste with no possibility of recycling).

The Co-processing activity in Cimpor is developed using the best available technology, complying with all legal requirements concerning safety and the environment. It is operational in 19 of its 23 units with clinker production kilns. At the Candiota (Brazil), San Juan (Argentina) and Alhandra (Portugal) plants, for example, the thermal substitution rate exceeded 40% in 2013.

4.3 million tons of waste were co-processed in Cimpor units in 2013, replacing 240,000 tons of fossil fuel and 170,000 tons of raw materials, preserving more than 130,000 tons of natural resources. The thermal substitution rate was 12%. The thermal substitution rate in 2014 is expected to increase to around 15 %.

The potential and the undeniable advantages of this process have prompted Cimpor to go further, and it is currently developing an ambitious portfolio of projects. It counts on the commitment of a wide range of stakeholders for a rapid expansion of this activity, and it aims to achieve a thermal substitution rate over 60% in 2023.

Until then, the focus has been on partnerships with waste preparation companies and important contracts for waste supply have been concluded, besides the many investments that continue throughout the Cimpor universe.

Cimpor envisages that this policy will preserve more than 5 million tons of non-renewable natural resources (fossil fuels and raw materials) over the next 5 years.

5.2. Trading and Logistics Activity

The *Trading* and *Logistics* area of Cimpor, managed in operational terms by Cimpor Trading, strengthened its position in the international market in 2013. It has taken up a position of one of the world's largest cement traders, meeting the needs of both internal and external customers in terms of cement, clinker and other products.

The trading volume in 2013 almost doubled from 2012, reaching a record of 4.5 million tons. The main drivers of this performance were exports to the African and South American markets, particularly to Brazil and Paraguay in South America, and to Algeria, Egypt and Mozambique in Africa.

The *Trading* area of Cimpor exported from 12 sources, with Portugal being a stand-out source, exporting around 2.5 Mt to 24 destination countries. Cimpor Trading provided a wide range of integrated solutions, from packaging and logistics to sea transport through its Shipping area. Customers outside the Cimpor universe accounted for two-thirds of the business conducted of the referred destinations.

Its positioning in the international trading market and the long-term relations with suppliers based in different regions of the globe allowed Cimpor to expand its trading activity by acquiring about 44% of the traded volume to external parties, thereby optimising transported flows and maximizing its results.

The *Shipping* and *Port Operations* nucleus plays a leading role in the implementation of each shipment, where the very significant increase in exports required meticulous and continuous planning and monitoring.

The *Trading* and *Logistics* area, through the *Market Intelligence* and *Overall Production Planning* it is responsible for, articulates the development and expansion of the business scope of Cimpor, analysing the international market in depth and detecting new supply opportunities of various kinds, to ensure a differentiating positive, constructive and innovative response to such. This allows it to create sustainable and lasting partnerships with new markets in order to grow the footprint of this company.

5.3. Procurement (Supplies)

The Procurement area is responsible for identifying and implementing the maximization of value creation, efficiency and the results of the decisions in Cimpor to acquire goods and services, considering ethical and sustainability principles.

Pet coke purchases were of particular importance in this area in 2013, particularly in Venezuela. Also of importance was the renegotiation of electricity prices in certain countries, new purchasing conditions for the paper to produce cement bags and the new packaging supply strategy for Brazil and Argentina.

Cimpor, aware of its social, economic and political responsibilities, organised in June 2013 together with AICEP (the Portuguese Foreign Trade and Investment Agency), a major event for suppliers in Lisbon, called “Growing Together”. This event aimed to promote and encourage, precisely in that spirit, networking among the suppliers of various countries where Cimpor operates, fostering business development among the participants and, in this way, the export activity of Portugal. 209 companies attended this event (Portuguese and international) through 253 representatives.

5.4. Cement and Sustainability Competence Centre

The Cement and Sustainability Competence Centre is responsible for supporting the technical development of cement production and its sustainability.

2013 was a particularly active year in this field, due to the need to integrate two different realities - the assets remaining with Cimpor and the assets acquired from InterCement. Only the successful integration of the two realities enabled and enables success and the growing results in this area.

Of particular importance in this context were: the Performance Programme - which generated the first benchmarking report of the new portfolio of assets, and which greatly contributed to the success of the integration process; the study of the best alternatives for the implementation of various improvement initiatives, capacity upgrades or new investments and also the planning of the extraction and control of raw material reserves.

5.5. Concrete, Aggregates and Mortars Competence Centre

The Concrete and Aggregates Competence Centre supports the technical, operational and commercial development of this activity. It is responsible for the development in this area of business intelligence, the implementation of management information systems, benchmarking, performance monitoring, innovation and development of processes and products, engineering, quality and investment planning.

This centre was especially focused on management support in 2013, in particular the process of integration of new assets and the convergence of the production units with the identified best practices. The highlights of the many projects carried out in this area are training and preparing manuals for the dissemination of good practices, monitoring studies, projects, investments and audits, and also partnerships with different stakeholders in various global projects.

5.6. Information Systems

The consolidation of the human and technical synergies arising from the integration process took place during 2013. The aim was to optimise the hardware and software licensing of the companies integrated in 2012. The Datacenter was strengthened in Lisbon, giving support to the entire Cimpor universe from there.

The information systems were influential in the success of the integration process, both in terms of management - providing support and optimising communication systems on an unprecedented scale and frequency in the Cimpor universe, and in operational terms – of particular note here is the integration of the SAP system in Brazil, due to its complexity.

6. Cimpor Business Activity and Management Analysis in 2013

Business Activity in 2013

	Unit	Portugal [1]	C. Verde	Brazil	Argentina	Paraguay	Egypt	Mozambique	South Africa
Cement Activity									
Clinker installed capacity utilization [2]	%	62.9%	-	91.2%	92.0%	-	71.7%	50.1%	67.2%
Cement and Clinker Sales	10^3 ton	4,053	176	12,533	6,383	280	3,196	1,299	1,281
Overall Activity									
Turnover	10^6 euros	283.5	24.0	1,238.7	613.1	38.4	180.8	141.9	125.2
Employees (31 dec.)	units	868	105	3,055	2,968	80	516	643	421

[1] Excluding Group common areas

[2] Clinker production/Installed capacity (clinker)

PORTUGAL

	Unit	2013	2012	Change
Clinker installed capacity utilization [(1)]	%	62.9%	49.7%	13.1 p.p.
Cement and Clinker sales	10^3 ton	4,053	3,435	18.0%
Concrete Sales	10^3 m^3	973	1,152	-15.5%
Aggregates Sales	10^3 ton	4,199	3,964	5.9%
Mortar Sales	10^3 ton	45	70	-36.3%
Turnover	10^6 euros	283.5	310.6	-8.7%
Employees (31 dec.)	units	868	1,090	-20.4%

[(1)] Clinker production/Installed capacity (clinker)

The Portuguese economy addressed a consolidation of the accounts of the State during 2013 to control the budget deficit. This consolidation negatively affected the construction and public works industry, with natural repercussions on cement consumption, which again declined by around 25%.

The cement sales of Cimpor in the domestic market followed the market trend, dropping 24% from the previous year, for a total of about 1.5 million tons. In contrast, the export of cement and clinker again reached record levels, growing 75% during the year, which is equivalent to an additional 2.5 million tons sold. Exports were mainly to countries in Africa and South America.

Concrete continued to follow in 2013 the downward trend recorded in 2012. The lack of construction works in the market led to a sharp contraction in sales, decreasing 15.5% (179,000 m^3 less). The aggregates business has benefited from increased sales of cement, which was driven the growth of sales by nearly 6% to 4.2 million tons.

The cement sale price in the domestic market remained virtually unchanged in 2013. In the concrete activity, the price fell more sharply, dropping nearly 12%, due to the competition principally from the Spanish market.

The aforementioned drop in cement sales in the domestic market, restructuring costs (approximately EUR 21 million) and decrease in revenue resulting from the sale of CO_2 allowances compared to the previous year (EUR 27 million less) decisively penalized the result for Portugal, with EBITDA declining 59% compared to 2012.

In terms of net operating investments, 2013 was marked by a reduction of the amounts spent, which totalled EUR 3.2 million (EUR 18.3 million in 2012). Of note in this regard was the installation of two new large packaging machines, which indicate the increasingly important focus on exports.

CAPE VERDE

	Unit	2013	2012	Change
Cement Sales	10^3 ton	176	189	-6.9%
Concrete Sales	10^3 m^3	10	29	-65.6%
Aggregates Sales	10^3 ton	39	126	-68.9%
Turnover	10^6 euros	24.0	27.3	-12.2%
Employees (31 dec.)	units	105	109	-3.7%

In Cape Verde, 2013 was marked by the contraction in cement consumption. The sales of Cimpor in this country fell by about 7% for a total of 176,000 tons. Similarly, there was a decrease in the concrete and aggregates business as the result of the stoppage of significant works, mainly linked to the tourism industry. Concrete and aggregates sales decreased by over 60%, compared with 2012.

Nevertheless, the increase in the cement sale price and optimization of logistics in transportation between islands allowed the impact of sales reductions to be offset, ensuring that EBITDA grew 4% over the previous year.

BRAZIL

	Unit	2013 (2)	2012	Change
Clinker installed capacity utilization (1)	%	91.2%	90.8%	0.4 p.p.
Cement and Clinker Sales	10^3 ton	12,533	5,876	113.3%
Concrete Sales	10^3 m^3	2,760	1,792	54.0%
Aggregates Sales	10^3 ton	2,396	801	199.1%
Mortar Sales	10^3 ton	196	228	-14.1%
Turnover	10^6 euros	1,238.7	690.8	79.3%
Employees (31 dec.)	units	3,055	1,472	107.5%

(1) Clinker production/Installed capacity (clinker)

(2) Consolidation perimeter changed after 2012 asset swap.

The Brazilian economy continued the trend of recent years, with the latest estimates indicating GDP growth over 2%. The cement market grew in line with GDP, increasing 2% compared with the previous year, exceeding 70 million tons consumed.

For Cimpor, 2013 was marked by the continued integration of InterCement operations, with the increase of the number of production units from 8 to 16, and the installed cement production capacity reaching 17.9 million tonnes. The new profile means that Cimpor is the second largest player in the Brazilian market, with a market share of about 18% in 2013.

Despite the not so brilliant performance of the economy in the first half of the year, the cement market and, consequently, Cimpor's sales recovered in the second half of the year, surpassing the figures achieved in 2012. The highlights of this financial year include the operation of the Cubatão mill at 100%, inaugurated at the end of 2012, thus contributing to a sales total of 12.5 million tons. The cement sale price grew positively throughout 2013, although growing at a rate below inflation. The sale price reached the year's highest value in December (4.7% higher than the price at the end of 2012).

The consolidation of the new perimeter of Cimpor drove record sales in the concrete and aggregates business, recording 2.8 million m^3 and 2.4 million tons respectively.

The rise of fuel and raw material costs was minimized by increasing the coprocessing rate, which reached a record high of 18.0%, 5.3 p.p. higher than the previous year, and reducing the clinker content by almost 2 p.p. compared to 2012.

The synergies achieved with the integration of the companies, the industrial performance improvements and the careful management of industrial costs allowed operating profitability to increase despite a slowdown in economic growth and pressure on costs.

The aggressive investments plan for the country was maintained in 2013, reaching EUR 224.5 million. The main investments were the new production line at Cezarina, the new plant at Caxitu, completion of the Cubatão milling project and the cable car lift at Apiaí.

ARGENTINA

	Unit	2013
Clinker installed capacity utilization [1]	%	92.0%
Cement and Clinker Sales	10^3 ton	6,383
Concrete Sales	10^3 m^3	726
Aggregates Sales	10^3 ton	1,112
Ferrosur Sales	10^3 ton	5,751
Turnover	10^6 euros	613.1
Employees (31 dec.)	units	2,968

(1) Clinker production/Installed capacity (clinker)

The GDP growth of the Argentinean economy in 2013 was 5.5% according to the latest information from the Indec statistics agency. Economic growth slowed in the final quarter, affected by the external economic environment and the foreign exchange control policies.

As a result of the transfer of assets between InterCement and Cimpor, Argentina joined the group of countries where the company operates. It contributes to Cimpor an installed capacity of 8.5 million tons of cement through 6 complete plants and 2 grinding facilities, in addition to the concrete, aggregates and rail transport businesses.

The cement market grew quite sharply in 2013, with consumption 12% higher than the figure recorded in 2012, for a total of 11.7 million tons, a record for the country. Loma Negra, the subsidiary of Cimpor in Argentina, went further in terms of performance and, besides recording record sale, with 6.4 million tons sold, achieved a market share of 46.1%.

The concrete and rail transport activities also followed this positive trend, with concrete sales growing 7.2% and the volume transported by rail growing 10.4% from the previous year. In aggregates, despite the slight fall in the amounts sold, strict control of costs and performance led to a strong increase of EBITDA of this business.

The commercial performance was supplemented by a costs control plan, based on operational improvement, increased coprocessing (record rate of 3.4%), optimizing the consumption of raw materials and production management across plants.

The contribution of Argentina was significant to consolidated EBITDA of Cimpor, despite the strong negative impact of the devaluation of the Argentinean peso against the euro (24.3%).

Investment in 2013 was EUR 34.8 million. The highlights in a year of pressure on the production capacity of the plants, were the investments in maintenance and the installation of coprocessing equipment.

PARAGUAY

	Unit	2013
Cement and Clinker Sales	10^3 ton	280
Turnover	10^6 euros	38.4
Employees (31 dec.)	units	80

2013 was remarkable for the growth of the Paraguayan economy. According to estimates of the Paraguay Central Bank, this country was the best economic performer of Latin America. Although this economy is traditionally linked to the performance of Brazil, the country disconnected from Brazil and took off in 2013, with GDP growing approximately 13.6%.

The operations in Paraguay that were integrated into the portfolio of Cimpor in 2013 are in an expanding market, which recorded total cement consumption of 0.9 million tons. The sales of Yguazu Cementos grew 30% over the year, for a total of 0.3 million tons, taking advantage of the strong growth dynamics of the local market. This growth was fuelled by the sale of imported cement, mainly from Portugal, and on the production of the company's own cement from the second half of the year, after the start-up of the grinding operation.

The cement sale price, the highest of Cimpor, remained virtually unchanged throughout 2013. The sale price is influenced by competition from cement imported from neighbouring countries. Moreover, the optimization of logistics operations and dynamism in the cement market drove EBITDA growth.

More than 11% of investment in consolidated terms was allocated to Paraguay, to the Yguazu grinding project and the work underway to transform the mill into a complete cement production plant. The total investment in 2013 was EUR 37.6 million, covering the first phase of the operational start of the grinding plant, and the start-up of the complete plant is scheduled for 2014.

EGYPT

	Unit	2013	2012	Change
Clinker installed capacity utilization (1)	%	71.7%	71.2%	0.5 p.p.
Cement and Clinker Sales	10^3 ton	3,196	3,108	2.8%
Concrete Sales	10^3 m^3	15	22	-31.4%
Turnover	10^6 euros	180.8	178.1	1.5%
Employees (31 dec.)	units	516	496	4.0%

(1) Clinker production/Installed capacity (clinker)

Egypt's GDP grew by 1.8% in 2013, despite the economy continuing to be affected by the climate of political and social uncertainty.

The repercussions of all the instability in the country continued to be felt in the construction sector and, consequently, in national cement consumption, which declined about 2% in 2013 for a total of about 50 million tons consumed. Amreyah, the subsidiary of Cimpor in this country, recorded sales growth of 2.8%, for a total of 3.2 million tons sold, allowing it to regain market share without reducing the price.

Despite the good industrial performance recorded in 2013, the increases of some production factors, especially the rise of about 56% in fuel costs and the need to use imported clinker to tackle the fuel shortages, were decisive for the 6% decrease in EBITDA. Also to be noted is the sharp depreciation of the Egyptian pound against the euro, about 16%, which ended up having a negative impact on the results.

Net operating investment decreased 17.8% compared to 2012, standing at EUR 19.9 million. It was primarily centred on the revamping of a production line and the renovation of a cement mill.

MOZAMBIQUE

	Unit	2013	2012	Change
Clinker installed capacity utilization [(1)]	%	50.1%	52.8%	-2.8 p.p.
Cement and Clinker Sales	10^3 ton	1,299	1,184	9.8%
Concrete Sales	10^3 m^3	172	115	49.8%
Turnover	10^6 euros	141.9	134.6	5.4%
Employees (31 dec.)	units	643	574	12.0%

[(1)] Clinker production/Installed capacity (clinker)

The most recent estimates indicate that Mozambique's GDP grew about 6.5% in 2013. The cement market recorded growth above that of the Mozambican economy, since the construction and agriculture sectors have taken a leading role in driving this growth. The cement market in 2013 maintained the market trend of 2012 and again achieved double-digit growth, approximately 10%.

The operational start-up of two mills in Mozambique and a more aggressive commercial policy improved competitiveness in 2013 against imports, with sales of 1.3 million tons, up 9.8% from 2012. Sales of Cimentos de Moçambique had a similar market performance, and market share remained almost unchanged.

The slight increase of the price in local currency and increased sales were not enough to overcome the problems with operational performance, which was marked by irregular limestone supply.

Thus, EBITDA decreased 9.0% compared to 2012, in line with the appreciation of about 8.7% of the euro against the metical, which also hindered the growth of that indicator.

Investment totalled EUR 24.5 million in 2013, with the year’s main investment being the installation of a new cement mill at Dondo.

SOUTH AFRICA

	Unit	2013	2012	Change
Clinker installed capacity utilization [1]	%	67.2%	48.9%	18.2 p.p.
Cement and Clinker Sales	10^3 ton	1,281	1,069	19.8%
Concrete Sales	10^3 m^3	180	136	32.5%
Aggregates Sales	10^3 ton	509	565	-10.0%
Turnover	10^6 euros	125.2	133.7	-6.3%
Employees (31 Dec.)	units	421	447	-5.8%

(1) Clinker production/Installed capacity (clinker)

The South African economy grew by 2.3% in 2013. This is slightly lower than in the previous year due to the slowdown in China and the current economic climate in Europe, the main commodities partners of South Africa.

The cement market grew 6.4% in 2013, according to the latest estimates. Sales of Cimpor in South Africa grew at a higher rate, driving a gain in market share. A more aggressive commercial policy led to sales growth of 19.8% from the previous year, to 1.3 million tons, in a market under pressure with the establishment of new players and imports (partly responsible for the fall in the sale price in the domestic market).

Turnover fell as a result of the decrease in the cement sale price. Increased production costs, primarily the price of electricity which rose more than 20% in just one year, and the negative currency impact resulted in a 25.0% decrease of EBITDA.

In terms of investment, 2013 was marked by careful management of the same, which only amounted to EUR 1.6 million. This investment was mainly focused on the maintenance of existing operations.

Operational Performance

2013 confirmed the success of the new portfolio of the company.

The new perimeter of Cimpor generated an EBITDA of EUR 691.8 million, 45.5% higher than the previous year. The assets merged into Cimpor by InterCement after its takeover, and despite the impact of the penalty registered in Argentina in the 2nd quarter of this year, contributed an amount 11.4 times higher than the discontinued assets.

The EBITDA margin also improved significantly, from 22.8% in 2012 to 26.4% in 2013. This improvement reflects the continuing effort to maximize the operational efficiency of Cimpor and harness the synergies from the integration.

Sales increased 19.1% in 2013, to record 28.4 million tons of cement and clinker sold, compared with 23.8 million tons in the previous year. All countries except Cape Verde increased their contribution to sales in 2013. EBITDA was EUR 691.8 million in 2013, despite the contagion of non-recurring factors, over EUR 59.9 million in 2013. This EBITDA performance is 45.5% higher than in 2012.

Brazil confirmed its importance in 2013 in the consolidated results of the company, contributing about 60% to the total EBITDA for the year. Argentina, a country where cement sales reached a record high, with Loma Negra (the subsidiary of Cimpor) selling 6.4 million tons, significantly contributed to the EBITDA of Cimpor, although it had to pay a penalty related to an anti-trust case in the 1st half of the year. In Paraguay, where the new production unit has been operating since the end of October, the growth scenario is maintained. The outlook in Paraguay is quite promising considering the optimization of logistics operations and the current dynamism of the local cement market.

There was a sharp increase of exports from Portugal, with the volume of cement shipped from this country growing 75% yoy. The domestic market in Portugal recorded another year of decline (-24%), although signs of improvement were found in the final months of the year, which may indicate a more optimistic year in 2014. Cape Verde recorded an increase in EBITDA in 2013, even though cement sales dropped slightly.

The stand-out positive note among the remaining countries is the increased cement sales of the Cimpor units in Egypt, Mozambique and South Africa. The sharp devaluation of the local currencies against the euro should, however, be noted since it penalised the results of these business units. In Egypt, the recovery of the sale price and operational optimization at the plant located in Alexandria relieved the pressure on EBITDA. In Mozambique, the entry into operation of two new mills allowed Cimpor to accompany the expansion of the market. However the effect of imports on price ended up impacting on the results of the country. Similarly, despite significant growth of 20% in sales in South Africa, 2013 was marked by increased competition from cement imports that curbed the year’s results.

Sales

In cumulative terms, the 28 million tons sold barrier was broken in 2013. This figure is 19.0% up on the previous year.

2013 was notable in Brazil for the merger of the InterCement operations into Cimpor, doubling sales from the previous year and giving Cimpor vice-leadership of the local market. Cimpor's operations in Argentina surpassed the record sales growth in that country, giving the country the position of 2nd largest contributor to the cement sales of this company. Paraguay showed strong commercial momentum throughout the year, with the local market supplied by exports from Portugal. A new grinding unit began operations In Paraguay in September.

Domestic sales in Portugal fell sharply, following the downward trend of recent years, although that fall in sales for the country was offset by strong growth in exports.

Sales in Egypt were higher than the previous year, despite the local context. In Mozambique, where the start-up of two new mills is to be emphasized, sales also underwent an increase. In South Africa, which like Mozambique is a market that is very vulnerable to imported cement, Cimpor managed to increase cement sales and regain market share.

The development of the Trading business unit of Cimpor in 2013 in several other regions of the globe ensured it took a prominent place among the largest cement traders of the world.

CEMENT AND CLINKER SALES			
(Thousand tons)	jan - dec 2013	2012	Change %
Assets that remained at Cimpor [1]	15,133	14,412	5.0
Assets aquired	13,253	-	N/A
Total Consolidated	**28,386**	**14,412**	**97.0**
Alienated assets	-	9,441	**N/A**
Consolidated wholly integrated basis	**28,386**	**23,852**	**19.01**

[1] Includes intra-group eliminations

CEMENT AND CLINKER SALES - BUSINESS UNIT			
(Thousand tons)	jan - dec 2013	2012	Change %
Brazil a)	12,533	5,876	113.3
Argentina and Paraguay	6,664	b)	s.s.
Portugal and Cape Verde	4,229	3,624	16.7
Egypt	3,196	3,108	2.8
Mozambique	1,299	1,184	9.8
South Africa	1,281	1,069	19.8
Sub-Total	**29,202**	**14,861**	**96.5**
Intra-Group Elimination	-815	-449	**N/A**
Total Consolidated	**28,386**	**14,412**	**97.0**
Alienated assets	-	9,441	**N/A**
Consolidated wholly integrated basis	**28,386**	**23,852**	**19.07**

a) In 2013, includes assets acquired in Dec-12

b) Assets acquired on Dec-12

Turnover

Turnover in 2013 amounted to EUR 2.6245 billion, which is an increase of 25.9% from the EUR 2.0838 billion turnover of the previous year.

The assets acquired by Cimpor from InterCement in the asset swap process multiplied by 2.2 times the turnover that the sold assets had recorded in 2012. The significant sales figures of Brazil and Argentina and the price factor in Paraguay ended up having a greater impact than the appreciation of the euro. The stronger euro prevented the growth of turnover from being more significant.

As regards the assets that remained in the perimeter of Cimpor, the turnover of Portugal and Cape Verde, as a result of decreased activity in these countries, declined by 9% and 12%, respectively, from the previous year. In contrast, Egypt, due mainly to a significant price improvement, and Mozambique, driven by increased quantities, recorded higher turnovers in 2013 than in 2012. In South Africa, despite the significant growth of sales, the dilution of the average sale price owing to the introduction of a more competitive brand resulted in a decrease of the income generated by about 6% from the previous year. The Trading business exceeded income in 2012 by about 28%.

The relevant share that the appreciation of the euro had in 2013 relative to the other currencies where Cimpor operates should be noted. The depreciation of the Brazilian real (14%), Argentinean peso (24%), Egyptian pound (16%), Mozambican metical (9%) and the South African rand (21%), had a negative impact on turnover in 2013 greater than EUR 390 million. In other words, turnover in 2013 would have had an even more significant increase over the previous year were it not for the exchange rate effect.

TURNOVER

(Million Euros)	jan - dec		
	2013	2012	Change %
Assets that remained at Cimpor	1,709.0	1,742.6	**-1.9**
Assets aquired	1,247.6	-	**N/A**
Intra-group eliminations	-332.1	-232.6	**N/A**
Total Consolidated	**2,624.5**	**1,510.0**	**73.8**
Alienated assets	-	639.4	**N/A**
Intra-group eliminations	-	-65.6	**N/A**
Consolidated wholly integrated basis	**2,624.5**	**2,083.8**	**25.9**

TURNOVER - BUSINESS UNIT

(Million Euros)	jan - dec		
	2013	2012	Change%
Brazil a)	1,238.7	690.8	79.3
Argentina and Paraguay	651.5	b)	N/A
Portugal and Cape Verde	307.4	337.9	-9.0
Egypt	180.8	178.1	1.5
Mozambique	141.9	134.6	5.4
South Africa	125.2	133.7	-6.3
Trading / Shipping	276.9	216.6	27.9
Others	34.2	50.9	-32.9
Sub-Total	**2,956.6**	**1,742.6**	**69.7**
Intra-group eliminations	-332.1	-232.6	**N/A**
Total Consolidated	**2,624.5**	**1,510.0**	**73.8**
Alienated assets	-	639.4	**N/A**
Intra-group eliminations	-	-65.6	**N/A**
Consolidated wholly integrated basis	**2,624.5**	**2,083.8**	**25.9**

a) In 2013, includes assets acquired in Dec-12

b) Assets acquired on Dec-12

EBITDA

Total consolidated EBITDA in 2013 amounted to EUR 691.8 million, equivalent to 45.5% growth compared to the previous year. The EBITDA margin was 26.4%, a stand-out result among the international cement manufacturers, an improvement (3.5 p.p.) from the 2012 figure, when the margin was 22.8%.

The addition of the assets of Brazil, Argentina and Paraguay from the swap were instrumental in the substantial growth of EBITDA. The contribution of these business units was 11.4 times higher than the EBITDA that had been achieved by the divested assets.

In Brazil, the integration of assets, the synergies resulting from that and operational improvements were the main drivers of EBITDA growth. In Argentina, the EBITDA places this business unit as the second highest contributor to the results of Cimpor. In a year marked by strong sales growth, this result is only not more positive due to the impact of the fine resulting from the anti-trust case in the 1st half of the year. In Paraguay, the dynamism of the cement market and the start of the cement grinding operations boosted the EBITDA for the year.

In Portugal, despite the dynamism of exports, the decline of cement sales in the domestic market, restructuring costs and the decrease in revenue from the sale of CO_2 allowances, compared to the previous year, penalized the results for the country. In Egypt, increased cement sales were not enough to offset the increase in variable costs. Industrial performance in Mozambique was hindered by reliability problems with the supply of limestone, contributing to a decrease in operating income. In South Africa, the optimization of variable costs mitigated the impact of some strikes in the construction sector, although it did not allow EBITDA to surpass the 2012 total.

The impact of the appreciation of the euro during 2013, compared to most international currencies, deserves underlining. The impact on EBITDA was over EUR 100 million, i.e. if we exclude this impact, Cimpor's EBITDA would have been 68% higher than the 2012 figure.

Amortisation and Provisions

Amortisation and provisions totalled EUR 204.7 million including the effect of the allocation of fair values to the acquired assets in the amount of EUR 29 million. This figure represents a decrease of 57.6% compared to 2012 on a wholly integrated basis, a period in which impairment losses in the region of EUR 300 million were recognised, primarily from the assets that were sold (EUR 283 million euros).

Financial Income

The financial income of Cimpor in 2013 amounted to negative EUR 406.9 million, which compares unfavourably to negative EUR 330.2 million, on a wholly integrated basis.

The driver of the result of this financial year was the net increase of unfavourable foreign exchange differences amounting to EUR 200 million, mainly due to the impact of the devaluation of the working currency of the finance contracting entities against the euro and the U.S. dollar, the currencies in which that finance is contracted. The increase in interest due to the increase of the amount of debt amounts to approximately EUR 116 million.

Tax

Income tax essentially reflects an expenditure for the companies with positive results. No tax benefits were registered owing to the negative results of the companies in which there are no projections that allow the recovery to be forecast, as in previous periods.

Net Income

The net income attributable to shareholders improved EUR 443 million to stand at negative EUR 19.4 million - compared to the negative EUR 423.7 million in 2012 on a wholly integrated basis. The performance of operating results was the main driver of this recovery.

Overall Income Statement

INCOME STATEMENT			
(Million Euros)	jan - dec 2013	jan - dec 2012 wholly integrated basis	Change %
Turnover	**2,624.5**	**2,083.8**	**25.9**
Net Operational Cash Costs	1,932.7	1,608.5	20.2
Operational Cash Flow (EBITDA)	**691.8**	**475.3**	**45.5**
Amortisations and Provisions	204.7	482.5	-57.6
Operating Income (EBIT)	**487.0**	**-7.2**	**N/A**
Financial Results	-406.9	-330.2	N/A
Pre-tax Income	**80.1**	**-337.4**	**N/A**
Income Tax	95.5	93.8	1.8
Net Income	**-15.3**	**-431.2**	**N/A**
Attributable to:			
Shareholders	-19.4	-423.7	N/A
Minority Interests	4.0	-7.5	N/A

In order to facilitate the analysis of development of Cimpor's business, this report presents a comparison of the 2013 results with the "2012 results on a wholly integrated basis", i.e. considering for 2012 the old profile of Cimpor (that underlying the 2012 financial statements presented to the market) comprising the assets disposed of in the meantime and not those that have since been acquired.

INCOME STATEMENT			
(Million Euros)	jan - dec 2013	jan - dec 2012 Restated	Change%
Turnover	**2,624.5**	**1,510.0**	**73.8**
Net Operational Cash Costs	1,932.7	1,060.3	82.3
Operational Cash Flow (EBITDA)	**691.8**	**449.6**	**53.9**
Amortisations and Provisions	204.7	143.9	42.3
Operating Income (EBIT)	**487.0**	**305.8**	**59.3**
Financial Results	-406.9	-138.2	N/A
Pre-tax Income	**80.1**	**167.5**	**-52.2**
Income Tax	95.5	116.1	-17.8
Net Income of Continuing Operations	**-15.3**	**51.5**	**-129.8**
Net Income of Discontinued Operations		**-482.7**	
Net Income	**-15.3**	**-431.2**	**N/A**
Attributable to:			
Shareholders	-19.4	-423.7	N/A
Minority shareholders	4.0	-7.5	N/A

However, to meet the accounting standards in force, a comparison of 2013 with the "restated 2012 results" must also be published, i.e. separately showing the evolution of the assets remaining in the perimeter and only one line of input for the Net Income from Discontinued Operations.

Balance Sheet

Net assets of Cimpor at 31 December 2013 were EUR 6.451 billion, which is a decrease of 12.7% when compared with the end of 2012. This result is primarily influenced by the impact of the devaluation against the euro of the currencies of the business areas where Cimpor operates.

The main variation in net debt refers to the conversion into financing of an amount payable arising from the assets swap agreement at the end of 2012 (EUR 381.9 million).

The investments amounted to EUR 342.3 million in 2013, and were mainly made in new plants in Brazil and Paraguay.

CONSOLIDATED BALANCE SHEET SUMMARY			
(Million Euros)	31 dec 2013	31 dec 2012	Change%
Assets			
Non-current Assets	4,976	5,822	-14.5
Current Assets			
Cash and Equivalents	691	838	-17.5
Other Current Assets	784	717	9.4
Non Current Assets available for sale	0	11	-97.8
Total Assets	**6,451**	**7,387**	**-12.7**
Shareholders' Equity attributable to:			
Equity Holders	947	1,457	-35.0
Minority Interests	41	40	1.9
Total Shareholders' Equity	**988**	**1,497**	**-34.0**
Liabilities			
Loans	4,125	4,021	2.6
Provisions	143	202	-29.4
Other Liabilities	1,196	1,667	-28.3
Total Liabilities	**5,464**	**5,890**	**-7.2**
Total Liabilities and Shareholders' Equity	**6,451**	**7,387**	**-12.7**

7. Debt

A new financing policy, inherent to the process arising from the integration of the new assets, began to be implemented, adjusted to the new profile of the company and its development ambitions. The key guidelines of this policy are *Reduce Leverage and Debt*, and *Redesign the Debt Profile*. It also encompasses the guidelines of decreasing currency exchange exposure and seeking to adjust the raising of funds to the cash generating currency of each country, as a form of hedging for Cimpor.

The process of *Reducing Leverage and Debt* includes the sale of non-operating assets, the careful selection of the investments and various projects to increase efficiency.

Two operations have already been conducted in 2014 in relation to the *New Financing profile*, with the aim of extending the average maturity of debt and alleviating pressure on liquidity until 2017: (i) a new syndicated loan of USD 900 million and (ii) an intercompany loan to the subsidiaries of Cimpor of approximately EUR 345 million from InterCement Austria Holding - a company controlled by InterCement Participações, the majority shareholder of Cimpor.

The net debt of Cimpor on 31 December 2013 was EUR 3.434 billion, compared with EUR 3.183 billion on 31 December 2012.

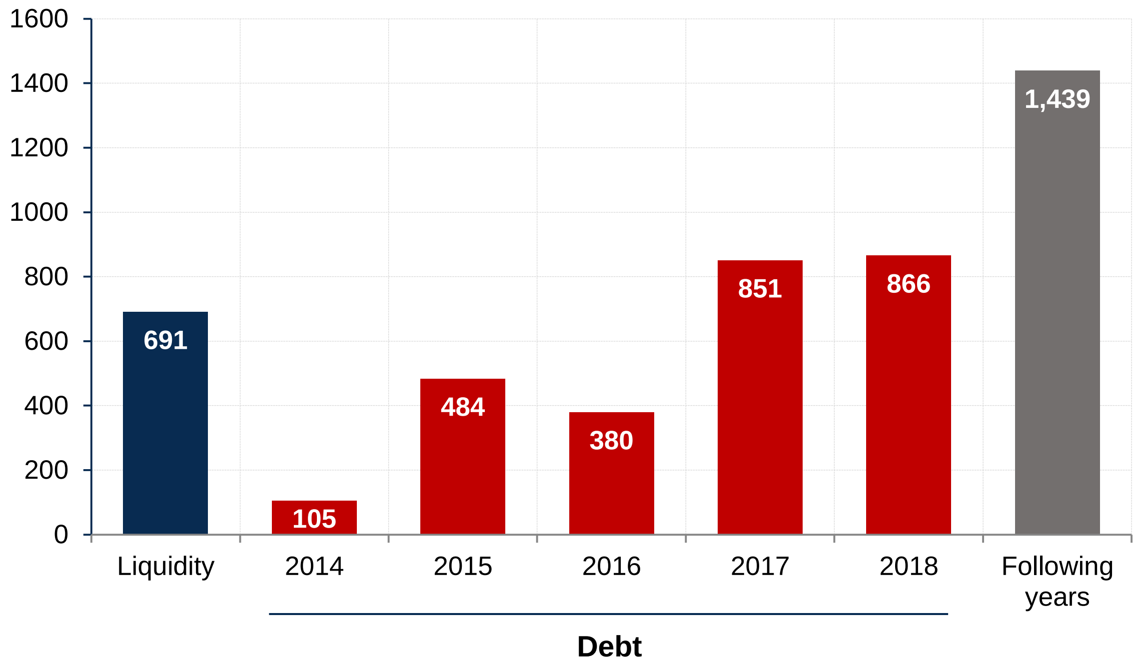
This increase is mainly due to the conversion to a financial liability of the amount payable calculated in the assets swap of 2012 - EUR 381.9 million.

In relation to the liabilities of Cimpor to creditors, it should be noted that the covenants of the loans contracted by Cimpor are only measured in relation to its indirect and controlling shareholder at 31 December 2013, which is only measured vis-à-vis that company, registering a figure comfortably below the contractual threshold.

The BB rating of Cimpor was levelled to the credit rating of the Camargo Corrêa, S.A. after the success of the takeover bid and according to the criterion of Standard & Poor's (which envisages the alignment of the rating of subsidiaries with their parent company). That rating was confirmed last September and the outlook was changed from stable to positive.

The average cost of financing remained below 5% for an average life that, at the end of the year, reached approximately 4.5 years, despite the rise of interest rates in the major markets where Cimpor is financed.

Debt maturity schedule (EUR million):



Bank financing originating from Brazilian counterparties, like the decisive contribution of Brazil to Cimpor EBITDA, continues to dominate (accounting for 73% of total debt issued).

8. Risk Management

A corporate policy and guidance manual to optimise the management of risks was developed in 2012. The operations in Brazil and Argentina that would be integrated in the Cimpor universe initiated the implementation of a pilot method for risk management in Cimpor that resulted in the identification, assessment and prioritization of risks considered critical, the implementation of action plans to mitigate them and the development of indicators for their monitoring. This methodology was widely used during the integration process and then gradually implemented throughout the company in 2013.

Cimpor, as part of its activities, is exposed to various risks likely to impact on its business in a more or less material manner, as presented in depth in the Corporate Governance Report (attached hereto).

One of the main focuses of the risk management process relates to the management and monitoring of the risks associated with exchange rate volatility. These arise from the fact that Cimpor holds assets and generates revenue in currencies with highly volatile exchange rates, while having liabilities that are mostly composed of more stable currencies. Cimpor's policy to mitigate this currency risk, among others, is to contract financing in local currencies, whenever possible, with the purpose of financing investment projects or working capital in the business units.

It should also be noted here that the market valuation of industrial assets is strongly pegged to the U.S. dollar in the cement industry, which means that the impacts of currency appreciation do not significantly impact on the worth of the company.

9. Subsequent Events

9.1 CADE Administrative Procedure

The hearing by CADE (Administrative Council for Economic Defence) of the Administrative Procedure to investigate alleged economic-related offences in the cement and ready-mix concrete markets in Brazil by various companies of the sector began on 22 January 2014. Four of the five judges of the Board of CADE advanced a vote in favour of condemning the group of companies in Brazil that are now under the sphere of Cimpor to pay a fine and sell assets corresponding to 25% of production capacity in Brazil.

The overall amount of the fine proposed to date amounted to 538 million reais (EUR 169 million) based on reports dated to 2006. This amount includes the fine levied on Camargo Corrêa Cimentos, currently InterCement Brasil, merged into Cimpor since December 2012, amounting to 241 million reais (EUR 76 million) and the fine levied on Cimpor Brasil (currently merged into InterCement Brasil), in the amount of 297 million reais (EUR 93 million).

The vote of the fifth member of this Board has been postponed to a date to be set. At that time the decision will be enacted. A change in the vote of the other judges cannot be excluded before then.

Cimpor is firmly convinced that no offence was committed.

9.2 Financing Policy

Under the Funding Policy set forth in Section 7 of this report, Cimpor undertook two refinancing operations on 18 January that resulted in an immediate one-year increase in average debt maturity, increasing to 5.8 years, and the transfer of liquidity requirements to 2017.

More specifically, its subsidiary Cimpor Financial Operations, BV ("Cimpor BV") obtained from a number of international banks a syndicated loan of USD 900 million, aimed at the early repayment of existing debts and the reduction of costs. This loan is in US dollars and euros and it is divided into three tranches, one at 5-year maturity with amortization beginning in the 3rd year and the other is a 5-year bullet, while the third tranche is a 7-year bullet. This operation has among its guarantors, besides the Cimpor companies, InterCement Participações, S.A. (the indirect controlling shareholder of that company).

Moreover, in the same regard and with the same purpose of the above loan, Cimpor Inversiones, S.A. and Cimpor BV, both subsidiaries of Cimpor, also contracted an InterCompany Loan of EUR 345 million from their majority shareholder, InterCement Austria Holding GmbH. This loan is contracted under market conditions and in more competitive terms compared to the loan it aims to amortize, at the same price as the last tranche of the syndicated loan detailed above.

This *refinancing* process underway does not entail an increase in net debt or additional commitments for Cimpor in terms of Net Debt/EBITDA. It should be mentioned here that these ratios only exist in relation to InterCement Participações, S.A. (the indirect controlling shareholder of this company).

The financial policy of the Cimpor comprises, in addition to seeking refinancing on more favourable terms, the development of a range of actions aimed at *Reducing Leverage and Debt*.

10. Future Prospects

The current global economic climate indicates that the period of greatest uncertainty regarding the future after the 2008 crisis may be behind us. Developed countries have regained their ability to grow, which is also reflected in higher business activity for emerging economies. Thus, it is estimated that global GDP growth may reach 3.2% this year, compared to 2.4% estimated for 2013.

This trend is also confirmed for Portugal. After 10 consecutive quarters of decline, the Portuguese economy returned to growth in the 2nd half of 2013, showing signs that generate expectations of an economic recovery in 2014. In this scenario, the cement market in Portugal may still retract in 2014, but not as sharply as in recent years, and this trend is expected to reverse by 2015. On the other hand, growth of exports in 2014 is envisaged, given the prospect of moving into new markets.

In Brazil, the foundations that support the sustainable expansion of the sector in the coming years remain in place, such as the demand for housing and growth in mortgage lending, the need for energy and freight and passenger transport infrastructure projects and the respective private sector concession programmes. The high levels of home occupancy of the economically active population is also to be added to that fact. As a result, growth is expected to continue in 2014 and subsequent years, although at more moderate levels than the average of recent years. Cimpor maintains its investment plans in this climate for new plants in the north and south of the country, and it proceeds with capacity expansion projects in the states of Paraíba and Goiás.

Argentina is now the largest economic uncertainty among the countries where Cimpor operates, although it had the highest market growth rate of this portfolio over the last year and still has good prospects for the future, given the potential for generating wealth from agriculture and the reserves of shale gas and oil. The changes in the economic environment of the country should lay more solid foundations for the business environment starting from 2015.

In neighbouring Paraguay, where a grinding facility with a capacity of about 400,000 tons of cement production was installed in 2013, a clinker production line is expected to be completed in the 2nd half of 2014. This integrated plant should have its first full year of operation in 2015, with a utilization rate already very close to its operational capacity. The country is experiencing a phase of economic growth that is very favourable to the development of the construction sector, and it is expected that this upwards cycle will continue in forthcoming years.

The economic downturn in Cape Verde is expected to continue in 2014. So, the beginning of the recovery of the market is not expected to occur before 2015.

The market prospects in Egypt are positive although the social and political situation is not yet fully stabilised. In 2013, Cimpor was able to achieve the growth of its operations and in 2014 we expect a slight increase in sales.

Operations in Mozambique underwent significant capacity increases in 2013 (600,000 tons) with the start-up of a new mill at Dondo and a new grinding facility in the Maputo region. These increases in capacity will allow Cimpor to meet the growing demand for cement in the short and medium term, and which is envisaged to remain robust in forthcoming years.

The South African cement market has also shown signs of recovery in 2013, a trend that is expected to continue in the near future. Investments are being made to support the growth of Cimpor's operations in South Africa and meet the needs of concrete customers. Management improvements intended to move the company closer to its cement customers are also being undertaken.

Cimpor, in parallel to the ongoing integration process, continues with the implementation of internal projects to improve productivity across the company as a whole.

The development ambitions of Cimpor, considering the analysis of different scenarios, envisage a group of investments amounting to around EUR 200 million per year to 2016.

11. Proposed Appropriation of Profit

"Whereas:

a) As stated in the financial statements, despite the consolidated loss of EUR 19,350,619.74 for the financial year ended on 31 December 2013, the net profit on an individual basis was positive EUR 7,543,160.93;

b) In accordance with law and the Articles of Association of Cimpor, a percentage of no less than 5% of the profit for the period is to be used to increase the legal reserve until it reaches the amount required by law (at least 20% of the share capital). Since the Company currently already meets this threshold, strengthening the legal reserve is not necessary.

Pursuant to Article 22 of the Articles of Association of this company, the Board of Directors proposes to the Shareholders the following appropriation of the 2013 profit:

- Award of bonuses to employees on the payroll of Cimpor - Cimentos de Portugal, SGPS, S.A. at the end of December 2013, in the maximum amount of EUR 400,000 (already considered in the financial statements).

- Payout of dividends to shareholders in the amount of EUR 1,948,800.00 corresponding to a gross dividend of 0.0029 euros per share, relative to the total number of shares issued.

  Since it is not possible to accurately ascertain the number of securities without equity rights on the referred payment date, it is proposed that the payout of the total amount of EUR 1,948,800.00 referred in the previous paragraph, calculated on the basis of a unit amount per share (0.0029 euros per share, in this case), be guided by the following:

  a) The unit amount of 0.0029 euros, which underpinned this proposal, is paid for each issued share;

  b) The unit amount corresponding to securities without equity rights is not paid, but transferred to retained earnings on the first day of the above-indicated payout period.

- Transfer of the remaining net profit for the financial year to Retained Earnings."

12. 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

Luiz Roberto Ortiz Nascimento

Albrecht Curt Reuter Domenech

José Édison Barros Franco

Claudio Borin Guedes Palaia

André Pires Oliveira Dias

Ricardo Fonseca de Mendonça Lima

Nélson Tambelini Júnior

José Manuel Neves Adelino

Pedro Miguel Duarte Rebelo de Sousa

António Soares Pinto Barbosa

II. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS

of Profit and loss and other Comprehensive Income for the years ended 31 December 2013 and 2012

(Amounts stated in thousand of euros)

(Translation from the Portuguese original – Note 52)

	Notes	2013	2012
Continued operations:			
Operating income:			
Sales and services rendered	7	2,624,524	1,509,956
Other operating income	8	88,571	72,276
Total operating income		2,713,095	1,582,232
Operating expenses:			
Cost of goods sold and material used in production	9	(590,397)	(401,353)
Changes in inventories of finished goods and work in progress		18,543	5,924
Outside supplies and services		(1,059,962)	(534,260)
Payroll costs	10	(331,591)	(185,698)
Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets	7, 16, 17 and 18	(204,134)	(152,337)
Provisions	7 and 36	(613)	8,479
Other operating expenses	11	(57,906)	(17,232)
Total operating expenses		(2,226,059)	(1,276,476)
Net operating income	7	487,036	305,755
Net financial expenses	7 and 12	(407,295)	(113,789)
Share of profits of associates	7 and 12	741	(109)
Other investment income	7 and 12	(346)	(24,309)
Profit before income tax	7	80,136	167,549
Income tax	7 and 13	(95,458)	(116,073)
Net profit in continued operations	7	(15,322)	51,475
Discontinued operations:			
Net profit in discontinued operations	5 and 7	-	(482,665)
Net profit for the year	7	(15,322)	(431,190)
Other comprehensive income:			
That will not be subsequently reclassified to expenses and income:			
Actuarial gain and loss on employee's responsabilities	31 and 33	1,498	(521)
That might be subsequently reclassified to espenses and income:			
Derivative financial instruments	31 and 33	681	353
Available-for-sale financial assets		-	484
Currency translation adjustments (Variation)	30 and 33	(480,296)	5,376
Adjustments in investments in associates		-	(215)
Results recognize directly in equity		(478,116)	5,477
Total comprehensive income for the year		(493,438)	(425,712)
Net profit for the year attributable to:			
Equity holders of the parent	15	(19,351)	(423,734)
Non-controlling interests	7 and 33	4,028	(7,456)
		(15,322)	(431,190)
Total comprehensive income for the year attributable to:			
Equity holders of the parent		(497,355)	(417,724)
Non-controlling interests		3,917	(7,988)
		(493,438)	(425,712)
Earnings per share of continued and discontinued operations:			
Basic	15	(0.03)	(0.64)
Diluted	15	(0.03)	(0.64)
Earnings per share of continued operations:			
Basic	15	(0.03)	0.07
Diluted	15	(0.03)	0.07

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2013.

CONSOLIDATED STATEMENTS

of Financial Position at 31 December 2013 and 2012 (Restated)

(Amounts stated in thousand of euros)

(Translation from the Portuguese original – Note 52)

	Notes	2013	2012 restarted
Non-current assets:			
Goodwill	16	1,958,671	2,351,401
Intangible assets	17	32,422	37,115
Tangible assets	18	2,774,490	3,189,724
Investments in associates	7 e 19	8,414	8,374
Other investments	20	13,585	29,026
Accounts receivable-other	22	19,518	14,994
Taxes recoverable	23	35,159	38,456
Other non-current assets	24	6,067	43
Deferred tax assets	25	127,401	152,494
Total non-current assets		4,975,727	5,821,628
Current assets:			
Inventories	26	450,263	437,399
Accounts receivable-trade	27	207,070	189,808
Accounts receivable-other	22	39,955	32,974
Taxes recoverable	23	74,546	48,641
Cash and cash equivalents	46	691,116	837,717
Other current assets	24	12,431	7,838
		1,475,380	1,554,377
Non-current assets held for sale	21	237	10,587
Total current assets		1,475,617	1,564,964
Total assets	7	6,451,345	7,386,592
Shareholders' equity:			
Share Capital	28	672,000	672,000
Treasury shares	29	(27,216)	(27,216)
Currency translation adjustments	30	(428,017)	52,167
Reserves	31	276,222	275,760
Retained Earnings	32	473,386	907,919
Net profit for the year	15	(19,351)	(423,734)
Equity before non-controlling interests		947,025	1,456,897
Non-controlling interests	33	40,536	39,788
Total shareholders' equity	7	987,561	1,496,685
Non-current liabilities			
Deferred tax liabilities	25	575,799	690,400
Employee benefities	34	16,637	21,128
Provisions	36	121,019	178,192
Loans	37	4,020,399	3,818,551
Obligations under finance leases	38	-	35
Account payable - other	41	21,927	33,391
Taxes payable	23	7,664	9,689
Other non-current liabilities	42	7,096	29,105
Total non-current liabilities		4,770,542	4,780,492
Current liabilities			
Employee benefits	34	903	902
Provisions	36	4,214	1,910
Loans	37	104,870	201,450
Obligations under finance leases	38	3	621
Accounts payable - trade	43	246,644	216,357
Accounts payable - others	41	145,786	520,261
Taxes payable	23	56,889	59,454
Other current liabilities	42	133,933	108,461
Total current liabilities		693,242	1,109,415
Total liabilities	7	5,463,784	5,889,907
Total liabilities and shareholders' equity		6,451,345	7,386,592

The accompanying notes form na integral part of the financial statements for the year ended at 31 December 2013

CONSOLIDATED STATEMENTS

of Changes in Shareholders' Equity for the years ended 31 December 2013 and 2012 (Restated)

(Amounts stated in thousand of euros)

(Translation from the Portuguese original – Note 52)

	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 2011		672,000	(29,055)	46,043	273,717	822,052	198,132	1,982,890	101,451	2,084,341
Consolidated net profit for the year	7	-	-	-	-	-	(423,734)	(423,734)	(7,456)	(431,190)
Results recognized directly in equity		-	-	6,124	(114)	-	-	6,010	(532)	5,477
Total comprehensive income for the year		-	-	6,124	(114)	-	(423,734)	(417,724)	(7,988)	(425,712)
Appropriation of consolidated profit of 2011:										
Transfer to legal reserves and retained earnings	32	-	-	-	-	198,132	(198,132)	-	-	-
Dividends	14, 32 and 33	-	-	-	-	(110,511)	-	(110,511)	(9,888)	(120,399)
Changes in consolidation perimeter	5	-	-	-	-	-	-	-	(47,267)	(47,267)
(Purshase)/ Sale of treasury shares	29	-	1,839	-	(596)	-	-	1,243	-	1,243
Share purchase and options		-	-	-	(578)	663	-	85	-	85
Variation in financial investments and other		-	-	-	3,332	(2,418)	-	914	3,480	4,395
Saldo em 31 de Dezembro de 2012 (restated)		672,000	(27,216)	52,167	275,760	907,919	(423,734)	1,456,897	39,788	1,496,685
Consolidated net profit for the year	7	-	-	-	-	-	(19,351)	(19,351)	4,028	(15,322)
Results recognized directly in equity		-	-	(480,184)	2,180	-	-	(478,004)	(112)	(478,116)
Total comprehensive income for the year		-	-	(480,184)	2,180	-	(19,351)	(497,355)	3,917	(493,438)
Appropriation of consolidated profit of 2012:										
Transfer to legal reserves and retained earnings	32	-	-	-	-	(423,734)	423,734	-	-	-
Dividends	14, 32 and 33	-	-	-	-	(10,785)	-	(10,785)	(3,016)	(13,801)
Variation in financial investments and other		-	-	-	(1,717)	(15)	-	(1,732)	(153)	(1,885)
Balances at 31 December 2013		672,000	(27,216)	(428,017)	276,222	473,386	(19,351)	947,025	40,536	987,561

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2013.

CONSOLIDATED STATEMENTS

of Cash Flows for the years ended 31 December 2013 and 2012

(Amounts stated in thousand of euros)

(Translation from the Portuguese original – Note 52)

	Notas	2013	2012
Operating activities			
Receipts from clients		2,745,996	2,513,330
Payments to suppliers		(1,853,748)	(1,536,690)
Payments to employers		(313,612)	(258,466)
Cash Flows generated by operations		578,636	718,174
Income tax recovered/ (paid)		(104,811)	(98,945)
Other payments related to operating activities		(30,077)	(174,607)
Cash Flows from operating activities (1)		443,748	444,622
Investing activities			
Receipts relating to:			
Changes in consolidation perimeter	46	-	189,777
Financial investments		21,647	18,764
Tangible assets		21,808	6,087
Intangible assets		27	373
Interest and similar income		4,023	21,067
Dividends		714	879
Others		-	441
		48,217	237,388
Payments relating to:			
Changes in consolidation perimeter	5	(75)	-
Financial investments		(30,664)	(1,798)
Tangible assets		(331,057)	(208,804)
Intagible assets		(6,316)	(4,564)
Others		-	(723)
		(368,112)	(215,889)
Cash flow from investing activities (2)		(319,895)	21,499
Financing activities:			
Receipts relating to:			
Loans obtained	46	442,252	2,103,069
Sales of treasury shares		2	1,438
Others		-	3,844
		442,254	2,108,352
Payments related to:			
Loans obtained	46	(408,797)	(1,960,959)
Interest and similar costs		(225,874)	(186,357)
Dividends	14	(10,785)	(110,511)
Others	46	(6,351)	(9,736)
		(651,807)	(2,267,564)
Cash flows from financing activities (3)		(209,553)	(159,211)
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		(85,700)	306,910
Effect of currency translation and other non monetary transactions		(87,667)	(49,464)
Cash and cash equivalents at the beginning of the year	46	813,692	556,247
Cash and cash equivalents at the end of the year	46	640,326	813,692

The accompanying notes form na integral part of the financial statements for the year ended at 31 December 2013

SEPARATE STATEMENTS

of Profit and loss and other Comprehensive Income for the years ended 31 December 2013 and 2012

(Amounts stated in thousand of euros)

(Translation from the Portuguese original – Note 52)

	Notes	2013	2012
Operating income:			
Services rendered	47	5,250	5,250
Other operating income	8 and 47	11,676	1,124
Total operating income		16,926	6,374
Operating expenses:			
Outside supplies and services		(3,808)	(7,585)
Payroll costs	10	(3,671)	(16,091)
Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets	17 and 18	(173)	(429)
Other operating expenses	11	(396)	(1,034)
Total operating expenses		(8,048)	(25,139)
Net operating income		8,878	(18,766)
Financial income, net	12	6,059	6,155
Investment income	12	1,906	51,517
Profit before income tax		16,843	38,906
Income tax	13	(9,300)	4,592
Net profit for the year	15	7,543	43,499
Total comprehensive income for the year		7,543	43,499
Earnings per share:			
Basic	15	0.01	0.07
Diluted	15	0.01	0.07

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2013.

SEPARATE STATEMENTS

of Financial Position at 31 December 2013 and 2012

(Amounts stated in thousand of euros)

(Translation from the Portuguese original – Note 52)

	Notes	2013	2012
Non-current assets:			
Intangible assets	17	4	11
Tangible assets	18	463	6,442
Investments in subsidiaries and associates	19	1,121,840	1,124,420
Other investments	20	87	87
Accounts receivable-other	22	114,500	176,000
Deferred tax assets	25	10,769	1,374
Total non-current assets		1,247,663	1,308,334
Current assets:			
Accounts receivable-trade	27	4	242
Accounts receivable-other	22	3,522	11,191
Taxes recoverable	23	3,308	9,409
Cash and cash equivalents	46	341	248
Other current assets	24	42	232
Total current assets		7,216	21,323
Total assets		1,254,880	1,329,657
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	248,766	216,052
Net profit for the year	15	7,543	43,499
Total shareholders' equity		1,207,825	1,211,067
Non-current liabilities:			
Deferred tax liabilities	25	3	224
Provisions	36	25,911	69,414
Accounts payable-other	41	1,784	2,747
Total non-current liabilities		27,699	72,385
Current liabilities:			
Provisions	36	176	237
Accounts payable-trade	43	516	1,506
Accounts payable-other	41	17,498	41,384
Taxes payable	23	246	201
Other current liabilities	42	920	2,877
Total current liabilities		19,356	46,205
Total liabilities		47,054	118,590
Total liabilities and shareholders' equity		1,254,880	1,329,657

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2013.

SEPARATE STATEMENTS

of Changes in Shareholders' Equity for the years ended 31 December 2013 and 2012

(Amounts stated in thousand of euros)

(Translation from the Portuguese original – Note 52)

	Notes	Share capital	Treasury shares	Reserves	Retained earnings	Net profit	Total shareholders' equity
Balances at 31 december 2011		672,000	(29,055)	307,906	215,667	110,233	1,276,751
Net profit for the year		-	-	-	-	43,499	43,499
Total comprehensive income for the year		-	-	-	-	43,499	43,499
Appropriation of profit of 2011:							
Transfer to legal reserves and retained earnings		-	-	-	110,233	(110,233)	-
Dividends	14 and 32	-	-	-	(110,511)	-	(110,511)
(Purchase) / Sale of treasury shares	32	-	1,839	(596)	-	-	1,243
Share purchase options	29	-	-	(578)	663	-	86
Balances at 31 december 2012	32	672,000	(27,216)	306,732	216,052	43,499	1,211,067
Net profit for the year		-	-	-	-	7,543	7,543
Total comprehensive income for the year		-	-	-	-	7,543	7,543
Appropriation of profit of 2012:							
Transfer to legal reserves and retained earnings		-	-	-	43,499	(43,499)	-
Dividends	14 and 32	-	-	-	(10,785)	-	(10,785)
Balances at 31 december 2013	32	672,000	(27,216)	306,732	248,766	7,543	1,207,825

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2013.

SEPARATE STATEMENTS

of Cash Flows for the years ended 31 December 2013 and 2012

(Amounts stated in thousand of euros)

(Translation from the Portuguese original – Note 52)

	Notes	2013	2012
Operating activities:			
Receipts from clients		6,740	7,615
Payments to suppliers		(5,707)	(6,125)
Payments to employees		(5,605)	(16,741)
Cash flows generated by operations		(4,572)	(15,251)
Income tax recovered/(paid)	36	(37,413)	6,314
Other payments related to operating activities		1,850	(640)
Cash flows from operating activities (1)		(40,135)	(9,577)
Investing activities:			
Receipts relating to:			
Financial investments		1,460	-
Loans granted	46	63,705	102,700
Tangible assets		16,193	119
Intangible assets		-	373
Interest and similar income		8,140	8,605
Dividends	46	1,893	51,510
		91,391	163,307
Payments relating to:			
Financial investments	19	-	(6,995)
Loans granted	46	-	(91,905)
Tangible assets		(292)	(558)
		(292)	(99,458)
Cash flows from investing activities (2)		91,099	63,849
Financing activities:			
Receipts relating to:			
Sale of treasury shares		2	1,438
Loans obtained		5,200	237,300
		5,202	238,738
Payments relating to:			
Interest and similar costs		(387)	(4,480)
Dividends	14	(10,785)	(110,511)
Loans obtained		(44,900)	(197,600)
		(56,072)	(312,591)
Cash flows from financing activities (3)		(50,870)	(73,852)
Variation in cash and cash equivalents (4) = (1) + (2) + (3)		94	(19,581)
Effect of currency translation and other non monetary transactions		-	(12)
Cash and cash equivalents at the beginning of the year	46	248	19,841
Cash and cash equivalents at the end of the year	46	341	248

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2013.

CONTENTS

Notes to the consolidated and separate financial statements

For the year ended 31 December 2013

(Amounts stated in thousands of euros)

(Translation of notes originally issued in Portuguese – Note 52)

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 2012 held operations in 9 countries: Portugal, Egypt, Paraguay, Brazil, Mozambique, South Africa, Angola, 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 Inversiones, S.A., which holds the investments in companies operating abroad.

As established in InterCements’s Public Share Offering prospectus, on 20 December 2012, InterCement’s exchange all its cement, concrete and aggregates assets and operations in South America, namely Brazil, Argentina and Paraguay and in Angola (“Assets acquired in the exchange”) for the assets owned by Cimpor in Spain, Morocco, Tunisia, Turkey, China, India and Peru (“Assets sold in the exchange”), together with an amount equivalent to 21.2% of Cimpor’s Consolidated Net Debt.

As a result of this process the consolidated statements of profit and loss and other comprehensive income for the year ended 31 December 2012 includes the results of Assets sold in the exchange as “Result of Discontinued operations”, as established in IFRS 5 – Non-current assets held for sale and Discontinued operating units (“IFRS 5”). The consolidated statement of financial position as of 31 December 2012 was restated as a result of completion of the adjustment of the purchase value of the assets acquired in the exchange to their fair value (Note 5).

In addition, the Consolidated statements of profit and loss and other comprehensive income for the year ended 31 December 2013 includes the result of operations of the assets acquired in the exchange, therefore not being fully comparable with the preceding period. The main effects of these matters is shown in Note 5.

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 2013. 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".

As explained in the Introductory Note, the results of Assets sold in the Exchange are presented in total in a single line in the Consolidated statements of profit and loss and other comprehensive income for the year ended 31 December 2012 under the caption "Net result of discontinued operations".

Note 5 also includes details of the results of discontinued operations, as well as information regarding the related cash flows.

The various notes on results in the "Notes to the Financial Statements", except for Note 5, are adjusted so as to present only the results of continuing operations.

Assets sold in the Exchange corresponded to several geographic operating Segments reported by the Group and so in Note 7 "Operating segments" these geographic areas are not presented.

2.2. New standards and interpretations, revisions and amendments

That came into effect during the year

The following standards, interpretations, amendments and revisions endorsed by the European Union have mandatory application for the first time in the year ended 31 December 2013.

Standard/ Interpretation	Applicable to years starting on or after	Observations
Amendment to IFRS 1 – First time adoption of International Financial Reporting Standards (Government loans)	1-jan-13	This amendment exempts entities that adopt IFRS for the first time from retrospective application of the requirements of IAS 39 and paragraph 10A of IAS 20 relating to government loans.
Amendment to IFRS 7 – Financial instruments: disclosure (Offsetting financial assets against financial liabilities)	1-jan-13	This amendment requires additional disclosures in terms of financial instruments, especially relating to the offsetting of financial assets against financial liabilities
Amendment to IAS 1 – Presentation of financial statements (Other comprehensive income)	1-jul-12	This amendment includes the following changes: (i) items included in Other financial income that will in the future be recognized in the statement of profit and loss will become presented separately; and ii) the Statement of comprehensive income becomes called The statement of profit and loss and other comprehensive income.
Revision of IAS 19 – Employee benefits	1-jan-13	Revision of this standard includes includes the following changes: (i) recognition of actuarial and financial gains and losses resulting from changes in the assumptions used to determine the expected liability and income of the fund and the actual amounts, as well as those resulting from changes in the actuarial and financial assumptions in the year by corresponding entry to reserves (other comprehensive income); (ii) a single rate of interest becomes applicable for determination of the present value of the liability and the; (iii) costs reported in the statement of profit and loss correspond only to current service costs and net interest costs; (iv) introduction of new disclosure requirements.
IFRS 13 – Measurement of fair value (New standard)	1-jan-13	This standard substitutes the guidelines existing in the various IFRS standards relating to the measurement of fair value. This standard is applicable when another IFRS requires or permits measurements or disclosures of fair value.

IFRIC 20 – Recognition of certain costs in the production phase of an open pit mine	1-jan-13	This interpretation clarifies the recognition of certain costs during the production phase of an open pit mine.
Improvements in international financial reporting standards (2009-2011 cycle)	1-jan-13	These improvements involve the revision of several standards, namely IFRS 1 (repeated application of the standard), IAS 1 (comparative information), IAS 16 (service equipment), IAS 32 (tax effect of the distribution of equity instruments) and IAS 34 (segment information).

There is no significant impact on the Group's financial statements for the year ended 31 December 2013 arising from the adoption of the above mentioned standards, interpretations, amendments and revisions.

That will come into effect in future years

The following standards, interpretations, amendments and revisions endorsed by the European Union by the date of approval of these financial statements are of mandatory application in future financial years:

Standard/ Interpretation	Applicable to years starting on or after	Observations
IFRS 10 – Consolidated financial statements	1-jan-14	This standard established the requirements relating to the presentation of consolidated financial statements of the parent company, substituting, for these matters, standard IAS 27 – Consolidated and Separate Financial Statements and SIC 12 – Consolidation – Special Purpose Entities. This standard also introduced new rules regarding the definition of control and determination of the consolidation perimeter.
IFRS 11 – Joint agreements	1-jan-14	This standard substitutes IAS 31 – Joint Ventures and SIC 13 – Jointly Controlled Entities – Non Monetary Contributions by Developers, and eliminates the possibility of using the proportional consolidation method for recording interests in joint ventures.
IFRS 12 – Disclosures relating to participations in other entities	1-jan-14	This standard establishes a new set of disclosures relating to participations in subsidiaries, joint agreements, associates and entities not consolidated.

Standard/ Interpretation	Applicable to years starting on or after	Observations
IAS 27 – Separate financial statements (2011)	1-jan-14	This standard restricts the scope of application of IAS 27 to separate financial statements.
IAS 28 – Investments in Associates and Jointly Controlled Entities (2011)	1-jan-14	This amendment ensures consistency between IAS 28 – Investments in Associates and the new standards adopted, especially IFRS 11 – Joint Agreements.
Amendments to the standards: IFRS 10 – Consolidated financial statements: IFRS 12 – Disclosures regarding participations in other entities (Investment entities)	1-jan-14	This amendment introduces an exemption from consolidation of certain entities that meet the definition of investment entities. It also establishes rules for measurement of investments held by these investment entities.
Amendment to IAS 32 – Offsetting of financial assets against liabilities	1-jan-14	This amendment clarifies certain aspects of the standard relating to the application of offsetting requirements between financial assets and liabilities.
Amendment to standard IAS 36 – Impairment (Disclosures regarding the recoverable amount of non-financial assets)	1-jan-14	This amendment eliminates the requirements to disclose the recoverable amount of a cash generating unit with goodwill or intangibles of undefined useful life allocated to periods in which no impairment loss or impairment reversal was recorded. It introduces additional disclosure requirements regarding assets for which impairment loss or impairment reversal was recorded and their recoverable amount was determined based on their fair value less costs to sell.
Amendment to standard IAS 39 – Financial instruments: Recognition and measurement (Reformulation of derivatives and continuation of hedge accounting)	1-jan-14	This amendment permits continuation of hedge accounting in certain circumstances when a derivative designated as a hedge instrument is reformulated

The Company did not apply any of these standards early in the financial statements for the year ended 31 December 2013.

Significant impact on the consolidated financial statements is not expected as a result of their adoption.

Not yet endorsed by the European Union

The following standards, interpretations, amendments and revisions of mandatory application in future years have not been endorsed by the European Union up to the date of approval of the accompanying financial statements:

Standard / Interpretation	Observation
IFRS 9 – Financial instruments (2009) and subsequent amendments	This standard is included in the revision project of IAS 39 and establishes the requirements for classification and measurement of financial assets.
Amendment to the standards: • IFRS 9 – Financial instruments (2013); • IFRS 7 – Disclosures regarding Financial Instruments	The amendment to IFRS 9 is included in the revision project of IAS 39 and establishes the requirements for the application of the hedge accounting rules. IFRS 7 was also revised as a result of this amendment.
Amendment to standard IAS 19 – Employee benefits	This amendment clarifies under which circumstances employee contributions to post-employment benefit plans correspond to a decrease in the cost of short term benefits.
Improvements to international financial reporting standards (2010-2012 cycle)	These improvements involve a revision of several standards.
Improvements to international financial reporting standards (2011-2013 cycle)	These improvements involve a revision of several standards.
IFRIC 21 – Payments to the State	This amendment establishes the conditions regarding the timing of the recognition of a liability relating to the payment of a contribution to the State by an entity as a result of a specific event (such as participation in a certain market), without the payment receiving specified assets or services in exchange.

These standards have not been endorsed by the European Union and, as such, were not applied by the Group in the year ended 31 December 2013.

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 balance sheet 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 equipments, 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.

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) 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 and contingent liabilities

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

Financial assets and liabilities are recognised when the Group becomes part to the contractual relationship.

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.

<u>Hedge instruments</u>

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:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices;

- The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flows analysis using prices from observable current market transactions;

- The fair value of derivative financial instruments is calculated using market prices. Where such prices are not available, fair value is determined based on discounted cash flows, which includes some assumptions that are supportable by observable market prices or rates.

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.

Available-for-sale financial assets

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.

Clients, debtors and other financial assets

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

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

Defined benefit plans

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.

Defined contribution plans

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 balance sheet 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 2013, 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 2012 , 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 2013	EFFECTIVE PARTICIPATION 2012
HOLDINGS AND BUSINESS AND CORPORATE SUPPORT COMPANIES SEGMENT			
CIMPOR SGPS	CIMPOR - CIMENTOS DE PORTUGAL, SGPS, S.A.		
CIMPOR INVERSIONES	CIMPOR 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
CIMPOR ECO	CIMPOR ECO, S.L.	100.00	100.00
CIMPOR TRADING	CIMPOR TRADING, S.A.	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
CIMPOR TEC	CIMPOR TEC – ENGENHARIA E SERVIÇOS TÉCNICOS DE APOIO AO GRUPO, S.A.	b)	100.00

NAME	FULL NAME/HEADQUARTERS	EFFECTIVE PARTICIPATION 2013	EFFECTIVE PARTICIPATION 2012
PORTUGAL AND CAPE VERDE SEGMENT			
CIMPOR INDÚSTRIA	CIMPOR – INDÚSTRIA DE CIMENTOS, S.A.	100.00	100.00
CECISA	CECISA - COMÉRCIO INTERNACIONAL, 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.	100.00	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
INVERSIONES FILARIA	INVERSIONES FILARIA, S.L.	100.00	100.00
LUSOBETI	LUSOBETIMOBILIÁRIA, S.A.	100,00 a)	-
SCIAL	ESTABELECIMENTOS SCIAL DO NORTE, S.A.	b)	100.00
FORNECEDORA	FORNECEDORA DE BRITAS DO CARREGADO, S.A.	b)	100.00
TRANSVIÁRIA	TRANSVIÁRIA - GESTÃO DE TRANSPORTES, S.A.	b)	100.00

NAME	FULL NAME/HEADQUARTERS	EFFECTIVE PARTICIPATION 2013	EFFECTIVE PARTICIPATION 2012
PORTUGAL AND CAPE VERDE SEGMENT			
SCORECO	SCORECO - VALORIZAÇÃO DE, RESÍDUOS, LDA.	b)	100.00
BETOFEIRA	BETOFEIRA - COMÉRCIO DE CIMENTOS, Lda.	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.	98.13	98.13
ITP	INDÚSTRIA DE TRANSFORMAÇÃO DE PEDRAS, LDA.	98.13	98.13
BETÕES DE CABO VERDE	BETÕES DE CABO VERDE, S.A.	98.13	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.	98.99	98.99
INTERCEMENT PORTUGAL	INTERCEMENT PORTUGAL, SGPS, S.A.	100.00	100.00
RIOS PRIMEIRA	INVERSIONES RÍOS PRIMEIRA LIMITADA	99.90	99.90
BAESA	BAESA - ENERGÉTICA BARRA GRANDE, S.A.	9.00	9.00
CESTE	CONSÓRCIO ESTREITO ENERGIA - CESTE	4.44	4.44
CCCE	COMPANHIA CAMARGO CORREIA ENERGIA	100.00	100.00
TRANSVIARIA BR	TRANSVIARIA LOGÍSTICA E TRANSPORTES, LDA.	100.00	-
MACHADINHO	CONSÓRCIO MACHADINHO	5,28 a)	-
C.C.B.	CIMPOR - CIMENTOS DO BRASIL, LTDA.	b)	100.00

NAME	FULL NAME/HEADQUARTERS	EFFECTIVE PARTICIPATION 2013	EFFECTIVE PARTICIPATION 2012
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
MOZAMBIQUE SEGMENT			
CIM. MOÇAMBIQUE	CIMENTOS DE MOÇAMBIQUE, S.A.	82.64	81.64
CIMBETÃO	CIMPOR BETÃO MOÇAMBIQUE, S.A.	82.89	81.64
IMOPAR	IMOPAR - IMOBILIÁRIA DE MOÇAMBIQUE, S.A.	100.00	100.00
CINAC	CIMENTOS DE NACALA, S.A.	82.73	81.73
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.	100.00	100.00
STERKSPRUIT AGGREGATES	STERKSPRUIT AGGREGATES (PTY) LTD.	74.00	74.00

NAME	FULL NAME/HEADQUARTERS	EFFECTIVE PARTICIPATION 2013	EFFECTIVE PARTICIPATION 2012
SOUTH AFRICA SEGMENT			
STERKSPRUIT CONCRETE	STERKSPRUIT CONCRETE (PTY) LTD.	100.00	100.00
DURBAN QUARRIES	DURBAN QUARRIES (PTY) LTD.	100.00	100.00
ARGENTINA AND PARAGUAY SEGMENT			
HOLDTOTAL	HOLDTOTAL, S.A.	99.99	99.99
LOMA NEGRA	LOMA NEGRA C.I.A., S.A.	97.56	97.56
BETEL	BETEL, S.A.	97.56	97.56
COFESUR	COFESUR, S.A.	85.52	85.52
CIA. ARG. DE CEMENTO	CIA. ARG. DE CEMENTO PORTLAND, S.A.	97.56	97.56
LA PREFERIDA DE OLAVARRIA	LA PREFERIDA DE OLAVARRÍA,S.A.	97.56	97.56
RECYCOMB	RECYCOMB, S.A.	97.56	97.56
CEMENTOS DEL PLATA	CEMENTOS DEL PLATA, S.A.	0.73	0.73
YGUAZU CEMENTOS	YGUAZU CEMENTOS, S.A.	62.57	65.57

4.2. Associates

Investments in associates, recorded in accordance with the equity method (Note 19) as at 31 December 2013 and 2012 are as follows:

NAME	FULL NAME/HEADQUARTERS	EFFECTIVE PARTICIPATION 2013	EFFECTIVE PARTICIPATION 2012
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
SPAIN SEGMENT			
AGUEIRO	AGUEIRO, S.A.	45.00	45.00

a) Entered into the consolidation perimeter (Note 5);
b) Excluded from the consolidation perimeter as a result of mergers with other subsidiaries and liquidations.

5. Changes in the consolidation perimeter

Changes in the consolidation perimeter and discontinued operations

The main changes in the consolidation perimeter in the year ended 31 December 2013 resulted from the inclusion of the net assets of Machadinho Energética, S.A. on 19 February 2013 and the acquisition of participations not material to the Group.

The effect on the Consolidated statement of financial position, of the net assets incorporated was as follows:

Non current assets:	
Tangible assets (Note 18)	12,928
Total non-current assets	12,928
Current assets:	
Inventories	550
Accounts receivable - trade	177
Accounts receivable - other	(15)
Taxes recoverable	141
Cash and cash equivalents	(75)
Other current assets	1,010
Total current assets	1,788
Total assets	14,716
Current liabilities:	
Accounts payable - trade	500
Accounts payable - other	56
Taxes payable	4
Loans	150
Other current liabilities	137
Total current liabilities	847
Total liabilities	847
Net amount	13,869

Up to that date the investment in that consortium was held through participation in Maesa Machadinho Energética, S.A. which was classified as an available for sale financial asset (Note 20).

The main changes in the consolidation perimeter in the year ended 31 December 2012 resulted from the exchange of assets. The effect on the statement of financial position as of that date was as follows:

Captions	Acquired assets	Allienated assets	Net Effect
Non current assets:			
Goodwill (Note 16)	2,257,127	(404,402)	1,852,725
Intangible assets (Note 17)	24,210	(27,954)	(3,744)
Tangible assets (Note 18)	1,004,532	(801,829)	202,703
Investments in associates (Note 19)	-	(4,540)	(4,540)
Other investments (Note 20)	16,928	(687)	16,241
Accounts receivable - other	36,396	(6,244)	30,153
Other non current assets	-	(3,036)	(3,036)
Deferred tax assets (Note 25)	90,299	(34,117)	56,182
Total non-current assets	3,429,492	(1,282,809)	2,146,684
Current assets:			
Inventories	235,976	(112,093)	123,883
Accounts receivable - trade	62,009	(120,233)	(58,224)
Accounts receivable - other	11,330	(17,472)	(6,142)
Taxes recoverable	14,294	(19,968)	(5,674)
Cash and Cash Equivalents	278,150	(66,504)	211,646
Other current assets	1,756	(2,331)	(575)
Total current assets	603,514	(338,601)	264,913
Total assets	4,033,007	(1,621,410)	2,411,597
Non current liabilities:			
Deferred tax liabilities (Note 25)	(171,879)	41,600	(130,278)
Actuarial Results of Pension Fund	-	2,365	2,365
Provisions (Note 36)	(49,463)	51,969	2,507
Loans	(2,048,757)	337,168	(1,711,590)
Obligations under finance leases	-	69	69
Accounts payable - other	(30,627)	1,768	(28,860)
Other non current liabilities	(23,073)	3,946	(19,127)
Total non-current liabilities	(2,323,799)	438,886	(1,884,913)
Current liabilities:			
Accounts payable - trade	(108,752)	102,157	(6,595)
Accounts payable - other	(103,472)	57,310	(46,162)
Taxes payable	(35,942)	25,871	(10,072)
Loans	(149,968)	77,770	(72,198)
Obligations under finance leases	-	27	27
Other current liabilities	(60,283)	13,629	(46,654)
Total current liabilities	(458,418)	276,765	(181,653)
Total liabilities	(2,782,217)	715,651	(2,066,566)
Non-controlling interests (Note 33)	(51,789)	62,820	11,031
Net Value	1,199,000	(842,939)	356,061
Capital losses	-	25,839	25,839
Acquisition/ (Disposal) value	1,199,000	(817,100)	381,900

The effect on operations and profit and loss in the years ended 31 December 2013 and 2012, of assets acquired and sold under the exchange, was as follows:

	Assets acquired December 2013	Assets sold December 2012
Sales and services rendered	1,247,646	573,843
Net operating expenses	(1,053,265)	(886,794)
Net operating income	194,381	(312,951)
Net financial expenses	(357,690)	(24,952)
Income tax	(62,260)	22,265
Capital losses	-	(25,839)
Currency translation adjustments on exchanged assets	-	(141,188)
Net profit	(225,569)	(482,665)

The net profit and loss of assets sold includes: (i) the transactions occurred in the year ended 31 December 2012 relating to the assets sold in the exchange; (ii) the loss determined in the exchange and; (iii) the currency translation adjustments on exchanged assets.

The net result relating to the assets sold in the year ended 31 December 2012, presented as results of discontinued operations, was affected by the recording of amortization, depreciation and impairment losses on goodwill and assets totaling 338,666 thousand euros, with a contribution of 282,937 thousand euros from the Spanish business area.

The exchange losses on assets exchanged correspond to the effect of assets sold in the exchange with a functional currency different from the euro, determined on the translation to euro of the corresponding financial statements, previously recognized in currency translation reserves. With the exclusion of these operations from the consolidation perimeter, these amounts were recognized in profit and loss (Note 30).

In addition, the contribution to cash flow in the years ended 31 December 2013 and 2012 of assets acquired and assets sold under the exchange, respectively, was as follows:

	Assets acquired 2013	Assets sold 2012
Cash flows from operating activities	314,055	149,643
Cash flows from investing activities	(128,300)	(100,794)
Cash flows from financing activities	(96,579)	8,774
Variation in cash and cash equivalents	89,176	57,623
Elimination and effect of exchange rate differences	134,293	(57,623)
Cash and cash equivalents at end of the year	223,469	-

Determination of fair value

The process of adjusting the purchase price to the fair value of the assets acquired by InterCement under the exchange realized in 2012 was completed in the year ended 31 December 2013 and resulted in the restatement of the consolidated financial position at 31 December 2012, with the following effect:

Captions	First consolidation	Fair-value attribution	Total effect
Non current assets:			
Goodwill (Note 16)	2,257,127	(667,535)	1,589,592
Intangible assets	24,210	-	24,210
Tangible assets (Note 18)	1,004,532	964,622	1,969,153
Other investments	16,928	-	16,928
Accounts receivable - other	36,396	-	36,396
Deferred tax assets (Note 25)	90,299	-	90,299
Total non-current assets	3,429,492	297,087	3,726,579
Current assets:			
Inventories	235,976	-	235,976
Accounts receivable - trade	62,009	-	62,009
Accounts receivable - other	11,330	-	11,330
Taxes recoverable	14,294	-	14,294
Cash and cash equivalents	278,150	-	278,150
Other current assets	1,756	-	1,756
Total current assets	603,514	-	603,514
Total assets	4,033,007	297,087	4,330,094
Non current liabilities:			
Deferred tax liabilities (Note 25)	(171,879)	(333,322)	(505,201)
Provisions	(49,463)	-	(49,463)
Loans	(2,048,757)	-	(2,048,757)
Accounts payable - other	(30,627)	-	(30,627)
Other non current liabilities	(23,073)	-	(23,073)
Total non-current liabilities	(2,323,799)	(333,322)	(2,657,122)
Current liabilities:			
Accounts payable - trade	(108,752)	-	(108,752)
Accounts payable - other	(103,472)	-	(103,472)
Taxes payable	(35,942)	-	(35,942)
Loans	(149,968)	-	(149,968)
Other current liabilities	(60,283)	-	(60,283)
Total current liabilities	(458,418)	-	(458,418)
Total liabilities	(2,782,217)	(333,322)	(3,115,540)
Non-controlling interests (Note 33)	(51,789)	36,236	(15,554)
Net value	1,199,000	-	1,199,000
Acquisition/ (Disposal) value	1,199,000	-	1,199,000

6. Exchange rates

The exchange rates used to translate, to euros, the foreign currency assets and liabilities at 31 December 2013 and 2012, as well the results for the years then ended were as follows:

Currency		Closing exchange rate (EUR / Currency) 2013	2012	Var.%	Average exchange rate (EUR / Currency) 2013	2012	Var.%
USD	US Dollar	1.3773	1.3194	(4.2)	1.3291	1.2861	(3.2)
BRL	Brazilian Real	3.2265	2.7036	(16.2)	2.8676	2.5138	(12.3)
MZN	Mozambique Metical	40.7386	39.2400	(3.7)	39.5036	36.3267	(8.0)
CVE	Cape Verde Escudo	110.265	110.265	-	110.265	110.265	-
EGP	Egyptian Pound	9.5713	8.3971	(12.3)	9.1391	7.8502	(14.1)
ZAR	South African Rand	14.4621	11.1727	(22.7)	12.8163	10.5694	(17.5)
ARS	Argentinian Peso	8.9775	6.4879	(27.7)	7.2459	-	S.S
PYG	Paraguayan Guaraní	6,315.33	5,567.87	(11.8)	5,813.40	-	S.S

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 2013 and 2012, of the several continued operational segments, being each of them one geographical area where **Group** operates, was as follows:

	December 2013				December 2012			
	Sales and services rendered				Sales and services rendered			
	External sales	Inter segment sales	Total	Operating results	External sales	Inter segment sales	Total	Operating results
Operating segments:								
Brazil (a)	1,238,694	-	1,238,694	335,952	690,760	-	690,760	195,614
Argentina and Paraguay (a)	650,150	-	650,150	82,829	-	-	-	-
Portugal e Cape Verde	206,043	101,211	307,255	(17,541)	273,378	64,536	337,913	2,824
Egypt	180,778	-	180,778	39,453	178,072	-	178,072	41,343
Mozambique	141,882	-	141,882	26,098	134,623	-	134,623	27,107
South Africa	121,703	3,481	125,184	26,090	130,346	3,314	133,660	36,203
Total	2,539,250	104,692	2,643,942	492,880	1,407,179	67,849	1,475,028	303,090
Unallocated (b)	85,274	225,816	311,091	(5,844)	45,363	222,172	267,535	2,665
Eliminations	-	(330,508)	(330,508)	-	-	(232,607)	(232,607)	-
	2,624,524	**-**	**2,624,524**	**487,036**	**1,452,542**	**57,414**	**1,509,956**	**305,755**
Net financial expenses				(407,295)				(113,789)
Share of results of associates				741				(109)
Other investment income				(346)				(24,309)
Result before income tax				80,136				167,549
Income tax				(95,458)				(116,073)
Net result for the period from continuing operations				(15,322)				51,475
Net result for the period from discontinued operations (Note 5)				-				(482,665)
Net result for the period				**(15,322)**				**(431,190)**

(a) The assets acquired in the exchange led to a redefinition of the operating segments composition, considering a new segment, corresponding to the Argentina and Paraguay business segments, the enlargement of the operations included in the Brazilian business segment and the inclusion of Cape Verde segment being included in the Portuguese segment.

(b) The results not relating to reportable segments correspond to the results of holding companies and business support, corporate and trading entities (Note 4).

All intersegment transactions were made at market values.

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 2013	December 2012
Operating segments:		
Argentina and Paraguay	1,030	-
Portugal e Cape Verde	(147)	(57)
Egypt	187	215
Mozambique	2,601	1,768
South Africa	924	-
Unallocated	(567)	93
	4,028	2,019

Other information of the Group:

	December 2013			December 2012		
	Fixed capital expenditure	Depreciation, amortisation and impairment losses a)	Provisions	Fixed capital expenditure	Depreciation, amortisation and impairment losses a)	Provisions
Operating segments:						
Brazil	226,828	80,044	532	90,139	39,624	(9,676)
Argentina and Paraguay	72,716	41,421	957	-	-	-
Portugal e Cape Verde	3,733	52,872	(1,563)	18,720	74,822	305
Egypt	19,950	9,977	856	24,272	11,757	423
Mozambique	24,997	6,021	-	20,721	8,188	-
South Africa	1,591	10,457	3	5,335	12,527	9
Unallocated	2,150	3,342	(171)	19,942	5,419	459
	351,965	204,134	613	179,129	152,337	(8,479)

(a) The impairment losses, when applicable, respects to impairment losses on goodwill, tangible and intangible assets. In the year ended 31 December 2013 impairment losses were recorded in the Portugal in the amount of 5.500 thousand euros, approximately. In the year ended 31 December 2012 impairment losses were recorded in the Portugal business area, in the Concrete and Aggregates activity, 17,400 thousand euros in goodwill, 4.640 thousand of euros in tangible assets, 2,700 thousand euros in intangible assets and 1.798 thousand euros in tangible assets in Egypt.

In addition, assets and liabilities, by reportable segment, reconciled to the total consolidated amounts as at 31 December 2013 and 2012, are as follows:

	December 2013			December 2012 (restated)		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Brazil	3,684,011	1,683,211	2,000,800	4,323,902	1,990,521	2,333,381
Argentina and Paraguay	1,240,420	622,853	617,567	1,579,083	668,440	910,643
Portugal and Cape Verde	524,031	452,034	71,997	598,485	519,793	78,691
Egypt	347,740	116,829	230,911	335,683	69,382	266,301
Mozambique	223,151	138,292	84,859	191,051	114,488	76,563
South Africa	250,595	114,253	136,341	308,991	40,748	268,243
	6,269,948	3,127,472	3,142,476	7,337,195	3,403,372	3,933,823
Unallocated (a)	807,076	2,970,406	(2,163,329)	658,857	3,104,369	(2,445,512)
Eliminations	(634,094)	(634,094)	-	(617,834)	(617,834)	-
Investments in associates	8,414	-	8,414	8,374	-	8,374
Consolidated Total	**6,451,345**	**5,463,784**	**987,561**	**7,386,592**	**5,889,907**	**1,496,685**

a) The assets and liabilities not attributed to reportable segments include: assets and liabilities of companies not attributable to specific segments.

8. Other operating income

Other operating income of continued operations for the years ended 31 December 2013 and 2012 were as follows:

	Group		**Company**	
	2013	2012	2013	2012
Supplementary income	19,937	13,986	1,175	730
Gains on the sale of assets tangible and intangible (a)	46,215	38,479	10,461	388
Reversal of receivables impairment (Note 27)	3,100	4,004	12	2
Investment subsidies	6	152	-	1
Own work for the company	1,485	3,020	-	-
Reversal of inventories impairment (Note 26)	1,013	2,422	-	-
Reversal of receivables impairment (Note 22)	1,026	51	-	-
Others	15,787	10,162	29	3
	88,571	72,276	11,676	1,124

(a) The profit shown by the Company in the year ended 31 December 2013 corresponds essentially to the gain realized on the sale of a property to an entity related to the Camargo Corrêa group (Note 47). The Group also included the sale of other assets in several business areas, especially Brazil (18,115 thousand euros) Portugal (11,801 thousand euros), which includes the gain of 11,000 thousand euros from the sale of a receivable from a public entity, following the legal outcome of an action given in the year ended 31 December 2013. This caption also includes gain on the sale of CO_2 licenses (Note 43).

The differences between the above income and the movement in the respective Notes 22, 26 and 27, correspond to components of income relating to net assets sold in the exchange, which are included in results of discontinued operations.

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 2013 and 2012 was as follows:

	2013	2012
Goods sold	372,316	78,070
Material used in production	219,951	323,263
Gain/(Loss) on inventories	(1,871)	20
	590,397	401,353

10. Payroll costs

Payroll expenses of continued operations for the years ended 31 December 2013 and 2012 were made up as follows:

	Group		Company	
	2013	2012	2013	2012
Remuneration	215,070	101,728	3,297	5,445
Bonus (c)	26,801	12,165	(562)	1,890
Charges on remuneration	33,536	23,102	433	913
Social action and other (a)	24,289	22,137	87	278
Indemnities and compensations (b)	27,125	21,664	255	6,405
Employee benefits - retirement (Note 34) (d)	3,610	3,530	113	968
Employee benefits - healthcare (Note 34) (d)	797	831	-	-
Stock options and purchase plans	13	86	13	9
Insurance	350	455	36	182
	331,591	185,698	3,671	16,091

a) The caption “Social action and other” includes occupational health, healthcare assistance, professional training and meal allowance costs.

b) The indemnities and compensation costs incurred in the years ended 31 December 2013 and 2012 correspond to costs incurred with the exit of employees due to business restructuring, including early retirements, in the Portuguese business area in 2012, as well as costs with the exit of former directors (Note 36).

c) Includes, in relation to the Egyptian business area, the result of negotiations with representatives of employees, under which Amreyah Cement Company SAE (“ACC”) committed itself to a new labour agreement and to increase, over the next three years, the amount of bonuses normally established, thus ensuring the conclusion of the employees’ claims relating to the calculation of incentives and remuneration complements, covering possible retroactive effects. As a result of this agreement a cost of 4,289 thousand euros was recognized (39,200 Egyptian pounds).

d) The differences between the above costs and the movements in Note 34 correspond to the components of cost relating to the net assets sold in the exchange, which are included in the net profit of discontinued operations.

The average number of employees of continued operations of the **Group** in the years ended 31 December 2013 and 2012, was as follows:

	2013	2012
Portugal	905	1,046
Egypt	505	419
Brazil	3,145	1,287
Mozambique	620	515
South Africa	438	394
Cape Verde	106	103
Argentina	2,976	-
	8,695	3,763
Common functions	210	712
	8,905	**4,475**

The average number of employees of the **Company** in the years ended 31 December 2013 and 2012, included in Common functions, was 26 and 52, respectively.

11. Other operating expenses

Other operating expenses for the years of continued operations ended 31 December 2013 and 2012 were as follows:

	Group		Company	
	2013	2012	2013	2012
Taxes (a)	16,474	3,269	54	110
Receivables impairment (Note 27)	1,841	5,321	-	-
Subscriptions	793	2,255	87	102
Inventory impairment (Note 26)	600	1,204	-	-
Loss on disposal of assets	305	1,207	113	46
Donations	1,774	1,719	138	-
Fines and penalties (b)	23,172	160	-	20
Uncollectible debts	3,049	631	-	-
Others receivables impairment (Note 22)	749	870	-	-
CO_2 emission licences	261	-	-	-
Others (c)	8,887	596	3	756
	57,906	17,232	396	1,034

a) The increase refers essentially to state and municipal taxes acquired under the exchange;
b) Includes essentially a cost of the subsidiary "Loma Negra" following an unfavourable legal decision relating to a fine applied by the Argentine *Comissão Nacional de Defesa da Concorrência*, for alleged acts practiced in July 1981 and August 1999, in the amount of approximately 23,000 thousand euros:
c) Includes a cost relating to definitive determination of the amount of net financial debt relating to the exchange of assets process in the amount of 5,439 thousand euros.

During the year ended 31 December 2013 and 2012, the differences between the costs identified above and the transactions in the corresponding Notes 22, 26 and 27, are related to costs associated with liquid assets disposed in the exchange that are integrated in the result of discontinued operations.

12. Net financial expenses

Net financial expenses of continued operations for the years ended 31 December 2013 and 2012 were made up as follows:

	Group		Company	
	2013	2012	2013	2012
Financial expenses:				
Interest expense	260,789	104,056	201	5,756
Foreign exchange loss (a)	376,942	54,553	4	16
Changes in fair-value:				
Hedged assets / liabilities	-	928	-	-
Trading derivative financial instruments (b)	119	2,147	-	-
Financial assets/liabilities at fair value	-	9,156	-	-
	119	12,231	-	-
Other (c)	38,758	77,051	106	182
	676,608	247,891	311	5,954
Financial income:				
Interest income	62,656	40,813	6,367	12,106
Foreign exchange gain (a)	193,399	64,846	3	3
Changes in fair-value:				
Hedging derivative financial instruments	-	928	-	-
Trading derivative financial instruments (b)	9,608	13,734	-	-
Financial assets/liabilities at fair value	-	9,156	-	-
	9,608	23,818	-	-
Other (c)	3,650	4,624	-	-
	269,313	134,102	6,369	12,109
Net financial expenses	(407,295)	(113,789)	6,059	6,155
Share of profits of associates:				
Loss in associated companies (Notes 19 and 36)	(18)	(796)	-	-
Gain in associated companies (Note 19)	759	687	-	-
	741	(109)	-	-
Investment income:				
Gains on holdings (d)	31	59	1,906	51,517
Gains/(Losses) on investments (e)	(377)	(24,367)	-	-
	(346)	(24,309)	1,906	51,517

(a) The exchange losses are significantly affected by the exchange adjustment of Euro and USD liabilities in areas in which the functional currency is the Real and Argentinian Peso. The exchange gains are affected by the same asset adjusting effects, as well as by the effect of devaluation of the USD in relation to the Euro of the liabilities in that currency.

(b) These captions are made up of changes in the fair value of trading derivative financial instruments acquired to hedge changes in interest and exchange rates, that do not qualify for hedge accounting purposes. In the years ended 31 December 2013 and 2012 net financial income of 9,489 thousand euros and 11,588 thousand euros, respectively, were recognized relating to changes in fair value.

(c) These items in **Group** essentially include the costs and income relative to the financial actualization of assets and liabilities, including the financial actualization of provisions (Note 36), the cash discounts granted and obtained and costs with commissions, guarantees and other bank charges in general. In 2012 this caption also included costs relating to early repayment of loans, which includes essentially the effect of repayment of US Private

Placements (Note 37) in the amount of approximately 48,000 thousand euros as well as impairment losses on credits of associated companies of approximately 10,000 thousand euros (Note 22).

(d) In the years ended 31 December 2013 and 2012, the gains on holdings of the **Company**, refer, respectively, to the dividends received from subsidiaries (Note 46).

(e) In 2012 this caption includes essentially the impairment loss on the participation in *C+PA - Cimento e Produtos Associados, S.A*. totaling 23,650 thousand euros, which was sold in the beginning of 2013 (Notes 21).

13. Income tax

<u>Group</u> <u>corporate income tax</u>

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	
	2013	2012
Portugal (a)	26.5%	26.5%
Brazil	34.0%	34.0%
Mozambique	32.0%	32.0%
South Africa	28.0%	28.0%
Egypt	25.0%	25.0%
Argentina	35.0%	35.0%
Paraguay	10.0%	10.0%
Austria	25.0%	25.0%
Spain	30.0%	30.0%
Others	25.0%	25.0%

(a) In the year ended 31 December 2013 taxable income in Portugal in excess of 1,500,000 euros is 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% for taxable income in excess of 7,500,000 euros.

In 2014 the rate of Corporation Income Tax is 24.5% and state surcharge will be determined as follows:
- 3% on 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.

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 2013 and 2012 was as follows:

	2013	2012
Current tax	68,890	65,881
Deferred tax (Note 25)	26,840	48,583
Increases in tax provisions (Note 36)	(272)	1,609
Charge for the year	95,458	116,073

Temporary differences between the book value of assets and liabilities and their corresponding value for tax purposes are recognised in accordance with IAS 12 - Income taxes (“IAS 12”) (Note 25).

In order to facilitate understanding of the comparability of the tax charge, reconciliation of the rate of tax for 2013 does not take into consideration losses (around 244 million euros) of entities with liabilities 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. Reconciliation not considering that effect is as follows:

	2013	2012
Tax rate applicable in Portugal	26.50%	26.50%
Operational and financial results non taxable	(1.23%)	(4.66%)
Impairment losses	-	6.92%
Adjustments on deferred taxes	0.14%	34.16%
Tax rate differences	5.40%	7.97%
Other	(2.96%)	(1.61%)
Effective tax rate of the Group	27.85%	69.28%

The effective tax rate is significantly affected by the results generated in areas which significantly affect the results of the Group and which have high nominal tax rates (Brazil and Argentina).

In 2012 the discontinuance of operations in the Spanish segment, as well as the recording of impairment in Portugal had a significant effect both on the tax base and tax, due to results on which tax is not due and by the adjustment of deferred tax on losses, which essentially explain the disparity in the effective rate in that year.

In addition to the tax charge, in 2013 and 2012 the Group recorded deferred tax of 990 thousand euros and 1,377 thousand euros, respectively, directly in income and costs recognized in equity (Note 25).

Company corporate income tax

The Company and the majority of its subsidiaries in Portugal are subject to Corporate Income Tax (“CIT”), currently at the rate of 25%, plus a Municipal surcharge up to a maximum of 1.5% of taxable income, totalling 26.5%.

The Company is taxed under the special income tax scheme for corporate groups, comprising the companies in which it directly or indirectly holds at least 90% 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 2011. The tax returns for the years 2012 and 2013 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 2013 and 2012 was as follows:

	2013	2012
Current tax	10,388	(6,248)
Deferred tax (Note 25)	645	206
Increases/ Decreases in tax provisions (Note 36)	(1,733)	1,450
Charge for the year	9,300	(4,592)

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

	2013	2012
Tax rate applicable in Portugal	26.50%	26.50%
Operational and financial results non taxable	(6.17%)	(32.01%)
Increases / (Decreases) in tax provisions	(10.29%)	3.73%
Tax rate changes	5.63%	-
Other	36.35%	(10.02%)
Effective tax rate	52.02%	(11.80%)

Non-taxable net operating and financial items refer essentially 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 23 May 2013 it was decided to pay dividends corresponding to 0.0162 euros per share (0.166 per share in the preceding year), totalling 10,785 thousand euros paid in 2013 (110,511 thousand euros in 2012).

Management is proposing the payment of a dividend of 0.0029 euros per share for the year ended 31 December 2013, subject to approval by the Shareholders' General Meeting to be held on 27 March 2014.

15. Earnings per share

Basic and diluted earnings per share for the years ended 31 December 2013 and 2012 were computed as follows:

	Group		Company	
	2013	2012	2013	2012
Basic earnings per share from continuing and discontinuing operations:				
Net profit considered in the computation of basic earnings per share	(19,351)	(423,734)	7,543	43,499
Weighted average number of ordinary shares used to calculate the basic earnings per share (thousands) (a)	666,094	666,043	666,094	666,043
	(0.03)	(0.64)	0.01	0.07
Basic earnings per share from continuing operations:				
Net profit considered in the computation of basic earnings per share	(19,351)	49,456	7,543	43,499
Weighted average number of ordinary shares used to calculate the basic earnings per share (thousands) (a)	666,094	666,043	666,094	666,043
	(0.03)	0.07	0.01	0.07
Diluted earnings per share from continuing and discontinuing operations:				
Net profit considered in the computation of basic earnings per share	(19,351)	(423,734)	7,543	43,499
Weighted average number of ordinary shares used to calculate the basic earnings per share (thousands)(a)	666,094	666,043	666,094	666,043
Effect of the options granted under the Share Options Plans (thousands) (Note 35)	-	907	-	907
Weighted average number of ordinary shares used to calculate the diluted earnings per share (thousands)	666,094	666,950	666,094	666,950
	(0.03)	(0.64)	0.01	0.07
Diluted earnings per share from continuing operations:				
Net profit considered in the computation of basic earnings per share	(19,351)	49,456	7,543	43,499
Weighted average number of ordinary shares used to calculate the basic earnings per share (thousands)(a)	666,094	666,043	666,094	666,043
Effect of the options granted under the Share Options Plans (thousands) (Note 35)	-	907	-	907
Weighted average number of ordinary shares used to calculate the diluted earnings per share (thousands)	666,094	666,950	666,094	666,950
	(0.03)	0.07	0.01	0.07

(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 2013 and 2012 were as follows:

	Portugal	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	India	Cape Verde and other	Argentina	Total
Gross assets:														
Balances at 31 December 2011	27,004	126,392	27,254	71,546	73,850	248,849	602,415	27,414	98,810	21,972	48,736	12,964	-	1,387,204
Currency translation adjustments	-	-	-	-	(5,223)	9,309	(45,085)	(2,733)	(6,100)	(280)	(2,584)	126	-	(52,570)
Changes in the consolidation perimeter (Note 5)	-	(126,392)	(27,254)	(71,546)	-	(258,158)	1,213,638	-	-	(21,692)	(46,152)	(3,632)	375,955	1,034,767
Balances at 31 December 2012 (Restated)	27,004	-	-	-	68,627	-	1,770,967	24,681	92,710	-	-	9,458	375,955	2,369,401
Currency translation adjustments	-	-	-	-	(8,419)	-	(258,043)	(923)	(21,087)	-	-	-	(104,257)	(392,729)
Balances at 31 December 2013	27,004	-	-	-	60,207	-	1,512,924	23,758	71,623	-	-	9,458	271,698	1,976,672

	Portugal	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	Africa	China	India	Cape Verde and other	Argentina	Total
Accumulated impairment losses:														
Balances at 31 December 2011	601	3,679	24,031	-	-	-	-	-	-	-	-	-	-	28,311
Changes in the consolidation perimeter (Note 5)	-	(126,392)	(24,031)	-	-	-	-	-	-	-	-	-	-	(150,423)
Increases	17,400	122,713	-	-	-	-	-	-	-	-	-	-	-	140,113
Balances at 31 December 2012 (Restated)	18,001	-	-	-	-	-	-	-	-	-	-	-	-	18,001
Balances at 31 December 2013	18,001	-	-	-	-	-	-	-	-	-	-	-	-	18,001
Carrying amount:														
As at 31 December 2012 (Restated)	9,003	-	-	-	68,627	-	1,770,967	24,681	92,710	-	-	9,458	375,955	2,351,401
As at 31 December 2013	9,003	-	-	-	60,207	-	1,512,924	23,758	71,623	-	-	9,458	271,698	1,958,671

The changes in the perimeter in the year ended 31 December 2012 are included in the effects of the allocation of fair values to the assets acquired in the exchange (Note 5).

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:

		2013			2012 (restated)		
Segments	Currency	*Goodwill*	"WACC" rate	Long term growth rate	Goodwill	"WACC" rate	Long term growth rate
Portugal and Cape Verde	EUR/CVE	18,461	9.5%	0.0%	18,461	10,5% - 12,8%	1,0% - 2,0%
Egypt	EGP	60,207	21.1%	1.0%	68,627	19.4%	2.5%
Brazil	BRL	1,512,924	10.5%	1.0%	1,770,967	10.8%	2.0%
Mozambique	MZM	23,758	14.6%	1.0%	24,681	19.6%	0.5%
South Africa	ZAR	71,623	15.5%	1.0%	92,710	10.8%	1.0%
Argentina	ARS	271,698	23.2%	1.0%	375,955	n.a	n.a
		1,958,671			2,351,401		

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

Goodwill of assets acquired in the exchange, provisionally determined in the financial statements for the year ended 31 December 2012, in the amount of 2,257,127 thousand euros was already allocated to the respective business areas in these financial statements as a result of the completion of the determination of the fair values of the net assets acquired (Note 5).

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 2013 and 2012 were as follows:

	Industrial property and other rights	Intangible assets in progress	Total
Gross assets:			
Balances at 31 December 2011	91,604	727	92,331
Currency translation adjustments	(903)	(172)	(1,075)
Additions	2,747	1,972	4,719
Sales	(900)	-	(900)
Write-offs	(2,342)	-	(2,342)
Transfers	1,854	(177)	1,677
Changes in the consolidation perimeter (Note 5)	(31,378)	(4)	(31,383)
Balance at 31 December 2012	60,682	2,346	63,028
Currency translation adjustments	(6,976)	(63)	(7,039)
Additions	4,963	1,360	6,323
Write-offs	(10,599)	-	(10,599)
Transfers	9,156	(2,022)	7,134
Changes in the consolidation perimeter	(1,798)	-	(1,798)
Balances at 31 December 2013	55,428	1,620	57,048
Accumulated amortisation and impairment losses:			
Balances at 31 December 2011	37,240	-	37,240
Currency translation adjustments	(603)	-	(603)
Increases (a)	19,715	-	19,715
Decreases	(900)	-	(900)
Write-offs	(2,135)	-	(2,135)
Transfers	235	-	235
Changes in the consolidation perimeter (Note 5)	(27,639)	-	(27,639)
Balances at 31 December 2012	25,913	-	25,913
Currency translation adjustments	(2,092)	-	(2,092)
Increases	5,372	-	5,372
Write-offs	(10,449)	-	(10,449)
Transfers	5,881	-	5,881
Balances at 31 December 2013	24,627	-	24,627
Carrying amount:			
As at 31 December 2012	34,769	2,346	37,115
As at 31 December 2013	30,801	1,620	32,422

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

(a) In 2012 impairment losses of intangible assets of the Spanish business area (presented in results of discontinuing operations) and Portugal in the amounts of 10,104 thousand euros and 2,700 thousand euros, respectively, were recorded, corresponding essentially to rights to exploit quarries of the aggregates business.

For the **Company**, in the years ended 31 December 2013 and 2012, the changes in intangible assets and corresponding accumulated amortisation and impairment losses were as follows:

	Industrial property and other rights
Gross assets:	
Balances at 31 December 2011	943
Alienações	(900)
Balances at 31 December 2012	44
Balances at 31 December 2013	44
Accumulated amortisation and impairment losses:	
Balances at 31 December 2011	926
Increases	7
Write-offs	(900)
Balances at 31 December 2012	33
Increases	7
Balances at 31 December 2013	40
Carrying amount:	
As at 31 december 2012	11
As at 31 december 2013	4

18. Tangible assets

The **Group** changes in tangible assets and corresponding accumulated depreciation and impairment losses in the years ended 31 December 2013 and 2012 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 2011	513,182	1,009,906	3,592,951	128,638	56,444	14,470	13,945	141,985	30,793	5,502,313
Currency translation adjustments	(11,040)	(22,440)	(118,746)	(5,207)	(1,821)	(346)	(95)	(10,134)	(3,970)	(173,800)
Additions	2,087	5,216	21,442	19,392	737	534	86	66,173	95,180	210,847
Sales	(101)	(245)	(9,258)	(7,570)	(40)	(34)	(107)	-	-	(17,356)
Write-offs	(293)	(620)	(9,868)	(1,975)	(831)	(94)	(311)	(892)	-	(14,884)
Transfers	14,130	24,337	91,775	3,202	1,608	475	315	(56,958)	(72,066)	6,817
Changes in perimeter (Note 5)	208,358	(3,294)	(566,379)	21,307	(10,715)	(3,524)	(7,029)	131,791	2,215	(227,270)
Balances at 31 December 2012 (Restated)	726,323	1,012,859	3,001,917	157,787	45,381	11,481	6,803	271,965	52,152	5,286,668
Currency translation adjustments	(124,524)	(131,401)	(376,248)	(19,717)	(3,595)	(757)	(1,272)	(53,051)	(11,227)	(721,790)
Additions	8,579	1,598	9,776	717	126	45	2,123	257,348	54,201	334,513
Sales	(3,749)	(10,976)	(8,081)	(5,359)	(810)	(138)	(538)	(129)	(327)	(30,106)
Write-offs	(271)	(147)	(1,091)	(224)	(203)	(26)	(2)	-	-	(1,963)
Transfers	10,336	93,186	35,346	(1,365)	(3,649)	(683)	910	(128,014)	(14,155)	(8,087)
Changes in perimeter (Note 5)	195	10,016	9,493	(18)	9	-	-	-	-	19,695
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
Accumulated depreciation and impairment losses:										
Balances at 31 December 2011	72,878	501,791	2,563,200	81,207	48,186	11,885	9,004	-	-	3,288,151
Currency translation adjustments	(632)	(9,480)	(80,638)	(3,568)	(1,406)	(185)	(80)	-	-	(95,989)
Increases	107,100	57,868	147,961	9,432	2,277	629	874	-	-	326,140
Decreases	(16)	(131)	(8,303)	(6,503)	(37)	(34)	(15)	-	-	(15,039)
Write-offs	-	(594)	(9,486)	(1,801)	(808)	(94)	(71)	-	-	(12,855)
Transfers	(196)	12,042	(6,373)	(273)	(0)	0	-	-	-	5,199
Changes in perimeter (Note 5)	(129,804)	(190,549)	(1,029,660)	(24,343)	(13,225)	(3,908)	(7,175)	-	-	(1,398,664)
Balances at 31 December 2012 (Restated)	49,329	370,946	1,576,700	54,151	34,987	8,294	2,536	-	-	2,096,944
Currency translation adjustments	(2,207)	(20,405)	(139,988)	(5,693)	(2,024)	(288)	(159)	-	-	(170,763)
Increases	13,334	42,473	124,863	13,693	2,233	624	1,528	-	-	198,747
Decreases	(3)	(7,284)	(7,525)	(2,664)	(786)	(137)	(4)	-	-	(18,401)
Write-offs	(271)	(74)	(331)	(224)	(201)	(26)	(2)	-	-	(1,129)
Transfers	(1,459)	(244)	6,280	(7,736)	(3,594)	(441)	(532)	-	-	(7,726)
Changes in perimeter (Note 5)	(211)	3,576	3,415	(19)	6	-	-	-	-	6,767
Balances at 31 December 2013	58,512	388,989	1,563,414	51,508	30,621	8,026	3,368	-	-	2,104,438
Carrying amount:										
As at 31 December 2012 (Restated)	676,994	641,913	1,425,217	103,636	10,395	3,186	4,267	271,965	52,152	3,189,724
As at 31 December 2013	558,378	586,148	1,107,698	80,313	6,638	1,896	4,657	348,119	80,643	2,774,490

The changes in the perimeter in the year ended 31 December 2012 include the effects of the allocation of fair values to the assets acquired in the exchange (Note 5).

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 2013 and 2012 include 8.269 thousand euros and 568 thousand euros, respectively, of financial expenses related to loans contracted to finance the construction of qualifying assets.

In 2013 there were impairment losses of tangible fixed assets of the Portuguese business unit totaling 5,554 thousand euros and in 2012 on the Spanish business area (presented in results of discontinuing operations), Portugal and Egypt in the amounts of 150,120 thousand euros, 4,640 thousand euros and 1,798 thousand of euros, respectively.

Tangible fixed assets in progress and advances on account of tangible fixed assets at 31 December 2013 and 2012 include amounts incurred on the construction and improvement of equipment relating the cement business area in several production units, essentially in the Brazilian, Paraguayan, Egyptian and Mozambican business areas.

The changes in tangible assets, corresponding depreciation and impairment losses in the years ended 31 December 2013 and 2012 for the **Company** were as follows:

	Land	Buildings and other constructions	Basic equipment	Transportation equipment	Administrative equipment	Other tangible assets	Tangible assets in progress	Advance to suppliers of tangible assets	Total
Gross assets:									
Balances at 31 December 2011	2,409	9,309	3,078	1,088	5,012	4	17	80	20,998
Additions	-	237	-	168	56	-	57	-	517
Sales	-	-	-	(675)	-	-	-	-	(675)
Transfers	-	20	-	-	-	-	(20)	(80)	(80)
Balances at 31 December 2012	2,409	9,566	3,078	581	5,068	4	54	-	20,761
Additions	-	-	-	10	-	-	-	-	10
Sales	(2,409)	(9,566)	(3,072)	(382)	(676)	(4)	(54)	-	(16,164)
Balances at 31 December 2013	-	-	6	209	4,391	-	-	-	4,606
Accumulated depreciation and impairment losses:									
Balances at 31 December 2011	-	6,068	3,065	607	4,604	-	-	-	14,344
Increases	-	229	4	144	45	-	-	-	422
Decreases	-	-	-	(448)	-	-	-	-	(448)
Balances at 31 December 2012	-	6,297	3,069	303	4,649	-	-	-	14,318
Increases	-	59	-	86	21	-	-	-	166
Decreases	-	(6,356)	(3,063)	(260)	(661)	-	-	-	(10,341)
Balances at 31 December 2013	-	-	6	128	4,009	-	-	-	4,143
Carrying amount:									
As at 31 December 2012	2,409	3,268	9	278	419	4	54	-	6,442
As at 31 December 2013	-	-	-	80	382	-	-	-	463

The sales in 2013 correspond to to the sale of a property to related parties (Notes 8 and 47).

19. Investments in subsidiaries and associates

The breakdown of **Company** investments in subsidiaries and associates and its respective equity values in 31 December 2013 and 2012, and its net profit for the years ended in such dates were as follows:

		2013				2012			
Name	Country	Ownership percentage	Shareholders' equity	Net profit	Balance value	Ownership percentage	Shareholders' equity	Net profit	Balance value
Cimpor Inversiones, S.A.	Spain	90	1,054,166	196,722	641,444	90	851,165	(481,374)	641,444
Cimpor Portugal, SGPS, S.A.	Portugal	100	260,330	11,894	438,480	100	243,337	(5,280)	438,480
Cimpor Reinsurance, S.A.	Luxembourg	95	16,812	905	10,855	95	15,906	2,654	10,855
Kandmad, SGPS, Lda.	Portugal	100	29,925	2,557	27,995	100	29,757	1,462	28,995
Cimpor - Serviços de Apoio e Gestão de Empresas, S.A.	Portugal	100	1,576	943	1,900	100	633	(1,186)	1,900
Cimpor Tec - Engenharia e Serviços Técnicos de Apoio ao Grupo, S.A.	Portugal	-	-	-	-	100	1,607	501	1,573
Cimpor Financial Operations, B.V.	Holand	74.595	3,708	748	1,024	74.595	2,971	45	1,024
Cement Services Company, S.A.E.	Egypt	45	228	121	137	45	158	45	137
CCB - Cimpor Cimentos do Brasil, S.A.	Brazil	-	-	-	-	0.01	378,329	127,631	7
Cimpor Egypt For Cement Company, S.A.E.	Egypt	0.00187894	243,075	3,621	5	0.00187894	282,521	2,364	5
					1,121,840				1,124,420

The changes in **Company** investments in subsidiaries and associates in the years ended 31 December 2013 and 2012 were as follows:

Balances at 31 December 2011	1,117,418
Increases	7,002
Balances at 31 December 2012	1,124,420
Decreases	(2,580)
Balances at 31 December 2013	1,121,840

The decreases in 2013 correspond essentially to the sale of the subsidiary Cimpor Tec – Engenharia e Serviços Técnicos de Apoio ao Grupo, S.A. and repayment of supplementary capital contributions of the company Kandmad, SGPS, Lda..

In the **Group**, the changes in investments in subsidiaries and associates in the years ended 31 December 2013 and 2012 were as follows:

	Investment	Goodwill	Total
Gross assets:			
Balances at 31 December 2011	6,191	12,098	18,289
Exchange translation adjustments	(3)	-	(3)
Equity method effect:			
On financial expenses (Note12)	637	-	637
Dividends received	(879)	-	(879)
Changes in the perimeter (Note 5)	(4,540)	(5,129)	(9,669)
Balances at 31 December 2012	1,405	6,969	8,374
Currency translation adjustments	13	-	13
Equity method effect:			
On financial expenses (Note12)	741	-	741
Dividends received	(714)	-	(714)
Balances at 31 December 2013	1,445	6,969	8,414
Accumulated impairment losses:			
Balances at 31 December 2011	-	-	-
Increases	-	5,129	5,129
Changes in the perimeter (Note 5)	-	(5,129)	(5,129)
Balances at 31 December 2012	-	-	-
Balances at 31 December 2013	-	-	-
Carrying amount:			
As at 31 December 2012	1,405	6,969	8,374
As at 31 December 2013	1,445	6,969	8,414

The breakdown of **Group** investment in associates, its respective equity values in 31 December 2013 and 2012 and its net profit for the years ended in such dates were as follows:

	2013								
								Balance value	
Name	Operating segment	Ownership percentage	Assets	Liabilities	Shareholders' equity	Sales and services rendered	Net profit	Investments in associates	Provisions (Note 36)
Setefrete, SGPS, S.A.	Portugal	25%	5,205	(25)	5,179	103	2,571	3,583	-
Agueiro, S.A.	Spain	45%	10,531	(11,085)	(554)	-	-	-	(249)
Companhia de Mineração Candiota	Brazil	48%	26	-	26	-	(5)	13	-
AVE- Gestão Ambiental e Valorização Energética, S.A.	Others	35%	4,088	(3,696)	392	12,302	331	4,819	-
								8,414	(249)

	2012								
								Balance value	
Name	Operating segment	Ownership percentage	Assets	Liabilities	Shareholders' equity	Sales and services rendered	Net profit	Investments in associates	Provisions (Note 36)
Setefrete, SGPS, S.A.	Portugal	25%	4,588	(30)	4,558	103	1,844	3,427	-
Cementos Antequera, S.A.	Spain	a)	-	-	-	-	(178)	-	-
Agueiro, S.A.	Spain	45%	10,531	(15,259)	(4,727)	-	(1,770)	-	(2,127)
Hormigones Miranda Celanova, S.A.	Spain	a)	-	-	-	-	(24)	-	-
Companhia de Mineração Candiota	Brazil	48%	37	-	37	-	-	18	-
AVE- Gestão Ambiental e Valorização Energética, S.A.	Others	35%	2,445	(1,739)	707	9,363	646	4,929	-
								8,374	(2,127)

a) Participation sold in 2012 under the exchange of assets process.

20. Other investments

The changes in “Other investments” in the scope of IAS 39 for the years ended 31 December 2013 and 2012 were as follows:

	Group					Company
	Available-for-sale financial assets		Financial assets at fair-value through profit and loss	Held to maturity financial assets		Available-for-sale financial assets
	Cost	Fair value			Total	Cost
Gross investment:						
Balances at 31 December 2011	10,324	3,013	4,478	15,457	33,272	4,138
Currency translation adjustments	(472)	-	-	-	(472)	-
Revaluation/adjustments	-	(735)	699	428	392	-
Increases	934	-	-	-	934	-
Transfers	(1,087)	-	-	(15,886)	(16,973)	-
Sales	(251)	-	-	-	(251)	-
Changes in the consolidation perimeter (Note 5)	15,022	-	1,196	-	16,217	-
Balances at 31 December 2012	24,469	2,278	6,372	-	33,120	4,138
Currency translation adjustments	(2,445)	-	(272)	-	(2,717)	-
Revaluation/adjustments	-	(516)	-	-	(516)	-
Increases	2,690	-	704	-	3,393	-
Transfers	-	-	(5,176)	-	(5,176)	-
Sales	-	(252)	-	-	(252)	-
Changes in the consolidation perimeter (Note 5)	(10,172)	-	-	-	(10,172)	-
Balances at 31 December 2013	14,542	1,510	1,627	-	17,679	4,138
Accumulated impairment losses:						
Balances at 31 December 2011	4,942	-	-	-	4,942	4,051
Transfers	(825)	-	-	-	(825)	-
Changes in the consolidation perimeter (Note 5)	(23)	-	-	-	(23)	-
Balances at 31 December 2012	4,094	-	-	-	4,094	4,051
Balances at 31 December 2013	4,094	-	-	-	4,094	4,051
Carrying amount:						
As at 31 december 2012	20,375	2,278	6,372	-	29,026	87
As at 31 december 2013	10,448	1,510	1,627	-	13,585	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; (ii) financial assets at fair value to results, that correspond essentially to a portfolio of investment funds; and (iii) financial assets held to maturity.

The transfers in Other investments in 2013 and 2012 include essentially the transfer of assets to the caption cash and cash equivalents.

21. Non-current assets held for sale

At 31 December 2012 this caption includes essentially the participation in C+PA in relation to which impairment loss of 23,650 thousand euros was recognized in the year then ended. The participation was sold in 2013.

22. Accounts receivable - other

This caption at 31 December 2013 and 2012 was made up as follows:

	Group				Company			
	2013		2012		2013		2012	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Subsidiaries, associated and participated companies	6,304	161	14,399	1,627	3,054	114,500	11,088	176,000
Other shareholders	283	-	283	-	-	-	-	-
Advances to suppliers of fixed assets	727	4,186	824	-	-	-	-	-
Other debtors	39,566	15,600	29,942	13,695	751	328	386	328
	46,880	19,947	45,448	15,322	3,805	114,828	11,474	176,328
Accumulated impairments	(6,925)	(429)	(12,473)	(328)	(283)	(328)	(283)	(328)
	39,955	19,518	32,974	14,994	3,522	114,500	11,191	176,000

In the years ended 31 December 2013 and 2012, those accounts receivable ageing were as follow:

	Group				Company			
	2013		2012		2013		2012	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Undue balances	33,578	15,434	36,474	14,148	3,522	114,500	11,191	176,000
Due balances:								
Up to 180 days	7,312	-	3,922	17	-	-	-	-
From 181 to 360 days	2,243	-	772	50	-	-	-	-
More than 361 days	3,746	4,513	4,280	1,108	283	328	283	328
	46,880	19,947	45,448	15,322	3,805	114,828	11,474	176,328

Impairments to accounts receivable - other

In the years ended 31 December 2013 and 2012 the changes in this caption were as follows:

	Group	Company
Balances at 31 December 2011	3,856	611
Currency translation adjustments	(106)	-
Increases (Note 11)	10,919	-
Decreases (Note 8)	(154)	-
Changes in the consolidation perimeter (Note 5)	(1,714)	-
Balances at 31 December 2012	12,801	611
Currency translation adjustments	(128)	-
Increases (Note 11)	749	-
Decreases (Note 8)	(1,026)	-
Utilisations	(6,969)	-
Transfers	1,927	-
Balances at 31 December 2013	7,354	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.

In addition, the increases as of December 31, 2012 include the recognition of impairment losses of 10,042 thousand euros on credits of associated companies (Note 12).

The above changes include the effects of companies sold in the exchange, their exclusion at the end of the year being included in the caption “Changes in the perimeter”.

23. Taxes recoverable and taxes payable

Taxes recoverable and taxes payable at 31 December 2013 and 2012 were as follows:

	Group				Company	
	2013		2012		2013	2012
	Current	Non-current	Current	Non-current	Current	Current
Taxes recoverable:						
Corporate income tax	16,520	2,151	23,534	1,869	3,276	9,377
Personal income tax	3,271	-	3,829	-	32	32
Value added tax	53,326	19,106	20,586	19,764	-	-
Other	1,429	13,902	693	16,823	-	-
	74,546	35,159	48,641	38,456	3,308	9,409
Taxes payable:						
Corporate income tax	17,520	7,100	13,827	8,803	-	-
Personal income tax	3,081	-	4,292	-	64	102
Value added tax	24,164	-	23,581	-	142	35
Social security contributions	8,248	-	10,207	-	40	65
Other	3,877	565	7,547	886	-	-
	56,889	7,664	59,454	9,689	246	201

In compliance with the requirements of Art.º 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 2013 and 2012 were as follows:

	Group				Company	
	2013		2012		2013	2012
	Current	Non-current	Current	Non-current	Current	Current
Accrued interest	746	2	1,279	-	-	-
Derivative financial instruments (Note 39)	3,822	5,785	14	43	-	-
Leases	646	-	824	-	-	-
Insurances	570	-	1,175	-	31	77
Other deferred costs and accrued income	6,646	279	4,546	-	10	155
	12,431	6,067	7,838	43	42	232

25. Deferred taxes

The changes in **Group** deferred taxes in the years ended 31 December 2013 and 2012 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 2011	421	18,156	12,852	62,746	37,322	1,434	2,052	753	198	3,702	139,634
Currency translation adjustments	58	(1,403)	(954)	(515)	(1,718)	(39)	(84)	(2)	-	(268)	(4,924)
Income tax (Note 13)	(10,184)	(7,538)	1,887	(40,781)	1,735	1,317	1,310	597	-	11,718	(39,938)
Shareholders' equity (Note 13)	-	-	-	1,807	(216)	-	-	(198)	-	128	1,521
Transfers	-	-	149	20	-	-	-	-	-	(149)	20
Changes in the perimeter	10,010	-	(1,612)	49,688	393	169	(2,080)	(66)	-	(319)	56,182
Balances at 31 December 2012 (Restated)	305	9,215	12,322	72,964	37,516	2,882	1,197	1,085	198	14,812	152,494
Currency translation adjustments	(19)	(789)	(640)	(9,760)	(4,139)	(132)	(64)	(2)	-	(2,652)	(18,198)
Income tax (Note 13)	(35)	(6,330)	(6,947)	136	(5,315)	(1,713)	(154)	(701)	-	4,694	(16,364)
Shareholders' equity (Note 13)	-	-	-	-	(677)	-	-	-	-	(312)	(990)
Transfers	-	-	31	10,255	-	-	-	-	-	173	10,458
Balances at 31 December 2013	251	2,095	4,766	73,595	27,384	1,037	979	381	198	16,715	127,401
Deferred tax liabilities:											
Balances at 31 December 2011	8,352	49,753	159,339	-	17,156	-	-	5,047	-	25,408	265,055
Currency translation adjustments	(20)	(2,610)	(4,145)	-	(794)	-	-	65	-	(1,949)	(9,453)
Income tax (Note 13)	(8,054)	1,854	(15,883)	-	406	-	-	(1,492)	-	(5,776)	(28,946)
Shareholders' equity (Note 13)	-	-	-	-	114	-	-	-	-	30	143
Transfers	133	-	-	-	-	-	-	-	-	(133)	-
Changes in the perimeter	(410)	112,926	347,411	-	(4,954)	-	-	(1,332)	-	9,961	463,600
Balances at 31 December 2012 (Restated)	-	161,923	486,722	-	11,928	-	-	2,288	-	27,540	690,400
Currency translation adjustments	-	(25,737)	(94,188)	-	(297)	-	-	38	-	(5,079)	(125,262)
Income tax (Note 13)	-	30,561	(13,352)	-	(4,373)	-	-	(2,293)	-	(68)	10,475
Transfers	-	-	192	-	-	-	-	-	-	(6)	186
Balances at 31 December 2013	-	166,748	379,373	-	7,259	-	-	33	-	22,387	575,799
As at 31 December 2012 (Restated)	305	(152,709)	(474,400)	72,964	25,588	2,882	1,197	(1,203)	198	(12,727)	(537,906)
As at 31 December 2013	251	(164,653)	(374,607)	73,595	20,125	1,037	979	348	198	(5,672)	(448,398)

The changes in the perimeter in 2012 included the allocation of fair values to the assets acquired in the exchange (Note 5).

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 liabilities related to Available-for-sale financial assets, resulted from its valuations to market values, which are recorded on Fair value reserve (Note 31).

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.

At 31 December 2013 the Group had tax losses of approximately 1,000 million euros to be used (920 million euros at 31 December 2012) deductible from future profits, having recognized deferred tax assets of 73,595 thousand euros (72,964 thousand euros at 31 December 2012) recoverable up to 2030. Deferred tax assets of approximately 780 million euros were not recognized for losses in Spain (700 million euros at 31 December 2012) due the unpredictability of their recovery.

Deferred tax assets were recognized as 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 2013 and 2012 were as follows:

	Tangible assets	Tax losses carried forward	Doubtful accounts	Others	Total
Deferred tax assets:					
Balances at 31 December 2011	400	-	283	911	1,594
Income tax (Note 13)	39	-	-	(260)	(221)
Balances at 31 December 2012	439	-	283	651	1,374
Income tax (Note 13)	-	(866)	-	-	(866)
Transfers	(439)	10,824	(6)	(117)	10,261
Balances at 31 December 2013	-	9,958	277	534	10,769
Deferred tax liabilities:					
Balances at 31 December 2011	234	-	-	5	239
Income tax (Note 13)	(13)	-	-	(2)	(15)
Balances at 31 December 2012	221	-	-	3	224
Income tax (Note 13)	(219)	-	-	(2)	(221)
Balances at 31 December 2013	2	-	-	1	3
Carrying amount:					
As at 31 December 2012	219	-	283	648	1,150
As at 31 December 2013	(2)	9,958	277	533	10,765

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 2013 and 2012 were as follows:

	2013	2012
Raw, subsidiary and consumable materials	323,315	319,030
Work in process	81,715	80,044
Subproducts and waste	-	1
Finished and semi-finished products	44,537	35,586
Merchandise	4,857	6,781
Advances on purchases	5,627	9,503
	460,050	450,945
Accumulated impairments	(9,787)	(13,546)
	450,263	437,399

Accumulated inventory impairments

The changes in Group inventories adjustments in the years ended 31 December 2013 and 2012 were as follows:

Balances at 31 December 2011	12,003
Currency translation adjustments	(476)
Increases (Note 11)	11,950
Decreases (Note 8)	(2,799)
Utilisations	(218)
Changes in the consolidation perimeter	(6,914)
Balances at 31 December 2012	13,546
Currency translation adjustments	(1,773)
Increases (Note 11)	600
Decreases (Note 8)	(1,013)
Utilisations	(1,573)
Balances at 31 December 2013	9,787

In the year ended 31 December 2012, the above changes include the effects of the companies sold in the exchange, which are included in results of discontinued operations (Note 5).

27. Accounts receivable - trade

This caption at 31 December 2013 and 2012 was as follows:

	Group		Company	
	2013	2012	2013	2012
Trade receivables	185,459	181,209	4	242
Notes receivable - trade	40	103	-	-
Doubtful trade accounts receivable	27,078	35,701	2,381	2,483
Advances to suppliers	25,973	12,795	-	-
	238,550	229,809	2,385	2,724
Accumulated impairments	(31,480)	(40,001)	(2,381)	(2,483)
	207,070	189,808	4	242

Accumulated impairments to accounts receivable - trade

During the years ended 31 December 2013 and 2012, the changes in this caption were as follows:

	Group	Company
Balances at 31 December 2011	64,048	2,486
Currency translation adjustments	(701)	-
Increases (Note 11)	12,679	-
Decreases (Note 8)	(6,466)	(2)
Utilisations	(2,254)	(1)
Transfers	153	-
Changes in the consolidation perimeter	(27,457)	-
Balances at 31 December 2012	40,001	2,483
Currency translation adjustments	(1,991)	-
Increases (Note 11)	1,841	-
Decreases (Note 8)	(3,100)	(12)
Utilisations	(5,271)	(89)
Balances at 31 December 2013	31,480	2,381

In the year ended 31 December 2012, the above changes include the effects of the companies sold in the exchange, which are included in results of discontinued operations.

In the years ended 31 December 2013 and 2012, the ageing of this caption, was as follows:

	Group		Company	
	2013	2012	2013	2012
Undue balances	130,521	141,048	4	4
Due balances:				
Up to 180 days	74,233	45,437	-	234
From 180 to 360 days	5,920	8,812	-	-
More than 360 days	27,876	34,513	2,381	2,486
	238,550	229,809	2,385	2,724

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 2013 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. In addition, the applicable accounting rules require that gains and losses on the sale of treasury shares be recorded in reserves.

The changes in treasury shares in the years ended 31 December 2013 and 2012 were as follows:

	Quantity	Value
Balances at 31 December 2011	6,213,958	(29,055)
Treasury shares sale	(307,860)	1,839
Balances at 31 December 2012	5,906,098	(27,216)
Balances at 31 December 2013	5,906,098	(27,216)

The sale of treasury shares in 2012 results from payment plans based on shares now extinct. As a result of these sales a loss of 596 thousand euros was recognized in 2012.

30. Currency translation adjustments

The changes in this caption in the years ended 31 December 2013 and 2012 were as follows:

	Egyptian Pound	Brazilian Real	Mozambique Metical	South African Rand	Argentinian Peso	Others	Assets sold	Total
Balances at 31 December 2011	(18,860)	255,279	2,958	(44,470)	-	2,039	(150,903)	46,043
Change in the perimeter	-	-	-	-	-	(3,015)	144,203	141,188
Currency translation adjustments	(19,906)	(97,630)	(7,618)	(17,380)	-	770	6,700	(135,064)
Balances at 31 December 2012 (Restated)	(38,767)	157,649	(4,659)	(61,850)	-	(206)	-	52,167
Currency translation adjustments	(33,811)	(159,190)	(2,818)	(59,583)	(225,228)	447	-	(480,184)
Balances at 31 December 2013	(72,577)	(1,541)	(7,478)	(121,433)	(225,228)	241	-	(428,017)

The changes in the balance of this caption in 2013 and 2012 is affected by exchange devaluation in the majority of functional currencies of the countries in which Cimpor has operations and in 2012 by the reversal to profit and loss (to discontinued operations) of translation adjustments relating to assets sold in the exchange (Note 5).

No financial derivative instruments were contracted in 2013 and 2012 to hedge investments in foreign entities.

31. Reserves

This caption at 31 December 2013 and 2012 was as follows:

	Group		Company	
	2013	2012	2013	2012
Legal reserve	134,400	134,400	134,400	134,400
Other reserves	141,501	141,720	172,332	172,332
Fair value reserve	67	67	-	-
Hedging operations reserve (Note 39)	254	(427)	-	-
	276,222	275,760	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 2013 and 2012, “Other reserves” includes non distributable reserves of 27,216 thousand euros, corresponding to the cost of these treasury shares acquisition (Note 29).

Other income and costs recognized in the Group’s Reserves in 2013 correspond essentially to the recognition of actuarial gains on the liability to employees in the net amount of 1,498 thousand euros (526 thousand euros losses in 2012) and the recognition of hedging operations of 681 thousand euros (143 thousand euros in 2012).

32. Retained earnings

The changes in retained earnings in the years ended 31 December 2013 and 2012 were as follows:

	Group	Company
Balances at 31 December 2011	822,052	215,667
Appropriation of profit of 2011	87,621	(278)
Stock options and purchase plans (Note 35)	663	663
Other	(2,418)	-
Balances at 31 December 2012	907,919	216,052
Appropriation of profit of 2012	(434,518)	32,714
Other	(15)	-
Balances at 31 December 2013	473,386	248,766

33. Non-controlling interests

The changes in this caption in the years ended 31 December 2013 and 2012 were as follows:

Balances at 31 December 2011	101,451
Currency translation adjustments	(748)
Dividends	(9,888)
Financial instruments hedging	210
Actuarial gain and loss on personnel responsabilities (Note 34)	5
Variation in investments (a)	3,480
Changes in the consolidation perimeter (Note 5)	(47,267)
Net profit for the year attributable non-controlling interests	(7,456)
Balances at 31 December 2012 (Restated)	39,788
Currency translation adjustments	(112)
Dividends	(3,016)
Variation in investments (a)	(153)
Net profit for the year attributable non-controlling interests	4,028
Balances at 31 December 2013	40,536

(a) The amount indicated corresponds essentially to the non-controlling participation in supplementary capital contributions.

34. Employee benefits

<u>Defined benefit plan</u>

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 2013 and 2012 were made using the “Projected Unit Credit” method and were based in the following assumptions and technical bases:

	2013	2012
Actuarial technical rate (in local currency)		
Portugal	4%	4%
South Africa	8.84%	8.38%
Annual pension growth rate		
Portugal	1.8 % - 2.5%	1.8 % - 2.5%
Annual fund income rate		
Portugal	4%	4%
Annual salary growth rate		
Portugal	2% - 3%	2% - 3%
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		
Growth rate of medical costs	N/A	N/A
Medical inflation rate	2%	2%
Growth rate of medical costs by age	N/A	N/A
South Africa	8.22%	6.38%

In accordance with the actuarial valuations the pension and healthcare benefits costs for the years ended 31 December 2013 and 2012 were as follows:

		Pension plans	
		2013	2012
Current service cost		603	625
Interest cost		2,916	3,629
Administrative costs		120	-
Expected return of the plans' assets		(2,661)	(2,785)
Total cost/(income) of the pension plans (Note 10)	(I)	977	1,469
		Healthcare plans	
		2013	2012
Current service cost		164	147
Interest cost		632	683
Total cost/(income) of the healthcare plans (Note 10)	(II)	797	831
Total cost/(income) of the defined benefit plans	(I) + (II)	1,774	2,299

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 2013 and 2012 were as follows:

	Pension plans		Healthcare plans		Total	
	2013	2012	2013	2012	2013	2012
Defined benefit liability - 1 january	74,715	76,917	15,897	16,151	90,612	93,068
Benefiits and bonuses paid	(4,923)	(5,852)	(962)	(942)	(5,886)	(6,794)
Current service cost	603	825	164	215	767	1,040
Past service cost	(767)	-	(2,240)	-	(3,007)	-
Interest cost	2,916	3,809	632	803	3,548	4,612
Actuarial gains and losses	(1,141)	1,128	901	2,040	(240)	3,168
Exchange differences	-	(148)	(169)	(59)	(169)	(206)
Variation of the perimeter	-	(1,964)	-	(2,312)	-	(4,276)
Defined benefit liability - 31 december	71,402	74,715	14,223	15,897	85,625	90,612
Value of the pension funds - 1 january	68,582	70,402	-	-	68,582	70,402
Contributions	28	56	-	-	28	56
Benefits and bonuses paid	(4,938)	(5,852)	-	-	(4,938)	(5,852)
Expected income of the funds' assets	2,661	3,020	-	-	2,661	3,020
Actuarial gains and losses in income from the funds' assets	1,872	4,254	-	-	1,872	4,254
Administrative costs	(120)	-	-	-	(120)	-
Exchange differences	-	(84)	-	-	-	(84)
Variation of the perimeter	-	(3,215)	-	-	-	(3,215)
Value of the pension funds - 31 december	68,085	68,582	-	-	68,085	68,582

Past service cost includes 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 0.25% 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 2,400 million euros in the liability.

The movements of net actuarial gains and losses during the years ended 31 December 2013 and 2012 were as follows:

	2013	2012
Changes during the year:		
Related to the liabilities	240	(3,168)
Related to the funds assets	1,872	4,254
Corresponding defferred tax	(613)	(319)
Non-controlling interests (Note 33)	-	5
	1,498	773

In addition, actuarial gains and losses include the following experience adjustments:

	2013	2012
Related to the liabilities	240	2,006
Related to the funds assets	1,872	4,254

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	2013	2012	2011	2010	2009
Liability	71,402	74,715	76,917	80,683	79,363
Value of the pension funds	(68,085)	(68,582)	(70,402)	(72,732)	(74,186)
Deficit	3,317	6,133	6,515	7,951	5,177
Liability for employee benefits:					
Current liability	-	-	3,708	3,308	3,168
Non-current liability	3,317	6,133	3,708	4,762	2,067
	3,317	6,133	7,416	8,070	5,235
Fund surplus	-	-	(901)	(118)	(58)
Total exposure	3,317	6,133	6,515	7,951	5,177

Healthcare plans	2013	2012	2011	2010	2009
Liability for employee benefits:					
Current liability	903	902	1,003	928	1,384
Non-current liability	13,320	14,995	15,148	14,309	17,917
Total exposure	14,223	15,897	16,151	15,238	19,301

The Group has not established funds for the health plans. The main assets of the funds as at 31 December 2013 and 2012 are as follows:

	2013	2012
Shares	21.6%	19.1%
Fixed rate bonds	47.6%	41.9%
Variable rate bonds	16.6%	18.1%
Real estate investment funds, hedge funds, cash and insurance	14.2%	21.0%
	100.0%	100.0%

Real estate investments include a property valued at 7,215 thousand euros which was sold to the fund in 2012 by a Group company, which is leased to the Group for an annual rent of 560 thousand euros.

Defined contribution plans

In 2013 and 2012 the Group incurred costs of 2,632 thousand euros and 2,643 thousand euros, respectively with defined contribution plans (Note 10). The cost of the Company's defined contribution plans in 2013 and 2012 amounted to 113 thousand euros and 968 thousand euros, respectively (Note 10).

35. Stock options and purchase plans

In 2012 the incentive plans were extinguished through their exercise or financial liquidation of the liabilities previously established with the employees.

36. Provisions

In the year ended as of 31 December 2013 and 2012, the classification of provisions was as follows:

	Group		Company	
	2013	2012	2013	2012
Non-current provisions:				
Provisions for tax risks	38,503	87,501	25,000	68,300
Provisions for environmental rehabilitation	42,802	48,538	-	-
Provisions for employees	26,665	17,230	880	1,083
Other provisions for risks and charges	13,049	24,923	31	31
	121,019	178,192	25,911	69,414
Current provisions:				
Provisions for employees	4,214	1,910	176	237
	4,214	1,910	176	237
	125,233	180,102	26,087	69,652

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 Company 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 21,278 thousand euros and 9,116 thousand euros, respectively, relating to 31 December 2013 and 2012 correspond to the pre-retirement of employees.

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, which at 31 December 2013 and 2012 amounted to 249 thousand euros and 2,127 thousand euros, respectively (Note 19).

The changes in the **Group's** provisions in 2013 and 2012 were as follows:

	Provisions for tax risks	Environmental rehabilitation	Provisions for employees	Other provisions for risks and charges	Total
Balances at 31 December 2011	87,586	48,955	12,989	49,922	199,451
Currency translation adjustments	(1,428)	(579)	(188)	(1,733)	(3,928)
Increases	3,257	1,843	13,107	10,526	28,733
Decreases	(881)	(1,147)	(1,968)	(15,190)	(19,187)
Utilisations	(3,245)	(823)	(778)	(16,941)	(21,786)
Transfers	-	1	(61)	(614)	(674)
Changes in the perimeter (Note 5)	2,213	288	(3,961)	(1,047)	(2,507)
Balances at 31 December 2012	87,501	48,538	19,140	24,923	180,102
Currency translation adjustments	(2,398)	(6,547)	(1,794)	(2,504)	(13,242)
Increases	2,588	1,163	20,014	2,552	26,317
Decreases	(9,243)	(175)	(2,386)	(4,827)	(16,630)
Utilisations	(42,350)	(177)	(4,732)	(4,056)	(51,314)
Transfers	2,404	-	635	(3,039)	-
Balances at 31 December 2013	38,503	42,802	30,878	13,049	125,233

The utilization of provisions for tax risks in 2013 resulted essentially from the payment in the Portuguese business area under the special regime for the liquidation of tax debts in force up to the end of the year.

The increases in provisions relating to personnel in 2013 and 2012 include essentially the effect of liabilities resulting from pre-retirement agreements entered into with employees of the Portugal business area in the amount of 17,349 thousand euros and 9,116 thousand euros, respectively.

The decrease of provisions in 2013 results essentially from reappraisal of the degree of probability of the occurrence of losses in several business areas. In 2013 these include: i) partial reversal in Egypt of the provision for the rate applicable to the consumption of clay in the amount of 5,516 thousand euros and; ii) reversal of the provision recorded in previous years in Brazil under the administrative process brought about by Secretaria de Direito Económico do Ministério da Justiça do Brasil (Note 48) in the amount of 6,118 thousand euros, in relation to which the Group's legal advisors believe that the risk of loss is not considered probable.

Utilization of provisions in 2012 includes financial liquidation of a legal dispute with the Brazilian authorities of the rate to be applied in the determination of indirect taxes in the amount of 12,740 thousand euros, for which a legal deposit was made which was recorded in the caption "Taxes payable".

The changes in the **Company** provisions in the years ended 31 December 2013 and 2012 were as follows:

	Provisions for tax risks (Note 13)	Provision for employees	Other provisions for risks and charges	Total
Balances at 31 december 2011	65,500	-	31	65,531
Increases	2,800	1,320	-	4,120
Balances at 31 December 2012	68,300	1,320	31	69,652
Increases	-	82	-	82
Decreases	(1,733)	(203)	-	(1,936)
Utilisation	(41,567)	(143)	-	(41,710)
Balances at 31 December 2013	25,000	1,056	31	26,087

Utilization in 2013 results from the payment made under the above mentioned special regime for the liquidation of tax debts, of which around 4,500 thousand euros through the compensation of balances.

The increases of provisions in the end of 2012 are explained by the need for the constitutions of provisions to face fiscal risks in Portugal Business area, as well as the arising responsibilities of pre-retirement of employees.

The increases and decreases in the provisions in the years ended 31 December 2013 and 2012 were recorded by corresponding entry to the following accounts:

	Group		Company	
	2013	2012	2013	2012
Continuing operations:				
Tangible assets:				
Land	182	(133)	-	-
Net result for the period:				
Operating costs	(871)	(3,813)	-	-
Payroll costs	15,055	9,582	(121)	1,320
Operating Income	(7,441)	(881)	-	-
Provisions	613	(8,479)	-	-
Financial expenses	2,420	1,985	-	1,350
Share of results of associates (Note 12)	-	796	-	-
Income tax (Note 13)	(272)	1,609	(1,733)	1,450
	9,687	666	(1,854)	4,120
Discontinued operations:				
Tangible assets:				
Land	-	496	-	-
Net result for the period:				
Payroll costs	-	1,193	-	-
Provisions	-	5,035	-	-
Financial expenses	-	599	-	-
	-	7,322	-	-
Equity:				
Free reserves	-	1,558	-	-
Total of continuing and discontinued operations	9,687	9,546	(1,854)	4,120

Financial costs include the financial adjustment of provisions for the recovery of the scenery. The amounts recorded in other income and costs recognized in equity correspond to the actuarial income and costs component of the provisions relating to personnel.

37. Loans

Loans in the **Group** as at 31 December 2013 and 2012 were as follows:

	2013	2012
Non-currents liabilities:		
Bonds	835,576	997,365
Bank loans	2,802,897	2,821,110
Other loans	381,926	76
	4,020,399	3,818,551
Currents liabilities:		
Bonds	179	34,161
Bank loans	104,638	167,236
Other loans	53	53
	104,870	201,450
	4,125,270	4,020,001

Bonds

Non-convertible bonds at 31 December 2013 and 2012 were as follows:

Business unit	Financial instrument		Currency	Emission date	Coupon (b)	Final maturity	2013 Current	2013 Non-current	2012 Current	2012 Non-current
Brazil	Debenture - Brazil	(a)	BRL	Mar.12	Floating rate indexed to CDI	Apr.22	-	462,538	218	550,740
Brazil	Debenture - Brazil		BRL	Jan.12	Floating rate indexed to CDI	Aug.16	179	1,120	1	2,773
Brazil	Debenture - Brazil		BRL	Aug.12	Floating rate indexed to CDI	Aug.22	-	371,919	-	443,852
Argentina	Domestic Bonds - Argentina		USD	Mar.06	7.25%	Mar.13	-	-	33,942	-
							179	835,576	34,161	997,365

(a) Guaranteed by security and the pledge of shares by controllers of the Company.
(b) The contractual variable rates include spreads till 15% over the index.

Bank loans

Group bank loans as at 31 December 2013 and 2012 were as follows:

Business unit		Type	Currency	Interest rate (c)	Initial date	Maturity	2013 Current	2013 Non-Current	2012 Current	2012 Non-Current
Holdings and Financial Vehicles (*)	(a)	Bilateral	USD	Floating rate indexed to US Libor	May/12	Jan/22	-	536,973	-	559,789
Holdings and Financial Vehicles (*)	(a)	Bilateral	EUR	Floating rate indexed to Euribor	Feb/12	Feb/22	-	453,800	-	453,190
Holdings and Financial Vehicles (*)		Bilateral	USD	Floating rate indexed to US Libor	Sep/12	Sep/17	-	214,776	-	223,650
Holdings and Financial Vehicles (*)		Bilateral	USD	Floating rate indexed to US Libor	Aug/12	Oct/17	-	192,405	-	200,849
Holdings and Financial Vehicles (*)		Bilateral	USD	Floating rate indexed to US Libor	Oct/12	Apr/17	-	179,386	-	185,710
Holdings and Financial Vehicles (*)		Bilateral	USD	Floating rate indexed to US Libor	Sep/13	Sep/18	-	142,968	-	-
Holdings and Financial Vehicles (*)		Bilateral	EUR	Floating rate indexed to Euribor	Nov/12	Sep/17	-	127,665	-	127,027
Holdings and Financial Vehicles (*)		Bilateral	EUR	Floating rate indexed to Euribor	Sep/12	Sep/17	-	99,134	-	98,787
Holdings and Financial Vehicles (*)		Bilateral	USD	Floating rate indexed to US Libor	Oct/12	Apr/15	-	86,080	-	89,141
Holdings and Financial Vehicles (*)		Bilateral	USD	Floating rate indexed to US Libor	Jul/11	Jul/16	-	83,342	-	87,000
Holdings and Financial Vehicles (*)		Bilateral	USD	Floating rate indexed to US Libor	Jul/11	Jul/15	-	74,420	-	77,687
Holdings and Financial Vehicles (*)		Bilaterals	EUR	Floating rates indexed to Euribor	Nov/12	Sep/17	-	74,224	-	74,294
Holdings and Financial Vehicles (*)		Bilaterals	EUR	Floating rates indexed to Euribor	Severals	Severals	-	52,697	37,528	214,650
Argentina and Paraguay		Bilaterals	ARS	Floating rates indexed to Badlar	Severals	Severals	46,944	81,192	24,504	66,466
Argentina and Paraguay		Bilaterals	USD	Floating rate indexed to US Libor	Severals	Severals	19,950	46,042	20,967	68,519
Brazil		Bilaterals	USD	Fixed and Floating Rates	Severals	Severals	1,035	126,956	-	165,318
Brazil	(b)	Bilaterals	BRL	Fixed and Floating Rates	Severals	Severals	16,646	101,807	38,104	103,231
Argentina and Paraguay		Bilaterals	USD	Variáveis indexadas US Libor	Severals	Severals	7,455	73,011	32,055	-
Argentina and Paraguay		Bilaterals	PYG	Fixed and Floating Rates	Dec/12	Feb/13	-	-	2,296	-
South Africa		Bilateral	ZAR	Floating rate indexed to Jibar	Dec/13	Dec/18	-	41,488	-	-
Portugal and Cape Verde		EIB	EUR	EIB Rate	Sep/03	Sep/15	6,667	6,667	6,667	13,333
Portugal and Cape Verde		Bilateral	EUR	Floating rates indexed to Euribor	Severals	Severals	250	175	100	275
Mozambique		Bilateral	MZN	Floating rates indexed to BT 3M	Aug/10	Feb/16	2,509	4,332	2,605	7,102
Egypt		Bilaterals	EGP	Floating rates indexed to Corridor	Severals	Severals	2,962	3,357	2,257	5,092
Portugal and Cape Verde		Overdraft	CVE	Floating Rates Indexed to TRIBESCV 3M	Jun/13	Jun/14	221	-	117	-
Portugal and Cape Verde		Bilateral	EUR	Floating rates indexed to Euribor	Oct/03	Oct/13	-	-	36	-
							104,638	2,802,897	167,236	2,821,110

(*) referring to the companies included in the Holdings, business and corporate support and trading segment, as disclosed in Note 4.1.

(a) Guaranteed by controlling entities of the Company;
(b) Approximately 91 million euros are guaranteed by controlling entities of the Company:
(c) For the major funding, the variable rates contracted, both in dollars and euros, consider spreads between 2.5% and 4.5%

Other loans

Other loans obtained correspond to: (i) loans from official entities under program contracts relating to investment projects and (ii) loan from Cimpor Inversiones à InterCement Austria Holding in the amount of 381.9 million euros corresponding to the balance in December 2013 remunerated at a variable rate under market conditions.

The non-current portion of loans as at 31 December 2013 and 2012 is repayable as follows:

Year	2013	2012
2014	-	239,879
2015	483,915	513,099
2016	380,370	352,888
2017	851,195	857,026
2018	865,663	341,852
Following years	1,439,256	1,513,808
	4,020,399	3,818,551

The loans at 31 December 2013 and 2012 are stated in the following currencies:

	2013		2012	
Currency	Currency	Euros	Currency	Euros
USD	2,458,233	1,784,800	2,301,862	1,744,628
BRL	3,078,754	954,208	3,079,181	1,138,919
EUR	-	1,203,258	-	1,026,016
ARS	1,150,338	128,136	590,202	90,970
MZN	278,688	6,841	380,896	9,707
EGP	60,481	6,319	61,708	7,349
PYG	-	-	12,783,039	2,296
ZAR	600,000	41,488	-	-
CVE	24,326	221	12,954	117
		4,125,270		4,020,001

Comfort letter and guarantee letters

The comfort letters and guarantees given by the Group at 31 December 2013 and 2012 correspond to liabilities reflected in the consolidated financial position of 3,116,397 thousand euros and 3,177,947 thousand euros, respectively.

Change of control

In compliance with market practice some debt instruments signed by Cimpor's subsidiaries include change of control clauses, establishing the possibility, by decision of the financing entities, of their early repayment.

38. Obligations under leases

Finance leases

The **Group** minimum lease payments as at 31 December 2013 and 2012, resulting from finance lease liabilities, are as follows:

	2013		2012	
	Present value	Future value	Present value	Future value
Up to 1 year	3	3	621	621
From 1 to 5 years	-	-	35	35
More than 5 years	-	-	-	-

Operating leases

The current operating lease contracts relate essentially to transport and office equipment.

Future commitments as at 31 December 2013 and 2012 under the current operating lease contracts were as follows (minimum lease payments):

	Group		**Company**	
	2013	2012	2013	2012
Up to 1 year	2,350	2,982	14	30
From 1 to 5 years	3,786	5,739	31	80

Total operating costs of the Group's continuing operations under operating lease contracts for 2013 and 2012 amounted to 2,386 thousand euros and 3,369 thousand euros, respectively.

In the **Company** current operating lease contracts relate essentially to transport equipment and in the years ended 31 December 2013 and 2012 the costs incurred amounted to 9 thousand euros.

39. Derivative financial instruments

Under the risk management policy of the Cimpor Group, a range of derivative financial instruments have been contracted at 31 December 2013 and 2012 to hedge interest and exchange rate risk.

The Group contracts such instruments after evaluating the risks to which its assets and liabilities are exposed and assessing which instruments available in the market are the most adequate to hedge those risks.

These operations are subject to prior approval by the Executive Committee and are permanently monitored by the Financial Direction. Several indicators relating to the instruments are periodically determined, namely their market value and sensitivity of the projected cash flows and market value to changes in key variables, with the aim of assessing their financial effect.

Fair value of derivative financial instruments

The fair value of derivative financial instruments at 31 December 2013 and 2012 is as follows:

	Other assets (Note 24)				Other liabilities (Note 42)			
	Current asset		Non-current assets		Current asset		Non-current assets	
	December 2013	December 2012	December 2013	December 2012	December 2013	December 2012	December 2013	December 2012
Fair value hedges:								
Exchange rate forwards	-	14	-	-	-	-	-	-
Cash flow hedges:								
Interest rate swaps	-	-	-	43	490	1,006	91	291
Trading:								
Interest rate derivatives	-	-	-	-	-	3,068	1,783	5,692
Exchange and interest rate derivatives	-	-	5,785	-	-	-	-	-
Exchange rate forwards	3,822	-	-	-	39	-	-	-
	3,822	14	5,785	43	529	4,074	1,874	5,983

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.

The following schedule shows the operations at 31 December 2013 and 2012 that qualify as fair value hedging instruments:

Type of hedge	Notional	Type of Operation	Maturity	Financial purpose	Fair value December 2013	Fair value December 2012
Fair value	USD 4.542.500	Several Interest Rate Swap	Jan/13	Currency Hedge	-	14
Cash-flow	EUR 35.000.000	Interest Rate Swap	Jun/15	Cash-flow hedge of interest on loan	(581)	(895)
Cash-flow	EUR 25.000.000	Interest Rate Swap	Nov/13	Cash-flow hedge of interest on loan	Unwound (a)	(359)
					(581)	(1,240)

a) In April 2013, following early repayment of the asset underlying this hedging, the Group cancelled this instrument with a similar cost to its market value.

In addition, the fair value of the portfolio of derivative financial instruments at 31 December 2013 and 2012 that do not qualify as hedging instruments is as follows:

Face Value	Type of Operation	Maturity	Economic purpose	Fair value 2013	Fair value 2012
EUR 50.000.000	IRS with conditioned receivable Leg	Jun/15	Reduce the cost of funding - IRS with options sold on an Interest Rate Index	Unwound (a)	(5,807)
USD 200.000.000 /BRL 440.840.000	Cross-Currency-Swap	Sep/18	Swich a USD Loan into a BRL Loan	5,785	-
USD 130.875.922	FX Swaps	Jan-14/ Fev-14	Increase the Asset exposure to USD	3,783	-
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	(1,783)	(2,953)
				7,785	(8,760)

(a) In January 2013, by decision of the Company, so as to reduce the volatility of results, it was cancelled early at a cost of 5.85 million euros.

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.

New hedging instruments were not contracted in 2013. The low rates of interest in the monetary markets of the main liability currencies (EUR and USD), together with the fact of structuring some important financial operations which were only completed in the beginning of 2014 (Note 50) caused the Group to opt not to carry out any operation to decrease the variable rate component.

The Group's liability by type of interest rate at 31 December 2013 was as follows:

	Dec-13	Dec-12
Floating rates	95%	97%
Fixed rate	5%	3%

The fact of the weight of the fixed rate component being low results in the effect of changes in fair value being immaterial (Note 45).

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, Egypt, Argentina 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, forward contracts and standard exchange options, generally maturing in less than one year, are normally used.

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 (South Africa and Paraguay) and exchange of the liability in USD for local currency (Argentina) in order to obtain better correspondence between assets and liabilities in the same currency, thus decreasing the Group's overall exposure.

Some hedging operations were also realized to help manage the Group's exchange exposure, namely a cross-currency swap that transforms to a liability contracted in USD to a liability in BRL and a series of exchange forwards to decrease asset exposure in BRL by corresponding increase in the liability in USD (Note 39).

The main debt instruments as at 31 December 2013 and 2012, and considering the effect of the existing cross currency swaps, were denominated in the following currencies:

	Dec-13	Dec-12
USD	43%	42%
BRL	23%	30%
EUR	29%	25%
Other	5%	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.

If with the refinancing made upon change in shareholder, the Group had remained with a very comfortable average useful life of its liabilities, with the operations realized in 2014 (Note 50), no significant liabilities would have been repaid in the next three years.

This, together with the significant amount in cash and cash equivalents at the end of the year (691 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.

Standard & Poor's rating agency, external entity which publicly assesses Cimpor's credit risk, in September 2013 reaffirmed Cimpor's BB notation and revised its outlook to stable to positive.

The Group's degree of solvency is also reflected in its Leverage ratio (Net Debt / EBITDA). The achievement of the level pre-established for this indicator is fundamental in ensuring compliance not only with the debt instruments envisaging such but also, through the performance of the cross default provisions, compliance by all the remaining debt.

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 this ratio was complied with.

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 2013 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.

Indexing	Currency	Value	1.0%	2.0%	3.0%
Euribor	EUR	1,203,258	12,033	24,065	36,098
US Libor	USD	2,317,227	23,172	46,345	69,517

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 12 million euros on the euro liability indexed to the variable rate and 23 million dollars on the variable rate loan in USD.

- 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, considered as possible and remote, respectively.

Indexing	Index	Saldo	S.Probable	S.Possible	S.Remote
TJLP	5.0%	(242,413)	(12,121)	(15,151)	(18,181)
IPCA	5.9%	(1,447)	(86)	(107)	(128)
CDI - Liability	10.5%	(2,680,582)	(281,461)	(351,826)	(422,192)
CDI - Asset	10.5%	1,026,534	107,786	134,733	161,679

It being specifically considered that as there were significant amounts invested in this currency, there was a simulation of the positive impact that an increase in rates would have on these applications (CDI – Assets).

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 liability profile at 31 December 2013 the more significant impact on net financial results would be as follows:

				USD depreciation			USD appreciation	
Amount in USD	Funcional currency	FX Rate (31-12-13)		-10%	-5.0%	0.0%	5.0%	10.0%
1,225,845	EUR	1.38	Efect in EUR	89,004	44,502	-	(44,502)	(89,004)
1,030,640	BRL	2.34	Efect in BRL	241,438	120,719	-	(120,719)	(241,438)
			Efect in EUR	114,516	54,244	-	(49,078)	(93,695)
90,891	ARS	6.52	Efect in ARS	59,244	29,622	-	(29,622)	(59,244)
			Efect in EUR	10,099	4,784	-	(4,328)	(8,263)
110,827	PYG	4,585.24	Efect in PYG	50,816,949	25,408,475	-	(25,408,475)	(50,816,949)
			Efect in EUR	12,314	5,833	-	(5,277)	(10,075)

				EUR depreciation			EUR appreciation	
Amount in EUR	Funcional currency	FX Rate (31-12-13)		-10%	-5.0%	0.0%	5.0%	10.0%
453,800	BRL	3.23	Efect in BRL	146,419	73,209	-	(73,209)	(146,419)
			Efect in EUR	50,422	23,884	-	(21,610)	(41,255)

Taking into account the existence, in some companies, of large deposit amounts, in other currencies than the functional currencies, are also simulated the most relevant impacts that exchange rate volatility would have on the financial results:

				EUR depreciation			EUR appreciation	
Amount in EUR	Funcional currency	FX Rate (31-12-13)		-10%	-5.0%	0.0%	5.0%	10.0%
50,000	BRL	3.23	Efect in BRL	(16,133)	(8,066)	-	8,066	16,133
			Efect in EUR	(5,556)	(2,632)	-	2,381	4,545

				EUR depreciation			EUR appreciation	
Amount in USD	Funcional currency	FX Rate (31-12-13)		-10%	-5.0%	0.0%	5.0%	10.0%
158,700	BRL	2.34	Efect in BRL	(37,177)	(18,589)	-	18,589	37,177
			Efect in EUR	(17,633)	(8,353)	-	7,557	14,427

41. Accounts payable - other

Accounts payable – other as at 31 December 2013 and 2012 were as follows:

	Group				Company			
	2013		2012		2013		2012	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Subsidiaries, associated and participanted companies a)	51,709	-	47,082	-	16,263	-	40,189	-
Other shareholders	1,798	-	479	-	84	-	84	-
Suppliers of fixed assets b)	35,767	8,945	418,624	16,167	-	-	91	-
Other creditors	56,511	12,982	54,075	17,224	1,150	1,784	1,020	2,747
	145,786	21,927	520,261	33,391	17,498	1,784	41,384	2,747

a) At 31 December 2013 and 2012 the Group's liability to third parties in terms of subsidiary and associated companies and participations included essentially the amount of de 51,371 thousand euros and 42,313 thousand euros respectively payable to InterCement Austria Holding (Note 47).

b) The caption payables for investments at 31 December 2012 includes 381,900 thousand euros relating to an account payable to Intercement Austria Holding GmbH (Note 47), resulting from the net effect of the exchange referred to in Note 5. In 2013 this balance payable was converted to a loan, being reclassified to Loans (Note 37).

42. Other current and non-current liabilities

These captions as at 31 December 2013 and 2012 were as follows:

	Group				Company			
	2013		2012		2013		2012	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Accrued interest	83,908	629	43,373	16,268	-	-	-	-
Accrued payroll	18,323	-	27,044	-	853	-	1,801	-
Derivative financial instruments (Note 37)	529	1,874	4,074	5,983	-	-	-	-
Investment subsidies	-	41	-	45	-	-	-	-
Other accrued costs and deferred income	31,174	4,551	33,970	6,809	67	-	1,076	-
	133,933	7,096	108,461	29,105	920	-	2,877	-

43. Accounts payable - trade

The caption "Accounts payable - trade" at 31 December 2013 and 2012 was as follows:

	Group		Company	
	2013	2012	2013	2012
Trade payables	211,202	170,734	516	1,506
Suppliers - invoices for approval	24,222	43,454	-	-
Notes payable - trade	-	15	-	-
Advances from clients	11,220	2,153	-	-
	246,644	216,357	516	1,506

The trade payables balances for the **Company** include balances with subsidiaries of 287 thousand euros in 2012 (Note 47).

44. CO_2 emission licences

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 to 3,468,143 tons of CO2 being attributed to it (4,053,897 annually in the preceding year).

CO2 emission licences for the plants Portugal were estimated at 2,749,209 tons for 2013 (2,195,445 tons of CO2 at 31 December 2012). Of the licences granted 883,000 tons were sold (3,382,000 tons in 2012), which generated income of 4,088 thousand euros (26,717 thousand euros in 2012) recorded in “Other operating income” (Note 8).
In 2012 the Group realized an exchange of “European Union Allowances - EUA” for “Certified Emission Reduction - CER”, which resulted in income of 3,920 euros (Note 8).

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**:

2013	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Financial assets and liabilities at fair value through profit and loss	Total
Assets:					
Cash and cash equivalents	640,546	-	-	50,570	691,116
Accounts receivable-trade	207,070	-	-	-	207,070
Other investments	-	11,958	-	1,627	13,585
Other non-current accounts receivable	19,518	-	-	-	19,518
Other current accounts receivable	39,955	-	-	-	39,955
Other non-current assets	281	-	-	5,785	6,067
Other current assets	3,045	-	-	3,822	6,868
Total assets	910,416	11,958	-	61,805	984,179
Liabilities:					
Non-current loans	-	-	4,020,399	-	4,020,399
Current loans	-	-	104,870	-	104,870
Current accounts payables-trade	-	-	246,644	-	246,644
Other non-current accounts payable	-	-	21,927	-	21,927
Other current accounts payable	-	-	145,786	-	145,786
Other non-current liabilities	-	-	5,180	1,874	7,055
Other current liabilities	-	-	133,404	529	133,933
Total liabilities	-	-	4,678,211	2,403	4,680,614

2012	Loans granted and accounts receivable	Available-for-sale financial assets	Held to maturity investments	Other financial liabilities	Assets and liabilities at fair value through profit and loss	Total
Assets:						
Cash and cash equivalents	837,717	-	-	-	-	837,717
Accounts receivable-trade	189,808	-	-	-	-	189,808
Other investments	-	22,654	-	-	6,372	29,026
Other non-current accounts receivable	14,994	-	-	-	-	14,994
Other current accounts receivable	32,974	-	-	-	-	32,974
Other non-current assets	-	-	-	-	43	43
Other current assets	5,279	-	-	-	14	5,293
Current accrued income	2,544	-	-	-	-	2,544
Total assets	1,080,772	22,654	-	-	6,429	1,109,855
Liabilities:						
Non-current loans	-	-	-	3,818,551	-	3,818,551
Current loans	-	-	-	201,450	-	201,450
Current liabilities-trade	-	-	-	216,357	-	216,357
Other non-current accounts payable	-	-	-	33,391	-	33,391
Other current accounts payable	-	-	-	520,261	-	520,261
Other non-current liabilities	-	-	-	23,077	5,983	29,060
Other current liabilities	-	-	-	104,386	4,074	108,461
Total liabilities	-	-	-	4,917,472	10,057	4,927,529

Estimated fair value – assets measured at fair value

The following table presents the Group's assets and liabilities measured at fair value as of 30 September 2013 in accordance with the following fair value seniority levels:

- 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.

Category	Item	Level 1	Level 2	Level 3
Assets:				
Financial assets available for sale (a)	Investment fund	1,510	-	-
Financial assets at fair value through profit and loss	Cash and cash equivalents	50,570	-	-
Financial assets at fair value through profit and loss	Financial derivative instruments	9,608	-	-
Financial assets at fair value through profit and loss	Financial derivative instruments	1,627	-	-
Liabilities:				
Financial liabilities at fair value through profit	Financial instruments derivatives	1,783	-	-
Financial liabilities at fair value	Financial instruments derivatives	581	-	-

(a) The remaining available for sale financial assets are measured at cost less any impairment losses

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.

As explained in Note 37, the majority of loans have been contracted at variable interest rates. Consequently, it is understood that the corresponding book value (amortized cost) does not differ significantly from their corresponding market value, except for the fixed interest rate loans contracted in the Brazilian, Argentinian and Paraguayan business areas, the effect of their valuation to fair value in relation to their book value being as follows:

Fair-Value	Accounting Value
128,634	132,456

For the **Company** the accounting policies in accordance with IAS 39 to financial instruments were applied to following items:

2013	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Total
Assets:				
Cash and cash equivalents	341	-	-	341
Accounts receivable-trade	4	-	-	4
Other investments	-	87	-	87
Other non-current accounts receivable	114,500	-	-	114,500
Other current accounts receivable	3,515	-	-	3,515
Other current assets	42	-	-	42
Total assets	118,401	87	-	118,488
Liabilities:				
Current liabilities-trade	-	-	516	516
Other current accounts payable	-	-	17,498	17,498
Total liabilities	-	-	18,014	18,014

2012	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Total
Assets:				
Cash and cash equivalents	248	-	-	248
Accounts receivable-trade	242	-	-	242
Other investments	-	87	-	87
Other non-current accounts receivable	176,000	-	-	176,000
Other current accounts receivable	11,191	-	-	11,191
Other current assets	232	-	-	232
Total assets	187,913	87	-	188,001
Liabilities:				
Current liabilities-trade	-	-	1,506	1,506
Other non-current accounts payable	-	-	-	2,747
Other current accounts payable	-	-	41,384	41,384
Total liabilities	-	-	42,890	45,637

46. Notes to the consolidated cash flow statements

Cash and cash equivalents as at 31 December 2013 and 2012 were as follows:

	Group		Company	
	2013	2012	2013	2012
Cash	607	350	-	-
Bank deposits immediately available	282,552	93,496	91	148
Term bank deposits	77,501	256,387	250	100
Marketable securities	279,886	463,577	-	-
	640,546	813,810	341	248
Bank overdrafts (Note 37)	(221)	(117)	-	-
	640,326	813,692	341	248

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. Bank overdrafts include amounts drawn from current accounts with financial institutions.

The caption cash and cash equivalents in the consolidated statement of financial position at 31 December 2013 and 2012 includes, in addition, the amounts of 50,570 thousand euros and 23,907 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.

The cash flows of the Group’s investing and financing activities in 2013 and 2012 include:

In 2013:

Receipt / payment of loans obtained

- Cimpor Inversiones repaid early several loans contracted from local banks in the amount of 200 million euros, which had significantly shorter lives than the average lives of the liabilities contracted by the Group. In order to cover this refinancing, the company contracted a loan of 200 million dollars with a significantly greater maturity.

- The Argentinian business unit restructured its debt, increasing the proportion of local currency debt (approximately 590,000 thousand pesos) by corresponding decrease in the proportion US dollars (around 100,000 thousand dollars).

- The Paraguayan and South African business units contracted loans of 79 million euros and 46 million euros, respectively.

Payments relating to financing activities – others

- Payments relating to Others include the payment of dividends to non-controlling interests.

In 2012:

Changes in the consolidated perimeter due to the exchange

The changes in the consolidation perimeter due to the exchange had the following net effect on cash and cash equivalents due to the assets acquired and sold in the exchange:

	Acquired Assets	Alienated Assets	Net Effect
Cash ande cash equivalents	278,150	(66,504)	211,646
Exclusive Funds	(23,907)	-	(23,907)
Overdrafts	-	2,038	2,038
	254,243	(64,466)	189,777

Receipts/ payments of borrowings

- As a result of the change in control, the amount of approximately 1,400 million euros of bank loans and all the bonds issued in the American market in 2003, 2010 and 2011 were cancelled early;
- Also in the area of the repayment of loans Cimpor - Industria de Cimentos, S.A. repaid commercial paper issuances totalling 100 million euros;
- A loan of 129 million euros contracted by Cimpor Inversiones was repaid in full, the formal taker of the loan becoming Cimpor B.V. which also saw the amount received being increased by 75 million euros to 204 million euros as the result of the participation of a new counterparty in the new loan;
- All the amounts repaid early were fully financed by backstop lines previously contracted by InterCement to cover the repayments, totalling approximately 1,500 million euros.
- In addition to these amounts received the amount of 115 million euros was contracted in the beginning of 2012 by Cimpor Inversiones in the Spanish financial system;

Payments relating to financing activities - others

- The payments relating to Others include the payment of dividends to non-controlling interests.

The **Company** cash flows regarding investment and financing activities occurred in the years ended 31 December 2013 and 2012, highlight to the following:

Receipts relating to dividends:

	2013	2012
Cimpor Portugal, SGPS, S.A.	-	51,500
C.C.B. - Cimpor Cimentos do Brasil, Ltda.	4	10
Kandmad - Sociedade Gestora de Participaões Sociais, Lda.	1,389	-
Cimpor Tec - Engenharia e Serviços Técnicos de Apoio ao Grupo, S.A.	500	-
	1,893	51,510

Loans granted to group companies:

	2013		2012	
	Amounts received during the year	Amounts paid during the year	Amounts received during the year	Amounts paid during the year
Cimpor Portugal, SGPS, S.A.	61,500	-	100,500	88,500
Kandmad, SGPS, Lda.	1,205	-	2,200	2,405
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	1,000	-	-	1,000
	63,705	-	102,700	91,905

Loans obtained

	Amounts received during the year	Amounts paid during the year
Kandmad, SGPS, Lda.	1,300	1,300
Cimpor Indústria de Cimentos, S.A.	-	28,500
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	500	500
Mossines - Cimentos de Sines, S.A.	-	1,200
Betão Liz, S.A.	-	10,000
Cimpor Portugal, SGPS, S.A.	3,400	3,400
	5,200	44,900

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 2013 and 2012 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		Votorantim Group
	2013	2012	2013	2012	2012 (a)
Assets:					
Accounts receivable-trade	-	-	684	8,320	3,305
Accounts receivable-other	861	2,107	3,921	-	476
	861	**2,107**	**4,606**	**8,320**	**3,781**
Liabilities:					
Suppliers	645	370	23	42	154
Investments suppliers	-	-	-	-	124
Other loans (Notes 37 and 41)	-	-	381,900	-	-
Accounts payable-other (Note 41)	-	-	51,371	424,213	-
Other current liabilities	-	-	8,065	-	-
	645	**370**	**441,359**	**424,255**	**278**
Transactions:					
External supplies and services	3,767	1,440	-	-	-
Fixed assets purchases	-	-	-	42	354
Inventories purchases	-	-	-	-	5,759
Sales and services rendered	-	-	7,471	12,244	63,820
Fixet asset Sales (Notes 8 and 18)	-	-	16,000	-	-
Other operating costs	-	-	9,580	-	66
Other operating income	19	19	-	-	937
Financial expenses, net	-	-	(8,113)	-	18,115
	3,786	**1,459**	**24,938**	**12,286**	**89,051**

(a) In December 31, 2012 the balances and transactions of the year with the Votorantim Group include the entities that were an object of the exchange.

In addition to the above, the Company's controlling entities gave assurances and pledges of shares as explained in Note 37.

At 31 December 2012, the Exchange of Assets was the most significant transaction between related parties in accordance with details presented in the Introductory Note and Note 5. In addition, there was an award of civil construction contracts relating to an increase in the capacity in Cezarina (Brazil) to the Soares da Costa/ Guterrez consortium in the amount of 18.6 million euros. As at that date there was a conflict of interests due to the fact that at that date the company Soares da Costa was controlled by a qualified shareholder of Cimpor, in which José Manuel Batista Fino, then administrator of Cimpor accumulated administrative functions, this business was approved by prior positive opinion of the then Audit Board, without that administrator participating in the meeting.

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 2013 and 2012 were as follows:

Group:

	2013		2012		
	Fixed	Variable	Fixed	Variable	Compensation by ending of mandate
Board of directors:					
Executive directors	592	1,015	4,164	2,264	2,128
Non-executive directors	1,172	-	1,203	54	640
	1,764	1,015	5,367	2,318	2,768
Senior executives	2,537	1,491	8,433	2,286	2,801
	4,301	2,506	13,800	4,604	5,569
Short-term benefits	4,251	2,506	13,416	4,386	5,569
Post employment benefits	50	-	383	-	-
Share based payments	-	-	-	218	-
	4,301	2,506	13,800	4,604	5,569

Company:

	2013		2012		
	Fixed	Variable	Fixed	Variable	Compensation by ending of mandate
Board of directors:					
Executive directors	592	1,015	4,164	2,264	2,128
Non-executive directors	1,172	-	1,203	54	640
	1,764	1,015	5,367	2,318	2,768
Senior executives	-	-	2,391	512	1,349
	1,764	1,015	7,758	2,830	4,118
Short-term benefits	1,573	1,015	7,567	2,714	4,118
Post employment benefits	191	-	191	-	-
Share based payments	-	-	-	116	-
	1,764	1,015	7,758	2,830	4,118

Balances at 31 December 2013 and 2012 and transactions in such years ended between the **Company** and related parties are detailed below.

Balances:

	2013			
	Accounts receivable	Group companies, accounts receivable (Note 22)	Loans to Group companies (Note 22)	Group companies, accounts payable
Agrepor Agregados - Extracção de Inertes, S.A.	-	7	-	-
Betão Liz, S.A.	-	8	-	22
Cement Services Company, S.A.E.	-	17	-	-
Cimpor - Indústria de Cimentos, S.A.	-	-	-	43
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	-	84	-	329
Cimpor Inversiones, S.A.	-	-	-	7
Cimpor Portugal , SGPS, S.A.	-	2,927	114,500	15,862
Imopar, SARL	-	10	-	-
Kandmad, SGPS, Lda.	4	-	-	-
	4	3,053	114,500	16,263

	2012						
	Accounts receivable	Group companies, accounts receivable (Note 22)	Loans to Group companies (Note 22)	Accounts receivable, other	Accounts payable (Note 43)	Group companies, accounts payable	Loans from Group companies
Agrepor Agregados - Extracção de Inertes, S.A.	-	57	-	-	-	5	-
Betão Liz, S.A.	-	237	-	-	-	61	10,000
Canteras Prebetong, S.L.	-	1	-	-	-	-	-
Cecime - Cimentos, S.A.	-	29	-	-	-	-	-
Cecisa - Comércio Internacional, S.A.	-	1	-	-	-	-	-
Cement Services Company, S.A.E.	-	7	-	-	-	-	-
Cementos Cosmos, S.A.	-	79	-	-	-	-	-
Ciarga – Argamassas Secas, S.A.	-	14	-	-	-	-	-
Cimentaçor – Cimentos dos Açores, Lda.	-	27	-	-	-	-	-
Cimpor - Indústria de Cimentos, S.A.	-	370	-	-	-	396	27,500
Cementos Andalucia, S.L.	-	32	-	-	-	-	-
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	123	1,934	-	16	285	15	-
Cimpor Canarias, S.L.	-	13	-	-	-	-	-
Cimpor Hormigón Canarias, S.L.	-	2	-	-	-	-	-
Cimpor Hormigón España, S.A.	-	46	-	-	-	-	-
Cimpor Inversiones, S.A.	-	54	-	-	-	7	-
Cimpor Portugal , SGPS, S.A.	-	7,572	176,000	-	-	-	-
Cimpor Sagesa, S.A.	-	37	-	-	-	-	-
Cimpor Tec - Engenharia e Serviços Técnicos de Apoio ao Grupo, S.A.	108	196	-	-	1	-	-
Corporacion Noroeste, S.A.	-	58	-	-	-	-	-
Estabelecimentos Scial do Norte, S.A.	-	-	-	-	-	2	1,000
Geofer - Produção e Comercialização de Bens e Equipamentos, S.A.	-	3	-	-	-	-	-
Imopar, SARL	-	11	-	-	-	-	-
Kandmad, SGPS, Lda.	11	229	-	-	-	-	-
Materiales Del Atlántico, S.A.	-	2	-	-	-	-	-
Mossines - Cimentos de Sines, S.A.	-	-	-	-	-	2	1,200
Occidental de Áridos, S.L.	-	11	-	-	-	-	-
Sacopor - Sociedade de Embalagens e Sacos de Papel, S.A.	-	26	-	-	-	-	-
Sociedad de Cementos Y Materiales de Construccion de Andalucia, S.A.	-	24	-	-	-	-	-
Transviária - Gestão de Transportes, S.A.	-	18	-	-	-	-	-
	242	11,088	176,000	16	287	489	39,700

Transactions:

	2013				
	Outside supplies and services	Interest expenses (Note 12)	Services rendered	Other operating income	Interest income (Note 12)
Agrepor Agregados - Extracção de Inertes, S.A.	-	-	-	95	-
Betão Liz, S.A.	10	20	-	94	-
Cement Services Company, S.A.E.	-	-	-	2	-
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	1,913	1	750	665	1
Cimpor Indústria de Cimentos, S.A.	-	139	4,488	1	-
Cimpor Portugal , SGPS, S.A.	-	17	-	-	6,363
Kandmad, SGPS, Lda.	-	7	12	-	-
Mossines - Cimentos de Sines, S.A.	-	17	-	-	-
	1,923	201	5,250	856	6,365

In addition, in 2013 an office building was sold to PARMV Properties - Participações e Empreendimentos, S.A. (a company related to the Camargo Corrêa Group) for 16,000 thousand euros.

	2012				
	Outside supplies and services	Interest expenses (Note 12)	Services rendered	Other operating income	Interest income (Note 12)
Agrepor Agregados - Extracção de Inertes, S.A.	1	-	-	-	-
Betão Liz, S.A.	54	20	-	-	-
Cement Services Company, S.A.E.	-	-	-	2	-
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	2,018	-	400	431	2
Cimpor Indústria de Cimentos, S.A.	-	54	4,488	2	-
Cimpor Inversiones, S.A.	-	647	-	-	-
Cimpor Portugal, SGPS, S.A.	-	-	-	-	10,513
Cimpor Tec - Engenharia e Serviços Técnicos de Apoio ao Grupo, S.A.	-	-	350	236	-
Estabelecimentos Scial do Norte, S.A.	-	2	-	-	-
Kandmad, SGPS, Lda.	-	-	12	-	24
Mossines - Cimentos de Sines, S.A.	-	2	-	-	-
	2,073	725	5,250	670	10,539

48. 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 as of an environmental nature, labour cases and regulatory. Considering the nature of the legal cases and the provisions recorded, the expected outcome is to not have a significant impact on the Group's operations, financial position or operations results.

The most significant of the contingent liabilities are:

In the **Company**, as a result of audits performed by the tax authorities to the CIT returns for the years of 1996 to 2011, 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, as mentioned in Note 36, 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"*.

For the years 1997 and 1998 this subject was sanctioned by the decision of the Chamber of the Supreme Administrative Court, confirmed by plenary of that Chamber, which consequences are the recognition, as always has been defended by the Company, that the responsibility of the above tax, resulting from additional tax assessments related to these years, it's responsibility of *"Fundo de Regularização da Dívida Pública"*. Additionally, in 2010, it was sanctioned a decision of Lisbon Administrative Court recognizing the same rights to the Company, for the financial year of 1999.

In addition to the above, as a result of tax inspections of the years 2002 to 2004 and 2005 to 2008, the Group in Spain received additional tax assessments of approximately 27 million euros and 120 million euros, respectively. The additional assessments relate essentially to net financial items resulting mainly from interpretations not adjusted to the nature of certain transactions, Management being of the opinion that the conclusion of the legal processes resulting from the actions in progress already petitioned contesting the additional assessments 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 of most of them as possible to remote. Following these assessments the company submitted to the Spanish tax administration guarantees which at this time amount to approximately 147 million euros.

In Egypt, as a result of the contestation presented, the Tax Appeal Committee, based on information and documents presented, decided to request the tax authorities to carry out a new inspection of the tax returns, thus cancelling the additional tax assessments on income for the years 2002 to 2004 of around 89 million euros, with no impact on the Group's assets.

At 31 December 2013 and 2012 the guarantees presented to other entities include a bank guarantee in favour of the Industrial Development Authority (IDA), an Egyptian government entity, in the amount of 217 million Egyptian pounds (around 23 million euros), relating to a process under which payment by Amreyah Cimpor Cement Company of a similar amount is claimed due to Industrial licencing of the respective industrial unit. 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. In 2013 there was an unfavourable legal decision, the company maintaining its conviction that it is correct and so the most appropriate means of reaction will be taken.

The contingent liability under labour, tax, civil and administrative processes in Brazil amount to around 302 million euros (289 million euros in 2012), of which around 290 million euros relate to tax processes.

Also in Brazil, the companies of the sector are part of administrative processes relating to protection of competition in progress in CADE – Conselho Administrativo de Defesa Econômica, for which there is no provision at 31 December 2013 as expectation of loss is considered possible in an assessment that considers the administrative and legal spheres, if this is necessary.

The amount of the possible loss in this process can range between 0.1% and 20% of gross invoicing, net of taxes, of the year preceding the start of the administrative processes, which occurred in 2003, 2005 and 2007 (in accordance with article 38 of Law 12.529/11) or 1% to 30% of gross invoicing (if this is under the preceding law).

Guarantees

At 31 December 2013 and 2012 the companies which are in the **Group**'s continued operations had requested totalling 358,846 thousand euros and 125,572 thousand euros, respectively, given to third parties, are as follows:

	2013	2012
Garantias prestadas:		
Por processos fiscais em curso	285,588	84,394
A entidades financiadoras	104,507	-
A fornecedores	6,115	8,560
Outros	49,641	32,618
	445,851	125,572

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 8.5 million euros.

The above guarantees for tax processes include 28,248 thousand euros and 18,341 thousand euros at 31 December 2013 and 2012, respectively, relating to the Company.

Guarantees provided to other entities at 31 December 2012 include the bank guarantee in favor for th Industrial Development Authority (IDA), Egyptian governmental entity , in the amount of 23 million euros (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.

As of 31 December 2011, the sale of the 26% of the share capital of S. C. Stone and Sterkspruit Aggregates (Note 4), made in accordance with South Africa legislation regarding Black Economic Empowerment ("BEE"), in previous years, were not recognised because the significant risks and benefits relating to those investments were not been transferred to the buyer. In accordance with the terms agreed there are no losses to be recognised as a result of the transactions.

Additionally, as of 31 December 2013 and 2012, 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:

	2013	2012
Business area:		
Brazil	122,872	206,633
Argentina	63,362	-
Egypt	22,553	31,588
Portugal	9,641	9,687
Mozambique	1,723	2,390
South Africa	52	838
Assets acquired	-	197,372
	220,204	448,508

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.

49. Auditors fees and services

In the years ended 31 December 2013 and 2012, the fees and services provided by Deloitte to the Company and to the Group were as follows:

	Value		%	
	2013	2012	2013	2012
Cimpor Holding:				
Legal certification of accounts	33	33	2%	1%
Other assurance services	-	478	0%	22%
	33	**511**	**2%**	**23%**
Subsidiaries:				
Legal certification of accounts	1,117	1,237	52%	56%
Other assurance services	743	105	35%	5%
Tax consultancy services	197	253	9%	12%
Other	43	91	2%	4%
	2,101	**1,685**	**98%**	**77%**
	2,133	**2,196**	**100%**	**100%**

50. Subsequent events

CADE Administrative Process

In the Administrative Process of the investigation of the alleged allusive infraction practices to the economic order of the cement and precast concrete markets in Brazil by several companies of the sector, in a CADE judgement session (Conselho Administrativo de Defesa Econômica) started on 22 January 2014, four out of five Councillors of CADE advanced their vote favourable to the condemnation of the series of companies in Brazil, currently under the sphere of Cimpor, to the payment of a fine and sale of assets corresponding to 25% of their installed capacity in Brazil.

The overall amount of the proposed fine totals 538 million Brazilian Reais (169 million euros) for the alleged acts that go back to 2006. This amount includes the fine imposed on Camargo Corrêa Cimentos, currently InterCement Brasil, included in the Cimpor group since December 2012, in the amount of 241 million Brazilian Reais (76 million euros) and the fine imposed on Cimpor Brasil (currently incorporated into InterCement Brasil) in the amount of 297 million Brazilian Reais (93 million euros).

The vote of the fifth member of the Council was postponed to a date to be defined. At that time the decision will be announced and until then the possibility of the other Councillors changing their vote cannot be excluded.

Cimpor is firmly convinced that no infraction has been committed.

Funding Policy

On 18 January Cimpor realized two refinancing operations that resulted in an immediate increase of one year in the average term of the debt that was extended to 5.8 years and transfer of the liquidity requirements to 2017.

In concrete terms, its subsidiary Cimpor Financial Operations, BV (“Cimpor BV”) contracted a syndicated loan of 900 million dollars from a series of international banks, aimed at repaying early the existing loans and decreasing costs. Being contracted in USD and Euros, this loan is divided into three parts, two of 300 million dollars, one at 5 years with repayment as from the third year, another a 5 year bullet and a third a 7 year bullet. In addition to the Cimpor companies, this operation has among its guarantors InterCement Participações, S.A. (indirect controlling shareholder of the company).

In addition, in the same way and for the same purpose as the above loan, Cimpor Inversiones, S.A. and Cimpor BV, both subsidiaries of Cimpor, also contracted an InterCompany Loan of 345 million euros from its majority shareholder InterCement Austria Holding GmbH. This loan was contracted under market conditions, and is more competitive in relation to the loan that was being repaid, having the same price as the last part of the above syndicated loan.

The refinancing process in progress does not imply an increase in net debt nor does it result in commitments in terms of Net Debt / EBITDA para a Cimpor, these only existing in terms of InterCement Participações, S.A. (indirect controlling shareholder of the company).

51. Financial statements approval

These financial statements were approved and authorized for issuance by the Board of Directors on 27 February 2014 and are subject to approval at the Shareholders' General Meeting scheduled for 27 March 2014.

52. 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

Luiz Roberto Ortiz Nascimento

Albrecht Curt Reuter Domenech

José Édison Barros Franco

Claudio Borin Guedes Palaia

André Pires Oliveira Dias

Ricardo Fonseca de Mendonça Lima

Nélson Tambelini Júnior

José Manuel Neves Adelino

Pedro Miguel Duarte Rebelo de Sousa

António Soares Pinto Barbosa

III. OTHER CORPORATE INFORMATION DOCUMENTS

Corporate Governance Report 2013

Cimpor – Cimentos de Portugal, SGPS, S.A

Part I – Information on the Shareholder Structure, Organisation and Corporate Governance

A. Shareholder Structure

I. Share Capital Structure

1 Share capital structure

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 Camargo Corrêa group, as described in section 7 below, while ownership of the remaining share capital is dispersed among other shareholders.

2. Restrictions on the transferability of shares

All Cimpor shares are freely transferable, with no restrictions on their ownership provided for in the articles of association.

3. Treasury shares

Cimpor held 5,906,098 treasury shares in portfolio on 31 December 2013 (i.e. 0.9% of the share capital and voting rights). No treasury stock was acquired or disposed of during 2013.

4. Significant agreements containing change of control clauses

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. System governing the renewal or withdrawal of defensive measures

There are no measures intended to prevent the success of a takeover bid. There are also no defensive measures, 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 may lead to restrictions on the transfer of securities or voting rights

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 2013 and on the publication date of this report.

II. Shareholdings and Bonds

7. Qualifying holdings

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 2013 were as follows:

Shareholders	No. of Shares	% of Share Capital (2)	% of Voting Rights (3)
Camargo Corrêa Group	**632.933.437**	**94,19%**	**94,19%**
Rosana Camargo de Arruda Botelho,Renata de Camargo Nascimento and Regina de Camargo Pires Oliveira Dias w ho, 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. w hich it fully controls	632.933.437	94,19%	94,19%
Through the company Camargo Corrêa Cimentos Luxembourg, S.à.r.l. w hich it fully controls	189.660.153	28,22%	94,19%
Through the company InterCement Participações S.A. controlled	443.273.284	65,96%	94,19%
Through InterCement Austria Holding GmbH w hich it fully controls	443.273.284	65,96%	94,19%
It is imputable to InterCement Austria Holding GmbH, according to the CMVM understanding follow ing the launch of the Public Offer by the former over the total share capital of Cimpor, the sum of the voting rights of the follow ing:			
Participations held by itself	443.273.284	65,96%	65,96%
Camargo Corrêa Cimentos Luxembourg, S.à.r.l. (company of the Camargo Corrêa Group, as above mentioned)	189.660.153	28,22%	28,22%

(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 ow n shares, i.e. all the shares w ith voting rights, w ith 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)

8. Shares and bonds held by members of the management and supervisory bodies

There were no changes in 2013 to the number of shares or bonds held by members of the management and supervisory bodies, therefore only Daniel Proença de Carvalho (Chairman of the Board of Directors) holds one Cimpor share.

9. Special powers of the management body

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[1] 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;

(ii) 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).

[1] Articles 4 and 5

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.

10. Information on the existence of relevant commercial relationships between the company and shareholders with qualifying holdings

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.

B. Governing Bodies and Committees

I. General Meeting

a) Composition of the General Meeting Board

11. Identification of the members of the general meeting board

The Annual General Meeting of 23 May 2013 re-elected the following members of the General Meeting Board until the end of the current term (2012-2014):

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 Voting Rights

12. Restrictions on voting rights

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 Portuguese Securities Code, they submit to the Chairman of the General Meeting Board, within the same time limit and using sufficient and proportional means of proof: (a)The identification of each client and the number of shares held to vote on their behalf; (b) The specific voting instructions given by each client for each item on the agenda[2].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. Therefore, recommendation I.1 of the Governance Code is considered to be complied with.

13. Maximum percentage of voting rights that can be held

According to the Cimpor Articles of Association[3] 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.

14. Shareholder decisions requiring a qualified majority

As stated in the Cimpor Articles of Association[4], 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 any special system for equity rights envisaged.

II. Management and Supervision

a) Composition

15. 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[5]. The governing bodies are, therefore, the General Meeting, Board of Directors, including an Audit Committee, and the Statutory Auditor.

[2] Article 23-C(5)
[3] Article 7(2)
[4] Article 11
[5] Article 278(1)

16. Statutory rules on procedural and substantive requirements concerning the appointment and replacement of members of the Board of Directors

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[6] establish the possibility of one of the members of the Board of Directors being elected from among the persons proposed on lists (containing the name of at least two people eligible for the post) that are endorsed and submitted by groups of shareholders (provided these do not represent less than 10% and no more than 20% of the share capital; and the same shareholder may not endorse more than one list). Should there be such a proposal, the Director in question is elected separately and prior to the election of the others. If more than one group submits a list, they will be voted on jointly.

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)[7] and (ii) rules on replacement due to definitive absence[8].

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[9], 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[10].

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.

[6] Article 12(4)
[7] Article 6(4)
[8] Article 13(3)
[9] Article 13(3)
[10] Article 393

17. Composition of the Board of Directors

The Board of Directors, pursuant to the articles of association[11], 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[12]). The current term of office of the members of the Board of Directors, approved at the Extraordinary General Meeting of 16 July 2012, ends on 31 December 2014.

Following the resignation from the Board of Directors submitted by Luis Miguel da Silveira Ribeiro Vaz, André Gama Schaeffer, Daniel Antonio Biondo Bastos and Armando Sérgio Antunes da Silva on 26 August 2013, the Board of Directors appointed by co-option Claudio Borin Guedes Palaia and Nélson Tambelini Júnior to fill the vacant posts. Therefore, the Board of Directors had the following members on 31 December 2013:

Board of Directors		Date of first appointment
Chairman	Daniel Proença de Carvalho	16-07-2012
Members	Luiz Roberto Ortiz Nascimento	20-12-2012
	Albrecht Curt Reuter Domenech	29-04-2010
	José Édison Barros Franco	29-04-2010
	Claudio Borin Guedes Palaia	26-08-2013
	André Pires Oliveira Dias	20-12-2012
	Ricardo Fonseca de Mendonça Lima	16-07-2012
	Nelson Tambelini Junior	26-08-2013
	José Manuel Neves Adelino	29-04-2010
	Pedro Miguel Duarte Rebelo de Sousa	16-07-2012
	António Soares Pinto Barbosa	16-07-2012

The resignation of Luís Filipe Sequeira Martins and Manuel Luís Barata de Faria Blanc from the positions of directors had already previously been communicated to Cimpor, on 30 May 2013. A summary of the resignations communicated to the company during 2013 is as follows:

Resignations of members of the Board of Directors in 2013		Date of first appointment
Members	Armando Sérgio Antunes da Silva	16-07-2012
	André Gama Schaeffer	16-07-2012
	Daniel Antonio Biondo Bastos	16-07-2012
	Luís Filipe Sequeira Martins	12-02-1987 (1)
	Manuel Luís Barata de Faria Blanc	31-07-2001
	Luís Miguel da Silveira Ribeiro Vaz	13-05-2009

(1) Appointed as member of the Management Board of CIMPOR – Cimentos de Portugal, E.P.

[11] Article 12(1) and Article 6(2).
[12] Article 12(3)

18. Executive and non-executive members and identification of members who can be considered independent

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 2013, the majority of the members of the Board of Directors of Cimpor (eight of a total of eleven) were non-executive Directors.

The Executive Committee is composed of Ricardo Fonseca de Mendonça Lima, Claúdio Borin Guedes Palaia and Nelson Tambelini Junior.

The limitations on the management and in particular access to information related to the activity in the Brazilian market that InterCement was ordered to comply with by the Brazilian competition authority Conselho Administrativo de Defesa Económica (CADE), following the asset swap process, were removed by this entity in plenary session of 23 January 2013, confirming that the Performance Commitment (TCD) signed with InterCement had been complied with.

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 José Manuel Neves Adelino, Pedro Miguel Duarte Rebelo de Sousa and António Soares Pinto Barbosa. The proportion of 3 independent directors in a total of 11 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[13], according to which the independent members of the Audit Committee are the directors José Manuel Neves Adelino and António Soares Pinto Barbosa.

19. Professional qualifications and other relevant curricular information for each of the members of the Board of Directors

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 relevant family, professional or commercial relations

The family relationships between members of the Board of Directors and shareholders to whom a qualifying holding of more than 2% of voting rights is attributable are:

The director André Pires Oliveira Dias is the son of Regina Camargo Pires Oliveira Dias to whom the shares described in section 7 above are attributable.

Luiz Roberto Ortiz Nascimento and Claudio Borin Guedes Palaia sustain family relations with Renata de Camargo Nascimento.

Luiz Roberto Ortiz Nascimento, Albrecht Curt Reuter, José Édison Barros Franco e André Pires Oliveira Dias, sustain professional relations with companies listed non section 7, as indicated in the CVs 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%.

[13] Article 414(5) of the Companies' Code.

21. Division of powers

21.1. 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[14], 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 the Cimpor Group'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 the Cimpor Group, (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;

[14] Portuguese Companies' Code.

- The undertaking of development investments not envisaged in the budget previously approved by the Board of Directors, exceeding 5 million euros in value per investment operation and 25 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[15]), 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.

21.2. Disclosure Duties of the Executive Committee

The following procedures have been adopted to ensure that all members of the Board of Directors 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;

21.3. Powers of the Chairman of the Board of Directors

The responsibilities of the Chairman of the Board of Directors are:

- Coordinate the activity of the Board of Directors;
- Convene the Board of Directors, determine the agenda of the meetings, preside over discussions and decide on all matters concerning how it operates. The Chairman will

[15] Article 20

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.

21.4. 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.

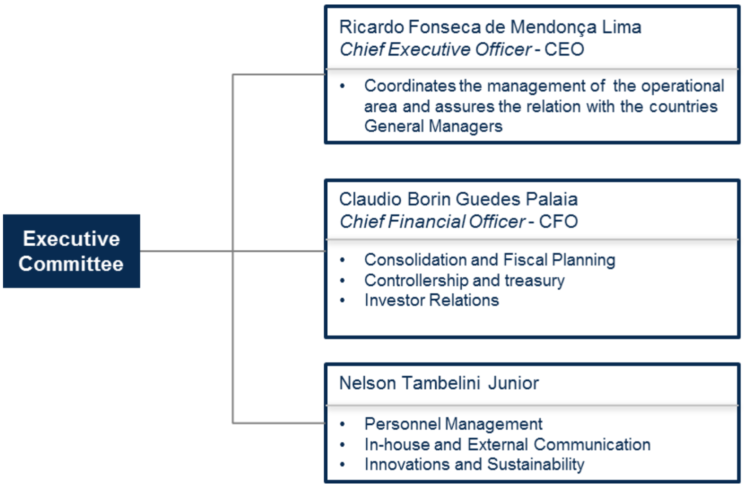
21.5. Division of areas of responsibility on the Executive Committee

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.

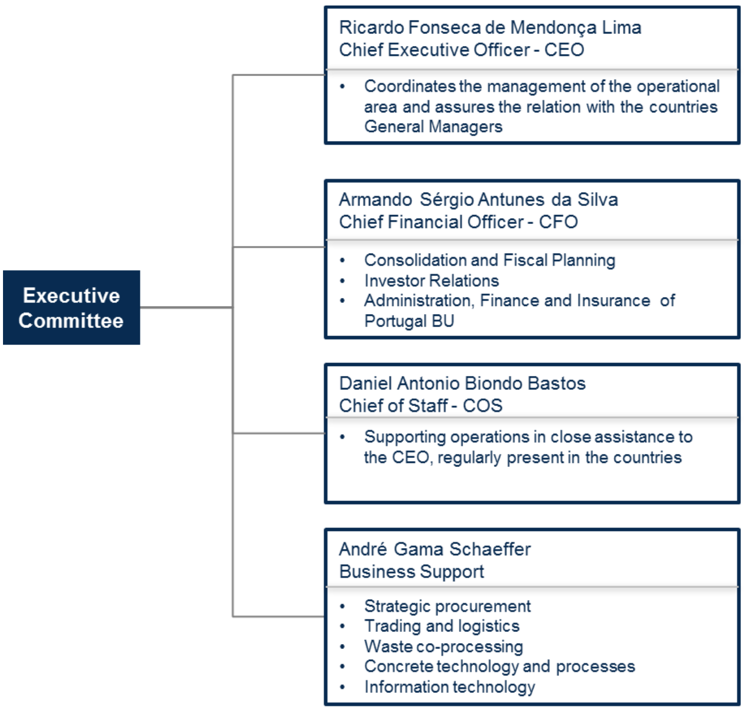
Ricardo Fonseca de Mendonça Lima – CEO (Chief Executive Officer) monitors the management of the Group's operations covering Health and Safety, Engineering and Technology and other areas of Business Support, also securing relations with the general managers of the business units of the various countries where Cimpor operates.

Claudio Borin Guedes Palaia –CFO (Chief Financial Officer) monitors Financial Consolidation, Tax Planning, Management Planning and Control, Treasury and Investor Relations. Claudio Palaia is also assisted by Armando Sérgio Antunes da Silva, having specific reporting responsibilities as CFO for Europe and Africa.

Nelson Tambelini Junior – responsible for the areas of Personnel Management, In-house and External Communication, and Innovation and Sustainability.



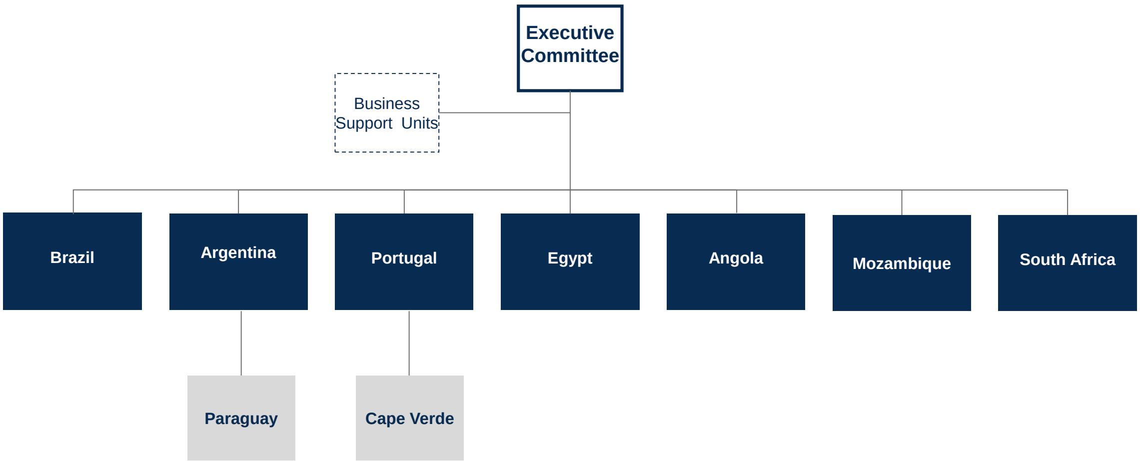
The division of areas of responsibility on the Executive Committee until the resignation of Armando Sérgio Antunes da Silva, André Gama Schaeffer and Daniel Antonio Biondo Bastos, as described in the Annual Report 2012, was as follows:



The Executive Committee of Cimpor has the support of the structure of InterCement, in order to maximize the leveraging of management synergies in the following areas: engineering technology, health and safety, technical development in cement production and its sustainability, concrete technology and process, procurement control and budgeting of works, strategic sourcing, strategic planning, legal, risk management and auditing, trading and logistics, co-processing of waste, and information technology.

21.6. Functional Structure

The Cimpor Group is structured by Business Units, corresponding to the countries where it operates, as shown below:



The various activities in each Business Unit are grouped by product, and the core business is the production and sale of cement.

The Cimpor Group's holding company is responsible for the strategic development and overall management of all the different Business Units and Support Units. It is also responsible for the Investor Relations area.

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 Executive Committee of Cimpor.

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 the Cimpor Group'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 the Cimpor Group 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 Business Units identified below support the business activity of Cimpor by providing technology and specialised technical assistance and generating benefit for them from economies of scale owing to the size of the Cimpor Group.

Management and Safety Systems:

Ensures the design and implementation of management systems.

Proposes the guidelines that should steer the policy to follow, the objectives to be achieved and the management system to use in the field of occupational health and safety in the workplace, driving its implementation.

Functionally coordinates, throughout the entire Cimpor Group, the activities in question and monitors their implementation, assessing the relevant results.

Engineering and Technology:

Maximises the strategic development of the technical field and the management of the cement production units, increasing the efficiency and performance of operations through the dissemination of knowledge and best practices in the various operations spread throughout the universe of the Cimpor Group.

Concrete, Aggregates and Mortars:

Maximises the strategic development of the Aggregates and Concrete business, in the technical areas and also in commercial and management terms, increasing the efficiency and performance of operations through the dissemination of knowledge and best practices in the various operations spread throughout the universe of the Cimpor Group.

Waste Co-processing:

Identifies needs and opportunities in the use of raw materials and alternative fuels, contributing to business sustainability.

Plans, coordinates and supplies waste co-processing solutions to the Business Units, including the selection and organisation of technology, supplies and its adaptation to the industrial units.

Trading and Logistics:

Plans and coordinates the trading activities (mainly cement and clinker) of Cimpor and its subsidiaries and supports the business areas by establishing business relationships with customers, suppliers and other external entities.

Plans, coordinates and provides cross-border logistics solutions in the Cimpor Group, including all transport (road, rail and maritime transport) and shipping operations between countries.

Information Systems:

Ensures the development, coordination and performance of the information systems of the companies of the Cimpor Group, with the main emphasis on defining and proposing the Group's Information Technology (IT/IS) strategic plan and the functional coordination of the local IT officers of the Cimpor Group's Business Areas, ensuring alignment with the Cimpor Group's strategy.

Procurement:

Defines, enhances and coordinates the Procurement policy of the Cimpor Group.

Centralises the procurement of the main purchase categories cutting across the Cimpor Group, making analyses of the supply chain and the supply market, and identifying structural solutions with the aim of maximising efficiency and the results of the goods and services' purchase decisions.

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 the Cimpor Group. It is responsible for[16]:

- The evaluation of the corporate governance model, principles and practices of the Company and the relevant subsidiaries of the Cimpor Group (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 the Cimpor Group, 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 the Cimpor Group;
- The improvement and update of the Rules of Procedure on Irregularities' Reporting and the Code of Ethics adopted by the Cimpor Group, 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.

21.7.2. *Appointments and Assessment Committee*

[16] Article 18 of the Rules of Procedure of the Board of Directors

The duties of the Appointments and Assessment Committee are, inter alia, and in accordance with the Rules of Procedure of the Board of Directors[17], 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.

[17] Article 19.

21.8. Supervisory Bodies

21.8.1. *Audit Committee*

The responsibilities of the Audit Committee are those mentioned in sections 37 and 38 below.

21.8.2. *Statutory Auditor*

The Statutory Auditor is responsible, pursuant to the Portuguese Companies Code[18], 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.

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 2013:

José Manuel Neves Adelino (Chairman)

José Édison Barros Franco

Ricardo Fonseca de Mendonça Lima

Gueber Lopes (Remuneration Committee)

Nelson Tambelini Junior (Director responsible for the area of Human Resources, replaced Paula Carneiro (former Human Resources Manager, who left that post in Cimpor in August 2013).

The powers of this committee are presented in section 49 below.

b) Functioning

22. Existence of rules of procedure and where to consult them

The rules of procedure of the Board of Directors can be viewed at www.cimpor.com, and at the registered office of the Company.

[18] Article 420(1) sub-paragraphs (c), (d), (e) and (f) and article 446.

23. Number of meetings held and attendances

The Board of Directors met 12 times during 2013. None of its members were absent without approved reason: Luis Filipe Sequeira Martins – attended 60% of the meetings held up to date of submission of his resignation (30 May); Luiz Roberto Ortiz Nascimento and Albrecht Curt Reuter Domenech – who attended 83% of the meetings held in 2013; and Pedro Miguel Duarte Rebelo de Sousa – who attended 92% of the meetings held during 2013. 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 23 times in 2013. The attendance record was the following: Ricardo Lima (CEO) – 91%; Armando Silva, André Gama and Daniel Bastos attended 76%, 71% and 94%, respectively, of the meetings of the Executive Committee held until the date of their resignation (26 August). Cláudio Palaia and Nelson Tambelini (who took office on 26 August) have attended every meeting since the date of their appointment.

24. The competent company bodies for conducting the assessment of the performance 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. Criteria for assessing the performance of the executive directors

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. Availability of each member of the Board of Directors indicating the posts simultaneously held in other companies and other relevant business conducted during the financial year

The *curricula vitae* of the members of the Board of Directors are presented in Annex I of this Report.

c) Committees within the Board of Directors

27. Committees created within the Board of Directors and location for consulting the respective rules of procedure

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 section 28. Further information regarding the Executive Committee can be found in section 21 above.

27.2. Audit Committee

The composition of the Audit Committee is described in section 31. Further information regarding the Audit Committee can be found in sections 21 and 30, above.

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 Board of Directors.

The Corporate Governance and Sustainability Committee, by resolution of the Board of Directors of 16 August 2012, comprises three directors, all non-executive: These being:

- Daniel Proença de Carvalho (Chairman)
- José Manuel Neves Adelino (Independent)
- Albrecht Curt Reuter

Further information regarding the Corporate Governance and Sustainability Committee can be found in section 21.7.1 above.

27.4. Appointments and Assessment Committee

The Appointments and Assessment Committee has between two and six 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[19], 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 16 August 2012, is composed of four directors, one of whom is an independent non-executive director:

- Albrecht Curt Reuter (Chairman)
- Pedro Miguel Duarte Rebelo de Sousa (Independent)
- José Édison Barros Franco
- Ricardo Fonseca de Mendonça Lima (Chief Executive Officer, ex-officio member)

Further information regarding the Appointments and Assessment Committee can be found in section 21.7.2 above.

28. Members of the Executive Committee

The Executive Committee comprised the following Directors on 31 December 2013:

- Ricardo Fonseca de Mendonça Lima (Chief Executive Officer)
- Claudio Borin Guedes Palaia
- Nelson Tambelini Junior

Up to 26 August 2013, which was the resignation date of Armando Sérgio Antunes da Silva, André Gama Schaeffer and Daniel Antonio Biondo Bastos, the Executive Committee was composed of:

- Ricardo Fonseca de Mendonça Lima (Chief Executive Officer)
- Armando Sérgio Antunes da Silva
- André Gama Schaeffer
- Daniel Antonio Biondo Bastos

29. Powers of each of the committees created and overview of the activities undertaken in the exercise of those powers

The powers of each of the committees created in the Board of Directors are explained in section 21 above.

The activities developed by these committees in 2013 complied with the powers assigned them, as presented in section 27.

The Corporate Governance and Sustainability Committee met twice, the Appointments and Assessment Committee met once and the Executive Committee met 23 times during 2013. Minutes were drawn up for all the meetings.

[19] Article 19(5)

III. Supervision

a) Composition

30. Identification of the supervisory body

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[20]. 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.

31. Members of the Audit Committee

In accordance with section 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 Extraordinary General Meeting of 16 July 2012 and ending on 31 December 2014. The members are as follows:

Audit Committee		Date of first appointment
Chairman	José Manuel Neves Adelino [(1)]	16-07-2012
Members	António Soares Pinto Barbosa [(1)]	16-07-2012
	José Édison Barros Franco	16-07-2012

[(1)] Independent member.

32. Identification of the independent members of the Audit Committee

According to the respective self-assessment, the incompatibility rules and independence criteria established in the Portuguese Companies' Code[21] are complied with by two of the three members of the Audit Committee, as mentioned in section 18 above.

33. Professional qualifications of the members of the Audit Committee

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 section 19 above.

b) Functioning

[20] Article 18
[21] Article 414-A(1) and Article 414(5) of the Portuguese Companies' Code.

34. Location for consulting rules of procedure

The rules of procedure of the Audit Committee can be viewed at www.cimpor.com, as indicated in section 27 herein.

35. Number of meetings held and attendance of members

The Audit Committee met 8 times during 2013. All its members attended every single meeting, except for one absence, by José Édison Barros Franco, the reason for which was duly approved.

36. Availability of each member of the Audit Committee indicating the posts simultaneously held in other companies and other relevant business conducted during the financial year

The members of the Audit Committee provided the availability required for the exercise of their duties in 2013. The information on posts held simultaneously in other institutions is made available in Annex I to this report.

c) Powers and duties

37. Description of the procedures and criteria for the supervisory body to commission 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 the Cimpor Group'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 the Cimpor Group'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, if applicable, 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[22], 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;

[22] Article 2(2)

- 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[23], 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 the Cimpor Group 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 section 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.

[23] Article 2(3)

IV. Statutory Auditor

39. Identification of the statutory auditor

CIMPOR's Statutory Auditor is currently Deloitte & Associados, SROC, S.A., represented by Carlos Alberto Ferreira da Cruz since May 2013.

40. Indication of the number of years in which the statutory auditor consecutively performs duties for the company and/or group

Deloitte & Associados, SROC, S.A. has performed the role of statutory auditor of Cimpor since 2001, therefore for 12 years.

41. Description of other services provided by the statutory auditor to the company

The statutory auditor of Cimpor also performs the role of external auditor of this Company. See section 46 herein for more information about the services provided.

V. External Auditor

42. Identification of the external auditor

The external auditor of Cimpor is Deloitte & Associados, SROC, S.A., registered at CMVM with the number 43 and represented by its partner Carlos Alberto Ferreira da Cruz, OROC number 1146.

43. Indication of the number of years in which the external auditor consecutively performs duties for the company and/or group

Deloitte & Associados, SROC, S.A. has been providing services to Cimpor and its subsidiaries for 12 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 approved in 2013 the proposal, duly substantiated, of the Audit Committee to reappoint Deloitte & Associados, SROC, S.A. The partner responsible was also changed, and it is now Carlos Alberto Ferreira da Cruz.

44. Policy and rotation frequency of the external auditor

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. Assessment of the external auditor

The Audit Committee is responsible for annually assessing the external auditor, in accordance with its rules of procedure[24].

[24] Article 2(3)(c)

46. Identification of work other than audit performed by the external auditor for the company and/or companies with which it is in a control relationship, as well as an indication of internal procedures for approval of hiring such services, and indicating the reasons for their hiring

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 will be scattered throughout the different countries where Cimpor operates, and does not overall possess material value or significance.

The approval for hiring these services complied with the procedures and criteria set out in section 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. Annual remuneration paid to the auditor and other natural or legal persons belonging to the same network and breakdown of the percentage relative to the following services

In 2013, 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 2,133 thousand, broken down in the following percentages:

	Individual		Consolidated	
By society*	**€ thou.**	%	**€ thou.**	%
Amount of the certification of accounts services (€)	33	100%	1.150	54%
Amount of assurance services (€)	0	0%	743	35%
Amount of tax consultancy services (€)	0	0%	197	9%
Amount of services other than certification of accounts (€)	0	0%	43	2%
By entities within the group*				
Amount of the certification of accounts services (€)	1.117	53%	1.150	54%
Amount of assurance services (€)	743	35%	743	35%
Amount of tax consultancy services (€)	197	9%	197	9%
Amount of services other than certification of accounts (€)	43	2%	43	2%

**Including individual and consolidated accounts*

C. Internal Organisation

I. Articles of Association

48. Rules applying to amendments of the articles of association

The articles of association can be amended pursuant to applicable legislation[25]:

- 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. [26]

- 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. [27]

II. Reporting irregularities

49. Means and policy for reporting irregularities

The Audit Committee - without prejudice to the powers of the Corporate Governance and Sustainability Committee – is responsible for receiving and processing irregularity reports 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, 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.

[25] 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.
[26] Article 383(2) and (3) of the Portuguese Companies' Code.
[27] Article 386(3) of the Companies' Code.

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 Audit and Risk Management 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. Internal audit responsibilities

The creation and operation of internal control, risk management and internal 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 the rules of procedure of the Audit Committee[28]. In addition to the duties assigned it and described in section 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.

51. Hierarchical dependence and/or functional relations

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 and by the irregularities' reporting system.

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 key risks and opportunities facing the company and the study, approval and implementation of the appropriate measures.

The Cimpor SGPS and Cimpor Inversiones holding companies are responsible for managing the financial risks requiring specific hedging.

[28] Article 2(2)

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 Audit and Risk Management area, in accordance with an annually prepared and implemented plan audits of financial areas and information systems audits, 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 Tec, 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 the Cimpor Group 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 section 55 below.

Risk Management and Auditing - 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 the Cimpor Group 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;
- 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, evaluation of misconduct);
- Assess compliance with the rules and policies of risk management, identifying points of non-compliance 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 with risk control duties

The different functional areas with risk control duties are identified in section 51 of this report.

53. Main risk types

Business and market risks

The set of financial results and profitability of Cimpor can be negatively affected by a continued decline in construction activity, either globally or in a significant market where it operates.

Cimpor's business is sensitive to factors such as GDP growth, investment in infrastructure and construction activity. Construction activity arises from housing needs and investment in commercial and office spaces. An economic slowdown can lead to a recession in the construction industry and consequently in cement production.

The diversified geographical presence of Cimpor has traditionally contributed to the stability of its profits, since periods of cyclical decline in individual markets were offset by growth in other markets. However, despite currently operating in nine geographical regions (already considering the assets contributed by InterCement), there is no guarantee that a speeding up or weakening of economic growth does not affect the construction market overall or that economic conditions do not alter the development of the construction markets in some countries.

Competition risks

Cimpor competes with local and foreign producers or importers in each of its markets. As a result, the prices that Cimpor offer its customers are not, in principle, materially different to the prices charged by competitors in the same markets. Accordingly, the profitability of Cimpor's business operations is quite dependent on the level of demand for such products, as well as its ability to control efficiency and operating costs.

The prices in these segments undergo significant changes on account of relatively minor fluctuations in supply and demand, general economic conditions and other market conditions outside the control of Cimpor. Consequently, Cimpor may be faced with declines in prices, profit margins or sales volumes in the future which could have a materially significant adverse effect on profits.

Increases in capacity by competitors that are not accompanied by an increase in demand could result in surplus supply in some regions, driving down sale prices and reducing profit margins. Antitrust and competition regulators have been increasing their inspections of the cement industry since 1994, levying monetary fines on companies that may be engaged in illegal practices of cartelisation or other practices of unfair competition.

The Cimpor companies in Brazil and South Africa are currently under investigation and have legal proceedings filed against them by competition authorities. Cimpor cannot formally predict the outcome of those pending legal proceedings or investigations, nor guarantee in any way that other subsidiary companies will not be the focus of other investigations by the competition authorities.

Cimpor is convinced that the practices and policies governing its business activities are consistent with the competition and antitrust laws and regulations in force in the various jurisdictions in which it operates. The Company's management and its legal counsel does not expect material contingencies associated with these cases.

Raw material availability risk

The long-term success of each of Cimpor's Business Units depends on their ability to secure raw materials in sufficient quantities, including limestone, gypsum and other materials necessary for the production of clinker and cement, available from quarries located close to the different industrial units. Limestone is usually obtained from the mining of quarries owned or leased by Cimpor, with a minimum service life of 50 to 100 years. In some cases, Cimpor may have to tackle the risk of the exhaustion of raw materials in some quarries, most notably limestone, and the cancellation of quarry leasing agreements. This would force the Group to find new quarry sources further away from its production units, causing a corresponding impact on raw material extraction and transport costs. These cases can have an adverse effect on Cimpor's ability to achieve its production targets.

Increased energy costs risk

The operating income of Cimpor is significantly affected by changes in the prices of the energy sources used. Energy costs may vary significantly in the future, mainly due to market forces and other factors outside Cimpor's control. Cimpor seeks to protect itself from energy price inflation risks and the volatility of exchange rates that impact on energy prices. It achieves this by the diversification of its fuel sources, increasingly through the use of alternative fuels, the capacity to transfer all or part of increased costs to the end customer and through the use of long-term contracts for certain energy needs. Cimpor also seeks to produce different types of cement with lower clinker content, replacing it with other mineral components such as fly ash, slag, pozzolana, and limestone.

Regulatory risk

The businesses of Cimpor are affected by laws and regulations, including legal rules on the concession of quarries, operating licences, environmental regulations, the landscape rehabilitation of quarries, price controls, export bans and the payment of fees for the licensing of new plants. Cimpor believes that it is in possession of and/or has submitted applications that are entirely viable for obtaining all necessary licences and permits to conduct its manufacturing and quarrying operations.

Environmental risk

The activities of cement manufacturers and wholesalers are governed by numerous national and international environmental laws, regulations, treaties and conventions, including those governing the discharge of materials into the environment, which enforce the removal and clean-up of environmental contamination, or relate to the protection of the environment. Infringements of environmental regulations leave offenders open to fines and substantial monetary penalties and may require technical measures or investment to ensure compliance with mandatory emission limits.

Environmental regulations in force may be amended or modified, and new environmental rules may be established, impacting on or regulating cement industry operations in the various jurisdictions where Cimpor operates.

CO_2 Emissions Regulations:

Environmental laws in force in the European Union are particularly focused on CO_2 emissions. Such emissions in the cement industry primarily arises from the chemical process used to produce clinker and the burning of fossil fuels.

Following the ratification of the Kyoto Protocol and the creation of the European Emissions Trading System (EU ETS), the European Union introduced a ceiling on the respective CO_2 emissions which entered into force from 1 January 2005. In the period 2008 to 2012, Phase II of the EU ETS, the Cimpor premises in Portugal were allocated allowances substantially identical to those of Phase 1 (2005-07), and which proved to be more than sufficient for the current production levels due to the economic slowdown. Phase III of the EU ETS began in January 2013 (for the period 2013-2020). This phase introduced various changes, particularly in relation to the calculation criteria and how the allowances are allocated. The facilities considered eligible for the allocation of emission allowances free of charge, in accordance with established rules, are the cement plants of Alhambra, Souselas and Loulé and the Cabo Mondego hydraulic lime plant. On 18 December 2013, the European Commission approved and it was confirmed by the Portuguese Environment Agency (APA), the total amount of allowances to be allocated free of charge in Portugal to each of the Cimpor cement plants for 2013-2020 (NIMs).

The closure in 2013 of the Cabo Mondego hydraulic lime plant (FCHCM) has meant that this hydraulic lime production facility will no longer receive emission allowances from 2014.

Several changes are still expected during 2014, despite the entry into force of the new period of 2013-2020 on 1 January 2013. The CO_2 emissions auctioning deferral mechanism (backloading) was approved at the end of 2013, in order to temporarily withdraw from the market about 900 million licenses, and which should have been restored at the end of the period. This mechanism will have only had an indirect effect on companies such as Cimpor which are subject to an obvious risk of carbon leakage and receive free allowances. The schedule for the postponement of the auction of these licences will be approved in 2014. Also currently being revised is the future list of companies considered subject to Carbon Leakage, will only be defined in the first quarter of 2014 and will enter into force in 2015. The publication of this list, which will determine the sectors allocated allowances free of charge over the next five years may have a major impact on the European and domestic cement industry if the sector is excluded.

The European Union, with the clear goal of reducing the amount of allowances freely awarded, imposed a benchmark scheme limiting their supply even though, in the specific case of Cimpor, their number was appropriate to expected production levels.

The non-European economies where Cimpor has units do not yet have legislation ordering the reduction of CO_2 emissions. However, the introduction of a "carbon tax" is envisaged for the near future in South Africa. In Brazil, federal and state governments are also working on the issue and preparing inventories of greenhouse gases (GHGs) will soon form part of the industrial licensing process in several Brazilian states, such as São Paulo, Rio de Janeiro, Minas Gerais and Paraná. An Industrial Plan with specific measures and targets to reduce CO_2 emissions for a range of industrial sectors should be completed by 2015 in order to be presented by the Brazilian government at CoP 21, in Paris.

The implementation of growing, varying and unpredictable regulatory systems in different parts of the world could affect international competitiveness and, ultimately, although such a scenario is not thought probable, lead to the discontinuation of the use of assets. Although Cimpor admits it is capable, with some effort, of meeting the objectives currently known or even expected regarding CO2 emissions, it is not able to guarantee that it will be able to comply with rather unpredictable targets that may be imposed on the cement industry by external regulators and which have a direct impact (CO_2) or indirect impact (electricity) on the industry. Furthermore, additional regulation and/or new requirements in this field, such as the imposition of reduction targets even greater than those presently defined, without an appropriate period of adjustment, or the possible exclusion from the carbon leakage list from 2015, without the adoption of mechanisms for equalizing the effect of carbon compared to foreign competitors, could generate rather a negative impact on Cimpor's profits and on the industry subject to such rules.

Regulations for Environmental Responsibility in Europe:

The European Union (EU) Directive on Environmental Liability, of April 2004, which has among its main objectives the application of the 'polluter pays' principle, requires that Cimpor evaluate the risks and directly taking, insure or fund the necessary additional measures to prevent or repair in order to avoid the possible payment of penalties due to fault or negligence resulting from its activity, which has been and will continue to be done.

The European Union (EU) through the Directive of November 2010 on industrial emissions (integrated pollution control and prevention) defined the obligations of industrial activities to protect the environment and health. It accordingly established a procedure for authorisation to use and set requirements for the same, that could also require some additional investment, although the plants in Portugal are already equipped with advanced technologies and comply with the indications of BREF (Reference Document on Best Available Techniques) to control industrial emissions.

Focus on Co-processing in Cimpor's Sustainability Policy:

As part of the strategy of Cimpor and its principles of sustainability, it increasingly uses alternative fuels as a means of: (i) reducing the environmental impacts of its operations, (ii) cooperating in the correct disposal of waste of the community where it operates its plants, (iii) mitigating the price volatility of conventional fuels in international markets, and (iv) reducing CO_2 emissions.

Health and safety risk

There is the risk of accidents or improper acts, given the nature of the sector in which Cimpor operates. Although Cimpor invests significant resources in occupational health and safety measures, serious accidents continue to occur, partly due to the growth of the business of Cimpor. The possibility of accidents or improper acts occurring cannot be excluded, despite the measures taken or which may be taken by Cimpor.

Mitigating actions and plans are being consistently implemented to transform Cimpor into one of the best companies to work for.

Developing markets risk

The weight of the presence of developing economies in the portfolio of operations exposes Cimpor to political risks, including risks related to GDP volatility of the developing economies, inflation, interest rates and currency exchange rates, price controls, export bans, licensing fees for the construction of new plants, restrictions on money movements and the repatriation of capital, and the difficulties of attracting skilled employees and managers. These risks may adversely affect the financial situation and profits of Cimpor operations, which contrast, it should be mentioned here, with the unique benefits in terms of return arising from the presence of Cimpor in these geographical areas.

Currency exchange risk

The Cimpor Group, due to its exposure to developing economies, faces foreign currency risks arising from operating in various currencies, since variations in currency exchange rates have a significant influence on profits and the financial situation of the Group. The conversion of local financial statements to the currency in which Cimpor reports its financial results (Euro) leads to currency conversions impacts that Cimpor does not usually actively hedge.

Moreover, the balance sheet is only partly covered for borrowing funds in foreign currency and, consequently, a significant decrease in the aggregate value of such currencies against the Euro could have a materially significant impact on the equity of Cimpor. Those currency fluctuations may also give rise to the reporting of currency exchange losses in operations, which will be reflected in the consolidated financial statements of Cimpor.

Investment risk

Cimpor's investments in fixed assets include investments to maintain existing plants and expansion investments associated with projects to implement organisational growth, as well as the acquisition of new businesses.

Cimpor has made, and may do so in the future, and as an integral part of its growth strategy, selective acquisitions to strengthen and develop its portfolio, particularly in geographical areas that it believes are growing and may have strong synergies with existing business activities. The successful implementation of this acquisitions strategy depends on a number of factors, including Cimpor's ability to identify suitable opportunities, to agree the appropriate prices and to access the necessary financing. There may also be substantial difficulties or delays in the integration and creation of added value in businesses acquired or to be acquired by Cimpor.

Integration costs can be substantially higher than forecast and Cimpor may not be able to obtain the synergies expected from such acquisitions, which could have a negative effect on profits. Cimpor may be subject to other risks on acquired assets or businesses, such as unexpected liabilities or liabilities exceeding forecasts, and the possibility of making the sellers of such assets accountable is non-existent, unpredictable or insufficient to cover all potential liabilities.

Logistics risk

Cimpor relies on outsourced services to transport its products to customers. Cimpor's ability to serve customers at reasonable costs often depends on its bargaining capacity with suppliers, including rail, road and sea operators. Cimpor bears substantial transport costs due to the heavy weight of its products. As logistics providers increase their freight rates Cimpor can be forced to absorb those increases before it can pass them on to the end customer, assuming it can do such.

Cimpor owns and operates a small fleet of transport ships as a means of limiting the impact of any increase of the freight rate of cement, clinker and petcoke. The assets located in Argentina (swapped at the end of December 2012) also include a railway line.

Financing risks

The ability of Cimpor to raise funds from banks or the capital market depends on favourable financial and economic conditions existing.

Although Cimpor has not encountered funding difficulties in recent years, the future economic situation may deteriorate and result in a reduction in the availability of new financing and / or increased costs, which could consequently have a negative impact on profits and the net worth.

Cimpor's rating risks

The ability of Cimpor to successfully compete in the financing market depends on various factors, including its financial stability, which is reflected in its operating income, and credit ratings assigned by internationally recognised credit agencies. Therefore, a downgrade of the ratings can impact on Cimpor's ability and the conditions to raise funds, which in turn could affect its business, financial situation and financial income.

After the announcement of the successful takeover bid for Cimpor by InterCement Austria Holding GmbH and according to the criteria of Standard & Poor's (which provides for the alignment of the rating of subsidiaries with their parent) the rating of Cimpor - Cimentos de Portugal, SGPS, S.A. and Cimpor Inversiones, S.A. is levelled with the credit rating of Camargo

Corrêa, S.A.. Its rating last September - currently BB - was reconfirmed and the outlook changed from stable to positive.

Credit ratings are likely to change at any time and the credit rating of Cimpor - Cimentos de Portugal, SGPS, S.A., on account of the above-described, can be upgraded or downgraded at any time.

Impairment risk

The cement industry and, to a lesser degree, the concrete and aggregates industries, are characterised by being very capital intensive. The majority of acquisitions involve substantial goodwill, which undergoes annual impairment testing.

Cimpor annually assesses whether there is any indication that a non-financial asset may be impaired. If such indication exists, the recoverable amount of the relevant non-financial asset is estimated in order to determine the extent of the impairment loss, if any. If it is found that the recoverable amount of a non-financial asset is lower than the amount registered on the balance sheet, the value of the asset on the balance sheet is reduced to the amount calculated as the recoverable amount. Impairment losses are recognised in the Income Statement and they can therefore have a materially significant impact on Cimpor's profits. The risk of significant impairment is currently remote.

Tax risk

Cimpor can be negatively affected by changes to the tax framework in the countries where it operates. It has no kind of control over such changes, or changes in the interpretation of tax legislation by any tax authority. Significant changes of tax legislation or difficulties in implementing or complying with new tax laws can have an adverse impact on the business of Cimpor, its financial situation and operating income.

In addition to the contingencies already evidenced in the financial statements, the existence of other situations that could generate significant equity impacts are not envisaged.

Business interruption risk

Interruptions in the availability of any plant can, due to the capital intensive nature of the cement industry, lead to a significant decline in productivity and operating income during the period of interruption. The cement manufacturing processes are dependent on vital pieces of equipment such as raw material grinders, kilns to manufacture clinker and cement mills. This equipment may occasionally be out of service due to strikes, unexpected failures, accidents or events of force majeure. There is also the risk that the equipment or production facilities may be damaged or destroyed in the course of such events. However, the risks of business interruption are remote due to the maintenance processes and dispersal of the production process nowadays implemented.

Litigation risk

Cimpor is presently, and may be in the future, in the ordinary course of its business, involved in legal proceedings, complaints, investigations and lawsuits, including matters of product liability, property, commercial, health and safety and tax proceedings. Such processes can have a negative impact on the assets, financial situation and operating income of Cimpor. The risk of litigation with significant impact on business is remote, to the best knowledge of Cimpor.

Insurance coverage risk

The policy for managing the operational risk of Cimpor was carried out in 2013 by a reinsurance undertaking - Cimpor Reinsurance, S.A. – which is headquartered in Luxembourg and one hundred percent owned by Cimpor – Cimentos de Portugal, SGPS, S.A. This entity directly takes on all risks of material damage and damage to machinery with compensatory ceilings of up to 3 million euros for each insured event and third party and product risks of up to 250,000 euros per insured event. The surplus is covered, in each case, by international reinsurance companies.

Some locations of Cimpor are exposed to increased risks of earthquakes (Portugal) and other natural disasters.

Cimpor has no insurance cover for acts of terrorism.

In the event of damage to property, plants and equipment of Cimpor, besides third party liability, where Cimpor does not have insurance coverage or has insufficient coverage, the operations and financial situation of Cimpor can be affected.

The process to standardise the insurance management policies for all of Cimpor is being finalized, following the integration of the assets of InterCement in late 2012.

Key employees' risk

The development of Cimpor's business and, in particular, its technological evolution and geographical diversification, depend on the ability to attract and retain qualified and motivated employees.

Competition for personnel with these characteristics has been increasing in recent years, creating difficulties in obtaining or retaining such personnel. The loss of employees, particularly individuals in key positions or at management level, or staff shortages could have a negative impact on the future development of Cimpor and its ability to maintain the required level of know-how.

Information technology and communication risk

The efficiency and operational continuity of Cimpor's computers, telecommunications apparatus and data processing systems are essential to the ongoing business of its manufacturing facilities, sales and all support services, including wage processing, accounting, planning and the financial area. In the event these systems are affected by disturbances, damage, power failures, computer viruses, fires and similar events, they can generate a significant adverse impact on Cimpor and, as a result, its operations and financial situation may be adversely affected.

54. Description of the process of identification, assessment, monitoring, control and management of risk

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.

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 risks 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 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 are also adopted at this stage to verify compliance with laws and regulations in order to mitigate the risks of a regulatory nature.

55. Main elements relating to the process of disclosure of financial information

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 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 Support

56. Investor Relations Department

The “Investor Support” 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 Lisboa

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[29].

57. Representative for market relations

The representative for relations with the securities’ market and the CMVM, pursuant to and for the purposes of the Securities Code, is, since 1 October 2004, Filipa Mendes.

58. Information related to information enquiries

While ensuring that the requests for information, clarification and other enquiries by shareholders or other stakeholders were swiftly replied to, Cimpor keeps no systematic record

[29] Article 3

of enquiries deemed not to be materially relevant that were addressed to the Investor Relations Department in 2013.

V. Website

59. Address

The website address of Cimpor is www.cimpor.com.

60. Location for viewing information

Information about the company, the public company status, registered office and other legally required information[30] can be found at www.cimpor.com.

61. Location of the articles of association and rules

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. Location of information related to the members of the governing bodies, Representative for Market Relations and Investor Support Office

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. Location of accounting statements and the calendar of corporate events

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. Location for publication of notice of general meeting and related information

The notices of general meetings and all the preparatory and subsequent related information are available at www.cimpor.com, and also at www.cmvm.pt.

65. Location of the business archive

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.

[30] Article 171 of the Portuguese Companies' Code

D. Remunerations

I. Powers to set remunerations

66. Indication of the powers to determine the remuneration of the governing bodies, of the executive committee members and of the company's managers

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[31].
- 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[32], which also implies the assessment of the members of the Board of Directors.

The current Remuneration Committee was elected at the General Meeting of 16 July 2012 for the 2012-2014 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[33].

II. Remuneration Committee

67. Members of the remuneration committee and independence of each member

67.1. Composition of the Remuneration Committee

The Remuneration Committee elected at the Extraordinary General Meeting of 16 July 2012, for the period 2012-2014, pursuant to the articles of association[34], had the following members:

- Manuel Soares Pinto Barbosa (Chairman);
- Gueber Lopes;
- Nélson Tambelini Júnior.

[31] Article 17(2)
[32] Article 376
[33] Article 248-B
[34] Article 17

Since Nélson Tambelini Júnior resigned from the post following his appointment as executive member of the Board of Directors of Cimpor on 26 August 2013, the Remuneration Committee come to be composed of the two remaining members in office: Manuel Soares Pinto Barbosa and Gueber Lopes. The appointment of the members of the Remuneration Committee is the duty of the shareholders of Cimpor, at a General Meeting, pursuant to law and the articles of association. Accordingly, until the election of a new member of this Committee by the General Meeting, the post held by Nélson Tambelini Júnior will be left vacant.

This Committee met 2 times during 2013, 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 2013	Post	Value in Euros
Manuel Soares Pinto Barbosa	Chairman	16.800
Nélson Tambelini Junior (1) (2)	Member	10.400
Gueber Lopes	Member	15.600

(1) presented the resignation on September 3, 2013

(2) value information not included in the remuneration of the members of the Board Directors

67.2. Independence of the members of the Remuneration Committee

The members of the Remuneration Committee are independent from the executive members of the Board of Directors. Nevertheless, Manuel Pinto Barbosa, Chairman of the Remuneration Committee, is the brother of António Pinto Barbosa, non-executive Director of Cimpor. Nonetheless, and considering the referred family relationship, the Chairman of the Remuneration Committee abstained from the decision-making process regarding the remuneration of the director António Pinto Barbosa. Moreover, Gueber Lopes and Nélson Tambelini Junior were tied, the latter at least to the date of his resignation, by employment contract with InterCement Brasil, S.A..

68. Knowledge and experience of the 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 has 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 and Auditing, Audit Director, Risk and Standards Manager Controller Manager, Auditor and Consultant.

Nélson Tambelini Júnior was a member of the Remuneration Committee up to 26 August 2013. He has acquired extensive experience in human resources throughout his career, as shown in

Annex I, in particular in Santista Textil (1987-2006) where he was Director of Human Resources, TAVEX (2006-2009) where he was Chief People Officer (CPO) and Camargo Correa Cimentos (2009-2012) as Director of Human Resources.

III. Remunerations structure

69. Description of the remuneration policy for management and supervisory bodies

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 2013 Annual General Meeting, held on 23 May, the Remuneration Committee ensured that the Statement on the Remuneration Policy for Members of the Management and Supervisory Bodies was adopted relative to the 2013 financial year ("2013 Statement"), which is attached to this report. This meant the new bodies to be elected would be responsible for defining the remuneration policy for 2013.

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[35].
    - 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.

[35] Article 17

- 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.

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 (partly deferred and with attached conditions).

The variable component may not, on aggregate, exceed 5% of the profits of the Company, as provided for in the articles of association[36]. The Remuneration Committee determined during 2013 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 2012 to 2014 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 2013, were as follows:

Director (value in Euros)	Fixed Remuneration awarded and paid in 2013	Variable Remuneration awarded and paid in 2013 (1)	Total Remuneration awarded and paid in 2013	Tied Remuneration awarded in 2013 and deferred to 2016 (2)	Remuneration awarded and paid in 2013 including tied portion and deferred to 2016 (3)
Executive Directors until July 16, 2012	0	1.014.870	1.014.870	1.014.870	2.029.740
Other Executive Directors	586.623	0	586.623	0	586.623
Non-Executive Directors	1.065.248	0	1.065.248	0	1.065.248
Total	**1.651.872**	**1.014.870**	**2.666.742**	**1.014.870**	**3.681.612**

Thus, the calculation of the total remuneration paid to Directors in 2013 amounted to 0.8% of the Group's payroll costs.

Remuneration of Non-Executive Directors:

[36] Article 17(1) of the articles of association.

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:

The guidelines for remuneration policy in force in 2012 were maintained in 2013 with regard to the remuneration of executive directors, providing the alignment of the interests of the members of the Executive Committee with the long term interests of the Company by way of deferral in time of part of the variable component which is tied to the Company's positive performance.

The referred Remuneration Committee awarded, in 2013, the members of the Executive Committee in office up to the date of the Extraordinary General meeting of July 2012 a total of EUR 2,029,740 in bonuses for their performance in 2012, equivalent to around 26.9% of the Group's net profit, calculated on an individual basis in 2013. 50% of the above-indicated amount was actually paid in 2013, with the remainder being deferred for a period of three years and tied to the positive performance of Cimpor.

The members of the Executive Committee who took office after the date of the Extraordinary General Meeting of 2012, and without prejudice to the variable remuneration policy of the company, were not awarded in 2012 any amount in respect of variable remuneration. This was agreed between the parties, based on the fact that these members took on their duties during the second half of the year.

The criteria for award of variable remuneration are set forth in section 71 below.

The Annual General Meeting of 2013 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 2013.

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 71,750 in 2013, broken down as indicated in section 81.

The Statement on the Remuneration Policy for Members of the Management and Supervisory Bodies relative to 2014, which is submitted to the General Meeting by the Remuneration Committee, is attached hereto (Annex III).

70. Remuneration structure

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 amply complied with by the Company taking into account the following principles:

- 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 long-term sustainability of the Company and compliance with the rules applying to its business;
- The deferral of a significant portion of the variable compensation for a period of no less than three years, making its actual payment dependent on the confirmation of the positive performance of the Company during that period.

71. Variable 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 2013, 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. Deferring payment of the variable component

The variable remuneration in cash awarded annually was 50% deferred, in 2013, for a period of three years from the date of award, which will occur in the month following that of the holding of the General Meeting that approves the accounts for the year to which that remuneration refers.

73. Award of shares as form of remuneration

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. Award of stock options as form of remuneration

No stock option plans were issued in 2013. Since all plans in force terminated in 2012, no member of the governing bodies of Cimpor held any stock options over Cimpor shares in 2013.

75. Annual bonus scheme and other non-cash benefits

There are no annual bonus schemes besides those already mentioned above, and there are also no other non-cash benefits.

76. Characteristics of the supplementary pension or early retirement schemes

The remuneration of both executive directors and non-executive directors does not take the form of a Retirement Benefit or a Supplementary Pension.

IV. Disclosure of Remunerations

77. Annual amount of remuneration paid to the members of the company's management bodies

In compliance with the provisions of Law no. 28/2009[37], 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.

[37] Article 3 of Law No. 28/2009 of 19 June

Director (value in Euros)	Remuneration awarded and paid in 2013			Tied Remuneration awarded in 2013 and deferred to 2016 (2)	Remuneration awarded and paid in 2013 including tied portion and deferred to 2016 (3)
	Fixed Remuneration awarded and paid in 2013	Variable Remuneration awarded and paid in 2013 (1)	Total Remuneration awarded and paid in 2013		
Directors in office at December 31, 2013					
Daniel Proença de Carvalho (8)	283.000		283.000		283.000
Luiz Roberto Ortiz Nascimento (8)	79.594		79.594		79.594
Albrecht Curt Reuter Domenech (8)	78.750		78.750		78.750
José Édison Barros Franco (8) (13)	98.000		98.000		98.000
Claudio Borin Guedes Palaia (7)	26.000		26.000		26.000
Andre Pires Oliveira Dias (8)	79.594		79.594		79.594
Ricardo Fonseca de Mendonça Lima (4)	270.225		270.225		270.225
Nelson Tambelini Junior (7) (11)	26.000		26.000		26.000
José Manuel Trindade Neves Adelino (8) (12)	112.000		112.000		112.000
Pedro Miguel Duarte Rebelo de Sousa (8)	79.594		79.594		79.594
António Soares Pinto Barbosa (8) (13)	99.050		99.050		99.050
Directors in office in 2013					
André Gama Schaeffer (5)	85.609		85.609		85.609
Armando Sérgio Antunes Silva (5)	92.513		92.513		92.513
Daniel António Biondo Bastos (5)	86.277		86.277		86.277
Manuel Luís Barata Faria Blanc (9)	42.188		42.188		42.188
Luís Filipe Sequeira Martins					
While executive director(6)	0	242.480	242.480	242.480	484.960
While non-executive director (9)	43.031		43.031		43.031
Luís Miguel da Silveira Ribeiro Vaz					
While executive director (6)	0	227.460	227.460	227.460	454.920
While non-executive director (10)	70.448		70.448		70.448
Directors in office until July 16, 2012					
Francisco José Queiroz de Barros de Lacerda (6)	0	302.450	302.450	302.450	604.900
António Carlos Custodio de Morais Varela (6)	0	242.480	242.480	242.480	484.960
Total	**1.651.872**	**1.014.870**	**2.666.742**	**1.014.870**	**3.681.612**

The annual amount of remuneration earned by the members of the Audit Committee is disclosed individually in section 69.2.

Altogether, the amount earned by the management and supervisory bodies represents 0.8% of total payroll costs of the Cimpor Group.

78. Amounts paid for any reason by other companies in a control or group relationship

The non-independent members of the Board of Directors are eligible for remuneration paid through other companies of the group as compensation for their work in those companies.

79. Remuneration paid in the form of profit sharing and/or bonus payments

Sharing in the profits of the Company, as provided for in the articles of association[38], translates into the award of bonuses. The amount paid in bonuses to the executive directors in 2013 amounted to EUR 2,029,740 as individually detailed in section 77 above, with the award reasons complying with the above-stated criteria.

80. Compensation paid or owed to former executive directors

No compensation was paid or owed to former executive directors in 2013.

[38] Article 17(1)

81. Annual amount of remuneration paid to the members of the company's supervisory bodies

The remuneration paid to the members of the Audit Committee, as members of that supervisory board of the company in 2013, was broken down as follows:

Remuneration of Audit Committee - 2013	Post	Supplement(1) (value in euros)
José Manuel Neves Adelino	Chairman	33.250
José Édison Barros Franco	Member	19.250
António Soares Pinto Barbosa	Member	19.250

(1) Supplement paid to each Director for holding post of chairman or member of audit committee

82. Remuneration of the chairman of the general meeting board in the reference year

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. Contractual limitations established for the compensation payable for unfair dismissal of a director

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. Existence and description of agreements between the Company and the members of the management body and senior managers that envisage the payment of compensation in the event of resignation, unfair dismissal or termination of employment in the wake of a takeover.

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 or stock option plans

85. to 88.

The issues of sections 85 to 88 do not apply since the General Meeting did not approve in 2013 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. Transactions with Related Parties

I. Mechanisms and control procedures

89. Mechanisms in place to control transactions with related parties

The Executive Committee shall submit to the Board of Directors for approval, as established in the Rules of Procedure of the Board of Directors[39], 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.

90. List of the transactions that were appraised in the reference year

The Audit Committee approved in 2013 the sale of the "Cimpor Building", located on Rua Alexandre Herculano, Lisbon, to PARMV Properties – Participações e Empreendimentos, S.A. (a related party with the Camargo Correa group). Moreover, the Audit Committee appraised the conversion of the balance payable to InterCement Austria Holding, the majority shareholder of Cimpor, of EUR 381.9 million (calculated in 2012 at the time of the assets swap), to a loan with a maturity of up to five years, bearing interest at the 12-month Euribor rate plus a spread of 3.5%.

91. Description of the procedures and criteria applying to the intervention of the supervisory body 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

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 section 89, above.

[39] Article 20

II. Data concerning such business

92. Indication of the location of accounting documents containing information on business with related parties, or alternatively, the reproduction of this information

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 2013.

Part II – Appraisal of Corporate Governance

1. Identification of the adopted corporate governance code

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 adopted corporate governance code

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.		Incentive for shareholders to participate and vote at General Meetings	Complies	12. and 13.
I.2.		Not adopting mechanisms that make it difficult for shareholders to reach decisions	Complies	14.
I.3.		No mechanisms exist that cause time lags between shareholder rights	Complies	12.
I.4.		Restrictions on the number of votes	Complies	13.
I.5.		Absence of defensive measures	Complies	5.
II.		**Supervision, Management and Auditing**		
II.1.		Supervision and Management		
	1.	Delegation of day-to-day management of the Company	Complies	21.1.
	2.	Pursuit of the Company's goals and limits on the delegation of powers	Complies	21.1.
	3.	Duties of the General and Supervisory Board	Not Applicable	
	4.	Existence of committees to assess the performance of directors and committees and to evaluate the adopted governance system	Complies	21.7.1. and 21.7.2.
	5.	Goals and risk management systems	Complies	54.
	6.	Number of non-executive Directors	Complies	18.
	7.	Number of independent non-executive Directors	Complies	18.
	8.	Provision of information to the other members of the governing bodies	Complies	21.2.
	9.	Remittance of notices of meetings and the minutes of meetings to the chairmen of the Board of Directors, Audit Board, Audit Committee, General and Supervisory Board and the Financial Matters Committee	Complies	21.2.
	10.	Coordination of the work of non-executive directors	Not Applicable	
II.2.		Supervision		
	1.	Independence of the Chairman of the Audit Board, Audit Committee or Financial Matters Committee, and powers to exercise the respective duties	Complies	31. to 33.
	2.	Representation of the supervisory body before the external auditor	Complies	38.
	3.	Assessment and proposal for dismissal of the external auditor	Complies	38.
	4.	Assessment of the functioning of the internal control and risk management systems	Complies	38.
	5.	Reporting of internal audit services to the Audit Committee	Complies	38. and 50

		Recommendation	Compliance	Reference
II.3.		Definition of Remunerations		
	1.	Independence and powers of the members of the Remuneration Committee	Complies	67.2. and 68.
	2.	Independence of consultants to the remuneration committee	Not Applicable	
	3.	Statement on remuneration policy for members of the management and supervisory bodies	Complies	69.
	4.	Submission of share and stock option plans to the General Meeting	Not Applicable	85. to 88.
	5.	Submission of the retirement benefits systems to the General Meeting	Not Applicable	76.
III.		**Remunerations**		
III.1.		Remuneration policy for executive directors	Complies	69.1.; 70.; 71. and 72.
III.2.		Remuneration policy for non-executive directors and members of the supervisory body	Complies	69.1.
III.3.		Reasonableness and ceilings of the components of remuneration	Complies	71.
III.4.		Deferral of part of the variable remuneration	Complies	69.1.; 70.; 71. and 72.
III.5.		Not concluding contracts with a view to mitigate the variability of the remuneration established by the company	Complies	84.
III.6.		Keeping company shares awarded to executive directors	Not Applicable	85. to 89.
III.7.		Deferral of the start of the exercise of the options awarded by the company	Not Applicable	85. to 89.
III.8.		Restrictions on the award of indemnity or compensation to directors	Complies	83. and 84.
IV.		**Audit**		
IV.1.		Powers of the external auditor	Complies	38.
IV.2.		Contracting non-audit services from the external auditor	Complies	37. and 46.
IV.3.		Rotation of the external auditor	Complies	44.
V.		**Conflicts of Interest and Transactions with Related Parties**		
V.1.		Business conducted by the company with the owners of qualifying holdings and related parties	Complies	10.; 90. and 91.
V.2.		Definition of the relevant level of significance of business conducted with shareholders with a qualifying holding	Does not comply	
VI.		**Information**		
VI.1.		Disclosure of information on the Company's website	Complies	56. and 59. to 65.
VI.2.		Investor Support Office and the existence of enquiry records	Does not partially comply	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 one of the recommendations of that Code, which it justifies in the following manner.

2.1. 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. The Board of Directors considers that it is required to request the prior opinion of the Audit Committee when the matter at hand can cast the slightest doubt on guaranteeing the conducting of the above business under normal market conditions.

2.2. Investor Support Office

Recommendation 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.

Cimpor has, as previously explained in sections 56 to 58, an Investor Relations Department that ensures permanent contact with the market, which is tasked with keeping the financial community informed of the progress of Cimpor's activity and supporting, in good time, both current and potential Cimpor shareholders in their relationship with the Company, in full compliance with the principle of equal treatment of shareholders. However, over 2013 the contacts and procedures with investors regarded as not materially relevant have still not undergone systematic registration. Therefore, the above recommendation in accordance with its new requirements cannot be deemed to be fully complied with.

ANNEX I

Members of the Management and Supervisory Bodies

(Termination of period in office: 2014)

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 appoinment:	16 July 2012
End of the term-off-office:	2014

Education:

1965: Law degree by Faculdade de Direito in Universidade de Coimbra.

Professional activities in last 5years:

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:

- 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.;
- 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).

Positions held in entities outside the Group at 31 December 2013:

Member of the remuneration committee of Banco Espírito Santo, S.A.;
Chairman of the general meeting of:

- BESI – Banco Espírito Santo de Investimento;
- Galp Energia, SGPS, S.A.;
- Socitrel – Sociedade Industrial de Trefilaria, S.A.;
- Portugália – Administração de Patrimónios, S.A.;
- Almonda – Sociedade Gestora de Participações Sociais, S.A.;
- Renova – Fábrica de Papel do Almonda, 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.;
- 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.;
- INTEROCEÂNICO – Capital, SGPS, 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 2013:

1.

Luiz Roberto Ortiz Nascimento
(Member of the Board of Directors– since 21 December 2012)

Date of birth:	19 December 1950
Nationality:	Brazilian
Date of 1st appointment:	21 December 2012
End of the term-of-office:	2014

Education:

1973: Degree in Economy – Mackenzie University.

Professional activities in last 5 years:

Member of the Board of Alpargatas, S.A.

Positions held in entities inside the Group at 31 December 2013:

Vice-Chairman of the Board of Directors of InterCement Brasil S.A.;
Member of the Board of Directors of Loma Negra CIASA.

Positions held in entities outside the Group at 31 December 2013:

Vice-Chairman of the Board of Directors of:
- CV Serviços de Meio Ambiente S.A.;
- Arrossensal Agropecuária e Industrial S.A..
- Camargo Corrêa, S.A.;
- Camargo Corrêa Construções e Participações S.A.;
- Construções e Comércio Camargo Corrêa S.A.;
- Camargo Corrêa Investimentos em Infraestrutura S.A.;
- InterCement Participações S.A.;
- Camargo Corrêa Energia S.A.;
- Camargo Corrêa Projetos de Engenharia S.A.;
- Camargo Corrêa Desenvolvimento Imobiliário S.A.;
- VBC Energia, S.A.;
- ESC Energia, S.A.;
- HM Engenharia, S.A..

Member of the Board of Directors of CCR, S.A..
Founder and member of the WWF in Brazil – World Wildlife Foundation (since 1998);
Founding member of the Instituto Camargo Corrêa (created in December 2000).

No shares of Cimpor were held at 31 December 2013.

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 appointment:	29 April 2010
End of the term-of-office:	2014

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).

Member of the Board of Directors of:
- São Paulo Alpargatas S.A. (2004 – 2008);
- CPFL Energia S.A. (2005 - 2008);
- CCR Companhia de Concessões Rodoviárias S.A. (2005 - 2008).

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.

Positions held in entities inside the Group at 31 December 2013:

Chairman of the Board of Directors of:
- InterCement Brasil S.A.;
- Loma Negra CIASA;
- InterCement Portugal, SGPS, S.A..

Positions held in entities outside the Group at 31 December 2013:

Chairman of the Board of Directors of InterCement Participações S.A.;
Member of the Executive Committee of Camargo Corrêa Group;
Member of the Board of Directors of Camargo Corrêa Cimentos Luxembourg, S.à.R.L.;
Member of the Boards of Camargo Corrêa and Fundação Loma Negra with expertise in Social Investment.

No shares of Cimpor were held at 31 December 2013.

Albrecht Curt Reuter Domenech
(Member of the Board of Directors – since 29 April 2010)

Date of birth:	25 June 1947
Nationality:	North American
Date of 1st appointment:	29 April 2010
End of the term-of-office:	2014

Education:

Master's Degree in Civil Engineering, University of Puerto Rico and a MBA of Wharton School, University of Pennsylvania.

Professional activities in last 5 years:

Member of the Board of Duratex, S.A. (2008-2009).

Those listed below.

Positions held in entities inside the Group at 31 December 2013:

Vice-Chairman of the Board of Directors of InterCement Brasil S.A.;
Member of the Board of Directors of Loma Negra CIASA.

Positions held in entities outside the Group at 31 December 2013:

Vice-Chairman of the Board of Directors of:
- CV Serviços de Meio Ambiente S.A.;
- Arrossensal Agropecuária e Industrial S.A..
- Camargo Corrêa, S.A.;
- InterCement Participações S.A.;
- Camargo Corrêa Energia S.A.;
- VBC Energia S.A.;
- ESC Energia S.A..

Member of the Board of Directors of Tavex (Indústria Têxtil).

No shares of Cimpor were held at 31 December 2013.

Claudio Borin Guedes Palaia (Member of the Board of Directors and Member of the Executive Committee – since 26 August 2013)

Date of birth:	8 January 1975
Nationality:	Brazilian
Date of 1st appointment:	26 August 2013
End of the term-of-office:	2014

Education:

1997: Company Administration, Fundação Getúlio Vargas.

2002: MBA Management, Wharton School, University of Pennsylvania.

Professional activities in last 5 years:

Corporate Finance Director of Camargo Corrêa Cimentos (2007 – 2012);
Concrete Director of Camargo Corrêa Cimentos (2007- 2012).

Positions held in entities inside the Group at 31 December 2013:

Advisor of InterCement Portugal, SGPS, S.A..

Positions held in entities outside the Group at 31 December 2013:

Finance Vice-President of InterCement;
Member of the Board of Directors of:
- São Paulo Alpargatas;
- CPFL Energia.

Director of:
- Camargo Corrêa Cimentos Participações, Ltda.
- Caue Finance Limited.

Finance Vice-President of InterCement Participações, S.A..

No shares of Cimpor were held at 31 December 2013.

André Pires Oliveira Dias
(Member of the Board of Directors – since 21 December 2012)

Date of birth:	23 August 1981
Nationality:	Brazilian
Date of 1st appointment:	21 December 2012
End of the term-of-office:	2014

Education:

2002-2005: Business Administration / International Business, in American Intercontinental University, London, United Kingdom.

Professional activities in last 5 years:

Camargo Corrêa Desenvolvimento Imobiliário – Camargo Corrêa Real Estate Business Unit (2006 - 2008);
Business Development Department – Manager (2008 - 2009);
Business Development Department – Coordinator (2007 - 2008);

Positions held in entities inside the Group at 31 December 2013:

Vice-President of the Board of Directors of InterCement Brasil S.A..

Positions held in entities outside the Group at 31 December 2013:

Vice-President of the Board of Directors of:
- InterCement Participações, S.A.;
- CV Serviços de Meio Ambiente, S.A.;
- Camargo Corrêa Desenvolvimento Imobiliário, S.A.;
- HM Engenharia, S.A..

Deputy Member of the Board of Directors of:
- CCR, S.A.;
- Alpargatas, S.A..

Strategy and Planning Department Manager of Camargo Corrêa, S.A. – Holding Co.

No shares of Cimpor were held at 31 December 2013.

Nelson Tambelini Junior (Member of the Board of Directors and Member of the Executive Committee – since 26 August 2013)

Date of birth:	5 December 1962
Nationality:	Brazilian
Date of 1st appointment:	26 August 2013
End of the term-of-office:	2014

Education:

1985: Law Degree, United Metropolitan Colleges.

2007: MBA Business Management, Fundação Getúlio Vargas

Professional activities in last 5 years:

Human Resources Director of Camargo Corrêa Cimentos (2009 – 2012);
Chief People Officer of TAVEX, based in Madrid, answering the areas of Quality Management System, Communication, Human Resources and Innovation (2006 – 2009).

Positions held in entities outside the Group at 31 December 2013:

Vice-President of Organizational Development, with responsability for the areas of Human Resources, Internal and External Communication, Innovation, Sustainability and R&D of InterCement.

No shares of Cimpor were held at 31 December 2013.

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.of-office	2014

Education:

Degree in Metallurgical Engineering by Escola Politécnica – Universidade de São Paulo;
Master's Degree in Metallurgical Engineering by Universidade de São Paulo;
Postgraduate diploma in Industrial Management by Universidade de São Paulo, Fundação Vanzolini;
MBA in Management by Fundação Dom Cabral.

Professional activities in last 5 years:

General Manager of:
- Loma Negra CIASA (2008-2010);
- InterCement Brasil, S.A. (2008).

Operations Vice-President of InterCement (2010 – 2012).
Advisor of:
- Federação Interamericana de Fabricantes de Cimento – FICEM, in representation of Argentina (2008 – 2013);
- Câmara Portuguesa de Comércio, São Paulo (2012 – 2013).

Member of the Board of Directors of Canteras Del Riachuelo, S.A..
Chairman of the Board of Directors of:
- NPC – Cimpor (PTY) Limited (South Africa), (2012-2013);
- Natal Portland Cement Company (Proprietary) Limited (South Africa), (2012-2013).

Positions held in entities inside the Group at 31 December 2013:

Chairman of the Board of Directors of:
- Cimpor Portugal, SGPS, S.A. (Portugal);
- Cimpor – Indústria de Cimentos, S.A. (Portugal);
- Cimpor – Serviços de Apoio à Gestão de Empresas, S.A. (Portugal);
- Cimpor Inversiones, S.A. (Spain);
- Cimentos de Moçambique, S.A. (Mozambique);
- Holdtotal, S.A..

Manager of Kandmad - Sociedade Gestora de Participações Sociais, (Portugal).

Member of the Board of Directors of:
- Loma Negra CIASA (Argentina);
- Fundação Loma Negra (Argentina);
- Cauê Finance Limited (Caiman Islands).
- Recycomb, S.A. (Argentina);
- Betel, S.A. (Argentina);
- Compañia Argentina Cemento Portland, S.A. (Argentina);
- Cofesur, S.A. (Argentina);
- Ferrosur Roca, S.A. (Argentina);

Vice-President of the Board of Directors of Loma Negra CIASA.

Positions held in entities outside the Group at 31 December 2013:

Advisor of Instituto Camargo Corrêa (2011 – Present);

No shares of Cimpor were held at 31 December 2013.

José Neves Adelino
(Member of the Board of Directors – since 29 April 2010)

Date of birth:	19 March 1954
Nationality:	Portuguese
Date of 1st appointment:	29 April 2010
End of the term-of-office:	2014

Education:

1976: Degree in Finance, ISE, Universidade Técnica, Lisbon.

1981: PhD in Finance, Kent State University.

Professional activities in last 5 years:

University Professor of Finance, Faculdade de Economia, Universidade Nova, Lisbon;
Member of the Investment Committee:
- Fundo Caravela (Inter-risco);
- PT Previsão.

Chairman of the Board of the General Meeting of PT PRO;
Member of the Strategic Advisory Board of PT;
Member of the Global Advisory Board and member of the Remuneration Committee of SONAE, SGPS;
Member of the Management Board of Fundo de Garantia de Depósitos;
Member of the Strategic Advisory Board of CTT;
Member of the National Education Board;
Index Committee of Euronext Lisbon.

Positions held in entities outside the Group at 31 December 2013:

Finance and Investment Director of Fundação Calouste Gulbenkian;
Member of the Board of Directors and member of the Audit Committee of Sonae, SGPS, S.A.;
Member of the Audit Committee of BPI – Banco Português de Investimento;
Visiting Professor, Bentley College, USA;
Member of the Investment Committee of Portuguese Venture Capital Initiative – European Investment Fund;
Advisory Working Group Member of CSER's Corporate Finance Standing Committee;
Extensive consultancy activity in private companies and public bodies.

No shares of Cimpor were held at 31 December 2013.

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 appointment:	16 July 2012
End of the term-of-office:	2014

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.

Positions held in entities outside the Group at 31 December 2013:

Member of the Board of Directors of Impresa, SGPS, S.A.;
Member of the Audit Committee of Impresa, SGPS, S.A.;
Member of the Advisory Committee of Banif;
Member of the Audit Board of Fundação Champalimaud.

No shares of Cimpor were held at 31 December 2013.

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 appointment:	16 July 2012
End of the term-of-office	2014

Education:

Masters of Business Administration, Getúlio Vargas Foundation – School of Business Administration, São Paulo, Brazil;
Specialisation (Postgraduate Diploma) in Commercial and Business Law, Universidade Pontífica Católica, Brazil;
Graduate Degree in Law, Universidade de Lisboa, Portugal.

Professional activities in last 5 years:

Partner of Simmons & Simmons (2001 – 2009);
Member of the Board and PAC of Simmons & Simmons, in London, (2004 – 2009);
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).

Positions held in entities outside the Group at 31 December 2013:

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.
Chairman of the curator 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.
Member of the Advisory Board of Marsh.
Member of the Board of Directors of Circulo Eça de Queiroz.
Chairman of :
- Union Internacionale des Avocats – PT;
- Comissão de Banking Internacional.

No shares of Cimpor were held at 31 December 2013.

ANNEX II

Remuneration Committee Statement

2013

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.

This Statement takes into account, in addition to the above-indicated law, the Recommendations of the Securities Market Commission on the matter and the applicable rules of the Companies' Code, the Securities' Code, CMVM Regulation No. 1/2010, and the Articles of Association of Cimpor.

1. The year 2012

The current Remuneration Committee, comprising three members, was elected at the Extraordinary General Meeting of 16 July 2012, which approved the changes to corporate governance of Cimpor after the completion of the Takeover Bid whereby Cimpor came under the control of the Camargo Corrêa/InterCement Group. That Committee began work immediately after its appointment, developing ongoing work from that date until the end of 2012. It was the responsibility of the Remuneration Committee previously elected in 2009 to award the variable remuneration of the executive directors with reference to the Company's performance in 2011.

AWARD OF COMPENSATION TO DIRECTORS FOR THE EARLY TERMINATION OF THEIR TERM OF OFFICE

The Remuneration Committee approved, in the exercise of its powers, the award of compensation to the former members of statutory bodies for the early termination of their term of office under the changes to the corporate governance of Cimpor. The amounts of this compensation are disclosed in accordance with law in the Company's financial statements.

REMUNERATION POLICY

In the 2nd Session of the Annual General Meeting held on 6 July 2012, the Shareholders, in view of the above-stated changes in corporate governance, decided to refer the assessment of the remuneration policies for 2012 to the statutory bodies to be elected at the subsequent Extraordinary General Meeting.

The Remuneration Committee, in compliance with the mandate given by the General Meeting, focused on the remuneration policy and performance assessment system of the management and supervisory bodies of Cimpor in force, which is extensively described in Chapter III of the 2011 Annual Report of Cimpor. It decided to maintain the existing guidelines for remuneration policy, introducing some adjustments still in 2012 that are primarily directed at the following vectors:

a) The new corporate governance model of Cimpor composed of a board of directors, and comprising an audit committee and statutory auditor;
b) The new shareholder structure profile of Cimpor and respective integration of the company into the Camargo Corrêa/InterCement Group;
c) Adjustment of the variable remuneration of the executive directors, given the termination in 2012 of the stock option plans;
d) Adjustment of the value of remuneration (fixed and variable) of executive directors appointed in July 2012, according to their expatriate status (with remuneration paid by InterCement in Brazil, outside the consolidation perimeter of Cimpor);
e) Elimination of the remuneration top-ups related to non-executive directors working on specialised committees of the Board of Directors, with the exception of members of the Audit Committee (which is a corporate body in the strictest sense in the new corporate governance model).

The adjustments referred to above resulted, in brief, in the keeping of the existing remuneration policy guidelines with an overall reduction in the value of remunerations of members of the management and supervisory bodies.

2. Guidelines for 2013

The work of the Remuneration Committee also focused on analysing the performance assessment model underlying the Variable Remuneration Table for Leaders adopted by the InterCement Group. By virtue of the combination of the two business groups (Cimpor and InterCement) arising from the acquisition of control of Cimpor by InterCement, that variable remuneration table and the corresponding performance assessment model should be extended in 2013 to the executive directors and senior management of Cimpor and respective business units corresponding to the countries where Cimpor previously operated individually. This will promote (horizontal and vertical) consistency of the assessment metrics of the Group resulting from the combination of the two companies.

The objectives pursued by applying to Cimpor the variable remuneration table of InterCement - particularly in relation to promoting a sense of belonging to a new and renewed company through shared global objectives, and favouring harmony between individual behaviour and the overall business objectives - ensure convergence with the growth objectives and long-term sustainability of the company, with the creation of wealth for shareholders and appropriate incentive to the performance of management governing the remuneration policy of Cimpor. Consequently, this variable remuneration system also ensures the continuity of compliance with the standards and recommendations regarding the remuneration policy adopted by Cimpor.

Given the recent amendment of the corporate governance model of Cimpor and current context of corporate and business integration of Cimpor and InterCement, the effects of which are likely to intensify in 2013, the Remuneration Committee recommends maintaining the remuneration policy in force in Cimpor, including the above adjustments introduced after the Extraordinary General Meeting of July 2012 as well as the implementation in 2013 of the above-described performance assessment model and variable remuneration table of InterCement.

8 April 2013

Manuel Soares Pinto Barbosa (Chairman)	Gueber Lopes (Member)	Nélson Tambelini Júnior (Member)

ANNEX III

Remuneration Committee Statement

2014

Under the terms of articles 2 and 3 of Law no. 28/2009, of 19th June, the Remuneration Committee is presenting its statement on the Remuneration Policy for Members of the Management and Supervisory Bodies of the Company to be submitted to the Cimpor – Cimentos de Portugal, SGPS, S.A. (Cimpor) General Meeting.

This statement takes into account, as well as the abovementioned Law, the Recommendations of the Corporate Governance Code of the Portuguese Stock Market Commission (Comissão do Mercado de Valores Mobiliários - CMVM), in its 2013 version, and the applicable legal provisions of the Companies Code, the Stock Market Code, CMVM Regulations no. 1/2010 and no. 4/2013 (in effect since 1st January 2014, replacing CMVM Regulation no. 1/2010) and Cimpor's articles of association.

1. 2013

The Remuneration Committee's team (elected at the Cimpor Extraordinary General Meeting on 16th July, 2012) was changed in 2013 due to the resignation of Nélson Tambelini Junior following his nomination as a Cimpor Executive Director on 26th August 2013. Given that election of members of the Remuneration Committee is the responsibility of the General Shareholder's Meeting, the place previously taken up by Nélson Tambelini Junior was left open until the next General Meeting.

REMUNERATION POLICY

This change notwithstanding, the work of the Remuneration Committee continued throughout 2013, notably the implementation of the variable remuneration scale and corresponding evaluation models of the InterCement Group at Cimpor and its subsidiaries, in line with the targets set out for this area for last year. As set out in the guidelines for 2013 in the previous "Statement from the Remuneration Committee," this measure – covering executive directors and management staff at Cimpor and respective business units where the company operated on an individual basis before its merger with the InterCement Group – is intended to promote (horizontal and vertical) consistency of the Group's evaluation metrics after combining the two companies. This ensures continued compliance with the standards and recommendations adopted by Cimpor, particularly in terms of convergence with the company's long term growth and sustainability targets, creating value for shareholders and appropriate incentives for management performance.

Otherwise, Cimpor's remuneration policy, detailed in Chapter III of the Cimpor Annual report and Accounts, was in line with the general remuneration policy in place in previous years, together with adjustments that were considered appropriate given Cimpor's new shareholder and corporate governance structure after a controlling position was taken by the Camargo Corrêa/InterCement Group in 2012.

PAYMENTS FOR DIRECTORS' DISMISSAL OR TERMINATION OF SERVICES

No payments were made, as they were unenforceable, for directors' dismissals in 2013.

2. Guidelines for 2014

The Remuneration Committee's current term of office and Cimpor's remuneration policy as detailed in Chapter III of the Cimpor Annual Report and Accounts include, as much as possible, the recommendations of the CMVM Corporate Governance Code (in its 2013 version) and the provisions of CMVM Regulation no. 4/2013, since it came into effect on 1st January, 2014.

Unless there is a significant change of circumstances this year that would justify an extraordinary review, the potential maximum fixed amount payable to members of Cimpor's governing bodies in 2014 will be as follows:

Board of Directors	Fixed Annual Remuneration(1) (Euros)
Directors at 31st December 2013	
Daniel Proença de Carvalho (Chairman)	**280,000**
Luiz Roberto Ortiz Nascimento	**78,750**
Albrecht Curt Reuter Domenech	**78,750**
José Édison Barros Franco (5)	**98,000**
Claudio Borin Guedes Palaia (3)	**84,000**
Andre Pires Oliveira Dias	**78,750**
Ricardo Fonseca de Mendonça Lima (2)	**112,000**
Nelson Tambelini Junior (3)	**84,000**
José Manuel Trindade Neves Adelino (4)	**112,000**
Pedro Miguel Duarte Rebelo de Sousa	**78,750**
António Soares Pinto Barbosa (5)	**98,000**
Total(1)	**1,183,000**

(1) Gross figures applicable from 1st January 2014, subject to all taxes and contributions due by law; (2) Chairman of the Executive Commission; (3) Member of the Executive Commission; (4) chairman of the Audit Commission; (5) Member of the Audit Commission.

The abovementioned fixed remuneration figures are subject to a maximum variation of 5% to cover any potential exchange rate losses resulting from payment in a currency other than the Euro.

Based on current pre-established conditions to achieve certain results and performance the members of the Cimpor Executive Commission may be paid a variable remuneration, which will only be owed if at least 80% of the targets are reached. The maximum potential amount for variable remuneration will be 50% of the annual fixed remuneration. In addition to this, the total value of remuneration (fixed and variable) of executive directors takes into account their situation as expatriates (with remuneration paid by InterCement in Brazil, outside of Cimpor's consolidation perimeter).

The maximum potential fixed remuneration to be paid to Deloitte & Associados SROC, S.A., to act as Cimpor's statutory auditor in 2014, has yet to be set. However, we do not expect a significant variation on the base amount paid for the statutory audit of Cimpor's individual and consolidated accounts in 2013, which, as shown in the company's Report and Accounts, totalled 33,000 euros and 1,117,000 euros, respectively.

Taking into consideration the recent company and business integration of Cimpor and InterCement as well as the implementation of the variable remuneration scale and the corresponding evaluation models of the InterCement Group at Cimpor and its subsidiaries, for 2014 the Remuneration Committee recommends that the current remuneration policy remain in place.

27th February, 2014

Manuel Soares Pinto Barbosa	Gueber Lopes
(*Chairman*)	(Member)

LIST OF SHAREHOLDERS POSSESSING QUALIFYING HOLDINGS[1]

Shareholders	No. of Shares	% of Share Capital [2]	% of Voting Rights [3]
Camargo Corrêa Group	**632.933.437**	**94,19%**	**94,19%**
Rosana Camargo de Arruda Botelho,Renata de Camargo Nascimento and Regina de Camargo Pires Oliveira Dias w ho, 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. w hich it fully controls	632.933.437	94,19%	94,19%
Through the company Camargo Corrêa Cimentos Luxembourg, S.à.r.l. w hich it fully controls	189.660.153	28,22%	94,19%
Through the company InterCement Participações S.A. controlled	443.273.284	65,96%	94,19%
Through InterCement Austria Holding GmbH w hich it fully controls	443.273.284	65,96%	94,19%
It is imputable to InterCement Austria Holding GmbH, according to the CMVM understanding follow ing the launch of the Public Offer by the former over the total share capital of Cimpor, the sum of the voting rights of the follow ing:			
Participations held by itself	443.273.284	65,96%	65,96%
Camargo Corrêa Cimentos Luxembourg, S.à.r.l. (company of the Camargo Corrêa Group, as above mentioned)	189.660.153	28,22%	28,22%

(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 ow n shares, i.e. all the shares w ith voting rights, w ith 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)

INFORMATION REQUIRED BY LAW

According to the requirements of Article 447 of the Companies Code and Regulation No. 5/2008, the movement occurred during 2013 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 Board of Directors and Audit Committee

Shareholders	No. of Shares 31-12-2012	No. of Shares 31-12-2013	Transactions in 2013			
			Acquisitions	Disposals	Price €	Date
Daniel Proença de Carvalho	1	1				

Companies closely related to Board Members

Shareholders	No. of Shares 31-12-2012	No. of Shares 31-12-2013	Transactions in 2013			
			Acquisitions	Disposals	Price €	Date
Camargo Corrêa Cimentos Luxembourg, S.à.r.l [1]	221.360.153	189.660.153		31,700,000 [2]	3,09	09-08-2013

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, SA (Cimpor) published the following information during the 2013 financial year on the site of the Cimpor Group. 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.

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17 January	New Assets - Reorganization and Asset Swap Process
31 January	Merger of intra-group companies in Brazil (Cimpor Brasil and InterCement Brasil)
4 March	Cimpor new perimiter
18 March	Presentation of financial year 2012 results
18 March	Francisco Sequeira appointed deputy company secretary
23 May	Presentation of 1st Quarter 2013 Results
23 May	Deliberations of the 2013 General Meeting, the accounts' reporting documents regarding the financial year of 2012; the proposal for the allocation of profits according to which the company will distribute a gross dividend of 0,0162 euros per share; as well as all other items proposed approval.
4 June	Dividend payment for 2012
4 June	Resignations from Members of the Board of Directors (Luís Filipe Sequeira Martins and Manuel Luís Barata de Faria Blanc)
22 July	Cimpor increases griding capacity in Mozambique, in 220 thousand tons per year
26 August	Cimpor publishes 1st Half Results Report 2013
26 August	Claudio Borin Guedes Palaia and Nélson Tambelini Júnior have been appointed members of the Board of Directors of Cimpor, following the resignation of André Gama Schaeffer, Daniel Antonio Biondo Bastos, Armando Sérgio Antunes da Silva and Luis Miguel da Silveira Ribeiro Vaz.
3 September	Standard and Poors reaffirms rating and changes outlook to positive
26 November	Announces 3rd Quarter 2013 Results

IV SUPERVISION AND AUDIT DOCUMENTS

AUDIT COMMITTEE REPORT AND OPINION ON THE CONSOLIDATED AND INDIVIDUAL ACCOUNTS FOR 2013

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 2013, and its opinion on the proposals submitted by the Board of Directors of the company to the General Meeting.

Supervision of the Company

The Audit Committee has followed the development of the business activity in the 2013 financial year by the Cimpor group companies. It 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.

The Audit Committee monitored during 2013 the risk management and internal control system adopted the previous year, analysing and assessing the effectiveness of its application to the units integrated in the universe of the Cimpor Group. The Audit Committee directly supervised the activity performed by the internal audit of the Group's companies, regularly receiving reports on the information and conclusions reached by the internal audit services on the work performed in accordance with the schedule approved by the Audit Committee. No fact that should be highlighted was detected in the business activity of those companies and the Audit Committee considers that the systems in place are adequate and progress in identifying, monitoring and managing the risks the Company is exposed to.

The Audit Committee gave its opinion on the two transactions during the year involving related parties and which were submitted to it for appraisal.

It also monitored the regular information it received on the system in place for the reception and handling of irregularities.

The Audit Committee did not encounter any constraint on the exercise of its activity. It met eight 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.

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 2013 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 2013, 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 2013, 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 2013, 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.

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 2013, which comprise the consolidated and separate statements of financial position as of 31 December 2013 (that present totals of 6,451,345 thousand Euros and 1,254,880 thousand Euros, respectively and consolidated and separate shareholders' equity of 987,561 thousand Euros and 1,207,825 thousand Euros, respectively, including a consolidated net loss attributable to the shareholders of the Company of 19,351 thousand Euros and a separate net profit of 7,543 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 2013 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. The consolidated statements of profit and loss and other comprehensive income and of cash-flows for the year ended 31 December 2013 are not fully comparable with those of the preceding year as they include the results and cash flows of the operations relating to assets acquired in the swap operation, which was realized at the end of the year ended 31 December 2012.

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, 27 February 2014

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