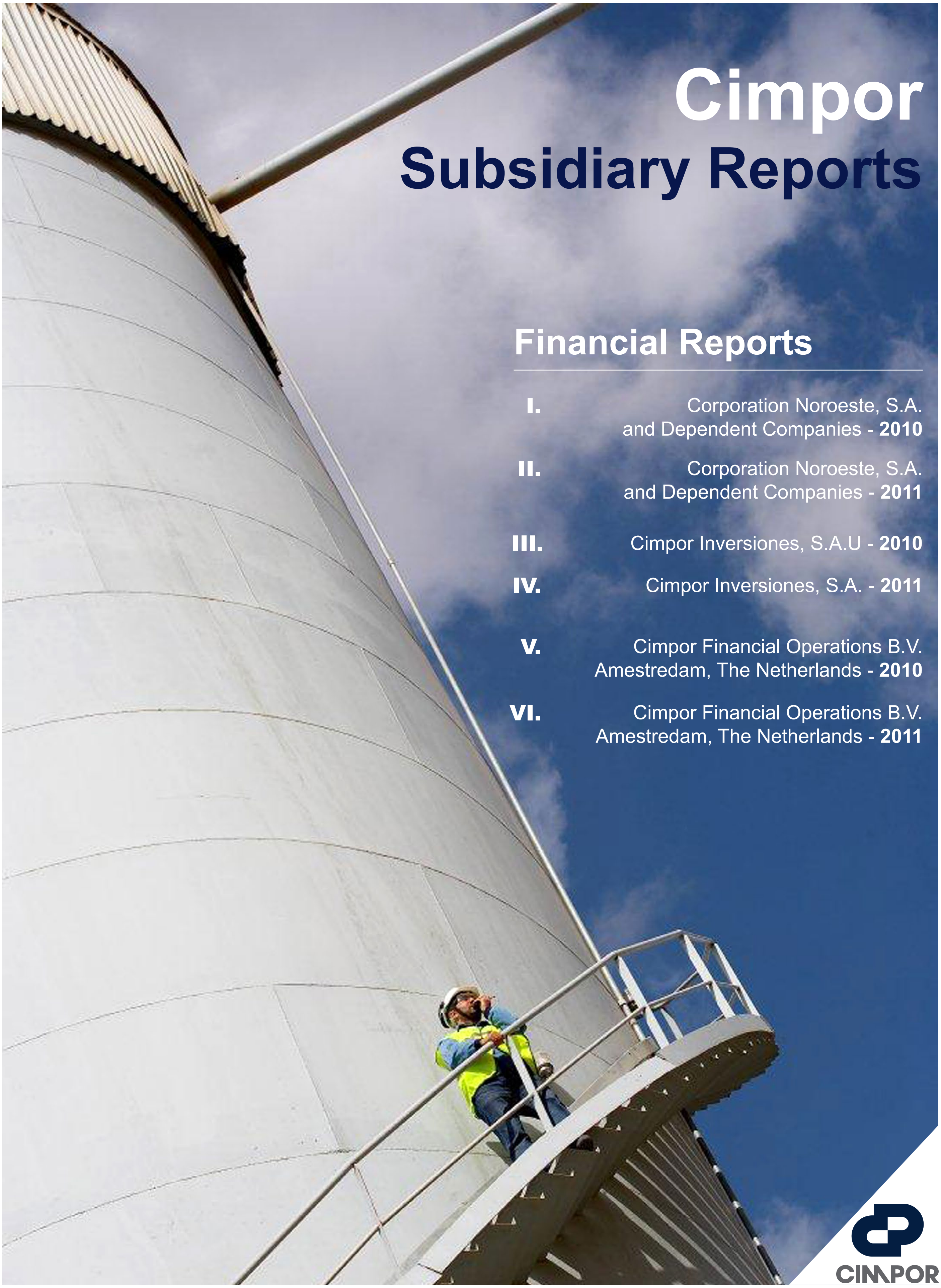

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Financial Reports

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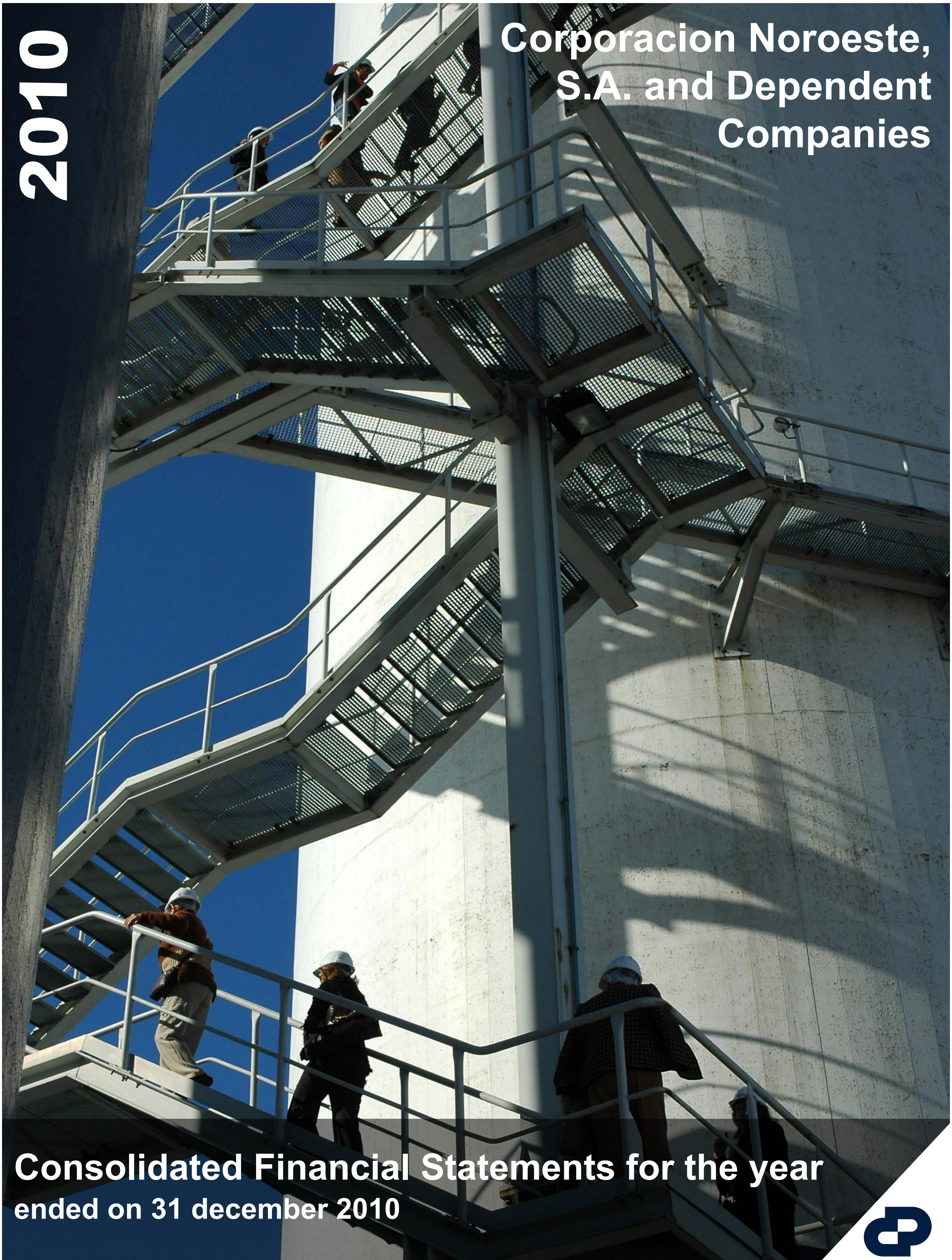
2010

Corporacion Noroeste, S.A. and Dependent Companies



Consolidated Financial Statements for the year ended on 31 december 2010

CIMPOR

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Corporación Noroeste, S.A.:

We have audited the consolidated financial statements of CORPORACIÓN NOROESTE, S.A. (the Parent) AND SUBSIDIARIES (the Group), which comprise the consolidated balance sheet at 31 December 2010 and the related consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. The Parent's directors are responsible for the preparation of the consolidated financial statements in accordance with the regulatory financial reporting framework applicable to the Group (identified in Note 2-a to the accompanying consolidated financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying consolidated financial statements for 2010 present fairly, in all material respects, the consolidated equity and consolidated financial position of Corporación Noroeste, S.A. and Subsidiaries at 31 December 2010, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Group and, in particular, with the accounting principles and rules contained therein.

The accompanying consolidated directors' report for 2010 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2010. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Corporación Noroeste, S.A. and Subsidiaries.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Signed by Jaime Del Olmo Casalderrey

21 February 2011

CORPORACIÓN NOROESTE GROUP

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2010 (Notes 1, 2, 3 , 4 and 5)

(Euros)

ASSETS	Notes	2010	2009
NON CURRENT ASSETS		**606.140.485,74**	**652.737.658,53**
Intangible assets.	**Note 6**	**130.668.142,03**	**143.090.093,78**
Goodwill on consolidation		54.492.155,96	56.546.417,25
Other intangible assets		76.175.986,07	86.543.676,53
Tangible assets.	**Note 7**	**432.485.910,54**	**445.962.261,90**
Land and buildings		234.923.248,82	229.089.693,13
Plant and other fixed assets		187.501.828,68	210.381.309,33
Construction in progress and advances		10.060.833,04	6.491.259,44
Long term investments in Group companies and associates.	**Note 8**	**17.991.197,26**	**38.264.192,10**
Equity instruments		13.596,54	13.596,31
Investments accounted for using the equity method		16.734.654,72	28.019.027,44
Loans to Group companies		-	9.778.622,35
Loans to companies accounted for using the equity method.		1.242.946,00	452.946,00
Long term investments.		**862.060,40**	**855.797,22**
Loans to third parties		2.733,43	2.703,38
Other financial assets		859.326,97	853.093,84
Deferred tax assets.	**Note 13**	**4.984.450,40**	**4.718.146,78**
Long term accruals.	**Note 8**	**19.148.725,11**	**19.847.166,75**
CURRENT ASSETS		**150.166.179,54**	**149.116.671,78**
Non current assets held for sale.	**Note 8**	**11.859.958,51**	-
Inventories.	**Note 9**	**45.793.509,37**	**45.660.456,79**
Trade and other receivables.		**69.948.238,52**	**90.352.117,16**
Trade receivables for sales and services.		60.710.233,19	81.596.673,77
Group companies.	**Note 16**	206.788,86	427.876,86
Companies accounted for using the equity method.	**Note 16**	1.986.708,39	2.167.291,01
Receivable from public authorities	**Note 13**	4.882.579,58	997.050,24
Other accounts receivable.		2.161.928,50	5.163.225,28
Short term investments in Group companies and associates.	**Note 16**	**5.330.297,82**	**1.594.966,68**
Loans to group companies.		5.330.297,82	1.594.966,68
Short term investments		**4.975,71**	**4.342,11**
Short term accruals		**268.608,11**	**245.276,53**
Cash and cash equivalents		**16.960.591,50**	**11.259.512,51**
TOTAL ASSETS		**756.306.665,28**	**801.854.330,31**

The accompanying Notes 1 to 18 are an integral part of the consolidated balance sheet at 31 December 2010.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2010 (Notes 1, 2, 3 , 4 and 5)

(Euros)

EQUITY AND LIABILITIES	Notes	2010	2009
EQUITY	**Note 10**	**155.746.046,01**	**167.541.676,25**
Shareholders' equity.		**141.683.674,16**	**153.577.097,77**
Assets.		**26.162.160,00**	**26.162.160,00**
Issue premium.		**12.031,56**	**12.031,56**
Reserves.		**127.908.992,03**	**126.453.537,94**
Profit for the year attributable to parent company.		**(12.399.509,43)**	**949.368,27**
Consolidated income statement.		(12.355.834,61)	673.445,99
(Profit and loss external partners).		(43.674,82)	275.922,28
Grants, donations or gifts and legacies received.		**4.476.271,11**	**3.390.925,13**
Consolidated companies.		4.476.271,11	3.390.925,13
External partners.		**9.586.100,74**	**10.573.653,35**
NON CURRENT LIABILITIES		**431.618.773,85**	**476.855.946,07**
Long term provisions.	**Note 11**	**14.718.926,48**	**14.875.128,82**
Non current payables.	**Note 12**	**47.013,06**	**149.981.998,10**
Bank borrowings and other financial liabilities.		-	149.928.567,83
Other financial liabilities.		47.013,06	53.430,27
Long term payables to Group companies and associates.		**374.211.017,45**	**276.412.874,29**
Payables to Group companies.	**Note 16**	374.211.017,45	276.412.874,29
Deferred tax liabilities.	**Note 13**	**42.641.816,86**	**35.585.944,86**
CURRENT LIABILITIES		**168.941.845,42**	**157.456.707,99**
Short term provisions.	**Note 11**	**21.305.270,43**	**25.973.100,10**
Current payables.	**Note 12**	**5.678.910,64**	**64.134.799,25**
Bank borrowings and other financial liabilities.		2.856.797,19	46.710.271,72
Other financial liabilities.		2.821.614,28	17.424.527,53
Short term payables to Group companies and associates.	**Note 16**	**84.518.286,98**	**2.783.506,13**
Other liabilities.		84.518.286,98	2.783.506,13
Trade and other payables.		**57.357.674,25**	**64.396.961,42**
Payable to suppliers.		49.613.325,90	54.704.239,46
Payable to suppliers, Group companies.	**Note 16**	2.159.909,59	3.057.379,23
Payable to suppliers, companies accounted for using the equity method.	**Note 16**	-	233.767,52
Payable to public authorities.	**Note 13**	2.455.238,15	2.477.500,67
Other payables.		3.129.200,61	3.924.074,54
Short term accruals.		**81.703,12**	**168.341,09**
TOTAL EQUITY AND LIABILITIES		**756.306.665,28**	**801.854.330,31**

The accompanying Notes 1 to 18 are an integral part of the consolidated balance sheet at 31 December 2010.

CORPORACIÓN NOROESTE GROUP

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010 (Notes 1, 2, 3, 4 and 5)

(Euros)

CONTINUING OPERATIONS	Notes	2010	2009
Revenue.	Notes 14 and 16	**272.700.231,63**	**328.923.653,06**
Sales.		269.837.809,63	323.600.163,62
Services.		2.862.422,00	5.323.489,44
Variation in inventories of finished products and work in progress.		**1.427.847,75**	**(2.578.758,78)**
In-house work on non current assets.		**40.444,97**	**99.209,94**
Procurements.	Note 14	**(95.169.514,99)**	**(104.449.930,23)**
Consumption of goods.		(15.557.695,24)	(22.115.674,13)
Cost of raw materials and other consumables used.		(64.716.931,20)	(70.803.758,50)
Work performed by other companies		(14.791.805,96)	(11.530.497,60)
Deterioration of goods, raw materials and other supplies		(103.082,59)	-
Other operating income.		**4.922.192,30**	**1.081.989,32**
Non core and other current operating income.		2.726.609,89	1.040.160,57
Income-related grants transferred to profit or loss.		2.195.582,41	41.828,75
Personnel expenses.	Note 15	**(55.796.469,55)**	**(63.499.373,62)**
Wages, salaries and similar expenses.		(43.592.323,01)	(49.828.322,50)
Employee benefit costs.		(12.204.146,54)	(13.671.051,12)
Other operating expenses.	Note 14	**(119.312.478,89)**	**(142.886.508,58)**
Losses on, impairment of and change in allowances for trade receivables.		(385.597,11)	(3.506.223,08)
Other current operating expenses.		(118.926.881,78)	(139.380.285,50)
Depreciation and amortization charge.	Notes 6 and 7	**(40.053.388,11)**	**(42.256.232,80)**
Allocation to profit or loss of grants related to non-financial assets and other grants.		**21.574.226,83**	**27.124.425,31**
Oversupply.		-	(22.037,10)
Impairment and gains or losses on disposals of non-current assets.		**1.333.318,27**	**4.267.948,32**
Damage and loss.	Note 6	(737.038,71)	-
Income from disposals or other components	Note 17	2.070.356,98	4.267.948,32
OPERATING INCOME		**(8.333.589,79)**	**5.804.384,84**
Financial revenue.		**3.028.959,66**	**4.665.897,63**
From investments in equity instruments.		17.139,67	31.405,79
From marketable securities and other financial instruments of Group Companies and Associates	Note 16	686.588,50	891.482,76
From marketable securities and other financial instruments of third parties	Note 17	2.325.231,49	3.743.009,08
Finance cost.		**(11.777.782,58)**	**(11.565.916,53)**
Of Group companies and associates	Note 16	(7.246.355,52)	(7.822.079,48)
Of third parties	Note 12	(4.531.427,06)	(3.743.837,05)
Exchange differences.		**(215,09)**	**98.824,63**
Impairment and gains or losses on disposals of financial instruments.		**64.030,97**	**379.067,37**
Impairments and losses.		64.030,97	379.067,37
FINANCIAL LOSS		**(8.685.007,04)**	**(6.422.126,90)**
Share of the profit or loss of equity method investments.	Note 8	(324.744,14)	(766.026,17)
RESULTS BEFORE TAX		**(17.343.340,97)**	**(1.383.768,23)**
Income tax	Note 13	4.987.506,36	2.057.214,22
CONSOLIDATED NET INCOME		**(12.355.834,61)**	**673.445,99**
Income attributed to parent company		(12.399.509,43)	949.368,27
Income attributed to minority interests	Note 10	43.674,82	(275.922,28)

The accompanying Notes 1 to 18 are an integral part of the consolidated income statement for the year 2010.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010 (NOTES 1, 2, 3, 4 and 5)

A) CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2010.

	Notes	Year 2010 (Euros)	Year 2009 (Euros)
A) Consolidted income for the year.		**(12.355.834,61)**	**673.445,99**
Income and expenses recognised directly in equity.			
Other income or expense		-	(15.035,00)
Grants, donations or gifts and legacies received.	**Note 10**	24.973.873,33	30.438.068,13
Arising from actuarial gains and losses and other adjustments.		426.940,00	(5.675,00)
Tax effect.		(7.620.244,00)	(9.125.207,44)
B) Total income and expenses recognized directly in consolidated equity.		**17.780.569,33**	**21.292.150,69**
Transfers to consolidated profit and loss account.			
Grants, donations or gifts and legacies received.	**Note 10**	(23.423.379,07)	(32.392.825,50)
Tax effect.		7.027.013,72	9.717.847,65
C) Total transfers to consolidated profit and loss account.		**(16.396.365,35)**	**(22.674.977,85)**
Total recognized income and expense:			
- To the Parent company		**(11.015.305,45)**	**985.303,45**
- To Minority interests		**43.674,82**	**(275.922,28)**

The accompanying Notes 1 to 18 are an integral part of the consolidated statement of recognized income and expense for the year 2010.

CORPORACIÓN NOROESTE GROUP

B) CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010.

	Euros							
	Capital	Issue premium	Prior years results and reserves	Profit for the year attributable to Parent company shareholders	(Interim Dividend)	Grants, donations or gifts and legacies received	Minority interests	TOTAL
2008 ENDING BALANCE	26.162.160,00	12.031,56	127.677.983,69	21.528.627,53	(19.621.620,00)	4.759.255,29	15.726.010,62	176.244.448,69
Adjustments due to changes in criteria 2008	-	-	(483.218,70)	-	-	-	(147.048,75)	(630.267,45)
ADJUSTED BALANCE AT BEGINNING OF 2009	26.162.160,00	12.031,56	127.194.764,99	21.528.627,53	(19.621.620,00)	4.759.255,29	15.578.961,87	175.614.181,24
Total recognized income and expenses	-	-	(14.497,00)	949.368,27	-	(1.368.330,16)	(275.922,28)	(709.381,17)
Distribution of prior year income	-	-	1.907.007,53	(21.528.627,53)	19.621.620,00	-	-	-
(-) Distribution of dividends	-	-	-	-	-	-	(1.151.235,19)	(1.151.235,19)
Variation in financial holdings	-	-	(2.930.406,57)	-	-	-	(3.578.151,05)	(6.508.557,62)
Other changes in equity	-	-	296.668,99	-	-	-	-	296.668,99
2009 ENDING BALANCE	26.162.160,00	12.031,56	126.453.537,94	949.368,27	-	3.390.925,13	10.573.653,35	167.541.676,25
Total recognized income and expenses	-	-	298.858,00	(12.399.509,43)	-	1.085.345,98	43.674,82	(10.971.630,63)
Distribution of prior year income	-	-	949.368,27	(949.368,27)	-	-	-	-
(-) Distribution of dividends	-	-	-	-	-	-	(242.941,10)	(242.941,10)
Variation in financial holdings	-	-	207.227,82	-	-	-	(788.286,33)	(581.058,51)
2010 ENDING BALANCE	26.162.160,00	12.031,56	127.908.992,03	(12.399.509,43)	-	4.476.271,11	9.586.100,74	155.746.046,01

The accompanying Notes 1 to 18 are an integral part of the consolidated statement of changes in total equity for the year 2010.

CORPORACIÓN NOROESTE GROUP

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR 2010 (Notes 1, 2, 3, 4 and 5)

(Euros)

	Notes	Year 2010	Year 2009
CASH FLOWS FROM OPERATING ACTIVITIES (I)		**41.563.469,32**	**31.478.713,83**
Profit before tax		(17.343.340,97)	(1.383.768,23)
Ajustements for:			
- Depreciation and amortization charge	**Notes 6 and 7**	40.053.388,09	42.256.232,80
- Impairment losses		776.090,32	(379.067,37)
- Changes in provisions		385.597,11	3.528.260,18
- Recognition of grants in profit or loss	**Note 11**	(21.574.226,83)	(27.124.425,31)
- Gains/Losses on derecognition and disposal of non-current assets	**Note 17**	(2.070.356,97)	(4.267.948,32)
- Financial income		(3.028.959,66)	(4.665.897,60)
- Financial expenses		11.777.782,58	11.565.916,53
- Exchange differences		215,09	(98.824,63)
- Results of companies accounted for using the equity method	**Note 8**	324.744,14	766.026,17
- Other income and expenses		22.482.428,30	27.436.623,03
Changes in working capital			
- Inventories		(236.135,17)	3.034.185,08
- Trade and other receivables		20.447.123,15	13.147.321,90
- Other current assets		(23.965,18)	741.677,40
- Trade and other payables		(7.319.065,03)	(2.022.233,20)
- Other current liabilities		(5.038.553,99)	(4.130.065,20)
- Other non-current assets and liabilities		7.623.888,72	(9.666.277,70)
Other cash flows from operating activities			
- Interest paid		(11.730.526,04)	(11.486.540,60)
- Interest received		2.395.750,11	3.822.298,60
- Income tax recovered (paid)		3.661.591,55	(9.594.779,70)
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**(21.467.760,88)**	**(104.423.379,51)**
Payments due to investment			
- Group companies and associates		-	(5.924.714,80)
- Intangible assets		-	(211.720,30)
- Property, plant and equipment		(23.374.563,29)	(16.818.897,91)
- Business Unit		(1.503.006,00)	(87.270.143,60)
Proceeds from disposal			
- Intangible assets		2.281.599,00	4.169.800,00
- Property, plant and equipment		1.128.209,41	1.632.297,10
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**(14.394.629,45)**	**75.228.654,90**
Proceeds and payments relating to equity instruments			
- Grants, donations or gifts and legacies received	**Note 10**	97.430,00	234.584,60
Proceeds and payments relating to financial liability instruments			
- Proceeds from issue of bank borrowings		-	123.031.887,00
- Proceeds from issue of borrowings from Group companies and associates	**Note 16**	179.532.924,01	-
- Repayment of bank borrowings		(193.782.042,36)	-
- Repayment of borrowings from Group companies and associates		-	(27.264.961,50)
Dividend payments and compensation from other equity instruments			
- Dividends		(242.941,10)	(20.772.855,20)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)		**-**	**(53.351,60)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV		**5.701.078,99**	**2.230.637,62**
Cash and cash equivalents at beginning of year		11.259.512,51	9.028.874,89
Cash and cash equivalents at end of year		16.960.591,50	11.259.512,51

The accompanying Notes 1 to 18 are an integral part of the consolidated statement of cash flows for the year 2010.

Translation of a report originally issued in Spanish in accordance with generally accepted auditing standards in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union. In the event of a discrepancy, the Spanish-language version prevails

CORPORACION NOROESTE, S.A.

AND DEPENDENT COMPANIES

CONSOLIDATED ANNUAL REPORT

FOR THE YEARENDED ON 31 DECEMBER 2010.

(1) Activity and composition of the Group

Corporación Noroeste, S.A. was incorporated by means of a public deed on 21 August 1958, having its registered office in calle Brasil, 56, Vigo. Its declared activity comprises:

- The evaluation, promotion, construction, installation and operation of cement factories, as well as the manufacturing, acquisition, disposal, import, export and overall marketing of cement and cement by-products.

- The operation of quarries, sand mines and mines for all types of mineral, including coal, the establishment and operation of lime and gypsum plants, and the creation and operation of all types of industries related to the aforementioned activities.

- The acquisition, holding, benefit, general administration, disposal and encumbrance of fixed income and equity transferable securities.

Corporación Noroeste, S.A. is the parent company of Grupo Corporación Noroeste, owned by Grupo Cimpor-Cimentos de Portugal, SGPS, S.A., and its main activity is the holding of securities and the general management of the affiliated companies.

The list of dependent and affiliated companies that comprise Grupo Corporación Noroeste as at 31 December 2010 and 2009, including the total ownership percentage of Corporación Noroeste, S.A., (direct and indirect), is as follows:

		Shareholding Percentage	
	Dependent and jointly controlled companies	2010	2009
Cement operations:	Cementos Cosmos, S.A.	99.76	99.76
	Servicios y Materiales para la Construcción, S.A.U. (SERMACONSA)	-	100.00
	Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U.	100.00	100.00
	Cementos de Andalucía, S.L.U.	100.00	100.00
	Cementos El Monte, S.A.U.	-	100.00
	Materiales del Atlántico, S.A.	99.76	99.93
	Cimpor Canarias, S.R.L.U.	100.00	100.00
	Cementos Especiales de las Islas, S.A. (CEISA) and dependent companies.(*)	50.00	50.00
Concrete activity:			
	Corporac.Noroeste de Hormigones y Áridos, S.L.	-	100.00
	Prebetong Galicia, S.A.	100.00	98.87
	Prebetong Lugo Hormigones, S.A.	82.89	81.95
	Hormigones Miño, S.L.	99.98	99.98
	Occidental de Hormigones, S.L.U.	100.00	100.00
	Cimpor Hormigón Canarias, S.R.L.	100.00	100.00
	Bombeo y Transporte de Hormigón, S.A (BOMTRAHOR)	94.30	93.23
	Betobomba, S.L.	100.00	55.00
Quarrying operations::	Canteras Prebetong, S.L.	98.87	98.87
	Prebetong Lugo, S.A.	82.89	81.95
	Canteira do Penedo, S.A. (CANPESA)	41.43	40.96
	Hormigones y Áridos La Barca, S.A.	50.00	50.00
	Áridos de La Coruña, S.A. (ARICOSA)	49.44	49.44
	Occidental de Áridos, S.L.	100.00	100.00
Other operations:	Morteros de Galicia, S.L.U.	100.00	100.00
	Tabanque, S.L.U.	-	100.00
	Sociedad Industrial y Financiera Gallega, S.L.U.	-	100.00
	Cementos Noroeste, S.L.U.	100.00	100.00
	Insular de Productos para la Construcción y la Industria, S.A. (INPROCOI) **(*)**	50.00	50.00
	Sogesso, Sociedade de Gessos de Soure, S.A.	99.76	59.86
	Inversiones Filaria, S.L.	99.76	-
	Transformal, S.A.	99.76	-
	D.S. Unión, S.L.	90.00	90.00
	Associated companies-		
	Cementos Antequera, S.A.	23.08	23.08
	Cementos del Marquesado, S.A.	-	28.08
	Arenor, S.L.	28.57	28.57
	Hormigones Miranda Celanova, S.A.	40.00	39.55
	Agueiro, S.A.	45.00	45.00

(*) Jointly controlled companies

The most significant information related to the companies which integrate Grupo Corporación Noroeste is shown in an Annex.

The financial year of all dependent, affiliated and joint venture companies, as well as the parent company corresponds to the calendar year. Consequently, the closing date for the individual financial statements used in the consolidation is 31 December 2010.

The most significant changes and events affected within the consolidated companies of the Grupo Corporación Noroeste in 2010 are outlined below:

On 12 January 2010, dependent company Sogesso-Sociedade de Gessos de Soure, S.A. acquired from a third party, all the shares of Inversiones Filaria, S.L., a holding company, for the total sum of 3,006.00 euros, generating a goodwill of 64,978.70 euros. In turn, this company holds 100.00% of the net assets of Transformal S.A.

The integration of this company meant the generation of a 136,795.53 euros of goodwill**.**

On 20 May 2010, the dependent company Cementos Cosmos S.A., acquired from a third party 40% of the share capital of Sogesso – Sociedade de Gessos de Soure, S.A. for a consideration of 1,050,000.00 euros, constituting 100.00% of the net assets.

On 7 June 2010, the parent company purchased 247,500 units of Betobomba S.L. for a consideration of 20,000.00, resulting in an ownership of 100% of the net assets.

On 28 June 2010, Corporación Noroeste, S.A. sold the entirety of its shareholding in the net assets of Servicios y Materiales para la Construcción, S.A.U., to Cementos Cosmos, S.A., for a total sum of 1,442,047.61 euros.

Also on 28 June 2010, the company sold the entirety of its shareholding in the net assets of Sociedad Industrial y Financiera Gallega, S.L.U. for a total sum of 2,036,947.04 euros, and of Tabanque S.L.U. for a total sum of 752,377.96 euros.

On 19 November 2010, and as a result of the capital reduction with value return of the contributions by the holding company Cementos del Marquesado, S.A., Corporación Noroeste, S.A. divested its shareholding in said Company (Note 8).

On 22 November 2010, 1,593 shares of Prebetong Galicia, S.A. were acquired from a minority shareholder for 120,000.00 euros, resulting in an ownership of 100% of its net assets.

On 7 December 2010 and effective 7 January 2010 for accounting purposes, the following merger by acquisition agreements was notarised:

Corporación Noroeste de Hormigones y Áridos, S.L., (acquired company), por Corporación Noroeste, S.A. (acquiring company). This merger transaction was registered in the Companies' Registry of Pontevedra on 22 December 2010.

Cementos El Monte, S.A.U. (acquired company), by Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U. (acquiring company). This merger transaction was registered in the Companies' Registry of Huelva on 22 December 2010 and on the Companies' Registry of Cordoba on 10 January 2011.

Tabanque, S.L.U., Sociedad Industrial y Financiera Gallega, S.L.U and Servicios y Materiales para la Construcción, S.A.U., (SERMACONSA), (as acquired companies), by

Cementos Cosmos, S.A. (acquiring company), and was registered on the Companies' Registry of Pontevedra on 21 December 2010.

All merger transactions described above, which do not affect the consolidation of the Group to the extent that the involved companies were already controlled by Corporación Noroeste S.A., were executed by virtue of the Act on Structural Changes of Corporations (Ley sobre Modificaciones Estructurales de las Sociedades Mercantiles) of 3 April 2009, and in accordance with the special taxation system applicable to mergers, divisions, transfer of assets and exchanges of shares provided for in chapter VIII of heading VII of the Companies Tax Act (Ley del Impuesto sobre Sociedades). The involved companies were not granted any type of rights or advantages.

The most important changes and events that took place in tax year 2009 are as follows:

On 12 March 2009, Corporación Noroeste, S.A. acquired from Arenor, S.L. 55% of the share capital of Betobomba, S.A. for a total sum of 772,640.00 euros and 24.66% of Occidental Áridos for a total sum of 8,150,000.00 euros, resulting in an ownership of 100.00% of its share capital. The acquisition of Betobomba, S.A., generated a goodwill of 737,038.71 euros (Note 6).

On the same date, Corporación Noroeste de Hormigones y Áridos, S.L. acquired 10% of the share capital of Firmes y Hormigones Sani, S.L. from Arenor, S.L. for a total sum of 259,850.00 euros, resulting in a ownership of 90%.

On 23 April 2009, Cementos Antequera, S.A. increased its share capital through the issue of 49,917 registered shares of a nominal value of 60.10 euros each. Corporación Noroeste, S.A. subscribed and paid up for its corresponding shares, i.e. 10,677 shares for a nominal value of 641,687.70 euros.

Subsequently, on 29 July 2009, the company subscribed a further 3,700 shares for a nominal value of 222,370.00 euros, as a result of the apportionment applied to the shares which had not been subscribed by the different shareholders of the aforementioned capital increase. After this subscription, the shareholding percentage in the company reached 23.08%

On 2 January 2009, and effective 16 June 2009 for accounting purposes, Corporación Noroeste, S.A. acquired from its parent company, Cimpor Inversiones, S.A.U. (which it had acquired in December 2008 from a third party) for the amount of 85,580,000.00 euros, 50% of the share capital of Cementos Especiales de las Islas, S.A. and, for the amount of 4,458,600.00 euros, 50% of the share capital of Insular de Productos para la Construcción y la Industria, S.A., both companies located in the Canary Island and both involved in the manufacturing and sale of cement and concrete.

These acquisitions generated positive differences of consolidation for 59,728,083.60 euros and 2,779,683.00 euros, respectively.

The inclusion in Grupo Corporación Noroeste consolidated accounts of the acquired assets and assumed liabilities resulting from these acquisitions was done at its fair value, as determined by independent experts' valuations, so that the consolidation positive difference arising from such acquisitions was allocated to asset values. In the case of Cementos Especiales de las Islas, S.A., such allocation amounted 33,760,543 euros and in the case of Insular de Productos para la Construcción y la Industria S.A., the amount allocated was 460,932.00 euros. The tax effect initially recognised in these allocations totalled 11,191,120.87 and 197.542,29 euros, respectively, as recorded in caption “Deferred tax liabilities” of the tax year 2009 consolidated balance sheet and it was corrected in tax year 2010 (see Note 7).

As a result of the final allocation carried out in fiscal year 2010, the heading “State concessions” increased to 2,169,995.44 euros (Note 6), which includes the tax effect of 650,998.63 euros charged to the goodwill balance as of 31 December 2009.

The non-allocated amount was recognised as goodwill in the heading “Goodwill from consolidation” in the attached consolidated balance sheet (Note 6).

The assets percentage (including the aforementioned allocations and goodwill) and the turnover included in the attached consolidated balance sheet and the consolidated profit and loss account of Cementos Especiales de las Islas, S.A. –CEISA for fiscal year 2009 represents approximately 12.85% and 8.89%, respectively.

On 1 July 2009, Corporación Noroeste de Hormigones y Áridos, S.L. executed the sale agreement signed on 20 February 2008 with a third party for 10% of Fimes y Hormigones Sani, S.L. capital, which it held, for the amount of 250,350.00 euros. Its shareholding in the company changed to 100.00%.

On 30 November 2009 and effective 1 January 2009 for accounting purposes, a merger by acquisition agreement was notarised, by which Occidental de Áridos, S.L. acquired Áridos Cosmos, S.L. This merger transaction was registered in the Companies' Registry of Pontevedra on 18 December 2009.

Also on the same date, and under the same conditions, the merger by acquisition of Hércules, S.L. and Firmes y Hormigones Sani, S.L. by Occidental de Hormigones, S.L. was notarised. This merger transaction was registered in the Companies' Registry of Badajoz on 14 December 2009.

On 14 December 2009, the following acquisitions were executed:

1. Cementos Cosmos, S.A. acquired 60% of the share capital of Soggesso, Sociedade de Gessos de Soure, S.A., located in Portugal and involved in the manufacturing and sale of gypsum products, for the amount of 2,000,000.00 euros, generating a goodwill of 354,154.86 euros (Note 6).

2. Servicios y Materiales para la Construcción, S.A., SERMACONSA, acquired from a third party 45% of the share capital of Agueiro, S.A., a company involved in the marketing of construction materials, for the amount of 90,000.00 euros.

3. Sociedad de Cementos y Materiales para la Construcción de Andalucía, S.A., acquired from a third party 90% of the company, D.S. Unión, S.L., a company involved in the marketing of construction materials, for the amount of 632,709.00 euros, generating a goodwill of 400,012.38 euros (Note 6).

(2) Basis of presentation of the consolidated financial statements

a) Regulatory framework for financial information applicable to the Group-

These consolidated financial statements have been prepared by the parent company´s Directors under the regulatory framework for financial information applicable to the Group, as stated in:

a) Spanish Commercial Code and all other commercial laws.

b) Standars for Presentation of Consolidated Financial Statements approved in Royal Decree 1159/2010 and the General Accounting Plan approved in Royal Decree 1514/2007, as amended.

c) Mandatory standards approved by the Institute of Accounting and Accounts Auditing in the General Accounting Plan, and its supplementary standards.

d) Any other applicable Spanish accounting standard.

b) True and fair view

These consolidated financial statements have been obtained from the accounting books of Corporación Noroeste, S.A. and dependent companies that Grupo Corporación Noroeste comprises, and have been prepared according to the applicable regulatory framework for presentation of financial information, and in particular, subject to the principles and criteria provided within it, thereby showing a true and fair view of the consolidated net assets, financial status, Group's results and cash flows for the corresponding fiscal year.

These consolidated financial statements, as well as the individual annual accounts of Corporación Noroeste, S.A., corresponding to fiscal year 2010, have been prepared by the Directors of the Parent Company, whereas the individual annual accounts of the dependent companies for fiscal year 2010 have been prepared by their respective Directors. Such annual accounts will be subject to approval of their respective Partners or Shareholders General Meeting. It is expected they will be approved as they are.

In turn, the consolidated financial statements for fiscal year 2009 were approved by the Shareholder's General Meeting of Corporación Noroeste, S.A. on 26 March 2010 and subsequently filed in the Companies' Registry of Pontevedra.

c) Voluntary accounting principles applied

No voluntary accounting principles have been applied. The Directors have prepare these consolidated financial statements considering all applicable mandatory accounting principles and standards which have a significant effect in such consolidated financial statements.

d) Negative working capital

The consolidated balance sheet as of 31 December 2010, shows a negative working capital figure for the amount of 18,775,665.88 euros (8,340,036.21 euros in 2009), being current liabilities higher than current assets. Notwithstanding the above, the Directors do not expect any problems in terms of fulfilment of its payment obligations, since the Group holds credit insurance policies with a total limit of 272,000,000.00 euros (262,000,000.00 euros in 2009), of which 13,358.40 have been used (approximately 194,000,000.00 euros in 2009) (See Note 12), and it has further financial support from the Parent Company, Cimpor Inversiones, S.A.U.

e) Accountability for the information and estimates-

The Directors of the Parent Company are accountable for the information contained in these consolidated financial statements.

In the preparation of these consolidated financial statements, estimates established by the Directors of the Parent Company have been used to determine the value of some assets, liabilities, revenues, expenses and commitments contained thereof. Basically, these estimates refer to:

1. The evaluation of possible impairment losses of certain assets (See Note 5.c).
2. Material and intangible assets useful life (see Note 5.a and 5.b).
3. The calculation of the impairment of goodwill associated with the investments in the Group's companies, joint ventures and affiliated companies.
4. The calculation of the quarry regeneration provision, as well as the severance pay provision (see Note 5.b).
5. The recoverability of active tax credits.

Although these estimates have been prepared on a best available information basis at the closure of fiscal year 2010, it is possible that other events taking place in the future will make it necessary to amend them (upwards or downwards) in the next fiscal years, which would be done prospectively, where appropriate.

f) Information comparison

On 24 September 2010, Royal Decree 1159/2010 of 17 September was published in the Spanish Official Bulletin, by which the Standards for Presentation of Consolidated Financial Statements were approved and certain amendments were introduced to the General Accounting Plan approved in the Royal Decree 1514/2007.

According to the established transition adjustments, these amendments have been applied prospectively from 1 January 2010, with no significant impact. Equally, according to suche adjustments, the company has chosen to include the comparative data without adjusting to the new criteria and consequently, these consolidated financial statements are considered as initial for the purposes of harmonisation and comparability. However, the adaptation of the comparative figures would not cause any significant change.

g) Changes in estimates-

During fiscal year 2009, a change in estimate occurred for the residual value of certain quarries of the Group, so that the Directors estimated the recoverable value of these quarries once the extractable materials have been extinguished as being lower than its book value. Taking this circumstance into consideration, quarries accrued amortization against reserves for fiscal year 2009 increased to 576,230.87 euros. Land exploited as quarry is amortised according to the provisions of Note 5.b) of the consolidated report.

There have been no significant changes to the accounting estimates in fiscal year 2010 in comparison to the estimates applied in fiscal year 2009.

h) Grouping of items

Certain items in the consolidated balance sheet, the consolidated profit and loss account, the consolidated statement of changes in net assets and the consolidated cash flow statement, have been grouped to facilitate its comprehension; however, to the extent the information is significant, it has been included in a broken down basis in the corresponding Notes to the consolidated report.

i) Changes to accounting standards

There have been no significant changes to the accounting standards in fiscal year 2010 in comparison to the standards applied in fiscal year 2009.

j) Correction of errors

In the preparation of the attached consolidated financial statements, no significant error has been detected as to result in the amendment of the figures included in the consolidated financial statements for fiscal year 2009. Notwithstanding the above, 19,847,166.75 euros have been reclassified to the heading "Long term accruals", which were registered under "Long term investments in Group's dependent and affiliated companies-Credits to companies by the equity method"

(3) Fiscal year results

The approved distribution of the Parent Company’s results for fiscal year 2009 and the distribution proposal for fiscal year 2010 that the Board of Directors of Corporación Noroeste, S.A. will present to the General Shareholders Meeting is as follows:

	Euros	
	2010	2009
Voluntary reserves and loss carryover	7.614.883,91	13.216.374,52
Fiscal year results	7.614.883,91	13.216.374,52

(4) Consolidation standards

The consolidated financial statements as of 31 December 2010 include the individual annual accounts of Corporación Noroeste, S.A., dependent companies and joint ventures (with both direct and indirect interest) for which the Group has effective control and which are managed by the Group. The consolidated companies as of 31 December 2010 and 2009 are detailed in Note 1.

Dependent companies

Controlled companies have been consolidated using the full integration method for all dependent companies, which are those effectively controlled by the Group, i.e. where the Parent company holds, directly or indirectly, control over them, or has the power to determine the companies' financial and operating policies to obtain economic profit from its activities. This aspect is generally represented by, though not solely, direct or indirect ownership of 50% or more of the voting rights; therefore, this consolidation method has been used for all companies with an interest over 50% and for those which, although having an interest lower than 50%, the degree of control held by the Group is similar to that of majority controlled companies.

The consolidation principles and standards used in the full consolidation method are as follows:

1) Balances and significant transactions between consolidated companies have been suppressed in the consolidation process, as well as significant results from internal transactions which do not involved third parties.

2) As a general rule, assets and liabilities and revenues and expenses of the consolidated companies have been valued using uniform methods. In those cases where different criteria have been applied to those of the Parent Company, it has been verified that this aspect does not have a significant impact on the consolidated financial statements as a whole. As a consequence, a total harmonisation of the valuation was not required.

3) When acquiring a dependent company, its assets, liabilities and contingent liabilities are recorded at their fair value at the date of the acquisition. Any positive difference of acquisition price over the fair value of the identifiable net assets acquired is recorded as “Goodwill”, whereas any negative difference is recorded as gain as of the acquisition date.

4) Minority shareholders' interest in the net assets and in the results of the Group’s consolidated companies by the full integration method, after harmonisation adjustments, is reflected in heading “External Partners” included within the net assets and in heading “Net profit attributable to external partners (profit/loss)” of the consolidated liabilities and the profit and loss account, respectively.

5) External partners’ share in the profit/loss and in the net assets of dependent companies is determined according to their effective participation in the dependent company once the adjustments resulting from the dependent company recognition and valuation of the assets acquired and liabilities assumed have been made. This participation is calculated according to the proportion represented by the external partners’ share in the dependent company’s capital. Where there exists an excess between losses attributable to external partners of a dependent company and their portion of the net assets, excluding their proportional share in the current tax year results, such excess will be attributed to the external partners, even when this results in a debtor balance in caption “External partners” of the consolidated balance sheet.

6) The consolidation of the results generated by the dependent companies acquired in a particular tax year is performed considering only the results corresponding to the period between the acquisition date and the date of the balance sheet. In turn, the consolidation of the results generated by the dependent companies that have been disposed of in a particular tax year is performed considering only the results corresponding to the period between the start of the period and the disposal date.

7) Acquisitions of the shareholding in dependent companies, over which the Group already had effective control, from minority shareholders, therefore representing only an increase in the Group's shareholding percentage, constitute, from a consolidated point of view, transactions with equity securities. As a result, subject to the provisions of NRV 9ª, section 4, of the General Accounting Plan, the balance under caption "External partners" is reduced and the consolidated reserves are adjusted for the difference between the value of the consideration paid by the Group and the modified amount of the balance under caption "External partners", not recognising any goodwill from this transaction and without amending the amount of goodwill that, where appropriate, had been recognised, or of other assets and liabilities in the consolidated balance sheet

8) Revenue recorded as pertaining to a company owned by the Group that has been distributed by another company owned by the Group, is considered internal revenue. Dividends received by Group companies corresponding to distributed profits from previous tax years are suppressed and considered as reserves of the beneficiary company and are included under "Other reserves" or "Reserves in consolidated companies" in "Net assets – Equity capital" of the consolidated balance sheet, depending on the receiving company being the holding company or a subsidiary. Interim dividends are cancelled against the corresponding debtor account in the company that made the distribution.

Associated companies-

The equity method has been applied to associated companies, i.e. those which despite not holding effective control over them, a significant influence is exerted in the management through one of the situations provided for in article 42 of the Commercial Code. A significant influence in a company is deemed to exist when the interest is equal or higher than 20%.

The equity method consist of the addition in the consolidated balance sheet item "Long term investments in group and associated companies-Shareholdings consolidated by the equity method" of the net asset value and goodwill, if any, corresponding to the interest held in the associated company. The net income generated each tax year corresponding to the interest percentage in these companies is reflected in the consolidated profit and loss account as "Interest in net profit (loss) of consolidated companies by the equity method". This value will be subsequently adjusted according to the variations in the assets of the equity shareholding, as well as the evaluative corrections due to impairment that may occur both in the shareholding value and the goodwill. Such corrections are calculated as the difference between its book value and the recoverable amount, the latter understood as the highest figure between its fair value minus sale costs and current value of the future cash flows resulting from the investment. Unless there is better evidence of the recoverable amount, the net assets of the investee company, corrected for the implicit capital gains existing at the valuation date, including goodwill, if applicable.

In the case of transactions with an associated company, profit and loss results are suppressed in the shareholding percentage of the net assets that the Group holds.

Jointly controlled companies-

Investments in jointly controlled companies are consolidated in accordance with the proportional consolidation.

Under the proportional consolidation method, assets, liabilities, the proportional assets, liabilities, income and expenses of the jointly controlled companies are included in the consolidated financial statements, in proportion to the Group's interest.

Assets, liabilities, income and expenses corresponding to combined businesses are recorded in the consolidated balance sheet and in the profit and loss account consolidated according to its specific nature.

These consolidated financial statements include, in accordance with the integration methods as applicable, all holding companies, as stated in article 42 of the Commercial Code.

(5) Book keeping and valuation standards

The main book keeping and valuation standards used by the Parent Company in the preparation of its consolidated financial statements for year 2010, in accordance with the standards contained in the General Accounting Plan, are as follows:

a) Goodwill from consolidation and business combinations-

Business combinations, namely the acquisition of subsidiaries are recorded in accordance with the purchase method. In future consolidated financial statements, the suppression of investment-net assets of the dependent companies will be based, as a general rule, on the value resulting from the application of the purchase method describe below, as of the control date.

Business combinations are recorded using the purchase method, by which the acquisition date is determined and the cost of the combination is calculated, recording identifiable assets acquired and liabilities assumed at the fair value on that date.

The goodwill or negative difference resulting from the combination is determined by the difference between the fair value of the assets acquired and the liabilities assumed and the combination costs, as of the acquisition date.

The combination costs are determined by aggregation of:

- The acquired assets, liabilities incurred or assumed and equity instruments issued at their fair value as of the date of acquisition.

- Any contingency at its fair value which depends of future events or the compliance of predetermined conditions.

Costs related to the issue of equity instruments or the transfer of liabilities in exchange of the acquired assets are not part of the combination costs.

Additionally, and effective from 1 January 2010, fees paid to legal advisors and other professionals involved in the combination as well as the internal costs arising in connection with it are not part of the combination. These amounts are introduced directly in the balance sheet.

If the business combination is carried out in stages, so that prior to the acquisition (effective control date) there was an existing investment, the goodwill or the negative difference is determined by the difference between:

- The cost of the business combination plus the fair value of any previous interest held by the acquiring company in the acquired company as of the acquisition date; and,

- The value of the identifiable assets acquired minus the value of the liabilities assumed, determined according to the above explanation.

Any profit or loss arising as a result of the valuation at fair value on the date control Cualquier beneficio o pérdida que surja como consecuencia de la valoración a valor razonable en la fecha en que se obtiene el control de la participación previa existente en la adquirida, se reconocerá en la cuenta de pérdidas y ganancias. If the investment in this investee company had been valued previously at its fair value, the valuation adjustments pending of inclusion in the tax year results will be transferred to the profit and loss account. On the other hand, it is considered that the business combination costs are the best reference to estimate the fair value of any previous shareholding at the acquisition date.

Goodwills are not amortised and are subsequently valued at their cost minus impairment losses in value. Impairment valuation corrections recognised in the goodwill are not subject to reversal in subsequent tax years.

In the rare event of a negative difference arising from the business combination, it will be recorded in the profit and loss account as revenue.

If at the closing date of the tax year in which the combination took place, the valuation processes required in order to apply the acquisition method previously described cannot be concluded, this record will be considered as provisional and they can be adjusted during the period of time needed to obtain the required information, which, in any case, will not exceed twelve months. The effect of the adjustments applied in this period will be recorded retrospectively, modifying the comparative information if needed.

Subsequent changes in the fair value of the contingent consideration are adjusted against results, unless such consideration had been classified as net assets, in which case, no subsequent changes in its fair value will be recorded.

b) Intangible fixed assets

As a general rule, intangible fixed assets are initially valued at their acquisition price or production cost. It is then valued at a reduced cost corresponding to the accumulated amortisation and, where appropriate, to the impairment losses it might have experienced according to the criterion mentioned in section 5.d. Those assets are amortised based on their useful life.

The administrative concessions correspond to amounts paid to Public Authorities for port concessions and the exploitation of mining rights. The Group amortises this fixed charge based on the maturity of the contract with the relevant Port Authority and the tonnes of aggregate extracted in each tax year, and the estimated total tonnage from quarries, respectively.

The "Industrial property" account is charged with the amounts paid for property acquisition or the rights to exploit different kinds of property or for the costs incurred in the registration of the properties developed by the Group and it is amortised over five years.

Greenhouse effect gas emissions rights, which have been allocated by the Central Administration through the National Allocation Plan (also called EUA, European Union Allowances) to dependent companies Cementos Cosmos, S.A. and Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U., are accounted for according to the standards issued by the Institute of Accounting and Account Auditing of 8 February 2006, so that the rights received free of charge for tax year 2010 have been applied the fair value corresponding to 1 January 2010, i.e. 12.28 euros (14.90 euros in 2009), and are recorded in the "CO2 emissions licenses" account, and have as their counterpart at their initial record the "Other subsidies, donations and legacies" account, net of its corresponding tax impact.

According to this accounting standard, this intangible fixed asset is not amortised and it will be derecognised in the balance sheet upon its transfer, disposal or maturity of those rights.

Expenses associated with the greenhouse effect gas emissions are accrued as gases are emitted and they are quantified according to the rights book value, and are recorded under “Other operating expenses” in the “Provisions” of non current liabilities. These provisions will be derecognised upon transfer of the rights to the Administration

The allocation of the emission rights amount received free of charge in the balance sheet is done as costs resulting from the gas emissions related to subsidised emission rights are allocated in the balance sheet, and are recorded under caption “Allocation of subsidies to non financial intangible assets and other”.

In order to ensure compliance of the environmental obligation of reducing CO2 emissions at a global level, the Kyoto Protocol establishes the provision for CDM (Clean Development Mechanism), by virtue of which, emission reduction by companies is possible, not only in their facilities, but also through the involvement in environment protection projects in recently industrialised or developing countries. These projects, which are approved, registered and audited independently by the United Nations Framework Convention on Climate Change – UNFCCC) generate emission reduction certificates, also known as CERs, and as EUA rights, they can also be purchased. CER certificates are used to comply with the obligation of return of the emission rights to the relevant public institution (RENADE). In this regard, a CER certificate corresponds to a EUA right in a 1:1 ratio.

In Spain, as it is stipulated in Order Pre/3420/2007, approved by the Council of Ministers of 2 November 2007, the companies taking part in these projects may return CER certificates to the Central Administration, acquired or exchanged, up to a limit of 42% of the total emission rights granted in the case of companies producing energy for the public grid and of 7.90% for companies in any other sector. Hence the Grupo Corporación Noroeste applies the limit of 7.90%.

The goodwill amount arising from assets that constituted a business is recognised in the assets of the consolidated balance sheet and it recognises the excess between the combination cost and the fair value of the acquired assets at the purchase date in the assets of the consolidated balance sheet.

Goodwill identified in purchases of assets realised prior to the effective date of the General Accounting Plan approved in Royal Decree 1514/2007 of 16 November, are valued recognising on the purchase date, the excess between the cost of the acquired assets and their fair value reduced by the accumulated amortisation from the purchase date to 31 December 2007. As of the effective date of the General Accounting Plan, goodwill ceases to be amortised and the retention of an unavailable reserve equivalent to the goodwill appearing in the balance sheet will be applicable. This reserve must be, at least, 5% of that particular goodwill. In case of insufficient profits, free disposal reserves will be used.

IT applications correspond to software and licenses to be amortised over four years. The maintenance costs of such software applications are recorded in the profit and loss account of the corresponding tax year.

The exploitation rights of mines correspond mainly to the fair value assigned to the extraction rights acquired through the purchase of Arenor Áridos, S.L., which took place in tax year 2008 and are amortised in the period where the mineral reserves are estimated to extinguish.

c) Property, land and equipment-

Generally, property, land and equipment is stated initially at its purchase price or production cost, updated for fixed assets acquired before 1996, in accordance with several legal provisions, including Royal Decree Law 7-1996 for several Group´s companies, and are then reduced by the corresponding accumulated depreciation and impairment losses, if any, according to the criteria established in section d) of this Note.

Companies amortise its land, property and equipment according to the linear method, distributing the assets cost over the estimated amount of years of useful life, which are detailed below:

	Years
Land-quarries	14 to 50
Construction	14 to 68
Technical installations and machinery	4 to 18
Other installations, tooling and equipment	8 to 25
Transport elements	5 to 14
Information processing equipment	4 to 7

The life span of the assets that are susceptible to reversion at the end of the concession period is considered less between its economical life and the concession period.

The expenses on the conservation and maintenance are charged to losses and profits of the current tax year.

The costs of expansion, modernisation, or improvements which represent an increase of productivity, capacity and efficiency, or the elongation of the assets' life span are capitalised in themselves as increasing costs.

The Group, on a base of the current environmental law in Spain, has the obligation to restore the land used for quarry exploitation. As of December 31st, 2010 the sum of the current value of future obligations, due to this obligation, was 13,414,268.13 euros (13,582,047 euros in 2009).

Studies and landscape restoration projects have been made to estimate the actual value of this restoration. This applies to the exploitation done by the associated companies in each quarry and life span of each quarry.

Caption 'Land and Constructions' shows a current value as the biggest cost (Note 11) which an financial update has been done within the further periods.

Also, the amounts allocated by the companies towards progressive restoration of each quarry are applied against that provision which is its purpose.

In terms of amortisation of the quarries criteria, included in 'Land and Constructions', the Group distinguishes between:

1. Amounts which correspond to the current value of future quarry restoration obligations: are amortised during the years of its life span taking into account the estimated annual production and stockpiles.

2. Acquisition value of land- quarries: the residual value of the land after all the material has been depleted and of appraisals done by third parties the value must be equal or more of the acquisition amount. If not it will be depreciated throughout its life span.

As of December 31st, 2010 and 2009 the net value of the quarries of the Group was registered as 79,151,992.73 euros and 81,084,320.89 euros, respectively.

Work carried out by the Group for its own assets are registered as accumulated cost which external cost must be added. Internal costs being: consumption of stocked tangible fixed assets and of cost of production depending on hourly rates of production. These expenses are registered under ‘Work carried out by the Group on fixed tangible assets’ in the losses and profits accounts with a sum of 40,444.97 euros (99,209.94 euros in 2009).

d) Impairment in value of tangible and intangible assets-

The possible losses in value that reduce the recoverable value of both tangible and intangible assets to an amount under their book value are determined by the so called “Impairment test”.

The recoverable amount is determined as the highest of the fair value minus sale cost and the value in use.

Recoverable values are calculated for each cash generating unit, although in the case of tangible assets, whenever possible, the impairment calculations are done on an individual basis.

On a general basis, the Holding Company has defined each investee company individually as a basic cash generating unit. Notwithstanding the above, concrete companies Prebetoong Galicia, S.A., Hormigones Mio, S.L. and Occidental de Hormigones, S.L.U., have been considered collectively as a single cash generating unit, to the extent that the asset management of these three companies shares a common strategy to cover market demand of the same type of product. Furthermore, the merger of these three companies into one is planned to take place in the course of tax year 2011.

The analysis of goodwill impairment, as well as certain types of tangible and intangible fixed assets is carried out taking as reference the current value of the discounted cash flows of each investee company, considering the most up to date financial projections approved by the respective Board of Directors.

Future cash flows are discounted at the average weighted capital cost, adjusted for specific risks in each market segment.

Cash flow projections are based on medium and long term business plans approved by the Board of Directors, taking into consideration a fixed residual value.

Generally, the main hypotheses used for the determination of those values in all holding companies are the following:

- 10 year business plans.
- Sales growth for the period 2011-2012 between 1.0% and 10.3% in general terms, according to each dependent company´s business plan.
- Sales growth for the period 2014-2019 from 2.0% to 7.0%.
- Sales costs increase for the period 2014-2019 from 1% to 3.5%.
- Personnel costs growth for the period 2014-2019 from 1.0% to 2.5%.
- Fixed growth from 1.4% to 2.0%.
- Discount rate of 6.4%.

If the recoverable amount of an asset (or cash generating unit) is estimated as being lower than its book value, then the book value of the asset (or cash generating unit) is reduced to match its recoverable amount. For that purpose, the amount of the value impairment loss is recognised as an expense.

If the value of an impairment loss reverses afterwards, the book value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but in such a way that the increased book value does not exceed the book value that would have been determined if no impairment loss in value had been recognised in previous tax years for the asset (cash generating unit). Immediately after, a reversal of the value impairment loss amount is recognised as revenue.

e) Financial instruments-

Financial assets:

Classification-

The financial assets in possession of the Group are classified according to the following categories:

- Loans and accounts receivable: financial assets resulting of the sale of goods or provision of services through company transactions, or other assets of a non commercial nature that are not equity instruments or derivatives and for which the charges are of a fixed and determinable amount and are not traded in an active market.

- Available for sale financial assets: these include debt securities and equity instruments of other companies which have not been classified as loans and accounts receivable, as well as investments in the net assets of holding, associated and jointly controlled companies.

Initial valuation-

Financial assets are initially recorded at the fair value of the consideration received plus costs directly attributable to the transaction. However, credits from commercial transactions with a maturity of less than one year and with no contractual interest rate are recorded initially at their nominal value when the effect of not updating the cash flows is not significant.

Subsequent valuation-

Loans and accounts receivables are valued at their amortised cost, recognising accrued interest in the profit and loss accounts using the effective interest rate method. However, credits for commercial transactions with maturity under one year that are initially valued at their nominal value, will continue to be valued at that amount, unless they have become impaired.

Financial assets available for sale are valued at their fair value; the results of variations in the fair value are recorded in the net assets until the asset is disposed of, or experiences a value impairment of a stable and permanent nature. From that moment, the accumulated results previously recognised in the net assets, are then recorded in the profit and loss account. Accordingly, an impairment of a permanent nature is considered to exist when there is a fall of over 40% of the quoted marked price of that asset over a period of one and a half years without recovery of its value.

Where the fair value of these assets ceases to be reliable or cannot be reliably determined, they will be valued at their acquisition price, taking into account the effect of the relevant valuation corrections.

At the closing of the tax year, the Group performs an impairment test for financial assets not recorded at their fair value. If the recoverable value of the financial asset is lower than its book value, it is considered to be an objective proof that the impairment exists. When this occurs, this impairment is recorded in the profit and loss account.

In particular, and with regards to the valuation corrections related to commercial debtors and other accounts receivable, the Group obtains de amount of those valuation corrections from the individual analysis of the economic recovery of the accounts receivable as of 31 December 2010 and 2009.

The Group derecognises financial assets at their maturity or after the rights over the cash flows of the corresponding financial asset have been transferred and the risks and benefits inherent to its ownership, such as in outright purchases of assets, have been substantially transferred.

On the other hand, the Group does not derecognise financial assets –and recognises a financial liability equal to the consideration received, in cases where the risks and benefits inherent to its ownership, such as discounted receivables, are substancially retained in the transfer of the financial assets.

Financial liabilities-

The Group's debits and accounts payables are considered as a liability; their origin is from the purchases of goods and services of traffic transactions or those which are not considered as commercial cannot be used as derived financial instrumentation.

Debits and accounts payables are initially valued by the deference value adjusted directly by the attributable transaction or by its par value when treated as commercial transactions with an expiry date of no longer than a year and without a contractual interest; as long as the effect of not updating the cash flows isn't significant.

Subsequently, these liabilities are valued in accordance with its amortisation cost. The accrued interests are brought to account in the profit and loss account, with the effective interest rate applied.

Notwithstanding, debits with a due date no higher than a year, referred in the last paragraph, are initially valued by its nominal value and will continue to do so.

The Group terminates the financial liabilities when the obligations that have been generated by them are extinguished.

Equity instruments-

Equity instruments issued by the Parent Company are recorded in the net assets for the amount received, net of issuance costs.

f) Active long term accruals

The accrued liabilities correspond to payment on account carried out by the affiliated company Arenor, S.L. as leasing out of land.

These accrued liabilities are valued by its reasonable value which is determined as current forwarded nominal value, taking the interest rate in consideration. Subsequently, it is appreciated by its amortised cost and the accrued interests are brought into account in losses and profits having the effective interest applied. Notwithstanding, the accrued liabilities on short term will still be valued for its nominal value, as long as, the effect of not updating the cash flows isn't significant.

The cancellation of these accrued liabilities, and subsequently, its imputation of the losses and profits account is carried out annually taking into account its accrual.

g) Non-current assets held for sale

The Group classifies a non-current asset or a disposal group as for sale en the decision of selling it is made up; it is estimated that the selling transaction is carried out within the next 12 months (Note8).

These liabilities or disposal groups are valued by their appraised value or its reasonable value with the necessary sell costs deducted.

Liabilities classified as non-current which are for sale are not amortised but on the balance sheet's due date they are registered as provisions so that the account value does not exceed the fair value minus the selling costs.

Income and expenses generated by the non-current liabilities and element disposal groups which are for sale and which do not meet the requirements to classify them as interrupted transactions are brought into account in the losses and profit account.

h) Stock-

Stock is valued by its acquisition price, production cost or its lowest net disposal value. The commercial discounts, other discounts applied, similar items and interests integrated to the nominal value of the debits are deducted when determining the selling price on its sale.

Production cost includes all the direct materials or, as the case may be, the costs of hand labour and general costs production.

The net disposal value represents the appraisal of the sale's price deducting all the estimated costs to finish its production and the incurred costs within the marketing process (sale and distribution).

The value assignment of stock the Group puts into action the weighted average cost.

The Group takes into effect the appropriate allowances on receivables, recognising them as an expense in the losses and profits account when the cost of the stock net disposal value is less than its buying price or its production cost.

i) Subsidies, donations and legacies-

In order to bring into account received grants, donations and legacies, the Group the following criteria:

Non-refundable grants, donations, and legacies are registered as part of the Net Patrimony in accordance with the conditions which must be unchanged. Therefore, there are no reasonable doubts that it will be collected, for its fair value or of the received goods, whether its cash or not. They are charged against the amount allocated for depreciation carried out for the granted elements or, as the case may be, when the disposal or valuation allowance is produced; the grants received by the partners themselves are registered under 'Equity Capital' (it is accounted as income.

In the balance sheets under 'Grants, Donations and Legacies' includes the CO2 emission licences appreciation from the dependent companies related to Cementos Cosmos, S.A. y Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U., (Note 5). As of December 31st, 2010, the amount for the mentioned licences is: 1,520,658.22 euros (241,423.21 euros in 2009) which corresponds to the amount not comed at the end of each tax year.

Exploitation grants. Are granted at the moment the grant is given, except when they are destined to finance an operating deficit in future years, in which case they will be imputed within those years.

j) Provisions and contingencies and guarantees committed-

The holding company's governing body which are registered in the balance sheets differ between:

1. Supplies: creditor balances that cover current accrued obligations from past events whose cancellation could originate an outflow of resources, yet considered undefined by the turnover and/or the date of their cancellation.

2. Contingent liabilities: possible obligations due to past events whether it is conditioned to occur (or not) more independent of the will of the company.

The consolidated balance sheet registers all the supplies which are considered to attend to the obligation. The contingent liabilities are not in the consolidated balance sheet but on the memorandum sheet, therefore they are not considered remote.

Supplies are valued by the current value of the best possible estimate of the necessary amount in order to cancel or transfer the obligation, taking into account the information available on the event and its consequences, thus registering the adjustments that might come about from the updates of these supplies as a financial expense in accordance to how it is earned.

The compensation received from a third party when liquidating the obligation, reimbursement must be proved is registered as a liability; except when a legal connection does not exist on the part of the risk which is contracted out, and by which the Group is not obliged to respond. If so, the compensation required to appraise the amount will be the value of these supplies.

Supplies on short terms have been constituted to attend the delivery obligations of the emission licences (Note5).

The provision for environmental proceedings have been constituted for the quarry restoration expense coverage which the dependent companies are exploiting (Note %).

Within the consolidated balance sheets informs on the contingent liabilities which may come about on the testing and investigation of corporation income tax (2002) carried out on the holding company by the authorities - Administracion Tributaria (Note 13).

Supplies due to dismantling were provided by Cementos Especiales de las Islas, S.A., to cover future dismantling expenses of some assets of which the ship and port facilities posses.

k) Pension liabilities–

Cementos y Materiales de Construcción de Andalucía, S.A.U. and Cementos de Andalucía, S.L.U., have a commitment to provide defined contribution schemes for their employees related to percentage of their salary to a pension fund. These commitments are externalised.

This contribution is registered under ‘Personnel Expenses’ in consolidated losses and profits accrued account for each tax year.

Long term contributions for defined contribution schemes:

The Grupo companies, Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U. and Cementos de Andalucía, S.L.U., have a commitment to provide pension plans to employees who started working with the company before 1995; when retired they have a supplement of up to 80% of their salary. These commitments are formalised by taking out a pension plan. They are also externalised and registered with a third party independent subsidiary.

This pension plan is considered plan assets, hence not being the company’s property but of a third party which is legally separate and not being linked in any way; their only job is to be available to pay or finance the employee’s retributions. It cannot be regressed to the company until the assets of the pension plan are sufficient to fulfil the obligations.

At the end of each accounting period, actuarial reviews are elaborated to define the current value of the committed retributions to the date. The current value of the committed retributions, by appraisal, is compared with the fair price of the Pension Plan to determine the different amount to register as assets or liabilities, as applicable.

The expenses of these pensions are registered under ‘Personnel expenses’ by amounts set previously by actuarial reviews and the current costs are included (a rise in the current value of the committed retributions). They correspond to the additional benefits generated by the employees within the period and the cost of interests from the update of the current value of the committed retributions. These costs are deducted to the corresponding amount of the plan assets.

The variations of the current value calculation of the retributions or plan assets, on the balance closing date, due to actuarial losses and profits, will be registered on the year which is needed (within the Net Patrimony) under stockpiles. For this purpose, the actuarial losses and profits are exclusively the variations which are produced due to changes in the hypothetical actuarials or differences between previous calculations carried out on the basis of the hypothetical actuarials used and due to the events.

l) Classification between current and non-current balances-

Within the consolidated balance sheets, the balances are classified as current and non-current. Current balances are those which the Group hopes to sell, consume, disburse or carry out within the course of the exploitation; those not belonging to this classification are considered non-current.

m) Foreign currency transactions-

The Group’s functional currency is the euro. Therefore, transactions in currencies other than the euro are considered as denominated in foreign currency and registered at the applicable exchange rate on the relevant transaction date.

At the closing of the tax year, capital assets and liabilities denominated in foreign currency are converted at the applicable exchange rate as of the date of the balance sheet. Resulting profit or losses are allocated directly in the profit and loss account of the tax year they arouse.

n) Income tax-

The expense or income on the corporate income tax return consists partly on the expense or income for the current tax and the corresponding part to the expense or income for accrued tax.

The current tax is the amount which the Group pays as fiscal liquidations on the income tax of a tax year. The deductions and other fiscal benefits of the amount (excluding retentions and payables and losses due to fiscal payment orders of previous tax years, and applied in it. This lowers the income tax amount.

The expense or income for accrued tax corresponds to assets and liabilities for accrued tax. These include the temporary differences which are identified as amounts foreseen as paid or recoverable derived from the difference between the amounts on the balance sheets under assts and liabilities and its tax value. Also, the negative taxable income not applied as tax purposes. These amounts are registered by applying the temporary difference or the corresponding credit and its charge rate (they are expected to be recovered or liquidated).

Assets on accrued tax on all the taxable temporary differences, except those derived from acquired companies or other assets and liabilities in a transaction which does not affect the accounting fiscal result and it is not a business combination.

In parallel, accrued tax assets are only recognised if it is considered probable that the Group have future fiscal profits available against which could be maid into cash.

The accrued tax assets originated from transactions with credits or debits directly in patrimony accounts, registered under patrimony.

Several Group companies are taxed under fiscal consolidation (Note 13).

o) Revenues and expenses-

Revenues and expenses are allocated according to the accrual criteria, i.e. when the real flow of goods and services that they represent occurred, regardless of when the monetary or financial flow derived from them takes place. These revenues are valuated at the fair value of the consideration received after discounts and taxes.

The recognition of revenue from sales is done upon trasfer to the buyer of the significant risks and benefits inherent to the ownership of the asset sold, and not keeping current management over that asset, neither retaining effective control over it.

Revenues from the provision of services are recognised in the period they are rendered.

Interests received from financial assets are recognised using the effective interest rate method and the dividends, when the right of the shareholder to receive them is stated. In any case, interests and dividends from financial assets accrued after the date of acquisition, are recognised as revenue in the profit and loss account.

p) Severance pay-

In accordance with applicable legislation, the Holding Company and dependent companies are obliged to grant a severance pay to those employees whose employment is terminated, under certain circumstances, and a valid expectation against third parties is created over that payment. Therefore, severance pay susceptible of reasonable quantification is registered as an expense for the year in which the termination decision has been made. No such provision has been included in the consolidated balance sheet since this kind of situations is not expected.

q) Operating leases-

In leasing transactions, the property being leased and all the risks which may come about are relapsed on the landlord.

If in which case the Group is a landlord, the derived expenses and income of the property being leased are charged to the losses and profits account within the taxable year.

Also, the cost of acquiring the property being leased is registered in the balance sheets according to its nature, increased through costs of the contract itself directly taxable. The same criterion is used to register the income of the lease.

Any charge or payment which may come about when leasing a property will be treated as collection or payment in advance and will be taxable throughout the leasing contract; as the profits of the leasing property are given or received.

When the Group is the renter, the costs of leasing and incentives will be charged lineally to the losses and profits account, till end of contract.

r) Transactions with related parties-

The Holding Company and its dependent companies carry out all their transactions with related parties at market value. Additionally, since transfer prices are appropriately borne, the Directors of the Holding Company consider that there are significant risks in this regard from which considerable liabilities could derive in the future.

s) Environmental assets-

Assets used in the long term activity of the Group for the main purposes of mitigating the environmental impact and protecting and improving the environment, including reducing or eliminating future pollution are considered environmental assets.

The valuation criteria and allocation in the balance sheet of the amounts intended for environmental purposes, as well as the description of the estimation method and forecast calculation, in included in Note 5.c.

t) Discontinued operations-

Discontinued operations (or non-current assets) are business lines which it has been decided to be abandoned and/or disposed of, for which the assets, liabilities and results can be identified materially, as well as in terms of operations and presentation of financial information. Revenues and expenses from discontinued operations are presented separately in the profit and loss account.

No business line or segment of the Holding Company or dependent companies has been discontinued during tax year.

u) Statement of cash flows-

The following terms are used with the meaning specified below in the statement of cash flows:

- Cash flows: inflows and outflows of cash and cash equivalents, which are considered investments, are short term, highly liquid, with low risk of changes in value.

- Operating activities: customary activities of the Group and other activities that cannot be classified as investment or financing activities.

- Investment activities: acquisition, disposal or otherwise divestment of long term assets and other investments not included in cash and cash.

- Financing activities: activities that result in changes to the size and composition of the net financial assets and liabilities.

(6) Intangible fixed assets

Goodwill from consolidation-

The following caption shows the enclosed goodwill from consolidation. It includes the goodwill acquired by the equity method from consolidated companies. Here, the incurred operations from the tax years 2010 and 2009 are shown:

	Euros
Balance as of 31 December 2008	23,090,597.71
Acquired companies	29,776,897.23
Transfers	3,678,922.31
Balance as of 31 December 2009	56,546,417.25
Acquired companies	201,774.23
Impairment losses	(737,038.71)
Transfers (Note 6)	(1,518,996.81)
Balance as of 31 December 2010	54,492,155.96

The impairment losses from the tax year 2010 for 737,038.71 euros are entirely from the company Betobomba, S.A. due to its dissolution which will take place in the tax year 2011. The total amount is shown in the 'Impairment and profit or loss on disposal of fixed assets' caption, account goodwill profit and losses 2010.

The acquired companies generated within the tax year 2010 correspond with the goodwill produced by the acquisitions of Inversiones Filaria, S.L. and Transformal, S.L.; also, from the goodwill produced by the acquisitions of Cementos Especiales de las Islas, S.L., Insular de Productos para la Construccion y la Industria, S.L., Sogesso-Sociedade de Gessos de Soure, S.A., Betabomba, S.L. And D.S. Union, S.L. (described in Note 1)

The balance composition as of 31 December 2010 and 2009 shown in the next epigraph is for the companies:

	Euros	
	2010	2009
Cementos el Monte, S.A. (*)	8,516,494.54	8,516,494.54
Occidental de Hormigones, S.A.	10,464,105.34	10,464,105.31
Materiales del Atlántico, S.A.	3,834,808.72	3,834,808.72
Tabanque, S.L. (*)	275,189.14	275,189.14
Occidental de Áridos, S.L.	3,678,922.31	3,678,922.31
Insular de Productos para la Construcción y la Industria, S.L.	2,294,162.11	2,318,151.11
Cementos Especiales de las Islas, S.A.	24,472,532.35	25,967,540.16
Betobomba, S.L.	-	737,038.71
D.S. Unión, S.L.	400,012.38	400,012.38
Sogesso - Sociedade de Gessos de Soure, S.A.	354,154.86	354,154.86
Inversiones Filaria, S.L.	64,978.70	-
Transformal, S.A.	136,795.53	-
	54,492,155.98	56,546,417.24

(*) The acquiring companies are included as a result of the merges described in Note 1.

Other intangible assets-

The incurred operations for the tax years 2010 and 2009 within the different accounts and the accumulated amortisation included are the following:

	Euros							
	Administrative Concessions	Industrial Property	Goodwill	Mining Exploitation rights	CO2 emission rights	Software applications	Other intangible assets	Total
Cost-								
Balance at 31 December 2008	850.767,06	258.281,63	13.499.332,66	26.308.267,27	39.045.448,67	660.358,79	8.583,92	80.631.040,00
Additions	103.720,27	-	-	108.000,00	30.183.958,10	-	-	30.395.678,37
Disposals	-	-	-	-	(42.913.116,17)	-	-	(42.913.116,17)
Transfers (Note 7)	8.398.944,00	-	12.946.641,65	-	-	135.794,44	-	21.481.380,09
Incorporations	202.962,76	8.999,06	-	-	-	237.186,41	-	449.148,23
Balance at 31 December 2009	9.556.394,09	267.280,69	26.445.974,31	26.416.267,27	26.316.290,60	1.033.339,64	8.583,92	90.044.130,52
Additions	866,47	926,86	-	-	24.876.443,33	-	-	24.878.236,66
Disposals	-	-	-	-	(27.722.976,15)	(1.759,36)	-	(27.724.735,51)
Transfers	(5.021.249,84)	-	-	-	-	2.188,03	-	(5.019.061,81)
Balance at 31 December 2010	4.536.010,72	268.207,55	26.445.974,31	26.416.267,27	23.469.757,78	1.033.768,31	8.583,92	82.178.569,86
Amortization-								
Balance at 31 December 2008	272.395,59	66.274,97	-	-	-	583.944,27	2.541,89	925.156,72
Additions	257.937,16	51.846,29	-	1.880.797,62	-	63.527,20	1.596,72	2.255.704,99
Transfers	(7.307,60)	-	-	-	-	6.473,52	-	(834,08)
Incorporations	107.340,11	4.083,87	-	-	-	209.002,38	-	320.426,36
Balance at 31 December 2009	630.365,26	122.205,13	-	1.880.797,62	-	862.947,37	4.138,61	3.500.453,99
Additions	703.070,46	51.698,38	-	1.898.797,04	-	67.587,15	1.596,72	2.722.749,75
Transfers	(222.616,28)	-	-	-	-	1.996,33	-	(220.619,95)
Balance at 31 December 2010	1.110.819,44	173.903,51	-	3.779.594,66	-	932.530,85	5.735,33	6.002.583,79
Net value	**3.425.191,28**	**94.304,04**	**26.445.974,31**	**22.636.672,61**	**23.469.757,78**	**101.237,46**	**2.848,59**	**76.175.986,07**

The composition of companies in the next epigraph 'Goodwill' as of 31 December 2010 and 2009 are the following:

	Euros	
	2010	2009
Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.	10,263,306,00	10,263,306.00
Occidental de Hormigones, S.L.	3,213,023.87	3,213,023.87
Occidental de Áridos, S.L.	23,002.79	23,002.79
Cimpor Canarias, S.R.L.	9,430,800.69	9,430,800.69
Cimpor Hormigón Canarias, S.R.L.	3,515,840.96	3,515,840.96
	26,445,974.31	26,445,974.31

The most important additions of both tax years correspond to rights for CO2 gas emissions, explained in Note 5.b.

The withdrawals generated in 2010 and 2009 correspond to rights for CO2 gass emission consumed and sales to third parties (see Note 17).

The transfers generated within the tax year 2010 mainly correspond to a transfer to 'Administrative Concessions' for a sum of 2,169,995.44 euros (tax effect included),as a result of definite assignation of goodwill from the multi-group companies: Cementos Especiales de las Islas, S.A. and Insular de Productos para la Construccion y la Industria, S.A., on the basis of valuation from independent experts. Also, 'Administrative Concessions' have transferred to 'Terrains' a sum of 7,190,736.90 euros corresponding to mining production, for a land owned by Cimpor Canarias, S.A.U.; also, on the basis of valuation from an independent expert.

The transfers generated within the tax year 2009 mainly correspond to an assignation for the amount given as of 31 December 2008 which is shown as 'Payments and Financial Assets in Course'. These payments were carried out by Cimpor Canarias, S.R.L. and Cimpor Hormigon Canarias, S.R.L. to third parties for the acquisition of cement and concrete mixers.

The sum paid for each asset corresponds with a reasonable value determined from valuations from independent experts.

The difference between the acquisition date with its reasonable value and the sum paid are registered as goodwill, as described in Note 5.b.

At the closing date of the tax years 2010 and 2009 the intangible assets were not completely amortised by the Group.

(7) Property, land and equipment-

The incurred operations for the tax years 2010 and 2009 within the different assets accounts and their corresponding accumulated amortisation have been the following:

	Euros			
	Land and buildings	Plant, machinery and other equipment	Advances and Property, plant and equipment in the course of construction	Total
Cost-				
Balance at 31 December 2008	225.011.553,86	414.309.773,99	81.968.853,06	721.290.180,91
Additions	4.533.575,28	9.162.692,45	5.308.683,12	19.004.950,85
Disposals	(17.238,22)	(3.893.550,78)	(437.368,78)	(4.348.157,78)
Transfers (Note 6)	29.540.049,39	29.829.221,77	(80.714.856,81)	(21.345.585,65)
Incorporations	50.105.549,46	65.531.604,34	365.948,85	116.003.102,65
Balance at 31 December 2009	309.173.489,77	514.939.741,77	6.491.259,44	830.604.490,98
Additions	3.386.737,90	4.595.712,63	3.836.329,03	11.818.779,56
Disposals	(301.068,61)	(3.902.217,10)	(10,50)	(4.203.296,21)
Transfers (Note 6)	7.785.297,77	2.597.290,55	(3.179.039,46)	7.203.548,86
Other	3.277.683,67	-	-	3.277.683,67
Incorporations	125.859,68	-	2.912.294,53	3.038.154,21
Balance at 31 December 2010	323.448.000,18	518.230.527,85	10.060.833,04	851.739.361,07
Amortization-				
Balance at 31 December 2008	64.047.615,81	241.314.725,70	-	305.362.341,51
Additions	8.000.531,11	31.999.996,69	-	40.000.527,80
Disposals	-	(2.814.008,65)	-	(2.814.008,65)
Transfers	245.111,28	(297.782,20)	-	(52.670,92)
Other	576.230,87	-	-	576.230,87
Incorporations	6.834.898,67	34.355.500,90	-	41.190.399,57
Balance at 31 December 2009	79.704.387,74	304.558.432,44	-	384.262.820,18
Additions	8.068.207,53	29.262.430,81	-	37.330.638,34
Disposals	-	(2.954.567,80)	-	(2.954.567,80)
Transfers (Note 6)	372.718,37	(137.606,80)	-	235.111,57
Other	28,82	10,52	-	39,34
Balance at 31 December 2010	88.145.342,46	330.728.699,17	-	418.874.041,63
Impairment-				
Balance at 31 December 2009 and 2010	379.408,90	-	-	379.408,90
Net value	**234.923.248,82**	**187.501.828,68**	**10.060.833,04**	**432.485.910,54**

The most important additions within the tax year 2010 have been the following:

Sociedad de Cementos and Materiales de Construccion de Andalucia, S.A. have continued the reforms of enlangement of production capacity in the kilns of both factories. Morteros de Galicia, S.A. has also finished the execution of its second cement bagging production line.

Cementos Cosmos, S.A. has replaced fire-resistant materials in the kiln's burning section (found within the company's boundaries) in Oural. The factory in Toral de los Vados has acquired replacements for their assets and has also kept up the renovation of its control system. Both factories have installed new particle control equipment.

The most highlighted disposals of the tax year 2010 have been the sales of cogeneration power systems and pumping machines of the dependent companies Materiales del Atlantico, S.A. and Bomtrahor, S.A.

The section 'Others" ,with 3,277,683.67 eurors, refers to the liabilities on differed taxes from land derived from Cementos Especiales de la Islas, S.A., taking into account the actual temporary differences between the fiscal and accounting aspects.

The following acquired companies are part of the assets contribute with Transformal, S.A. (Note 1):

The enlargement of the kiln's production capacity of both factories belonging to Sociedad de Cementos y Materiales de Construccion de Andalucia, S.A.U. has resulted into some investments coming to a close.

Cementos Cosmos, S.A. (Toral de los Vados) continues the rennovation of the company's control system and the dosaging of thermic plaster; the completion of the transformation kiln's electro-filter has also taken course.

The most highlighted disposals of the tax year 2009 have been the sales and removal from operation of transportation assets of the dependent companies Betobomba, S.L. and Cementos Especiales de las Islas, S.A.

Cimpor Canarias, S.R.L. and Cimpor Hormigon Canarias, S.R.L. as of 31 December 2008 registered their transfers as 'Advanced payments and tangible fixed assets'.

The acquired companies referred to Cementos Especiales de las Islas, S.A. and Insular de Productos para la Construccion y la Industria, S.A. (Note 1). The acquired assets from this have been valuated by independent experts.

The epigraph 'Land and Construction' as of December 31st, 2010 and 2009 (152,347,412.45 euros and 141,131,908.18 euros, respectively) corresponds to the book value of land owned by the Group.

The tangible assets of Grupo Corporacion Noroeste which are in use and are completely amortised as of 31 Decembe 2010 and 2009 are the following:

	Euros	
	2010	2009
Land	581,888.27	149,915.11
Buildings and construction	26,244,107.34	22,371,310.14
Technical facilities and machinery	142,545,031.47	130,737,082.05
Other facilities, tooling and equipment	3,634,075.90	3,194,907.12
Other fixed assets	9,201,602.64	8,457,912.92
Total	**182,206,705.62**	**164,911,127.34**

As a policy of Grupo Corporacion Noroeste, insurance policies have been acquired to cover any possible risks on the tangible assets. No deficit coverage related to these risks existed as of 31 December 2010 and 2009.

(8) Financial investments (long and short term) and long term accruals-

The following table reflects the changes occurred in tax years 2010 and 2009:

Year 2010	Euros					
	Balance at 31.12.09	Additions	Disposals	Out of the scope	Transfers	Balance at 31.12.10
Long term:						
Equity investments in associates-						
Equity instruments-						
Cimpor Yibitas Cimento Sanayi Ve Ticaret, A.S.	0,34	-	-	-	-	0,34
Cementos Otorongo, S.A.C.	-	0,23	-	-	-	0,23
Cimpor Brasil Participaçoes Ltda.	277,40	-	-	-	-	277,40
Amreyah Cement Company S.A.E.	13.018,57	-	-	-	-	13.018,57
Hormisol Canarias, S.A.	300,00	-	-	-	-	300,00
	13.596,31	0,23	-	-	-	13.596,54
Investments accounted for using the equity method-	28.019.027,44	-	(324.744,14)	(10.959.628,58)	-	16.734.654,72
Loans to Group companies- (Note 16)	9.778.622,35	-	(9.778.622,35)			-
Loans to companies accounted for using the equity method-						
Agueiro, S.A.	452.946,00	849.002,07	(59.002,07)	-		1.242.946,00
Total	**38.264.192,10**	**849.002,30**	**(10.162.368,56)**	**(10.959.628,58)**	**-**	**17.991.197,26**

Year 2009	Euros					
	Balance at 31.12.08	Additions	Disposals	Incorporations	Transfers	Balance at 31.12.09
Long term:						
Equity investments in associates-						
Equity instruments-						
Cimpor Yibitas Cimento Sanayi Ve Ticaret, A.S.	0,34	-	-	-	-	0,34
Cimpor Brasil Participaçoes Ltda.	277,40	-	-	-	-	277,40
Amreyah Cement Company S.A.E.	13.018,57	-	-	-	-	13.018,57
Hormisol Canarias, S.A.	-	300,00	-	-	-	300,00
	13.296,31	300,00	-	-	-	13.596,31
Investments accounted for using the equity method-	31.299.229,13	1.015.769,89	(707.049,27)	90.000,00	(3.678.922,31)	28.019.027,44
Loans to Group companies- (Note 16)	519.702,31	9.778.622,35	(519.702,31)	-	-	9.778.622,35
Impairment on loans to Group companies-	(519.702,31)	-	519.702,31	-	-	-
Loans to companies accounted for using the equity method-						
Agueiro, S.A.	-	-	-	452.946,00	-	452.946,00
Total	**31.312.525,44**	**10.794.692,24**	**(707.049,27)**	**542.946,00**	**(3.678.922,31)**	**38.264.192,10**

The activity described in caption “Shareholder equity” in tax years 2010 and 2009 is as follows:

Year 2010	Euros					
Investments accounted for using the equity method-	Hormigones Miranda Celanova,S.A.	Cementos de Antequera, S.A.	Arenor, S.L.	Cementos del Marquesado, S.A.	Agueiro, S.A.	Total
Balance at December 31, 2009	25.797,25	7.319.720,63	9.623.880,98	10.959.628,58	90.000,00	28.019.027,44
Incorporations	-	-	-	-	-	-
Participation in losses	(22.765,91)	(63.026,11)	(170.131,31)	-	(68.820,81)	(324.744,14)
Change in shareholdings		-		(10.959.628,58)	-	(10.959.628,58)
Balance at December 31, 2010	**3.031,34**	**7.256.694,52**	**9.453.749,67**	**-**	**21.179,19**	**16.734.654,72**

Year 2009	Euros					
Investments accounted for using the equity method-	Hormigones Miranda Celanova,S.A.	Cementos de Antequera, S.A.	Arenor, S.L.	Cementos del Marquesado, S.A.	Agueiro, S.A.	Total
Balance at December 31, 2008	51.313,92	7.014.009,99	13.157.487,97	11.076.417,25	-	31.299.229,13
Incorporations	-	-	-	-	90.000,00	90.000,00
Participation in losses	(25.516,67)	(725.423,53)	(10.039,31)	(5.046,66)	-	(766.026,17)
Change in shareholdings	-	1.015.769,89	-	-	-	1.015.769,89
Transfers (Note 9)	-	-	(3.678.922,31)	-	-	(3.678.922,31)
Other operations	-	15.364,28	155.354,63	(111.742,01)	-	58.976,90
Balance at December 31, 2009	**25.797,25**	**7.319.720,63**	**9.623.880,98**	**10.959.628,58**	**90.000,00**	**28.019.027,44**

The most significant variation occurred in tax year 2010 was the reduction of capital with return of the contribution value agreed by the incorporated company Cementos del Marquesado, S.A., executed on 19 November 2010. As a result, Corporación Noroeste, S.A. ceased to hold shares in that company. The return of the contribution value, which amounted to 10,959,628.58 euros, was carried out by the partial transfer of a credit right resulting from the purchase agreement of a cement kiln between Cementos del Marquesado, S.A. and Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., a company of the Grupo Cimpor.

The purchase agreement of the kiln and other incurred costs related to its control amounts to 11,859,958.51 euros, as recorded under caption “Non current assets held for sale” of the tax year 2010 consolidated balance sheet. The Group strongly intends to sell this asset in the short term to a company of Grupo Cimpor.

The most significan variations occurred in tax year 2009 was the inclusion in the consolidation perimeter of Agueiro S.A. and the change in the shareholding interest in the net assets of Cementos Antequera S.A., after subscribing in the capital increase carried out by this company in tax year 2009, of 1.69% of the shares, resulting from the absence of a shareholder in that capital increase (Note 1).

In tax year 2009, Grupo Corporación Noroeste, acquired from Arenor S.L. 10% of the shareholding of Firmes y Hormigones Sani, S.L., 25% of the shareholding of Occidental de Áridos, and 55% of the shareholding of Betobomba, S.L. Consequently, in the preparation of the consolidated financial statements for tax year 2009, the results of these transactions were eliminated, since they did not involved third parties, in the percentage of the Arenor, S.L. results corresponding to the Group, as detailed in the following table:

	Euros
Percentage of profit in shareholder equity	2,420,386.60
Consolidation adjustments	(2,430,425.91)
Losses in shareholder equity	(10,039.31)

This caption details the goodwill amount of 2,607,521.28 euros as of 31 December 2010 and 31 December 2009:

	Euros	
	2010	2009
Cementos de Antequera, S.A.	2,577,960.69	2,577,960.69
Agueiro, S.A.	29,560.59	29,560.59
	2,607,521.28	2,607,521.28

Long term accruals

In tax year 2008, the dependent company Arenor Áridos, S.L., previously merged into Occidental de Áridos, S.L., signed an "Advance lease payments" agreement with the associated company Arenor, S.L., for the lease of certain land located in Seville and intended for aggregate extraction, as well as the rights to dig subsoil, for the amount of 21,090,000 euros. This amount includes 18,440,000.00 euros of nominal value and a financial burden of 2,650,000.00 euros, which will be included in the results using the effective interest rate method.

The land lease contract has a duration of 11 years, whereas the digging rights contract has a duration of 7 years.

The cancellation of this advance payment is established according to a variable component and a fixed component. The fixed amount is determined based on the tonnes of mineral sold applying 0.86 euros and the fixed component is 7,249,920.00 euros for the lease of the land and 1,770,080.00 for the lease of the digging rights. The allocation of the fixed component to the balance sheet is done over the duration of the lease contracts.

The allocation of the lease in the tax year 2010 balance sheet amounted to 1,220,679.36 euros (1,279,797.32 euros in 2009), recorded under caption "Other operating expenses" in the consolidated profit and loss account.

The financial burden corresponding to tax year 2010 amounted to 633,209.55 euros, (843,599.01 euros in 2009), recorded under caption "Financial revenue- Transferable securities and other financial instruments from Group and associated companies" of the consolidated profit and loss account for tax years 2010 and 2009 (see Note 16).

Information on the nature and level of risk of financial instruments-

Qualitative information-

The Group's financial risks management is centralised in the Financial Management, which has established the necessary mechanisms to control the exposure to the variations in the interest and exchange rates, as well as credit and liquidity risks. The main financial risks affecting the Group are outlined below:

1. Credit risk

On a general basis, the Group retains its liquid assets in creditworthy financial institutions. It should be noted that there is no significant concentration of credit risk against third parties and that there are internal procedures in place intended to maximally mitigate the credit risk exposure to clients by means of regular tracking of the accounts receivable and counterparty risk.

2. Liquidity risk

In order to ensure liquidity and fulfillment of the obligations derived from its activity, the Group has the liquid assets shown in the balance sheet, as well as the financing of its majority shareholder, Cimpor Inversiones, S.A.U. (Note 16) from loans taken out of companies owned by Grupo Cimpor, as detailed in Note 16. Additionally, other credit and financing lines available to the Group are detailed in Note 12.

3. Market risk

Both liquid assets and financial debt of the Group have exposure to interest rate risk, which could have a negative impact in the financial results and cash flows. However, this impact is not expected to be significant.

(9) Inventories

The breakdown of inventories corresponding to Grupo Corporación Noroeste as of 31 December 2010 and 2009 is as follows.

	Euros	
	2010	2009
Commercial	1.702.958,30	1.953.714,47
Raw materials and other procurements	24.297.413,31	25.048.887,77
Finished products and products in manufacturing process	20.191.345,93	19.696.474,01
Impairment	(398.208,17)	(1.038.619,46)
	45.793.509,37	45.660.456,79

(10) Net assets and equity

As of 31 December 2010 and 2009, the share capital of Corporación Noroeste, S.A., consisted of 872.072 shares with a nominal value of 30 euros each, fully subscribed and paid up.

The composition of the Company's shareholding as of 31 December 2010 and 2009 is as follow:

	Shareholding	
	2010	2009
Cimpor Inversiones, S.A.	99.53%	99.54%
Cimpor Industria de Cimentos, S.A.	0.01%	-
Otros	0.46%	0.46%
	100.00%	100.00%

Reserves-

Legal reserve-

In accordance with the Spanish Limited Liability Companies Act, the Company must appropriate, to the legal reserve 10% of its annual net profit until the reserve equals a minimum of 20% of the share capital. The legal reserve may be used to increase capital in the portion of its balance that exceeds 10% of the already increased capital. Except for the purpose mentioned above and provided it does not exceed 20% of the share capital, such reserve can only be used to absorb losses where there are no other reserves.

At the closing of tax years 2010 and 2009, this reserve was fully met.

Revaluation Reserve; Royal Decree Law 7/1996-

Several dependent companies updated their tangible fixed assets under the Spanish Royal Decree Law 7/1996 of 7 June, and the value of that increase amounted to 22,065,167.81 euros, as detailed in the table below:

	Euros
Cementos Cosmos, S.A.	16,711,202.12
Prebetong Galicia, S.A.	1,186,833.94
Prebetong Lugo, S.A.	723,069.46
Canteira do Penedo, S.A.	587,254.99
Canteras Prebetong, S.L.	338,247.29
Hormigones Miño, S.L.	2,518,560.01
	22,065,167.81

This amount, net of the fixed charge of 3%, which amounted to 661,955.03 euros, was transferred to the reserve account of companies consolidated by the full integration method. This update constituted an increase of the contributions to the amortisation of 512,665.36 euros in tax year 2010 (562,826.31 euros in 2009).

The revaluation reserve may be used, once it has been verified and approved by the Board of Directors, without tax accrual, to eliminate negative accounting results and a capital increase. Since 1 January 2007, it may be allocated to free disposal reserves, provided that the capital gain resulting from the update has been realised, i.e. the updated assets and liabilities have been amortised in terms of accounting for the portion corresponding to that amortisation, or they have been transferred in terms of accounting or cancelled on the accounting books.

As of the date of these consolidated financial statements, the revaluations carried out by Grupo Corporación Noroeste companies had been verified and approved by the Board of Directors.

The Parent Company did not update its fixed assets under Royal Decree Law 7/1996.

Goodwill reserve-

As stated in Note 5.b, these reserves are unavailable and as of 31 December 2010, they amount to 2,230,963.63 euros (879,711.80 euros in 2009).

As of 31 December 2010 and 2009, the breakdown of the consolidated reserves that the consolidated companies contribute is as follows:

	Euros	
	2010	2009
Holding company-		
Corporación Noroeste, S.A.	35,245,425.56	7,197,569.43
Dependent companies-		
Cementos Cosmos, S.A.	43,358,515.71	39,721,513.85
SERMACONSA	-	712,528.55
Materiales del Atlántico, S.A.	(5,824,646.61)	(9,270,709.46)
Soc. de Cementos y Mater. de Construcción de Andalucía,S.A.U.	67,637,612.09	64,469,320.06
Cementos de Andalucía, S.L.U.	988,309.26	1,190,077.94
Cementos El Monte, S.A.U.	-	2,495,187.20
Cimpor Canarias, S.R.L.	502,897.00	-
Corporación Noroeste de Hormigones y Áridos, S.L.U.	-	14,242,235.40
Prebetong Galicia, S.A.	(2,264,520.89)	495,736.01
Prebetong Lugo, S.A.	3,280,953.51	3,222,446.25
Prebetong Lugo Hormigones, S.L.	4,194,890.95	4,278,900.86
Canteira do Penedo, S.A.	4,385,979.15	4,186,869.21
Bomtrahor, S.A.	(247,361.82)	7,551.76
Betobomba, S.A.	(472,275.55)	-
Hormigones Miño, S.L.	(2,757,442.06)	(228,396.31)
Cimpor Hormigón Canarias, S.R.L.	(1,403,549.33)	-
Canteras Prebetong, S.L.	1,153,097.89	903,653.94
Áridos de La Coruña, S.A.	332,635.35	305,603.18
Hormigones y Áridos La Barca, S. A.	(2,991,407.72)	(2,978,659.43)
Occidental de Hormigones, S.L.U.	(9,091,615.38)	(3,956,315.41)
Occidental de Áridos, S.L.	(3,420,316.28)	115,088.78
Cementos Noroeste, S.L.U.	(510.35)	(426.46)
Morteros de Galicia, S.L.U.	3,494,416.63	3,895,686.20
Tabanque, S.L.	-	291,558.84
Sociedad Industrial y Financiera Gallega, S. L.	-	451,193.82
Sogesso-Sociedade de Gessos de Soure,SA	(43,659.57)	-
Inversiones Filaria, S.L.	(7,633.34)	-
Multi-group companies-		
Insular de Productos para la Construcción y la Industria, S.L.	(2,262.64)	(61,142.60)
Cementos Especiales de las Islas, S.A.	(1,749,192.03)	374,324.17
Associated companies-		
Cementos Antequera, S.A.	242,025.63	967,478.86
Cementos del Marquesado, S.A.	-	20,661.65
Arenor, S.L.	(6,616,535.49)	(6,606,496.18)
Agueiro, S.A.	181.20	-
Hormigones Miranda Celanova, S. A.	(15,018.84)	10,497.83
	127,908,992.03	**126,453,537.94**

Subsidies, donations and legacies-

The activity described in this caption of the consolidated balance sheet for tax years 2010 and 2009 are as follows:

	Euros		
	Official capital subsidies	Other subsidies, donations and legacies	Total
Balance at 1 January 2009	3,221,923.28	1,537,332.01	4,759,255.29
Additions net of taxes	164,209.22	21,128,770.67	21,292,979.89
Acquisitions net of taxes	13,667.80	-	13,667.80
Allocation to balance net of taxes	(250,298.38)	(22,424,679.47)	(22,674,977.85)
Balance at 31 December 2009	3,149,501.92	241,423.21	3,390,925.13
Additions net of taxes	68,201.00	17,413,510.33	17,481,711.33
Allocation to balance net of taxes	(262,090.03)	(16,134,275.32)	(16,396,365.35)
Balance at 31 December 2010	2,955,612.89	1,520,658.22,	4,476,271.11

The additions in caption "Other subsidies, donations and legacies" correspond to the counterpart of the greenhouse effect gas emission rights, as stated in Note 5.a. In tax year 2010, 16,134,275.32 euros have been transferred to the balance sheet (22,424,679.47 euros in 2009), corresponding to the consumption in those tax years, which is recorded in caption "Allocation of non financial tangible fixed assets and other" of the consolidated profit and loss account for tax years 2010 and 2009.

External partners-

The activity in this caption of the consolidated balance sheet is as follows:

	Euros	
	2010	2009
Previous year balance	10,573,653.35	15,726,010.62
Attribution of results	43,674.82	(275,922.28)
Dividends received	(242,941.10)	(1,151,235.19)
Changes in criteria	-	(147,048.75)
Variation in shareholding	(788,286.33)	(3,578,151.05)
Final balance	9,586,100.74	10,573,653.35

The following table details de composition of the Group by company and item:

Tax year 2010	Euros			
	Capital	Reserves	Results	Total
Cementos Cosmos, S.A.	85,763.30	186,956.53	28,421.62	301,141.45
Materiales del Atlántico, S.A.	8,416.57	11,606.13	9,533.54	29,556.24
Hormigones Miño, S.L.	2,442.59	(814.97)	(363.10)	1,264.52
Prebetong Lugo Hormigones, S.A.	129,866.66	892,492.45	(8,047.22)	1,014,311.89
Bomtrahor, S.A.	13,426.94	(56,111.42)	7,393.94	(35,290.54)
Canteras Prebetong, S.L.	48,086.59	26,427.63	(301.46)	74,212.76
Prebetong Lugo, S.A.	59,130.00	576,919.36	65,920.68	701,970.04
Canpesa	253,100.66	5,120,079.16	204,209.69	5,577,389.51
Hormigones y Áridos La Barca, S.A.	1,615,000.00	104,925.23	(108,458.08)	1,611,467.15
Áridos de La Coruña, S.A.	78,130.00	128,722.18	(97,238.87)	109,613.31
DS Unión, S.L.	40,301.00	(14,445.82)	6,744.53	32,599.71
Sogesso - Sociedade de Gessos de Soure, S.A.	-	(23,510.33)	23,886.74	376.41
Inversiones Filaria, S.L.	-	7,633.34	(7,789.76)	(156.42)
Transformal, S.A.	-	-	63.80	63.80
Cementos Especiales de las Islas, S.A.	-	247,882.14	(73,647.02)	174,235.12
Inprocoi, S.L.	-	-	(6,654.21)	(6,654.21)
	2,333,664.31	**7,208,761.61**	**43,674.82**	**9,586,100.74**

Tax year 2009	Euros			
	Capital	Reserves	Results	Total
Cementos Cosmos, S.A.	83,613.00	167,534.04	49,500.78	300,647.82
Materiales del Atlántico, S.A.	2,806.40	(2,149.13)	1,299.44	1,956.71
Prebetong Galicia, S.A.	37,484.90	218,311.47	(44,431.31)	211,365.06
Hormigones Miño, S.L.	2,442.59	(82.71)	(732.26)	1,627.62
Prebetong Lugo Hormigones, S.A.	125,073.50	973,391.42	(68,878.87)	1,029,586.05
Bomtrahor, S.A.	13,426.94	(31,974.86)	(28,814.81)	(47,362.73)
Canteras Prebetong, S.L.	47,154.54	20,014.00	7,345.68	74,514.22
Prebetong Lugo, S.A.	62,380.80	513,287.63	90,163.02	665,831.45
Canpesa	255,123.06	5,135,837.57	197,101.93	5,588,062.56
Hormigones y Áridos La Barca, S.A.	1,615,000.00	120,042.03	(15,116.80)	1,719,925.23
Áridos de La Coruña, S.A.	79,005.06	173,471.17	(45,624.05)	206,852.18
Betobomba, S.L.	225,000.00	(322,979.99)	(417,735.03)	(515,715.02)
DS Unión, S.L.	40,301.00	(14,445.82)	-	25,855.18
Sogesso - Sociedade de Gessos de Soure, S.A.	80,000.00	1,017,230.10	-	1,097,230.10
Cementos Especiales de las Islas, S.A.	-	213,276.92	-	213,276.92
	2,668,811.79	**8,180,763.84**	**(275,922.28)**	**10,573,653.35**

(11) Provisions and contingengies

The following caption shows the balance composition as of 31 December 2010 and 2009:

	Euros						
	Long term				Short term		
Provisions-	Provisions for contingencies and charges	Provision for restoration of quarries	Provision for dismantling fixed assets	Total	Provisions for contingencies and charges	Provision for greenhouse gas emission rights	Total
Balance at 31 December 2008	-	12.109.791,62	-	12.109.791,62	-	36.849.260,08	36.849.260,08
Increases	-	1.536.221,00	-	1.536.221,00	-	26.139.356,14	26.139.356,14
Matching transactions	-	(143.341,52)	-	(143.341,52)	-	(37.017.215,92)	(37.017.215,92)
Incorporations	113.812,69	-	1.179.269,13	1.293.081,82	-	1.699,80	1.699,80
Financial update	-	79.375,90	-	79.375,90	-	-	-
Balance at December 31, 2009	113.812,69	13.582.047,00	1.179.269,13	14.875.128,82	-	25.973.100,10	25.973.100,10
Increases	-	282.518,85	43.200,82	325.719,67	-	21.206.964,78	21.206.964,78
Matching transactions	(10.442,60)	(270.052,26)	-	(280.494,86)	-	(25.880.976,14)	(25.880.976,14)
Reductions	-	(242.502,00)	-	(242.502,00)	-	-	-
Transfers	(21.181,69)	15.000,00	-	(6.181,69)	7.881,49	(1.699,80)	6.181,69
Financial update	-	47.256,54	-	47.256,54	-	-	-
Balance at 31 December 2010	82.188,40	13.414.268,13	1.222.469,95	14.718.926,48	7.881,49	21.297.388,94	21.305.270,43

The above additions for the tax year 2010 for 'Provisions for quarry regeneration' mainly correspond to projects carried out in Prebetong Lugo, S.A. These projects are in relation to an opening of a new facade in the Bertita quarry and the opening of a new quarry Guadajira, from the dependent company Occidental de Aridos, S.L.

The sum stated in 'Reductions' corresponds to a new estimate for the Guama quarry, from dependent company Cimpor Canarias, S.R.L., which adjusts to the estimate from the year before.

The above additions for the tax year 2009 for 'Previsions for quarry regeneration' correspond to estimates carried out in quarries from Sociedad Occidental de Áridos, S.L. El Toril and Pilas; and also Guama from Cimpor Canarias, S.L. (balancing entry: tangible assets).

The acquired companies from tax year 2009 correspond to Cementos Especiales de las Islas, S.A. (Note 1).

The balance in 'Short Term Provisions' in tax year 2010 shows the value of CO_2 Gas Emissions Licences and will be submitted in April, 2011. This documentation will state the rights of CO_2 emissions already consumed by Cementos Cosmos, S.A. and Sociedades de Cementos y Materiales de Construcción de Andalucía, S.A.U. (Note 17).

(12) Debts (short and long term)

This next epigraph shows the balance composition as of 31 December 2010 and 2009:

Tax year 2010	Euros			
	Limit	Short term	Long term	Total
Credit policies	196.000.000.00	13.358.40		13.358.40
Credit policies, EURIBOR requirements	76.000.000.00	-	-	-
Discount on stock	-	2.843.438.79	-	2.843.438.79
Accrued interests receivable	-	-	-	-
Other financial liabilities	-	2.821.614.28	47.013.06	2.868.627.34
		5.678.411.47	**47.013.06**	**5.725.424.53**

Tax Year 2009	Euros			
	Limit	Short term	Long term	Total
Credit policies	202.000.000.00	14.472.228.71	119.928.567.83	134.400.796.54
Credit policies, EURIBOR requirements	60.000.000.00	30.000.000.00	30.000.000.00	60.000.000.00
Discount on stock	-	2.088.939.55	-	2.088.939.55
Accrued interests receivable	-	149.103.46	-	149.103.46
Other financial liabilities	-	17.424.527.53	53.430.27	17.477.957.80
		64.134.799.25	**149.981.998.10**	**214.116.797.35**

The debts acquired with credit entities mainly correspond to the formalised credit policies established by the parent company. The due date for the refunds on the requirements carried out in some credit policies with EURIBOR requirements must be between one month and a year and a day; this being the due date for updated refunds communicated only by the parent company.

The accrued interests for the tax year 2010 for credit policies summed up to 2,511,948.97 euros (2,417,102.21 euros in 2009). This is shown in caption 'Financial Expenses – debts to third parties' within the goodwill profit and loss account, 2010 and 2009.

Interest rates owed to credit entities summed up to 2010 – 1.71% and 2009 – 2.05%.

Within section 'Other Financial Liabilities' the following are included: debts to providers for the buying transaction of assets, 2,736,421.72 euros (2010) and 12,800,282.03 euros (2009); the deferred dividend waiting for payment to third parties from the multi-group companies sum up to 2,230,000 euros (2010) and 4,460,000 euros (2009).

The maturity dates for payments to long term credit entities are:

Maturity	Euros	
	2010	2009
2011	-	50,958,718.66
2012	-	98,969,849.17
	-	149,928,567.83

Collateral securities-

As of 31 December 2010 and 2009, the Parent company acts as guarantor for Grupo Cimpor, Cimpor Financial Operations B.V. for a total amount of 902,048,000.00 euros.

The executives of the dominant company estimate that these collateral securities will not result in the Group being economically responsible.

Covenants-

Certain credit lines have been signed by the dominant company within its advanced payment clauses. It is stipulated that if there is a modification of the current shareholder structure, these payments will be required and the net debt rate (EBITDA) will exceed 3.75. This rate is computed in reference with the latest state of the consolidated goowill of the Group, Cimpor – Cimientos de Portugal, SGPS, S.A.

These obligations were met by the company as of December 31st, 2010 and 2009 and it is stipulated by the company's executives that they will also be met throughout 2011.

Deferment on payment to providers. Additional regulations to third parties. 'Duty to inform' – Law 15/2010, of 5 July-

Law 15/2010, July 5th expresses the need to give the information required on regulations to third parties. As of December 31st of 2010, the annual balance sheets showed that a sum of 17,285,193.25 euros of accumulated pending payments to suppliers surpassed the legal period of payment.

This balance is owed to the goodwilll groups which are commercial creditors. These debts are owed for services rendered and the supply of goods; these figures are stated on the balance sheets in liabilities as: 'Suppliers', 'Suppliers from Group companies', and 'Other Creditors'.

At the end of the tax year on the balance sheets, it states the payments to suppliers which exceeded the payment period. Law 3/2004 article 4, December 29th in accordance with the 2nd Transitory Regulation within Law 15/2010, July 5th, states: payments which have been freely negotiated with each supplier protected by its capacity of payment (Law 3/2004 art.9, December 29th) could be negotiated considering each case; the nature of the product and/or service and provisions given by the Group are used as additional payment guarantee.

Law 3/2004, of 29 December states the legal period established for payment. This law fights against slowness in payment within commercial transactions. According to Law 15/2010, of 5 July, 85 days is the period between the coming into effect of this law and 31 December 2011.

(13) Public authorities and taxes payable

At 31 December 2010 and 2009, the breakdown of the balances held with Public Authorities is as follows:

	Euros	
	2010	2009
Debtors:		
Non current assets-		
Assets from deferred taxes	4.984.450,40	4.718.146,78
Current assets-		
Hacienda Pública debtor for VAT/IGIC	3.493.565,91	922.408,94
Hacienda Pública debtor for corporate tax	76.641,21	64.488,68
Other public entities	1.312.372,46	10.152,62
	4.882.579,58	997.050,24
Creditors:		
Non current liabilities-		
Liabilities from deferred taxes	42.641.816,86	35.585.944,86
Current liabilities-		
Hacienda Pública bebtor for profit tax	68.131,85	82.030,27
Hacienda Pública debtor for retentions	1.121.621,68	975.781,11
Hacienda Pública debtor for IVA/IGIC	271.311,25	366.924,53
Social Security institutions	994.173,37	1.052.764,76
	2.455.238,15	2.477.500,67

On 31 December 2010 and 2009, Corporacion Noroeste, S.A. belongs to the fiscal goodwill of companies of the Group lead by Cimpor Inversiones, S.A.U. as the holding company. Consequently, Corporacion Noroeste, S.A. will present an individual tax statement but will not have an income tax return on the companies adjacent.

The income tax return on the companies adjacent is calculated depending on the accounting results obtained by the application of the accounting principle generally accepted which may not always be in accordance with the public authorities, thus turning it into taxable income of the above mentioned tax. The reconciliation of the accounting results before the corresponding taxes of the tax years 2010 and 2009 of the taxable income for the income tax deductions are as follows:

	Euros	
	2010	2009
Accounting profit before tax	(17.343.340,97)	(1.383.768,23)
Consolidation differences	12.104.469,20	16.589.723,66
Permanent differences Parent Company:		
Increase		
Arising in the year	959.976,64	772.640,00
Decrease		
Arising in the year	(17.139,67)	-
Arising in previous years	(28.734,59)	(499.543,91)
Permanent differences other Companies:		
Increase		
Arising in the year	42.369,57	104.758,92
Arising in previous years	50.683,63	430.483,30
Decrease		
Arising in the year	(171.600,00)	(486.575,03)
Arising in previous years	(712.405,00)	(297.497,10)
Temporary differences Parent Company:		
Increase		
Arising in the year	295.683,44	-
Decrease		
Arising in the year	(6.578.347,45)	(6.305.154,96)
Temporary differences other Companies:		
Increase		
Arising in the year	601.435,47	680.076,61
Arising in previous years	3.536.076,13	3.217.620,42
Decrease		
Arising in the year	(250.662,79)	(3.808.605,28)
Arising in previous years	(3.411.688,62)	(245.100,80)
Tax base	(10.923.225,01)	8.769.057,60
Gross tax charge (30%)	(3.276.967,50)	2.630.717,28
Tax deductions applied	(3.452.791,10)	(4.977.717,76)
Net tax payable	(6.729.758,60)	(2.347.000,48)
Fee reimbursable to companies not listed on the tax group	1.619.638,81	1.138.033,56
Withholdings and prepayments	(191.442,85)	(385.999,64)
Cimpor Inversiones, S.A.U. is liable for corporation tax	**(5.301.562,64)**	**(1.594.966,56)**

The increases within the permanent differences mainly came about in the tax year 2010 due to the non-deductability of the corresponding registered expenses to related parties; and within tax year 2009 for the endowment for the provision of the depreciation of assets which are not considered as tax returnable and also for the decreases of the fiscal amortisation of the goodwill generated in the acquisition of assets.

The decreases within the temporary differences are mainly originated by corrections of impairment losses in equity method of the Group, multi-group, and associated companies.

The amount for taxing calculated on the companies for tax year 2010 and by which the holding company has considered the deduction for doble-company taxation for dividends and capital gains from internal sources. This sums up to 3,307,810.47 euros (4,742,730.45 euros in 2009).

In the tax year 2010 some companies invoked the deduction due to the reinvestment of extra operational profits obtained on the sale of fixed assets and from joint representative capital profit from merchantile companies. This sums up to 7,735.60 euros (203,450.57 euros in 2009). The cash value has been reinvested in fixed and financial assets in the same tax year.

Furthemore, the holding company and dependent companies invoked the deduction of personnel training expenses, 2,991.85 euros in 2010 (5,447.21 euros in 2009).

The dependent companies have evoked the fiscal incentives in order to promote investments in environmental protection, other investments and regulation expenses. The sum of this income tax deduction is 120,024.80 euros (26,089.87 euros in 2009).

The conciliation between the gross tax payment and the income tax deduction of the Grupo Corporacion Noroeste, as of 31 December 2010 and 2009, are as follows:

	Euros	
	2010	2009
Net tax payable	(6.729.758,60)	(2.347.000,48)
Deferred tax variation	1.742.252,24	1.938.349,26
Other changes out of the tax group	-	(1.648.563,00)
Corporate Income Tax	**(4.987.506,36)**	**(2.057.214,22)**

In the tax year 2009 the Group activated the negative taxable income from previous tax years which were generated by dependent and multi-group companies for a sum of 2,289,520.50 euros (caption 'Other Variations – fiscal Group not included).

The increases due to goodwill differences correspond to dividends shared between different Grupo Corporacion Noroeste companies.

The taxes imposed directly on the net assets during the tax years 2010 and 2009 are as follows:

	Euros		
	Additions	Reductions	Total
Accrued tax:			
Total tax at 31.12.08	16.926.065,61	(13.442.654,67)	3.483.410,94
Current tax year -			
Actuary losses and other expenses	-	(6.213,00)	(6.213,00)
Grants	9.131.420,44	(9.058.991,07)	72.429,37
Previous tax years-			
grants	-	(658.856,58)	(658.856,58)
Total tax at 31.12.09	9.131.420,44	(9.724.060,65)	(592.640,21)
Current tax year -			
Actuary losses and other expenses	128.082,00	-	128.082,00
Grants	7.492.162,00	(6.914.689,42)	577.472,58
Previous tax years-			
Grants		(112.324,30)	(112.324,30)
Total Patrimony tax	**7.620.243,99**	**(7.027.013,72)**	**593.230,28**

Hence there are differences between the economical and the tributary areas (on the temporary criteria of income and expenses imputations of the losses and profits account) there has also been differences between the imputated tax burdens for each tax year; and the already paid tax burdens which have already been and will be paid off. This difference is shown in 'Deferred Tax Assets' or 'Deferred Tax Liabilities'. These deferred taxes have been calculated based on application of the corresponding amounts of the current nominal tax rate. The detail and evolution of these epigraphs of the consolidated balance sheets (31 December 2010 and 2009) attached are as follows:

	Euros						
	Balance at 31.12.2008	Additions	Disposals	Balance at 31.12.2009	Additions	Disposals	Balance at 31.12.2010
Deferred tax assets-							
Insolvency	256.486,02	114.537,50	(256.486,02)	114.537,50	70.243,70	(114.537,50)	70.243,70
Environmental provisions	672.882,45	-	(13.552,47)	659.329,98	-	(85.328,16)	574.001,82
Personnel benefits	5.164,28	-	(3.826,57)	1.337,71	-	(1.337,71)	-
CO2 emissions	184.504,86	-	(184.504,86)	-	-	-	-
Inventories	154.118,43	-	(7.231,78)	146.886,65	-	(146.886,65)	-
Pensions and other benefits	641.746,49	80.738,72	(68.188,38)	654.296,83	-	(83.024,35)	571.272,48
Loss carryforwards	35.010,77	2.666.101,04	-	2.701.111,81	1.039.640,70	-	3.740.752,51
Goodwill	754.992,19	-	(339.273,24)	415.718,95	-	(415.718,95)	-
Adjustments to intangible assets	12.104,03	5.151,90	-	17.255,93	7.669,38	-	24.925,31
Financial investments	6.593,97	1.077,45	-	7.671,42	3.254,58	(7.671,42)	3.254,58
	2.723.603,49	2.867.606,61	(873.063,32)	4.718.146,78	1.120.808,36	(854.504,74)	4.984.450,40
Deferred tax liabilities-							
CO2 emissions	658.856,58	9.055.187,43	(9.610.576,92)	103.467,09	7.462.933,00	(6.914.689,42)	651.710,67
Pensions and other benefits	20.828,40	11.379,60	-	32.208,00	128.082,00	-	160.290,00
Goodwill	-	-	-	-	51.301,71	-	51.301,71
Adjustments to tangible fixed assets	12.049.447,18	12.225.267,43	(1.790.319,30)	22.484.395,31	3.274.121,60	(1.568.605,94)	24.189.910,97
Adjustments to intangible assets	7.892.480,18	-	(563.748,51)	7.328.731,67	654.560,70	(699.910,43)	7.283.381,94
Financial investments	-	4.291.764,26	-	4.291.764,26	4.750.435,79	(1.407,23)	9.040.792,82
Asset-related grants	1.380.824,14	70.375,39	(105.821,00)	1.345.378,53	29.229,00	(110.178,78)	1.264.428,75
	22.002.436,48	25.653.974,11	(12.070.465,73)	35.585.944,86	16.350.663,80	(9.294.791,80)	42.641.816,86

In the tax year 2010, and consequently the definite calculation on the corporation tax 2009, the Group registered 2,872,927.17 euros shown in 'Temporary Differences Assets – Financial Investments' (value achieved on impairment losses in Group, holding, and associated companies).

In the tax year 2009, and consequently the definite calculation on the corporation tax 2008, a larger tax expense, 541,378.82. This is due to deductions applied on environmental assets and adjustments of the value of associated companies.

The fiscal consolidated Group's holding company, Cimpor Inversiones, S.A. is being audited and investigated upon for its income tax exemption (2005 – 2008). Likewise, Cimpor Inversiones, S.A. was also audited and investigated for the tax years 2002 – 2004. Consequently, on the closing date for tax year 2010 the Group companies that make up the corporate tax are still being audited for the income tax exemption (2005 onwards) and by and large for the rest of the applicable taxes within the last four tax years.

After the audit of tax year 2002, where Corporacion Noroeste, S.A. was the Group's holding company, a disagreement report was signed (February 13th , 2009) for the tax year 2002. It proposes a clearance (payment plus delayed interest) of 5,055,302.13 euros the Group brought a economic-administrative claim against the authorities (Tribunal Economico Administrativo Central). These authorities delivered their judgement on December 20th, 2010 upholding in part the ruling. Appeals are being conducted against with deadlines for the revelant resources and it is probable that the Courts might remove the claim. Therefore, no provision for this quantity has been set aside.

An insurance surety for 5,055,302.13 euros was taken out and submitted to the taxation authorities (Agencia Estatal de Administracion Tributaria) as a guarantee for payment, May 22nd, 2009.

Cementos Especiales de las Islas, S.A. is also being submitted to audit and investigation on corporate tax and income tax on the corresponding legal persons for tax years 2005 and 2006.

The holding company Directors consider that the correct settlements and payment of the different taxes have taken place. Even if there are discrepancies between the interpretation of the current regulations for the tax treatment of transactions, the resulting contingent liabilities, were they to materialise, would not affect in a meaningful manner the consolidated balance sheets of the tax year 2010.

(14) Revenues and expenses-

1.- Net turnover-

The breakdown of this item in the consolidated profit and loss account for tax years 2010 and 2009 is as follows:

	Euros	
	2010	2009
Cement sales	173,982,494.34	188,578,777.30
Concrete sales	74,736,666.62	114,725,309.76
Mortar sales	4,826,663.34	5,644,869.37
Aggregates sales	16,478,697.50	13,637,807.17
Provision of services and other	2,675,709.83	6,336,889.46
Total	272,700,231.63	328,923,653.06

Procurement

The breakdown of this item in the consolidated profit and loss account for tax years 2010 and 2009 is as follows:

	Euros	
	2010	2009
Commercial purchases	13,843,976.14	11,500,414.21
Purchase of raw materials and auxiliaries	36,782,025.24	55,659,995.08
Purchase of consumable materials and replenishment	29,071,248.53	23,009,021.08
Other procurements	15,127,068.60	11,530,497.60
Variation in inventories	345,196.48	2,750,002.26
	95,169,514.99	104,449,930.23

Breakdown of purchases by origin-

Purchases by origin for tax years 2010 and 2009 are detailed below:

	Euros			
	National	European Union	Import	Total
At 31.12.09- Purchases	89.992.532,55	11.344.463,42	362.932,00	101.699.927,97
At 31.12.10- Purchases	86.298.827,69	8.026.430,84	499.059,98	94.824.318,51

3.- Other operating expenses-

The breakdown as of 31 December 2010 and 2009, is as follows:

	Euros	
	2010	2009
External services and other expenses	95.033.027,92	114.039.087,13
CO2 emissions expenses	21.206.964,78	26.156.825,74
Taxes	3.072.486,19	2.690.595,71
	119.312.478,89	142.886.508,58

The balance shown in the Independent Services account under caption “External services” of the consolidated profit and loss account, includes the fees for auditing services for the Group companies, as well as fees associated with other verification services. The auditing costs corresponding to tax year 2010 total 259,000.00 euros (293,500.00 euros in 2009) and the cost of other verification services amounted to 22,500.00 euros in 2009. The Group has not incurred in this cost over tax year.

4.- Contribution to the consolidated results-

The contribution of each company included in the consolidated net results attributable to the Holding Company in tax years 2010 and 2009 is as follows:

	Euros	
	2010	2009
Holding company-		
Corporación Noroeste, S.A.	(3,263,876.96)	(467,258.28)
Dependant companies-		
Cementos Cosmos, S.A.	10,970,765.63	15,798,521.62
SERMACONSA	-	302,134.10
Materiales del Atlántico, S.A.	1,539,229.56	3,464,128.84
Soc. de Cementos y Materiales de Construcción de Andalucía, S.A.	(4,582,798.43)	2,626,715.79
Cementos de Andalucía, S.L.	364,984.81	(201,768.68)
Cementos El Monte, S.A.	-	(2,252,468.96)
Corporación Noroeste de Hormigones y Áridos, S.L.	-	(273,962.69)
Prebetong Galicia, S.A.	(2,415,359.94)	(2,883,613.57)
Prebetong Lugo, S.A.	96,211.69	27,548.90
Prebetong Lugo Hormigones, S.L.	(30,990.28)	(106,148.19)
Canteira do Penedo, S.A.	168,348.90	197,131.01
Bomtrahor, S.A.	107,724.93	(250,235.34)
Hormigones Miño, S.L.	(1,815,146.81)	(2,529,045.75)
Canteras Prebetong, S.L.	(139,136.85)	249,443.95
Áridos de La Coruña, S.A.	(95,807.84)	27,032.17
Hormigones y Áridos La Barca, S. A.	(8,809.17)	(12,748.29)
Occidental de Hormigones, S.L.	(4,923,782.45)	(5,135,299.97)
Occidental de Áridos, S.L.	(3,714,413.88)	(3,535,405.06)
Cementos Noroeste, S.L.	(72.27)	(83.89)
Morteros de Galicia, S.L.	(588,137.63)	(401,269.57)
Tabanque, S.L.	-	19,919.66
Sociedad Industrial y Financiera Gallega, S. L.	-	528,009.91
Cimpor Canarias, S.L.	1,016,797.05	502,897.00
Cimpor Hormigón Canarias, S.L.	(764,707.76)	(1,403,549.33)
D.S.Unión, S.L.	(157,132.56)	-
Betobomba, S.L.	(752,856.88)	(510,565.02)
Sociedades de Gessos de Soure, S.A.-Sogesso	346,762.35	-
Inversiones Filaria, S.L.	(64,970.63)	-
Transformal, S.A.	26,482.67	-
Multi-group companies-		
Insular de Productos para la Construcción y la Industria, S.L.	(429,820.67)	58,879.96
Cementos Especiales de las Islas, S.A.	(2,964,251.87)	(2,123,516.18)
Associated companies-		
Cementos Antequera, S.A.	(63,026.11)	(725,453.23)
Cementos El Marquesado, S.A.	0.00	(5,046.66)
Arenor, S.L.	(170,131.31)	(10,039.31)
Hormigones Miranda Celanova, S. A.	(22,765.91)	(25,516.67)
Agueiro, S.A.	(68,820.81)	-
	(12,399,509.43)	**949,368.27**

(15) Personnel costs

Payroll expenses in the accompanying consolidated profit and loss account for the years ended 31 December 2010 and 2009 are made up as follows:

	Euros	
	2010	2009
Wages and salaries	39,079,246.05	43,417,357.83
Social insurance	10,938,250.23	12,334,436.57
Severance pay	4,513,076.96	6,410,964.67
Other personneel costs	1,265,896.31	1,336,614.55
	55,796,469.55	63,499,373.62

The average number of staff during years 2010 and 2009 in Grupo Corporación Noroeste is broken down by category and gender bellow:

	Number of people					
	2010			2009		
	Men	Women	Total	Men	Women	Total
President	1	-	1	1	-	1
Executives	25	1	26	31	1	32
Technical and administrative staff	222	68	290	236	74	310
Workers	662	9	671	737	11	747
Total	**910**	**77**	**987**	**1.005**	**85**	**1.090**

Within the tax year 2010 certain specific liabilities related to pension plans for the employees were paid. These premiums, which were exteriorised with financial institutions, ascended to 221,818.68 (341,979.44 in 2009) paid by dependent companies, Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U., Cementos de Andalucía, S.L.U. y Cimpor Canarias, S.R.L. They are registered in 'Personnel Expenses' in the profit and loss account in the tax years 2010 and 2009.

The number of employees working in the Group in the tax year 2010 with a handicap is equal or higher than 33% of the total; 2 persons per professional, administrative, and operator category.

The Group has an average of 137 employees (belonging to the multi-group companies) within the tax year 2010. They are under the following professional categories: 4 executives, 48 technicians and administrators, and 85 operators.

(16) Transactions and balances with related parties

Transactions with related parties-

The transactions carried out by Grupo Noroeste, S.A. during the tax year 2010 and 2009 with the Cimpor Group are as follows:

	Euros	
	2010	2009
REVENUE:		
Net turnover	7,543,865.06	4,176,310.99
Financial revenue from transferable securities and other financial instruments – Holding and associated companies	686.585.50	891,482.76
Financial revenue from share in equity instruments - Holding and associated companies	17.139.67	31,405.79
	8,247,590.23	5,099,199.54
EXPENSES:	15,302,542.12	18,247,364.02
Procurement		
Other operating expenses	7,423,345.25	7,693,471.55
Financial expenses – Debt contracted with holding and associated companies	7,246,355.52	7,822,079.48
	29,972,242.89	33,762,915.05

The caption "Net turnover" corresponds to sales of cement, mortars and aggregates by several Group companies to companies of Grupo.

The caption 'Procurement' within the consolidated impairment losses and payments are mainly from purchases of cement and clinker by Grupo Noroeste companies from the Gupo Cimpor. The caption 'Other operating expenses' registers the technical management services passed on.

The financial expenses refer to the interests passed on by Grupo Cimpor companies. These expenses are due to the funding provided (explained throughout this Note).

Balances with related parties-

The balance that Grupo Corporación Noroeste keeps with Grupo Cimpor companies and associated companies as of 31 December 2010 and 2009 is as follows:

Tax year 2010	Euros							
		Credits to group companies	Long-term accruals	Credits to group companies		Debts with group companies		Debtors due to tax effect
	Trade debtors	Long term		Short term	Trade creditors	Short term	Long term	(Note 13)
Cimpor Group companies-								
Cimpor Trading, S.A.	6,698.65	-	-	28,735.18	-	-	-	-
Cimpor Sagesa, S.A.	-	-	-	-	331,106.63	863,510.85	22,578.84	-
Cimpor Inversiones, S.A.	-	-	-	-	189,783.30	55,793,538.79	314,188,438.61	5,301,562.64
Amreyah Cement Company	-	-	-	-	-	27,444,745.16	-	-
Cimpor Portugal, S.G.P.S.	-	-	-	-	299.95	-	-	-
Cimpor Industria de Cimento, S.A.	166,792.26	-	-	-	1,043,096.45	416,279.10	60,000,000.00	-
Agrepor Agregados, S.A.	-	-	-	-	25,955.75	213.08	-	-
Sacopor, S.A.	-	-	-	-	372,260.36	-	-	-
Alempedras Ltda.	-	-	-	-	1,815.00	-	-	-
Cecisa Comercio Internacional, S.A.	17,493.95	-	-	-	95,340.26	-	-	-
CTA-Cement Trading Comercio Int.					7,566.95			
Cimpor Servicios	-	-	-	-	705.15	-	-	-
Cimpor Tec	-	-	-	-	7,714.44	-	-	-
Cecime - Cimentos, S.A.	-	-	-	-	82,450.95	-	-	-
Ciarga, S.A.	15,804.00	-	-	-	1,814.40	-	-	-
	206,788.86	-	-	28,735.18	2,159,909.59	84,518,286.98	374,211,017.45	5,301,562.64
Associated companies-								
Hormigones Miranda-Celanova, S.A.	96,825.94	-	-	-	-	-	-	-
Arenor, S.A. (Nota 8)	-	-	19,148,725.11	-	-	-	-	-
Cementos de Antequera, S.A.	1,889,882.45	-	-	-	-	-	-	-
Agueiro, S.L.	-	1,242,946.00	-	-	-	-	-	-
	1,986,708.39	1,242,946.00	19,148,725.11	-	-	-	-	-
	2,193,497.25	1,242,946.00	19,148,725.11	28,735.18	2,159,909.59	84,518,286.98	374,211,017.45	5,301,562.64

Tax year 2009	Euros							
		Credits to group companies	Long-term accruals	Other financial		Debts with group companies		Debtors due to tax effect
	Trade debtors	Long term		assets	Trade creditors	Short term	Long term	(Note 13)
Cimpor Group companies-								
Cimpor Inversiones, S.A.U.	-	9,778,622.35		-	188,090.08	286,587.16	193,634,544.34	1,594,966.56
Amreyah Cement Company, S.A.E.			-			24,094.00	26,896,466.85	-
Cimpor Egipt for Cement	-	-	-	-	-	50,039.06	55,859,284.26	-
Cimpor Sagesa, S.A.	-	-	-	-	329,753.82	501,250.27	22,578.84	-
Cimpor Trading, S.A.	6,532.84	-	-	-	-	1,921,535.64	-	-
Cimpor Industria de Cimentos, S.A.	262,438.10	-	-	-	1,713,421.98	-	-	-
Geofer, S.A.	120,595.80	-	-	-	-	-	-	-
Trasnviaria, S.A.	100.31	-	-	-	-	-	-	-
Cimentaçor, Ltda.	38,209.81	-	-	-	-	-	-	-
Agrepor Agregados, S.A.	-	-	-	-	27,269.56	-	-	-
Sacopor, S.A.	-	-	-	-	341,671.16	-	-	-
Cecisa Comercio Internacional, S.A.	-	-	-	-	80,866.33	-	-	-
Cement Trading Activities, S.A.	-	-	-	-	15,056.39	-	-	-
Cecime Cimentos, S.A.	-	-	-	-	339,587.15	-	-	-
Cimpor Tec, S.A.	-	-	-	-	21,662.76	-	-	-
	427,876.86	9,778,622.35	-	-	3,057,379.23	2,783,506.13	276,412,874.29	1,594,966.56
Associated companies-								
Cementos El Marquesado, S.A.	2,018,397.46	-	-	-	-	-	-	-
Hormionges Miranda Celanova, S.L.	126,843.46	-	-	-	-	-	-	-
Agueiro, S.A.	-	452,946.00	-	-	-	-	-	-
Arenor, S.L.	22,050.09	-	19,847,166.75	-	233,767.52	-	-	-
	2,167,291.01	452,946.00	19,847,166.75	-	233,767.52	-	-	-
	2,595,167.87	10,231,568.35	19,847,166.75	-	3,291,146.75	2,783,506.13	276,412,874.29	1,594,966.56

The commercial debtors' balance corresponds to derived stocks from the provision of services and cement and clinker sales by the Group.

Derived from the fiscal consolidation, the Group has a receivable with Cimpor Inversiones, S.A.U., as of December 31st, 2010, of a sum of 5,301,562.84 euros.

As of December 31st, 2009, the expiry of the credit contract with Cimpor Inversiones, S.A. for a sum of 193,600,000.00 euros was modified; following this amortisation calendar: 100,000,000.00 euros by 31 December 20011 and 93,000,000.00 euros by 31 December 2012. On 31 December 2010 the new contract was signed with the amortisation calendar as follows: 100,000,000.00 by January 10th, 2013 and 93,000,000.00 by January 10th, 2014. The average receivable interest for the tax year 2010 was 2.67%.

As of December 31st, 2010, the holding company has an accounts payable with Cimpor Inversiones, S.A.U. of 120,553,894.27 euros. This corresponds to a current account with a duration of 2 years renewable in similar periods which are due on December 31st, 2010 and October 25th, 2010. Corporacion Noroeste, S.A. also has two credits with Cimpor Industria de Cementos, S.A. fo 30,000,000.00 euros each; with an interest rate of 2.60%. Both credits are for 18 months; when the expiry date arrives they could be extended for the same period. The interests are paid on a biannual basis.

Likewise, during the tax year 2008, the holding company formalised a credit with Ameryah Cement Company and Cimpor Egypt for Cement for a sum of 26,000,000 euros and 54,000,000 euros respectively. These credits have an expiry date of June 15th, 2011 and whose interests are liquidated on that date. In December 29th, 2010 Cimpor Inversiones, S.A.U. subrogated for Corpracion Noroeste, S.A. for the contract with Cimpor Egypt for Cement for a sum of 54,000,000 euros. With an interest rate of 1.91% and 1.89%, respectively.

On September 1st, 2010 and October 25th, 2010, Corporacion Noroeste, S.A. formalised a credit with Cimpor Industria de Cimentos, S.A. for a sum of 30,000,000 euros with an interest rate of 2.60. Both credits are for 18 months; when the expiry date arrives they could be extended for the same period. The interests are paid on a biannual basis.

The interests for receivable on current long term accounts and the credits sum to 7,246,355.52 euros (7,822,079.48 in 2009). They are registered within the epigraph 'Financial Expenses – debts with Group companies and associates' under losses and profits.

The closing balances also include the accrued interest receivable.

Holding company's governing body and senior management salaries -

The salaries perceived by the governing body, made up of 8 men, during the course of 2010 as wages and salaries summed up to 773,458.00 euros (792,579.08 euros in 2009). Likewise, the senior management summed up to 563,765.00 euros (562,193.52 euros in 2009).

During the tax years 2010 and 2009, the holding company does not have accounts receivables by way of statutory attentions to the members of the governing body; neither has it taken a credit, advanced payment, set up pension funds, nor taken life insurances in their favour.

Buying shares of companies with similar activities and employed or self-employed activities by the governing body-

By December 31st of 2010 and 2009, the holding company's governing body have not shared capital from companies (with the same analogous or complementary activities as the Group's) which are not part of the Grupo Cimpor-Cimentos de Portugal, the Law of Partnerships of Capital, art. 229 states this. Thus, companies with the same analogous or complementary activities which constitute the corporate purposes of Corporacion Noroeste, S.A. (Note 1), where the governing companies are holding office are as follows:

Managing Director	%(*)	Company	Position
José Augusto Bras Chaves	0.004%	Cimpor Portugal, SGPS, S.A.	Member
Luis Miguel da Silveira Ribeiro Vaz	0.003%	Cimpor Inversiones, S.A.U. Cimpor - Cimentos de Portugal, SGPS, S.A. Cimpor Portugal, SGPS, S.A.	Member Member Member
Luis F. Sequeira Martins	0.011%	Cimpor Inversiones, S.A.U. Cimpor - Cimentos de Portugal, SGPS, S.A. Cimpor Internacional, SGPS, S.A. Cimpor Portugal, SGPS, S.A.	Chairman Member Member Chairrman
Eduardo Guedes Duarte		Cimpor Inversiones, S.A.U. Cimpor Portugal, SGPS, S.A.	Member Member
Ángel Longarela Pena	0.001%	Cimpor Inversiones, S.A.U. Cimpor Portugal, SGPS, S.A.	Member Member

(*) stockholding porcentage in Cimpor - Cimentos de Portugal, SGPS, S.A.

(17) Environmental information

As of 31 December 2010, the cost and accumulated depreciation of the tangible fixed assets intended for the protection and improvement of the environment amount 46,490,251.54 euros (45.157.707,19 euros in 2009) and 25,233,640.69 euros (20.595.574,66 euros in 2009), respectively. Additionally, additions to the fixed assets by means of purchases intended for environmental purposes increased to 1,113,545.27 euros (2,013,424.90 euros en 2009).

These investments, mainly carried out in passed tax years, are as follows: Cementos Cosmos, S.A. (Oural) for the installation of discharge of pneumatics and filters, (in Toral) the substitution of an electro-filtro of the clinker kiln, refrigeration of gases tower, immisions and emmisions,and filters; Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., filters y storage hedge; companies which fabricate concrete, concrete recycling equipment, tailing ponds and irrigation equipment; In the quarries, storage constructions for river waters, dust collector equipment, sludge retrieval press, and used oil storage.

The sum pending to impute due to grants received, in previous tax years, as of 2010 sum up to 238,332.13 euros (273,990.73 euros in 2009). These grants correspond to the partial financing of the above mentioned investments.

The sum pending to impute destined towards environmental purposes sum up to 1,741,833.04 euros (2,085,989.38 euros in 2009); see Note 11, provisions for quarry restorations.

The European Community and its goal to reduce CO_2 gas emissions, Kyoto Protocol, enacted a directive (2003/87/CE – European Parlament) in which it establishes allowance trading. The Environmental Ministry in Spain establishes which sectors and industries are applicable to the CO_2 gas emissions control, thus, the cement sector being one of them.

The central government passed the National Plan CO_2 gas on November 24th, 2006, for the period 2008-2012. On November 14th, 2007, the Councils of Ministors Agreement published the allowance trading for each company being both factories of Cementos Cosmos, S.A. one of them (Toral de los Vados and Oural). The total given was for 5,292,775

Tm. for the period between 2008 and 2012; for both factories of Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., (Córdoba y Niebla) was for 4,836,070 Tm. for the same period.

Law 1/2005, March 9th, regulates the allowance trading of CO_2 gas emissions, which is the European Governing Body's implementation. This law states the usage of this licence assigned to each industry within the First National Plan; the creation of the Register where the allowance and the transactions made (given by the authorities) is noted down.

Within the years 2010 and 2009 both factories of Cementos Cosmos, S.A. and Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A. have been authorised to release an amount of 1,058,55 Tm. and 967,214 Tm., respectively. In accordance with studies and measurement done by these companies, (waiting for official verifications) the emissions have been approximately of 839,532 Tm. and 888,034 Tm. of CO_2 (936,820 Tm. and 800,674 Tm. in 2009), respectively. In the tax year 2010, Cementos Cosmos, S.A. has sold a total of 150,000 Tm. of CO_2 (350,000 Tm. in 2009) which has generated a profit of 2,281,599.00 euros (4,169,800.00 euros in 2009), registered in epigraph "Impairment and results from disposals of fixed assets - Results from disposals and others" in the consolidated profit and loss account. This has generated surplus within the consolidated level of 176,903 Tm (23,147 Tm. in 2009).

In addition to this, in the tax year 2009 there was a CO_2 licence exchange (SWAP contract obtained) which produced a profit of 936,198.90 euros; stated in the epigraph "Financial revenue- Transferable securities and other financial instruments" of the tax year 2009 consolidated profit and loss account.

(18) Segmented reporting

The Group identifies its operating segments based on internal reports about the Group's constituents that are subject to regular review, discussion and evaluation by the Managing Director, since he is ultimately responsible for the decision making process and has authority to allocate resources to the segments and evaluate their performance.

Thus, defined segments are as follows:

- Cement
- Concrete
- Aggregates
- Mortars
- Provision of services and other

Geographical sales information-

The distribution of the net turnover corresponding to fiscal years 2010 and 2009 was realised almost entirely in Spain.

Segmented Financial Statements-

Items	Euros						
	Market segment					Consolidation adjustements	Total
	Cement	Concrete	Aggregates	Mortars	Services		
Net turnover							
– External customers	173.982.494,34	74.736.666,62	16.478.697,50	4.826.663,34	2.675.709,83	-	272.700.231,63
– Intercompany	115.652.045,25	5.606.841,81	9.834.690,83	5.600.527,96	7.556.712,68	(144.250.818,53)	-
Procurements	(152.661.121,34)	(61.547.553,42)	(8.219.959,29)	(5.436.433,40)	(11.555.266,07)	144.250.818,53	(95.169.514,99)
Personnel expenses	(31.682.233,72)	(8.462.863,54)	(4.920.395,52)	(1.239.239,91)	(9.491.736,86)	-	(55.796.469,55)
Depreciation and amortization charge	(23.351.793,95)	(2.753.289,79)	(6.915.376,95)	(1.704.624,72)	(5.328.302,70)	-	(40.053.388,11)
Losses on, impairment of and change in allowances							
– Current	324.997,90	(739.109,43)	43.627,20	(15.112,78)	-	-	(385.597,11)
– Non current	-	(737.038,71)	-	-	-	-	(737.038,71)
OPERATING PROFIT	15.993.659,55	(13.282.016,96)	(4.520.382,78)	(1.233.074,04)	(5.291.775,56)	-	(8.333.589,79)
Financial income	528.902,70	143.469,39	878.156,23	3.815,26	8.487.839,59	(7.013.223,51)	3.028.959,66
Financial expenses	(3.662.412,99)	(1.572.078,77)	(1.569.590,16)	(94.745,57)	(11.892.178,60)	7.013.223,51	(11.777.782,58)
INCOME FROM DISCONTINUED OPERATIONS	-	-	-	-	-	-	-
PROFIT BEFORE TAX	12.901.928,45	(14.733.392,25)	(5.211.816,71)	(1.324.004,35)	(8.976.056,11)	-	(17.343.340,97)
Segment assets	498.889.841,60	86.227.987,22	124.403.634,58	15.824.797,14	30.960.404,74	-	756.306.665,28
Segment liabilities	(380.058.515,02)	(107.909.114,38)	(123.643.894,20)	(12.968.896,38)	24.019.800,71	-	(600.560.619,27)
Acquisition of non current assets in the financial year	10.079.978,28	350.825,16	800.569,79	236.201,19	352.998,47	-	11.820.572,89

A N N E X

COMPLEMENTARY INFORMATION ON INVESTEE COMPANIES AT 31 DECEMBER 2010

			% EQUITY INTEREST			E U R O S						
GROUP AND DEPENDENT COMPANIES	REGISTERED OFFICE	LINE OF BUSINESS	DIRECT	INDIRECT	TOTAL	CAPITAL	RESERVES	OTHER NET WORTH	DIVIDENDS RECEIVED	OPERATING PROFIT	NET PROFIT	AUDIT
CEMENTOS COSMOS, S.A.	Vigo (Pontevedra)	Manufacturing and sale of cement	99,76	-	99,76	34.779.003,00	70.122.192,96	750.740,75	(10.433.700,90)	15.377.122,50	11.194.333,70	*
(1) PREBETONG GALICIA, S.A.	Vigo (Pontevedra)	Manufacturing and sale of concrete	100,00	-	100,00	3.317.248,00	6.766.698,57	3.472,24	-	(3.400.892,37)	(2.397.948,31)	*
PREBETONG LUGO, S.A.	Lugo	Manufacturing and sale of concrete	-	82,89	82,89	345.600,00	3.455.608,66	70.099,91	-	257.161,57	365.235,24	*
BOMBEO Y TRANSPORTE DE HORMIGÓN, S.A. (BOMTRAHOR)	Vigo (Pontevedra)	In liquidation	-	94,30	94,30	198.330,00	(270.596,34)	-	-	118.690,41	117.004,84	
CANTEIRA DO PENEDO, S.A. (CANPESA)	Lugo	Aggregate extraction	-	40,96	40,96	432.119,00	8.705.664,66	-	-	387.974,95	372.558,59	*
HORMIGONES MIÑO, S.L.	Vigo (Pontevedra)	Manufacturing and sale of concrete	99,98	-	99,98	12.212.951,80	(2.713.878,41)	6.947,24	-	(2.615.513,68)	(1.815.509,91)	*
CANTERAS PREBETONG, S.L.	Vigo (Pontevedra)	Aggregate extraction	98,87	-	98,87	4.172.968,00	1.536.193,86	119.215,49	-	127.641,00	(139.438,31)	*
ÁRIDOS DE LA CORUÑA, S.A. (ARICOSA)	A Coruña	Aggregate extraction	-	49,44	49,44	156.260,00	331.691,19	-	-	(261.539,75)	(193.046,71)	*
HORMIGONES Y ÁRIDOS LA BARCA, S.A.	Pontevedra	Aggregate extraction	50,00	-	50,00	3.230.000,00	121.371,92	-	-	(210.255,38)	(26.420,09)	*
MORTEROS DE GALICIA, S.L.	Vigo (Pontevedra)	Manufacturing and sale of mortars	100,00	-	100,00	2.511.000,00	4.964.416,63	379.442,43	-	(750.541,62)	(588.137,63)	*
(1) CEMENTOS NOROESTE, S.L.	Vigo (Pontevedra)	No commercial activity	100,00	-	100,00	6.010,00	(1.938,76)	-	-	(103,24)	(72,27)	
(1) SOCIEDAD DE CEMENTOS Y MATERIALES DE CONSTRUCCIÓN DE ANDALUCÍA, S.A.	Córdoba	Manufacturing and sale of cement	100,00	-	100,00	61.000,00	100.744.678,15	2.800.725,56	-	(4.593.246,90)	(4.597.559,63)	*
(1) CEMENTOS DE ANDALUCÍA, S.L.	Córdoba	Marketing of cement	100,00	-	100,00	15.025,00	988.309,56	-	-	522.045,23	364.984,81	*
(1) OCCIDENTAL DE HORMIGONES, S.L.	Badajoz	Manufacturing and sale of concrete	100,00	-	100,00	67.841,41	4.736.836,26	-	-	0,00	(4.719.621,81)	*
MATERIALES DEL ATLÁNTICO, S.A.	Narón (A Coruña)	Manufacturing and sale of cement	-	99,76	99,76	3.508.000,00	4.009.824,18	298.804,85	-	2.534.565,07	3.141.920,74	*
PREBETONG LUGO HORMIGONES, S.A.	Lugo	Manufacturing and sale of concrete	-	82,89	82,89	692.928,00	6.045.644,31	-	-	(56.250,51)	(96.194,14)	*
OCCIDENTAL DE ÁRIDOS, S.L.	Vigo (Pontevedra)	Aggregate extraction	100,00	-	100,00	7.336.000,00	(2.706.820,64)	41.545,08	-	(3.922.853,94)	(3.093.170,06)	*
CIMPOR CANARIAS, S.L.	Vigo (Pontevedra)	Manufacturing and sale of cement	100,00	-	100,00	4.000,00	502.897,00	-	-	2.265.693,21	1.016.797,05	*
CIMPOR HORMIGÓN CANARIAS, S.L.	Vigo (Pontevedra)	Manufacturing and sale of concrete	100,00	-	100,00	4.000,00	81.742,91	-	-	(1.194.295,80)	(764.707,76)	*
(1) BETOBOMBA, S.L.	Vigo (Pontevedra)	In liquidation	100,00	-	100,00	522.500,00	(1.115.954,48)	-	-	(15.286,38)	(15.818,17)	
GRUPO CEISA	Las Palmas de Gran Canaria	Manufacturing of cement and concrete	50,00	-	50,00	1.270.007,20	50.656.428,63	501.312,78	-	(4.157.705,59)	(2.410.809,67)	**
INSULAR DE PRODUCTOS PARA LA CONSTRUCCIÓN Y LA INDUSTRIA, S.L.	Sta. Cruz de Tenerife	Manufacturing and sale of mortars	50,00	-	50,00	3.467.800,00	(552.589,67)	-	-	(664.716,13)	(663.714,52)	**
DS UNION S.L.	Granada	Cement marketer	-	90,00	90,00	403.010,00	(135.261,28)	-	-	(229.464,80)	(159.584,95)	
SOGESSO - SOCIEDADE DE GESSOS DE SOURE, S.A.	Soure (Portugal)	Extraction and sale of gypsum	-	59,86	59,86	200.000,00	2.254.215,20	-	171.400,00	500.373,74	235.770,03	
INVERSIONES FILARIA, S.L.	Vigo (Pontevedra)	Holding company	-	100,00	100,00	3.006,00	(64.978,70)	-	-	(2.003,42)	(72.760,39)	
TRANSFORMAL, S.A.	Coimbra	Purchase and sale of land	-	100,00	100,00	1.500.000,00	(109.297,04)	-	-	(12.885,37)	(952,02)	
ASSOCIATES												
CEMENTOS ANTEQUERA, S.A.	Málaga	Manufacturing and sale of cement	23,08	-	23,08	14.717.382,23	4.904.163,51	120.204,48	-	467.472,25	185.943,00	**
HORMIGONES MIRANDA-CELANOVA, S.A.	Celanova (Ourense)	Manufacturing and sale of concrete	-	39,55	39,55	60.101,21	32.588,35	-	-	(67.421,85)	(56.914,81)	
ARENOR, S.L.	Sevilla	Manufacturing and sale of concrete	28,57	-	28,57	2.100.000,00	32.229.739,64	-	-	(440.825,19)	8.471.776,70	**
AGUEIRO, S.A.	A Coruña	Trade of building materials	-	45,00	45,00	120.202,43	12.518,13	-	-	(93.845,88)	(151.345,88)	

(1) Sole Proprietorship

*** Companies audited by Deloitte, S.L.**

**** Companies audited by other auditors**

STATEMENT ABOUT THE ENVIRONMENTAL INFORMATION IN THE CONSOLIDATED ANNAUL ACCOUNTS CORRESPONDING TO THE FINANCIAL YEAR 2010

CARRIED OUT BY:

CORPORACIÓN NOROESTE, S.A. – NIF A36603025

AND SUBSIDIARY COMPANIES

On the 31st of December , 2010 the cost and accumulated depreciation of tangible fixed assets intended for environmental protection and improvement amounted to 46,490,251.54 Euros (45,157,707.19 Euros in 2009) and 25,233,640.69 Euros (20 595 574.66 Euros in 2009), respectively. Also, additions to fixed assets purchases for environmental purposes amounted to 1,113,545.27 Euros (2,013,424.90 Euros in 2009).

These investments, which have mostly been made in prior financial years, are mainly related to the following assets: in Cementos Cosmos, S.A., installation of tyres and filter supply, in the Oural factory and the replacement of the electro-filter clinker kiln, gas cooling tower, control of intakes and emissions and filters in the factory of Toural; in Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., to filters and storage covers; in companies dedicated to the manufacture of concrete, recycling concrete equipment, construction of settling ponds and irrigation equipment. In the quarries, constructions for the recovery of rainwater, dust abatement equipment, filter press for sludge recovery and storage of used oils.

The amount left to attribute to income from grants received in prior financial years in the financial year 2010 amounts to 238,332.13 Euros (273,990.73 Euros in 2009). These grants correspond to the partial financing of the investments listed above.

The amount incurred for expenses destined to environmental purposes amounted to 1,741,833.04 Euros (2,085,989.38 Euros in 2009), additional to the allocations to the provision for restoration of quarries, which is detailed in Note 11.

The European Union in order to fulfil the commitment to reduce greenhouse gas emissions, assumed by ratifying the Kyoto Protocol, issued a Directive, 2003/87/EC of the European Parliament, through which it established a trade scheme for those emission allowances. In Spain, and through the Ministry of Environment, the sectors and industries which had to control the emissions of greenhouse gases were established, one of which is the cement sector.

For the period 2008-2012, the Government approved on the 24th of November 2006, the National Allocation Plan for allowances of greenhouse gasses emissions and it is on the 14th of November, 2007, when the Council of Ministers published the agreement that approved the allocation of individual installations included in the Plan and in which again both Cementos Cosmos, S.A. (Oural and Toral de los Vados factories) are affected. The total of the allowances granted for the period 2008-2012 amounted to 5,292,775 Tm., and the two factories of the Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., (Córdoba y Niebla), having been allocated a total allowance for the period 2008-2012 of 4,836,070 Tm..

It is through the Law 1/2005 of 9th of March, which regulates the trading of greenhouse gas emissions, and which is the transposition of the European Directive. The Act establishes the free nature of the rights allocated to each industry in the First National Plan and the creation of the Register in which are recorded the rights granted by the Administration and movements which are carried out with those rights.

For the year 2010 and 2009 the factories of Cementos Cosmos, S.A. and the Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A are authorized to issue 1,058,555 Tm. and 967,214 Tm. ofCO2, and according to studies and measurements made by such companies, pending verification by an accredited body, the gasses emitted would have been approximately 839,532 Tm. and 888,034 Tm. of CO2 respectively (936,820 Tm. and 800,674 Tm in 2009). In the financial year 2010, Cementos Cosmos, S.A. has sold a total 150,000Tm. of CO2 (350,000 Tm. in 2009), which has generated a profit of 2,281,599.00 Euros (4,169,800 Euros in 2009), which has been recorded under the heading "Impairment and loss on disposal of fixed assets - Gains on disposals and other "accounts accompanying consolidated profit and loss. For these reasons it has generated, at a consolidated level, a surplis of 176,903 Tm, of CO2 (23 147 Tm. in 2009).

In addition, in the financial year 2009, there was an exchange of CO2 emission rights through a SWAP contract, which produced a profit of 936,198.90 Euros, which is recorded under "Financial income, marketable securities and other instruments financial "of profit and loss account statement for the attached financial year 2009.

CORPORACIÓN NOROESTE, S.A.

Management Report

Year 2010

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails

Management Report drawn up by the Board of Directors of Corporación Noroeste, S.A.

The most significant facts and events in the activity of Corporación Noroeste, S.A. and the Corporación Noroeste Group, corresponding to the financial year 2010, are described below:

I

BUSINESS DEVELOPMENT

The activity of the Corporación Noroeste Group was carried out, during the financial year 2010, in an extremely unfavourable business environment, which was the continuation of the sharp decline that began in the second semester of 2008. The increase in certain costs, among them fuel due to increases in oil prices, combined with the decline in the construction sector, with a lower number of sales, impacted on the results of all activities undertaken by the Group.

The Group's turnover in 2010 was lower than in 2009, 17.1%. Our most important activity, cement, recorded a 14.3% decline in units sold, in concrete has been 36.2%, in the aggregate of 14.1% and the mortar fell by 28, 4%.

The consolidated EBITDA decreased by 34% compared to 2009, to 31.7 million Euros versus the 48.1 million a year earlier. Ebitda margin / turnover was of 11.6%, which represented a decline of 3 percentage points.

In its turn, the consolidated EBIT, closed the financial year 2010 with a decrease of 243.6% in relation to the previous year until it reached -8.3 million Euros. This decline in EBIT resulted in a decline of 4.8 percentage points in the margin, going from 1.8% in 2009 to -3.1% in 2010.

The financial result in 2010 was negative in 8.7 million Euros, compared to 6.4 million Euros, also negative, recorded a year earlier. This increase is basically a consequence of lower revenues achieved by not having a swap operation this year with CO2 rights as there was in 2009, as well as the smaller amount of the deposits made and the lower price obtained by them, and on the other hand due to higher costs of renewal commissions in bank lines of credit. The results of the companies in which we have a minority share give a negative result of 0.3 million Euros, which supposes an improvement in the result of EUR 0.4 million the previous year.

This placed the net profit ascribed to the parent company with losses of 12.4 million Euros, compared to a positive 0.9 million Euros last year.
So the return on equity has been negative, -8.75%, compared to the previous year, 0.6%. The group's financial risk, measured by the proportion of the shareholder´s equity over the total balance sheet, was 18.7% versus 19.1% in 2009.

II

a) Purchase of assets .-

During the month of May, the subsidiary, Cementos Cosmos, S.A., acquired for a total of 1.05 million Euros, 40.0% of the share capital of the company Sogesso - Sociedad de Gessos de Soure, S.A, thus reaching 100% of the capital, aimed at the exploitation and marketing of plaster, and which is located in Portugal.

In the month of June, Corporación Noroeste, S.A. acquired 45% of the company Betobomba, S.L., reaching 100% of the capital, amounting to 0.02 million Euros. Also, in the month of November, the Group acquired 1.13% of the company Prebetong Galicia, S.A. so that it reached 100% of it, amounting to 0.12 million Euros. The acquisitions were made from third parties.

But the most important transactions relating to mergers between various Group companies, in the process of reorganization are:

- Merger by absorption of the company Corporación Noroeste de Hormigones y Áridos, S.L." by Corporación Noroeste, S.A.
- Merger by absorption of the Group´s companies "Sermaconsa, S.A.", "Tabanque, S.A." and “Sociedad Industrial y Financiera Gallega, S.L.” by Cementos Cosmos, S.A.
- Merger by absorption of the Group´s company "Cementos El Monte, S.A." by Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.

The date of registration of such mergers was, for the first two the 7th of December and the third the 10th of December, although for all accounting purposes from the 1st of January 2010. Before the merger Corporación Noroeste, S.A. completed the sale of shares in Sermaconsa, S.A., Tabanque, S.L. and Sociedad Industrial y Financiera Gallega, S.L, to Cementos Cosmos, S.A.to facilitate the merger.

Also it is worth noting the disinvestment of Corporación Noroeste, S.A. in the company Cementos El Marquesado, S.A., of which it owned 24% of its capital, proceeding to the exit of the shareholders of that company through a capital reduction that took place, and which returned the value of its contribution: 11.06 million Euros. The recovery of this amount is made through an assignment of a receivable arising from a contract of sale for a Furnace for the cement industry that the Grupo Sociedad de Cementos and Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., acquired from Cementos del Marquesado, S.A. This furnace figures in the accounts of that company of the Group classified under the heading "Non-current assets held for sale", as the Group intends to sell the same during the financial year 2011.

b) Milestones for the Company after the close of the financial year .-

There have been no significant events.

c) Research and development activities .-

In 2010 the companies of the Corporación Noroeste Group have maintained research and development activities similar to those of previous years, permanently carrying out study, research and development activities related to each company´s activity .

d) Purchases of own shares .-

Corporación Noroeste, S.A. and its Subsidiary Companies do not have , by the 31st December 2010, treasury shares, directly or through a third party, and have not carried out operations with their own shares .

e) Forecasts relating to the evolution of the Company .-

It is expected that the deterioration experienced by the construction activity through 2010 will continue next year, although in a less intense way.

In any case, the scenarios vary according to whether you are dealing with the Peninsula area, or the Canary Islands. So in the North, it is estimated that cement consumption will reach 2.2 million tons, 10.8% less than the amount recorded in 2010. This development is based on a lower consumption rate of investment in infrastructure, and lack of growth in residential construction subsector in the Galician market.

The southern market, will suffer a decrease of 10.9% compared to 2010, bringing the estimated consumption of 4.1 million tonnes, stopping the decreases which were higher this past year.
The market in the Canary Islands should present a slight decrease near 1.7% and being the estimated consumption of 0.85 million tonnes of cement.

The remainder of the Group´s activities present the following scenarios: in the concrete activity a rise of 3.5%is expected in the North, 2.9% in the markets of Andalusia and Extremadura and a growth of 9.6% in the Canary Islands. The aggregates activity, which globally expects a slight decrease of 1.1% compared to last year, varies depending on the area and in the North is expected to decrease by 9.7% and 18% in the Canary Islands and an increase of 20.3% in the South due to new infrastructure works.

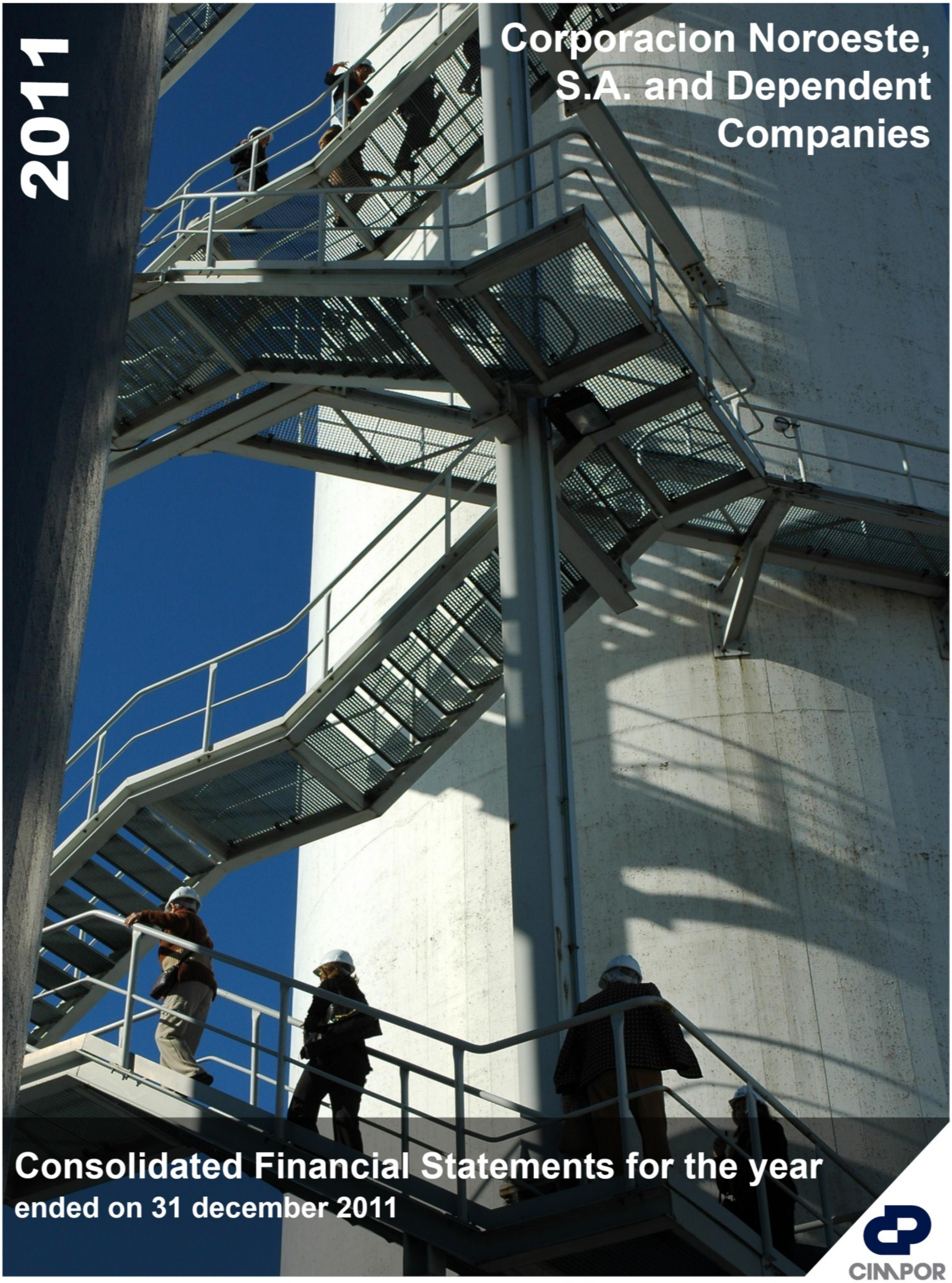
Finally, in the mortar activity a decline in unit sales to 4.4% is expected, while the estimate for the North is a decline of 4.3% and in the Canary Islands of 0.1%.

f) Derivative financial instruments .-

The Corporación Noroeste Group has not used or has contracted derivative financial instruments.

2011

Corporacion Noroeste, S.A. and Dependent Companies



Consolidated Financial Statements for the year ended on 31 december 2011

CIMPOR

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Note 2-a to the accompanying consolidated financial statements). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Corporación Noroeste, S.A.:

We have audited the consolidated financial statements of CORPORACIÓN NOROESTE, S.A. ("*the Parent*") AND SUBSIDIARIES ("*the Group*"), which comprise the consolidated balance sheet at 31 December 2011 and the related consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. The Parent's directors are responsible for the preparation of the consolidated financial statements in accordance with the regulatory financial reporting framework applicable to the Group (*identified in Note 2-a to the accompanying consolidated financial statements*) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying consolidated financial statements for 2011 present fairly, in all material respects, the consolidated equity and consolidated financial position of Corporación Noroeste, S.A. and Subsidiaries at 31 December 2011, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Group and, in particular, with the accounting principles and rules contained therein.

The accompanying consolidated directors' report for 2011 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2011. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Corporación Noroeste, S.A. and Subsidiaries.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Signed by Miguel Barroso Rodilla

20 February 2012

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, folio 188, sección 8, hoja, M-54414, inscripción 96, C.I.F.: B-79104469. Domicilio Social: Plaza Pablo Ruiz Picasso, 1 - Torre Picasso, 28020 Madrid.

CORPORACIÓN NOROESTE GROUP

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2011 AND 2010 (Notes 1, 2, 3 , 4 and 5)

(Euros)

ASSETS	Notes	2011	2010
NON CURRENT ASSETS		**586,415,811.13**	**606,140,485.74**
Intangible assets.	**Note 6**	**108,340,725.03**	**130,668,142.03**
Goodwill on consolidation		50,813,233.65	54,492,155.96
Other intangible assets		57,527,491.38	76,175,986.07
Tangible assets.	**Note 7**	**459,516,854.17**	**432,485,910.54**
Land and buildings		272,031,290.38	234,923,248.82
Plant and other fixed assets		178,888,469.07	187,501,828.68
Construction in progress and advances		8,597,094.72	10,060,833.04
Property Investment	**Note 5.d**	**582,358.63**	-
Lands		582,358.63	-
Long term investments in Group companies and associates.	**Note 8**	**9,431,796.50**	**17,991,197.26**
Equity instruments		13,596.54	13,596.54
Investments accounted for using the equity method		7,041,250.59	16,734,654.72
Loans to companies accounted for using the equity method.		2,376,949.37	1,242,946.00
Long term investments.		**1,728,118.50**	**862,060.40**
Loans to third parties		2,733.42	2,733.43
Other financial assets		1,725,385.08	859,326.97
Deferred tax assets.	**Note 13**	**6,815,958.30**	**4,984,450.40**
Long term accruals.	**Note 8**	-	**19,148,725.11**
CURRENT ASSETS		**144,470,437.07**	**150,166,179.54**
Non current assets held for sale.	**Note 8**	**12,068,906.51**	**11,859,958.51**
Inventories.	**Note 9**	**44,609,090.96**	**45,793,509.37**
Trade and other receivables.		**63,442,236.04**	**69,948,238.52**
Trade receivables for sales and services.		60,214,565.22	60,710,233.19
Group companies.	**Note 16**	1,224,290.55	206,788.86
Companies accounted for using the equity method.	**Note 16**	176,395.23	1,986,708.39
Receivable from public authorities	**Note 13**	688,363.12	4,882,579.58
Other accounts receivable.		1,138,621.92	2,161,928.50
Short term investments in Group companies and associates.	**Note 16**	**4,315,412.64**	**5,330,297.82**
Loans to group companies.		4,315,412.64	5,330,297.82
Short term investments		**29,139.82**	**4,975.71**
Short term accruals		**203,834.70**	**268,608.11**
Cash and cash equivalents		**19,801,816.40**	**16,960,591.50**
TOTAL ASSETS		**730,886,248.20**	**756,306,665.28**

The accompanying Notes 1 to 18 and Appendix are an integral part of the consolidated balance sheet at 31 December 2011.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2011 AND 2010 (Notes 1, 2, 3 , 4 and 5)

(Euros)

EQUITY AND LIABILITIES	Notes	2011	2010
EQUITY	**Note 10**	**132,953,931.80**	**155,746,046.01**
Shareholders' equity.		**119,083,450.50**	**141,683,674.16**
Assets.		**26,162,160.00**	**26,162,160.00**
Issue premium.		**12,031.56**	**12,031.56**
Reserves.		**115,717,310.83**	**127,908,992.03**
Profit for the year attributable to parent company.		**(22,808,051.89)**	**(12,399,509.43)**
Consolidated income statement.		(22,921,350.15)	(12,355,834.61)
(Profit and loss external partners).		113,298.26	(43,674.82)
Grants, donations or gifts and legacies received.		**5,490,837.33**	**4,476,271.11**
Consolidated companies.		5,490,837.33	4,476,271.11
External partners.		**8,379,643.97**	**9,586,100.74**
NON CURRENT LIABILITIES		**517,640,443.57**	**431,618,773.85**
Long term provisions.	**Note 11**	**14,602,429.19**	**14,718,926.48**
Non current payables.	**Note 12**	**10,644.77**	**47,013.06**
Long term payables to Group companies and associates.		**468,351,533.25**	**374,211,017.45**
Payables to Group companies.	**Note 16**	452,437,220.73	374,211,017.45
Payables to equity method companies	**Note 7 and 16**	15,914,312.52	-
Deferred tax liabilities.	**Note 13**	**34,675,836.36**	**42,641,816.86**
CURRENT LIABILITIES		**80,291,872.83**	**168,941,845.42**
Short term provisions.	**Note 11**	**18,709,817.00**	**21,305,270.43**
Current payables.	**Note 12**	**3,682,131.53**	**5,678,910.64**
Bank borrowings and other financial liabilities.		1,220,560.29	2,856,797.19
Other financial liabilities.		2,461,571.24	2,821,614.28
Short term payables to Group companies and associates.	**Note 16**	**7,956,325.01**	**84,518,286.98**
Other liabilities.		6,459,746.73	84,518,286.98
Payables to equity method companies	**Note 7 and 16**	1,496,578.28	-
Trade and other payables.		**49,847,519.78**	**57,357,674.25**
Payable to suppliers.		42,673,630.36	49,613,325.90
Payable to suppliers, Group companies.	**Note 16**	2,694,282.60	2,159,909.59
Payable to suppliers, companies accounted for using the equity methoc	**Note 16**	20,442.01	-
Payable to public authorities.	**Note 13**	1,987,505.14	2,455,238.15
Other payables.		2,471,659.67	3,129,200.61
Short term accruals.		**96,079.51**	**81,703.12**
TOTAL EQUITY AND LIABILITIES		**730,886,248.20**	**756,306,665.28**

The accompanying Notes 1 to 18 and Appendix are an integral part of the consolidated balance sheet at 31 December 2011.

CORPORACIÓN NOROESTE GROUP

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011 AND 2010 (Notes 1, 2, 3, 4 and 5)

(Euros)

CONTINUING OPERATIONS	Notes	2011	2010
Revenue.	**Notes 14 and 16**	**249,938,117.82**	**272,700,231.63**
Sales.		246,897,092.55	269,837,809.63
Services.		3,041,025.27	2,862,422.00
Variation in inventories of finished products and work in progress.		**(1,652,960.38)**	**1,324,765.16**
In-house work on non current assets.	**Note 5.c**	**188,247.31**	**40,444.97**
Procurements.	**Note 14**	**(87,976,387.56)**	**(95,066,432.40)**
Consumption of goods.		(6,867,998.35)	(15,557,695.24)
Cost of raw materials and other consumables used.		(68,171,980.98)	(64,716,931.20)
Work performed by other companies		(12,936,408.23)	(14,791,805.96)
Other operating income.		**4,449,200.53**	**4,922,192.30**
Non core and other current operating income.		2,183,176.79	2,726,609.89
Income-related grants transferred to profit or loss.		2,266,023.74	2,195,582.41
Personnel expenses.	**Note 15**	**(52,418,259.77)**	**(55,796,469.55)**
Wages, salaries and similar expenses.		(40,491,584.53)	(43,592,323.01)
Employee benefit costs.		(11,926,675.24)	(12,204,146.54)
Other operating expenses.	**Note 14**	**(105,171,107.43)**	**(119,312,478.89)**
Losses on, impairment of and change in allowances for trade receivables.		(1,209,166.03)	(385,597.11)
Other current operating expenses.		(103,961,941.40)	(118,926,881.78)
Depreciation and amortization charge.	**Notes 6 and 7**	**(40,274,938.35)**	**(40,053,388.11)**
Allocation to profit or loss of grants related to non-financial assets and other grants.		**19,016,190.45**	**21,574,232.83**
Impairment and gains or losses on disposals of non-current assets.		**(2,279,800.04)**	**1,333,318.27**
Damage and loss.	**Note 6**	(10,000,000.00)	(737,038.71)
Income from disposals or other components	**Note 17**	7,720,199.96	2,070,356.98
OPERATING INCOME		**(16,181,697.42)**	**(8,333,583.79)**
Financial revenue.		**1,522,818.87**	**3,028,959.66**
From investments in equity instruments.		16,324.12	17,139.67
From marketable securities and other financial instruments of Group Companies and Ass	**Note 16**	234,829.88	686,588.50
From marketable securities and other financial instruments of third parties	**Note 17**	1,271,664.87	2,325,231.49
Finance cost.		**(14,836,180.96)**	**(11,777,782.58)**
Of Group companies and associates	**Note 16**	(13,235,825.60)	(7,246,355.52)
Of third parties	**Note 12**	(1,600,355.36)	(4,531,427.06)
Exchange differences.		**42.13**	**(215.09)**
Impairment and gains or losses on disposals of financial instruments.		**(416.22)**	**64,030.97**
Impairments and losses.		(416.22)	64,030.97
FINANCIAL LOSS		**(13,313,736.18)**	**(8,685,007.04)**
Share of the profit or loss of equity method investments.	**Note 8**	(3,337,412.11)	(324,744.14)
Impairment and results for lost influence of investments	**Note 8**	3,261,732.78	-
RESULTS BEFORE TAX		**(29,571,112.93)**	**(17,343,334.97)**
Income tax	**Note 13**	6,649,762.78	4,987,506.36
CONSOLIDATED NET INCOME		**(22,921,350.15)**	**(12,355,828.61)**
Income attributed to parent company	**Note 14**	(22,808,051.89)	(12,399,509.43)
Income attributed to minority interests	**Note 10**	(113,298.26)	43,674.82

The accompanying Notes 1 to 18 and Appendix are an integral part of the consolidated income statement for the year 2011.

CORPORACIÓN NOROESTE GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011 AND 2010 (NOTES 1, 2, 3, 4 and 5)

A) CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSE

		(Euros)	
	Notes	Year 2011	Year 2010
A) Consolidted income for the year.		**(22,921,350.15)**	**(12,355,828.61)**
Income and expenses recognised directly in equity.			
Grants, donations or gifts and legacies received.	**Note 10**	28,208,254.47	24,973,873.33
Arising from actuarial gains and losses and other adjustments.		815,183.00	426,940.00
Tax effect.		(8,707,031.24)	(7,620,244.00)
B) Total income and expenses recognized directly in consolidated equity.		**20,316,406.23**	**17,780,569.33**
Transfers to consolidated profit and loss account.			
Grants, donations or gifts and legacies received.	**Note 10**	(26,758,874.16)	(23,423,379.07)
Tax effect.		8,027,662.25	7,027,013.72
C) Total transfers to consolidated profit and loss account.		**(18,731,211.91)**	**(16,396,365.35)**
Total recognized income and expense:			
- To the Parent company		**(21,222,857.57)**	**(11,015,305.45)**
- To Minority interests		**(113,298.26)**	**43,674.82**

The accompanying Notes 1 to 18, and Appendix are an integral part of the consolidated statement of recognized income and expense for the year 2011.

CORPORACIÓN NOROESTE GROUP

B) CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Euros						
	Capital	Issue premium	Prior years results and reserves	Profit for the year attributable to Parent company shareholders	Grants, donations or gifts and legacies received	Minority interests	TOTAL
2009 ENDING BALANCE	26,162,160.00	12,031.56	126,453,537.94	949,368.27	3,390,925.13	10,573,653.35	167,541,676.25
Adjustments due to changes in criteria 2009	-	-	-	-	-	-	-
ADJUSTED BALANCE AT BEGINNING OF 2010	26,162,160.00	12,031.56	126,453,537.94	949,368.27	3,390,925.13	10,573,653.35	167,541,676.25
Total recognized income and expenses	-	-	298,858.00	(12,399,509.43)	1,085,345.98	43,674.82	(10,971,630.63)
Distribution of prior year income	-	-	949,368.27	(949,368.27)	-	-	-
(-) Distribution of dividends	-	-	-	-	-	(242,941.10)	(242,941.10)
Variation in financial holdings	-	-	207,227.82	-	-	(788,286.33)	(581,058.51)
2010 ENDING BALANCE	26,162,160.00	12,031.56	127,908,992.03	(12,399,509.43)	4,476,271.11	9,586,100.74	155,746,046.01
Adjustments due to changes in criteria 2010	-	-	-	-	-	-	-
ADJUSTED BALANCE AT BEGINNING OF 2011	26,162,160.00	12,031.56	127,908,992.03	(12,399,509.43)	4,476,271.11	9,586,100.74	155,746,046.01
Total recognized income and expenses	-	-	570,628.10	(22,808,051.89)	1,014,566.22	(113,298.26)	(21,336,155.83)
Distribution of prior year income	-	-	(12,399,509.43)	12,399,509.43	-	-	-
(-) Distribution of dividends	-	-	-	-	-	(1,134,740.64)	(1,134,740.64)
Variation in financial holdings	-	-	(362,799.87)	-	-	41,582.13	(321,217.74)
2011 ENDING BALANCE	26,162,160.00	12,031.56	115,717,310.83	(22,808,051.89)	5,490,837.33	8,379,643.97	132,953,931.80

The accompanying Notes 1 to 18 and Appendix are an integral part of the consolidated statement of changes in total equity for the year 2011.

CORPORACIÓN NOROESTE GROUP

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR 2011 (Notes 1, 2, 3, 4 and 5)

(Euros)

	Notes	Year 2011	Year 2010
CASH FLOWS FROM OPERATING ACTIVITIES (I)		**7,728,853.72**	**41,563,469.32**
Profit before tax		(29,571,112.93)	(17,343,340.97)
Ajustements for:			
- Depreciation and amortization charge	**Notes 6 and 7**	40,274,938.35	40,053,388.09
- Impairment losses		10,000,416.22	673,007.73
- Changes in provisions		1,124,581.76	385,597.11
- Recognition of grants in profit or loss		(19,016,190.45)	(21,574,226.83)
- Gains/Losses on derecognition and disposal of non-current assets		(7,720,199.96)	(2,070,356.97)
- Financial income		(1,522,818.87)	(3,028,959.66)
- Financial expenses		14,836,180.96	11,777,782.58
- Exchange differences		(42.13)	215.09
- Results of companies accounted for using the equity method	**Note 8**	75,679.33	324,744.14
- Other income and expenses		19,222,005.03	22,482,428.30
Changes in working capital			
- Inventories	**Note 9**	1,269,002.68	(133,052.58)
- Trade and other receivables		5,296,837.45	20,447,123.15
- Other current assets		40,609.30	(23,965.18)
- Trade and other payables		(7,495,778.08)	(7,319,065.03)
- Other current liabilities		504,137.41	(5,038,553.99)
- Other non-current assets and liabilities		(3,937,309.59)	7,623,888.72
Other cash flows from operating activities			
- Interest paid		(14,655,963.59)	(11,730,526.04)
- Interest received		1,522,818.87	2,395,750.11
- Income tax recovered (paid)		(2,518,938.04)	3,661,591.55
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**(2,291,314.31)**	**(21,467,760.88)**
Payments due to investment			
- Intangible assets		(31,576.55)	-
- Property, plant and equipment		(10,483,210.08)	(23,374,563.29)
- Business Unit		-	(1,503,006.00)
Proceeds from disposal			
- Intangible assets		7,686,100.00	2,281,599.00
- Property, plant and equipment		537,372.32	1,128,209.41
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**(2,596,314.51)**	**(14,394,629.45)**
Proceeds and payments relating to equity instruments			
- Grants, donations or gifts and legacies received	**Note 10**	7,000.00	97,430.00
Proceeds and payments relating to financial liability instruments			
- Proceeds from issue of borrowings from Group companies and associates	**Note 16**	60,167,663.03	179,532,924.01
- Repayment of bank borrowings		(1,636,236.90)	(193,782,042.36)
- Repayment of borrowings from Group companies and associates	**Note 16**	(60,000,000.00)	-
Dividend payments and compensation from other equity instruments			
- Dividends	**Note 10**	(1,134,740.64)	(242,941.10)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)		**-**	**-**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**2,841,224.90**	**5,701,078.99**
Cash and cash equivalents at beginning of year		16,960,591.50	11,259,512.51
Cash and cash equivalents at end of year		19,801,816.40	16,960,591.50

The accompanying Notes 1 to 18 and Appendix are an integral part of the consolidated statement of cash flows for the year 2011.

Translation of a report originally issued in Spanish in accordance with generally accepted auditing standards in Spain and of consolidated financial statements originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails

CORPORACION NOROESTE, S.A.

AND DEPENDENT COMPANIES

CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED ON 31 DECEMBER 2011.

(1) Activity and composition of the Group

Corporación Noroeste, S.A. was constituted by means of public deeds on 21 August 1958, with its place of business in Vigo, calle Brasil, 56. Its corporate purpose consists of:

1. Planning, promoting, building, installing and operating cement Works, and the manufacturing, acquisition, alienation, import, export and commercialisation in general of cement and by-products.

2. Operating quarries, earth deposits and all kind of minerals, including coal mines; setting up and operating of lime and gypsum Works, and creating and operating all kind of industries related to the above activities.

3. Acquisition, holding, enjoyment and administration in general, alienation and encumbrance of equity or fixed-income securities.

Corporación Noroeste, S.A. is the dominant company of the Corporación Noroeste Group, belonging to the Cimpor-Cimentos de Portugal Group, SGPS, S.A., and its main activity is the shareholding and the administration, in general, of the investee companies.

The subsidiary and associated companies composing the Corporación Noroeste Group, at 31 December 2011 and 2010, with the total (direct and indirect) ownership interest of Corporación Noroeste, S.A., are the following:

		Shareholding Percentage	
	Dependent and jointly controlled companies	2011	2010
Cement operations:	Cementos Cosmos, S.A.	99.76	99.76
	Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U.	100.00	100.00
	Cementos de Andalucía, S.L.U.	100.00	100.00
	Materiales del Atlántico, S.A.	99.76	99.76
	Cimpor Canarias, S.R.L.U.	100.00	100.00
	Cementos Especiales de las Islas, S.A. (CEISA) and dependent companies.(*)	50.00	50.00
Concrete activity:			
	Cimpor Hormigón España, S.A.	99.98	100.00
	Prebetong Lugo Hormigones, S.A.	82.89	82.89
	Hormigones Miño, S.L.	-	99.98
	Occidental de Hormigones, S.L.U.	-	100.00
	Cimpor Hormigón Canarias, S.R.L.	100.00	100.00
	Bombeo y Transporte de Hormigón, S.A (BOMTRAHOR)	-	94.30
	Betobomba, S.L.	-	100.00
Quarrying operations::	Canteras Prebetong, S.L.	98.87	98.87
	Prebetong Lugo, S.A.	82.89	82.89
	Canteira do Penedo, S.A. (CANPESA)	41.42	41.43
	Hormigones y Áridos La Barca, S.A.	50.00	50.00
	Áridos de La Coruña, S.A. (ARICOSA)	49.44	49.44
	Occidental de Áridos, S.L.	100.00	100.00
Other operations:	Morteros de Galicia, S.L.U.	100.00	100.00
	Cementos Noroeste, S.L.U.	-	100.00
	Insular de Productos para la Construcción y la Industria, S.A. (INPROCOI) **(*)**	50.00	50.00
	Sogesso, Sociedade de Gessos de Soure, S.A.	99.76	99.76
	Inversiones Filaria, S.L.	99.76	99.76
	Transformal, S.A.	99.76	99.76
	D.S. Unión, S.L.	90.00	90.00
	Associated companies-		
	Cementos Antequera, S.A.	23.08	23.08
	Arenor, S.L.	-	28.57
	Hormigones Miranda Celanova, S.A.	39.99	40.00
	Agueiro, S.A.	44.89	44.89

(*) Jointly controlled companies

The most significant information related to the companies of the Corporación Noroeste Group is shown in the accompanying Annex.

The fiscal year of all the subsidiary, associated and multigroup companies, as well as of the dominant company, is the same as the natural year. So the accounted date of the individual annual accounts used in the consolidation is the 31 December 2011.

The most important variations and facts produced in the consolidation perimeter of the Corporación Noroeste Group in 2011 are summarised below:

On 31 January 2011 the dissolution of the subsidiary company Bombeo y Transporte de Hormigón, S.A. was registered in the Companies Registry of Pontevedra. This transaction doesn't have an impact on the consolidated equity.

On 10 February 2011 the dissolution of Betobomba, S.L. was also registered in the Companies Registry of Pontevedra. This transaction doesn't have an impact on the consolidated equity.

On 30 June 2011, Corporación Noroeste, S.A., and the subsidiary companies Occidental de Áridos, S.L.U and Occidental de Hormigones, S.L.U., signed a Framework Agreement with the companies of the Arenor Group, Arenor, S.L. and Arenor Hormigón Sevilla, S.L.U., whereby Corporación Noroeste, S.A. sells its market share of 28,57% in Arenor, S.L. for a total amount of 10.960.000,00 euros, cancels the leasing contracts signed on 10 January 2008 between Arenor, S.L. and Occidental de Áridos, S.L.U and the leasing advance contract signed on 6 May 2008 by both companies for an amount of 18.440.000,00 euros (Note 8).

In that Framework Agreement the conditions, obligations and rights for the Parts are regulated with regard to the following untying operations of Corporación Noroeste, S.A., in the capital of Arenor, S.L., and the resolution of the Leasing and Leasing Advance contracts by means of the following considerations:

Occidental de Áridos, S.L., buys the lands named “El Toril” and “Alcolea” to Arenor, S.L, as well as the mining reserves situated in the quarries of “El Toril” and “Saez de Rozas” and the real and atypical operating and excavating Right on the subsoil of the quarry in “Saez de Rozas”. Besides it acquires a land where a concrete plant is located, and a facility for administrative uses. In turn, Occidental de Hormigones, S.L.U., acquires the assets of a concrete plant to Arenor Hormigón Sevilla, S.L.U., in Bollullos (Huelva), and two plots of land where another concrete plant is located in San José de la Rinconada (Sevilla). The total amount of those acquisitions arose to 27.118.000,00 euros approximately. That amount was partially liquidated with the collection rights of the Group in the face of Arenor, S.L. as a consequence of the selling of shares and the cancellation of the leasing advance above mentioned.

This Framework Agreement was ratified by means of the signature of three public deeds on 27 July 2011.

On 18 November 2011, Corporación Noroeste, S.A., sold all its shares in Cementos Noroeste, S.L.U., for an amount of 3.839,08 euros, to Cimpor Inversiones, S.A.

On 31 August 2011 the Administrative Bodies of Prebetong Galicia, S.A.U., Hormigones Miño, S.A. and Occidental de Hormigones, S.L.U., agreed the merger by absorption of the those two last ones by the first one and moreover they agreed to change the company name of Prebetong Galicia, S.A.U., the absorbing company, to Cimpor Hormigón España, S.A. This transaction was formalized by public deeds on 1 December 2011, and registered in the Companies Registry of Badajoz on 21 December 2011 and of Pontevedra on 30 December 2011.

That merger, that did not affect the consolidation perimeter of the Group since the participant companies were already controlled by Corporación Noroeste, S.A., was executed under the Corporate Restructuring Law on 3 April 2009 and the Special Regime on Mergers, Splits, Contribution of assets and Exchanges of shares anticipated in the chapter VIII of the title VII in the Consolidated Text of the Corporate Income Tax. No rights or advantages were given to the participant companies.

Furthermore, the most important variations and facts produced in the fiscal year 2010 are the following:

On 12 January 2010, the subsidiary company Sogesso-Sociedade de Gessos de Soure, S.A., acquired all the shares of Inversiones Filaria, S.L., holding company, to a third part,for an amount of 3.006,00 euros, creating a goodwill of 64.978,70 euros. In turn, that company has a share of the 100,00% of the net worth of the company Transformal, S.A. Its incorporation entailed the recognition of a goodwill of 136.795,53 euros.

On 20 May 2010 the subsidiary company Cementos Cosmos, S.A., acquired the 40% of the investment in the share capital of Sogesso – Sociedade de Gessos de Soure, S.A., to a third part for an amount of 1.050.000,00 euros, which entailed reaching the 100,00% of the net worth.

On 7 June 2010, the dominant company bought 247.500 shares of Betobomba, S.L., for an amount of 20.000,00 euros, thus having a share of the 100% of the net worth.

On 28 June 2010 Corporación Noroeste, S.A., sold all the shares in the net worth of Servicios y Materiales para la Construcción, S.A.U., to Cementos Cosmos, S.A., for an amount of 1.442.047,61 euros.

On 28 June 2010 too it sold all the shares in the net worth of Sociedad Industrial y Financiera Gallega, S.L.U., to Cementos Cosmos, S.A., for an amount of 2.036.947,04 euros, and of Tabanque, S.L.U., for an amount of 752.377,96 euros.

On 19 November 2010, and as a consequence of the reduction of capital with the refund of the contribution value of the corporate Cementos del Marquesado, S.A., Corporación Noroeste, S.A. left the shareholding of that Company (Note 8).

On 22 November 2010, 1.593 shares Prebetong Galicia, S.A. were acquired to a minority shareholder for an amount of 120.000,00 euros, so the percentage of its share reached the 100,00% of its net worth.

On 7 December 2010 and for accounting purposes on 1 January 2010, the following agreements of merger by absorption were authenticated bya a notary public:

Corporación Noroeste de Hormigones y Áridos, S.L. (absorbed company), by Corporación Noroeste, S.A. (absorbing company). This merger transaction was registered in the Companies Registry of Pontevedra on 22 December 2010.

Cementos El Monte, S.A.U. (absorbed company), by Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U. (absorbing company). This merger transaction was registered in the Companies Registry of Huelva on 22 December 2010 and of Córdoba on 10 January 2011, respectively.

Tabanque, S.L.U., Sociedad Industrial y Financiera Gallega, S.L.U and Servicios y Materiales para la Construcción, S.A.U., (SERMACONSA), (as absorbed companies), by Cementos Cosmos, S.A. (absorbing company), being registered in the Companies Registry of Pontevedra on 21 December 2010.

All the described mergers, that do not affect the consolidation perimeter of the Group since those participant companies were already controlled by Corporación Noroeste, S.A., were executed under the Corporate Restructuring Law, on 3 de April 2009, and the Special Regime on Mergers, Splits, Contribution of Assets and Exchanges of Shares anticipated in the chapter VIII of the title VII in the Consolidated Text of the Corporate Income Tax. No rights or advantages were given to the participant companies.

(2) Basis of Presentation of the consolidated annual accounts

a) Regulatory framework for financial information applicable to the Group-

These consolidated annual accounts have been formulated by the directors according to the regulatory framework of financial information applicable to the Group, which is the established in:

a) Commercial code, Consolidated Text of the Companies Law and the rest of corporate laws.

b) Standards for the Annual Formulation of Consolidated Accounts approved by the Royal Decree 1159/2010 and the General Accounting Plan approved by the Royal Decree 1514/2007 and its subsequent modifications.

c) Regulations that must be complied with, approved by the Accountancy and Account Audit Institute and its complementary rules.

d) The rest of the applicable Spanish accounting regulation.

b) True and fair view-

These consolidated financial statements have been obtained from the accounting books of Corporación Noroeste, S.A. and dependent companies that Group Corporación Noroeste comprises, and have been prepared according to the applicable regulatory framework for presentation of financial information, and in particular, subject to the principles and criteria provided within it, thereby showing a true and fair view of the consolidated net assets, financial status, Group's results and cash flows for the corresponding fiscal year.

These consolidated financial statements, as well as the individual annual accounts of Corporación Noroeste, S.A., corresponding to fiscal year 2010, have been prepared by the Directors of the Parent Company, whereas the individual annual accounts of the dependent companies for fiscal year 2010 have been prepared by their respective Directors. Such annual accounts will be subject to approval of their respective Partners or Shareholders General Meeting. It is expected they will be approved as they are.

In turn, the consolidated financial statements for fiscal year 2009 were approved by the Shareholder’s General Meeting of Corporación Noroeste, S.A. on 26 March 2010 and subsequently filed in the Companies’ Registry of Pontevedra.

c) Accounting principles applicable-

The directors have formulated these consolidated annual accounts considering all the compulsory accounting principles and rules that have a significant effect on those consolidated annual accounts. Non-compulsory accounting principles have not been applied.

The consolidated annual accounts corresponding to the fiscal year have been elaborated following the principle of "working company".

d) Responsibility for the information and estimations performed -

The directors of the company are responsible for the information contained in these annual accounts..

The directors of the dominant company have used estimations to elaborate these annual accounts to appraise some of the assets, liabilities, incomes, expenses and commitments that are recorded. Basically these estimations refer to:

1) The evaluation of possible impairment loss of certain assets (see Note 5.e).

2) The useful life of the property, tangible and intangible assets. (véase Nota 5.b, 5.c y 5.d).

3) Estimation of the deterioration of the goodwill associated to the investments in companies of the Group, multigroup and associated companies.

4) Estimation of the provision of quarries restoration, as well as for indemnities (see Notes 5.c and 5.q).

5) Recoverability of the activated fiscal credits.

6) Leasing classification as operative or financial.

Despite these estimations have been performed on the basis of the best information available at the end of the fiscal year 2011, events that may occur in the future can oblige to modify them (up or down) in the next fiscal years, this will be performed in a prospective way.

e) Comparison of the information-

The information related to the fiscal year 2010 that is included in this consolidated memory is presented only and exclusively for comparison purposes with the information of the fiscal year 2011.

f) Estimation changes-

During the fiscal year 2011 there have not been significant changes of accounting estimations regarding the estimations applied in the fiscal year 2010.

g) Lots aggregation-

Certain lots from the consolidated balance of the earnings and loss consolidated account, and the changing state of the consolidated net worth and the consolidated effective cash flow are presented together to make it easy to understand, although, as far as it is significant, disaggregated information has been included in the corresponding Notes of the Consolidated Memory.

h) Accounting criteria changes-

During the fiscal year 2011 there have been no significant changes of accounting criteria regarding to the fiscal year 2010.

i) Correction of mistakes-

There has not been any significant mistake that could involve expressing again the amounts included in the annual accounts for the fiscal year 2010.

j) Principle of working company -

During the last fiscal years, the activity of the Group has been affected by the unfavourable evolution of the economical cycle and the situation of recession of the sector, since the products that the Group manufactures and commercializes are destinated to the construction sector, private or civil work. The situation of the market has been deteriorated since the mid 2007, which created a fall in the sales and activity of the Group, as well as important loss in the fiscal years 2011 and 2010. Furthermore, the Group budget for the fiscal year 2012 has a slight reduction of the net turnover regarding the fiscal year 2011.

With the aim to adjust the productive and estructural costs, for the current levels of activity as well as the anticipated ones, and to make the profit generation in the development of their activities possible. During the last fiscal years the Group has performed several actions to modify certain productive and organizational aspects with the aim of rationalizing the logistic, commercial, productive and management processes.

The directors of the dominant company consider that the previously indicated actions will positively affect the development of the Group operations and will guarantee its ability to perform its assets and liquidated its liabilities for the amounts and according to the classification in the accompanying consolidated balance at 31 December 2011. Additionally, the Group has a solid financial position and is supported by the Cimpor Group, so no difficulties are expected to face the debts payment on the expiration date.

(3) Fiscal Year Result

The distribution of the results of the dominant company for the fiscal year 2010 already approved, and the proposal of distribution for the fiscal year 2011 that will be presented by the Board of Directors to the General Shareholders Meeting is the following:

	Euros	
	2011	2010
Voluntary reserves and loss carryover	6,220,916.59	7,614,883.91
Fiscal year results	6,220,916.59	7,614,883.91

(4) Consolidation Rules

The consolidated annual accounts at 31 December 2011 include the individual annual accounts of Corporación Noroeste, S.A. and the subsidiary investee companies, directly and indirectly, which are effectively controlled and managed by the Group. The companies included in the consolidation perimeter at 31 December 2011 and 2010, are detailed in Note 1.

The ellaboration of the consolidated annual accounts for the fiscal year 2011 has been performed by the method named "consecutive or in stages", that entails the obtaining of the consolidated annual accounts from the corresponding to each one of the subgroups that make it up, starting with the most reduced and going up until reaching the global Group.

Subsidiary companies-

The consolidation has been performed by the global integration method for all the subsidiary companies effectively controlled by the Group, that is to say, when the dominant company shows or can show, directly or indirectly, the control and domination over the subsidiary companies, understood as the power of directing the financial and exploitation policies of a company to obtain economical profits of its activities. This circumstance is shown in general, Although not only by means of the ownership, directly or indirectly of the 50% or more of the voting rights in such a way that this consolidation method has been followed by all the companies with an equity interest higher than the 50% and for those with an ownership interest lower than the 50%, but with an influence degree from the Group similar to those that are mostly controlled.

The consolidation principles and rules used in the global integration method are the following:

1. In the consolidation process all the significant balances and transactions among consolidated companies, as weel as the significant income for internal operations not performed in front of a third part are eliminated.

2. Generally, assets and liabilities elements as well as the income and expenses of the companies included in the consolidation are measured following uniform methods. When applying other criteria than the ones followed by the dominant company, this has no significant effect on the consolidated annual accounts as a whole, so it is not necessary to perform a total homogenization.

3. When a subsidiary company is acquired, its assets, liabilities and contingent liabilities are recorded at its fair value at the acquisition date. The positive difference between the acquisition price and the fair value of the identifiable net assets acquired are known as "Consolidation goodwill", while the negative differences are ascribed to the results at the acquisition date.

4. The share value of the minority shareholders in the net worth and results of the companies of the Group consolidated by global integration, once the corresponding homogenization adjustments are performed, are presented under the caption "Minority interests" included in the net worth and under the caption "Profit/Loss attributed to minority interests", on the liability side of the accompanying consolidated balance and consolidated profit and loss account respectively.

5. The share of the minority interests in the profits and loss and the net worth of the subsidiary companies is established according to its effective share in the net worth of the subsidiary company once included the adjustments as a result of the

recognition and measurement at a reasonable prize of the acquired assets and assumed liabilities of the subsidiary company. That share is estimated according to the proportion of the share of the minority shareholders in the capital of the subsidiary company. When there is an excess between the loss attributable to the minority interests of a subsidiary company and the net worth part, excluded the results of the fiscal year, that proportionally belong to them, that excess will be attributable to the minority interest, even though this implies a debit balance in the lot “Minority interest” of the consolidated balance.

6. The consolidation of the results generating by the subsidiary companies acquired in a certain period is performed taking only into account the ones corresponding to the period between the acquisitions date and the balance date. Similarly, the consolidation of the results generated by the subsidiary companies disposed in a period that is performed taking only into account the ones related to the period between the start of the period and the disposal date.

7. The acquitions of the share in subsidiary companies already effectively controlled by the Group, and so increasing the share percentage of the Group in those companies constitute, from a consolidated point of view, operations with net worth titles, so according to the established in the NRV 9ª, section 4, in the General Accounting Plan the balance in the chapter “Minority interests” is reduced and the consolidated reserves are adjusted according to the difference between the value of the counterpart given by the Group and the amount because of which the balance has been modified in the chapter "Minority Interests"so no "Consolidation Goodwill" is recorded and without modifying the amount,in its case recognised in "Goodwill" or the amount of other assets or liabilities of the consolidated balance.

8. Internal dividends are those recorded as income for the fiscal year of company of the Group, distributed by other company of the Group. The dividends received by the companies of the Group corresponding to distributed profit of previous fiscal years are eliminated, being considered as reserves of the receiving company and are included in the “Other reserves” account or “Reserves in consolidated companies” in the chapter "Net worth - Equity shareholders' of the accompanying consolidated balance, if the company that receives the dividend whether it is the parent company or a subsidiary. Interim dividends are eliminated against the account debtor of the company that distributed them

Associated companies

The equity method has been applied to the associated companies, that is, to those that are not effectively controlled but have a notable influence on the management, by means of some of the situations planned in the article 42 of the Commercial Code. The significant influence in a company is shown in those companies with a share equal or higher than 20%.

The equity method consists of the incorporation in the consolidated balance line “Investments in companies of the group and long-term associated companies – Investments accounted for using the equity method, of the net assets value and goodwill, if there were any, corresponding to the share of the associated company. The net result for each fiscal year corresponding to the ownership interest in these companies is reflected in the accompanying profit and loss account as “Share in the profits (loss) of companies accounted for using the equity method. Later this value will be adjusted by the variations in the net worth of the company accounted for using the equity method, as well as the deterioration of the share value and the goodwill. Those adjustments are estimated as the difference among its book value and the recoverable amount, being this one the higher amount between its reasonable value minus the sale costs and the current value of the future cash flow derived from the investment. If there is no better evidence of the recoverable amount, the net worth of the investee company is considered, adjusted by the tacit surpluses existing on the valuation date, including the goodwill, if it existed.

If the investee company incurred debts, the reduction of the representative investment account has as limit the own accounting value of the share estimated by using the equity method unless there are other lots that belong to the net investment of the investor in the investee company, so when the value of the investee company has been reduced to zero, the additional loss on the investment will be applied to other lots belonging to the net investment in the order opposite to the priority in the liquidation.

In the case of transactions with an associated company, profit and loss results are suppressed in the shareholding percentage of the net assets that the Group holds.

Jointly controlled companies-

Investments in jointly controlled companies are consolidated in accordance with the proportional consolidation.

Under the proportional consolidation method, assets, liabilities, the proportional assets, liabilities, income and expenses of the jointly controlled companies are included in the consolidated financial statements, in proportion to the Group's interest.

Assets, liabilities, income and expenses corresponding to combined businesses are recorded in the consolidated balance sheet and in the profit and loss account consolidated according to its specific nature.

These consolidated financial statements include, in accordance with the integration methods as applicable, all holding companies, as stated in article 42 of the Commercial Code.

(5) Book keeping and valuation standards

The main book keeping and valuation standards used by the Parent Company in the preparation of its consolidated financial statements for year 2010, in accordance with the standards contained in the General Accounting Plan, are as follows:

a) Goodwill from consolidation and business combinations-

Business combinations, namely the acquisition of subsidiaries are recorded in accordance with the purchase method. In future consolidated financial statements, the suppression of investment-net assets of the dependent companies will be based, as a general rule, on the value resulting from the application of the purchase method describe below, as of the control date.

Business combinations are recorded using the purchase method, by which the acquisition date is determined and the cost of the combination is calculated, recording identifiable assets acquired and liabilities assumed at the fair value on that date.

The goodwill or negative difference resulting from the combination is determined by the difference between the fair value of the assets acquired and the liabilities assumed and the combination costs, as of the acquisition date.

The combination costs are determined by aggregation of:

- The acquired assets, liabilities incurred or assumed and equity instruments issued at their fair value as of the date of acquisition.

- Any contingency at its fair value which depends of future events or the compliance of predetermined conditions.

Costs related to the issue of equity instruments or the transfer of liabilities in exchange of the acquired assets are not part of the combination costs.

Additionally, fees paid to legal advisors and other professionals involved in the combination as well as the internal costs arising in connection with it are not part of the combination. These amounts are introduced directly in the balance sheet.

If the business combination is carried out in stages, so that prior to the acquisition (effective control date) there was an existing investment, the goodwill or the negative difference is determined by the difference between:

- The cost of the business combination plus the fair value of any previous interest held by the acquiring company in the acquired company as of the acquisition date; and,

- The value of the identifiable assets acquired minus the value of the liabilities assumed, determined according to the above explanation.

Any profit or loss arising as a result of the valuation at fair value on the date control Cualquier beneficio o pérdida que surja como consecuencia de la valoración a valor razonable en la fecha en que se obtiene el control de la participación previa existente en la adquirida, se reconocerá en la cuenta de pérdidas y ganancias. If the investment in this investee company had been valued previously at its fair value, the valuation adjustments pending of inclusion in the tax year results will be transferred to the profit and loss account. On the other hand, it is considered that the business combination costs are the best reference to estimate the fair value of any previous shareholding at the acquisition date.

Goodwills are not amortised and are subsequently valued at their cost minus impairment losses in value. Impairment valuation corrections recognised in the goodwill are not subject to reversal in subsequent tax years.

In the rare event of a negative difference arising from the business combination, it will be recorded in the profit and loss account as revenue.

If at the closing date of the tax year in which the combination took place, the valuation processes required in order to apply the acquisition method previously described cannot be concluded, this record will be considered as provisional and they can be adjusted during the period of time needed to obtain the required information, which, in any case, will not exceed twelve months. The effect of the adjustments applied in this period will be recorded retrospectively, modifying the comparative information if needed.

Subsequent changes in the fair value of the contingent consideration are adjusted against results, unless such consideration had been classified as net assets, in which case, no subsequent changes in its fair value will be recorded.

b) Intangible fixed assets

As a general rule, intangible fixed assets are initially valued at their acquisition price or production cost. It is then valued at a reduced cost corresponding to the accumulated amortisation and, where appropriate, to the impairment losses it might have experienced according to the criterion mentioned in section 5. Those assets are amortised based on their useful life.

The administrative concessions correspond to amounts paid to Public Authorities for port concessions and the exploitation of mining rights. The Group amortises this fixed charge based on the maturity of the contract with the relevant Port Authority and the tonnes of aggregate extracted in each tax year, and the estimated total tonnage from quarries, respectively.

The “Industrial property” account is charged with the amounts paid for property acquisition or the rights to exploit different kinds of property or for the costs incurred in the registration of the properties developed by the Group and it is amortised over five years.

Greenhouse effect gas emissions rights, which have been allocated by the Central Administration through the National Allocation Plan (also called EUA, European Union Allowances) to dependent companies Cementos Cosmos, S.A. and Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U., are accounted for according to the standards issued by the Institute of Accounting and Account Auditing of 8 February 2006, so that the rights received free of charge for tax year 2011 have been applied the fair value corresponding to 1 January 2011, i.e. 13.90 euros (12.28 euros in 2010), and are recorded in the “CO2 emissions licenses” account, and have as their counterpart at their initial record the “Other subsidies, donations and legacies” account, net of its corresponding tax impact.

According to this accounting standard, this intangible fixed asset is not amortised and it will be derecognised in the balance sheet upon its transfer, disposal or maturity of those rights.

Expenses associated with the greenhouse effect gas emissions are accrued as gases are emitted and they are quantified according to the rights book value, and are recorded under “Other operating expenses” in the “Provisions” of non current liabilities. These provisions will be derecognised upon transfer of the rights to the Administration

The allocation of the emission rights amount received free of charge in the balance sheet is done as costs resulting from the gas emissions related to subsidised emission rights are allocated in the balance sheet, and are recorded under caption “Allocation of subsidies to non financial intangible assets and other”.

In order to ensure compliance of the environmental obligation of reducing CO2 emissions at a global level, the Kyoto Protocol establishes the provision for CDM (Clean Development Mechanism), by virtue of which, emission reduction by companies is possible, not only in their facilities, but also through the involvement in environment protection projects in recently industrialised or developing countries. These projects, which are approved, registered and audited independently by the United Nations Framework Convention on Climate Change – UNFCCC) generate emission reduction certificates, also known as CERs, and as EUA rights, they can also be purchased. CER certificates are used to comply with the obligation of return of the emission rights to the relevant public institution (RENADE). In this regard, a CER certificate corresponds to a EUA right in a 1:1 ratio.

In Spain, as it is stipulated in Order Pre/3420/2007, approved by the Council of Ministers of 2 November 2007, the companies taking part in these projects may return CER certificates to the Central Administration, acquired or exchanged, up to a limit of 42% of the total emission rights granted in the case of companies producing energy for the public grid and of 7.90% for companies in any other sector. Hence the Grupo Corporación Noroeste applies the limit of 7.90%, although the Royal Decree 1030/2007 of 20 July states that the limit of 7.90% will be applied annually, allowing the unused portion to accumulate in the following annuities.

The goodwill amount arising from assets that constituted a business is recognised in the assets of the consolidated balance sheet and it recognises the excess between the combination cost and the fair value of the acquired assets at the purchase date in the assets of the consolidated balance sheet.

Goodwill identified in purchases of assets realised prior to the effective date of the General Accounting Plan approved in Royal Decree 1514/2007 of 16 November, are valued recognising on the purchase date, the excess between the cost of the acquired assets and their fair value reduced by the accumulated amortisation from the purchase date to 31 December 2007. As of the effective date of the General Accounting Plan, goodwill ceases to be amortised and the retention of an unavailable reserve equivalent to the goodwill appearing in the balance sheet will be applicable. This reserve must be, at least, 5% of that particular goodwill. In case of insufficient profits, free disposal reserves will be used.

IT applications correspond to software and licenses to be amortised over four years. The maintenance costs of such software applications are recorded in the profit and loss account of the corresponding tax year.

The exploitation rights of mines correspond mainly to the fair value assigned to the rights of mines “Saez Rozas”, and the real and atypical right to excavate in the ground. Amortised in the period where the mineral reserves are estimated to extinguish.

c) Property, land and equipment-

Generally, property, land and equipment is stated initially at its purchase price or production cost, updated for fixed assets acquired before 1996, in accordance with several legal provisions, including Royal Decree Law 7-1996 for several Group´s companies, and are then reduced by the corresponding accumulated depreciation and impairment losses, if any, according to the criteria established in section e) of this Note.

Companies amortise its land, property and equipment according to the linear method, distributing the assets cost over the estimated amount of years of useful life, which are detailed below:

	Years
Land-quarries	14 to 50
Construction	14 to 68
Technical installations and machinery	4 to 18
Other installations, tooling and equipment	8 to 25
Transport elements	5 to 14
Information processing equipment	4 to 7

The life span of the assets that are susceptible to reversion at the end of the concession period is considered less between its economical life and the concession period.

The expenses on the conservation and maintenance are charged to losses and profits of the current tax year.

The costs of expansion, modernisation, or improvements which represent an increase of productivity, capacity and efficiency, or the elongation of the assets' life span are capitalised in themselves as increasing costs.

The Group, on a base of the current environmental law in Spain, has the obligation to restore the land used for quarry exploitation. As of December 31st, 2011 the sum of the current value of future obligations, due to this obligation, was 13,253,082.88 euros (13,414,268.13 euros in 2010).

Studies and landscape restoration projects have been made to estimate the actual value of this restoration. This applies to the exploitation done by the associated companies in each quarry and life span of each quarry.

Caption 'Land and Constructions' shows a current value as the biggest cost (Note 11) which an financial update has been done within the further periods.

Also, the amounts allocated by the companies towards progressive restoration of each quarry are applied against that provision which is its purpose.

In terms of amortisation of the quarries criteria, included in 'Land and Constructions', the Group distinguishes between:

1. Amounts which correspond to the current value of future quarry restoration obligations: are amortised during the years of its life span taking into account the estimated annual production and stockpiles.

2. Acquisition value of land- quarries: the residual value of the land after all the material has been depleted and of appraisals done by third parties the value must be equal or more of the acquisition amount. If not it will be depreciated throughout its life span.

As of December 31st, 2011 and 2010 the net value of the quarries of the Group was registered as 104,197,812.78 euros and 79,730,324.58 euros, respectively.

Work carried out by the Group for its own assets are registered as accumulated cost which external cost must be added. Internal costs being: consumption of stocked tangible fixed assets and of cost of production depending on hourly rates of production. These expenses are registered under 'Work carried out by the Group on fixed tangible assets' in the losses and profits accounts with a sum of 188,247.31 euros (40,444.97 euros in 2010).

d) Property Investments-

The caption "Property investments" of the consolidated balance for the fiscal year 2011, includes the value of a land that the subsidiary company Sogesso-Sociedade de Gessos de Soure, S.A., has leased to a third part.

These assets are valued according to the criteria indicated in Note 5.c, related to the tangible asset.

e) Deterioration of the property, tangible and intangible assets -

The possible existence of loss of value that reduces the recoverable value of the tangible and intangible assets to a lower amount than their book value is estimated by means of the so-called "Deterioration test".

The recoverable amount is determined as the higher between the fair value minus the selling costs and the value in use.

The recoverable values are calculated for each cash-generating unit, but for the tangible assets, when possible, the deterioration calculations are performed item by item.

Generally, the dominant company has defined each one of its investee companies as a basic cash-generating unit. Apart from that, the companies dedicated to the cement activity in the North area, which are Cementos Cosmos, S.A. and Materiales de Atlántico, S.A., have been considered as a whole as an only cash-generating unit, since the assets management of these two companies reflects a common estrategy to meet the market demand of the same kind of product and geographical area.

The deterioration analysis of the goodwill as well as of certain tangible assets is performed by taking as referent the current value of the cash flow discounted from each one of the investee companies, Considering the most recent financial projections approved by the respective Boards of Directors.

The future cash flow is discounted at the average pondered cost of the capital, adjusted by the specific risks for each market segment.

The cash flow projections are based on short and long term business plans approved by the Administration considering a residual value in perpetuity.

Generally, the main hypotheses used for the determination of the mentioned values are:

- Business Plans in 10 years.
- Sales evolution for the years 2012 to 2014, in general and average terms between a decrease of a -2,8% and a growth of the 6,4% according to the business plan for each investee company.
- Sales growth for the years 2015 to 2021 of a 1,5% to a 15,0%, according to the business plan for each investee company.
- Sales cost growth for the years 2015 to 2021 of a 1% to a 11,0%, according to the business plan of each investee company.
- Personnel cost growth for the years 2015 to 2021 of a 1,25% to a 6,0%, according to the business plan of each investee company.
- Growth in perpetuity of a 1,4% to a 2,0%
- Discount rate of a 7,4% to a 7,1%.

If the recoverable amount of an asset (or a cash generating unit) is estimated as lower that its carrying value, this carrying amount of the asset (cash generating unit) is reduced to its recoverable amount, reducing first the goodwill accounting value (if it exists) corresponding to that cash generating unit. For that purpose the impairment loss amount is recognised as a cost.

When an impairment loss reverts at a later time, the carrying value of the assets (cash generating unit) is increased to the revised estimation of its recoverable amount, but in such a way that the increased carrying value does not exceed the carrying value that would have been determined if the impairment losss was not recognised (cash generating unit) in previous fiscal years. A reversal of an impairment loss is immediately recognised as income.

According to the deterioration analysis performed by applying the methods previously described, the Group has recorded deterioration of the share value, associated to assets (goodwill and mining reserves exploitation rights) belonging to the segment of aggregates business (see Notes 6 and 7). The deterioration recognised for the fiscal year 2011 on this account arises to 7.867.860,00 euros, recorded under the caption “Deterioration and result on disposals of the fixed assets” in the accompanying profit and loss consolidated account for the the fiscal year 2011.

Additionally, in the case of concrete plants that are inactive as a consequence of the fall in the activity level, the Group has recorded a deterioration on the carrying value of the tangible assets (apart from lands) associated to those plants. The deterioration recognised in the fiscal year on this account arises to 2.132.140,00 euros, recorded under the caption

“Deterioration and result on disposals of the fixed assets” in the accompanying profit and loss consolidated account for the fiscal year.

f) Assets barter-

“Assets barter” is the acquisition of tangible and intangible assets in exchange for the other non monetary assets or a combination of these with monetary assets.

In the commercial barter transactions, the Group values the received assets by means of the lowest between the reasonable value of the given asset, plus, in its case, the monetary counterparts in exchange and the reasonable value of the received good.

During the fiscal year 2011 the Group signed with the credit entity BBVA Ireland, several barter contracts EUA-CER by means of which the Group gave 455.000 EUA´S and in exchange it received 455.000 CER´S plus a compensatory payment for the difference of reasonable value existing among those assets, of 1.168.750,00 euros (See Note 10). In the contracts and addendum of those it is established that the reasonable average unit value of the EUA and the CER are 9,07 and 6,50 respectively.

The difference between the reasonable value of the given and the received good plus the received effective amount is recorded in the profit and loss consolidated account as “Deterioration and results on disposals of fixed assets – Results on disposals and others”.

During the fiscal year 2010 there were no assets barters.

g) Financial instruments-

Financial Assets:

Classification-

The financial assets owned by the Group are classified under the following categories.:

- Loans and lots receivable: financial assets created through the sales of goods or managing services for trade operations of the company; or those that do not have a commercial origin and are not equity instruments or derivatives, have a fixed or determined cost and are not negotiated in an active market.

- Financial assets available for sale: including the debt representing securities and equity instruments of other companies that have not been classified as loans and lots receivable.

- Other financial assets: the given guarantees are recorded in the consolidated balance for its nominal value, since the effect of no future flow updating is not significant.

Initial evaluation-

The financial assets are initially recorded at the fair value of the given consideration plus the transaction costs that are directly attributable. Nevertheless, the credits through commercial transactions with maturity under a year and without any kind of contractual interest, are initially recorded on its nominal value when the effect of no flow update is not significant.

Further evaluation-

Loans and lots receivable are measured at its amortised cost recording the accrued interests in the consolidated profit and loss account taking into account the effective interest method. Nevertheless, the credits through commercial transactions with maturity under a year and without any kind of contractual interest, that are initially measured at its nominal value will be still measured with that amount, unless they were deteriorated·

The financial assets available for sale are measured at its fair value, recording the result of the variations at that fair value in the net worth, until the assets are permanently disposed or deteriorated; then these retained earnings previously recognised in the net worth will be recorded in the profit and loss account. There is permanent deterioration if the share price falls more than a 40% for a period of year and a half, without recovering its value.

If the fair value of these assets is not reliable anymore or can not be determined with reliability, they will be measured at its acquisition price, considering the effect of the appropriate deterioration of the share value that is not recoverable, unless they are sold..

At least at the year-end the Group performs a deterioration test for the financial assets that are not recorded at a fair value. There is objective evidence if the recoverable value of the financial asset is lower than its carrying value. This deterioration is recorded in the profit and loss account.

Regarding the adjustments related to the commercial debtors and other accounts receivable, the Group obtains these adjustments by means of an individual project about the economic recovery of the accounts receivable at 31 December 2011 and 2010.

The Group discharges the financial assets when they expire or the rights over the effective flows of the corresponding financial assets are given and the inherent profits and risks, such as assets sales, are substantially transferred.

On the contrary, the Group does not discharge the financial assets and recognises financial liability for an amount equal to the received consideration, in the assignment of financial assets in which the inherent profits and risks, such as effect discounts, are retained.

Financial liabilities-

Financial liabilities are those loans and lots of the Group receivable and originated in the purchase of goods and services through trade operations, as well as those that do not have a commercial origin and can not be considered as derived financial instruments.

Debts and lots receivable are initially measured at the fair value of the received consideration adjusted by the directly attributed transaction costs or by its nominal value when they are commercial operations with maturity under a year and without contractual interest, when the effect of no flow update is not significant.

Afterwards, these liabilities are measured according to its amortised costs. The accrued interests will be counted in the profit and loss account by applying the effective interest method.

Nevertheless, debts that expire under a year and are measured at its nominal value will keep this value.

The Group discharges the financial liabilities when the obligations that produced them are extinguished.

El Grupo da de baja los pasivos financieros cuando se extinguen las obligaciones que los han generado.

Equity instruments-

The capital instruments issued by the dominant company are recorded in the net worth at the net amount received from the emission costs.

h) Non-current assets maintained for sale-

The Group classifies a non-current asset or disposable group as maintained for sale when its carrying value is mainly recovered through its sale, instead of the continuous use and if the sale is expected to be completed within the year after the date of classification of the asset as maintained for sale, unless because of facts or circumstances out of the Group control, the sale deadline has to be postponed and there is enough evidence that the Group is still commited with the plan of the asset disposal. (Note 8).

These assets or disposable groups are valued at its accounting value or its fair value once deduced the necessary costs for the sale, the lowest one.

The assets classified as non-current maintained for sale are not depreciated, but on the date of each balance the corresponding depreciation of the share value is performed not to exceed the fair value minus the sales cost.

The income and expenses generated by the non-current and disposable group assets maintained for sale that do not fulfill the requirements to be qualified as interrupted operations, are recognised in the corresponding consolidated profit and loss account.

i) Stocks-

Stocks are measured at their acquisition price, production cost or net realizable value, the lowest one. Commercial discounts, obtained price reductions, other similar lots and the interest incorporated to the nominal debts are deduced in the determination of the acquisition price.

The production costs include the direct materials costs and, if necessary, the direct labour costs and the general manufacturing costs.

The net realizable value represents the sale price estimate minus all costs estimated to end the manufacturing and the costs that will be incurred during the commercialisation, sale and distribution.

The Group uses the method of pondered average cost to assign the value for the inventories.

The Group performs the convenient adjustments and recognises them as expenses in the profit and loss account when the net realizable value of the stocks is lower than the acquisition price or production cost.

j) Subsidies, donations and legacies-

To account the received subsidies, donations and legacies, the Group follows the criteria indicated below:

The non-reimbursable subventions, donations and legacies of capital are recorded as a part of the net worth when it is considered that the established conditions for their concession have been fulfilled, and therefore there is no reasonable doubt about the charge at the fair value of the amount or the received good, monetary or not, and are charged in results in proportion to the depreciation experienced during the period for the granted assets, or, when the disposal or deterioration of the share value is produced, apart from the subsidies received from the shareholders, which are directly recorded as “Own fund” and do not constitute any income.

The balance under the caption “Other subsidies, donations and legacies” of the accompanying balance sheet includes the valuation of the greenhouse gas emissions rights of the subsidiary companies Cementos Cosmos, S.A. and Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U., as indicated in Note 5. b. From the balance at 31 December 2011 under this caption, 2.771.540,48 euros (1.520.658,22 euros in 2010) correspond to the emissions rights conceded by the Administration and not consumed by the end of each fiscal year (Note 10).

Exploitation subsidies. They are charged to results when they are given, unless they are addressed to finance the exploitation deficit of future fiscal years. In that case they will be allocated in those fiscal years. If they are given to finance specific expenses, the allocation will take place as the financed expenses are accrued.

k) Provisions, contingencies and committed guarantees -

The directors of the dominant company when formulating the consolidated annual accounts differentiate between:

1. Provisions: credit balances that cover current obligations derived from past events whose cancellation may cause an outflow of resources but whose amount and/or cancellation time is indeterminate.

2. Credit balances that cover the current obligations derived from past events whose cancellation may cause an outflow of resources, but whose amount and/or cancellation time is indeterminate.

3. Contingent liabilities: possible obligations that come up as a consequence of past events that may occur or not, independently from the consolidated company's will.

The consolidated annual accounts include all the provisions and estimate those obligations as probable. The contingent liabilities are not recognised in the consolidated annual accounts but they appear in the memory notes, if they are not considered as remote.

Provisions are measured at the current value of the best estimation for the possible amount necessary to cancel or transfer the obligation, taking into account the available information about the event and its consequences, and recording the adjustments that may come up when those provisions are updated as financial expenses as they are accruing.

The compensation to be received by a third part when liquidating the obligation, if there are no doubts that the reimbursement will be perceived, is recorded as fixed assets, except if there is legal bond which implies that part of the risk has been exteriorized and by virtue of which the Group is not obliged; under this situation, the compensation will be taken into account to estimate the amount which, in that case, will appear in the corresponding provision.

Short-term provisions have been established to cover the emissions rights delivery obligations indicated in Note 5.b.

The provision for environmental performances has been established to cover the restoration expenses of the quarries that several subsidiary companies operate, as indicated in Note 5.c.

En These consolidated annual accounts inform about the contingent liability that come up as a consequence of the investigation and verification of the corporate tax for the fiscal year 2002 performed by the Tax Administration over the dominant company (see Note13).

The provisions for dismantling were established by the company Cementos Especiales de las Islas, S.A., to cover future dismantling expenses of some fixed assets owned in the port facilities.

l) Pension commitments–

The subsidiary companies Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U. and Cementos de Andalucía, S.L.U have assumed commitments with the personnel of performing a defined contribution for the retirement contingency that consists of a salary percentage to a pension fund. These commitments are externalized.

The contributions of these companies are recorded under the caption “Personnel expenses” in the consolidated profit and loss accounts for the fiscal year in which they are accrued.

Long-term remunerations of defined benefit:

The companies of the Group, Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U. and Cementos de Andalucía, S.L.U., have assumed retirement commitments with the personnel that started to work before 1995; they consist of a complement to the pension until it reaches the 80% of the salary. These commitments are formalised by means of a subscription to a pension plan. These commitments are externalized and subscribed with an independent entity.

This pension plan is considered as “affected asset” since it is not owned by the company but by a third part which is legally separated, which is only available to pay or finance the personnel remuneration and can not return to the company, except when the assets that remain in that plan are enough to fulfil all the obligations.

At the end of each fiscal year, actuarial projects are performed by independent entities in order to determine the current value of the remunerations committed at that date. Those committed remunerations are compared to the fair value of the pension plan to determine the difference amount to be recorded as asset or liability, as applicable.

The pensions expenses are recorded under the caption “Personnel expenses” according to the amounts determined by the actuarial projects, and include the cost of the current services (increase in the current value of the committed remunerations), which corresponds to the additional benefits obtained by the personnel in that period and the interests cost resulting from the update of the committed remunerations current value. The described amounts are diminished with the amount corresponding to the expected devolution of the affected assets to the plan.

The variations in the current value of the remunerations or the affected asset, at the date of the fiscal year-end, due to actuarial profits and losses will be allocated in the corresponding fiscal year, directly in the net worth, as reserves. To this effect, actuarial profits and losses are exclusively the variations produced as a consequence of changes in the actuarial hypotheses or differences between the previous estimation based on the actuarial hypothesis used and the events exactly occurred.

m) Current and non-current balances-

In the accompanying balance sheet, balances are classified as current and non-current. Those balances that the Group expects to sell, consume, disburse or perform during the normal operating circle are current, the others are non-current.

n) Transactions in foreign exchange-

The functional currency used by the Group is the euro. Consequently, the operations using different currencies are called foreign exchange and are recorded according to the exchange rate in force on the date of the operations.

At the year-end, the monetary assets and liabilities denominated in foreign currencies are converted by applying the exchange rate on the date of the balance sheet. The revealed profits and losses are directly allocated in the profit and loss account in the fiscal year when they occur.

o) Income tax-

The expense or income by income tax is included in the part relative to the expense or income by current tax and the part corresponding to the expense or income by deferred tax.

The current tax is the amount that the Group satisfies as a consequence of the fiscal liquidations of the income tax for a fiscal year. Deductions and other fiscal advantages for the tax quota, excluding the retentions and the payments on account, as well as the fiscal loss that can be compensated for previous fiscal years and effectively applied to this one, reduce the amount of the current tax.

The expense or income by deferred tax corresponds to the recognition and cancellation of the assets and liabilities by deferred tax. These include the temporary differences that are identified as those recoverable amounts derived from the differences between the assets and liabilities carrying value and their fiscal value, as well as the negative tax bases pending compensation and credits for fiscal deductions not fiscally applied. These amounts are recorded by applying the expected type of burden to the temporary difference or corresponding credit.

All the taxable temporary differences are recognised as liabilities by deferred taxes, except those derived from the initial recognition of goodwill and other assets and liabilities in an operation that does not affect the fiscal result or book results and that is not a business combination.

The assets by deferred tax are only recognised if the Group considers that it is going to receive future fiscal earnings against which they may be effective.

The assets and liabilities by deferred tax, produced by operations with charges or direct payments in net worth accounts are counted as counterpart in the net worth.

At every accounting closure the assets by recorded deferred tax are reconsidered and the appropriate adjustments are performed when there are doubts about their future recovery. Furthermore, at every closure, the assets by deferred tax not recorded in the balance are recognised if they may be recovered with future fiscal benefits.

Several companies of the Group pay under the regime of fiscal consolidation (see Note 13).

p) Income and expenses-

Income and expenses are allocated according to the accrual criterion, that is, when the real stream of goods and services that they represent is produced, independently from the moment of the monetary or financial stream derived from them. This income is measured at the fair value of the received consideration, deducing discounts and taxes.

The recognition of the sales income is produced when the significant risks and profits inherent to the property have been transferred to the buyer, without keeping the current management of that asset or retaining the effective control on it.

The income by service delivery is recognised in the period in which those services are delivered.

The received financial assets interests are recognised by using the effective interest rate method and the dividends are recognised when the shareholder’s right to receive them is declared. Anyway, the interests and dividends of the financial assets accrued after the moment of acquisition are recognised as income in the profit and loss account.

q) Severance pay-

According to the law in force, the dominant company and the subsidiary companies are obliged to offer severance pay to those employees with whom, under certain conditions, the labour relations are rescinded. Therefore, severance pay subjected to reasonable quantification is recorded as expense of the fiscal year when the dismissal is decided. No provision has been recorded for this concept in the accompanying consolidated annual accounts, since this kind of situations are not expected.

r) Leases-

The leases are classified as “financial leases” if from their conditions, it is inferred that the risks and profits inherent to the property of the assets subjected to the contract are essentially transferred to the lessee. The other leases are classified as “operating leases”.

Financial leases-

During the fiscal years 2011 and 2010 the Group has not subscribed any contract that could be classified as financial, as lessor.

In the financial leasing operations when the Group acts as lessor, the leased assets costs are presented in the consolidated balance (according to the nature of the goods subjected to contract) and at the same time a liability for the same amount. That amount will be the lowest, among the fair value of the leased goods and the current value when starting the lease, of the minimum agreed amounts, including the sale option, when there is no reasonable doubt on its fiscal year. The contingent installments, the services costs and the taxes chargeable to the lessor are not included in the estimation. The total financial charge of the contract is allocated in the consolidated profit and loss account for the fiscal years when accrued, by applying the “effective interest rate method”. The contingent installments are recognised as expense for the fiscal year when incurred.

The assets recorded for this kind of operations are decreased with similar criteria to those applied to all the tangible assets, in accordance with its nature.

Operating leases-

The operating leases, the leasehold ownership and substantially all the risks and advantages redounded upon the leasehold remain with the lessor.

When the Group acts as lessor, income and expenses proceeded from the operating leases agreements are charged in the profit and loss account for the fiscal year when they are accrued.

Therefore, the acquisition cost of the leasehold is presented in the balance sheet in accordance with its nature, increased by the amount of the directly allocated contract costs, which are recognised as expense in the contract period, by applying the same criterion used for the recognition of the leasehold income.

Any charge or payment performed when contracting an operating lease will be treated as an anticipated charge or payment that will be allocated to results throughout the lease period, as the leasehold profits are received or transferred.

When the Group acts at lessee, the lease expenses, including conceded incentives by the lesser, are linearly charged in the profit and loss account, depending on the contract life.

s) Related Party Transactions-

The dominant company and the subsidiary companies perform all their operations with related parties at market values. Exceptionally and for transactions different to those of regular transit of the Group and in view of the absence of a reliable market value or the impossibility of applying valuation techniques, the Group uses the acquisiton price or decreased production cost, in its case, for the adjusting lots of its value. Additionally, the transfer prices are adequately supported, so the dominant company directors consider that there are no significant risks from which liabilities can be derived in the future.

t) Environmental equity issues -

Environmental equity issues are those durable assets used in the Group activity, whose main purpose is to minimize the environmental impact and to protect and improve the environment, including the reduction or elimination of future contamination

The evaluation and allocation criterion of the amounts addressed to environmental purposes and the description of the estimate method and forecast calculations are described in Note 5.c.

u) Interrupted operations-

An interrupted or discontinuous operation is a business line that is to be abandoned and/or disposed, whose assets, liabilities and results can be distinguised physically, operatively and for financial information purposes.The income and expenses of the discontinuous operations are presented separately in the profit and loss accoun.

During the fiscal year 2011 the discontinuity of any business or segment line of the dominant company or its subsidiary companies has been produced.

v) Cash flow statement-

In the cash flow statement the following expressions are used with these senses:

- Cash flow: flow of cash in and cash out and cash equivalents; these are short-term investments of high liquidity and low risk of alteration in their value.

- Operating activities: typical activities of the Group as well as other activities that can not be qualified as investment or financing activities.

- Investment activities: acquisition, alienation or disposal activities by other means of long-term assets and other investments not included in the cash flow and equivalents.

- Financing activities: activities that produce changes in the size and composition of the net worth and the financial liabilities

w) Status of changes in the consolidated net worth

The status of changes in the consolidated net worth presented in these annual accounts shows the total of the variations in the consolidated net worth during the fiscal year. This information is presented detached in other two statuses: the income and expenses status and the total changes status in the consolidated net worth. The main features of the information in both parts are explained below:

Consolidated recognised income and expenses status

In this part of the status of changes in the consolidated net worth the income and expenses of the Group are presented as a consequence of their activity during the fiscal year, distinguising those recorded as results in the consolidated profit and loss account of the fiscal year and other income and expenses, according to the regulations in force, directly in the consolidated net worth.

So in this status we present:

a) The fiscal year result.

b) The net amount of income and expenses directly allocated to the consolidated net worth *(amount of the nex expenses originated in the fiscal year, directly recognised in the consolidated net worth, which are maintained in this lot, although in the same fiscal year they are transferred to the consolidated profit and loss account, to the initial value of the other assets and liabilities o are reclassified to other lot)*.

c) The amount transferred to the consolidated profit and loss account from the consolidated net worth *(amount of income and expenses by valuation and of the capital grants previously recognised in the consolidated net worth, although in the same fiscal year, that are recognised in the consolidated profit and loss account).*

d) The total of the recognised income and expenses, estimated as the addition of the previous letters.

The amounts of these lots are presented by their gross amount, showing the corresponding tax effect under the signature “Tax effect” in the status.

Total status of changes in the consolidated net worth

In this part of the status of changes in the consolidated net worth, all the movements existing in the consolidated net worth are presented, including those with an origin in changes of accounting criteria and correctionsof mistakes. This status shows, then, a conciliation of the carrying value at the beginning and the end of all the lots that constitute the consolidated net woth, bringing together the existing movements according to its nature in the following lots:

a) Adjustments for changes in accounting criteria and correction of mistakes, that includes, in its case, the changes in the consolidated net worth that emerge as a consequence of the retroactive re-expression of the balances of the financial status originated in the changes in the accounting criteria or in the correction of mistakes.

b) Income and expenses recognised in the fiscal year, it includes, by addition, the total of the lots recorded in the consolidated status of recognised income and expenses previously indicated.

c) Other variations of the consolidated net worth, it includes the other lots recorded in the net worth, as increases or decreases of the capital of the dominant company, distribution of results, operations with capital instrumentos, payments with capital instruments, transfers between the consolidated net worth lot and any other increase or decrease of the consolidated net worth.

(6) Intangible assets

Consolidation goodwill-

Under this caption of the accompanying consolidated balance sheet the goodwill produced with the acquisition of shares in consolidated companies is included. The existing movements for the fiscal year 2011 and 2010 are exposed next:

	Euros
Balance at 31 December 2009	56,546,417.25
Incorporations	201,774.23
Impairment	(737,038.71)
Transfers (Note 7)	(1,518,996.81)
Balance at 31 December 2010	54,492,155.96
Impairment	(3,678,922.31)
Balance at 31 December 2011	50,813,233.65

The deterioration recorded in the fiscal year 2011 for an amount of 3.678.922,31 euros corresponds entirely to the goodwill associated to the subsidiary company Occidental de Áridos, S.A., as a result of the analysis of deterioration performed on this asset by applying the method described in Note 5.e. That amount is recorded under the caption “Deterioration and result for disposal of intangible – Result for disposal and others" in the accompanying consolidated profit and loss account for 2011.

The deterioration recorded in the fiscal year 2010 for an amount of 737.038,71 euros, correspond entirely to the company Betobomba, S.A. as a consequence of its dissolution in the fiscal year 2011. That amount is recorded under the caption “Deterioration and resut for disposal of intangible – Deterioration and loss”, in the accompanying consolidated profit and loss account for 2010.

The incorporations produced in the fiscal year 2010 correspond to the goodwill originated in the acquisitions of Inversiones Filaria, S.L. and Transformal, S.A., described in Note 1.

The composition of the balance under this caption for companies at 31 December 2011 and 2010, is the following:

	Euros	
	2011	2010
Sociedad de Cementos y Materiales de		
Construcción de Andalucía, S.A.U.	8,516,494.54	8,516,494.54
Cimpor Hormigón España, S.A.	10,464,105.31	10,464,105.31
Cementos Cosmos, S.A.	275,189.14	275,189.14
Materiales del Atlántico, S.A.	3,834,808.72	3,834,808.72
Occidental de Áridos, S.L.	-	3,678,922.31
Insular de Productos para la Construcción		
y la Industria, S.L.	2,294,162.11	2,294,162.11
Cementos Especiales de las Islas, S.A.	24,472,532.35	24,472,532.35
D.S. Unión, S.L.	400,012.38	400,012.38
Sogesso - Sociedade de Gessos		
de Soure, S.A.	354,154.87	354,154.87
Inversiones Filaria, S.L.	64,978.70	64,978.70
Transformal, S.A.	136,795.53	136,795.53
	50,813,233.65	54,492,155.96

Other intangible assets-

The movement existing during the fiscal years 2011 and 2010, in the different accounts under this caption and its corresponding accumulated depreciation has been the following:

	Euros							
	Administrative Concessions	Industrial Property	Goodwill	Mining Exploitation rights	CO2 emission rights	Software applications	Other intangible assets	Total
Cost-								
Balance at 31 December 2009	9,556,394.09	267,280.69	26,445,974.31	26,416,267.27	26,316,290.60	1,033,339.64	8,583.92	90,044,130.52
Additions	866.47	926.86	-	-	24,876,443.33	-	-	24,878,236.66
Disposals	-	-	-	-	(27,722,976.15)	(1,759.36)	-	(27,724,735.51)
Transfers (Note 7)	(5,021,249.84)	-	-	-	-	2,187.65	-	(5,019,062.19)
Balance at 31 December 2010	4,536,010.72	268,207.55	26,445,974.31	26,416,267.27	23,469,757.78	1,033,767.93	8,583.92	82,178,569.48
Additions			-	1,594,427.35	28,198,254.47	-	-	29,792,681.82
Disposals	(6,000.00)	-	-	-	(29,005,257.65)	-	-	(29,011,257.65)
Transfers (Note 7)	-	-	-	(17,472,049.88)	-	-	-	(17,472,049.88)
Balance at 31 December 2011	4,530,010.72	268,207.55	26,445,974.31	10,538,644.74	22,662,754.60	1,033,767.93	8,583.92	65,487,943.77
Amortization-								
Balance at 31 December 2009	630,365.26	122,205.13	-	1,880,797.62	-	862,947.37	4,138.61	3,500,453.99
Additions	703,070.46	51,698.38	-	1,898,797.04	-	67,587.15	1,596.72	2,722,749.75
Transfers	(222,616.28)	-	-	-	-	1,996.33	-	(220,619.95)
Balance at 31 December 2010	1,110,819.44	173,903.51	-	3,779,594.66	-	932,530.85	5,735.33	6,002,583.79
Additions	363,149.02	52,746.63	-	986,408.76	-	47,506.05	1,596.72	1,451,407.18
Retiros	(6,000.00)	-	-	-	-	-	-	(6,000.00)
Transfers (Note 7)	-	-	-	(3,676,476.27)	-	-	-	(3,676,476.27)
Balance at 31 December 2011	1,467,968.46	226,650.14	-	1,089,527.15	-	980,036.90	7,332.05	3,771,514.70
Impairment-								
Additions	-	-	-	4,188,937.69	-	-	-	4,188,937.69
Balance at 31 December 2011	-	-	-	4,188,937.69	-	-	-	4,188,937.69
Net value	**3,062,042.26**	**41,557.41**	**26,445,974.31**	**5,260,179.90**	**22,662,754.60**	**53,731.03**	**1,251.87**	**57,527,491.38**

The composition for companies under the caption “Goodwill” at 31 December 2011 and 2010 is the following:

	Euros	
	2011	2010
Cimpor Hormigón España. S.A.	3,213,023.87	3,213,023.87
Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U.	10,263,306.00	10,263,306.00
Occidental de Áridos, S.L.	23,002.79	23,002.79
Cimpor Canarias, S.R.L.	9,430,800.69	9,430,800.69
Cimpor Hormigón Canarias, S.R.L.	3,515,840.96	3,515,840.96
	26,445,974.31	26,445,974.31

CO_2-emission rights

The most important additions in both fiscal years correspond to the greenhouse gas emission rights, according to what is indicated in Note 5.b.

The withdrawals produced in 2011 and 2010 corresponded to the consumed emission rights and to sales to third parts (see Note 10).

Mining reserves exploitation rights -

The additions made in the fiscal year 2011 under the caption Mining reserves exploitation rights correspond entirely to the acquisition of the real and atypical right to excavate the subsoil in the quarry of Saez de Rozas performed to Arenor, S.L., in the fiscal year 2011 described in Note 1.

The transfers made in the fiscal year 2011 correspond to the transfer of tangible assets, specifically, to the account of Land-quarries, of the accounting value of the mining reserves corresponding to the quarry El Toril, which were acquired in the fiscal year 2008 to Arenor, S.L., as a consequence of the acquisition, in the fiscal year 2011, on the part of the Group, of the land property where those mining reserves are located.

The deterioration made in the fiscal year 2011 corresponds entirely to the reduction of accounting value of the mining reserves to its estimated recovery value. That amount is recorded under the caption “Deterioration and resut for disposal of intangible – Deterioration and loss” in the accompanying consolidated profit and loss account for 2011.

Administrative concessions-

The transfers made in the fiscal year 2010 correspond entirely to the transfer made to “Administrative concessions” for an amount of 2.169.995,44 euros (tax effect included) as a consequence of the definitive assignment of the consolidated goodwill of the multigroup companies Cementos Especiales de las Islas, S.A. and Insular de Productos para la Construcción y la Industria, S.A., according to the valuations of independent experts. Furthermore, there was a transfer from “Administrative concessions” to “Terrenos” of 7.190.736,90 euros that correspond to mining reserves, of a land of Cimpor Canarias, S.A.U., according to a valuation of a independent expert too..

The amount assigned to each asset corresponds to its fair value according to the valuations of independent experts.

The difference, on the acquisition date, between the fair value of the acquired net assets and the combination cost is recorded as goodwill, as established in Note 5.b.

At the end of the fiscal years 2011 and 2010 the Group did not have elements of the intangible assets totally depreciated.

(7) Tangible assets

The existing movement during the fiscal years 2011 and 2010 en in the different tangible assets accounts and their corresponding accumulated depreciation has been as follows:

	Euros			
	Land and buildings	Plant, machinery and other equipment	Advances and Property, plant and equipment in the course of construction	Total
Cost-				
Balance at 31 December 2009	309,173,489.77	514,939,741.77	6,491,259.44	830,604,490.98
Additions	3,386,737.90	4,595,712.63	3,836,329.03	11,818,779.56
Disposals	(301,068.61)	(3,902,217.10)	(10.50)	(4,203,296.21)
Transfers (Note 6)	7,785,297.77	2,597,290.55	(3,179,039.46)	7,203,548.86
Other	3,277,683.67	-	-	3,277,683.67
Incorporations	125,859.68	-	2,912,294.53	3,038,154.21
Balance at 31 December 2010	323,448,000.18	518,230,527.85	10,060,833.04	851,739,361.07
Additions	32,015,227.91	19,442,444.99	3,818,999.25	55,276,672.15
Disposals	(2,205,616.48)	(2,256,243.99)	0.01	(4,461,860.46)
Transfers (Note 6)	17,831,599.44	4,340,829.39	(5,282,737.58)	16,889,691.25
Balance at 31 December 2011	371,089,211.05	539,757,558.24	8,597,094.72	919,443,864.01
Amortization-				
Balance at 31 December 2009	79,704,387.74	304,558,432.44	-	384,262,820.18
Additions	8,068,207.53	29,262,430.81	-	37,330,638.34
Disposals	-	(2,954,567.80)	-	(2,954,567.80)
Transfers	372,718.37	(137,606.80)	-	235,111.57
Other	28.82	10.52	-	39.34
Balance at 31 December 2010	88,145,342.46	330,728,699.17	-	418,874,041.63
Additions	8,860,024.52	29,963,506.62	-	38,823,531.14
Disposals	(2,003,331.48)	(1,955,256.62)	-	(3,958,588.10)
Transfers (Note 6)	3,676,476.27	-	-	3,676,476.27
Balance at 31 December 2011	98,678,511.77	358,736,949.17	-	457,415,460.94
Impairment-				
Balance at 31 December 2010	379,408.90	-	-	379,408.90
Additions	-	2,132,140.00	-	2,132,140.00
Balance at 31 December 2011	379,408.90	2,132,140.00	-	2,511,548.90
Net value	**272,031,290.38**	**178,888,469.07**	**8,597,094.72**	**459,516,854.17**

The additions performed in the fiscal year 2011 under the caption Lands and Construction correspond entirely to the acquisitions performed to the Arenor Group, described in Note 1. In the technical installations, machinery and other tangible assets, the additions have their origin mainly in the record of the financial lease of the cement mill in Antequera, later described in this note and to acquisitions performed in the cement plants.

The transfers correspond mainly to the transfer of accounting value of the mining reserves in the quarry El Toril described in Note 6 and to the reclassification of a land to the caption “Property investments”.

The deterioration made in the fiscal year 2011 correspond totally to the accounting net value of the assets of some concrete plants that, as a consequence of the reduction of the activity, are closed.

The most important additions for the fiscal year 2010 have been the following:

In Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., the works of extension of the production capacity of the furnaces continued in both plants and in Morteros de Galicia, S.A, the execution of the second line of sacking ended

In Cementos Cosmos, S.A., the replacement of refractory in the pre-burner in Oural and the process of the perimetral close of the plan. In the plant of Toral de los Vados, they correspond to the acquisition of intangible spare parts and is still in process the renewal of the control system of the plant at that date. New control of particles equipments have been installed in both plants.

The most important withdrawals produced in the fiscal year 2011 correspond to the descent of assets, nearly totally depreciated, as a consequence of the expiration of an administrative concession that the subsidiary company Cementos de Andalucía, S.L.U., had in the port of Sevilla.

The most important withdrawals produced in the fiscal year 2010 corresponded to the sale of installation of cogeneration and pump machinery of the subsidiary companies Materiales del Atlántico, S.A. and Bomtrahor, S.A., respectively.

The incorporations of the fiscal year 2010 correspond mainly to the tangible asset invested by the company Transformal, S.A. (see Note 1).

The caption "Lands and Constructions" include at 31 December 2011 and 2010, 164.149.454,31 euros and 139.263.542,95 euros, respectively, corresponding to the accounting value of the lands of the Group.

The elements of tangible assets of the Corporación Noroeste Group that are used and totally depreciated, at 31 December 2011 and 2010 are the following:

	Euros	
	2011	2010
Land	1,157,633.63	581,888.27
Buildings and construction	35,120,986.95	30,164,607.34
Technical facilities and machinery	170,929,063.87	159,219,957.97
Other facilities, tooling and equipment	5,232,708.06	4,686,500.90
Other fixed assets	12,247,346.34	12,960,071.64
	224,687,738.85	207,613,026.12

Financial leases-

At the end of the fiscal year 2010 between the Group (lessee) and the associated company Cementos de Antequera, S.A., it was formalized a lease contract of the operating of the mill of Cementos Antequera, S.A., located in the municipal territory of Antequera (Málaga). The length of the contract is 6 years since it entry in force, which was fixed for 1 Januray 2011, establishing a tacit deferment of 4 years more. According to this contract the Group assumes the entire management of that mill.

The directors of the dominant company have considered the nature of the lease contract as financial. In this sense, the directors of the dominant company consider that there is a total transfer of the risks and profits inherent to the leased assets.

The detail at 31 December 2011 of the assets leased by the Group as financial leases is the following:

Assets description	Months of term the contract	Months elapsed until 31/12/2011	Euros			
			Cost in origin assets	Paid contributions		Amount unpaid
				In previous years	In year 2011	
Milling (Construction and technical facilities)	120	12	18,813,475.27	-	2,100,000.00	20,894,414.10

The amount that the Group initially recognised for these assets was the current value of the minimum payments agreed. On the other hand, in the fiscal year 2011 the Group has not recognised any expenses as associated contingent quotas to these financial lease contracts. The financial expenses accrued in the fiscal year 2011 for the financial lease arose to 697.415,53 euros, recorded under the caption “Financial expenses – From companies of the group and the associated ones” in the accompanying profit and loss account.

At the end of the fiscal year 2011 the Group has contracted with the leasee the following minimum installments of lease, according to the current contract in force, without considering the repercussion in common expenses:

	Euros	
	2011	
	Nominal value	Actual value
Less than one year	2,142,000.00	1,496,578.28
between one to five years	11,369,995.10	9,050,496.15
More than five years	7,382,419.00	6,863,816.37
	20,894,414.10	17,410,890.80

The policy of the Corporación Noroeste Group is to formalize insurance policies to cover the possible risks of the several elements of the tangible assets. At the end of the fiscal years 2011 and 2010 there was no deficit of coverage related to those risks.

(8) Financial investments in companies of the group and associated companies (short and long term) and long term periodifications -

The existing movement during the fiscal years 2011 and 2010, has been as follows:

Year 2011	Euros						
	Balance at 31.12.10	Additions	Disposals	Incorporations	Transfers	Others	Balance at 31.12.11
Long term:							
Equity investments in associates-							
Equity instruments-							
Cimpor Yibitas Cimento Sanayi Ve Ticaret, A.S.	0.34	-	-	-	-	-	0.34
Cementos Otorongo, S.A.C.	0.23	-	-	-	-	-	0.23
Cimpor Brasil Participaçoes Ltda.	277.40	-	-	-	-	-	277.40
Amreyah Cement Company S.A.E.	13,018.57	-	-	-	-	-	13,018.57
Hormisol Canarias, S.A.	300.00	-	-	-	-	-	300.00
	13,596.54	-	-	-	-		13,596.54
Investments accounted for using the equity method-	16,734,654.72	-	(75,679.33)	(10,960,000.00)	1,330,996.64	11,278.56	7,041,250.59
Loans to companies accounted for using the equity method-							
Agueiro, S.A.	1,242,946.00	2,465,000.01	-	-	(1,330,996.64)	-	2,376,949.37
Total	**17,991,197.26**	**2,465,000.01**	**(75,679.33)**	**(10,960,000.00)**	**-**	**11,278.56**	**9,431,796.50**

Year 2010	Euros						
	Balance at 31.12.09	Additions	Disposals	Out of the scope	Transfers	Others	Balance at 31.12.10
Long term:							
Equity investments in associates-							
Equity instruments-							
Cimpor Yibitas Cimento Sanayi Ve Ticaret, A.S.	0.34	-	-	-	-	-	0.34
Cementos Otorongo, S.A.C.	-	0.23	-	-	-	-	0.23
Cimpor Brasil Participaçoes Ltda.	277.40	-	-	-	-	-	277.40
Amreyah Cement Company S.A.E.	13,018.57	-	-	-	-	-	13,018.57
Hormisol Canarias, S.A.	300.00	-	-	-	-	-	300.00
	13,596.31	0.23	-	-	-	-	13,596.54
Investments accounted for using the equity method-	28,019,027.44	-	(324,744.14)	(10,959,628.58)	-	-	16,734,654.72
Loans to Group companies- (Note 16)	9,778,622.35	-	(9,778,622.35)		-	-	-
Impairment on loans to Group companies-	-	-	-	-	-	-	-
Loans to companies accounted for using the equity method-							
Agueiro, S.A.	452,946.00	849,002.07	(59,002.07)	-	-	-	1,242,946.00
Total	**38,264,192.10**	**849,002.30**	**(10,162,368.56)**	**(10,959,628.58)**	**-**	**-**	**17,991,197.26**

The movement under the caption "Investments accounted for using the equity method", for the fiscal years 2011 and 2010, is the following:

Year 2011	Euros					
Investments accounted for using the equity method-	Hormigones Miranda Celanova,S.A	Cementos de Antequera, S.A.	Arenor, S.L.	Cementos del Marquesado, S.A.	Agueiro, S.A.	Total
Balance at December 31, 2010	3,031.34	7,256,694.52	9,453,749.67	-	21,179.19	16,734,654.72
Participation in losses	(4,829.87)	(254,484.55)	(1,755,482.45)	-	(1,322,615.24)	(3,337,412.11)
Change in shareholdings	-	-	(7,698,267.22)	-	-	(7,698,267.22)
Transfers	-	-	-	-	1,330,996.64	1,330,996.64
Other operations	11,278.56	-	-	-	-	11,278.56
Balance at December 31, 2009	**9,480.03**	**7,002,209.97**	**-**	**-**	**29,560.59**	**7,041,250.59**

Year 2010	Euros					
Investments accounted for using the equity method-	Hormigones Miranda Celanova,S.A.	Cementos de Antequera, S.A.	Arenor, S.L.	Cementos del Marquesado, S.A.	Agueiro, S.A.	Total
Balance at December 31, 2009	25,797.25	7,319,720.63	9,623,880.98	10,959,628.58	90,000.00	28,019,027.44
Participation in losses	(22,765.91)	(63,026.11)	(170,131.31)	-	(68,820.81)	(324,744.14)
Change in shareholdings		-		(10,959,628.58)	-	(10,959,628.58)
Balance at December 31, 2010	**3,031.34**	**7,256,694.52**	**9,453,749.67**	-	**21,179.19**	**16,734,654.72**

The most significant variations produced during the fiscal year have been the sale to Arenor, S.L. of all the shares that the Group had over its capital (See Note 1). The price of sale arose to 10.960.000,00 euros, generating at the moment of the transaction a profit of 3.261.732,78 euros recorded under the caption "Deterioration and results for significant loss of influence of shares by the equity method" in the accompanying consolidated profit and loss account for the fiscal year 2011.

The transfer of the share of Agueiro, S.A. is a consequence of the conferring of the loss that exceed the accounting value of the share to a provison to partially cover the loan that the Group maintains with this associated.

The most important variation produced during the fiscal year 2010 was the reduction of capital with devolution of the value of the investments agreed by the corporate Cementos del Marquesado, S.A., performed on 19 November 2010. As a consequence of this, Corporación Noroeste, S.A. left the shareholders of that company. The devolution of the value of the investment that arose to 10.959.628,58 euros, was performed by means of the partial cession of a loan right that derives from the sales contract of a cement furnace that is conferred between the corporate Cementos del Marquesado , S.A. and company of the Cimpor Group, Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.

The amount of the sales contract of the furnace and other expenses incurred arose to 12.068.906,51 euros recorded under the caption "Non-current assets maintained for sale" in the accompanying consolidated balance for the fiscal year 2010. The Group firmly intends to sell that asset to a company of the Cimpor Group.

Under this caption, at 31 December 2011 and 2010 goodwill for an amount of 2.607.521,28 euros is recorded, according to the following:

	Euros	
	2011	2010
Cementos de Antequera, S.A.	2,577,960.69	2,577,960.69
Agueiro, S.A.	29,560.59	29,560.59
	2,607,521.28	2,607,521.28

Long-term periodifications-

The balance at 31 December 2010 corresponded to the part to be allocated to results of the "Leases advance" formalized in previous fiscal years with Arenor, S.L. as a consequence of leasing some lands. This balance was cancelled in the fiscal year 2011 with the transaction described in Note 1.

Information about the nature and level of risk of the financial instruments-

Qualitative information-

The management of the financial risks is centralised in the Financial Direction, which establishes the necessary mechanisms to control the exposure to variations in the interest rate and the exchange rate, as well as the credit and liquidation risks. The main financial risks that have an impact on the Group are indicated below:

1. Credit risk

As a general rule, the Group keeps its treasury in financial entities with a high credit level. It is necessary to explain that there is no significant concentration of credit risk with third parties and there are internal processes whose purpose is to mitigate the credit risk exposure in front of customers to the utmost by means of a periodic tracking of the accounts receivable evolution and the risk of counterpart.

2. Liquidity risk

To ensure liquidity and care for all the payments commitments that are derived from its activity, the Group disposes of the treasury that shows its balance, as well as the financing of the main shareholder Cimpor Inversiones, S.A.U. (Note 16), of the loans formalized with the companies of the Cimpor Group, as indicated in Note 16, as well as the credit lines detailed in Note 12.

3. Market risk

The treasury and the financial debt are exposed to the interest rate risk, which could have an adverse effect on the financial results and the cash flows. Nevertheless, this risk is not expected to be significant.

(9) Stocks

The stocks detail corresponding to the Corporación Noroeste Group at 31 December 2011 and 2010 is the following:

	Euros	
	2011	2010
Commercial	1,249,987.93	1,702,958.30
Raw materials and others procurements	24,645,105.99	24,297,413.31
Finished products and products in manufacturing process	19,027,620.94	20,191,345.93
Impairment	(313,623.90)	(398,208.17)
	44,609,090.96	45,793,509.37

(10) Net Worth and shareholders' equity

At 31 December 2011 and 2010, the share capital of Corporación Noroeste, S.A. was composed by 872.072 shares at 30 euros of nominal value each one, totally subscribed and disbursed.

The composition of the shareholders structure of the company at 31 December 2011 and 2010, is the following:

	Shareholding	
	2011	2010
Cimpor Inversiones, S.A.	99.53%	99.53%
Cimpor Industria de Cimentos, S.A.	0.01%	0.01%
Others	0.46%	0.46%
	100.00%	100.00%

Reserves-

Legal reserve-

According to the Consolidated Text of the Public Limited Companies Law, an amount of 10% of the profit for the fiscal year must be allocated to legal reserve until this one reaches, at least, the 20% of the share capital. The legal reserve can be used to increase the capital when its balance exceeds the 10% of the capital that has already increased. Except for this mentioned purpose, and if it does not exceed the 20% of the share capital, this reserve can only be allocated to losses compensation and as long as there are no other available reserves enough for this purpose.

At the end of the fiscal years 2011 and 2010 this reserve was completely constituted.

Revaluation Reserve Royal Decree-Law 7/1996-

Several subsidiary companies updated their tangible assets under the Royal Decree-Law 7/1996, (7 June), arising the value increase to 22.065.167,81 euros, as indicated below:

	Euros
Cementos Cosmos,S.A.	16,711,202.12
Prebetong Galicia,S.A. (*)	1,186,833.94
Prebetong Lugo, S.A.	723,069.46
Canteira do Penedo, S.A.	587,254.99
Canteras Prebetong, S.L.	338,247.29
Hormigones Miño,S.L. (*)	2,518,560.01
	22,065,167.81

(*) Now called Cimpor Hormigon España, S.A.

This net amount of the only burden of 3%, which arose to 661.955,03 euros, and the amount attributed to minority interests, which arose to 608.256,98 euros were subscribed to the reserves account in companies consolidated by the global integration method. This update increased the amortisation endowments for the fiscal year 2011 of 406.796,36 euros (512.665,36 euros in 2010).

The revaluation reserve can be allocated, once verified and accepted by the administration, without tax accrual, to eliminate negative accounting results and capital enlargement. Since 1 January of 2007 this reserve can be allocated to unrestricted reserves, as long as the monetary surplus derived from the update has been performed, that is to say, the updated equity issues have been amortised or have been transmitted or discharged in the accounting books.

At the date of formulation of these annual accounts, the revaluations performed by all the companies of the Corporación Noroeste Group have been verified and accepted by the administration.

The dominant company did not update its fixed assets under the Royal Decree-Law 7/1996.

Reserve for goodwill-

As indicated in Nota 5.b, these reserves are not available and at 31 December 2011 the amount of this reserve arises to 5.253.805,93 euros (3.109.098,07 euros in 2010).

At 31 December 2011 and 2010, the information of the consolidated reserves given by the companies consolidated by the global integration method is the following:

	Euros	
	2011	2010
Parent company-		
Corporación Noroeste, S.A.	33,084,106.82	35,245,425.56
Dependent companies-		
Cementos Cosmos, S.A.	44,231,724.43	43,358,515.71
Materiales del Atlántico, S.A.	(4,285,182.26)	(5,824,646.61)
Soc. de Cementos y Mater. de Construcción de Andalucía,S.A.U.	63,625,441.76	67,637,612.09
Cementos de Andalucía, S.L.U.	1,353,294.07	988,309.26
Cimpor Canarias, S.R.L.	1,519,694.05	502,897.00
Cimpor Hormigón España, S.A.	(22,103,832.03)	(2,264,520.89)
Prebetong Lugo, S.A.	4,185,835.61	3,280,953.51
Prebetong Lugo Hormigones, S.L.	4,102,428.31	4,194,890.95
Canteira do Penedo, S.A.	3,655,102.83	4,385,979.15
Bomtrahor, S.A.	-	(247,361.82)
Betobomba, S.A.	-	(472,275.55)
Hormigones Miño, S.L. (*)	-	(2,757,442.06)
Cimpor Hormigón Canarias, S.R.L.	(2,168,257.09)	(1,403,549.33)
Canteras Prebetong, S.L.	1,013,961.04	1,153,097.89
Áridos de La Coruña, S.A.	236,827.51	332,635.35
Hormigones y Áridos La Barca, S. A.	(3,000,216.89)	(2,991,407.72)
Occidental de Hormigones, S.L.U. (*)	-	(9,091,615.38)
Occidental de Áridos, S.L.	(7,134,730.16)	(3,420,316.28)
Cementos Noroeste, S.L.U.	-	(510.35)
Morteros de Galicia, S.L.U.	2,906,279.00	3,494,416.63
Sogesso-Sociedade de Gessos de Soure,SA	(366,665.12)	(43,659.57)
Inversiones Filaria, S.L.	65,131.38	(7,633.34)
DS Unión, S.L.	(157,132.56)	-
Transformal, S.A.	26,483.19	-
Group companies-		
Insular de Productos para la Construcción y la Industria, S.L.	(434,871.68)	(2,262.64)
Cementos Especiales de las Islas, S.A.	(4,721,966.02)	(1,749,192.03)
Associates-		
Cementos Antequera, S.A.	178,999.63	242,025.63
Arenor, S.L.	-	(6,616,535.49)
Agueiro, S.A.	(68,638.80)	181.20
Hormigones Miranda Celanova, S. A.	(26,506.19)	(15,018.84)
	115,717,310.83	**127,908,992.03**

(*) Absorbed by Cimpor Hormigón España, S.A.

Subsidies, donations and legacies-

The movement produced under this caption of the balance sheet for the fiscal years 2011 and 2010, is the following:

	Euros		
	Official capital subsidies	Other subsidies, donations and legacies	Total
Balance at 31 december 2009	3,149,501.92	241,423.21	3,390,925.13
Additions net of taxes	68,201.00	17,413,510.33	17,481,711.33
Allocation to balance net of taxes	(262,090.03)	(16,134,275.32)	(16,396,365.35)
Balance at 31 december 2010	2,955,612.89	1,520,658.22	4,476,271.11
Additions net of taxes	7,000.00	19,738,778.13	19,745,778.13
Allocation to balance net of taxes	(243,316.04)	(13,096,863.30)	(13,340,179.34)
Sale emission credits net of taxes	-	(5,391,032.57)	(5,391,032.57)
Balance at 31 december 2011	2,719,296.85	2,771,540.48	5,490,837.33

The additions to the caption “Other subsidies, donations and legacies” correspond to the counterpart in the accounting of the greenhouse gas emission rights, as indicated in Note 5.b. During the fiscal year 2011 18.487.895,87 euros (16.134.275,32 euros in 2010), have been transferred to income, corresponding to the consumption of those fiscal years, which are recorded under the caption “Allocation of subsidies for non-trade and other fixed-asset investments” in the accompanying consolidated profit and loss account for the fiscal years 2011 and 2010.

In the fiscal year,, Cementos Cosmos, S.A. and Sociedad de Cementos y materiales de Construcción de Andalucía, S.A.U., have sold 575.000 Tm de CO_2 (150.000 Tm in 2010) and several barter of CO_2 rights operations formalised in SWAP contracts. Those operations created a profit for an amount of 7.686.100,00 euros (2.281.099,00 euros in 2010), which are recorded under the caption “Deterioration and results for disposal of intangible – Result for disposal and others”, in the accompanying profit and loss consolidated account

Minority interests-

The movement under this caption of the accompanying consolidated balance sheet is the following:

	Euros	
	2011	2010
Previous year balance	9,586,100.74	10,573,653.35
Attribution of results	(113,298.26)	43,674.82
Dividends received	(1,134,740.64)	(242,941.10)
Variation in shareholding	41,582.13	(788,286.33)
Final balance	8,379,643.97	9,586,100.74

The composition for companies and caption is the following:

Year 2011	Euros			
	Capital	Reserves	Income/loss	Total
Cementos Cosmos, S.A.	84,662.30	187,686.77	42,627.60	314,976.67
Materiales del Atlántico, S.A.	8,382.52	20,938.93	(1,923.56)	27,397.89
Cimpor Hormigón España, S.A.	14,536.76	62,388.36	(24,560.86)	52,364.26
Prebetong Lugo Hormigones, S.A.	129,866.66	872,701.44	(99,971.59)	902,596.51
Canteras Prebetong, S.L.	48,086.59	26,126.17	(5,883.86)	68,328.90
Prebetong Lugo, S.A.	59,130.00	618,926.83	179,776.47	857,833.30
Canpesa	253,100.66	4,237,652.52	250,672.81	4,741,425.99
Hormigones y Áridos La Barca, S.A.	1,615,000.00	(3,532.85)	19,775.33	1,631,242.48
Áridos de La Coruña, S.A.	78,130.00	31,483.31	(70,523.38)	39,089.93
DS Unión, S.L.	40,301.00	(7,701.29)	(28,638.88)	3,960.83
Sogesso - Sociedade de Gessos de Soure, S.A.	0.90	403.10	888.19	1,292.19
Inversiones Filaria, S.L.	-	(152.68)	(194.42)	(347.10)
Transformal, S.A.	-	63.28	(30.11)	33.17
Cementos Especiales de las Islas, S.A.	-	124,203.16	(410,171.42)	(285,968.26)
Inprocoi, S.L.	-	(9,442.21)	34,859.42	25,417.21
	2,331,197.39	**6,161,744.84**	**(113,298.26)**	**8,379,643.97**

Year 2010	Euros			
	Capital	Reserves	Income/loss	Total
Cementos Cosmos, S.A.	85.763,30	186.956,53	28.421,62	301.141,45
Materiales del Atlántico, S.A.	8.416,57	11.606,13	9.533,54	29.556,24
Hormigones Miño, S.L.	2.442,59	(814,97)	(363,10)	1.264,52
Prebetong Lugo Hormigones, S.A.	129.866,66	892.492,45	(8.047,22)	1.014.311,89
Bomtrahor, S.A.	13.426,94	(56.111,42)	7.393,94	(35.290,54)
Canteras Prebetong, S.L.	48.086,59	26.427,63	(301,46)	74.212,76
Prebetong Lugo, S.A.	59.130,00	576.919,36	65.920,68	701.970,04
Canpesa	253.100,66	5.120.079,16	204.209,69	5.577.389,51
Hormigones y Áridos La Barca, S.A.	1.615.000,00	104.925,23	(108.458,08)	1.611.467,15
Áridos de La Coruña, S.A.	78.130,00	128.722,18	(97.238,87)	109.613,31
DS Unión, S.L.	40.301,00	(14.445,82)	6.744,53	32.599,71
Sogesso - Sociedade de Gessos de Soure, S.A.	-	(23.510,33)	23.886,74	376,41
Inversiones Filaria, S.L.	-	7.633,34	(7.789,76)	(156,42)
Transformal, S.A.	-	-	63,80	63,80
Cementos Especiales de las Islas, S.A.	-	247.882,14	(73.647,02)	174.235,12
Inprocoi, S.L.	-	-	(6.654,21)	(6.654,21)
	2.333.664,31	**7.208.761,61**	**43.674,82**	**9.586.100,74**

(11) Provisions and contingencies

The composition under this caption of the accompanying balance sheet at 31 December 2011 and 2010, is the following:

	Euros						
	Long term				Short term		
Provisions-	Provisions for contingencies and charges	Provision for restoration of quarries	Provision for dismantling fixed assets	Total	Provisions for contingencies and charges	Provision for greenhouse gas emission rights	Total
Balance at 31 December 2009	113,812.69	13,582,047.00	1,179,269.13	14,875,128.82	-	25,973,100.10	25,973,100.10
Increases	-	282,518.85	43,200.82	325,719.67	-	21,206,964.78	21,206,964.78
Application	(10,442.60)	(270,052.26)	-	(280,494.86)	-	(25,880,976.14)	(25,880,976.14)
Reductions	-	(242,502.00)	-	(242,502.00)	-	-	-
Transfers	(21,181.69)	15,000.00	-	-	7,881.49	(1,699.80)	6,181.69
Financial update	-	47,256.54	-	47,256.54	-	-	-
Balance at December 31, 2010	82,188.40	13,414,268.13	1,222,469.95	14,718,926.48	7,881.49	21,297,388.94	21,305,270.43
Increases	-	215,707.89	44,687.96	260,395.85	-	18,676,145.24	18,676,145.24
Application	-	(557,110.51)	-	(557,110.51)	-	(21,263,717.18)	(21,263,717.18)
Reductions	-	-	-	-	(7,881.49)	-	(7,881.49)
Financial update	-	180,217.37	-	180,217.37	-	-	-
Balance at 31 December 2011	82,188.40	13,253,082.88	1,267,157.91	14,602,429.19	-	18,709,817.00	18,709,817.00

The additions performed for the fiscal years 2011 and 2010 in the supply for quarry restoration correspond mainly to the researches performed in the subsidiary companies Canteras Prebetong, S.L. and Prebetong Lugo, S.A. because of the opening of new fronts in their quarries, reserves increasing and start of activity in the quarry of Guadajira of the subsidiary company Occidental de Áridos, S.L.

The amount of reduction for the fiscal year 2010 is originated after a new estimation performed for a quarry in Guama, of the subsidiary company Cimpor Canarias, S.R.L., that adjusts the one performed in the previous year.

The balance of short-term provision includes the emission rights value presented to the Administration in April for the consumption of emission rights performed by the companies Cementos Cosmos, S.A. and Sociedades de Cementos y Materiales de Construcción de Andalucía, S.A.U. (See Note 17).

(12) Debts (short and long term)

The composition under this caption of this accompanying consolidated balance sheet for each one of the fiscal years is the following:

Year 2011	Euros			
	Limit	Short term	Long term	Total
Credit policies	110,200,000.00	-	-	-
Discount on stock	-	1,140,916.99	-	1,140,916.99
Accrued interests receivable	-	79,643.30	-	79,643.30
Other financial liabilities	-	2,461,571.24	10,644.77	2,472,216.01
		3,682,131.53	**10,644.77**	**3,692,776.30**

Year 2010	Euros			
	Limit	Short term	Long term	Total
Credit policies	196,000,000.00	13,358.40	-	13,358.40
Credit policies, EURIBOR requirements	76,000,000.00	-	-	-
Discount on stock	-	2,843,438.79	-	2,843,438.79
Accrued interests receivable	-	-	-	-
Other financial liabilities	-	2,821,614.28	47,013.06	2,868,627.34
		5,678,411.47	**47,013.06**	**5,725,424.53**

The debts with credit entities mainly correspond with balances of the loan agreements formalised by the dominant company

The interests accrued in the fiscal year 2011 by the loan agreements arose to 50.625,31 euros, (2.511.948,97 in 2010), which are recorded under the caption “Financial expenses- Debts with third parties” of the accompanying consolidated profit and loss accounts for the fiscal years 2011 and 2010.

The average interest rate of the indebtedness with credit entities during the fiscal years 2011 and 2010 has been 2.81% and 1,71%.

In “Other financial liabilities” 1.863.860,20 euros (2.736.421,72 euros in 2010) corresponding to debts with suppliers for fixed assets purchases are included as well as 489.411,72 euros of dividends payable to third parties.

Guarantees-

At 31 December 2011, la the dominant company guaranteed the company Cimpor Group, Cimpor Financial Operations B.V., in financial operations for a total amount of 497.720.000,00 euros approximately, (902.048.000,00 euros approximately in 2010). Additionaly, the Group has guarantees given for a total amount of 10.965.780,73 euros, from which 4.200.000,00 euros were given as guarantee of fulfillment of the obligations assumed by the Group in the lease contract described in Note 7.

The directors of the company estimate that no liabilities will come up from these guarantees.

Information about the payment deferment to suppliers. Third additional regulation. “Duty of information” from the Law 15/2010 of 5 July-

In compliance with what is stipulated in the Law 15/2010, of 5 July, of modification of the Law 3/2004, of 29 December, by virtue of which measures against slowness in paying in the commercial operations are established. This was developed by the Resolution of 29 December 2010 of the Accountancy and Account Audit Institute, and taking into account what is stipulated in the Second Temporary Regulation of that Resolution, the information about the amounts paid to the commercial and services suppliers by the subsidiary companies during the fiscal year 2011 is presented below, distinguishing the payments performed within the maximum legal period from the others, as well as the weighted average period exceeded of payments (in days) and the deferred payments to commercial and services suppliers which are to be paid on 31 December 2011, on that date they accumulated a deferment over the legal payment period:

	Payments made during the year 2011 and not paid at December 31st, 2011	
	Amount (Thousand euros)	% of Total
Within the legal deadline (*)	56,417,440.91	36.51
Other payments	98,109,776.06	63.49
Total payments for the year	**154,527,216.97**	**100.00**
Medium Period of Payments Exceeded (PMPE) (in days)	48	-
Deferrals than the year closing surpassed the legal maximum period of payment	14,451,503.60	30.21

(*) The legal term is determined according to the corresponding function of asset or service received by the Group in accordance w ith the provisions of Law 3/2004 of 29 December, establishing control measures late payment in commercial transactions. Law 3/2004, of 29 December states the legal period established for payment. This law fights against slow ness in payment w ithin commercial transactions. According to Law 15/2010, of 5 July, 85 days is the period betw een the coming into effect of this law and 31 December 2011

Furthermore, the information related to the deferred payments to commercial and services supplier to be charged on 31 December 2010 that accumulated a deferment over the legal payment periodis indicated below:

	December 31st,2011	
	Amount (Thousand Euros)	% of Total
Deferrals than the year closing surpassed the legal maximum period of payment	17,285,193.25	31.48

By applying the regulation mentioned before, the information include corresponds exclusively to the suppliers in Spain.

(13) Public Administrations and Fiscal Situation

The balances maintained with the Public Administration at 31 December 2011 and 2010 are the following:

	Euros	
	2011	2010
Debtors:		
Non current assets-		
Assets from deferred taxes	4,919,634.99	4,984,450.40
Current assets-		
Public Finances debtor for VAT/IGIG	496,956.76	3,493,565.91
Public Finances debtor for corporate tax	179,456.03	76,641.21
Other Public Entities	11,950.33	1,312,372.46
	688,363.12	4,882,579.58
Creditors:		
Non current liabilities-		
Liabilities from deferred taxes	34,675,836.36	42,641,816.86
Current liabilities-		
Public Finances creditor for profit tax	84,057.34	68,131.85
Public Finances creditor for retentions	920,100.51	1,121,621.68
Public Finances creditor for VAT/IGIG	72,591.88	271,311.25
Social Security Institutions	910,755.41	994,173.37
	1,987,505.14	2,455,238.15

Since 1 January 2011, Corporación Noroeste, S.A. and the subsidiary companies Cementos Cosmos, S.A., Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., Cementos de Andalucía, S.A., Materiales del Atlántico, S.A., Morteros de Galicia, S.L.U., Cimpor Hormigón España, S.A, Prebetong Lugo Hormigones, S.A., Prebetong Lugo, S.A., Canteras Prebetong, S.L. and Occidental de Áridos, S.L.U., are part of the Group of Entities of the Added Value Tax, regulated in the Chapter IX of the Title VII of the Law Ley 37/1992, of 28 December about the Added Value Tax, leaded by Cimpor inversiones, S.A.U. As a consequence, those companies present their periodic statements and corresponding annual summaries, but they do not liquidate the Added Value Tax.

Al At 31 December of 2011 and 2010, Corporación Noroeste, S.A. enters into the fiscal consolidated companies Group headed by Cimpor Inversiones, S.A.U., as dominant company. As a consequence, Corporación Noroeste, S.A. will present separate tax return but will not liquidate the corporate tax.

The corporate tax for the fiscal year is estimated on the basis of the book income, obtained by applying the accounting principles generally accepted, which do not have to coincide with the fiscal result, considering this as the tax base. The reconciliation of the book income before tax corresponding to the fiscal years 2011 and 2010 with the predicted tax base for the corporate tax is the following:

	Euros	
	2010	2009
Accounting profit before tax	**(29,571,112.93)**	**(17,343,340.97)**
Consolidation differences	16,259,275.26	12,104,469.20
Permanent differences Parent Company:		
Increase		
Arising in the year	504,335.44	959,976.64
Decrease		
Arising in the year	-	(17,139.67)
Arising in previous years	(657,774.14)	(28,734.59)
Permanent differences other Companies:		
Increase		
Arising in the year	116,569.51	42,369.57
Arising in previous years	-	50,683.63
Decrease		
Arising in the year	(319,200.00)	(171,600.00)
Arising in previous years	(69,322.92)	(712,405.00)
Temporary differences Parent Company:		
Increase		
Arising in the year	-	295,683.44
Decrease		
Arising in the year	(563,752.19)	(6,578,347.45)
Temporary differences other Companies:		
Increase		
Arising in the year	7,021,682.47	601,435.47
Arising in previous years	5,802,478.94	3,536,076.13
Decrease		
Arising in the year	(4,829.87)	(250,662.79)
Arising in previous years	(3,040,424.18)	(3,411,688.62)
tax loss carryforwards	(32,107.20)	-
Tax base	**(3,327,288.73)**	**(10,923,225.01)**
Gross tax charge (30%)	(998,186.62)	(3,276,967.50)
Tax deductions applied	(2,826,540.51)	(3,452,791.10)
Net tax payable	**(3,824,727.13)**	**(6,729,758.60)**
Fee reimbursable to companies not listed on the tax group	(279,678.57)	1,619,638.81
Withholdings and prepayments	(156,298.46)	(191,442.85)
Cimpor Inversiones, S.A.U. is liable for taxes on companies	**(4,260,704.16)**	**(5,301,562.64)**

Increases for permanent differences were mainly produced in the fiscal year 2011, because certain expenses related to the transmission of Arenor, S.A. are not deductible and in the fiscal year 2010 because the recorded expenses corresponding to related entities are not deductible.

The decrease because of permanet differences were mainly originated in the fiscal year 2011, because of the difference, in the temporary allocation for fiscal purposes, of the expenses recorded in previous years and because of the payment of exempt dividends under the Art. 21 from the Consolidated Text of the Corporate Income Tax.

The increase and decrease because of temporary difference are mainly originated because of adjustments or recovery of value by impairment loss in shares in entities that do not belong to the fiscal Group, multigroup and associated ones.

To estimate the expense for the corresponding corporate tax for the fiscal year 2011, the dominant company has considered deductions for double taxation of inter-company transactions for dividends and surpluses of internal source of an amount of 2.788.704,39 euros (3.307.810,47 euros in 2010).

During the fiscal year 2011 some companies made use of the deduction for reinvestment of extraordinary income obtained with the sale of tangible assets and securities that represent the capital investment of business corporations for an amount of 8.829,33 euros (7.362,24 euros in 2010). The amount of this transfer has been reinvested in tangible and financial assets for this fiscal year.

Furthermore, the dominant company and subsidiary companies have made use of the deduction for professional development expenses for an amount of 2.936,99 euros in 2010.

Usually, the subsidiary companies have made use of the tax incentive in order to promote environmental investments, other investments and expenses established by the law in force. 29.006,79 euros, (159.610,21 euros in 2010) from deductions have been considered to estimate the corporate tax.

The reconciliation between the net tax payable and the expense for corporate tax of the Corporación Noroeste Group, at 31 December 2011 and 2010 is the following:

	Euros	
	2011	2010
Net tax payable	(3,824,727.13)	(6,729,758.60)
Deferred tax variation	(3,132,614.48)	1,742,252.24
Taxation adjust	297,947.16	0.00
Other changes out of the tax group	9,631.67	0.00
Corporate Income Tax	**(6,649,762.78)**	**(4,987,506.36)**

Increases for consolidation differences basically correspond to dividends distributed among the several companies that constitute the Corporación Noroeste Group.

The information about the taxes directly recognised in the net worth during the fiscal years 2011 and 2010 is the following:

	Euros		
	Additions	Reductions	Total
Accrued tax:			
Total tax at 31.12.09	9,131,420.44	(9,724,060.65)	(592,640.21)
Current tax year -			
Actuary losses and other expenses	128,082.00	-	128,082.00
Grants	7,492,162.00	(6,914,689.42)	577,472.58
Previous tax years-			
grants	-	(112,324.30)	(112,324.30)
Total tax at 31.12.10	7,620,244.00	(7,027,013.72)	593,230.28
Current tax year -			
Actuary losses and other expenses	244,554.90	-	244,554.90
Grants	8,462,476.35	(7,923,383.95)	539,092.40
Previous tax years-			
Grants	-	(104,278.30)	(104,278.30)
Total Patrimony tax	**8,707,031.25**	**(8,027,662.25)**	**679,369.00**

As a consequence of the existing differences between the economical scope and the scope of taxation about the temporary criteria of income and loss allocation at the profit and loss account, differences between the tax burden for each fiscal year and previous fiscal years and the tax burden already paid or payable for these fiscal years were produced. These differences are recorded in the accounts "Deferred income tax assets" or "Deferred income tax liabilities", as appropriate. Those deferred taxes were estimated by applying the corresponding amounts of the nominal tax rate in force. The information and evolution of these captions of the accompanying consolidated balance sheet at 31 December 2011 and 2010 is the following:

	Euros							
	Balance at 31.12.2009	Additions	Disposals	Balance at 31.12.2010	Additions	Disposals	Transfers	Balance at 31.12.2011
Deferred tax assets-								
Insolvency	114,537.50	70,243.70	(114,537.50)	70,243.70	207,463.36	(70,243.70)	-	207,463.36
Environmental provisions	659,329.98	-	(85,328.16)	574,001.82	-	(160,326.25)	-	413,675.57
Personnel benefits	1,337.71	-	(1,337.71)	-	-	-	-	-
CO2 emissions	-	-	-	-	-	-	-	-
Inventories	146,886.65	-	(146,886.65)	-	-	(6,325.46)	-	564,947.02
Pensions and other benefits	654,296.83	-	(83,024.35)	571,272.48	-	(39,798.12)	-	3,700,954.39
Loss carryforwards	2,701,111.81	1,039,640.70	-	3,740,752.51	-	-	-	-
Goodwill	415,718.95	-	(415,718.95)	-	639,642.00	-	-	639,642.00
Adjustments to intangible assets	17,255.93	7,669.38	-	24,925.31	1,264,350.65	-	-	1,289,275.96
Financial investments	7,671.42	3,254.58	(7,671.42)	3,254.58	-	(3,254.58)	-	-
	4,718,146.78	1,120,808.36	(854,504.74)	4,984,450.40	2,111,456.01	(279,948.11)	-	6,815,958.30
Deferred tax liabilities-								
CO2 emissions	103,467.09	7,462,933.00	(6,914,689.42)	651,710.67	8,454,407.05	(7,924,720.60)	-	1,181,397.12
Pensions and other benefits	32,208.00	128,082.00	-	160,290.00	244,554.90	-	-	404,844.90
Goodwill	-	51,301.71	-	51,301.71	794,124.70	-	-	845,426.41
Adjustments to tangible fixed assets	22,484,395.31	3,274,121.60	(1,568,605.94)	24,189,910.97	-	(1,384,099.26)	(5,255,289.00)	22,805,811.71
Adjustments to intangible assets	7,328,731.67	654,560.70	(699,910.43)	7,283,381.94	-	(317,715.85)	5,255,289.00	6,965,666.09
Financial investments	4,291,764.26	4,750,435.79	(1,407.23)	9,040,792.82	-	(7,733,524.72)	-	1,307,268.10
Asset-related grants	1,345,378.53	29,229.00	(110,178.78)	1,264,428.75	3,000.00	(102,006.72)	-	1,165,422.03
	35,585,944.86	16,350,663.80	(9,294,791.80)	42,641,816.86	9,496,086.65	(17,462,067.15)	-	34,675,836.36

In the fiscal year 2011 and as a consequence of the definite estimation of the Corporate Tax for the fiscal year 2010, the Group has recorded 7.547.861,70 euros, as decrease of "Liabilities for temporary differences – Financial investments", which mainly correspond to the variations of value produced by loss or deterioration in companies of the Group of fiscal consolidation The counterpart of this cancellation of the liability balance by deferred tax is the account charged to Cimpor Inversiones, S.A., because of the effect of the fiscal consolidation.

The dominant company of the fiscal consolidated Group, Cimpor Inversiones, S.A., is being subjected to verification and investigations with regard to the corporate tax for the fiscal years 2005 to 2008. Furthermore, Cimpor Inversiones, S.A., was subjected to verifying and investigation actions with regard to the Corporate Tax for the fiscal years 2002 to 2004. As a consequence, at the end of the fiscal year 2011, the companies that constitute the fiscal consolidated Group, keep the fiscal year 2005 and the following open to inspection of the corporate tax, and, in general, the last four fiscal years for the other applicable taxes.

With regard to the inspection for the fiscal year 2002, when Corporación Noroeste, S.A. was the dominant company of the Group, on 13 February of 2009 an act of dissension corresponding to the corporate tax for the fiscal year 2002 was signed, in this document a liquidation (amount plus delay interests) of 5.055.302,13 euros is proposed. The company entered a legal economic-administrative claim before the Central Economic Administrative Court, that ruled sentence on 20 December 2010, partially considering the claim. On 10 March 2011, the company entered a contentiuous administrative appeal before the National Court, being the demand presented on 17 June 2011.

On 22 May of 2009 a caution insurance for an amount of 5.055.302,13 euros is formalised, which was presented before the Tax Revenue Agency as a payment guarantee.

On 13 December the judicial decree was notified to the company by virtue of which the amount of the given guarantees is reduced to 4.644.031,83 euros according to the partial estimation of the Central Economic Administrative Court. The directors of the dominant company and their tax consultants consider the probability that the Court reject the claim as possible, so no provision has been performed on this amount.

The directors of the dominant company consider that the liquidation of the different taxes was appropriate, even if there were any discrepancy in the interpretation of the regulations in force because of the tax treatment for the operations, the possible resultant liabilities, if they materialize, would not affect in a significant way the consolidated annual accounts for the fiscal year 2011.

(14) Incomes and Expenses

1. - Net turnover-

The information under this caption of the consolidated profit and loss accounts for the fiscal years 2011 and 2010 is the following:

	Euros	
	2011	2010
Cement sales	146,833,922.08	173,982,494.34
Concrete sales	75,681,302.09	74,736,666.62
Mortar sales	9,556,191.33	4,826,663.34
Aggregates sales	13,398,732.04	16,478,697.50
Other materials	1,426,945.02	-
Services provide	3,041,025.27	2,675,709.83
	249,938,117.83	272,700,231.63

2. - Supplies-

The information under this caption of the consolidated profit and loss accounts for the fiscal years 2011 and 2010 is the following:

	Euros	
	2011	2010
Comercial purchase	6,796,996.31	13,843,976.14
Purchase of raw materials and auxiliaries	38,811,495.73	36,678,942.65
Purchase of consumable materials	29,536,764.98	29,071,248.53
Other procurements	12,936,408.23	15,127,068.60
Variation in inventories	(105,277.69)	345,196.48
	87,976,387.56	95,066,432.40

Information of purchases according to their origin -

The information of the purchases according to their origin for the fiscal years 2011 and 2010 is the following:

	Euros			
	National	European Union	Import	Total
At 31,12,2010 Purchases	86,298,827.69	8,026,430.84	499,059.98	94,824,318.51
At 31,12,2011 Purchases	81,134,820.47	5,388,565.23	1,558,279.55	88,081,665.25

Other operating expenses -

The information at 31 December 2011 and 2010 is the following:

	Euros	
	2011	2010
External services and other expenses	83,824,208.08	95,033,027.92
CO2 emissions expenses	18,676,145.24	21,206,964.78
Taxes	2,670,754.11	3,072,486.19
	105,171,107.43	119,312,478.89

The fees related to the audit of accounts of the company are included in the balance of the independent professional services account, under the caption of “External services” in the accompanying profit and loss accounts. The cost for these services corresponding to the fiscal year 2011, arises to 242.250,00 euros and 15.000,00 euros as other verifying services, (259.000,00 euros in 2010, with no costs on other items.).

4. - Contribution to the consolidated results-

The contribution of each company included in the consolidation perimeter to the net results attributed to the dominant company in the fiscal years 2011 and 2010 is the following:

	Euros	
	2010	2009
Parent company-		
Corporación Noroeste, S.A.	(368,689.38)	(3,263,876.96)
Dependent companies-		
Cementos Cosmos, S.A.	9,419,165.66	10,970,765.63
Materiales del Atlántico, S.A.	(580,096.60)	1,539,229.56
Soc.de Cementos y Materiales de Construcción	(2,799,481.91)	(4,582,798.43)
Cementos de Andalucía, S.L.	172,113.67	364,984.81
Cimpor Hormigón España, S.A.	(8,105,508.05)	(2,415,359.94)
Prebetong Lugo, S.A.	(216,034.91)	96,211.69
Prebetong Lugo Hormigones, S.L.	(392,246.45)	(30,990.28)
Canteira do Penedo, S.A.	176,620.34	168,348.90
Bomtrahor, S.A.	-	107,724.93
Hormigones Miño, S.L. (*)	-	(1,815,146.81)
Canteras Prebetong, S.L.	(385,328.31)	(139,136.85)
Áridos de La Coruña, S.A.	(67,449.87)	(95,807.84)
Hormigones y Áridos La Barca, S. A.	19,775.36	(8,809.17)
Occidental de Hormigones, S.L. (*)	-	(4,923,782.45)
Occidental de Áridos, S.L.	(10,945,910.99)	(3,714,413.88)
Cementos Noroeste, S.L.	-	(72.27)
Morteros de Galicia, S.L.	(232,996.27)	(588,137.63)
Cimpor Canarias, S.L.	(1,716,031.10)	1,016,797.05
Cimpor Hormigón Canarias, S.L.	(1,627,115.68)	(764,707.76)
D.S.Unión, S.L.	(250,823.61)	(157,132.56)
Betobomba, S.L.	-	(752,856.88)
Sociedades de Gessos de Soure, S.A.-Sogesso	370,620.13	346,762.35
Inversiones Filaria, S.L.	(81,180.90)	(64,970.63)
Transformal, S.A.	(12,533.05)	26,482.67
Group companies-		
Insular de Productos para la Construcción y la	(518,733.19)	(429,820.67)
Cementos Especiales de las Islas, S.A.	(3,084,257.12)	(2,964,251.87)
Associates-		
Cementos Antequera, S.A.	(254,484.55)	(63,026.11)
Arenor, S.L.	-	(170,131.31)
Hormigones Miranda Celanova, S. A.	(4,829.87)	(22,765.91)
Agueiro, S.A.	(1,322,615.24)	(68,820.81)
	(22,808,051.89)	**(12,399,509.43)**

(*) Absorbed by Cimpor Hormigón España, S.A.

(15) Personnel expenses

The composition of the balance under this caption of the accompanying consolidated profit and loss accounts at 31 December 2011 and 2010 is the following:

	Euros	
	2011	2010
Wages and salaries	37,536,196.07	39,079,246.05
Social insurance	10,173,264.92	10,938,250.23
Severance pay	2,955,388.46	4,513,076.96
Other personnal cost	1,753,410.32	1,265,896.31
	52,418,259.77	55,796,469.55

The average number of personnel during the fiscal years 2011 and 2010 in the Corporación Noroeste Group, detailed in categories and sex, is the following:

	Number of people					
	2011			2010		
	Men	Women	Total	Men	Women	Total
President	1	-	1	1	-	1
Executives	22	1	23	25	1	26
Technical and administrative staff	205	76	281	222	68	290
Workers	628	6	634	662	9	671
Total	**856**	**83**	**939**	**910**	**77**	**987**

During the fiscal year 2011, and as a consequence of certain obligations related to the personnel pension plans externalized in financial entities, the subsidiary companies, Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U. and Cementos de Andalucía, S.L.U. paid bonuses for an amount of 75.581,17 euros (221.818,68 euros in 2010), which are recorded under the caption “Personnel expenses” in the accompanying consolidated profit and loss accounts for the fiscal years 2011 and 2010.

The average number of people working for the Group in the fiscal year 2011 with a disability equal or higher to the 33%, is of 3 people (2 people in the fiscal year 2010), with a professional standing as officer and operator.

The average number of people working for companies of the multigroup companies for the fiscal year 2011 arises to 130 people with the following professional standing: 6 Directors, 36 Technicians and Officers and 88 Operators, (140 people in the fiscal year 2010, with the following professional standing: 4 Directors, 41 Technicians and Officers and 95 Operators).

(16) Operations and balances with related parties

Operations with related parties-

The information of the operations performed by Corporación Noroeste, S.A. Group during the fiscal years 2011 and 2010 with the companies of the Cimpor Group is the following:

	Euros	
	2011	2010
REVENUE:		
Net turnover	4,662,812.09	7,543,865.06
Financial revenue from transferable securities and other financial instruments-Holding and associated companies	234,829.88	686,588.50
Financial revenue from share in equity instruments-Holding and associated companies	16,324.12	17,139.67
	4,913,966.09	8,247,593.23
EXPENSES:		
Procurement	15,180,527.87	15,302,542.12
Other operating expenses	4,949,974.92	7,423,345.25
Financial expenses- debt contracted with holding and associated companies	13,235,825.60	7,246,355.52
	33,366,328.39	29,972,242.89

The caption "Net turnover" corresponds to cement, mortars and aggregates sales that several companies of the Group have performed to companies of the Cimpor Group.

The caption "Supplies" of the accompanying consolidated profit and loss accounts mainly corresponds to cement and clinker purchases by companies of the Corporación Noroeste Group to companies of the Cimpor Group and the caption “Other operating expenses” mainly corresponds to the expenses of the technical and management services.

The financial expenses are the interests charged to the companies of the Cimpor Group by lent financing according to what is explained afterwards in this Note.

Balances with related parties -

The information of the balances that the Corporación Noroeste Group maintains with the companies of the Cimpor Group and Associated at 31 December 2011 and 2010 is the following:

Year 2011	Euros							
	Trade debtors	Credits to Group companies		Receivables from tax effect (Note 13)	Trade creditors	Creditors to VAT Consolidation	Debts with Group companies	
		Short term	Long term				Short term	Long term
Cimpor Group companies-								
Cimpor Trading, S.A.	550,107.90	-	-	-	1,891,338.70	-	1,022,702.11	-
Cimpor Sagesa, S.A.	-	-	-	-	242,509.44	-	915,870.53	22,578.84
Cimpor Eco, S.L.	-	-	-	-	-	-	(3,812.26)	-
Cimpor Inversiones, S.A.	625,372.82	-	-	4,260,704.16	157,824.97	471,285.84	4,052,754.64	452,414,641.89
Shrre Dijivay Cement Co. Ltda.	-	2,070.47	-	-	-	-	-	-
Cimpor Industria de Cimento, S.A.	41,796.81	-	-	-	3,623.03	-	384.30	-
Betao Liz, S.A.	3,193.82	-	-	-	-	-	-	-
Agrepor Agregados, S.A.	-	-	-	-	32,537.93	-	619.99	-
Sacopor, S.A.	-	-	-	-	305,268.27	-	-	-
CTA-Cement Trading Comercio Int.	-	-	-	-	7,566.95	-	-	-
Cecime-Cimentos, S.A.	-	-	-	-	6,920.45	-	-	-
Cimpor Tec-Eng.Serv.T.A.Gr., S.A.	-	-	-	-	6,237.57	-	-	-
Cimpor Serviços Apoyo Gestao de Empresas, S.A.	-	-	-	-	579.70	-	(58.42)	-
Sanchez, S.A.	-	52,638.01	-	-	-	-	-	-
Ciarga, S.A.	3,819.20	-	-	-	39,875.59	-	-	-
	1,224,290.55	54,708.48	-	4,260,704.16	2,694,282.60	471,285.84	5,988,460.89	452,437,220.73
Associates-								
Hormigones Miranda-Celanova, S.A.	76,067.82	-	-	-	-	-	-	-
Cementos de Antequera, S.A.	-	-	-	-	20,442.01	-	1,496,578.28	15,914,312.52
Agueiro, S.L.	100,327.41	-	2,376,949.37	-	-	-	-	-
	176,395.23	-	2,376,949.37	-	20,442.01	-	1,496,578.28	15,914,312.52
	1,400,685.78	54,708.48	2,376,949.37	4,260,704.16	2,714,724.61	471,285.84	7,485,039.17	468,351,533.25

Year 2010	Euros							
	Trade debtors	Credits to Group companies		Long term accruals	Trade creditors	Debts with Group companies		Receivables from tax effect (Note 13)
		Short term	Long term			Short term	Long term	
Cimpor Group companies-								
Cimpor Trading, S.A.	6,698.65	28,735.18	-	-	-	-	-	-
Cimpor Sagesa, S.A.	-	-	-	-	331,106.63	863,510.85	22,578.84	-
Cimpor Inversiones, S.A.	-	-	-	-	189,783.30	55,793,538.79	314,188,438.61	5,301,562.64
Amreyah Cement Company	-	-	-	-	-	27,444,745.16	-	-
Cimpor Portugal, S.G.P.S.	-	-	-	-	299.95	-	-	-
Cimpor Industria de Cimento, S.A.	166,792.26	-	-	-	1,043,096.45	416,279.10	60,000,000.00	-
Agrepor Agregados, S.A.	-	-	-	-	25,955.75	213.08	-	-
Sacopor, S.A.	-	-	-	-	372,260.36	-	-	-
Alempedras Ltda.	-	-	-	-	1,815.00	-	-	-
Cecisa Comercio Internacional, S.A.	17,493.95	-	-	-	95,340.26	-	-	-
CTA-Cement Trading Comercio Int.	-	-	-	-	7,566.95			
Cimpor Servicios	-	-	-	-	705.15	-	-	-
Cimpor Tec	-	-	-	-	7,714.44	-	-	-
Cecime - Cimentos, S.A.	-	-	-	-	82,450.95	-	-	-
Ciarga, S.A.	15,804.00	-	-	-	1,814.40	-	-	-
	206,788.86	28,735.18	-	-	2,159,909.59	84,518,286.98	374,211,017.45	5,301,562.64
Associates-								
Hormigones Miranda-Celanova, S.A.	96,825.94	-	-	-	-	-	-	-
Arenor, S.A. (Note 8)	-	-	-	19,148,725.11	-	-	-	-
Cementos de Antequera, S.A.	1,889,882.45	-	-	-	-	-	-	-
Agueiro, S.L.	-	-	1,242,946.00	-	-	-	-	-
	1,986,708.39	-	1,242,946.00	19,148,725.11	-	-	-	-
	2,193,497.25	28,735.18	1,242,946.00	19,148,725.11	2,159,909.59	84,518,286.98	374,211,017.45	5,301,562.64

The balance of the trade debtors corresponds to the balances derived from services, cement and clinker sales of the Group.

From the implementation of the tax consolidation system of the profit tax, the Group maintains with Cimpor Inversiones, S.A.U., at 31 December 2011, a recoverable account for an amount of 4.260.703,56 euros, (5.301.562,64 euros in 2010).

The commercial credit balance corrresponds to commercial services and operations.

Short and long-term debts with Cementos Antequera, S.A. correspond to the installments not paid derived from the financial lease contract formalized between the parts (See Note 7).

On 31 December 2009, the expiration of the loan contract between Corporación Noroeste, S.A. and Cimpor Inversiones, S.A., for an amount of 193.600.000,00 euros, establishing the following depreciation calendar: 100.000.000,00 euros on 31 December 2011 and 93.600.000,00 euros, on 31 December 2012. On 31 December 2010 a new contract was signed establishing the depreciation contract as follows: 100.000.000,00 on January 2013 and 93.600.000,00 on January 2014. The average interest accrued rate for the fiscal year 2011 was 4,00% (2,67% in 2010).

Besides, at 31 December 2011 the dominant company maintains with Cimpor Inversiones, S.A. a long-term recoverable account for an amount of 258.780.097,55 euros (120.553.894,27 euros in 2010), which corresponds to a current account with a duration of 2 years extended tacitly in similar periods, with an expiration on 31 December 2013. The average accrued interest rate for the fiscal year 2011 was 1,19% (0,69% in 2010).

Furthermore, during the fiscal year 2008, the dominant company formalized loan contracts with Ameryah Cement Company and Cimpor Egypt for Cement for an amount of 26.000.000 and 54.000.000 euros, respectively, with expiration on 15 June 2011 and whose interest will be liquidated when the loan expires. On 29 December 2010 Cimpor Inversiones, S.A.U., replaced the position of Corporación Noroeste, S.A. in the contract of Cimpor Egypt for Cement for an amount of 54.000.000,00 euros and on 4 October 2011 they did the same operation with the loan of 26.000.000,00 euros. The average accrued interest rate for the fiscal year 2011 for these loans was 3,12% and 2,16%, respectively. Both loans were cancelled on 24 November 2011 and 1 June 2011.

On 1 September 2010 and 25 October 2010, the dominant company formalized two loans with Cimpor Industria de Cimentos, S.A. for an amount of 30.000.000,00 de euros each one with an average interest rate of 2,60%. Both loans have a length of 18 months, but if the expiration comes, it can be extended automatically for the same period. The interests are liquidated six monthly. These loans have been cancelled in advance on 14 November 2011.

The interests accrued by the current accounts and the loans formalized with related parts arose to 12.538.409,76 euros (7.662.140,53 euros in 2010), which are recorded under the caption “Financial expenses- Debts with companies of the group and the associated ones” in the accompanying profit and loss accounts.

The balances at the yearend reflected in the previous chart include not only the main interests but the unexpired recoverable interests.

Board of Directors and Senior Leadership of the dominant company remuneration -

The remunerations received during the fiscal year 2011 by the members of the Board of Directors, constituted by 5 men, by way of salaries and wages arose to 232.951,04 euros (773.458,00 euros in 2010), and for the Senior Management Team is 495.823,90 euros (563.765,00 euros in 2010).

During the fiscal years 2011 and 2010, the dominant company had not accrued expenses in respect of director’s fees; it had not given any loan or advance, and had not constituted any pension fund or life insurance in its favour.

Information of the investments in companies with similar activities and performance of similar activities as freelancers or employed on the part of the directors -

At 31 December 2011 and 2010, the members of the Board of Directors of the dominant company have not maintained shares in the capital of companies that do not belong to the Cimpor-Cimentos de Portugal Group with the same, analogous or complementary activity gender that constitutes the corporate purpopse of the company. Besides and in conformity with what is established in the article 229 of the Consolidated Text of the Capital Companies Law, the companies with the same, analogous or complementary activity gender that constitutes the corporate purpose of Corporación Noroeste, S.A. (see Note 1), where the Board of Directors work:

Director	%(*)	Company	Position
José Augusto Bras Chaves	0.006%	Cimpor Portugal, SGPS, S.A.	Director
Luis Miguel da Silveira Ribeiro Vaz	0.003%	Cimpor Inversiones, S.A. Cimpor-Cimentos de Portugal, SGPS, S.A. Cimpor Portugal, SGPS, S.A.	Director Director Director
Luis F. Sequeira Martins	0.011%	Cimpor Inversiones, S.A. Cimpor-Cimentos de Portugal, SGPS, S.A. Sociedade de investimento Cimpor Macau, S.A. Cimpor Portugal, SGPS, S.A.	Director Director Director Chairman
Eduardo Guedes Duarte		Cimpor Portugal, SGPS, S.A. Cimpor Inversiones, S.A.	Director Director

(*) percentage of participation

(17) Environmental information

At 31 December 2011 the cost and amortization of the tangible assets allocated to the protection and improvement of the environment arose to 48.490.170,60 euros (46.490.251,54 euros in 2010) and to 27.738.413,41 euros (25.233.640,69 euros in 2010), respectively. Furthermore, the additions by assets purchases allocated to environmental purposes have arisen to 1.999.504,18 euros (1.113.545,27 euros in 2010).

These investments that have mostly been performed in previous fiscal years, mainly correspond to the following assets: in Cementos Cosmos, S.A., a plant of pneumatic and filters feed, in the factory of Oural the substitution of the electrofilter of the clinker furnace, gas cooling tower, control of gas immissions and emissions and filters in the factory of Toral; in Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., filters; in Cementos El Monte, S.A., coverage of storage; in the companies dedicated to the concrete manufacturing, concrete recycling equipments, construction of decanting wells and irrigation equipments. In the quarries, constructions for the recovery of pluvial waters, equipments for powder reductions, press filters for mud recovery and storage of used oils.

The amount to be allocated to results by subsidies received in years before the fiscal year 2011 arises to 205.039,24 euros (238.332,13 euros in 2010). Thses subsidies correspond to the partial financing of the investments previously detailed.

The amount incurred in expenses destinated to environmental purposes has arisen to 1.745.646,83 euros (1.741.833,04 euros in 2010), additional to the endowment for the quarries restoration, detailed in Note 11.

The European Union in order to fulfil the commitment of greenhouse gas emission reduction, which assumed when ratified the Kyoto protocol, promulgated a Directive 2003/87/CE of the European Parliament, whereby a trade regime for those emission rights was established. In Spain and through the Ministry of Environment, the sectors and industries to which the control of the greenhouse gas emission was applicable were established, being the cement sector one of them.

For the period 2008-2012, the Government approved the National Assignment Emissions Plan on 24 November of 2006 and on 14 November of 2007 the Agreement of the Council of Ministers is published, whereby the individual allocation in plants included in this Plan is approved, implying again the two plant of Cementos Cosmos, S.A. (factories of Oural and Toral de los Vados). The total of the emission rights given for the period 2008-2012 arises to 5.292.775 Tm., and for the two factories of Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., (Córdoba and Niebla), with a total emission rights for the period 2008-2012 of 4.836.070 Tm.

Through this Law 1/2005 (9 March), the trade regime of greenhouse emission gas is regulated, and is the transposition of the European Directive. This Law establishes that the rights allocated to each industry are free of charge in this First National Plan and a Record is created to write down the rights conceded by the Administration and the movements performed with these rights.

In the fiscal year 2011 and 2010 the factories Cementos Cosmos, S.A. and Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A. have an authorization to emit 1.058.555 Tm. and 967.214 Tm. of $CO2$ (1.058.555 Tm. and 967.214 Tm. in 2008), and according to the projects and measurements of those companies, pending on the verification of an accredited organism, the emitted gases would have been 588.161 Tm and 757.869 Tm of CO_2 (839.532 Tm and 888.034 Tm in 2010), respectively and approximately. In the fiscal year 2011, Cementos Cosmos, S.A. and Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U. have sold a total of 575.000 Tm. of CO_2 (150.000 Tm in 2010) (Note 10). For that reason a consolidated level of surplus of 284.384 Tm. of CO_2 (176.903 Tm. in 2010) has been generated.

(18) Segmented Information

The Group identifies its operative segments according to the internal reports about the components of the Group that are basis of regular revision, discussion and valuation by the Managing Director, who is the maximum authority in the process of decision making and has the power to destinate the segments and valuate their performance.

So, the segments that have been defined are the following:

- Cement
- Concrete
- Aggregates
- Mortars
- Service delivery and others

Sales geographical information-

The distribution of the net turnover corresponding to the fiscal years 2011 and 2010 has been nearly totally performed in Spain.

Segmented Financial Statements-

Year 2011	Euros						
Items	Market segment					Consolidation adjustements	Total
	Cement	Concrete	Aggregates	Mortars	Services		
Net turnover							
– External customers	146,833,922.08	75,681,302.09	13,398,732.04	9,556,191.33	4,467,970.29	-	249,938,117.82
– Intercompany	103,320,252.14	1,096,933.00	8,781,640.36	88,844.20	6,990,597.85	(120,278,267.55)	-
Procurements	(129,041,665.96)	(58,166,511.02)	(6,316,346.13)	(4,814,797.71)	(9,915,334.29)	120,278,267.55	(87,976,387.56)
Personnel expenses	(31,016,140.11)	(7,990,792.82)	(4,851,223.85)	(1,326,198.95)	(7,233,904.04)	-	(52,418,259.77)
Depreciation and amortization charge	(24,990,822.42)	(2,336,392.77)	(6,039,469.20)	(1,697,539.85)	(5,210,714.11)	-	(40,274,938.35)
Losses on, impairment of and change in allowances							
– Current	(122,017.09)	(844,649.63)	(286,313.70)	43,814.39	-	-	(1,209,166.03)
– Non current	-	(2,132,140.00)	(7,867,860.00)	-	-	-	(10,000,000.00)
OPERATING PROFIT	12,839,926.70	(12,285,124.57)	(11,747,593.56)	(719,754.08)	(4,269,151.91)	-	(16,181,697.42)
Financial income	896,295.36	168,856.14	340,570.74	5,251.64	12,067,127.84	(11,955,282.85)	1,522,818.87
Financial expenses	(6,853,134.78)	(2,398,175.78)	(2,976,382.19)	(144,391.28)	(14,419,379.78)	11,955,282.85	(14,836,180.96)
Other income and expenses	-	-	-	-	(374.09)	-	(374.09)
result in companies by equity method	-	-	-	-	-	(75,679.33)	(75,679.33)
PROFIT BEFORE TAX	5,560,774.12	(14,519,274.08)	(14,383,405.01)	(858,893.72)	(5,370,314.24)	-	(29,571,112.93)
Segment assets	481,241,761.54	88,496,060.23	119,720,410.34	14,039,409.00	27,388,607.09	-	730,886,248.20
Segment liabilities	(371,145,378.28)	(118,269,680.22)	(124,652,637.02)	(11,557,080.87)	27,692,459.99	-	(597,932,316.40)
Acquisition of non current assets in the financial year	24,769,864.62	1,327,380.38	30,098,758.22	10,882.39	664,213.89	-	56,871,099.50

Year 2010	Euros						
Items	Market segment					Consolidation adjustements	Total
	Cement	Concrete	Aggregates	Mortars	Services		
Net turnover							
– External customers	173,982,494.34	74,736,666.62	16,478,697.50	4,826,663.34	2,675,709.83	-	272,700,231.63
– Intercompany	115,652,045.25	5,606,841.81	9,834,690.83	5,600,527.96	7,556,712.68	(144,250,818.53)	-
Procurements	(152,661,121.34)	(61,547,553.42)	(8,219,959.29)	(5,436,433.40)	(11,555,266.07)	144,250,818.53	(95,169,514.99)
Personnel expenses	(31,682,233.72)	(8,462,863.54)	(4,920,395.52)	(1,239,239.91)	(9,491,736.86)	-	(55,796,469.55)
Depreciation and amortization charge	(23,351,793.95)	(2,753,289.79)	(6,915,376.95)	(1,704,624.72)	(5,328,302.70)	-	(40,053,388.11)
Losses on, impairment of and change in allowances							
– Current	324,997.90	(739,109.43)	43,627.20	(15,112.78)	-	-	(385,597.11)
– Non current	-	(737,038.71)	-	-	-	-	(737,038.71)
OPERATING PROFIT	15,993,659.55	(13,282,016.96)	(4,520,382.78)	(1,233,074.04)	(5,291,775.56)	-	(8,333,589.79)
Financial income	528,902.70	143,469.39	878,156.23	3,815.26	8,487,839.59	(7,013,223.51)	3,028,959.66
Financial expenses	(3,662,412.99)	(1,572,078.77)	(1,569,590.16)	(94,745.57)	(11,892,178.60)	7,013,223.51	(11,777,782.58)
INCOME FROM DISCONTINUED OPERATIONS	-	-	-	-	-	-	-
PROFIT BEFORE TAX	12,901,928.45	(14,733,392.25)	(5,211,816.71)	(1,324,004.35)	(8,976,056.11)	-	(17,343,340.97)
Segment assets	498,889,841.60	86,227,987.22	124,403,634.58	15,824,797.14	30,960,404.74	-	756,306,665.28
Segment liabilities	(380,058,515.02)	(107,909,114.38)	(123,643,894.20)	(12,968,896.38)	24,019,800.71	-	(600,560,619.27)
Acquisition of non current assets in the financial year	10,079,978.28	350,825.16	800,569.79	236,201.19	352,998.47	-	11,820,572.89

At 31 December 2011 the balance of any client of the Group exceeded the 10% of the total amount of the debit balances for sales and services delivery at that date.

A N N E X

COMPLEMENTARY INFORMATION ON INVESTEE COMPANIES AT 31 DECEMBER 2011

	GROUP AND DEPENDENT COMPANIES	REGISTERED OFFICE	LINE OF BUSINESS	% EQUITY INTEREST DIRECT	INDIRECT	TOTAL	EUROS CAPITAL	RESERVES	OTHER NET WORTH	DIVIDENDS RECEIVED	OPERATING PROFIT	NET PROFIT	AUDIT
	CEMENTOS COSMOS, S.A.	Vigo (Pontevedra)	Manufacturing and sale of cement	99.76	-	99.76	34,779,003.00	70,882,825.76	1,392,289.51	319,200.00	13,085,323.17	9,729,477.26	*
	CIMPOR HORMIGÓN ESPAÑA, S.A.	Vigo (Pontevedra)	Manufacturing and sale of concrete	99.98	-	99.98	3,317,248.00	(3,953,343.68)	6,739.36	114,588.00	(9,780,843.48)	(8,015,044.00)	*
	PREBETONG LUGO, S.A.	Lugo	Manufacturing and sale of concrete	-	82.89	82.89	345,600.00	3,682,603.90	54,072.59	481,529.00	(49,264.73)	1,048,978.56	*
	CANTEIRA DO PENEDO, S.A. (CANPESA)	Lugo	Aggregate extraction	-	41.42	41.42	432,119.00	6,906,843.25	-	-	450,351.21	427,293.15	*
	CANTERAS PREBETONG, S.L.	Vigo (Pontevedra)	Aggregate extraction	98.87	-	98.87	4,172,968.00	1,396,755.55	105,762.41	-	(25,245.12)	(391,212.17)	*
	ÁRIDOS DE LA CORUÑA, S.A. (ARICOSA)	A Coruña	Aggregate extraction	-	49.44	49.44	156,260.00	138,644.48	-	-	(198,060.41)	(203,870.10)	*
	HORMIGONES Y ÁRIDOS LA BARCA, S.A.	Pontevedra	Aggregate extraction	50.00	-	50.00	3,230,000.00	94,951.83	-	-	(669.34)	39,550.69	*
	MORTEROS DE GALICIA, S.L.	Vigo (Pontevedra)	Manufacturing and sale of mortars	100.00	-	100.00	2,511,000.00	4,376,279.00	327,778.59	-	(195,060.42)	(232,996.27)	*
(1)	SOCIEDAD DE CEMENTOS Y MATERIALES DE CONSTRUCCIÓN DE ANDALUCÍA, S.A.	Córdoba	Manufacturing and sale of cement	100.00	-	100.00	61,000.00	96,717,746.62	3,294,037.21	-	(551,994.10)	(2,784,720.71)	*
(1)	CEMENTOS DE ANDALUCÍA, S.L.	Córdoba	Marketing of cement	100.00	-	100.00	15,025.00	1,353,294.37	-	-	1,018,219.32	184,593.67	*
	MATERIALES DEL ATLÁNTICO, S.A.	Narón (A Coruña)	Manufacturing and sale of cement	-	99.76	99.76	3,508,000.00	7,151,744.92	278,590.09	-	(321,652.46)	(582,020.16)	*
	PREBETONG LUGO HORMIGONES, S.A.	Lugo	Manufacturing and sale of concrete	-	82.89	82.89	692,928.00	5,949,450.17	-	-	(742,858.86)	(492,700.72)	*
	OCCIDENTAL DE ÁRIDOS, S.L.	Vigo (Pontevedra)	Aggregate extraction	100.00	-	100.00	1,536,100.00	(90.70)	31,567.56	-	(7,356,813.33)	(6,645,747.27)	*
	CIMPOR CANARIAS, S.L.	Vigo (Pontevedra)	Manufacturing and sale of cement	100.00	-	100.00	4,000.00	1,519,694.05	-	-	(168,356.47)	(1,716,031.10)	*
	CIMPOR HORMIGÓN CANARIAS, S.L.	Vigo (Pontevedra)	Manufacturing and sale of concrete	100.00	-	100.00	4,000.00	81,742.91	-	-	(1,756,309.18)	(1,627,115.68)	*
	GRUPO CEISA	Las Palmas de Gran Canar	Manufacturing of cement and concre	50.00	-	50.00	1,270,007.20	48,239,525.46	357,784.70	-	(3,420,781.03)	(3,685,613.85)	**
	INSULAR DE PRODUCTOS PARA LA CONSTRUCCIÓN Y LA INDUSTRIA, S.L.	Sta. Cruz de Tenerife	Manufacturing and sale of mortars	50.00	-	50.00	3,467,800.00	(1,227,456.95)	-	-	(768,238.91)	(770,943.55)	**
	DS UNION S.L.	Granada	Cement marketer	-	90.00	90.00	403,010.00	(294,846.23)	-	-	(189,262.41)	(279,462.49)	
	SOGESSO - SOCIEDADE DE GESSOS DE SOURE, S.A.	Soure (Portugal)	Extraction and sale of gypsum	-	99.76	99.76	200,000.00	1,957,984.01	-	-	411,975.08	290,133.00	
	INVERSIONES FILARIA, S.L.	Vigo (Pontevedra)	Holding company	-	99.76	99.76	4,002.00	111,000.88	-	-	(1,515.82)	(81,375.32)	
	TRANSFORMAL, S.A.	Coimbra	Purchase and sale of land	-	99.76	99.76	1,500,000.00	(110,249.06)	-	-	(13,417.55)	(12,563.16)	
	ASSOCIATES												
	CEMENTOS ANTEQUERA, S.A.	Málaga	Manufacturing and sale of cement	23.08	-	23.08	14,717,382.23	4,918,320.40	84,780.58	-	(629,452.80)	(895,313.23)	**
	HORMIGONES MIRANDA-CELANOVA, S.A.	Celanova (Ourense)	Manufacturing and sale of concrete	-	39.99	39.99	60,101.21	(24,326.46)	-	-	(10,722.99)	(12,074.68)	
	AGUEIRO, S.A.	A Coruña	Trade of building materials	-	44.89	44.89	120,202.43	(239,750.04)	-	-	(315,147.23)	(824,120.49)	

(1) Sole Proprietorship

*** Companies audited by Deloitte, S.L.**

**** Companies audited by other auditors**

CORPORACIÓN NOROESTE, S.A.

Management Report

Fiscal year 2011

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails

Management report formulated by the Board of Directors of Corporación Noroeste, S.A.

The most significant data and facts of the activity of Corporación Noroeste, S.A. and the Corporación Noroeste Group, corresponding to the fiscal year 2011, are described below:

I

BUSINESS EVOLUTION

The Actvity of the Corporación Noroeste Group was developed throughout the fiscal year in a totally unfavourable environment, which was the continuation of the brusque fall started in the second half of the year 2008. The continuing decrease in the activity of the construction sector had a profound impact in the results of all the activities developed by Group.

As a consequence of this, the turnover of the Corporación Noroeste Group for the fiscal year 2011 was lower than the one recorded in 2010, in a 8,3%. Our most important activity, the cement, recorded a descent of the 10,7% in the sold units, the aggregate has descended 8,4% too and the mortar recorded a descent of 12,4%. Only the concrete has increased its sales, in units, in a 1,1%.

A reorganization in the means of production and an efficient management of the industrial and commercial means compensated the production costs increase, (fuel and electrical energy mainly), and made possible that the consolidated Ebitda increased a 7,5%, regarding to 2010, until 34,1 millions of euros, in front of 31,7 millions recorded a year before. The margin Ebitda/turnover was of the 13,6%, which involved an improvement of 2 percentage points.

On its part, the consolidated Ebit closed the fiscal year 2011 with a decrease of the 94,2% over the year before, until reaching the -16,2 millones de euros. This descent of the Ebit implied a decrease of 3,4 percentage points in the margin, by coming from the -3,1% recorded in 2010 to the -6,5% in 2011. The accounting of a deterioration of the assets in certain companies caused an important change in the value of the Ebit; if that deterioration did not exist, the Ebit of 2011 would have improved a 25,8% with regard to the previous year.

The financial result in the fiscal year 2011 was negative in 13,3 millions of euros, at the head of 8,7 millions of euros, negative too, recorded a year before. This increase resulted mainly from the higher costs of the financing received from companies of the Cimpor Group, for increases in average balances as well as in the interest rate applied; and lower income since the amount of the dispositions performed and the interest rate received have descended.

All this set the net loss attributable to the dominant company in 22,8 millones de euros, which represents an increase of the loss of the 83,7% with regard to the previous year.

The profitability of the shareholders equity has been therefore negative, -19,1%, at the head of the previous fiscal year, -8,7%. The financial risk of the group, measured through the proportion of shareholders' equity over the total balance, was of a 6,3% of the total balance at the head of the 18,7% in 2010.

II

a) Assets acquisition.-

In the month of January and February, respectively, the dissolution of the subsidiary companies Bombeo y Transporte de Hormigón S.A., and Betobomba, S.L.was inscribed in the Companies Registry, which have produced their accounting effects, derived from the dissolution, in the fiscal year 2010.

On 30 June 2011, Corporación Noroeste, S.A., and the subsidiary companies Occidental de Áridos, S.L.U and Occidental de Hormigones, S.L.U., signed a Framework Agreement with the companies of the Arenor Group, Arenor, S.L. and Arenor Hormigón Sevilla, S.L.U., by virtue of which, Corporación Noroeste, S.A. sells its share of the 28,57% in Arenor, S.L. for a total amount of 10,96 millions of euros. In that agreement it is established the cancellation of the lease contract and the income advance existing between Arenor, S.L. and Occidental de Áridos, S.L.U and the acquisition on the part of Occidental de Áridos, S.L.U. and Occidental de Hormigones, S.L.U. of certain lands and mining reserves, a concrete installation and a facility. This Framework Agreement was ratified by public deeds on 27 July 2011.

In November, Corporación Noroeste, S.A. sold its share in the company Cementos Noroeste, S.L. to the parent company of the Group in Spain, Cimpor Inversiones, S.A.

An important merger operation has been executed, formalised in deeds on 1 December, among several companies of the Group in the process of reorganization of the Group, and that affected to the companies Prebetong Galicia, S.A.U., Hormigones Miño, S.A. and Occidental de Hormigones, S.L.U., by means of which the first one is the absorbing company and the other two are the absorbed companies. All the accounting effects of that merger are taken back to 1 January 2011. On 1 December the change of name of Prebetong Galicia S.A.U is also performed, the new name is Cimpor Hormigón España, S.A..

At the end of the year 2010 and with effect from 1 Januray 2011 the subsidiary company Cementos de Andalucía, S.L.U. signed a lease contrat with the associated company Cementos de Antequera, S.A., to operate a cement mill in the municipal territory of Antequera (Málaga), for a period of 6 years deferrable for other 4 more, so it assumes the integral management of it, and therefore, with the full transfer of the profits and risks inherent to the leased assets. As this lease is considered as financial, an increase in the tangible assets of 18,8 millions of euros is produced with counterpart in a creditors account in the liabilities.

b) Important events for the Company after the end of the fiscal year.-

No relevant even has been produced

c) Research and development activities.

In 2011 the companies of the Corporación Noroeste Group have maintained research and development activities similar to those of previous years, permanently performing research and development activities tied to the own activities of each company.

d) Acquisitions of own shares.-

Corporación Noroeste, S.A. and its subsidiary companies do not have, at 31 December 2011, price regulation, directly or through a third one, and have not performed operations with own shares.

e) Forecast related to the evolution of the Company.-

The deterioration of the construction activity throughout the year 2011 is expected to follow the next fiscal year.

Anyway, the scenes change depending if it is the North peninsular zone, the South or the Canary Islands. Therefore, in the North, the cement consumption is expected to achieve approximately 1,5 millions of tons, a 18,9% minus than the one recorded in 2011. This evolution is based in a lower rhythm of consumption or in infrastructures investments than in these last years. The lack of growth of the sub-sector of the residential construction in the Galician market, as well as the end of the port works in La Coruña.

The market of the South will suffer a less pronounced descent than the Galician market, experiencing a descent of only the 3,2% regarding the 2011, being the estimated consumption about 3,7 millions of tons. We estimate to keep the balance with regard to the previous year, in the sale of clinker to our associated companies (Ceisa).

And the market in the Canary Islands should present an increase close to the 8,3%, with an estimated consumption about 0,77 millions of cement tons.

The rest of the activities of the Group present the following scenes; in the concrete activity we expect a descent of the 1,3% in the North, the 5,9% in the market of Andalusia, the 3,3% in Extremadura and a small increase of the 1,9% in the Canary Islands. The aggregates activity, that at a global level expects a descent of the 14,5% with regard to the previous year, changes according to the zone. Therefore in the North we expect a descent of the 1%, and the 38% in the South.

Finally, in the mortars activity we expect a descent in the units sold of a 6,1%, with an estimation for the North of a descent of the 8,4% and in the Canary Island an increase of the 4,7%.

f) Derived financial instruments.-

The Corporación Noroeste group has not used or have not engaged under contract any derived financial instrument.

STATEMENT ABOUT THE ENVIRONMENTAL INFORMATION IN THE CONSOLIDATED ANNAUL ACCOUNTS CORRESPONDING TO THE FINANCIAL YEAR 2011

CARRIED OUT BY:

CORPORACIÓN NOROESTE, S.A. – NIF A36603025

AND SUBSIDIARY COMPANIES

At 31 December 2011 the cost and amortization of the tangible assets allocated to the protection and improvement of the environment arose to 48.490.170,60 euros (46.490.251,54 euros in 2010) and to 27.738.413,41 euros (25.233.640,69 euros in 2010), respectively. Furthermore, the additions by assets purchases allocated to environmental purposes have arisen to 1.999.504,18 euros (1.113.545,27 euros in 2010).

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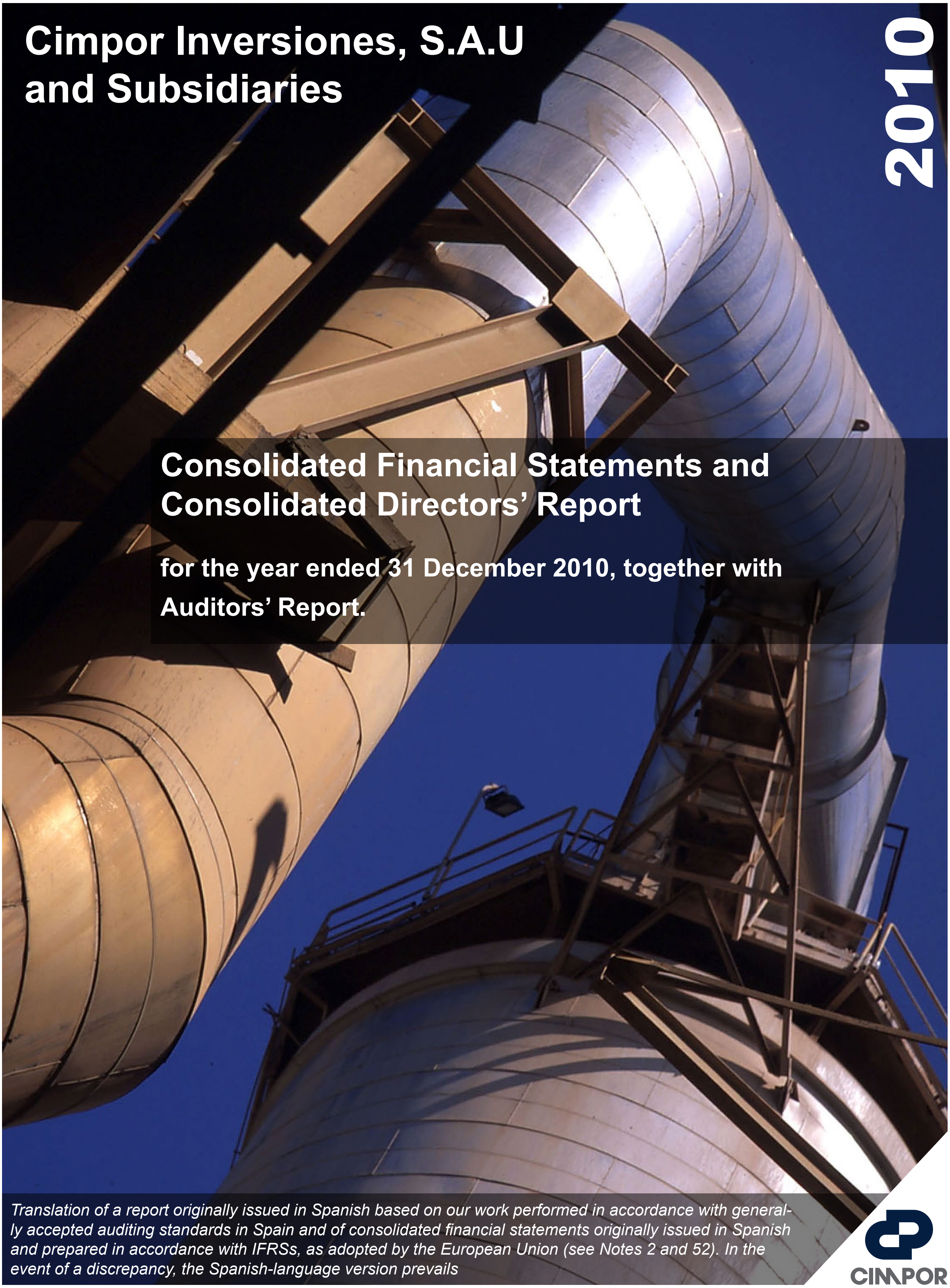
For the period 2008-2012, the Government approved the National Assignment Emissions Plan on 24 November of 2006 and on 14 November of 2007 the Agreement of the Council of Ministers is published, whereby the individual allocation in plants included in this Plan is approved, implying again the two plant of Cementos Cosmos, S.A. (factories of Oural and Toral de los Vados). The total of the emission rights given for the period 2008-2012 arises to 5.292.775 Tm., and for the two factories of Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., (Córdoba and Niebla), with a total emission rights for the period 2008-2012 of 4.836.070 Tm.

Through this Law 1/2005 (9 March), the trade regime of greenhouse emission gas is regulated, and is the transposition of the European Directive. This Law establishes that the rights allocated to each industry are free of charge in this First National Plan and a Record is created to write down the rights conceded by the Administration and the movements performed with these rights.

In the fiscal year 2011 and 2010 the factories Cementos Cosmos, S.A. and Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A. have an authorization to emit 1.058.555 Tm. and 967.214 Tm. of CO_2 (1.058.555 Tm. and 967.214 Tm. in 2008), and according to the projects and measurements of those companies, pending on the verification of an accredited organism, the emitted gases would have been 588.161 Tm and 757.869 Tm of CO_2 (839.532 Tm and 888.034 Tm in 2010), respectively and approximately. In the fiscal year 2011, Cementos Cosmos, S.A. and Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A.U. have sold a total of 575.000 Tm. of CO_2 (150.000 Tm in 2010) (Note 10). For that reason a consolidated level of surplus of 284.384 Tm. of CO_2 (176.903 Tm. in 2010) has been generated.

Cimpor Inversiones, S.A.U and Subsidiaries

2010



Consolidated Financial Statements and Consolidated Directors' Report

for the year ended 31 December 2010, together with Auditors' Report.

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union (see Notes 2 and 52). In the event of a discrepancy, the Spanish-language version prevails

CIMPOR

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Sole Shareholder of
Cimpor Inversiones, S.A. (Sole-Shareholder Company):

We have audited the consolidated financial statements of CIMPOR INVERSIONES, S.A. (SOLE-SHAREHOLDER COMPANY) (the Parent) AND SUBSIDIARIES (the Group), which comprise the consolidated statement of financial position at 31 December 2010 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. As indicated in Note 2.1 to the accompanying consolidated financial statements, the Parent's directors are responsible for the preparation of the Group's consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying consolidated financial statements for 2010 present fairly, in all material respects, the consolidated equity and consolidated financial position of Cimpor Inversiones, S.A. (Sole-Shareholder Company) and Subsidiaries at 31 December 2010, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.

The accompanying consolidated directors' report for 2010 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2010. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Cimpor Inversiones, S.A. (Sole-Shareholder Company) and Subsidiaries.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Signed by Jaime Del Olmo Casalderrey

1 April 2011

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union . In the event of a discrepancy, the Spanish-language version prevails.

CIMPOR INVERSIONES, S.A. (Sole-Shareholder Company)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2010 AND 2009

(Thousands of Euros)

	Notes	31/12/10	31/12/09
Non-current assets:			
Goodwill	17	1.725.736	1.590.292
Intangible assets	18	51.065	53.236
Property, plant and equipment	19	1.732.848	1.628.784
Investments in associates	20	19.011	20.597
Other investments	21	4.196	1.401
Deferred tax assets	26	121.940	99.638
Other receivables	23	11.173	8.548
Tax receivables	24	33.851	28.033
Other non-current assets	25	22.218	32.188
Total non-current assets		**3.722.038**	**3.462.717**
Current assets:			
Non-current assets held for sale	22	-	11.056
Inventories	27	311.548	241.196
Trade receivables and advances to suppliers	28	212.925	193.575
Other receivables	23	14.591	18.079
Tax receivables	24	52.524	49.085
Cash and cash equivalents	46	457.331	269.414
Other current assets	25	20.930	24.381
Total current assets		**1.069.849**	**806.786**
Total assets		**4.791.887**	**4.269.503**
Equity:			
Share capital	29	522.700	522.700
Share premium		52	52
Translation differences	31	387.998	145.721
Reserves	32	255.359	254.994
Consolidation reserves	33	544.335	447.976
Profit for the year		212.464	172.861
Interim dividends		(140.000)	(70.000)
Equity attributable to the Parent		1.782.908	1.474.304
Minority interests	34	95.966	90.088
Total equity		**1.878.874**	**1.564.392**
Non-current liabilities:			
Borrowings	37	806.594	749.859
Finance leases	38	3.070	4.732
Deferred tax liabilities	26	190.442	156.488
Employee benefits	35	2.719	2.527
Provisions	36	89.602	78.177
Other payables	41	20.652	17.349
Group and associates companies	41 and 47	479.364	851.385
Tax payables	24	521	984
Other non-current liabilities	42	79.911	122.325
Total non-current liabilities		**1.672.875**	**1.983.826**
Current liabilities:			
Trade payables and customer advances	43	154.866	142.881
Tax payables	24	37.972	33.753
Finance leases	38	2.999	2.783
Current borrowings	37	323.702	442.994
Short-term provisions	36	1.101	962
Other payables	41	60.918	51.112
Group and associates companies	41 and 47	623.029	18.960
Other current liabilities	42	35.237	27.428
Total current liabilities		**1.240.138**	**721.285**
Total liabilities		**2.913.013**	**2.705.111**
Total equity and liabilities		**4.791.887**	**4.269.503**

The accompanying Notes 1 to 52 are an integral part of the consolidated statement for 2010 and 2009

The Board of Directors

(Unreadable Signature)
Francisco José Queiroz de Barros de Lacerda

(Unreadable Signature)
Luís Filipe Sequeira Martins

(Unreadable Signature)
Antonio Carlos Custódio de Morais Varela

(Unreadable Signature)
Luis Miguel da Silveira Ribeiro Vaz

(Unreadable Signature)
Eduardo Guedes Duarte

(Unreadable Signature)
Angel Longarela Pena

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union . In the event of a discrepancy, the Spanish-language version prevails.

CIMPOR INVERSIONES, S.A.(Sole-Shareholder Company)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

(Thousands of Euros)

	Notes	dic-10	dic-09
Sales		1.803.330	1.596.897
Services rendered		82.229	74.611
Other operating income	9	49.184	38.385
Total operating income		1.934.743	1.709.893
Cost of sales	10	(622.947)	(525.486)
Changes in inventories		15.731	(1.778)
Utilities and outside services		(606.310)	(521.312)
Staff costs	11	(184.456)	(172.739)
Depreciation and amortisation charge	18 and 19	(154.204)	(166.552)
Provisions and impairment losses		(5.859)	(622)
Other operating expenses	12	(32.519)	(28.520)
Total operating expenses		(1.590.564)	(1.417.009)
Profit from operations		344.179	292.884
Finance costs	13	(141.218)	(139.942)
Finance income	13	96.630	92.216
Result of companies accounted for using the equity method	13,20 and 36	(1.617)	(831)
Income from investments	13	22	(7.997)
Profit before tax		297.996	236.330
Income tax	14	(76.259)	(54.739)
Profit for the year		221.737	181.591
Other comprehensive income:			
Cash flow hedging financial instruments		2.010	3.469
Actuarial gain and loss on employee benefit plans	32,33 and 34	(486)	337
Currency translation adjustments		256.753	275.775
Results recognised directly in equity		258.277	279.581
Total comprehensive income for the year		480.014	461.172
Net profit for the year attributable to:			
The Parent		212.464	172.861
Minority interests	34	9.273	8.730
		221.737	181.591
Total comprehensive income for the year attributable to:			
The Parent			
Minority interests		456.256	455.073
		23.758	6.099
		480.014	461.172
Earnings per share:			
Basic and diluted	16	4,06	3,31

The accompanying Notes 1 to 52 are an integral part of the consolidated statement for 2010 and 2009

The Board of Directors

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CIMPOR - CIMENTOS DE PORTUGAL, SGPS, S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

(Amounts stated in thousands of euros)

	Notes	Share capital	Share Premium Account	Translation Differences	Reserves	Consolidation Reserves	Profit	Interim dividends	Shareholders' equity attributable to equity holders	Minority interest	Total shareholders' equity
Balances at 1 January 2009		522.700	52	(132.760)	95.905	440.333	163.190	-	1.089.420	106.405	1.195.825
Consolidated net profit for the year	8	-	-	-	-	-	172.861	-	172.861	8.730	181.591
Results recognised directly in equity		-	-	278.481	3.731	-	-	-	282.212	(2.631)	279.581
Total comprehensive income for the year		-	-	278.481	3.731	-	172.861	-	455.073	6.099	461.172
Appropriation of consolidated profit of 2008:											
Transfer to legal reserves and retained earnings	31 and 32	-	-	-	155.359	7.831	(163.190)	-	-	-	-
Dividends	15, 32 and 33	-	-	-	-	(145)	-	(70.000)	(70.145)	(13.047)	(83.192)
Fair value allocation in acquired subsidiaries	6 and 33	-	-	-	-	-	-	-	-	1.204	1.204
Variation in financial investments and others	32 and 33	-	-	-	(1)	(43)	-	-	(44)	(10.573)	(10.617)
Balances at 1 January 2010		522.700	52	145.721	254.994	447.976	172.861	(70.000)	1.474.304	90.088	1.564.392
Consolidated net profit for the year	8	-	-	-	-	-	212.464	-	212.464	9.273	221.737
Results recognised directly in equity		-	-	242.277	1.515	-	-	-	243.792	14.485	258.277
Total comprehensive income for the year		-	-	242.277	1.515	-	212.464	-	456.256	23.758	480.014
Appropriation of consolidated profit of 2009:											
Transfer to legal reserves and retained earnings	31 and 32	-	-	-	5.912	96.949	(172.861)	70.000	-	-	-
Dividends	15, 32 and 33	-	-	-	-	-	-	(140.000)	(140.000)	(14.460)	(154.460)
Variation in financial investments and others	32 and 33	-	-	-	(7.062)	(590)	-	-	(7.652)	(3.420)	(11.072)
Balances at 31 December 2010		522.700	52	387.998	255.359	544.335	212.464	(140.000)	1.782.908	95.966	1.878.874

The accompanying Notes 1 to 49 are an integral part of the consolidated statements of changes in equity for 2010 and 2009

The Board of Directors

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Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union, in the event of a discrepancy, the Spanish-language version prevails.

CIMPOR INVERSIONES, S.A. (SOLE SHAREHOLDER COMPANY) AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED

31 DECEMBER 2010 AND 2009

(Amounts stated in thousands of euros)

	Notes	2010	2009
Operating activities:			
Receipts from clients		2.184.160	1.936.838
Payments to suppliers		(1.334.988)	(1.110.497)
Payments to employees		(178.542)	(167.639)
Cash flow generated by operations		670.630	658.702
Income tax recovered / (paid)		(60.771)	(47.120)
Other receipts relating to operating activities		(203.840)	(154.531)
Cash flow from operating activities (1)		406.019	457.050
Investing activities:			
Receipts relating to:			
Changes in the scope of consolidation	6	300	5.368
Financial investments	46	30	135.883
Property, plants and equipments		5.178	2.209
Grants related to assets		530	1.728
Interests and similar income		34.333	12.985
Dividends		41	214
Other		6	597
		40.419	158.985
Payments relating to:			
Changes in the scope of consolidation	6	(711)	(3.310)
Financial investments	46	(21.361)	(95.830)
Property, plants and equipments		(153.365)	(215.438)
Intangible assets		(2.217)	(3.178)
Other		(118)	(0)
		(177.772)	(317.757)
Cash flow from investing activities (2)		(137.353)	(158.772)
Financing activities:			
Receipts relating to:			
Loans	37 and 46	619.221	298.555
Other		1.165	2.637
		620.385	301.191
Payments relating to:			
Loans	37 and 46	(500.257)	(307.202)
Iinterest and similar expenses		(86.717)	(90.940)
Dividends	15	(140.000)	(70.000)
Other	46	(16.038)	(13.708)
		(743.011)	(481.849)
Cash flow from financing activities (3)		(122.626)	(180.658)
Change in cash and cash equivalents (4)=(1)+(2)+(3)		146.039	117.620
Effect of exchange differences and other non-monetary transactions		19.656	6.146
Cash and cash equivalents at the beginning of the year	46	210.889	87.122
Cash and cash equivalents at the end of the year	46	376.584	210.889

The accompanying Notes 1 to 52 are an integral part of the consolidated cash flow statements for 2010 and 2009

The Board of Directors

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

CONTENTS

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union (see Notes 2 and 52). In the event of a discrepancy, the Spanish-language version prevails.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

(Thousands of Euros)

1. INTRODUCTORY NOTE

Cimpor Inversiones, S.A. Sole-Shareholder Company (the Parent) was formed on 29 August 2002 under the name of Cimpor Inversiones, S.L. On June 4, 2004 it changed its legal form to a Public Limited Company and its name to the current one. Its registered office is in Vigo (Pontevedra).

Its corporate purpose is as follows:

- The acquisition, holding and use, general administration, disposal and encumbrance of Spanish marketable fixed-income and equity securities through the related organisation of material and human resources.

- The acquisition, holding and use, disposal, encumbrance, management and administration of fixed-income and equity securities of companies not resident in Spain through the related organisation of material and human resources.

- The acquisition, holding and use, general administration, disposal and encumbrance of foreign marketable fixed-income securities.

Cimpor Inversiones, S.A.U.(Sole-Shareholder Company) is the Parent of the Cimpor Inversiones Group, which carries on its business activities in Spain, Morocco, Mozambique, Brazil, Tunisia, Egypt, South Africa, Cape Verde Islands, Hong Kong (China), Turkey and Peru. In turn, it belongs to the Cimpor Group whose Parent, CIMPOR-Cimentos de Portugal, SGPS, S.A. is listed on the Lisbon Stock Exchange (Portugal).

On February 8, 2011 Spanish National Securities Market Commission agrees to the entry in the official registers referred to in Article 92 of Law 24/1998 of Stock Market Investments of the Cimpor Inversiones S.A.U. society, as well as programs emission of fixed income and notes of the company

The core business of the Cimpor Inversiones Group is the manufacture and marketing of cement. Concrete, aggregates and mortar are manufactured and marketed as part of a vertically integrated business approach.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS AND BASIS OF CONSOLIDATION

2.1. Basis of presentation

Cimpor Inversiones, S.A.U. (Sole-Shareholder Company) opted not to avail itself of the exemption from preparing its consolidated financial statements provided for in corporate legislation for companies consolidated in a higher group belonging to a member state of the European Union (the Cimpor Group in Portugal).

The consolidated financial statements for 2010 of the Cimpor Inversiones Group were prepared by the Parent's Directors, at the Board of Directors Meeting held on March 31th 2011, in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, effective for periods beginning on or after 1 January 2010, and in accordance with the policies established by the Spanish Commercial Code, the Spanish Limited Liability Companies Act and other commercial laws which is applicable.

These consolidated financial statements present fairly the Group's consolidated equity and financial position at 31 December 2010, and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.

Notes 2.3, 2.4 and 3 include summaries of the most significant accounting policies and measurement bases used in preparing the Group's consolidated financial statements for 2010.

The consolidated financial statements for 2010 of Cimpor Inversiones Group prepared on the basis of the accounting records kept by the Company and by the other Group companies. Each company prepares its financial statements in accordance with the accounting principles and methods in force in the country in which it carries on its business operations. Accordingly, the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with IFRSs.

The 2010 consolidated financial statements of the Group and the 2010 financial statements of the Group companies have not yet been approved by their shareholders at the respective Annual General Meetings. However, the Parent's Board of Directors considers that the aforementioned financial statements will be approved without any material changes. The 2009 consolidated financial statements of the Group and the 2009 financial statements of the Group companies were approved on their legal term.

2.2. New accounting standards and its impact in the financial statements

The following standards, interpretations, amendments and revisions approved (endorsed) by the European Union with mandatory application in the financial years beginning on or after 1 January 2009, and which have had an impact on the Group's financial statements, were adopted for the first time in the year ended 31 December 2009:

Standard / interpretation	Effective date (years beginning on or after)	Breif description
New standards and interpretations:		
IFRIC 16 - Hedges of a net Investment in a foreign operation	1 Jul 09	The Interpretation provides guidance on the detailed requirements for net investment hedging for certain hedge accounting designations.
IFRIC 17 - Distributions of non-cash assets to owners	1 Jul 09	The Interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders.
Revisions:		
IFRS 3 – Business combinations and IAS 27 – Consolidated and separate financial statements (as revised in 2008)	1 Jul 09	Introduces changes regarding the recording of business combinations, namely in what regards: (a) measurement of non-controlling interests (previously referred to as minority interests); (b) the recognition and subsequent accounting requirements for contingent consideration; (c) the treatment of acquisition-related costs; and (d) the recording of purchase of interests in previously controlled entities and sale of interests without loss of control.
IAS 28 (revised in 2008) - Investments in associates	1 Jul 09	The abovementioned principles adopted for IAS 27 (2008) in what concerns the determination of the result from the sale are also extended to IAS 28.
IFRS 1 (revised) – First-time adoption of international financial reporting standards	1 Jul 09	This standard was revised to aggregate all the amendments that have occurred since its first version.
IAS 39 – Amendments (Eligible hedged items)	1 Jul 09	The amendments provide clarification on two aspects of hedge accounting: identifying inflation as a hedged risk or portion, and hedging with options.
Amendments:		
IFRS 2 - Amendment (Transactions of share-based payments between entities of the same group)	1 Jan 10	This amendment clarifies certain aspects related to share-based payments settled financially within the same group.

The impact on the Group’s financial statements for the year ended 31 December 2009 arising from the adoption of the abovementioned new standards, interpretations, amendments and revisions only occurred in relation to the presentation and disclosure of financial information and level and accounting for minority interests. Notably, within the scope of the review of the applicable standard in the concentration of business activities ("IFRS 3") in the year ended December 31, 2010, the acquisition of 2.74% stake in the company Amreyah Egyptian Cement Company ("CCMA") for approximately 10 3 million euros, leaving the group with a turnout of 99.13%, the difference between that cost and the corresponding part in the interests not controlled approximately 3.6 billion euros, should be registered in a specific account lso equity (previously had been recorded as an increase in goodwill).

The following standards, interpretations, amendments and revisions approved (endorsed) by the European Union by the date of approval of these financial statements, with potential impact on the Group’s financial statements, are of mandatory application in future financial years:

Standard / interpretation	Effective date (years beginning on or after)	Breif description
New standards and interpretations:		
IFRIC 19 – Extinguishing financial liabilities with equity	1 Jul 10	IFRIC 19 addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability. It does not address the accounting by the creditor.
Revisions:		
IAS 24 – Related party disclosures (revised)	1 Jan 11	This review brings some clarifications related to the disclosures to be made in related parties, in particular with respect to the government related entities.
Amendments:		
IAS 32 Amendment (Classification of emission rights)	1 Feb 10	This amendment clarifies the conditions in which emission rights can be classified as equity instruments).
IFRIC 14 – Amendment - Prepayments of a minimum funding requirement	1 Jan 11	This amendment is aimed at correcting the unintended treatment of prepayments for future contributions. In some circumstances, it is not permitted to recognise as an asset some prepayments for minimum funding contributions.

These standards although approved (endorsed by the European Union were not adopted by the Group for the year ended 31 December 2009 because their application is not yet binding. The evaluation of the impact of the adoption of these standards is not concluded, though impacts of material relevance to the Group's financial statements are not expected.

2.3. Critical accounting judgements/estimatives.

The preparation of these consolidated financial statements in conformity with IFRS recognition and measurement requires the Board of Directors of the Parent Company, to make judgements, estimates and assumptions.

These consolidated financial statements are based on the best knowledge existing at each moment and the planned actions and are regularly reviewed based on the information available.

The significant estimates and assumptions made by the Board of Directors of the Parent Company in preparing these consolidated financial statements include assumptions used in estimating the following items:

- Impairment of non current assets

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

The identification of impairment indicators, the estimate of the future cash flows and the determination of the assets' recoverable amount, are subject of a high level of management judgements by the Board of Directors.

- Impairment of goodwill

Goodwill is subjected to annual impairment tests or whenever there are indications of a possible loss in value, in accordance with the policy mentioned in Note 17. The recoverable amounts of the cash-generating units to which goodwill has been allocated, are determined according to the expected cash flows. The calculation of the realization of these amounts requires the use by the Management of estimates regarding the future evolution of the activity and the discount rates considered.

- Useful lives of intangible and tangible fixed assets

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

The determination of the assets useful lives, amortizacion/depreciation method to apply and of the estimated losses resulting from the early replacement of equipments, due to technological obsolescence, is essential to determine the amount of amortization/depreciation charge to the consolidated income statement of each year.

These three parameters are defined according to Management's best estimate, for the assets and businesses in question, considering as well the best practices adopted by companies operating in the same sectors.

- Provision recognition

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

- Recognition of deferred tax assets

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

- Accounts receivable impairment

The credit risk associated to accounts receivable is evaluated at the end of each reporting period, taking into account the client's historical information and his risk profile. The accounts receivable are adjusted by the assessment performed by the Management of the estimated collection risks at the balance sheet dates, which might differ from the effective risk to incur.

- Retirement and healthcare benefits

An actuarial valuation made by independent experts and based on economic and demographic indicators is performed each year in order to assess the liabilities resulting from retirement and healthcare benefits granted to Cimpor Inversiones Group's employees.

Although these estimates were made on the basis of the best information on the events analysed available at the date of preparation of these consolidated financial statements, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related future consolidated income statements.

2.4. Basis of consolidation

a) Subsidiaries

In each accounting year the subsidiaries were consolidated using the full consolidation method. Dependent companies are those which the Group has effective power over, i.e. which the dominant company has or may have direct or indirect power and control over, and this is understood as the power to manage the financial and management policies of a company in order to obtain economic profit from its activities. This is reflected in general, but not solely, by the direct or indirect ownership of 50% or more of the rights to vote and this method of consolidation has been followed for all the companies with a share of over 50%.

The operations of the Parent and of the consolidated subsidiaries were consolidated in accordance with the following basic principles:

1. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair value. Any excess of the cost of acquisition of the subsidiary over the fair value of its assets and liabilities, in proportion to the Parent's ownership interest, is recognised as consolidation goodwill. Any deficiency of the cost of acquisition below the fair value of the assets and liabilities is credited to the consolidated income statement. The interest of minority shareholders is stated at the minority's proportion of the fair value of the assets and liabilities identified.

2. The interest of minority shareholders' in the equity and results of the fully consolidated subsidiaries is presented under "Equity – External Partners" in the consolidated balance sheet and under "Profit for the Year - Attributable to External Partners" in the consolidated income statement, respectively.

3. The financial statements of the foreign companies with a functional currency other than the euro are translated to euros:

   a) Assets and liabilities are translated at the exchange rates prevailing on the date of the consolidated financial statements.

   b) Income and expense items of the income statement are translated at the average exchange rates estimated for the year.

   c) Equity is translated at the historical exchange rates prevailing at the date of acquisition (or at the average exchange rates in the year it was generated, in the case of both accumulated earnings and the contributions made), as appropriate.

   Exchange differences arising on translation of the financial statements are recognised, net of the related tax effect, under "Equity - Translation Differences" (see Note 31).

When the losses attributable to minority interests are greater than the minority shareholders' share in the capital of the subsidiary, the Group absorbs this and any additional loss, except when the minority shareholders are obliged, and have the capacity, to cover these losses. If the subsidiary were subsequently to obtain profit, the Group would attribute this profit to itself, until the portion of the losses previously absorbed by the Group has been recovered.

The results of subsidiaries acquired or sold during the year are included in the consolidated income statement from the date of acquisition to the date of disposal.

Significant transactions and balances between consolidated companies were eliminated on consolidation. Any gains on disposals of investees, performed within the Group, are also eliminated.

Where necessary, adjustments are made to the financial statements of the subsidiaries, in order to unify the respective accounting policies applied with the Group's accounting policies.

Companies formed for a specific purpose and over which the Group, despite not holding a direct ownership interest therein, exercises effective control are fully consolidated.

b) Jointly controlled entities

Investments in jointly controlled entities were proportionately consolidated, from the date of acquisition. Using the proportional consolidation method, the assets, liabilities, income and expenses of these companies were included in the consolidated financial statements, heading by heading, in proportion to the control attributable to the Group.

Any excess of the cost of acquisition over the fair value of the identifiable assets and liabilities of the jointly controlled entity at the acquisition date is recognised as goodwill. If the difference between cost and the fair value of the net assets acquired is negative, it is recognised as income for the period.

Intra-Group transactions, balances and dividends are eliminated in proportion to the control attributable to the Group.

Classification as a jointly controlled investment is determined by the contractual arrangements undertake on the economic activity that is subject to joint control.

c) Goodwill from consolidation and business combinations-

Business combinations, namely the acquisition of subsidiaries are recorded in accordance with the purchase method. In future consolidated financial statements, the suppression of investment-net assets of the dependent companies will be based, as a general rule, on the value resulting from the application of the purchase method describe below, as of the control date.

Business combinations are recorded using the purchase method, by which the acquisition date is determined and the cost of the combination is calculated, recording identifiable assets acquired and liabilities assumed at the fair value on that date.

The goodwill or negative difference resulting from the combination is determined by the difference between the fair value of the assets acquired and the liabilities assumed and the combination costs, as of the acquisition date.

The combination costs are determined by aggregation of:

- The acquired assets, liabilities incurred or assumed and equity instruments issued at their fair value as of the date of acquisition.

- Any contingency at its fair value which depends of future events or the compliance of predetermined conditions.

Costs related to the issue of equity instruments or the transfer of liabilities in exchange of the acquired assets are not part of the combination costs.

Additionally, and effective from 1 January 2010, fees paid to legal advisors and other professionals involved in the combination as well as the internal costs arising in connection with it are not part of the combination. These amounts are introduced directly in the balance sheet.

If the business combination is carried out in stages, so that prior to the acquisition (effective control date) there was an existing investment, the goodwill or the negative difference is determined by the difference between:

- The cost of the business combination plus the fair value of any previous interest held by the acquiring company in the acquired company as of the acquisition date; and,

- The value of the identifiable assets acquired minus the value of the liabilities assumed, determined according to the above explanation.

Any profit or loss arising as a result of the valuation at fair value on the date control Cualquier beneficio o pérdida que surja como consecuencia de la valoración a valor razonable en la fecha en que se obtiene el control de la participación previa existente en la adquirida, se reconocerá en la cuenta de pérdidas y ganancias. If the investment in this investee company had been valued previously at its fair value, the valuation adjustments pending of inclusion in the tax year results will be transferred to the profit and loss account. On the other hand, it is considered that the business combination costs are the best reference to estimate the fair value of any previous shareholding at the acquisition date.

Goodwills arising on the acquisition of companies with functional currencies other than euro are valued in the functional currency of the acquired company, performing the conversion to euros at the exchange rate prevailing at the date of the statement of financial position.

Goodwills are not amortised and are subsequently valued at their cost minus impairment losses in value. Impairment valuation corrections recognised in the goodwill are not subject to reversal in subsequent tax years.

In the rare event of a negative difference arising from the business combination, it will be recorded in the profit and loss account as revenue.

If at the closing date of the tax year in which the combination took place, the valuation processes required in order to apply the acquisition method previously described cannot be concluded, this record will be considered as provisional and they can be adjusted during the period of time needed to obtain the required information, which, in any case, will not exceed twelve months. The effect of the adjustments applied in this period will be recorded retrospectively, modifying the comparative information if needed.

Subsequent changes in the fair value of the contingent consideration are adjusted against results, unless such consideration had been classified as net assets, in which case, no subsequent changes in its fair value will be recorded.

d) Investments in associates

An associate is a company over which the Group exercises significant influence, but not control or joint control, through its participation in the management-related decisions. Usually, it holds a participating interest (directly or indirectly) equal or higher than 20% of the voting rights of the investee.

Investments in associates (see Note 20) are accounted for using the equity method, except when they are classified as available for sale, in which case the ownership interest is initially recognised at acquisition cost, plus or minus the difference between this cost and the proportional value of the Group's equity interest in these companies, measured at the date of acquisition or on the first-time application of the aforementioned method.

In accordance with the equity method, the investments are periodically adjusted to reflect the value of the share of results of associates with a charge or a credit, as appropriate, to the gains or losses on investments in these associates (see Note 13); other changes arising in their equity (with a balancing item in unrestricted reserves); and impairment losses.

Any losses at associates in excess of the investment made in them are not recognised, unless the Group has assumed commitments with the associate in question.

Also, the dividends received from these companies are recognised as a reduction of the amount of the investments.

Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the associates. Unrealised losses are also eliminated, but only if the loss does not evidence an impairment of the transferred asset.

e) Goodwill

Differences between the cost of investments in Group companies and associates, plus in the case of subsidiaries, the amount of non-controlling interests, and the fair value of the identifiable assets and liabilities of these companies as of the date of acquisition, if positive, are recognized as goodwill or maintained in the caption investments in associates.

Goodwill is recognised as an asset and is not amortised and is presented either as a separate balance-sheet or into the "Investments in associates" caption (Notes 17 and 20). Annually, or whenever there are indications of a possible loss in value, goodwill is subjected to impairment tests the recoverable amount being determined based on the business plans used by management. Any impairment losses are recognised immediately as an expense in the Income statement for the year and cannot subsequently be reversed.

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

Goodwill is stated in the currency of the subsidiary, being translated to the reporting currency (Euros) at the rate of exchange as of the balance sheet date. Exchange differences generated in that translation are recorded in the equity caption "Currency translation adjustments".

Exchange differences arising prior to 1 January 2004 were taken directly to reserves, in accordance with IFRS 1.

Where cost is less than the fair value of the net assets identified, the difference is recorded as a gain in the statement of profit and loss for the period in which the acquisition takes place.

2.5. Working Capital

As the enclosed consolidated balance reflects, on December 31st 2010, the Group had a negative working capital totalling approximately €170 million, as current liabilities were higher than current assets. However, according to the administrators of the dominant company, no difficulties are foreseen in facing debts to third parties when date of payment is reached. The estimates from the companies in the Group reflect the management's judgement, based on present circumstances, considering the most significant factors and the most likely progress, and it is predicted that sufficient funds will be raised to face payments to the companies in the Group next year. It must also be mentioned that there are discount and credit lines available on closing the financial year worth €850 million (see note 40). The administrators of the dominant company also confirm that the sole shareholder will provide financial and capital support if necessary to guarantee that the Group's transactions continue as normal.

3. ACCOUNTING POLICIES

The principal accounting policies used in preparing the Group's consolidated financial statements, in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union, were as follows:

3.1. Intangible assets

Intangible assets, which comprise essentially the costs incurred on specific projects with future economic value, are stated at cost less accumulated amortisation and impairment losses, if any.

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

Amortisation of such assets is provided on a straight-line basis as from the date the assets start being used, in accordance with their estimated useful life.

Intangible assets which are expected to generate future economic benefits for an unlimited period are known as intangible assets of undefined useful life. Such assets are not amortised but are subject to periodical impairment tests. At 31 December 2010 and 2009, the Group does not have this type of assets.

3.2. Property, plant and equipment

Property, plant and equipment used in production and the provision of services or for administrative purposes are recognised at acquisition or production cost, including the expenses attributable to the purchase, less any accumulated depreciation and any impairment losses. In case of certain lands, future obligations related to environmental restoration are recorded as costs, with a counterpart in the "Provisions for risks and expenses" caption.

The value of the assets relating to the cement line of business at 1 January 2004 was recalculated as permitted by the transitional provisions of IFRS 1, on the basis of a study conducted by an independent appraisal company. The resulting appraised value was taken to be the new cost.

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

	Years of Useful Life
Buildings and other structures	10 – 50
Plant and machinery	7 – 30
Transport equipment	4 – 8
Hand and machine tools	2 – 8
Furniture and fixtures	2 – 14
Other items of property, plant and equipment	2 – 10

Land used for quarries is depreciated over its estimated period of operation, less, where applicable, its residual value.

The depreciable amount of property, plant and equipment, particularly in relation with land used for quarries, does not include the estimated residual value of the assets at the end of their respective useful lives. Also, depreciation ceases when the assets are classified as held for sale.

Replacements or renewals of complete items, and costs of expansion, modernisation or improvements that lead to a lengthening of the useful life of the assets or to an increase in their productivity or economic capacity are recorded as additions to property, plant and equipment, and the items replaced or renewed are derecognised.

Periodic maintenance, upkeep and repair expenses are recognised in the income statement on an accrual basis as incurred.

Property, plant and equipment in the course of construction, which represent assets still at the construction/assembly phase, are recognised at acquisition or production cost, less any possible impairment losses. Depreciation of these assets begins when they are in the condition necessary for them to be used for the intended purposes.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the selling price and the carrying amount of the asset and is recognised in the profit and loss statement.

The work that the Group performed for its own fixed assets reflect the accumulated cost once added to the external costs, internal costs determined on the basis of its own warehouse materials consumption and manufacturing costs applied as absorption hourly rates similar to those used for the valuation of stocks. These expenses have been recorded crediting the heading "Works performed by the Group for the fixed assets” of the profit and loss accounts amounting €2,242.0 thousand (€2,757.0 thousand in 2009).

The financial expenses accrued before the tangible fixed assets operation that correspond to external financing are included in the purchase price or production cost.

3.3. Leases

Leases are defined as: (i) finance leases, if the terms of the lease transfer substantially all the risks and rewards incidental to ownership; and (ii) operating leases, if the terms of the lease do not transfer substantially all the risks and rewards incidental to ownership.

Classification of leases as finance or operating leases depends on the substance of the transaction rather than the terms stipulated in the contract.

Property, plant and equipment held under finance leases, and the related debt, are recognised on a time proportion basis. Accordingly, the cost of the asset is recognised as an item of property, plant and equipment, the related debt is recognised as a liability and the interest included in the amount of the lease payments paid and the depreciation charge for the asset calculated, as described above, are recognised as an expense in the related income statement.

In operating leases, the lease payments paid are recognised as an expense in the income statement, on straight-line basis (constant payments) over the term of the contracts.

3.4. Impairment of property, plant and equipment and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset itself does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.5. Foreign currency assets, liabilities and transactions

Transactions in currencies other than the euro are recognised at the exchange rates prevailing at the transaction date. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was established.

Exchange gains or losses arising due to differences between the exchange rates prevailing at the date of the transactions and those prevailing at the date of collection/payment or at the balance sheet date, are recognised as income or expenses in the consolidated income statement for the year, except for those relating to non-monetary assets, whose changes in fair value are recognised directly in equity (translation differences), and which include in particular:

- Exchange differences arising from the translation of medium- and long-term intra-Group balances in foreign currency, which in practice are comparable to an extension of financial assets;

- The exchange differences arising from financial transactions arranged to hedge the exchange rate risk of financial assets denominated in foreign currency, as indicated in IAS 21, *The Effects of Changes in Foreign Exchange Rates,* provided that these transactions meet the effectiveness criteria established in IAS 39 – Financial instruments: Recognition and measurement ("IAS 39") .

In order to reduce its exposure to foreign currency risk, the Group arranges derivative hedging instruments.

3.6. Borrowing costs

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

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

Also, to the extent that fixed interest rate loans are used to finance a qualifying asset are covered by a fair value hedge relation, the financial expenses in adition to the cost of the asset should reflect the interest rate covered.

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

3.7. Government grants

Government grants are recognised at fair value if there is reasonable assurance that they will be received and that the Group will fulfil the conditions attaching to their award.

Grants related to income, in particular those for staff training, are taken to income in the year in which they match the related costs incurred.

Non-refundable grants related to the purchase of non-current assets are recognised under "Other Non-Current Liabilities" and are credited to income on a straight-line basis, in proportion to the depreciation taken on assets financed by them, thus offsetting the related depreciation charge.

3.8. Inventories

Goods for resale, raw materials and supplies are measured at cost, using the weighted average cost formula.

Work in progress and finished goods are measured at cost of production, which includes the cost of raw materials used, labour and production overheads.

If the market price is lower than acquisition or production cost, the value of the inventories is written down. The write-down is subsequently reversed when the reasons that gave rise to it cease to exist.

3.9. Non-current assets held for sale

The Group classifies a non-current asset or a disposal group as maintained for sale when the decision has been made to sell it and this is estimated to be done within the following twelve months.

These assets or disposal groups are valued with their accounting value or their lower reasonable value with the costs required for their sale deducted.

Assets classified as non-current maintained for sale do not amortize. However, at the date of each balance the corresponding corrections are made in valuation so that the accounting value does not exceed the reasonable value minus the sale cost.

Revenue and expenses from the non-current assets and disposal groups of resources maintained for sale which do not fulfil the requisites to classify them as uninterrupted transactions, are included in the corresponding state of total results according to their nature.

3.10. Segment Report

Business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a group of assets and operations involved in the supply of products and services within a particular economic environment that is subject to risks and returns that are different from those operating in the economic environments.

3.11. Balance sheet classification

In the consolidated balance sheet are classified as current liabilities those assets that are expected to be settled within a period not exceeding twelve months, of the balance sheet date. In case, one liability, does not have, an incoditional right for the Group, to defer its settlement for at least twelve months from the date of the balance sheet it is classified as current liability.

3.12. Net operating income

Net operating income includes operating income and expenses, whether recurring or not, including restructuring costs and operating income and expenses associated to operating assets (tangible assets and other intangible assets). Also comprises, gains or losses on the sale of companies consolidated using the full or proportional integration method. The net financial expenses, share of results of associates, other financial investment (Notes 13, 20 and 21) and income tax, are excluded.

3.13. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), arising from a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reasonably measured. Provisions are reviewed at each balance sheet date and adjusted to reflect the best estimate at that date.

a) Provisions for restructuring

Provisions for restructuring costs are recognised to the extent that the Group has a detailed formal plan for the restructuring that has been communicated to affected parties.

b) Environmental restructuring

In accordance with current legislation and standard practice in several areas of the Group's business, the land used for quarry operations is subject to environmental restoration.

In this context, whenever the Group so determines, provisions are set up to meet the estimated expenditure required for the environmental reclamation and restoration of the areas in operation. These provisions are recorded simultaneously with an increase in the value of the underlying asset, on the basis of the conclusions obtained in landscape reclamation studies, and are recognised in income in accordance with the depreciation of the assets.

Also, the Group progressively restores the land previously occupied by its quarries and uses the provisions recorded for this purpose.

3.14. Financial instruments

A "financial instrument" is a contract that creates a financial asset in one entity, and simultaneously, a financial liability or equity instrument in another entity.

a) Cash and cash equivalents

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

For cash flow classification purposes, "Cash and Cash Equivalents" also includes the bank overdrafts included under "Other short-term Loans" in the balance sheet.

b) Receivables

Receivables are initially recognised at fair value and are subsequently measured at their respective amortised cost, based on the effective interest rate. When there is evidence of an impairment loss, the related adjustment is recognised in the income statement. The adjustment is made for the difference between the carrying amount of the receivables and the present value of the cash flows discounted at the effective interest rate.

c) Financial assets

Financial assets are recognised and derecognised on the date on which substantially all the inherent risks and rewards are transferred, irrespective of the date of settlement.

Financial assets are initially measured at acquisition cost, i.e. the fair value of the price paid, including transaction costs.

These assets are classified as follows:

- Held-to-maturity investments
- Financial assets at fair value through profit or loss
- Available-for-sale financial assets

Held-to-maturity investments are financial assets with fixed maturity that the Group has the positive intention and ability to hold to the date of maturity. They are classified as non-current assets, except when they mature in less than 12 months from the balance sheet date. These assets are recognised at capitalised cost, using the effective interest rate, net of principal repayments and interest received. Impairment losses are recognised in profit or loss when the carrying amount of the asset exceeds the estimated value of the cash flows discounted at the effective interest rate determined at the date of initial recognition. Impairment losses may only be reversed in subsequent periods when the increase in the recoverable amount of the asset is directly related to events occurring after the date of recognition of the loss.

The assets designated as fair value through profit or loss are classified as current financial assets. After initial recognition, these assets and available-for-sale financial assets are measured at fair value, which is taken to be their market value at the balance sheet date, without any deduction for transaction costs that may be incurred on their sale. Own equity instruments not listed on regulated markets, and whose fair value cannot be reliably estimated, are carried at acquisition cost less any impairment losses.

Available-for-sale financial assets which are also recorded at fair value, without deducting selling costs, are classified as non-current assets. The gains and losses from changes in the fair value of these financial assets are recognised in equity until the investment is disposed of, at which time the cumulative gain or loss is recognised in the income statement. Those who do not have listed in an active market and whose fair value cannot be reliably measured are kept at cost adjusted for estimated impairment losses.

d) Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified on the basis of their contractual nature, regardless of their legal form.

Equity instruments issued by the Company are recognised at the proceeds received, net of the related issue costs.

e) Bank loans

Loans are initially recognised in liabilities at the nominal value of the proceeds received, net of the related costs, which corresponds to their respective fair value at that date. Subsequently, loans are measured by the amortised cost method, and the related financial obligations are calculated using the effective interest rate, except in the case of:

- Loans forming part of an item classified as a fair value hedge are recognised at their respective market cost under the heading attributed to the hedged risk. Changes in fair value are recognised in the income statement for the year and are offset by the change in fair value of the hedging instrument, with respect to the effective portion thereof;

- Loans designated as financial liabilities at fair value through profit or loss.

f) Payables

Payables are initially recognised at their respective fair value and are subsequently recognised at their amortised cost, based on the effective interest rate. In the case where the effect of financial restatement is not significant, are maintained at their nominal value.

g) Derivate financial instruments and hedging transactions

The Group uses derivative financial instruments to hedge its expose to financial risks, which arise mainly as a result of changes in interest rates and foreign exchange rates.

In this respect, the Group does not contract derivative financial instruments for speculative purposes.

The use of financial instruments is governed by the Group's internal policies defined and approved by the Parent's Board of Directors.

Derivative financial instruments are recognised at their respective fair value. The recognition method used depends on the nature and objective of their arrangement.

Hedging transactions

The possibility of designating a derivative financial instrument as a hedging instrument is governed by IAS 39, mainly with respect to the documentation and effectiveness thereof.

The changes in fair value of derivative financial instruments designated as fair value hedges are recognised in financial profit or loss for the period, together with the changes in fair value of the asset or liability subject to the risk.

The effective portion of the changes in fair value of derivative financial instruments designated as cash flow hedges are recognised under "Reserves – Hedging Transactions", and the ineffective portion is recognised in the income statement. The amounts recorded in hedging reserves are taken to income in the year in which the hedged asset or liability also affects the income statement.

The effective portion of the changes in value of derivative instruments hedging net investments in foreign operations is recognised under "Translation Differences". The ineffective portion of these changes is recognised immediately in the income statement for the year. If a hedging instrument is not a derivative, the respective changes in value resulting from fluctuations in foreign exchange rates are recognised as translation differences.

Hedge accounting is discontinued when the hedging instrument expires, or is sold or is exercised, or when the hedging relationship no longer meets the requirements established in IAS 39.

Held-for-trading instruments

Changes in fair value of the derivative financial instruments which, arranged for hedging purposes in accordance with the Group's risk management policy, do not meet all the requirements established in IAS 39 to qualify for hedge accounting, are taken to income in the year in which they arise.

h) Fair value of financial instruments

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

- Fair value of financial assets and financial liabilities with standard terms conditions and traded on active liquid markets is determined as quoted market prices.

- Fair value of other financial assets and financial liabilities (derivative instruments excluded) is determined in accordance with generally accepted pricing models based on discounted cash flows analysis using prices from observable current similar market transactions.

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

3.15. Retirement plans

The obligations arising from the payment of retirement and disability pensions and post-employment health-care are recognised in accordance with IAS 19, Employee Benefits.

Defined benefit plans

The expenses are recognised as the services are rendered to the beneficiary employees.

At the end of each accounting period, actuarial studies performed by independent actuaries are obtained in order to determine the value of the obligations at that date and the cost to be recognised in the year, in accordance with the "service unit" method. The obligations thus estimated are compared with the fair values of the pension funds in order to determine the amount of the differences to be recognised as a liability.

Pension costs are recognised under "Staff Costs", as provided for in IAS 19, on the basis of the amounts determined by the actuarial studies. They include current service cost (increased obligations), which relates to the additional benefits earned by the employees in the year, and interest cost, which is the increase in the present value of previous obligations. The aforementioned amounts are reduced by the amount relating to the expected return on plan assets. Actuarial gains or losses are recognised directly in reserves.

Past service costs are recognised immediately, to the extent that the associated benefits have been appraised, or, otherwise are recognised on a straight-line basis over the period during which it is estimated that they will be obtained.

Defined contribution plans

The contributions made by the Group to defined contribution plans are recognised as a cost on an accrual basis.

3.16. Other welfare benefits

Certain Group companies provide their employees with health care services, which are also applicable to family members, retirees and early retirees, in addition to those provided by the social security system. The obligations in this connection are recognised as indicated above for defined benefit plans, under “Staff Costs – Other Welfare Benefits”, except for actuarial gains or losses which are taken to reserves.

As in the case of pension plans, at the end of each accounting period actuarial studies conducted by independent actuaries are obtained in order to determine the value of the obligations at that date. Actuarial gains and losses are recognized directly in reserves.

3.17. Contingent assets and liabilities

In accordance with IAS 37, the Board of Directors in the formulation of annual accounts differ:

1. Supplies: creditor balances that cover current accrued obligations from past events whose cancellation could originate an outflow of resources, yet considered undefined by the turnover and/or the date of their cancellation.

2. Contingent liabilities: possible obligations due to past events whether it is conditioned to occur (or not) more independent of the will of the company.

The consolidated balance sheet registers all the supplies which are considered to attend to the obligation. The contingent liabilities are not in the consolidated balance sheet but on the memorandum sheet, therefore they are not considered remote.

Supplies are valued by the current value of the best possible estimate of the necessary amount in order to cancel or transfer the obligation, taking into account the information available on the event and its consequences, thus registering the adjustments that might come about from the updates of these supplies as a financial expense in accordance to how it is earned.

The compensation received from a third party when liquidating the obligation, reimbursement must be proved is registered as a liability; except when a legal connection does not exist on the part of the risk which is contracted out, and by which the Group is not obliged to respond. If so, the compensation required to appraise the amount will be the value of these supplies.

Contingent assets are not recognised in the consolidated financial statements, but rather are disclosed when an inflow of future economic benefits is probable.

3.18. Revenues and expenses recognition

Revenues and expenses are recognised in the respective period, regardless of the date of collection or payment.

Revenue from sales is recognised in the income statement when all the risks and rewards incidental to ownership of the assets are transferred to the buyer and the amount of the economic benefits can be reasonably measured. Sales are recognised net of taxes, discounts and other costs to sell at the fair value of the amount received or receivable.

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

Interest and finance income is accrued on a time proportion basis, by reference to the effective interest rate applicable.

Gains and losses attributable to the current period, whose related income and expense items will only be reflected in future periods, and past income and expenses, that relate to future periods and which will be taken to profit or loss of each for those periods, are recognised at their respective amounts under “Other Current Assets” and “Other Current Liabilities” in the balance sheet.

Dividends relating to investments are recognized when the Company is given the right to receive them.

3.19. Impairment and adjustments of financial assets

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

Available-for-sale financial assets

For the financial assets classified as available for sale, a continuous or a significant decline in the fair value of the instrument below its cost, is considered as an indicator of impairment. If such evidence exists in available-for-sale financial assets, the cumulative loss – measured as the difference between the asset’s carrying amount and the present fair value, less any impairment loss already recognised in profit and loss – is removed from equity and recognised in profit and loss statement. Impairments relating to investments in available-for-sale equity instruments are not recognised in the profit and loss account.

Clients, debtors and other financial assets

Provisions for impairment losses are recorded whenever there are clear indicators that the Group will not be able to collect all the amounts it should receive, according to the terms established by the contracted agreements. Several indicators are used to identify these losses, such as:

- accounts receivable ageing
- debtor’s financial difficulties
- debtor’s bankruptcy probability

The provisions are measured by the difference between the recoverable amount and the carrying amount of the financial asset and recognized as an expense in the income statement. The carrying amount of these assets is reduced to the recoverable amount through an impairment recognition. Whenever a certain amount is considered an uncollectible it is removed through the use of the respective impairment account. Subsequent recovery of these amounts is recorded in the income statement.

3.20. Income tax

The expense or income by income tax is included in the part relative to the expense or income by current tax an the part corresponding to the expense or income by deferred tax.

The current tax is the amount that the company satisfice as a consequence of the fiscal liquidations of the income tax for a fiscal year. Deductions and other fiscal advantages for the taz quota, excluding the retentions and the payment on account, as well as the fiscal loss that can be compensated for previous fiscal years and effectively applied to this one, reduce the amount of the current tax.

The expense or income by deferred tax corresponds to the recognition and cancellation of the assets and liabilities by deferred tax. These include the temporary differences between the assets and liabilities carrying value and their fiscal value, as well a the negative tax bases compensation and credits for fiscal deductions not fiscally applied. These amounts are recorded by applying the expected type of burden to the temporary difference or corresponding credit.

All the taxable temporary differences are recognised as liabilities by deferred taxes, except those derived from the inicial recognition of goodwill and other assets and liabilities in a operation that does not affect the fiscal result or book results and that it is not a business combination.

The assets by deferred tax are only recognised if the company considers that it is going to receive future fiscal earnings against which they may be effective.

Also, at the consolidated level also considers the differences that may exist between the consolidated value of an investee and its tax base. In general these differences arise from earnings generated from the date of acquisition of subsidiary, the tax deductions associated with the investment and the conversion of the difference in the case of subsidiaries with functional currencies different than euro. Recognized assets and deferred tax liabilities arising from these differences except in the case of taxable differences, the investor can control the timing of the reversal´s difference and in the case of deductible differences, if that difference is expected to reverse in the foreseeable future and it is probable that profits will be available in amounts sufficient future taxable.

The assets and liabilities by deferred tax, produced by operations with charges or direct payments in net worth accounts are counted as counterpart in the net worth.

At every accounting closure the assets by recorded deferred tax are reconsidered and the appropriate adjustments are performed when there are doubts about their future recovery. Furthermore, at every closure, the liabilities by deferred tax not recorded in the balance are recognised if they may be recovered with future fiscal benefits.

3.21. Earnings per share

Basic earnings per share are calculated by dividing net profit or loss attributable to the Parent by the weighted average number of ordinary shares outstanding during the year, excluding the average number of shares of the Parent held by the Group companies.

The Group did not carry out any transactions that would lead to diluted earnings per share being different from basic earnings per share.

3.22. Subsequent events

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

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

3.23. CO2 emission allowances – Emissions market

Certain of the Group's production units in Spain are included in the European greenhouse gas emissions market. The Group recognises emission allowances as follows:

- Emission allowances assigned free of charge, and the emissions associated with these allowances, are not recognised as assets or liabilities.

- Gains on the sale of emission allowances are recognised as a reduction of "Other Operating Expenses".

- When it is deemed that CO_2 emissions exceed the annually assigned allowances, a liability is recognised as a balancing item for other operating expenses. This liability is measured on the basis of the price of the CO_2 emission allowance at the end of the year.

- Allowances acquired are recognised at cost in a specific intangible asset account, "Intellectual Property and Other Rights", and are amortised as they are used.

In 2009 and 2008 the total emissions from the Group's facilities in Spain did not exceed the allowance assigned by the Government.

4. CHANGES IN ACCOUNTING POLICIES, MEASUREMENT BASES AND ERRORS

In the year ended 31 December 2010, the most significant changes in estimates relate to the changes on the fixed assets useful lives in Brazil operating segment (from a detailed study of each element performed by an independent expert and considering the historical experience), which resulted in lower depreciation expense totaling approximately 13.5 million euros compared to those recorded in 2009. In the years ended December 31, 2010 and 2009, the changes in the actuarial assumptions used to determine the liability due to employee benefits (Note 35).

There were no other changes in accounting policies or corrections of errors identified in these years, beyond the effects application of new standards and interpretations, revised and corrected, disclosed in Note 2.

5. COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION

5.1. Fully consolidated companies

The fully consolidated companies included the Parent, Cimpor Inversiones, S.A.(Sole-Shareholder Company), and the following subsidiaries in which a majority of the voting power (control) is held: (See Appendix for additional information on these subsidiaries)

(1) Sole-Shareholder company

ABBREVATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
HOLDING		31/12/2010	31/12/2009
CIMPOR INVERSIONES	CIMPOR INVERSIONES, S.A.U. Calle Brasil, 56 36204 Vigo	100.00	100.00
SPAIN			
CORPORACIÓN NOROESTE	CORPORACIÓN NOROESTE, S.A. Brasil, 56 36 204 Vigo	99.53	99.54
C.N. HORMIGONES Y ÁRIDOS	CORPORACIÓN NOROESTE DE HORMIGONES Y ÁRIDOS, S.L.(1) Brasil, 56 36 204 Vigo	-	99.54
S.C.M.C. ANDALUCÍA	SOCIEDAD DE CEMENTOS Y MATERIALES DE CONSTRUCCIÓN DE ANDALUCÍA, S.A.(1) Av. de la Agrupación de Córdoba, 15 14 014 Córdoba	99.53	99.54
CEMENTOS ANDALUCÍA	CEMENTOS DE ANDALUCÍA, S.L.(1) Av. de la Agrupación de Córdoba, 15 14 014 Córdoba	99.53	99.54
OCCIDENTAL HORMIGONES	OCCIDENTAL DE HORMIGONES, S.L.(1) Calle la Viela Polígono Industrial el Nevero 06006 Badajoz	99.53	99.54
SERMACONSA	SERVICIOS Y MATERIALES PARA LA CONSTRUCCIÓN, S.A.(1) Brasil, 56 36 204 Vigo	-	99.54

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
		31/12/2010	31/12/2009
MORTEROS GALICIA	MORTEROS DE GALICIA, S.L. (1) Brasil, 56 36 204 Vigo	99.53	99.54
CEMENTOS NOROESTE	CEMENTOS NOROESTE, S.L. (1) Brasil, 56 36204 Vigo	99.53	99.54
S.I.F. GALLEGA	SOCIEDAD INDUSTRIAL Y FINANCEIRA GALLEGA, S.L.(1) Brasil, 56 36 204 Vigo	-	99.54
TABANQUE, S.L.	TABANQUE, S.L.(1) Brasil, 56 36 204 Vigo	-	99.54
HORMIGONES MIÑO	HORMIGONES MIÑO, S.L. Brasil, 56 36 204 Vigo	99.51	99.52
CEMENTOS COSMOS	CEMENTOS COSMOS, S.A. Brasil, 56 36 204 Vigo	99.29	99.30
PREBETONG GALICIA	PREBETONG GALICIA, S.A. Brasil, 56 36 204 Vigo	99.53	98.41
CANTERAS PREBETONG	CANTERAS PREBETONG, S.L. Brasil, 56 36 204 Vigo	98.40	98.41
BOMTRAHOR	BOMBEO Y TRANSPORTE DE HORMIGON, S.A. Brasil, 56 36 204 Vigo	93.85	92.80
PREBETONG LUGO	PREBETONG LUGO, S.A. Av. Benigno Rivera s/n - Políg. Ind. del Ceao 27 003 Lugo	82.50	81.57
P.LUGO DE HORMIGONES	PREBETONG LUGO DE HORMIGONES, S.A. Brasil, 56 36204 Vigo	82.50	81.57

ABBREVATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
		31/12/2010	31/12/2009
CEMENTOS EL MONTE	CEMENTOS EL MONTE, S.A.(1) 21810 – Palos de la Frontera (Huelva) Puerto Exterior de Huelva Muelle Ingeniero Juan Gonzalo s/n	-	99.54
MATERIALES ATLÁNTICO	MATERIALES DEL ATLÁNTICO, S.A. Polígono Industrial Lagoas – Carretera Cedeira Km. 1,5 15 570 Narón (La Coruña)	99.29	99.46
HORMINGONES LA BARCA	HORMIGONES Y ÁRIDOS LA BARCA, S.A. Calle Benito Corbal nº 38 2º-A 36 001 Pontevedra	49.76	49.77
ARICOSA	ÁRIDOS DE LA CORUÑA, S.A. Candame 15 142 Arteixo La Coruña	49.20	49.21
CANPESA	CANTEIRA DO PENEDO, S.A. Reina, 1 – 3º 27 001 Lugo	41.23	40.77
CIMPOR CANARIAS	CIMPOR CANARIAS, S.L. Calle Brasil, 56 36204 Vigo	99.53	99.54
C. HORMIGÓN CANARIAS	CIMPOR HORMIGÓN CANARIAS, S.L. Calle Brasil, 56 36204 Vigo	99.53	99.54
OCCIDENTAL DE ÁRIDOS	OCCIDENTAL DE ÁRIDOS, S.L. Calle Brasil, 56 36204 Vigo	99.53	99.54
BETOBOMBA	BETOBOMBA, S.L. Calle Brasil, 56 36204 Vigo	99.53	54.75
DS UNIÓN	DS UNIÓN, S.L. Calle Goya, 1 18002 - Granada	89.57	89.58
SOGESSO	SOCIEDADE DE GESSOS DE SOURE, S.A. Lugar de São José do Pinheiro 3130 – 544 Soure	99.29	59.58

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
		31/12/2010	31/12/2009
INVERSIONES FILARIA	INVERSIONES FILARIA, S.L. Calle Brasil, 56 36204 Vigo	99.29	-
TRANSFORMAL	TRANSFORMAL, S.L. Rua Joaquim Brandão, 13 - 1 E 2900 - 422 Setúbal	99.29	-
MOROCCO		31/12/2010	31/12/2009
ASMENT DE TEMARA	ASMENT DE TEMARA, S.A. Ain Attig – Route de Casablanca Témara	62.62	62.62
BETOCIM	BETOCIM, S.A. Ain Attig – Route de Casablanca Témara	97.50	97.50
ASMENT DU CENTRE	ASMENT DU CENTRE, S.A. Ain Attig – Route de Casablanca Témara	100.00	100.00
GRABEMA	GRABEMA, S.A. Ain Attig – Route de Casablanca Témara	100.00	100.00
TUNISIA			
C.J.O.	SOCIÉTÉ DES CIMENTS DE JBEL OUST 9, Rue de Touraine, Cité Jardins 1082 Tunis – Belvédère	100.00	100.00
B.J.O.	SOCIÉTÉ BETON JBEL OUST 9, Rue de Touraine, Cité Jardins 1082 Tunis – Belvédère	100.00	100.00
G.J.O.	SOCIÉTÉ GRANULATS JBEL OUST 9, Rue de Touraine, Cité Jardins 1082 Tunis – Belvédère	100.00	100.00

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
BRAZIL		31/12/2010	31/12/2009
C.C.B.	CIMPOR - CIMENTOS DO BRASIL, LTDA. Avª Maria Coelho Aguiar, 215 – Bloco E – 8º Jardim São Luíz - São Paulo	100.00	100.00
MOZAMBIQUE			
CIM. MOÇAMBIQUE	CIMENTOS DE MOÇAMBIQUE, S.A.R.L. Av. 24 de Julho, nº 7 - 9º/10º pisos Maputo	65.41	65.41
CIMBETÃO	CIMPOR BETÃO MOÇAMBIQUE, S.A.R.L. Estrada de Lingamo Matola	65.41	65.41
EGYPT			
AMCC	AMREYAH CEMENT COMPANY El Gharbaneyat – Borg El Arab City P. O. Box 21511 Alexandria	99.14	96.39
CEC	CIMPOR EGYPT FOR CEMENT El Gharbaneyat – Borg El Arab City P.O. Box 21511 Alexandria	100.00	100.00
AMREYAH CIMPOR	AMREYAH CIMPOR CEMENT COMPANY, S.A.E. El Gharbaneyat – Borg El Arab City P.O. Box 21511 Alexandria	99.35	97.29
CSC	CEMENT SERVICES COMPANY, S.A.E. El Gharbaneyat – Borg El Arab City P.O. Box 21511 Alexandria	54.61	53.37
CIMPSAC	CIMPOR SACS MANUFACTURE COMPANY, S.A.E. El Gharbaneyat – Borg El Arab City P.O. Box 21511 Alexandria	99.90	99.59
AMREYAH DEKHEILA	AMREYAH DEKHEILA TERMINAL COMPANY – S.A.E. Dekheila Port Alejandria	99.36	97.34

ABBREVATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
		31/12/2010	31/12/2009
READY MIX	AMREYAH CIMPOR READY MIX COMPANY S.A.E. Industrial area, Plot no. 89T Dekheila - Alejandria	98.80	96.40
SOUTH AFRICA			
NPCC	NATAL PORTLAND CEMENT COMPANY (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
NPC	NPC - CIMPOR (PTY) LIMITED 199 Coedmore Road Bellair 4094 Durban	74.00	74.00
DC	DURBAN CEMENT LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
SRT	SIMUNA REHABILITATION TRUST 1 Wedgelink Road Bryanstone	37.00	37.00
CONCRETE	NPC CONCRETE MIX (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
S C STONE	SOUTH COAST STONE CRUSHERS (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	74.00	74.00
EEDESWOLD	EEDESWOLD HIGHLANDS (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
S C MINING	SOUTH COAST MINING (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
STERKSPRUIT AGGREGAT.	STERKSPRUIT AGGREGATES (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	74.00	74.00

ABBREVATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2010	EFFECTIVE % OF OWNERSHIP 31/12/2009
STERKSPRUIT CONCRETE	STERKSPRUIT CONCRETE (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
DURBAN QUARRIES	DURBAN QUARRIES (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
CAPE VERDE			
CIMENTOS CABO VERDE	CIMENTOS CABO VERDE, S.A. Estrada de Tira Chapéu Praia, Santiago 14/A Cabo Verde	98.65	98.65
CABO VERDE BETÕES E INERTES	CABO VERDE BETÕES E INERTES, S.A. Estrada de Tira Chapéu Praia, Santiago 14/A Cabo Verde	54.32	54.32
ITP	INDÚSTRIA DE TRANSFORMAÇÃO DE PEDRAS, LDA. Estrada de Tira Chapéu Praia, Santiago- 14/A Cabo Verde	98.65	98.65
BETÕES CABO VERDE	BETÕES CABO VERDE, S.A. Estrada de Tira Chapèu Praia Santiago 14/A Cabo Verde	54.32	54.32
PERU			
CEMENTOS OTORONGO	CEMENTOS OTORONGO, S.A.C. Malecón Cisneros 428 dpto. 1002 Miraflores Lima	100.00	100.00

ABBREVATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
CHINA		31/12/2010	31/12/2009
CIMPOR MACAU	CIMPOR MACAU INVESTMENT COMPANY, LTD. Av. da Praia Grande, 693 Edifício Tai Wash - 15º andar MACAU (R.P. China)	50.00	50.00
CIMPOR CEMENT	CIMPOR CEMENT CORPORATION LTD. 35/F Cheung Kong Center, 2 Queen's Road Central – Hong Kong	50.00	50.00
SEA – LAND MINING	SEA – LAND MINING LIMITED 35/F Cheung Kong Center, 2 Queen's Road Central – Hong Kong	50.00	50.00
CIMPOR SHANDONG	CIMPOR SHANDONG CEMENT COMPANY LTD. Kuangsi Village, Liuyuan Town, Yicheng District Zaozhuang City, Shangdong Province ZIP code : 277300	48.80	48.80
NANDA	SUZHOU NANDA CEMENT COMPANY LTD Nº. 1, WenDu Road, Wang Ting Town, Xiang Cheng District Suzhou City, Jiangu Province ZIP code: 215155 (R.P. China)	35.52	35.52
HUAI AN LIUYUAN	HUAI AN LIUYUAN CEMENT COMPANY LTD Huai' an city, Huaiyin district, WangYing town (former Huayin district Building materials plant site) ZIP code: 223300 (R.P. China)	48.80	48.80
LIYANG	LIYANG DONGFANG CEMENT CO. LTD Shanghuang Town, Liyang, Jiangsu Province ZIP Code: 213314 (R.P. China)	50.00	50.00
SUZHOU LIUYUAN	SUZHOU LIUYUAN NEW TYPE CEMENT DEVELOPMENT CO.,LTD Suzhou Wuzhong economic development zone, DongWu industrial park second term (Yinzhong south road) ZIP code: 215000 (R.P. China)	48.80	48.80
CIMPOR SHANGAI	CIMPOR CHENGON (SHANGHAI) ENTERPRISES MANAGEMENT CONSULTING COMPANY LIMITED 222 Huaihai Zhong Lu, Lippo Plaza, Floor 25, Room 2505-07 ZAP Code: 200021 Shanghai (R.P. China)	50.00	50.00

ABBREVATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
		31/12/2010	31/12/2009
NEW HLG	CIMPOR CHENGTONG (HUIAN AN) CEMENT PRODUCTS COMPANY LIMITED Wangying Town, Huaiyin district Huai'an City (R.P. China)	50.00	50.00
CIMPOR ZAOZHUANG	CIMPOR (ZAOZHUANG) CEMENT COMPANY LTD. Matou Village, Fucheng County, Shanting District, Zaozhuang City, Shandong Province ZIP Code: 277222	50.00	50.00
EAST ADVANTAGE	EAST ADVANTAGE INTERNAICONAL LIMITED Romanco Place, Wickhams Cay 1,P.O. Box P.O. Box 3140, Road Town, Tortola British Virgin Islands VG1110	50.00	50.00
PUCHENG JIANCAI	PUCHENG BUILDING MATERIALS COMP. LTD. Shanghuang Town, Liyang, Jiangsu Province Zip Code: 213314	50.00	-
TURKEY			
CIMPOR YIBITAS	CIMPOR YIBITAS CIMENTO SANAYI VE TICARET A.S. Portakal Cicegi Sokak nº 33 – 06540 06540 Cankaya/Ankara/TURKIYE	99.74	99.74
YOZGAT	YIBITAS YOZGAT ISCI BIRLIGI INSAAT MALZEMELERI TICARET VE SANAYI A. S. Portakal Cicegi Sokak nº 33 – 06540 06540 Cankaya/Ankara/TURKIYE	81.55	80.92
BEYNAK	CIMPOR YIBITAS BEYNELMILEL NAKLIYECILIK TICARET VE SANAYI A.S. Portakal Cicegi Sokak nº 33 - 06540 06540 Cankaya/Ankara/TURKIYE	99.74	99.74

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
INDIA		31/12/2010	31/12/2009
SHREE DIJIVAY CEMENT CO. LTD.	SHREE DIJIVAY CEMENT CO. LTD. P.O. Digvijaygram – 361140 Jamnagar Estado de Gujarat India	73.63	73.63
OTHER ACTIVITIES			
CIMPOR SAGESA	CIMPOR SAGESA, S.A. Brasil, 56 36 204 Vigo	100.00	100.00
CIMPOR FINANCE	CIMPOR FINANCE LIMITED 2 Harbourmaster Place Custom House Dock Dublin 1	-	100.00
CIMPOR TRADING	CIMPOR TRADING, S.A., Brasil, 56 36204 Vigo	100.00	100.00
CIMPOR DEL ECUADOR	CIMPOR DEL ECUADOR, S.A. Distrito metropolitano de Quito Provincia de Pichincha	-	49.88

5.2. Associates

The associates accounted for using the equity method (see Note 20) at 31 December 2010 are as follows:

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
SPAIN		31/12/2010	31/12/2009
CEMENTOS ANTEQUERA	CEMENTOS ANTEQUERA, S.A. Carretera del Polvorín km 2, margen izquierdo 29 540 Bobadilla, Estación. Málaga	22.97	22.98
ARENOR	ARENOR, S.L. Calle Montecarmelo, 1 – 5º C Sevilla	28.43	28.44
HORMICESA	HORMIGONES MIRANDA CELANOVA, S.A. Ctra. Casasoá, Km. 0,100 32817 Celanova (Ourense)	39.81	39.36
AGUEIRO	AGUEIRO, S.A. Poligono de Bergondo 15166 – Bergondo (A Coruña)	44.68	44.79
BRAZIL			
COMICAN	COMPANHIA DE MINERAÇÃO CANDIOTA Av. Maria Coelho Aguiar, 215 – Bloco E – 8º Andar – Sala A Jardim São Luiz – São Paulo	48.00	48.00
SOUTH AFRICA			
NOMAKANJANI	NOMKANJANI LOGISTICS (PTY), Ltd. 199 Coedmore Road Bellair 4094 Durban	30.00	-

5.3. Proportionately consolidated companies

The following investee was proportionately consolidated since it is managed and controlled jointly with another shareholder:

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
SPAIN		31/12/2010	31/12/2009
INPROCOI	INSULAR DE PRODUCTOS PARA LA CONSTRUCCIÓN Y LA INDUSTRIA., S.A. Vía interior Cueva Bermeja, esq.2 Dique del este 38180 Santa Cruz de Tenerife	49.76	49.77
CEISA	CEMENTOS ESPECIALES DE LAS ISLAS, S.A. Secretario Artiles, 36 35007 Las Palmas de Gran Canaria	49.76	49.77
TUNISIA			
TCG	TERMINAL CIMENTIER DE GABES, G.I.E.. Port de Gabes Gabes	33.33	33.33
BRAZIL			
ECO-PROCESSA	ECO-PROCESSA – TRATAMENTO DE RESÍDUOS LTDA. Av. Rio Branco, 110 – 39º - parte Cidade do Rio de Janeiro Estado do Rio de Janeiro	50.00	50.00

6. CHANGES IN THE SCOPE OF CONSOLIDATION

In the year ended 31 December, 2010, there have not been no important changes in the consolidated group except on the purchases to Egypt´s minority (see Note 2.2) and the purchase of two financial participations on activities related to the cement business in Spain, and the liquidation of Cimpor Finance, Ltd.

The main changes in the scope of consolidation in the year ended 31 December 2009 relate mainly to:

Acquisitions:

- In Spain, the acquisition during the first half of 2009 through subsidiaries of: a share of 54.75% of the share capital of Betobomba, S.A. and a share of 50% of the share capital of Horinsa Graneles, S.L.

- During the second half of 2009, through subsidiaries, (amounting aprox. € 2 million) the acquisition of the investees: 89.59% of the share capital of DS Unión, S.L. and 59.58% of the share capital of Sogesso – Sociedade de Gessos de Soure, S.A.

Sales

- In Perú, (amounting aprox. €8 million) the disposal of a cement storage and bagging facilities owned by Cementos Otorongo, S.A. located at the El Callao terminal, as well as the corresponding shareholding 100% in Agrecom – Agregados Comercializados, S.A.C.

7. FOREIGN EXCHANGE RATES

The foreign exchange rates used in the translation to euros of the assets and liabilities presented in foreign currency at 31 December 2010 and 2009 and in the translation of the profit or loss for the years then ended, were as follows:

		Closing exchange rate			Average exchange rate		
Currency	Segment	2010	2009	Var.%	2010	2009	Var.%
USD	Other	1.3362	1.4406	7.8	1.32789	1.39463	5.0
MAD	Morocco	11.2213	11.3480	1.1	11.25420	11.33928	0.8
BRL	Brazil	2.2177	2.5113	13.2	2.34594	2.78546	18.7
TND	Tunisia	1.9284	1.9009	(1.4)	1.91467	1.88800	(1.4)
MZM	Mozambique	43,650.0	44,150.0	1.1	43,986.0	37,698.8	(14.3)
CVE	Other (Cape Verde) a)	110.265	110.265	-	110.265	110.265	-
EGP	Egypt	7.7522	7.8903	1.8	7.54044	7.80762	3.5
ZAR	South Africa	8.8625	10.6660	20.3	9.73991	11.71057	20.2
TRY	Turkey	2.0694	2.1547	4.1	2.00085	2.16607	8.3
HKD	China	10.3856	11.1709	7.6	10.33040	10.81972	4.7
CNY	China	8.8220	9.8350	11.5	9.00050	9.54026	6.0
MOP	China	10.6972	11.5060	7.6	10.82566	11.33816	4.7
PEN	Other (Peru) a)	3.7497	4.1619	11.0	3.80613	4.25033	11.7
INR	India	59.7580	67.0400	12.2	60.97080	68.03312	11.6

[a] Segments not individually reported

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

Segment reporting is structured on a primary basis by geographical segment and on a secondary basis by business segment.

The main information relating to profit or loss for the years ended 31 December 2010 and 2009 in the various business lines relating to each of the geographical segments is as follows:

	2010				2009			
	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:								
Spain	270,606	1,859	272,465	(10,462)	328,470	702	329,173	485
Morocco	94,469	-	94,469	35,820	94,152	-	94,152	33,215
Tunisia	78,032	-	78,032	15,988	69,857	-	69,857	11,912
Egypt	226,645	-	226,645	72,643	240,625	-	240,625	93,183
Turkey	154,549	-	154,549	(556)	107,549	-	107,549	(18,660)
Brazil	609,194	-	609,194	162,431	427,383	-	427,383	88,436
Mozambique	88,056	-	88,056	2,111	80,923	-	80,923	6,144
South Africa	141,735	3,103	144,837	45,376	149,146	3,651	152,797	58,934
China	106,073	-	106,073	510	81,067	-	81,067	152
India	46,808	1,356	48,164	(2,026)	49,565	3,310	52,875	3,790
Others	31,103	-	31,103	1,877	31,508	-	31,508	1,253
Total	1,847,269	6,318	1,853,587	323,710	1,660,245	7,663	1,667,908	278,842
Unallocated	38,290	111,417	149,707	20,469	11,263	49,690	60,953	14,042
Eliminations	-	(117,735)	(117,735)	-	-	(57,353)	(57,353)	-
Sub-total	**1,885,559**	**-**	**1,885,559**	**344,180**	**1,671,508**	**-**	**1,671,508**	**292,884**
Net financial expenses				(44,588)				(47,726)
Share of results of associates				(1,617)				(831)
Other investment income				22				(7,997)
Profit before income tax				297,996				236,330
Income tax				(76,259)				(54,739)
Net profit for the year				**221,737**				**181,591**

All inter segment transactions were made at market values.

The above net income includes the full amount of the segments, without considering the following amounts attributable to minority shareholders:

	2010	2009
Operating segments:		
Spain	(58)	(444)
Morocco	8,050	8,227
Egypt	1,284	2,641
Turkey	617	629
Mozambique	(207)	721
China	81	(3,317)
India	(386)	543
Others	(108)	(205)
	9,273	8,796
Unallocated	-	(65)
Profit for the year attributable to minority interest	**9,273**	**8,730**

Other information:

	2010			2009		
	Fixed capital expenditure	Depreciation, amortisation and impairment losses	Provisions	Fixed capital expenditure	Depreciation, amortisation and impairment losses	Provisions
Operating segments:						
Spain	26,719	43,003	-	23,280	46,125	-
Morocco	5,440	5,687	54	9,998	8,614	10
Tunisia	5,948	6,524	741	5,114	7,738	-
Egypt	8,585	9,666	4,545	8,980	11,080	248
Turkey	6,460	22,386	141	49,785	29,581	134
Brazil	61,997	28,808	(349)	52,163	34,343	303
Mozambique	15,614	8,125	728	11,720	5,394	-
South Africa	5,310	13,519	-	8,461	11,483	-
China	6,015	8,392	-	36,535	4,591	-
India	2,747	6,356	(1)	3,630	6,216	(74)
Others	295	994	-	(4,375)	1,324	-
	145,130	153,460	5,859	205,293	166,489	622
Unallocated	6,045	743	-	563	63	-
	151,175	**154,204**	**5,859**	**205,855**	**166,552**	**622**

The decrease in depreciation and amortisation of the tangible and intangible assets is partially explained by the investment containment policy lead by the Group in 2009 an 2010.

In addition, assets and liabilities, by reportable segment, reconciled to the total consolidated amounts as at 31 December and 2010 and 2009, are shown as follows:

	2010			2009		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Spain	822,171	595,052	227,119	863,058	621,376	241,682
Morocco	142,578	29,254	113,324	141,954	30,948	111,006
Tunisia	115,646	17,304	98,342	112,152	13,890	98,262
Egypt	537,847	76,585	461,262	517,807	57,143	460,663
Turkey	641,095	157,604	483,492	630,986	159,301	471,684
Brazil	1,484,210	194,895	1,289,315	1,319,130	159,681	1,159,448
Mozambique	110,155	42,999	67,156	86,200	23,154	63,046
South Africa	332,449	41,206	291,243	281,958	60,398	221,560
China	209,220	177,687	31,532	188,366	167,231	21,134
India	122,804	23,482	99,322	112,704	22,868	89,836
Others	37,305	11,232	26,073	41,095	15,737	25,358
	4,555,480	1,367,299	3,188,180	4,295,408	1,331,727	2,963,681
Unallocated	884,131	2,212,448	(1,328,317)	517,693	1,937,579	(1,419,884)
Eliminations	(666,734)	(666,734)	-	(564,195)	(564,195)	-
Investments in associates	19,011	-	19,011	20,597	-	20,597
Total	**4,791,887**	**2,913,013**	**1,878,874**	**4,269,503**	**2,705,111**	**1,564,392**

The assets and liabilities not attributed to reportable segments include: (i) assets and liabilities of companies not attributable to specific segments, essentially holding companies and trading companies; (ii) intra-group eliminations between segments; and (iii) investments in associates.

Following is a break-down of the information for the years ended 31 December 2010 and 2009, by business segment of the **Group**:

	2010			2009		
	Sales and services rendered	Net assets	Fixed capital expenditure	Sales and services rendered	Net assets	Fixed capital expenditure
Business segment:						
Cement	1,477,799	3,945,064	130,212	1,349,342	3,693,717	188,300
Ready-mix and precast concrete	287,532	298,959	14,251	275,343	316,821	12,336
Others	120,228	547,864	6,713	46,822	258,965	5,220
Total	**1,885,559**	**4,791,887**	**151,175**	**1,671,508**	**4,269,503**	**205,855**

9. OTHER OPERATING INCOME

The detail of the heading “Other Operating Income” at 31 December 2010 and 2009 is as follows:

	2010	2009
Suplementary income	6,896	8,307
Revenues obtained from the sale of assets (b)	7,422	7,086
Subsidies	4,238	6,042
Reversal of allowances for doubtful receivables (Note 28)	5,271	2,767
Group work on non-current assets	2,242	2,757
Reversal of inventory allowances (Note 27)	1,366	154
Other	21,749	11,272
	49,184	38,385

(a) The gains in the financial year ended on 31 December 2010 include gains from the sale of CO_2 emissions licences and the exchange of CO_2 emissions licences for Certified Emission Reductions (“CER”) for a total amount of 2,282 thousand euros (4,170 thousand euros in 2009). (Note 44).

10. COST OF SALES

In the years ended 31 December 2010 and 2009, the cost of sales was as follows:

	2010	2009
Goods sold	125,753	72,122
Material used in production	495,820	452,698
Other	1,374	666
	622,947	525,486

11. PERSONNEL COSTS

The average number of employees, by business and geographical segment, in the years ended 31 December 2010 and 2009 was as follows:

	2010				2009			
	Cement	Ready-mix and precast concrete	Others	Total	Cement	Ready-mix and precast concrete	Others	Total
Segments:								
Spain	587	357	58	1,001	650	454	71	1,175
Morocco	174	29	-	202	177	28	-	205
Tunisia	206	7	-	214	216	-	-	216
Egypt	458	7	29	494	463	-	28	491
Turkey	622	156	9	787	647	158	9	814
Brazil	814	682	9	1,505	742	666	9	1,417
Mozambique	419	47	1	467	419	41	1	461
South Africa	349	141	-	490	359	174	-	534
China	1,011	-	-	1,011	867	-	-	867
India	518	-	-	518	545	-	-	545
Others	70	61	4	135	71	74	4	148
	5,846	1,963	234	8,043	5,815	2,137	235	8,187
Common functions	-	-	-	296	-	-	-	310
	5,229	**1,485**	**110**	**7,120**	**5,156**	**1,595**	**122**	**7,183**

At December 31, 2010 there are 6,231 men and 783 women working in the company (6,396 men and 816 women in 2009).

Payroll expenses for the years ended 31 December 2010 and 2009 were as follows:

	2010	**2009**
Wages and salaries	127,726	118,164
Employer social security costs	24,924	15,633
Other staff costs	27,765	34,878
Insurance	444	327
Other welfare costs (Note 35)	859	1,598
Pension plans (Note 35)	2,738	2,139
	184,456	**172,739**

The "Other staff costs" caption includes health care expenses, termination benefits, professional training expenses and food allowances.

12. OTHER OPERATING EXPENSES

Other operating expenses at 31 December 2010 and 2009 were as follows:

	2010	2009
Adjustments for doubtful debts (Note 28)	5,415	9,498
Taxes	14,921	11,272
Association membership fees	3,113	2,701
Donations	648	1,240
Fines and penalties	745	964
Inventory adjustments (Note 27)	1,062	941
Losses on disposal of assets	3,452	924
Uncollectible debts	1,490	199
Other operating expenses	1,673	781
	32,519	28,520

13. FINANCIAL PROFIT

The detail of the financial profit for the years ended 31 December 2010 and 2009 is as follows:

	2010	2009
Financial expenses:		
Interest expense	67,262	65,104
Foreign exchange loss	18,246	14,685
Changes in fair-value:		
Hedged assets / liabilities	-	4,118
Hedging derivative financial instruments	10,428	4,936
Trading derivative financial instruments (a)	3,934	29,346
Financial assets/liabilities at fair value (a)	27,036	11,790
	41,398	50,190
Other (b)	14,312	9,963
	141,218	139,942
Financial income:		
Interest income	20,712	14,424
Foreign exchange gain	25,866	21,489
Changes in fair-value:		
Hedged assets / liabilities	10,428	4,936
Hedging derivative financial instruments	-	4,118
Trading derivative financial instruments (a)	36,708	25,904
Financial assets/liabilities at fair value (a)	-	10,702
	47,135	45,660
Other (b)	2,917	10,643
	96,630	92,216
Net Financial expenses	(44,588)	(47,726)
Share of profits of associates:		
Loss in associated companies (Note 20 and 36)	(1,617)	(831)
	(1,617)	(831)
Investment income:		
Gains on holdings	22	373
Gains/(losses) on investments (c)	-	(8,370)
	22	(7,997)

(a) These captions are mainly related to: “US Private Placements” fair value changes (Notes 37 and 39), which were designated as financial liabilities at fair value through profit and loss and fair value changes of negotiable financial derivative instruments, including two of them that, although contracted to cover exchange rate and interest rate risks associated to those “US Private Placements” (Note 39) do not cover the requirements to be qualified by the Group for hedge accounting effects. In the years ended 31 December 2010 and 2009, arising from changes in fair values, was recognised, respectively, a financial income of 5,737 thousand euros and a financial cost of 4,530 thousand euros. The contribution for this improvement derived from, essentially, from the negative impact amounting around 14 million euros occurred in 2009 within the scope to improve the Cimpor rating (Note 46).

(b) In the years ended 31 December 2010 and 2009, this caption essentially includes the costs and income related to the financial actualization of assets and liabilities, the update of estimates with the environmental rehabilitation of quarries, the cash discounts granted and obtained and costs with commissions, guarantees and other bank charges in general.

(c) In the year ended 31 December 2009, this item includes the loss incurred on the sale of the debt instrument issued by the Republic of Austria (Note 21).

14. INCOME TAX

The detail of the income tax for the years ended 31 December 2010 and 2009 is as follows:

	2010	2009
Current tax	68,510	38,834
Deferred tax (Note 26)	7,750	15,905
Expenses for the year	76,259	54,739

The Parent is taxed under the consolidated tax regime provided for in Chapter VII, Title VIII of Spanish Corporation Tax Law 43/1995, and its subsidiaries are Corporación Noroeste, S.A., Cementos Cosmos, S.A., Prebetong Galicia, S.A., Hormigones Miño, S.L., Canteras Prebetong, S.L., Cementos Noroeste, S.L., Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., Morteros de Galicia, S.L., Cimpor Sagesa, S.A., Cementos de Andalucía, S.L., Prebetong Lugo, S.A., Occidental de Hormigones, S.L., Bombeo y Transporte de Hormigón, S.A., Prebetong Lugo de Hormigones, S.A., Cimpor Trading, S.A., Cimpor Canarias, S.R.L., Cimpor Hormigón Canarias, S.L., Occidental de Áridos, S.L., DS Unión, S.L. and Materiales del Atlántico, S.A.

The income tax relating to the other geographical segments is calculated at the respective local rates in force which for the year ended 31 December 2010 and 2009 is made up as follows:

	2010	2009
Morroco	30.0%	30.0%
Tunisia	30.0%	30.0%
Egypt	20.0%	20.0%
Turkey	20.0%	20.0%
Brazil	34.0%	34.0%
Mozambique	32.0%	32.0%
South Africa	28.0%	28.0%
China	25.0%	25.0%
India	33.2%	34.0%
Others	25,5%-30,0%	25,5%-30,0%

The temporary differences between the carrying amounts of the assets and liabilities and the related tax bases were recognised as stipulated in IAS 12, Income Taxes.

The reconciliation between the tax rate applicable in Spain and the effective tax rate in the Group is as follows:

	2010	2009
Tax rate applicable in Spain	30.00%	30.00%
Operational results non taxable (a)	(2.40%)	(4.11%)
Financial results non taxable (a)	0.34%	0.73%
Benefits by deduction to the taxable profit and to the collect	(3.05%)	(2.42%)
Adjustments on deferred taxes	0.49%	(1.24%)
Rate differences	0.04%	(0.63%)
Others	0.17%	0.83%
Effective tax rate of the Group	25.59%	23.16%

(a) Included in this item are the profits of tax exempt companies and transactions that are not relevant for tax purposes. Of note are the appropriate results in associates, arising under the equity method and the gain on the financial asset held to maturity referred to in Note 21.

In addition to the income tax charge for the years ended 31 December 2010 and 2009, deferred taxes of 1,817 and 2,301 thousand euros, respectively, were recorded directly in reserves (Note 26).

The dominant company of the tax consolidated group is being subjected to verification an investigations with regard to the corporate tax for the fiscal years 2005 to 2008. Likewise, it was subjected to verification and investigation with regard to the corporate tax for the fiscal years 2002 to 2004, and also for 2003 and 2004 for others taxes applicable.

With relation to the 2003 and 2004 tax inspection, being the Parent company Cimpor Inversiones, S.A.(Sole-, on June 16th were signed two disconformity acts related to the 2003 and 2004 Company tax, in which was proposed a settlement (quota plus interests due) of EUR 29,463 thousand approximately. Against the assessments mentioned above, the Dominant Company enter an economic administrative appeal before the Central Economic-Administrative Court, which gave judgment on 10 November of 2010, notified on the 17 of same month and year, considering partially the claim. Against that resolution, the Dominant Company appeal before the High Court dated December 23, 2010.

The Directors so as Tax Advisers consider, as possible, the probability of winning them. Despite the complexity of the tax legislation applicable to the Group companies' operations, since these were carried out in accordance with the prevailing body of legal opinion and case law, it is estimated that no contingent tax liabilities should arise as a result of the tax authorities' review. Due to this reason, no provision were executed.

On September 3, 2009 was formalized a bond insurance of 29,463 thousand, which was submitted to the State Tax Administration Agency as a guarantee.

With relation to the 2002 tax inspection, being at that date the Parent company Corporación Noroeste, S.A., which is now Cimpor Inversiones, S.A. (Sole-Shareholder Company), on February 13th 2009 was signed a disconformity act related to the 2002 Company tax, due to the subjects "expenses attributable to the Parent company" and "Tax evasion by selling some shares of one associated of the Cimpor group", in which was proposed a settlement (quota plus interests due) of EUR 5,055 thousand. The company enter an economic administrative appeal before the Central Economic-Administrative Court, which gave judgment on 20 December of 2010 considering partially the claim. Against that resolution pertinent appeals will be entered within the time limit and it is possible that the Court Will reject those, so there is no provision about this amount.

On May 22nd, 2009 it was signed an insurance bond amounting to EUR 5,055 thousand, which was submitted to the State Tax Administration Agency as a payment guarantee.

Despite the complexity of the tax legislation applicable to the Group companies' operations, since these were carried out in accordance with the prevailing body of legal opinion and case law, it is estimated that no contingent tax liabilities should arise as a result of the tax authorities' review of the years not yet statute-barred.

15. DIVIDENDS

The distribution of the income of Cimpor Inversiones, S.A.(Sole-Shareholder Company) of the already approved financial year 2009 and the proposal of distribution of income of the financial year 2010 which will be presented to the Sole Shareholder is as follows:

	Thousand of Euros	
Distribution base	2010	2009
Income for de year	233,556	59,110

	Thousand of Euros	
Appropriation	2010	2009
To legal reserves	23,356	5,911
To voluntary reserves	70,200	1
To dividends	140,000	53,198
	233,556	59,110

2010 Interim dividend

On 22 December 2010 to December 29, 2009 the Board of Directors of Cimpor Inversiones, S.A. (Sole-Shareholder Company), agreed to distribute a gross interim dividend of EUR 140,000 thousand and EUR 70,000 thousand, respectively, on account of profits of the years 2010 and 2009. This amount figures in the Net assets reducing "Net assets - Equity" of the accompanying balance sheet for the financial position to December 31, 2010 and 2009 attached and was paid to the Sole Shareholder before the end of both years.

At November 30, 2010 and 2009, the Company had generated a net profit of EUR 218,687 thousand and EUR 93,778 thousand, respectively, all to be distributed as the following provisional statements shows:

	2010	2009
Profit before tax	218,297	100,095
Company tax	390	(6,317)
	218,687	93,778

On the other hand, the treasury's predictions for the period comprehended between the 1st December 2010 and the 31st January, 2011, were as follows:

	2010	2009
Balance available in cash	298,554	218,594
Projected collections on the period	680,920	117,729
Proyected payment on the period including Interim Dividend	(211,371)	(121,204)
Total	768,103	215,119

In view of these statements and taking into account the structure of the balance sheet of the Company on those dates, it became clear that there were sufficient liquidity for the distribution of an interim dividend.

However, fundamentally as a result of the impairment valuation adjustment in 2009 on investment made in Turkey, the result of the financial year was inferior than expected at the time of the agreement of the interim dividend. For this reason, the Board of Directors will propose to the Sole Shareholders the repayment of eur 16,802 thousand and the subsequent distribution of an extraordinary dividend against voluntary reserves by the same amount.

16. EARNINGS PER SHARE

Basic and diluted earnings per share (see Note 3.21) for the years ended 31 December 2010 and 2009 were calculated taking into account the following amounts:

	2010	2009
Basic and diluted earnings per share		
Profit for the year for the purpose of calculating earnings per share	212,464	172,861
Weighted average number of shares for the purpose of calculating earnings per share (thousands)	52,270	52,270
Earnings per share (basic and diluted)	4.06	3.31

17. GOODWILL

In the years ended 31 December 2010 and 2009, the changes in the goodwill balances and in the respective accumulated impairment losses were as follows:

	Spain	Brazil	Egypt	Tunisia	Morocco	South Africa	Mozambique	Cape Verde	Turkey	China	Peru	India	Total
Gross Assets													
Balance at 1 January 2009	183,120	559,129	187,852	40,341	48,357	74,586	13,971	9,136	285,317	20,636	5,203	62,890	1,490,538
Changes in the scope of consolidation (Note 6)	1,895	-	-	-	-	-	-	-	-	-	(2,479)	-	(584)
Adjustment due to exchange differences	-	163,339	(4,880)	(1,466)	(346)	16,788	(474)	-	(1,120)	(712)	215	1,443	172,787
Increases	825	-	-	-	-	-	-	322	-	-	-	-	1,147
Tranfers	(18,284)	-	-	-	-	-	-	-	-	(976)	-	(14,381)	(33,641)
Balance at 1 January 2010	167,556	722,468	182,972	38,875	48,011	91,374	13,497	9,458	284,197	18,948	2,939	49,952	1,630,247
Changes in the scope of consolidation (Note 6)	202	-	-	-	-	-	-	-	-	-	-	-	202
Adjustment due to exchange differences	-	95,781	3,265	(554)	540	18,594	1,055	-	11,714	1,754	323	6,087	138,559
Decreases	(737)	-	-	-	-	-	-	-	-	-	-	-	(737)
Tranfers	(1,519)	-	-	-	-	-	-	-	-	-	-	-	(1,519)
Balance at 31 December 2010	165,502	818,249	186,237	38,321	48,551	109,968	14,552	9,458	295,911	20,702	3,262	56,039	1,766,752

	Spain	Brazil	Egypt	Tunisia	Morocco	South Africa	Mozambique	Cape Verde	Turkey	China	Peru	India	Total
Accumulated impairment losses													
Balance at 1 January 2009	4,297	2,759	8,350	-	23,843	-	-	-	-	-	-	-	39,249
Adjustment due to exchange differences	-	1,101	(225)	-	(170)	-	-	-	-	-	-	-	706
Balance at 1 January 2010	4,297	3,860	8,125	-	23,673	-	-	-	-	-	-	-	39,955
Adjustment due to exchange differences	-	646	150	-	265	-	-	-	-	-	-	-	1,061
Balance at 31 December 2010	4,297	4,506	8,275	-	23,938	-	-	-	-	-	-	-	41,016
Net Balance at 31 December 2009	163,259	718,608	174,847	38,875	24,338	91,374	13,497	9,458	284,197	18,948	2,939	49,952	1,590,292
Net Balance at 31 December 2010	161,205	813,743	177,962	38,321	24,613	109,968	14,552	9,458	295,911	20,702	3,262	56,039	1,725,736

The carrying amounts of goodwill are tested for impairment annually or when there is any indication that they might be impaired.

Impairment tests are conducted using as a reference the discounted cash flows of each of the related business areas. (see Note 2.3).

For impairment test purposes, considering the financial statement structure adopted for management purposes, goodwill is distributed by groups of cash generating units corresponding to each geographic segment, due to the existence of synergies between the units of each segment.

The recoverable value of each group of cash-generating units is compared, in the tests performed, with the respective book value. An impairment loss is only recognised when the book value exceeds the higher of the value in use and transaction value.

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

To 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:

		2010			2009		
Geographic area	Currency	Goodwill	Actualization rate	Long term rate	Goodwill	Actualization rate	Long term rate
Spain	EUR	161.205	6,2%	2,0%	163.259	6,2%	1,4%
Brazil	BRL	813.743	8,3%	2,0%	718.608	7,2%	4,1%
Egypt	EGP	177.962	9,5%	4,0%	174.847	8,0%	6,4%
South Africa	ZAR	109.968	7,5%	2,5%	91.374	6,7%	5,0%
Moroccó	MAD	24.613	8,1%	2,5%	24.338	7,7%	3,2%
Tunisia	TND	38.321	8,2%	2,5%	38.875	7,1%	3,4%
Mozambique	MZM	14.552	11,1%	2,5%	13.497	10,0%	7,0%
Turkey	TRY	295.911	10,0%	4,0%	284.197	8,4%	4,9%
China	CNY	20.702	7,0%	2,5%	18.948	6,6%	3,5%
India	INR	56.039	8,9%	3,0%	49.952	7,2%	5,0%
Others	CVE	12.720	3% and 11,5%	,0% and 2,5%	12.397	10,2%	2,0%
		1.725.736			1.590.292		

In 2010 and 2009, the most significant increases are caused by changes in Brazil and South Africa currency exchange rates (Note 7).

The Group has examined the impact that a change of 50 basis points in actualization rates or in long-term growth rates would have on the recoverable value of the assets of each business area and, in no event have been identified that such a change would result in an excessive book value compared to the recoverable amount.

18. INTANGIBLE ASSETS

The changes in intangible asset accounts and in their respective accumulated amortisation and impairment losses in the years ended 31 December 2010 and 2009 were as follows:

	Industrial property and other rights	Intangible assets in progress	Total
Gross assets:			
Balances at 1 January 2009	53,336	10	53,346
Changes in the scope of consolidation	(3)	-	(3)
exchange difference adjustments	768	(7)	761
Additions	5,326	246	5,572
Write-offs	(96)	(4)	(100)
Transfers	12,130	-	12,130
Balances at 31 December 2009	71,457	245	71,702
Exchange difference adjustment	2,849	22	2,871
Additions	7,140	121	7,261
Write-offs	(1,234)	-	(1,234)
Transfers	(4,804)	(206)	(5,010)
Balance at 31 December 2010	75,408	182	75,590

	Industrial property and other rights	Intangible assets in progress	Total
Accumulated amortisation and impairment losses:			
Balances at 1 January 2009	12,994	-	12,994
Changes in the scope of consolidation	(2)	-	(2)
Exchange difference adjustment	728	-	728
Increases	4,568	-	4,568
Write-offs	(96)	-	(96)
Transfers	274	-	274
Balances at 31 December 2009	18,466	-	18,466
Exchange difference adjustment	1,040	-	1,040
Increases	6,113	-	6,113
Write-offs	(893)	-	(893)
Balance at 31 December 2010	24,525	-	24,525
Carrying amount:			
As at 31 December 2009	52,991	245	53,236
As at 31 December 2010	50,883	182	51,065

This balance relates mainly to land surface rights and software user licenses. Transfers of 2010 have their origins in the definitive allocation of fair value to assets in the Area of Spain. These assets had been originally classified as "Intangible Fixed Assets - Administrative Concessions" and based on final reports of independent experts were reclassified as "Land"(see Note 19).

Transfers have their origins in the fair values of assets allocation acquired through business combinations (Notes 6 and 17).

19. PROPERTY, PLANT AND EQUIPMENT

The changes in the heading “Property, Plant and Equipment” and in the related accumulated depreciation in the years ended 31 December 2010 and 2009 were as follows:

	Land and natural resources	Buildings and other structures	Plant and machinery	Transport equipment	Furniture and fixtures	Machines and hand tools	Property, plant and equipment	Property, plant and equipment in the course of construction	Advances	Total
Gross assets:										
Balances at 1 January 2009	226,441	370,779	2,020,063	66,350	26,840	5,827	8,949	166,745	110,469	3,002,463
Changes in the scope of consolidation	1,796	(1,287)	(3,093)	930	48	119	(46)	29	-	(1,504)
Exchange difference adjustments	14,034	28,144	136,837	7,847	2,477	112	(39)	7,985	1,347	198,744
Additions	11,776	23,525	50,025	8,217	1,532	305	865	71,587	35,439	203,271
Sales	(199)	(753)	(1,310)	(3,422)	(3)	-	(1)	(663)	-	(6,351)
Write-offs	(11,529)	(380)	(773)	(2,533)	(803)	(13)	(427)	(1,100)	(12)	(17,570)
Transfers	45,456	118,205	257,360	13,196	2,508	594	739	(124,032)	(138,686)	175,340
Balances at 1 January 2010	287,775	538,233	2,459,109	90,585	32,599	6,944	10,040	120,551	8,557	3,554,393
Changes in the scope of consolidation (Note 6)	126	-	-	-	-	-	-	2,912	-	3,038
Exchange difference adjustments	11,666	37,309	160,877	7,533	2,429	385	41	12,094	704	233,038
Additions	554	5,178	10,008	1,171	503	64	896	101,387	21,115	140,876
Sales	(292)	(306)	(3,894)	(4,318)	(685)	(3)	(5)	-	(411)	(9,914)
Write-offs	(622)	(1,235)	(11,724)	(844)	(1,348)	(90)	(120)	(73)	(2,338)	(18,394)
Transfers	14,236	40,151	96,611	3,013	1,773	194	79	(127,782)	(16,695)	11,580
Balances at 31 December 2010	313,443	619,330	2,710,987	97,140	35,271	7,494	10,931	109,089	10,932	3,914,617
Accumulated depreciation and impairment losses:										
Balances at 1 January 2009	19,661	143,906	1,293,498	45,166	20,858	4,133	4,592	-	-	1,531,814
Changes in the scope of consolidation	314	234	472	303	52	102	7	-	-	1,484
Exchange difference adjustments	836	12,169	97,595	4,680	1,941	57	(26)	-	-	117,252
Increases	4,138	24,783	120,422	9,052	2,213	474	901	-	-	161,983
Decreases	-	(138)	(718)	(1,779)	(1)	-	(1)	-	-	(2,637)
Write-offs	(2,538)	(128)	(608)	(2,317)	(761)	(13)	(360)	-	-	(6,725)
Transfers	(5,722)	19,873	98,849	7,325	1,643	439	31	-	-	122,438
Balances at 31 December 2009	16,689	200,699	1,609,510	62,430	25,945	5,192	5,144	-	-	1,925,609
Exchange difference adjustments	572	13,020	107,108	4,890	1,894	247	30	-	-	127,761
Increases	3,255	25,533	109,904	6,323	2,131	46	899	-	-	148,091
Decreases	-	(134)	(3,093)	(3,563)	(681)	(1)	(5)	-	-	(7,477)
Write-offs	(379)	(1,022)	(10,022)	(727)	(1,287)	(88)	(24)	-	-	(13,549)
Transfers	226	21	4,487	(3,412)	14	-	(2)	-	-	1,334
Balances at 31 December 2010	20,363	238,117	1,817,894	65,941	28,016	5,396	6,042	-	-	2,181,769
Carrying amount:										
As at 31 December 2009	271,086	337,534	849,599	28,155	6,654	1,752	4,896	120,551	8,557	1,628,784
As at 31 December 2010	293,080	381,213	893,093	31,199	7,255	2,098	4,889	109,089	10,932	1,732,848

The additions during the financial years ended on 31 December 2010 and 2009 include 327 thousand euros and 4,255 thousand euros, respectively, of financial costs related to loans contracted to finance the construction of qualifiying assets.

Tangible assets in progress in the year ended 31 December 2010 include the construction and improvement of installations and equipment of the cement sector of several production units, mainly in the Spain, Brazil and Mozambique business areas.

In the year ended 31 December 2009, write-offs include the effect of updating the the estimates of provisions of landscape recovery of quarries in the Brazil and Morocco business areas, amounting to EUR 11,529 thousand.

The transfers made in the year ended 31 December 2009 include the effect of the conclusion of the processes to attribute the purchase fair value of business activities (Note 6 and 17).

20. INVESTMENTS IN ASSOCIATES

The changes in 2010 and 2009 in this heading in the consolidated balance sheet were as follows:

	Investment	Goodwill	Total
Balance at 1 January 2009	24,942	8,310	33,251
Changes in the consolidation perimeter	60	30	90
Exchange translation adjustments	4	-	4
Equity method effect:			
On profit (Note 13)	(831)	-	(831)
Transfers	(11,004)	(4,013)	(15,017)
Balance at 31 December 2009	16,271	4,327	20,597
Exchange translation adjustments	2	-	2
Equity method effect:			
On profit (Note 13)	(1,588)	-	(1,588)
Balance at 31 December 2010	14,685	4,327	19,011

The breakdown of investment in associates at 31 December 2010 and 2009 were as follows:

	2010	2009
Arenor	10,069	11,502
Cementos Antequera, S.A.	8,896	8,960
Companhia de Mineraçao Candiota	22	19
Agueiro, S.A.	21	90
Hormigones Miranda Celanova, S.A.	3	26
	19,011	20,597

Economic and financial information on associates at 31 December 2010 and 2009 were as follows:

	2010	2009
Total assets	105,353	114,612
Total liabilities	(45,819)	(49,586)
Total shareholders' equity	59,533	65,026
Group's share of shareholders' equity	19,011	20,597
Sales and services rendered	20,913	22,552
Net profit for the year	(5,499)	(3,429)
Group's share of net profit for the year	(1,588)	(831)

The transfers for the year 2009 include the reclassification (as provided in IFRS 5) as "Non-current Assets Held for Sale" correspond to the shares in Cementos del Marquesado, S.A. (Note 22), and the allocation of fair values of assets acquired by subsidiaries.

21. OTHER INVESTMENTS

The changes in the ""Other Investments" in the years ended 31 December 2010 and 2009 were as follows:

	sale financial assets Cost	Financial assets at fair-value through profit and loss	Held to maturity financial assets	Total
Gross investment:				
Balances at 1 January 2009	2,416	98	119,801	122,316
Currency translation adjustments	128	(1)	14,476	14,602
Increases	257	-	124	380
Write-offs	(87)	(97)	97	(87)
Sales	(1,515)	-	(134,273)	(135,788)
Balances at 31 December 2009	1,198	-	224	1,423
Currency translation adjustments	225	-	22	247
Increases	2,136	-	-	2,136
Transfers	684	-	(246)	438
Write-offs	(27)	-	-	(27)
Balances at 31 December 2010	4,216	-	-	4,217
Impairment losses:				
Balances at 1 January 2009	22	-	-	22
Balances at 31 December 2009	22	-	-	22
Balances at 31 December 2010	22	-	-	22
Carrying amount:				
As at 31 December 2009	1,176	-	224	1,401
As at 31 December 2010	4,195	-	-	4,196

In this caption are included: the available–for-sale financial assets, measured at fair value, and at acquisition cost, when there's no market price quoted in an active market and which value can not be measured in a reliable way, adjusted to the estimated impairment losses; and financial assets at fair value through profit and loss, which comprise, essentially, by a portfolio of investment funds.

In the year ended 31 December 2009 the Group sold the debt instrument classified under financial assets held to maturity issued by the Republic of Austria maturing in 2011, having been recognized under the item "Onvestment income – Losses on investment", totalling a loss of EUR 8,370 thousand (Note 13).

22. NON CURRENT ASSETS HELD FOR SALE

At 31 December 2010 the Group hadn´t "Non Current Assets Held for Sale ", while the shareholding position on Cementos Del Marquesado, S.A. classified as non-current assets held for sale at 31 December 2009 for 11,056 thousand euros, has been sold during the last quarter of 2010 without impact on the Group´s net assets.

23. OTHER ACCOUNTS RECEIVABLE

The changes in other accounts receivable in the years ended 31 December 2010 and 2009 were as follows:

	2010		2009	
	Current	Non-current	Current	Non-current
Associates	1,247	478	453	-
Group companies	-	-	2	-
Other shareholders	901	102	784	102
Fixed assets suppliers	1,534	1,182	3,702	34
Other receivables	12,916	9,441	14,864	8,439
	16,598	11,203	19,805	8,575
Accumulated adjustments to other receivable accounts	(2,007)	(30)	(1,726)	(27)
	14,591	11,173	18,079	8,548

In this account are included those amounts to be received from entities, owing to transactions no related to the Group's main activities, among which include the sale of fixed assets.

At 31 December 20010 and 2009, the maturities of these balances were the following:

	2010		2009	
	Current	Non-current	Current	Non-current
Undue balances	13,805	10,987	17,500	8,362
Due balances				
up to 180 days	1,379	-	584	-
180 to 360 days	865	178	66	-
more than 360 days	549	38	1,655	213
	16,598	11,203	19,805	8,575

Adjustments to accounts receivable - other

In the years ended 31 December 2010 and 2009, the changes in this caption were as follows:

Balance at 1 January 2009	1,854
Effect of currency translation	(49)
Increases	127
Utilisation	(181)
Transferências	2
Balance at 31 December 2009	1,753
Effect of currency translation	101
Increases	184
Transfers	(1)
Balance at 31 December 2010	2,037

The allocations and impairment reversals are recorded in the consolidated statements of income under the "Other operating expenses" and "Other operating income, respectively.

24. TAX RECEIVABLES AND PAYABLES

The detail of the tax receivables and payables at 31 December 2010 and 2009 is as follows:

	2010		2009	
	Current	Non-current	Current	Non-current
Tax receivable:				
Corporate income tax	8,739	237	11,528	-
Personal income tax	7,730	-	5,976	-
Value added tax	33,439	8,230	29,456	6,826
Social security contributions	3	-	2	-
Other Tax receivable	2,613	25,384	2,123	21,207
	52,524	33,851	49,085	28,033

	2010		2009	
	Current	Non-current	Current	Non-current
Tax payable:				
Corporate income tax	7,945	-	10,503	-
Personal income tax	3,815	-	3,589	-
Value added tax	15,162	-	9,757	-
Social security contributions	3,574	-	3,890	-
Other tax payable	7,476	521	6,014	984
	37,972	521	33,753	984

In the years ended 31 December 2010 and 2009, non-current recoverable taxes in the caption "Others" include a judicial deposit in the amount of EUR 18,101 and 15,986 thousand, respectively, made by a company in the Brazil business area, due to a judicial divergence in relation with the relevant applicable tax rate. To address this dispute, the Group has established a liability under Provisions for other contingencies (Note 36) corresponding to the amount of the referred deposit, though it is not foreseen that the settlement of this situation will result in negative equity impacts.

25. OTHER CURRENT AND NON-CURRENT ASSETS

The detail of this heading at 31 December 20010 and 2009 is as follows:

	2010		2009	
	Current	Non-current	Current	Non-current
Interest receivable	1,445	-	1,007	-
Derivative financial instruments (Note 39)	15,187	3,300	19,349	10,266
Leases (a)	2,014	18,495	1,242	21,462
Employee benefits (Note 35)	118	-	58	-
Insurance	1,028	6	194	-
Other deferred expenses and accrual accounts	1,138	417	2,531	460
	20,930	22,218	24,381	32,188

(a) Includes a contract of lease of land for aggregate extraction and the respective exploitation right in Spain business area.

26. DEFERRED TAXES

The detail of "Deferred taxes" at 31 December 2010 and 2009 is as follows:

	Intangible assets	Goodwill	Tangible assets	Tax losses carried forward	Provisions for risks and charges	Doubtful accounts	Inventories	Investment	Others	Total
Deferred tax assets:										
Balances at 1 January 2009	505	38,518	6,810	17,307	14,249	818	850	20	15,010	94,087
Changes in the consolidation perimeter	-	-	-	(84)	-	-	-	-	-	(84)
Exchange translation adjustments	74	10,162	1,659	848	2,789	(46)	(56)	4	746	16,179
Income tax (Note 14)	(107)	(9,805)	539	7,515	4,697	(191)	195	(17)	(11,302)	(8,477)
Shareholders' equity (Note 14)	-	-	-	(55)	(16)	-	-	-	(2,232)	(2,303)
Transfers	-	-	-	245	(16)	-	9	-	-	238
Balances at 1 January 2010	472	38,875	9,008	25,774	21,702	580	997	8	2,222	99,638
Changes in the consolidation perimeter (Note 6)	-	-	-	8	12	-	-	-	-	20
Exchange translation adjustments	34	4,651	998	776	2,194	33	12	4	181	8,882
Income tax (Note 14)	(156)	(8,570)	589	19,577	1,365	(49)	(133)	26	853	13,502
Shareholders' equity (Note 14)	-	-	-	(1,796)	107	-	-	-	-	(1,689)
Transfers	-	-	-	1,586	-	-	-	-	-	1,586
Balances at 31 December 2010	349	34,956	10,595	45,925	25,380	564	876	38	3,256	121,940

	Intangible assets	Goodwill	Tangible assets	Tax losses carried forward	Provisions for risks and charges	Doubtful accounts	Inventories	Investment	Others	Total
Deferred tax liabilities:										
Balances at 1 January 2009	7,878	35,873	72,019	-	90	-	10	-	7,799	123,669
Exchange translation adjustments	(86)	271	370	-	367	-	1	-	1,970	2,893
Income tax (Note 14)	(244)	955	(2,615)	-	5,372	-	97	4,292	(428)	7,428
Shareholders' equity (Note 14)	-	-	-	-	(2)	-	-	-	-	(2)
Transfers	351	-	22,044	-	-	-	-	-	104	22,499
Balances at 1 January 2010	7,899	37,098	91,818	-	5,827	-	108	4,292	9,446	156,488
Exchange translation adjustments	131	334	5,815	-	732	-	2	-	1,633	8,645
Income tax (Note 14)	(261)	2,854	1,771	-	642	-	85	13,149	3,011	21,252
Shareholders' equity (Note 14)	-	-	-	-	128	-	-	-	-	128
Transfers	1,430	-	2,499	-	-	-	-	-	-	3,929
Balances at 31 December 2010	9,198	40,287	101,903	-	7,329	-	195	17,441	14,089	190,442
Carrying amount:										
As at 31 December 2009	(7,427)	1,776	(82,810)	25,774	15,875	580	889	(4,284)	(7,224)	(56,850)
As at 31 December 2010	(8,849)	(5,331)	(91,307)	45,925	18,051	564	681	(17,403)	(10,833)	(68,503)

Some deferred tax assets are recorded directly on shareholder's equity when the situations that have originated them have similar impact, namely:

- The deferred tax assets recorded in Reserves relating to provisions, resulted from the tax effect associated to the actuarial gains and losses recorded directly in Reserves (Note 3.15).

- The deferred tax liabilities, related to available-for-sale financial assets, resulted from its valuations to market values, which are recorded on Fair value reserve.

The deferred tax assets related to goodwill are mainly from the restructuring of society shares in the business area of Brazil.

The other deferred tax assets includes, essentially, the temporary differences of the derivative financial instruments (Note 39).

The deferred tax liabilities related to goodwill arises as a consequence of the tax deductibility of certain goodwill, mainly for investments abroad, according to Article 12.5 of the Company Tax Law.

Deferred tax liabilities related to intangible assets and stem material, mainly on taxable temporary differences which arise as a result of differences between the accounting basis and the tax base of certain assets in the processes of business combinations.

At December 31, 2010 the Group has losses carried forward of EUR 146,627 thousand (EUR 89,291 thousand in 2009), for deduction from future tax profits a deferred tax asset of EUR 45,925 thousand (EUR 25,774 thousand in 2009). Deferred tax asets of EUR 2,954 thousand (EUR 1,543 thousand in 2009) have not been recognised due to the uncertainty as to their recovery, of which EUR 620 thousand (EUR 305 thousand in 2009), are recoverable up to the year 2011.

Deferred tax assets are recognized only to the extent it is considered probable that the Group will have future taxable profits to make them effective. This evaluation is performed based on the business plans of the Group companies, regularly reviewed and updated.

27. INVENTORIES

Inventories at December 31, 2010 and 2009 are made up as follows:

	2010	2009
Raw materials and other supplies	231.693	180.407
Work in progress and semi-finished goods	62.010	43.521
Subproducts and waste	1	25
Finished goods	18.589	17.744
Merchandise	5.800	5.237
Advances on purchases	200	912
	318.293	247.846
Inventory allowances	(6.745)	(6.650)
	311.548	241.196

Inventories depreciation adjustments

Balance at 1 January 2009	5,955
Exchange translation adjustments	62
Increases (Note 12)	941
Decreases (Note 9)	(154)
Utilisation	(154)
Balance at 31 December 2009	6,650
Exchange translation adjustments	459
Increases (Note 12)	1,062
Decreases (Note 9)	(1,366)
Utilisation	(150)
Balance at 31 December 2010	6,745

The allocations and reversals of impairments are recognized in the consolidated profit and loss statements under the "Other operating expenses" and "Other operating income, respectively.

28. ACCOUNTS RECEIVABLE – TRADE

The caption Accounts receivable – trade at December 31, 2010 and 2009 is made up as follows:

	2010	2009
Trade receivable, current account	147,228	137,919
Trade receivable-notes receivable	46,663	47,025
Doubtful trade receivable	37,145	37,054
Advances to suppliers	16,702	6,710
	247,738	228,708
	(34,813)	(35,133)
Accumulated impairment	212,925	193,575

Impairment-

During the years ended December 31, 2010 and 2009, the changes in this caption are made up as follows:

Balance at 1 January 2009	26,074
Changes in the consolidation perimeter	185
Effect of currency translation	206
Increases (Note 12)	9,498
Decreases (Note 9)	(2,767)
Utilisation	(456)
Transfers	2,393
Balance at 31 December 2009	35,133
Effect of currency translation	709
Increases (Note 12)	5,415
Decreases (Note 9)	(5,271)
Utilisation	(1,126)
Transfers	(48)
Balance at 31 December 2010	34,813

The allocations and reversals of impairments are recognized in the consolidated statements of income under the "Other operating expenses" and "Other operating income, respectively.

In the years ended December 31, 2010 and 2009, the ageing of this caption, was as follows:

	2010	2009
Undue balances	144,549	154,424
Due balances:		
up to 180 days	63,340	33,176
180 to 360 days	11,644	5,841
more than 360 days	28,205	35,267
	247,738	228,708

The Board of Directors considers that the book value of the accounts receivable is close to its fair value.

The Group does not have a significant concentration of credit risk, as it is spread over a broad range of trade and other debtors.

Provisions for impairment losses represent the estimated value of receivables, after an individual analysis of each sector insolvency risk, and taking into account the amounts covered by credit insurance and other guarantees.

29. SHARE CAPITAL

Share capital of the Parent company

At 31 December 2010 and 2009, the Parent fully subscribed and paid the share capital represented by 52,270,000 shares of EUR 10 par value each, all of them carrying the same voting and dividend rights. CIMPOR-Cimentos de Portugal, S.G.P.S., S.A. is the Sole-Shareholder, in accordance with current law.

Capital management

The Cimpor Inversiones' Group considers, as a target in its capital management, the maintenance of a good capital structure which guarantees its capacity to continue as an operating company, and safeguard the profitability on the company shareholder.

The financial structure of the Group also includes its own and external financing. Its own resources are mainly composed by the equity, the reserves and the profits available for distribution, whereas the external financing are composed by the loans from credits institutions, net cash, and other equivalent liquid assets.

The capital management's policy is oriented to assure a reasonable maintenance level state of indebtedness, as well as to maximize the shareholder's equity.

The financial indebtedness level of the Group for the years ended at 2010 and 2009, is shown as follows:

	Thousand of euros	
	2010	2009
Other current finnancial assets	19,473	22,057
Cash and other equivalents	457,331	269,414
Non current debts with Credit institutions	(806,594)	(749,859)
Current debts with Credit institutions	(323,702)	(442,994)
Net financial position	**(653,492)**	**(901,382)**
Total liability	**(2,913,013)**	**(2,705,111)**
Net financial position/Total liability	**22.43%**	**33.32%**

The capital costs and risks associated to each type of financiation are evaluated by the Financial management of each Group's company, at the time of making decisions to confront the proposed investment by the different business areas and supervised by the Shareholders of the Parent company when it requires.

During the year 2010, no changes have been made in the capital management with respect to the year 2009.

The dominant company of the group does not maintain contracts with its shareholder that have to be included in these Consolidated Financial Statements.

30. TREASURY SHARES

At 31 December 2010 and 2009, Cimpor Inversiones, S.A. (Sole-Shareholder Company) did not own any treasury shares.

31. TRANSLATION CURRENCIES DIFFERENCES

Translation differences arise as a result of the translation to euros of the consolidated foreign investees' financial statements expressed in local currencies, of the goodwill denominated in foreign currencies and, where applicable, of the exchange differences indicated in Note 40.

This heading also includes the effects of the financial instruments arranged to hedge investments in foreign operations (see Note 39), to the extent that they meet the hedge arrangement and effectiveness requirements defined in IAS 39.

The changes in this heading in the years ended 31 December 2010 and 2009 were as follows:

	Total
Balance at 1 January 2009	(132,760)
Change in adjustments due to translation differences	278,481
Balance at 31 December 2009	145,721
Change in adjustments due to translation differences	242,277
Balance at 31 December 2010	387,998

During 2010 and 2009 no financial instruments has been contracted related to hedge investments in foreign operations.

32. RESERVES

The changes in “Reserves” in the years ended 31 December 2010 and 2009 were as follows:

	2010	2009
Legal reserve	48,260	42,349
Voluntary reserves	206,920	214,476
Fair value reserve and other reserves	179	179
Hedging transactions	-	(2,010)
	255,359	254,994

In the year ended 31 December 2010, other comprehensive income recognized in the Group Reserves relate mainly to the recognition of actuarial gains and losses on employee´s responsabilities, by the net amount of 2,496 thousand euros (3,132 thousand euros in 2009) and the recognition of hedging transactions amounting to 2,010 thousand euros (3,469 thousand euros in 2009).

Under the consolidated Corporations Law, Spanish companies must transfer 10% of net profit for each year to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

33. CONSOLIDATION RESERVES

The changes in this heading in the years ended 31 December 2010 and 2009, were as follows:

Balances at 1 January 2009	440.333
Dividends	(145)
Distribution of consolidated profit	7.831
Other changes in shareholders' equity of subsidiaries	(43)
Balances at 31 December 2009	447.976
Distribution of consolidated profit	96.949
Other changes in shareholders' equity of subsidiaries	(590)
Balances at 31 December 2010	544.335

34. MINORITY INTERESTS

The changes in this heading in the years ended 31 December 2010 and 2009 were as follows:

Balances at 1 January 2009	106,405
Changes in the scope of consolidation (Note 6)	1,204
Exchange difference adjustments	(2,706)
Dividends	(13,047)
Increase in investments	(13,654)
Employee benefits	75
Other changes in shareholders' equity of subsidiaries	3,081
Profit for the year attributable to non-controlling interests	8,730
Balances at 31 December 2009	90,088
Exchange difference adjustments	14,476
Dividends	(14,460)
Increase in investments	(3,421)
Employee benefits	9
Profit for the year attributable to non-controlling interests	9,273
Balances at 31 December 2010	95,966

35. EMPLOYEE BENEFITS

Defined benefit plans

The Group has defined benefit plans for retirement pensions and life insurance, the obligations for which are determined annually on the basis of actuarial studies performed by independent entities. The expense thus calculated is recognised in profit or loss for the year.

Most of the retirement plan obligations were transferred to pension funds controlled by independent, specialised entities. The related annual maturities are determined on the basis of actuarial studies performed by independent experts.

The detailed studies at 31 December 2010 and 2009 applied the projected unit credit method and established the following estimates and technical actuarial assumptions:

	2010	2009
Actuarial technical rate (in local currency)		
Spain	4.90%	5.00%
South Africa	8.43%	10.39%
India	8.00%	7.50%
Morocco	5.10%	5.11%
Annual pension growth rate		
Spain	2.00%	2.00%
Annual fund income rate		
Spain	4.90%	5.00%
Annual salary growth rate		
Spain	3.00%	3.00%
India	7.00%	7.00%
Mortality tables		
Spain	PERMF 2000	PERMF 2000
South Africa	SA 85-90	SA 85-90
India	LIC	LIC
Morocco	TV 88/90	TV 88/90
Nominal growth rate of medical costs		
South Africa	6.43%	8.39%
Morocco	3.00%	3.00%

The charges to actuarial assumptions are justified by changes in market conditions. The discount rates of the liabilities were estimated based on long-term rates of return of highly rated bonds and with maturities similar to those liabilities. The salary growth rates were determined in accordance with the wage policy of the Group for the indicated segments.

In accordance with the actuarial valuations the pension and healthcare benefits costs for the years ended 31 December 2010 and 2009 were as follows:

		Pension plans	
		2010	2009
Current service cost		261	235
Interest cost		214	192
Expected return of the plans' assets		(239)	(209)
Total cost/(income) of the pension plans	(I)	236	219

		Healthcare plans	
		2010	2009
Current service cost		75	67
Interest cost		187	182
Curtailments / settlements / constitutions		-	-
Total cost/(income) of the healthcare plans	(II)	262	249
Total cost/(income) of the defined benefit plans (Notes 11 and 35)	(I) + (II)	498	468

Based on the above-mentioned actuarial studies, the expenses for retirement pension supplements and life insurance in the years ended 31 December 2010 and 2009 can be broken down as follows:

	Pension plans		Healthcare plans		Total	
	2010	2009	2010	2009	2010	2009
Defined benefit liability - 1 January	3,808	3,848	2,742	3,029	6,549	6,877
Benefits and bonuses paid	(446)	(333)	(31)	(598)	(477)	(931)
Current service cost	261	235	75	67	335	302
Interest cost	214	192	187	182	401	375
Actuarial gains and losses	(469)	(86)	(163)	(95)	(632)	(181)
Exchange differences	191	(49)	168	157	359	108
Defined benefit liability - 31 December	3,558	3,808	2,977	2,742	6,535	6,549
Value of the pension funds - 1 January	3,668	3,562	-	-	3,668	3,562
Contributions	12	164	-	-	12	164
Benefits and bonuses paid	(446)	(333)	-	-	(446)	(333)
Expected income of the funds' assets	239	209	-	-	239	209
Actuarial gain in income from the funds' assets	5	87	-	-	5	87
Exchange differences	143	(21)	-	-	143	(21)
Value of the pension funds - 31 December	3,620	3,668	-	-	3,620	3,668

From the date of transition to IFRS, the Group applied the new provisions of IAS 19 – Employee benefits, recognising actuarial gains and losses directly in the specific item of equity, having no impact on profit of loss for the year. The movements of net actuarial gains and losses during the years ended 31 December 2010 and 2009 were as follows:

	2010	2009
Balances at 1 January	1,250	989
Changes during the year:		
Related to the liabilities	632	181
Related to the funds	5	87
Corresponding deffered tax	(177)	(82)
Non-controlling interests (Note 34)	9	75
Balances at 31 December	1,719	1,250

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

	2010	2009
Related to the funds assets	5	87

At 31 December 2010 and 2009, the difference between the respective present values of the benefit plan obligations and the fair value of the fund assets was as follows:

Pension plans	2010	2009	2008	2007	2006
Liability	3,558	3,808	3,848	2,375	4,140
Value of the pension funds	(3,620)	(3,668)	(3,562)	(2,825)	(4,509)
Deficit	(62)	139	286	(450)	(369)
Liability for employee benefits:					
Current liability	56	(186)	601	(46)	-
Non-current liability	-	384	(246)	46	-
	56	197	356	-	-
Fund surplus (Note 25)	(118)	(58)	(69)	(450)	(369)
Total exposure	(62)	139	286	(450)	(369)

Healthcare plans	2010	2009	2008	2007	2006
Liability for employee benefits:					
Current liability	258	598	18	46	-
Non-current liability	2,719	2,143	3,012	1,090	1,193
Total exposure	2,977	2,742	3,029	1,136	1,193

The detail of the main fund assets at 31 December 2010 and 2009 is as follows:

	2010	2009
Fixed rate bonds	42.7%	30.6%
Real estate investment funds, hedge funds, cash and insurance	57.3%	69.4%
	100.0%	100.0%

Defined contribution plans

In the years ended 31 December 2010 and 2009, the Group incurred costs in defined contribution plans by a total amount of EUR 1,026 and 431 thousand, respectively (Note 11).

36. PROVISIONS AND ACCUMULATED DETERIORATION LOSSES

At 31 December 2010 and 2009 the details of current and non current classification were as follows:

	2010	2009
Non-current provisions:		
Provisions for tax risks	11,993	11,084
Environmental rehabilitation	31,027	29,687
Provisions for employee benefits and others personnel provisions	9,442	6,255
Other provisions for risks and charges	37,140	31,151
	89,602	78,177
Current provisions:		
Environmental rehabilitation	300	250
Provisions for employee benefits and others personnel provisions	223	214
Other provisions for risks and charges	578	498
	1,101	962
	90,703	79,139

The changes in the balances of provisions in the year ended 31 December 2010 and 2009 were as follows:

	Provisions for Tax and Legal Contingencies	Quarry Restoration Provision	Severance Costs and Other Staff Costs	Litigation	Other Provisions for Contingencies and Expenses	Total
Balance at 1 January 2009	11,289	37,276	5,476	24,581	6,335	84,957
Changes in the scope of consolidation	-	-	-	-	15	15
Translation differences	(291)	2,957	453	5,319	3	8,441
Increases	128	6,375	562	578	156	7,799
Reductions	-	(16,497)	(75)	(1,983)	(258)	(18,813)
Amount used	(43)	(129)	(7)	(3,451)	(540)	(4,170)
Transfers	-	(45)	61	(23)	917	910
Balance at 31 December 2009	11,083	29,937	6,470	25,021	6,628	79,139
Translation differences	192	1,300	377	3,094	340	5,303
Increases	728	1,140	3,230	332	5,034	10,464
Reductions	-	(485)	(997)	(255)	(494)	(2,231)
Amount used	(20)	(422)	(70)	(223)	(1,734)	(2,469)
Transfers (Note 41)	10	(143)	655	(6)	(19)	497
Balance at 31 December 2010	11,993	31,327	9,665	27,963	9,755	90,703

The increases and decreases in the balances of provisions reported in the years ended 31 December 2010 and 2009, were made by balancing entry of:

	2010	2009
Tangible assets:		
Land	(203)	(5,191)
Intangible assets:		
Exploitation rights	-	1,375
Profit and loss for the year:		
Supplies and services	(251)	285
Payroll	590	360
Provisions	5,859	622
Financial expenses	875	(887)
Financial income	-	(7,402)
Share of results of associates (Note 12)	29	-
Shareholders' equity:		
Reserves	1,333	(176)
	8,233	(11,014)

The provision for Environmental rehabilitation represents the Group's legal or implicit obligation to rehabilitate land used for quarries. Payment of this liability depends on the period of operation and the beginning of the related work.

The other provisions for risks and charges cover specific business risks resulting from the Group's normal operations, which include for the years ended 31 December 2010 and 2009, a provision of approximately 15 million Brazilian reais (6,935 thousand euros and 6,124 thousand euros respectively), corresponding to the contribution that the Group has agreed to make, in the event of an agreement with the Government of Economic Defence Council, as a result of the administrative charges brought by the Economic Law Department of the Ministry of Justice in Brazil for alleged economic violations in the cement and ready-mix concrete markets.

37. LOANS

The detail of the loans obtained at 31 December 2010 and 2009 is as follows:

	2010	2009
Non-current liabilities		
Bank Loans	806,594	749,859
	806,594	749,859
Current liabilities		
Bank Loans	323,701	442,994
	323,701	442,994
	1,130,296	1,192,853

Bank loans

The detail of the bank borrowings at 31 December 2010 and 2009 is as follows:

Type	Currency	Interest rate	2010	2009
EIB loan	EUR	2,69%	49.910	-
Bilaterals loans	EUR	Variable rate indexed to Euribor	917.238	891.943
Bilaterals loans	Several	Variable rate	82.401	242.385
Overdrafts (Note 46)	Several	Variable rate	80.747	58.525
			1.130.296	1.192.853

The repayment schedule for the non-current bank borrowings at 31 December 2010 and 2009 was as follows:

	2010	2009
2011	-	313,186
2012	306,566	377,769
2013	214,956	34,659
2014 and following year	285,072	24,246
	806,594	749,860

At 31 December 20010 and 2009, the borrowings were denominated in the following currencies:

	2010		2009	
Currency	Foreign Currency Value	Value in thousands of Euros	Foreign Currency Value	Value in thousands of Euros
EUR	970,047	970,047	1,088,703	1,088,703
MZM	398,001	9,118	15,673	355
BRL	23,986	10,816	23,737	9,452
ZAR	65	7	15,050	1,411
MAD	15,654	1,395	87,153	7,680
CVE	129,451	1,174	139,706	1,267
TRY	156,909	75,823	106,655	49,499
CNY	204,547	23,186	111,676	11,355
HKD	-	-	258,405	23,132
TND	2,006	1,040	-	-
EGP	98,554	12,713	-	-
		1,130,296		1,192,854

The loans arranged in foreign currencies were translated to euros at the exchange rate ruling on the balance sheet date.

Rating qualifications

The larger syndicated and bilateral loans establish that the spread must be indexed to the Standard & Poor's rating, therefore reflecting the assessment of risk of these operations (Note 40).

Control of investees

Most of the financing agreements entered into by operating companies or by sub-holdings do not contemplate the maintenance of control by Cimpor Inversiones, S.A. (Sole-Shareholder Company) of the majority of these entities’ share capital. However, the support letters they request from the Parent upon arrangement of these transactions generally contain a commitment not to relinquish control (direct or indirect) over the investees.

The bank loans with more significant amount, particularly those hired by the Parent Company, contain an *Ownership Clause* (maintenance of shareholders of reference).

Also, on December 14th, 2009, by agreement of the Board of Directors, the Company has given a guarantee (jointly with Corporación Noroeste, S.A.) to Cimpor Financial Operations, B.V. in the context of a Bond issuance program "Euro Medium Term Programme - EMTM." The limit of this guarantee is of €2,500,000 thousand. At the time of preparation of these 2009 financial statements any issue were not made under this program.

The Directors of the Parent Company do not expect losses in relation to fulfillment of the commitments guaranteed

At 31 December 2010 and 2009, the other guarantees provided by the Parent and other subsidiaries (mainly to other Cimpor Group companies) amounted to EUR 1,033,071 thousand and EUR 870,742 thousand, respectively.

Negative pledge-

The majority of the financing instruments have Negative Pledge clause. Usually establish a maximum level of pledges over assets, which must not be exceeded without prior notice to the financial institution.

Other clauses-

Any court ruling that deemed to be final and it involves a payment of more than EUR 10,000 thousand or any litigation, administrative proceeding or investigation whose outcome is expected to be adverse to the Company or its Parent may also involve an early cancellation of a financial portion.

Financial covenants

Also, certain financing transactions signed by the Parent Company include “covenants” from finances made by Cimpor Financial Operations B.V., from which the company is the last beneficiary, establishing commitments to maintain previously agreed-upon financial ratios relating to the consolidated financial statements of the CIMPOR-Cimentos de Portugal SGPS, S.A. Group. The main ratios referred to are as follows:

- Liquid debt / EBITDA
- EBITDA (Financial expenses – Financial revenues), at Cimpor Portugal consolidated level.
- % Cimpor Group financing (75%) attributable to the Parent Company

Change of control

Various financing instruments include change of control clauses that can even provide for the possibility of early repayment by decision of the creditors, if 51% of the capital of the parent company Cimpor Cimentos de Portugal, SGPS, S.A. is controlled by a single entity or several entities acting in consortium. At 31 December 2010, the debt attributable to financial instruments containing such a clause amounted to 500 million of euros (300 million of euros in 31 December 2009), of which 20 million euros are registered as non-current financial debt (100 million euros in 31 December 2009).

At 31 December 2010 and 2009, all these ratios were within the established limits. The management considers that during the year 2010 the companies will continue fulfilling these commitments (see Note 40).

38. OBLIGATIONS UNDER LEASES

Finance leases

The minimum lease payments as at 31 December 2010 and 2009, resulting from finance lease liabilities, are as follows:

	2010		2009	
	Present value	Future value	Present value	Future value
Up to 1 year	2,999	3,074	2,783	2,881
From 1 to 5 years	3,070	3,171	4,732	4,825

Operating leases

The Cimpor Inversiones Group's current operating lease contracts relate essentially to transport and office equipment.

Future commitments under the current operating lease contracts are as follows:

	Group	
	Future value	
	2010	2009
Up to 1 year	2,926	2,830
From 1 to 5 years	7,841	5,785
More than 5 years	-	156

Total operating lease costs recognised in the consolidated statement of profit and loss for the year ended 31 December 2010 amounted EUR 4,084 thousand (EUR 2,530 thousand in 2009).

39. DERIVATIVE FINANCIAL INSTRUMENTS

Under the risk management policy of the Cimpor Inversiones Group a range of derivative financial instruments have been contracted at 31 December 2010 and 2009 to hedge interest and exchange rate risk.

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

These operations with the knowledge of the Board of Directors of Cimpor, are permanently monitored by the Financial Operations Area. Several indicators relating to the instruments are periodically determined, namely their market value and sensitivity of the projected cash flows and market value to changes in key variables, with the aim of assessing their financial effect.

The recognition of financial instruments and their classification as hedging or trading instruments, is based on the provisions of IAS 39.

Hedge accounting is applicable to financial derivative instruments that are effective as regards the elimination of variations in the fair value or cash flows of the underlying assets/liabilities. The effectiveness of such operations is verified on a regular quarterly basis. Hedge accounting covers three types of operations:

- Fair value hedging
- Cash flow hedging
- Hedging of net investments in a foreign entity.

Fair value hedging instruments are financial derivative instruments that hedge exchange rate and/or interest rate risk. Changes in the fair value of such instruments are reflected in the statement of profit and loss. The underlying asset/liability is also valued at fair value as regards the part corresponding to the risk that is being hedged, the respective changes being reflected in the statement of profit and loss.

Cash flow hedging instruments are financial derivative instruments that hedge the exchange rate risk on future purchases and sales of certain assets as well as cash flows subject to interest rate risk. The effective part of the changes in fair value of the cash flow hedging instruments is recognised in shareholders’ equity, while the non effective part is reflected immediately in the statement of profit and loss.

Instruments hedging net investment in foreign entities are exchange rate financial derivative instruments that hedge the effect, on shareholders’ equity, of the risks on translation of the financial statements of foreign entities. Changes in the fair value of these hedging operations are recorded in the shareholders’ equity “Currency translation adjustments” until the hedged investment is sold or liquidated.

Instruments held for trading purposes are financial derivative instruments contracted in accordance with the Group’s risk management policies but where hedge accounting is not applicable, because they were not formally designated for that purpose or because they are not effective hedging instruments in accordance with the requirements of IAS 39.

Fair value of derivative financial instruments

The fair value of derivative financial instruments at 31 December 2010 and 2009 is as follows:

	Other assets (Note 25)				Other liabilities (Note 42)			
	Current		Non-current		Current		Non-current	
	2010	2009	2010	2009	2010	2009	2010	2009
Fair value hedges:								
Exchange and interest rate swaps	-	-	-	3,771	-	-	-	2,183
Interest rate swaps	9,397	13,385	-	2,858	-	-	-	-
Exchange rate forwards	13	18	-	-	-	1	-	-
Trading:								
Exchange and interest rate derivatives	2,784	4,524	-	-	-	-	39,363	68,073
Interest rate derivatives	2,992	1,422	3,300	3,636	7,551	6,753	34,025	43,863
	15,187	19,349	3,300	10,266	7,551	6,754	73,389	114,119

Some derivatives, although in compliance with the Group's risk management policies as regards the management of financial market volatility risks, do not qualify for hedge accounting, and so are classified as trading instruments.

The following schedule shows the operations at 31 December 2010 and 2009 that qualify as fair value and cash flow hedging instruments:

Type of hedge	Notional	Type of Operation	Maturity	Financial purpose	Fair value 2010	Fair value 2009
Fair value	EUR 15.627.500	Cross-Currency Swap	Apr/13	Principal and interest hedge on Intercompany Loan from C. Inversiones to Natal Portland Cement	-	3,771
Fair value	EUR 5.444.444	Cross-Currency Swap	Apr/13	Principal and interest hedge on Intercompany Loan from C. Inversiones to Natal Portland Cement	-	(1,272)
Fair value	EUR 3.888.888	Cross-Currency Swap	Apr/13	Principal and interest hedge on Intercompany Loan from C. Inversiones to Natal Portland Cement	-	(911)
Fair value	EUR 300.000.000	Interest Rate Swap	May/11	Hedge of 12.5% of the interests on Intercompany Loan from C. Inversiones to Cimpor BV regarding the Eurobond payment	9,397	16,243
Fair value	USD 3.600.000	Forwards	Feb/10	Currency hedge	-	17
Fair value	USD 3.310.000	Forwards	Oct/10	Currency hedge	13	-
					9,410	17,849

In addition, the portfolio of derivative financial instruments at 31 December 2010 and 2009 that do not qualify as hedging instruments is made up as follows:

Face Value	Type of Operation	Maturity	Economic purpose	Fair value 2010	Fair value 2009
USD 140.789.004	Cross-Currency Swap	Jun/13	Hedge of 100% of the principal and interests 10Y tranche of the US Private Placements	(11,068)	(19,869)
USD 213.210.966	Cross-Currency Swap	Jun/15	Hedge of 100% of the principal and interests 12Y tranche of the US Private Placements	(25,511)	(43,679)
EUR 100.000.000	IRS with conditioned receivable Leg	Dec/12	Reduce the cost of funding - IRS with options sold on Euribor 6M and US Libor 6M	(4,167)	(6,664)
EUR 30.000.000	IRS with conditioned receivable and payable Leg	Jun/15	Reduce the cost of funding - IRS with options sold on European swap curve and options bought on the slope of the European Swap Rate.	1,944	2,077
EUR 430.000.000	IRS with conditioned receivable Leg	Jun/15	Reduce the cost of funding - IRS with a set of options sold on which the main exposure is the slope of the European swap curve.	(25,284)	(31,470)
EUR 37.000.000	IRS	Jun/15		(2,823)	(3,356)
EUR 25.000.000	IRS with only conditioned Payable Leg	Jun/15		(2,171)	(2,397)
EUR 25.000.000	IRS	Jun/15		-	(1,178)
EUR 150.000.000	EUR Interest Rate Swap	Jun/15	Reduce the cost of funding - Interest Rate Swap	1,702	(752)
EUR 50.000.000	EUR Structured Swap Rate	Mar/11	Reduce the cost of funding - Structured Interest Rate Swap	-	(1,180)
EUR 50.000.000	IRS with conditioned receivable Leg	Jun/15	Reduce the cost of funding - IRS with options sold on an Interest Rate Index	(291)	1,461
EUR 25.000.000	IRS with conditioned receivable Leg	Jun/15	Reduce the cost of funding - IRS with options sold on an Interest Rate Index	(3,132)	(2,100)
EUR 50.000.000	Several Interest Rate Swap	Apr/17	Interest rate pre-hedge	(1,062)	-
				(71,864)	(109,107)

40. FINANCIAL RISK MANAGEMENT

General Principles

During its normal business activities, the Group is exposed to a variety of financial risks, which can be grouped in the following categories:

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

Financial risk is deemed to mean the probability of obtaining a positive or negative outcome different to that expected, and which materially and unexpectedly alters the Group's net worth.

The management of these risks, which arise from the unpredictability of financial markets, requires prudent application of rules and methods approved by the Executive Committee, with the final purpose of minimising the potential effects on the Group's profits of these markets' behaviour.

In principle, the Group does not take speculative positions and so the sole aim of all operations carried out in this management is to control existing risks to which the Group is unavoidably exposed. Hedging the interest-rate risk and exchange-rate risk normally means contracting financial derivatives on the over-the-counter market involving a limited number of counterparties with high ratings. All these operations are undertaken with financial entities with which ISDA contracts have been signed beforehand, in accordance with international standards.

All risk management, focused on that objective, is conducted according to two core concerns:

- Reducing, whenever possible, fluctuations in profit/loss and cash flows that are exposed to risk.

- To limit the curving deviation from forecast financials by means of meticulous financial planning based on multi-year budgets.

Furthermore, another concern of the Group is that the processes for managing these risks meet internal information needs and also external requirements (regulators, auditors, financial markets and all other stakeholders).

Interest-rate risk

The Group’s exposure to interest-rate risk arises from the fact that its balance sheet includes financial assets and liabilities that have been contracted at fixed and variable interest rates. In the former case, the Group runs the risk of variation in the fair value of these assets and liabilities, in that any change in market rates involves a (positive or negative) opportunity cost. In the latter case, this same change has a direct impact on interest paid or received, resulting in changes in “Cash flow”.

In order to hedge this type of risk, in accordance with the Group’s expectations of market rates, forward rate agreements or preferably interest-rate swaps are normally contracted.

Exchange-rate risk

The Group’s internationalization forces it to be exposed to the exchange-rate risk of the currencies of different countries, particularly Brazil, Egypt, South Africa and Turkey due to the large amount of capital invested there.

The exchange effects of including local financial statements in the Group’s consolidated accounts can be mitigated by hedging the amount of net investments in those countries. However, the Group has not done this systematically, as it considers that the cost of these operations (the difference between the local interest rates and the Group’s reference currency) is generally too high in relation to the risks in question.

When we do hedge the exchange-rate risk, we normally use *forward* contracts and standard exchange options generally maturing in under one year.

The Group does not carry out exchange-rate operations that do not cover existing or contracted positions.

In 2010, the decision of not to hedge currency risks ultimately had a positive impact, since all the currencies of the Group (except Tunisia) performed positively.

Almost all financing contracted by the Group is denominated in the consolidation currency (euros), with the exception of the debt directly contrated by the different business areas to meet their day-to-day requirements. Nevertheless, it was decided to keep the US Private Placements launched in December 2010 denominated in USD, as a way to achieve a kind of natural hedge, given the stronger correlation between the dollar and the Group's exposure currencies, compared with the euro.

Liquidity risk

Liquidity-risk management means maintaining an appropriate level of available cash and through contracting credit limits that not only ensure the normal pursuit of the Group's activities but also meet the needs of any acquisition operations.

In particular, the Group maintains committed backup lines with some banks, which can be used to meet occasional cash needs, thereby reducing the liquidity risk and also satisfying the ratios required by the rating agencies.

This risk is monitored through a cash budget, which is reviewed at regular intervals. The Group's access to short-term lines of credit of ample value and the fact that it keeps its EMTN and commercial paper programmes updated periodically plus the Pagarés Y Bonos Programme recently registered in the Spanish Market, ensure the ability to access swiftly the capital markets.

As at 31 December 2010 and 31 December 2009, the amount of credit lines obtained but not used, excluding commercial paper that has not been underwritten, were 850 million euros and 294 million euros, respectively.

The cash surpluses of the different Business Areas are, whenever possible, channelled to the parent company, through the payment of dividends or made available to other areas with a shortage of funds, through intercompany loans.

Credit risk

The market view of CIMPOR's credit risk in regards to financing operations is naturally reflected in the financial costs associated to such operations. The Group's influence in such matters is merely of assistance, embodying the prudent and balanced manafement of the business in order to minimize the probability of defaulting on its obligations.

The Group's high degree of solvency is reflected in its Leverage ratio (Net Debt / EBITDA) and Interest Coverage ratio (EBITDA / Net Financial Charges). The achievement of the levels pre-established for these two indicators is fundamental in ensuring compliance not only with the debt instruments envisaging such but also, through the performance of the cross default provisions, compliance by all the remaining debt.

In 2010 and 2009, both ratios - calculated according to the methodology imposed by the USPP Note Purchase Agreements (financial debt at nominal value) were far from the established limits at the end of the year:

Ratio	December 2010	December 2009	Limit
Leverage	2.48	2.82	<= 3,5
Interest Coverage	10.52	11.26	≥ 5

Counterparty non-fulfilment risk

When the CIMPOR Group establishes different contractual relations with third parties, it takes on the risk of the probability of non-fulfilment or even, in an extreme scenario, default by a counterparty.

The Group endeavour to limit its exposure to credit risk of bank accounts and other cash investments and derivatives contracted from financial institutions by carefully selecting counterparties, taking into the account their rating and the nature and maturity of operations.

On the basis of the information currently available, no losses due to default by counterparties are expected.

In its derivatives portfolio, the Group follows a policy of diversifying counterparties, with the exception of its portfolio of interest-rate derivatives that do not qualify as hedges. For operativity reasons there is a counterparty assuming a dominant position to facilitate operations. In any case, as this portfolio consists mainly of swaps with sold options, it is the counterparty that actually runs risk.

Sensitivity analyses

a) Interest rate

Exposure to interest-rate risk results in variability of the Group’s financial expenses.

The results of a sensitivity analysis of exposure as at 31 December 2010 and 2009 were as follows: with all other assumptions remaining constant, a parallel alteration of +/- 1% in the interest-rate curve would represent approximately a 17 million euros and 18 million euros increase / decrease in financial costs (before tax), for the financial years ended on 31 December 2010 and 2009 respectively, considering the effect of existing hedge instruments.

The fact that the Group has substantially altered its debt profile, in terms of balance between fixed and variable rates, allows the analysis results remain practically unchanged.

b) Exchange rate

In the debt and financial derivatives component, risks are substantially hedged by symmetrical positions and as such results do not vary significantly. Exchange-risk exposure in other financial instruments is a result of the Group’s normal activity and the impact on results arising from fluctuations in exchange rate is minimal.

As at 31 December 2010, the exposure of profits to exchange rate fluctuations mainly derives from two intragroup loans between business areas operating with different currencies. A 10% change in the euro exchange rate with the currencies where such exposure is most significant, would impact on profits as follows:

	+10%	-10%
EGP	8,956	(7,327)
TRY	(1,350)	1,650
CNY	(2,208)	2,699
	5,398	(2,979)

41. OTHER PAYABLES

The detail of these headings at 31 December 2010 and 2009 is as follows:

	2010		2009	
	Current	Non-current	Current	Non-current
Group companies	623,029	479,364	18,960	851,385
Other shareholders	4,407	60	1,424	60
Fixed assets suppliers	28,122	20,077	25,704	16,549
Other creditors	28,389	515	23,984	740
	683,947	500,016	70,072	868,734

The short and long term payable to Group companies correspond to loans signed with Cimpor Financial Operations, as follows:

1. Two loans signed on 27 June 2003 in the respective amounts of EUR 127,986 thousand and EUR 216,724 thousand, being converted into USD in the respective amounts of USD 150,000 thousand and USD254,000 thousand.

   The exchange rate used for the loans conversion in the year 2004 was of 1.17 USD/€, which remains fixed for the entire term of the operations, based on a “Cross currency swap” hedging position.

   These loans bear fixed interest at respective rates of 5.85% and 6% in 2010 and 2009, payable half-yearly, and they will mature on June 27, 2013 and 2015 respectively. Total interest accrued on these loans, amounting to EUR 16,518 thousand (EUR 14,290 thousand in 2009) (Note 47).

   In September 2009 there was an early repayment of these loans amounting to EUR 33,857 thousand (USD 50,000 thousand).

   Updating to December 31st 2010 and 2009 the fair value of the financial instrument hedging linked to these loans, means their reduction to EUR 36,579 and EUR 59,690 thousand respectively at December 31st 2010 and 2009, being its total value of EUR 269,686 and EUR 251,163 thousand at the same dates.

2. On December 22, signed a loan for an amount of USD 200,000 thousand with the following maturities and interest rates: a first mature of USD 125,000 thousand on Dec 22th 2020, bearing a fixed interest of 6.86% annually paid, and a second mature of USD 75,000 thousand on Dec 22th 2022, bearing a fixed interest of 7.01% annually paid. This loan accrued interest of EUR 259 thousand in 2010 (Note 47).

3. A loan signed on May 27th 2004 for an amount of EUR 597,042 thousand, bearing a fixed interest of 4.69% annually paid, maturing (one payment) on May 27th 2011. This loan accrued interest of EUR 28,001 thousand (EUR 28,001 thousand in 2009). (Note 47). The fair value hedges mentioned in Note 39 covering 50% of the nominal value of this loan, and turn this to “variable rate financing”.

The short-term debt to Group companies, is primarily related to the interest payable on the loan operations described above.

42. OTHER CURRENT AND NON-CURRENT LIABILITIES

The detail of these headings at 31 December 2010 and 2009 is as follows:

	2010		2009	
	Current	Non-current	Current	Non-current
Interest payable	6,248	-	1,227	589
Deferred tax expenses	203	-	151	-
Remuneration payable	13,347	-	11,065	-
Derivative financial instruments (Nota 39)	7,551	73,389	6,754	114,119
Grants related to assets	-	6,521	-	7,617
Other deferred expenses	7,888	1	8,231	-
	35,237	79,911	27,428	122,325

43. TRADE PAYABLES AND CUSTOMER ADVANCES

The detail of this heading at 31 December 2010 and 2009 is as follows:

	2010	2009
Trade payable, current account	90,817	76,009
Payable invoices not yet received	36,121	40,600
Trade-payable - Notes payable	21,276	12,863
Customer advances	6,652	13,409
	154,866	142,881

Deferment on payment to providers. Additional regulations to third parties. 'Duty to inform' – Law 15/2010, of 5 July-

Law 15/2010, July 5th expresses the need to give the information required on regulations to third parties. As of December 31st of 2010, the annual balance sheets showed that a sum of 17,571,584.88 euros of accumulated pending payments to suppliers surpassed the legal period of payment.

This balance is owed to the goodwilll groups which are commercial creditors. These debts are owed for services rendered and the supply of goods; these figures are stated on the balance sheets in liabilities as: 'Suppliers', and 'Other Creditors' and corresponds with Group companies domiciled in Spain

At the end of the tax year on the balance sheets, it states the payments to suppliers which exceeded the payment period. Law 3/2004 article 4, December 29th in accordance with the 2nd Transitory Regulation within Law 15/2010, July 5th, states: payments which have been freely negotiated with each supplier protected by its capacity of payment (Law 3/2004 art.9, December 29th) could be negotiated considering each case; the nature of the product and/or service and provisions given by the Group are used as additional payment guarantee.

Law 3/2004, of 29 December states the legal period established for payment. This law fights against slowness in payment within commercial transactions. According to Law 15/2010, of 5 July, 85 days is the period between the coming into effect of this law and 31 December 2011.

44. CO_2 EMISSION LICENSES

Accordingly with the European Parliament and Council Directive 2003/87/CE to internal legal orders, the Spanish and Portuguese governments have approved the lists of the installations of participants in the trading of emissions and the respective emission licences granted for the 2008 to 2012 period.

Four manufacturing plants of Group's companies, all located in Spain (Oural, Toral de los Vados, Córdoba and Niebla Production Centres) received licences corresponding to annual emissions rights of 2,025,769 tons (period 2008 to 2012).

The estimated emissions of these premises were 1,727,566 tons of CO_2 during the financial year ended on 31 December 2010 and 1,743,047 tons in 2009. 150,000 tons during the year ended 31 December 2010 (350,000 tons in 2009) of CO_2 of the total licence of 2,025,769 tons of CO_2 awarded were disposed of, generating a gain of 2,282 thousand of euros in the financial year ended on 31 December 2010 (4,170 thousand of euros in 2009), reported under "Other operating income" (Note 9).

Furthermore, the Group exchanged 160,034 European Emission Allowanges ("EUA") licences for Certified Emission Reductions ("CER") in the financial year ended on 31 December 2009 , resulting a gain of 936 thousand euros (Note 9).

45. FINANCIAL ASSETS AND LIABILITIES ACCORDING TO IAS 39

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

2010	Credits and accounts receivable	Available-for-sale financial assets	Held to maturity investments	Other financial assets	Assets and liabilities at fair value through profit and loss	Total
Assets:						
Cash and cash equivalents	457,331	-	-	-	-	457,331
Accounts receivable-trade	212,925	-	-	-	-	212,925
Other investments	-	4,196	-	-	-	4,196
Other non-current accounts receivable	11,173	-	-	-	-	11,173
Other current accounts receivable	14,591	-	-	-	-	14,591
Other non-current assets	18,919	-	-	-	3,300	22,218
Other current assets	13,683	-	-	-	5,790	19,473
Current accrued income	1,457	-	-	-	-	1,457
Total assets	730,078	4,196	-	-	9,090	743,363
Liabilities:						
Non-current loans	-	-	-	806,594	-	806,594
Current loans	-	-	-	323,702	-	323,702
Current liabilities-trade	-	-	-	154,866	-	154,866
Other non-current accounts payable	-	-	-	230,330	269,686	500,016
Other current accounts payable	-	-	-	683,946	-	683,946
Other non-current liabilities	-	-	-	1	73,389	73,390
Other current liabilities	-	-	-	713	7,551	8,264
Current acrrued costs	-	-	-	26,973	-	26,973
Total liabilities	-	-	-	2,227,125	350,626	2,577,751

2009	Credits and accounts receivable	Available-for-sale financial assets	Held to maturity investments	Other financial assets	Assets and liabilities at fair value through profit and loss	Total
Assets:						
Cash and cash equivalents	269,414	-	-	-	-	269,414
Accounts receivable-trade	193,575	-	-	-	-	193,575
Other investments	-	1,176	224	-	1	1,401
Other non-current accounts receivable	8,548	-	-	-	-	8,548
Other current accounts receivable	18,079	-	-	-	-	18,079
Other non-current assets	24,780	-	-	-	7,408	32,188
Other current assets	16,093	-	-	-	5,964	22,057
Current accrued income	2,324	-	-	-	-	2,324
Total assets	532,813	1,176	224	-	13,372	547,586
Liabilities:						
Non-current loans	-	-	-	749,859	-	749,859
Current loans	-	-	-	442,994	-	442,994
Current liabilities-trade	-	-	-	142,881	-	142,881
Other non-current accounts payable	-	-	-	626,118	242,616	868,734
Other current accounts payable	-	-	-	70,072	-	70,072
Other non-current liabilities	-	-	-	8,206	114,119	122,325
Other current liabilities	-	-	-	1,104	6,754	7,858
Current accrued costs	-	-	-	19,570	-	19,570
Total liabilities	-	-	-	2,060,804	363,489	2,424,293

46. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENTS

Cash and cash equivalents

The detail of this heading at 31 December 2010 and 2009 is as follows:

	2010	2009
Cash	111	164
Bank deposits immediately available	52,437	51,802
Term bank deposits	306,823	54,801
Marketable securities	97,960	162,647
	457,331	269,414
Bank overdrafts	(80,747)	(58,525)
	376,584	210,889

"Cash and Cash Equivalents" includes cash balances, immediately available deposits, cash applications and time deposits maturing in less than three months, that are subject to an insignificant risk of change in value. “Bank Overdrafts” includes the amounts obtained from current accounts with financial institutions.

In 2010:

The most significant Group cash flows regarding investment and financing activities occurred, in the Group, in the years ended 31 December 2010 and 2009, are as follows:

Financial asset collections/payments

Payments related to financial investments, occurred in the year ended 31 December 2010, correspond essentially to share’s acquisition from non-controlling interests in participated companies, namely in Ameriyah Cement Company (9.5 million euros) and in Occidental de Áridos (8.1 million euros – payment regarding acquisition made in 2009).

Receipts / Payments relating to financial investments

- As part of the Group’s financial debt restructuring, Cimpor Inversiones has borrowed around 264 million euros and made repayments in the amount of 239 million euros;

- Local loans amortization by Corporación Noroeste (200 million euros, in net terms);

- Loan obtained by Cimpor Inversiones regarding the grinding capacity increasing in Turkey (50 million euros);

- Ameriyah Cement Company contracted a 21 million euros loan, of which 9 million euros have been repaid during 2010;

- The use of short term debt by Cimpor China (funding of approximately 8 million euros, in net terms);

- Payments regarding the figure “Others”, include dividends payment to non-controlled interests.

In 2009:

Financial asset collections/payments

Receipts relating to investments during the year ended 31 December 2009 correspond, essentially, to the sale of the debt instrument issued by the Republic of Austria (Note 21). While payments relate mainly to the the minority investment acquisition in the share capital of participated companies and to the increase of investments in associates.

Receipts / Payments relating to financial investments

- Corporación Noroeste, S.A. borrowing around EUR 186 million and Cimpor Inversiones (Sole-Shareholder company) EUR 75 million (amortised in 2009), for the amortisation of the debt, intra-group loans and dividend payments.

- The use of current accounts by Corporación Noroeste, S.A. (which resulted in net terms to the amortisation of EUR 44 million),

- The early repayment of the US Private Placements in the amount of EUR 34 million.

- The use of short-term debt by Cimpor China (funding of approximately EUR 31 million, in net terms).

- The amortisation of the medium-long term loan contracted locally in India (EUR 15 million).

47. RELATED PARTIES

The transactions and balances between Cimpor Inversiones, S.A. (Sole-Shareholder Company) (the Parent) and the Group companies were eliminated on consolidation process and so are not disclosed in this chapter.

The terms and conditions of the transactions between the Group companies and related parties are substantially similar to those contracted, accepted and practiced in similar operations with independent entities.

Balances and transactions between the Group and associated companies and other related parties are detailed as follows:

	Associated companies		Other related parties: Camargo Corrêa Group	Other related parties: Votorantim Group	Other related parties: Caixa Geral de Depósitos, S.A. and related	Other companies Group Cimpor	
	2010	2009	2010	2010	2010	2010	2009
Assets:							
Deposits	-	-	-	-	149	-	-
Accounts receivable-trade	2,333	3	2	2,103	-	685	532
Accounts receivable-other	18,521	20,680	-	3	-	-	2
	20,855	**20,683**	**2**	**2,106**	**149**	**685**	**534**
Liabilities:							
Loans	-	-	-	-	1,174	1,102,393	870,345
Accounts payable-trade	-	234	-	195	-	6,290	10,260
Suppliers of fixed assets	-	-	-	-	-	1,804	283
	-	**234**	**-**	**195**	**1,174**	**1,110,487**	**880,887**
Transactions:							
External supplies and services	8	183	-	-	1,121	29,661	15,002
Inventories purchases	-	1	1,263	1,716	-	60,233	41,032
Sales and services rendered	6,666	-	1,050	5,108	-	24,633	445
Other operating income	-	-	-	39	-	-	-
Financial expenses, net	-	-	-	-	710	45,327	42,383
	6,674	**184**	**2,313**	**6,862**	**1,832**	**159,853**	**98,861**

Transactions between related parties also include the following operations and commitments, regarding acquisitions of equity investments, namely:

– In the year ended 31 December 2010, the signing of a binding agreement with Camargo Corrêa Cimentos, S.A. to acquire 51% of the share capital of CINAC – Cimentos de Nacala, S.A. ("CINAC"), a participation that the abovementioned Cimpor shareholder had just acquired from the Mozambican group INSITEC. The completion of this acquisition is subject to notification to the Mozambican relevant authorities and to the approval of CINAC financing banks;

– In the year ended 31 December 2009, the acquisition from an associate of 10% of the share capital of Firmes y Hormigones Sany, S.L. (where 80% was already owned), the acquisition of 25% of the share capital of Occidental de Áridos, S.L., making this company wholly owned by the Group, and a 55% stake in the capital of Betobomba, S.L., in the overall amount of 9 million euros.

48. CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

Contingent liabilities

As a result of its normal business activities, the Group is involved in various legal proceedings and claims relating to products and services and also to fiscal, environmental and employment-related matters. The outcome of these proceedings and claims is not expected to have a material impact on the Group's business performance, equity position or results of operations.

In Spain for tax audits for the years of 2002 to 2004, the tax authorities assessed an amount of tax totalling approximately of 35 million euros (including accrued interests). The adjustments to the taxable profit claimed relate primarily to financial profit/loss, resulting mainly from interpretations not appropriate to the nature of certain transactions, and it is the belief of the Board of Directors that the conclusion of court proceedings already underway to challenge those adjustments, will not result in significant costs to the Group. This conviction is backed up by the opinion of its legal and tax advisers, who mostly gauge the possibility of losing such court cases as being remote.

Guarantees

At 31 December 2010 and 2009, the Group had provided guarantees to third parties (outside the Cimpor group) amounting to EUR 132,987 thousand and EUR 46,872 thousand, respectively.

At 31 December 2010 and 2009, details of guarantees given third parties is as follows:

	2010	2009
Guarantees given:		
For tax processes in progress	36.115	36.112
Financing entities	50.000	-
To suppliers	6.291	6.456
Others	40.581	4.304
	132.987	46.872

In China business area one of the signed loans is secured by a mortgage on fixed assets amounting to EUR 5,997 thousand (EUR 5,379 thousand in 2009).

As at 31 December 2010, in guarantees given to other entities is included a bank guarantee that was granted to the Industrial Development Authority (IDA), an Egyptian governmental entity, amounting to 28 million euros (217 million Egyptian pounds), due to a process in which payment of a similar amount is demanded to the Amreyah Cimpor Cement Company related to the industrial license for the production facility owned by that company. It is the Board of Directors believe and also the opinion of the legal consultants, that there is no obligation to make the said payment, and accordingly the company has already filed a legal action against the former institution.

Commitments

In the normal course of its business activities, the Group assumes commitments relating mainly to the acquisition of equipment (as part of the transactions involving investments in progress) and to the purchase and sale of equity interests.

As mentioned in Note 47, the signature of a binding agreement to acquire 51% of the share capital of CINAC. The value of the investment including loans estimates around 28 million USD.

During the annual period ended on 31 December 2009, the sales of the 26% of the South African companies: S.C. Stone and Sterkspruit Aggregates (Note 5), in accordance with South Africa legislation regarding *Black Economic Empowerment*, were not recognised because the significant risks and benefits relating to those investments were not been transferred to the buyer. In accordance with the terms agreed there are no losses to be recognised as a result of the transactions.

Pursuant to the contractually established terms and conditions, to the minority shareholder of Shandong Liuyuan New-type Cement Development Co., Ltd. was provided the opportunity to raise their shareholding in that company to a maximum of 40%, until 15 October 2012. The Board of Directors does not estimate any materially relevant impact on the financial statements of the Company in the event that such option is taken up.

Additionally, as of 31 December 2010 and 2009, there are commitments related to contracts for the acquisition of tangible fixed assets and stocks:

	2010	2009
Business area:		
Spain	14,689	16,668
Egypt	13,781	11,507
India	10,232	3,682
China	9,896	-
Others	3,897	3,638
	52,495	35,494

49. DISCLOSURES CONCERNING THE BOARD OF DIRECTORS

Directors' remuneration and other benefits:

In 2010 the Parent's Board of directors did not earn any remuneration.

At 31 December 2010, the Parent had not granted any loans or advances to its Board of directors and did not have any pension or life insurance commitments to them.

The Board of Directors is composed of 6 men.

Also, at 31 December 2010, the eight Parent staff members' wages and salaries were of EUR 1,543 thousand (EUR 1,556 thousand in 2009).

Detail of interests in companies engaging in similar activities and of similar activities performed by the directors, as independent professionals or employees:

Pursuant to Article 229 ter.4 of the Partnerships of Capital Law, in order to reinforce the transparency of companies, following is a detail of the companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the corporate purpose of Cimpor Inversiones, S.A.(Sole-Shareholder company) (see Note

1), in which the Company's directors held a position or owned an equity interest at 31 December 2010.

Director	%(*)	Company	Position
Francisco J. Queiroz de Barros de Lacerda	0,004%	Cimpor-Cimentos de Portugal, SGPS, S.A.	Director
Luis F. Sequeira Martins	0,011%	Corporacion Noroeste, S.A. Cimpor-Cimentos de Portugal, SGPS, S.A. Cimpor Internacional, SGPS, S.A. Cimpor Portugal, SGPS, S.A.	Chairman of the Executive Committee Director Director Chairman
António Carlos Custódio de Morais Varela	0,008%	Cimpor-Cimentos de Portugal, SGPS, S.A.	Director
Luis Miguel da Silveira Ribeiro Vaz	0,003%	Corporacion Noroeste, S.A. Cimpor-Cimentos de Portugal, SGPS, S.A. Cimpor Portugal, SGPS, S.A.	Director Director Director
Eduardo Guedes Duarte		Cimpor-Cimentos de Portugal, SGPS, S.A. Corporacion Noroeste, S.A.	Director Chief Executive Officer
Angel Longarela Pena	0,001%	Cimpor-Cimentos de Portugal, SGPS, S.A. Corporacion Noroeste, S.A.	Director Chief Executive Officer

(*) percentage of participation

50. AUDIT SERVICES

In the years ended 31 December 2010 and 2009, the fees and services provided by our auditors were as follow:

	Value		%	
	2010	2009	2010	2009
Cimpor Holding:				
Legal certification of accounts	44	42	4%	4%
Other assurance services	-	13	0%	1%
	44	**54**	**4%**	**6%**
Subsidiaries:				
Legal certification of accounts	866	829	84%	86%
Other assurance services	6	48	1%	5%
Tax consultancy services	108	34	10%	4%
Other	12	-	1%	0%
	991	**911**	**96%**	**94%**
	1,035	**965**	**100%**	**100%**

51. EVENTS AFTER THE BALANCE SHEET DATE

Reduction of the share capital of Société Les Ciments de Jbel Oust (Tunisia) from TND 80,653,600 to TND 66,415,500 through the amortization of 142,381 shares.

During the first quarter of 2011, formalized the acquisition of 51% of the shares of Cimentos de Nacala, SA (CINAC) (Notes 47 and 48).

The political changes and social upheavals that have occurred since January to the present date in Tunisia, Egypt and other countries bordering the Mediterranean have been the focus of the special attention of Cimpor and have required that appropriate action be taken. Those events have not originated significant impacts on the operation of local units. However, Cimpor Group is evaluating with concern the possibility of adverse developments on its operations.

52. AUTHORISATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were authorised for issue by the Board of Directors on March 31th 2011 and are subject to approval by the Sole-Shareholder.

53. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These consolidated financial statements are presented on the basis of IFRSs, as adopted by the European Union. Certain accounting practices applied by the Group that conform with IFRSs may not conform with other generally accepted accounting principles.

Main Investees

Company	Location	Main Line of Business	Percentage of Ownership			Thousand of Euros				
			Direct	Indirect	Total	Capital Stock	Reserves (Accumulated Losses)	Other Net Patrimonial	Interim Dividend	Income (Loss) for the Year
Corporación Noroeste S.A.-group	Spain	Holding Company	99,53%	-	99,53%	26.162	127.921	14.062	-	(12.400)
Cimpor Sagesa, S.A.	Spain	Administrative, financial and accounting services	100,00%	-	100,00%	60	396	-	-	293
Cimpor Trading, S.A.	Spain	Acquisition and marketing of cement,clinker and other	100,00%	-	100,00%	60	6.695	-	-	3.805
Cimpor Cimentos do Brasil, S.A.	Brazil	Cement manufacturing and marketing	100,00%	-	100,00%	424.082	(95.064)	-	-	120.946
Cimpor Egypt for Cement Co, S.A.E.	Egypt	Cement manufacturing and marketing	100,00%	-	100,00%	318.480	7.926	-	(56.206)	70.229
Amreyah Cement Company, S.A.E. (c)	Egypt	Cement manufacturing and marketing	0,03%	99,11%	99,14%	29.381	13.449	-	-	60.664
Amreyah Cimpor Cement Company, S.A.E. (d)	Egypt	Cement manufacturing and marketing	5,00%	94,35%	99,35%	19.349	49.347	-	-	37.329
Cement Services Company, S.A.E. (e)	Egypt	Cement manufacturing and marketing	0,40%	54,22%	54,62%	32	16	-	-	453
Asment de Témara, S.A.	Morocco	Cement manufacturing and marketing	62,62%	-	62,62%	36.760	6.185	-	-	26.672
Betocim, S.A.S.	Morocco	Concrete manufacturing	97,50%	-	97,50%	1.069	1.497	-	-	1.680
Asment du Centre, S.A.	Morocco	Quarry operations and aggregates sales	100,00%	-	100,00%	5.347	170	-	-	137
Societé des Ciments de Jbel Oust, S.A.	Tunisia	Cement manufacturing and marketing	100,00%	-	100,00%	41.824	3.944	-	-	16.918
Natal Portland Cement Company (Pty) Ltd.	South Africa	Cement manufacturing and marketing	100,00%	-	100,00%	6.770	531.040	-	-	31.832
NPC-Cimpor (Pty), Ltd.	South Africa	Cement manufacturing and marketing	74,00%	-	74,00%	0	(20.023)	-	-	6.959
Cimpor Cabo Verde, SA	Cape Verde	Cement marketing	98,65%	-	98,65%	1.360	1.225	-	-	1.657
Cimpor Macau Investment Company Ltd.	Macao	Holding Company	50,00%	-	50,00%	7.479	18.298	-	-	(22)
Cementos Otorongo S.A.C.	Peru	Cement manufacturing and marketing	100,00%	-	100,00%	11.524	(1.762)	-	-	(594)
Cimpor Yibitas Çimento Sanavi ve Ticaret A.S.	Turkey	Cement manufacturing and marketing	99,74%	-	99,74%	70.097	83.375	-	-	3.012
Shree Digvijay Cement Co, Ltd	India	Cement manufacturing and marketing	73,63%	-	73,63%	23.658	5.334	-	-	168

Main Investees

Company	Location	Main Line of Business	Percentage of Ownership Direct	Indirect	Indirect	Thousand of Euros Capital Stock	Reserves (Accumulated Losses)	Other Net Patrimony	Interim Dividend	Income (Loss) for the Year
Cementos Cosmos, S.A. [(a)]	Spain	Cement manufacturing and marketing	-	99,29%	99,29%	34.779	70.122	751	(10.434)	11.194
Prebetong Galicia, S.A. [(a)]	Spain	Concrete manufacturing and marketing	-	99,53%	99,53%	3.317	6.767	3	-	(2.398)
Prebetong Lugo, S.A. [(a)]	Spain	Concrete manufacturing and marketing	-	82,50%	82,50%	346	3.456	70	-	365
Bombeo y Transporte de Hormigón (BOMTRAHOR) [(a)]	Spain	Without activity	-	93,85%	93,85%	198	(271)	-	-	117
Canteira do Penedo, S.A. (CANPESA) [(a)]	Spain	Aggregate quarry operation	-	41,23%	41,23%	432	8.706	-	-	373
Hormigones Miño, S.L. [(a)]	Spain	Concrete manufacturing and marketing	-	99,51%	99,51%	12.213	(2.714)	7	-	(1.816)
Canteras Prebetong, S.L. [(a)]	Spain	Aggregate quarry operation	-	98,41%	98,41%	4.173	1.536	119	-	119
Áridos de la Coruña, S.A. (ARICOSA) [(a)]	Spain	Aggregate quarry operation	-	49,20%	49,20%	156	332	-	-	(193)
Hormigones y Áridos La Barca, S.A. [(a)]	Spain	Aggregate quarry operation	-	49,77%	49,77%	3.230	121	-	-	(26)
Morteros de Galicia, S.L.[(a)]	Spain	Mortar manufacturing and marketing	-	99,53%	99,53%	2.511	4.964	379	-	(588)
Cementos Noroeste, S.L. [(a)]	Spain	Without activity	-	99,53%	99,53%	6	(2)	-	-	(0)
Sociedad de Cementos y Materiales de Construcción de	Spain	Cement manufacturing and marketing	-	99,53%	99,53%	61	100.745	2.801	-	(4.598)
Cementos de Andalucía, S.L.[(a)]	Spain	Cement marketing	-	99,53%	99,53%	15	988	-	-	365
Occidental de Hormigones, S.L.[(a)]	Spain	Concrete manufacturing and marketing	-	99,53%	99,53%	68	4.737	-	-	(4.720)
Materiales del Atlántico, S.A.[(a)]	Spain	Cement manufacturing and marketing	-	99,29%	99,29%	3.508	4.010	299	-	3.142
Prebetong Lugo Hormigones, S.A.[(a)]	Spain	Concrete manufacturing and marketing	-	82,50%	82,50%	693	6.046	-	-	(96)
Occidental de Aridos, S.L.(a)	Spain	Aggregate quarry operation	-	99,53%	99,53%	7.336	(2.707)	42	-	(3.093)
Cimpor Canarias, S.L.(a)	Spain	Cement manufacturing and marketing	-	99,53%	99,53%	4	503	-	-	1.017
Cimpor Hormigon Canarias, S.L.(a)	Spain	Concrete manufacturing and marketing	-	99,53%	99,53%	4	82	-	-	86
Betobomba,S.L.(a)	Spain	Without activity	-	99,53%	99,53%	523	(1.116)	-	-	(16)
Grupo Ceisa (a)	Spain	Cement, concrete,aggregate	-	49,77%	49,77%	1.270	50.656	501	-	(2.411)
Insular de Productos para la Construcción y la Industria S.L.(a)	Spain	Mortar manufacturing and marketing	-	49,77%	49,77%	3.468	(553)	-	-	(664)
DS Unión, S.L.(a)	Spain	Cement marketing	-	89,58%	89,58%	403	(135)	-	-	(160)
Sogesso-Sociedade de Gessos de Soure, S.A.(a)	Portugal	GypsumPlaster quarry operation	-	99,29%	99,29%	200	2.254	-	-	236
Inversiones Filaria S.L.	Spain	Holding Company	-	99,29%	99,29%	3	(65)	-	-	(73)
Transformal S.A.	Portugal	Trading	-	99,29%	99,29%	1.500	(109)	-	-	(1)
Eco-Processa – Tratamentos de Residuos, Ltda. [(b)]	Brazil	Waste treatment and management	-	50,00%	50,00%	316	(111)	-	-	7
Cimpor Sacs Mamufacture Company, S.A.E. [(f)]	Egypt	Sack manufacturing	-	99,90%	99,90%	9.030	145	-	-	2.284
Amreyah Dekheila Terminal Company,S.A.E. [(g)]	Egypt	Logistic operation	-	99,37%	99,37%	374	(24)	-	-	(16)
Amreyah Cimpor Readymix Company,S.A.E. [(h)]	Egypt	Concrete manufacturing and marketing	-	99,25%	99,25%	967	(92)	-	-	(84)
Gabrema, S.A. [(q)]	Morocco	Quarry operations and aggregates sales	-	100,00%	100,00%	27	19	-	-	(77)
Societé Granulats Jbel Oust, S.A. [(j)]	Tunisia	Aggregate quarry operation	-	100,00%	100,00%	1.296	12	-	-	44
Societé Beton Jbel Oust, S.A. [(j)]	Tunisia	Concrete manufacturing and marketing	-	100,00%	100,00%	519	6	-	-	0
NPC Concrete (Pty), Ltd.(i)	South Africa	Concrete manufacturing	-	100,00%	100,00%	0	2.718	-	-	(691)
South Coast Stone Crushers (Pty), Ltd. [(i)]	South Africa	Quarry operations and aggregates sales	-	74,00%	74,00%	0	2.529	-	-	352
Eedeswold Higlands (Pty), Ltd. [(i)]	South Africa	Leasing of real state	-	100,00%	100,00%	0	263	-	-	10
Sterkspruit Aggregates [(i)]	South Africa	Quarry operations and aggregates sales	-	74,00%	74,00%	0	2.978	-	-	777

Company	Location	Main Line of Business	Percentage of Ownership Direct		Indirect	Thousand of Euros Capital Stock	Reserves (Accumulated Losses)	Other Net Patrimony	Interim Dividend	Income (Loss) for the Year
Sterkspruit Concrete (i)	South Africa	Concrete manufacturing	-	100,00%	100,00%	0	107	-	-	0
Cimentos de Mozambique, S.A.R.L. (i)	Mozambique	Cement manufacturing and marketing	-	65,41%	65,41%	60.851	(8.494)	-	-	783
Cimbetâo, S.A.R.L. (i)	Mozambique	Concrete manufacturing	-	65,41%	65,41%	348	1.067	-	-	407
ITP Industria Trasformação Pedra, Ltda. (l)	Cape Verde	Quarry operations and aggregates sales	-	98,65%	98,65%	112	(871)	-	-	18
Cabo Verde Betões e Inertes, S.A. (l)	Cape Verde	Concrete manufacturing	-	54,32%	54,32%	91	(982)	-	-	(124)
Betoes de Cabo Verde, S.A. (l)	Cape Verde	Concrete manufacturing	-	54,32%	54,32%	23	(1.284)	-	-	(360)
Cimpor Chengtong Cement Corporation, Limited (m)	Hong Kong	Holding Company	-	50,00%	50,00%	23.627	(5.257)	-	-	3.174
Sea-Land Mining Limited (n)	Hong Kong	Holding Company	-	50,00%	50,00%	962	3.263	-	-	(3)
Cimpor Shanghai Enterprise M.C.Co.Limited (n)	China	Holding Company	-	50,00%	50,00%	119	(96)	-	-	99
Liyang Dongfang Cement Co.Limited (n)	China	Cement manufacturing and marketing	-	50,00%	50,00%	14.862	(5.204)	-	-	(1.215)
Cimpor Huain An Cement Products Co.Limited (n)	China	Cement manufacturing and marketing	-	50,00%	50,00%	8.938	0	-	-	0
East Advantage Internacional Limited (n)	China	Holding Company	-	50,00%	50,00%	0	(245)	-	-	128
Shangdong Liuyuan New Type Cement Development Company Ltd.	China	Cement manufacturing and marketing	-	48,80%	48,80%	56.676	3.857	-	-	1.289
Huai An Liuyuan Cement C.Ltd. (n)	China	Cement manufacturing and marketing	-	48,80%	48,80%	5.668	(367)	-	-	2.073
Suzhou Liuyuan New Type Cement C.Ltd. (n)	China	Cement manufacturing and marketing	-	48,80%	48,80%	1.134	(1.788)	-	-	(66)
Suzhou Nanda Cement Company Ltd. (n)	China	Cement manufacturing and marketing	-	35,52%	35,52%	11.478	(5.814)	-	-	484
Cimpor Zaozhuang Cement Company Ltd. (n)	China	Cement manufacturing and marketing	-	50,00%	50,00%	24.938	(1.320)	-	-	(1.851)
Pucheng Building Materials Company Ltd. (n)	China	Materials of construccion	-	50,00%	50,00%	113	0	-	-	(94)
Yibitas Yozgat Isci Birligi Ticaret ve Sanayi A.S.(p)	Turkey	Cement manufacturing and marketing	-	81,55%	81,55%	24.791	(4.736)	-	-	5.554
Cimpor Yibitas Beynelmilel Nakliyecilik Sanavi ve Ticaret A.S.(p)	Turkey	Transport and logistic operations	-	99,74%	99,74%	1.067	(800)	-	-	1

(a) Corporación Noroeste's sub-Group.
(b) Indirect shareholding through Cimpor Cimentos do Brasil, S.A. (50,00%).
(c) Indirect shareholding through Cimpor Egypt for Cement (96,36%) and Corporación Noroeste, S.A.(0,01%).
(d) Indirect shareholding through Cimpor Egypt for Cement (20,00%) and Amreyah Cement Company, S.A.E. (75,00%).
(e) Indirect shareholding through Cimpor Egypt for Cement (10,00%) and Amreyah Cement Company, S.A.E. (44,60%).
(f) Indirect shareholding through Cimpor Egypt for Cement (88,57%), Amreyah Cement Company, S.A.E. (10,71%) and Amreyah Cimpor Cement Company, S.A.E. (0,71%) .
(g) Indirect shareholding through Amreyah Cement Company, S.A.E. (43,37%), de Amreyah Cimpor Cement Company, S.A.E. (34,05%) and Cimpsac S.A.E. (20%).
(h) Indirect shareholding through Amreyah Cement Company, S.A.E. (47,69%), Amreyah Cimpor Cement Company, S.A.E. (35,77%) and Cement Service Co. S.A.E.(1%).
(i) Indirect shareholding through Natal Portland Cement Company (Pty) Ltd.
(j) Indirect shareholding through Societé des Ciments Jbel Oust S.A.
(l) Indirect shareholding through Cimpor Cabo Verde, S.A.
(m) Indirect shareholding through Cimpor Macau Investment Co.ltd. (80,00%).
(n) Indirect shareholding through Cimpor Cement Corporation.
(p) Indirect shareholding through Cimpor Yibitas Cimento Sanavi ve Ticaret A.S. (100,00%)
(q) Indirect shareholding through Asment du Centre

CIMPOR INVERSIONES, S.A. (Sole-Shareholder Company) and Subsidiaries

Directors' Report

For the year ended December 31, 2010

CIMPOR INVERSIONES, S.A.U.
(Sole-shareholder company)

Directors' report

for the year ended 31 December 2010

The most relevant information and facts relating to the activities of Cimpor Inversiones, S.A.U. and subsidiaries for the financial year 2010 are described below:

Business evolution

Cimpor Inversiones, S.A.U. is a holding company which possesses the Cimpor group's international holdings. Below we indicate the evolution of each of the Business Areas for each country:

***Spain* -**

The group's activities in Spain took place throughout 2010 in an extremely unfavourable economic climate, which was the effective continuation of the sharp fall that began at the start of the second quarter of 2008. The increase in certain costs, including an increase in the cost of fuel as a result of the rising price of petrol, combined with the fall in building sector activity, with lower sales, had an impact on the results of all of the activities performed by the group in Spain.

As a consequence of this, the group's turnover in Spain for 2010 was 17.0% less than the one for 2009. Our most important activity, cement, experienced a fall of 9.3% in units sold, with further drops of 36.2% for concrete, 14.1% for aggregate, and a fall of 28.4% for mortar. Thus, the operating cash flow (EBITDA) fell some 30.2% in comparison to the 2009 figure.

Morocco-

In 2010 the Moroccan economy confirmed the trend for growth seen last year, hence demonstrating strong resistance to the global economic crisis. The growth in GDP is estimated to be some 4.0%. One of the sectors that supported this growth was the building sector and public works, although there was a sharp fall off in comparison with the past, with cement use remaining at the same levels as the previous year.

The group's cement sales for the period reached a total of 1.1 million tonnes, constituting a reduction of 3.5% compare with the past year, mainly as a result of the entry of new competitors into the market. Nevertheless, sales for concrete activities grew in units to 13.1% due to the introduction of new concrete batching plants, with consolidated turnover increasing by 0.3%, although higher electrical energy and fuel costs meant that the cash flow (EBITDA) fell by 0.7%.

Tunisia-

According to latest estimates, the Tunisian economy has seen a growth of 3.8% with respect to 2009. It is estimated that total cement consumption has increased by 8.6% in comparison to the past year. Our company in Tunisia assisted with this growth, with sales of 1.7 million tonnes of cement, including exportations, signifying a growth of 7.6% with respect to the previous year. In addition, this year aggregate activities began with running operations for a quarry. Turnover in Euros increased some 11.7%.

The company's cash flow (EBITDA) experienced a more significant increase, influenced by the increase in sales, with figures 18.3% higher than those registered last year.

Egypt-

The Egyptian economy showed signs of green shoots, with an estimated GDP growth of 5.1%. The national cement market continued to grow (estimated at 3% with respect to the last year). In this context the group's sales of units, due to operational problems and the entry of new competitors in our area of influence, fell by 11.9%. The effect of increased sales prices, plus a minor revalorisation of the Egyptian Pound meant that turnover only suffered a reduction in the order of 5.8%. It should be noted that 2010 saw the commencement of concrete activities, with the installation of a plant in Alexandria.

Cash flow (EBITDA), as a consequence of the previous effects, plus greater costs for the importation of clinker, and for fuel and electricity, fell by 17.0% with respect to the previous year.

Turkey-

2010 witnessed significant dynamism in the Turkish economy, with estimated GDP growth of around 8%. The building sector was one of the sectors that most contributed to this growth, thus favouring the consumption of cement - with an increase of around 14% on last year's figures. Group cement sales in the Turkish market increased by 32.1%, with a similar trend experienced by the other business areas, with all of these registering significant growths: concrete (25.1%) and aggregates (42.4%) .

Said growth, linked to increased sales prices and currency revalorisation, resulted in an increase of around 43.7% in turnover and a 98.7% increase in cash flow (EBITDA).

Brazil-

After a minor contraction in 2009, in 2010 the Brazilian economy performed well, with an estimated 7.5% increase in the GDP, essentially as a result of the rise in internal demand. Building activities increased notably, having grown by around 11%.

It is estimated that cement consumption in the internal market rose some 15% with respect to 2009. The group's cement and clinker sales in the internal market increased by 17.5% in comparison to 2009. It is also worth noting the growth experienced by the concrete business area, where the group's sales increased 17.9%, with sales for mortar and aggregate remaining at the same level as the previous year.

As a result of this growth, the positive evolution of prices, and the valorisation of the Brazilian Real with respect to the Euro, consolidated turnover grew by 42.5%, causing cash flow (EBITDA) to increase by 55.1%.

Mozambique-

Although a relatively small market, its rate of cement consumption is increasing. In 2010 estimated growth was in the range of 10%, including significant importations of cement. The sales figures, in tonnes, for our company increased some 13.7%. This increase in sales, plus an increase in price, and the devaluing of the local currency, meant that turnover in Euros experienced an increase of 8.8%. EBITDA fell 4.1% with respect to the past year, as a consequence of maintenance costs and factory operating problems, plus lower margins due to the importing of clinker and cement and currency devaluation.

South Africa-

In 2010 the South African economy experienced moderate growth of its GDP in the order of 2.6%. Nevertheless, the building and public works sector did not enjoy a parallel recovery once the effects of the FIFA World Cup passed (which affected cement consumption), with a fall of 8% in comparison with the previous year. The group, with significant cement imports in its area of influence, saw a fall in sales in tonnes of some 19.5%. The concrete business area also saw a fall in sales of around 25%, with aggregate experiencing a similar trend with sales falling by 31%.

Turnover in Euros fell by 5.2% with respect to the past year - influenced by the revalorisation of the local currency. The fall in EBITDA was 16.4%, with sales also affected by higher fuel and electricity costs.

Cape Verde-

According to latest estimates the Cape Verde economy grew by 4.1%, with a low level of cement consumption due to work restarting on important works in the tourist sector.

The group's cement sales also increased by 4.3%, although concrete and aggregate sales fell as a result of the culmination of specific projects. All in all, turnover experienced a slight drop of 0.6% and EBITDA fell by some 4.3%, affected by high shipping costs.

China-

Latest estimates indicate a growth of 10.5% for the GDP in comparison to last year. Cement consumption in this economy is estimated at around 1.8 thousand million tonnes, with last year seeing 10% growth. Sales of cement and clinker for the group's companies – with the new Zaozhuang plant initiating operations – increased by around 13.7%, surpassing the 4.1 million tonne mark. Generated turnover was 106.1 million Euros, with a 30.0% increase, influenced by both increased sales and higher sales prices. The EBITDA also grew by around 87.7%.

India-

The Indian economy grew by around 8.5%, with the industrial sector playing a major role in said increase. Despite there was one negative aspect - a high inflation rate. Cement consumption increased by around 10%. However, Cimpor sales fell with respect to last year's figures by some 15.8%, due to an especially long and difficult rainy season, the entry of new competitors, and a reduction in exports, factors which also affected sales prices. Turnover in Euros fell some 8.9% and the EBITDA also dropped by 56.4%, also influenced by increased costs for specific consumables and higher fuel and electricity costs, in addition to the points mentioned before.

Future evolution

The possibility of growth in the world economy during 2011 is still somewhat less than certain. Latest global forecasts indicate that the recovery of the world economy is beginning to accelerate, but at two different tempos. In advanced economies growth continues to be slow, with continuing high unemployment rates and the resurgence of tensions in outlying areas of the euro zone contributing to risks. In emerging economies activity continues to be vigorous, although inflationist pressures are arising and some indications of overheating appearing.

In this context, the world economy will grow at a rate of 4.4%, basically due to the rhythm of expansion of emerging economies (estimated at 6.5%) as the contribution of advanced economies will be 2.5%. The US expects a growth of around 3%. In the Euro zone the recovery will be slower and uneven, with an estimated growth of 1.5%. For emerging countries, a good example of growth is China, with estimates indicating 9.6% or India at 8.4%.

Indications as far as the different Business Areas expectations, where the group is present , are concerned:

In Spain, the serious crisis which the property sector has been suffering since 2008, combined with EU pressure to control the budgetary deficit, could mean that cement consumption may continue to fall a further 5 to 10% in 2011. For the group, despite a scenario for sales that may be less positive, we can expect improvements in sales prices, plus cost reduction measures that allow us to predict a slight recovery for EBITDA.

In Morocco, after years where the demand for cement has curbed, we expect growth in 2011 due to investments in social building works and public works. For the group this forecast growth should serve to increase turnover, helped by new types of cement.

In Tunisia, the political crisis experienced at the start of 2011 may result in economic instability with consequences for important sectors such as tourism. All in all, the Group, citing 2011 information which is already available, can confirm that sales have not been especially affected by the events.

In Egypt there is some uncertainty in relation to the economy, considering recent political events. As for the cement sector, some competitors are finishing the assembly of new production lines which could put pressure on sales prices. In relation to the Group, production was interrupted during one week due to the turbulence caused by the social crisis. Production operations later returned to near normal levels. It is also expected that the commencement of concrete activities will continue to expand with the introduction of a new plant.

In Turkey, after the growth seen in 2010, forecasts indicate that this trend will continue with expected growth of 4.5%. Given that 2011 is an election year, an increase in public investments is also anticipated. This should cause cement consumption to increase by about 5%. We anticipate another year of growth in sales with the subsequent positive impact in terms of EBITDA for the group.

The GDP for Brazil is expected to grow at a rate of around 4.5% based on internal demand. Growth in the building sector is expected to be in the range of 6.6%. This dynamism in the building sector – infrastructures, building, and unique works such as football stadiums – will have a positive influence on the consumption of cement, estimated at around 9%. For Cimpor, after 2010 investments to increase production capacity, and the investment which is currently taking place, we expect a growth in sales in keeping with the market, which will result in another year of growth for the company's EBITDA.

In Mozambique, even though there are important challenges, such as the evolution of the exchange rate and inflation, GDP growth is expected similar to that experienced over the last few years. We thus expect that the consumption of cement will also continue to increase. For the Group the commencement of the activity on a new cement mill, improvements in optimisation of the factory and the purchase of 51% of a new company - Cimentos de Nacala – a company that has a cement mill in the north of Mozambique, allow us to affirm that the possibility of the EBIDTA increasing is likely.

In South Africa we expect a moderate growth trend which could reach 3%. The group's main objective is to increase sales, either via exports or due to an increase in the local market share. We are also committed to the use of alternative fuels which should result in significant savings in costs.

In Cape Verde a similar situation to last year is expected, with an increase in public investment with the carrying out of social aid programmes and the construction of some state buildings. This should be reflected in economic growth of around 6%, which bodes well for the group's results.

India's economy is expected to continue growing at a fast rate of around 8.2%. The consumption of cement, both nationally and in the state of Gujarat, the area of influence of our plant, is expected to maintain the high rate of growth seen in 2010, For Cimpor we expect that the improvement in sales prices seen at the end of 2010 and the various projects to reduce costs may help increase the EBITDA in 2011.

China's GDP is expected to continue its excellent growth, largely based on exports, despite continued pressure on its currency. The group's new plant and mill, which began operations in 2010, may constitute a competitive advantage if the promise by the Chinese government to close obsolete factories is honoured. Nevertheless, we fully expect the trend of good results seen over the last months of 2010 to continue.

Subsequent Events

No significant additional events to those described in the financial statements have occurred after the close of the financial year.

R&D Activities

Amongst the proposed objectives, and covering all of the group's plants, the "Annual Benchmarking Programme" was continued. This programme systematically verifies around 200 key indicators designed to measure the level of operational performance of the different cement production units in the different Business Areas. We thus identify priority action vectors, defining a series of "measures to adopt" for each of these over the next three years, the so-called "Performance Improvement Plan".

In the scope of the Central Laboratory's activities, we have consolidated the quality control programme for cement produced via audits and technical studies in practically all of the Business Areas, with the implementation of the group's Inter-laboratory Programme, and a collaboration agreement has been signed with the Eduardo Torroja Institute for the development of belite cement, and also with the con Massachusetts Institute of Technology, in collaboration with the Sustainable Development Consultancy Office for the decoding of the nano structure of "Calcium-Silicate-Hydrate".

Given the ever increasing importance of the concrete and aggregate businesses, the "Aggregate and Concrete Centre" was created, which aims to strategically develop the technical and commercial aspects of the business, and which is divided into three main areas: Benchmarking; Investment and Engineering; and Products and Quality. A work team has been created in the latter area to optimise the composition of concrete and to establish uniformity of criteria in the selection of raw materials.

The group's concern for Sustainable Development should also be noted. For this reason a "Sustainability Agenda" has been implemented to ensure that the different Business Areas internally adhere to the principals of sustainable development, and also to guarantee that a corporate policy is implemented for the use of alternative fuels and raw materials.

Kyoto Protocol

On April 25, 2002, with the approval of the Kyoto Protocol by the European Community (Decision 2002/358/EC), the respective member states agreed that during the years 2008 to 2012 (relative to the levels recorded in 1990) they would reduce their global greenhouse gas emissions by at least 8%. At an individual level, Spain agreed that in the same period, and with reference to the 1990 levels, that it would not exceed the aggregated levels for emissions of the aforementioned gases by more than 15%, expressed in an equivalent amount of carbon dioxide.

Cement production is essentially performed in two phases (the manufacture of clinker in the kiln and its subsequent milling). CO_2 gas emissions only occur during the first phase – either due to the consumption of fuel or due to the decarbonisation process of the raw material (limestone). Thus, by taking actions in relation to these two factors we can reduce emissions for the same volume of production. In order to do this the group is currently investigating the use of alternative fuels (biomass).

In 2008 a new period for compliance with the Kyoto Protocol began (2008-2012). The corresponding emission licences have been defined for this period. For our four Spanish factories these grant 2,025,769 emission rights per year. The emission rights for 2010 for the four factories were 1,724,825.

Treasury shares

As of December 31, 2010, Cimpor Inversiones, S.A.U. does not have any treasury shares.

Financial instruments

As described in the financial statements, in order to limit exchange rate and interest rate risks, and in line with the Cimpor group's current risk management policy, the company owns diverse derived financial products.

(Unreadable Signature)

Mr Francisco José Queiroz de Barros de Lacerda

(Unreadable Signature)

Mr Luís Filipe Sequeira Martins

(Unreadable Signature)

Mr Luis Miguel da Silveira Ribeiro Vaz Varela

(Unreadable Signature)

Mr Antonio Carlos Custódio de Morais

(Unreadable Signature)

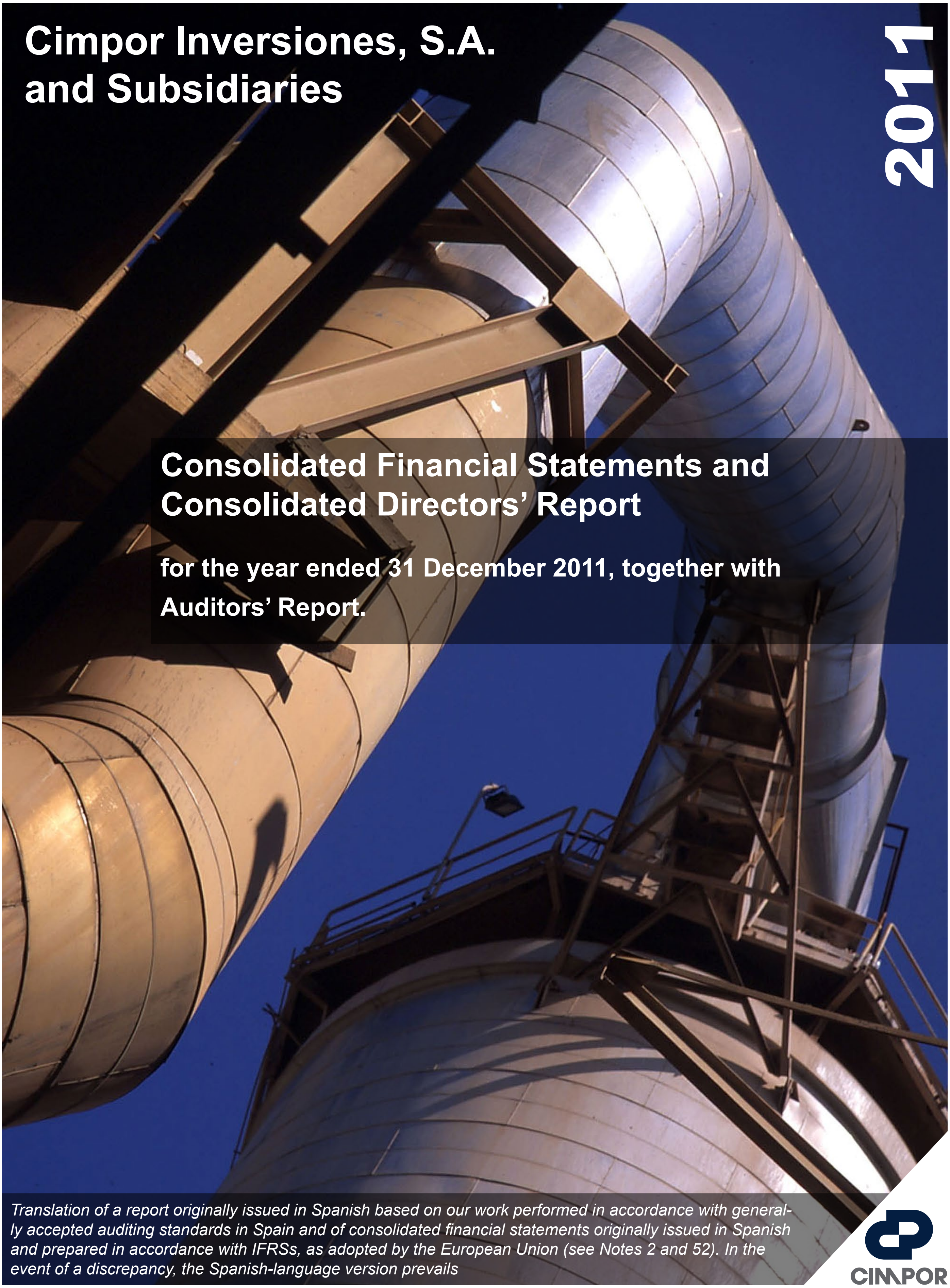
Mr Eduardo Guedes Duarte

(Unreadable Signature)

Mr Ángel Longarela Pena

Cimpor Inversiones, S.A. and Subsidiaries

2011



Consolidated Financial Statements and Consolidated Directors' Report

for the year ended 31 December 2011, together with Auditors' Report.

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union (see Notes 2 and 52). In the event of a discrepancy, the Spanish-language version prevails

CIMPOR

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2.1 and 52 to the accompanying consolidated financial statements). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Cimpor Inversiones, S.A.:

We have audited the consolidated financial statements of CIMPOR INVERSIONES, S.A. ("*the Parent*") AND SUBSIDIARIES ("*the Group*"), which comprise the consolidated statement of financial position at 31 December 2011, the related consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. As indicated in Note 2.1 to the accompanying consolidated financial statements, the Parent's directors are responsible for the preparation of the Group's financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying consolidated financial statements for 2011 present fairly, in all material respects, the consolidated equity and consolidated financial position of Cimpor Inversiones, S.A. and Subsidiaries at 31 December 2011, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.

The accompanying consolidated directors' report for 2011 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2011. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Cimpor Inversiones, S.A. and Subsidiaries.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Signed by Miguel Barroso Rodilla

29 March 2012

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union . In the event of a discrepancy, the Spanish-language version prevails.

CIMPOR INVERSIONES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2011 AND 2010

(Thousands of Euros)

	Notes	31/12/11	31/12/10
Non-current assets:			
Goodwill	17	1,611,004	1,725,736
Intangible assets	18	42,637	51,065
Property, plant and equipment	19	1,788,766	1,732,848
Investments in associates	20	13,854	19,011
Other investments	21	20,191	4,196
Deferred tax assets	25	126,796	121,940
Other receivables	22	11,303	11,173
Tax receivables	23	36,300	33,851
Other non-current assets	24	3,561	22,218
Total non-current assets		**3,654,412**	**3,722,038**
Current assets:			
Inventories	26	290,913	311,548
Trade receivables and advances to suppliers	27	226,543	212,925
Other receivables	22	17,798	14,591
Tax receivables	23	54,429	52,524
Cash and cash equivalents	45	509,064	457,331
Other current assets	24	9,006	20,930
Total current assets		**1,107,753**	**1,069,849**
Total assets		**4,762,165**	**4,791,887**
Equity:			
Share capital	28	580,778	522,700
Share premium	28	247,464	52
Translation differences	30	146,950	387,998
Reserves	31	276,655	255,359
Consolidation reserves	32	474,353	544,335
Profit for the year		171,288	212,464
Interim dividends	15	-	(140,000)
Equity attributable to the Parent		1,897,488	1,782,908
Minority interests	33	100,792	95,966
Total equity		**1,998,280**	**1,878,874**
Non-current liabilities:			
Borrowings	36	1,147,003	806,594
Finance leases	37	16,791	3,070
Deferred tax liabilities	25	185,569	190,442
Employee benefits	34	3,013	2,719
Provisions	35	111,939	89,602
Other payables	40	12,137	20,652
Group and associates companies	40 and 46	466,536	479,364
Tax payables	23	1	521
Other non-current liabilities	41	44,460	79,911
Total non-current liabilities		**1,987,449**	**1,672,875**
Current liabilities:			
Trade payables and customer advances	42	161,167	154,866
Tax payables	23	56,700	37,972
Finance leases	37	2,821	2,999
Current borrowings	36	446,735	323,702
Short-term provisions	35	1,080	1,101
Other payables	40	60,279	60,918
Group and associates companies	40 and 46	5,084	623,029
Other current liabilities	41	42,539	35,237
Total current liabilities		**776,436**	**1,240,138**
Total liabilities		**2,763,885**	**2,913,013**
Total equity and liabilities		**4,762,165**	**4,791,887**

The accompanying Notes 1 to 52 are an integral part of the consolidated statement for 2011

The Board of Directors

(Unreadable Signature)

Francisco José Queiroz de Barros de Lacerda

(Unreadable Signature)

Luís Filipe Sequeira Martins

(Unreadable Signature)

Antonio Carlos Custódio de Morais Varela

(Unreadable Signature)

Luis Miguel da Silveira Ribeiro Vaz

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Eduardo Guedes Duarte

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union . In the event of a discrepancy, the Spanish-language version prevails.

CIMPOR INVERSIONES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Thousands of Euros)

	Notes	dic-11	dic-10
Sales	8	1,876,387	1,803,330
Services rendered	8	94,386	82,229
Other operating income	9	46,426	49,184
Total operating income		2,017,199	1,934,743
Cost of sales	10	(631,879)	(622,947)
Changes in inventories		(6,785)	15,731
Utilities and outside services		(640,351)	(606,310)
Staff costs	11	(188,723)	(184,456)
Depreciation, amortisation and impaiment losses on goodwill, tangible and intangible assets	17, 18 and 19	(165,487)	(154,204)
Provisions	35	(15,774)	(5,859)
Other operating expenses	12	(31,649)	(32,519)
Total operating expenses		(1,680,648)	(1,590,564)
Profit from operations		336,551	344,179
Finance costs	13	(162,909)	(141,218)
Finance income	13	78,853	96,630
Result of companies accounted for using the equity method	13,20 and 35	(1,570)	(1,617)
Income from investments	13	1,049	22
Profit before tax		251,974	297,996
Income tax	14	(71,689)	(76,259)
Profit for the year		180,285	221,737
Other comprehensive income:			
Cash flow hedging financial instruments		(637)	2,010
Actuarial gain and loss on employee benefit plans	31, 32 and 33	258	(486)
Currency translation adjustments		(236,355)	256,753
Results recognised directly in equity		(236,734)	258,277
Total comprehensive income for the year		(56,449)	480,014
Net profit for the year attributable to:			
The Parent		171,288	212,464
Minority interests	33	8,997	9,273
		180,285	221,737
Total comprehensive income for the year attributable to:			
The Parent			
Minority interests		(70,106)	456,256
		13,657	23,758
		(56,449)	480,014
Earnings per share:			
Basic and diluted	16	3.23	4.06

The accompanying Notes 1 to 52 are an integral part of the consolidated statement for 2011

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CIMPOR INVERSIONES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Amounts stated in thousands of euros)

	Notes	Share capital	Share Premium Account	Translation Differences	Reserves	Consolidation Reserves	Profit	Interim dividends	Shareholders' equity attributable to equity holders	Minority interest	Total shareholders' equity
Balances at 1 January 2010		522,700	52	145,721	254,994	447,976	172,861	(70,000)	1,474,304	90,088	1,564,392
Consolidated net profit for the year	8	-	-	-	-	-	212,464	-	212,464	9,273	221,737
Results recognised directly in equity		-	-	242,277	1,515	-	-	-	243,792	14,485	258,277
Total comprehensive income for the year		-	-	242,277	1,515	-	212,464	-	456,256	23,758	480,014
Appropriation of consolidated profit of 2008:											
Transfer to legal reserves and retained earnings	31 and 32	-	-	-	5,912	96,949	(172,861)	70,000	-	-	-
Dividends	15, 31 and 32	-	-	-	-	-	-	(140,000)	(140,000)	(14,460)	(154,460)
Variation in financial investments and others	31 and 32	-	-	-	(7,062)	(590)	-	-	(7,652)	(3,420)	(11,072)
Balances at 1 January 2011		522,700	52	387,998	255,359	544,335	212,464	(140,000)	1,782,908	95,966	1,878,874
Consolidated net profit for the year	8	-	-	-	-	-	171,288	-	171,288	8,997	180,285
Results recognised directly in equity		-	-	(241,048)	(346)	-	-	-	(241,394)	4,660	(236,734)
Total comprehensive income for the year		-	-	(241,048)	(346)	-	171,288	-	(70,106)	13,657	(56,449)
Appropriation of consolidated profit of 2010:											
Transfer to legal reserves and retained earnings	31 and 32	-	-	-	141,902	(69,438)	(212,464)	140,000	-	-	-
Dividends	15, 31 and 32	-	-	-	(120,221)	-	-	-	(120,221)	(10,184)	(130,405)
Capital increase and share premium	28	58,078	247,411	-	-	-	-	-	305,489	-	305,489
Variation in financial investments and others	31,32 and 33	-	-	-	(39)	(544)	-	-	(583)	1,353	770
Balances at 31 December 2011		580,778	247,464	146,950	276,655	474,353	171,288	-	1,897,488	100,792	1,998,280

The accompanying Notes 1 to 52 are an integral part of the consolidated statements of changes in equity for 2011

The Board of Directors

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CIMPOR INVERSIONES, S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED

31 DECEMBER 2011 AND 2010

(Amounts stated in thousands of euros)

	Notes	2011	2010
Operating activities:			
Receipts from clients		2,253,531	2,184,160
Payments to suppliers		(1,359,483)	(1,334,988)
Payments to employees		(176,283)	(178,542)
Cash flow generated by operations		717,765	670,630
Income tax recovered / (paid)		(62,596)	(60,771)
Other receipts relating to operating activities		(225,032)	(203,840)
Cash flow from operating activities (1)		430,137	406,019
Investing activities:			
Receipts relating to:			
Changes in the scope of consolidation	6	-	300
Financial investments	45	333	30
Property, plants and equipments		930	5,178
Grants related to assets		-	530
Interests and similar income		33,122	34,333
Dividends		153	41
Other		3	6
		34,540	40,419
Payments relating to:			
Changes in the scope of consolidation	6	(28,381)	(711)
Financial investments	45	(15,658)	(21,361)
Property, plants and equipments		(204,810)	(153,365)
Intangible assets		(3,588)	(2,217)
Other		-	(118)
		(252,437)	(177,772)
Cash flow from investing activities (2)		(217,896)	(137,353)
Financing activities:			
Receipts relating to:			
Loans	36 and 45	769,644	619,221
Increase of capital, suplementary share capital or premiums		305,489	-
Other		1,344	1,165
		1,076,477	620,385
Payments relating to:			
Loans	36 and 45	(931,819)	(500,257)
Iinterest and similar expenses		(149,460)	(86,717)
Dividends	15	(120,221)	(140,000)
Decrease of capital, suplementary share capital or premiums		(3)	-
Other	45	(10,475)	(16,038)
		(1,211,978)	(743,011)
Cash flow from financing activities (3)		(135,501)	(122,626)
Change in cash and cash equivalents (4)=(1)+(2)+(3)		76,740	146,039
Effect of exchange differences and other non-monetary transactions		1,563	19,656
Cash and cash equivalents at the beginning of the year	45	376,584	210,889
Cash and cash equivalents at the end of the year	45	454,887	376,584

The accompanying Notes 1 to 52 are an integral part of the consolidated cash flow statements for 2011

The Board of Directors

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Eduardo Guedes Duarte

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

CONTENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(Thousands of Euros)

1. INTRODUCTORY NOTE

Cimpor Inversiones, S.A.(the Parent) was formed on 29 August 2002 under the name of Cimpor Inversiones, S.L. On June 4, 2004 it changed its legal form to a Public Limited Company and its name to the current one. Its registered office is in Vigo (Pontevedra).

Its corporate purpose is as follows:

- The acquisition, holding and use, general administration, disposal and encumbrance of Spanish marketable fixed-income and equity securities through the related organisation of material and human resources.

- The acquisition, holding and use, disposal, encumbrance, management and administration of fixed-income and equity securities of companies not resident in Spain through the related organisation of material and human resources.

- The acquisition, holding and use, general administration, disposal and encumbrance of foreign marketable fixed-income securities.

- The provision of technical services management, auditing, consulting and technical assistance, as well as technical know-how and implementation of initiatives in the cement industry and their derivatives or raw materials for construction in group companies and non-members, either country or abroad, in the following areas:

  - Investment in engineering projects.

  - Development and implementation of performance management tools, optimization and operational progress.

  - Technical support in the areas of process engineering, environment, sustainable development, geology, raw materials, products and quality, central laboratory, research and development (R&D).

  - Technical Training to Techical staff and Managers.

  - Safety and Health at Work.

Cimpor Inversiones, S.A. is the Parent of the Cimpor Inversiones Group, which carries on its business activities in Spain, Morocco, Mozambique, Brazil, Tunisia, Egypt, South Africa, Cape Verde Islands, Hong Kong (China), Turkey and Peru. In turn, it belongs to the Cimpor Group whose Parent, CIMPOR-Cimentos de Portugal, SGPS, S.A. is listed on the Lisbon Stock Exchange (Portugal).

On February 8, 2011 Spanish National Securities Market Commission agrees to the entry in the official registers referred to in Article 92 of Law 24/1998 of Stock Market Investments of the Cimpor Inversiones S.A.U. society, as well as programs emission of fixed income and notes of the company

The core business of the Cimpor Inversiones Group is the manufacture and marketing of cement. Concrete, aggregates and mortar are manufactured and marketed as part of a vertically integrated business approach.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS AND BASIS OF CONSOLIDATION

2.1. Basis of presentation

Cimpor Inversiones, S.A. opted not to avail itself of the exemption from preparing its consolidated financial statements provided for in corporate legislation for companies consolidated in a higher group belonging to a member state of the European Union (the Cimpor Group in Portugal).

The consolidated financial statements for 2011 of the Cimpor Inversiones Group were prepared by the Parent’s Directors, at the Board of Directors Meeting held on March 28th 2012, in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, effective for periods beginning on or after 1 January 2011, and in accordance with the policies established by the Spanish Commercial Code, the Spanish Limited Liability Companies Act and other commercial laws which is applicable.

These consolidated financial statements present fairly the Group’s consolidated equity and financial position at 31 December 2011, and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.

Notes 2.3, 2.4 and 3 include summaries of the most significant accounting policies and measurement bases used in preparing the Group’s consolidated financial statements for 2011.

The consolidated financial statements for 2011 of Cimpor Inversiones Group prepared on the basis of the accounting records kept by the Company and by the other Group companies. Each company prepares its financial statements in accordance with the accounting principles and methods in force in the country in which it carries on its business operations. Accordingly, the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with IFRSs.

The 2011 consolidated financial statements of the Group and the 2011 financial statements of the Group companies have not yet been approved by their shareholders at the respective Annual General Meetings. However, the Parent’s Board of Directors considers that the aforementioned financial statements will be approved without any material changes. The 2010 consolidated financial statements of the Group and the 2010 financial statements of the Group companies were approved on their legal term.

2.2. New accounting standards and its impact in the financial statements

The following standards, interpretations, amendments and revisions approved (endorsed) by the European Union with mandatory application in the financial years beginning on or after 1 January 2011, and which have had an impact on the Group’s financial statements, were adopted for the first time in the year ended 31 December 2011:

Standard / interpretation	Effective date (years beginning on or after)	Brief description
Changes to the IAS 24 - Disclosure of related parties and changes to the IFRS 8 - Operational segments	31 December 2010	This revision will simplify the definition of related party, deleting simultaneously some internal inconsistencies, and predict isentions to the entites related to the public administration, concerning the quantity of information that these entities should provide in terms of related party transactions. The changes to the IFRS 8 come from the already mentioned changes to the IAS 24.
Changes to the IFRIC 14 - Pre-payment of a minimum funding requirement	31 December 2010	These changes eliminate a non intentional consequence of the IFRIC 14 in the cases in which an entity is subject to minimum funding requirement proceeds to the payment in advance of contributions when , in some circumstances, the entity that proceeds to that pre-payment would be obliged to recognise an expense. If a certain benefits plan is jubject to a minimum funding requirement, the amendment to the IFRIC 14 determines that the payment will be treated like any other pre-payment, as if it was an asset.
IFRIC 19 - Extinction of financial liabilities through equity instruments and changes to the IFRS 1 - Adoption for the 1st time of the IFRS	30 June 2010	This interpretation raises the following questions: (a) Are the equity instruments issued with the goal of total or partial extinction of a financial liability retribuitions paid according to the paragraph 41 of the IAS 39? (b) How should an entity measure initially the equity instruments, for the extinction of that financial liability? (c) How should a company register any difference between the book value and the initial amount, measured on the equity instruments issued? The entities that adopt for the first time the IFRS may apply the transitional present on the IFRIC 19.
Changes to the IFRS 1 and 7 - Adoption for the first time of the IFRS - Financial Instruments: Disclosures	30 June 2010	Limited isention of the obligation of presenting comparative disclosures according to the IFRS 7 for the first time adopters.
Improvement of some IFRS: IFRS 1, IFRS 3 and IFRS 7. IAS 1, 32, 39 and IFRIC 13	IFRS 1, 3 e IAS 32, 39: After 30-Jun-10 e IFRS 7, IAS 1, 34 e IFRIC 13: After 31-Dec-10	Improvements introduced on the IFRS, that intend to simplify and clarify the ISA's.
IAS 32 - Financial instruments	31 January 2010	The presentation is modified regarding the terms of the attachments and respective regulation.

The impact on the Group’s financial statements for the year ended 31 December 2011 arising from the adoption of the abovementioned new standards, interpretations, amendments and revisions only occurred in relation to the presentation and disclosure of financial information.

The following standards, interpretations, amendments and revisions approved (endorsed) by the European Union by the date of approval of these financial statements, with potential impact on the Group’s financial statements, are of mandatory application in future financial years:

Standard / interpretation	Effective date (years beginning on or after)	Brief description
Changes to the IFRS 7 - Financial Instruments: Disclosures	07 July 2011	This review will increase the disclosure requirements regarding the transactions that regard financial assets transfers. It seeks to guarantee more transparency regarding the risk exposure when financial assets are transfered and the entity that transfer them keeps exposed on them.

These standards although approved (endorsed by the European Union were not adopted by the Group for the year ended 31 December 2011 because their application is not yet binding. The evaluation of the impact of the adoption of these standards is not concluded, though impacts of material relevance to the Group's financial statements are not expected.

2.3. Critical accounting judgements/estimatives.

The preparation of these consolidated financial statements in conformity with IFRS recognition and measurement requires the Board of Directors of the Parent Company, to make judgements, estimates and assumptions.

These consolidated financial statements are based on the best knowledge existing at each moment and the planned actions and are regularly reviewed based on the information available.

The significant estimates and assumptions made by the Board of Directors of the Parent Company in preparing these consolidated financial statements include assumptions used in estimating the following items:

- Impairment of non current assets

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

The identification of impairment indicators, cash-generating units, the estimate of the future cash flows and the determination of the assets' recoverable amount, growth rates are subject of a high level of management judgements by the Board of Directors.

- Impairment of goodwill

Goodwill is subjected to annual impairment tests or whenever there are indications of a possible loss in value, in accordance with the policy mentioned in Note 17. The recoverable amounts of the cash-generating units to which goodwill has been allocated, are determined according to the expected cash flows. The calculation of the realization of these amounts requires the use by the Management of estimates regarding the future evolution of the activity and the discount rates considered.

- Accounts receivable impairment

The credit risk associated to accounts receivable is evaluated at the end of each reporting period, taking into account the client's historical information and his risk profile. The accounts receivable are adjusted by the assessment performed by the Management of the estimated collection risks at the balance sheet dates, which might differ from the effective risk to incur.

- Useful lives of intangible and tangible fixed assets

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

The determination of the assets useful lives, amortizacion/depreciation method to apply and of the estimated losses resulting from the early replacement of equipments, due to technological obsolescence, is essential to determine the amount of amortization/depreciation charge to the consolidated income statement of each year.

These three parameters are defined according to Management's best estimate, for the assets and businesses in question, considering as well the best practices adopted by companies operating in the same sectors.

- Provision recognition

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

- Recognition of deferred tax assets

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

- Retirement and healthcare benefits

An actuarial valuation made by independent experts and based on economic and demographic indicators is performed each year in order to assess the liabilities resulting from retirement and healthcare benefits granted to Cimpor Inversiones Group's employees.

Although these estimates were made on the basis of the best information on the events analysed available at the date of preparation of these consolidated financial statements, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related future consolidated income statements.

2.4. Basis of consolidation

a) Subsidiaries

In each accounting year the subsidiaries were consolidated using the full consolidation method. Dependent companies are those which the Group has effective power over, i.e. which the dominant company has or may have direct or indirect power and control over, and this is understood as the power to manage the financial and management policies of a company in order to obtain economic profit from its activities. This is reflected in general, but not solely, by the direct or indirect ownership of 50% or more of the rights to vote and this method of consolidation has been followed for all the companies with a share of over 50%.

The operations of the Parent and of the consolidated subsidiaries were consolidated in accordance with the following basic principles:

1. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair value. Any excess of the cost of acquisition of the subsidiary over the fair value of its assets and liabilities, in proportion to the Parent's ownership interest, is recognised as consolidation goodwill. Any deficiency of the cost of acquisition below the fair value of the assets and liabilities is credited to the consolidated income statement. The interest of minority shareholders is stated at the minority's proportion of the fair value of the assets and liabilities identified.

2. The interest of minority shareholders' in the equity and results of the fully consolidated subsidiaries is presented under "Equity – External Partners" in the consolidated balance sheet and under "Profit for the Year - Attributable to External Partners" in the consolidated income statement, respectively.

3. The financial statements of the foreign companies with a functional currency other than the euro are translated to euros:

   a) Assets and liabilities are translated at the exchange rates prevailing on the date of the consolidated financial statements.

   b) Income and expense items of the income statement are translated at the average exchange rates estimated for the year.

   c) Equity is translated at the historical exchange rates prevailing at the date of acquisition or at the average exchange rates in the year it was generated, (in the case of both accumulated earnings and the contributions made), as appropriate.

   Exchange differences arising on translation of the financial statements are recognised under "Equity - Translation Differences" (see Note 30).

When the losses attributable to minority interests are greater than the minority shareholders' share in the capital of the subsidiary, the Group absorbs this and any additional loss, except when the minority shareholders are obliged, and have the capacity, to cover these losses. If the subsidiary were subsequently to obtain profit, the Group would attribute this profit to itself, until the portion of the losses previously absorbed by the Group has been recovered.

The results of subsidiaries acquired or sold during the year are included in the consolidated income statement from the date of acquisition to the date of disposal.

Significant transactions and balances between consolidated companies were eliminated on consolidation. Any gains on disposals of investees, performed within the Group, are also eliminated.

Where necessary, adjustments are made to the financial statements of the subsidiaries, in order to unify the respective accounting policies applied with the Group's accounting policies.

Companies formed for a specific purpose and over which the Group, despite not holding a direct ownership interest therein, exercises effective control are fully consolidated.

b) Jointly controlled entities

Investments in jointly controlled entities were proportionately consolidated, from the date of acquisition. Using the proportional consolidation method, the assets, liabilities, income and expenses of these companies were included in the consolidated financial statements, heading by heading, in proportion to the control attributable to the Group.

Any excess of the cost of acquisition over the fair value of the identifiable assets and liabilities of the jointly controlled entity at the acquisition date is recognised as goodwill. If the difference between cost and the fair value of the net assets acquired is negative, it is recognised as income for the period.

Intra-Group transactions, balances and dividends are eliminated in proportion to the control attributable to the Group.

Classification as a jointly controlled investment is determined by the contractual arrangements undertake on the economic activity that is subject to joint control.

c) Goodwill from consolidation and business combinations-

Business combinations, namely the acquisition of subsidiaries are recorded in accordance with the purchase method. In future consolidated financial statements, the suppression of investment-net assets of the dependent companies will be based, as a general rule, on the value resulting from the application of the purchase method describe below, as of the control date.

Business combinations are recorded using the purchase method, by which the acquisition date is determined and the cost of the combination is calculated, recording identifiable assets acquired and liabilities assumed at the fair value on that date.

The goodwill or negative difference resulting from the combination is determined by the difference between the fair value of the assets acquired and the liabilities assumed and the combination costs, as of the acquisition date.

The combination costs are determined by aggregation of:

- The acquired assets, liabilities incurred or assumed and equity instruments issued at their fair value as of the date of acquisition.

- Any contingency at its fair value which depends of future events or the compliance of predetermined conditions.

Costs related to the issue of equity instruments or the transfer of liabilities in exchange of the acquired assets are not part of the combination costs.

Additionally, and effective from 1 January 2011, fees paid to legal advisors and other professionals involved in the combination as well as the internal costs arising in connection with it are not part of the combination. These amounts are introduced directly in the balance sheet.

If the business combination is carried out in stages, so that prior to the acquisition (effective control date) there was an existing investment, the goodwill or the negative difference is determined by the difference between:

- The cost of the business combination plus the fair value of any previous interest held by the acquiring company in the acquired company as of the acquisition date; and,

- The value of the identifiable assets acquired minus the value of the liabilities assumed, determined according to the above explanation.

Any profit or loss arising as a result of the valuation at fair value on the date control Cualquier beneficio o pérdida que surja como consecuencia de la valoración a valor razonable en la fecha en que se obtiene el control de la participación previa existente en la adquirida, se reconocerá en la cuenta de pérdidas y ganancias. If the investment in this investee company had been valued previously at its fair value, the valuation adjustments pending of inclusion in the tax year results will be transferred to the profit and loss account. On the other hand, it is considered that the business combination costs are the best reference to estimate the fair value of any previous shareholding at the acquisition date.

Goodwills arising on the acquisition of companies with functional currencies other than euro are valued in the functional currency of the acquired company, performing the conversion to euros at the exchange rate prevailing at the date of the statement of financial position.

Goodwills are not amortised and are subsequently valued at their cost minus impairment losses in value. Impairment valuation corrections recognised in the goodwill are not subject to reversal in subsequent tax years.

In the rare event of a negative difference arising from the business combination, it will be recorded in the profit and loss account as revenue.

If at the closing date of the tax year in which the combination took place, the valuation processes required in order to apply the acquisition method previously described cannot be concluded, this record will be considered as provisional and they can be adjusted during the period of time needed to obtain the required information, which, in any case, will not exceed twelve months. The effect of the adjustments applied in this period will be recorded retrospectively, modifying the comparative information if needed.

Subsequent changes in the fair value of the contingent consideration are adjusted against results, unless such consideration had been classified as net assets, in which case, no subsequent changes in its fair value will be recorded.

d) Investments in associates

An associate is a company over which the Group exercises significant influence, through its participation in the management-related decisions, but not control or joint control. Usually, it holds a participating interest (directly or indirectly) equal or higher than 20% of the voting rights of the investee.

Investments in associates (see Note 20) are accounted for using the equity method, except when they are classified as available for sale, in which case the ownership interest is initially recognised at acquisition cost, plus or minus the difference between this cost and the proportional value of the Group’s equity interest in these companies, measured at the date of acquisition or on the first-time application of the aforementioned method.

In accordance with the equity method, the investments are periodically adjusted to reflect the value of the share of results of associates with a charge or a credit, as appropriate, to the gains or losses on investments in these associates (see Note 13); other changes arising in their equity (with a balancing item in unrestricted reserves); and impairment losses.

Any losses at associates in excess of the investment made in them are not recognised, unless the Group has assumed commitments with the associate in question.

Also, the dividends received from these companies are recognised as a reduction of the amount of the investments.

Unrealised gains on transactions with associates are eliminated in proportion to the Group’s interest in the associates. Unrealised losses are also eliminated, but only if the loss does not evidence an impairment of the transferred asset.

e) Goodwill

Differences between the cost of investments in Group companies and associates, plus in the case of subsidiaries, the amount of non-controlling interests, and the fair value of the identifiable assets and liabilities of these companies as of the date of acquisition, if positive, are recognized as goodwill or maintained in the caption investments in associates.

Goodwill is recognised as an asset and is not amortised and is presented either as a separate balance-sheet or into the “Investments in associates” caption (Notes 17 and 20). Annually, and whenever there are indications of a possible loss in value, goodwill is subjected to impairment tests. Any impairment losses are recognised immediately as an expense in the Income statement for the year and cannot subsequently be reversed.

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

Goodwill is stated in the currency of the subsidiary, being translated to the reporting currency (Euros) at the rate of exchange as of the balance sheet date. Exchange differences generated in that translation are recorded in the equity caption “Currency translation adjustments”.

Exchange differences arising prior to 1 January 2004 were taken directly to reserves, in accordance with IFRS 1.

Where cost is less than the fair value of the net assets identified, the difference is recorded as a gain in the statement of profit and loss for the period in which the acquisition takes place.

3. ACCOUNTING POLICIES

The principal accounting policies used in preparing the Group’s consolidated financial statements, in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union, were as follows:

3.1. Intangible assets

Intangible assets, which comprise essentially the costs incurred on specific projects with future economic value, are stated at cost less accumulated amortisation and impairment losses, if any.

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

Amortisation of such assets is provided on a straight-line basis as from the date the assets start being used, in accordance with their estimated useful life.

Intangible assets which are expected to generate future economic benefits for an unlimited period are known as intangible assets of undefined useful life. Such assets are not amortised but are subject to periodical impairment tests. At 31 December 2011 and 2010, the Group does not have this type of assets.

3.2. Property, plant and equipment

Property, plant and equipment used in production and the provision of services or for administrative purposes are recognised at acquisition or production cost, including the expenses attributable to the purchase, less any accumulated depreciation and any impairment losses. In case of certain lands, future obligations related to environmental restoration are recorded as costs, with a counterpart in the “Provisions for risks and expenses” caption.

The value of the assets relating to the cement line of business at 1 January 2004 was recalculated as permitted by the transitional provisions of IFRS 1, on the basis of a study conducted by an independent appraisal company. The resulting appraised value was taken to be the new cost.

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

	Years of Useful Life
Buildings and other structures	10 – 50
Plant and machinery	7 – 30
Transport equipment	4 – 8
Hand and machine tools	2 – 8
Furniture and fixtures	2 – 14
Other items of property, plant and equipment	2 – 10

Land used for quarries is depreciated over its estimated period of operation, less, where applicable, its residual value.

The depreciable amount of property, plant and equipment, particularly in relation with land used for quarries, does not include the estimated residual value of the assets at the end of their respective useful lives. Also, depreciation ceases when the assets are classified as held for sale.

Replacements or renewals of complete items, and costs of expansion, modernisation or improvements that lead to a lengthening of the useful life of the assets or to an increase in their productivity or economic capacity are recorded as additions to property, plant and equipment, and the items replaced or renewed are derecognised.

Periodic maintenance, upkeep and repair expenses are recognised in the income statement on an accrual basis as incurred.

Property, plant and equipment in the course of construction, which represent assets still at the construction/assembly phase, are recognised at acquisition or production cost, less any possible impairment losses. Depreciation of these assets begins when they are in the condition necessary for them to be used for the intended purposes.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the selling price and the carrying amount of the asset and is recognised in the profit and loss statement.

The work that the Group performed for its own fixed assets reflect the accumulated cost once added to the external costs, internal costs determined on the basis of its own warehouse materials consumption and manufacturing costs applied as absorption hourly rates similar to those used for the valuation of stocks. These expenses have been recorded crediting the heading "Works performed by the Group for the fixed assets" of the profit and loss accounts amounting €3,439.0 thousand (€2,242.0 thousand in 2010) (Note 9).

The financial expenses accrued before the tangible fixed assets operation that correspond to external financing are included in the purchase price or production cost, according as described in Note 3.6.

3.3. Leases

Leases are defined as: (i) finance leases, if the terms of the lease transfer substantially all the risks and rewards incidental to ownership; and (ii) operating leases, if the terms of the lease do not transfer substantially all the risks and rewards incidental to ownership.

Classification of leases as finance or operating leases depends on the substance of the transaction rather than the terms stipulated in the contract.

Property, plant and equipment held under finance leases, and the related debt, are recognised on a time proportion basis. Accordingly, the cost of the asset is recognised as an item of property, plant and equipment (an amount equal to the fair value of the leased asset or the present value of minimum lease payments, whichever is lower), the related debt is recognised as a liability and the interest included in the amount of the lease payments paid and the depreciation charge for the asset calculated, as described above, are recognised as an expense in the related income statement.

In operating leases, the lease payments paid are recognised as an expense in the income statement, on straight-line basis (constant payments) over the term of the contracts.

3.4. Impairment of property, plant and equipment and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset itself does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.5. Foreign currency assets, liabilities and transactions

Transactions in currencies other than the euro are recognised at the exchange rates prevailing at the transaction date. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was established.

Exchange gains or losses arising due to differences between the exchange rates prevailing at the date of the transactions and those prevailing at the date of collection/payment or at the balance sheet date, are recognised as income or expenses in the consolidated income statement for the year, except for those relating to non-monetary assets, whose changes in fair value are recognised directly in equity (translation differences), and which include in particular:

- Exchange differences arising from the translation of medium- and long-term intra-Group balances in foreign currency, which in practice are comparable to an extension of financial assets;

- The exchange differences arising from financial transactions arranged to hedge the exchange rate risk of financial assets denominated in foreign currency, as indicated in IAS 21, *The Effects of Changes in Foreign Exchange Rates,* provided that these transactions meet the effectiveness criteria established in IAS 39 – Financial instruments: Recognition and measurement ("IAS 39") .

In order to reduce its exposure to foreign currency risk, the Group arranges derivative hedging instruments.

3.6. Borrowing costs

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

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

Also, to the extent that fixed interest rate loans are used to finance a qualifying asset are covered by a fair value hedge relation, the financial expenses in adition to the cost of the asset should reflect the interest rate covered.

Interest recived by the funds obtained from loans obtained in advance to finance specific capital expenditure is deducted from the capital expenditure subject to capitalisation.

3.7. Grants

Grants are recognised at fair value if there is reasonable assurance that they will be received and that the Group will fulfil the conditions attaching to their award.

Grants related to income, in particular those for staff training, are taken to income in the year in which they match the related costs incurred.

Non-refundable grants related to the purchase of non-current assets are recognised under "Other Non-Current Liabilities" and are credited to income on a straight-line basis, in proportion to the depreciation taken on assets financed by them, thus offsetting the related depreciation charge.

3.8. Inventories

Goods for resale, raw materials and supplies are measured at cost, using the weighted average cost formula.

Work in progress and finished goods are measured at cost of production, which includes the cost of raw materials used, labour and production overheads.

If the market price is lower than acquisition or production cost, the value of the inventories is written down. The write-down is subsequently reversed when the reasons that gave rise to it cease to exist.

3.9. Non-current assets held for sale

The Group classifies a non-current asset or a disposal group as maintained for sale when the decision has been made to sell it and this is estimated to be done within the following twelve months.

These assets or disposal groups are valued with their accounting value or their lower reasonable value with the costs required for their sale deducted.

Assets classified as non-current maintained for sale do not amortize. However, at the date of each balance the corresponding corrections are made in valuation so that the accounting value does not exceed the reasonable value minus the sale cost.

Revenue and expenses from the non-current assets and disposal groups of resources maintained for sale which do not fulfil the requisites to classify them as uninterrupted transactions, are included in the corresponding state of total results according to their nature.

3.10. Segment Report

Business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a group of assets and operations involved in the supply of products and services within a particular economic environment that is subject to risks and returns that are different from those operating in the economic environments.

3.11. Balance sheet classification

In the consolidated balance sheet are classified as current liabilities those assets that are expected to be settled within a period not exceeding twelve months, of the balance sheet date. In case, one liability, does not have, an incoditional right for the Group, to defer its settlement for at least twelve months from the date of the balance sheet it is classified as current liability.

3.12. Net operating income

Net operating income includes operating income and expenses, whether recurring or not, including restructuring costs and operating income and expenses associated to operating assets (tangible assets and other intangible assets). Also comprises, gains or losses on the sale of companies consolidated using the full or proportional integration method. The net financial expenses, share of results of associates, other financial investment (Notes 13, 20 and 21) and income tax, are excluded.

3.13. Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive), arising from a past event and it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reasonably measured. Provisions are reviewed at each balance sheet date and adjusted to reflect the best estimate at that date.

Contingent liabilities are not recognised in balance sheet and a breakdown in the report, except that its probably of occurrence is remote (see Note 3.17).

a) Provisions for restructuring

Provisions for restructuring costs are recognised to the extent that the Group has a detailed formal plan for the restructuring that has been communicated to affected parties.

b) Environmental restructuring

In accordance with current legislation and standard practice in several areas of the Group's business, the land used for quarry operations is subject to environmental restoration.

In this context, whenever the Group so determines, provisions are set up to meet the estimated expenditure required for the environmental reclamation and restoration of the areas in operation. These provisions are recorded simultaneously with an increase in the value of the underlying asset, on the basis of the conclusions obtained in landscape reclamation studies, and are recognised in income in accordance with the depreciation of the assets.

Also, the Group progressively restores the land previously occupied by its quarries and uses the provisions recorded for this purpose.

3.14. Financial instruments

A "financial instrument" is a contract that creates a financial asset in one entity, and simultaneously, a financial liability or equity instrument in another entity.

a) Cash and cash equivalents

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

For the purpose of presentation in the statement of consolidated cash flow, "Cash and Cash Equivalents" also includes the bank overdrafts included under "Other short-term Loans" in the balance sheet.

b) Receivables

Receivables are initially recognised at fair value and are subsequently measured at their respective amortised cost, based on the effective interest rate. When there is evidence of an impairment loss, the related adjustment is recognised in the income statement. The adjustment is made for the difference between the carrying amount of the receivables and the present value of the cash flows discounted at the effective interest rate.

c) Other financial assets

Financial assets are recognised and derecognised on the date on which substantially all the inherent risks and rewards are transferred, irrespective of the date of settlement.

Financial assets are initially measured at acquisition cost, which equals the fair value of the consideration paid, including transaction costs (except for financial assets at fair value through profit or loss, are recognised in the income statement).

These assets are classified as follows:

- Held-to-maturity investments

- Financial assets at fair value through profit or loss

- Available-for-sale financial assets

Held-to-maturity investments are financial assets with fixed maturity that the Group has the positive intention and ability to hold to the date of maturity. They are classified as non-current assets, except when they mature in less than 12 months from the balance sheet date. These assets are recognised at capitalised cost, using the effective interest rate, net of principal repayments and interest received. Impairment losses are recognised in profit or loss when the carrying amount of the asset exceeds the estimated value of the cash flows discounted at the effective interest rate determined at the date of initial recognition. Impairment losses may only be reversed in subsequent periods when the increase in the recoverable amount of the asset is directly related to events occurring after the date of recognition of the loss, with the limit value for the amortized cost would correspond if the loss had not been registered.

The assets designated as fair value through profit or loss are classified as current financial assets. After initial recognition, these assets and available-for-sale financial assets are measured at fair value, which is taken to be their market value at the balance sheet date, with deduction for transaction costs that may be incurred on their sale. Own equity instruments not listed on regulated markets, and whose fair value cannot be reliably estimated, are carried at acquisition cost less any impairment losses.

Available-for-sale financial assets which are also recorded at fair value, without deducting selling costs and are classified as non-current assets. The gains and losses from changes in the fair value of these financial assets are recognised in equity until the investment is disposed of, at which time the cumulative gain or loss is recognised in the income statement. Those who do not have listed in an active market and whose fair value cannot be reliably measured are kept at cost adjusted for estimated impairment losses.

d) Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified on the basis of their contractual nature, regardless of their legal form.

Equity instruments issued by the Company are recognised at the proceeds received, net of the related issue costs.

e) Bank loans

Loans are initially recognised in liabilities at the nominal value of the proceeds received, net of the related issue costs, which corresponds to their respective fair value at that date. Subsequently, loans are measured by the amortised cost method, and the related financial obligations are calculated using the method of the effective interest rate, except in the case of:

- Loans forming part of an item classified as a fair value hedge are recognised at their respective fair value under the heading attributed to the hedged risk. Changes in fair value are recognised in the income statement for the year and are offset by the change in fair value of the hedging instrument, with respect to the effective portion thereof;

- Loans designated as financial liabilities at fair value through profit or loss.

f) Payables

Payables are initially recognised at their respective fair value and are subsequently recognised at their amortised cost, based on the effective interest rate. In the case where the effect of financial restatement is not significant, are maintained at their nominal value.

g) Derivate financial instruments and hedging transactions

The Group uses derivative financial instruments to hedge its expose to financial risks, which arise mainly as a result of changes in interest rates and foreign exchange rates.

In this respect, the Group does not contract derivative financial instruments for speculative purposes.

The use of financial instruments is governed by the Group's internal policies defined and approved by the Parent's Board of Directors.

Derivative financial instruments are recognised at their respective fair value. The recognition method used depends on the nature and objective of their arrangement.

Hedging transactions

The possibility of designating a derivative financial instrument as a hedging instrument is governed by IAS 39, mainly with respect to the documentation and effectiveness thereof.

The changes in fair value of derivative financial instruments designated as fair value hedges are recognised in financial profit or loss for the period, together with the changes in fair value of the hedged asset or liability subject to the risk.

The effective portion of the changes in fair value of derivative financial instruments designated as cash flow hedges are recognised under "Reserves – Hedging Transactions", and the ineffective portion is recognised in the income statement. The amounts recorded in hedging reserves are taken to income in the year in which the hedged asset or liability also affects the income statement.

The effective portion of the changes in value of derivative instruments hedging net investments in foreign operations is recognised under "Translation Differences". The ineffective portion of these changes is recognised immediately in the income statement for the year. If a hedging instrument is not a derivative, the respective changes in value resulting from fluctuations in foreign exchange rates are recognised as translation differences.

Hedge accounting is discontinued when the hedging instrument expires, or is sold or is exercised, or when the hedging relationship no longer meets the requirements established in IAS 39.

Held-for-trading instruments

Changes in fair value of the derivative financial instruments which, arranged for hedging purposes in accordance with the Group's risk management policy, do not meet all the requirements established in IAS 39 to qualify for hedge accounting, are taken to income in the year in which they arise.

h) Fair value of financial instruments

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

- Fair value of financial assets and financial liabilities with standard terms conditions and traded on active liquid markets is determined as quoted market prices.

- Fair value of other financial assets and financial liabilities (derivative instruments excluded) is determined in accordance with generally accepted pricing models based on discounted cash flows analysis using prices from observable current similar market transactions.

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

3.15. Retirement plans

The obligations arising from the payment of retirement and disability pensions and post-employment health-care are recognised in accordance with IAS 19, Employee Benefits.

Defined benefit plans

The expenses are recognised as the services are rendered to the beneficiary employees.

At the end of each accounting period, actuarial studies performed by independent actuaries are obtained in order to determine the value of the obligations at that date and the cost to be recognised in the year, in accordance with the “service unit” method. The obligations thus estimated are compared with the fair values of the pension funds in order to determine the amount of the differences to be recognised in balance sheet.

Pension costs are recognised under “Staff Costs”, as provided for in IAS 19, on the basis of the amounts determined by the actuarial studies. They include current service cost (increased obligations), which relates to the additional benefits earned by the employees in the year, and interest cost, which is the increase in the present value of previous obligations. The aforementioned amounts are reduced by the amount relating to the expected return on plan assets. Actuarial gains or losses are recognised directly in reserves.

Past service costs are recognised immediately, to the extent that the associated benefits have been appraised, or, otherwise are recognised on a straight-line basis over the period during which it is estimated that they will be obtained.

Defined contribution plans

The contributions made by the Group to defined contribution plans are recognised as a cost on an accrual basis.

3.16. Other welfare benefits

Certain Group companies provide their employees with health care services, which are also applicable to family members, retirees and early retirees, in addition to those provided by the social security system. The obligations in this connection are recognised as indicated above for defined benefit plans, under “Staff Costs – Other Welfare Benefits”, except for actuarial gains or losses which are taken to reserves.

As in the case of pension plans, at the end of each accounting period actuarial studies conducted by independent actuaries are obtained in order to determine the value of the obligations at that date. Actuarial gains and losses are recognized directly in reserves.

3.17. Contingent assets and liabilities

In accordance with IAS 37, the Board of Directors in the formulation of annual accounts differ:

1. Supplies: creditor balances that cover current accrued obligations from past events whose cancellation could originate an outflow of resources, yet considered undefined by the turnover and/or the date of their cancellation.

2. Contingent liabilities: possible obligations due to past events whether it is conditioned to occur (or not) more independent of the will of the company.

The consolidated balance sheet registers all the supplies which are considered to attend to the obligation. The contingent liabilities are not in the consolidated balance sheet but on the memorandum sheet, therefore they are not considered remote.

Supplies are valued by the current value of the best possible estimate of the necessary amount in order to cancel or transfer the obligation, taking into account the information available on the event and its consequences, thus registering the adjustments that might come about from the updates of these supplies as a financial expense in accordance to how it is earned.

The compensation received from a third party when liquidating the obligation, reimbursement must be proved is registered as a liability; except when a legal connection does not exist on the part of the risk which is contracted out, and by which the Group is not obliged to respond. If so, the compensation required to appraise the amount will be the value of these supplies.

Contingent assets are not recognised in the consolidated financial statements, but rather are disclosed when an inflow of future economic benefits is probable.

3.18. Revenues and expenses recognition

Revenues and expenses are recognised in the respective period, regardless of the date of collection or payment.

Revenue from sales is recognised in the income statement when all the risks and rewards incidental to ownership of the assets are transferred to the buyer and the amount of the economic benefits can be reasonably measured. Sales are recognised net of taxes, discounts and other costs to sell at the fair value of the amount received or receivable.

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

Interest and finance income is accrued on a time proportion basis, by reference to the effective interest rate applicable.

Gains and losses attributable to the current period, whose related income and expense items will only be reflected in future periods, and past income and expenses, that relate to future periods and which will be taken to profit or loss of each for those periods, are recognised at their respective amounts under “Other Current Assets” and “Other Current Liabilities” in the balance sheet.

Dividends relating to investments are recognized when the Company is given the right to receive them.

3.19. Impairment and adjustments of financial assets

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

Available-for-sale financial assets

For the financial assets classified as available for sale, a continuous or a significant decline in the fair value of the instrument below its cost, is considered as an indicator of impairment. If such evidence exists in available-for-sale financial assets, the cumulative loss – measured as the difference between the asset’s carrying amount and the present fair value, less any impairment loss already recognised in profit and loss – is transferred from equity to income. Impairments relating to investments in available-for-sale equity instruments are recognised in the profit and loss are not reverse through profit and loss for the period, directly affecting other income recognized in equity.

Clients, debtors and other financial assets

Provisions for impairment losses are recorded whenever there are clear indicators that the Group will not be able to collect all the amounts it should receive, according to the terms established by the contracted agreements. Several indicators are used to identify these losses, such as:

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

The provisions are measured by the difference between the recoverable amount and the carrying amount of the financial asset and recognized as an expense in the income statement. The carrying amount of these assets is reduced to the recoverable amount through an impairment recognition. Whenever a certain amount is considered an uncollectible it is removed through the use of the respective impairment account. Subsequent recovery of these amounts is recorded in the income statement.

3.20. Income tax

The expense or income by income tax is included in the part relative to the expense or income by current tax an the part corresponding to the expense or income by deferred tax.

The current tax is the amount that the company satisfice as a consequence of the fiscal liquidations of the income tax for a fiscal year. Deductions and other fiscal advantages for the taz quota, excluding the retentions and the payment on account, as well as the fiscal loss that can be compensated for previous fiscal years and effectively applied to this one, reduce the amount of the current tax.

The expense or income by deferred tax corresponds to the recognition and cancellation of the assets and liabilities by deferred tax. These include the temporary differences between the assets and liabilities carrying value and their fiscal value, as well a the negative tax bases compensation and credits for fiscal deductions not fiscally applied. These amounts are recorded by applying the expected type of burden to the temporary difference or corresponding credit.

All the taxable temporary differences are recognised as liabilities by deferred taxes, except those derived from the inicial recognition of goodwill and other assets and liabilities in a operation that does not affect the fiscal result or book results and that it is not a business combination.

The assets by deferred tax are only recognised if the company considers that it is going to receive future fiscal earnings against which they may be effective.

Also, at the consolidated level also considers the differences that may exist between the consolidated value of an investee and its tax base. In general these differences arise from earnings generated from the date of acquisition of subsidiary, the tax deductions associated with the investment and the conversion of the difference in the case of subsidiaries with functional currencies different than euro. Recognized assets and deferred tax liabilities arising from these differences except in the case of taxable differences, the investor can control the timing of the reversal´s difference. In the case of deductible differences, only recognizeds the dererred tax asset if that difference is expected to reverse in the foreseeable future and it is probable that profits will be available in amounts sufficient future taxable.

The assets and liabilities by deferred tax, produced by operations with charges or direct payments in net worth accounts are counted as counterpart in the net worth.

At every accounting closure the assets by recorded deferred tax are reconsidered and the appropriate adjustments are performed when there are doubts about their future recovery. Furthermore, at every closure, the liabilities by deferred tax not recorded in the balance are recognised if they may be recovered with future fiscal benefits.

3.21. Earnings per share

Basic earnings per share are calculated by dividing net profit or loss attributable to the Parent by the weighted average number of ordinary shares outstanding during the year, excluding the average number of shares of the Parent held by the Group companies.

The Group did not carry out any transactions that would lead to diluted earnings per share being different from basic earnings per share.

3.22. Subsequent events

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

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

3.23. CO2 emission allowances – Emissions market

Certain of the Group's production units in Spain are included in the European greenhouse gas emissions market. The Group recognises emission allowances as follows:

- Emission allowances assigned free of charge, and the emissions associated with these allowances, are not recognised as assets or liabilities.

- Gains on the sale of emission allowances are recognised as a "Operating Income".

- When it is deemed that CO_2 emissions exceed the annually assigned allowances, a liability is recognised as a balancing item for other operating expenses. This liability is measured on the basis of the price of the CO_2 emission allowance at the end of the year.

- Allowances acquired are recognised at cost in a specific intangible asset account, "Intellectual Property and Other Rights", and are amortised as they are used.

In 2011 and 2010 the total emissions from the Group's facilities in Spain did not exceed the allowance assigned by the Government.

3.24. Severance Pay

In accordance with applicable legislation, the Holding Company and dependent companies are obliged to grant a severance pay to those employees whose employment is terminated, under certain circumstances, and a valid expectation against third parties is created over that payment. Therefore, severance pay susceptible of reasonable quantification is registered as an expense for the year in which the termination decision has been made. No such provision has been included in the consolidated balance sheet since this kind of situations is not expected.

4. CHANGES IN CRITERIA AND ERROR CORRECTION

In the year ended 31 December 2011, there were no other changes in accounting policies or corrections of errors identified in these years, beyond the effects application of new standards and interpretations, revised and corrected, disclosed in Note 2.

5. COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION

5.1. Fully consolidated companies

The fully consolidated companies included the Parent, Cimpor Inversiones, S.A. and the following subsidiaries in which a majority of the voting rights or where appropriate, effective control: (See Appendix for additional information on these subsidiaries)

ABBREVATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
HOLDING		31/12/2011	31/12/2010
CIMPOR INVERSIONES	CIMPOR INVERSIONES, S.A.U. Calle Brasil, 56 36204 Vigo	-	-
SPAIN			
CORPORACIÓN NOROESTE	CORPORACIÓN NOROESTE, S.A. Brasil, 56 36 204 Vigo	99.54	99.53
S.C.M.C. ANDALUCÍA	SOCIEDAD DE CEMENTOS Y MATERIALES DE CONSTRUCCIÓN DE ANDALUCÍA, S.A.(1) Av. de la Agrupación de Córdoba, 15 14 014 Córdoba	99.54	99.53
CEMENTOS ANDALUCÍA	CEMENTOS DE ANDALUCÍA, S.L.(1) Av. de la Agrupación de Córdoba, 15 14 014 Córdoba	99.54	99.53
OCCIDENTAL HORMIGONES	OCCIDENTAL DE HORMIGONES, S.L.(1) (2) Calle la Viela Polígono Industrial el Nevero 06006 Badajoz	-	99.53

(1) Sole Share-Holder Company
(2) Companies merged in 2011

ABBREVATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
		31/12/2011	31/12/2010
MORTEROS GALICIA	MORTEROS DE GALICIA, S.L. (1) Brasil, 56 36 204 Vigo	99.54	99.53
HORMIGONES MIÑO	HORMIGONES MIÑO, S.L. (2) Brasil, 56 36 204 Vigo	-	99.51
CEMENTOS COSMOS	CEMENTOS COSMOS, S.A. Brasil, 56 36 204 Vigo	99.31	99.29
CIMPOR HORMIGÓN ESPAÑA	CIMPOR HORMIGÓN ESPAÑA, S.A. (2) Brasil, 56 36 204 Vigo	99.52	99.53
CANTERAS PREBETONG	CANTERAS PREBETONG, S.L. Brasil, 56 36 204 Vigo	98.42	98.40
BOMTRAHOR	BOMBEO Y TRANSPORTE DE HORMIGON, S.A. Brasil, 56 36 204 Vigo	-	93.85
PREBETONG LUGO	PREBETONG LUGO, S.A. Av. Benigno Rivera s/n - Políg. Ind. del Ceao 27 003 Lugo	82.49	82.50
P.LUGO DE HORMIGONES	PREBETONG LUGO DE HORMIGONES, S.A. Brasil, 56 36204 Vigo	82.49	82.50

ABBREVATION	COMPANY	EFFECTIVE %OF OWNERSHIP	EFFECTIVE %OF OWNERSHIP
		31/12/2011	31/12/2010
MATERIALES ATLÁNTICO	MATERIALES DEL ATLÁNTICO, S.A. (1) Polígono Industrial Lagoas – Carretera Cedeira Km. 1,5 15 570 Narón (La Coruña)	99.31	99.29
HORMINGONES LA BARCA	HORMIGONES Y ÁRIDOS LA BARCA, S.A. Calle Benito Corbal nº 38 2º-A 36 001 Pontevedra	49.77	49.76
ARICOSA	ÁRIDOS DE LA CORUÑA, S.A. Candame 15 142 Arteixo La Coruña	49.21	49.20
CANPESA	CANTEIRA DO PENEDO, S.A. Reina, 1 – 3º 27 001 Lugo	41.23	41.23
CIMPOR CANARIAS	CIMPOR CANARIAS, S.L. (1) Calle Brasil, 56 36204 Vigo	99.54	99.53
C. HORMIGÓN CANARIAS	CIMPOR HORMIGÓN CANARIAS, S.L. (1) Calle Brasil, 56 36204 Vigo	99.54	99.53
OCCIDENTAL DE ÁRIDOS	OCCIDENTAL DE ÁRIDOS, S.L. (1) Calle Brasil, 56 36204 Vigo	99.54	99.53
BETOBOMBA	BETOBOMBA, S.L. Calle Brasil, 56 36204 Vigo	-	99.53
DS UNIÓN	DS UNIÓN, S.L. Calle Goya, 1 18002 - Granada	89.59	89.57
SOGESSO	SOCIEDADE DE GESSOS DE SOURE, S.A. (1) Lugar de São José do Pinheiro 3130 – 544 Soure	99.31	99.29
INVERSIONES FILARIA	INVERSIONES FILARIA, S.L. (1) Calle Brasil, 56 36204 Vigo	99.31	99.29
TRANSFORMAL	TRANSFORMAL, S.L. (1) Rua Joaquim Brandão, 13 - 1 E 2900 - 422 Setúbal	99.31	99.29

ABBREVATION	COMPANY	EFFECTIVE %OF OWNERSHIP	EFFECTIVE %OF OWNERSHIP
MOROCCO		31/12/2011	31/12/2010
ASMENT DE TEMARA	ASMENT DE TEMARA, S.A. Ain Attig – Route de Casablanca Témara	62.62	62.62
BETOCIM	BETOCIM, S.A. Ain Attig – Route de Casablanca Témara	62.62	97.50
ASMENT DU CENTRE	ASMENT DU CENTRE, S.A. Ain Attig – Route de Casablanca Témara	100.00	100.00
GRABEMA	GRABEMA, S.A. Ain Attig – Route de Casablanca Témara	100.00	100.00
TUNISIA			
C.J.O.	SOCIÉTÉ DES CIMENTS DE JBEL OUST 9, Rue de Touraine, Cité Jardins 1082 Tunis – Belvédère	100.00	100.00
B.J.O.	SOCIÉTÉ BETON JBEL OUST 9, Rue de Touraine, Cité Jardins 1082 Tunis – Belvédère	100.00	100.00
G.J.O.	SOCIÉTÉ GRANULATS JBEL OUST 9, Rue de Touraine, Cité Jardins 1082 Tunis – Belvédère	100.00	100.00

ABBREVATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
BRAZIL		31/12/2011	31/12/2010
C.C.B.	CIMPOR - CIMENTOS DO BRASIL, LTDA. Avª Maria Coelho Aguiar, 215 – Bloco E – 8º Jardim São Luíz - São Paulo	100.00	100.00
MOZAMBIQUE			
CIM. MOÇAMBIQUE	CIMENTOS DE MOÇAMBIQUE, S.A.R.L. Av. 24 de Julho, nº 7 - 9º/10º pisos Maputo	64.76	65.41
CIMBETÃO	CIMPOR BETÃO MOÇAMBIQUE, S.A.R.L. Estrada de Lingamo Matola	64.76	65.41
CINAC	CIMENTOS DE NACALA, S.A. Av. 24 de Julho, nº 7 - 10º piso, derecha Maputo	64.43	-
EGYPT			
AMCC	AMREYAH CEMENT COMPANY El Gharbaneyat – Borg El Arab City P. O. Box 21511 Alexandria	99.14	99.14
CEC	CIMPOR EGYPT FOR CEMENT El Gharbaneyat – Borg El Arab City P.O. Box 21511 Alexandria	100.00	100.00
AMREYAH CIMPOR	AMREYAH CIMPOR CEMENT COMPANY, S.A.E. El Gharbaneyat – Borg El Arab City P.O. Box 21511 Alexandria	99.35	99.35
CSC	CEMENT SERVICES COMPANY, S.A.E. El Gharbaneyat – Borg El Arab City P.O. Box 21511 Alexandria	54.61	54.61
CIMPSAC	CIMPOR SACS MANUFACTURE COMPANY, S.A.E. El Gharbaneyat – Borg El Arab City P.O. Box 21511 Alexandria	99.90	99.90
AMREYAH DEKHEILA	AMREYAH DEKHEILA TERMINAL COMPANY – S.A.E. Dekheila Port Alejandria	99.36	99.36

ABBREVATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
		31/12/2011	31/12/2010
READY MIX	AMREYAH CIMPOR READY MIX COMPANY S.A.E. Industrial area, Plot no. 89T Dekheila - Alejandria	98.80	98.80
SOUTH AFRICA			
NPCC	NATAL PORTLAND CEMENT COMPANY (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
NPC	NPC - CIMPOR (PTY) LIMITED 199 Coedmore Road Bellair 4094 Durban	74.00	74.00
DC	DURBAN CEMENT LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
SRT	SIMUNA REHABILITATION TRUST 1 Wedgelink Road Bryanstone	33.30	33.30
CONCRETE	NPC CONCRETE MIX (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
S C STONE	SOUTH COAST STONE CRUSHERS (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	74.00	74.00
EEDESWOLD	EEDESWOLD HIGHLANDS (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
S C MINING	SOUTH COAST MINING (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
STERKSPRUIT AGGREGAT.	STERKSPRUIT AGGREGATES (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	74.00	74.00

ABBREVATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
		31/12/2011	31/12/2010
STERKSPRUIT CONCRETE	STERKSPRUIT CONCRETE (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
DURBAN QUARRIES	DURBAN QUARRIES (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
CAPE VERDE			
CIMENTOS CABO VERDE	CIMENTOS CABO VERDE, S.A. Estrada de Tira Chapéu Praia, Santiago 14/A Cabo Verde	98.13	98.65
CABO VERDE BETÕES E INERTES	CABO VERDE BETÕES E INERTES, S.A. Estrada de Tira Chapéu Praia, Santiago 14/A Cabo Verde	98.13	54.32
ITP	INDÚSTRIA DE TRANSFORMAÇÃO DE PEDRAS, LDA. Estrada de Tira Chapéu Praia, Santiago- 14/A Cabo Verde	98.13	98.65
BETÕES CABO VERDE	BETÕES CABO VERDE, S.A. Estrada de Tira Chapèu Praia Santiago 14/A Cabo Verde	98.13	54.32
PERU			
CEMENTOS OTORONGO	CEMENTOS OTORONGO, S.A.C. Malecón Cisneros 428 dpto. 1002 Miraflores Lima	100.00	100.00

ABBREVATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
CHINA		31/12/2011	31/12/2010
CIMPOR MACAU INVESTMENT	CIMPOR MACAU INVESTMENT COMPANY, LTD. Av. da Praia Grande, 693 Edifício Tai Wash - 15º andar MACAU (R.P. China)	50.00	50.00
CIMPOR CEMENT	CIMPOR CEMENT CORPORATION LTD. 35/F Cheung Kong Center, 2 Queen’s Road Central – Hong Kong	50.00	50.00
SEA – LAND MINING	SEA – LAND MINING LIMITED 35/F Cheung Kong Center, 2 Queen’s Road Central – Hong Kong	50.00	50.00
CIMPOR SHANDONG	CIMPOR SHANDONG CEMENT COMPANY LTD. Kuangsi Village, Liuyuan Town, Yicheng District Zaozhuang City, Shangdong Province ZIP code : 277300	48.80	48.80
NANDA	SUZHOU NANDA CEMENT COMPANY LTD Nº. 1, WenDu Road, Wang Ting Town, Xiang Cheng District Suzhou City, Jiangu Province ZIP code: 215155 (R.P. China)	35.52	35.52
HUAI AN LIUYUAN	HUAI AN LIUYUAN CEMENT COMPANY LTD Huai' an city, Huaiyin district, WangYing town (former Huayin district Building materials plant site) ZIP code: 223300 (R.P. China)	48.80	48.80
LIYANG	LIYANG DONGFANG CEMENT CO. LTD Shanghuang Town, Liyang, Jiangsu Province ZIP Code: 213314 (R.P. China)	50.00	50.00
SUZHOU LIUYUAN	SUZHOU LIUYUAN NEW TYPE CEMENT DEVELOPMENT CO.,LTD Suzhou Wuzhong economic development zone, DongWu industrial park second term (Yinzhong south road) ZIP code: 215000 (R.P. China)	48.80	48.80
CIMPOR SHANGAI	CIMPOR CHENGON (SHANGHAI) ENTERPRISES MANAGEMENT CONSULTING COMPANY LIMITED 222 Huaihai Zhong Lu, Lippo Plaza, Floor 25, Room 2505-07 ZAP Code: 200021 Shanghai (R.P. China)	50.00	50.00

ABBREVATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
		31/12/2011	31/12/2010
NEW HLG	CIMPOR CHENGTONG (HUIAN AN) CEMENT PRODUCTS COMPANY LIMITED Wangying Town, Huaiyin district Huai'an City (R.P. China)	50.00	50.00
CIMPOR ZAOZHUANG	CIMPOR (ZAOZHUANG) CEMENT COMPANY LTD. Matou Village, Fucheng County, Shanting District, Zaozhuang City, Shandong Province ZIP Code: 277222	50.00	50.00
EAST ADVANTAGE	EAST ADVANTAGE INTERNAICONAL LIMITED Romanco Place, Wickhams Cay 1,P.O. Box P.O. Box 3140, Road Town, Tortola British Virgin Islands VG1110	50.00	50.00
PUCHENG JIANCAI	PUCHENG BUILDING MATERIALS COMP. LTD. Shanghuang Town, Liyang, Jiangsu Province Zip Code: 213314	50.00	50.00
TURKEY			
CIMPOR YIBITAS	CIMPOR YIBITAS CIMENTO SANAYI VE TICARET A.S. Portakal Cicegi Sokak nº 33 – 06540 06540 Cankaya/Ankara/TURKIYE	99.74	99.74
YOZGAT	YIBITAS YOZGAT ISCI BIRLIGI INSAAT MALZEMELERI TICARET VE SANAYI A. S. Portakal Cicegi Sokak nº 33 – 06540 06540 Cankaya/Ankara/TURKIYE	82.33	81.55
BEYNAK	CIMPOR YIBITAS BEYNELMILEL NAKLIYECILIK TICARET VE SANAYI A.S. Portakal Cicegi Sokak nº 33 - 06540 06540 Cankaya/Ankara/TURKIYE	99.74	99.74

ABBREVATION	COMPANY	EFFECTIVE %OF OWNERSHIP	EFFECTIVE %OF OWNERSHIP
INDIA		31/12/2011	31/12/2010
SHREE DIJIVAY CEMENT CO. LTD.	SHREE DIJIVAY CEMENT CO. LTD. P.O. Digvijaygram – 361140 Jamnagar Estado de Gujarat India	73.63	73.63
OTHER ACTIVITIES			
CIMPOR SAGESA	CIMPOR SAGESA, S.A. Brasil, 56 36 204 Vigo	100.00	100.00
CIMPOR TRADING	CIMPOR TRADING, S.A., Brasil, 56 36204 Vigo	100.00	100.00
CIMPOR ECO	CIMPOR ECO, S.L. Brasil, 56 36204 Vigo	100.00	99.53

5.2. Associates

The associates accounted for using the equity method (see Note 20) at 31 December 2011 are as follows:

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
SPAIN		31/12/2011	31/12/2010
CEMENTOS ANTEQUERA	CEMENTOS ANTEQUERA, S.A. Carretera del Polvorín km 2, margen izquierdo 29 540 Bobadilla, Estación. Málaga	22.98	22.97
ARENOR	ARENOR, S.L. Calle Montecarmelo, 1 – 5º C Sevilla	-	28.43
HORMICESA	HORMIGONES MIRANDA CELANOVA, S.A. Ctra. Casasoá, Km. 0,100 32817 Celanova (Ourense)	39.81	39.81
AGUEIRO	AGUEIRO, S.A. Poligono de Bergondo 15166 – Bergondo (A Coruña)	44.69	44.68
BRAZIL			
COMICAN	COMPANHIA DE MINERAÇÃO CANDIOTA Av. Maria Coelho Aguiar, 215 – Bloco E – 8º Andar – Sala A Jardim São Luiz – São Paulo	48.00	48.00
SOUTH AFRICA			
NOMAKANJANI	NOMKANJANI LOGISTICS (PTY), Ltd. 199 Coedmore Road Bellair 4094 Durban	-	30.00

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
MARRUECOS		31/12/2011	31/12/2010
ECOCIM	ECOCIM, S..A.S. 421 Boulevard Abdelmoumen, Casablanca Témara	25.00	-
OTHER ACTIVITIES			
AVE	AVE- Gestão Ambiental e Valorização Energética, S.A. Avenida das Forças Armadas, nº 125 - 8º Lisboa	35.00	-

5.3. Proportionately consolidated companies

The following investee was proportionately consolidated since it is managed and controlled jointly with another shareholder:

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
SPAIN		31/12/2011	31/12/2010
INPROCOI	INSULAR DE PRODUCTOS PARA LA CONSTRUCCIÓN Y LA INDUSTRIA., S.A. Vía interior Cueva Bermeja, esq.2 Dique del este 38180 Santa Cruz deTenerife	49.77	49.76
CEISA	CEMENTOS ESPECIALES DE LAS ISLAS, S.A. Secretario Artiles, 36 35007 Las Palmas de Gran Canaria	49.77	49.76
TUNISIA			
TCG	TERMINAL CIMENTIER DE GABES, G.I.E.. Port de Gabes Gabes	33.33	33.33
BRAZIL			
ECO-PROCESSA	ECO-PROCESSA – TRATAMENTO DE RESÍDUOS LTDA. Av. Rio Branco, 110 – 39º - parte Cidade do Rio de Janeiro Estado do Rio de Janeiro	50.00	50.00

6. CHANGES IN THE SCOPE OF CONSOLIDATION

In the year ended 31 December, 2011, the main changes in the scope of relate to:

- Acquisition of 100% of the share capital Cimentos de Nacala, S.A. ("CINAC"), through Cimentos of Moçambique, S.A.R.L. for an amounting aprox. 29 million USD, including 18 million USD of loans, which resulted in a goodwill of 21,184 thousand euros (Note 17), still subject to changes resulting from the conclusion of process to allocate the purchase value of the net assets of acquired business.

- The acquisition of 35% of the share capital in AVE – Gestão Ambiental e Valorização Energética, S.A., through a subsidiary of the Spain business area, in the amount of 4,916 thousand euros.

The impact on the balance sheet of the changes in the consolidation perimeter on their effective date was as follows:

Captions	Segment: Mozambique	Segment: Spain	Total of acquisitions
Non current assets:			
Tangible assets (Note 19)	12,943	-	12,943
Investments in associates (Note 20)	-	234	234
Deferred tax assets (Note 25)	4,048	-	4,048
Total non-current assets	16,991	234	17,224
Current assets:			
Inventories	223	-	223
Accounts receivable - trade	84	-	84
Taxes recoverable	3	-	3
Total current assets	310	-	310
Total assets	17,301	234	17,535
Non current liabilities:			
Deferred tax liabilities (Note 25)	(249)	-	(249)
Provisions (Note 35)	(35)	-	(35)
Loans	(13,966)	-	(13,966)
Total non-current liabilities	(14,250)	-	(14,250)
Current liabilities:			
Accounts payable - trade	(8)	-	(8)
Accounts payable - other	(69)	-	(69)
Taxes payable	(82)	-	(82)
Other current liabilities	(599)	-	(599)
Total current liabilities	(758)	-	(758)
Total liabilities	(15,008)	-	(15,008)
Net amount	2,293	234	2,527
Goodwill (Note 17 and 20)	21,184	4,682	25,866
Net amount paid / (received)	23,477	4,916	28,393
Cash and cash equivalents	(1,464)	-	(1,464)
Net assets acquired / (sold)	22,013	4,916	26,928

Changes in the consolidation perimeter had the following impact on net profit for the year ended 31 December 2011:

Captions	Value
Operating income	5,215
Operating expenses	(3,751)
Net operating income	1,464
Net financial expenses	728
Profit before income tax	2,193
Income tax	(703)
Net profit for the year	1,489
Attributable to:	
Equity holders of the parent	997
Minority interest	492

7. FOREIGN EXCHANGE RATES

The foreign exchange rates used in the translation to euros of the assets and liabilities presented in foreign currency at 31 December 2011 and 2010 and in the translation of the profit or loss for the years then ended, were as follows:

		Closing exchange rate (EUR / Currency)			Average exchange rate (EUR / Currency)		
Currency	Segment	2011	2010	Var.% (a)	2011	2010	Var.% (a)
USD	Other	1,2939	1,3362	3,3	1,39280	1,32789	(4,7)
MAD	Morocco	11,0952	11,2213	1,1	11,34410	11,25420	(0,8)
BRL	Brazil	2,4159	2,2177	(8,2)	2,32980	2,34594	0,7
TND	Tunisia	1,9398	1,9284	(0,6)	1,96630	1,91467	(2,6)
MZM	Mozambique	34.960,0	43.650,0	24,9	40.452,6	43.986,0	8,7
CVE	Other (Cape Verde)	110,265	110,265	-	110,265	110,265	-
EGP	Egypt	7,8032	7,7522	(0,7)	8,31830	7,54044	(9,4)
ZAR	South Africa	10,4830	8,8625	(15,5)	10,10080	9,73991	(3,6)
TRY	Turkey	2,4432	2,0694	(15,3)	2,33780	2,00085	(14,4)
HKD	China	10,0510	10,3856	3,3	10,85100	10,33040	(4,8)
CNY	China	8,1588	8,8220	8,1	9,01690	9,00050	(0,2)
MOP	China	10,3525	10,6972	3,3	11,36730	10,82566	(4,8)
PEN	Other (Peru)	3,4890	3,7497	7,5	3,88140	3,80613	(1,9)
INR	India	68,7130	59,7580	(13,0)	65,69980	60,97080	(7,2)

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

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

Segment reporting is structured on a primary basis by geographical segment and on a secondary basis by business segment.

The main information relating to profit or loss for the years ended 31 December 2011 and 2010 in the various business lines relating to each of the geographical segments is as follows:

	2011				2010			
	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:								
Spain	246,774	2,994	249,768	(17,915)	270,606	1,859	272,465	(10,462)
Morocco	99,651	-	99,651	32,904	94,469	-	94,469	35,820
Tunisia	83,591	-	83,591	17,646	78,032	-	78,032	15,988
Egypt	165,646	-	165,646	37,632	226,645	-	226,645	72,643
Turkey	165,648	-	165,648	14,440	154,549	-	154,549	(556)
Brazil	688,902	-	688,902	165,978	609,194	-	609,194	162,431
Mozambique	114,645	-	114,645	16,369	88,056	-	88,056	2,111
South Africa	144,393	4,336	148,729	46,432	141,735	3,103	144,837	45,376
China	127,608	-	127,608	8,365	106,073	-	106,073	510
India	50,797	-	50,797	(3,130)	46,808	1,356	48,164	(2,026)
Others	32,121	-	32,121	2,394	31,103	-	31,103	1,877
Total	1,919,776	7,330	1,927,106	321,114	1,847,269	6,318	1,853,587	323,710
Unallocated	50,997	151,148	202,144	15,438	38,290	111,417	149,707	20,469
Eliminations	-	(158,478)	(158,478)	-	-	(117,735)	(117,735)	-
Sub-total	**1,970,773**	**-**	**1,970,773**	**336,551**	**1,885,559**	**-**	**1,885,559**	**344,180**
Net financial expenses				(84,056)				(44,588)
Share of results of associates				(1,570)				(1,617)
Other investment income				1,049				22
Profit before income tax				251,974				297,996
Income tax				(71,689)				(76,259)
Net profit for the year				**180,285**				**221,737**

All inter segment transactions were made at market values.

The above net income includes the full amount of the segments, without considering the following amounts attributable to minority shareholders:

	2011	2010
Operating segments:		
Spain	(150)	(58)
Morocco	7,230	8,050
Egypt	209	1,284
Turkey	555	617
Mozambique	3,581	(207)
China	(2,101)	81
India	(484)	(386)
Others	159	(108)
	8,997	9,273
Unallocated	-	-
Profit for the year attributable to minority interest	**8,997**	**9,273**

Other information:

	2011			2010		
	Fixed capital expenditure	Depreciation, amortisation and impairment losses (a)	Provisions	Fixed capital expenditure	Depreciation, amortisation and impairment losses (a)	Provisions
Operating segments:						
Spain	39,335	52,548	-	26,719	43,003	-
Morocco	3,910	7,451	523	5,440	5,687	54
Tunisia	10,570	6,191	-	5,948	6,524	741
Egypt	19,312	7,131	5,198	8,585	9,666	4,545
Turkey	6,893	16,600	237	6,460	22,386	141
Brazil	98,950	34,447	9,672	61,997	28,808	(349)
Mozambique	35,004	7,133	(116)	15,614	8,125	728
South Africa	6,373	13,241	-	5,310	13,519	-
China	14,133	9,265	253	6,015	8,392	-
India	8,949	6,509	-	2,747	6,356	(1)
Others	391	976	7	295	994	-
	243,820	161,491	15,774	145,130	153,460	5,859
Unallocated	1,035	3,996	-	6,045	743	-
	244,855	**165,487**	**15,774**	**151,175**	**154,204**	**5,859**

(a) The impairment losses, when applicable, respects to impairment losses on goodwill, tangible and intangible assets. In the year ended 31 December 2011 impairment losses were recorded in the Spain business area, in the Concrete and Aggregates activity, 3,679 thousand euros in goodwill and 6,321 thousand euros in tangible assets.

In addition, assets and liabilities, by reportable segment, reconciled to the total consolidated amounts as at 31 December and 2011 and 2010, are shown as follows:

	2011			2010		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Spain	802,922	590,139	212,783	822,171	595,052	227,119
Morocco	148,602	46,482	102,120	142,578	29,254	113,324
Tunisia	118,799	22,456	96,343	115,646	17,304	98,342
Egypt	437,686	82,846	354,840	537,847	76,585	461,262
Turkey	529,266	117,797	411,469	641,095	157,604	483,492
Brazil	1,394,618	227,847	1,166,770	1,484,210	194,895	1,289,315
Mozambique	190,201	107,246	82,955	110,155	42,999	67,156
South Africa	299,083	47,904	251,178	332,449	41,206	291,243
China	240,625	205,289	35,336	209,220	177,687	31,532
India	110,452	25,982	84,471	122,804	23,482	99,322
Others	35,513	9,219	26,293	37,305	11,232	26,073
	4,307,765	1,483,207	2,824,558	4,555,480	1,367,299	3,188,180
Unallocated	1,144,200	1,984,332	(840,132)	884,131	2,212,448	(1,328,317)
Eliminations	(703,654)	(703,654)	-	(666,734)	(666,734)	-
Investments in associates	13,854	-	13,854	19,011	-	19,011
Total	**4,762,165**	**2,763,885**	**1,998,280**	**4,791,887**	**2,913,013**	**1,878,874**

The assets and liabilities not attributed to reportable segments include: (i) assets and liabilities of companies not attributable to specific segments, essentially holding companies and trading companies; (ii) intra-group eliminations between segments; and (iii) investments in associates.

Following is a break-down of the information for the years ended 31 December 2011 and 2010, by business segment of the **Group**:

	2011			2010		
	Sales and services rendered	Net assets	Fixed capital expenditure	Sales and services rendered	Net assets	Fixed capital expenditure
Business segment:						
Cement	1,459,874	3,798,171	195,758	1,477,799	3,945,064	130,212
Ready-mix and precast concrete	366,004	308,533	37,231	287,532	298,959	14,251
Others	144,895	655,461	11,866	120,228	547,864	6,713
Total	**1,970,773**	**4,762,165**	**244,855**	**1,885,559**	**4,791,887**	**151,175**

9. OTHER OPERATING INCOME

The detail of the heading “Other Operating Income” at 31 December 2011 and 2010 is as follows:

	2011	2010
Suplementary income	6,639	6,896
Revenues obtained from the sale of assets (a)	11,957	7,422
Subsidies	3,806	4,238
Reversal of allowances for doubtful receivables (Note 27)	1,844	5,271
Group work on non-current assets	3,439	2,242
Reversal of inventory allowances (Note 26)	809	1,366
Other	17,931	21,749
	46,426	49,184

(a) The gains in the financial year ended on 31 December 2011 include gains from the sale of CO_2 emissions licences and the exchange of CO_2 emissions licences for Certified Emission Reductions ("CER") for a total amount of 7,686 thousand euros (2,282 thousand euros in 2010). (Note 43).

10. COST OF SALES

In the years ended 31 December 2011 and 2010, the cost of sales was as follows:

	2011	2010
Goods sold	160,622	125,753
Material used in production	471,401	495,820
Other	(144)	1,374
	631,879	622,947

11. PERSONNEL COSTS

The average number of employees, by business and geographical segment, in the years ended 31 December 2011 and 2010 was as follows:

	2011				2010			
	Cement	Ready-mix and precast concrete	Others	Total	Cement	Ready-mix and precast concrete	Others	Total
Segments:								
Spain	572	322	54	948	587	357	58	1,001
Morocco	172	27	-	198	174	29	-	202
Tunisia	203	10	-	213	206	7	-	214
Egypt	464	12	28	504	458	7	29	494
Turkey	616	164	9	789	622	156	9	787
Brazil	806	666	9	1,481	814	682	9	1,505
Mozambique	482	47	1	531	419	47	1	467
South Africa	313	112	-	425	349	141	-	490
China	973	-	-	973	1,011	-	-	1,011
India	491	-	-	491	518	-	-	518
Others	65	55	-	120	70	61	4	135
	5,157	1,413	101	6,672	5,229	1,485	110	6,823
Common functions	-	-	-	326	-	-	-	296
	5,157	**1,413**	**101**	**6,997**	**5,229**	**1,485**	**110**	**7,120**

At December 31, 2011 there are 6,130 men and 807 women working in the company (6,231 men and 783 women in 2010).

Payroll expenses for the years ended 31 December 2011 and 2010 were as follows:

	2011	**2010**
Wages and salaries	130,318	127,726
Employer social security costs	25,013	24,924
Pension plans (Note 34)	1,239	1,262
Healthcare plans (Note 34)	251	262
Insurance	598	444
Other staff costs	31,304	29,838
	188,723	**184,456**

The "Other staff costs" caption includes health care expenses, termination benefits, professional training expenses and expenses to workers.

12. OTHER OPERATING EXPENSES

Other operating expenses at 31 December 2011 and 2010 were as follows:

	2011	2010
Adjustments for doubtful debts (Note 27)	4,752	5,415
Taxes	14,411	14,921
Association membership fees	2,779	3,113
Donations	1,140	648
Fines and penalties	606	745
Inventory adjustments (Note 26)	2,770	1,062
Losses on disposal of assets	626	3,452
Uncollectible debts	530	1,490
Other operating expenses	4,035	1,673
	31,649	32,519

13. FINANCIAL PROFIT

The detail of the financial profit for the years ended 31 December 2011 and 2010 is as follows:

	2011	2010
Financial expenses:		
Interest expense	92,889	67,262
Foreign exchange loss	31,316	18,246
Changes in fair-value:		
Hedged assets / liabilities	1,684	-
Hedging derivative financial instruments	3,770	10,428
Trading derivative financial instruments (a)	7,176	3,934
Financial assets/liabilities at fair value (a)	13,606	27,036
	26,236	41,398
Other (b)	12,468	14,312
	162,909	141,218
Financial income:		
Interest income	20,192	20,712
Foreign exchange gain	36,752	25,866
Changes in fair-value:		
Hedged assets / liabilities	3,770	10,428
Hedging derivative financial instruments	1,684	-
Trading derivative financial instruments (a)	13,786	36,708
Financial assets/liabilities at fair value (a)	915	-
	20,156	47,135
Other (b)	1,753	2,917
	78,853	96,630
Net Financial expenses	(84,056)	(44,588)
Share of profits of associates:		
Loss in associated companies (Note 20)	(1,758)	(1,617)
Gain in associated companies (Note 20)	188	-
	(1,570)	(1,617)
Investment income:		
Gains on holdings	98	22
Gains/(losses) on investments (c)	951	-
	1,049	22

(a) These captions include the effects of changes in fair value of loans Cimpor Financial Operations,B.V. associated with “US Private Placements” fair value changes issued by the Cimpor Group (Notes 36 and 38), which were designated as financial liabilities at fair value through profit and loss. Also included value changes of negotiable financial derivative instruments, including two of them that, although contracted to cover exchange rate and interest rate risks associated to those “US Private Placements” (Note 38) do not cover the requirements to be qualified by the Group for hedge accounting effects. In the years ended 31 December 2011 and 2010, arising from changes in fair values, was recognised, respectively, a financial expense of 6,080 thousand euros and a financial income of 5,737 thousand euros.

(b) In the years ended 31 December 2011 and 2010, these captions essentially include the costs and income related to the financial actualization of assets and liabilities, the update of estimates with the environmental rehabilitation of quarries (Note 35), the cash discounts granted and obtained and costs with commissions, guarantees and other bank charges in general.

(c) In the year ended 31 December 2011, this item included the gain obtained from the exchange of the shareholding of Arenor, S.L. amounting to 1,506 thousand euros.

14. INCOME TAX

The detail of the income tax for the years ended 31 December 2011 and 2010 is as follows:

	2011	2010
Current tax	70,881	68,510
Deferred tax (Note 25)	(1,981)	7,750
Increases in tax provisions (Note 35)	2,789	-
Expenses for the year	71,689	76,259

The Parent is taxed under the consolidated tax regime provided for in Chapter VII, Title VIII of Spanish Corporation Tax Law RDL 5/2004 of 5 march, and its subsidiaries are Corporación Noroeste, S.A., Cementos Cosmos, S.A., Cimpor Hormigón España, S.A., Canteras Prebetong, S.L., Cimpor Eco, S.L.U., Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., Morteros de Galicia, S.L.U., Cimpor Sagesa, S.A.U., Cementos de Andalucía, S.L.U., Prebetong Lugo, S.A., Prebetong Lugo de Hormigones, S.A., Cimpor Trading, S.A.U., Cimpor Canarias, S.R.L.U., Cimpor Hormigón Canarias, S.L.U., Occidental de Áridos, S.L.U., and Materiales del Atlántico, S.A.

The income tax relating to the other geographical segments is calculated at the respective local rates in force which for the year ended 31 December 2011 and 2010 is made up as follows:

	2011	2010
Morroco	30.0%	30.0%
Tunisia	30.0%	30.0%
Egypt	25.0%	20.0%
Turkey	20.0%	20.0%
Brazil	34.0%	34.0%
Mozambique	32.0%	32.0%
South Africa	28.0%	28.0%
China	25.0%	25.0%
India	32.4%	33.2%
Others	25,5%-30,0%	25,5%-30,0%

The temporary differences between the carrying amounts of the assets and liabilities and the related tax bases were recognised as stipulated in IAS 12, Income Taxes.

The reconciliation between the tax rate applicable in Spain and the effective tax rate in the Group is as follows:

	2011	2010
Tax rate applicable in Spain	30.00%	30.00%
Operational results non taxable (a)	(1.31%)	(2.40%)
Financial results non taxable (a)	1.32%	0.34%
Benefits by deduction to the taxable profit and to the collect	(3.65%)	(3.05%)
Increases / (Decreases) in tax provisions	1.11%	-
Adjustments on deferred taxes	(0.68%)	0.49%
Rate differences	1.00%	0.04%
Others	0.66%	0.17%
Effective tax rate of the Group	28.45%	25.59%

(a) Included in this item are the profits of tax exempt companies and transactions that are not relevant for tax purposes. Of note are the appropriate results in associates, arising under the equity method.

In addition to the income tax charge for the years ended 31 December 2011 and 2010, deferred taxes of 1,307 and 1,817 thousand euros, respectively, were recorded directly in reserves (Note 25).

The dominant company of the tax consolidated group is being subjected to verification an investigations with regard to the corporate tax for the fiscal years 2005 to 2008. Likewise, it was subjected to verification and investigation with regard to the corporate tax for the fiscal years 2002 to 2004, and also for 2003 and 2004 for others taxes applicable.

With relation to the 2003 and 2004 tax inspection, being the Parent company Cimpor Inversiones, S.A.(Sole-, on June 16th were signed two disconformity acts related to the 2003 and 2004 Company tax, in which was proposed a settlement (quota plus interests due) of EUR 29,463 thousand approximately. Against the assessments mentioned above, the Dominant Company enter an economic administrative appeal before the Central Economic-Administrative Court, which gave judgment on 10 November of 2010, notified on the 17 of same month and year, considering partially the claim. Against that resolution, the Dominant Company appeal before the High Court dated December 23, 2010. On November 4, 2011 was notified to the company, Auto National Court under reducing the amount of guarantees provided to 26,562 thousand euros according to the partial estimate of the Central Administrative Economic Court and 29 November 2011 was presented as a guarantee, a new surety bond by that amount.

The Directors so as Tax Advisers consider, as possible, the probability of winning them. Despite the complexity of the tax legislation applicable to the Group companies' operations, since these were carried out in accordance with the prevailing body of legal opinion and case law, it is estimated that no contingent tax liabilities should arise as a result of the tax authorities' review. Due to this reason, no provision were executed.

With relation to the 2002 tax inspection, being at that date the Parent company Corporación Noroeste, S.A., which is now Cimpor Inversiones, S.A. (Sole-Shareholder Company), on February 13th 2009 was signed a disconformity act related to the 2002 Company tax, due to the subjects "expenses attributable to the Parent company" and "Tax evasion by selling some shares of one associated of the Cimpor group", in which was proposed a settlement (quota plus interests due) of EUR 5,055 thousand. The company enter an economic administrative appeal before the Central Economic-Administrative Court, which gave judgment on 20 December of

2010 considering partially the claim. Against that resolution pertinent appeals will be entered within the time limit and it is possible that the Court Will reject those, so there is no provision about this amount.

On May 22nd, 2009 it was signed an insurance bond amounting to EUR 5,055 thousand, which was submitted to the State Tax Administration Agency as a payment guarantee.

On December 13th 2011 was notified to the society, the Order of the High Court by virtue of reducing the amount of guarantees provided to 4,644 thousand euros according to the partial estimate of the Central Economic-Administrative Tribunal. The directors of the Parent and Tax Consultants, estimate the probability that the Court dismissed the Appeal filed as possible, so that has not made any provision for this amount.

Despite the complexity of the tax legislation applicable to the Group companies' operations, since these were carried out in accordance with the prevailing body of legal opinion and case law, it is estimated that no contingent tax liabilities should arise as a result of the tax authorities' review of the years not yet statute-barred.

15. DIVIDENDS

The distribution of the income of Cimpor Inversiones, S.A. of the already approved financial year 2010 and the proposal of distribution of income of the financial year 2011 which will be presented to the Shareholders is as follows:

	Thousand of Euros	
Distribution base	2011	2010
Income for de year	242,900	281,902

	Thousand of Euros	
Appropriation	2011	2010
To legal reserves	24,290	28,190
To voluntary reserves	218,610	113,712
To dividends	-	140,000
	242,900	281,902

Interim dividend

On 22 December 2010 the Board of Directors of Cimpor Inversiones, S.A., agreed to distribute a gross interim dividend of EUR 140,000 thousand, on account of profits of the year 2010. This amount figures in the Net assets reducing "Net assets - Equity" of the accompanying balance sheet for the financial position to December 31, 2010 attached and was paid to the then Sole Shareholder before the end of that year.

At November 30, 2010, the Company had generated a net profit of EUR 218,687 thousand, all to be distributed as the following provisional statements shows:

	2010
Profit before tax	218,297
Company tax	390
	218,687

On the other hand, the treasury's prediction for the period comprehended between the 1st December 2010 and the 31st January, 2011, was as follow:

	2010
Balance available in cash	298,554
Projected collections on the period	680,920
Proyected payment on the period including Interim Dividend	(211,371)
Total	768,103

In view of these statements and taking into account the structure of the balance sheet of the Company on those dates, it became clear that there were sufficient liquidity for the distribution of an interim dividend.

16. EARNINGS PER SHARE

Basic and diluted earnings per share (see Note 3.21) for the years ended 31 December 2011 and 2010 were calculated taking into account the following amounts:

Basic and diluted earnings per share	2011	2010
Profit for the year for the purpose of calculating earnings per share	171,288	212,464
Weighted average number of shares for the purpose of calculating earnings per share (thousands)	52,986	52,270
Earnings per share (basic and diluted)	3.23	4.06

17. GOODWILL

In the years ended 31 December 2011 and 2010, the changes in the goodwill balances and in the respective accumulated impairment losses were as follows:

	Spain	Brazil	Egypt	Tunisia	Morocco	South Africa	Mozambique	Cape Verde	Turkey	China	Peru	India	Total
Gross Assets													
Balance at 1 January 2010	167,556	722,468	182,972	38,875	48,011	91,374	13,497	9,458	284,197	18,948	2,939	49,952	1,630,247
Changes in the scope of consolidation (Note 6)	202	-	-	-	-	-	-	-	-	-	-	-	202
Adjustment due to exchange differences	-	95,781	3,265	(554)	540	18,594	1,055	-	11,714	1,754	323	6,087	138,559
Increases	-	-	-	-	-	-	-	-	-	-	-	-	-
Disminuciones	(737)	-	-	-	-	-	-	-	-	-	-	-	(737)
Tranfers	(1,519)	-	-	-	-	-	-	-	-	-	-	-	(1,519)
Balance at 1 January 2011	165,502	818,249	186,237	38,321	48,551	109,968	14,552	9,458	295,911	20,702	3,262	56,039	1,766,752
Changes in the scope of consolidation (Note 6)	-	-	-	-	-	-	21,184	-	-	-	-	-	21,184
Adjustment due to exchange differences	-	(67,212)	(1,219)	(226)	550	(16,999)	3,835	-	(45,273)	1,127	244	(7,303)	(132,476)
Increases	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2011	165,502	751,037	185,018	38,095	49,101	92,969	39,571	9,458	250,638	21,829	3,506	48,736	1,655,460

	Spain	Brazil	Egypt	Tunisia	Morocco	South Africa	Mozambique	Cape Verde	Turkey	China	Peru	India	Total
Accumulated impairment losses													
Balance at 1 January 2010	4,297	3,860	8,125	-	23,673	-	-	-	-	-	-	-	39,955
Adjustment due to exchange differences	-	646	150	-	265	-	-	-	-	-	-	-	1,061
	-												
Balance at 1 January 2011	4,297	4,506	8,275	-	23,938	-	-	-	-	-	-	-	41,016
Adjustment due to exchange differences	-	(453)	(56)	-	270	-	-	-	-	-	-	-	(239)
Aumentos	3,679	-	-	-	-	-	-	-	-	-	-	-	3,679
Balance at 31 December 2011	7,976	4,053	8,219	-	24,208	-	-	-	-	-	-	-	44,456
Net Balance at 31 December 2010	161,205	813,743	177,962	38,321	24,613	109,968	14,552	9,458	295,911	20,702	3,262	56,039	1,725,736
Net Balance at 31 December 2011	157,526	746,984	176,799	38,095	24,893	92,969	39,571	9,458	250,638	21,829	3,506	48,736	1,611,004

The carrying amounts of goodwill are tested for impairment annually or when there is any indication that they might be impaired.

The impairment tests are made based on the recoverable amounts of each of the corresponding business segments (Note 2.3.). An impairment loss in the goodwill assigned to the aggregates activity in the Spain business area, in the amount of 3,679 thousand euros, was recorded in the year ended 31 December 2011.

For impairment test purposes, considering the financial statement structure adopted for management purposes, goodwill is distributed by groups of cash generating units corresponding to each geographic segment, due to the existence of synergies between the units of each segment, in a perspective of vertical integration of business (Note 1).

The recoverable value of each group of cash-generating units is compared, in the tests performed, with the respective book value. An impairment loss is only recognised when the book value exceeds the higher of the value in use and transaction value.

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

To 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:

		2011			2010		
Geographic area	Currency	Goodwill	Actualization rate	Long term rate	Goodwill	Actualization rate	Long term rate
Spain	EUR	157,526	7,4% - 7,1%	1,4% - 2,0%	161,205	6.2%	2.0%
Brazil	BRL	746,984	11.9%	2.0%	813,743	8.3%	2.0%
Egypt	EGP	176,799	19,3% - 15,1%	3.0%	177,962	9.5%	4.0%
South Africa	ZAR	92,969	10.6%	1.0%	109,968	7.5%	2.5%
Moroccó	MAD	24,893	10.1%	1.0%	24,613	8.1%	2.5%
Tunisia	TND	38,095	13.3%	1.0%	38,321	8.2%	2.5%
Mozambique	MZM	39,571	16.0%	3.0%	14,552	11.1%	2.5%
Turkey	TRY	250,638	13.3%	4.0%	295,911	10.0%	4.0%
China	CNY	21,829	8.3%	1.0%	20,702	7.0%	2.5%
India	INR	48,736	10.7%	6.0%	56,039	8.9%	3.0%
Others	CVE	12,964	12.9%	2.0%	12,720	8,3% e 11,5%	2,0% e 2,5%
		1,611,004			1,725,736		

The determination of the value in use relative to the Spain and Egypt business areas considered different “WACC” rates to discount the cash flows of different periods of the projections. This procedure is the result of the need to adapt the adequacy of these discount rates to the expectations of future developments of the corresponding country risk premiums in particular in terms of the determination of the perpetuity, in which the discount rates used were lower than those considered in the early years of the projection, influenced in the case of Spain by the current economic and financial climate and by political instability, in the case of Egypt.

The Group has examined the impact that a change of 50 basis points in actualization rates or in long-term growth rates would have on the recoverable value of the assets of each business area and, except for the Spain business area, where these changes would result in an increase of impairment losses by about 2 million euros, no other situations were identified that such a change would result in an excessive book value compared to the recoverable amount.

18. INTANGIBLE ASSETS

The changes in intangible asset accounts and in their respective accumulated amortisation and impairment losses in the years ended 31 December 2011 and 2010 were as follows:

	Industrial property and other rights	Intangible assets in progress	Total
Gross assets:			
Balances at 1 January 2010	71,457	245	71,702
exchange difference adjustments	2,849	22	2,871
Additions	7,140	121	7,261
Write-offs	(1,234)	-	(1,234)
Transfers	(4,804)	(206)	(5,010)
Balances at 31 December 2010	75,408	182	75,590
Exchange difference adjustment	(1,346)	29	(1,317)
Additions	10,801	283	11,084
Write-offs	(118)	(15)	(133)
Transfers	(14,943)	(32)	(14,975)
Balance at 31 December 2011	69,802	447	70,249

	Industrial property and other rights	Intangible assets in progress	Total
Accumulated amortisation and impairment losses:			
Balances at 1 January 2010	18,466	-	18,466
Exchange difference adjustment	1,040	-	1,040
Increases	6,113	-	6,113
Write-offs	(893)	-	(893)
Transfers	(201)	-	(201)
Balances at 31 December 2010	24,525	-	24,525
Exchange difference adjustment	(1,602)	-	(1,602)
Increases	7,926	-	7,926
Write-offs	(8)	-	(8)
Transfers	(3,229)	-	(3,229)
Balance at 31 December 2011	27,612	-	27,612
Carrying amount:			
As at 31 December 2010	50,883	182	51,065
As at 31 December 2011	42,190	447	42,637

This balance relates mainly to land surface rights and software user licenses.

Transfers of 2011 have their origins in the result of allocating to Land and Natural Resources the value of the mineral reserves exploit contracts due to the acquisition of the corresponding land under the agreement signed with Arenor (Notes 19 and 46).

Transfers of 2010 have their origins in the definitive allocation of fair value to assets in the Area of Spain. These assets had been originally classified as "Intangible Fixed Assets - Administrative Concessions" and based on final reports of independent experts were reclassified as "Land"(see Note 19).

19. PROPERTY, PLANT AND EQUIPMENT

The changes in the heading “Property, Plant and Equipment” and in the related accumulated depreciation in the years ended 31 December 2011 and 2010 were as follows:

	Land and natural resources	Buildings and other structures	Plant and machinery	Transport equipment	Furniture and fixtures	Machines and hand tools	Property, plant and equipment	Property, plant and equipment in the course of construction	Advances	Total
Gross assets:										
Balances at 1 January 2010	287,775	538,233	2,459,109	90,585	32,599	6,944	10,040	120,551	8,557	3,554,393
Changes in the scope of consolidation	126	-	-	-	-	-	-	2,912	-	3,038
Exchange difference adjustments	11,666	37,309	160,877	7,533	2,429	385	41	12,094	704	233,038
Additions	554	5,178	10,008	1,171	503	64	896	101,387	21,115	140,876
Sales	(292)	(306)	(3,894)	(4,318)	(685)	(3)	(5)	-	(411)	(9,914)
Write-offs	(622)	(1,235)	(11,724)	(844)	(1,348)	(90)	(120)	(73)	(2,338)	(18,394)
Transfers	14,236	40,151	96,611	3,013	1,773	194	79	(127,782)	(16,695)	11,580
Balances at 1 January 2011	313,443	619,330	2,710,987	97,140	35,271	7,494	10,931	109,089	10,932	3,914,617
Changes in the scope of consolidation (Note 6)	35	4,512	8,313	62	20	1	-	-	-	12,943
Exchange difference adjustments	(12,071)	(32,629)	(160,059)	(6,719)	(2,084)	(12)	28	(5,997)	(88)	(219,631)
Additions	13,655	5,725	44,803	1,509	355	102	646	133,262	20,771	220,828
Sales	(414)	(435)	(1,323)	(2,625)	(56)	-	(9)	-	-	(4,862)
Write-offs	(42)	(2,054)	(3,176)	(1,231)	(388)	(1)	(44)	(572)	-	(7,508)
Transfers	67,827	27,028	69,624	4,667	1,142	290	182	(99,757)	(3,976)	67,027
Balances at 31 December 2011	382,433	621,477	2,669,170	92,803	34,260	7,874	11,734	136,025	27,639	3,983,414
Accumulated depreciation and impairment losses:										
Balances at 1 January 2010	16,689	200,699	1,609,510	62,430	25,945	5,192	5,144	-	-	1,925,609
Changes in the scope of consolidation	-	-	-	-	-	-	-	-	-	-
Exchange difference adjustments	572	13,020	107,108	4,890	1,894	247	30	-	-	127,761
Increases	3,255	25,533	109,904	6,323	2,131	46	899	-	-	148,091
Decreases	-	(134)	(3,093)	(3,563)	(681)	(1)	(5)	-	-	(7,477)
Write-offs	(379)	(1,022)	(10,022)	(727)	(1,287)	(88)	(24)	-	-	(13,549)
Transfers	226	21	4,487	(3,412)	14	-	(2)	-	-	1,334
Balances at 31 December 2010	20,363	238,117	1,817,894	65,941	28,016	5,396	6,042	-	-	2,181,769
Exchange difference adjustments	(670)	(14,462)	(115,362)	(4,275)	(1,672)	89	20	-	-	(136,332)
Increases	10,582	25,114	107,358	7,361	1,907	510	1,051	-	-	153,883
Decreases	-	(365)	(884)	(2,192)	(38)	-	(6)	-	-	(3,485)
Write-offs	-	(2,008)	(2,775)	(678)	(373)	-	(9)	-	-	(5,843)
Transfers	3,490	(1)	1,132	9	20	6	-	-	-	4,656
Balances at 31 December 2011	33,765	246,395	1,807,363	66,166	27,860	6,001	7,098	-	-	2,194,648
Carrying amount:										
As at 31 December 2010	293,080	381,213	893,093	31,199	7,255	2,098	4,889	109,089	10,932	1,732,848
As at 31 December 2011	348,668	375,082	861,807	26,637	6,400	1,873	4,636	136,025	27,639	1,788,766

The additions during the financial years ended on 31 December 2011 and 2010 include 327 thousand euros in two periods, of financial costs related to loans contracted to finance the construction of qualifiying assets.

The transfers to “Lands and natural resources” in the year ended 31 December 2011 include, mainly, the reclassification of strategic mineral reserves of the Egypt business area, previously recorded as inventories, totalling approximately 32 million euros, and the value of the mineral reserves exploit contracts under the agreement with Arenor (Notes 18 and 46), about 26 million euros.

In the year ended 31 December 2011, the increased depreciation and impairment losses is influenced by an impairment loss amounting to 6,321 thousand euros in the Spain business area, assigned to the Concrete and Aggregates activity.

Tangible assets in progress in the year ended 31 December 2011 include the construction and improvement of installations and equipment of the cement sector of several production units, mainly in the Spain, Brazi, Mozambique, India and South África business areas.

20. INVESTMENTS IN ASSOCIATES

The changes in 2011 and 2010 in this heading in the consolidated balance sheet were as follows:

	Investment	Goodwill	Total
Balance at 1 January 2010	16,271	4,327	20,597
Exchange translation adjustments	2	-	2
Equity method effect:			
On profit (Note 13)	(1,588)	-	(1,588)
Balance at 31 December 2010	14,685	4,327	19,011
Changes in the consolidation perimeter (Note 5)	234	4,682	4,916
Exchange translation adjustments	3	-	3
Equity method effect:			
On profit (Note 13)	(1,570)	-	(1,570)
On shareholders' equity	127	-	127
Transfers	(8,633)	-	(8,633)
Balance at 31 December 2011	4,846	9,009	13,854

The breakdown of investments in associates at 31 December 2011 and 2010 as well as economic and financial information most relevant of these is as follows:

		2011						Balance value	
Name	Operating segment	Ownership percentage	Assets	Liabilities	Shareholders' equity	Sales and services rendered	Net profit	Investments in associates	Provisions
Arenor, S.L.	Spain	0%	-	-	-	-	(617)	-	-
Cementos Antequera, S.A.	Spain	23%	24,363	(5,536)	18,827	1,864	(1,103)	8,671	-
Agueiro, S.A.	Spain	45%	12,178	(15,135)	(2,958)	-	(2,939)	-	(1,331)
Hormigones Miranda Celanova, S.A.	Spain	40%	360	(336)	24	556	(12)	9	-
Ecocim, S.A.S.	Morocco	25%	1,726	(776)	950	2,313	753	237	-
Companhia de Mineração Candiota	Brazil	48%	41	-	41	-	-	20	-
AVE- Gestão Ambiental e Valorização Energética, S.A.	Others	35%	2,250	(1,582)	668	8,367	-	4,916	-
			40,918	(23,366)	17,552	13,100	(3,918)	13,854	(1,331)

		2010						Balance value	
Name	Operating segment	Ownership percentage	Assets	Liabilities	Shareholders' equity	Sales and services rendered	Net profit	Investments in associates	Provisions
Setefrete, SGPS, S.A.	Portugal								
Arenor, S.L.	Spain	29%	63,858	(28,614)	35,244	1,598	(5,016)	10,069	-
Cementos Antequera, S.A.	Spain	23%	34,558	(14,629)	19,929	14,197	(273)	8,926	-
Agueiro, S.A.	Spain	45%	2,247	(2,266)	(19)	4,496	(153)	(8)	-
Hormigones Miranda Celanova, S.A.	Spain	40%	319	(311)	8	622	(57)	3	-
Companhia de Mineração Candiota	Brazil	48%	45	-	45	-	-	22	-
			101,027	(45,819)	55,207	20,913	(5,499)	19,011	-

21. OTHER INVESTMENTS

The changes in the ""Other Investments" in the years ended 31 December 2011 and 2010 were as follows:

	Available-for-sale financial assets Cost	Held to maturity financial assets	Total
Gross investment:			
Balances at 1 January 2010	1,198	224	1,422
Currency translation adjustments	226	22	248
Increases	2,136	-	2,136
Transfers	684	(246)	438
Sales	(27)	-	(27)
Balances at 31 December 2010	4,217	-	4,217
Currency translation adjustments	(316)	-	(316)
Revaluation/adjustments	-	1,105	1,105
Increases	908	14,352	15,260
Transfers	(44)	-	(44)
Sales	(10)	-	(10)
Balances at 31 December 2011	4,756	15,457	20,213
Impairment losses:			
Balances at 1 January 2010	22	-	22
Balances at 31 December 2010	22	-	22
Balances at 31 December 2011	22	-	22
Carrying amount:			
As at 31 December 2010	4,196	-	4,196
As at 31 December 2011	4,734	15,457	20,191

The increases in financial assets held to maturity, in the year ended 31 December 2011, include setting up a bank deposit in the amount of USD 20 million (Note 47).

22. OTHER ACCOUNTS RECEIVABLE

The changes in other accounts receivable in the years ended 31 December 2011 and 2010 were as follows:

	2011		2010	
	Current	Non-current	Current	Non-current
Associates	3,708	-	1,247	478
Group companies	55	-	-	-
Other shareholders	1,016	102	901	102
Other receivables	15,505	11,227	14,450	10,623
	20,284	11,329	16,598	11,203
Accumulated adjustments to other receivable accounts	(2,486)	(26)	(2,007)	(30)
	17,798	11,303	14,591	11,173

In this account are included those amounts to be received from various subsidiaries, owing to transactions no related to the Group's main activities, among which include the sale of fixed assets.

At 31 December 2011 and 2010, the maturities of these balances were the following:

	2011		2010	
	Current	Non-current	Current	Non-current
Undue balances	16,592	11,293	13,805	10,987
Due balances				
up to 180 days	1,121	10	1,379	-
180 to 360 days	130	-	865	178
more than 360 days	2,442	26	549	38
	20,284	11,329	16,598	11,203

Adjustments to accounts receivable - other

In the years ended 31 December 2011 and 2010, the changes in this caption were as follows:

Otras deudas	Ajustamentos Outras Dividas a Receber
Balance at 1 January 2010	1,753
Effect of currency translation	101
Increases	184
Utilisation	-
Transferências	(1)
Balance at 31 December 2010	2,037
Effect of currency translation	97
Increases	407
Utilisation	(21)
Transfers	(8)
Balance at 31 December 2011	2,512

The allocations and impairment reversals are recorded in the consolidated statements of income under the "Other operating expenses" and "Other operating income, respectively.

23. TAX RECEIVABLES AND PAYABLES

The detail of the tax receivables and payables at 31 December 2011 and 2010 is as follows:

	2011		2010	
	Current	Non-current	Current	Non-current
Tax receivable:				
Corporate income tax	20,694	206	8,739	237
Personal income tax	7,196	-	7,730	-
Value added tax	25,026	8,681	33,439	8,230
Social security contributions	-	-	3	-
Other Tax receivable	1,513	27,413	2,613	25,384
	54,429	36,300	52,524	33,851

	2011		2010	
	Current	Non-current	Current	Non-current
Tax payable:				
Corporate income tax	20,184	-	7,945	-
Personal income tax	8,031	-	3,815	-
Value added tax	15,449	-	15,162	-
Social security contributions	4,251	-	3,574	-
Other tax payable	8,785	1	7,476	521
	56,700	1	37,972	521

In 31 December 2011 and 2010, non-current recoverable taxes in the caption 'Other', include a judicial deposit in the amount of 40 million Brazilian reais, made by a subsidiary in the Brazilian business area, due to a judicial divergence in relation with the relevant applicable tax rate, for which a partially unfavourable court decision in the amount of 32 million Brazilian reais occur. The company is awaiting the judicial order to withdraw the remaining amount. To address this dispute, the Group has established a liability under Provisions for other contingencies (Note 35) though it is not foreseen that the settlement of this situation will result in negative equity impacts.

24. OTHER CURRENT AND NON-CURRENT ASSETS

The detail of this heading at 31 December 2011 and 2010 is as follows:

	2011		2010	
	Current	Non-current	Current	Non-current
Interest receivable	1,347	-	1,445	-
Derivative financial instruments (Note 38)	4,661	2,502	15,187	3,300
Leases (a)	751	21	2,014	18,495
Employee benefits (Note 34)	-	901	118	-
Insurance	700	-	1,028	6
Other deferred expenses and accrual accounts	1,547	137	1,138	417
	9,006	3,561	20,930	22,218

(a) the year ended 31 December 2011, following the agreement concluded between the Cimpor Group and Arenor S.L., the amount paid under the mineral reserves exploit contract in Spain business area was transferred to tangible assets (Note 18).

25. DEFERRED TAXES

The detail of "Deferred taxes" at 31 December 2011 and 2010 is as follows:

	Intangible assets	Goodwill	Tangible assets	Tax losses carried forward	Provisions for risks and charges	Doubtful accounts	Inventories	Investment	Others	Total
Deferred tax assets:										
Balances at 1 January 2010	472	38,875	9,008	25,774	21,702	580	997	8	2,222	99,638
Changes in the consolidation perimeter	-	-	-	8	12	-	-	-	-	20
Exchange translation adjustments	34	4,651	998	776	2,194	33	12	4	181	8,882
Income tax (Note 14)	(156)	(8,570)	589	19,577	1,365	(49)	(133)	26	853	13,502
Shareholders' equity (Note 15)	-	-	-	(1,796)	107	-	-	-	-	(1,689)
Transfers	-	-	-	1,586	-	-	-	-	-	1,586
Balances at 31 December 2010	349	34,956	10,595	45,925	25,380	564	876	38	3,256	121,940
Changes in the consolidation perimeter (Note 6)	-	-	-	4,048	-	-	-	-	-	4,048
Exchange translation adjustments	(20)	(2,413)	(699)	(399)	(2,390)	22	50	(5)	(77)	(5,930)
Income tax (Note 14)	(23)	(12,765)	118	11,189	6,145	173	207	(22)	163	5,186
Shareholders' equity (Note 15)	-	-	-	1,299	-	-	-	-	254	1,552
Balances at 31 December 2011	306	19,778	10,015	62,062	29,135	760	1,132	12	3,596	126,796

	Intangible assets	Goodwill	Tangible assets	Tax losses carried forward	Provisions for risks and charges	Doubtful accounts	Inventories	Investment	Others	Total
Deferred tax liabilities:										
Balances at 1 January 2010	7,899	37,098	91,818	-	5,827	-	108	4,292	9,446	156,488
Exchange translation adjustments	131	334	5,815	-	732	-	2	-	1,633	8,645
Income tax (Note 14)	(261)	2,854	1,771	-	642	-	85	13,149	3,011	21,252
Shareholders' equity (Note 15)	-	-	-	-	128	-	-	-	-	128
Transfers	1,430	-	2,499	-	-	-	-	-	-	3,929
Balances at 31 December 2010	9,198	40,287	101,903	-	7,329	-	195	17,441	14,089	190,442
Changes in the consolidation perimeter (Note 6)	-	-	-	-	-	-	-	-	249	249
Exchange translation adjustments	(186)	(276)	(5,894)	-	(753)	-	(6)	14	(1,470)	(8,571)
Income tax (Note 14)	(661)	(1,398)	3,382	-	4,462	-	165	(12,408)	9,664	3,205
Shareholders' equity (Note 15)	-	-	-	-	245	-	-	-	-	245
Balances at 31 December 2011	8,352	38,613	99,390	-	11,283	-	354	5,047	22,532	185,569
Carrying amount:										
As at 31 December 2010	(8,849)	(5,331)	(91,307)	45,925	18,051	564	681	(17,403)	(10,833)	(68,503)
As at 31 December 2011	(8,045)	(18,835)	(89,375)	62,062	17,852	760	778	(5,035)	(18,936)	(58,773)

Some deferred tax assets are recorded directly on shareholder's equity when the situations that have originated them have similar impact, namely:

- The deferred tax assets recorded in Reserves relating to provisions, associated to the actuarial gains and losses recorded directly in Reserves (Note 3.15).

- The deferred tax liabilities, related to available-for-sale financial assets, resulted from its valuations to market values, which are recorded on Fair value reserve.

The deferred tax assets related to goodwill are mainly in the taxable temporary difference for the tax value of goodwill (which are not recorded for accounting) following the restructuring of society shares in prior years, in the business area of Brazil.

The other deferred tax assets includes, essentially, the temporary differences of the derivative financial instruments (Note 38).

The deferred tax liabilities related to goodwill arises as a consequence of the tax deductibility of certain goodwill, mainly for investments abroad, made by the Parent, according to Article 12.5 of the Company Tax Law.

Deferred tax liabilities related to intangible assets and stem material, mainly on taxable temporary differences which arise as a result of differences between the accounting basis and the tax base of certain assets in the processes of business combinations.

At December 31, 2011 the Group has losses carried forward of EUR 210,820 thousand (EUR 146,627 thousand in 2010), for deduction from future tax profits a deferred tax asset of EUR

62,062 thousand (EUR 45,925 thousand in 2010). Of these tax losses, 164,433 thousand euros are relative to Spain business area with a recovery maturity from 2020 to 2029. Deferred tax asets of EUR 2,367 thousand (EUR 2,954 thousand in 2010) corresponding to taxable incomes outstanding to compensate, have not been recognised due to the uncertainty as to their recovery, of which EUR 921 thousand (EUR 620 thousand in 2010), are hedging up to the year 2012.

Deferred tax assets are recognized only to the extent it is considered probable that the Group will have future taxable profits to make them effective. This evaluation is performed based on the business plans of the Group companies, regularly reviewed and updated.

26. INVENTORIES

Inventories at December 31, 2011 and 2010 are made up as follows:

	2011	2010
Raw materials and other supplies	218,724	231,693
Work in progress and semi-finished goods	63,044	62,010
Subproducts and waste	-	1
Finished goods	12,590	18,589
Merchandise	5,030	5,800
Advances on purchases	172	200
	299,560	318,293
Inventory allowances	(8,647)	(6,745)
	290,913	311,548

The reduction in the caption "Raw, subsidiary and consumable materials" is mainly due to the reclassification to tangible assets of strategic mineral reserves of the Egypt business unit (Note 19).

Inventories Impairments

Balance at 1 January 2010	6,650
Exchange translation adjustments	459
Increases (Note 12)	1,062
Decreases (Note 9)	(1,366)
Utilisation	(150)
Transfers	90
Balance at 31 December 2010	6,745
Changes in the consolidation perimeter	-
Exchange translation adjustments	(192)
Increases (Note 12)	2,770
Decreases (Note 9)	(809)
Balance at 31 December 2011	8,647

The allocations and reversals of impairments are recognized in the consolidated profit and loss statements under the "Other operating expenses" and "Other operating income, respectively.

27. ACCOUNTS RECEIVABLE – TRADE

The caption Accounts receivable – trade at December 31, 2011 and 2010 is made up as follows:

	2011	2010
Trade receivable, current account	155,330	147,228
Trade receivable-notes receivable	55,722	46,663
Doubtful trade receivable	37,718	37,145
Advances to suppliers	14,020	16,702
	262,790	247,738
	(36,247)	(34,813)
Accumulated impairment	226,543	212,925

Impairment-

During the years ended December 31, 2011 and 2010, the changes in this caption are made up as follows:

Balance at 1 January 2010	35,133
Effect of currency translation	709
Increases (Note 12)	5,415
Decreases (Note 9)	(5,271)
Utilisation	(1,126)
Transfers	(48)
Balance at 31 December 2010	34,813
Effect of currency translation	(835)
Increases (Note 12)	4,752
Decreases (Note 9)	(1,844)
Utilisation	(639)
Balance at 31 December 2011	36,247

The allocations and reversals of impairments are recognized in the consolidated statements of income under the "Other operating expenses" and "Other operating income, respectively.

In the years ended December 31, 2011 and 2010, the ageing of this caption, was as follows:

	2011	2010
Undue balances	152,626	144,549
Due balances:		
up to 180 days	67,314	63,340
180 to 360 days	6,901	11,644
more than 360 days	35,950	28,205
	262,790	247,738

The Board of Directors considers that the book value of the accounts receivable is close to its fair value.

The Group does not have a significant concentration of credit risk, as it is spread over a broad range of trade and other debtors.

Provisions for impairment losses represent the estimated value of receivables, after an individual analysis of each sector insolvency risk, and taking into account the amounts covered by credit insurance and other guarantees.

28. SHARE CAPITAL

Share capital of the Parent company

At 31 December 2011, the Parent fully subscribed and paid the share capital represented by 58,077,780 shares of EUR 10 par value each, all of them carrying the same voting and dividend rights.

At 31 December 2010, the share capital represented by 52,270,000 shares of EUR 10 par value each, CIMPOR-Cimentos de Portugal, S.G.P.S., S.A. being the Sole-Shareholder.

On November 18, 2011, was signed before a notary a capital of 5,807,780 shares of par value 10 euros, which was the release of 58.078 thousand euros. These new shares are issued at a share premium of 42.60 euros per share, which represented a share premium disbursement of 247.411 thousand. The capital increase was entered in the Commercial Register of Pontevedra, dated December 7, 2011

This capital increase agreed only Group company, Cimpor Cimentos Industry, S.A., fully subscribed and paid 100% of the nominal value together with the share premium.

As a result of this capital increase, the shareholder structure of society by December 31, 2011 and 2010 is as follows:

Equity Partners	Participation Rate	
	2011	2010
Cimpor – Cimentos de Portugal, SGPS, S.A.	90%	100%
Cimpor Industria de Cimentos, S.A.	10%	-

Capital management

The Cimpor Inversiones' Group considers, as a target in its capital management, the maintenance of a good capital structure which guarantees its capacity to continue as an operating company, and safeguard the profitability on the company shareholders.

The financial structure of the Group also includes its own and external financing. Its own resources are mainly composed by the equity, the reserves and the profits available for distribution, whereas the external financing are composed by the loans from credits institutions, net cash, financing from other companies of Cimpor Group and other equivalent liquid assets.

The capital management's policy is oriented to assure a reasonable maintenance level state of indebtedness, as well as to maximize the shareholder's equity.

The financial indebtedness level of the Group for the years ended at 2011 and 2010, is shown as follows:

	Thousand of euros	
	2011	2010
Other current finnancial assets	7,654	19,473
Cash and other equivalents	509,064	457,331
Non current debts with Credit institutions	(1,147,003)	(806,594)
Current debts with Credit institutions	(446,735)	(323,702)
Net financial position	**(1,077,020)**	**(653,492)**
Total liability	**(2,763,885)**	**(2,913,013)**
Net financial position/Total liability	**38.97%**	**22.43%**

The capital costs and risks associated to each type of financiation are evaluated by the Financial management of each Group's company, at the time of making decisions to confront the proposed investment by the different business areas and supervised by the Shareholders of the Parent company when it requires.

During the year 2011, no changes have been made in the capital management with respect to the year 2010.

29. TREASURY SHARES

At 31 December 2011 and 2010, Cimpor Inversiones, S.A. did not own any treasury shares.

30. TRANSLATION CURRENCIES DIFFERENCES

The changes in this heading in the years ended 31 December 2011 and 2010 were as follows:

Balance at 1 January 2010	145,721
Change in adjustments due to translation differences	242,277
Balance at 31 December 2010	387,998
Change in adjustments due to translation differences	(241,048)
Balance at 31 December 2011	146,950

In the year ended 31 December 2011 the changes in currency translation adjustments are significantly influenced by the impact of currencies devaluations such as the Brazilian real, Turkish lira and South-African rand against the euro in the translation of net assets denominated in that currency.

During 2011 and 2010 no financial instruments has been contracted related to hedge investments in foreign operations.

31. RESERVES

The changes in "Reserves" in the years ended 31 December 2011 and 2010 were as follows:

	Legal reserve	Voluntary reserves	Fair value reserve and other reserves	Hedging transactions	Total
Balances at 1 January 2010	42,349	214,476	179	(2,010)	254,994
Distribution of consolidated profit	5,911	1	-	-	5,912
Change in the fair value of financial hedging instruments	-	-	-	2,010	2,010
Actuarial gain and loss on employee benefit plans	-	(495)	-	-	(495)
Adjustments in equity investments in associates and others	-	(7,062)	-	-	(7,062)
Balances at 31 December 2010	48,260	206,920	179	-	255,359
Distribution of consolidated profit	28,190	113,712	-	-	141,902
Dividends charged against reserves	-	(120,221)	-	-	(120,221)
Change in the fair value of financial hedging instruments	-	-	-	(595)	(595)
Actuarial gain and loss on employee benefit plans	-	249	-	-	249
Adjustments in equity investments in associates and others	-	(166)	127	-	(39)
Balance at 31 December 2011	76,450	200,494	306	(595)	276,655

In the year ended 31 December 2011, other comprehensive income recognized in the Group Reserves relate mainly to the recognition of actuarial gains and losses on employee´s responsabilities, by the net amount of 2,492 thousand euros (4,953 thousand euros loss in 2010) and the recognition of hedging transactions amounting to 595 thousand euros (2,010 thousand euros in 2010).

Under the consolidated Corporations Law, Spanish companies must transfer 10% of net profit for each year to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

32. CONSOLIDATION RESERVES

The changes in this heading in the years ended 31 December 2011 and 2010, were as follows:

Balances at 1 January 2010	447,976
Dividends	-
Distribution of consolidated profit	96,949
Other changes in shareholders' equity of subsidiaries	(590)
Balances at 31 December 2010	544,335
Distribution of consolidated profit	(69,438)
Other changes in shareholders' equity of subsidiaries	(544)
Balances at 31 December 2011	474,353

33. MINORITY INTERESTS

The changes in this heading in the years ended 31 December 2011 and 2010 were as follows:

Balances at 1 January 2010	90,088
Exchange difference adjustments	14,476
Dividends	(14,460)
Increase in investments	(3,421)
Employee benefits (Note 34)	9
Profit for the year attributable to non-controlling interests	9,273
Balances at 31 December 2010	95,966
Exchange difference adjustments (Note 6)	4,693
Dividends	(10,184)
Instrumentos financeiros de cobertura	(42)
Increase in investments	1,353
Employee benefits (Note 34)	9
Profit for the year attributable to non-controlling interests	8,997
Balances at 31 December 2011	100,792

34. EMPLOYEE BENEFITS

Defined benefit plans

The Group has defined benefit plans for retirement pensions and life insurance, the obligations for which are determined annually on the basis of actuarial studies performed by independent entities. The expense thus calculated is recognised in profit or loss for the year.

Most of the retirement plan obligations were transferred to pension funds controlled by independent, specialised entities.

The detailed studies at 31 December 2011 and 2010 applied the projected unit credit method and considering the following estimates and technical actuarial assumptions:

	2011	2010
Actuarial technical rate (in local currency)		
Spain	5.00%	4.90%
South Africa	8.48%	8.43%
India	8.50%	8.00%
Morocco	5.20%	5.10%
Annual pension growth rate		
Spain	2.00%	2.00%
Annual fund income rate		
Spain	5.00%	4.90%
Annual salary growth rate		
Spain	3.00%	3.00%
India	7.00%	7.00%
Morocco	4.00%	4.00%
Mortality tables		
Spain	PERMF 2000	PERMF 2000
South Africa	SA 85-90	SA 85-90
India	LIC	LIC
Morocco	TV 88/90	TV 88/90
Nominal growth rate of medical costs		
South Africa	6.48%	6.43%
Morocco	3.00%	3.00%

The charges to actuarial assumptions are justified by changes in market conditions. The discount rates (actuarial technical rate) of the liabilities were estimated based on long-term rates of return of highly rated bonds and with maturities similar to those liabilities. The salary growth rates were determined in accordance with the wage policy of the Group for the indicated segments.

In accordance with the actuarial valuations the pension and healthcare benefits costs for the years ended 31 December 2011 and 2010 were as follows:

		Pension plans	
		2011	2010
Current service cost		230	261
Interest cost		202	214
Expected return of the plans' assets		(230)	(239)
Total cost/(income) of the pension plans	(I)	202	236

		Healthcare plans	
		2011	2010
Current service cost		78	75
Interest cost		173	187
Curtailments / settlements / constitutions		-	-
Total cost/(income) of the healthcare plans	(II)	251	262
Total cost/(income) of the defined benefit plans (Note 11)	(I) + (II)	453	498

Based on the above-mentioned actuarial studies, the expenses defined benefit liability in the years ended 31 December 2011 and 2010 can be broken down as follows:

	Pension plans		Healthcare plans		Total	
	2011	2010	2011	2010	2011	2010
Defined benefit liability - 1 January	3,558	3,808	2,977	2,742	6,535	6,549
Benefiits and bonuses paid	(215)	(446)	(32)	(31)	(247)	(477)
Current service cost	230	261	78	75	308	335
Interest cost	202	214	173	187	375	401
Actuarial gains and losses	(894)	(469)	(56)	(163)	(950)	(632)
Exchange differences	(228)	191	(96)	168	(325)	359
Defined benefit liability - 31 December	2,653	3,558	3,044	2,977	5,696	6,535
Value of the pension funds - 1 January	3,620	3,668	-	-	3,620	3,668
Contributions	179	12	-	-	179	12
Benefits and bonuses paid	(215)	(446)	-	-	(215)	(446)
Expected income of the funds' assets	230	239	-	-	230	239
Actuarial gain in income from the funds' assets	(71)	5	-	-	(71)	5
Exchange differences	(189)	143	-	-	(189)	143
Value of the pension funds - 31 December	3,554	3,620	-	-	3,554	3,620

From the date of transition to IFRS, the Group applied the new provisions of IAS 19 – Employee benefits, recognising actuarial gains and losses directly in the specific item of equity, having no impact on profit of loss for the year. The movements of net actuarial gains and losses during the years ended 31 December 2011 and 2010 were as follows:

	2011	2010
Balances at 1 January	1,719	1,250
Changes during the year:		
Related to the liabilities	950	632
Related to the funds	(71)	5
Corresponding deffered tax	(254)	(177)
Non-controlling interests (Note 33)	9	9
Balances at 31 December	2,354	1,719

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

	2011	2010
Related to the funds assets	(71)	5

The difference between the present value of the benefit plan liability and the market value of the funds' assets for the last five years ended 31 December was as follows:

Pension plans	2011	2010	2009	2008	2007
Liability	2,653	3,558	3,808	3,848	2,375
Value of the pension funds	(3,554)	(3,620)	(3,668)	(3,562)	(2,825)
Deficit	(901)	(62)	139	286	(450)
Liability for employee benefits:					
Current liability	31	56	(186)	601	(46)
Non-current liability	(31)	-	384	(246)	46
	-	56	197	356	-
Fund surplus (Note 24)	(901)	(118)	(58)	(69)	(450)
Total exposure	(901)	(62)	139	286	(450)

Healthcare plans	2011	2010	2009	2008	2007
Liability for employee benefits:					
Current liability	31	314	598	18	46
Non-current liability	3,013	2,719	2,143	3,012	1,090
Total exposure	3,044	3,033	2,742	3,029	1,136

The detail of the main fund assets at 31 December 2011 and 2010 is as follows:

	2011	2010
Fixed rate bonds	42.2%	42.7%
Real estate investment funds, hedge funds, cash and insurance	57.8%	57.3%
	100.0%	100.0%

Defined contribution plans

In the years ended 31 December 2011 and 2010, the Group incurred costs in defined contribution plans by a total amount of EUR 1,037 and 1,026 thousand, respectively (Note 11).

35. PROVISIONS AND ACCUMULATED DETERIORATION LOSSES

At 31 December 2011 and 2010 the details of current and non current classification were as follows:

	2011	2010
Non-current provisions:		
Provisions for tax risks	22,086	11,993
Environmental rehabilitation	36,338	31,027
Provisions for employee benefits and others personnel provisions	10,607	9,442
Other provisions for risks and charges	42,907	37,140
	111,939	89,602
Current provisions:		
Environmental rehabilitation	372	300
Provisions for employee benefits and others personnel provisions	189	223
Other provisions for risks and charges	520	578
	1,080	1,101
	113,019	90,703

The changes in the balances of provisions in the year ended 31 December 2011 and 2010 were as follows:

	Provisions for Tax and Legal Contingencies	Quarry Restoration Provision	Severance Costs and Other Staff Costs	Litigation	Other Provisions for Contingencies and Expenses	Total
Balance at 1 January 2010	11,083	29,937	6,470	25,021	6,628	79,139
Changes in the scope of consolidation	-	-	-	-	-	-
Translation differences	192	1,300	377	3,094	340	5,303
Increases	728	1,140	3,230	332	5,034	10,464
Reductions	-	(485)	(997)	(255)	(494)	(2,231)
Amount used	(20)	(422)	(70)	(223)	(1,734)	(2,469)
Transfers	10	(143)	655	(6)	(19)	497
Balance at 31 December 2010	11,993	31,327	9,665	27,963	9,755	90,703
Changes in the scope of consolidation (Note 6)	-	35	-	-	-	35
Translation differences	(68)	(682)	(1,245)	(2,213)	(6)	(4,214)
Increases	10,575	7,287	1,784	2,917	5,852	28,415
Reductions	-	(42)	(57)	(408)	(100)	(608)
Amount used	(414)	(1,214)	(94)	(366)	(8)	(2,097)
Transfers (Note 41)	-	-	743	41	-	785
Balance at 31 December 2011	22,086	36,710	10,796	27,933	15,494	113,019

The increases and decreases in the provisions in the years ended 31 December 2011 and 2010 were recorded by corresponding entry to the following accounts:

	2010	2009
Tangible assets:		
Land	173	(203)
Intangible assets:		
Exploitation rights	5,828	-
Profit and loss for the year:		
Supplies and services	45	(251)
Payroll	366	590
Provisions	15,774	5,859
Financial expenses	1,053	875
Share of results of associates (Note 13)	1,327	29
Income tax (Note 14)	2,789	
Shareholders' equity:		
Reserves	453	1,333
	27,807	8,233

The provision for Environmental rehabilitation represents the Group's legal or implicit obligation to rehabilitate land used for quarries. Payment of this liability depends on the period of operation and the estimated time for the beginning of the restoration work.

The other provisions for risks and charges cover specific business risks resulting from the Group's normal operations, among which, in Egypt, the provision concerning the tax on the consumption of clay and in Brazil, the provision corresponding to the settlement that the Group has agreed to make, in the event of an agreement propose in 2007 with the "Government of Economic Defence Council", in relation to the administrative charges brought by the "Economic Law Department of the Ministry of Justice in Brazil" (Note 47).

In the year ended December 31, 2011, increases in " Provisions for tax risks" including approximately 8 million for fiscal processes in Brazil, related taxes and charges on the activity, as well as increases in several areas of business, provisions for income tax.

36. LOANS

The detail of the loans obtained at 31 December 2011 and 2010 is as follows:

	2011	2010
Non-currents liabilities:		
Bank loans	1,147,003	806,594
	1,147,003	806,594
Currents liabilities:		
Bank loans	446,735	323,702
	446,735	323,702
	1,593,738	1,130,296

Bank loans

The detail of the bank borrowings at 31 December 2011 and 2010 is as follows:

Type	Currency	Interest rate	2011	2010
EIB loan	EUR	2.69%	49,927	49,910
Bilaterals loans	EUR	Variable rate indexed to Euribor	1,340,115	917,238
Bilaterals loans	Several	Variable rate	149,519	82,401
Overdrafts	Several	Variable rate	54,176	80,747
			1,593,738	1,130,296

The repayment schedule for the non-current bank borrowings at 31 December 2011 and 2010 was as follows:

Year	2011	2010
2012	-	306,566
2013	558,287	214,956
2014	346,664	238,703
Following years	242,053	46,369
	1,147,003	806,594

At 31 December 2011 and 2010, the borrowings were denominated in the following currencies:

	2011		2010	
Currency	Currency	Euros	Currency	Euros
EUR	1,391,266	1,391,266	970,047	970,047
MZM	1,196,282	34,219	398,001	9,118
BRL	50,323	20,830	23,986	10,816
ZAR	-	-	65	7
MAD	20,282	1,828	15,654	1,395
CVE	8,978	81	129,451	1,174
TRY	138,500	56,688	156,909	75,823
CNY	279,505	34,258	204,547	23,186
HKD	258,693	25,738	259,408	24,978
TND	7,404	3,817	2,006	1,040
EGP	163,219	20,917	98,554	12,713
INR	281,459	4,096	-	-
		1,593,738		1,130,297

The loans arranged in foreign currencies were translated to euros at the exchange rate ruling on the balance sheet date.

Rating qualifications

The larger syndicated and bilateral loans establish that the spread must be indexed to the evolution of rating Cimpor Group Cimentos de Portugal, SGPS, S.A. by Standard & Poor's rating, therefore reflecting the assessment of risk of these operations (Note 39).

Control of investees

Most of the financing agreements entered into by operating companies or by sub-holdings do not contemplate the maintenance of control by Cimpor Inversiones, S.A. of the majority of these entities' share capital. However, the support letters they request from the Parent upon arrangement of these transactions generally contain a commitment not to relinquish control (direct or indirect) over the investees.

The bank loans with more significant amount, particularly those hired by the Parent Company, contain an *Ownership Clause* (maintenance of shareholders of reference).

Also, on June 20th, 2011, by agreement of the Board of Directors, the Company has given a guarantee (jointly with Corporación Noroeste, S.A.) to Cimpor Financial Operations, B.V. in the context of a Bond issuance program "Euro Medium Term Programme - EMTM." The limit of this guarantee is of €2,500,000 thousand. At the time of preparation of these 2011 consolidated financial statements any issue were not made under this program.

The Directors of the Parent Company do not expect losses in relation to fulfillment of the commitments guaranteed

At 31 December 2011 and 2010, the other guarantees provided by the Parent and other subsidiaries (mainly to other Cimpor Group companies) amounted to EUR 587,897 thousand and EUR 1,033,071 thousand, respectively.

Negative pledge-

The majority of the financing instruments have Negative Pledge clause. Usually establish a maximum level of pledges over assets, which must not be exceeded without prior notice to the financial institution.

Other clauses-

Any court ruling that deemed to be final and it involves a payment of more than EUR 10,000 thousand or any litigation, administrative proceeding or investigation whose outcome is expected to be adverse to the Company or its Parent may also involve an early cancellation of a financial portion.

Financial covenants

Also, certain financing transactions signed by the Parent Company include "covenants" from finances made by Cimpor Financial Operations B.V., from which the company is the last beneficiary, establishing commitments to maintain previously agreed-upon financial ratios relating to the consolidated financial statements of the CIMPOR-Cimentos de Portugal SGPS, S.A. Group. The main ratios referred to are as follows:

- Liquid debt / EBITDA

- EBITDA (Financial expenses – Financial revenues), at Cimpor Portugal consolidated level.

- % Cimpor Group financing (75%) attributable to the Parent Company

Change of control

Various financing instruments include change of control clauses that can even provide for the possibility of early repayment by decision of the creditors, if 51% of the capital of the parent company Cimpor Cimentos de Portugal, SGPS, S.A. is controlled by a single entity or several entities acting in consortium. At 31 December 2011, the debt attributable to financial instruments containing such a clause amounted to 1,437 million of euros (500 million of euros in 31 December 2010), of which 310 million euros are registered as non-current financial debt (20 million euros in 31 December 2010).

At 31 December 2011 and 2010, all these ratios were within the established limits. The management considers that during the year 2012 the companies will continue fulfilling these commitments (see Note 39).

37. OBLIGATIONS UNDER LEASES

Finance leases

The minimum lease payments as at 31 December 2011 and 2010, resulting from finance lease liabilities, are as follows:

	2011		2010	
	Present value	Future value	Present value	Future value
Up to 1 year	2,821	3,426	2,999	3,074
From 1 to 5 years	7,893	9,952	3,070	3,171
More than 5 years	8,899	9,747	-	-

The increase of the liability under leasing contracts observed in the financial year ended 31 December 2011 was essentially driven by the formalisation of a lease contract to operate a grinding facility located in Malaga, owned by the associate Cementos de Antequera, S.A., with a 10 year duration. The Group takes over the overall management of that asset, so the risks and rewards of that asset are considered to be transferred in full.

Operating leases

The Cimpor Inversiones Group's current operating lease contracts relate essentially to transport and office equipment.

Future commitments under the current operating lease contracts are as follows:

	Group	
	Future value	
	2011	2010
Up to 1 year	3,268	2,926
From 1 to 5 years	10,806	7,841
More than 5 years	31	-

Total operating lease costs recognised in the consolidated statement of profit and loss for the year ended 31 December 2011 amounted EUR 4,136 thousand (EUR 4,084 thousand in 2010).

38. DERIVATIVE FINANCIAL INSTRUMENTS

Under the risk management policy of the Cimpor Inversiones Group a range of derivative financial instruments have been contracted at 31 December 2011 and 2010 to hedge interest and exchange rate risk.

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

These operations with the knowledge of the Board of Directors of Cimpor, are permanently monitored by the Financial Operations Area. Several indicators relating to the instruments are periodically determined, namely their market value and sensitivity of the projected cash flows and market value to changes in key variables, with the aim of assessing their financial effect.

The recognition of financial instruments and their classification as hedging or trading instruments, is based on the provisions of IAS 39.

Hedge accounting is applicable to financial derivative instruments that are effective as regards the elimination of variations in the fair value or cash flows of the underlying assets/liabilities. The effectiveness of such operations is verified on a regular quarterly basis. Hedge accounting covers three types of operations:

- Fair value hedging
- Cash flow hedging
- Hedging of net investments in a foreign entity.

Fair value hedging instruments are financial derivative instruments that hedge exchange rate and/or interest rate risk. Changes in the fair value of such instruments are reflected in the statement of profit and loss. The underlying asset/liability is also valued at fair value as regards the part corresponding to the risk that is being hedged, the respective changes being reflected in the statement of consolidated profit and loss.

Cash flow hedging instruments are financial derivative instruments that hedge the exchange rate risk on future purchases and sales of certain assets as well as cash flows subject to interest rate risk. The effective part of the changes in fair value of the cash flow hedging instruments is recognised in shareholders' equity, while the non effective part is reflected immediately in the statement of profit and loss.

Instruments hedging net investment in foreign entities are exchange rate financial derivative instruments that hedge the effect, on shareholders' equity, of the risks on translation of the financial statements of foreign entities. Changes in the fair value of these hedging operations are recorded in the shareholders' equity "Currency translation adjustments" until the hedged investment is sold or liquidated.

Instruments held for trading purposes are financial derivative instruments contracted in accordance with the Group's risk management policies but where hedge accounting is not applicable, because they were not formally designated for that purpose or because they are not effective hedging instruments in accordance with the requirements of IAS 39.

Fair value of derivative financial instruments

The fair value of derivative financial instruments at 31 December 2011 and 20010 is as follows:

	Other assets (Note 24)				Other liabilities (Note 41)			
	Current		Non-current		Current		Non-current	
	2011	2010	2011	2010	2011	2010	2011	2010
Fair value hedges:								
Exchange and interest rate swaps	1,407	-	654	-	903	-	-	-
Interest rate swaps	-	9,397	-	-	-	-	-	-
Exchange rate forwards	117	13	-	-	40	-	-	-
Trading:								
Exchange and interest rate derivatives	3,078	2,784	-	-	-	-	28,361	39,363
Interest rate derivatives	-	2,992	1,848	3,300	2,408	7,551	9,222	34,025
	4,661	15,187	2,502	3,300	3,821	7,551	38,679	73,389

Transactions of Movements on derivative financial instruments during the year ended 31 December 2011 were as follows:

	Balances at 31 december 2010	Currency translation adjustments	Changes in the consolidation perimeter	(Interest expense) / Interest income	Changes in fair-value (Note 13)	Hedging operations (Note 31)	Receipts/ Payments	Balances at 31 december 2011
Fair value hedges:								
Exchange and interest rate swaps	-	(40)	-	(244)	1,684	(238)	(4)	1,158
Interest rate swaps	9,397	-	-	3,794	(3,770)	-	(9,421)	-
Exchange rate forwards	13	-	-	-	76	-	(13)	76
Cash flow hedges:	-	-	-	-	-	-	-	-
Interest rate swaps	-	-	(475)	(799)	-	(618)	386	(1,506)
Trading:	-	-	-	-	-	-	-	-
Exchange and interest rate derivatives	(36,579)	-	-	(22)	13,188	-	(1,870)	(25,283)
Interest rate derivatives	(35,284)	-	-	(662)	(6,654)	-	32,818	(9,782)
	(62,453)	(40)	(475)	2,067	4,525	(856)	21,895	(35,337)

During the first quarter of 2011 the Group bought back much of the interest rates derivatives, classified as trading, which essentially justifies the decrease in that caption, and whose payment amounting to 31 million euros is evidenced above in the receipts / payments as well in the Consolidated Statement of Cash Flows under “Payments relating to interest and similar costs” .

This operation reduced significantly the Group's exposure to trading financial instruments enabling a lower volatility of Group´s future results.

Some derivatives, although in compliance with the Group’s risk management policies as regards the management of financial market volatility risks, do not qualify for hedge accounting, and so are classified as trading instruments.

The following schedule shows the operations at 31 December 2011 and 2010 that qualify as fair value and cash flow hedging instruments:

Type of hedge	Notional	Type of Operation	Maturity	Financial purpose	Fair value 2011	Fair value 2010
Fair value	EUR 300.000.000	Several Interest Rate Swap	may-11	Hedge of 50% of the interests on Intercompany Loan from C. Inversiones to Cimpor BV regarding the Eurobond payment	-	9,397
Fair value	USD 3.310.000	Interest Rate Swap	oct-10	Currency hedge	-	13
Fair value	USD 7.684.285	Interest Rate Swap	ene-12	Currency hedge	76	-
Fair Value	USD 5.300.000	Several Cross Currency Swap	ago-14	Hedge of 100% of the capital and interests from a loan in USD	383	-
Fair value	USD 6.340.715	Interest Rate Swap	jun-12	Hedge of the capital and interests from a loan in USD	302	-
Fair value	USD 2.777.398	Interest Rate Swap	jul-12	Hedge of the capital and interests from a loan in USD	180	-
Fair value	USD 4.552.738	Interest Rate Swap	ago-12	Hedge of the capital and interests from a loan in USD	294	-
Fair value	USD 14.760.000	Interest Rate Swap	dic-15	Cash-flow hedge of the interest on loan	(589)	-
Fair value	EUR 25.000.000	Interest Rate Swap	ene-14	Cash-flow hedge of the interest on loan	(55)	-
Fair value	EUR 25.000.000	Interest Rate Swap	ene-14	Cash-flow hedge of the interest on loan	(99)	-
Fair value	EUR 25.000.000	Interest Rate Swap	ene-14	Cash-flow hedge of the interest on loan	(55)	-
Fair value	EUR 25.000.000	Interest Rate Swap	ene-14	Cash-flow hedge of the interest on loan	(55)	-
Fair value	EUR 25.000.000	Interest Rate Swap	nov-13	Cash-flow hedge of the interest on loan	(275)	-
Fair value	EUR 40.000.000	Interest Rate Swap	jun-15	Cash-flow hedge of the interest on loan	(379)	-
					(272)	9,410

In addition, the portfolio of derivative financial instruments at 31 December 2011 and 2010 that do not qualify as hedging instruments is made up as follows:

Face Value	Type of Operation	Maturity	Economic purpose	Fair value 2011	Fair value 2010
USD 140.789.004	Cross-Currency Swap	Jun/13	Hedge of 100% of the principal and interests 10Y tranche of the US Private Placements	(9,404)	(11,068)
USD 213.210.966	Cross-Currency Swap	Jun/15	Hedge of 100% of the principal and interests 12Y tranche of the US Private Placements	(15,879)	(25,511)
EUR 100.000.000	IRS with conditioned receivable Leg	Dec/12	Reduce the cost of funding - IRS with options sold on Euribor 6M and US Libor 6M	-	(4,167)
EUR 30.000.000	IRS with conditioned receivable and payable Leg	Jun/15	Reduce the cost of funding - IRS with options sold on European swap curve and options bought on the slope of the European Swap Rate.	-	1,944
EUR 430.000.000	IRS with conditioned receivable Leg	Jun/15	Reduce the cost of funding - IRS with a set of options sold on which the main exposure is the slope of the European swap curve.	(496)	(25,284)
EUR 37.000.000	IRS	Jun/15		-	(2,823)
EUR 25.000.000	IRS with only conditioned Payable Leg	Jun/15		-	(2,171)
EUR 150.000.000	EUR Interest Rate Swap	Jun/15	Reduce the cost of funding - Interest Rate Swap	-	1,702
EUR 50.000.000	IRS with conditioned receivable Leg	Jun/15	Reduce the cost of funding - IRS with options sold on an Interest Rate Index	(5,452)	(291)
EUR 25.000.000	IRS with conditioned receivable Leg	Jun/15	Reduce the cost of funding - IRS with options sold on an Interest Rate Index	(3,834)	(3,132)
EUR 50.000.000	Several Interest Rate Swap	Apr/17	Interest rate pre-hedge	-	(1,062)
				(35,065)	(71,864)

39. FINANCIAL RISK MANAGEMENT

General Principles

During its normal business activities, the Cimpor Group is exposed to a variety of financial risks, which can be grouped in the following categories:

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

Financial risk is deemed to mean the probability of obtaining a positive or negative outcome different to that expected, and which materially and unexpectedly alters the Group's net worth.

The management of these risks, which arise from the unpredictability of financial markets, requires prudent application of rules and methods approved by the Executive Committee, with the final purpose of minimising the potential effects on the Group's profits of these markets' behaviour.

In principle, the Group does not take speculative positions and so the sole aim of all operations carried out in this management is to control existing risks to which the Group is unavoidably exposed. Hedging the interest-rate risk and exchange-rate risk normally means contracting financial derivatives on the over-the-counter market involving a limited number of counterparties with high ratings. All these operations are undertaken with financial entities with which ISDA contracts have been signed beforehand, in accordance with international standards.

All risk management, focused on that objective, is conducted according to two core concerns:

- Reducing, whenever possible, fluctuations in profit/loss and cash flows that are exposed to risk.
- To limit the curving deviation from forecast financials by means of meticulous financial planning based on multi-year budgets.

Furthermore, another concern of the Group is that the processes for managing these risks meet internal information needs and also external requirements (regulators, auditors, financial markets and all other stakeholders).

Interest-rate risk

The Group's exposure to interest-rate risk arises from the fact that its balance sheet includes financial assets and liabilities that have been contracted at fixed and variable interest rates. In the former case, the Group runs the risk of variation in the fair value of these assets and liabilities, in that any change in market rates involves a (positive or negative) opportunity cost. In the latter case, this same change has a direct impact on interest paid or received, resulting in changes in "Cash flow".

In order to hedge this type of risk, in accordance with the Group's expectations of market rates, forward rate agreements or preferably interest-rate swaps are normally contracted.

Exchange-rate risk

The Group's internationalization forces it to be exposed to the exchange-rate risk of the currencies of different countries, particularly Brazil, Egypt, South Africa and Turkey due to the large amount of capital invested there.

The exchange effects of the translation of local financial statements in the Group's consolidated financial statements can be mitigated by hedging the net investments made in those countries. However, the Group has only done this sporadically, since it considers the cost of such operations (the difference between the local interest rates and the Group's reference currency) to generally be too high in view of the risks involved.

When we do hedge the exchange-rate risk, we normally use forward contracts and standard exchange options generally maturing in under one year.

The Group does not carry out exchange-rate operations that do not cover existing or contracted positions.

In 2011, the decision of not to hedge currency risks ultimately had a negative impact, since most of the currencies in which Group operates performed negatively against the Euro.

Almost all financing contracted by the Group is denominated in the consolidation currency (euros), with the exception of the debt directly contrated by the different business areas to meet their day-to-day requirements. Nevertheless, it was decided to keep the US Private Placements launched in December 2010, and the small increase made in 2011, denominated in USD, as a way to achieve a kind of natural hedge, given the stronger correlation between the USD and the Group's exposure currencies, compared with the euro.

Liquidity risk

Liquidity-risk management means maintaining an appropriate level of available cash and through contracting credit limits that not only ensure the normal pursuit of the Group's activities but also meet the needs of any acquisition operations.

In particular, the Group maintains committed backup lines with some banks, which can be used to meet occasional cash needs, thereby reducing the liquidity risk and also satisfying the ratios required by the rating agencies.

This risk is monitored through a cash budget, which is reviewed at regular intervals. The Group's access to short-term lines of credit of ample value and the fact that it keeps its EMTN and commercial paper programmes updated periodically plus the Pagarés Y Bonos Programme recently registered in the Spanish Market, ensure the ability to access swiftly the capital markets.

At 31 December 2011 and 2010, the credit lines obtained and not used, not considering commercial paper which was not underwritten, were 400 million euros and 850 million euros, respectively. This sharp decrease is explained by the fact that in 2010 the Group heavily reinforced these lines to cover the refinancing of the Eurobond that it amortized in may 2011. With this risk removed, the Group's liquidity was adjusted to adequate levels to meet its short-term liabilities.

The cash surpluses of the different Business Areas are, whenever possible, channelled to the parent company, through the payment of dividends or made available to other areas with a shortage of funds, through intercompany loans.

Credit risk

The market view of CIMPOR's credit risk in regards to financing operations is naturally reflected in the financial costs associated to such operations. The Cimpor Group's influence in such matters is merely of assistance, embodying the prudent and balanced manafement of the business in order to minimize the probability of defaulting on its obligations.

The Group’s high degree of solvency is reflected in its Leverage ratio (Net Debt / EBITDA) and Interest Coverage ratio (EBITDA / Net Financial Charges). The achievement of the levels pre-established for these two indicators is fundamental in ensuring compliance not only with the debt instruments envisaging such but also, through the performance of the cross default provisions, compliance by all the remaining debt.

In 2011 and 2010, both ratios - calculated according to the methodology imposed by the USPP Note Purchase Agreements (financial debt at nominal value) were far from the established limits at the end of the year:

Ratio	December 2011	December 2010	Limit
Leverage	2.63	2.48	<= 3,5
Interest Coverage	7.70	10.52	$\geq$ 5

Counterparty non-fulfilment risk

When the CIMPOR Group establishes different contractual relations with third parties, it takes on the risk of the probability of non-fulfilment or even, in an extreme scenario, default by a counterparty.

The Group endeavour to limit its exposure to credit risk of bank accounts and other cash investments and derivatives contracted from financial institutions by carefully selecting of the other companies, taking into the account their rating and the nature and maturity of operations.

On the basis of the information currently available, no losses due to default by counterparties are expected.

In its derivatives portfolio, the Group follows a policy of diversifying counterparties, with the exception of its portfolio of interest-rate derivatives that do not qualify as hedges. For operativity reasons there is a counterparty assuming a dominant position to facilitate operations. In any case, as this portfolio consists mainly of swaps with sold options, it is the counterparty that actually runs risk.

Sensitivity analyses

a) Interest rate

Exposure to interest-rate risk results in variability of the Group’s financial expenses.

The results of a sensitivity analysis of exposure as at 31 December 2011 and 2010 were as follows: with all other assumptions remaining constant, a parallel alteration of +/- 1% in the interest-rate curve would represent approximately a 18 million euros and 17 million euros increase / decrease in financial costs (before tax), for the financial years ended on 31 December 2011 and 2010 respectively, considering the effect of existing hedge instruments.

The fact that the Group has substantially altered its debt profile, in terms of balance between fixed and variable rates, allows the analysis results remain practically unchanged.

b) Exchange rate

In the debt and financial derivatives component, risks are substantially hedged by symmetrical positions and as such results do not vary significantly. Exchange-risk exposure in other financial instruments is a result of the Group's normal activity and the impact on results arising from fluctuations in exchange rate is minimal.

As at 31 December 2011, the exposure of profits to exchange rate fluctuations mainly derives from two intragroup loans between business areas operating with different currencies. A 10% change in the euro exchange rate with the currencies where such exposure is most significant, would impact on profits as follows:

	+10%	-10%
USD	25,087	(20,526)
MZN	(2,638)	2,158
ZAR	2,404	(1,967)
CNY	(2,500)	2,045
	22,354	(18,290)

40. OTHER PAYABLES

The detail of these headings at 31 December 2011 and 2010 is as follows:

	2011		2010	
	Corriente	No corriente	Corriente	No corriente
Empresas del Grupo (Nota 46)	5,084	466,536	623,029	479,364
Otros accionistas	4,012	-	4,407	60
Proveedores de inmovilizado	27,648	11,801	28,122	20,077
Otros acreedores	28,619	336	28,389	515
	65,363	478,673	683,947	500,016

The short and long term payable to Group companies correspond to loans signed with Cimpor Financial Operations, as follows:

1. Two loans signed on 27 June 2003 in the respective amounts of EUR 127,986 thousand and EUR 216,724 thousand, being converted into USD in the respective amounts of USD 150,000 thousand and USD254,000 thousand. These loans were obtained through the funds raised after the issuance of "U.S. Private Placements" in 2003 by Cimpor Financial Operations BV amounting to USD 354.000 thousands, and are recorded as financial liabilities at fair value, considering the fair value of that issue.

   The exchange rate used for the loans conversion in the year 2004 was of 1.17 USD/€, which remains fixed for the entire term of the operations, based on a “Cross currency swap” hedging position (Note 38).

   These loans bear fixed interest at respective rates of 5.85% and 6% in 2011 and 2010, payable half-yearly, and they will mature on June 27, 2013 and 2015 respectively. Total interest accrued on these loans, amounting to EUR 15,414 thousand (EUR 16,518 thousand in 2010) (Note 46).

   In September 2010 there was an early repayment of these loans amounting to EUR 33,857 thousand (USD 50,000 thousand).

The accumulated variation from the time of signature until December 31, 2011 and 2010 the fair value of the issuance of the "U.S. Private Placements" associated with such loans, means their reduction to EUR 28,857 and EUR 41,648 thousand respectively at December 31st 2011 and 2010, being its total value of EUR 282,747 and EUR 269,686 thousand at the same dates.

2. On December 22, 2010 signed a loan for an amount of USD 200,000 thousand, being their values in euros at December 31st 2011 of EUR 154,571 thousand, with the following maturities and interest rates: a first mature of USD 125,000 thousand on Dec 22th 2020, bearing a fixed interest of 6.86% annually paid, and a second mature of USD 75,000 thousand on Dec 22th 2022, bearing an interest rate between 6.7% and 6.85% annually paid. This loan accrued interest of EUR 10,113 thousand (EUR 259 thousand in 2010) (Note 46).

3. A loan signed on May 27th 2004 for an amount of EUR 597,042 thousand, bearing a fixed interest of 4.69% annually paid, maturing (one payment) on May 27th 2011. This loan accrued interest of EUR 11,201 thousand (EUR 28,001 thousand in 2010). (Note 46). At maturity the loan was repain.

4. On December 22, 2011 signed a loan for an amount of USD 40,000 thousand, which implies a discount of USD 1,564 thousand, being their values in euros at December 31st 2011 of EUR 29,715 thousand (including the discount), maturing on December 22th 2020, bearing a fixed interest of 6.30%. In 2011, this loan accrued interest of EUR 53 thousand (Note 46).

The short-term debt to Group companies, is primarily related to the interest payable on the loan operations described above.

41. OTHER CURRENT AND NON-CURRENT LIABILITIES

The detail of these headings at 31 December 2011 and 2010 is as follows:

	2011		2010	
	Current	Non-current	Current	Non-current
Interest payable	14,752	-	6,248	-
Deferred tax expenses	137	-	203	-
Remuneration payable	11,920	-	13,347	-
Derivative financial instruments (Nota 38)	3,821	38,679	7,551	73,389
Grants related to assets	-	5,779	-	6,521
Other deferred expenses	11,909	2	7,888	1
	42,539	44,460	35,237	79,911

42. TRADE PAYABLES AND CUSTOMER ADVANCES

The detail of this heading at 31 December 2011 and 2010 is as follows:

	2011	2010
Trade payable, current account	98,413	90,817
Payable invoices not yet received	34,252	36,121
Trade-payable - Notes payable	22,884	21,276
Customer advances	5,618	6,652
	161,167	154,866

Deferment on payment to providers. Additional regulations to third parties. 'Duty to inform' – Law 15/2010, of 5 July-

In fulfilment to the arranged things at the Law 15/2010, of 5 July, modifying Law 3/2004 of Dec. 29, laying down measures to combat late payment in commercial transactions, which has been developed by the Resolution of 29 December 2010 by the Institute of Accounting and Auditing, and considering the provisions of the Second Transitional Provision of the Resolution, then presents the information on the amounts paid by companies group in 2011 to commercial and service providers, distinguishing payments made within the statutory maximum term of rest and exceeded the weighted average period of payments (in days) and deferred payments from commercial suppliers and services not yet paid at December 31, 2011 of that date accounted for a higher delay than the legal deadline of payment:

	Payments made during the year 2011 and not paid at December 31th,2011	
	Amount (Thousand euros)	% of Total
Within the legal deadline (*)	46,838	32.33
Other payments	98,038	67.67
Total payments for the year	**144,876**	**100.00**
Medium Period of Payments Exceeded (PMPE) (in days)	48	
Deferrals than the year closing surpassed the legal maximum period of payment	14,452	30.21

(*) The legal term is determined according to the corresponding function of asset or service received by the Group in accordance with the provisions of Law 3/2004 of 29 December, establishing control measures late payment in commercial transactions. Law 3/2004, of 29 December states the legal period established for payment. This law fights against slowness in payment within commercial transactions. According to Law 15/2010, of 5 July, 85 days is the period between the coming into effect of this law and 31 December 2011.

Also, below indicated the information on deferred payments from commercial suppliers and services not yet paid at December 31, 2010 and of that date accounted for a higher delay than the legal deadline of payment:

	December 31th,2011	
	Amount (Thousand euros)	% of Total
Deferrals than the year closing surpassed the legal maximum period of payment	17,572	31.48

In fulfilment to applicable regulations which have been mentioned above, includes, exclusively, information for suppliers based in Spain.

At the end of the tax year on the balance sheets, it states the payments to suppliers which exceeded the payment period. Law 3/2004 article 4, December 29th in accordance with the 2nd Transitory Regulation within Law 15/2010, July 5th, states: payments which have been freely negotiated with each supplier protected by its capacity of payment (Law 3/2004 art.9, December 29th) could be negotiated considering each case; the nature of the product and/or service and provisions given by the Group companies are used as additional payment guarantee.

43. CO_2 EMISSION LICENSES

Accordingly with the European Parliament and Council Directive 2003/87/CE to internal legal orders, the Spanish government have approved the lists of the installations of participants in the trading of emissions and the respective emission licences granted for the 2008 to 2012 period.

Four manufacturing plants of Group's companies, all located in Spain (Oural, Toral de los Vados, Córdoba and Niebla Production Centres) received licences corresponding to annual emissions rights of 2,025,769 tons (period 2008 to 2012).

The estimated emissions of these premises were 1,346,030 tons of CO2 during the financial year ended on 31 December 2011 and 1,727,566 tons in 2010. 575,000 tons during the year ended 31 December 2011 (150,000 tons in 2010) of CO2 of the total licence of 2,025,769 tons of CO2 awarded were disposed of, and there were several exchanges of CO2 rights SWAP formalized in contracts. These operations generating a gain of 7,686 thousand of euros (2,282 thousand of euros in 2010), reported under "Other operating income" (Note 9).

44. FINANCIAL ASSETS AND LIABILITIES ACCORDING TO IAS 39

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

2011	Credits and accounts receivable	Available-for-sale financial assets	Held to maturity investments	Other financial assets	Assets and liabilities at fair value through profit and loss	Total
Assets:						
Cash and cash equivalents	509,064	-	-	-	-	509,064
Accounts receivable-trade	226,543	-	-	-	-	226,543
Other investments	-	20,191	-	-	-	20,191
Other non-current accounts receivable	11,303	-	-	-	-	11,303
Other current accounts receivable	17,798	-	-	-	-	17,798
Other non-current assets	1,059	-	-	-	2,502	3,561
Other current assets	2,993	-	-	-	4,661	7,654
Current accrued income	-	-	-	-	-	-
Total assets	768,760	20,191	-	-	7,163	796,114
Liabilities:						
Non-current loans	-	-	-	1,147,003	-	1,147,003
Current loans	-	-	-	446,735	-	446,735
Current liabilities-trade	-	-	-	161,167	-	161,167
Other non-current accounts payable	-	-	-	195,926	282,747	478,673
Other current accounts payable	-	-	-	65,363	-	65,363
Other non-current liabilities	-	-	-	1	38,679	38,680
Other current liabilities	-	-	-	78	3,821	3,898
Current acrrued costs	-	-	-	-	-	-
Total liabilities	-	-	-	2,016,273	325,247	2,341,520

2010	Credits and accounts receivable	Available-for-sale financial assets	Held to maturity investments	Other financial assets	Assets and liabilities at fair value through profit and loss	Total
Assets:						
Cash and cash equivalents	457,331	-	-	-	-	457,331
Accounts receivable-trade	212,925	-	-	-	-	212,925
Other investments	-	4,196	-	-	-	4,196
Other non-current accounts receivable	11,173	-	-	-	-	11,173
Other current accounts receivable	14,591	-	-	-	-	14,591
Other non-current assets	18,919	-	-	-	3,300	22,219
Other current assets	13,683	-	-	-	5,790	19,473
Current accrued income	-	-	-	-	-	-
Total assets	728,622	4,196	-	-	9,090	741,908
Liabilities:						
Non-current loans	-	-	-	806,594	-	806,594
Current loans	-	-	-	323,702	-	323,702
Current liabilities-trade	-	-	-	154,866	-	154,866
Other non-current accounts payable	-	-	-	230,330	269,686	500,016
Other current accounts payable	-	-	-	683,946	-	683,946
Other non-current liabilities	-	-	-	1	73,389	73,390
Other current liabilities	-	-	-	713	7,551	8,264
Current accrued costs	-	-	-	-	-	-
Total liabilities	-	-	-	2,227,125	350,626	2,550,778

45. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENTS

Cash and cash equivalents

The detail of this heading at 31 December 2011 and 2010 is as follows:

	2011	2010
Cash	107	111
Bank deposits immediately available	61,806	52,437
Term bank deposits	413,948	306,823
Marketable securities	33,203	97,960
	509,064	457,331
Bank overdrafts	(54,177)	(80,747)
	454,887	376,584

"Cash and Cash Equivalents" includes cash balances, immediately available deposits, cash applications and time deposits maturing in less than three months, that are subject to an insignificant risk of change in value. “Bank Overdrafts” includes the amounts obtained from current accounts with financial institutions.

<u>In 2011:</u>

Payments relating to financial investments

The payments relating to financial investments made in the year ended 31 December 2011, primarily concern the setting up of a deposit in a bank of the CGD Group in the amount of 20 million USD, in respect of a loan contracted by a subsidiary (Note 47).

Receipts / payments relating to loans financing activities

- The Cimpor Group performed a series of operations to restructure the debt through Cimpor Financial Operations,B.V. and Cimpor Inversiones,S.A., the most important of which are the full amortisation of the loan in the amount of 600 million euros and refinancing in the amount of 602 million euros from different financial institutions (Note 40).

- Loan of USD 40 million with Cimpor Financial Operations BV (Note 40), which in turn made a new issue for the same amount of the "U.S. Private Placements" in its 10-year stretch.

- Obtaining financing in the amount of 57 million euros in the Egypt business area related to environmental improvement projects "Bag filter for the 1st Line” under the EPAP II (Environmental Pollution Abatement Project - phase II).

- Payments regarding the figure “Others”, include dividends payment to non-controlled interests.

<u>In 2010:</u>

The most significant Group cash flows regarding investment and financing activities occurred, in the Group, in the years ended 31 December 2011 and 2010, are as follows:

Financial asset collections/payments

Payments related to financial investments, occurred in the year ended 31 December 2011, correspond essentially to share’s acquisition from non-controlling interests in participated companies, namely in Ameriyah Cement Company (9.5 million euros) and in Occidental de Áridos (8.1 million euros – payment regarding acquisition made in 2010).

Receipts / Payments relating to financial investments

- As part of the Group’s financial debt restructuring, Cimpor Inversiones has borrowed around 264 million euros and made repayments in the amount of 239 million euros;

- Local loans amortization by Corporación Noroeste (200 million euros, in net terms);

- Loan obtained by Cimpor Inversiones regarding the grinding capacity increasing in Turkey (50 million euros);

- Ameriyah Cement Company contracted a 21 million euros loan, of which 9 million euros have been repaid during 2011;

- The use of short term debt by Cimpor China (funding of approximately 8 million euros, in net terms);
- Payments regarding the figure "Others", include dividends payment to non-controlled interests.

46. RELATED PARTIES

The transactions and balances between Cimpor Inversiones, S.A. (the Parent) and the Group companies were eliminated on consolidation process and so are not disclosed in this chapter.

The terms and conditions of the transactions between the Group companies and related parties are substantially similar to those contracted, accepted and practiced in similar operations with independent entities.

Balances and transactions between the Group and associated companies and other related parties are detailed as follows:

	Associated companies		Other related parties						Other companies Group Cimpor	
			Camargo Corrêa Group		Votorantim Group		Caixa Geral de Depósitos, S.A. and related			
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Assets:										
Deposits	-	-	-	-	-	-	6	149	-	-
Accounts receivable-trade	104	2,333	7	2	1	2,103	-	-	1,656	685
Accounts receivable-other	3,708	18,521	-	-	3	3	-	-	-	-
	3,812	**20,855**	**7**	**2**	**5**	**2,106**	**6**	**149**	**1,656**	**685**
Liabilities:										
Loans	-	-	-	-	-	-	80,000	1,174	471,620	1,102,393
Leasing	17,411	-	-	-	-	-	-	-	-	-
Suppliers	-	-	-	-	21	195	-	-	11,905	6,290
Accounts payable-other	-	-	-	-	-	-	-	-	1,279	1,804
	17,411	**-**	**-**	**-**	**21**	**195**	**80,000**	**1,174**	**484,803**	**1,110,487**
Transactions:										
External supplies and services	-	8	-	-	-	-	3,583	1,121	25,984	29,661
Fixed assets purchases	2,100	-	-	-	-	1,716	-	-	-	-
Inventories purchases	20	-	1	1,263	1,081	-	-	-	52,301	60,233
Sales and services rendered	858	6,666	7,530	1,050	11,835	5,108	-	-	48,838	24,633
Other operating income	-	-	-	-	39	39	-	-	-	-
Financial expenses, net	-	-	-	-	-	-	803	710	44,013	45,327
	2,978	**6,674**	**7,530**	**2,313**	**12,955**	**6,862**	**4,387**	**1,832**	**171,136**	**159,853**

Transactions between related parties also include the following operations and commitments, regarding acquisitions of equity investments, namely:

– Conclusion of the acquisition from its shareholder Camargo Corrêa Cimentos, S.A., during the first quarter, of a 51% shareholding of CINAC – Cimentos de Nacala, S.A.(the remaining 49% during the fourth quarter of 2011, from unrelated third parties).

– An agreement was signed on 30 June 2011 and later made official on 27 July 2011 between the Cimpor Group and Arenor, S.L. via which the latter handed over all the assets belonging to Arenor and its Group of Companies in Andalucia, related to the quarrying and sales of aggregates and production and sale of ready-mix concrete, for around 27 million euros (Note 18 and 19). In turn, the Cimpor Group passed its entire stake in the Company to Arenor, via a prior agreement to reduce the company's share capital, for around 11 million euros. This operation was carried out in the form of asset swap and regularization of current accounts, and involved no financial settlement. With this operation the Cimpor Group, maintaining the industrial profile of its business in the aggregate and concrete sub-sector in Andalucia, to which it has add the ownership of quarries and land, has entirely uncoupled itself from Arenor and, on its side, Arenor has brought an end to all its manufacturing activities in Spain, in the aforementioned sectors.

47. CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

Contingent liabilities

As a result of its normal business activities, the Group is involved in various legal proceedings and claims relating to products and services and also to fiscal, environmental and employment-related matters. The outcome of these proceedings and claims is not expected to have a material impact on the Group's business performance, equity position or results of operations.

The most significant of the contingent liabilities are:

In Spain, related to tax assessments of the Parent and its subsidiary Corporación Noroeste, S.A. (Note14) for tax audits for the years of 2002 to 2004, the tax authorities assessed an amount of tax totalling approximately of 35 million euros (including accrued interests), reduced in the meantime by around 4 million euros through the acceptance of part of the challenges presented. The adjustments to the taxable profit claimed relate primarily to financial profit/loss, resulting mainly from interpretations not appropriate to the nature of certain transactions, and it is the belief of the Board of Directors that the conclusion of court proceedings already underway to challenge those adjustments, will not result in significant costs to the Group. This conviction is backed up by the opinion of its legal and tax advisers, who mostly gauge the possibility of losing such court cases as being remote.

In Egypt, the cement companies in July 2011 were subject to an additional levy on the consumption of clay in cement production for the period between May 2008 and June 2010, including an estimate of interest on arrears amounting to about 48 million euros. The additional levy is based on the literal compliance with the provision that as a manifest and recognized lapse in the consumption of clay, without corresponding at all with the actual consumption of the industry. This issue had been discussed with local authorities in late 2010, and there was the belief then that it would be surpassed. Cimpor continues to make efforts with the authorities to resolve this situation, in parallel with the appropriate legal measures taken. The amount that Cimpor admit that may need to be paid is already provisioned and accordingly it is not expected that the resolution of this situation may result in any significant impact.

Also in Egypt, and following an inspection conducted in 2006 on tax returns for the years 2000 to 2004 of one of the companies, additional tax payments on income totalling approximately 89 million euros were demanded, based on the calculation of profits assumed by alleged insufficiency and failure to fully comply with the required legal and documental requirements. The company believes that there are no grounds for these settlements given the activity undertaken and the results obtained, and based on the opinion and support of its tax advisers, the company responded by challenging those assessments and, in the limit, demanding for the realisation of a new inspection. The decision of the Tax Appeal Court is pending (this case is with this Court since 2009, which notified us for a first session in 2011, and without any previous decision from any other agency).

In Brazil, contingent liabilities for tax settlements proceedings, total about 159 million euros. It is worth noting in relation to those cases, the results of an inspection completed in the last quarter of 2011, which questioned the impact occurred by a corporate restructuring undertaken, resulted in a total settlement of about 98 million euros, including interest and penalties, which the company disputed due to the valid economic basis for performing such operation. It is the conviction of the Directors, supported by an understanding of the consultants who assist us, that our chances of success in this case are quite high, which is reinforced by the existence of cases similar to ours in which the outcome was favourable to the inspected entities.

Still in Brazil, and under the administrative case filed in 2007, the Secretariat of Economic Law of the Ministry of Justice ("SDE") published a Technical note in November 2011 closing the investigation of economic infringements in the cement sector, which recommended to the Administrative Council for Economic Defence ("CADE") the condemnation of all companies and individuals included in that case (with the exception of two, one for lack of evidence and the other by agreement with that agency at the start of the case).

In 2007, Cimpor set up a provision of 15 million reais, which it still maintains, equivalent to 2.5% of the 2006 gross turnover (the basis for determining the estimated liability at the time, could amount to up to 30% of that turnover), corresponding to the contribution that Cimpor was ready to make in a possible agreement with CADE, under legislation governing these matters. Such an agreement was based on the desire to avoid all the costs and delays inherent to the ongoing nature of such processes and the consequent disruption of normal business operation. This proposal did not involved any admission of guilt or acknowledgment of misconduct. Cimpor reaffirms the understanding that it committed no infringement. The case was referred to CADE for judgment.

Guarantees

At 31 December 2011 and 2010, the Group had provided guarantees to third parties (outside the Cimpor group) amounting to EUR 155,472 thousand and EUR 150,077 thousand, respectively. Besides those mentioned in note 14

At 31 December 2011 and 2010, details of guarantees given third parties is as follows:

	2011	2010
Guarantees given:		
For tax processes in progress	47,086	36,115
Financing entities	50,000	50,000
To suppliers	15,374	6,291
Others	43,013	40,581
	155,472	132,987

Commitments

At December 31, 2011 within the guarantees provided by financial institutions includes a granting of a guarantee, under a pledged deposit made in Caixa Geral de Deposits (CGD), of around USD 20 million (EURO 15 million), in relation of a loan contracted by a subsidiary in Mozambique. This deposit was classified as non-current assets under “Other investments” (Note 21).

In the normal course of its business activities, the Group assumes commitments relating mainly to the acquisition of equipment (as part of the transactions involving investments in progress) and to the purchase and sale of equity interests.

As of 31 December 2011, the sale of the 26% of the share capital of S.C. Stone and Sterkspruit Aggregates (Note 5), made in accordance with South Africa legislation regarding Black Economic Empowerment (“BEE”), in previous years, were not recognised because the significant risks and benefits relating to those investments were not been transferred to the buyer. In accordance with the terms agreed there are no losses to be recognised as a result of the transactions.

Pursuant to the contractually established terms and conditions, to the minority shareholder of Shandong Liuyuan New-type Cement Development Co., Ltd. was provided the opportunity to raise their shareholding in that company to a maximum of 40%, until 15 October 2012. The Board of Directors does not estimate any materially relevant impact on the financial statements of the Company in the event that such option is taken up.

Additionally, as of 31 December 2011 and 2010, there are commitments related to contracts for the acquisition of tangible fixed assets and stocks:

	2011	2010
Business area:		
Brazil	124,859	21,526
Egipt	44,110	13,781
Mozambique	12,907	3,395
Spain	12,780	14,689
India	1,664	10,232
Others	3,990	3,897
	200,309	67,521

48. DISCLOSURES CONCERNING THE BOARD OF DIRECTORS

Directors' remuneration and other benefits:

The compensation received during the year 2011 the Parent's Board of directors for salaries and wages, and by the time they have remained the same, amounts to 518 thousand euros (did not earn any remuneration in 2010). Also a member of the Parent's Board of directors has received, at 31 December, in respect of indemnities the amount of EUR 400 thousand.

During the years 2011 and 2010, the Company has not accrued expenditures for bylaw to the Parent's Board of directors, nor had he provided any loans or advances one or constituted pension funds or life insurance in its favor.

The Board of Directors is composed of 5 men.

Also, at 31 December 2011, the Parent staff members' wages and salaries were of EUR 1,453 thousand (EUR 1,543 thousand in 2010).

Detail of interests in companies engaging in similar activities and of similar activities performed by the directors, as independent professionals or employees:

At December 31, 2011 and 2010, members of the Parent's Board of directors, did not hold shares in the Capital Group Companies outside Cimpor - Cimentos de Portugal with the identical, similar or complementary to the activity that constitutes the corporate purpose of Society, in addition to and pursuant to Article 229 of the Partnerships of Capital Law, in order to reinforce the transparency of companies, following is a detail of the companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the corporate purpose of Cimpor Inversiones, S.A. (Note 1), in which the Company's directors held a position.

Director	%(*)	Company	Position
Francisco J. Queiroz de Barros de Lacerda	0.004%	Cimpor-Cimentos de Portugal, SGPS, S.A.	Chairman of the Executive Committee
		Sociedade de investimento Cimpor Macau, S.A.	Chaiman
Luis F. Sequeira Martins	0.011%	Corporacion Noroeste, S.A.	Chairman of the Executive Committee
		Cimpor-Cimentos de Portugal, SGPS, S.A.	Director
		Sociedade de investimento Cimpor Macau, S.A.	Director
		Cimpor Portugal, SGPS, S.A.	Chairman
António Carlos Custódio de Morais Varela	0.008%	Cimpor-Cimentos de Portugal, SGPS, S.A.	Director
Luis Miguel da Silveira Ribeiro Vaz	0.003%	Corporacion Noroeste, S.A.	Director
		Cimpor-Cimentos de Portugal, SGPS, S.A.	Director
		Cimpor Portugal, SGPS, S.A.	Director
Eduardo Guedes Duarte		Cimpor Portugal, SGPS, S.A.	Director
		Corporacion Noroeste, S.A.	Chief Executive Officer

(*) percentage of participation

49. AUDIT SERVICES

In the years ended 31 December 2011 and 2010, the fees and services provided by our auditors were as follow:

	Value		%	
	2011	2010	2011	2010
Cimpor Holding:				
Legal certification of accounts	41	44	4%	4%
Other assurance services	15	-	1%	0%
	64	**44**	**6%**	**4%**
Subsidiaries:				
Legal certification of accounts	866	866	86%	84%
Other assurance services	25	6	2%	1%
Tax consultancy services	44	108	4%	10%
Other	12	12	1%	1%
	947	**991**	**94%**	**96%**
	1,011	**1,035**	**100%**	**100%**

50. EVENTS AFTER THE BALANCE SHEET DATE

The most significant events occurring subsequent to December 31, 2011 is as follow:

- Reduction of the share capital of Société Les Ciments de Jbel Oust (Tunisia) from TND 76,415,500 to TND 71,597,600 through the amortization of 48,179 shares.

51. AUTHORISATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were authorised for issue by the Board of Directors on March 28th 2012, and are subject to approval by the General Board of shareholders.

52. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These consolidated financial statements are presented on the basis of IFRSs, as adopted by the European Union. Certain accounting practices applied by the Group that conform with IFRSs may not conform with other generally accepted accounting principles.

Main Investees

Company	Location	Main Line of Business	Percentage of Ownership			Thousand of Euros				
			Direct	Indirect	Total	Capital Stock	Reserves (Accumulated Losses)	Other Net Patrimonial	Interim Dividend	Income (Loss) for the Year
Corporación Noroeste S.A.-grupo	Spain	Holding Company	99.55%	-	99.55%	26,162	115,729	13,870	-	(22,808)
Cimpor Sagesa, S.A.	Spain	Administrative, financial and accounting services	100.00%	-	100.00%	60	688	-	-	69
Cimpor Trading, S.A.	Spain	Acquisition and marketing of cement,clinker and other	100.00%	-	100.00%	60	10,500	-	-	4,390
Cimpor Eco, S.L.	Spain	Sociedad de tenencia de valores	100.00%		100.00%	2,000	(2)	-		(4)
Cimpor Cimentos do Brasil, S.A.	Brazil	Cement manufacturing and marketing	100.00%	-	100.00%	389,291	(73,220)	-	-	116,317
Cimpor Egypt for Cement Co, S.A.E.	Egypt	Cement manufacturing and marketing	100.00%	-	100.00%	255,760	11,634	-	(68,776)	69,866
Amreyah Cement Company, S.A.E. (c)	Egypt	Cement manufacturing and marketing	0.03%	99.12%	99.14%	29,188	16,650	-	-	35,262
Amreyah Cimpor Cement Company, S.A.E. (d)	Egypt	Cement manufacturing and marketing	5.00%	94.35%	99.35%	19,223	50,685	-	-	22,229
Cement Services Company, S.A.E. (e)	Egypt	Cement manufacturing and marketing	0.40%	54.22%	54.62%	32	16	-	-	462
Asment de Témara, S.A.	Morocco	Cement manufacturing and marketing	62.63%	-	62.63%	44,614	3,487	-	-	22,284
Asment du Centre, S.A.	Morocco	Quarry operations and aggregates sales	100.00%	-	100.00%	5,408	310	-	-	111
Societé des Ciments de Jbel Oust, S.A.	Tunisia	Cement manufacturing and marketing	100.00%	-	100.00%	39,393	4,706	-	-	16,065
Natal Portland Cement Company (Pty) Ltd.	South Africa	Cement manufacturing and marketing	100.00%	-	100.00%	5,724	449,016	-	-	28,580
NPC-Cimpor (Pty), Ltd.	South Africa	Cement manufacturing and marketing	74.00%	-	74.00%	0	(16,394)	-	-	9,492
Cimpor Cabo Verde, SA	Cape Verde	Cement marketing	98.10%	0.03%	98.13%	1,360	7,129	-	-	2,480
Cimpor Macau Investment Company Ltd.	Macao	Holding Company	50.00%	-	50.00%	7,728	18,884	-	-	(19)
Cementos Otorongo S.A.C.	Peru	Cement manufacturing and marketing	100.00%	-	100.00%	12,385	(2,532)	-	-	(647)
Cimpor Yibitas Çimento Sanavi ve Ticaret A.S.	Turkey	Cement manufacturing and marketing	99.74%	-	99.74%	59,373	76,108	-	-	5,013
Shree Digvijay Cement Co, Ltd	India	Cement manufacturing and marketing	73.63%	-	73.63%	20,575	4,785	-	-	1,375

Company	Location	Main Line of Business	Percentage of Ownership			Thousand of Euros				
			Direct	Indirect	Indirect	Capital Stock	Reserves (Accumulated Losses)	Other Net Patrimony	Interim Dividend	Income (Loss) for the Year
Cementos Cosmos, S.A. [(a)]	Spain	Cement manufacturing and marketing	-	99.31%	99.31%	34,779	70,883	1,392	(8,115)	9,729
Cimpor Hormigón España, S.A. [(a)]	Spain	Concrete manufacturing and marketing	-	99.53%	99.53%	3,317	(3,953)	7	-	(8,015)
Prebetong Lugo, S.A. [(a)]	Spain	Aggregate quarry operation	-	82.50%	82.50%	346	3,683	54	-	1,049
Canteira do Penedo, S.A. (CANPESA) [(a)]	Spain	Aggregate quarry operation	-	41.23%	41.23%	432	6,907	-	-	427
Canteras Prebetong, S.L. [(a)]	Spain	Aggregate quarry operation	-	98.43%	98.43%	4,173	1,397	106	-	(391)
Áridos de la Coruña, S.A. (ARICOSA) [(a)]	Spain	Aggregate quarry operation	-	49.21%	49.21%	156	139	-	-	(204)
Hormigones y Áridos La Barca, S.A. [(a)]	Spain	Aggregate quarry operation	-	49.78%	49.78%	3,230	95	-	-	40
Morteros de Galicia, S.L.[(a)]	Spain	Mortar manufacturing and marketing	-	99.55%	99.55%	2,511	4,376	328	-	(233)
Sociedad de Cementos y Materiales de Construcción de	Spain	Cement manufacturing and marketing	-	99.55%	99.55%	61	96,718	3,294	-	(2,785)
Cementos de Andalucía, S.L.[(a)]	Spain	Cement marketing	-	99.55%	99.55%	15	1,353	-	-	185
Materiales del Atlántico, S.A.[(a)]	Spain	Cement manufacturing and marketing	-	99.31%	99.31%	3,508	7,152	279	-	(582)
Prebetong Lugo Hormigones, S.A.[(a)]	Spain	Concrete manufacturing and marketing	-	82.50%	82.50%	693	5,949	-	-	(493)
Occidental de Aridos, S.L.(a)	Spain	Aggregate quarry operation	-	99.55%	99.55%	1,536	(0)	32	-	(6,646)
Cimpor Canarias, S.L.(a)	Spain	Cement manufacturing and marketing	-	99.55%	99.55%	4	1,520	-	-	(1,716)
Cimpor Hormigon Canarias, S.L.(a)	Spain	Concrete manufacturing and marketing	-	99.55%	99.55%	4	82	-	-	(1,627)
Grupo Ceisa (a)	Spain	Cement, concrete,aggregate	-	49.78%	49.78%	1,270	48,240	358	-	(3,686)
Insular de Productos para la Construcción y la Industria S.L.(a)	Spain	Mortar manufacturing and marketing	-	49.78%	49.78%	3,468	(1,227)	-	-	(771)
DS Unión, S.L.(a)	Spain	Cement marketing	-	89.60%	89.60%	403	(295)	-	-	(279)
Sogesso-Sociedade de Gessos de Soure, S.A.(a)	Portugal	GypsumPlaster quarry operation	-	99.31%	99.31%	200	1,958	-	-	290
Inversiones Filaria S.L.	Spain	Holding Company	-	99.31%	99.31%	4	111	-	-	(81)
Transformal S.A.	Portugal	Trading	-	99.31%	99.31%	1,500	(110)	-	-	(13)
Eco-Processa – Tratamentos de Residuos, Ltda. [(b)]	Brazil	Waste treatment and management	-	50.00%	50.00%	290	(95)	-	-	98
Cimpor Sacs Mamufacture Company, S.A.E. [(f)]	Egypt	Sack manufacturing	-	99.90%	99.90%	8,971	258	-	-	1,619
Amreyah Dekheila Terminal Company,S.A.E. [(g)]	Egypt	Logistic operation	-	99.37%	99.37%	64	(7)	-	-	(0)
Amreyah Cimpor Readymix Company,S.A.E. [(h)]	Egypt	Concrete manufacturing and marketing	-	99.25%	99.25%	961	(175)	-	-	(275)
Betocim, S.A.S.	Morocco	Concrete manufacturing	-	62.62%	62.62%	1,082	110	-	-	1,113
Gabrema, S.A. [(q)]	Morocco	Quarry operations and aggregates sales	-	100.00%	100.00%	27	(58)	-	-	(37)
Societé Granulats Jbel Oust, S.A. [(j)]	Tunisia	Aggregate quarry operation	-	100.00%	100.00%	1,289	56	-	-	1,039
Societé Beton Jbel Oust, S.A. [(j)]	Tunisia	Concrete manufacturing and marketing	-	100.00%	100.00%	516	6	-	-	3
NPC Concrete (Pty), Ltd.(i)	South Africa	Concrete manufacturing	-	100.00%	100.00%	0	1,714	-	-	89
South Coast Stone Crushers (Pty), Ltd. [(i)]	South Africa	Quarry operations and aggregates sales	-	74.00%	74.00%	0	2,436	-	-	448
Eedeswold Higlands (Pty), Ltd. [(i)]	South Africa	Leasing of real state	-	100.00%	100.00%	0	231	-	-	8
Sterkspruit Aggregates [(i)]	South Africa	Quarry operations and aggregates sales	-	74.00%	74.00%	0	2,846	-	-	780

Company	Location	Main Line of Business	Percentage of Ownership			Thousand of Euros				
			Direct		Indirect	Capital Stock	Reserves (Accumulated Losses)	Other Net Patrimony	Interim Dividend	Income (Loss) for the Year
Sterkspruit Concrete [i]	South Africa	Concrete manufacturing	-	100.00%	100.00%	0	91	-	-	0
Cimentos de Mozambique, S.A.R.L. [i]	Mozambique	Cement manufacturing and marketing	-	64.76%	64.76%	63,133	(7,374)	-	-	7,284
Cimbetâo, S.A.R.L. [i]	Mozambique	Concrete manufacturing	-	64.76%	64.76%	359	1,235	-	-	1,258
Cimentos Nacala, S.A.R.L. [i]	Mozambique	Cement manufacturing and marketing	-	64.44%	64.44%	7	(14,944)			2,461
ITP Industria Trasformação Pedra, Ltda. [l]	Cape Verde	Quarry operations and aggregates sales	-	98.16%	98.16%	112	(853)	-	-	29
Cabo Verde Betões e Inertes, S.A. [l]	Cape Verde	Concrete manufacturing	-	98.16%	98.16%	91	2,121	-	-	296
Betoes de Cabo Verde, S.A. [l]	Cape Verde	Concrete manufacturing	-	98.16%	98.16%	23	6,060	-	-	331
Cimpor Chengtong Cement Corporation, Limited [m]	Hong Kong	Holding Company	-	50.00%	50.00%	24,414	(2,151)	-	-	(8,140)
Sea-Land Mining Limited [n]	Hong Kong	Holding Company	-	50.00%	50.00%	995	3,368	-	-	(6)
Cimpor Shanghai Enterprise M.C.Co.Limited [n]	China	Holding Company	-	50.00%	50.00%	129	3	-	-	58
Liyang Dongfang Cement Co.Limited [n]	China	Cement manufacturing and marketing	-	50.00%	50.00%	16,070	(5,939)	-	-	1,463
Cimpor Huain An Cement Products Co.Limited [n]	China	Cement manufacturing and marketing	-	50.00%	50.00%	9,664	0	-	-	0
East Advantage Internacional Limited [n]	China	Holding Company	-	50.00%	50.00%	0	(120)	-	-	(21)
Shangdong Liuyuan New Type Cement Development Company Ltd.	China	Cement manufacturing and marketing	-	48.80%	48.80%	61,284	5,565	-	-	3,170
Huai An Liuyuan Cement C.Ltd. [n]	China	Cement manufacturing and marketing	-	48.80%	48.80%	6,128	1,845	-	-	(3,175)
Suzhou Liuyuan New Type Cement C.Ltd. [n]	China	Cement manufacturing and marketing	-	48.80%	48.80%	1,226	(2,006)	-	-	(111)
Suzhou Nanda Cement Company Ltd. [n]	China	Cement manufacturing and marketing	-	35.52%	35.52%	12,411	(5,764)	-	-	(114)
Cimpor Zaozhuang Cement Company Ltd. [n]	China	Cement manufacturing and marketing	-	50.00%	50.00%	26,965	(3,428)	-	-	2,529
Pucheng Building Materials Company Ltd. (n)	China	Materials of construccion	-	50.00%	50.00%	123	(102)	-	-	88
Yibitas Yozgat Isci Birligi Ticaret ve Sanayi A.S.[p]	Turkey	Cement manufacturing and marketing	-	82.33%	82.33%	20,998	(3,296)	-	-	4,888
Cimpor Yibitas Beynelmilel Nakliyecilik Sanavi ve Ticaret A.S.[p]	Turkey	Transport and logistic operations	-	99.74%	99.74%	904	(678)	-	-	23

(a) Corporación Noroeste's sub-Group.
(b)Indirect shareholding through Cimpor Cimentos do Brasil, S.A. (50,00%).
(c) Indirect shareholding through Cimpor Egypt for Cement (96,36%) and Corporación Noroeste, S.A.(0,01%).
(d) Indirect shareholding through Cimpor Egypt for Cement (20,00%) and Amreyah Cement Company, S.A.E. (75,00%).
(e) Indirect shareholding through Cimpor Egypt for Cement (10,00%) and Amreyah Cement Company, S.A.E. (44,60%).
(f) Indirect shareholding through Cimpor Egypt for Cement (88,57%), Amreyah Cement Company, S.A.E. (10,71%) and Amreyah Cimpor Cement Company, S.A.E. (0,71%) .
(g) Indirect shareholding through Amreyah Cement Company, S.A.E. (43,37%), de Amreyah Cimpor Cement Company, S.A.E. (34,05%) and Cimpsac S.A.E. (20%).
(h) Indirect shareholding through Amreyah Cement Company, S.A.E. (47,69%), Amreyah Cimpor Cement Company, S.A.E. (35,77%) and Cement Service Co. S.A.E.(1%).
(i) Indirect shareholding through Natal Portland Cement Company (Pty) Ltd.
(j) Indirect shareholding through Societé des Ciments Jbel Oust S.A.
(l) Indirect shareholding through Cimpor Cabo Verde, S.A.
(m) Indirect shareholding through Cimpor Macau Investment Co.ltd. (80,00%).
(n) Indirect shareholding through Cimpor Cement Corporation.
(p) Indirect shareholding through Cimpor Yibitas Cimento Sanavi ve Ticaret A.S. (100,00%)
(q) Indirect shareholding through Asment du Centre

CIMPOR INVERSIONES, S.A.
AND SUBSIDIARY COMPANIES

Management report for the

financial year ending December 31, 2011

CIMPOR INVERSIONES, S.A.
AND SUBSIDIARY COMPANIES

Management report for the financial year ending December 31, 2011

The most relevant information and facts relating to the activities of Cimpor Inversiones, S.A. and subsidiaries for the financial year 2011 are described below:

Business evolution

Cimpor Inversiones, S.A. is a holding company which possesses the Cimpor group's international holdings. Below we indicate the evolution of each of the Business Areas for each country:

Spain -

The group's activities in Spain took place throughout 2011 in an extremely unfavourable economic climate, which was the effective continuation of the sharp fall that began at the start of the second quarter of 2008. The fall in building sector activity had an impact on the results of all of the activities performed by the group in Spain.

As a consequence of this, the group's turnover in Spain for 2011 was 8.3% less than the one for 2010. Our most important activity, cement, experienced a fall of 10.7% in units sold, 8.4% for aggregate and 12.4% for mortar. Only the concrete is increasing its sales in 1.1%. A reorganization of the production means and the efficient management of industrial means and sales compensated the increases in production costs (fuel and electricity mainly) and allowed the cash flow (EBITDA) to increase 7.5% in comparison to the 2010 figure.

Morocco-

In 2011 the Moroccan economy continued with trend for growth, supported mainly by a robust national demand. The growth in GDP is estimated to be some 5.0%. One of the sectors that supported this growth was the building sector and public works. As a result, the cement market grew significantly, even above 10%.

The group's cement sales for the period exceeded for the first time 1.2 million tonnes, constituting a reduction of 6.5% compared with the past year, and that despite the appearance of new competitors. Sales for concrete activities grew in units to 2.8%. All in all, the consolidated turnover increased by 5.5%, although higher electrical energy and fuel costs, as well as several operational problems which forced the group to but clinker, meant that the cash flow (EBITDA) fell by 1.6%.

Tunisia-

The so-called Arab Spring created a climate of political, social and economic turmoil affecting all the economic sectors and generating the stagnation of the GDP after growing a 4% in the preceding year. It is estimated that total cement consumption has decreased by 6.7% in comparison to the past year. Despite these unfavourable circumstances, our company in Tunisia increased its national sales in around 1%, and including exportations, signifying an overall amount of 1.7 million tonnes of cement, similar to last year's figures. With respect to aggregate activities, after one full year of operations, sales reached a figure of 1.1 million tonnes. Turnover in Euros increased by 7.1%.

The company's cash flow (EBITDA) experienced a growth of 2.5%, despite de increase in fuel and staff costs.

Egypt-

The Egyptian economy was deeply affected by the so-called Arab Spring. The strong social protests and the troubled period of political transition gave rise to an estimated GDP growth under 2%. The national cement market experienced an approximate decrease of 2%. In this context the group's sales of units, due to the lower demand and the larger offer from new competitors, fell by 12%. The effect of reduced sales prices, plus a minor revalorisation of the Egyptian Pound meant that turnover suffered a reduction in the order of 26.9%. The concrete sales are yet scarcely significant, reaching only 35 thousand m^3.

Cash flow (EBITDA), as a consequence of the previous effects, the productions stoppages due to the social "revolution", the lack of fuel in certain moments and the greater costs of staff, fell by 42.5% with respect to the previous year.

Turkey-

2011 consolidated the trend of growth initiated at the end of 2009, with estimated GDP growth of 8.3%. The building sector is one of the sectors that most contributed to this growth, thus favouring the consumption of cement - with an increase of around 14% on last year's figures. Group cement sales in the Turkish market increased by 13.7%, with a similar trend experienced by the other business areas, with all of these registering significant growths: concrete (7.8%) and aggregates (1.3%).

Said growth, linked to increased sales prices and currency minor revalorisation, resulted in an increase of around 7.2% in turnover and a 42.4% increase in cash flow (EBITDA).

Brazil-

After the great growth in 2010 (7.5%), the Brazilian economy slowed down since the GDP's growth will be around 3%. The growth is still based in the civil works and fixed capital investment activities.

It is estimated that cement consumption in the internal market rose some 7.6% with respect to 2010. The group's cement and clinker sales in the internal market increased by 5.6% in comparison to 2010. It is also worth noting the growth experienced by the concrete business area, where the group's sales increased 13.7%, with sales for mortar and aggregate (+270%) upon the opening of a new quarry.

As a result of this growth, the positive evolution of prices, and the valorisation of the Brazilian Real with respect to the Euro, consolidated turnover grew by 13.0%, and together with cost control, caused cash flow (EBITDA) to increase by 10.1%.

Mozambique-

The Mozambican economy maintained this year the same rate of growth as last year, 7.5%. The building sector is very important, estimating a sector growth between 12% and 14. Although a relatively small market, the rate of cement consumption is increasing, with an estimated growth in 2011 of 17%, including significant importations of cement. The sales figures, in tonnes, for our company increased some 10.4%. This increase in sales, plus an increase in price, and the revalorisation of the local currency, meant that turnover in Euros experienced an increase of 30.2%. EBITDA rose 106.5% with respect to the past year, thanks in part, apart from the above, the better performance of the industrial sector.

South Africa-

In 2011 the South African economy experienced moderate growth of its GDP in the order of 3.1%. Nevertheless, the building and public works sector did not enjoy a parallel recovery due to the lack of infrastructure projects. Even though, and according to the last estimations, the total consumption of cement grew about 3.3% with respect to the preceding year. The group continued with the growth of the cement market, increasing internal sales in 3.5%. With exports, the sales increased in 6.8%. The concrete business maintained the preceding year's sales and aggregate experiencing a fall of 9.1%.

Turnover in Euros grew by 2.7% with respect to the past year - influenced by the minor revalorisation of the local currency. The rise in EBITDA was 1.3% in 2010.

Cape Verde-

According to latest estimates the Cape Verde economy grew by 5.0% thanks to the tourist sector. The building sector was limited due to the reduction of foreign investment, which in its turn gave rise to the reduction in the cement market of about 4%.
The group's cement sales also fell, by 3.0%, although aggregate sales increased more than 190% thanks to the completion of several projects. All in all, turnover experienced a rise of 3.3% and EBITDA of 11.0%, affected by the increase in distribution and staff costs.

China-

Latest estimates indicate a growth of 2011, slightly lower than last year's. Cement consumption in this economy is estimated at over 2.0 thousand million tonnes, with last year seeing 15% growth. Sales of cement and clinker for the group's companies reduced 5% due to the greatest number of competitors, and even though reached the figure of 3.9 million tonnes. Generated turnover was 127.6 million Euros, with a 20.3% increase, influenced by both increased sales and higher sales prices. The EBITDA also grew by around 100.9%.

India-

The Indian economy grew by around 7.4%, with the tertiary sector playing a major role in said increase. Despite there was one negative aspect - a high inflation rate. Cement consumption increased by around 10%. However, Cimpor sales fell with respect to last year's figures by some 2.5%, due to the entry of new competitors and the fall of exports. Turnover in Euros rose some 5.5% affected by an increase in sales prices, and the EBITDA dropped by 21.9%, influenced by increased costs for fuel and electricity.

Future evolution

The possibility of growth in the world economy during 2012 is still somewhat less than certain. The IMF has stated that the prospects have worsened and that risks for financial stability have increased. The world's recovery is threatened by the acute tensions in the Euro zone and frailties in other regions.

In this context, the world economy will grow at a rate of 3.3%, basically due to the rhythm of expansion of emerging economies (estimated at 5.4%) as the contribution of advanced economies will be 1.2%. The US expects a growth of around 1.8%. The Euro zone will suffer a recession of -0.5%. For emerging countries, a good example of growth will be China again, with estimates indicating 8.2% or India at 7.0%, although lower than these last years.

Indications as far as the different Business Areas expectations, where the group is present, are concerned:

In Spain, the serious crisis which the property sector has been suffering since 2008, combined with EU pressure to control the budgetary deficit, could mean that cement consumption may not yet grow in 2012. For the group, reduction of costs and the maintenance of a positive trend in sales prices, allow us to estimate a less than significant deterioration of EBITDA.

In Morocco, the cement market should show in 2012 a new growth due to the investment in public large infrastructures and in social building works. For the group this forecast growth should serve to increase turnover, helped by new types of cement, although certain costs, mainly electricity, may slow down the increase in our results.

In Tunisia, the government expects a climate of economic recovery, driving GDP to near 4.5% with a growth in public works and private constructions, which will benefit the cement sector. On this basis, the Group expects to maintain its national sales and to increase exports, so the prospects are of growth, albeit moderate, of EBITDA.

In Egypt there is some uncertainty in relation to the economy, considering the persistence of political instability. As for the cement sector, some competitors are finishing the assembly of new production lines which could put pressure on sales prices while demand is not expected to rise. In relation to the Group, the increase of local offer may force us to adapt our sales strategy and rely on new markets, so we expect a slight increase of sales, although the possible increase in costs of fuel and electricity may give rise to difficulties for the evolution of EBITDA in 2012.

In Turkey, the uncertainty created by the international crisis affecting neighbouring countries and its exports, mainly to Europe, make us expect there will be a slowing down of the economic growth. Despite these prospects, the cement consumption is estimated to grow about 5% supported by the good performance of the construction sector. For Cimpor, this year offers positive expectations and EBITDA should maintain these last two years trend and reach again a positive variation.

Estimated for Brazil show a moderate economic growth, although tax measures, programmes of “popular cohabitation” and infrastructures should allow the expansion of the construction sector. This will give rise to the growth in cement consumption, in the range of 6%. Cimpor expects a growth of sales in line with the market, accompanied with an increase of capabilities and the program of cost reduction will result in a new positive tendency of EBITDA.

In Mozambique, even though there are important challenges, such as the evolution of the exchange rate and inflation, GDP growth is expected at 7.5%. We thus expect that the consumption of cement will also continue to increase. For the Group, improvements in optimisation of the factory, the growth of the market and the evolution of the concrete activities allow us to affirm that the possibility of the EBIDTA increasing is likely.

In South Africa we expect a moderate growth trend which could reach 3.4%, very similar to the one expected for the construction sector. The group's main objective is to maintain sales, and a reduction of energetic costs which will compensate the foreseeable increases in fuel costs. EBITDA will not change significantly in 2012.

In Cape Verde a similar situation to last year is expected, with an increase in public investment with the carrying out of social aid programmes and the construction of some state buildings, which will revitalize the construction sector and therefore the consumption of cement. Cimpor group expects thus to maintain the EBITDA in figures similar to those of the preceding year.

India’s economy is expected to continue growing at a fast rate of around 7.0%. The consumption of cement, both nationally and in the state of Gujarat, the area of influence of our plant, is expected to maintain the high rate of growth seen in 2011, For Cimpor we expect that the improvement in sales prices seen at the end of 2011 and the various projects to reduce costs may help increase the EBITDA in 2012.

China’s GDP is expected to continue its excellent growth. Expectations are to focus on economic growth rather than on inflation. As regards the cement market, large works are expected to support even more the cement demand. As regards Cimpor Group, the entry of new operators in the area of influence of our factories may have some impact on our sales and prices. Nevertheless, we fully expect the trend of good results.

Subsequent Events

No significant additional events to those described in the financial statements have occurred after the close of the financial year.

R&D Activities

Amongst the proposed objectives, and covering all of the group’s plants, the “Performance Cimpor” Programme was continued. This programme systematically verifies around 200 key indicators designed to measure the level of operational performance of the different cement production units in the different Business Areas. We thus identify priority action vectors, defining a series of “measures to adopt” for each of these over the next years.

In the scope of the Central Laboratory’s activities, we have consolidated the quality control programme for cement produced via audits and technical studies in practically all of the Business Areas, with the implementation of the group's Inter-laboratory Programme, and a collaboration agreement has been signed with the Eduardo Torroja Institute for the development of belite cement, and also with the con Massachusetts Institute of Technology, in collaboration with the Sustainable Development Consultancy Office for the decoding of the nano structure of “Calcium-Silicate-Hydrate”.

Given the ever increasing importance of the concrete and aggregate businesses, the “Aggregate and Concrete Centre” was created, which aims to strategically develop the technical and commercial aspects of the business, and which is divided into three main areas: Benchmarking; Investment and Engineering; and Products and Quality. A work team has been created in the latter area to optimise the composition of concrete and to establish uniformity of criteria in the selection of raw materials.

The group’s concern for Sustainable Development should also be noted. For this reason a “Sustainability Agenda” has been implemented to ensure that the different Business Areas internally adhere to the principals of sustainable development, and also to guarantee that a corporate policy is implemented for the use of alternative fuels and raw materials.

Kyoto Protocol

On April 25, 2002, with the approval of the Kyoto Protocol by the European Community (Decision 2002/358/EC), the respective member states agreed that during the years 2008 to 2012 (relative to the levels recorded in 1990) they would reduce their global greenhouse gas emissions by at least 8%. At an individual level, Spain agreed that in the same period, and with reference to the 1990 levels, that it would not exceed the aggregated levels for emissions of the aforementioned gases by more than 15%, expressed in an equivalent amount of carbon dioxide.

Cement production is essentially performed in two phases (the manufacture of clinker in the kiln and its subsequent milling). CO_2 gas emissions only occur during the first phase – either due to the consumption of fuel or due to the decarbonisation process of the raw material (limestone). Thus, by taking actions in relation to these two factors we can reduce emissions for the same volume of production. In order to do this the group is currently investigating the use of alternative fuels (biomass).

In 2008 a new period for compliance with the Kyoto Protocol began (2008-2012). The corresponding emission licences have been defined for this period. For our four Spanish factories these grant 2,025,769 emission rights per year. The emission rights for 2011 for the four factories were 1,346,030.

Treasury stock

As of December 31, 2011, Cimpor Inversiones, S.A. does not have any treasury stock.

Financial instruments

As described in the financial statements, in order to limit exchange rate and interest rate risks, and in line with the Cimpor group's current risk management policy, the company owns diverse derived financial products.

(Unreadable Signature)
Mr Francisco José Queiroz de Barros de Lacerda

(Unreadable Signature)
Mr Luís Filipe Sequeira Martins

(Unreadable Signature)
Mr Antonio Carlos Custódio de Morais Varela

(Unreadable Signature)
Mr Luis Miguel da Silveira Ribeiro Vaz

(Unreadable Signature)
Mr Eduardo Guedes Duarte

Cimpor Financial Operations B.V.

Amsterdam, The Netherlands

2010

Financial Statements 2010

CIMPOR

Cimpor Financial Operations B.V.

CIMPOR FINANCIAL OPERATIONS B.V.

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CIMPOR FINANCIAL OPERATIONS B.V.

Management Board report

The Board of Managing Directors herewith submits the Financial Statements of Cimpor Financial Operations B.V., ("the Company") for the financial year ended December 31, 2010.

Summary of activities

The Company mainly acts as a holding and finance company. All the shares of the Company are wholly owned by Cimpor Cimentos de Portugal S.G.P. S.A., Lisboa Portugal which company is incorporated in Portugal.
The Company has issued bonds, which are listed at the Luxembourg Stock Exchange.

The functional and reporting currency of the financial statements is EUR.

Result for the year

The profit for the financial year amounted to EUR 593,843. In the previous financial year the profit amounted to EUR 640,980. For futher details we refer to the financial statements and additional information of this annual report.

Risk and risk management

Risk is an inherent part of the entity's business activity and is managed within the context of the Company business activities.

Credit risk refers to the risk of the containbility from borrower on counterparty when a borrower, counterparty or obligator is unable to meet its financial obligations. The Company manages credit exposure by ensuring transparancy of material credit risks.

The Company manages liquidity and funding risk to mitigate the potential risk that the Company bears to service its financial obligations when they come due without material business impact.

Future outlook

General

The Company has no immediate intention to change its business. As the Company commenced holding and finance activities, future results will largely depend on dividends received or on the margin earned on its finance activities.

Personnel development

The average number of employees during the year was nil. The Company does not expect to employ any personnel during the coming year.

CIMPOR FINANCIAL OPERATIONS B.V.

Management Board report

Finance development

The Company does not expect that the method of finance will significantly change during 2011.

Post balance sheet events

No major post balance sheet events affecting the financial statements have occurred to date.

Audit Committee

The Company does not have an audit commitee. The audit commitee of the group is also the audit committee for the Company.

Amsterdam, 27 April 2011
The Board of Managing Directors,

Orangefield Trust (Netherlands) B.V.

CIMPOR FINANCIAL OPERATIONS B.V.

Balance Sheet as at December 31, 2010
(In EUR, after appropriation of results)

ASSETS	Notes	2010	2009
Fixed Assets			
Financial fixed assets			
Loans to group companies	5	1,011,650,592	842,772,945
Current Assets			
Receivable from group companies	6	17,540,441	17,246,789
Interest Bank accounts receivable		86,238	--
Deferred expenses		176,059	598,629
		17,802,738	17,845,418
Liquid Assets			
Cash at banks	7	4,564,205	6,745,217
TOTAL ASSETS		1,034,017,535	867,363,581

CIMPOR FINANCIAL OPERATIONS B.V.

Balance Sheet as at December 31, 2010
(In EUR, after appropriation of results)

EQUITY AND LIABILITIES

	Notes	2010	2009
Shareholders' Equity	8		
Issued and paid-up capital		18,500	18,500
Share premium reserve		--	3,099,249
Other reserves		2,589,697	1,995,854
		2,608,197	5,113,603
Long-term Liabilities			
Private placements	9	414,608,592	245,730,945
Issued bonds	10	--	600,000,000
		414,608,592	845,730,945
Current Liabilities			
Issued bonds	10	600,000,000	--
Payable to third parties	11	16,775,597	16,488,517
Other liabilities and accrued expenses	12	25,149	30,516
		616,800,746	16,519,033
TOTAL EQUITY AND LIABILITIES		1,034,017,535	867,363,581

CIMPOR FINANCIAL OPERATIONS B.V.

Profit and Loss Account
for the financial year ended December 31, 2010
(in EUR)

	Note	2010	2009
Financial Income and Expense			
Interest income on loans to group companies		44,209,857	42,595,405
Depreciation discount bond issue		(422,571)	(422,571)
Interest expense on loans from third parties		(42,934,101)	(41,311,968)
Bank and other interest		105,054	139,582
Exchange differences		18,409	(11,438)
		976,648	989,010
Other Expenses			
General and administrative expenses	13	(132,702)	(95,192)
Fees and Commissions		(58,257)	(40,728)
		(190,959)	(135,920)
RESULT BEFORE TAXATION		785,689	853,090
Corporate income taxes	14	(191,846)	(212,110)
NET RESULT AFTER TAXATION		593,843	640,980

CIMPOR FINANCIAL OPERATIONS B.V.

Cash Flow Statement
for the financial year ended December 31, 2010
(in EUR)

		2010		**2009**
NET RESULT		593,843		640,980
Decrease in current assets	42,680		415,107	
Corporate income tax payable	-		-	
Increase in current liabilities	281,713	324,393	5,211	420,318
Net cash inflow from operating activities		918,236		1,061,298
LENDING:				
Increase/decrease of loans to group companies	(168,877,647)		-	
Net cash from investing activities		-		-
Net cash from financing activities		(3,099,249)		-
Increase in cash and cash equivalent		(2,181,013)		1,061,298
MOVEMENTS IN FUNDING:				
Increase/decrease of bonds	-		-	
Increase/decrease of private placements	(431,122,353)			
Net cash inflow from financing activities		(431,122,353)		-
Increase in cash and cash equivalents		(436,402,615)		1,061,298
Cash at the beginning of the year		6,745,218		5,683,919
Cash at the end of the year		4,564,205		6,745,217
		(2,181,013)		1,061,298

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2010
(in EUR)

1 GENERAL

Cimpor Financial Operations B.V. is a Dutch private company with limited liability, incorporated in Amsterdam on November 12, 1999 ("the Company"). The Company mainly acts as a finance company and currently has its office address at Teleportboulevard 140, 1043 EJ Amsterdam, The Netherlands.

RISK AND RISK MANAGEMENT

Risk is an inherent part of the entity's business activity and is managed within the context of the Company business activities.

Credit risk refers to the risk of the containbility from borrower on counterparty when a borrower, counterparty or obligator is unable to meet its financial obligations. The Company manages credit exposure by ensuring transparancy of material credit risks.

The Company manages liquidity and funding risk to mitigate the potential risk that the Company bears to service its financial obligations when they come due without material business impact.

2 PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

The accompanying Financial Statements have been prepared in accordance with the local accounting principles generally used in The Netherlands, according to Title 9, Book 2 of the Dutch Civil Code.

(a) Comparison with previous year

The principles of valuation and determination of result remained unchanged compared to the previous year.

(b) Foreign currencies

All assets and liabilities denominated in currencies other than EUR have been translated at the rates of exchange prevailing on balance sheet date. All transactions in foreign currencies have been translated into EUR at rates of exchange approximating those prevailing on the dates of the transaction. Unless otherwise indicated, any resulting exchange differences are included in the Profit and Loss Account. Income and expenses are translated at the average rates of exchange during the year.

(c) Financial fixed assets

Financial fixed assets (including securities), dedicated to serve the operations of the Company permanently, are stated at amortized costs.
Bond discounts or premiums on bonds arising at the issuance of loans or the acquisition of bonds are amortized over the lifetime of the assets.

2 PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES (continued)

(d) Receivables

Receivables are valued at face value less a provision for possible uncollectible accounts.

3 PRINCIPLES OF DETERMINATION OF RESULT

(a) General

Result is determined as the difference between income generated by the supply of services, and the costs and other charges for the year. Income from transactions is recognised in the year in which it is realised.

(b) Exchange rate differences

Exchange rate differences arising upon the settlement of monetary items are recognised in the Profit and Loss Account in the period that they arise. Exchange rate differences on long-term loans relating to the financing of foreign participations are recognised in the Profit and Loss Account in the period they arise.

(c) Financial income and expenses

Interest income is recognised on a time-weighted basis, making allowance for the effective interest rate applicable to the asset item in question.

Interest expenses are recognised on a time-weighted basis, making allowance for the effective interest rate applicable to the liability item in question.

(d) Other expenses

General and administrative expenses include the expenses of the Board of Managing Directors and the accounting department.

(e) Taxation

Domestic corporate income tax is determined by applying Dutch fiscal practice rules and taking into account allowable deductions, charges and exemptions.

4 PRINCIPLES OF PREPARATION OF THE CASH FLOW STATEMENT

The cash flow statement is prepared according to the indirect method. The funds in the cash flow statement consist of cash on hand. This includes the term deposits. Corporate income tax are presented under the cash flow from operating activities.

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2010
(in EUR)

CURRENT ASSETS

5 LOANS TO GROUP COMPANIES

As at December 31, 2010, this item can be detailed as follows:

Group	Maturity	Rate	CCY	Amount in CCY	EUR
Cimpor Inversiones S.L.	26-Jun-13	5.850%	USD	140,789,034	105,365,240
Cimpor Inversiones S.L.	26-Jun-13	6.000%	USD	213,210,966	159,565,160
Cimpor Inversiones S.L.	22-Dez-20	6.860%	USD	125,000,000	93,548,870
Cimpor Inversiones S.L.	22-Dez-22	7.010%	USD	75,000,000	56,129,322
Cimpor Inversiones S.L.	27-Mai-11	4.690%	EUR	--	597,042,000
					1,011,650,592

The movements in the loans to group companies are as follows:

	2010	2009
Balance as at January 1,	842,772,945	887,334,448
Revolving loan	152,532,033	(33,856,988)
Exchange differences	16,345,614	(10,704,515)
Balance as at December 31,	1,011,650,592	842,772,945

6 RECEIVABLE FROM GROUP COMPANIES

As at December 31, 2010, this item can be detailed as follows:

Group	Description	CCY	Amount in CCY	EUR
Cimpor Inversiones S.L.	Interest receivable	EUR	n/a	16,800,762
Cimpor Inversiones S.L.	Interest receivable	USD	345,813	258,803
Cimpor Inversiones S.L.	Interest receivable	USD	642,547	480,876
				17,540,441

CIMPOR FINANCIAL OPERATIONS B.V.

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2010
(in EUR)

CURRENT ASSETS (continued)

7 CASH AT BANKS

Description	Maturity	CCY	Rate	2010	2009
Current account ING Bank N.V.	n/a	EUR		35,186	2,328
CITI Bank USD	n/a	USD		560,101	273,780
CITI Bank EUR	n/a	EUR		1,011,107	10,372
MKB X Account ING Bank N.V	n/a	EUR		--	835,927
ING Bank EBZ deposit	--	EUR	variable	2,957,811	5,622,811
				4,564,205	6,745,218

The balance of Cash at Banks is at free disposal of the Board of Managing Directors.

8 SHAREHOLDERS' EQUITY

The Company's authorised share capital amounts to EUR 90,000 and consists of 900 ordinary shares with a nominal value of EUR 100 each.
As at December 31, 2010, 185 shares were issued and fully paid-up.

The movements in the year under review can be summarised as follows:

	Issued and paid-up capita	Share premium	Other reserves	Total
Balance as at January 1, 2009	18,500	3,099,249	1,354,874	4,472,623
Result for the period	--	--	640,980	640,980
Balance as at December 31, 2009	18,500	3,099,249	1,995,854	5,113,603
Repayment		(3,099,249)		(3,099,249)
Result for the period	--	--	593,843	593,843
Balance as at December 31, 2010	18,500	--	2,589,697	2,608,197

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2010
(in EUR)

LONG-TERM LIABILITIES

9 PRIVATE PLACEMENTS

The placements were acquired based on a keep well letter of the parent company.

During the year 2010 the Company has issued USD 200,000,000 Senior Notes in the market (Private Placement). This bond is split in two series, Series A and Series B. Series A has a par value of USD 125,000,000 and Series B has a par value of USD 75,000,000.

As at December 31, 2010, this item can be detailed as follows:

Description	Maturity	Rate	CCY	Amount in CCY	EUR
Private Placement A	27-Jun-13	5.75%	USD	140,789,034	105,365,240
Private Placement B	27-Jun-13	5.90%	USD	213,210,966	159,565,160
Private Placement A2	22-Dez-20	6.70%	USD	125,000,000	93,548,870
Private Placement B2	22-Dez-22	6.85%	USD	75,000,000	56,129,322
					414,608,592

The movements in the private placements are as follows:

	2010	2009
Balance as at January 1,	245,730,945	290,292,448
New Placement (Repayment Placements)	152,532,032	(33,856,988)
Exchange differences	16,345,615	(10,704,515)
Balance as at December 31,	414,608,592	245,730,945

10 ISSUED BONDS

The bonds were acquired based on a keep well letter of the parent company.
As at December 31, 2010, this item can be detailed as follows:

Description	Maturity	Rate	CCY	EUR
Bond issue	27-Mai-11	4.50%	EUR	600,000,000

The maturity date of the bonds is 27 May 2011.

The Company has decided to start the launching of a new Medium Term Note Program with limit of EUR 2,500,000,000.
As the previous one, the Company will be the issuer of the Instruments which have the benefit of a Keep Well Agreement provided by Cimpor Cimentos de Portugal, S.G.P.S., SA and a joint and several garantee by Cimpor Inversiones, SA and Corporation Noroeste, SA.

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2010
(in EUR)

CURRENT LIABILITIES

11 PAYABLE TO THIRD PARTIES

As at December 31, 2010, this item can be detailed as follows:

Group	Description	CCY	Amount in CCY	EUR
Interest Private placement A	Interest payable	USD	247,359	185,121
Interest Private placement B	Interest payable	USD	384,372	287,661
Interest Private placement A2	Interest payable	USD	209,375	156,694
Interest Private placement B2	Interest payable	USD	128,437	96,121
Interest Bond Issue	Interest payable	EUR	n/a	16,050,000
				16,775,597

12 OTHER LIABILITIES AND ACCRUED EXPENSES

	2010	2009
Administrative fee	21,587	16,248
Agency fee	--	2
Fiscal Advisor	3,500	9,349
Standards Services Poor's	(16,667)	(16,667)
Audit fee	16,729	21,584
	25,149	30,516

13 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses include:

	Deloitte Accountants B.V.	Member firms/affiliates	Total 2010
Audit of the financial statements	14,304	0	14,304
Other audit engagements	0	0	0
Tax advisory services	0	0	0
Other non audit services	0	0	0
	14,304	0	14,304

	Deloitte Accountants B.V.	Member firms/affiliates	Total 2009
Audit of the financial statements	25,609	0	25,609
Other audit engagements	0	0	0
Tax advisory services	0	0	0
Other non audit services	0	0	0
	25,609	0	25,609

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2010
(in EUR)

14 CORPORATE INCOME TAXES

	2010	2009
Dutch corporation tax at 25.5% (2009: 25,5%)	206,537	-
Dutch corporation tax 2009	(5,573)	(212,110)
Dutch corporation tax 2008	(9,118)	-
Corporate tax for the year	191,846	(212,110)

15 NUMBER OF EMPLOYEES AND EMPLOYEES COSTS

Neither during the year under review nor in the previous year did the Company have any employees. Hence, it did not pay any wages and related Social Security.

16 DIRECTOR

During the year under review, the Company had one Managing Director (2007: one), who received no remuneration during the current or the previous financial year. The Company has no Supervisory Directors.

Amsterdam, 27 April 2011
The Board of Managing Directors,

Orangefield Trust (Netherlands) B.V.

Other Information

Other reserves

Subject to the provisions under Dutch law that no dividends can be declared until all losses have been cleared, the other reserves are at the disposal of the shareholder in accordance with the Company's Articles of Association.

Furthermore, Dutch law prescribes that any profit distribution may only be made to the extent that the shareholders' equity exceeds the amount of the issued capital and the legal reserves.

Appropriation of result

The Board of Managing Directors proposes to add the net profit for the year to the other reserves. This proposed allocation of result has been incorporated in the financial statements, and is subject to the approval of the General Meeting of Shareholders.

Auditors report

Reference is made to the independent auditors' report hereinafter.
The Company does not have an audit committee. The audit committee of the group is also the audit committee for the Company.

Deloitte

Deloitte Accountants B.V.
Orlyplein 10
1043 DP Amsterdam
P.O.Box 58110
1040 HC Amsterdam
Netherlands

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www.deloitte.nl

Independent auditor's report

To the Shareholders of Cimpor Financial Operations B.V.

Report on the financial statements

We have audited the accompanying financial statements 2010 of Cimpor Financial Operations B.V., Amsterdam, which comprise the balance sheet as at December 2010, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Cimpor Financial Operations B.V. as at December 31, 2010 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, April 28, 2011

Deloitte Accountants B.V.

W.H.E. van Ommeren

Cimpor Financial Operations B.V.

Amsterdam, The Netherlands

2011

Financial Statements 2011

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Cimpor Financial Operations B.V.

CIMPOR FINANCIAL OPERATIONS B.V.

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CIMPOR FINANCIAL OPERATIONS B.V.

Management Board report

The Board of Managing Directors herewith submits the Financial Statements of Cimpor Financial Operations B.V., ("the Company") for the financial year ended December 31, 2011.

Summary of activities

The Company mainly acts as a holding and finance company.
On November 30, 2011 the sole shareholder of the Company, Cimpor Cimentos de Portugal, SGPS S.A., sold 25,4% of the sharecapital to the Company Cimpor Portugal SGPS S.A.

The functional and reporting currency of the financial statements is EUR.

Result for the year

The profit for the financial year amounted to EUR 317,865. In the previous financial year the profit amounted to EUR 593,843. For futher details we refer to the financial statements and additional information of this annual report.

Risk and risk management

Risk is an inherent part of the entity's business activity and is managed within the context of the Company business activities.

Credit risk refers to the risk of the containbility from borrower on counterparty when a borrower, counterparty or obligator is unable to meet its financial obligations. The Company manages credit exposure by ensuring transparancy of material credit risks.

The Company manages liquidity and funding risk to mitigate the potential risk that the Company bears to service its financial obligations when they come due without material business impact.

Future outlook

General

The Company has no immediate intention to change its business. As the Company commenced holding and finance activities, future results will largely depend on dividends received or on the margin earned on its finance activities.

Personnel development

The average number of employees during the year was nil. The Company does not expect to employ any personnel during the coming year.

Management Board report

Finance development

The Company does not expect that the method of finance will significantly change during 2012.

Post balance sheet events

No major post balance sheet events affecting the financial statements have occurred to date.

Audit Committee

The Company does not have an audit commitee. The audit commitee of the group is also the audit committee for the Company.

Amsterdam, 1 May, 2012
The Board of Managing Directors,

Orangefield Trust (Netherlands) B.V.

CIMPOR FINANCIAL OPERATIONS B.V.

Balance Sheet as at December 31, 2011

(In EUR, after appropriation of results)

ASSETS

	Notes	2011	2010
Fixed Assets			
Financial fixed assets			
Loans to group companies	5	459,074,918	1,011,650,592
Deferred expenses	6	1,205,437	0
		460,280,355	1,011,650,592
Current Assets			
Receivable from group companies	7	816,879	17,540,441
Interest Bank accounts receivable		35,152	86,238
Deferred expenses		1,228	176,059
Corporate Income tax		166,779	0
		1,020,038	17,802,738
Liquid Assets			
Cash at banks	8	2,727,257	4,564,205
TOTAL ASSETS		464,027,650	1,034,017,535

Balance Sheet as at December 31, 2011
(In EUR, after appropriation of results)

EQUITY AND LIABILITIES

	Notes	2011	2010
Shareholders' Equity	9		
Issued and paid-up capital		18,500	18,500
Share premium reserve		-	--
Other reserves		2,907,562	2,589,697
		2,926,062	2,608,197
Long-term Liabilities			
Private placements	10	459,074,918	414,608,592
Issued bonds	11	--	--
Deferred income	6	1,205,437	--
		460,280,355	414,608,592
Current Liabilities			
Issued bonds	11	--	600,000,000
Payable to third parties	12	801,099	16,775,597
Other liabilities and accrued expenses	13	20,134	25,149
		821,233	616,800,746
TOTAL EQUITY AND LIABILITIES		464,027,650	1,034,017,535

CIMPOR FINANCIAL OPERATIONS B.V.

Profit and Loss Account
for the financial year ended December 31, 2011
(in EUR)

		2011	2010
Financial Income and Expense			
Interest income on loans to group companies		36,241,477	44,209,857
Depreciation discount bond issue		(179,370)	(422,571)
Depreciation discount loan		3,312	--
Interest expense on loans from third parties		(35,506,621)	(42,934,101)
Bank and other interest		35,965	105,054
Exchange differences		56,566	18,409
		651,329	976,648
Other Expenses			
General and administrative expenses	14	(176,613)	(132,702)
Fees and Commissions		(64,229)	(58,257)
		(240,842)	(190,959)
RESULT BEFORE TAXATION		410,487	785,689
Corporate income taxes	15	(92,622)	(191,846)
NET RESULT AFTER TAXATION		317,865	593,843

Cash Flow Statement
for the financial year ended December 31, 2011
(in EUR)

		2011		2010
NET RESULT		317,865		593,843
Decrease in current assets	16,782,700		42,680	
Decrease in current liabilities	(15,979,513)	803,187	281,713	324,393
Net cash inflow from operating activities		1,121,052		918,236
LENDING:				
Decrease/(increase) of loans to group companies	566,130,000		(168,877,647)	
Net cash from investing activities		566,130,000		(168,877,647)
Net cash from financing activities		-		(3,099,249)
Increase in cash and cash equivalent		567,251,052		(171,058,660)
MOVEMENTS IN FUNDING:				
Decrease of bonds	(600,000,000)		-	
Increase/decrease of private placements	30,912,000		168,877,647	
Net cash outflow from financing activities		(569,088,000)		168,877,647
Decrease in cash and cash equivalents		(1,836,948)		(2,181,013)
Cash at the beginning of the year		4,564,205		6,745,218
Cash at the end of the year		2,727,257		4,564,205
		(1,836,948)		(2,181,013)

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2011
(in EUR)

1 GENERAL

Cimpor Financial Operations B.V. is a Dutch private company with limited liability, incorporated in Amsterdam on November 12, 1999 ("the Company"). The Company mainly acts as a finance company and currently has its office address at Teleportboulevard 140, 1043 EJ Amsterdam, The Netherlands.

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Risk is an inherent part of the entity's business activity and is managed within the context of the Company business activities.

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(a) Comparison with previous year

The principles of valuation and determination of result remained unchanged compared to the previous year.

(b) Foreign currencies

All assets and liabilities denominated in currencies other than EUR have been translated at the rates of exchange prevailing on balance sheet date. All transactions in foreign currencies have been translated into EUR at rates of exchange approximating those prevailing on the dates of the transaction. Unless otherwise indicated, any resulting exchange differences are included in the Profit and Loss Account. Income and expenses are translated at the average rates of exchange during the year.

(c) Financial fixed assets

Financial fixed assets (including securities), dedicated to serve the operations of the Company permanently, are stated at amortized costs.
Bond discounts or premiums on bonds arising at the issuance of loans or the acquisition of bonds are capitalized and amortized over the lifetime of the assets.

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2011
(in EUR)

2 PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES (continued)

(d) Receivables

Receivables are valued at face value less a provision for possible uncollectible accounts.

(e) Other assets and liabilities

Unless otherwise indicated, assets and liabilities are stated at face value.

3 PRINCIPLES OF DETERMINATION OF RESULT

(a) General

Result is determined as the difference between income generated by the supply of services, and the costs and other charges for the year. Income from transactions is recognised in the year in which it is realised.

(b) Exchange rate differences

Exchange rate differences arising upon the settlement of monetary items are recognised in the Profit and Loss Account in the period that they arise. Exchange rate differences on long-term loans relating to the financing of foreign participations are recognised in the Profit and Loss Account in the period they arise.

(c) Financial income and expenses

Financial income and expenses are recognized and reported on an accrual basis.

(d) Other expenses

General and administrative expenses include the expenses of the Board of Managing Directors and the accounting department.

(e) Taxation

Domestic corporate income tax is determined by applying Dutch fiscal practice rules and taking into account allowable deductions, charges and exemptions.

4 PRINCIPLES OF PREPARATION OF THE CASH FLOW STATEMENT

The cash flow statement is prepared according to the indirect method. The funds in the cash flow statement consist of cash on hand. This includes the term deposits. Corporate income tax are presented under the cash flow from operating activities.

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2011
(in EUR)

FIXED ASSETS

5 LOANS TO GROUP COMPANIES

As at December 31, 2011, this item can be detailed as follows:

Group	Maturity	Rate	CCY	Amount in CCY	EUR
Cimpor Inversiones S.L.	26-Jun-13	5.850%	USD	140,789,034	108,809,826
Cimpor Inversiones S.L.	26-Jun-13	6.000%	USD	213,210,966	164,781,642
Cimpor Inversiones S.L.	22-Dez-20	6.860%	USD	125,000,000	96,607,156
Cimpor Inversiones S.L.	22-Dez-22	7.010%	USD	75,000,000	57,964,294
Cimpor Inversiones S.L.	22-Dez-20	6.860%	USD	40,000,000	30,912,000
					459,074,918

The movements in the loans to group companies are as follows:

	2011	2010
Balance as at January 1,	1,011,650,592	842,772,945
Increase/(decrease) of loans to group companies	(566,130,000)	152,532,033
Exchange differences	13,554,326	16,345,614
Balance as at December 31,	459,074,918	1,011,650,592

6 DEFERRED EXPENSES/INCOME

The Company has issued an private placement in December 2011 with a par value amounting USD 40 million in total. This private placement was issued below par value at 96,09%.
This resulted in a discount of USD 1,564,000. The coupon rate of this placement is 6,7% calculated on the par value . The Company has on lend the USD 40 million to Cimpor Inversiones SA also below par value at 96,09%. The interest on this inter-company loan amounts to 6,86%.
The discount on the private placement as well as the discount on the loan of USD 1,564,000 is activated and will be amortised during the term of the bond and loan.

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2011
(in EUR)

CURRENT ASSETS

7 RECEIVABLE FROM GROUP COMPANIES

As at December 31, 2011, this item can be detailed as follows:

Group	Description	CCY	Amount in CCY	EUR
Cimpor Inversiones S.L.	Interest receivable	USD	68,600	53,018
Cimpor Inversiones S.L.	Interest receivable	USD	345,812	267,264
Cimpor Inversiones S.L.	Interest receivable	USD	642,547	496,597
				816,879

8 CASH AT BANKS

Description	Maturity	CCY	Rate	2011	2010
Current account ING Bank N.V.	n/a	EUR		4,941	35,186
CITI Bank USD	n/a	USD		1,099,298	560,101
CITI Bank EUR	n/a	EUR		54,969	1,011,107
ING Bank EBZ deposit	n/a	EUR	variable	1,568,049	2,957,811
				2,727,257	4,564,205

The balance of Cash at Banks is at free disposal of the Board of Managing Directors.

9 SHAREHOLDERS' EQUITY

The Company's authorised share capital amounts to EUR 90,000 and consists of 900 ordinary shares with a nominal value of EUR 100 each.
As at December 31, 2011, 185 shares were issued and fully paid-up.

The movements in the year under review can be summarised as follows:

	Issued and paid-up capital	Share premium	Other reserves	Total
Balance as at January 1, 2010	18,500	3,099,249	1,995,854	5,113,603
Repayment	--	(3,099,249)		(3,099,249)
Result for the period			593,843	593,843
Balance as at December 31, 2010	18,500	-	2,589,697	2,608,197
Repayment		-		-
Result for the period	--	-	317,865	317,865
Balance as at December 31, 2011	18,500	-	2,907,562	2,926,062

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2011
(in EUR)

LONG-TERM LIABILITIES

10 PRIVATE PLACEMENTS

The placements were acquired based on a keep well letter of the parent company.

During the year 2011 the Company has issued USD 40,000,000 Senior Notes in the market (Private Placement).

As at December 31, 2011, this item can be detailed as follows:

Description	**Maturity**	**Rate**	**CCY**	**Amount in CCY**	**EUR**
Private Placement A	27-Jun-13	5.75%	USD	140,789,034	108,809,826
Private Placement B	27-Jun-13	5.90%	USD	213,210,966	164,781,642
Private Placement A2	22-Dez-20	6.70%	USD	125,000,000	96,607,156
Private Placement B2	22-Dez-22	6.85%	USD	75,000,000	57,964,294
Private Placement	23-Dez-20	6.70%	USD	40,000,000	30,912,000
					459,074,918

The movements in the private placements are as follows:

	2011	**2010**
Balance as at January 1,	414,608,592	245,730,945
New Placement (Repayment Placements)	30,912,000	152,532,032
Exchange differences	13,554,326	16,345,615
Balance as at December 31,	459,074,918	414,608,592

On December 22, 2011 the Company has issued and privately placed with certain selcted US Institutional investors Senior Notes with a principal amount of USD 40,000,000 against payment of an issue amount of USD 38.436,000, comprising an discount of USD 1,564,000.

11 ISSUED BONDS

The bond issue of EUR 600,000,000 has been repaid on 27 May 2011.

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2011
(in EUR)

CURRENT LIABILITIES

12 PAYABLE TO THIRD PARTIES

As at December 31, 2011, this item can be detailed as follows:

Group	Description	CCY	Amount in CCY	EUR
Interest Private placement A	Interest payable	USD	247,358	191,173
Interest Private placement B	Interest payable	USD	384,372	297,064
Interest Private placement A2	Interest payable	USD	209,375	161,817
Interest Private placement B2	Interest payable	USD	128,437	99,264
Interest Private placement	Interest payable	USD	67,000	51,781
				801,099

13 OTHER LIABILITIES AND ACCRUED EXPENSES

	2011	2010
Administrative fee	19,481	21,587
Fiscal Advisor	5,000	3,500
Standards Services Poor's	(19,167)	(16,667)
Audit fee	14,820	16,729
	20,134	25,149

14 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses include:

	Deloitte Accountants B.V.	Member firms/affiliates	Total 2011
Audit of the financial statements	14,820	0	14,820
Other audit engagements	9,511	0	9,511
Tax advisory services	0	0	0
Other non audit services	0	0	0
	24,331	0	24,331

	Deloitte Accountants B.V.	Member firms/affiliates	Total 2010
Audit of the financial statements	14,304	0	14,304
Other audit engagements	0	0	0
Tax advisory services	0	0	0
Other non audit services	0	0	0
	14,304	0	14,304

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2011
(in EUR)

15 CORPORATE INCOME TAXES

	2011	2010
Dutch corporation tax at 25.5% (2011: 25%)	92,622	-
Dutch corporation tax at 25.5% (2010: 25,5%)	-	206,537
Dutch corporation tax 2009	-	(5,573)
Dutch corporation tax 2008	-	(9,118)
Corporate tax for the year	92,622	191,846

16 NUMBER OF EMPLOYEES AND EMPLOYEES COSTS

Neither during the year under review nor in the previous year did the Company have any employees. Hence, it did not pay any wages and related Social Security.

17 DIRECTOR

During the year under review, the Company had one Managing Director (2010: one), who received no remuneration during the current or the previous financial year. The Company has no Supervisory Directors.

Amsterdam, 1 May, 2012
The Board of Managing Directors,

Orangefield Trust (Netherlands) B.V.

Other Information

Other reserves

Subject to the provisions under Dutch law that no dividends can be declared until all losses have been cleared, the other reserves are at the disposal of the shareholder in accordance with the Company's Articles of Association.

Furthermore, Dutch law prescribes that any profit distribution may only be made to the extent that the shareholders' equity exceeds the amount of the issued capital and the legal reserves.

Appropriation of result

The Board of Managing Directors proposes to add the net profit for the year to the other reserves. This proposed allocation of result has been incorporated in the financial statements, and is subject to the approval of the General Meeting of Shareholders.

Auditors report

Reference is made to the auditors' report hereinafter.

Deloitte.

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Independent auditor's report

To: The Shareholders of Cimpor Financial Operations B.V.

Report on the financial statements

We have audited the accompanying financial statements 2011, of Cimpor Financial Operations B.V., Amsterdam, which comprise the balance sheet as at December 31, 2011, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Cimpor Financial Operations B.V. as at December 31, 2011 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, May 1, 2012

Deloitte Accountants B.V.

J. Penon