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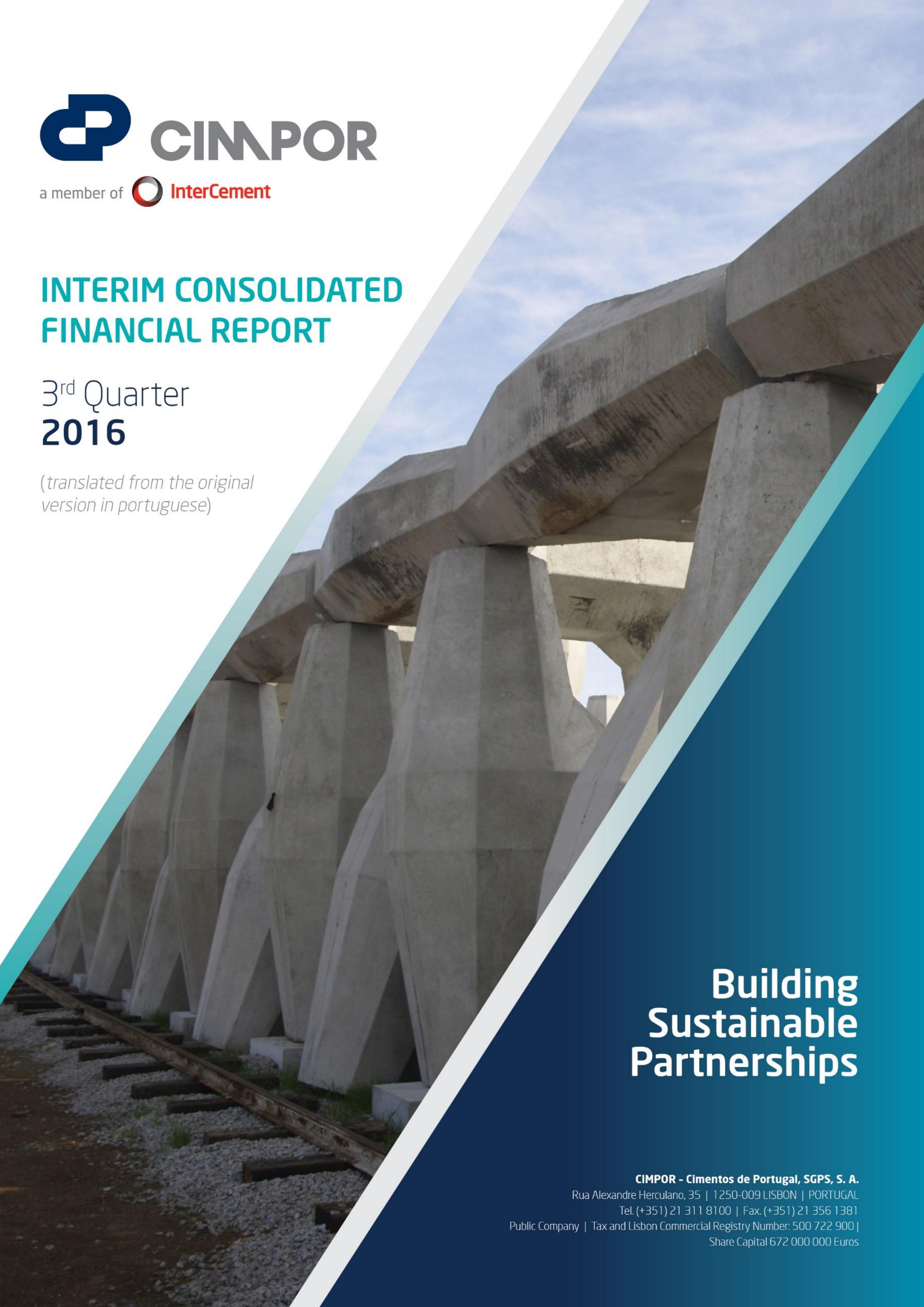
INTERIM CONSOLIDATED FINANCIAL REPORT

3rd Quarter
2016

(translated from the original version in portuguese)



Building Sustainable Partnerships

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Share Capital 672 000 000 Euros

Markets revert to growth on Q3

Reversion market trend occurred on Q3 and efficiency package just started delivering, for results were yet to reach 2015. Adverse forex constrained results.

Favorable perspectives materialized. South America led Q3 reversion. Compared to Q2'16, Q3 Cement and Clinker Volumes Sold ("Volumes"), improved 8%, while Sales, benefiting from price adjustment, rose 9% and EBITDA grew 5%.

Compared to 2015, Q3 efficiency increased – EBITDA margin was up 1pp on Q3'15 to 19.6%. Average LMU price increase (+16%) and cost cutting, overcame lower volumes (-12%). However adverse forex impact, both on cost structure and translation to euros, harmed comparison with Q3'15: Turnover was down 23% (-7% ex forex), while EBITDA dropped 19%, despite being in line with 2015 on an ex-forex basis (-2%).

Same pattern was observed for 9M figures. EBITDA of €265 million was down on 2015 by 33%, but by 15% on an ex-forex basis.

Financial results took the onus of the forex adverse effect registered throughout 2016, though kept in line with the same period last year.

Q3 Net Profit remained negative (€-35M), and stood €39M behind Q3'15. 9M figure dropped to €-589M reflecting the Q2 impairment registration on the Brazilian assets goodwill (€452M).

Free Cash Flow of €-17M regressed vs. €23M on Q3'15, but recovered from H1'16 trend with higher working capital efficiency and CAPEX improvement. 9M'16 FCF: €-234M.

Monetization of assets and sale of minority interests in progress target Net Debt reduction, from €3,421M registered by September 30, 2016.

Consolidated Shareholders' Equity was negative, though positive by €1,191M on the individual financial statements of Cimpor holding.

INCOME STATEMENT							
(€ million)	3rd Quarter				Jan - Sep		
	2016	2015	QoQ	YoY	2016	2015	YoY
Sales	**482.1**	**625.1**	**8.8%**	**-22.9%**	**1,379.4**	**1,927.9**	**-28.5%**
Net Operational Cash Costs	387.7	508.7	9.8%	-23.8%	1,114.8	1,532.2	-27.2%
Operational Cash Flow (EBITDA)	**94.4**	**116.4**	**4.8%**	**-18.9%**	**264.6**	**395.7**	**-33.1%**
Amortisations and Provisions	69.0	46.5	-85.7%	48.2%	596.9	147.2	n.m.
Operating Income (EBIT)	**25.4**	**69.9**	n.m.	-63.6%	**-332.3**	**248.5**	n.m.
Financial Results	-105.2	-107.2	-1.1%	-1.8%	-287.4	-274.0	4.9%
Pre-tax Income	**-79.8**	**-37.3**	-84.0%	114.1%	**-619.7**	**-25.5**	n.m.
Income Tax	-19.1	-7.4	53.3%	158.1%	-30.6	17.2	n.m.
Net Income	**-60.7**	**-29.9**	**-87.5%**	**103.2%**	**-589.1**	**-42.7**	**n.m.**
Attributable to:							
Shareholders	-57.1	-26.7	-88.3%	113.4%	-583.8	-33.7	n.m.
Minority Interests	-3.6	-3.1	197.6%	15.8%	-5.3	-9.0	-40.8%

1. Q3 performance

Positive signs observed by the end of H1 materialized in Q3'16, which raising from a pronounced downturn was still behind 2015.

Q3 Volumes, Sales and EBITDA improved from Q2 and stood above Q1. Recent trend shows Brazil recovery, Argentina consumption resume and Paraguay accelerated growth pace. Africa improved.

Cimpor restructuring proceeds so as to capture reversal markets potential. Focus on commercial assertiveness and operating efficiency – industrial grid adjustment, energy matrix optimization and redesigned support to operations.

Volumes reached 6 million tons in Q3, leading to 18 million tons for the 9M. Despite the recent reversal from the downturn – Q3 increased 8% vs. Q2 – Volumes in Q3 stood 12% below Q3'15, though attenuating the 9M decrease to 15%.

Sales contraction on Q3'15 reflected both adverse forex and concrete and aggregates assets sales. Price adjustments following cost inflation (+16% LMU) overcame lower Volumes observed on Q3. However, currency depreciations impact, together with lower concrete and aggregates contribution, brought Sales down by 23% (8% ex- forex).

Recent reversal has also passed onto Sales which in euros have grown 1pp above Volumes vs Q2.

EBITDA reveals efficiency increases with EBITDA margin growing 1pp vs Q3'15 up to 19.6%. Reinforced commercial strategy combined with increasing efficiency initiatives – adjustments on the industrial grid (suspension of Cubatão and Loulé), optimization of energy matrix and redesigned support to operations -, already delivered first output but are yet to reach their full potential.

EBITDA grew sustainably throughout 2016 (Q3 is 5% up on Q2). However, when compared to 2015, in face of lower Sales and the double forex impact on cost structure and translation to euros, Q3 EBITDA registered a contraction of 19%. Excluding forex effect on translation (€20M), Q3'16 EBITDA would have been close to Q3'15 (-2%).

9M'16 EBITDA of €265M, encompassed €83M of currency translation effect, revealing a 33% decrease, 16% ex-forex.

Depreciations Amortisations and Impairments, were highly impacted on Q2'16 with €452M goodwill impairment in Brazil justifying the 9M figure.

Financial Results remained stable incorporating the accounting effects of the exchange rate fluctuations on Intercompany Loans, which justify the slight drop registered vs. 9M'15 (5%), despite the mitigating effect of the Cimpor BV 2024 Senior Notes sale (€21M).

Net Income remained negative on Q3 (€-61M) while for the 9M was down to €- 584M, affected by the above mentioned impairment.

Free Cash Flow on Q3 (€-17M) degraded from the €23M cash generation registered on Q3'15. Nevertheless, Q3 FCF revealed a substantial improvement on H1 average (€-108M), on the back of working capital improvement (€9M vs €-78 on Q2) and capex discipline.

Free Cash Flow						
million euros	2015		2016			
	Q3	9M	Q1	Q2	Q3	9M
Adjusted EBITDA	119	403	81	93	98	273
Working Capital	*46*	*-55*	*-77*	-78	9	-146
Others	-4	-10	-16	-3	-7	-26
Operating Activities	**162**	**337**	**-12**	**12**	**100**	**101**
Interests Paid	-104	-201	-51	-76	-106	-232
Income taxes Paid	-4	-31	-6	-13	-9	-29
Cash Flow before investments	**54**	**105**	**-69**	**-76**	**-15**	**-160**
CAPEX	-33	-109	-28	-47	-13	-89
Assets Sales / Others	2	12	1	3	11	15
Free Cash Flow to the company	**23**	**8**	**-96**	**-120**	**-17**	**-234**
Borrowings, financing and debentures	59	207	24	157	24	206
Repayment of borrowings, financ. and debent.	-137	-316	-38	-4	-99	-141
Dividends	0	0	0	0	0	0
Other financing activities	4	52	-18	10	1	-7
Changes in cash and cash equivalents	-51	-49	-128	43	-91	-176
Exchange differences	-49	-51	-12	8	-17	-21
Cash and cash equivalents, End of the Period	545	545	567	618	510	510

* Adjusted for non-recurrent figures.

As of September 30, 2016 **Total Assets** stood at €5,060M, 10% below December 31, 2015, mostly to the goodwill impairment registration on Q2'16 (€488M).

Net Debt reached €3,421M. Despite 4% above September 30, 2015 reveals an 11% increase when compared to December 31, 2015 as penalized by forex evolution.

Shareholders' Equity on a consolidated basis stood negative by September 30, 2016 (€-257M), due to the above mentioned impairment, but of an individual basis was positive by €1,191M.

Consolidated Balance Sheet Summary			
(€ million)	30 sep 2016	31 Dec 2015	Var. %
Assets			
Non-current Assets	3,807	4,180	-8.9%
Current Assets			
Cash and Equivalents	540	730	-26.0%
Other Current Assets	712	685	4.0%
Total Assets	**5,060**	**5,595**	**-9.6%**
Shareholders' Equity attributable to:			
Equity Holders	(257)	268	s.s.
Minority Interests	30	41	-26.4%
Total Shareholders' Equity	**(227)**	**309**	**n.m.**
Liabilities			
Loans & Obligations under finance leases	4,159	4,060	2.4%
Provisions & Employee benefits	126	137	-8.2%
Other Liabilities	1,001	1,089	-8.0%
Total Liabilities	**5,287**	**5,286**	**0.0%**
Total Liabilities and Shareholders' Equity	**5,060**	**5,595**	**-9.6%**

2. Operations in-depth look – Q3 reversion

Brazil

Positive signs on Brazil consumption materialized. Volumes rose 12% over Q2, though still 17% behind Q3’15. The price adjustments by the end of Q3 allowed Sales growth of 15% vs Q2’16, yet 32% lower than Q3’15.

EBITDA almost doubled vs. Q2, fuelled by reinforced commercial assertiveness and cost cutting initiatives - rationalisation of the industrial network (further suspension of Cubatão plant), new approach to the concrete business and various SG&A initiatives. However, the initial phase of recovery was yet tenuous in face of the consumption downturn in the last two years leaving EBITDA 45% behind Q3’15.

9M Results started revealing the first reversion stages.

Argentina

Market got back on track, despite severe rains impact on September sales. Q3’16 Volumes increased 16% over Q2. Expected consumption adjustments from record high 2015 sales faded. Compared to 2015, Volumes decline 7% in Q3, contrasting with - 20% in Q2.

Q3 EBITDA rose 11% over Q2. Nevertheless, a 38% Peso depreciation over Q3’15 determined a 15% drop over the same period last year. Cost cutting initiatives and commercial reaction towards cost inflation adjustments succeeded, allowing EBITDA to grow in local currency by 38% EBITDA vs. Q3'15, and 23% vs. 9M'15 (though -24% vs. 9M'15 in euros).

Paraguay

Fruitful commercial strategy reacted to imports delivering strongest quarter in 2016. Q3 Volumes rose 26%, while Sales increased 11% vs. Q3'15. Recent installed integrated line reached cruising mode driving 9M EBITDA margin up to 36% (32% in 9M'15).

Egypt

New coal mill (energy matrix optimization programme) enhanced operational flexibility. Q3 Volumes augmented 16% vs. both Q2 and Q3'15, meeting consumption growth. Market conditions allowed LMU price to overcome H1 pressure and grew vs. Q3'15. Sales increased 12%, compared to Q3'15, while EBITDA margin went up 0.8p.p.

Mozambique

Q3 kept Q3'15 activity level, but outstood Q2 performance, with higher volumes (+17%) and Sales (7%). Pronounced metical depreciation (38%) impacted both cost structure and translation to euros. Even so, 9M improved 4% from 9M'15.

South Africa

Volumes recover throughout 2016, as InterCement penetrates new markets. Q3 activity was nevertheless affected by logistical pressure following heavy rains and subsequent landslides.

Q3 Sales increased 12% vs. Q2. However, compared to the same period last year, Sales dropped 21% reacting to a more competitive environment and influenced by the ZAR depreciation. EBITDA followed the same trend.

Portugal

Local market recovered on Q3 vs. Q2, though not enough to offset the decline observed vs. 2015. Exports continued to suffer from clients' dependency on commodity prices. 9M Sales stood 23% below 9M'15. CO2 permits management affects EBITDA QoQ comparison. EBITDA to benefit from restructuring initiatives (suspension of Loulé kiln and redesigned support to operations).

Cape Verde

Growth fuelled by foreign investment in the tourism sector. Q3 Volumes record 30% growth above Q3'15, while Sales increased 31%.

CEMENT AND CLINKER VOLUMES SOLD					
(thousand tons)	3rd Quarter			Jan - Sep	
	2016	QoQ	YoY	2016	YoY
Brazil	2,257	11.7%	-17.2%	6,545	-19.2%
Argentina	1,576	15.5%	-7.3%	4,348	-11.7%
Paraguay	134	19.9%	25.7%	335	10.8%
Portugal	600	-24.3%	-35.7%	2,124	-35.7%
Cape Verde	53	-4.6%	29.5%	157	21.2%
Egypt	822	16.0%	15.8%	2,382	-3.9%
Mozambique	484	16.9%	1.8%	1,266	11.2%
South Africa	353	3.2%	-20.2%	1,011	-5.3%
Sub-Total	**6,279**	**8.1%**	**-12.0%**	**18,167**	**-15.3%**
Intra-Group Eliminations	-62	29.6%	-6.7%	-159	-52.8%
Consolidated Total	**6,216**	**7.9%**	**-12.0%**	**18,008**	**-14.7%**

SALES					
(€ million)	3rd Quarter			Jan - Sep	
	2016	QoQ	YoY	2016	YoY
Brazil	140	15.0%	-32.1%	397	-41.6%
Argentina	159	17.6%	-20.2%	428	-24.0%
Paraguay	15	18.1%	11.2%	38	-6.3%
Portugal	53	-12.4%	-21.1%	167	-23.1%
Cape Verde	9	-2.3%	30.8%	26	27.8%
Egypt	48	9.7%	11.9%	143	-13.7%
Mozambique	32	7.2%	-31.5%	96	-20.1%
South Africa	29	11.8%	-21.0%	79	-20.0%
Trading / Shipping	33	-5.3%	-38.6%	116	-49.0%
Others	10	-9.7%	-21.6%	33	-10.9%
Sub-Total	**527.6**	**8.9%**	**-23.0%**	**1,522.8**	**-29.8%**
Intra-Group Eliminations	-46	10.4%	-24.8%	-143	-40.8%
Consolidated Total	**482.1**	**8.8%**	**-22.9%**	**1,379.4**	**-28.5%**

EBITDA					
(€ million)	3rd Quarter			Jan - Sep	
	2016	QoQ	YoY	2016	YoY
Brazil	23.2	92.3%	-44.9%	52.4	-57.9%
Argentina & Paraguay	40.1	12.0%	-11.4%	111.0	-21.4%
Portugal & Cape Verde	9.1	-43.7%	67.7%	33.4	-18.6%
Africa	20.8	-17.5%	-9.1%	63.8	-21.6%
Trading / Shipping & Others	1.2	39.2%	72.4%	4.0	-48.3%
Consolidated Total	**94.4**	**4.8%**	**-18.9%**	**264.6**	**-33.1%**
EBITDA margin	**19.6%**	**-0.7 p.p.**	**1.0 p.p.**	**19.2%**	**-1.3 p.p.**

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CONSOLIDATED FINANCIAL STATEMENTS

3rd Quarter

2016

Building Sustainable Partnerships

Condensed Consolidated Statement

of Profit and Loss and Other Comprehensive Income for the nine months periods and quarters ended September 30, 2016 and 2015

(Unaudited)

(Amounts stated on thousand euros)

(Translation from the Portuguese original – Note 25)

		9 months		3rd quarter	
	Notes	2016	2015	2016	2015
Operating income:					
Sales and services rendered	6	1,379,411	1,927,916	482,117	625,118
Other operating income		32,892	46,873	9,945	2,856
Total operating income		1,412,303	1,974,789	492,062	627,974
Operating expenses:					
Cost of goods sold and material used in production		(293,613)	(487,913)	(95,909)	(176,526)
Outside supplies and services		(625,301)	(796,424)	(215,786)	(236,494)
Payroll costs		(205,392)	(257,169)	(76,075)	(88,529)
Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets	6	(595,653)	(147,689)	(68,679)	(46,386)
Provisions	6 and 17	(1,220)	523	(296)	(162)
Other operating expenses		(23,427)	(37,596)	(9,871)	(9,979)
Total operating expenses		(1,744,606)	(1,726,267)	(466,617)	(558,077)
Net operating income	6	(332,303)	248,522	25,445	69,897
Net financial expenses	6 and 7	(288,244)	(274,999)	(105,758)	(107,086)
Share of profits of associates	6 and 7	618	1,030	388	315
Other investment income	6 and 7	233	(17)	147	(380)
Profit before income tax	6	(619,695)	(25,464)	(79,778)	(37,254)
Income tax	6 and 8	30,616	(17,220)	19,111	7,403
Net profit/(loss) for the period	6	(589,079)	(42,684)	(60,667)	(29,850)
Other comprehensive income:					
That will not be subsequently reclassified to expenses and income:					
Actuarial gain and loss on employee's responsabilities		(1,506)	1,031	-	-
That might be subsequently reclassified to espenses and income:					
Derivative financial instruments		(11,932)	16,919	(6,856)	591
Currency translation adjustments (Variation)		71,129	(531,760)	(21,970)	(417,663)
Results recognize directly in equity		57,692	(513,809)	(28,826)	(417,072)
Total comprehensive income for the period		(531,387)	(556,494)	(89,493)	(446,923)
Net profit for the period attributable to:					
Equity holders of the parent	10	(583,772)	(33,720)	(57,058)	(26,736)
Non-controlling interests	6	(5,307)	(8,965)	(3,608)	(3,115)
		(589,079)	(42,684)	(60,667)	(29,850)
Total comprehensive income for the period attributable to:					
Equity holders of the parent		(524,841)	(544,544)	(86,181)	(441,711)
Non-controlling interests		(6,546)	(11,950)	(3,311)	(5,211)
		(531,387)	(556,494)	(89,493)	(446,923)
Earnings per share of operations:					
Basic	10	(0.88)	(0.05)	(0.09)	(0.04)
Diluted	10	(0.88)	(0.05)	(0.09)	(0.04)

The accompanying notes form an integral part of the financial statements for the nine months period ended September 30, 2016.

Condensed Consolidated Statement

of Financial Position at September 30, 2016 and December 31, 2015

(Unaudited)

(Amounts stated on thousand euros)

(Translation from the Portuguese original – Note 25)

	Notes	September 2016	December 2015
Non-current assets:			
Goodwill	11	1,168,573	1,531,291
Intangible assets		26,917	26,867
Tangible assets	12	2,142,712	2,166,141
Investments in associates	6	8,344	10,612
Other investments		8,135	7,809
Accounts receivable-other		44,050	34,625
Taxes recoverable		33,189	27,776
Other non-current assets	19	181,237	238,895
Deferred tax assets	8	193,948	135,572
Total non-current assets		3,807,105	4,179,588
Current assets:			
Inventories		408,637	390,802
Accounts receivable-trade		167,254	163,772
Accounts receivable-other		42,174	46,754
Taxes recoverable		57,016	53,243
Cash and cash equivalents	20	540,422	730,387
Other current assets	19	37,182	30,202
Total current assets		1,252,684	1,415,161
Total assets	6	5,059,789	5,594,749
Shareholders' equity:			
Share capital	13	672,000	672,000
Treasury shares	14	(27,216)	(27,216)
Currency translation adjustments	15	(1,011,668)	(1,084,050)
Reserves		285,806	299,256
Retained earnings		407,721	478,849
Net profit for the period	10	(583,772)	(71,231)
Equity before non-controlling interests		(257,130)	267,609
Non-controlling interests		30,220	41,046
Total shareholders' equity	6	(226,910)	308,655
Non-current liabilities			
Deferred tax liabilities	8	410,993	418,515
Employee benefits		18,794	16,107
Provisions	17	105,222	105,545
Loans	18	3,165,023	3,942,862
Account payable - other		15,685	16,668
Taxes payable		14,596	5,222
Other non-current liabilities	19	10,643	5,843
Total non-current liabilities		3,740,956	4,510,762
Current liabilities			
Employee benefits		901	899
Provisions	17	1,240	14,912
Loans	18	994,358	117,182
Accounts payable - trade		211,765	258,609
Accounts payable - others		150,569	168,507
Taxes payable		60,886	49,955
Other current liabilities	19	126,024	165,268
Total current liabilities		1,545,744	775,332
Total liabilities	6	5,286,700	5,286,094
Total liabilities and shareholders' equity		5,059,789	5,594,749

The accompanying notes form an integral part of the financial statements for the nine months period ended at September 30,2016.

Condensed Consolidated Statement

of Changes in Shareholders' Equity for the nine months periods ended September 30, 2016 and 2015

(Unaudited)

(Amounts stated on thousand euros)

(Translation from the Portuguese original – Note 25)

	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 December 31, 2014		672,000	(27,216)	(462,584)	267,273	451,692	27,207	928,371	50,020	978,391
Consolidated net profit for the period	6	-	-	-	-	-	(33,720)	(33,720)	(8,965)	(42,684)
Results recognized directly in equity		-	-	(528,775)	17,950	-	-	(510,824)	(2,985)	(513,809)
Total comprehensive income for the period		-	-	(528,775)	17,950	-	(33,720)	(544,544)	(11,950)	(556,494)
Appropriation of consolidated profit of 2014:										
Transfer to legal reserves and retained earnings		-	-	-	-	27,207	(27,207)	-	-	-
Dividends		-	-	-	-	-	-	-	(1,151)	(1,151)
Variation in financial investments and other		-	-	-	-	170	-	170	235	405
Balances at September 30, 2015	6	672,000	(27,216)	(991,359)	285,224	479,068	(33,720)	383,997	37,154	421,151
Balances at December 31, 2015		672,000	(27,216)	(1,084,050)	299,256	478,849	(71,231)	267,609	41,046	308,655
Consolidated net profit for the period	6	-	-	-	-	-	(583,772)	(583,772)	(5,307)	(589,079)
Results recognized directly in equity		-	-	72,382	(13,450)	-	-	58,931	(1,239)	57,692
Total comprehensive income for the period		-	-	72,382	(13,450)	-	(583,772)	(524,841)	(6,546)	(531,387)
Appropriation of consolidated profit of 2015:										
Transfer to legal reserves and retained earnings		-	-	-	-	(71,231)	71,231	-	-	-
Dividends		-	-	-	-	-	-	-	(613)	(613)
Variation in financial investments and other		-	-	-	-	102	-	102	(3,667)	(3,565)
Balances at September 30, 2016	6	672,000	(27,216)	(1,011,668)	285,806	407,721	(583,772)	(257,130)	30,220	(226,910)

The accompanying notes form an integral part of the financial statements for the nine months period ended at September 30, 2016.

Condensed Consolidated Statement

of Cash Flows for the nine months periods and Quarters ended September 30, 2016 and 2015 (Unaudited)

(Amounts stated on thousand euros)

(Translation from the Portuguese original – Note 25)

		9 months		3rd quarter	
	Notes	2016	2015	2016	2015
Operating activities					
Cash Flows from operating activities (1)		71,882	306,121	90,806	158,423
Investing activities					
Receipts relating to:					
Financial investments		27,231	55,198	14,584	4,832
Tangible assets		4,049	10,105	2,421	1,491
Interest and similar income		9,473	5,902	6,104	1,790
Dividends		869	1,506	-	-
Others		-	16	-	15
		41,622	72,727	23,109	8,129
Payments relating to:					
Financial investments		(18,465)	-	(763)	-
Tangible assets		(87,757)	(104,856)	(12,363)	(31,415)
Intagible assets		(1,049)	(4,207)	(875)	(1,317)
Others		(237)	-	(237)	-
		(107,508)	(109,064)	(14,238)	(32,732)
Cash flow from investing activities (2)		(65,886)	(36,337)	8,871	(24,603)
Financing activities:					
Receipts relating to:					
Loans obtained	20	205,789	206,823	24,360	59,218
Others		-	40,236	-	170
		205,789	247,059	24,360	59,388
Payments related to:					
Loans obtained	20	(141,430)	(316,137)	(99,395)	(137,249)
Interest and similar costs		(241,051)	(246,630)	(111,610)	(106,010)
Others		(5,234)	(3,309)	(4,035)	(1,249)
		(387,714)	(566,076)	(215,041)	(244,509)
Cash flows from financing activities (3)		(181,926)	(319,016)	(190,681)	(185,121)
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		(175,930)	(49,232)	(91,004)	(51,301)
Effect of currency translation and other non monetary transactions		(21,055)	(50,778)	(16,871)	(48,988)
Cash and cash equivalents at the beginning of the period		707,198	644,573	707,198	644,851
Cash and cash equivalents at the end of the period	20	510,213	544,563	599,322	544,563

The accompanying notes form na integral part of the financial statements for the nine months period ended at September 30, 2016.

Notes to the consolidated financial statements

At September 30, 2016

(Unaudited)

(Amounts stated in thousands of euros)

(Translation of notes originally issued in Portuguese – Note 25)

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Notes to the consolidated financial statements

At September 30, 2016

(Unaudited)

(Amounts stated in thousands of euros)

(Translation of notes originally issued in Portuguese – Note 25)

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 September 30, 2016 held operations in 8 countries: Portugal, Egypt, Paraguay, Brazil, Mozambique, South Africa, Argentina and Cape Verde (the "Cimpor Group" or "Group").

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

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

2. Basis of presentation

The accompanying financial statements as of September 30, 2016 were prepared in accordance with IAS 34 – Interim Financial Reporting on a going concern basis from the books and accounting records of the companies included in the consolidation, restated in the consolidation process to the International Financial Reporting Standards as endorsed by the European Union, effective for the year beginning January 1, 2016, for the interim financial reporting.

3. Summary of significant accounting policies

The accounting policies adopted are consistent with those considered in the consolidated financial statements for the year ended as of December 31, 2015 and disclosed in the corresponding notes, except in respect of the standards and interpretations entering into force on or after January 1, 2016, the adoption of which had not a significant impact on the Group's results or financial position.

4. Changes in the consolidation perimeter

In the nine months periods ended September 30, 2016 and 2015 there were no changes in the consolidation perimeter of the Group.

5. Exchange rates used

The exchange rates used to translate, to euros, the foreign currency assets and liabilities at September 30, 2016 and December 31, 2015, as well the results for the nine months periods ended at September 30, 2016 and 2015 were as follows:

		Closing exchange rate (EUR / Currency)			Average exchange rate (EUR / Currency)		
Currency		September 2016	December 2015	Var.% (a)	September 2016	September 2015	Var.% (a)
USD	US Dollar	1.1239	1.0885	(3.1)	1.1154	1.1141	(0.1)
BRL	Brazilian Real	3.6484	4.2504	16.5	3.9423	3.4213	(13.2)
MZN	Mozambique Metical	87.6387	50.6181	(42.2)	65.5094	40.7297	(37.8)
CVE	Cape Verde Escudo	110.265	110.265	-	110.265	110.265	-
EGP	Egyptian Pound	9.9792	8.5230	(14.6)	9.7852	8.5410	(12.7)
ZAR	South African Rand	15.4136	16.9339	9.9	16.6892	13.7120	(17.8)
ARS	Argentinian Peso	17.2069	14.1941	(17.5)	16.2005	10.0091	(38.2)
PYG	Paraguayan Guaraní	6,249.57	6,328.51	1.3	6,351.48	5,635.65	(11.3)

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

6. Operating segments

The main profit and loss information for the nine months periods ended September 30, 2016 and 2015, of the several operating segments, being those, the geographical areas where Group operates, is as follows:

	September 2016				September 2015			
	Sales and services rendered			Operating results	Sales and services rendered			Operating results
	External sales	Inter segment sales	Total		External sales	Inter segment sales	Total	
Operating segments:								
Brazil	396,304	929	397,233	(457,261)	680,677	-	680,677	65,778
Argentina and Paraguay	466,021	-	466,021	73,571	603,984	-	603,984	103,858
Portugal and Cape Verde	149,231	43,919	193,149	8,095	151,760	85,889	237,650	12,857
Egypt	143,417	-	143,417	15,605	166,126	-	166,126	24,285
Mozambique	96,077	-	96,077	12,763	120,230	-	120,230	10,738
South Africa	76,412	2,182	78,594	18,157	95,017	3,169	98,185	24,343
Total	1,327,461	47,029	1,374,491	(329,070)	1,817,794	89,058	1,906,852	241,859
Unallocated (a)	51,949	96,353	148,303	(3,233)	110,121	153,079	263,200	6,663
Eliminations	-	(143,383)	(143,383)	-	-	(242,136)	(242,136)	-
	1,379,411	**-**	**1,379,411**	**(332,303)**	**1,927,916**	**-**	**1,927,916**	**248,522**
Net financial expenses				(288,244)				(274,999)
Share of results of associates				618				1,030
Other investment income				233				(17)
Result before income tax				(619,695)				(25,464)
Income tax				30,616				(17,220)
Net result for the period				**(589,079)**				**(42,684)**

(a) This caption include; (i) assets and liabilities of companies not attributable to specific segments and, (ii) intra-group eliminations between segments.

On September 30, 2016, Operating results in the segment "Portugal and Cape Verde" are positively influenced by a net gain of €7,453 thousand (€7,839 thousand in the nine months period ended September 30, 2015), as a result of the sale of 2,250,000 of CO2 emissions allowances (3,400,000 of allowances in the nine months period ended September 30, 2015), deducted of the liability of €2,299 thousand (€17,341 thousand in the nine months period ended September 30, 2015), corresponding to 480,208 tonnes of CO2, emitted above the licences held, totalizing 1,564,061 tonnes of CO2 emitted in the nine months period ended September 30, 2016 (2,257,918 tonnes of CO2 emitted in the nine months period ended September 30, 2015).

Note also that, in this nine months period was also contracted the purchase of 2,940,000 of CO2 emissions allowances, by the amount of €22,296 thousand (of which, 2,750,000 were contracted in 2015 by the amount of €21,156). In April 2016, 2,927,472 licenses were returned, relating to emissions in the year 2015.

It should also be notice that, as a result of restructuring processes in progress in Group, in particular in the Argentinian, Brazilian and Portuguese business areas, nonrecurring costs with indemnities and others in the nine months period ended September 30, 2016, amounted to €8,400 thousand (around €7,129 thousand in the nine months period ended September 30, 2015).

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

	September 2016	September 2015
Operating segments:		
Argentina and Paraguay	2,602	(7,573)
Portugal and Cape Verde	205	196
Egypt	30	104
Mozambique	(8,267)	(2,363)
South Africa	123	1,463
Unallocated	-	(792)
	(5,307)	(8,965)

Other information:

	September 2016			September 2015		
	Fixed capital expenditure	Depreciation, amortisation and impairment losses a)	Provisions	Fixed capital expenditure	Depreciation, amortisation and impairment losses a)	Provisions
Operating segments:						
Brazil	23,712	509,307	333	56,704	58,546	82
Argentina and Paraguay	37,919	37,126	264	44,954	36,773	460
Portugal and Cape Verde	4,277	26,095	(817)	2,934	28,096	41
Egypt	22,747	8,778	361	9,269	9,585	92
Mozambique	5,561	4,793	-	9,727	6,222	-
South Africa	2,596	3,379	1	3,986	6,155	2
Unallocated	1,387	6,175	1,077	1,946	2,312	(1,200)
	98,199	595,653	1,220	129,519	147,689	(523)

(a) The impairment losses, when it occurs, respects to impairment losses on goodwill, tangible and intangible assets. In the nine months period ended September 30, 2016, in the Brazilian business area, impairment losses were recorded, in goodwill in the amount of BRL 1,782,163 thousand (€452,064 thousand), and in tangible assets unallocated to operating segments, in the amount of about €4,300 thousand (Notes 11 and 12).

In addition, assets and liabilities, by reportable segment, reconciled to the total consolidated amounts as at September 30, 2016 and December 31, 2015, are as follows:

	September 2016			December 2015		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Brazil	2,764,116	1,557,537	1,206,579	2,828,031	1,329,138	1,498,893
Argentina and Paraguay	833,790	493,783	340,008	935,899	489,177	446,722
Portugal and Cape Verde	394,222	368,162	26,060	460,215	440,800	19,415
Egypt	345,595	134,393	211,202	371,601	91,285	280,317
Mozambique	179,724	178,024	1,700	236,697	177,823	58,874
South Africa	243,505	111,367	132,137	232,215	108,230	123,985
	4,760,952	2,843,267	1,917,685	5,064,659	2,636,453	2,428,206
Unallocated	832,161	2,985,101	(2,152,940)	1,084,151	3,214,315	(2,130,164)
Eliminations	(541,669)	(541,669)	-	(564,674)	(564,674)	-
Investments in associates and joint-ventures	8,344	-	8,344	10,612	-	10,612
Consolidated total	**5,059,789**	**5,286,700**	**(226,910)**	**5,594,749**	**5,286,094**	**308,655**

7. Net financial expenses

Net financial expenses for the nine months periods ended September 30, 2016 and 2015 were as follows:

	September 2016	September 2015
Financial expenses:		
Interest expense	202,627	204,286
Foreign exchange loss (a)	146,513	186,041
Changes in fair-value:		
Trading derivative financial instruments (b)	-	5,877
	-	5,877
Other financial expenses (c)	51,059	35,545
	400,199	431,747
Financial income:		
Interest income	20,777	26,652
Foreign exchange gain (a)	61,736	97,334
Changes in fair-value:		
Trading derivative financial instruments (b)	-	23,262
	-	23,262
Other financial income (c)	29,443	9,501
	111,956	156,748
Net financial expenses	(288,244)	(274,999)
Share of profits of associates:		
From equity method:		
Loss in associated companies	-	(12)
Gain in associated companies	618	1,041
	618	1,030
Other investment income:		
Gains on holdings	5	15
Gains/(Losses) on investments	228	(32)
	233	(17)

(a) In the nine months period ended September 30, 2016, the exchange differences are mainly influenced by the effect of the devaluation of functional currencies in Group against USD in the conversion of financial liabilities registered in that currencies.

In the nine months period ended September 30, 2015, the unfavourable and favourable exchange differences were influenced by the effect of the valuation of USD against all functional currencies in the Group in assets and liabilities registered in that currency.

(b) These captions are composed by fair value variation of trading derivative financial instruments, contracted to cover exchange and interest rate risks, which weren't qualified for hedge accounting.

(c) In Other financial income and expenses, are included income and costs related to the financial adjustments of assets and liabilities, including the effect of the financial adjustment of provisions (Note 17), prompt payment discounts granted and obtained and the costs related to commissions, guarantees and other bank charges in general. In the nine months periods ended September 30, 2016 and 2015, this caption is also influenced by the repurchase of Notes issued by Cimpor Financial Operations, B.V. with a nominal value of USD 108,378 thousand and USD 20,650 thousand, respectively, which has generated a financial income in the amount of €21,204 thousand and €3,100 thousand, respectively (Note 18).

8. Income tax

The Group companies are taxed, when 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:

	September 2016	September 2015
Portugal	22.5%	22.5%
Brazil	34.0%	34.0%
Mozambique	32.0%	32.0%
South Africa	28.0%	28.0%
Egypt	22.5%	22.5%
Argentina	35.0%	35.0%
Paraguay	10.0%	10.0%
Austria	25.0%	25.0%
Spain	28.0%	28.0%
Others	21%-25,5%	21%-25%

Income tax expense for the nine months periods ended September 30, 2016 and 2015 is as follows:

	September 2016	September 2015
Current tax	39,835	38,957
Deferred tax	(70,866)	(22,161)
Increases/(Decreases) in tax provisions (Note 17)	415	424
Charge/(Income) for the period	(30,616)	17,220

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").

The reconciliation between the tax rate applicable in Portugal and the effective tax rate in the Group in the nine months periods ended September 30, 2016 and 2015, without considering the losses (around €35 million and €61 million, respectively) of entities with debt on which the corresponding tax effects were not recognized since at present there are no projections that enable them to be expected to be recovered, is as follows:

	September 2016	September 2015
Profit before income tax	(619,695)	(25,464)
Profit from financial entities	35,192	60,806
Adjusted profit for income tax reconciliation	(584,503)	35,342
Tax rate applicable in Portugal	22.50%	22.50%
Theorical income tax	(131,513)	7,952
Impairment losses	101,714	-
Adjustments on deferred taxes	(3,273)	(2,162)
Tax rate differences	(12,277)	5,618
Other	14,732	5,812
Charge / (Income) for the period	(30,616)	17,220

The change in the caption tax rate differences reflect the grater (positive or negative) contribution of taxable results in jurisdictions with higher tax rates.

In “Other” are included the costs associated with the taxation of dividends, as well as the effect of prior year tax adjustments. In the nine months period ended September 30, 2016, also includes the registration of a tax income charge of around €12 million, related to additional tax assessments made by tax authority to one of our companies in Egypt, referring to the years 2000 to 2004. The Board of Directors has judicially appealed and, supported by the counsellors opinion, understands that the tax authorities have no grounds regarding the maintenance of the substantial of those assessments.

However, the alternative found to avoid penalties, was to formalize a staged payment agreement until 2021, which does not imply the recognition of the reasons that led to such assessments, not even prevent the maintenance of the judicial proceedings to enforce that the reason is on the side of the company, and which expressly provides for the compensation of those values, now agreed to be paid, after the judicial decision in favour of the company, moment that the settled amounts will be recognized in the assets of that company (Note 16).

The changes in deferred taxes in the nine months periods ended September 30, 2016 and 2015 were as follows:

Deferred tax assets:	
Balances at December 31, 2014	119,712
Currency translation adjustments	(22,450)
Income tax	17,188
Shareholders' equity	(3,106)
Balances at September 30, 2015	111,344
Balances at December 31, 2015	135,572
Currency translation adjustments	7,020
Income tax	49,157
Shareholders' equity	2,198
Balances at September 30, 2016	193,948
Deferred tax liabilities:	
Balances at December 31, 2014	539,054
Currency translation adjustments	(85,252)
Income tax	(4,974)
Shareholders' equity	1,104
Balances at September 30, 2015	449,932
Balances at December 31, 2015	418,515
Currency translation adjustments	15,169
Income tax	(21,709)
Shareholders' equity	(982)
Balances at September 30, 2016	410,993
Carrying amount at September 30, 2015	(338,588)
Carrying amount at September 30, 2016	(217,045)

The deferred tax assets are recorded directly on shareholders' equity when the situations that have originated them have similar impact.

9. Dividends

In the Shareholders' General Meeting held on February 24, 2016 it was proposed not to distribute dividends for the year 2015. The same decision was taken in the Shareholders' General Meeting held on March 25, 2015 for the year 2014.

10. Earnings per share

Basic and diluted earnings per share for the nine months periods and quarters ended September 30, 2016 and 2015 were computed as follows:

	September		3rd quarter	
	2016	2015	2016	2015
Basic earnings per share:				
Net profit considered in the computation of basic earnings per share	(583,772)	(33,720)	(57,058)	(26,736)
Weighted average number of ordinary shares used to calculate the basic earnings per share (thousands) (a)	666,094	666,094	666,094	666,094
	(0.88)	(0.05)	(0.09)	(0.04)

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

By the fact there were no dilution effects during the nine months periods and quarters ended September 30, 2016 and 2015, basic and diluted earnings per share are equal.

11. Goodwill

The changes in goodwill and related accumulated impairment losses in the nine months periods ended September 30, 2016 and 2015 were as follows:

	Total
Gross assets:	
Balances at December 31, 2014	1,953,467
Currency translation adjustments	(380,997)
Balances at September 30, 2015	1,572,471
Balances at December 31, 2015	1,549,292
Currency translation adjustments	125,760
Balances at September 30, 2016	1,675,052
Accumulated impairment losses:	
Balances at December 31, 2014	18,001
Balances at September 30, 2015	18,001
Balances at December 31, 2015	18,001
Currency translation adjustments	36,414
Increases	452,064
Balances at September 30, 2016	506,479
Carrying amount:	
As at September 30, 2015	1,554,470
As at September 30, 2016	1,168,573

Impairment on assets

Goodwill is subject to impairment tests annually and whenever there are indications of possible impairment, which are made based on the recoverable amounts of each of the corresponding business segments.

Attending to business model and considering the financial statement structure adopted for management purposes, goodwill is attributed generally to each operating segment, due to the existence of synergies between the units of each segment in a perspective of vertical integration of business.

The recoverable value of each group of cash-generating units is compared, in the tests performed, with the respective recognized value of assets and liabilities ("book value"). An impairment loss is only recognized when the book value exceeds the higher of the value in use and transaction value, based on cash flow projections under medium and long term business plans approved by the Board of Directors, plus perpetuity.

Changes in scenario which led to the recognition of impairments in Brazil

In the semester ended June 30, 2016, it was performed an impairment test only in the Brazilian business area, due to the deterioration of the economic and political scene of the country, as a result, impairments were recorded in the amount of €488 million (BRL 1,782,163 thousand), entirely affected to Goodwill.

According to the International Monetary Fund (IMF), although in 2015 already having registered a strong recession, the Brazilian economy must closed the year 2016 with the second worst performance in the world. For this year the projection points to a "shrink" of 3.5% in Gross Domestic Product (GDP) of the country – only better than the contraction of 6% expected for Venezuela.

In May, rating agency Fitch returned to drop credit rating in Brazil, following the trend already pointed by other two major rating agencies (Moody's and Standard & Poor's). The rating, reduced from BB+ to BB, suffered the second reduction by the same agency within six months. Staying two steps below investment grade, the agency also maintained a negative perspective, indicating that new reductions can be made.

In this macroeconomic context of the country, the cement market follows a downward trend as compared to 2015, with reduction rates of 15% per annum in the first semester. The situation is made even worse by the increase of industry's idleness, due to the entry into operation of new plants, which in a competitive environment led to reductions in average prices of 10%, when compared to the same period of 2015.

Cash Flow projections

Based on the context described above, the Group has revised assumptions underlying to the determination of recoverable amount of liquid assets in the Brazilian business area, considering the estimate of cash flows for a period of five years, on the basis of an operational plan approved by the Board of Directors. That basis includes, among other, a set of estimates related to market growth, market share, investments and costs.

In general, the plan was projected by applying growth rates for the market, considering that the demand for building materials decreased due to the financial and economic crisis, reinforced by political instability.

It is assumed a recovery in demand, as a result of the recovery of the political and economic crisis, however to levels still below pre-crisis levels.

The projected sales volumes are based on the assumption of the capacity usage and market shares according to historical levels.

Concerning to variable costs, it was assumed an evolution in line with the sales development, being expected an improvement in gross margin, leading to a partial improvement in operating margins through savings achieved by cost reduction programs and initiatives for price recovery.

Determination of discount rate

Discount rates are calculated for each cash generating unit based on relevant local risk-free rate adjusted by the country risk premium, among other parameters. For impairment test in the Brazilian business area, performed in the first semester of 2016, the group has reviewed the discount rates applied, raising the measure of country risk, in line with the reduction of the Brazilian credit rating attributed by the international rating agencies, despite the conviction in the economic recovery of the country in the medium term.

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:

		September 2016	June 2016			December 2015		
Segments	Currency	Goodwill	Goodwill	"WACC" rate	Long term growth rate	Goodwill	"WACC" rate	Long term growth rate
Brazil	EUR	870,314	891,169	11.3%	0.0%	1,191,842	10.4%	0.0%

In the semester ended June 30, 2016, the Group examined the impact of a 50 basis points change in update rates and in the EBITDA margin which resulted in the following impacts:

	+50 BP	-50 BP
"WACC" rate	(155,595)	180,438
EBITDA margin	80,132	(78,969)

12. Tangible assets

The changes in tangible assets and corresponding accumulated depreciation and impairment losses in the nine months periods ended September 30, 2016 and 2015 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 December 31, 2014	618,707	980,439	2,905,372	125,572	37,815	10,213	7,128	219,357	136,975	5,041,579
Currency translation adjustments	(76,780)	(124,435)	(333,802)	(11,828)	(2,328)	(191)	(422)	(52,868)	1,619	(601,036)
Additions	17,189	147	10,877	862	174	103	1,534	79,884	16,059	126,828
Sales	(215)	(273)	(3,229)	(604)	(66)	(13)	(2,075)	(1)	-	(6,475)
Write-offs	-	-	-	-	(60)	-	-	-	-	(60)
Transfers	18,926	6,176	33,049	6,739	580	396	203	(35,356)	(20,573)	10,142
Balances at September 30, 2015	577,827	862,053	2,612,267	120,742	36,115	10,508	6,368	211,017	134,081	4,570,978
Balances at December 31, 2015	546,653	841,515	2,586,312	108,850	35,540	10,325	6,018	258,583	30,990	4,424,787
Currency translation adjustments	(3,770)	32,382	24,913	(2,082)	(924)	(503)	(577)	17,931	379	67,748
Additions	15,907	259	2,084	27	127	119	94	77,330	1,569	97,515
Sales	(16)	(53)	(4,543)	(1,075)	(129)	(10)	(37)	(2)	-	(5,865)
Write-offs	(31)	(138)	-	-	-	-	-	-	-	(169)
Transfers	1,188	13,864	19,344	(40,026)	127	350	351	(47,576)	(2,753)	(55,132)
Balances at September 30, 2016	559,931	887,829	2,628,110	65,694	34,741	10,281	5,850	306,265	30,185	4,528,885
Accumulated depreciation and impairment losses:										
Balances at December 31, 2014	74,333	422,936	1,690,943	59,690	31,897	8,470	3,753	-	-	2,292,021
Currency translation adjustments	(6,103)	(32,155)	(152,982)	(6,382)	(1,681)	(30)	(236)	-	-	(199,568)
Increases	11,251	25,906	94,534	8,334	1,360	325	1,556	-	-	143,267
Decreases	(119)	(42)	(3,009)	(374)	(66)	(13)	(2)	-	-	(3,624)
Write-offs	-	-	-	-	(60)	-	-	-	-	(60)
Transfers	(24)	229	(1,640)	(2,839)	(50)	-	(535)	-	-	(4,858)
Balances at September 30, 2015	79,337	416,874	1,627,846	58,429	31,402	8,753	4,536	-	-	2,227,178
Balances at December 31, 2015	88,640	417,070	1,640,123	66,110	30,981	8,666	4,322	2,733	-	2,258,646
Currency translation adjustments	(73)	13,492	23,554	(303)	(627)	(401)	(264)	-	-	35,378
Increases	23,448	24,033	75,247	14,466	940	271	1,201	-	-	139,607
Decreases	(16)	-	(2,969)	(403)	(107)	(10)	(9)	-	-	(3,514)
Write-offs	-	(47)	-	-	-	-	-	-	-	(47)
Transfers	(304)	(570)	(7,319)	(35,268)	(78)	-	(358)	-	-	(43,897)
Balances at September 30, 2016	111,695	453,978	1,728,636	44,603	31,109	8,527	4,892	2,733	-	2,386,173
Carrying amount:										
As at September 30, 2015	498,490	445,179	984,421	62,313	4,713	1,755	1,832	211,017	134,081	2,343,800
As at September 30, 2016	448,236	433,851	899,474	21,091	3,632	1,754	957	303,531	30,185	2,142,712

In the nine months period ended September 30, 2016, in Transportation equipment transfers is included the reclassification occurred at the end of the first semester of the ships owned by Cimpship – Transportes Marítimos, S.A. to the caption "Non-current assets held for sale" in the liquid amount of €7,873 thousand. Additionally, were recognise impairment losses related to those assets of about €4,300 thousand (Note 6). This company was alienated in the course of the 3rd quarter by the amount of €7,245 thousand.

Tangible assets in progress and advance to suppliers of tangible assets, in the nine months ended September 30, 2016, include the construction and improvement of installations and equipment of the cement sector of several production units, essentially in the Brazil, Argentina and Portugal business areas.

13. Share capital

The Company's fully subscribed and paid up capital at September 30, 2016 and December 31, 2015, consisted of 672,000,000 shares, listed on Euronext Lisbon market, with a nominal value of one euro each.

14. Treasury shares

At September 30, 2016 and December 31, 2015 Cimpor had 5,906,098 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.

15. Currency translation adjustments

The changes in this caption in the nine months periods ended September 30, 2016 and 2015, are a result of converting financial statements of Group entities into euros, with the following functional currencies:

	Egyptian Pound	Brazilian Real	Mozambique Metical	South African Rand	Argentinian Peso	Others	Total
Balances at December 31, 2014	(46,455)	(2,796)	(5,832)	(117,035)	(292,627)	2,160	(462,584)
Currency translation adjustments	(1,868)	(483,096)	(9,338)	(14,490)	(18,594)	(1,389)	(528,775)
Balances at September 30, 2015	(48,323)	(485,892)	(15,169)	(131,524)	(311,221)	770	(991,359)
Balances at December 31, 2015	(40,395)	(428,663)	(19,163)	(145,405)	(452,019)	1,596	(1,084,050)
Currency translation adjustments	(40,806)	181,698	(11,406)	11,566	(68,245)	(427)	72,382
Balances at September 30, 2016	(81,200)	(246,965)	(30,569)	(133,839)	(520,264)	1,169	(1,011,668)

16. 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.

In September 30, 2016, the global value of the mentioned cases non provisioned ascends to €848 million (€659 million in December 31, 2015), being €9 million of contingencies related to personnel (€8 million in December 31, 2015), €610 million of tax contingencies (€459 million in December

31, 2015), €229 million of civil contingencies and administrative processes of other natures (€192 million in December 31, 2015), whose likelihood of loss was considered possible, according to the opinion of legal counsel.

When compared to what was reported on December 31, 2015, and the facts occurred in the semester, to highlight:

In Brazil, under the process brought by the Administrative Council for Economic Defence ("CADE"), the preliminary injunction requested by CADE was appealed, in order to invalidate the validity of the suspensions of all penalties initially imposed to the Group, declared judicially on October 22, 2015, until merits of the case judgement. Therefore, the real guarantees presented by the Group remain valid.

Still regarding Brazil, concerning to tax contingencies, to be noted, their increase in about €80,602 thousand, as a result of several tax inspections under PIS/COFINS and ICMS taxes.

In Egypt, as a result of a tax inspection, one of our company was subject to an additional tax assessment on income for the year 2008 in the amount of EGP 104 million (€10.4 million). Adding to this assessment interests and penalties of about EGP 88 million (€9 million).

In Spain, tax authorities have notified the company in relation to settlement agreements for the years 2009 to 2011, remaining ongoing the inspection for the year 2012, not existing relevant developments when compared to what was previously reported.

Contingent assets

In the year ended December 31, 2015, it was mentioned a contingent liability for a tax dispute related to tax assessments that were made to a company in Egypt, referring to the years 2000 to 2004, which were subject to a judicial appeal.

At the end of the first quarter of 2016, to avoid penalties, a staged payment agreement until 2021 of those taxes was signed with the competent tax authorities. Because the conditions of such agreement do not meet the conditions for such payments being recognized as an asset of the company, until the court decision becomes effective, in this semester a tax charge corresponding to the total responsibility inherent to the agreement, amounting to around €12 million (Note 8) has been already recognized.

<u>Guarantees</u>

At September 30, 2016 and December 31, 2015, Group companies had requested guarantees totalling €485,226 thousand euros and €446,813 thousand, respectively, given to third parties, are as follows:

	September 2016	December 2015
Guarantees given:		
For tax processes in progress	326,893	284,963
Financing entities	121,017	124,036
To suppliers	3,403	3,444
Other	33,914	34,370
	485,226	446,813

Regarding guarantees given for tax processes in progress, the increase is essentially related to new guarantees given for tax processes in progress under PIS/COFINS and ICMS taxes in Brazil.

<u>Other commitments</u>

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 September 30, 2016 and December 31, 2015, 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:

	September 2016	December 2015
Business area:		
Argentina	61,074	74,633
Brazil	46,602	65,115
Mozambique	25,373	25,791
Portugal	22,966	22,851
Egypt	13,952	10,383
South Africa	820	19
	170,787	198,791

Additionally, at September 30, 2016 and December 31, 2015, future commitments under the current operating lease contracts, relating essentially to transport and office equipment, were as follows:

	September 2016	December 2015
Up to 1 year	2,215	2,866
From 1 to 5 years	2,510	8,449
More than 5 years	-	5,664
Total	4,725	16,979

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.

17. Provisions

At September 30, 2016 and December 31, 2015, the classification of provisions was as follows:

	September 2015	December 2015
Non-current provisions:		
Provisions for tax risks	34,772	35,235
Provisions for environmental rehabilitation	37,430	36,612
Provisions for employees	26,002	25,114
Other provisions for risks and charges	7,018	8,583
	105,222	105,545
Current provisions:		
Provisions for employees	1,240	4,060
Other provisions for risks and charges	-	10,852
	1,240	14,912
	106,462	120,457

The changes in the provisions in the nine months periods ended September 30, 2016 and 2015 were as follows:

	Provisions for tax risks	Environmental rehabilitation	Provisions for employees	Other provisions for risks and charges	Total
Balances at December 31, 2014	39,219	43,117	34,449	9,961	126,746
Currency translation adjustments	(1,565)	(6,176)	(3,101)	219	(10,622)
Increases	901	835	2,366	2,084	6,185
Decreases	-	(361)	(509)	(1,541)	(2,411)
Utilisations	(14)	(311)	(3,731)	(1,358)	(5,414)
Transfers	(87)	-	(127)	214	-
Balances at September 30, 2015	38,453	37,105	29,348	9,579	114,484
Balances at December 31, 2015	35,235	36,612	29,174	19,435	120,457
Currency translation adjustments	(436)	495	1,199	(1,211)	47
Increases	1,830	835	632	1,445	4,742
Decreases	(1,149)	-	(623)	(1,093)	(2,865)
Utilisations	(709)	(513)	(3,140)	(11,557)	(15,919)
Balances at September 30, 2016	34,772	37,430	27,242	7,018	106,462

The increases and decreases in the provisions in the nine months periods ended September 30, 2016 and 2015 were recorded by corresponding entry to the following accounts:

	September 2016	September 2015
Net result for the period:		
Operating costs	6	15
Payroll costs	(481)	324
Operating Income	(420)	(192)
Provisions	1,220	(523)
Financial expenses	1,137	3,726
Income tax (Note 8)	415	424
	1,877	3,774

The caption financial expenses include the financial actualizations of the provision for environmental rehabilitation.

18. Loans

Loans at September 30, 2016 and December 31, 2015 were as follows:

	September 2016	December 2015
Non-currents liabilities:		
Notes	1,128,183	1,262,123
Bank loans	1,994,998	1,911,997
Other loans	41,843	768,743
	3,165,023	3,942,862
Currents liabilities:		
Notes	122,941	-
Bank loans	144,463	116,967
Other loans	726,955	215
	994,358	117,182
	4,159,381	4,060,044

Notes

Non-convertible Notes at September 30, 2016 and December 31, 2015 were as follows:

						September 2016		December 2015
Business unit	Financial instrument	Currency	Emission date	Coupon (b)	Final maturity	Current	Non-current	Non-current
Brazil	Debênture - Brazil (a)	BRL	Mar.12	Floating rate indexed to CDI	Apr.22	68,300	342,099	352,116
Brazil	Debênture - Brazil	BRL	Aug.12	Floating rate indexed to CDI	Aug.22	54,640	273,679	281,694
Holdings and Financial Vehicles	Senior Notes (a) (c)	USD	Jul.14	5.75%	Jul.24	-	512,406	628,312
						122,941	1,128,183	1,262,123

(a) Guaranteed by controlling entities of the Company;

(b) The contractual variable rates include spreads till 15% over the index;

(c) On July 17, 2014, Cimpor Financial Operations, B.V. (Cimpor B.V.), issued Senior Notes ("Notes") in the amount of USD 750 million, with a payment maturity of 10 years. The Notes were launched with coupon of 5.75% per annum and are listed on the Singapure Stock Exchange. Following this operation, shorter maturity debt were paid in advance. In the nine months period ended September 30, 2016, the Group purchased Notes in the nominal value of USD 108,378 thousand, for an average price of 78%, in the amount of €77 million (Note 20), which resulted in the recognition of a gain in the amount of €21,204 thousand (Note 7). In the nine months period ended September 30, 2016, the Group holds Notes in the nominal value of USD 162,668 thousand (€144,735 thousand).

Bank loans

Bank loans as at September 30, 2016 and December 31, 2015 were as follows:

							September 2016		December 2015	
Business unit	Type	Currency	Interest rate (b)	Contract date	Maturity		Current	Non-Current	Current	Non-Current
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	May/12	Jan/22	(a)	-	444,880	-	455,333
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb/12	Feb/22	(a)	-	300,640	-	303,805
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb/14	Aug/19	(a)	-	60,064	-	59,953
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Feb/14	Aug/19	(a)	-	191,937	-	197,803
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb/14	Aug/21	(a)	-	60,064	-	59,953
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Feb/14	Aug/21	(a)	-	191,935	-	197,800
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Feb/14	Aug/21	(a)	-	210,606	-	216,886
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	May/14	May/19		-	44,059	-	45,374
Holdings and Financial Vehicles (*)	Bilateral	EUR	Fixed rate	Dec/14	Dec/18		-	22,871	-	22,394
Company	Commercial paper	EUR	Floating rate	Mar/15	Mar/18	(a)	-	50,000	-	50,000
Argentina and Paraguay	Bilaterals	ARS	Floating rates indexed to Badlar	Several	Several		32,259	36,309	18,204	45,949
Argentina and Paraguay	Bilaterals	USD	Floating rates indexed to US Libor	Several	Several		25,320	68,208	57,437	2,525
Brazil	Bilaterals	BRL	Fixed and floating rates	Several	Several		12,093	145,554	10,837	62,752
Argentina and Paraguay	Bilaterals	USD	Fixed and floating rates	Several	Several		19,925	58,938	18,723	70,675
Argentina and Paraguay	Bilaterals	PYG	Fixed rates	Oct/15	Feb/16		13,717	-	8,968	-
South Africa	Bilateral	ZAR	Floating rate indexed to Jibar	Dec/13	Dec/18		12,976	25,951	-	35,432
Portugal and Cape Verde	Bilaterals	EUR	Fixed and floating rates	Several	Several	(a)	-	75,000	-	75,000
Mozambique	Bilaterals	MZN	Floating rates indexed to BT 3M	Several	Several		1,322	5,290	1,467	7,055
Egypt	Bilaterals	EGP	Floating rates indexed to Corridor	Several	Several		26,852	2,691	1,331	3,310
							144,463	1,994,998	116,967	1,911,997

(*) Referring to the companies included in the Holdings, business and corporate support and trading segment.

(a) Guaranteed by controlling entities of the Company;

(b) For the major funding the variable rates contracted, both in dollars and euros consider spreads between 2.5% and 3.5%.

Other loans

Other loans obtained correspond, essentially to debts from Cimpor Trading e Inversiones and Austria Equity Participations GmbH to Austria Holding GmbH, as follows:

							September 2016		December 2015
Business unit	Financial instrument	Currency	Emission date	Coupon	Final maturity		Current	Non-current	Non-current
Holdings and Financial Vehicles	Intercompany Loan	EUR	Feb.13	Floating rate indexed to Euribor	Feb.18		-	41,843	41,843
Holdings and Financial Vehicles	Intercompany Loan	EUR	Dec.12	Fixed rate	Apr.17		381,900	-	381,900
Holdings and Financial Vehicles	Intercompany Loan	EUR	Feb.14	Fixed rate	Apr.17		345,000	-	345,000
							726,900	41,843	768,743

In this caption are also included financial leasings.

The non-current portion of loans at September 30, 2016 and December 31, 2015 is repayable as follows:

Year	September 2016	December 2015
2017 (3 months)	121,083	961,974
2018	442,924	340,449
2019	866,014	843,854
2020	335,389	355,577
Following years	1,399,614	1,441,007
	3,165,023	3,942,862

The loans at September 30, 2015 and December 31, 2015 are stated in the following currencies:

	September 2016		After Hedging	December 2015		After Hedging
Currency	Currency	Euros	Euros	Currency	Euros	Euros
USD	1,987,293	1,768,214	507,855	2,058,220	1,890,866	591,485
BRL	3,270,297	896,365	896,365	3,006,731	707,400	707,400
EUR	-	1,337,437	2,597,795	-	1,340,063	2,639,444
ARS	1,179,839	68,568	68,568	910,591	64,153	64,153
MZN	579,500	6,612	6,612	431,373	8,522	8,522
EGP	294,808	29,542	29,542	39,550	4,640	4,640
PYG	85,724,600	13,717	13,717	56,754,600	8,968	8,968
ZAR	600,000	38,927	38,927	600,000	35,432	35,432
		4,159,381	4,159,381		4,060,044	4,060,044

Due to the existence of derivative financial instruments exchange rate hedging, of total loans in dollars, €508 million (€591 million in December 31, 2015) are exposed to foreign exchange risk, which, considering the cash in USD in the amount of €287 million (€238 million in December 31, 2015), reduces the net exposure to that currency to around €221 million (€353 million in December 31, 2015). The net exposure of debt in euros, considering the financial derivative instruments, is lower in about €183 million (€225 million in December 31, 2015).

19. Derivative financial instruments

Fair value of derivative financial instruments

The fair value of derivative financial instruments at September 30, 2016 and December 31, 2015 was as follows:

	Other assets				Other liabilities			
	Current		Non-current		Current		Non-current	
	September 2016	December 2015	September 2016	December 2015	September 2016	December 2015	September 2016	December 2015
Fair value:								
Exchange rate forwards	-	-	-	-	3,032	-	-	-
Cash flow:								
Interest rate and cross currency swaps	23,390	24,770	181,237	238,895	3,010	2,501	9,775	4,602
	23,390	24,770	181,237	238,895	6,042	2,501	9,775	4,602

These captions are included in the condensed consolidated statement of financial position as other assets and liabilities, current and non-current.

The following schedule shows the fair value of the derivatives financial instruments at September 30, 2016 and December 31, 2015:

					Fair value	
Type of hedge	Notional	Type of Operation	Maturity	Financial purpose	September 2016	December 2015
Fair value	USD 50,000,000	NDF	Jan/17	Exchange risk hedging	(3,032)	-
Cash-flow	USD 200,000,000	Cross Currency Swap	Jul/24	Swich a USD loan into EUR loan	33,611	45,281
Cash-flow	USD 100,000,000	Cross Currency Swap	Jul/24	Swich a USD loan into EUR loan	15,081	19,566
Cash-flow	USD 50,000,000	Cross Currency Swap	Jul/24	Swich a USD loan into EUR loan	8,348	11,059
Cash-flow	USD 150,000,000	Cross Currency Swap	Jul/24	Swich a USD loan into EUR loan	23,854	32,581
Cash-flow	USD 217,500,000	Cross Currency Swap	Feb/19	Swich a USD loan into EUR loan	21,031	25,434
Cash-flow	USD 217,500,000	Cross Currency Swap	Feb/19	Swich a USD loan into EUR loan	31,184	38,045
Cash-flow	USD 500,000,000	Cross Currency Swap	Jan/22	Swich a USD loan into EUR loan	71,520	85,676
Cash-flow	EUR 379,218,809	Interest Rate Swap	Jan/22	Swich to fixed interest rate	(12,785)	(7,103)
Cash-flow	USD 49,000,000	Foreign Exchange Future	May/16	Swich a USD loan into ARS loan	-	6,022
					188,811	256,561

20. Notes to the consolidated cash flow statements

Cash and cash equivalents presented in the consolidated cash flow statement at September 30, 2016 and 2015 were as follows:

	September 2016	September 2015
Cash	106	248
Bank deposits immediately available	334,968	268,812
Term bank deposits	92,528	190,306
Marketable securities	82,612	85,199
	510,213	544,563

The caption “Cash and cash equivalents” comprises cash, deposits repayable on demand, treasury applications, government Notes, deposit certificates and term deposits maturing in less than three months with insignificant risk of change in value.

The caption cash and cash equivalents in the consolidated statement of financial position at September 30, 2016 and 2015 includes, in addition, the amounts of €30,208 thousand and €18,927 thousand, respectively, corresponding to exclusive funds that do not fully comply with the requirements necessary for them to be recognized as cash and cash equivalents in the Statement of cash flows.

In the nine months period ended September 30, 2016, the caption exclusive funds received and other investments, concerns to the above mentioned exclusive funds redemption.

In the nine months periods ended September 30, 2016 and 2015, Cash and cash equivalents in the financial statements, are expressed in the following currencies:

	September 2016		September 2015	
Currency	Currency	Euros	Currency	Euros
USD	322,621	287,055	208,096	186,418
BRL	341,784	93,680	388,725	87,651
EUR	79,809	79,809	113,336	113,336
ARS	100,166	5,821	93,408	8,881
MZN	2,744,154	31,312	988,905	21,092
EGP	132,503	13,278	878,117	100,466
PYG	16,181,006	2,589	13,071,171	2,076
ZAR	335,001	21,734	609,234	39,495
CVE	567,013	5,142	449,511	4,077
		540,422		563,492

In the nine months period ended September 30, 2016, “Receipts and Payments of Loans” are justified, essentially, by: i) In the Argentinian business area two new financing contracts with Banco Provincia de Buenos Aires and ICBC Dubai, in the amounts of ARS 150 million and ARS 50 million, respectively; ii) in the Brazilian business area a financing contract with HSBC in the amount of BRL 300 million; iii) the repurchase of Notes issued in the amount of €77 million (Note 18).

In the nine months period ended 30 September 2015, receipts and payments related to loans obtained are justified, essentially, by: i) in the Portuguese business area, a new contract with Citibank in the amount of 50 million euros, and a financing in the amount of 25 million euros with BBVA; ii) the issuance of commercial paper by the Company in the amount of 50 million euros; iii) a partially pre-amortization in Cimpor BV, in 120 million USD, Bradesco's financing, initially taken in the amount of 200 million USD; iv) repurchase of bonds issued in the amount of 16 million euros (Note 18) and; v) in the Brazilian business area, the remaining amortization of 43 million USD of the financing initially taken in the amount of 150 million USD.

21. Related parties

Transactions and balances between Group companies consolidated by the full consolidation method were eliminated in the consolidation process and so are not disclosed in this note. The balances and transactions between the Group and associated companies and with other related parties fall within normal operational activities, being worth of mention the debt to InterCement Áustria Holding Gmbh, in the amount of about €770 million, concerning to three loans and accrued interest to that company, already existed in December 31, 2015 (Note 18). The financial charges, in the nine months period ended September 30, 2016, arising from these financing of approximately €12 million (€15 million in the nine months period ended September 30, 2015).

In Other non-current assets is also included a loan receivable with InterCement Áustria Holding Gmbh in the amount of USD 10 million, with a maturity of up to two years and similar conditions to those above mentioned.

22. Financial assets and liabilities in accordance with IAS 39

In its operations the Cimpor Group is exposed to a variety of financial risks which can affect its financial position and results which, depending on their nature, can be grouped into the following categories:

- Interest rate risk;
- Exchange rate risk;
- Liquidity risk;
- Credit risk;
- Counterparty risk.

Financial risk is understood to be the probability of obtaining different results from those expected, be they positive or negative, materially and unexpectedly changing the Group's equity value.

Management of the above risks - resulting mainly from the unpredictability of the financial markets – requires strict application of a set of rules and methodologies approved by the Executive Commission, the ultimate objective of which is to minimize their potential negative impact on the Group's performance. With this objective in mind, all management is guided based on two essential concerns:

- Decrease, whenever possible, of fluctuations in the results and cash flows subject to situations of risk;
- Limit deviations in relation to projected results, through strict financial planning, based on multi-annual budgets.

At September 30, 2016 and December 31, 2015, accounting policies for financial instruments established in IAS 39 were applied by the Group to the following items:

2016	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Financial assets and liabilities at fair value	Total
Assets:					
Cash and cash equivalents	449,406	-	-	91,016	540,422
Accounts receivable-trade	167,254	-	-	-	167,254
Other investments	-	5,376	-	2,759	8,135
Other non-current accounts receivable	44,050	-	-	-	44,050
Other current accounts receivable	42,174	-	-	-	42,174
Other non-current assets	-	-	-	181,237	181,237
Other current assets	1,633	-	-	23,390	25,023
Total assets	704,516	5,376	-	298,402	1,008,295
Liabilities:					
Non-current loans	-	-	3,165,023	-	3,165,023
Current loans	-	-	994,358	-	994,358
Current accounts payables-trade	-	-	211,765	-	211,765
Other non-current accounts payable	-	-	15,685	-	15,685
Other current accounts payable	-	-	150,569	-	150,569
Other non-current liabilities	-	-	850	9,775	10,625
Other current liabilities	-	-	119,982	6,042	126,024
Total liabilities	-	-	4,658,232	15,817	4,674,049

2015	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Financial assets and liabilities at fair value	Total
Assets:					
Cash and cash equivalents	711,460	-	-	18,927	730,387
Accounts receivable-trade	163,772	-	-	-	163,772
Other investments	-	5,448	-	2,361	7,809
Other non-current accounts receivable	34,625	-	-	-	34,625
Other current accounts receivable	46,754	-	-	-	46,754
Other non-current assets	-	-	-	238,895	238,895
Other current assets	1,452	-	-	24,770	26,222
Total assets	958,063	5,448	-	284,953	1,248,464
Liabilities:					
Non-current loans	-	-	3,942,862	-	3,942,862
Current loans	-	-	117,182	-	117,182
Current accounts payables-trade	-	-	258,609	-	258,609
Other non-current accounts payable	-	-	16,668	-	16,668
Other current accounts payable	-	-	168,507	-	168,507
Other non-current liabilities	-	-	1,219	4,602	5,821
Other current liabilities	-	-	162,767	2,501	165,268
Total liabilities	-	-	4,667,815	7,103	4,674,918

<u>Estimated fair value – assets measured at fair value</u>

The following table presents the Group's assets and liabilities measured at fair value at September 30, 2016, grouped into levels based on the degree to which the fair value is observable:

- Level 1: the fair value of financial instruments is based on quoted prices in active markets as of the date of the statement of financial position;
- Level 2: the fair value of financial instruments is not based on quoted prices in active markets, but rather on valuation models;

– Level 3: the fair value of financial instruments is not based on quoted prices in active markets, but rather on valuation models, the main inputs of which are not observable in the market.

Category	Item	Level 1	Level 2	Level 3
Assets:				
Financial assets available for sale	Investment fund	715	-	-
Financial assets at fair value	Cash and cash equivalents	91,016	-	-
Financial assets at fair value	Financial derivative instruments	-	204,628	-
Financial assets at fair value	Other investments	2,759	-	-
Liabilities:				
Financial liabilities at fair value	Financial instruments derivatives	-	15,817	-

Estimated fair value – assets and liabilities not measured at fair value

Measurement of fair value of derivatives financial instruments is based on criteria extracted from external database agencies, and the results obtained faced with the corresponding evaluations made by counterparties.

Except as regards non-current loans the majority of financial assets and liabilities mature in the short term and so their fair value is considered to be the same as their book values.

Regarding loans and Notes, as shown in Note 18, in general, the long term maturities, are contracted at variable interest rates, with margins there are estimate to be close to those that possibly could be contracted in September 30, 2016. 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 and for the Senior Notes issued by Cimpor B.V., the effect of their valuation to fair value in relation to their book value reported in September 30, 2016 and December 31, 2015, respectively, being as follows:

	2016	2015
Fair-Value	1,216,013	1,187,446
Accounting Value	1,286,254	1,399,226

23. Subsequent events

Nothing to report.

24. Financial statements approval

These financial statements were approved, and authorised for issue, by the Board of Directors on November 16, 2016.

25. 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.