CIMPOR – Cimentos de Portugal, SGPS, S.A.

ANNOUNCEMENT OF CONSOLIDATED RESULTS FOR 2002

Following a period of more than a year in which it was unable to pursue its development strategy, CIMPOR once again took up its growth and internationalisation strategy during 2002. It acquired a company in South Africa, a grinding facility in Brazil and three manufacturing plants in Spain (two factories and a grinding facility). This allowed the Group to increase its total cement production capacity, using its own clinker, to 21.2 million tonnes per annum, bringing it up to tenth place in the global ranking of cement companies.

Despite the fall seen in some markets in which the Group does business (the Portuguese market in particular), the increase of competition in other markets (notably in Egypt) and the sharp depreciation against the euro of the Brazilian and Egyptian currencies (by over 30% and 20% respectively in annual average exchange-rate terms), Consolidated Net Income after Minority Interests amounted to 176.6 million euros, an increase of 28.1% over the previous year (not including the contributions of the units acquired in Spain and with just one quarter's results of the acquisition in South Africa.)

The Group's return on equity (RoE) consequently increased from 12.4% in 2001 to 17.3% in 2002.

GROUP STATEMENT OF INCOME

(million euros)	2002	2001	Var.	2000
Turnover	1,317.2	1,385.7	-4.9 %	1,316.0
Operating cash costs				
Cost of materials consumed	314.1	357.5	-12.1 %	292.7
Services and suppliers	356.2	385.8	-7.7 %	372.6
Staff costs	152.2	149.9	1.5 %	136.7
Other operating cash costs	-16.8	-12.3	S.S.	-5.4
Total	805.8	880.9	-8.5 %	796.7
Operating Cash Flow (*EBITDA*)	511.4	504.8	1.3 %	519.3
Depreciation & provisions				
Goodwill	59.0	48.2	22.4 %	56.0
Other depreciation	150.7	170.9	-11.8 %	144.5
Provisions	17.8	15.8	12.7 %	15.9
Total	227.6	235.0	-3.1 %	216.3
Operating income (*EBIT*)	283.8	269.8	5.2 %	303.0
Financial income	-23.3	-56.3	58.5 %	-63.5
Current income	260.5	213.6	22.0 %	239.5
Extraordinary income	-38.2	-5.2	S.S.	8.9
Pre-tax income	222.3	208.4	6.7 %	248.4
Income tax	40.6	63.6	-36.1 %	89.9
Income before minority interests	181.6	144.8	25.5 %	158.5
Minority interests	5.1	6.9	-26.9 %	6.5
Group net income	176.6	137.8	28.1 %	152.0

In overall terms, Group Turnover totalled 1,317.2 million euros, a reduction of 68.5 million euros (4.9%) from the 2001 figure, largely as a result of the decline seen in Portugal (down 30.3 million euros). Egypt (down 37.6 million euros) and Brazil (down 13.4 million euros). In the first case the cause was the combined effect of lower consumption and higher imports, while in the other two it was caused mainly by the depreciation of their currencies (further aggravated in Egypt by lesser quantities sold).

Despite this decrease of Turnover, the excellent operating performance of the great majority of the Group's companies allowed the Operating Cash Flow to increase slightly (1.3%) to 511.4 million euros, and also increased the EBITDA margin from 36.4% in 2001 to 38.8% in 2002.

EBITDA MARGINS BY BUSINESS AREA

Business Area	2002	2001
Portugal	39.3 %	34.1 %
Spain	32.5 %	29.9 %
Morocco	45.6 %	44.6 %
Tunisia	18.3 %	16.1 %
Egypt	22.9 %	38.9 %
Brazil	51.2 %	51.0 %
Mozambique	19.5 %	18.0 %
South Africa *	41.3 %	-
Consolidated	38.8 %	36.4 %

* In the 4th Quarter (2002)

The increase of this margin in Business Area Portugal (more than 5 p.p.) was particularly significant, especially bearing in mind that costs increased by about 18 million euros as a result of the need to increase the normal contributions to the Cimpor Indústria Pension Fund by this sum as a result of the very negative performance of the capital markets.

With Depreciation and Provisions down by 3.1%, Operating Income was up 14 million euros (5.2%) and the respective margin on Turnover increased from 19.5% in 2001 to 21.5% in 2002.

On the other hand, very careful financial-debt management, allied to lower interest rates, allowed, despite the greater debt, consolidated Financial Charges to improve by nearly 33 million euros – a reduction of the Group's net financial costs by almost 60%.

Therefore, Current Income, which amounted to over 260 million euros, was up by more than 47 million euros compared to the previous year (up 22.0%)

An Extraordinary Loss was returned in the sum of 33.1 million euros as a result of taking an extraordinary charge for the amortisation of goodwill (in the sum of about 12 million euros) and of setting aside/increasing some provisions for financial investments whose recovery is doubtful, for costs related to additional income tax payments (which have been contested through the courts) and for other contingencies & liabilities (particularly liabilities for the payment of pensions and medical assistance), all of which totalled more than 60 million euros.

The 23 million euro reduction of Income Tax (despite the increase of Pre-tax Income) was caused by the combined effect of the tax saving obtained through the capital loss on the transfer of almost the whole of the Group's international holdings to a new holding company set up in Spain (based on valuations made by an independent entity) and of the provisions set aside for the additional Income Tax payments referred to above.

CEMENT SALES

(thousands of tonnes)	2002	2001	Variation
Portugal	6,073	6,495	- 6.5 %
Spain	1,548	1,516	2.1 %
Morocco	739	703	5.2 %
Tunisia	1,471	1,537	- 4.3 %
Egypt	2,203	2,465	- 10.6 %
Brazil	3,693	3,513	5.1 %
Mozambique	486	424	14.8 %
South Africa *	271	-	-
Total - Consolidated	16,469	16,604	- 0.8 %

* In the 4th Quarter (2002)

Cement sales by quantity totalled 16.5 million tonnes, down 0.8% over last year (2.4% on a like basis).

In Portugal, following a very good first half in which cement consumption increased by about 5.7% over the same period last year, the market began to fall sharply and, over the year as a whole, declined by 5%. The performance of CIMPOR's sales – which were down by over 400,000 tonnes – was even worse (down 6.5%), given the significant increase of imports and the consequent loss of market share.

This decline of the Portuguese market was only exceeded, in relative terms, by that seen in Egypt, where – as a result of new operators coming into the cement industry and of the increased capacity implemented by existing operators – competition was very fierce, with an inevitable effect on the quantities sold by the group (down 10.6%).

The reduction of sales in Tunisia (by more than 4%) was also significant, though natural (at least in part) in that there had been an increase of almost 14% in 2001 caused by the difficulties of an operational nature experienced by some of the major competitors in supplying their markets under optimal conditions.

On the positive side, should be enhanced sales growth in Spain (2.1%), Morocco (5.2%), Brazil (5.1%) and, chiefly, in Mozambique (14.8%), though the latter has little impact at Group level.

CAPITAL EMPLOYED (GROUP)

(millions of euros)	2002	2001	2000
Current assets	440.9	447.7	399.4
(Current non-financial liabilities)	(258.8)	(250.6)	(207.3)
Working capital (net)	182.1	197.1	192.0
Goodwill (gross)	1,256.5	995.6	1,168.8
Tangible fixed assets (net)	1,300.1	1,279.7	1,054.6
Other assets (net)	(273.1)	(29.9)	(14.7)
Capital employed	2,465.5	2,442.5	2,400.7
Financing liabilities	1,520.9	1,239.1	1,243.8
(Loans granted / Cash & cash equivalents)	(372.0)	(181.7)	(196.5)
Net financial debt	1,148.9	1,057.3	1,047.3
Provisions for contingencies & liabilities	118.7	55.8	56.7
Minority interests	88.5	111.5	100.7
Deferred taxes	(25.3)	32.9	(51.1)
Accumulated amortisation of Goodwill	300.1	230.7	186.5
Shareholders' Equity	949.6	1,091.1	1,131.4
Sub-total	2,580.5	2,579.3	2,471.5
(Assets not assigned to operations)	(115.0)	(136.8)	(70.8)
Capital employed	2,465.5	2,442.5	2,400.7

Capital Employed was practically unchanged, and this is also true of the financing structure. Attention is drawn, however, to total investments, which, including goodwill paid on the acquisitions, exceeded 700 million euros.

Despite this, and the significant volume of dividends paid out (almost 100 million euros), net financial debt rose little more than 90 million euros (excluding the impact of the purchase of the Cordova and Niebla factories), and continues to account for less than 50% of total Capital Employed. The respective cost, together with other costs (net of other revenues) of a financial nature, was also well under control, and even fell to less than 10% of Operating Income.

Lisbon, March 24th 2003