ANNOUNCEMENT OF CONSOLIDATED PROFITS FOR 2004

In 2004, CIMPOR's Consolidated Net Profit (after Minority Interests) reached 185.9 million euros, an identical value to the one registered in the previous year. The Group's Return on Equity (ROE), of 19.3%, was also almost unchanged compared to 2003 (19.5%).

In what concerns CIMPOR's operations, 2004 was, however, a particular difficult year, as a consequence of a number of setbacks specially the falling demand in two of its main markets (Portugal and Egypt), a steep drop in Brazil's cement prices, generally increased energy costs (particularly fuel) and substantially higher maritime freights.

Group Consolidated Income

(EUR million)	2004	2003	% Chg	2002
Turnover	1,365.6	1,360.9	0.3 %	1,317.2
Operating Cash Costs	906.9	848.4	6.9 %	805.8
Operating Cash Flow (EBITDA)	458.7	512.5	- 10.5 %	511.4
Depreciation & Provisions	210.5	223.5	- 5.8 %	227.6
Operating Income (EBIT)	248.2	289.0	- 14.1 %	283.8
Financial Income	- 6.5	- 35.5	-	- 23.3
Current Income	241.7	253.4	- 4.6 %	260.5
Extraordinary Income	- 5.8	12.3	- 146.9 %	- 38.2
Pre-tax Income	235.9	265.7	- 11.2 %	222.3
Income Tax	45.5	72.6	- 37.4 %	40.6
Income Before Minority Interests	190.4	193.1	- 1.4 %	181.6
Minority Interests	4.5	7.2	- 37.4 %	5.1
Group's Net Income	185.9	185.9	0,0 %	176.6
Return on Equity (ROE)	19.3 %	19.5 %		17.3 %

Deriving from these adversities – but also due to the growing importance of exports in the turnover from the Portuguese Business Area (at prices inevitably lower than those in the domestic market and with substantial transportation costs) - Operating Cash Flow (EBITDA) fell by about 53.8 million euros, with the respective margin dropping nearly 4.1 p.p. (from 37.7% in 2003 to 33.6% in 2004).

The Portuguese and Brazilian Business Areas – both revealing, in that indicator, drops of 35 million euros, corresponding to decreases of 16.4%, in the first case, and 30.4% in the second – were, for the aforementioned reasons, the main factors underlying the CIMPOR's lower operating profitability. Except for Morocco (where sales prices fell over 7% in local currency) and Mozambique (which experienced many production problems, exacerbated even further by rising clinker import maritime freights), all the other Business Areas increased their Operating Cash Flow to a greater or lesser extent. This was especially the case in Egypt and South Africa where Operating Cash Flow rose by 8.3 million euros (+38.8%) and 8.7 million euros (+27.9%), respectively.

Although EBITDA margins have fallen in Portugal and, especially, in Mozambique and Brazil, due to the aforementioned reasons, it must be emphasised, on one hand, the decrease in the Spanish Business Area (due to its growing focus on the production and sale of concrete and the sale of imported or produced cement using clinker acquired from third parties) and, on the other hand, that this indicator has continued to improve in the Business Areas of South Africa, Tunisia and, mainly, in Egypt (especially due to higher sales prices and the start-up of a new production line in February of 2004).

Operating Cash Flow (EBITDA)
(EUR million)

Business	2004		2003		Change	
Areas	Amount	Margin	Amount	Margin	Amount	%
Portugal	175.7	31.3 %	210.1	35.8 %	- 34.4	- 16.4
Spain	88.7	25.1 %	84.2	28.1 %	4.5	5.3
Morocco	24.7	45.3 %	25.4	45.3 %	- 0.6	- 2.5
Tunisia	14.7	27.5 %	13.3	24.3 %	1.4	10.5
Egypt	29.5	44.2 %	21.3	38.4 %	8.3	38.8
Brazil	80.4	40.4 %	115.5	51.7 %	- 35.1	- 30.4
Mozambique	7.9	16.6 %	11.7	27.4 %	- 3.8	- 32.5
South Africa	39.9	45.6 %	31.2	45.1 %	8.7	27.9
Other Activities	- 2.8	-	-0.1	-	- 2.7	-
Total	458.7	33.6 %	512.5	37.7 %	- 53.8	- 10.5

With total Depreciation and Provisions decreasing by about 13 million euros, the Group's Operating Income (EBIT) did not fall, in absolute terms, as much as the Operating Cash Flow, but fell nonetheless slightly above 14%.

Financial Income improved substantially, by about 29 million euros, the majority of this figure resulting from non-recurring income in companies consolidated through the equity method. However, this improvement was mostly set off by a drop in Extraordinary Income of nearly 18 million euros. Nevertheless, the Group's Net Income remained practically identical to that of 2003, despite the said decrease in Operating Income, due to lower Income Tax rates. The corresponding savings (of over 27 million euros) – besides the lower taxable income – is explained essentially by lower tax rates in Portugal and Egypt and by a certain fiscal optimization reached in Brazil.

In 2004 – despite falling consumption in the Business Areas of Portugal and, especially, of Egypt – the CIMPOR Group's cement and clinker sales totalled about 18.6 million tons, an increase of 1.9% over the previous year. Except for Tunisia (due to falling clinker sales) and Mozambique (due to operation problems at the Matola factory), all the other Business Areas were able to increase sales quantities, even in cases where the market went down. In these countries, the decrease in domestic sales (about 6.3% in Portugal, and 8.8% in Egypt) were more than compensated by higher cement and clinker exports (including exports to other Group units).

In Spain, the increase in quantities sold of 12.5%, reflects not only the growth in cement consumption in that country but also a slight increase of the market share. In South Africa, on the contrary, and due to installed-capacity limitations, the higher sales, although substantial (+6.5%), were not sufficient to keep up with market growth.

Cement and Clinker Sales
(thousand tons)

Business Areas	2004	2003	Change
Portugal	5,946	5,862	1.4 %
Spain	4,209	3,741	12.5 %
Morocco	852	822	3.6 %
Tunisia	1,477	1,498	- 1.4 %
Egypt	2,275	2,108	7.9 %
Brazil	3,442	3,242	6.2 %
Mozambique	567	595	- 4.6 %
South Africa	1,100	1,033	6.5 %
Total (consolidated)	18,641	18,298	1.9 %

Concrete sales increased significantly (10%), particularly in the Spanish Business Area where sales rose nearly 30% mainly due to the acquisition of new plants. In contrast, and due to the slump in the Portuguese market, the Group's sales of aggregates fell about 4.0%, despite higher sales in Spain and the start-up of aggregate business in South Africa. Mortar sales, which have been clearly expanding in the Iberian Peninsula, reached almost 500 thousand tons, rising nearly 12%.

Concrete, Aggregates and Mortar Sales

Product / Business Area	2004	2003	% Chg
Concrete (1,000 m3)			
Portugal	3,646	3,716	- 1.9 %
Spain	2,517	1,897	32.6 %
Other Business Areas	511	454	12.5 %
Total	6,674	6,068	10.0 %
Aggregates (1,000 ton)			
Portugal	7,610	8,687	- 12.4 %
Spain	3,867	3,504	10.4 %
Other Business Areas	421	206	103.9 %
Total	11,897	12,397	- 4.0 %
Mortar (1,000 ton)	490	438	11.9 %

In 2004, the Group's Consolidated Turnover reached 1,365.6 million euros, slightly higher (0.3%) than in the previous year. Excluding intra-Group transactions, it must be emphasised that the Spanish and South African Business Areas contributed significantly to this indicator with positive increases of 44.8 million euros and 18.4 million euros, respectively. Turnover was also boosted by improved trading activities (whose turnover more than doubled) and by the Business Areas of Egypt and Mozambique, where sales surpassed those of 2003 by 8.7% and 11.3%, respectively.

Portugal and Brazil, in 2004, contributed substantially less (about 46 million euros and 24 million euros, respectively) to the Group's Turnover. These decreases resulted mainly from lower product sales in the Portuguese market and the aforementioned drop in cement prices (by nearly 15%) in the Brazilian market.

Contributions to Turnover *

(EUR million)

Business Areas	2004 Amount	2004 %	2003 Amount	2003 %	Change Amount	Change %
Portugal	509.5	37.3	555.3	40.8	- 45.8	- 8.2
Spain	344.1	25.2	299.3	22.0	44.8	15.0
Morocco	54.5	4.0	56.1	4.1	- 1.5	- 2.7
Tunisia	53.6	3.9	54.9	4.0	- 1.3	- 2.4
Egypt	60.1	4.4	55.3	4.1	4.8	8.7
Brazil	199.1	14.6	223.5	16.4	- 24.4	- 10.9
Mozambique	47.3	3.5	42.5	3.1	4.8	11.3
South Africa	87.5	6.4	69.1	5.1	18.4	26.6
Trading	9.9	0.7	4.8	0.4	5.0	103.6
Consolidated Total	1,365.6	100.0	1,360.9	100.0	4.7	0.3

* Excluding Intra-Group transactions

From the end of 2003 to late 2004, total Employed Capital remained practically unchanged (between 2.5 and 2.6 billion euros). The (net) volume of new investments in fixed assets, including goodwill paid in acquisitions, reached nearly 310 million euros.

Capital Employed (Group)

(EUR million)	2004	2003	2002
Current Assets	457.2	419.8	440.9
(Non-financial Current Liabilities)	-394.2	-237.0	-258.8
Working Capital (net)	63.1	182.8	182.1
Goodwill (gross)	1,293.6	1,250.7	1,256.5
Tangible Fixed Assets (net)	1,217.5	1,193.6	1,300.1
Other Assets (net)	-26.0	-55.7	-273.1
Capital Employed	2,548.2	2,571.3	2,465.5
Financing Debt	1,469.1	1,531.4	1,520.9
(Loans Granted / Liquid Assets)	-239.6	-292.9	-372.0
Net Financial Debt	1,229.4	1,238.5	1,148.9
Provisions for Risks and Charges	145.0	127.9	118.7
Minority Interests	76.3	78.3	88.5
Deferred Tax Liabilities (net)	-52.2	-22.7	-25.3
Accumulated Amortisation of Goodwill	420.7	365.8	300.1
Shareholder’s Equity	970.4	960.6	949.6
Subtotal	2,789.6	2,748.5	2,580.5
(Non-Operating Assets)	-241.4	-177.2	-115.0
Capital Employed	2,548.2	2,571.3	2,465.5

Among the said investments, emphasis goes to the construction of a cement grinding mill in Sines (Portugal), the completion of a new production line in Egypt, the purchase of quarries and concrete plants in Portugal, Spain, Brazil and South Africa, the acquisition of a cement grinding mill in Northern Spain and the acquisition of a shareholding (49%) in Angola's largest cement company (Nova Cimangola). Even without taking the latter into account, the CIMPOR Group's total cement production capacity (with own clinker) increased by about 1.3 million tons in 2004 to its current capacity of 23.4 million tons/year. In these circumstances, the Group's ranking as the 10th largest company in the sector worldwide is not expected to have changed.

Despite the said investments and the high rate of dividends paid (over 110 million euros), the Net Financial Debt (of about 1,230 million euros) remained practically the same and continues to represent less than 50% of total Capital Employed.

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