BASE PROSPECTUS

CIMPOR FINANCIAL OPERATIONS B.V.

(a private company incorporated with limited liability (besloten vennootschap met beperkte aansprakelijkheid) under the laws of The Netherlands and having its seat in Amsterdam)

as Issuer
of Notes which have the support of a Keep Well Agreement
provided by

CIMPOR CIMENTOS DE PORTUGAL, SGPS, S.A.

(a public listed company incorporated with limited liability in the Portuguese Republic)

and
a joint and several Guarantee by

CIMPOR INVERSIONES, S.A.U. and CORPORACIÓN NOROESTE, S.A.

(each a limited liability company (sociedad anónima) incorporated in the Kingdom of Spain)

EUR 2,500,000,000

Euro Medium Term Note Programme

This Base Prospectus has been approved by the United Kingdom Financial Services Authority (the "**FSA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of notes ("**Notes**") issued under the Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus during the period of twelve months after the date hereof. Applications have been made for such Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**"). The Regulated Market of the London Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC on markets in financial instruments. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

The Notes will have the support of a keep well agreement (as amended, supplemented or replaced from time to time, the "**Keep Well Agreement**") between CIMPOR Cimentos de Portugal, SGPS, S.A. ("**CIMPOR S.A.**") and CIMPOR Financial Operations B.V. ("**CIMPOR B.V.**").

In addition, the obligations of CIMPOR B.V. in respect of Notes issued by it have been guaranteed on a joint and several basis by CIMPOR Inversiones, S.A.U. and Corporación Noroeste, S.A.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantors to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below.

Arranger

BARCLAYS CAPITAL

Dealers

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	BARCLAYS CAPITAL
BANCO ESPÍRITO SANTO DE INVESTIMENTO, S.A.	BANCO BPI, S.A.
BANCO SANTANDER TOTTA, S.A.	BNP PARIBAS
CAIXA – BANCO DE INVESTIMENTO, S.A.	CALYON CRÉDIT AGRICOLE CIB
CITI	DEUTSCHE BANK
ING WHOLESALE BANKING	J.P. MORGAN
MITSUBISHI UFJ SECURITIES INTERNATIONAL PLC	SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING

THE ROYAL BANK OF SCOTLAND

22 December 2009

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CIMPOR B.V. (the "**Issuer**") and Corporación Noroeste, S.A. and CIMPOR Inversiones, S.A.U. (each, a "**Guarantor**" and together, the "**Guarantors**", and together with the Issuer and CIMPOR S.A., the "**Responsible Persons**") accept responsibility for the information contained in this Base Prospectus and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "Terms and Conditions of the Notes" (the "**Conditions**") as amended and/or supplemented by a document specific to such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "Final Terms and Drawdown Prospectuses" below. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

The Responsible Persons have confirmed to the Dealers named under "Subscription and Sale" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Responsible Persons or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by Responsible Persons or any Dealer.

None of the Dealers or any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation, warranty or undertaking, express or implied, or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Responsible Persons since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Responsible Persons and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "Subscription and Sale". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Responsible Persons, the

Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer, CIMPOR S.A. and the Guarantors.

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed Euro 2,500,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into Euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "Subscription and Sale".

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**U.S.$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, and references to "**EUR**", "**€" or "euro**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms or a Drawdown Prospectus in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms or is a Drawdown Prospectus which specifies that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms or drawdown prospectus, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or persons acting on behalf of the Stabilising Manager(s)) in accordance with all applicable laws and rules.

This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any information incorporated by reference. Following the implementation of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus, including any information incorporated by reference. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member States, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this summary.

Issuer:	CIMPOR Financial Operations B.V. (the "**Issuer**")
Keep Well Provider:	CIMPOR Cimentos de Portugal, SGPS, S.A. ("**CIMPOR S.A.**")
Keep Well Agreement:	Notes issued by the Issuer will be supported by a keep well agreement provided by CIMPOR S.A. See "Form of the Keep Well Agreement".
Guarantors:	Corporación Noroeste, S.A. CIMPOR Inversiones, S.A.U. (together, the "**Guarantors**")
Guarantee:	The Guarantors have executed a deed of guarantee dated 22 December 2009 (as may be amended, supplemented or replaced from time to time), pursuant to which they have guaranteed, on a joint and several basis, the obligations of the Issuer under the Notes.
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantors to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below and include risks relating to the Notes such as there may be no active trading market for the Notes and risks relating to the market or the industry such as: • CIMPOR S.A.'s results of operations and profitability could be adversely affected by a continued downturn in construction activity. • CIMPOR S.A. competes with domestic and foreign suppliers and the prices it charges its customers are not likely to be materially different from the prices charged by its competitors in the same markets. • CIMPOR S.A.'s success is dependent on its ability to secure raw materials from quarries located near its operations, and exhaustion of raw materials in local quarries will result in increased sourcing and transportation costs. • CIMPOR S.A.'s results of operations are significantly affected by movements in the prices of energy. • Regulations regarding concessions of quarries, operating licences, the environment, the restoration of mining properties and controlled prices may have a material adverse effect on CIMPOR S.A.'s business.

- Environmental liabilities may adversely impact CIMPOR S.A.'s business.
- Health and safety risks exist in CIMPOR S.A.'s business and any related liabilities may have a significant impact on CIMPOR S.A.'s profits and reputation.
- CIMPOR S.A. operates in emerging markets, exposing it to political, legal and tax systems risks and these may negatively affect the financial condition and results of operations of CIMOR S.A.
- Currency fluctuations can result in the recognition of exchange rate losses on transactions.
- Investments may be subject to unexpected or greater than expected liabilities relating to acquired assets or businesses and the possibility that related indemnification agreements may be unenforceable or insufficient to cover all potential liabilities.
- CIMPOR S.A. relies upon third party service providers for the transport of its products to its customers.
- CIMPOR S.A.'s ability to borrow from banks or in the capital markets to meet its financial requirements is dependent on favourable market conditions.
- The cement, concrete and the aggregates industries are capital intensive and company acquisitions imply a substantial goodwill which is subject to annual impairment tests.
- CIMPOR S.A. could be adversely affected by tax changes in the countries in which it operates.
- Interruptions in production capabilities at any plant may cause the productivity and results of CIMPOR S.A.'s operations to decline significantly during the affected period.
- Loss of employees could negatively impact the future development of CIMPOR S.A..
- CIMPOR S.A.'s technology systems may be affected by disturbances, damage, electricity failures, computer viruses, fire and similar events and result in a negative impact.

Arranger: Barclays Bank PLC, acting through its investment banking division, Barclays Capital.

Dealers: Banco Bilbao Vizcaya Argentaria, S.A., Barclays Bank PLC, Banco Espírito Santo de Investimento, S.A., Banco BPI, S.A., Banco Santander Totta, S.A., BNP Paribas, Caixa – Banco de Investimento, S.A., CALYON, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, ING Bank N.V., J.P. Morgan Securities Ltd., Mitsubishi UFJ Securities International plc, Société Générale, The Royal Bank of Scotland plc and any other Dealer appointed from time to time by the Issuer, CIMPOR S.A. and the Guarantors either generally in respect of the Programme or in relation to a particular Tranche of Notes.

Fiscal Agent: Citibank, N.A. London Branch.

Final Terms or Drawdown Prospectus: Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Final Terms or, as the case may be the relevant Drawdown Prospectus.

Listing and Trading:	Applications have been made for Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
Clearing Systems:	Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Initial Programme Amount:	Up to Euro 2,500,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed at any one time.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Forms of Notes:	Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms or Drawdown Prospectus. Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.
Currencies:	Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
Status of the Notes:	The Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank *pari*

	passu among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Status of the Guarantee:	The obligations of the Guarantors under the Guarantee will be direct, unconditional and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the Guarantors and will rank *pari passu* among themselves and (subject to any applicable statutory exceptions) rank equally with all other unsecured and unsubordinated obligations of the Guarantors.
Issue Price:	Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer, the Guarantors and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Maturities:	Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Maturities of Less Than One Year:	Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.
Redemption:	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Final Terms. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Final Terms.
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.
Tax Redemption:	Except as described in "Optional Redemption" above, early redemption will only be permitted for tax reasons as described in Condition 10(b) (*Redemption and Purchase – Redemption for tax reasons)*.
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Denominations:	No Notes may be issued under the Programme which (a) have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs. Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 5 (*Negative Pledge)*.
Cross Default:	The Notes will have the benefit of a cross default as described in Condition 13 (*Events of Default)*.
Taxation:	All payments in respect of Notes (including payments by the Guarantors under the Guarantee) will be made free and clear of withholding taxes of The Netherlands or Spain, as the case may be, unless the withholding is required by law. In that event, the Issuer, or the Guarantors, as the case may be, will (subject as provided in Condition 12 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
Governing Law:	The Notes, the Agency Agreement, the Keep Well Agreement, the Deed of Covenant, the Deed of Guarantee and any non-contractual obligations arising out of or in connection with the Notes, the Agency Agreement, the Keep Well Agreement, the Deed of Covenant and the Deed of Guarantee are governed by English law.
Enforcement of Notes in Global Form:	In the case of Global Notes, individual investors' rights against the Issuer will be governed by the Deed of Covenant. The Issuer will execute a Deed of Covenant dated 22 December 2009, a copy of which will be available for inspection at the specified office of the Fiscal Agent.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, The Netherlands, Spain, Portugal and Japan, see "Subscription and Sale" below.

Prospective investors should read the entire Base Prospectus. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingencies occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes under the Programme. But the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

RISKS RELATED TO THE GROUP'S BUSINESS

Factors that may affect the Issuer's, the Guarantors' and the Keep Well Provider's ability to fulfil their obligations under Notes issued under the Programme

Market and business related risks

The Group's results of operations and profitability could be adversely affected by a continued downturn in construction activity on a global scale or in a significant market in which it operates.

The Group's business is sensitive to factors such as GDP growth and housing needs. An economic downturn could lead to a recession in the construction industry and consequently in the production of cement. The turmoil in the financial sector, which intensified during the second half of 2008, had a negative impact on the global real economy, mainly in 2009, with a reduced demand for cement and a decrease in prices in mature and in certain emerging markets.

As a consequence, some of the Group's markets, including Portugal, Spain and Turkey, have been affected by this unprecedented turmoil.

Historically the Group's broad geographic base has contributed to earnings stability as cyclical declines in individual markets have been offset by growth in other markets. However, while the twelve countries in which the Group operates have been affected differently by the recent downturn in the global economy, there can be no assurance that the current weakening in economic growth will not affect the construction market globally or that negative economic conditions in one or more regions will not affect the construction markets in some countries.

Competition risks

The Group competes in each of its markets with domestic and foreign suppliers as well as with importers. As a result, the prices that the Group may be able to charge its customers are not likely to be materially different from the prices charged by producers of the same products and by competitors in the same markets.

Accordingly, the Group's profitability is generally dependent on the level of demand for such products as a whole and on its ability to control its efficiency and operating costs. Prices in these segments are subject to material changes in response to relatively minor fluctuations in supply and demand, general economic conditions, and other market conditions beyond the Group's control.

As a consequence, the Group may face price, margin or volume declines in the future. Any significant volume, margin or price declines could have a material adverse effect on the Group's results.

New capacity to be installed by competitors without an increase in demand could result in an oversupply in certain regions pushing down the selling prices and reducing the margins.

Since 1994, antitrust and competition regulators worldwide have been subjecting the cement industry to increased scrutiny and imposing fines on companies for involvement in illegal cartel practices or other anticompetitive practices.

Group companies in Brazil and in South Africa are currently subject to investigations and proceedings by competition authorities and the Group cannot predict with certainty the outcome of the pending competition law proceedings or investigations or give any assurances that other subsidiaries or affiliates of the Group will not in the future be the subject of further investigations by competition authorities.

Availability of raw materials risks

In each of its business areas the Group's long term success is dependent on its ability to secure enough raw materials including limestone, gypsum and other materials for the production of clinker and cement available in quarries located near the different plants.

Limestone is normally obtained through the exploitation of the Group's own quarries or rented quarries with a minimum life time of 50 to 100 years.

In some situations the Group may face the risk of the exhaustion of the raw materials in certain quarries, especially as regards limestone and the cancellation of rental agreements, forcing the Group to find other quarries further from its sites of operation with a corresponding impact in terms of costs to extract and transport the raw materials. This could have an adverse effect on the Group's ability to meet production targets.

Increased energy costs risks

The Group's results of operations are significantly affected by movements in the prices of energy.

Energy prices increased significantly in the past several years but have fallen since the second half of 2008. The rise and subsequent fall in these prices has had a delayed impact on costs due to the time lag between the time when the necessary resources were secured under long-term purchase agreements, which were concluded when prices for such resources were high, and the time of consumption of the resources. Until the second quarter of 2009 a substantial proportion of pet coke used in our kilns, which is the main fuel of the majority of the Group's plants, was held in inventories valued at the higher historical costs.

Prices of energy may vary significantly in the future, largely due to market forces and other factors beyond the Group's control.

The Group seeks to protect itself against the risk of energy price inflation through the ability to diversify fuel sources, the use of alternative fuels and the ability to fully or partially pass through cost increases to customers and through the use of long-term supply contracts for certain of the Group's energy needs. The Group has also sought to produce different types of cement with a lesser proportion of clinker replaced by other mineral components such as fly ashes, slag, pozzolanas and limestone.

Regulatory risks

The Group's business is affected by laws and regulations, including regulations regarding concessions of quarries, operating licences, environmental regulations, restoration of mining properties, controlled prices, bans on exports and fees to be paid to allow the construction of new plants.

The Group believes that it is in possession of, and/or has submitted fully compliant requests to obtain, all material permits and licences required to conduct its present mining and plants operations. However, it cannot assure investors that current or future regulations, and compliance with such regulations, will not have a material adverse effect on the Group's business.

Environmental risks

The operations of cement suppliers are subject to numerous national and supranational environmental laws, regulations, treaties and conventions, including those regulating the discharge of materials into the environment, requiring the removal and clean-up of environmental contamination, or otherwise relating to the protection of the environment.

Violations of existing environmental regulations expose violators to substantial fines and sanctions and may require technical measures or investments to ensure compliance with mandatory emission limits. Environmental regulations currently in force may be amended or modified, or new environmental regulations may be adopted, further curtailing or regulating the operations of the cement industry in the various jurisdictions in which the Group operates.

Environmental regulations currently in force apply mainly to the emission of CO_2 by the cement industry, which primarily results from the chemical process of making clinker and from the combustion of fossil fuels.

As a result of the Kyoto Protocol, the European Union introduced a cap on CO_2 emissions with effect from 1 January 2005. This applies only to the operations of the Group in Portugal and Spain, where the relevant members of the Group receive allowances from their governments setting the limits of carbon dioxide emissions.

The policy of the Group regarding CO_2 emissions has been to adjust the level of clinker production in Spain and in Portugal in line with the allowances granted, thereby limiting the need to purchase or sell additional allowances in the market.

For the 2008 – 2012 period, the Group members operating in Portugal and Spain will receive approximately the same allowances which were received in the previous period (from 2003 – 2007). This will permit these entities to operate a similar level of clinker production as in the previous period.

From 2013 it is expected that the European Union will further significantly reduce the volume of emission allowances to the industry, and the cost of CO_2 emission allowances may increase accordingly. Given the reduced allocation of allowances, there is a significant risk that the Group will have to buy additional emission allowances or possibly reduce its clinker production in Portugal and Spain.

Certain emerging markets where the Group has a presence do not yet have an obligation to reduce their CO_2 emissions, but the Kyoto Protocol creates financial incentives and promotes clean development mechanisms in these regions as well. The implementation of increasingly varied regulatory systems in different parts of the world may affect international competitiveness and eventually lead to discontinuation of the use of such assets in regions with emissions regulations, such as Europe.

There can be no assurance that the Group will be able to meet its stated targets relating to CO_2 emissions or comply with targets imposed upon the cement industry by external regulators. Furthermore, additional, new and/or different regulations in this area, such as the imposition of lower limits than those currently contemplated, could be enacted, all of which could have a material adverse effect on the Group's results.

The Group is increasingly using alternative fuels to reduce CO_2 and other emissions which in some situations are hazardous and require the Group to use special procedures to protect workers and local populations.

Health and safety risks

Due to the nature of the industry in which the Group operates, there is a risk of accidents or improper operations. Although the Group invests significant resources in occupational health and safety measures, the number of severe incidents has increased recently, in part due to the Group's increased activities in emerging markets, where compliance with safety standards and practices tends to be lower than those applicable in more developed markets.

Notwithstanding the measures that the Group has taken or may take, there can be no assurance that accidents or improper operations will not occur and if they do occur, there can be no assurance that such accidents or improper operations will not damage the environment and/or injure the Group's own personnel or third party staff. This could result in an adverse effect on the Group's profits and its reputation.

Emerging markets risks

The Group's expansion in emerging markets, where 68 per cent. of total production is located, exposes it to political risks, including nationalisation and expropriation of assets, risks associated with legal and tax systems, risks related to the volatility in GDP of the various emerging economies, inflation, exchange rates and interest rates, price controls, bans on exports, licence fees for the construction of new plants, restrictions on currency movements and repatriation of capital, and limitations in attracting qualified management and employees

These risks may negatively affect the financial condition and results of operations of the Group. Accordingly, the Group is not able to assure investors that it will not be materially adversely affected by its exposure to emerging markets.

Currency risks

Due to its exposure to emerging markets, the Group faces foreign exchange risks arising from various currencies, the movements in exchange rates having a significant influence on the Group's results and financial condition.

The translation of local balance sheets and statements of income into the Group's reporting currency (euro) leads to currency translation effects which the Group normally does not actively hedge. In addition, the balance sheet is only partially hedged by debt in foreign currencies and therefore a significant decrease in the aggregate value of such local currencies against the euro may have a material effect on the Group's shareholders' equity. Currency fluctuations can also result in the recognition of exchange rate losses on transactions, which are reflected in the Group's consolidated income statement.

Investments risks

The Group's investments in fixed assets comprise both maintenance capital expenditure to maintain existing facilities and expansion capital expenditure in connection with the implementation of organic growth projects as well as the acquisition of new businesses.

Due to the current market and financial conditions, the Group took the decision in 2009 to complete the construction of new clinker and cement lines in Turkey and in China, which are expected to be completed before the end of 2009, and to postpone the construction of additional projects that have been already approved.

There can be no assurance that such growth projects will be initiated and/or completed according to the proposed calendar therefor considering possible changes in economic and market conditions, increased funding costs or greater difficulty in accessing financing and increased investment costs.

As part of its growth strategy, the Group has made, and in the future may make, selective acquisitions to strengthen and develop its existing activities, particularly in geographic areas it believes to be growing areas that have strong synergies with the Group's existing business.

The successful implementation of such an acquisition strategy depends on a range of factors, including the Group's ability to identify appropriate opportunities, to agree adequate prices and to access the necessary funding.

There may also be substantial challenges or delays in integrating and adding value to the businesses acquired or to be acquired by the Group. The costs of integration could be materially high and the Group may fail to achieve the synergies expected from such acquisitions which may have a material adverse effect on the Group's results.

The Group may be subject to other risks such as the assumption of unexpected or greater than expected liabilities relating to the acquired assets or businesses and the possibility that indemnification agreements with the sellers of such assets may be non-existent, unenforceable or insufficient to cover all potential liabilities.

Logistic risks

The Group relies upon third party service providers for the transport of its products to its customers. The Group's ability to service customers at a reasonable cost depends, in many cases, upon its ability to negotiate reasonable terms with suppliers including railroad, trucking and shipment companies.

Due to the heavy weight of its products, the Group incurs substantial transportation costs. To the extent that the Group's third party suppliers increase their rates, the Group may be forced to pay such increases sooner than it is able to pass on such increases to customers, if at all.

As a result of shipping and logistical problems resulting from high demand, the Group took the decision in 2004 and 2005 to acquire two vessels with a capacity of 38,000 tonnes each as a way of limiting the impact of any increase in the cost of shipping clinker and pet coke.

Funding risks

The Group's ability to borrow from banks or in the capital markets to meet its financial requirements is dependent on favourable market conditions.

The recent financial crisis on the credit markets has limited the ability of companies to access necessary funds, mainly in terms of bank finance and increased funding costs due to the widening of credit spreads.

This market slowdown may adversely impact the Group's ability to borrow from banks or in the capital markets and may significantly increase the costs of such borrowings.

If sufficient sources of financing are not available in the future for these or other reasons, the Group may be unable to meet its financial requirements, which could materially and adversely affect its results and financial condition.

CIMPOR rating risks

The Group's ability to compete successfully in the marketplace for funding depends on various factors, including financial stability as reflected by its operating results and credit ratings as assigned by recognised credit agencies. As a result, a downgrade in credit ratings may impact the Group's ability to raise funding and this could adversely affect its business, financial condition and results of operations.

The current rating of CIMPOR S.A. and CIMPOR Inversiones, S.A.U. is BBB- with a stable outlook, as assigned by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc "**Standard & Poor's**"). Following the preliminary announcement of the Offer on as defined in section entitled "General Information – Significant/Material Change" 18 December 2009, Standard & Poor's has placed CIMPOR S.A.'s corporate credit rating on CreditWatch with negative implications, considering that it would likely cap CIMPOR S.A.'s rating by the lower rating of CSN if the Offer is successful (see "General Information – Significant/Material Change").

Credit ratings are susceptible to change at any time, and in light of the above, CIMPOR S.A.'s corporate credit rating could be downgraded at any time.

Impairment risks

The cement and, to a lesser extent, the concrete and the aggregates industries, are very capital intensive industries and the majority of company acquisitions imply a substantial goodwill which is subject to annual impairment tests.

At each balance sheet date, the Group assesses whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the recoverable amount of the non-financial asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of a non-financial asset is established to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Impairment losses are recognised in the income statement and may therefore have a material effect on the Group's results.

Tax risks

The Group could be adversely affected by tax changes in the countries in which it operates and has no control over such tax changes, or changes in the interpretation of tax laws by any fiscal authority. Significant changes in tax legislation or difficulty in implementation or complying with new tax legislation could have an adverse effect on the Group business, financial condition and results of operations.

Business interruption risks

As a consequence of the capital intensive nature of the cement industry, interruptions in production capabilities at any plant may cause the productivity and results of operations to decline significantly during the affected period. The manufacturing processes of cement are dependent upon critical pieces of equipment such as crushers for the raw materials, kilns to produce the clinker and grinding mills for the cement. This equipment may, on occasion, be out of service as a result of strikes, unanticipated failures, accidents or force majeure events. In addition, there is a risk that equipment or production facilities may be damaged or destroyed by such events.

Litigation risks

The Group is involved and may in the future become involved, in the ordinary course of business, in lawsuits, claims, investigations and proceedings, including product liability, ownership, commercial, environment, health and safety matters and tax claims. Such proceedings may have a material adverse effect on the asset position, financial condition and results of operations of the Group.

Insurance coverage risks

The operating risk management policy of the Group is held through a captive reinsurance company – Cimpor Reinsurance SA, which is located in Luxembourg and is 100 per cent. owned by CIMPOR S.A. This entity directly assumes all material damage and machine breakdown risks with compensation limits of up to 3 million per insured event and third-party liability and product liability of up to 250 thousand per insured event, in each case being the excess covered by international reinsurance companies. The Group also has insurance cover in respect of loss of profits for periods of up to 21 days per insured event. However, the Group cannot assure investors that it will not incur losses or that no claim will be raised which is not covered by the type or scope of existing insurance coverage. The Group's locations in the Iberian peninsula and in certain countries in the Mediterranean basin are exposed to increased risks of earthquakes and other natural disasters which are covered by existing policies. The Group has no insurance coverage in respect of acts of terrorism. If there is damage to the Group's properties, plant and equipment or any third party liability for which there is no coverage or insufficient coverage, the Group's operations and financial condition may be affected.

Key personnel risks

The development of the Group's business, and in particular its technological evolution and geographic diversification is dependent on attracting and retaining qualified and motivated personnel. Competition for such personnel has increased in recent years, creating difficulties in obtaining or retaining such personnel. Loss of employees, particularly of individuals in key positions or at the level of the managing board or personnel shortages, could negatively impact the future development of the Group and its ability to keep the necessary level of know-how.

Information and communication technology risks

The efficiency and uninterrupted operations of the Group's computers, telecommunications and data processing systems are essential for the continued operation of the Group's production facilities, sales activities and all general services, including payroll, accounting, planning and financial. To the extent that these systems are affected by disturbances, damage, electricity failures, computer viruses, fire and similar events, there may be a resulting material adverse effect on the Group and have a negative impact on the Group's operations and financial situation.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payments of principal or interest may occur at a different time or in a different currency than expected;

(iv) they may lose all or a substantial portion of their principal;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification and waivers

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Issuer may, without the consent of the Noteholders, agree to (i) any modification (not being a modification requiring the approval of a meeting of Noteholders) of the Notes, the Coupons or the Agency Agreement which is not materially prejudicial to the interests of the Noteholders or (ii) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Belgium will replace this withholding tax with a regime of exchange of information to the Member State of residence as from 1 January 2010.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On 13 November 2008 the European Commission published a proposal for amendments to the Directive, which included a number of suggested changes which, if implemented, would broaden the scope of the requirements described above. The European Parliament approved an amended version of this proposal on 24 April 2009. Investors who are in any doubt as to their position should consult their professional advisers. If any of these proposed changes are made in relation to the Directive 2003/48/EC, they may amend or broaden the scope of the requirements above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, should the definitive Notes be printed, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding and in order to be able to receive definitive Notes would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantors will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The following information shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

(a) the audited consolidated and unconsolidated financial statements (including the auditors' report thereon and notes thereto) of CIMPOR S.A. in respect of the year ended 31 December 2008 (set out on pages 125 to 282 of the 2008 annual report of CIMPOR S.A.); and

(b) the audited consolidated and unconsolidated financial statements (including the auditors' report thereon and notes thereto) of CIMPOR S.A. in respect of the year ended 31 December 2007 (set out on pages 97 to 232 of the 2007 annual report of CIMPOR S.A.).

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at Rua Alexandre Herculano, no. 35, 1250-009 Lisbon, Portugal and also at www.cimpor.pt. Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

If at any time the Issuer, CIMPOR S.A. or the Guarantors shall be required to prepare a supplement to the Base Prospectus pursuant to Section 87 of the FSMA, or to give effect to the provisions of Article 16(1) of the Prospectus Directive, the Issuer, CIMPOR S.A. and the Guarantors will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a further base prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Regulated Market of the London Stock Exchange, shall constitute a supplemental base prospectus as required by the FSA and Section 87 of the FSMA.

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantors and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme the Issuer and the Guarantors have endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, may be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the Guarantors and the relevant Notes or (2) by a registration document (the "**Registration Document**") containing the necessary information relating to the Issuer and the Guarantors, a securities note (the "**Securities Note**") containing the necessary information relating to the relevant Notes and, if necessary, a summary note. In addition, if the Drawdown Prospectus is constituted by a Registration Document and a Securities Note, any significant new factor, material mistake or inaccuracy relating to the information included in the Registration Document which arises or is noted between the date of the Registration Document and the date of the Securities Note which is capable of affecting the assessment of the relevant Notes will be included in the Securities Note.

Each Tranche of Notes ("**Notes**") will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

The European Central Bank (the "**ECB**") has announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. Arrangements for Notes in NGN form are offered by Euroclear and Clearstream, Luxembourg and debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In the case of each Tranche of Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.1635(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Payments under the Temporary Global Note will not be made unless (i) certification of non-U.S. beneficial ownership is delivered by the relevant clearing system to the Specified Office of the Fiscal Agent, or (ii) exchange for interests in the Permanent Global Note is improperly withheld or refused.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and

(ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership, within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; *provided, however, that* in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**"):

(i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(ii) at any time, if so specified in the relevant Final Terms; or

(iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(ii) at any time, if so specified in the relevant Final Terms; or

(iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

Legend concerning United States persons

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

1. Introduction

(a) *Programme*: CIMPOR Financial Operations B.V. (**"CIMPOR B.V."**) (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to Euro 2,500,000,000 in aggregate principal amount of notes (the "**Notes**").

(b) *Final Terms*: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

(c) *Agency Agreement*: The Notes are the subject of a fiscal agency agreement dated 22 December 2009 (the "**Agency Agreement**") between the Issuer, CIMPOR Cimentos de Portugal, SGPS, S.A. ("**CIMPOR S.A.**"), the Guarantors and Citibank N.A., London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and any reference to an "**Agent**" is to any one of them.

(d) *Keep Well Agreement*: Notes issued by the Issuer have the support of a keep well agreement, as amended, supplemented or replaced from time to time (the "**Keep Well Agreement**") dated 22 December 2009 and made by CIMPOR S.A. in favour of the Issuer.

(e) *Deed of Guarantee*: The obligations of CIMPOR B.V. in respect of Notes issued by it have been guaranteed on a joint and several basis by CIMPOR Inversiones, S.A.U. and Corporación Noroeste, S.A. pursuant to a deed of guarantee dated 22 December 2009 (the "**Deed of Guarantee**") and entered into by CIMPOR Inversiones, S.A. and Corporación Noroeste, S.A. (each, a "**Guarantor**" and together, the "**Guarantors**"), as may be amended, supplemented or replaced from time to time.

(f) *The Notes*: All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at Rua Alexandre Herculano, no. 35, 1250-009 Lisbon, Portugal and copies may be obtained.

(g) *Summaries*: Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Guarantee and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Keep Well Agreement and the Deed of Guarantee applicable to them. Copies of the Agency Agreement, the Keep Well Agreement and the Deed of Guarantee are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2. Interpretation

(a) *Definitions*: In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Business Day**" means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

(ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that*:

(A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(i) if "**Actual/Actual (ICMA)**" is so specified, means:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360\text{x}(Y_2 - Y_1)]+[30\text{x}(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30";

if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\text{x}(Y_2 - Y_1)]+[30\text{x}(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and if **"30E/360 (ISDA)"** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**First Interest Payment Date**" means the date specified in the relevant Final Terms;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Group**" means Cimpor S.A. and its Subsidiaries;

"**Guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

(i) any obligation to purchase such Indebtedness;

(ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(iv) any other agreement to be responsible for such Indebtedness;

"**Guarantee of the Notes**" means the guarantee of the Notes given by CIMPOR Inversiones, S.A.U. and Corporación Noroeste, S.A., as set out in the Deed of Guarantee;

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(i) amounts raised by acceptance under any acceptance credit facility;

(ii) amounts raised under any note purchase facility;

(iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and

(v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Determination Date**" has the meaning given in the relevant Final Terms;

"**Interest Payment Date**" means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

(i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**Margin**" has the meaning given in the relevant Final Terms;

"**Material Subsidiaries**" means, at any time, a Person which is a Subsidiary of CIMPOR S.A. (other than the Issuer and the Guarantors):

(i) whose gross assets represent 5 per cent. or more of the consolidated gross assets of the Group; or

(ii) whose EBITDA represents 5 per cent. or more of the EBITDA of the Group; or

(iii) whose turnover represents 5 per cent. or more of the consolidated turnover from operations of the Group,

where the gross assets, EBITDA and turnover from operations of the Group are determined in accordance with the latest published, audited, consolidated financial statements of CIMPOR S.A.;

"**Maturity Date**" has the meaning given in the relevant Final Terms;

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Minimum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Noteholder**" has the meaning given in Condition 3 (*Form, Denomination, Title and Transfer*);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

Participating Member State" means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

"**Payment Business Day**" means:

(i) if the currency of payment is euro, any day which is:

 (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

 (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is:

 (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

 (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency *provided, however, that*:

(i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

"**Reference Banks**" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"**Reference Price**" has the meaning given in the relevant Final Terms;

"**Reference Rate**" has the meaning given in the relevant Final Terms;

"**Regular Period**" means:

(i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Final Terms;

"**Relevant Indebtedness**" means indebtedness having an original maturity of more than one year which is in form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other debt securities (not comprising, for the avoidance of doubt, preference shares or other equity securities) which, with the consent of the Issuer are quoted, listed, ordinarily dealt in or traded on any stock exchange, over-the-counter or other established securities market, other than any such indebtedness more than 50% in aggregate principal amount of which is initially placed in Portugal and, if such indebtedness is cleared through an automatic clearance system, it is cleared through a Portuguese domestic system;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Security Interest**" means any mortgage, lien pledge or charge or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

(i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

(ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles consolidated with those of the first Person;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty establishing the European Communities, as amended;

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms;

(b) *Interpretation*: In these Conditions:

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;

(vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

(viii) any reference to the Agency Agreement or the Deed of Guarantee shall be construed as a reference to the Agency Agreement or the Deed of Guarantee, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. Form, Denomination, Title and Transfer

3.1 The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination.

3.2 Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

4. Status and Guarantee

*Spanish Law 22/2003 (Ley Concursal) dated 9 July 2003 ("**Law 22/2003**"), which came into force on 1 September 2004 supersedes all Spanish provisions prior to it which regulated bankruptcy, insolvency (including suspension of payments) and any other process affecting creditors' rights generally, including the ranking of their claims.*

Law 22/2003 provides, among other things, that: (i) any claim may become subordinated if it is not included in a company's accounts or otherwise reported to the insolvency administrators within one month from the last official publication of the court order declaring the insolvency, (ii) provisions in a contract granting one party the right to terminate by reason only of the other's insolvency may not be enforceable, (iii) interest accrued and unpaid until the commencement of the insolvency proceedings (concurso) shall become subordinated, and (iv) interest shall cease to accrue from the date of the declaration of insolvency (declaración de concurso).

Certain provisions of Law 22/2003 could affect claims relating to the Notes upon the insolvency of CIMPOR Inversiones, S.A.U. or Corporación Noroeste, S.A.

(a) *Status of the Notes*: The Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) *Guarantee of the Notes*: The obligations of the Guarantors under the Deed of Guarantee constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the Guarantors ranking *pari passu* with all present and future unsecured and unsubordinated obligations of the Guarantors, including any guarantees given by the Guarantors, subject to any applicable statutory exceptions.

    In the event of insolvency (*declaración de concurso*) of a Guarantor, under Law 22/2003, claims relating to Notes (unless they qualify by law as subordinated credits under Article 92 of Law 22/2003) will be ordinary credits (*créditos ordinarios*) as defined in Law 22/2003. Ordinary credits rank below credits against the insolvency estate (*créditos contra la masa*) and credits with a privilege (*créditos privilegiados*). Ordinary credits rank above subordinated credits and the rights of shareholders.

5. Negative Pledge

So long as any of the Notes remain outstanding none of the Issuer, the Guarantors and CIMPOR S.A. will create or, save only by operation of law, have outstanding any Security Interest upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital), to secure any Relevant Indebtedness of any Person or to secure any obligation of any Person under any guarantee of or indemnity or purchase of indebtedness undertaking in respect of any Relevant Indebtedness of other any Person without at the same time or prior thereto, either (i) securing the Notes or the obligations of the Guarantors under the Deed of Guarantee equally and rateably therewith or (ii) providing such other security for or other arrangements in respect of the Notes or the obligations of the Guarantors under the Deed of Guarantee as shall be approved by an Extraordinary Resolution of the Noteholders.

6. Fixed Rate Note Provisions

(a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. Floating Rate Note and Index-Linked Interest Note Provisions

(a) *Application:* This Condition 7 (*Floating Rate Note and Index-Linked Interest Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable.

(c) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

(A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.

(e) *Index-Linked Interest:* If the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.

(f) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(g) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(h) *Calculation of other amounts:* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.

(i) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation

Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(j) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantors, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. Zero Coupon Note Provisions

(a) *Application:* This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

(f) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. Dual Currency Note Provisions

(a) *Application:* This Condition 9 (*Dual Currency Note Provisions*) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Rate of Interest:* If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

10. Redemption and Purchase

(a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments*).

(b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (if neither the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

(A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of The Netherlands, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(B) (1) the Guarantors have or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of either Spain or The Netherlands, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes, and (2) such obligation cannot be avoided by the Guarantors taking reasonable measures available to it or them,

provided, however, that no such notice of redemption shall be given earlier than:

(1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or the Guarantors would be obliged to pay such additional amounts or the Guarantors would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or

(2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or the Guarantors would be obliged to pay such additional amounts or the Guarantors would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (1) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantors have or will become obliged to pay such additional amounts or (as the case may be) the Guarantors have or will become obliged to make such withholding or deduction as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 10(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(b).

(c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 10(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption

Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(e), may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

(f) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.

(g) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 10(g) or, if none is so specified, a Day Count Fraction of 30E/360.

(h) *Purchase:* The Issuer, CIMPOR S.A., the Guarantors or any of the Issuer's, CIMPOR S.A.'s or the Guarantors' respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.

(i) *Cancellation:* All Notes so redeemed or purchased by the Issuer, CIMPOR S.A., the Guarantors or any of the Issuer's, CIMPOR S.A.'s or the Guarantors' respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

11. Payments

(a) *Principal:* Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).

(b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

(c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(d) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

(f) *Unmatured Coupons void*: If the relevant Final Terms specifies that this Condition 11(f) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(e) (*Redemption at the option of Noteholders*), Condition 10(c) (*Redemption at the option of the Issuer*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) *Payments on business days:* If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).

(i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

12. Taxation

(a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantors shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or Spain or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the Guarantors shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

   (i) held by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or

   (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, this Directive; or

   (iii) held by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU; or

   (iv) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.

(b) *Taxing jurisdiction:* If the Issuer or the Guarantors become(s) subject at any time to any taxing jurisdiction other than The Netherlands or Spain respectively, references in these Conditions to The Netherlands or Spain shall be construed as references to The Netherlands or (as the case may be) Spain and/or such other jurisdiction.

13. Events of Default

If any of the following events occurs and is continuing:

(a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Notes within seven days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within fifteen days of the due date for payment thereof; or

(b) *Breach of other obligations:* the Issuer or either of the Guarantors default in the performance or observance of any of its other obligations under or in respect of the Notes or the Deed of Guarantee and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer and the Guarantors by any Noteholder, has been delivered to the Issuer and the Guarantors or to the Specified Office of the Fiscal Agent; or

(c) *Cross-default of Issuer, Keep Well Provider, Guarantors or Subsidiary:*

(1) any Indebtedness of the Issuer, CIMPOR S.A., either of the Guarantors or of any Material Subsidiary is not paid when due or (as the case may be) within any originally applicable grace period;

(2) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, CIMPOR S.A., the relevant Guarantor or (as the case may be) a Material Subsidiary or (provided that no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or

(3) the Issuer, CIMPOR S.A., either of the Guarantors or any Material Subsidiary fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds EUR 25,000,000 (or its equivalent in any other currency or currencies) and provided further that neither the Issuer, CIMPOR S.A., either of the Guarantors nor any Material Subsidiary shall be deemed to be in default with respect to such Indebtedness or with respect to such Guarantee or indemnity if it shall be contesting in good faith by appropriate means its liability to make payment thereunder and has been advised by independent legal advisers of recognised standing that it is reasonable for it to do so; or

(d) *Unsatisfied judgment*: one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment of an amount exceeding EUR 25,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer, CIMPOR S.A., either of the Guarantors or any Material Subsidiary and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) *Security enforced:* a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the Issuer, CIMPOR S.A., either of the Guarantors or any Material Subsidiary; or

(f) *Insolvency etc:* (i) the Issuer, CIMPOR S.A., either of the Guarantors or any Material Subsidiary becomes insolvent or is unable to pay its debts as they fall due, subject to applicable cure or rehabilitation periods, (ii) an administrator or liquidator of the Issuer, CIMPOR S.A., either of the Guarantors or any Material Subsidiary or the whole or a substantial part of the undertaking, assets and revenues of the Issuer, CIMPOR S.A., either of the Guarantors or any Material Subsidiary is appointed (or application for any such appointment is made), (iii) the Issuer, CIMPOR S.A., either of the Guarantors or any Material Subsidiary takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer, CIMPOR S.A., either of the Guarantors or any Material Subsidiary ceases to carry on all or any substantial part of its business (otherwise than, in the case of a Material Subsidiary, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(g) *Winding up etc:* an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, CIMPOR S.A., either of the Guarantors or any Material Subsidiary (otherwise than, in the case of a Material Subsidiary, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(h) *Analogous event:* any event occurs which under the laws of The Netherlands or Spain has an analogous effect to any of the events referred to in paragraphs (d) to (g) above; or

(i) *Keep Well Agreement not in force*: the Keep Well Agreement ceases to be, or is claimed by CIMPOR S.A. not to be, in full force and effect or any provision of the Keep Well Agreement is amended or waived in circumstances where such amendment or waiver would have an adverse effect on the interests of the Noteholders or is not enforced in a timely manner by the Issuer or is breached by CIMPOR S.A.

(j) *Guarantee not in force:* the Deed of Guarantee in relation to the Notes is not (or is claimed by either of the Guarantors not to be) in full force and effect,

then, any Note may, by written notice addressed by the Holder thereof to the Issuer and the Guarantors and delivered to the Issuer and the Guarantors or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

14. Prescription

Claims for principal in respect of Notes shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

15. Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

16. Agents

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and the Guarantors and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer and the Guarantors reserve the right at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; *provided, however, that:*

(a) the Issuer and the Guarantors shall at all times maintain a fiscal agent; and

(b) the Issuer and the Guarantors shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and

(c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and the Guarantors shall at all times maintain a Calculation Agent; and

(d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer and the Guarantors shall maintain a Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. Meetings of Noteholders, Modification and Waiver

(a) The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution.

Such a meeting may be convened by the Issuer and the Guarantors (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) *Modification:* The Notes, these Conditions and the Deed of Guarantee may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer, CIMPOR S.A. and the Guarantors shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties not materially prejudicial to the interests of the Noteholders.

18. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

19. Notices

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

20. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. Governing Law and Jurisdiction

(a) *Governing law*: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.

(b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligations arising out of or in connection with the Notes).

(c) *Appropriate forum*: Each of the Issuer, CIMPOR S.A. and the Guarantors agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

(d) *Rights of the Noteholders to take proceedings outside England*: Condition 22(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 22 (*Governing law and jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

(e) *Process agent*: Each of the Issuer, CIMPOR S.A. and the Guarantors agree that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on them by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX or, if different, their registered offices for the time being or at any address of the Issuer, CIMPOR S.A. or the relevant Guarantor, as the case may be, in Great Britain at which process may be served on them in accordance with applicable law. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, CIMPOR S.A. or the relevant Guarantor, as the case may be, the Issuer, CIMPOR S.A. or the relevant Guarantor shall, on the written demand of any Noteholder addressed and delivered to it or to the Specified Office of the Fiscal Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer, CIMPOR S.A. or the relevant Guarantor, as the case may be, and delivered to the Issuer, CIMPOR S.A. or the relevant Guarantor, as the case may be, or to the Specified Office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

Final Terms dated ●

CIMPOR FINANCIAL OPERATIONS B.V.

(a private company incorporated with limited liability (besloten vennootschap met beperkte aansprakelijkheid) under the laws of The Netherlands and having its seat in Amsterdam)

as Issuer
of Notes which have the support of a
Keep Well Agreement
provided by

CIMPOR CIMENTOS DE PORTUGAL, SGPS, S.A.

(incorporated with limited liability in the Portuguese Republic)

and a joint and several Guarantee by

CIMPOR INVERSIONES, S.A.U. and **CORPORACIÓN NOROESTE, S.A.**

(each a limited liability company (sociedad anónima) incorporated in the Kingdom of Spain)

as Guarantors

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
under the **EUR 2,500,000,000**
Euro Medium Term Note Programme

The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 22 December 2009 [and the supplemental Base Prospectus dated [●] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus [as so supplemented].

Full information on the Issuer, CIMPOR Cimentos de Portugal, SGPS, S.A., the Guarantors and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing [at [*website*]] [and] during normal business hours at [*address*] [and copies may be obtained from [*address*]].

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.

Terms used herein shall be deemed to be defined as such for the purposes of the [date] Conditions (the "**Conditions**") incorporated by reference in the Base Prospectus dated [*original date*]. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated [*current date*] [and the supplemental Base Prospectus dated [*date*]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"), save in respect of the Conditions which are set forth in the base prospectus dated [*original date*] and are incorporated by reference in the Base Prospectus. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive.

Full information on the Issuer, CIMPOR Cimentos de Portugal, SGPS, S.A., the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectuses dated [*original date*] and [*current date*] [and the supplemental Base Prospectuses dated [●] and [●]. The Base Prospectuses [and the supplemental Base Prospectus] are available for viewing [at [*website*]] [and] during normal business hours at [*address*] [and copies may be obtained from [*address*]].

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive].

1.	(i) Issuer:	CIMPOR Financial Operations B.V.
	(ii) Guarantors:	CIMPOR Inversiones, S.A.U. and Corporatión Noroeste, S.A.
	(iii) Keep Well Provider:	CIMPOR Cimentos de Portugal, SGPS, S.A.
2.	[(i) Series Number:]	[ ]
	[(ii) Tranche Number:	[ ]
	(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]	
3.	Specified Currency or Currencies:	[ ]
4.	Aggregate Nominal Amount:	[ ]
	[(i)] [Series]:	[ ]
	[(ii) Tranche:	[ ]]

5.	Issue Price:	[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
6.	(i) Specified Denominations:	[ ] ***OPTION*** *No Notes may be issued which have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency)* ***END OF OPTION***
	(ii) Calculation Amount:	[ ]
7.	(i) Issue Date:	[ ]
	(ii) Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
8.	Maturity Date:	*[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]* *[If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.]*
9.	Interest Basis:	[● per cent. Fixed Rate] [[*Specify* reference rate] +/– ● per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (*Specify*)] (further particulars specified below)
10.	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (*Specify*)]
11.	Change of Interest or Redemption/Payment Basis:	*[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]*
12.	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13.	[(i)] Status of the Notes:	[Senior/[Dated/Perpetual]/Subordinated]
	[(ii)] Status of the Guarantee:	[Senior/[Dated/Perpetual]/Subordinated]
	[(iii)] [Date of [Board] approval for issuance of Notes [and Guarantee] [respectively]] obtained:	[ ] [and [ ], respectively *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)]*

14.	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	**Fixed Rate Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Rate[(s)] of Interest:	[ ] per cent. per annum [payable [annually/ semi-annually/quarterly/monthly/other (*specify*)] in arrear]
	(ii) Interest Payment Date(s):	[ ] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/*not adjusted]
	(iii) Fixed Coupon Amount[(s)]:	[ ] per Calculation Amount
	(iv) Broken Amount(s):	[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
	(v) Day Count Fraction:	[30/360 / Actual/Actual (ICMA/ISDA) / other]
	(vi) [Determination Dates:	[ ] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/ Actual (ICMA))*]
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]
16.	**Floating Rate Note Provisions**	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Interest Period(s):	[ ]
	(ii) Specified Period:	[ ] *(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
	(iii) Specified Interest Payment Dates:	[ ] *(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
	(iv) [First Interest Payment Date]:	[ ]
	(v) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
	(vi) Additional Business Centre(s):	[Not Applicable/*give details*]
	(vii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (*give details*)]

(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]):	[[*Name*] shall be the Calculation Agent *(no need to specify if the Fiscal Agent is to perform this function)*]
(ix)	Screen Rate Determination:	
	• Reference Rate:	[*For example, LIBOR or EURIBOR*]
	• Interest Determination Date(s):	[ ]
	• Relevant Screen Page:	[*For example, Reuters LIBOR 01/ EURIBOR 01*]
	• Relevant Time:	[*For example, 11.00 a.m. London time/Brussels time*]
	• Relevant Financial Centre:	[*For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro*]
(x)	ISDA Determination:	
	• Floating Rate Option:	[ ]
	• Designated Maturity:	[ ]
	• Reset Date:	[ ]
(xi)	Margin(s):	[+/-][ ] per cent. per annum
(xii)	Minimum Rate of Interest:	[ ] per cent. per annum
(xiii)	Maximum Rate of Interest:	[ ] per cent. per annum
(xiv)	Day Count Fraction:	[ ]
(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]

17.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	[Amortisation/Accrual] Yield:	[ ] per cent. per annum
(ii)	Reference Price:	[ ]
(iii)	Any other formula/basis of determining amount payable:	[*Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 10(g)*
18.	**Index-Linked Interest Note/other variable-linked interest Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Index/Formula/other variable:	[*give or annex details*]
(ii)	Calculation Agent responsible for calculating the interest due:	[ ]
(iii)	Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[ ]
(iv)	Interest Determination Date(s):	[ ]

	(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[ ]
	(vi)	Interest or calculation period(s):	[ ]
	(vii)	Specified Period:	[ ] *(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
	(viii)	Specified Interest Payment Dates:	[ ] *(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
	(ix)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
	(x)	Additional Business Centre(s):	[ ]
	(xi)	Minimum Rate/Amount of Interest:	[ ] per cent. per annum
	(xii)	Maximum Rate/Amount of Interest:	[ ] per cent. per annum
	(xiii)	Day Count Fraction:	[ ]
19.	**Dual Currency Note Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Rate of Exchange/method of calculating Rate of Exchange:	*[give details]*
	(ii)	Calculation Agent, if any, responsible for calculating the principal and/or interest due:	[ ]
	(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[ ]
	(iv)	Person at whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

20.	**Call Option**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[ ]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount

	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[ ] per Calculation Amount
	(b) Maximum Redemption Amount	[ ] per Calculation Amount
	(iv) Notice period:	[ ]
21.	**Put Option**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[ ]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount
	(iii) Notice period:	[ ]
22.	**Final Redemption Amount of each Note**	[ ] per Calculation Amount
	In cases where the Final Redemption Amount is Index-Linked or other variable-linked:	
	(i) Index/Formula/variable:	[*give or annex details*]
	(ii) Calculation Agent responsible for calculating the Final Redemption Amount:	[ ]
	(iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	[ ]
	(iv) Date for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable:	[ ]
	(v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[ ]
	(vi) [Payment Date]:	[ ]
	(vii) Minimum Final Redemption Amount:	[ ] per Calculation Amount
	(viii) Maximum Final Redemption Amount:	[ ] per Calculation Amount
23.	**Early Redemption Amount**	[Not Applicable
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	*(If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)*]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	**Form of Notes:**	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

		[Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
25.	New Global Note:	[Yes] [No]
26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*give details.* *Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 15(ii), 16(vi) and 18(x) relate*]
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]:	[Not Applicable/*give details*]
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/*give details*]
30.	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition [●] apply]
31.	Other final terms:	[Not Applicable/*give details*] *[(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

DISTRIBUTION

32.	(i)	If syndicated, names and addresses of Managers and underwriting commitments:	[Not Applicable/*give names, addresses and underwriting commitments*] *(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
	(ii)	Date of [Subscription] Agreement:	[ ]
	(iii)	Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
33.		If non-syndicated, name and address of Dealer:	[Not Applicable/*give name and address*]
34.		Total commission and concession:	[ ] per cent. of the Aggregate Nominal Amount
35.		U.S. Selling Restrictions:	[Reg. S Compliance Category; TEFRA C/TEFRA D/ TEFRA not applicable]

36.	Non-exempt Offer:	[Not Applicable] [An offer of the Notes may be made by the Managers [and [*specify*, *if applicable*]] other than pursuant to Article 3(2) of the Prospectus Directive in *[specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported]* (**Public Offer Jurisdictions**) during the period from [*specify date*] until [*specify* date] (**Offer Period**). See further Paragraph 10 of Part B below.
37.	Additional selling restrictions:	[Not Applicable/*give details*]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on the regulated market of the London Stock Exchange of the Notes described herein] pursuant to the Euro 2,500,000,000 Euro Medium Term Note Programme of CIMPOR Financial Operations B.V.

RESPONSIBILITY

The Issuer and the Guarantors accept responsibility for the information contained in these Final Terms. [(*Relevant third party information*) has been extracted from (*specify source*). Each of the Issuer and the Guarantors confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of CIMPOR Financial Operations B.V.:

By: ....

Duly authorised

Signed on behalf of CIMPOR Inversiones, S.A.U. and Corporación Noroeste, S.A.:

By: ....

Duly authorised

By: ....

Duly authorised

PART B – OTHER INFORMATION

1. **LISTING**

(i) Listing: [London/Luxembourg/Other(*specify*)/None]

(ii) Admission to trading: [Application is has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*]] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [ ].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

2. **RATINGS**

Ratings: The Notes to be issued have been rated by:

[S & P: [ ]]

[Moody's: [ ]]

[Fitch: [ ]]

[[Other]: [ ]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"] in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer [ ]

(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii)] Estimated net proceeds: [ ]

(If proceeds are intended for more than one use

	will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
[(iii)] Estimated total expenses:	[ ]
	[*Include breakdown of expenses*] *(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

5. **[*Fixed Rate Notes only* – YIELD**

Indication of yield:	[ ]
	Calculated as [*include details of method of calculation in summary form*] on the Issue Date.
	As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **[*Floating Rate Notes only* - HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. ***[Index-linked or other variable-linked notes only* – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Need to include details of where past and future performance and volatility of the index/formula/ other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information].

8. **[*Dual Currency Notes only* – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

9. **OPERATIONAL INFORMATION**

ISIN Code:	[ ]
Common Code:	[ ]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
Delivery:	Delivery [against/free of] payment
Names and addresses of initial Paying Agent(s):	[ ]
Names and addresses of additional Paying Agent(s) (if any):	[ ]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes][No][Not Applicable [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][*include this text if "yes" selected in which case the Notes must be issued in NGN form*]

TERMS AND CONDITIONS OF THE OFFER

Offer Price:	[Issue Price][*specify*]
Conditions to which the offer is subject:	[Not Applicable/*give details*]
Description of the application process:	[Not Applicable/*give details*]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/*give details*]
Details of the minimum and/or maximum amount of application:	[Not Applicable/*give details*]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/*give details*]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/*give details*]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/*give details*]
Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable/*give details*]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/*give details*]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/*give details*]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.	[None/*give details*]

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer or the Guarantors to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer or the Guarantors in respect of payments due under the Notes and such obligations of the Issuer and the Guarantors will be discharged by payment to the bearer of the Global Note.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

(a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of an NGN, effectuated, to the bearer of the Temporary Global Note; or

(b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or

(c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment, then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under a deed of covenant dated 22 December 2009 (the "**Deed of Covenant**") executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or

(b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and/or Clearstream, Luxembourg.

Exercise of put option: In order to exercise the option contained in Condition 10(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the

Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 10(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Notes will be applied by the Issuer to meet part of the general financing requirements of CIMPOR S.A. and its subsidiaries. If, in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

Incorporation and Status

CIMPOR Financial Operations B.V. was incorporated on 12 November 1999 under the laws of The Netherlands as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) for an indefinite period. The registered office of CIMPOR Financial Operations B.V. is at Teleportboulevard 140, 1043 EJ Amsterdam, The Netherlands, and its telephone number is +31 20 5405975. CIMPOR Financial Operations B.V. is registered with the Trade Register of the Amsterdam Chamber of Commerce under number 34123771. The whole of the issued and paid up share capital of CIMPOR Financial Operations B.V. is owned by CIMPOR Cimentos de Portugal, SGPS, S.A..

Share Capital

CIMPOR Financial Operations B.V.'s authorised capital is €90,000 divided into 900 ordinary shares of €100 each. Its issued and fully paid up capital is €18,500 divided into 185 ordinary shares of €100 each.

Business

CIMPOR Financial Operations B.V. was incorporated to facilitate the raising of finance for CIMPOR Cimentos de Portugal, SGPS, S.A. and its subsidiaries (the "**CIMPOR Group**").

In order to achieve its objectives, CIMPOR Financial Operations B.V. is authorised to raise funds by issuing negotiable obligations on the capital and money markets.

Managing Directors

The board of managing directors of CIMPOR Financial Operations B.V. has the ultimate responsibility for the administration of the affairs of the company. The managing director of CIMPOR Financial Operations B.V. is Orangefield Trust (Netherlands) B.V. The business address of the managing director is Teleport Boulevard 140, 1043 EJ Amsterdam, The Netherlands and the mailing address is P.O. Box 2838, 1000 CV Amsterdam, The Netherlands.

The members of the board of managing directors are:

J. J. Bruins

E. Jongsma

V. J. Bremmer

T. Landstra

D. R. J. Looij

M. A. J. Noest

F. H. Nijland

M. T Reijners-Sieger

F. Y. Sips-Brons

I. S. Tay

The business address for each member of management listed above is:

Teleportboulevard 140, 1043 EJ Amsterdam, The Netherlands

Conflicts

There are no potential conflicts of interest between any duties of any director of the Issuer and any private or other duty of that director.

Incorporation and Status

CIMPOR Inversiones, S.A.U. was incorporated on 29 August 2002 under the laws of Spain as a *Sociedad de Responsabilidad Limitada* for an indefinite period. On 27 July 2004 the company was converted to a *Sociedad Anónima*. The registered office of CIMPOR Inversiones, S.A.U. is at Calle Brasil, 56 – 36204 Vigo (Pontevedra), Spain and it is registered with the Trade Register of Pontevedra, book 2739, page 126, section 8º, sheet PO-30732, 9th inscription. Its telephone number is +34 986 26 90 00. The entire issued and paid up share capital of CIMPOR Inversiones, S.A.U. is owned by CIMPOR Cimentos de Portugal, SGPS, S.A.

Share Capital

CIMPOR Inversiones S.A.U.'s authorised capital is €522,700,000 divided into 52,270,000 ordinary shares of €10 each. Its issued and fully paid up capital is €522,700,000 divided into 52,270,000 ordinary shares of €10 each.

Business

CIMPOR Inversiones, S.A.U. was incorporated to act as the holding company for the Group's international activity.

Board of Directors

The Board of Directors of CIMPOR Inversiones, S.A.U. has the ultimate responsibility for the administration of the affairs of the company. The members of the Board of Directors are:

Eng. Jorge Manuel Tavares Salavessa Moura

Eng. Luís Filipe Sequeira Martins

Dr. Manuel Luís Barata de Faria Blanc

Dr. António Carlos Custódio de Morais Varela

Dr. Luís Miguel da Silveira Ribeiro Vaz

The business address for each member of management listed above is:

Rua Alexandre Herculano, 35, 1250-009, Lisbon, Portugal.

Conflicts

There are no potential conflicts of interest between any duties of any director of CIMPOR Inversiones, S.A.U. and any private or other duty of that director.

Incorporation and Status

Corporación Noroeste, S.A. was incorporated on 21 August 1958 under the laws of Spain as a *Sociedad Anónima* for an indefinite period. The registered office of Corporación Noroeste, S.A. is at Calle Brasil, 56 – 36204 Vigo (Pontevedra), Spain and is registered with the Trade Register of Pontevedra under book 84, page 107, sheet PO-1332, 1st inscription. Its telephone number is +34 986 26 90 00. The issued and paid up share capital of Corporación Noroeste, S.A. is owned by CIMPOR Inversiones, S.A.U. in 99.5389 per cent. and in 0.4611 per cent. by others.

Share Capital

Corporación Noroeste, S.A.'s authorised capital is €26,162,160 divided into 872,072 ordinary shares of €30 each. Its issued and fully paid up capital is €26,162,160 divided into 872,072 ordinary shares of €30 each.

Business

Corporación Noroeste, S.A. was incorporated to act as the holding company for the Group's Spanish operational activities.

Board of Directors

The Board of Directors of Corporación Noroeste, S.A. has the ultimate responsibility for the administration of the affairs of the company. The members of the Board of Directors are:

Cimpor – Cimentos de Portugal, S.G.P.S., S.A. (represented by D. Antonio Vega Guerrero)

Cimpor – Cimentos de Portugal, S.G.P.S., S.A. (represented by Eng. Luís Filipe Sequeira Martins

Cimpor Inversiones, S.A.U. (represented by D. Eduardo Guedes Duarte)

Cimpor Inversiones, S.A.U. (represented by D. Ángel Longarela Pena)

Cimpor – Cimentos de Portugal, S.G.P.S., S.A. (represented by Dr. José Augusto Brás Chaves)

Cimpor – Cimentos de Portugal, S.G.P.S., S.A. (represented by Dr. Luís Miguel da Silveira Ribeiro Vaz)

Cimpor – Cimentos de Portugal, S.G.P.S., S.A. (represented by Eng. Jorge Manuel Tavares Salavessa Moura)

Cimpor Inversiones, S.A.U. (represented by Dr. Manuel Luís Barata de Faria Blanc)

The business address for each member of management listed above is:

Rua Alexandre Herculano, 35, 1250-009, Lisbon, Portugal.

Conflicts

There are no potential conflicts of interest between any duties of any director of Corporación Noroeste, S.A. and any private or other duty of that director.

Incorporation and Status

CIMPOR – Cimentos de Portugal, SGPS, S.A. ("**CIMPOR**") was established in 1976 under the ownership of the Portuguese Government as a result of the merger of six companies. CIMPOR was converted into a limited liability stock company under the laws of Portugal in 1991 and into a holding company in 1996, as a result of the conversion of CIMPOR – Cimentos de Portugal, S.A., the former company responsible for the same activities.

CIMPOR is a public listed company ("*sociedade aberta*") whose shares are admitted to listing at Euronext Lisbon, a regulated market managed by Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, SA. The issued share capital of CIMPOR is EUR 672,000,000 (six hundred seventy two million euros), is represented by 672,000,000 ordinary nominative shares with a par value of EUR 1.00 each.

The registered offices of CIMPOR is in Portugal, at Avenida Alexandre Herculano, no. 35, Lisbon, telephone number +351 21 311 81 00. CIMPOR's Tax and Lisbon Companies Registry Registration number is 500 722 900.

As a public listed company, CIMPOR is subject to the supervision of the "*Comissão do Mercado de Valores Mobiliários*" (the Portuguese Securities and Market Commission or the "**CMVM**") on matters relating to, *inter alia*, the disclosure of material facts, reporting of qualified shareholdings and compliance with certain governance rules.

CIMPOR Group Business

CIMPOR is a holding company ("*sociedade gestora de participações sociais*") whose objects and business consists of holding shares in other companies as an indirect way to pursue an economic activity. CIMPOR also provides certain management services to its subsidiaries. Given that this is CIMPOR's sole business, CIMPOR depends on the other members of the CIMPOR Group and on the revenues it receives from them.

As a holding company, CIMPOR holds 100 per cent. of CIMPOR Portugal, SGPS, S.A., which owns the companies operating the Group's Portuguese business activities and 100 per cent. of CIMPOR Inversiones, S.A., a subsidiary holding company based in Spain, which acts as the platform for the Group's international expansion and holds majority control of the CIMPOR Group companies headquartered in Spain, Morocco, Tunisia, Egypt, Turkey, Brazil, Mozambique, Cape Verde, South Africa, India and China.

A chart detailing the Group's corporate structure is included below.

Through its directly and indirectly owned operating subsidiaries, CIMPOR is focused on the production and marketing of cement, the CIMPOR Group's core business. It complements its business with the production of hydraulic lime, concrete and aggregates, precast and dry mortars and other associated activities such as trading of clinker and cement.

Presently CIMPOR Group ranks among the ten largest international cement producers in the world, operating 46 million tons of cement production capacity of which 36 million tons is with its own clinker.

The CIMPOR Group has its home based market in Portugal, with an operating cement production capacity of 6.9 million tons per year where it leads the market with a 55 per cent share.

The CIMPOR Group operates its business activities across 4 continents and 12 countries with the following cement installed capacity per annum with its own clinker:

- Portugal – 6.9 million tons
- Brazil – 6.6 million tons
- China – 5.7 million tons
- Egypt – 3.9 million tons
- Spain – 3.2 million tons
- Turkey – 3.2 million tons

- Tunisia – 1.6 million tons;
- Morocco – 1.3 million tons
- South Africa – 1.7 million tons
- India – 1.2 million tons
- Mozambique – 0.7 million tons; and
- Cape Verde (a cement terminal).

CIMPOR Group is the 2nd largest producer of cement in the Iberian Peninsula with approximately 18.5 per cent of the market participation. In Spain it is the third largest producer of cement in Andalusia and a regional leader in Galicia and in the Canary Islands. It is the leading cement producer in Mozambique and Cape Verde, and the regional leading producer of cement in Morocco (Rabat), Tunisia (Tunis), Egypt (Nile Delta), and South Africa (Kwazulu Natal) and also the 3rd largest cement producer in Brazil.

Vision

CIMPOR Group is one of the pioneers of the concept of sustainable development within the cement industry, with special reference to the environmental and social performance and is one of the leading cement producers in the world. It intends to grow by consolidating its positions where already present and through geographic diversification, remaining independent of other large cement producers and keeping its headquarters where strategic decisions are made in Portugal.

Values

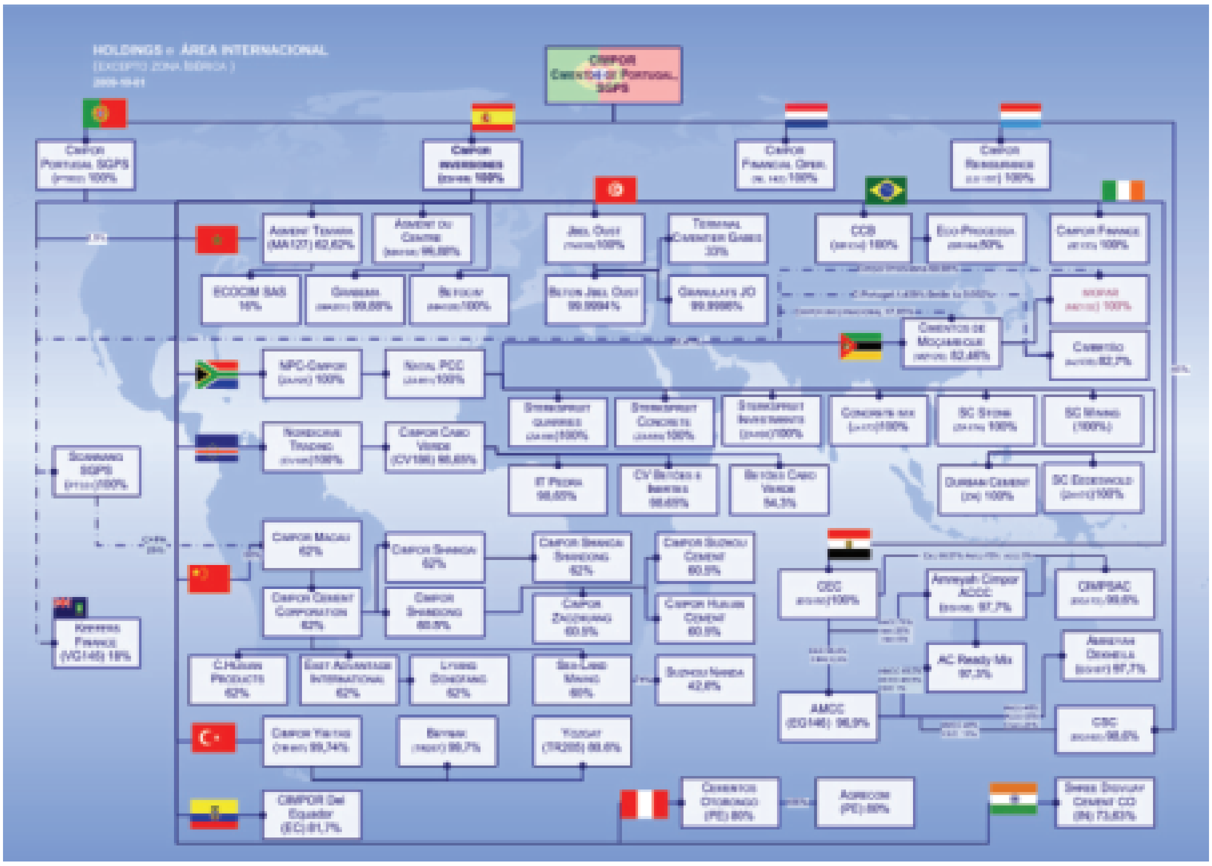
- Shareholders – To defend their legitimate interests through the intrinsic appreciation of capital invested in the company and adequate remuneration.
- Clients – Focus on fully satisfying client expectations, in accordance with the ethical principles of integrity and the applicable standards.
- Personnel – Adequate remuneration for work performed, career advancement opportunities and fair treatment.
- Organisation – Constant striving for excellence by setting ambitious goals and selecting leaders that are able to assume responsibility and meet these goals.
- Quality – Compliance with national and international standards, with particular reference to product certification, occupation health and safety.
- Environment – Harmonious integration in the social and cultural surroundings, based on an active policy of environmental protection and cooperation with local communities.
- Innovation – Pursuit of a policy of innovation and the development of technologies, products and services in collaboration with the academic and scientific community, clients and suppliers.
- Local communities – Implement a policy of social support considering the shortfall at local level in terms of infrastructures and support to social and cultural activities.
- Society in general – Pursue communication and corporate social responsibility policies that are wholly transparent in regard to the Group's undertakings and which demonstrate its proactive adoption of civic responsibilities.

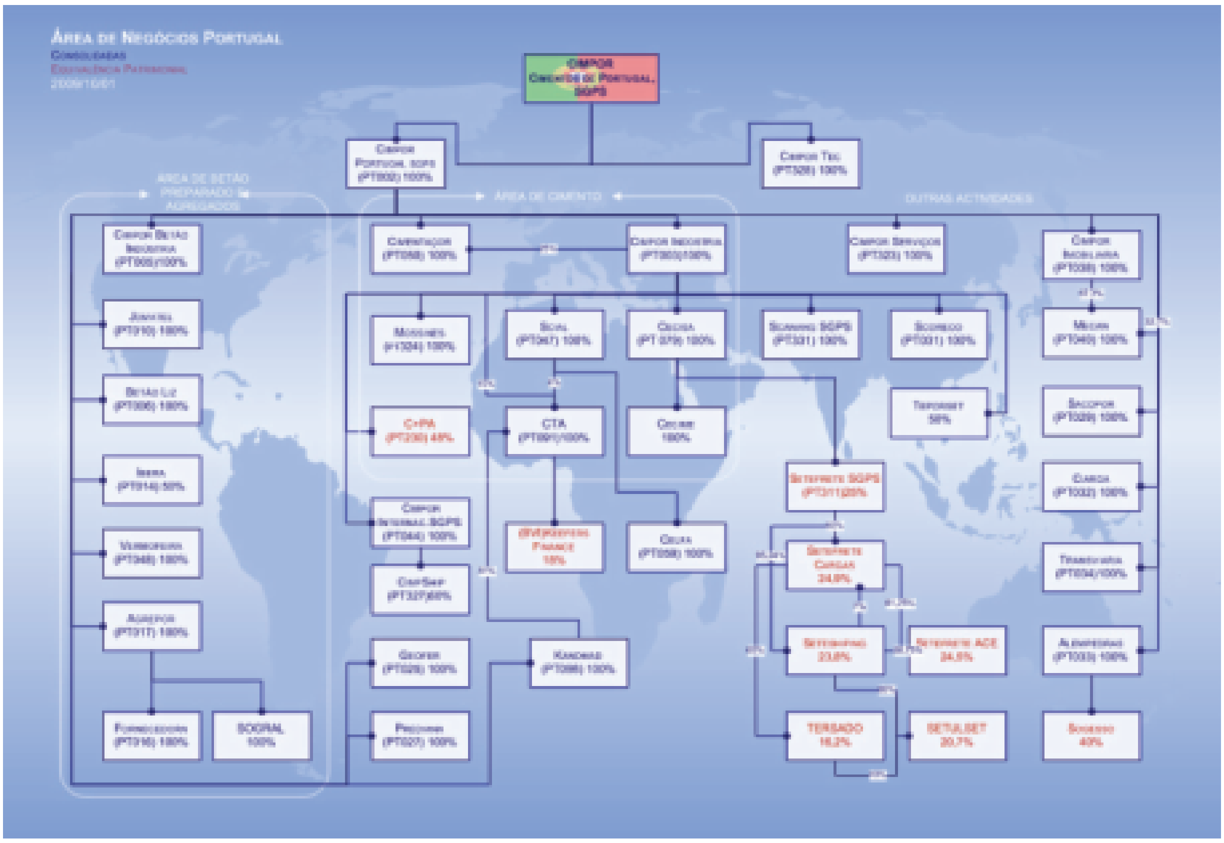
Strategy

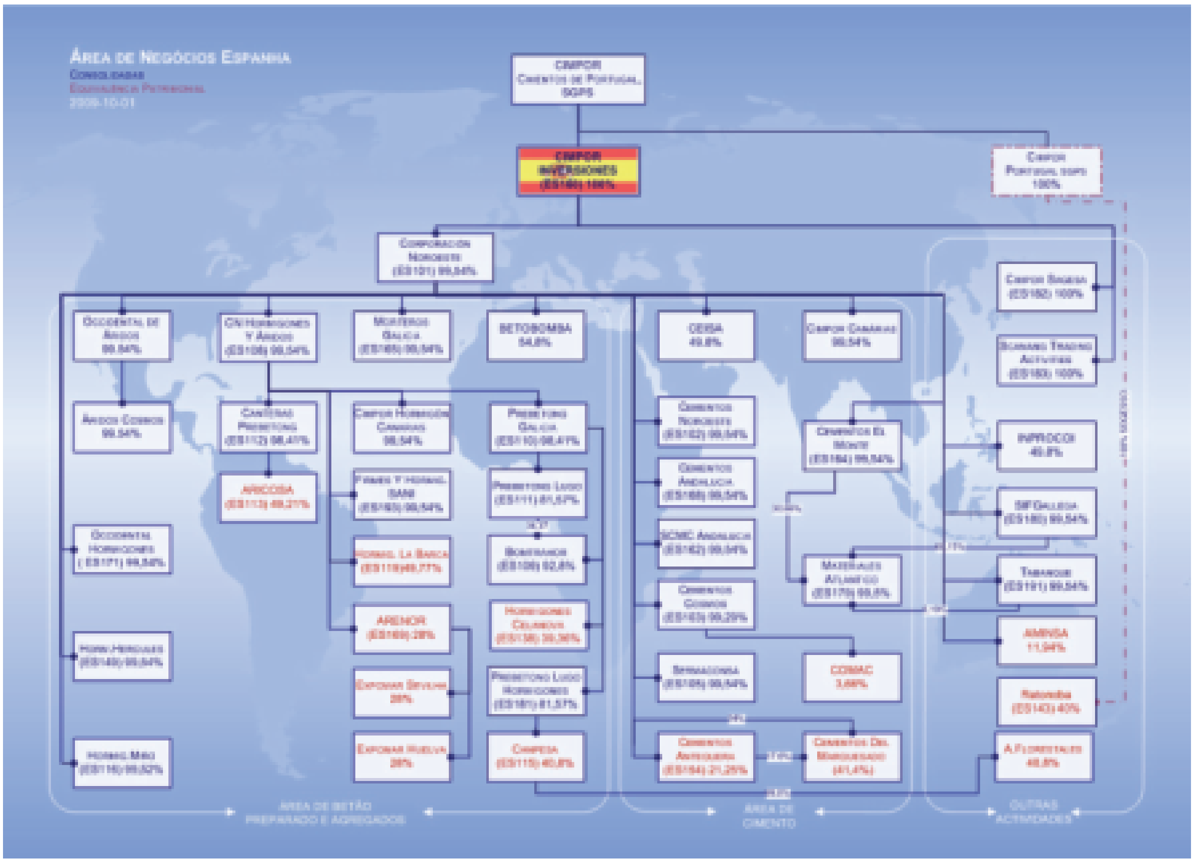
- To consolidate the CIMPOR Group's current position through internal growth and greater penetration in the markets where the CIMPOR Group already operates, through expansion into business areas related to the cement sector.
- To make new acquisitions, within CIMPOR Group's financial limits, seeking to ensure balance between operations focused on emerging markets and presence in consolidated and mature markets, where the lower potential for growth is offset by lower risk.
- Optimise operations by taking advantage of synergies, cutting costs, particularly energy costs, increasing employee productivity and investing in research and development.

- To develop trading between CIMPOR Group's companies so as to balance peaks in demand in certain markets with excess supply in others.

Corporate Structure



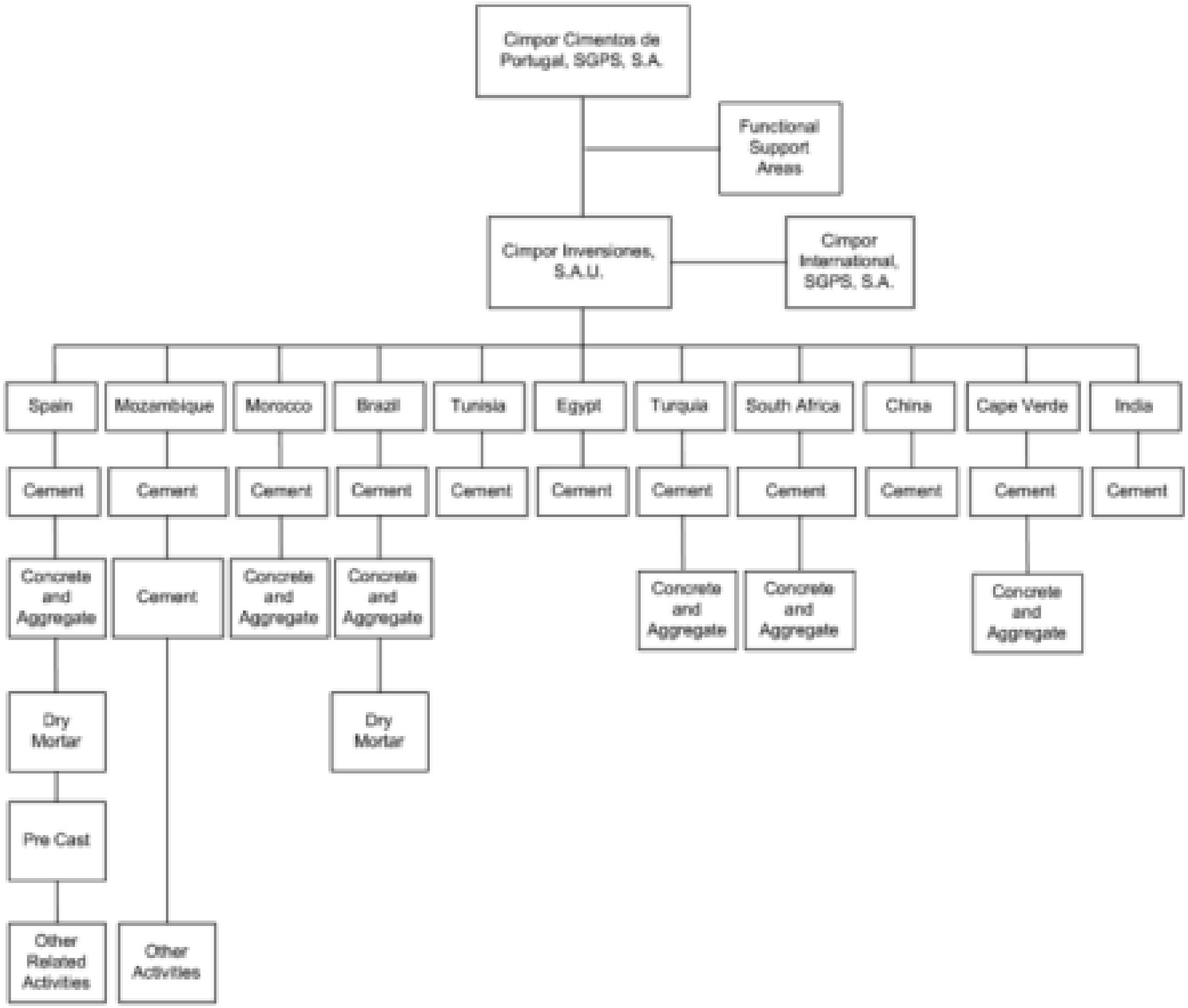




Main Areas of Business

CIMPOR Group is structured by business areas, corresponding to the countries where it operates, which are further sub-divided into business activities. CIMPOR Group's primary business activity is the production and sale of cement, which represents more than 75 per cent of total turnover and 90 per cent of EBITDA.

Globally CIMPOR Group operates 26 integrated cement plants, 16 grinding mills and 1 hydraulic lime plant as well as 40 aggregate facilities and 223 concrete plants. The number of employees at the end of June 2009 was 8,770, of which 7,193 were in international operations.



Recent Events

There are no recent events particular to CIMPOR Group which are materially relevant to an evaluation of CIMPOR's solvency since 30 June, 2009.

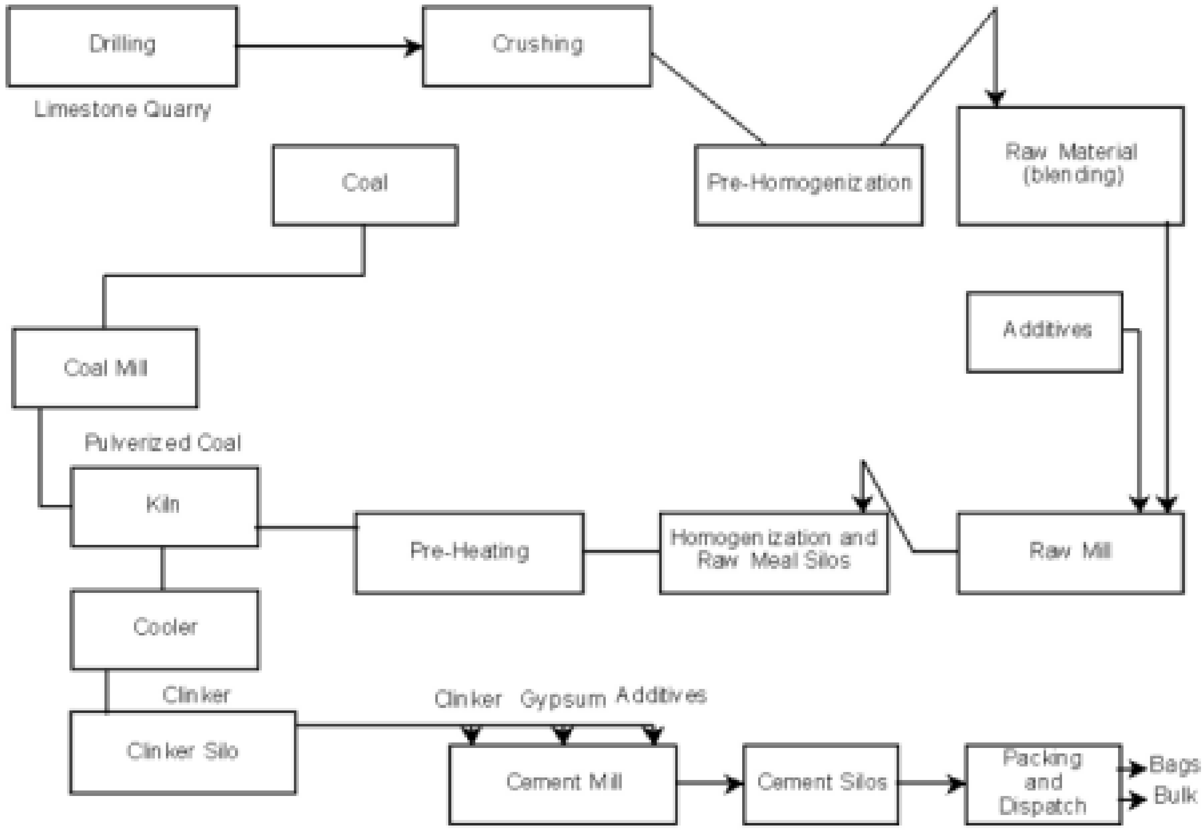
Business Areas by Activity in the 1st Half of 2009 (EUR M)

Million Euros	Turnover	Operating Cash Flow (EBITDA)	Operating Profit (EBIT)	Net Profit[1]	Industrial Investments	Financial Debt
Portugal	207.4	75.9	–	–	9.9	48.1
Spain	161.2	22.0	–	–	8.7	144.6
Morocco	49.0	20.5	–	–	1.3	7.9
Tunisia	37.0	8.8	–	–	2.4	–
Egypt	121.4	54.3	–	–	4.7	–
Turkey	46.7	4.5	–	–	46.7	37.7
Brazil	187.3	52.3	–	–	23.4	11.7
Mozambique	42.8	7.4	–	–	3.2	-
South Africa	70.3	33.6	–	–	4.4	1.4
China	46.9	4.3	–	–	24.8	3.1
India	28.2	7.4	–	–	2.6	1.9
Cape Verde	16.6	2.6	–	–	0.3	0.9
Trading/Shipping and Other	8.2	4.4	–	–	–	–
Total Consolidation	1,023.0	298.0	195.5	107.1	132.4	2,195.1[2]

(1) Before Minority Interests
(2) Including holdings and Cimpor B.V.

Production

Limestone is extracted from quarries and is crushed before being blended. The limestone is then passed through a raw mill and pre-heated. The limestone is mixed with additives and is heated to temperatures above 1,500ºC in kilns using different kinds of fuels for example coal, pet coke and gas to produce clinker. Clinker is mixed with gypsum and other additives and grinded on a cement mill to produce cement. Several cement mills are fed by each kiln. The cement is stored in cement silos, before being packaged and dispatched in either bags or in bulk. See the Cement Making Process Flow Chart with coal as a fuel.



The CIMPOR Group operates the following plants:

Portugal

The CIMPOR Group operates plants in Alhandra (2 kilns), Souselas (3 kilns), Loulé (1 kiln) and two grinding mills in Sines and the Azores having a total capacity of 6.9 million tons per year.

Spain

The CIMPOR Group operates two plants in Galicia, Oural (Lugo) and Toral (Ponferrada), and two plants in Andalusia, Cordoba and Niebla, holding a total capacity of 3.2 million tons of cement per year. The kilns in Galicia were constructed in 1964 and 1976. The Cordoba Plant operates one kiln, built in 1966, while the Niebla Plant operates 2 kilns built in 1970.

The Spanish operations also include in Andalusia, a grinding mill in Huelva and a terminal in Seville, in Galicia a grinding mill in Narón and 2 grinding mills and 8 terminals in the Canary Islands.

Morocco

The CIMPOR Group operates one plant in Témara with one kiln constructed in 1978, which has a recently upgraded capacity of 1.3 million tons of cement per year.

Tunisia

The CIMPOR Group operates one plant in Jbel Oust, with one kiln constructed in 1987, which has a capacity of 1.6 million tons of cement and hydraulic lime per year.

Egypt

The CIMPOR Group operates one plant near Alexandria, constructed in 1988 and expanded in 2004 through the installation of a new kiln, bringing the total capacity to 3.9 million tons of cement per year.

Turkey

The CIMPOR Group presently has 3.9 million tons of cement production capacity per year and operates in the regions of Central and East Anatolia and in the Black Sea. It has four cement plants: Hasanoglan (1 kiln) – construction completed in June 2009; Çorum (1kiln); Sivas (2 kilns) and Yozgat (1kiln).

The CIMPOR Group also operates two grinding mills in Samsun and in Nevsehir.

Brazil

In Brazil, the CIMPOR Group operates the plants of Cimepar, Atol and Campo Formoso in the Northeast, the plant of Goiás in the West, the plant of Cajati in the Southeast and the plant of Candiota in the South.

The Brazilian operations also have two cement grinding mills, Brumado in the Northeast and Nova Santa Rita in the South.

The CIMPOR Group's total cement production capacity, with its own clinker, is currently 5.8 million tons per year.

Mozambique

The CIMPOR Group operates one plant in Matola near Maputo, one grinding mill in Dondo near Beira and another plant in Nacala in the North of the country. The plant in Matola has one kiln, constructed in 1973, producing 0.7 million tons of cement per year. This plant has undergone significant rebuilding and modernisation since 1994.

South Africa

The CIMPOR Group is present in South Africa operating in the province of KwaZulu-Natal, having in mid 2008 increased its cement production capacity, from 1 million to 1.7 million tons, at its plant in Simuna. The operations in South Africa also include a cement mill in Durban and a slag mill in New Castle.

India

The CIMPOR Group operates one plant with a sole kiln located near Jamnagar, in the state of Gujarat, with a cement production capacity of 1.2 million tons per year.

China

The CIMPOR Group operates two integrated cement plants in the Province of Shandong: Zaozhuang (2 kilns) and Shandong (1 kiln) and in the Province of Jiangsu a clinker production unit in Liyang (1 kiln) and two grinding mills, one in Suzhou and another in Huaian.

Raw Materials

The primary raw materials used in CIMPOR Group's cement production are limestone, clay and gypsum.

Geographically, CIMPOR Group owns the following quarries where limestone is extracted:

Country	Number of Quarries	Average Limestone Life Reserve
Portugal	8	45
Spain	9	95
Morocco	4	25
Tunisia	2	>100
Egypt	3	27
Turkey	11	40
Brazil	16	>100
Mozambique	6	20
South Africa	3	>100
China	3	60
India	3	12

The majority of quarries in each country are located in the plant's perimeter and most of the limestone used in clinker production comes from quarries owned by the Group.

Electricity

The consumption of electricity in kilowatt-hours (kWh) per ton of cement produced in the first half of 2009 by country is as follows:

Country	kWh/t
Portugal	100
Spain	112
Morocco	99
Tunisia	106
Egypt	122
Turkey	119
Brazil	113
Mozambique	145
South Africa	99
China	87
India	99

Fuel, Coal and Petcoke

The consumption in kCal of fuel, coal and petcoke per ton of clinker produced in the first half of 2009 by country is as follows:

Country	kCal
Portugal	814
Spain	866
Morocco	813
Tunisia	856
Egypt	910
Turkey	859
Brazil	836
Mozambique	1,158
South Africa	894
China	835
India	800

Turnover

As at 30 June 2009, the CIMPOR Group's total turnover by country was as follows:

Portugal	21.0%
Spain	15.8%
Morocco	4.8%
Tunisia	3.6%
Egypt	11.9%
Turkey	4.6%
Brazil	18.3%
Mozambique	4.2%
South Africa	6.9%
China	4.6%
India	2.7%
Cape Verde	1.6%

As at 30 June 2009, the CIMPOR Group's total turnover by business activity was as follows:

Cement	79%
RMC and Aggregates	18%
Trading and others	3%

Country Overview

	Cement Factories	Capacity '000t	Capacity Utilization (2008)(1)	Hydraulic lime plant	Concrete Units	Mortar Units	Quarries
Portugal	3+2 grinding mills	6.900	87.8%	1	63	2	10
Spain	4 + 4 grinding mills	3.200	76.7%		94	6	20
Morocco	1	1.285	100.0%		7		1
Tunisia	1	1.680	88.7%				
Egypt	1	3.900	84.0%				
Turkey	4+2 grinding mills	2.000	101.1%		16		2
Brazil	6+2 grinding mills	6.150	78.5%		32	2	1
Mozambique	1 +2 grinding mills	0.735	45.0%		4		
South Africa	1+2 grinding mills	1.725	84.6%		7		3
China	2 (2) + 1 clinker production factory + 2 grinding mills	5.650	103.1%				
India	1	1.165	81.8%				
Cape Verde	1 terminal						

(1) Year average
(2) Including new plant to be concluded by the end of 2009

Portugal

Portugal accounted for 20.3 per cent. of the CIMPOR Group's turnover and 25.5 per cent. of EBITDA as at 30 June 2009. The production and sale of cement is the main activity of CIMPOR in Portugal, accounting for 60.2 per cent. of the turnover. The business activities in Portugal include cement, concrete and aggregates, precast, dry mortar and other related activities such as trading of cement and clinker.

The Portuguese operations reached an EBITDA margin of 33.8 per cent. as at 30 June 2009, which was highly above the average overall margin of the CIMPOR Group of 29.1 per cent. in the same period.

The CIMPOR Group has 14 distribution terminals nationwide, able to handle bagged cement and in some situations also bulk. CIMPOR's major customers are supplied with cement in bags and in bulk on a 40/60 percent basis.

Following the 2001 construction peak in Portugal, cement and related products consumption has adjusted to what we consider a sustainable level of demand.

As at 30 June 2009, due to adverse market conditions and lower exports to Spain, cement sales of the Portuguese business area, amounted to approximately 2 million tons, less 30.0 per cent. than in the same period in the previous year, generating a EUR 124.8 million turnover.

The CIMPOR Group achieved an average cement price of €78 per ton in this period.

As at 30 June 2009, sales of concrete amounted to 1,157 thousand cubic meters which represents a decrease of 20.4 per cent. for the same period last year. Sales of aggregates experienced a slight decrease of 2.1 per cent. in this period reaching 3,295 thousand tones.

The CIMPOR Group's major customers of concrete and aggregates are large building companies and several concrete and precast producers.

Investment in the production of dry mortars began in 1999 and its contribution to domestic turnover is presently below 1 per cent.

Spain

As a consequence of the current recession in the construction sector, the contribution of the Spanish operations to the CIMPOR Group's Turnover and EBITDA as at 30 June 2009, already considering the contributions from the recent acquired business in the Canary Islands, has decreased to 15.8 per cent. and 7.4 per cent., respectively.

In this context and despite a larger consolidation perimeter, EBITDA margin also dropped to 13.6 per cent.

CIMPOR Group's business activities in Spain include cement, concrete and aggregates, precast, dry mortar and other related activities such as trading of cement and clinker.

Turnover attributable to sales of cement and clinker in Spain, 1,554 thousand tons as at 30 June 2009, amounted to approximately €131.4 million, representing slightly more than 80 per cent. of the turnover.

Following the recent entry in the Canary Islands market with a cement price of more than €100 per ton by 30 June 2009, CIMPOR Group's average cement price in Spain didn't fall in this period, keeping an average level of around €71 per ton. In the first half of 2009 concrete, aggregates and dry mortar sales also suffered significant decreases.

Morocco

CIMPOR Group's business activities in Morocco are focused on cement, which represent 80 per cent. of the turnover, completed with production of concrete and aggregates.

As at 30 June 2009, Asment de Témara sold 604 thousand tons of cement, with an average cement price of €72 per ton reaching a turnover of EUR 49.0 million and an EBITDA margin of 41.8 per cent.

Tunisia

CIMPOR Group's business activity in Tunisia consists on the production of cement and of hydraulic lime.

As at 30 June 2009, Ciments de Jbel Oust reached a turnover of EUR 37.0 million, with the sale of 853 million tons of cement and lime and generating an EBITDA margin of 23.8 per cent.

In Tunisia cement prices are controlled by the government implying an average price of cement for Cimpor's Tunisian operations of €39 per ton.

Egypt

CIMPOR Group's business activity in Egypt is exclusively focused on the production of cement.

With a very strong local consumption during 2009, the contribution of this area to CIMPOR Group's turnover and EBITDA increased to 11.9 per cent. and 18.2 per cent. respectively, from 30 June 2008 to 30 June 2009.

As at 30 June 2009, Cimpor Group sold approximately 2.0 million tons of clinker and cement, 25.9 per cent. more than in the same period for 2008, which together with a strong increase in local prices and an average price of €58 per ton of cement for Cimpor operations in Egypt, led turnover up 63.0 per cent. to EUR 121.4 million. The EBITDA growth was in line with turnover increase and the EBITDA margin was of 44.7 per cent., slightly above the first half 2008 figure.

Turkey

CIMPOR's business in Turkey encompasses cement, which represents 89.3 per cent. of local turnover, concrete and aggregates activities.

Due to the slowdown of exports, as a result of the tough present global economic situation, and some new production capacity added in this market, the Turkish market is facing a strong level of competition.

As at 30 June 2009, the Turkish operations sold 947 thousand tons of cement, which was 16.1 per cent. less than in the same period of 2008. Sales of concrete and aggregates suffered decreases of almost 50 per cent. regarding the same period of the previous year.

The CIMPOR Group's EBITDA margin went down to 9.6 per cent., driven mainly by the strong competition in the cement local market. In the second half of 2009, a new clinker production line began operations enabling a complete replacement of clinker that was previous bought from third parties.

The average cement price of CIMPOR operations in Turkey was of €40 per ton in the second half of 2009.

Brazil

Brazil is the CIMPOR Group's second most important market abroad as it contributed, in the first half of 2009, with 18.3 per cent. and 17.6 per cent. of the consolidated turnover and EBITDA, respectively.

As at 30 June 2009, CIMPOR Group's turnover in Brazil reached EUR 187.3 million and EBITDA margin was up to 27.9 per cent.

Turnover attributable to sales of cement by the operations in Brazil amounted to EUR 121.9 million in the first half of 2009, representing 65.1 per cent. of the total turnover. The average cement price was of €65 per ton in this period.

The importance of the concrete and dry mortars business in turnover has been rising, with concrete sales of 595 thousand cubic meters representing 25.1 per cent. of turnover in the first half of 2009, while dry mortar sales were up 15 per cent. from the previous period, reaching slightly above 100,000 tons.

Mozambique

CIMPOR Group's business activities in Mozambique mainly focus on the production and selling of cement completed with some concrete.

EBITDA margin was of 17.1 per cent. as at 30 June 2009, with revenues increasing 28.3 per cent. to EUR 42.8 million, 83.9 per cent. of which came from sales of cement.

CIMPOR Group is the sole producer of clinker and cement in the country and sold 373 thousand tons of cement in the first six months of 2009 with an average selling price of approximately €106 per ton in this period.

South Africa

CIMPOR Group's business activities in South Africa are predominantly focused on cement representing 90 per cent. of turnover, with the concrete and aggregates sales rising steadily.

As at 30 June 2009, turnover amounted to EUR 70.3 million, representing 6.9 per cent. of CIMPOR Group's consolidated turnover.

The operations in South Africa, since July 2008, benefit from a new clinker production line, allowing the doubling of the EBITDA to a total amount of EUR 33.6 million, which represent 11.3 per cent. of CIMPOR Group's consolidated EBITDA and, revealing an EBITDA margin of 47.8 per cent., the highest in CIMPOR Group.

Following the 2008 consumption peak, cement sales were down 8.9 per cent. from the same period in the previous year reaching 718,000 tons. Sales of aggregates experienced a strong growth in the first half of 2009 to 421,000 tons while concrete sales suffered a slight decrease to 80,000 cubic meters.

CIMPOR achieved in South Africa an average cement price of €82 per ton in the first half of 2009.

China

CIMPOR Group's business activities in China consist of the production of clinker and cement.

In December 2008, CIMPOR Group acquired a new company, Liyang near Shanghai, with a clinker capacity of 1.1 million tons and, until the end of 2009, a new cement plant in the province of Shandong with a capacity of 2.1 million tons will be completed, enabling the Group to reached a total cement capacity in China of 5.7 million tons.

As at 30 June 2009, the operations in China sold 1,884,000 tons of clinker and cement, 31.5 per cent. up from the same period last year, increasing 76.6 per cent. its turnover to EUR 46.9 million.

Although EBITDA was 38.2 per cent. up in the first half of 2009 compared to the same period in 2008, the CIMPOR Group's EBITDA margin was only 9.2 per cent., the lowest in the CIMPOR Group but in line with regular margins in this market.

In this traditionally low price market, the average cement price per ton was of €27 in the first half of 2009.

India

The CIMPOR Group's business in India, consists only of the production of cement.

As at 30 June 2009, the operations in India reached a turnover of EUR 28.1 million with the sale of 582,000 tons of cement, revealing an EBITDA margin for the same period of 26.3 per cent. The average cement selling price was of €45 per ton in the first half of 2009.

Cape Verde

The CIMPOR Group does not have any cement production facility in Cape Verde but only a cement terminal that receives cement from the operations in Portugal and deals with the distribution and sale of cement in the Cape Verde islands. In the first half of 2009 the operations in Cape Verde sold 114,000 ton of cement, generating a turnover of EUR 16.6 million with an average selling price of €115.

Recently, in Cape Verde, CIMPOR Group launched some activities of concrete and aggregates.

Competition

The CIMPOR Group's subsidiaries operate locally on a regional basis and, as a consequence, they have different competitors in each market.

Portugal

Cimpor Indústria, S.A. is the leading cement producer in Portugal with a 55 per cent. market participation facing Secil as the sole competitor producing clinker and cement. Around 5 per cent. to 10 per cent. of the cement is imported.

In the concrete business, Cimpor Betão, S.A. is the largest concrete producer, with a market participation of approximately 30 per cent. and its main competitors are Secil and Lafarge Betões.

CIMPOR Group controls 100 per cent. of Cimpor Indústria and of Cimpor Betão.

Spain

The Spanish cement market is relatively consolidated with approximately 73 per cent. of installed cement production capacity in Spain owned by six companies, five of which are controlled by multinational cement groups (Cemex, Italcimenti, Lafarge, Holcim and Cimpor).

Regionally, Corporación Noroeste, S.A., the Spanish subsidiary of CIMPOR Group that controls the operational companies in this country, faces competition from Tudela Veguin in Galicia, while the main competitors in Andalusia are Cementos Portland Valderrivas, Holcim, Cemex and Italcimenti, together with some local producers with grinding mills and cement silos.

Corporación Noroeste, S.A. holds a strong position in Galicia, Andalusia and Canary Islands with a participation of more than 10 per cent. of the Spanish cement market.

In the concrete business, the Cimpor Group holds a market participation of around 3.3 per cent.

The CIMPOR Group controls 99.5 per cent. of Corporación Noroeste.

Morocco

Asment de Témara, S.A., CIMPOR Group's subsidiary in Morocco, is the fourth largest cement company in this country with an 8 per cent. market participation and is the market leader in the region of Rabat with a local market participation of 75 per cent. Competitors include major international companies such as Lafarge, Holcim and Italcementi.

The CIMPOR Group controls 62.6 per cent. of Asment de Témara.

Tunisia

In Tunisia, the cement industry is quite consolidated, with the top four producers responsible for around 80 per cent. of production.

Ciments de Jbel Oust, CIMPOR Groups' subsidiary in Tunisia, is the second largest cement producer in this country, with a market participation of approximately 25 per cent., and a market participation in the region of Tunis of around 40 per cent. Its competitors include Cementos Portland, a Spanish company operating Enfidha, Secil, a Portuguese producer operating Gabés, Colacem, an Italian company operating Ciments Artificiel and two state owned companies, Bizerte and Ciments d'Oum Kelli.

The CIMPOR Group controls 100 per cent. of Ciments de Jbel Oust.

Egypt

The CIMPOR Group's subsidiaries for the cement business in Egypt, Amreyah Cement Company, S.A.E and Amreyah Cimpor Cement Company, SAE, are together the fifth largest cement producers in Egypt, with a market participation of approximately 8 per cent., are the market leaders in the region of Alexandria with a 55 per cent. market participation. Their competitors include some of the major international players, namely, Lafarge, Titan Cement, Cemex, Vicat and Italicementi, as well as several local private and state owned companies.

The CIMPOR Group controls 96.4 per cent. of Amreyah Cement Company and 97.29 per cent. of Amreyah Cimpor Cement Company.

Turkey

The Turkish cement industry is very fragmented. Apart from Cimpor Yibitas, AS and YibitasYozgat, AS, CIMPOR Group's subsidiaries for the cement business in Turkey, there are some international groups active in this country including Heidelberg Cement, Cementir, Vicat, and Italcimenti. The two companies together holds a 5 per cent. market participation in this country and faces Vicat and local producers as main competitors.

CIMPOR Group controls 99.7 per cent. of Cimpor Yibitas and 79.50 per cent. of Yibitas Yozgat.

Brazil

Brazil's cement market, which is the fifth largest in the world, is concentrated, with 80 per cent. of market capacity owned by five groups including Votorantim with 45 per cent. market participation, João Santos with 12 per cent. market participation, CIMPOR Group with 10 per cent. market participation, Lafarge with 8 per cent. market participation and Holcim with 8 per cent. market participation, followed by other Brazilian companies like Camargo Correia, Itambé and Soeicom.

Cimpor Cimentos do Brasil, Ltda, the CIMPOR Group's subsidiary in Brazil, is the third largest cement company in this country, with operations in the different regions and holding market participations of 19 per cent., 18 per cent., 4 per cent. and 10 per cent. in the Northeast, Central-West, Southeast and South, respectively.

CIMPOR Group controls 100 per cent. of Cimpor Cimentos do Brasil.

Mozambique

Cimentos de Mozambique, S.A., the CIMPOR Group's subsidiary in Mozambique, holds an 80 per cent. participation of the cement market. As the only producer in the country, its competitors are other non-Mozambican producers, mainly from South Africa.

CIMPOR Group controls 82.5 per cent. of Cimentos de Mozambique.

South Africa

Natal Portland Cement Company, LTD, the CIMPOR Group's subsidiary in South Africa, through its subsidiary NPC – Cimpor, Limited, is the fourth largest cement producer in this country, with a market participation of approximately 12 per cent., and the market leader in the Kwazulu Natal region with an 70 per cent. market participation.

NPC main competitors in South Africa are Pretoria Portland Cement, the market leader with a market share of 45 per cent., followed by Lafarge South Africa and a local producer, who acquired in 2008 Holcim's South Africa operations, with 20 per cent. market share each.

The CIMPOR Group controls 100 per cent. of Natal Portland Cement Company and 74 per cent. of NPC – Cimpor, Limited.

China

The Chinese cement industry is highly fragmented with 90 per cent. of producers, around 4,500 companies, holding a cement production capacity of less than 600 thousand tones each. Lafarge, Holcim, Heidelberg and CRH are among the international cement players operating in this country, as well as Conch, Sinoma and China Building Material the largest national cement Groups in China.

In the province of Shandong CIMPOR Group competes mainly with Taishan and the Conch Group, while in the province of Jiangsu the CIMPOR Group faces competition mainly from China Building Material.

In China the CIMPOR Group has a joint venture with Chinese investors who own 25 per cent. of Cimpor Macau Investment, a holding company based in Macau.

Cimpor Macau controls 100 per cent. of Cimpor Cement Corporation Limited, a holding located in Hong Kong which owns the shareholdings in the operational companies in Continental China.

India

India is second largest cement market in the world where international cement producers are present, such as Lafarge, Holcim, Italcimenti and Heidelberg Cement, which together with the national producers Grasim/Ultra Tech, Shree Cement and India Cement, account for more than a quarter of total market.

Based in Gujarat, Shree Digvijay Cement Co, the CIMPOR Group's subsidiary in India, faces competition from Holcim, Grasim, Metha and Sanji.

The CIMPOR Group controls 73.63 per cent. of Shree Digvijay.

Cape Verde

Cimpor Cabo Verde, S.A. is the leader in cement sales in Cape Verde with a market participation of approximately 72 per cent.

The CIMPOR Group controls 98.65 per cent. of Cimpor Cabo Verde.

Capital Expenditure

CIMPOR Group's capital expenditure in the first half of 2009 reached €142 million.

Regulation

There are no governmental regulations with respect to pricing policies for the business activities of the Group, except in Tunisia where cement prices rises are subject to an annual government authorisation.

Information Technology

CIMPOR Group's business units use the most up-to-date technology for the control of the production process.

As to information technology systems, in 1998 the CIMPOR Group decided, in accordance with its strategic development plan, to introduce the software (SAP R3) in all of its business areas in order to guarantee an efficient integration of the main management functions, including accounting, budget, planning, invoices, control of inventories and pay roll. These systems became fully operational in the whole CIMPOR Group except for China, India and Cape Verde where they are still being implemented.

Environmental Matters

CIMPOR Group is committed to:

- Complying with applicable environmental legislation and relevant codes of practice.
- Continuously improving its environmental performance.
- Setting specific objectives for the control or reduction of emissions to all environmental media.
- Promoting improvements in energy efficiency and resource usage.
- Minimising water use and discharges.
- Preparing and maintaining quarry development plans.
- Increasing the environmental awareness of all employees, contractors and suppliers.
- Reducing emission of cement kiln dust, hazardous gases and other waste and encourage recycling.
- Reducing releases of dust and other emissions into the atmosphere wherever practicable.
- Including environmental performance in personnel development training.
- Preventing industrial injuries and accidents through workplace studies, surveys and action plans.
- Utilising alternative materials and fuels resulting from other industries as products and wastes where this is environmentally, technically and economically feasible.

Employees

As at 30 June 2009, the Group had 8,770 employees. The following is a breakdown of CIMPOR Group's employees:

	June 2009	2008	Change (per cent)
Head office and other	132	149	(11.4%)
Portugal	1,479	1,543	(4.1%)
Spain	1,260	1,024	23.0%
Morocco	205	203	1.0%
Tunisia	220	221	(0.5%)
Egypt	491	486	1.0%
Turkey	861	831	3.6%
Brazil	1,531	1,432	6.9%
Mozambique	459	437	5.0%
South Africa	618	615	0.5%
China	833	627	32.9%
India	550	414	32.9%
Cape Verde	131	159	(17.6%)
Total	8,770	8,143	7.7%

Management Structure

In accordance with the Articles of the Association of CIMPOR, the Board of Directors may be formed by five to fifteen members, one of whom shall be designated as the chairman and the others members. The Board of Directors is elected at a general meeting, where the chairman is also appointed. As with the other corporate offices, the Board of Directors is elected for a four-year term and may be re-elected.

The current Board of Directors, elected for a four-year term from 2009 to 2012 by the general meeting consists of the following members:

- Ricardo Manuel Simões Bayão Horta – Chief Executive Officer and Chairman
- Luís Eduardo da Silva Barbosa – Director
- Vicente Arias Mosquera – Director
- António Sarmento Gomes Mota – Director
- Jean Desazars de Montailhard – Director
- José Manuel Baptista Fino – Director
- Jorge Humberto Correia Tomé – Director
- José Enrique Freire Arteta – Director
- Jorge Manuel Tavares Salavessa Moura – Director
- Luís Filipe Sequeira Martins – Executive Director
- Manuel Luís Barata de Faria Blanc – Executive Director
- António Carlos Custódio de Morais Varela – Executive Director
- Albert Corcos – Director
- Luís Miguel da Silveira Ribeiro Vaz – Executive Director

The business address for each director listed above is:

Rua Alexandre Herculano, 35, 1250-009, Lisbon, Portugal.

Conflicts

There are no potential conflicts of interest between any duties of any director of CIMPOR S.A. and any private or other duty of that director.

Executive Committee

As in previous mandates and as foreseen in article 14(1) of the Articles of Association, the newly elected Board of Directors decided at their meeting held on 27 May 2009 to appoint an Executive Committee composed of five of their members. The Board of Directors has delegated to the Executive Committee all powers to perform the ordinary day-to-day business of CIMPOR, save for certain matters the delegation of which is not permitted by law.

This Executive Committee is composed of the following members:

Professor Ricardo Manuel Simões Bayão Horta. Born in 1936. Has served on CIMPOR – Cimentos de Portugal, SGPS, S.A. as Chairman, since 2001, and was appointed also as Chief Executive Officer on 3 December 2009. He is also Chairman of Companhia Industrial de Resinas Sintéticas Cires, S.A. (since 1998). In Banco Comercial Português, S.A. he has been President of the Audit Committee (1985-2008) and Vice-President of the Supervisory Board (1985-2007). He was also Chairman of the following companies: Atlansider, SGPS, S.A. (1998-November 2009); Siderurgia Nacional – Empresa de Productos Longos, S.A. (1995-1998); Promindústria – Sociedade Portuguesa de Capital de Risco, S.A. (1987-1992) and Shin-Etsu International Europe, B.V. Member of the superior council of Shin-Etsu Co, Ltd. Former Minister of Defence and Minister of Industry, Energy and Exports (1981-1982), Secretary of State of Manufacturing Industry, Energy and Mining (1977-1980) and advisor to the Secretary of State of Heavy Industry (1976).

Luís Filipe Sequeira Martins. Born in 1947. Has served on CIMPOR – Cimentos de Portugal, SGPS, S.A. Executive Committee (cement COO) since 1987 and has primary responsibility for cement operations. He is Director of several subsidiaries. He has been Director in IPE (1992-1994). Chairman of the Supervisory Committee of QUIMIGAL. EP (1986-1987). Chief of Staff of the Secretary of State for Industry and Energy (1985-1987) and Head of Department of the General-Directorate of Industry (1983-1985). Mr. Sequeira Martins holds a degree in Chemical Engineering from Instituto Superior Técnico, in Lisbon.

António Carlos Custódio de Morais Varela. Born in 1956. Has served on CIMPOR – Cimentos de Portugal, SGPS, S.A. Executive Committee since May 2009 and has primary responsibility for financial operations, investor relations, accounting consolidation and tax (CFO). He served UBS, AG from 2000 to 2009, first as Executive Director and then as Managing Director of the Lisbon representation office. Formerly he directed the Corporate and Project Finance area at the presently named Millennium Investment Banking (1995-2000). Member of the first Executive Board of the Portuguese Securities and Exchange Commission (CMVM) from 1991 to 1995. Consultant to the Board of Directors of Petrogal and, afterwards, Partex, where he became the head of the Financial Department. Mr. António Varela holds a degree in Business Administration from "Instituto Superior de Economia e Gestão (ISEG)" of the Lisbon University and, in 1981, received the M. Sc. in Industrial Relations and Personnel Management by the London School of Economics.

Manuel Luís Barata de Faria Blanc. Born in 1955. Has served on CIMPOR – Cimentos de Portugal, SGPS, S.A. Executive Committee since August 2001 and has primary responsibility for the strategy and development, planning and control and internal audit. Formerly he made a career at the Banco Comercial Português Group (as General Manager since the beginning of 1997) having been responsible for several areas and appointed as a Board Member of several companies within the Group (1990-2000). Co-founder and manager of INTERFINANÇA (1987-1988) and E.S.G. (1985-1990). he has also been the Head of Financial Department and Senior Adviser of the Board in TORRALTA (1980-1985) and management consultant at CODINDÚSTRIA (1977-1979). At Universidade Católica in Lisbon. he has been assistant lecturer in several disciplines (1974-1990), with the responsibility for the teaching of Accounting (1987-1990). Mr. Faria Blanc holds a degree in Business Administration from Universidade Católica Portuguesa.

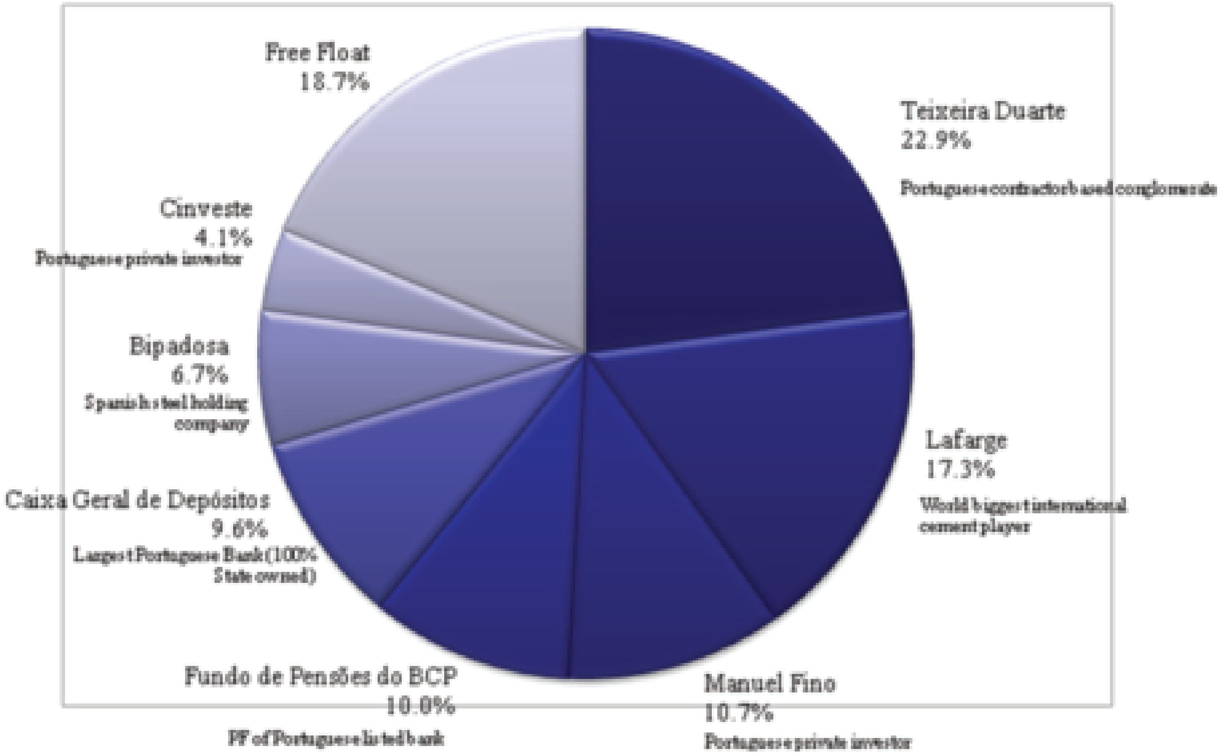
Luís Miguel da Silveira Ribeiro Vaz. Born in 1965. Has served on CIMPOR – Cimentos de Portugal. SGPS. S.A. Executive Committee since May 2009 and has primary responsibility for concrete, aggregates, dry mortars, precast, trading and shipping operations as well as information technology. He is Director of several Subsidiaries. Executive Director at TAP, S.A and Director of SPdH – Serviços Portugueses de Handling, S.A. (2006-2009). Formerly he was a member of the board of Directors of ONI, SGPS and Executive Vice-President of Comunitel (2000-2006). He was head of Planning and Strategy of Jerónimo

Martins and member of its executive board (1998 -2000). Between 1991 and 1998 he was Partner of Mckinsey & Company. Served as manager at Jerónimo Martins (1986-1990). Mr. Luís Vaz holds a degree in Economics from "Universidade Nova de Lisboa" and an MBA from INSEAD (France).

The Executive Committee, chaired by Professor Ricardo Manuel Simões Bayão Horta, who, when necessary, is substituted by Luís Filipe Sequeira Martins, cannot formally meet and resolve without the majority of its members attending or being duly represented by other member. Valid resolutions require the favourable vote of the majority of Executive Directors attending or being duly represented.

Major Shareholders

The shareholders holding qualifying holdings in CIMPOR are as follows:



None of the shareholders has a shareholding which gives it control of CIMPOR and CIMPOR is unaware of any agreement or arrangement entered into by any of its shareholders, the operation of which may at a future date result in the acquisition of control over CIMPOR by one or more of its shareholders.

Disclosed 2009 First Half Consolidated Results

(The financial information below has not undergone external audit or limited revision)

Sales and Turnover

CIMPOR Group's consolidated cement and clinker sales reached approximately 13.5 million tonnes in the first half of 2009 (7.3 million in the second quarter), increasing by 2.5 per cent. compared to the same period of the previous year.

In contrast with the steep business growth observed in Egypt, China and India, the business areas of Turkey, South Africa and Cape Verde (due to reductions in cement consumption), Brazil (as a result of lower exports) and Portugal (because of the combination of these two factors) showed considerable reductions. In Spain, where the market is thought to have fallen by close to 40 per cent., the reduction in the Group's sales was not significant, due to the contribution from the operations acquired in the Canary Islands in late 2008.

Cement and Clinker Sales

(Thousand tons)	1st Half			2nd Quarter		
	2009	2008	% Chg.	2009	2008	% Chg.
Portugal	2,012	2,876	- 30.0	1,073	1,491	- 28.0
Spain	1,554	1,629	- 4.6	845	855	- 1.2
Morocco	604	595	1.4	318	298	6.6
Tunísia	853	829	2.8	456	470	- 2.9
Egypt	2,030	1,612	25.9	1,003	810	23.9
Turkey	947	1,129	- 16.1	703	802	- 12.3
Brazil	2,105	2,247	- 6.3	1,074	1,145	- 6.2
Mozambique	373	341	9.6	192	177	8.6
South Africa	718	788	- 8.9	392	437	- 10.3
China	1,884	1,433	31.5	1,010	741	36.4
Índia (1)	582	223	n.s.	296	223	32.9
Cape Verde	114	146	- 22.1	59	74	- 20.2
(Intra-Group)	(269)	(677)	---	(147)	(255)	---
Total (consolidated)	13,506	13,172	2.5	7,274	7,266	0.1

(1) 2008: April to June

Despite the slowdown observed in the second quarter of 2009, the crisis suffered by the Portuguese, Spanish and Turkish markets led to decreases of sales, compared to the same period of the previous year, of 17.0 per cent. in concrete (3.6 million cubic meters in the first half of the year) and 10.3 per cent. in aggregates (6.8 million tonnes, in the same period).

Concrete, Aggregates and Mortar Sales

Products / Business Areas	1st Half			2nd Quarter		
	2009	2008	% Chg.	2009	2008	% Chg.
Concrete (1,000 m3)						
Portugal	1,157	1,454	- 20.4	585	725	- 19.3
Spain	1,067	1,215	- 12.2	602	612	- 1.7
Turkey	397	661	- 39.9	249	440	- 43.5
Brazil	595	593	0.3	308	308	0.0
Other Business Areas	339	361	- 6.2	193	201	- 4.4
Total	3,555	4,284	- 17.0	1,936	2,287	- 15.3
Aggregates (1,000 ton)						
Portugal	3,295	3,366	- 2.1	1,899	1,774	7.1
Spain	2,416	2,603	- 7.2	1,264	1,367	- 7.6
Turkey	465	1,082	- 57.0	299	756	- 60.4
South Africa	421	387	8.7	227	209	8.5
Other Business Areas	250	198	26.3	114	99	15.5
Total	6,847	7,636	- 10.3	3,803	4,205	- 9.6

Consolidated turnover totalled around EUR 541 million in the second quarter of 2009 and close to EUR 1,023 million over the whole six-month period, in both periods similarly to last year. The contribution from the new business area of India and increases in most of the others, particularly Egypt, China and Mozambique, more than offset the falls in Portugal, Spain, Turkey and Cape Verde (as well as in trading).

Contributions to Turnover

(EUR M)	1st Half			2nd Quarter		
	2009	2008	% Chg.	2009	2008	% Chg.
Portugal	224.3	276.2	- 18.8	117.3	141.6	- 17.1
Spain	161.5	187.4	- 13.8	85.0	94.8	- 10.4
Morocco	49.0	45.0	8.9	25.8	23.0	12.5
Tunísia	37.0	33.6	10.2	19.6	18.8	4.1
Egypt	121.4	74.5	63.0	59.3	38.2	55.6
Turkey	46.7	76.6	- 39.0	31.5	52.8	- 40.4
Brazil	187.3	187.9	- 0.3	98.9	97.5	1.5
Mozambique	42.8	33.3	28.3	21.3	17.1	24.2
South Africa	71.8	65.5	9.7	41.2	35.8	15.2
China	46.9	26.5	76.6	25.1	14.6	71.6
Índia (1)	29.3	10.8	n.s.	14.9	10.8	38.0
Cape Verde	16.6	22.6	- 26.5	8.3	13.2	- 36.9
Trading / Shipping	28.7	64.5	- 55.5	14.1	30.1	- 53.1
Other Activities (2)	(40.5)	(93.1)		(21.1)	(42.0)	
Total (consolidated)	1,023.0	1,011.6	1.1	541.4	546.4	- 0.9

(1) 2008: April to June

(2) Including intra-Grupo eliminations

Results

In the context of the world economy serious crisis and its visible effects on the cement sector main indicators, the quality of CIMPOR's assets and its excellent growth and internationalisation strategy have once again been evidenced. The EBITDA generated in the second quarter of 2009 was 12.4 per cent. above the same period in 2008, bringing this indicator to EUR 298 million in cumulative terms. Although the drop in fuel prices is not yet reflected in the operating costs (given the volume of inventories in the end of 2008), the Group's EBITDA margin exceeded 30 per cent. in the last three months driving 2009 first half EBITDA margin to 29.1 per cent. (1.5 p.p. more than for the same period in 2008).

Contributions to EBITDA

(EUR M)	1st Half			2nd Quarter		
	2009	2008	% Chg.	2009	2008	% Chg.
Portugal	75.9	81.7	- 7.1	43.1	40.3	7.0
Spain	22.0	46.4	- 52.7	11.2	22.0	- 49.2
Morocco	20.5	21.6	- 5.2	10.1	10.2	- 1.0
Tunísia	8.8	9.4	- 5.9	5.6	6.3	- 10.8
Egypt	54.3	33.2	63.5	26.9	15.5	73.6
Turkey	4.5	8.9	- 49.5	5.8	7.5	- 23.0
Brazil	52.3	45.4	15.4	26.1	24.5	6.7
Mozambique	7.3	7.2	0.9	3.5	4.5	- 21.9
South Africa	33.6	16.1	108.0	20.3	7.9	157.7
China	4.3	3.1	38.2	2.7	2.4	14.0
Índia (1)	7.4	1.0	n.s.	4.5	1.0	334.6
Cape Verde	2.6	2.0	28.9	1.6	1.1	39.2
Trading / Shipping	3.0	3.1	- 2.5	1.3	1.5	- 15.4
Other Activities	1.4	- 0.1	n.s.	0.2	0.2	6.8
Total	298.0	279.1	6.8	162.8	144.8	12.4
EBITDA margin	29.1%	27.6%		30.1%	26.5%	

(1) 2008: April to June

The business areas of Egypt and South Africa, benefiting, respectively, from market growth and a higher cement production capacity with own clinker, were decisive for this increase and for a rise in Operating Cash Flow of almost EUR 24 million in the second quarter and of close to EUR 39 million in the whole first half-year. The new business area of India (consolidated from April 2008) also made an important contribution, together with the increases in EBITDA in Portugal in the last three months (7.0 per cent., against last year) and in Brazil (15.4 per cent.), China (38.2 per cent.) and Cape Verde (28.9 per cent.) in the whole six-month period.

The Spain and Turkey business areas, which were seriously affected by a substantial reduction in cement consumption and a sharp fall in the selling prices, both showed a fall of around 50 per cent. in EBITDA by the end of June.

With depreciation and provisions increasing by approximately 16 per cent. as a result of acquisitions and other investments made in the meantime, the Group's operating income reached approximately EUR 195 million, representing a 2.4 per cent. increase compared to the first half of 2008.

Summary of Profit and Loss Statement

(EUR M)	1st Half			2nd Quarter		
	2009	**2008**	**% Chg.**	**2009**	**2008**	**% Chg.**
Turnover	1,023.0	1,011.6	1.1	541.4	546.4	- 0.9
Operating Cash Costs	725.0	732.5	- 1.0	378.6	401.6	- 5.7
EBITDA	298.0	279.1	6.8	162.8	144.8	12.4
Depreciation and Provisions	102.5	88.3	16.1	52.6	44.5	18.1
EBIT	195.5	190.8	2.4	110.2	100.3	9.8
Financial Income	- 47.4	- 92.4	n.s.	- 34.3	- 80.3	n.s.
Pre-tax Income	148.1	98.4	50.4	75.9	20.0	279.8
Income Tax	36.2	- 15.8	n.s.	18.6	- 33.7	n.s.
Net Income	111.9	114.2	- 2.0	57.3	53.7	6.9
Attributable to:						
Shareholders	107.1	107.1	- 0.1	55.9	49.5	12.8
Minorities	4.9	7.1	- 31.0	1.5	4.1	- 63.7

Financial income, although including the cost (around EUR 14 million) of renegotiating the amendment of a private placements issue of bonds in the US market in 2003, was the same as in 2008 (corrected for approximately EUR 45 million of non-recurring losses). Considering the increases in the CIMPOR Group's financial debt occurred in the meantime, this shows a substantial reduction in its cost.

There was no significant change in income tax, once eliminated the non-recurring gain coming from the cancellation of a provision for tax risks (of close to EUR 50 million) made in the second quarter of 2008.

Consequently, the CIMPOR Group's net income after minority interests in the second quarter was 12.8 per cent. higher than in the same period of 2008, taking this indicator to around EUR 107 million for the first half of the year, a similar value to the one obtained for the first six months of 2008.

Investments and Financial Situation

As at 30 June 2009, CIMPOR Group's assets were EUR 4.8 billion, 4.1 per cent. higher than at the end of 2008.

Investments in this period totalled around EUR 143 million, with focus on the construction of new plants in Hasanoglan (Turkey) and Shanting (China), the installation of new cement grinding mills in Temara (Morocco), Cezarina (Brazil), Matola (Mozambique) and Huaian (China) and the increase of clinker production capacity at the Candiota and Cajati units (Brazil). Most of these investments either have been or will be completed in the second half of 2009, increasing the Group's total cement production capacity with its own clinker from 31.1 to 35.0 million tonnes per year by 2009 year-end.

Despite the substantial investments and the payment of dividends of close to EUR 123 million, net financial debt in the first half of 2009 increased only 2.2 per cent. to EUR 1,904 million (corresponding to a multiple of 3.15 on last twelve months EBITDA).

Shareholder's Equity, which benefited from the appreciation against the euro of some currencies from the countries where the Group operates, increased around 6 per cent. to over EUR 1,700 million.

Summary of the Group's Consolidated Balance Sheet

(EUR M)	June 30, 2009	December 31, 2008	% Chg.
ASSETS			
Non-Current Assets	3,742.8	3,720.7	0.6
Current Assets			
Cash and Equivalents	291.2	169.6	71.8
Other Current Assets	769.6	725.0	6.1
Total Assets	4,803.6	4,615.3	4.1
EQUITY			
Shareholders' Equity	1,618.8	1,505.1	7.6
Minority Interests	93.7	110.7	- 15.3
Total Equity	1,712.5	1,615.8	6.0
LIABILITIES			
Loans	2,158.2	2,119.4	1.8
Provisions	189.6	175.8	7.8
Other Liabilities	743.3	704.2	5.5
Total Liabilities	3,091.1	2,999.5	3.1
Total Equity & Liabilities	4,803.6	4,615.3	4.1

Group Business Outlook

The current atmosphere of uncertainty regarding an eventual short-term economic recovery in Europe, particularly in Portugal and Spain, as well as the risks associated with the presence of CIMPOR in emerging markets and the volatility of the corresponding currencies, require a prudent approach when estimating Group profits for the next six months.

Nevertheless, cost reductions resulting from decreased fuel prices, operational start-up of new plants and the poor indicators observed in the last months of 2008, allow CIMPOR to anticipate an increase in operating income by the end of 2009, at least in line with that observed in the first half of the year.

DATED 22 DECEMBER 2009

CIMPOR CIMENTOS DE PORTUGAL, SGPS, S.A.

and

CIMPOR FINANCIAL OPERATIONS B.V.

EUR2,500,000,000

EURO MEDIUM TERM NOTE PROGRAMME

KEEP WELL AGREEMENT

THIS KEEP WELL AGREEMENT is made as a Deed on 22 December 2009

BY AND BETWEEN:

(1) **CIMPOR CIMENTOS DE PORTUGAL, SGPS, S.A.**, a public listed company incorporated with limited liability under the laws of the Republic of Portugal with share capital of EUR 672,000,000 and having its registered office at Rua Alexandre Herculano 35, 1250-009 Lisbon, Portugal, and with the sole commercial registration and tax number 500722900, ("**CIMPOR S.A.**"); and

(2) **CIMPOR FINANCIAL OPERATIONS B.V.**, a private company incorporated with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) and having its registered office at Teleportboulevard 140, 1043 EJ Amsterdam, The Netherlands and registered in the trade register (*handelsregister*) of the Chamber of Commerce (*kamer van koophandel*) under the number 34123771 ("**CIMPOR B.V.**").

WHEREAS:

(A) CIMPOR B.V. is a direct wholly-owned subsidiary of CIMPOR S.A.;

(B) Citibank N.A., London Branch as fiscal agent (the "**Fiscal Agent**" which expression shall include any successor appointed in its place), CIMPOR B.V., as issuer (the "**Issuer**"), CIMPOR S.A., as keep well provider (the "**Keep Well Provider**") and CIMPOR Inversiones, S.A.U. and Corporación Noroeste, S.A. (each a "**Guarantor**" and together the "**Guarantors**") have entered into a fiscal agency agreement dated 22 December 2009 (as amended, supplemented and replaced from time to time, the "**Fiscal Agency Agreement**") relating to the EUR2,500,000,000 Euro Medium Term Note Programme for the issuance of Notes (the "**Programme**");

(C) CIMPOR B.V. may issue Notes after the date hereof pursuant to the Programme (the "**Notes**", which expression as used herein shall include Notes whether in global or definitive form and any coupons, receipts or talons appertaining to such Notes); and

(D) This Agreement constitutes an undertaking of CIMPOR S.A. to provide financial support to CIMPOR B.V. through subordinated shareholder loans or by increasing the issued share capital of CIMPOR B.V. and held by CIMPOR S.A. in order to provide CIMPOR B.V. with the necessary funds to meet its payment obligations.

NOW, THEREFORE, CIMPOR S.A. and CIMPOR B.V. each hereby covenant and agree as follows:

1. CIMPOR S.A. shall own, directly or indirectly, all of the issued and outstanding share capital of CIMPOR B.V. and will control the composition of the board of directors of CIMPOR B.V. so long as any of the Notes remain outstanding and shall not pledge, grant a security interest in, encumber or alienate any of such share capital in any way.

2. For so long as CIMPOR B.V. has outstanding Notes under the Programme, CIMPOR S.A. shall, with effect on and from the date of this Agreement, cause CIMPOR B.V. to maintain a Tangible Net Worth (as hereinafter defined), as determined in accordance with generally accepted accounting principles in The Netherlands applied on a consistent basis as shown on CIMPOR B.V.'s most recent audited balance sheet of at least one euro.

   "**Tangible Net Worth**" shall mean the total assets of CIMPOR B.V. less the sum of intangible assets and total liabilities of CIMPOR B.V. A certificate of the auditors of CIMPOR B.V. as to the value of Tangible Net Worth shall, in the absence of manifest error, be final and conclusive.

3. For so long as CIMPOR B.V. has outstanding Notes under the Programme, if CIMPOR B.V. at any time shall have insufficient funds or other liquid assets to meet its payment obligations (including in respect of any Notes) or to repay borrowings then maturing or subsequently to mature, upon receipt of notice from CIMPOR B.V. to such effect, CIMPOR S.A. shall make, or have made, available to CIMPOR B.V., before the due date of such payment obligations or borrowings, funds sufficient to enable CIMPOR B.V. to meet such payment obligations or to repay such borrowings, as the case may be, in full as they fall due. CIMPOR B.V. shall immediately upon receipt use any such funds made available to it by CIMPOR S.A. hereunder solely for the fulfilment of its payment obligations and the repayment at maturity of its borrowings.

4. Any and all funds from time to time provided by CIMPOR S.A, to CIMPOR B.V. pursuant to Clause 3 above shall, at the option of CIMPOR S.A., be either (1) by way of subscription for and payment of share capital (other than redeemable share capital) of CIMPOR B.V., or (2) by way of subordinated loan, being a loan which, and interest on which, is not permitted to be repaid or paid unless all other

debt of CIMPOR B.V. has been fully satisfied and is subordinated on a winding-up of CIMPOR B.V. to all of the unsecured and unpreferred creditors of CIMPOR B.V. other than CIMPOR S.A..

5. CIMPOR S.A. warrants and agrees that its payment obligations which may arise hereunder constitute its unsecured and unsubordinated obligations and rank *pari passu* with all of its other unsecured and unsubordinated obligations, other than those obligations which are preferred by law.

6. This Agreement is not, and nothing herein contained and nothing done by CIMPOR S.A. pursuant hereto shall be deemed to constitute, a guarantee, direct or indirect, by CIMPOR S.A. of any Note or any other debt of CIMPOR B.V., as the obligations of CIMPOR S.A. hereunder merely constitute an undertaking to provide financial assistance to CIMPOR B.V..

7. If CIMPOR B.V. shall be in liquidation, administration or receivership or other analogous proceedings (including if CIMPOR B.V. is declared bankrupt (*faillissement*) or is granted a moratorium of payment (*surseance van betaling*) or enters into winding-up proceedings (*ontbinding*)) and CIMPOR S.A. shall be in default of its obligations hereunder, CIMPOR S.A. shall be liable to CIMPOR B.V. by way of liquidated damages for such default in an amount equal to the sum that CIMPOR S.A. would have paid had it performed in full all of its obligations hereunder, and CIMPOR B.V. and any liquidator, administrator or receiver of CIMPOR B.V. or other analogous officer or official shall be entitled to claim accordingly.

8. This Agreement may be modified, amended or terminated only by the written agreement of CIMPOR S.A. and CIMPOR B.V., provided, however, that no such modification, amendment or termination shall be made which may have any adverse effect upon the holders of the Notes issued by CIMPOR B.V. while any such Note is outstanding.

9. CIMPOR S.A. and CIMPOR B.V. each hereby covenant and agree as follows:

   (a) it will not consent, either orally or in writing, to any modification, amendment or termination of this Agreement which may have any adverse effect on the ability of CIMPOR B.V. to timely perform its payment obligations (including in respect of the Notes);

   (b) it will give written notice to the holders of all outstanding Notes in accordance with the notice provisions contained in the terms and conditions relating thereto, with a copy to the Fiscal Agent, as the case may be, at least 30 days prior to any proposed modification, amendment or termination of this Agreement;

   (c) it will fully and promptly perform its obligations and exercise its rights under this Agreement and, in the case of CIMPOR B.V., (without limitation to the foregoing) exercise its right to enforce performance of the terms of this Agreement by CIMPOR S.A.; and

   (d) it will consent to the giving of an order for specific performance or similar relief by any court of competent jurisdiction in the event that any action is brought in respect of this Agreement.

10. Apart from the parties to this Agreement no other person, firm, company or association (whether unincorporated or incorporated) shall be entitled to any benefit under this Agreement whatsoever.

11. For so long as any Notes are outstanding under the Programme, a copy of this Agreement shall be deposited with the Fiscal Agent. In addition, each of CIMPOR B.V. and CIMPOR S.A. acknowledges the right of any holder of a Note to obtain from it a copy of this Agreement.

12. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Any party may enter into this Agreement by signing any such counterpart.

13. Each of CIMPOR S.A. and CIMPOR B.V. hereby irrevocably agrees that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) and that accordingly any suit, action or proceedings (together "**Proceedings**") arising out of or in connection with this Agreement may be brought in such courts. Each of CIMPOR S.A. and CIMPOR B.V. hereby irrevocably waives any objection which it may have to the venue of any such Proceedings being in any such courts and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agree that a judgment in any Proceedings brought in the English courts shall be conclusive and binding upon CIMPOR S.A. and CIMPOR B.V. and may be enforced in the courts of any other jurisdiction. Nothing contained herein shall limit any right to take Proceedings against CIMPOR S.A. or CIMPOR B.V. in any other court of competent jurisdiction nor

shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not. Each of CIMPOR S.A. and CIMPOR B.V. hereby appoints Law Debenture Corporate Services Limited at its registered office for the time being (being at the date hereof at Fifth Floor, 100 Wood Street, London EC2V 7EX) as its agent for service of process and agrees that, in the event of Law Debenture Corporate Services Limited ceasing so to act, it will appoint another person as its agent for service of process in England in respect of any Proceedings.

14. This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by the laws of England.

15. If CIMPOR S.A. or CIMPOR B.V. are represented by an attorney or attorneys in connection with the signing and/or execution and/or delivery of this Agreement or any agreement or document referred to herein or made pursuant hereto and the relevant power or powers of attorney is or are expressed to be governed by the laws of a particular jurisdiction, it is hereby expressly acknowledged and accepted by the parties hereto that such laws shall govern the existence and extent of such attorney's or attorneys' authority and the effects of the exercise thereof.

IN WITNESS WHEREOF, this Agreement has been entered into on the date which appears first on page 1.

EXECUTED as a Deed

by **CIMPOR CIMENTOS DE PORTUGAL, SGPS, S.A.**

By:

By:

EXECUTED as a Deed

by **CIMPOR FINANCIAL OPERATIONS B.V.**

By:

By:

The following is a general description of certain Dutch, Portuguese and Spanish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

1. SPANISH TAXATION

Payments made by the Issuer

On the basis that the Issuer is not resident in Spain for tax purposes and does not operate in Spain through a permanent establishment, branch or agency, all payments of principal and interest in respect of the Notes can be made free of any withholding or deduction for or on account of any taxes in Spain of whatsoever nature imposed, levied, withheld, or assessed by Spain or any political subdivision or taxing authority thereof or therein, in accordance with applicable Spanish law.

Under certain conditions, withholding taxes may apply if the Notes are deposited with a Spanish resident entity or with a non-resident entity that operates in Spain through a permanent establishment in Spain acting as depositary.

Payments made by the Guarantors

In the opinion of the Guarantors, any payments of principal and interest made by the Guarantors under the Guarantee may be characterised as an indemnity and, accordingly, be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Kingdom of Spain or any political subdivision or authority thereof or therein having power to tax.

However, although no clear precedent, statement of law or regulation exists in relation thereto, in the event that the Spanish Tax Authorities take the view that the Guarantors have validly, legally and effectively assumed all the obligations of the Issuer under the Notes subject to and in accordance with the Guarantee, they may attempt to impose withholding tax in the Kingdom of Spain on any payments made by the Guarantors in respect of interest, unless that the recipient is resident for tax purposes in a Member State of the European Union, other than Spain, not acting through a territory considered as a tax haven pursuant to Spanish law (currently set out in Royal Decree 1080/1991, of 5 of July) nor through a permanent establishment in Spain, provided that such person submits to the Guarantors the relevant tax residence certificate, issued by the competent Tax Authorities, each certificate being valid for a period of one year beginning on the date of the issuance. Tax treaties could eliminate or reduce this hypothetical withholding taxation.

2. DUTCH TAXATION

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Base Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

(i) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;

(ii) investment institutions (*fiscale beleggingsinstellingen*); and

(iii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax.

Withholding Tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein provided that the Notes do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Netherlands corporate income tax act 1969 (*Wet op de vennootschapsbelasting 1969*).

Corporate and Individual Income Tax

(a) *Residents of the Netherlands*

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25.5%).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

(i) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or

(ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4% of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by two. The fair market value of the Notes will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments will be taxed at a rate of 30%.

(b) *Non-residents of the Netherlands*

If a holder is not a resident nor is deemed to be a resident of the Netherlands for Netherlands tax purposes (or has not opted to be taxed as a resident of the Netherlands), such holder is not taxable in respect of income derived from the Notes and gains realised upon the settlement, redemption or disposal of the Notes, unless:

(i) the holder is not an individual and such holder (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands (other than by way of securities) and to which enterprise the Notes are attributable.

This income is subject to Netherlands corporate income tax at up to a maximum rate of 25.5%.

(ii) the holder is an individual and such holder (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) realises income or gains with respect to the Notes that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands, which activities include the performance of activities in the Netherlands with respect to the Notes which exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (3) is entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands (other than by way of securities) and to which enterprise the Notes are attributable.

Income derived from the Notes as specified under (1) and (2) is subject to individual income tax at up to a maximum rate of 52%. Income derived from a share in the profits as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "Residents of the Netherlands"). The fair market value of the share in the profits of the enterprise (which includes the Notes) will be part of the individual's Netherlands yield basis.

Gift and Inheritance Tax

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

(i) the holder of a Note is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

(ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or

(iii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

3. PORTUGUESE TAXATION

The following is a summary of current law in Portugal as in effect on the date of this Base Prospectus in relation to certain current relevant aspects to Portuguese taxation of the Notes and is subject to changes in such laws, including changes that could have a retrospective effect. The statements do not deal with other Portuguese tax aspects regarding the Notes and relate only to the position of persons who are absolute beneficial owners of the Notes. The following is a general guide, does not constitute tax or legal advice and should be treated with appropriate caution. Tax consequences may differ according to the provisions of different tax treaties, as well as according to a prospective investor's particular circumstances.

References to "interest", "investment income" and "capital gains" in this Portuguese Taxation section mean interest, investment income and capital gains as understood under Portuguese tax law. The statements below do not take into account any different definitions of interest, investment income or capital gains that may prevail under any other law or that may be created by the Conditions or any related documentation.

Interest and other investment income obtained by Portuguese resident individuals on Notes issued by the Issuer are subject to personal income tax.

If the payment of interest or other investment income is made available to Portuguese resident individuals through a Portuguese resident entity or a Portuguese branch of a non-resident entity, withholding tax is applicable at a rate of 20 per cent., which is the final tax on that income unless the individual elects to include it in his taxable income, which is subject to tax at progressive rates of up to 42 per cent. In such a case, the tax withheld is deemed a payment on account of the final tax due. If interest on the Notes is not received through an entity that is a resident or located in Portugal for tax purposes, it is not subject to Portuguese withholding tax, but an autonomous taxation rate of 20 per cent. will apply, unless an option for aggregation is made.

Capital gains obtained by Portuguese resident individuals on the transfer of Notes are not subject to tax. Accrued interest does not qualify as capital gains for tax purposes.

Interest and other investment income derived from the Notes, and capital gains obtained on the transfer of the Notes, by legal persons resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal to which the income or gains are attributable are included in such persons' taxable profits and are subject to corporate tax at a rate of 12.5 per cent. on taxable income of up to EUR 12,500 and 25 per cent. on taxable income in excess of that amount, to which may be added a municipal surcharge (*derrama*) of up to 1.5 per cent, over a Noteholder's taxable profits.

Payments made by the Issuer of interest, other investment income or principal on Notes issued by it to an individual or legal person that is a non-resident in Portugal for tax purposes, and without a permanent establishment in Portugal to which income may be attributable, are not subject to Portuguese income tax.

Capital gains obtained on the transfer of a Note by an individual or a legal person who is neither resident nor engaged in business through a permanent establishment in Portugal to which that gain is attributable are not subject to Portuguese income tax.

4. EU SAVINGS TAX DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Belgium will replace this withholding tax with a regime of exchange of information to the Member State of residence as from 1 January 2010.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On 13 November 2008 the European Commission published a proposal for amendments to the Directive, which included a number of suggested changes which, if implemented, would broaden the scope of the requirements described above. The European Parliament approved an amended version of this proposal on 24 April 2009. Investors who are in any doubt as to their position should consult their professional advisers. If any of these proposed changes are made in relation to the Directive 2003/48/EC, they may amend or broaden the scope of the requirements above.

Notes may be sold from time to time by the Issuer to any one or more of Banco Bilbao Vizcaya Argentaria, S.A., Barclays Bank PLC, Banco Espírito Santo de Investimento, S.A., Banco BPI, S.A., Banco Santander Totta, S.A., BNP Paribas, Caixa – Banco de Investimento, S.A., CALYON, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, ING Bank N.V., J.P. Morgan Securities Ltd., Mitsubishi UFJ Securities International plc, Société Générale or The Royal Bank of Scotland plc (the "**Dealers**"). The arrangements under the Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a Dealer Agreement dated 22 December 2009 (the "**Dealer Agreement**") and made between the Issuer, CIMPOR S.A., the Guarantors and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America: *Regulation S Category; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms*.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) if the Final Terms or Drawdown Prospectus in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus which is not a

Drawdown Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;

(b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, all as shown in its last annual or consolidated accounts; or

(d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed that:

(a) ***No deposit-taking:*** in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) ***Financial promotion:*** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

(c) ***General compliance***: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Selling Restrictions Addressing Additional Dutch Securities Laws

Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended).

No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Global Note; (b) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals who do not act in the conduct of a business or profession; (c) to the initial issue of Zero Coupon Notes in definitive form to the first holders thereof; or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series/Tranche are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with.

As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Selling Restrictions Addressing Additional Spanish Securities Laws

The Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in Spain, except in circumstances which do not constitute a public offer of securities in Spain within the meaning of the Spanish Securities Market Law (*Ley 24/1988, de 28 de Julio, del Mercado de Valores*), as amended and restated, and Royal Decree 1310/2005, of November 4, or without complying with all legal and regulatory requirements under Spanish securities laws.

Neither the Notes nor the Base Prospectus have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) therefore, the Base Prospectus is not intended for any public offer of the Notes in Spain. To carry out any such public offer it must be followed the notification procedure to the Spanish competent authority pursuant to Article 29 of the Spanish Securities Market Law and Article 30 of Royal Decree 1310/2005, of November 4.

Selling Restrictions Addressing Additional Portuguese Securities Laws

This Base Prospectus has not been nor will be submitted for approval, nor notified, to the CMVM.

The Notes will not be directly or indirectly offered, sold or distributed to undetermined addressees in the Republic of Portugal nor any prospecting or advertisement activities or the collection of investment intentions from undetermined addressees have been or will be undertaken in the Republic of Portugal in connection the Notes or its offering, in circumstances which could qualify the offering of the Notes as a public offering of securities pursuant to Article 109 of the Portuguese Securities Code ("*Código dos Valores Mobiliários*" or "**CVM**", as amended).

Consequently, the Notes will only be offered, sold or distributed, directly or indirectly, in the Republic of Portugal to qualified investors (*investidores qualificados*) as defined in numbers 1, 2 and 4 of Article 30 of CVM or as registered with CMVM under Article 110-A of the CVM, in compliance with the available exemptions for private placements.

Accordingly, this Base Prospectus or any other offering material or documentation relating to the Notes has not been, directly or indirectly, distributed or caused to be distributed and will not be, in any circumstance, in whole or in part, directly or indirectly, distributed, reproduced, redistributed, published or delivered, nor its contents will be disclosed by any means, in the Republic of Portugal to any person other than to qualified investors as referred above.

Any potential investor in the Notes shall ensure that he is capable of understanding and assuming the risks associated to such an investment decision or seeking for appropriate investment advice.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that the Base Prospectus has not been and will not be registered or filed with or approved by the CMVM nor has a prospectus recognition procedure been commenced with the Portuguese Securities Exchange Commission. The Notes may not be and will not be offered to the public in Portugal under circumstances which are deemed to be a public offer under the CVM enacted by Decree Law no. 486/99 of 13 November 1999 (as amended and restated from time to time) unless the requirements and provisions applicable to the public offering in Portugal are met and the above mentioned registration, filing, approval or recognition procedure is made. In addition, each Dealer has represented and agreed, and each further Dealer appointed under the programme will be required to represent and agree that (i) it has not directly or indirectly taken any action or offered, advertised, marketed, invited to subscribe, gathered investment intentions, sold or delivered and will not directly or indirectly take any action, offer, advertise, invite to subscribe, gather investment intentions, sell, re-sell, re-offer or deliver any Notes in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the Portuguese Securities Code, notably in circumstances which could qualify as a public offer addressed to individuals or entities resident in Portugal or having permanent establishment located in Portuguese territory, as the case may be; (ii) all offers, sales and distributions by it of the Notes have been and will only be made in Portugal in circumstances that, pursuant to the Portuguese Securities Code or other securities legislation or regulations, qualify as a private placement of Notes only (*oferta particular*); (iii) it will comply with all applicable provisions of the Portuguese Securities Code, the Prospectus Regulation implementing the Prospectus Directive and any applicable CMVM Regulations and all relevant Portuguese securities laws and regulations, in any such case that may be applicable to it in respect of any offer or sale of Notes by it in Portugal or to individuals or entities resident in Portugal or having permanent establishment located in Portuguese territory, as the case may be, including compliance with the rules and regulations that require the publication of a prospectus, when applicable, and that such placement shall only be authorised and performed to the extent that there is full compliance with such laws and regulations.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantors and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

Authorisation

1. The establishment of the Programme was authorised by the following:

(a) written resolutions by the managing board and general meeting of shareholders of CIMPOR B.V.;

(b) a resolution of the board of directors of CIMPOR Inversiones, S.A.U.;

(c) a resolution of the executive committee of CIMPOR S.A.; and

(d) a resolution of the board of directors of Corporación Noroeste, S.A.

The Issuer and each of the Guarantors has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the guarantee relating to them.

Legal and Arbitration Proceedings

2. CIMPOR S.A. has been notified by the Portuguese tax authorities of additional corporate tax assessments relating to the financial years 1996 to 2006, the total value of which, including default interest accrued thereon, amounts to €95,116,254 (as at 30 September 2009). CIMPOR S.A. takes the view that the tax authorities have no reason to claim for the payment of any corporate tax and has contested the additional assessments referred to above. Regardless of the above, the amounts of those additional assessments of corporate tax are adequately provisioned for in the accounts of CIMPOR S.A. as at 30 September 2009, save for the amount of €49,573,895, assessed in respect of the financial years 1997 and 1998, following a ruling of the Supreme Administrative Court (*Supremo Tribunal Administrativo*) upholding CIMPOR S.A.'s argument that such additional corporate tax was the responsibility of the Public Indebtedness Regularisation Fund (*Fundo de Regularização da Dívida Pública*), a government body. Considering past experience, CIMPOR S.A. believes that it is likely that the Portuguese tax authorities will also assess additional corporate tax in respect of the financial years 2007 and 2008 and in respect of the nine months ended 30 September 2009, at an estimated amount of €6,147,795. This amount is also adequately provisioned for in the accounts of CIMPOR S.A. as at 30 September 2009.

3. Following an inspection to the books and records of Cimpor Inversiones, S.A.U., the Spanish tax authorities assessed an amount in the region of EUR 30,000,000 relating to corporate income tax which Cimpor Inversiones, S.A.U. allegedly failed to declare in the tax returns submitted in respect of the financial years of 2003 and 2004. Cimpor Inversiones, S.A.U. has not been subject to any penalty as a result of such assessment of corporate income tax and the assessment has been appealed before the Central Economic Administrative Court (*Tribunal Económico Administrativo Central*). Cimpor Inversiones, S.A.U. estimates that it is probable that the reasons for such appeal will be upheld by the Central Economic Administrative Court (*Tribunal Económico Administrativo Central*) or, if applicable, by any higher court of law before which such assessment may be appealed, and consequently that potential liability has not been provisioned for in the 2008 annual individual accounts of Cimpor Inversiones, S.A.U.

4. Likewise, following an inspection to the books and records of Corporación Noroeste, S.A., the Spanish tax authorities assessed an amount in the region of EUR 5,000,000 relating to corporate income tax which Corporación Noroeste, S.A. allegedly failed to declare in the tax returns submitted in respect of the financial year of 2002. Corporación Noroeste, S.A. has not been subject to any penalty as a result of such assessment of corporate income tax and the assessment has been appealed before the Central Economic Administrative Court (*Tribunal Económico Administrativo Central*). Corporación Noroeste, S.A. estimates that it is probable that the reasons for such appeal will be upheld by the Central Economic Administrative Court (*Tribunal Económico Administrativo Central*) or, if applicable, by any higher court of law before which such assessment may be appealed, and consequently that potential liability has not been provisioned for in the 2008 annual individual accounts of Corporación Noroeste, S.A.

5. Save as disclosed in the paragraphs 2, 3 and 4 above, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer or the Guarantors are aware), which may have, or have had during the 12 months prior to the date

of this Base Prospectus, a significant effect on the financial position or profitability of CIMPOR B.V. and its Subsidiaries, CIMPOR Inversiones S.A.U. and its Subsidiaries, CIMPOR S.A. and its Subsidiaries or Corporación Noroeste, S.A. and its Subsidiaries.

Significant/Material Change

6. On 18 December 2009, Companhia Siderúrgica Nacional ("**CSN**"), a company incorporated and organised under the laws of Brazil, published a preliminary announcement of the launch of a takeover bid (the "**Offer**") for the acquisition, directly or indirectly through one or more of its subsidiaries, of 100 per cent. of the shares issued by CIMPOR S.A. Pursuant to the preliminary announcement published on the website of the CMVM, the Offer is subject to several conditions precedent as well as being conditional on more than 50 per cent. acceptance by shareholders.

   Following the preliminary announcement of the Offer, Standard & Poor's has decided to place CIMPOR S.A.'s corporate credit rating on CreditWatch with negative implications, considering that it would likely cap CIMPOR S.A.'s rating by the lower rating of CSN if the Offer is successful.

7. Other than as disclosed in paragraph 6 above:

   (a) since 31 December 2008 there has been no material adverse change in the prospects of CIMPOR B.V., CIMPOR Inversiones, S.A.U., Corporación Noroeste S.A. and CIMPOR S.A.; and

   (b) since 30 June 2009 there has been no significant change in the financial or trading position of CIMPOR B.V., CIMPOR Inversiones, S.A.U. and Corporación Noroeste S.A. and since 30 September 2009 there has been no significant change in the financial or trading position of CIMPOR S.A.

Auditors

8. The consolidated and unconsolidated financial statements of the Issuer and the Guarantors have been audited without qualification for the years ended 31 December 2008 and 2007 by for the Issuer, by Deloitte Accountants B.V. Orly Plein 10, 1043 DP Amsterdam and, for the Guarantors, by Deloitte, S.L., Plaza Pablo Ruiz Picasso, 1 Torre Picasso, 28070 Madrid.

Documents on Display

9. Copies of the following documents (together with English translations thereof) may be inspected during normal business hours at the offices specified below for 12 months from the date of this Base Prospectus:

   (a) the constitutive documents of the Issuer;

   (b) the constitutive documents of each of the Guarantors;

   (c) the constitutive documents of CIMPOR S.A.;

   (d) the audited consolidated and unconsolidated financial statements of the Issuer for the years ended 31 December 2008 and 31 December 2007 and the unaudited consolidated and unconsolidated financial information of the Issuer for the six months ended 30 June 2009;

   (e) the audited consolidated and unconsolidated financial statements of each of the Guarantors for the years ended 31 December 2008 and 31 December 2007 and the unaudited consolidated financial information of each of the Guarantors for the six months ended 30 June 2009;

   (f) the audited consolidated and unconsolidated financial statements of CIMPOR S.A. for the years ended 31 December 2008 and 31 December 2007 and the unaudited consolidated and unconsolidated financial information of CIMPOR S.A. for the nine months ended 30 September 2009;

   (g) the Agency Agreement;

   (h) the Keep Well Agreement;

   (i) the Deed of Guarantee;

   (j) the Deed of Covenant;

   (k) the Dealer Agreement; and

   (l) the Issuer-ICSDs Agreement.

The documents referred to in paragraphs (c) to (k) may be inspected during normal business hours at the offices of CIMPOR S.A. at Rua Alexandra Herculano, no. 35, 1250-009 Lisbon Portugal. In the case of CIMPOR S.A., the documents referred to in paragraph (f) are also available at www.cimpor.pt. The constitutive documents of the Issuer, referred to in paragraph (a), and the documents referred to in paragraphs (l) and (m) may be inspected, during normal business hours, at Teleportboulevard 140, 1043 EJ Amsterdam, The Netherlands and the constitutive documents of each of the Guarantors may be inspected, during normal business hours, at Calle Brasil 56, 36204 Vigo (Pontevedra), Spain.

Material Contracts

10. All existing contracts entered into by CIMPOR S.A., the Issuer, either of the Guarantors or any Material Subsidiary have been entered into in the ordinary course of such party's business and accordingly there are no contracts whereby the Issuer, either of the Guarantors or any Material Subsidiary has an obligation or entitlement which is, or may be, material to the ability of the Issuer, or either of the Guarantors to meet its obligations in respect of the Notes.

Clearing of the Notes

11. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Passporting

12. The Issuer may, on or after the date of this Base Prospectus, make applications for one or more certificates of approval under Article 18 of the Prospectus Directive as implemented in any Member State to be issued by the FSA to the competent authority in the relevant Member State.

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FINANCIAL INFORMATION

English versions of financial statements and/or financial information included in this Base Prospectus are direct and accurate translations of the original financial statements and/or financial information.

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I. Consolidated Unaudited Interim Financial Information of CIMPOR S.A.
for the nine months ended 30 September 2009

INTERIM REPORT AT SEPTEMBER 30, 2009

CIMPOR – Cimentos de Portugal, SGPS, S.A.
Head Office: Rua Alexandre Herculano, 35 – 1250-009 LISBOA
Share Capital: 672,000,000 euros
Public Company
Tax and Lisbon Companies Registry Registration number: 500 722 900

CONSOLIDATED RESULTS
2009 THIRD QUARTER
(Translated from the Portuguese original)

Net Income and EBITDA

CIMPOR Group net profit after minority interests in 2009 third quarter recorded 63.8% growth on the same period of the previous year (30.8%, excluding non-recurring profits). 9M09 profits were approximately EUR 178 million, 18.3% up on the profits earned in the first nine months of the previous year (21.3%, excluding non-recurring profits).

Summary of Profit and Loss Statement

(EUR M)	January - September			3rd Quarter		
	2009	**2008**	**% Chg.**	**2009**	**2008**	**% Chg.**
Turnover	1,575.0	1,580.2	- 0.3	552.0	568.6	- 2.9
Operating Cash Costs	1,118.0	1,136.0	- 1.6	393.0	403.5	- 2.6
EBITDA	457.0	444.2	2.9	159.0	165.1	- 3.7
Depreciation and Provisions	157.4	142.4	10.6	54.9	54.1	1.6
EBIT	299.6	301.8	- 0.7	104.1	111.0	- 6.2
Financial Income	- 53.3	- 133.6	n.s.	- 5.9	- 41.2	n.s.
Pre-tax Income	246.3	168.2	46.4	98.2	69.8	40.7
Income Tax	62.7	7.1	781.1	26.5	22.9	15.7
Net Income	183.6	161.1	14.0	71.7	46.9	52.9
Attributable to:						
Shareholders	177.8	150.3	18.3	70.7	43.2	63.8
Minorities	5.8	10.8	- 46.1	0.9	3.7	- 74.9

Operationally, CIMPOR continued to demonstrate outstanding resilience to the serious crisis besetting the world economy and in particular the cement sector: the operating cash flow (EBITDA) generated in the quarter led to this indicator's value at the end of September – EUR 457 million – remaining higher (2.9%) than the figure obtained in the identical period of the preceding year. Excluding the costs of restructuring the concrete and aggregates areas in recent months (approximately EUR 7.3 million), consolidated EBITDA actually grew by around 4.5%, in cumulative terms.

The EBITDA margin in the first nine months of 2009, despite the impact of the above mentioned costs (subtracting since the year's start, around 0.5 p.p. from the margin) recorded growth of approximately 0.9 p.p. on the corresponding period of the previous year, to reach 29%.

The Egypt, Brazil and South Africa business areas - the first two benefiting from market growth and the latter from greater cement manufacturing capacity with own clinker - combined with the new business area of India (integrated in April 2008) continued to be the driving forces of that growth, jointly accounting for an increase of the operating cash flow of approximately EUR 67 million.

The EBITDA of the Spain and Turkey business areas remains clearly below the previous year's figure, though the last quarter registered a slower decline in Spain and even some progress in Turkey. This performance is due to the combined effect of a significant decline in consumption and a sharp fall in prices.

The prolonged fall in consumption was also the main reason for the lower profitability of the Portugal and Cape Verde business areas during the current year. The China business area recorded negative EBITDA in the third quarter, severely affected by a significant fall in prices.

Contributions to EBITDA

(EUR M)	January - September			3rd Quarter		
	2009	**2008**	**% Chg.**	**2009**	**2008**	**% Chg.**
Portugal	112.6	129.0	- 12.7	36.7	47.3	- 22.5
Spain	34.7	67.0	- 48.2	12.7	20.6	- 38.1
Morocco	31.2	32.5	- 3.9	10.7	10.9	- 1.2
Tunísia	14.6	13.2	10.9	5.8	3.8	52.4
Egypt	77.8	52.7	47.7	23.5	19.4	20.7
Turkey	10.1	14.2	- 28.9	5.6	5.3	6.2
Brazil	87.8	75.4	16.5	35.5	30.0	18.2
Mozambique	10.8	11.1	- 3.0	3.5	3.9	- 10.3
South Africa	53.2	32.5	63.7	19.6	16.4	20.0
China	4.1	5.5	- 26.1	- 0.3	2.4	- 110.8
Índia	9.5	1.3(1)	n.s.	2.1	0.2	739.1
Cape Verde	3.5	3.5	2.4	0.9	1.4	- 36.3
Trading / Shipping	4.7	5.4	- 12.2	1.7	2.3	- 25.0
Other Activities	2.4	1.1	114.0	1.0	1.2	- 18.8
Total	457.0	444.2	2.9	159.0	165.1	- 3.7
EBITDA margin	29.0%	28.1%		28.8%	29.0%	

(1) April to September

Sales and Turnover

Consolidated turnover rose in the third quarter of 2009 to approximately EUR 552 million, and to approximately EUR 1,575 million until September. The figures of both periods are slightly down on the previous year.

Contributions to Turnover

(EUR M)	January - September			3rd Quarter		
	2009	**2008**	**% Chg.**	**2009**	**2008**	**% Chg.**
Portugal	344.4	416.7	- 17.3	120.2	140.6	- 14.5
Spain	253.0	286.0	- 11.5	91.5	98.6	- 7.2
Morocco	72.0	69.3	3.9	23.0	24.3	- 5.5
Tunísia	52.6	46.7	12.7	15.5	13.1	18.9
Egypt	178.8	115.7	54.6	57.5	41.2	39.4
Turkey	80.1	124.5	- 35.7	33.4	47.9	- 30.2
Brazil	307.1	303.4	1.2	119.8	115.5	3.7
Mozambique	63.7	54.6	16.7	20.9	21.3	- 1.6
South Africa	115.7	103.5	11.8	43.9	38.0	15.4
China	62.9	42.6	47.9	16.1	16.0	0.4
Índia	39.5		n.s.	10.1	11.0	- 8.1
Cape Verde	24.8	33.3	- 25.5	8.2	10.7	- 23.4
Trading / Shipping	48.4	86.5	- 44.1	19.6	22.0	- 10.7
Other Activities (2)	(68.0)	(124.3)	---	(27.6)	(31.5)	---
Total (consolidated)	1,575.0	1,580.2	- 0.3	552.0	568.6	- 2.9

(1) April to September (2) Including intra-Grupo eliminations

Turnover in Portugal, Spain, Turkey and Cape Verde continued to register higher or lower decreases, though at a slower pace than in the first half of the year in any of those business areas. Moreover, contrary to Tunisia, Egypt and South Africa, which maintained important growth rates, China (for the above-stated reasons) Morocco, Mozambique and India slowed down to a certain extent in this quarter, due to lower sales and/or the appreciation of the euro against the respective local currencies.

(Consolidated) Sales of cement and clinker totalled around 20.5 million tons by the end of September (up 2.1% on the corresponding period of the previous year), driven in particular by the strong growth in Egypt and China.

Contrary to Turkey, which recovered slightly in the third quarter, the business areas of South Africa and Cape Verde (due to falling cement consumption in their respective markets) and Portugal (for the same reason in the domestic market and also because of a significant decline in exports) continued to register significant reductions. The small decline occurring in Brazil is wholly due to the absence of exports in 2009. In Spain, where the domestic market fell by close to 40%, the sales through the operations acquired in the Canary Islands at the end of 2008, , have allowed CIMPOR sales to remain practically at the same level as in the previous year.

Cement and Clinker Sales

(Thousand tons)	January - September			3rd Quarter		
	2009	**2008**	**% Chg.**	**2009**	**2008**	**% Chg.**
Portugal	3,179	4,325	- 26.5	1,167	1,449	- 19.5
Spain	2,398	2,488	- 3.6	845	858	- 1.6
Morocco	891	904	- 1.5	287	309	- 7.1
Tunísia	1,214	1,131	7.3	361	302	19.8
Egypt	3,038	2,406	26.2	1,008	794	26.9
Turkey	1,642	1,785	- 8.0	695	656	5.9
Brazil	3,325	3,494	- 4.8	1,221	1,247	- 2.1
Mozambique	580	551	5.4	207	210	- 1.4
South Africa	1,108	1,214	- 8.7	389	426	- 8.5
China	2,708	2,069	30.9	824	636	29.6
Índia (1)	788	459(1)	n.s.	206	236	- 12.5
Cape Verde	178	222	- 19.8	64	76	- 15.9
(Intra-Group)	(522)	(939)	---	(253)	(261)	---
Total (consolidated)	20,526	20,109	2.1	7,020	6,937	1.2

(1) April to September

The sales of concrete (5.5 million cubic metres since the start of the year) and aggregates (10.7 million tons in the same period) fell by 16.7% and 12.6% respectively, from the corresponding period of the previous year. The market slowdown in Portugal, Spain and Turkey was responsible for these results.

Financial Income and Income Tax

Financial income excluding non-recurring costs was approximately EUR 40.9 million negative in the first nine months of 2009 which, compared to the figure of EUR 75.5 million for the same period of 2008, also negative and with non-recurring profits excluded, is an extremely significant improvement, particularly if considering the approximately 20% increase of the average balance of net financial debt between those two periods.

The income tax for the year increased by 10.5%, excluding non-recurring earnings (close to EUR 50 million) reported in the second quarter of the previous year. This increase is fully explained by the change in taxable profits.

Balance Sheet

As at 30 September 2009, the net assets of the CIMPOR Group were EUR 4.86 billion, up 5.3% on the end of 2008.

Net financial debt in the first nine months of 2009 decreased by around 2.8% to approximately EUR 1.81 billion (corresponding to a multiple of 3.02 over the EBITDA of the last twelve months), despite the magnitude of the investments made in the interim (almost EUR 180 million) and dividend payment of circa EUR 123 million.

Shareholders' Equity increased 12.0% in the same period, to exceed EUR 1.8 billion.

Summary of the Group's Consolidated Balance Sheet

(EUR M)	**30 Sep 09**	**31 Dec 08**	**% Chg.**
ASSETS			
Non-Current Assets	3,746.1	3,720.7	0.7
Current Assets			
Cash and Equivalents	349.6	169.6	106.2
Other Current Assets	765.2	725.0	5.5
Total Assets	4,860.8	4,615.3	5.3
EQUITY			
Shareholders' Equity	1,720.2	1,505.1	14.3
Minority Interests	89.8	110.7	- 18.9
Total Equity	1,810.0	1,615.8	12.0
LIABILITIES			
Loans	2,118.5	2,119.4	- 0.0
Provisions	199.6	175.8	13.5
Other Liabilities	732.7	704.2	4.0
Total Liabilities	3,050.8	2,999.5	1.7
Total Equity & Liabilities	4,860.8	4,615.3	5.3

Lisbon, November 25, 2009

CIMPOR - CIMENTOS DE PORTUGAL, SGPS, S.A.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER 2009 - UNAUDITED

(Amounts stated in thousands of euros)

(Translation from the Portugueses original - Note 25)

		9 months		3rd quarter	
	Notes	2009	2008	2009	2008
Operating income:					
Sales and services rendered	6	1,575,012	1,580,218	552,043	568,586
Other operating income		40,232	36,440	11,173	13,923
Total operating income		1,615,244	1,616,658	563,216	582,510
Operating expenses:					
Cost of goods sold and material used in production		(438,829)	(447,876)	(151,371)	(157,841)
Changes in inventories of finished goods and work in progress		(12,808)	11,989	(4,872)	2,703
Supplies and services		(492,987)	(543,040)	(172,799)	(195,742)
Payroll costs		(187,357)	(171,786)	(65,038)	(58,159)
Depreciation and amortisation	6	(154,341)	(136,647)	(53,386)	(50,025)
Provisions and impairment losses	6 and 17	(3,087)	(5,716)	(1,558)	(4,052)
Other operating expenses		(26,265)	(21,750)	(10,104)	(8,388)
Total operating expenses		(1,315,674)	(1,314,827)	(459,129)	(471,503)
Net operating income	6	299,569	301,831	104,087	111,007
Net financial expenses	6 and 7	(41,091)	(69,928)	(5,609)	(21,808)
Share of profits of associates	6 and 7	(839)	(66,255)	(500)	(21,476)
Other investment income	6 and 7	(11,359)	2,578	193	2,058
Profit before income tax	6	246,281	168,227	98,171	69,782
Income tax	6 and 8	(62,660)	(7,111)	(26,492)	(22,887)
Net profit for the period	6	183,621	161,115	71,680	46,894
Other comprehensive income:					
Cash flow hedging financial instruments		3,093	(1,874)	544	3,557
Available-for-sale financial assets		(136)	(1,725)	(63)	(2,031)
Actuarial gain and loss on employee benefit plans		(5,083)	(4,968)	-	0
Currency translation adjustments		151,000	(98,017)	25,164	569
Adjustments in investments in associates		(5)	(4,517)	(3)	(234)
Total comprehensive income for the period		332,491	50,015	97,322	48,757
Net profit for the period attributable to:					
Equity holders of the parent		177,797	150,317	70,747	43,180
Minority interest	6	5,823	10,799	933	3,714
		183,621	161,115	71,680	46,894
Total comprehensive income for the period attributable to:					
Equity holders of the parent		334,538	35,840	101,016	36,609
Minority interest		(2,047)	14,175	(3,693)	12,148
		332,491	50,015	97,322	48,757
Earnings per share:					
Basic	10	0.27	0.23	0.11	0.06
Diluted	10	0.27	0.23	0.11	0.06

CIMPOR - CIMENTOS DE PORTUGAL, SGPS, S.A.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2009 AND 31 DECEMBER 2008 - UNAUDITED

(Amounts stated in thousands of euros)

(Translation from the Portugueses original - Note 25)

	Notes	30 September 2009	31 December 2008
Non-current assets:			
Goodwill	11	1,366,141	1,277,008
Intangible assets		65,901	42,530
Tangible assets	12	2,091,172	2,007,926
Investments in associates	6 and 13	36,011	97,663
Other investments		11,073	131,395
Other non-current assets		67,187	61,106
Deferred tax assets	8	108,591	103,039
Total non-current assets		3,746,076	3,720,666
Current assets:			
Inventories		287,096	327,849
Accounts receivable-trade		314,929	313,443
Cash and cash equivalents	20	349,569	169,564
Other current assets		115,979	83,733
Non-current assets held for sale	14	47,200	-
Total current assets		1,114,772	894,589
Total assets	6	4,860,849	4,615,255
Shareholders' equity:			
Share capital	15	672,000	672,000
Treasury shares		(39,905)	(41,640)
Currency translation adjustments		9,196	(149,706)
Reserves		288,828	283,112
Retained earnings		612,280	521,858
Net profit for the period	10	177,797	219,441
Equity before minority interest		1,720,196	1,505,065
Minority interest		89,820	110,720
Total shareholders' equity		1,810,015	1,615,786
Non-current liabilities:			
Deferred tax liabilities	8	213,540	197,388
Employee benefits	17	25,341	16,642
Provisions	17	168,686	152,374
Loans	18	1,390,322	1,911,130
Obligations under finance leases		5,785	4,670
Other non-current liabilities		156,987	136,206
Total non-current liabilities		1,960,661	2,418,411
Current liabilities:			
Employee benefits	17	4,501	4,685
Provisions	17	1,096	2,140
Accounts payable-trade		188,782	207,187
Loans	18	720,321	201,501
Obligations under finance leases		2,037	2,102
Other current liabilities		173,434	163,445
Total current liabilities		1,090,172	581,059
Total liabilities	6	3,050,833	2,999,470
Total liabilities and shareholders' equity		4,860,849	4,615,255

CIMPOR - CIMENTOS DE PORTUGAL, SGPS, S.A.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2009 - UNAUDITED

(Amounts stated in thousands of euros)

(Translated from the Portuguese original - Note 25)

	Notes	Share capital	Treasury shares	Currency translation adjustments	Reserves	Retained earnings	Net profit	Shareholders' equity attributable to equity holders	Minority interest	Total shareholders' equity
Balances at 1 January 2008		672,000	(19,927)	183,834	271,950	384,470	304,073	1,796,401	102,880	1,899,281
Consolidated net profit for the period		-	-	-	-	-	150,317	150,317	10,799	161,115
Variation in fair value of cash flow hedging financial instruments		-	-	-	(1,874)	-	-	(1,874)	-	(1,874)
Variation in fair value of available-for-sale financial assets		-	-	-	(1,725)	-	-	(1,725)	-	(1,725)
Actuarial gains and losses on employee benefit plans		-	-	-	(4,968)	-	-	(4,968)	0	(4,968)
Variation in currency translation adjustments		-	-	(101,392)	-	-	-	(101,392)	3,375	(98,017)
Adjustments in equity investments in associates		-	-	-	(4,517)	-	-	(4,517)	-	(4,517)
Total comprehensive income for the period		-	-	(101,392)	(13,084)	-	150,317	35,840	14,174	50,015
Appropriation of consolidated profit of 2007:										
Transfer to legal reserves and retained earnings		-	-	-	12,565	291,508	(304,073)	-	-	-
Dividends		-	-	-	-	(153,235)	-	(153,235)	(13,463)	(166,698)
(Purchase) / sale of treasury shares		-	(13,116)	-	722	-	-	(12,394)	-	(12,394)
Share purchase options		-	-	-	334	1,253	-	1,586	-	1,586
Fair value allocation in acquired subsidiaries		-	-	-	-	-	-	-	(205)	(205)
Variation in financial investments and others		-	-	-	-	(1)	-	(1)	28	27
Balances at 30 September 2008		672,000	(33,043)	82,442	272,487	523,994	150,317	1,668,197	103,414	1,771,611
Balances at 1 January 2009		672,000	(41,640)	(149,706)	283,112	521,858	219,441	1,505,065	110,720	1,615,786
Consolidated net profit for the period		-	-	-	-	-	177,797	177,797	5,823	183,621
Variation in fair value of cash flow hedging financial instruments		-	-	-	3,093	-	-	3,093	-	3,093
Variation in fair value of available-for-sale financial assets		-	-	-	(136)	-	-	(136)	-	(136)
Actuarial gains and losses on employee benefit plans		-	-	-	(5,114)	-	-	(5,114)	31	(5,083)
Variation in currency translation adjustments		-	-	158,902	-	-	-	158,902	(7,902)	151,000
Adjustments in investments in associates		-	-	-	(5)	-	-	(5)	-	(5)
Total comprehensive income for the period		-	-	158,902	(2,161)	-	177,797	334,538	(2,047)	332,491
Appropriation of consolidated profit of 2008:										
Transfer to legal reserves and retained earnings		-	-	-	7,700	211,741	(219,441)	-	-	-
Dividends	9	-	-	-	-	(122,777)	-	(122,777)	(13,268)	(136,045)
(Purchase) / sale of treasury shares		-	1,735	-	(170)	-	-	1,565	-	1,565
Share purchase options		-	-	-	346	1,540	-	1,886	-	1,886
Fair value allocation in acquired subsidiaries		-	-	-	-	-	-	-	5,022	5,022
Variation in financial investments and others		-	-	-	-	(82)	-	(82)	(10,607)	(10,689)
Balances at 30 September 2009		672,000	(39,905)	9,196	288,828	612,280	177,797	1,720,196	89,820	1,810,015

CIMPOR - CIMENTOS DE PORTUGAL, SGPS, S.A.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2009 - UNAUDITED

(Amounts stated in thousands of euros)

(Translation from the Portugueses original - Note 25)

	Notes	9 months 2009	9 months 2008	3rd quarter 2009	3rd quarter 2008
Cash flows from operating activities (1)		456,363	338,867	158,449	157,342
Investing activities:					
Receipts relating to:					
Changes in consolidation perimeter		5,379	139	5,379	38
Investments	20	128,576	8,639	80	8,146
Tangible assets		3,447	4,956	1,704	1,455
Investment subsidies		2,702	474	817	7
Interest and similar income		10,689	20,167	2,227	4,521
Dividends		214	1,391	-	887
Others		202	137	6	0
		151,209	35,902	10,212	15,054
Payments relating to:					
Changes in consolidation perimeter		(2,281)	(145,485)	-	(11,073)
Investments		(8,705)	(15,658)	(784)	(3,609)
Tangible assets		(201,682)	(209,024)	(60,879)	(75,590)
Intangible assets		(3,487)	(3,851)	(631)	(1,826)
Others		(35)	(272)	-	(23)
		(216,189)	(374,290)	(62,294)	(92,122)
Cash flows from investing activities (2)		(64,980)	(338,388)	(52,082)	(77,068)
Financing activities:					
Receipts relating to:					
Loans obtained		245,412	1,153,770	16,797	246,382
Sale of treasury shares		1,504	4,856	147	159
Others		2,771	-	-	-
		249,687	1,158,626	16,944	246,541
Payments relating to:					
Loans obtained		(246,711)	(1,024,442)	(41,024)	(139,251)
Interest and similar costs		(76,921)	(86,323)	(10,283)	(19,777)
Dividends	9	(122,777)	(153,151)	-	-
Purchase of treasury shares		-	(16,989)	-	(1,530)
Others		(15,646)	(16,715)	(12,950)	(10,328)
		(462,054)	(1,297,618)	(64,257)	(170,885)
Cash flows from financing activities (3)		(212,367)	(138,992)	(47,313)	75,656
Variation in cash and cash equivalents (4) = (1) + (2) + (3)		179,016	(138,513)	59,053	155,931
Effect of currency translation and other non monetary transactions		2,736	3,377	3,711	5,665
Cash and cash equivalents at the beginning of the period		126,479	519,280	245,466	222,549
Cash and cash equivalents at the end of the period	20	308,231	384,144	308,231	384,144

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009
(Amounts stated in thousands of euros)
(Translation of notes originally issued in Portuguese– Note 25)

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1. Introductory note

Cimpor - Cimentos de Portugal, SGPS, S.A. ("the Company") was incorporated on 26 March 1976, with the name Cimpor - Cimentos de Portugal, E.P.. The Company has undergone several structural and legal changes, which have resulted in it becoming the parent company of a Business Group with operations in Portugal, Spain, Morocco, Tunisia, Egypt, Turkey, Brazil, Peru, Mozambique, South Africa, China, India and Cape Verde (the "Cimpor Group").

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

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

2. Basis of presentation

The accompanying financial statements were prepared in accordance with the provisions of IAS 34 – Interim Financial Reporting, according to the historical cost convention, except as regards financial instruments.

3. Significant accounting policies

The accounting policies adopted are consistent with those considered in the financial statements for the year ended as of 31 December 2008 and disclosed in the corresponding notes, except in respect of the standards and interpretations entering into force on or after 1 January 2009, the adoption of which have not had an impact on the Group's profits or financial position.

4. Changes in the consolidation perimeter

The most significant change in the consolidation perimeter, occurred in the nine months ended 30 September 2009, respect to the sale, for approximately 12.5 million of US dollars, of the cement storage and bagging facilities owned by Cementos Otorongo, S.A. at the El Callao terminal (Peru), as well as the corresponding shareholding (100%) in Agrecom – Agregados Comercializados, S.A.C..

5. Exchange rates used

The exchange rates used to translate, to euros, the foreign currency assets and liabilities at 30 September 2009 and 31 December 2008, as well the results for the nine months ended 30 September 2009 and 2008 were as follows:

		Closing exchange rate			Average exchange rate		
Currency	Segment	2009	2008	Var.%	2009	2008	Var.%
USD	Other	1.4643	1.3917	(5.0)	1.36685	1.52254	11.4
MAD	Morocco	11.3769	11.2665	(1.0)	11.29033	11.50546	1.9
BRL	Brazil	2.605	3.2436	24.5	2.85442	2.56895	(10.0)
TND	Tunisia	1.9023	1.8318	(3.7)	1.87367	1.83976	(1.8)
MZM	Mozambique	42,160.0	35,250.0	(16.4)	36,251.1	36,776.4	1.4
CVE	Other (Cape Verde) a)	110.265	110.265	-	110.265	110.265	-
EGP	Egypt	8.0566	7.6857	(4.6)	7.69163	8.31133	8.1
ZAR	South Africa	10.8984	13.0667	19.9	11.9157	11.7264	(1.6)
TRY	Turkey	2.1734	2.1488	(1.1)	2.15281	1.87073	(13.1)
HKD	China	11.3485	10.7858	(5.0)	10.60406	11.87189	12.0
CNY	China	9.9958	9.4956	(5.0)	9.35258	10.65411	13.9
MOP	China	11.689	11.1094	(5.0)	11.11544	12.43254	11.8
PEN	Other (Peru) a)	4.234	4.3713	3.2	4.23207	4.42146	4.5
INR	India	70.001	67.3931	(3.7)	67.62832	65.50229 b)	(3.1)

(a) Segments not individually reported.
(b) Average exchange rate from 1 April to 30 September 2008.

6. Segment reporting

The main profit and loss information, by geographical segment, for the nine months ended 30 September 2009 and 2008, were as follows:

2009

	Portugal	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	India	Others	Unallocated	Eliminations	Consolidated
Sales and services rendered:															
External sales	313,467	252,490	71,957	52,569	178,821	80,139	307,054	63,722	112,849	62,939	38,264	25,037	15,704	-	1,575,012
Inter segment sales	30,970	504	-	-	-	-	-	-	2,852	-	1,195	-	55,802	(91,322)	-
Total	344,436	252,994	71,957	52,569	178,821	80,139	307,054	63,722	115,701	62,939	39,459	25,037	71,506	(91,322)	1,575,012
Operating results	72,320	2,202	24,112	8,808	67,403	(942)	63,110	6,968	45,211	341	4,847	1,342	3,849	-	299,569
Financial expenses and income															(41,091)
Share of results of associates															(839)
Other investment income															(11,359)
Profit before income tax															246,281
Income tax															(62,660)
Net profit for the period															183,621

2008

	Portugal	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	India	Others	Unallocated	Eliminations	Consolidated
Sales and services rendered:															
External sales	348,613	285,103	69,274	46,664	115,670	124,553	303,370	54,615	101,884	41,251	21,804	33,801	33,615	-	1,580,218
Inter segment sales	68,124	852	-	-	-	-	-	-	1,629	1,299	-	-	73,677	(145,581)	-
Total	416,737	285,954	69,274	46,664	115,670	124,553	303,370	54,615	103,513	42,550	21,804	33,801	107,292	(145,581)	1,580,218
Operating results	88,351	41,065	26,449	7,491	40,478	1,460	51,614	7,651	27,547	3,167	793	2,140	3,626	-	301,831
Financial expenses and income															(69,928)
Share of results of associates															(66,255)
Other investment income															2,578
Profit before income tax															168,227
Income tax															(7,111)
Net profit for the period															161,115

The above net income includes the full amount of the segments, without considering the following amounts attributable to minority shareholders:

2009

	Portugal	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	India	Others	Unallocated	Consolidated
Profit for the period attributable to minority interest	287	(628)	5,545	-	1,926	777	-	574	-	(3,125)	746	(489)	209	5,823

2008

	Portugal	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	India	Others	Unallocated	Consolidated
Profit for the period attributable to minority interest	268	87	5,854	-	1,105	1,856	1	784	(0)	722	(57)	(259)	438	10,799

Other information:

2009

	Portugal	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	India	Others	Unallocated	Consolidated
Fixed capital expenditure	16,834	17,049	7,819	3,207	7,887	42,793	31,597	10,676	6,244	33,277	3,622	(4,714)	9,115	185,407
Depreciation and amortisation	40,295	32,474	7,099	5,801	8,425	11,195	24,736	3,786	8,030	3,744	4,632	1,079	3,044	154,341
Provisions and impairment losses	(46)	13	0	-	1,938	(171)	-	-	2	-	-	-	1,350	3,087

2008

	Portugal	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	India	Others	Unallocated	Consolidated
Fixed capital expenditure	27,011	39,489	5,784	2,779	3,808	42,174	33,891	4,863	20,678	14,832	16,909	1,548	834	214,600
Depreciation and amortisation	40,686	25,889	5,983	5,784	7,788	12,704	23,763	3,341	4,970	2,364	483	1,005	1,887	136,647
Provisions and impairment losses	(35)	-	38	(99)	4,393	8	(0)	95	-	-	-	5	1,312	5,716

In addition, assets and liabilities, by reportable segment, reconciled to the total consolidated amounts as at 30 September 2009 and at 31 December 2008, were as follows:

2009

	Portugal	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	India	Others	Unllocated	Eliminations	Consolidated
Assets															
Segment assets	792,018	914,752	112,218	142,266	388,493	637,080	1,152,390	82,476	294,396	162,668	108,678	43,850	832,591	(839,038)	4,824,837
Investments in associates															36,011
Total consolidated assets															4,860,849
Liabilites															
Segment liabilities	346,619	717,517	29,804	14,643	59,272	157,444	194,043	25,625	68,136	141,744	21,906	15,858	2,097,260	(839,038)	3,050,833
Total consolidated liabilities															3,050,833

2008

	Portugal	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	India	Others	Unllocated	Eliminations	Consolidated
Assets															
Segment assets	796,430	838,277	121,836	145,997	390,315	593,498	1,030,166	86,389	231,482	162,226	97,752	47,132	719,785	(743,693)	4,517,592
Investments in associates															97,663
Total consolidated assets															4,615,255
Liabilites															
Segment liabilities	316,096	550,718	29,304	14,799	50,003	103,648	262,391	28,499	60,377	130,690	28,221	18,947	2,149,473	(743,693)	2,999,470
Total consolidated liabilities															2,999,470

7. Net financial expenses

Net financial expenses for the nine months ended 30 September 2009 and 2008 were made up as follows:

	2009	2008
Financial expenses:		
Interest expense	62,340	83,356
Foreign exchange loss	15,796	8,667
Changes in fair-value:		
Hedged assets / liabilities	5,906	-
Hedging derivative financial instruments	4,988	6,232
Trading derivative financial instruments (a)	29,631	31,041
Financial assets/liabilities at fair value (a)	6,997	8,020
	47,523	45,293
Other	11,450	10,882
	137,109	148,198
Financial income:		
Interest income	10,819	24,276
Foreign exchange gain	22,591	10,809
Changes in fair-value:		
Hedged assets / liabilities	4,988	6,232
Hedging derivative financial instruments	5,906	-
Trading derivative financial instruments (a)	30,701	17,807
Financial assets/liabilities at fair value (a)	14,679	17,984
	56,274	42,022
Other	6,334	1,162
	96,018	78,270
Share of profits of associates:		
Loss in associated companies (Note 13)	(1,245)	(66,823)
Gain in associated companies (Note 13)	407	569
	(839)	(66,255)
Investment income:		
Gains on holdings	135	543
Gains/(losses) on investments	(11,495)	2,035
	(11,359)	2,578

a) This caption is mainly related to: (i) "US Private Placements" fair value changes (Note 18), which were designated as financial liabilities at fair value through profit and loss and (ii) 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 "US Private Placements", are not qualified by Group for hedge accounting effects.

8. Income tax

Income tax expense for the nine months ended 30 September 2009 and 2008 were made up as follows:

	2009	2008
Current tax	52,891	57,816
Deferred tax	8,141	(2,189)
Increases / (decreases) in tax provisions (Note 17)	1,629	(48,515)
Charge for the period	62,660	7,111

The Company and the majority of its subsidiaries in Portugal are subject to Corporate Income Tax, currently at the rate of 25% (12.5% for taxable income until 12.500 euros), plus a Municipal surcharge up to a maximum of 1.5% of taxable income, totalling around 26.5%.

Tax on income relating to the other geographic segments is calculated at respective rates in force, as follows:

	2009	2008
Spain	30.0%	30.0%
Morroco	30.0%	30.0%
Tunisia	30.0%	30.0%
Egypt	20.0%	20.0%
Brazil	34.0%	34.0%
Mozambique	32.0%	32.0%
South Africa	28.0%	28.0%
Cape Verde	25.5%	30.6%
Turkey	20.0%	20.0%
China	25.0%	33.0%
Peru	30.0%	30.0%
India	34.0%	34.0%

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

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

	2009	2008
Tax rate applicable in Portugal	26.50%	26.50%
Operational results non taxable	(2.24%)	(2.68%)
Financial results non taxable	0.37%	7.80%
Benefits by deduction to the taxable profit and to the collect	(2.26%)	(2.04%)
Increases / (decreases) in tax provisions	0.66%	(28.84%)
Adjustments on deferred taxes	0.89%	(0.42%)
Rate differences	0.86%	1.69%
Other	0.65%	2.22%
Effective tax rate of the Group	25.44%	4.23%

The changes in deferred taxes in the nine months ended 30 September 2009 and 2008 were as follows:

Deferred tax assets:	
Balances at 1 January 2008	123,185
Changes in the consolidation perimeter	(13)
Currency translation adjustments	(5,107)
Income tax	21,270
Shareholders' equity	2,691
Balances at 30 September 2008	142,026
Balances at 1 January 2009	103,039
Changes in the consolidation perimeter	(203)
Currency translation adjustments	12,560
Income tax	(6,613)
Shareholders' equity	(420)
Transfers	228
Balances at 30 September 2009	108,591
Deferred tax liabilities:	
Balances at 1 January 2008	198,249
Changes in the consolidation perimeter	6
Currency translation adjustments	(4,150)
Income tax	19,081
Shareholders' equity	61
Transfers	4,343
Balances at 30 September 2008	217,590
Balances at 1 January 2009	197,388
Currency translation adjustments	3,785
Income tax	1,528
Shareholders' equity	(49)
Transfers	10,888
Balances at 30 September 2009	213,540

The deferred tax is recorded directly on shareholder’s equity when the situations that have originated them have similar impact.

9. Dividends

In the nine months ended 30 September 2009 a dividend of 18.5 cents per share (23 cents per share in the previous year), totalling 122,777 thousand euros (153,151 thousand euros in 2008), was paid as decided by the Shareholders’ Annual General Meeting held on 13 May 2009.

10. Earnings per share

Basic and diluted earnings per share for the period ended 30 September 2009 were computed as follows:

	9 months		3rd quarter	
	2009	2008	2009	2008
Basic earnings per share				
Net profit considered in the computation of basic earnings per share	177,797	150,317	70,747	43,180
Weighted average number of ordinary shares used to calculate the basic earnings per share (thousands)	663,766	665,824	664,025	665,859
Basic earnings per share	0.27	0.23	0.11	0.06
Diluted earnings per share				
Net profit considered in the computation of basic earnings per share	177,797	150,317	70,747	43,180
Weighted average number of ordinary shares used to calculate the basic earnings per share (thousands)	663,766	665,824	664,025	665,859
Effect of the options granted under the Share Option Plan (thousands)	1,746	1,518	1,746	1,518
Weighted average number of ordinary shares used to calculate the diluted earnings per share (thousands)	665,512	667,342	665,771	667,376
Diluted earnings per share	0.27	0.23	0.11	0.06

11. Goodwill

The changes in goodwill and related impairment losses in the nine months ended 30 September 2009 and 2008 were as follows:

	Portugal	Spain	Brazil	Egypt	Tunisia	Morocco	South Africa	China	Turkey	Cape Verde	Peru	India	Mozambique	Total
Gross assets:														
Balances at 1 January 2008	22,548	71,773	571,738	71,081	71,546	27,254	103,275	4,747	350,127	9,003	3,524	-	2,523	1,309,139
Changes in the consolidation perimeter	85	20,379	-	-	-	-	-	-	-	-	-	70,050	-	90,514
Currency translation adjustments	-	-	(22,302)	2,954	-	-	(15,693)	489	(18,644)	-	373	(4,727)	74	(57,477)
Additions	-	8,026	-	-	-	-	-	-	355	-	1,757	-	-	10,138
Transfers	1,416	-	-	-	-	-	-	529	-	-	-	-	-	1,945
Balances at 30 September 2008	24,048	100,178	549,436	74,035	71,546	27,254	87,581	5,765	331,838	9,003	5,655	65,324	2,596	1,354,259
Balances at 1 January 2009	29,463	140,914	494,301	74,979	71,546	27,254	79,272	20,726	283,286	9,136	5,203	62,890	2,668	1,301,640
Changes in the consolidation perimeter	-	1,141	-	-	-	-	-	-	-	-	(2,479)	-	-	(1,338)
Currency translation adjustments	-	-	77,359	(3,452)	-	-	15,772	(983)	(3,467)	-	165	(670)	(132)	84,591
Additions	385	209	-	-	-	-	-	-	-	237	-	-	-	832
Transfers	-	20,409	-	-	-	-	-	(980)	-	-	-	(14,381)	-	5,048
Balances at 30 September 2009	29,849	162,674	571,659	71,527	71,546	27,254	95,044	18,764	279,819	9,373	2,889	47,839	2,536	1,390,773

	Portugal	Spain	Brazil	Egypt	Tunisia	Morocco	África Africa	China	Turkey	Verde	Peru	India	Mozambique	Total
Accumulated impairment losses:														
Balances at 1 January 2008	601	765	-	-	-	24,031	-	-	-	-	-	-	-	25,397
Balances at 30 September 2008	601	765	-	-	-	24,031	-	-	-	-	-	-	-	25,397
Balances at 1 January 2009	601	-	-	-	-	24,031	-	-	-	-	-	-	-	24,632
Balances at 30 September 2009	601	-	-	-	-	24,031	-	-	-	-	-	-	-	24,632
Carrying amount:														
As at 30 September 2008	23,447	99,412	549,436	74,035	71,546	3,223	87,581	5,765	331,838	9,003	5,655	65,324	2,596	1,328,861
As at 30 September 2009	29,248	162,674	571,659	71,527	71,546	3,223	95,044	18,764	279,819	9,373	2,889	47,839	2,536	1,366,141

The changes identified as transfers correspond, essentially, to the purchase value allocation of acquired companies. Resulting from that process, the goodwill value indicated above for more recent investments may still be subject to change.

12. Tangible assets

The changes in tangible assets and corresponding depreciation in the nine months ended 30 September 2009 and 2008 were as follows:

	Land	Buildings and other constructions	Basic equipment	Transportation equipment	Administrative equipment	Tools and dies	Other tangible assets	Tangible assets in progress	Advance to suppliers of tangible assets	Total
Gross assets:										
Balances at 1 January 2008	345,125	713,032	2,934,234	108,550	59,063	9,260	11,728	188,200	24,836	4,394,029
Changes in the consolidation perimeter	277	2,555	30,914	1,967	782	(11)	(32)	7,736	309	44,496
Currency translation adjustments	(5,877)	(7,556)	(61,530)	(2,936)	(1,183)	65	24	(10,136)	(1,432)	(90,560)
Additions	8,471	3,506	25,831	3,512	710	71	505	140,757	(374)	182,990
Sales	(1,513)	(3,302)	(5,963)	(2,282)	(393)	(3)	(0)	(20)	(1,267)	(14,742)
Write-offs	(37)	(53)	(18,517)	(297)	(178)	(9)	(109)	(69)	(3)	(19,272)
Transfers	433	12,490	57,685	1,763	1,162	1,942	(1,590)	(68,175)	(967)	4,744
Balances at 30 September 2008	346,880	720,673	2,962,654	110,278	59,964	11,314	10,527	258,293	21,102	4,501,684
Balances at 1 January 2009	349,659	744,553	2,922,537	107,147	59,010	12,281	11,094	185,973	116,642	4,508,895
Changes in the consolidation perimeter	(449)	(1,769)	(4,382)	896	(11)	-	(62)	(76)	-	(5,853)
Currency translation adjustments	11,342	20,485	99,185	6,285	1,917	20	(43)	5,961	(575)	144,578
Additions	4,628	4,855	12,376	1,158	348	206	232	127,708	25,196	176,707
Sales	(279)	(571)	(11,567)	(6,311)	(214)	(26)	-	-	-	(18,967)
Write-offs	(358)	(851)	(1,090)	(743)	(614)	(15)	(195)	(31)	(666)	(4,563)
Transfers	25,199	50,508	165,178	17,145	2,768	613	1,715	(38,916)	(94,284)	129,926
Balances at 30 September 2009	389,743	817,210	3,182,237	125,578	63,205	13,080	12,741	280,618	46,312	4,930,723

	Land	Buildings and other constructions	Basic equipment	Transportation equipment	Administrative equipment	Tools and dies	Other tangible assets	Tangible assets in progress	Advance to suppliers of tangible assets	Total
Accumulated depreciation and impairment losses:										
Balances at 1 January 2008	42,298	346,575	1,978,753	67,828	48,406	7,575	7,539	-	-	2,498,974
Changes in the consolidation perimeter	-	791	16,712	763	539	(12)	(44)	-	-	18,749
Currency translation adjustments	(179)	(4,486)	(47,055)	(1,834)	(861)	73	20	-	-	(54,324)
Increases	8,480	20,882	93,634	6,912	2,493	443	760	-	-	133,604
Decreases	-	(2,060)	(5,320)	(2,150)	(373)	(3)	(5)	-	-	(9,911)
Write-offs	-	(50)	(17,746)	(180)	(175)	(9)	(25)	-	-	(18,185)
Transfers	(79)	121	1,004	87	941	1,040	(1,612)	-	-	1,501
Balances at 30 September 2008	50,520	361,772	2,019,982	71,426	50,969	9,106	6,632	-	-	2,570,407
Balances at 1 January 2009	52,989	360,206	1,952,127	70,315	49,683	9,473	6,177	-	-	2,500,969
Changes in the consolidation perimeter	-	(26)	(705)	270	(5)	-	(6)	-	-	(472)
Currency translation adjustments	796	9,180	71,905	4,039	1,493	(11)	(34)	-	-	87,368
Increases	8,306	23,642	103,869	8,273	2,419	565	791	-	-	147,865
Decreases	(8)	(119)	(9,347)	(4,980)	(211)	(22)	-	-	-	(14,687)
Write-offs	(0)	(174)	(275)	(526)	(584)	(15)	(186)	-	-	(1,759)
Transfers	-	18,273	92,772	6,846	1,865	414	97	-	-	120,267
Balances at 30 September 2009	62,082	410,982	2,210,346	84,238	54,660	10,404	6,839	-	-	2,839,551
Carrying amount:										
As at 30 September 2008	296,360	358,901	942,672	38,852	8,995	2,208	3,895	258,293	21,102	1,931,277
As at 30 September 2009	327,661	406,228	971,890	41,341	8,544	2,676	5,902	280,618	46,312	2,091,172

Tangible assets in progress and advances to suppliers of tangible assets in the nine months ended 30 September 2009 include the construction and improvement of installations and equipment of the cement sector of several production units, essentially in the Turkey, China, Brazil, Portugal and Spain business areas.

13. Investments in associates

The changes in investments in associates in the nine months ended 30 September 2009 and 2008 were as follows:

	Investment	Goodwill	Total
Balances at 1 January 2008	148,512	15,021	163,533
Changes in the consolidation perimeter	11,056	-	11,056
Equity method effect:			
On financial expenses (Note 7)	(66,255)	-	(66,255)
On shareholders' equity	(4,517)	-	(4,517)
Dividends received	(853)	-	(853)
Acquisitions and increases	15,988	-	15,988
Transfers	-	(1,416)	(1,416)
Balances at 30 September 2008	103,930	13,606	117,536
Balances at 1 January 2009	84,057	13,606	97,663
Currency translation adjustments	4	-	4
Equity method effect:			
On financial expenses (Note 7)	(839)	-	(839)
On shareholders' equity	(5)	-	(5)
Acquisitions and increases	2,237	-	2,237
Transfers (Notes 11 and 14)	(57,035)	(6,013)	(63,049)
Balances at 30 September 2009	28,419	7,592	36,011

14. Non-current assets held for sale

Non-current assets held for sale at 30 September 2009 correspond to the Group's shareholding in C+PA, whose value is expected to be recovered through sale, regarding which efforts are being undertaken.

Based on an independent valuation, C+PA valuation at fair value deducted of estimated sales costs, according to the IFRS 5 terms, resulted in recording a loss of 4,249 thousand of euros in the "Investment income – Losses on investments" caption (Note 7).

On 14 April 2009, the Group sold the debt instrument issued by the Republic of Austria, with term in 2011, which had been reclassified from "Other Investments" to "Non-current assets held for sale" in the first quarter financial statements; the resulting loss, amounting to, approximately, 8 million of euros, was recorded in the "Investment income – Losses on investments" caption (Note 7).

15. Share capital

The Company's fully subscribed and paid up capital at 30 September 2009 consisted of 672,000,000 shares, listed on Euronext Lisbon market, with a nominal value of one euro each.

16. Treasury shares

At 30 September 2009 and 31 December 2008 Cimpor had 7,974,587 and 8,476,832 treasury shares, respectively.

17. Provisions

The changes in the provisions in the nine months ended 30 September 2009 and 2008 were as follows:

	Provisions for tax risks	Environmental rehabilitation	Provision for employee benefits and other personnel provisions	Other provisions for risks and charges	Total
Balances at 1 January 2008	102,947	45,239	26,946	38,061	213,192
Changes in the consolidation perimeter	-	16	131	-	147
Currency translation adjustments	442	(1,539)	(390)	(1,082)	(2,568)
Increases	2,652	3,513	8,379	7,256	21,799
Decreases	(50,114)	(49)	-	(728)	(50,891)
Utilisation	(5)	(353)	(662)	(1,712)	(2,732)
Transfers	-	28	109	(71)	65
Balances at 30 September 2008	55,922	46,855	34,512	41,724	179,014
Balances at 1 January 2009	59,842	46,151	28,738	41,110	175,841
Currency translation adjustments	(514)	3,735	430	4,492	8,143
Increases	3,137	4,346	9,607	4,213	21,302
Decreases	-	(49)	(181)	(87)	(317)
Utilisation	(29)	(141)	(615)	(5,616)	(6,400)
Transfers	-	-	120	934	1,054
Balances at 30 September 2009	62,437	54,043	38,099	45,046	199,624

The increases and decreases in the provisions in the nine months ended 30 September 2009 and 2008 were recorded by corresponding entry to the following accounts:

	2009	2008
Tangible assets:		
Land	3,141	1,813
Profit and loss for the period:		
Supplies and services	-	5
Payroll	2,572	1,494
Provisions	3,087	5,716
Financial expenses	3,710	3,636
Income tax (Note 8)	1,629	(48,515)
Shareholders' equity:		
Free reserves	6,848	6,759
	20,986	(29,092)

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

18. Loans

Loans at 30 September 2009 and 31 December 2008 were made up as follows:

	2009	2008
Non-currents liabilities:		
Bonds	849,969	883,055
Bank loans	540,133	1,028,075
Other loans	220	-
	1,390,322	1,911,130
Currents liabilities:		
Bank loans	719,848	201,177
Other loans	473	324
	720,321	201,501
	2,110,643	2,112,631

Bonds

Non-convertible bonds at 30 September 2009 and 31 December 2008 are made up as follows:

Issuer	Financial instrument	Issue date	Interest rate	Conditions / repayment	2009 Non-current	2008 Non-current
Cimpor Financial Operations B.V.	Eurobonds	27.May.04	4.50%	27.May.11	612,812	608,107
Cimpor Financial Operations B.V.	US Private Placement 10Y	27.June.03	5.75%	27.June.13	95,521	102,762
Cimpor Financial Operations B.V.	US Private Placement 12Y	27.June.03	5.90%	27.June.15	141,636	172,186
					849,969	883,055

The above US Private Placements are designated as fair value liabilities through profit and loss, as a result of applying the transitional provisions of IAS 39, in the year ended 31 December 2005, relative to financial instruments until then recorded within the scope of fair value accounting.

Within the scope of the measures adopted to improve the Cimpor rating, more flexible financial covenants were negotiated with the debt holders. In return, Cimpor anticipated the reimbursement of 50 million of USD and had increased the spread for the remaining debt amount. The impact of these operations in the fair value of the financial instruments in question reached 14 million of euros, recorded as financial expenses (Note 7).

At 30 September 2009, the difference between the fair and nominal values of "US Private Placements" reached 4,597 thousand of euros (15,344 thousand of euros on 31 December 2008).

Bank loans

Bank loans at 30 September 2009 and 31 December 2008 were made up as follows:

			Non-current	
Type	Currency	Interest rate	2009	2008
Bilateral loan	EUR	Euribor + 0.30%	233,333	280,000
Bilateral loan	EUR	Euribor + 0.30%	166,345	199,627
Bilateral loan	EUR	Euribor + 0.95%	74,540	111,997
Bilateral loan	EUR	Euribor + 1.50%	-	299,526
EIB loan	EUR	EIB basic rate	33,333	40,000
Bilaterals loans	EUR	Several	21,810	72,022
Bilaterals loans	BRL	Several	9,422	7,280
Bilaterals loans	CVE	Several	-	11
Bilateral loan	INR	10.50%	-	14,838
Bilateral loan	MAD	5.45%	1,350	1,667
Bilaterals loans	PEN	Several	-	1,107
			540,133	1,028,075

			Current	
Type	Currency	Interest rate	2009	2008
Bilateral loan	EUR	Euribor + 0.30%	46,667	-
Bilateral loan	EUR	Euribor + 0.30%	33,388	-
Bilateral loan	EUR	Euribor + 0.95%	75,222	112,409
Bilateral loan	EUR	Euribor + 1.50%	300,000	-
EIB loan	EUR	EIB basic rate	6,667	6,667
Bilaterals loans	EUR	Several	203,953	7,616
Bilaterals loans	BRL	Several	2,126	2,626
Bilaterals loans	CVE	Several	15	19
Bilateral loan	MAD	5.45%	399	385
Bilaterals loans	CNY	Several	9,984	3,138
Bilateral loan	HKD	2.29%	88	-
Bilaterals loans	PEN	Several	-	232
Commercial paper	EUR	Several	-	25,000
Overdrafts	TRY	Several	36,984	30,283
Overdrafts	MAD	Several	2,424	3,533
Overdrafts	ZAR	Several	910	73
Overdrafts	EUR	Several	163	8,318
Overdrafts	CVE	Several	858	878
			719,848	201,177

The non-current portion of loans at 30 September 2009 and 31 December 2008 are repayable as follows:

Year	2009	2008
2010	112,060	569,883
2011	819,817	839,304
2012	168,570	172,614
2013 and following years	289,875	329,330
	1,390,322	1,911,130

The loans at 30 September 2009 and 31 December 2008 are stated in the following currencies:

		2009		2008	
Currency		Currency	Euros	Currency	Euros
EUR		-	1,808,594	-	1,771,608
USD	(a)	354,000	237,156	404,000	274,948
BRL		30,083	11,548	32,131	9,906
ZAR		9,913	910	952	73
MAD		47,473	4,173	62,936	5,585
CVE		96,303	873	100,109	912
TRY		80,380	36,984	65,074	30,283
INR		23,310	333	1,000,000	14,838
CNY		99,800	9,984	29,800	3,138
HKD		1,000	88	-	-
PEN		-	-	5,855	1,339
			2,110,643		2,112,631

(a) Due to certain derivative financial instruments for hedging exchange rate (Note 19), these financings are not exposed to exchange-rate risk.

As at 30 September 2009 and 31 December 2008, credit lines obtained but not used, excluding commercial paper that has not been underwritten, are close to 773 million euros and 498 million euros, respectively.

19. Derivative financial instruments

Fair value of derivative financial instruments

The fair value of derivative financial instruments at 30 September 2009 and 31 December 2008 is as follows:

	Other assets				Other liabilities			
	Current asset		Non-current assets		Current asset		Non-current assets	
	2009	2008	2009	2008	2009	2008	2009	2008
Fair value hedges:								
Exchange and interest rate swaps	-	-	4,722	11,326	-	-	2,263	-
Interest rate swaps	11,110	2,281	4,831	4,888	-	-	-	-
Exchange rate forwards	-	7	-	-	-	110	-	-
Cash flow hedges:								
Interest rate swaps	-	-	-	-	-	2,365	-	4,092
Trading:								
Exchange and interest rate derivatives	5,059	219	-	-	-	1,447	69,681	38,542
Interest rate derivatives	3,314	1,985	1,889	313	6,072	10,042	47,863	65,785
	19,482	4,492	11,442	16,527	6,072	13,964	119,807	108,419

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.

20. Notes to the consolidated cash flow statements

Cash and cash equivalents

Cash and cash equivalents for the nine months ended 30 September 2009 and 2008 were made up as follows:

	2009	2008
Cash	239	977
Bank deposits	233,774	274,065
Marketable securities	115,556	117,428
	349,569	392,470
Bank overdrafts (Note 18)	(41,338)	(8,326)
	308,231	384,144

Receipts relating to investments as at 30 September 2009 correspond, essentially, to the sale of the debt instrument issued by the Republic of Austria (Note 14).

21. Related parties

Transactions and balances between Cimpor – Cimentos de Portugal, SGPS, S.A. (the parent company) and the Group companies were eliminated in the consolidation process and so are not disclosed in this note. The balances and transactions between the Group and associated companies and with other related parties, relate to normal operational activities, except, as at 30 September 2009, the acquisition from an associate of 10% of the share capital of Firmes y Hormigones Sany, S.L. (adding to the 80% shareholding already held in that company), the acquisition of 25% of the

CIMPOR

share capital of Occidental de Áridos, S.L., giving the Group 100% control of that company and the acquisition of 55% of the share capital of Betobomba, S.L. (change in the consolidation perimeter), totaling around 9 millions of euros.

On 30 September 2008, the acquisitions of share capital and other assets in Spain from associated companies totalized around 62 millions of euros.

22. Contingent liabilities, guarantees and commitments

On 30 September 2009, guarantees given to third parties compared to 31 December 2008 reduced approximately 43 millions of euros, according to following detail:

	2009	2008
Guarantees given:		
For tax processes in progress	18,450	28,409
Bank union	40,092	47,317
To suppliers	7,407	30,820
Other	18,068	20,058
	84,017	126,604

Regarding contingent liabilities and commitments for the nine months ended 30 September 2009 there were no significant changes as compared with the reported on 31 December 2008, being among those the tax assessments resulting from the tax audits for the 2002 to 2004 financial years in Group companies headquartered in Spain, which are following its expected litigation course. The Group maintains the understanding of reason and probability of success of these actions.

23. Subsequent events

After September 30, 2009 there were no materially relevant events.

24. Financial statements approval

The financial statements for the nine months ended 30 September 2009 were approved by the Board of Directors on 25 November 2009.

25. Note added for translation

These consolidated financial statements are a translation of financial statements originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.

The Board of Directors

(Unreadable signatures)

Chairman

Ricardo Manuel Simões Bayão Horta

Luís Eduardo da Silva Barbosa

Vicente Árias Mosquera

António Sarmento Gomes Mota

José Manuel Baptista Fino

Jean Desazars de Montgailhard

José Enrique Freire Arteta

Jorge Humberto Correia Tomé

Luís Filipe Sequeira Martins

Jorge Manuel Tavares Salavessa Moura

António Carlos Custódio de Morais Varela

Manuel Luís Barata de Faria Blanc

Luís Miguel da Silveira Ribeiro Vaz

Albert Corcos

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II. Unaudited Interim Financial Information of the Issuer for the six months ended 30 June 2009

Unaudited Condensed Interim Financial Information

CIMPOR FINANCIAL OPERATIONS B.V.

BALANCE SHEET AS AT
(after appropriation of the result)

	30-Jun **2009** EURO	31-Dec **2008** EURO
FINANCIAL FIXED ASSETS		
Loan group company EUR	597,042,000	597,042,000
Loan group company USD	285,835,574	290,292,448
	882,877,574	887,334,448
CURRENT ASSETS		
Interest receivable group company	3,116,882	17,239,324
Deferred expenses	809,915	1,021,201
CASH AT BANK	6,717,512	5,683,919
	893,521,883	911,278,892
SHAREHOLDER'S EQUITY		
Share capital	18,500	18,500
Share premium	3,099,249	3,099,249
Other reserves	1,603,349	1,354,874
	4,721,098	4,472,623
LONG TERM LIABILITIES		
Bond issue	600,000,000	600,000,000
Private placements	285,835,574	290,292,448
	885,835,574	890,292,448
CURRENT LIABILITIES		
Interest payable loans	423,095	429,692
Interest payable loans	2,550,000	16,050,000
Other payables	(7,884)	34,129
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	893,521,883	911,278,892

Unaudited Condensed Interim Financial Information

CIMPOR FINANCIAL OPERATIONS B.V.

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED

	30-Jun **2009** EURO	31-Dec **2008** EURO
FINANCIAL INCOME & EXPENSES		
Interest income:		
- from loans	21,414,616	41,873,355
- Tax ruling Margin		
Bank and other interest	82,365	170,360
NET FINANCIAL INCOME	21,496,981	42,043,715
General costs/commissions	(52,672)	(156,764)
Interest expense from loans and depreciation		
Discount bond issue	(21,088,063)	(40,969,114)
Exchange result others	(9,661)	(8,454)
RESULT BEFORE TAXATION	346,585	909,383
Corporate income taxes previous years		
Corporate income taxes	(98,110)	(225,884)
RESULT FOR THE PERIOD	248,475	683,499

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III. Financial Statements of the Issuer for the year ended 31 December 2008 and Auditors' Report thereon

CIMPOR FINANCIAL OPERATIONS B.V.

Amsterdam, The Netherlands

FINANCIAL STATEMENTS 2008

For identification purpose only.
Related to auditor's report
dated 29-11-2009

CIMPOR FINANCIAL OPERATIONS B.V.

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CIMPOR FINANCIAL OPERATIONS B.V.

Annual 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, 2008.

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. S.A., Lisboa Portugal the company is incorporated in Portugal.
The Company has issued bonds, which are listed at the Luxembourg Stock Exchange

Result for the year

The profit for the financial year amounted to EUR 683,499 In the previous financial year the profit amounted to EUR 627,696. For further 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 Companies business activities.

Credit risk refers to the risk of containability from borrower on counterparty when a borrower, counterparty or obligator is unable to meet its financial obligations. The Company manages credit r exposure by ensuring transparancy of material credit risks.

The Company manages liquidity and funding risk to mitigate the potential risk that the Company to adequate financing to service its financial obligations when they come due without material busines 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.

Finance development
The Company does not expect that the method of finance will significantly change during 2009.

For identification purpose only.
Related to auditor's report
dated 09-11-2009 3

Post balance sheet events

No major post balance sheet events affecting the financial statements have occurred to date.

<u>The Board of Managing Directors,</u>

Orangefield Trust (Netherlands) B.V.

Amsterdam, 9 November 2009

For identification purpose only.
Related to auditor's report
dated 09-11-2009

CIMPOR FINANCIAL OPERATIONS B.V.

Balance Sheet as at December 31, 2008
(In EUR, after appropriation of results)

ASSETS

	Notes	2008	2007
Financial fixed assets			
Loans to group companies	6	887.334.448	871.479.878
		887.334.448	871.479.878
Current Assets			
Receivable from group companies	7	17.239.324	17.215.372
Deferred expenses		1.021.201	1.443.772
Interest Bank accounts receivable		--	1.480
		18.260.525	18.660.624
Liquid Assets			
Cash at banks	8	5.683.919	4.581.575
		5.683.919	4.581.575
TOTAL ASSETS		911.278.892	894.722.077

For identification purpose only.
Related to auditor's report
dated 05-11-2009

CIMPOR FINANCIAL OPERATIONS B.V.

Balance Sheet as at December 31, 2008
(In EUR, after appropriation of results)

EQUITY AND LIABILITIES

	Notes	2008	2007
Shareholders' Equity	9		
Issued and paid-up capital		18.500	18.500
Share premium reserve		3.099.249	3.099.249
Other reserves		1.354.874	671.375
		4.472.623	3.789.124
Long-term Liabilities			
Issued bonds	10	600.000.000	600.000.000
Private placements	11	290.292.448	274.437.878
		890.292.448	874.437.878
Current Liabilities			
Payable to third parties	12	16.479.692	16.456.225
Corporate Income Tax payable		--	3.351
Other liabilities and accrued expenses	13	34.129	35.499
		16.513.821	16.495.075
TOTAL EQUITY AND LIABILITIES		911.278.892	894.722.077

For identification purpose only.
Related to auditor's report
dated ..09-11-2009.......6......

CIMPOR FINANCIAL OPERATIONS B.V.

Profit and Loss Account
for the financial year ended December 31, 2008
(in EUR)

		2008	2007
Financial Income and Expense			
Interest income on loans to group companies		41.873.355	42.566.935
Depreciation discount bond issue		(422.571)	(422.572)
Interest expense on loans from third parties		(40.546.543)	(41.271.070)
Bank and other interest		170.360	148.747
Exchange differences		(8.454)	(40.306)
		1.066.147	981.734
Other Expenses			
General and administrative expenses	14	(104.027)	(87.268)
Fees and Commissions		(52.737)	(54.706)
		(156.764)	(141.974)
RESULT BEFORE TAXATION		909.383	839.760
Corporate income taxes	15	(225.884)	(212.064)
NET RESULT AFTER TAXATION		683.499	627.696

For identification purpose only.
Related to auditor's report
dated .05-11-2009./F.....7.......

CIMPOR FINANCIAL OPERATIONS B.V.

Cash Flow Statement
for the financial year ended December 31, 2008
(in EUR)

The movement in the net liquid funds can be analyzed as follows:

		2008		**2007**
NET RESULT		683.499		627.696
Other receivables	400.099		473.908	
Corporate income tax payable	(3.351)		(64.230)	
Other creditors	22.097	418.845	(34.539)	375.139
Net cash inflow from operating activities		1.102.344		1.002.835
Net cash from investing activities		-		-
Net cash from financing activities		-		-
Increase in cash and cash equivalents		1.102.344		1.002.835
Cash at the beginning of the year		4.581.575		3.578.740
Cash at the end of the year		5.683.919		4.581.575
		1.102.344		1.002.835

For identification purpose only.
Related to auditor's report
dated 09-11-2009

CIMPOR FINANCIAL OPERATIONS B.V.

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2008
(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.

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

Other financial fixed assets (including securities), dedicated to serve the operations of the Company permanently, are valued at the lower of cost and market value.
Bond discounts or premiums on bonds arising at the issuance of loans or the acquisition of bonds are added or charged to the Profit and Loss Account during the terms.

(d) Receivables

Receivables are valued at face value less a provision for possible uncollectible amounts.

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.

For identification purpose only.
Related to auditor's report
dated 09-11-2009 A

(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) 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. Corporate income taxes are presented under the cash flow from operating activities.

5 CONSOLIDATION

The financial statements of the Company and its group companies are included in the consolidated financial statements of Cimpor Cimentos de Portugal S.G.P.S. S.A., Lisboa Portugal, which are available at the office of the Company. These consolidated statements have been prepared according to IFRS as endorsed by the European Commission.

CURRENT ASSETS

6 LOANS TO GROUP COMPANIES

As at December 31, 2008, this item can be detailed as follows:

Group	Maturity	Rate	CCY	Amount in CCY	EUR
Cimpor Inversiones S.L.	26-jun-13	4,850%	USD	150.000.000	107.781.850
Cimpor Inversiones S.L.	26-jun-13	5,000%	USD	254.000.000	182.510.598
Cimpor Inversiones S.L.	27-mei-11	4,690%	EUR	--	597.042.000
					887.334.448

The movements in the loans to group companies are as follows:

	2008	2007
Balance as at January 1,	871.479.878	903.799.783
Exchange differences	15.854.570	(32.319.905)
Balance as at December 31,	887.334.448	871.479.878

7 RECEIVABLE FROM GROUP COMPANIES

As at December 31, 2008, this item can be detailed as follows:

Group	Description	CCY	Amount in CCY	EUR
Cimpor Inversiones S.L.	Interest receivable	EUR		16.800.762
Cimpor Inversiones S.L.	Interest receivable	USD	610.347	438.562
				17.239.324

For identification purpose only.
Related to auditor's report
dated 05-11-2009

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2008
(in EUR)

CURRENT ASSETS (continued)

8 CASH AT BANKS

Description	Maturity	CCY	Rate	2008	2007
Current account ING Bank N.V.	n/a	EUR		29.988	514.919
CITI Bank EUR	n/a	EUR		1.690	112.108
CITI Bank USD	n/a	USD		12.241	34.548
MKB X Account ING Bank N.V.	n/a	EUR		55.000	1.000.000
ING Bank term deposit	n/a	EUR		60.000	--
ING Bank term deposit	n/a	EUR		5.400.000	2.920.000
ING Bank term deposit	3-jan-08	EUR	3,70%	125.000	--
				5.683.919	4.581.575

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, 2008, 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 reserve	Total
Balance as at January 1, 2007	18.500	3.099.249	43.679	3.161.428
Result for the period	--	--	627.696	627.696
Balance as at December 31, 2007	18.500	3.099.249	671.375	3.789.124
Result for the period	--	--	683.499	683.499
Balance as at December 31, 2008	18.500	3.099.249	1.354.874	4.472.623

For identification purpose only.
Related to auditor's report
dated ..09-11-2009.. 12

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2008
(in EUR)

LONG-TERM LIABILITIES

10 ISSUED BONDS

The bonds were acquired based on a keep well letter of the parent company.
As at December 31, 2008, this item can be detailed as follows:

Description	Maturity	Rate	CCY	EUR
Bond issue	27-mei-11	4,50%	EUR	600.000.000

11 PRIVATE PLACEMENTS

The placements were acquired based on a keep well letter of the parent company.

As at December 31, 2008, this item can be detailed as follows:

Description	Maturity	Rate	CCY	Amount in CCY	EUR
Private placement A	27-jun-13	4,75%	USD	150.000.000	107.781.850
Private placement B	27-jun-13	4,90%	USD	254.000.000	182.510.598
					290.292.448

The movements in the private placements are as follows:

	2008	2007
Balance as at January 1,	274.437.878	306.757.783
Exchange differences	15.854.570	(32.319.905)
Balance as at December 31,	290.292.448	274.437.878

12 PAYABLE TO THIRD PARTIES

As at December 31, 2008, this item can be detailed as follows:

Group	Description	CCY	Amount in CCY	EUR
Interest Private placement A	Interest payable	USD	380.295	273.259
Interest Private placement B	Interest payable	USD	217.708	156.433
Interest Bond Issue	Interest payable	EUR	n/a	16.050.000
				16.479.692

For identification purpose only.
Related to auditor's report
dated 09-11-2009

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2008
(in EUR)

13 OTHER LIABILITIES AND ACCRUED EXPENSES

	2008	2007
Administrative fee	9.684	10.240
Agency fee	1.796	1.698
Fiscal Advisor	5.849	9.192
Audit fee	16.800	14.369
	34.129	35.499

14 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses include:

	2008	2007
Audit expenses	16.800	16.700

15 CORPORATE INCOME TAXES

Dutch corporation tax at 23.84% (2007: 25,25%)

	2008	2007
Current year	225.884	212.064
Previous year	--	--
	225.884	212.064

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 (2007: one), who received no remuneration during the current or the previous financial year. The Company has no Supervisory Directors.

The Board of Managing Directors,

Orangefield Trust (Netherlands) B.V.

Amsterdam, 9 November 2009

For identification purpose only.
Related to auditor's report
dated ..09-11-2009..............

CIMPOR FINANCIAL OPERATIONS 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.

Subsequent events

U.S. Private Placements
The revision of the terms of the Note Purchasing Agreement of the US Private Placements was finalized with the US Investors in September 2009. In accordance with this the Financial Covenant "Net Debt/EBITDA" was increased, up to 31 of December of 2010, from 3,5 to 4.

It has been agreed the compensation of the investors with the pre-payment of 50M USD

Medium Term Note Program
Cimpor BV decides to start the launching of a new Medium Term Note Program with limit of EUR 2.500.000.000.

As the previous one Cimpor Financial Operations B.V. will be the Issuer of Instruments which have the benefit of a Keep Well Agreement provided by Cimpor Cimentos de Portugal, SGPS, SA and a joint and several Guarantee by Cimpor Inversiones, S.A. and Corporation Noroeste, S.A.

Auditors report

Reference is made to the auditors' report hereinafter.

Deloitte.

Deloitte Accountants B.V.
Orlyplein 10
1043 DP Amsterdam
P.O.Box 58110
1040 HC Amsterdam
Netherlands

Tel: +31 (20) 582 5000
Fax: +31 (20) 582 4053
www.deloitte.nl

To the shareholder of
Cimpor Financial Operations B.V.
Amsterdam

Date	From	Reference
November 9, 2009	J. Penon	3100063141/OP9994/dve

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2008 of Cimpor Financial Operations B.V., Amsterdam, which comprise the balance sheet as at December 31, 2008, the profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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.

Deloitte.

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.

Opinion

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, 2008, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Deloitte Accountants B.V.

already signed: J. Penon

IV. Financial Statements of the Issuer for the year ended 31 December 2007 and Auditors' Report thereon

CIMPOR FINANCIAL OPERATIONS B.V.

Amsterdam, The Netherlands

FINANCIAL STATEMENTS 2007

For identification purpose only.
Related to auditor's report
dated 21.05.2008

CIMPOR FINANCIAL OPERATIONS B.V.

Contents **Page**

For identification purpose only.
Related to auditor's report
dated 21-05-2008

CIMPOR FINANCIAL OPERATIONS B.V.

Annual Report

The Board of Managing Directors herewith submits the Financial Statements of Cimpor Financial Operations B.V. for the financial year ended December 31, 2007.

Summary of activities

The Company mainly acts as a holding and finance company.

Result for the year

The profit for the financial year amounted to EUR 627,696 In the previous financial year the profit amounted to EUR 682,355.

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.

Finance development
The Company does not expect that the method of finance will significantly change during 2008.

Post balance sheet events

No major post balance sheet events affecting the financial statements have occurred to date.

The Board of Managing Directors,

Orangefield Trust (Netherlands) B.V.

Amsterdam, 21 May 2008

For identification purpose only.
Related to auditor's report
dated 21-05-2008

CIMPOR FINANCIAL OPERATIONS B.V.

Balance Sheet as at December 31, 2007
(In EUR, after appropriation of results)

ASSETS

	Notes	2007	2006
Financial fixed assets			
Loans to group companies	6	871,479,878	903,799,783
		871,479,878	903,799,783
Current Assets			
Receivable from group companies	7	17,215,372	17,264,199
Deferred expenses		1,443,772	1,866,344
Interest Bank accounts receivable		1,480	3,989
		18,660,624	19,134,532
Liquid Assets			
Cash at banks	8	4,581,575	3,578,740
		4,581,575	3,578,740
TOTAL ASSETS		894,722,077	926,513,055

For identification purpose only.
Related to auditor's report
dated 21-05-2008

CIMPOR FINANCIAL OPERATIONS B.V.

Balance Sheet as at December 31, 2007
(In EUR, after appropriation of results)

EQUITY AND LIABILITIES

	Notes	2007	2006
Shareholders' Equity	9		
Issued and paid-up capital		18,500	18,500
Share premium reserve		3,099,249	3,099,249
Other reserves		671,375	43,679
		3,789,124	3,161,428
Long-term Liabilities			
Issued bonds	10	600,000,000	600,000,000
Private placements	11	274,437,878	306,757,783
		874,437,878	906,757,783
Current Liabilities			
Payable to third parties	12	16,456,225	16,504,065
Corporate Income Tax payable		3,351	67,581
Other liabilities and accrued expenses	13	35,499	22,198
		16,495,075	16,593,844
TOTAL EQUITY AND LIABILITIES		894,722,077	926,513,055

For identification purpose only.
Related to auditor's report
dated 21.05.2008

CIMPOR FINANCIAL OPERATIONS B.V.

Profit and Loss Account
for the financial year ended December 31, 2007
(in EUR)

	2007	2006
Financial Income and Expense		
Interest income on loans to group companies	42,566,935	43,992,244
Depreciation discount bond issue	(422,572)	(422,572)
Interest expense on loans from third parties	(41,271,070)	(42,519,609)
Bank and other interest	148,747	55,909
Exchange differences	(40,306)	(19,549)
	981,734	1,086,423
Other Expenses		
General and administrative expenses	(87,268)	(74,188)
Fees and Commissions	(54,706)	(55,298)
	(141,974)	(129,486)
RESULT BEFORE TAXATION	839,760	956,937
Corporate income taxes previous year	--	7,741
Corporate income taxes	(212,064)	(282,323)
NET RESULT AFTER TAXATION	627,696	682,355

For identification purpose only.
Related to auditor's report
dated 21-05-2008

CIMPOR FINANCIAL OPERATIONS B.V.

Cash Flow Statement
for the financial year ended December 31, 2007
(in EUR)

The movement in the net liquid funds can be analyzed as follows:

		2007		2006
NET RESULT		627,696		682,355
Other receivables	473,908		1,516,298	
Corporate income tax payable	(64,230)		(13,570)	
Other creditors	(34,539)	375,139	(40,688)	1,462,040
Net cash inflow from operating activities		1,002,835		2,144,395
LENDING:				
Increase/decrease of loans to group companies	32,319,905		35,702,165	
Net cash outflow from investing activities		32,319,905		35,702,165
Net cash outflow before financing		33,322,740		37,846,560
MOVEMENTS IN FUNDING:				
Increase/decrease of bonds	-		-	
Increase/decrease of private placement	(32,319,905)		(35,702,165)	
Net cash inflow from financing activities		(32,319,905)		(35,702,165)
Increase in cash and cash equivalents		1,002,835		2,144,395
Cash at the beginning of the year		3,578,740		1,434,345
Cash at the end of the year		4,581,575		3,578,740
		1,002,835		2,144,395

For identification purpose only.
Related to auditor's report
dated 21-05-2008

CIMPOR FINANCIAL OPERATIONS B.V.

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2007
(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.

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

Other financial fixed assets (including securities), dedicated to serve the operations of the Company permanently, are valued at the lower of cost and market value.
Bond discounts or premiums on bonds arising at the issuance of loans or the acquisition of bonds are added or charged to the Profit and Loss Account during the terms.

(d) Receivables

Receivables are valued at face value less a provision for possible uncollectible accounts.

For identification purpose only.
Related to auditor's report
dated 21-05-2008

CIMPOR FINANCIAL OPERATIONS B.V.

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2007
(in EUR)

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. Corporate income taxes are presented under the cash flow from operating activities.

For identification purpose only.
Related to auditor's report
dated 21.05.2008

5 CONSOLIDATION

The financial statements of the company and its group companies are included in the consolidated financial statements of Cimpor Cimentos de Portugal S.G.P.S. S.A., Lisboa Portugal. Which are available at the office of the company. These consolidated statements have been prepared according to IFRS.

CURRENT ASSETS

6 LOANS TO GROUP COMPANIES

As at December 31, 2007, this item can be detailed as follows:

Group	Maturity	Rate	CCY	Amount in CCY	EUR
Cimpor Inversiones S.L.	26-Jun-13	4.850%	USD	150,000,000	101,895,252
Cimpor Inversiones S.L.	26-Jun-13	5.000%	USD	254,000,000	172,542,626
Cimpor Inversiones S.L.	27-May-11	4.690%	EUR	--	597,042,000
					871,479,878

The movements in the loans to group companies are as follows:

	2007	2006
Balance as at January 1,	903,799,783	939,501,948
Exchange differences	(32,319,905)	(35,702,165)
Balance as at December 31,	871,479,878	903,799,783

7 RECEIVABLE FROM GROUP COMPANIES

As at December 31, 2007, 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	610,347	414,610
				17,215,372

For identification purpose only.
Related to auditor's report
dated 21-05-2008

CIMPOR FINANCIAL OPERATIONS B.V.

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2007
(in EUR)

CURRENT ASSETS (continued)

8 CASH AT BANKS

Description	Maturity	CCY	Rate	2007	2006
Current account ING Bank N.V.	n/a	EUR		514,919	13,905
CITI Bank EUR	n/a	EUR		112,108	92,991
CITI Bank USD	n/a	USD		34,548	215,706
Deutsche Bank EUR	n/a	EUR		--	5,876
Deutsche Bank USD	n/a	USD		--	262
MKB X Account ING Bank N.V.	n/a	EUR		1,000,000	50,000
ING Bank term deposit	03-Jan-08	EUR	3.70%	2,920,000	3,200,000
				4,581,575	3,578,740

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, 2007, 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 reserve	Total
Balance as at January 1, 2006	18,500	3,099,249	(638,676)	2,479,073
Result for the period	--	--	682,355	682,355
Balance as at December 31, 2006	18,500	3,099,249	43,679	3,161,428
Result for the period	--	--	627,696	627,696
Balance as at December 31, 2007	18,500	3,099,249	671,375	3,789,124

LONG-TERM LIABILITIES

10 ISSUED BONDS

The bonds were acquired based on a keep well letter of the parent company.
As at December 31, 2007, this item can be detailed as follows:

Description	Maturity	Rate	CCY	EUR
Bond issue	27-May-11	4.50%	EUR	600,000,000

For identification purpose only.
Related to auditor's report
dated 21-05-2008

Notes to the Balance Sheet and Profit and Loss Account as at December 31, 2007
(in EUR)

11 PRIVATE PLACEMENTS

The placements were acquired based on a keep well letter of the parent company.

As at December 31, 2007, this item can be detailed as follows:

Description	Maturity	Rate	CCY	Amount in CCY	EUR
Private placement A	27-Jun-13	4.75%	USD	150,000,000	101,895,252
Private placement B	27-Jun-13	4.90%	USD	254,000,000	172,542,626
					274,437,878

The movements in the loans subordinated are as follows:

	2007	2006
Balance as at January 1,	306,757,783	342,459,948
Exchange differences	(32,319,905)	(35,702,165)
Balance as at December 31,	274,437,878	306,757,783

12 PAYABLE TO THIRD PARTIES

As at December 31, 2007, this item can be detailed as follows:

Group	Description	CCY	Amount in CCY	EUR
Interest Private placement A	Interest payable	USD	380,294	258,335
Interest Private placement B	Interest payable	USD	217,708	147,890
Interest Bond Issue	Interest payable	EUR	n/a	16,050,000
				16,456,225

13 OTHER LIABILITIES AND ACCRUED EXPENSES

	2007	2006
Administrative fee	10,240	--
Agency fee	1,698	1,898
Fiscal Advisor	9,192	7,800
Audit fee	14,369	12,500
	35,499	22,198

For identification purpose only.
Related to auditor's report
 dated 21-05-2008

14 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.

15 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.

The Board of Managing Directors,

Orangefield Trust (Netherlands) B.V.

Amsterdam, 21 May 2008

For identification purpose only.
Related to auditor's report
dated 21-05-2008

CIMPOR FINANCIAL OPERATIONS 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.

For identification purpose only.
Related to auditor's report
dated 21.05.-.2008

Deloitte

Deloitte Accountants B.V.
Orlyplein 10
1043 DP Amsterdam
P.O.Box 58110
1040 HC Amsterdam
Netherlands

Tel: +31 (20) 582 5000
Fax: +31 (20) 582 4053
www.deloitte.nl

Cimpor Financial Operations B.V.
Amsterdam

Date	From	Reference
May 21, 2008	J. Penon	3100063141/OP9995/cs

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2007 of Cimpor Financial Operations B.V, Amsterdam, which comprise the balance sheet as at December 31, 2007, the profit and loss account and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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.

Deloitte.

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.

Opinion

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, 2007, and of its result and its cash flows for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Deloitte Accountants B.V.

signed by: J. Penon

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V. Consolidated Unaudited Interim Financial Information of Cimpor Inversiones, S.A.U. for the six months ended 30 June 2009

Translation of an extract of the consolidated financial statements originally prepared in Spanish and in accordance with IFRS, 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 BALANCE SHEETS AS AT 30 JUNE 2009 AND 31 DECEMBER 2008

(Thousands of Euros)

	30/06/09(*)	31/12/08
Non-current assets:		
Goodwill	1,557,734	1,451,289
Intangible assets	50,522	40,352
Property, plant and equipment	1,579,046	1,470,649
Investments in associates	34,936	33,251
Other investments	2,548	122,294
Deferred tax assets	98,203	94,087
Other receivables	8,124	6,573
Tax receivables	19,967	16,349
Other non-current assets	33,035	33,874
Total non-current assets	**3,384,115**	**3,268,718**
Current assets:		
Inventories	249,650	270,181
Trade receivables and advances to suppliers	220,788	218,665
Other receivables	20,228	27,750
Tax receivables	48,008	40,453
Cash and cash equivalents	247,199	126,720
Other current assets	22,888	8,556
Total current assets	**808,761**	**692,325**
Total assets	**4,192,876**	**3,961,043**
Equity:		
Share capital	522,700	522,700
Share premium	52	52
Translation differences	36,712	(132,760)
Reserves	99,003	95,905
Consolidation reserves	630,648	440,333
Profit for the year / period	76,957	163,190
Equity attributable to the Parent	1,366,072	1,089,420
Minority interests	66,810	106,405
Total equity	**1,432,882**	**1,195,825**
Non-current liabilities:		
Borrowings	545,165	988,075
Finance leases	6,190	4,440
Deferred tax liabilities	133,115	123,669
Employee benefits	2,581	2,766
Provisions	88,565	83,118
Other payables	901,916	894,362
Tax payables	980	1,499
Other non-current assets	129,707	115,039
Total non-current assets	**1,808,219**	**2,212,968**
Current liabilities:		
Trade payables and customer advances	140,772	168,754
Tax payables	37,381	31,841
Finance leases	2,058	1,933
Current borrowings	669,419	160,774
Employee benefits	514	619
Short-term provisions	957	1,839
Other payables	71,492	154,452
Other current liabilities	29,182	32,038
Total current liabilities	**951,775**	**552,250**
Total liabilities	**2,759,994**	**2,765,218**
Total equity and liabilities	**4,192,876**	**3,961,043**

(*) Unaudited

Translation of an extract of the consolidated financial statements originally prepared in Spanish and in accordance with IFRS, 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 INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2009

(Thousands of Euros)

	30/06/09(*)
Operating income	
Sales	778,230
Services rendered	32,127
Other operating income	16,506
Total operating income	826,863
Operating expenses	
Cost of goods sold and material used in production	(255,136)
Changes in inventories of finished goods and work in progress	(7,321)
Supplies and services	(245,294)
Payroll costs	(82,727)
Depreciation and amortization	(72,690)
Provisions and impairment losses	(629)
Other operating expenses	(12,636)
Total operating expenses	(676,433)
Net operating income	150,430
Finance costs	(102,001)
Finance income	68,487
Share of profits / (losses) of associates	(553)
Other investment income (losses)	(7,786)
Profit before income tax	108,577
Income tax	(24,761)
Net profit for the period	83,816
Net profit for the period attributable to:	
Equity holders and the parent	76,957
Minority interests	6,860
	83,817
Earnings per share	
Basic and diluted	1.47

(*) Unaudited

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VI. Consolidated Financial Statements of Cimpor Inversiones, S.A.U.
for the year ended 31 December 2008 and the Auditors' Report thereon

Cimpor Inversiones, S.A.U and Subsidiaries

Consolidated Financial Statements and Consolidated Directors' Report for the year ended 31 December 2008 and 2007, 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

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain. 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) AND SUBSIDIARIES (the Group) comprising the consolidated balance sheet at 31 December 2008 and the related income statement, cash flow statement, statement of recognised income and expense and notes to the consolidated financial statements for the year then ended. The preparation of these consolidated financial statements is the responsibility of the Parent's directors. 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 generally accepted auditing standards in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made.

As required by Spanish corporate and commercial law, for comparison purposes the Parent's directors present, in addition to the consolidated figures for 2008 for each item in the balance sheet, income statement, cash flow statement, statement of recognised income and expense and notes to the consolidated financial statement, the figures for 2007. Our opinion refers only to the consolidated financial statements for 2008. On 21 April 2008, we issued our auditors' report on the 2007 consolidated financial statements, in which we expressed an unqualified opinion.

In our opinion, the accompanying consolidated financial statements for 2008 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 2008, and the consolidated results of their operations, the changes in consolidated recognised income and expense and their consolidated cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with International Financial Reporting Standards as adopted by the European Union, which were applied on a basis consistent with that of the preceding year.

The accompanying consolidated directors' report for 2008 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 2008. 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 June 2009

CIMPOR INVERSIONES, S.A. (Sole-Shareholder Company)

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2008 AND 2007 (NOTES 1 TO 4)

(Thousands of Euros)

	Notes	31/12/08	31/12/07
Non-current assets:			
Goodwill	17	1,451,289	1,335,197
Intangible assets	18	40,352	6,718
Property, plant and equipment	19	1,470,649	1,342,995
Investments in associates	20	33,251	21,081
Other investments	21	122,294	160,401
Deferred tax assets	25	94,087	119,581
Other receivables	22	6,573	6,156
Tax receivables	23	16,349	20,488
Other non-current assets	24	33,874	4,655
Total non-current assets		3,268,718	3,017,271
Current assets:			
Inventories	26	270,181	186,117
Trade receivables and advances to suppliers	27	218,665	231,311
Other receivables	22	27,750	24,362
Tax receivables	23	40,453	26,761
Cash and cash equivalents	45	126,720	475,135
Other current assets	24	8,556	4,279
Total current assets		692,325	947,965
Total assets		3,961,043	3,965,236
Equity:			
Share capital	28	522,700	522,700
Share premium		52	52
Translation differences	30	(132,760)	190,260
Reserves	31	95,905	71,917
Consolidation reserves	32	440,333	337,034
Profit for the year		163,190	208,774
Interim dividends		-	(50,000)
Equity attributable to the Parent		1,089,420	1,280,737
Minority interests	33	106,405	201,864
Total equity		1,195,825	1,482,600
Non-current liabilities:			
Borrowings	36	988,075	421,326
Finance leases	37	4,440	6,284
Deferred tax liabilities	25	123,669	123,120
Employee benefits	34	2,766	1,090
Provisions	35	83,118	78,556
Other payables	40	894,362	869,821
Tax payables	23	1,499	1,817
Other non-current liabilities	41	115,039	168,876
Total non-current liabilities		2,212,968	1,670,891
Current liabilities:		-	-
Trade payables and customer advances	42	168,754	137,962
Tax payables	23	31,841	33,148
Finance leases	37	1,933	1,807
Current borrowings	36	160,774	432,601
Employee benefits	34	619	46
Short-term provisions	35	1,839	3,139
Other payables	40	154,452	173,008
Other current liabilities	41	32,038	30,034
Total current liabilities		552,250	811,745
Total liabilities		2,765,218	2,482,636
Total equity and liabilities		3,961,043	3,965,236

The accompanying Notes 1 to 52 are an integral part of the consolidated statement for 2008 and 2007

The Board of Directors

Engº Jorge Manuel Tavares Salavessa Moura

Engº Luís Filipe Sequeira Martins

Dr. Manuel Luís Barata de Faria Blanc

CIMPOR INVERSIONES, S.A.(Sole-Shareholder Company)

CONSOLIDATED INCOME STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2008 AND 2007 (NOTES 1 TO 4)

(Thousands of Euros)

	Notes	dic-08	dic-07
Sales		1,542,850	1,346,736
Services rendered		69,565	127,112
Other operating income	9	37,069	16,982
Total operating income		1,649,484	1,490,830
Cost of sales	10	(582,465)	(493,004)
Changes in inventories		23,831	5,953
Utilities and outside services		(499,628)	(420,440)
Staff costs	11	(147,411)	(129,525)
Depreciation and amortisation charge		(128,105)	(111,754)
Provisions and impairment losses		(6,943)	(2,925)
Other operating expenses	12	(25,422)	(17,299)
Total operating expenses		(1,366,143)	(1,168,995)
Profit from operations		283,341	321,835
Finance costs	13	(179,515)	(147,779)
Finance income	13	134,799	88,715
Result of companies accounted for using the equity method	13	(7,340)	2,675
Income from investments	13	2,628	6,104
Profit before tax		233,913	271,549
Income tax	14	(52,922)	(35,697)
Profit for the year		180,991	235,852
Attributable to:			
The Parent		163,190	208,774
Minority interests		17,801	27,078
		180,991	235,852
Earnings per share:			
Basic and diluted	16	3.12	3.99

The accompanying Notes 1 to 52 are an integral part of the consolidated statement for 2008 and 2007

The Board of Directors

Engº Jorge Manuel Tavares Salavessa Moura

Engº Luís Filipe Sequeira Martins

Dr. Manuel Luis Barata de Faria Blanc

CIMPOR INVERSIONES, S.A. (SOLE SHAREHOLDER COMPANY) AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED

31 DECEMBER 2008 AND 2007 (NOTES 1 TO 4)

(Amounts stated in thousands of euros)

	Notes	2008	2007
Operating activities:			
Receipts from clients		1,907,662	1,696,246
Payments to suppliers		(1,206,380)	(996,517)
Payments to employees		(146,057)	(128,722)
Cash flow generated by operations		555,224	571,007
Income tax recovered / (paid)		(40,490)	(38,487)
Other receipts relating to operating activities		(178,047)	(180,299)
Cash flow from operating activities (1)		336,687	352,221
Investing activities:			
Receipts relating to:			
Changes in the scope of consolidation	6	-	464
Financial investments	44	8,581	133,453
Property, plants and equipments		1,701	2,781
Grants related to assets		868	2,281
Interests and similar income		32,144	23,543
Dividends		660	6,879
Other		695	9,146
		44,649	178,547
Payments relating to:			
Changes in the scope of consolidation	6	(321,225)	(247,913)
Financial investments	44	(193,425)	(5,331)
Property, plants and equipments		(254,371)	(181,597)
Intangible assets		(6,127)	(420)
Other		(71)	(1,807)
		(775,219)	(437,068)
Cash flow from investing activities (2)		(730,570)	(258,522)
Financing activities:			
Receipts relating to:			
Loans	44	867,791	475,039
Other		7,103	-
		874,894	475,039
Payments relating to:			
Loans	44	(630,137)	(77,028)
Iinterest and similar expenses		(109,260)	(83,327)
Dividends	15	(80,317)	(90,248)
Other		(52,375)	(16,081)
		(872,088)	(266,684)
Cash flow from financing activities (3)		2,806	208,355
Change in cash and cash equivalents (4)=(1)+(2)+(3)		(391,077)	302,055
Effect of exchange differences and other non-monetary transactions		5,160	(5,083)
Cash and cash equivalents at the beginning of the year		473,040	176,068
Cash and cash equivalents at the end of the year		87,122	473,040

The accompanying Notes 1 to 52 are an integral part of the consolidated cash flow statements for 2008 and 2007

The Board of Directors

Engº Jorge Manuel Tavares Salavessa Moura

Engº Luís Filipe Sequeira Martins

Dr. Manuel Luís Barata de Faria Blanc

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 STATEMENTS OF RECOGNISED INCOME AND EXPENSE

FOR THE YEARS ENDED 31 DECEMBER 2008 AND 2007 (NOTES 1 TO 4)

(Amounts stated in thousands of euros)

	Notes	2008	2007
Hedging financial instruments:			
Income (expense) recognised directly in shareholder' equity	31	3.265	(8.709)
Financial investments available for sale:			
Income recognised directly in shareholder' equity	31	-	2.061
Actuarial gain and loss on employee benefit plans	31, 33	(395)	1.067
Variation in currency translation adjustments	30, 33	(319.742)	56.471
Adjustments in shareholder's equity	31	(41)	71
Impostos sobre items incluidos directamente em capital próprio:			
Instrumentos financeiros de cobertura			
Activos financeiros disponíveis para venda			
Ganhos e perdas actuariais em planos de benefícios a empregados			
Variação nos ajustamentos de conversão cambial			
Net income (expense) recognised directly in shareholder's equity		(316.913)	50.962
Transfers:			
Transfer to income and losses statement of:			
Hedging financial instruments	31	-	(884)
Transferência de capital próprio para ganhos e perdas dos activos não correntes detidos para venda		-	-
Transfer to income and losses statement of:			
Available-for-sale financial assets	31	(1.994)	-
Consolidated net profit for the year		180.991	235.852
Total recognised income and expense for the year		(137.916)	285.929
Attributable to:			
Equity holders of the parent		(158.933)	253.213
Minority interest		21.017	32.717
		(137.916)	285.929

The accompanying Notes 1 to 52 are an integral part of the consolidated statement for 2008 and 2007

The Board of Directors

Engº Jorge Manuel Tavares Salavessa Moura

Engº Luís Filipe Sequeira Martins

Dr. Manuel Luís Barata de Faria Blanc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2008 AND 2007

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 2008

(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. and 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. 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, Peru and Ecuador. 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).

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 2008 of the Cimpor Inversiones Group were prepared by the Parent's directors, at the Board of Directors Meeting held on March 30th 2009, 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 2007, and in accordance with the policies established by the Cimpor Group in Portugal.

These consolidated financial statements present fairly the Group's consolidated equity and financial position at 31 December 2008, 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 2008.

The consolidated financial statements for 2008 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 2008 consolidated financial statements of the Group and the 2008 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.

In application of IFRS1 – Presentation of the financial statements and owing to the Group when applies IAS19 – Employee Benefits, the actuarial gains and losses are recognised directly in the equity, this consolidated annual report shown the changes made to the equity on the accompanying profits and losses account.

2.2. New accounting standards and its impact in the financial statements

In 2007, was endorsed by the European Union, the IFRS 8 "Operating segments" which is effective for annual periods beginning on or after 1 January 2009. During 2008 and up to the approval date of these financial statements, the European Union endorsed the following accounting standards and interpretations, which will be applicable for annual periods beginning on the following effective dates:

- IAS 39/NIIF 7 (reviewed) - Financial assets reclassification (July 2008).
- IFRIC 13 – Customer loyalty programs (July 2008).
- IFRIC 14 – IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction (January 2008).
- IFRS 8 – Operating segments (January 2009).
- IFRS 2 (reviewed) - Share-based payment (January 2009).
- IAS 1 (reviewed) – Presentation of financial statements (January 2009).

- IAS 23 (revised) – Borrowing costs (January 2009).
- IAS 32/IAS 1 – Puttable instruments and obligations arising on liquidation (January 2009).
- IFRS annual improvements (2007) (January 2009).
- IFRS 1 /IAS 27 – Cost of a subsidiary in the separate financial statements of a parent on first-time adoption of IFRS (January 2009).
- IFRIC 12 – Service concession arrangements (January 2010).

The application of IFRIC 14 and IFRIC 13, in 2008, didn't have any impacts in the consolidated financial statements.

Except for IAS 23, which the Group decided to adopt in advance and prospectively from the year of 2008, the remaining standards endorsed by the European Union mentioned above haven't been adopted by the Group in 2008, due to its non mandatory application in this annual year.

Significant impacts aren't predicted in the Group financial statements due to the adoption of those standards.

The following accounting standards and interpretations have already been issued at this time, although they haven't yet been endorsed by the European Union:

- IFRS 3 (reviewed) – Business combinations (July 2009).
- IFRS 1 (reviewed) – First-time adoption of international financial reporting standards (July 2009).
- IAS 27 (reviewed) – Consolidated and separate financial statements (July 2009).
- IAS 39 – Eligible hedged items (July 2009).
- IAS 39 (reviewed) – Reclassifications of financial assets (July 2009).
- IFRS 7 (reviewed) – Enhancing disclosures about fair value and liquidity risk (January 2009).
- IFRIC 15 – Agreements for the construction of real estate (January 2009).
- IFRIC 16 – Hedges of a net investment in a foreign operation (October 2008).
- IFRIC 17 – Distribution of non-cash assets to owners (July 2009).
- IFRIC 18 – Transfers of assets from customers (July 2009).

It's not likely that from the future adoption of the standards above occur significant impacts in the consolidated financial statements.

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 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 of deferred tax assets is reviewed by Management at the end of each reporting period and it takes into consideration the expectation about the future performance of the company.

- 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. Control is presumed to exist when the Group owns directly or indirectly the majority of the voting power of the investee, or when it has effective control over its management.

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 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) Business combinations

Business combinations, namely the acquisition of controlled and subsidiary companies, are recorded in accordance with the purchase method. Cost corresponds to the sum of the fair values of the assets acquired less the liabilities incurred or assumed and the equity instruments issued in exchange for the control acquired as of the transaction date plus any cost directly attributable to the purchase process.

The identifiable assets, liabilities and contingent liabilities of a subsidiary that meet the criteria to be recognised in accordance with IFRS 3 – Business Combinations, are measured by their fair value as of the purchase date, except for non current assets (or groups of assets) that are identified as held for sale in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured by their respective fair values less costs to sell.

Any excess of cost over the vair value of the identifiable net assets acquired as of the purchase date is recorded as Goodwill. Where cost is lower 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 is made.

Minority shareholders' interest is reflected in proportion to the fair value of the assets and liabilities identified.

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.

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

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

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). On an annual basis, or when there is an indication that goodwill might be impaired, it is tested for impairment. Any impairment losses are recognised immediately as an expense in the Income statement for the year and cannot subsequently be reversed.

On disposal of a subsidiary, an associate or a jointly controlled company, the related goodwill is included in its measurement.

As a result of the exception provided for in IFRS 1, the Group adopted the provisions of IFRS 3, *Business Combinations*, for all acquisitions subsequent to the Company's date of formation. The goodwill arising from acquisitions made subsequent to this date was recalculated in the respective currencies of the subsidiaries, and was translated to the functional currency of the Group (euros) at the exchange rates prevailing at the balance sheet date, and up to the limit of the estimated recoverable amount of these assets.

Exchange differences arising on translation are recognised under "Translation Differences".

Exchange differences arising prior to 1 January 2004 were taken directly to reserves, in accordance with IFRS 1.

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 2008 and 2007, 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.

Items of property, plant and equipment are depreciated on a straight-line basis from the date on which they become available for use, in accordance with the following estimated useful lives:

	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 quarry operations is depreciated over the projected period of operation.

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 €4,443.0 thousand (€1,992.0 thousand in 2007).

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.

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. 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.

3.10. 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.

3.11. 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.

3.12. 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.

3.13. Financial instruments

a) Cash and cash equivalents

"Cash and Cash Equivalents" includes cash and bank deposits, time deposits and other cash applications with a maturity of less than three months that can be made immediately available and are subject to an insignificant risk of changes in value.

For cash flow classification purposes, "Cash and Cash Equivalents" also includes the bank overdrafts included under "Other 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 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.

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.

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 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.

3.14. 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 obligation), 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.

3.15. 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.

3.16. Contingent assets and liabilities

Contingent liabilities are not recognised in the consolidated financial statements, being, where applicable, only disclosed in these notes to consolidated financial statement as required by IAS 37.

Contingent assets are not recognised in the consolidated financial statements, but rather are disclosed when an inflow of future economic benefits is probable.

3.17. 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.

Revenue associated with the rendering of services is recognised in the period in which the services are rendered.

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.

3.18. 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.

3.19. Income tax

Income tax is calculated on the basis of the taxable profit (or tax loss) (which differs from the accounting profit) of the consolidated companies, in accordance with the tax rules in force in the countries in which each of the Group companies are resident and taking into account deferred taxation.

Deferred taxes include temporary differences arising from the differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred taxes assets and liabilities are calculated and are periodically measured at the tax rates that are expected to apply at the date on which the temporary differences reverse, and they are not discounted.

Deferred tax assets are only recognised to the extent that the Group reasonably expects to obtain sufficient taxable profits in the future. At each balance sheet date, the temporary differences underlying the deferred tax assets are assessed, in order to recognise or adjust them, based on the current expectations of their future recovery.

3.20. 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.

3.21. 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.

3.22. CO_2 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 2008 and 2007 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 2008, arising from changes to IAS 23, the Group has charged the cost of its qualifying assets (Note 3.6) on loan costs directly related to its acquisition, construction or production to date that is available to the intended use or sale.

There were no other changes in accounting policies or corrections of errors identified in these years.

5. COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION

5.1. Fully consolidated companies

The fully consolidated companies included the Parent, Cimpor Inversiones, S.A.U., and the following subsidiaries in which a majority of the voting power (control) is held: (See Appendix for additional information on these subsidiaries)

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
HOLDING		31/12/2008	31/12/2007
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 36204 Vigo	99.54	99.54
C.N. HORMIGONES Y ÁRIDOS	CORPORACIÓN NOROESTE DE HORMIGONES Y ÁRIDOS, S.L.(1) Brasil, 56 36204 Vigo	99.54	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 14014 Córdoba	99.54	99.54
CEMENTOS ANDALUCÍA	CEMENTOS DE ANDALUCÍA, S.L.(1) Av. de la Agrupación de Córdoba, 15 14014 Córdoba	99.54	99.54
OCCIDENTAL HORMIGONES	OCCIDENTAL DE HORMIGONES, S.L.(1) Calle la Viela Polígono Industrial el Nevero 06006 Badajoz	99.54	99.54

(1) Sole Shareholder Company

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2008	EFFECTIVE % OF OWNERSHIP 31/12/2007
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	99.54
CEMENTOS NOROESTE	CEMENTOS NOROESTE, S.L.(1) Brasil, 56 36204 Vigo	99.54	99.54
SERMACONSA	SERVICIOS Y MATERIALES PARA LA CONSTRUCCIÓN, S.A.(1) Brasil, 56 36204 Vigo	99.54	99.54
MORTEROS GALICIA	MORTEROS DE GALICIA, S.L. Brasil, 56 36204 Vigo	99.54	99.54
HORMIGONES HÉRCULES	HORMIGONES HÉRCULES, S.L.(1) Polígono Industrial – El Prado – 40 – Mérida 06800 – Badajoz	99.54	99.54
S.I.F. GALLEGA	SOCIEDAD INDUSTRIAL Y FINANCEIRA GALLEGA, S.L.(1) Brasil, 56 36204 Vigo	99.54	99.54
TABANQUE, S.L.	TABANQUE, S.L.(1) Brasil, 56 36204 Vigo	99.54	99.54
HORMIGONES MIÑO	HORMIGONES MIÑO, S.L. Brasil, 56 36204 Vigo	99.52	99.52
CEMENTOS COSMOS	CEMENTOS COSMOS, S.A. Brasil, 56 36204 Vigo	99.29	99.29
PREBETONG GALICIA	PREBETONG GALICIA, S.A. Brasil, 56 36204 Vigo	98.42	98.42
CANTERAS PREBETONG	CANTERAS PREBETONG, S.L. Brasil, 56 36204 Vigo	98.42	98.42

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
		31/12/2008	31/12/2007
BOMTRAHOR	BOMBEO Y TRANSPORTE DE HORMIGON, S.A. Brasil, 56 36204 Vigo	92.80	92.80
PREBETONG LUGO	PREBETONG LUGO, S.A. Av. Benigno Rivera s/n - Políg. Ind. del Ceao 27003 Lugo	81.58	81.58
P.LUGO DE HORMIGONES	PREBETONG LUGO DE HORMIGONES, S.A. Brasil, 56 36204 Vigo	81.58	81.58
F.Y.H. SANI	FIRMES Y HORMIGONES SANI, S.L. CARRETERA NACIONAL – 630 Gijón – Sevilla, Km 308 06200 ALMENDRALEJO (BADAJOZ)	82.48	92.43
MATERIALES ATLÁNTICO	MATERIALES DEL ATLÁNTICO, S.A. Polígono Industrial Lagoas – Carretera Cedeira Km. 1,5 15570 Narón (La Coruña)	99.46	69.02
HORMINGONES LA BARCA	HORMIGONES Y ÁRIDOS LA BARCA, S.A. Calle La Barca, nº 14 36002 Pontevedra	49.77	49.77
ARICOSA	ÁRIDOS DE LA CORUÑA, S.A. Candame 15142 Arteixo La Coruña	49.21	49.21
CANPESA	CANTEIRA DO PENEDO, S.A. Reina, 1 – 3º 27001 Lugo	40.77	40.77
CIMPOR CANARIAS	CIMPOR CANARIAS, S.R.L. Brasil, 56 36204 Vigo	99.54	-

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
		31/12/2008	31/12/2007
CIMPOR HORM.CANARIAS	CIMPOR HORMIGÓN CANARIAS, S.L. Brasil, 56 36204 Vigo	99.54	-
OCCIDENTAL DE ÁRIDOS	OCCIDENTAL DE ÁRIDOS, S.L. Brasil, 56 36204 Vigo	82.01	-
ÁRIDOS COSMOS	ÁRIDOS COSMOS, S.L. Brasil, 56 36204 VIGO	82.48	-
MOROCCO			
ASMENT DE TEMARA	ASMENT DE TEMARA, S.A. Ain Attig – Route de Casablanca Témara	62.62	62.60
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

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2008	EFFECTIVE % OF OWNERSHIP 31/12/2007
TUNISIA			
C.J.O.	SOCIÉTÉ DES CIMENTS DE JBEL OUST 3, Rue de Touraine, Cité Jardins 1002 Tunis – Belvédère	100.00	100.00
BRAZIL			
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. Fernão de Magalhães, 34 – 2º, nº1 Maputo – Caixa Postal 270	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	96.39	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	97.29	97.29
CSC	CEMENT SERVICES COMPANY, S.A.E. El Gharbaneyat – Borg El Arab City P.O. Box 21511 Alexandria	53.41	53.37

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2008	EFFECTIVE % OF OWNERSHIP 31/12/2007
CIMPSAC	CIMPOR SACS MANUFACTURE COMPANY S.A.E. El Gharbaneyat – Borg El Arab City P.O.Box 21511 Alexandria	99.59	99.59
AMREYAH DEKHEILA	AMREYAH DEKHEILA TERMINAL COMPANY – S.A.E. Trade City Center – Down Town Desert Road International Garden - Alejandria	97.34	97.34
READY MIX	AMREYAH CIMPOR READY MIX COMPANY S.A.E. Trade City Center – Down Town Desert Road International Garden - Alejandria	96.40	-
SOUTH AFRICA			
NPCC	NATAL PORTLAND CEMENT COMPANY (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban South Africa	100.00	100.00
NPC	NPC - CIMPOR (PTY) LIMITED 199 Coedmore Road Bellair 4094 Durban South Africa	74.00	100.00
DCL	DURBAN CEMENT LTD. 199 Coedmore Road Bellair 4094 Durban – South Africa	100.00	100.00

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2008	EFFECTIVE % OF OWNERSHIP 31/12/2007
SRT	THE SIMUNA REHABILITATION TRUST 1 Wedgelink Road Bryanstone – South Africa	100.00	100.00
NPC - CELL "A7"	NATAL PORTLAND CEMENT (PTY) – CELL "A7" 5 th Floor Sa Eagle House 70 Fox Street Johannesburg South Africa	100.00	100.00
CONCRETE	CONCRETE MIX (PTY) LTD. T/A SOUTH COAST MIXED CONCRETE P. O. Box 255 4240 Port Shepstone	100.00	100.00
S C STONE	SOUTH COAST STONE CRUSHERS (PTY) LTD. P. O. Box 255 4240 Port Shepstone	100.00	100.00
EEDESWOLD	EEDESWOLD HIGHLANDS (PTY) LTD. P.O. Box 255 4240 Port Shepstone	100.00	100.00
S C MINING	SOUTH COAST MINING (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban South Africa	100.00	100.00
STERKSPRUIT AGGREGAT.	STERKSPRUIT AGGREGATES (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban South Africa	74.00	100.00
STERKSPRUIT CONCRETE	STERKSPRUIT CONCRETE (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban South Africa	100.00	100.00
STERKSPRUIT INVESTMENTS	STERKSPRUIT INVESTMENTS (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban – South Africa	100.00	100.00

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
		31/12/2008	31/12/2007
CAPE VERDE			
NORDICAVE TRADING	NORDICAVE TRADING INDUSTRIAL, LIMITADA. Estrada de Tira Chapéu, Praia, Santiago – 14/A Cape Verde	100.00	100.00
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	75.96	53.27
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	53.27
CHINA			
CIMPOR MACAU INVESTMENT	CIMPOR MACAU INVESTMENT COMPANY, LTD. Av. da Praia Grande, 693 Edifício Tai Wash - 15° andar MACAU (R. P. China)	62.00	50.00
CIMPOR CHENGTONG	CIMPOR CHENGTONG CEMENT CORPORATION LTD. Suite 6404, 64th floor Central Plaza, 18 Harbour Road Wanchai – Hong Kong (R.P. China)	49.60	40.00

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2008	EFFECTIVE % OF OWNERSHIP 31/12/2007
SEA – LAND MINING	SEA – LAND MINING LIMITED Suite 6404, 64th floor Central Plaza, 18 Harbour Road Wanchai - Hong Kong (R. P. China)	49.60	40.00
NEW LIUYUAN	SHANGDONG LIUYUAN NEW TYPE CEMENT DEVELOPMENT COMPANY LIMITED Kuangsi Village, Liuyuan Town, Yicheng District Zaozhuang City, Shangdong Province ZIP code: 277300 (R.P. China)	48.41	38.40
NANDA	SUZHOU NANDA CEMENT COMPANY LTD N°. 1, WenDu Road, Wang Ting Town, Xiang Cheng District Suzhou City, Jiangu Province ZIP code: 215155 (R.P. China)	35.23	28.41
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	48.41	38.40
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	48.41	38.40
CIMPOR SHANGAI	CIMPOR CHENGON (SHANGAI) ENTERPRISES MANAGEMENT *CONSULTING COMPANY LIMITED* *222 Huaihai Zhong Lu, Lippo Plaza, Floor 25,* Room 2505-07 ZAP Code: 200021 Shanghai (R.P. China)	49.60	-
LIYANG	LIYANG DONGFANG CEMENT CO. LTD. Shanghuang Town, Liyang, Jiangsu Province ZIP Code: 213314 (R.P. China)	49.60	-

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2008	EFFECTIVE % OF OWNERSHIP 31/12/2007
NEW HLG	CIMPOR CHENGTONG (HUIAN AN) CEMENT PRODUCTS COMPANY LIMITED Wanguing Town, Huaiyin district Huai'an City (R.P.China)	49.60	
VIRGIN ISLAND			
EAST ADVANTAGE	EAST ADVANTAGE INTERNATIONAL LTD. OMC Chambers, P.O. Box 3152, Road Town, Tortola British Virgin Island	49.60	
TURKEY			
CIMPOR YIBITAS	CIMPOR YIBITAS CIMENTO SANAYI VE TICARET A.S. Portakal Cicegi Sokak nº 33 – 06540 06540 Cankaya/Ankara/TURKIYE	99.74	50.21
YOZGAT	YIBITAS YOZGAT ISCI BIRLIGI INSAAT MALZEMELERI TICARET VE SANAYI A. S. Portakal Cicegi Sokak nº 33 – 06540 06540 Cankaya/Ankara/TURKIYE	79.50	39.04
BEYNAK	CIMPOR YIBITAS BEYNELMILEL NAKLIYECILIK TICARET VE SANAYI A.S. Portakal Cicegi Sokak nº 33 - 06540 06540 Cankaya/Ankara/TURKIYE	99.74	50.21
NAKLIYECILIK	CIMPOR YIBITAS NAKLIYECILIK LTD. STI. Portakal Cicegi Sokak nº 33 – 06540 06540 Cankaya/Ankara/TURKIYE	99.74	50.21
YIBMAK	CIMPOR YIBITAS MUHENDISLIK MAKINA SANAYI VE TICARET A.S. Portakal Cicegi Sokak nº 33 – 06540 06540 Cankaya/Ankara/TURKIYE	-	25,51

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2008	EFFECTIVE % OF OWNERSHIP 31/12/2007
PERU			
CEMENTOS OTORONGO	CEMENTOS OTORONGO, S.A.C. Calle Siglo XXI nº 120 Centro Comercial La Gran Vía, Of.549 – 551 Cercado Arequipa – Perú	80.00	80.00
AGRECOM	AGREGADOS COMERCIALIZADOS, S,A,C, Av. Nestor Gambetta s/n Base Naval del Callao, Puerta 6 (Callao – Perú)	80.00	40.00
INDIA			
SHREE DIJIVAY CEMENT	SHREE DIJIVAY CEMENT CO. LTD. P.O. Digvijaygram – 361140 Jamnagar Estado de Gujarat India	73,73	-
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	100.00
SCANANG TRADING	SCANANG TRADING ACTIVITIES-ESPAÑA, SOCIEDAD ANÓNIMA Brasil, 56 36204 Vigo	100.00	100.00

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2008	EFFECTIVE % OF OWNERSHIP 31/12/2007
CIMPOR DEL ECUADOR	CIMPOR DEL ECUADOR, S.A. Distrito metropolitano de Quito Provincia de Pichincha	49.00	90.00

5.2. Associates

The associates accounted for using the equity method (see Note 20) at 31 December 2008 are as follows:

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2008	EFFECTIVE % OF OWNERSHIP 31/12/2007
CEMENTOS ANTEQUERA	CEMENTOS ANTEQUERA, S.A. Carretera del Polvorín km 2, margen izquierdo 29540 Bobadilla, Estación. Málaga	21.29	21.29
ARENOR	ARENOR, S.L. Calle Montecarmelo, 1 – 5° C Sevilla	28.44	28.44
HORMICESA	HORMIGONES MIRANDA CELANOVA, S.A. Ctra. Casasoá, Km. 0.100 32817 Celanova (Orense)	39.82	39.82
CEMENTOS MARQUESADO	CEMENTOS DEL MARQUESADO, S.A. Atarazanas, 2 – 1ª Planta 29005 Málaga	27.64	-
BRAZIL			
COMICAN	COMPANHIA DE MINERAÇÃO CANDIOTA Av. Maria Coelho Aguiar, 215 – Bloco E-8° Andar – Sala A Jardim São Luiz – São Paulo - Brazil	48.00	-

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
ESPAÑA		31/12/2008	31/12/2007
INPROCOI	INSULAR DE PRODUCTOS PARA LA CONSTRUCCIÓN Y LA INDUSTRIA, S.A. Via Interior Cueva Bermeja, esq. 2 Dique del este 38180 Santa Cruz de Tenerife	50.00	-
CEISA	CEMENTOS ESPECIALES DE LAS ISLAS, S.A. Secretario Artiles, 36 35007 Las Palmas de Gran Canaria	50.00	-
BRASIL			
ECO-PROCESSA	ECO-PROCESSA – TRATAMENTO DE RESÍDUOS LTDA. Av. Rio Branco, 110 – 39° - parte Cidade do Rio de Janeiro Estado do Rio de Janeiro	50.00	50.00

6. CHANGES IN THE SCOPE OF CONSOLIDATION

The main changes in the scope of consolidation in the year ended 31 December 2008 relate mainly to:

Acquisitions:

- In India, conclusion of the process of acquisition of a set of participations representing close on 73.63% of the share capital of Shree Digvijay Cement Company Ltd, listed on the Mumbai Stock Exchange.

- In Spain, the acquisition during the first half of 2008, through subsidiaries of: i) 75% of the share capital of Arenor Áridos, S.L.U., with the remaining 25% subject to a preliminary purchase contract, with a three year execution period, by 8.15 million euros. ii) Three concrete plants and all the shares representing the share capital of Arenor Hormigones, S.L.U. iii) All the shares representing the share capital of Urgón y Trituración, S.L. iv) All the shares representing the share capital of Urgón, S.A. (the two companies first mentioned were acquired from the associate, Arenor, S.L.)

- During the second half of 2008, the acquisition of: i) all the operations developed by the Cemex Group in the Canarian Islands: a group of assets located on the island of Tenerife, which manufacture and market with cement and ready-mix concrete and two shareholdings of 50% one in the share capital of the companies Cementos Especiales de las Islas, S.A. (CEISA) and Insular de Productos para la Construcción y la Industria, S.L. (INPROCOI). ii) The acquisition of 24% of the share capital of Cementos del Marquesado, S.A.

- In Brasil, the acquisition of 48% of the share capital in Companhia de Mineração Candiota and the purchase of the assets of a ready-mix concrete plant.

- In China, the acquisition of 100% of the share capital of Liyang Dongfang Cement Co. (LIYANG), by the subsidiary Cimpor Chengtong Cement Corporation, Ltd.

Sales

The impact of the changes in the scope of consolidation on the balance sheet at 31 December 2008 is as follows:

Captions	India	Spain	Brazil	Turkey	China	Total
	Acquisitions					
Non current assets:						
Intangible assets (Note 18)	-	26,439	-	-	644	27,083
Tangible assets (Note 19)	15,836	98,614	757	1,621	14,685	131,513
Investments in associates (Note 20)	-	11,076	15	-	-	11,091
Other investments (Note 21)	109	536	-	-	-	645
Accounts receivable - other	2	-	-	-	-	2
Other non-current assets	-	17,540	-	-	361	17,901
Deferred tax assets (Note 25)	8,913	-	-	-	-	8,913
Total non-current assets	24,860	154,206	772	1,621	15,690	197,148
Current assets:						
Inventories	6,281	16,232	-	-	1,762	24,275
Accounts receivable - trade	2,466	19,687	-	-	989	23,142
Accounts receivable - other	264	1,038	-	-	110	1,412
Taxes recoverable	648	2,961	-	-	-	3,609
Other current assets	56	916	-	-	213	1,186
Total current assets	9,715	40,835	-	-	3,074	53,624
Total assets	34,575	195,040	772	1,621	18,764	250,773
Non current liabilities:						
Deferred tax liabilities (Note 25)	(2,673)	(9,506)	-	-	-	(12,179)
Provisions (Note 35)	(4,170)	(328)	-	-	-	(4,498)
Loans	(16,132)	(30)	-	-	-	(16,162)
Obligations under finance leases	-	(716)	-	-	-	(716)
Accounts payable - other	-	(1,238)	-	-	-	(1,238)
Total non-current liabilities	(22,975)	(11,818)	-	-	-	(34,793)
Current liabilities:						
Accounts payable - trade	(3,805)	(6,557)	-	-	(3,001)	(13,363)
Accounts payable - other	(2,094)	(4,914)	-	-	(2,397)	(9,405)
Taxes payable	(675)	(67)	-	-	(247)	(988)
Loans	-	(3,059)	-	-	(3,138)	(6,197)
Obligations under finance leases	-	(323)	-	-	-	(323)
Other current liabilities	(547)	(40)	-	-	(1,077)	(1,663)
Total current liabilities	(7,120)	(14,959)	-	-	(9,860)	(31,940)
Total liabilities	(30,095)	(26,777)	-	-	(9,860)	(66,733)
Minority interest (Note 33)	(1,845)	(6,653)	-	-	-	(8,498)
Net amount	2,634	161,610	772	1,621	8,904	175,542
Goodwill (Note 17)	68,374	71,647	991	2,335	13,284	156,631
Badwill (Note 13)	-	(21)	-	-	-	(21)
Accounts receivable / payable - other	-	(7,143)	-	-	(3,785)	(10,928)
Net amount paid / (received)	71,008	226,094	1,763	3,956	18,403	321,225
Cash and cash equivalents	2,518	5,610	-	-	99	8,227
Net assets acquired / (sold)	73,527	238,847	1,763	3,956	22,287	340,379

The changes in the scope of consolidation had the following impact on the Consolidated Income statement at 31 December 2008:

Captions	India	Spain	Total
Operating income	32,398	7,559	39,957
Operating expenses	(30,004)	(6,479)	(36,483)
Net operating income	2,394	1,080	3,474
Net financial expenses	(1,643)	-	(1,643)
Profit before income tax	752	1,080	1,831
Income tax	(237)	(324)	(561)
Net profit for the year	514	756	1,270
Attributable to:			
Equity holders of the parent	379	752	1,131
Minority interest	136	3	139

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 2008 and 2007 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	2008	2007	Var.%	2008	2007	Var.%
USD	Other	1.3917	1.4721	(5.5)	1.47134	1.3707	7.3
MAD	Morocco	11.2665	11.4042	(1.2)	11.43104	11.3084	1.1
BRL	Brazil	3.2436	2.5963	24.9	2.68231	2.6690	0.5
TND	Tunisia	1.8318	1.8030	1.6	1.83041	1.7726	3.3
MZM	Mozambique	35250.00	34830.00	1.2	35654.28	35156.33	1.4
CVE	Other (Cape Verde)	110.2650	110.2650	-	110.26500	110.2650	-
EGP	Egypt	7.6857	8.1072	(5.2)	8.07765	7.8368	3.1
ZAR	South Africa	13.0667	10.0298	30.3	12.07760	9.6710	24.9
HKD	China	10.7858	11.4800	(6.0)	11.46236	10.6949	7.2
TRY	Turkey	2.1488	1.7170	25.1	1.90964	1.7826	7.1
PEN	Other (Peru)	4.3713	4.4862	(2.6)	4.34771	4.4080	(1.4)
CNY	China	9.4956	10.7524	(11.7)	10.24795	10.5908	(3.2)
MOP	China	11.1094	11.8244	(6.0)	12.01416	11.2599	6.7
INR	India	67.3931	-	-	65.61679 [1]	-	-

[1] Average exchange rate from 1 April to 31 December 2008

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 2008 and 2007 in the various business lines relating to each of the geographical segments is as follows:

2008

	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	India	Others	Unallocated	Eliminations	Consolidated
Sales and services rendered:														
External sales	358,063	88,849	64,021	161,226	156,128	401,271	77,361	136,018	64,266	32,263	42,712	30,238	-	1,612,415
Inter segment sales	724	-	-	-	-	-	-	2,211	1,351	-	-	66,828	(71,114)	-
Total	358,788	88,849	64,021	161,226	156,128	401,271	77,361	138,228	65,617	32,263	42,712	97,066	(71,114)	1,612,415
Operating results	47,594	30,543	9,344	58,873	(810)	69,591	8,545	38,910	2,194	2,394	2,042	14,123	-	283,341
Financial expenses														(179,515)
Financial income														134,799
Share of results of associates														(7,340)
Other investment income														2,628
Profit before income tax														233,913
Income tax														(52,922)
Net profit for the year														180,991

Transactions between various geographical segments are carried out at market prices.

The net profit shown relates to the total profit of the various business lines, disregarding the portion attributable to minority interests, which amounted to:

	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	India	Others	Unallocated	Consolidated
Profit for the year attributable to minority interest	634	7,085	-	1,709	5,856	1	1,837	-	1,245	136	(487)	(15)	17,801

Other information

	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	India	Others	Unallocated	Consolidated
Fixed capital expenditure	165,973	9,935	3,437	5,904	72,826	52,037	9,022	25,043	53,347	17,742	2,006	31	417,302
Depreciation and amortisation	36,365	8,015	7,701	10,850	16,233	31,320	4,532	7,254	3,726	742	1,366	0	128,105
Provisions and impairment losses	(1,042)	2,404	(18)	3,497	201	1,390	178	1	332	-	-	-	6,943

Also, the detail, by geographical area, of the assets and liabilities and their reconciliation with the consolidated totals at 31 December 2008 are as follows:

	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	India	Others	Unllocated	Eliminations	Consolidated
Assets														
Segment assets	875,945	143,132	114,792	494,557	595,528	1,102,899	93,405	226,795	162,136	97,752	47,132	628,765	(655,048)	3,927,792
Investments in associates														33,251
Total consolidated assets														3,961,043
Liabilites														
Segment liabilities	550,718	29,304	14,799	50,054	103,648	250,694	28,883	60,377	130,690	28,221	18,947	2,153,931	(655,048)	2,765,218
Total consolidated liabilities														2,765,218

The information, by business line, for the year ended 31 December 2008 is as follows:

	Sales and services	Net assets	Fixed capital expenditure
Cement	1,246,703	3,383,190	348,453
Ready-mix and precast concrete	316,962	381,994	67,473
Others	48,750	195,859	1,376
	1,612,415	3,961,043	417,302

2007

2007

	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	Others	Unallocated	Eliminations	Consolidated
Sales and services rendered:													
External sales	460.791	80.478	59.732	120.600	163.053	321.760	60.078	128.119	23.939	30.522	24.776	-	1.473.848
Inter segment sales	1.280	-	-	3.328	-	207	-	1.658	-	-	98.054	(104.527)	-
Total	462.071	80.478	59.732	123.927	163.053	321.967	60.078	129.778	23.939	30.522	122.830	(104.527)	1.473.848
Operating results	92.337	28.409	10.826	46.017	23.558	37.144	28.797	38.051	260	2.129	14.306	-	321.835
Financial expenses													(147.779)
Financial income													88.715
Share of results of associates													2.675
Other investment income													6.104
Profit before income tax													271.549
Income tax													(35.697)
Net profit for the year													235.852

Transactions between various geographical segments are carried out at market prices.

The net profit shown relates to the total profit of the various business lines, disregarding the portion attributable to minority interests, which amounted to:

	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	Others	Unallocated	Consolidated
Profit for the year attributable to minority interest	1.663	7.522	-	1.243	9.931	-	7.011	-	(170)	(117)	(4)	27.078

Other information:

	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	Others	Unallocated	Consolidated
Fixed capital expenditure	42.701	8.926	1.638	18.385	253.616	39.145	3.903	39.861	44.470	13.800	-	466.446
Depreciation and amortisation	33.272	6.775	7.773	11.114	13.963	30.031	1.461	4.957	1.586	824	-	111.754
Provisions and impairment losses	10.437	46	345	1.474	1.306	6.691	(17.417)	-	-	42	-	2.925

Also, the detail, by geographical area, of the assets and liabilities and their reconciliation with the consolidated totals at 31 December 2007 are as follows:

	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	Others	Unllocated	Eliminations	Consolidated
Assets													
Segment assets	644.313	153.615	120.227	400.527	510.960	1.352.918	80.308	253.215	67.476	54.141	674.004	(367.549)	3.944.155
Investments in associates													21.081
Total consolidated assets													3.965.236
Liabilites													
Segment liabilities	361.536	33.711	16.348	39.800	106.145	307.665	24.036	69.725	42.473	27.105	1.821.636	(367.545)	2.482.636
Total consolidated liabilities													2.482.636

The information, by business line, for the year ended 31 December 2007 is as follows:

	Sales and services rendered	Net assets	Fixed capital expenditure
Cement	1.087.808	3.156.733	439.839
Ready-mix and precast concrete	331.067	332.884	21.273
Others	54.973	475.619	5.334
	1.473.848	3.965.236	466.446

9. OTHER OPERATING INCOME

The detail of the heading "Other Operating Income" at 31 December 2008 and 2007 is as follows:

	2008	2007
Suplementary income (a)	481	2,107
Grants related to income	2,922	3
Group work on non-current assets	4,443	1,992
Recovery of receivables	16	4
Revenues obtained from the sale of assets (b)	13,249	3,256
Reversal of allowances for doubtful receivables	2,661	1,113
Reversal of inventory allowances	132	260
Grants related to assets	765	326
Other	12,400	7,921
	37,069	16,982

(a) The gains in the financial year ended on 31 December 2008 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 7,856 thousand euros (note 43). In 2007 the gains indicated relate mainly to gains derivated from the machinery rent.

10. COST OF SALES

In the years ended 31 December 2008 and 2007, the cost of sales was as follows:

	2008	2007
Goods sold	95,275	115,302
Material used in production	487,023	377,489
Other	167	213
	582,465	493,004

11. PERSONNEL COSTS

The average number of employees, by business and geographical segment, in the years ended 31 December 2008 and 2007 was as follows:

	2008	2007
Cement operations	**4,584**	**4,088**
Spain	495	492
Brazil	725	715
Egypt	458	462
Tunisia	221	226
Morocco	179	180
South Africa	356	271
Turkey	631	634
China	625	623
India	414	-
Other	481	485
Ready-mix concrete and aggregates	**1,566**	**1,451**
Spain	452	429
Brazil	583	555
Morocco	25	23
South Africa	185	146
China	-	-
Other	155	158
Other activities	**79**	**70**
Common functions	**289**	**279**
	6,518	**5,888**

At December 31, 2008 there are 5,886 men and 632 women working in the company.

Staff costs in the years ended 31 December 2008 and 2007 were as follows:

	2008	2007
Wages and salaries	107,250	92,237
Employer social security costs	14,370	15,812
Other staff costs	23,188	19,204
Insurance	282	306
Other welfare costs (Note 34)	730	110
Pension plans (Note 34)	1,591	1,856
	147,411	**129,525**

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 2008 and 2007 were as follows:

	2008	2007
Adjustments for doubtful debts	7,665	4,168
Taxes	9,041	5,919
Association membership fees	2,585	2,405
Inventory adjustments	675	663
Fines and penalties	2,388	343
Losses on disposal of assets	384	463
Other operating expenses	2,684	3,338
	25,422	17,299

13. FINANCIAL PROFIT

The detail of the financial profit for the years ended 31 December 2008 and 2007 is as follows:

	2008	2007
Financial expenses:		
Interest expense:		
Changes in fair-value:		
Hedged assets / liabilities	9,295	-
Trading derivative financial instruments (a)	13,566	7,752
Financial assets/liabilities at fair value (a)	367	2,128
	23,227	9,880
Other	107,721	82,330
	130,948	92,210
Foreign exchange loss:		
Hedged assets / liabilities	7,700	-
Trading derivative financial instruments (a)	110	32,320
Financial assets/liabilities at fair value (a)	15,855	2,286
	23,664	34,606
Other	13,955	6,317
	37,619	40,923
Loss on the sale of other financial assets	-	-
Other financial expenses (b)	9,284	13,113
	179,515	147,779
Financial income:		
Interest income:		
Changes in fair-value:		
Hedging derivative financial instruments	9,295	-
Trading derivative financial instruments (a)	41,920	15,531
Financial assets/liabilities at fair value (a)	44	217
	51,259	15,748
Other	30,505	24,362
	81,764	40,110
Foreign exchange gain:		
Hedging derivative financial instruments	7,700	2,286
Trading derivative financial instruments	15,862	-
Financial assets/liabilities at fair value (a)	-	32,320
	23,562	34,606
Other	23,030	8,165
	46,592	42,771
Gain on the sale of other financial assets	-	-
Other financial income (c)	6,289	5,660
	134,799	88,715
Loss in associated companies (Note 19)	-	-
Gains/(Losses) in associated companies (Note 19)	(7,361)	2,675
	(7,361)	2,675
Other	21	-
	(7,340)	2,675
Investment income:		
Gains on holdings	542	6,804
Gains/(losses) on investments (d)	2,086	(700)
	2,628	6,104

(a) These captions are mainly related to: "US Private Placements" fair value changes (Note 36), 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 38) are not qualified by the Group for hedge accounting effects.

(b) In the years ended 31 December 2008 and 2007, this caption includes 6,502 and 8,666 thousand euros, related to the financial actualization of liabilities and provisions, of which 1,971 and 2,409 thousand euros are referred to provisions for the environmental rehabilitation of quarries (Note 35).

(c) In the year ended 31 December 2008, "Other financial income" included the financial actualization of the tax payable until 2015 of 5,538 thousand euros. In the year ended 31 December 2007, included the reversal of adjustments for credits conceded to associated companies in the amount of 7,000 thousand euros (Note 22).

(d) In the financial year ended 31 December 2008, this caption refers to the gain from the disposal of the 2.82% shareholding in the Egyptian company Misr Cement (Qena), S.A.E., in the amount of 2,086 thousand euros, and the loss in value of an investment fund portfolio reported as a financial asset at fair value through profit or loss in the amount of 1,091 thousand euros (Note 21).

In 2008 and 2007 the profit or loss at associates included the effect of using the equity method to account for the investments in associates.

14. INCOME TAX

The detail of the income tax for the years ended 31 December 2008 and 2007 is as follows:

	2008	2007
Current tax	48,374	43,263
Deferred tax	4,520	(7,744)
Prior years' adjustments	28	177
Expenses for the year	52,922	35,697

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., SERMACONSA, Prebetong Galicia, S.A., Hormigones Miño, S.L., Canteras Prebetong, S.L., Cementos Noroeste, S.L., Corporación Noroeste de Hormigones y Áridos, S.L., Cementos el Monte, S.L., Hormigones Hércules, S.L., Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., Morteros de Galicia, S.L., Cimpor Sagesa, S.A., Sociedad Industrial y Financiera Gallega, S.L., 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., Tabanque, S.L., Scanang

Trading Activities España, S.A., Firmes y Hormigones Sani, S.L., Cimpor Canarias, S.R.L., Cimpor Hormigón Canarias, S.L., Occidental de Áridos, S.L. and Áridos Cosmos, S.L.

The income tax relating to the other geographical segments is calculated at the respective local rates in force.

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:

	2008	2007
Tax rate applicable in Spain	30.00%	32.50%
Operational results non taxable (a)	(3.18%)	(3.46%)
Financial results non taxable (b)	(1.81%)	(2.51%)
Benefits by deduction to the taxable profit and to the collect (c)	(2.14%)	(1.07%)
Adjustments on deferred taxes (d)	0.03%	(10.26%)
Rate differences	(1.06%)	(2.46%)
Others	0.77%	0.41%
Effective tax rate of the Group	22.62%	13.15%

(a) Included in this item are the profits of tax exempt companies and transactions that are not relevant for tax purposes.

(b) This item consists of financial profits and losses that are not relevant for tax purposes, the most important of it are gains appropriated from associated companies and, essentially in 2008, the gain from the financial asset held to maturity mentioned in Note 21.

(c) This includes tax benefits and goodwill depreciation deductible for tax purposes.

(d) This item essentially includes deferred tax adjustments arising from changes in tax rates at which it is estimated that tax will be recovered and changes in expectations of recovering temporary differences from previous years.

In addition to the tax expense for the years ended 31 December 2008 and 2007, deferred taxes amounting to EUR 1,173 thousand and EUR 4,463 thousand, respectively, were recognised directly in reserves (see Note 25).

The Parent has all the last four years open for review by the tax authorities for all the taxes applicable to it. In February 2007, the Parent received a notification from the Tax Authorities, of an inspection for 2002, 2003 and 2005 corporate income tax, and also for 2003 and 2004 VAT and other taxes applicable.

With relation to the 2002 tax inspection, being the Parent company Corporación Noroeste, S.A., on February 13th 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 will present the necessary resources and considers, as possible, the probability of winning them, so no provision has been effected on 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 Board of Directors of Cimpor Inversiones, S.A. (Sole-Shareholder Company) agreed not to distribute a dividend on account of the Company's profit. A total amount of EUR 15,572 were recorded in Legal reserve and EUR 140,149 thousand in Voluntary reserves.

16. EARNINGS PER SHARE

Basic and diluted earnings per share (see Note 3.20) for the years ended 31 December 2008 and 2007 were calculated taking into account the following amounts:

	2008	2007
Basic and diluted earnings per share		
Profit for the year for the purpose of calculating earnings per share	163,190	208,774
Weighted average number of shares for the purpose of calculating earnings per share (thousands)	52,270	52,270
Earnings per share (basic and diluted)	3.12	3.99

17. GOODWILL

In the years ended 31 December 2008 and 2007, 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 2007	112,957	643,001	191,955	43,270	48,924	105,703	14,803	8,742	-	-	-	-	1,169,355
Changes in the scope of consolidation (Note 6)	-	1,054	-	-	-	-	(40)	261	157,481	4,072	3,626	-	166,454
Adjustment due to exchange differences	-	53,691	(13,885)	(2,285)	(1,149)	(8,680)	(1,555)	-	12,845	(185)	(102)	-	38,695
Increases	-	-	-	-	-	-	-	-	1,941	860	-	-	2,801
Tranfers	(2,654)	-	-	-	-	-	-	-	-	-	-	-	(2,654)
Balance at 1 January 2008	110,303	697,746	178,070	40,985	47,775	97,023	13,208	9,003	172,267	4,747	3,524	-	1,374,651
Changes in the scope of consolidation (Note 6)	71,647	991	-	-	-	-	-	-	2,335	13,284	-	68,374	156,631
Adjustment due to exchange differences	-	(139,608)	9,782	(644)	582	(22,437)	763	-	(46,144)	694	218	(5,484)	(202,278)
Increases	7,854	-	-	-	-	-	-	133	156,859	-	1,757	-	166,603
Tranfers	(6,684)	-	-	-	-	-	-	-	-	1,911	(296)	-	(5,069)
	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2008	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

	Spain	Brazil	Egypt	Tunisia	Morocco	South Africa	Mozambique	Cape Verde	Turkey	China	Peru	India	Total
Accumulated impairment losses													
Balance at 1 January 2007	4,297	3,339	8,539	-	24,122	-	-	-	-	-	-	-	40,297
Changes in the scope of consolidation (Note 6)	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment due to exchange differences	-	361	(639)	-	(565)	-	-	-	-	-	-	-	(843)
Balance at 1 January 2008	4,297	3,700	7,900	-	23,557	-	-	-	-	-	-	-	39,454
Adjustment due to exchange differences	-	(941)	450	-	286	-	-	-	-	-	-	-	(205)
Balance at 31 December 2007	4,297	2,759	8,350	-	23,843	-	-	-	-	-	-	-	39,249
Net Balance at 31 December 2007	106,006	694,046	170,170	40,985	24,218	97,023	13,208	9,003	172,267	4,747	3,524	-	1,335,197
Net Balance at 31 December 2008	178,823	556,370	179,502	40,341	24,514	74,586	13,971	9,136	285,317	20,636	5,203	62,890	1,451,289

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. For the value in use, the future cash flows are discounted based on the weighted average cost of capital, adjusted for the specific risks of each market. For the transaction value, multiples based on business indicators (mainly EBITDA and production capacity), are compared with those calculated for the cash-generating units undergoing these tests.

The cash flow projections are based on the medium and long term business plans approved by the Board of Directors, plus perpetuity.

The main assumptions used to determine the value for use of goodwill are as follows:

Geographic area	Currency	2008 Goodwill (a)	2008 Discount rate (b)	2008 Long term rate	2007 Goodwill (a)	2007 Discount rate (b)	2007 Long term rate
Brazil	BRL	556.370	8,0%	3,3%	694.046	8,9%	3,6%
Egypt	EGP	179.502	8,8%	5,5%	170.170	8,7%	4,7%
Spain	EUR	178.823	6,7%	1,5%	106.006	7,1%	2,0%
South Africa	ZAR	74.586	7,4%	4,4%	97.023	7,9%	4,5%
Morocco	MAD	24.514	8,3%	2,1%	24.218	8,9%	2,3%
Tunisia	TND	40.341	7,7%	1,9%	40.985	8,2%	2,7%
Cape Verde	CVE	9.136	10,6%	1,1%	9.003	10,4%	3,0%
Mozambique	MZM	13.971	10,5%	5,0%	13.208	10,8%	8,7%
Turkey	TRY	285.317	10,4%	3,9%	172.267	10,2%	4,1%
China	CNY	20.636	7,4%	3,7%	4.747	7,7%	3,8%
Peru	PEN	5.203	8,0%	2,0%	3.524	-	-
India	INR	62.890	8,7%	4,7%	-		
		1.451.289			1.335.197		

(a) Thousand of Euros
(b) Local currency

The more significant increases during the period, are due mainly to the restructuring of the Turkey area of the Cimpor group in which different Cimpor Group' companies located in Portugal, have transferred their participation in Cimpor Yibitas Cimento Sanayi ve Ticaret, A.S. to Cimpor Inversiones, S.A. (Sole-Shareholder company), as well as an increase participation in different companies in the geographical areas of Spain, Peru and Cape Verde.

18. INTANGIBLE ASSETS

The changes in intangible asset accounts and in their respective accumulated amortisation and impairment losses in the years ended 31 December 2008 and 2007 were as follows:

	Industrial property and other rights	Intangible assets in progress	Total
Gross assets:			
Balances at 1 January 2007	7,590	638	8,228
Changes in the scope of consolidation (Note 6)	9,091	11	9,102
exchange difference adjustments	694	(24)	670
Additions	765	157	922
Write-offs	(88)	-	(88)
Transfers	755	(782)	(27)
Balances at 31 December 2007	18,807	-	18,807
Changes in the scope of consolidation (Note 6)	27,112	-	27,112
Exchange difference adjustment	(2,466)	1	(2,465)
Additions	9,972	9	9,981
Write-offs	(10)	-	(10)
Transfers	(79)	-	(79)
Balance at 31 December 2008	53,336	10	53,346

	Industrial property and other rights	Intangible assets in progress	Total
Accumulated amortisation and impairment losses:			
Balances at 1 January 2007	3,694	-	3,694
Changes in the scope of consolidation (Note 6)	6,400	-	6,400
Exchange difference adjustment	586	-	586
Increases	1,495	-	1,495
Write-offs	(86)	-	(86)
Balances at 31 December 2007	12,089	-	12,089
Changes in the scope of consolidation (Note 6)	29	-	29
Exchange difference adjustment	(2,079)	-	(2,079)
Increases	2,933	-	2,933
Write-offs	(5)	-	(5)
Balance at 31 December 2008	12,994	-	12,994
Carrying amount:			
As at 31 December 2007	6,718	-	6,718
As at 31 December 2008	40,342	10	40,352

This balance relates mainly to land surface rights and software user licenses. The increase on the 2007 figures is basically due to surface and operating rights in Spain and China business areas, in the amount of 22,166 and 4,923 thousand euros, respectively.

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 2008 and 2007 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 2007	169,589	241,223	1,603,890	46,330	21,760	2,082	9,297	104,646	5,372	2,204,189
Changes in the scope of consolidation (Note 6)	40,289	77,015	354,311	13,674	2,156	746	99	19,096	4,313	511,699
Exchange difference adjustments	5,624	6,424	13,648	1,626	139	(139)	(75)	(1,844)	905	26,308
Additions	1,746	6,136	35,732	5,437	3,668	98	235	127,135	18,462	198,649
Sales	(212)	(725)	(5,663)	(3,837)	(302)	(4)	(237)	(44)	-	(11,024)
Write-offs	(1)	(103)	(12,298)	(116)	(191)	(18)	(9)	(5)	-	(12,741)
Transfers	4,752	12,477	55,803	5,862	503	373	92	(70,133)	(5,566)	4,163
Balances at 1 January 2008	221,787	342,447	2,045,423	68,976	27,733	3,138	9,402	178,851	23,486	2,921,243
Changes in the scope of consolidation (Note 6)	6,473	9,832	62,514	4,462	797	628	12	4,141	63,908	152,767
Exchange difference adjustments	(21,331)	(32,652)	(200,115)	(9,930)	(3,386)	2	22	(29,057)	(2,771)	(299,218)
Additions	10,780	32,452	73,812	2,976	1,397	134	1,279	95,774	30,121	248,725
Sales	(646)	(461)	(1,655)	(1,872)	(359)	-	(5)	(23)	(4,111)	(9,132)
Write-offs	(36)	(159)	(17,774)	(391)	(401)	(34)	(158)	(412)	(3)	(19,368)
Transfers	9,414	19,320	57,858	2,129	1,059	1,959	(1,603)	(82,529)	(161)	7,446
Balances at 31 December 2008	226,441	370,779	2,020,063	66,350	26,840	5,827	8,949	166,745	110,469	3,002,463
Accumulated depreciation and impairment losses:										
Balances at 1 January 2007	7,835	103,309	1,067,919	31,912	14,608	1,844	5,331	-	-	1,232,758
Changes in the scope of consolidation (Note 6)	176	28,351	206,016	8,687	3,604	649	44	-	-	247,527
Exchange difference adjustments	155	5,100	9,162	854	319	(110)	(59)	-	-	15,421
Increases	2,775	13,196	84,173	6,627	2,448	164	891	-	-	110,274
Decreases	-	(407)	(5,269)	(3,096)	(237)	(3)	(177)	-	-	(9,189)
Write-offs	-	(7,760)	(10,518)	(80)	(175)	(18)	(9)	-	-	(18,560)
Transfers	9	57	12	17	(8)	-	(70)	-	-	17
Balances at 31 December 2007	10,950	141,846	1,351,495	44,921	20,559	2,526	5,951	-	-	1,578,248
Changes in the scope of consolidation (Note 6)	15	1,191	18,304	1,009	547	188	-	-	-	21,254
Exchange difference adjustments	(1,792)	(16,207)	(143,186)	(6,371)	(2,642)	47	23	-	-	(170,128)
Increases	9,963	17,311	88,460	7,505	2,146	298	378	-	-	126,061
Decreases	-	(179)	(1,610)	(1,646)	(172)	-	(70)	-	-	(3,677)
Write-offs	-	(113)	(17,523)	(280)	(354)	(34)	(35)	-	-	(18,339)
Transfers	525	57	(2,442)	28	774	1,108	(1,655)	-	-	(1,605)
Balances at 31 December 2008	19,661	143,906	1,293,498	45,166	20,858	4,133	4,592	-	-	1,531,814
Carrying amount:										
As at 31 December 2007	210,837	200,601	693,928	24,055	7,174	612	3,451	178,851	23,486	1,342,995
As at 31 December 2008	206,780	226,873	726,565	21,184	5,982	1,694	4,357	166,745	110,469	1,470,649

The additions during the financial year ended on 31 December 2008 include EUR 8,165 thousand in financial costs related to loans contracted to finance the construction of qualifiying assets.

The write-offs in the financial year ended on 31 December 2008 include the sum of EUR 17,150 thousand relative to the impact of the replacement of a kiln at a plant belonging to Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., due to the equipment becoming obsolete as the result of the investment made.

Tangible assets in progress in the year ended 31 December 2008 include the construction and improvement of installations and equipment of the cement sector of several production units, mainly in the Turkey, Spain, Brazil and China business areas.
The advances to suppliers of tangible assets item includes the assets assigned to the manufacturing and marketing of cement and ready-mix concrete on the island of Tenerife (Note 6).

20. INVESTMENTS IN ASSOCIATES

The changes in 2008 and 2007 in this heading in the consolidated balance sheet were as follows:

	Investment	Goodwill	Total
Balance at 1 January 2007	10,270	8,310	18,580
Changes in the consolidation perimeter	(94)	-	(94)
Equity method effect:			
On profit (Note 13)	2,675	-	2,675
On shareholders' equity	(171)	-	(171)
Aquisitions and increases	302	-	302
Balance at 31 December 2007	12,772	8,310	21,081
Changes in the consolidation perimeter (Note 5)	11,091	-	11,091
Equity method effect:			
On profit (Note 13)	(7,361)	-	(7,361)
On shareholders' equity	(43)	-	(43)
Dividends received	(321)	-	(321)
Aquisitions and increases	8,804	-	8,804
Balance at 31 December 2008	24,942	8,310	33,251

Economic and financial information on associates at 31 December 2008 and 2007 were as follows:

	2008	2007
Total assets	179,482	119,431
Total liabilities	(71,301)	(59,667)
Total shareholders' equity	108,181	59,764
Group's share of shareholders' equity	33,251	21,081
Sales and services rendered	40,777	95,192
Net profit for the year	(25,786)	10,054
Group's share of net profit for the year	(7,340)	2,675

21. OTHER INVESTMENTS

The changes in the "Available-for-Sale Financial Assets" and "Other Investments" in the years ended 31 December 2008 and 2007 were as follows:

	Available-for-sale financial assets		Financial assets at fair-value through profit and loss	Held to maturity financial assets	Total
	Cost	Fair value			
Gross investment:					
Balances at 1 January 2007	150,600	133,350	-	-	283,950
Currency translation adjustments	(42)	(618)	-	11,471	10,811
Revaluation/adjustments	-	2,061	-	-	2,061
Increases	176	-	-	-	176
Transfers	(147,080)	(126,589)	-	138,199	(135,470)
Balances at 31 December 2007	3,654	8,204	-	149,670	161,528
Changes in the consolidation perimeter (Note 6)	539	-	106	-	645
Currency translation adjustments	(352)	30	(8)	(29,869)	(30,198)
Revaluation/adjustments	-	148	-	-	148
Increases	107	-	-	-	107
Transfers	(111)	-	-	-	(111)
Write-offs	(1,387)	(8,382)	-	-	(9,769)
Sales	(34)	-	-	-	(34)
Balances at 31 December 2008	2,416	0	98	119,801	122,316
Impairment losses:					
Balances at 1 January 2007	2,104	-	-	-	2,104
Currency translation adjustments	85	-	-	-	85
Transfers	(1,062)	-	-	-	(1,062)
Balances at 31 December 2007	1,127	-	-	-	1,127
Currency translation adjustments	(35)	-	-	-	(35)
Write-offs	(1,070)	-	-	-	(1,070)
Balances at 31 December 2008	22	-	-	-	22
Carrying amount:					
As at 31 December 2007	2,527	8,204	-	149,670	160,401
As at 31 December 2008	2,394	0	98	119,801	122,294

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 held to maturity, namely an instrument issued by the Republic of Austria.

22. OTHER ACCOUNTS RECEIVABLE

The changes in other accounts receivable in the years ended 31 December 2008 and 2007 were as follows:

	2008		2007	
	Current	Non-current	Current	Non-current
Associates	617	-	971	-
Group companies	9,011	-	10,100	-
Other shareholders	843	106	713	-
Fixed assets suppliers	29	-	36	-
Other receivables	19,069	6,502	13,334	6,156
	29,569	6,608	25,154	6,156
Accumulated adjustments to other receivable accounts	(1,819)	(35)	(792)	-
	27,750	6,573	24,362	6,156

In this account are included those amounts to be received from entities, owing to transactions no related to the Group's main activities.

At 31 December 2008 and 2007, the maturities of these balances were the following:

	2008		2007	
	Current	Non-current	Current	Non-current
Undue balances	27.313	6.573	21.631	1.672
Due balances				
up to 180 days	287	-	1.280	3.115
180 to 360 days	41	-	178	500
more than 360 days	1.928	35	2.066	869
	29.569	6.608	25.154	6.156

Adjustments to accounts receivable - other

In the years ended 31 December 2008 and 2007, the changes in this caption were as follows:

Balance at 1 January 2007	661
Effect of currency translation	(52)
Increases	190
Utilisation	(7)
Balance at 31 December 2007	792
Alterações de perímetro	38
Effect of currency translation	94
Increases	886
Decreases	(98)
Utilisation	(53)
Transfers	195
Balance at 31 December 2008	1,854

23. TAX RECEIVABLES AND PAYABLES

The detail of the tax receivables and payables at 31 December 2008 and 2007 is as follows:

	2008		2007	
	Current	Non-current	Current	Non-current
Tax receivable:				
Corporate income tax	5,930	-	11,270	-
Personal income tax	4,331	-	2,773	-
Value added tax	27,514	1	10,634	1
Other Tax receivable	2,678	16,348	2,084	20,487
	40,453	16,349	26,761	20,488

	2008		2007	
	Current	Non-current	Current	Non-current
Tax payable:				
Corporate income tax	11,969	-	13,790	-
Personal income tax	3,173	-	3,696	-
Value added tax	8,999	-	8,780	1,734
Social security contributions	3,425	-	3,510	83
Other tax payable	4,275	1,499	3,372	-
	31,841	1,499	33,148	1,817

In the years ended 31 December 2008 and 2007, non-current recoverable taxes in the caption "Others" include a judicial deposit in the amount of EUR 15,620 and 15,891 thousand, respectively, made by a company in the Brazil business area, due to a judicial divergence in relation with the relevant applicable tax rate. The Board of Directors, according to previous similar processes and lawyer's opinion, believes that the resolution of it could be favourable.

24. OTHER CURRENT AND NON-CURRENT ASSETS

The detail of this heading at 31 December 2008 and 2007 is as follows:

	2008		2007	
	Current	Non-current	Current	Non-current
Interest receivable	1,326	-	1,544	-
Derivative financial instruments (Note 39)	4,492	16,527	840	4,655
Leases	1,084	16,987	468	-
Employee benefits (Note 41)	69	-	450	-
Insurance	319	-	349	-
Other deferred expenses and accrual accounts	1,266	360	628	-
	8,556	33,874	4,279	4,655

At 31 December 2008, in connection with the acquisition of Arenor Áridos, S.L. (Note 6), was concluded a land lease contract for aggregate extraction and the respective exploitation right for a period of 57 months, amounting to EUR 18,440 thousand.

25. DEFERRED TAXES

The detail of "Deferred taxes" at 31 December 2008 and 2007 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 2007	1,313	30,595	11,310	4,730	8,646	352	781	10	19,165	76,902
Changes in the scope of consolidation	-	-	-	206	468	27	-	-	146	847
Exchange difference adjustments	39	3,244	(692)	278	1,209	(29)	(51)	-	(343)	3,656
Income tax (Note 14)	(173)	25,156	301	4,051	4,152	651	155	-	(697)	33,596
Shareholders' equity	-	-	-	-	(6)	-	-	-	4,585	4,579
Balances at 31 December 2007	1,179	58,995	10,919	9,266	14,469	1,001	886	10	22,855	119,581
Changes in the consolidation perimeter (Note 6	-	-	-	7,240	1,482	191	-	-	-	8,913
Exchange difference adjustments	(77)	(9,952)	(693)	(2,445)	(2,756)	(77)	21	(5)	(1,751)	(17,735)
Income tax (Note 14)	(602)	(10,525)	(3,416)	3,382	903	(297)	(57)	14	(4,684)	(15,280)
Shareholders' equity	-	-	-	-	151	-	-	-	(1,406)	(1,254)
Transfers	4	-	-	(137)	-	-	-	-	(4)	(137)
Balances at 31 December 2008	505	38,518	6,810	17,307	14,249	818	850	20	15,010	94,087

	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 2007	-	12,250	34,602	-	148	-	122	12,500	6,467	66,089
Changes in the scope of consolidation	-	-	29,114	-	-	-	-	-	-	29,242
Exchange difference adjustments	5	18	1,461	-	(3)	-	-	-	339	1,820
Income tax (Note 14)	130	23,256	3,535	-	(476)	-	-	(962)	369	25,852
Shareholders' equity	-	-	-	-	506	-	-	-	(390)	116
Balances at 31 December 2007	134	35,525	68,712	-	176	-	122	11,539	6,912	123,120
Changes in the scope of consolidation (Note 6)	7,892	-	4,286	-	-	-	-	-	-	12,179
Exchange difference adjustments	(12)	(192)	(7,187)	-	(9)	-	(25)	-	(1,764)	(9,190)
Income tax (Note 14)	(137)	541	(2,192)	-	4	-	(87)	(11,539)	2,650	(10,760)
Shareholders' equity	-	-	-	-	(81)	-	-	-	-	(81)
Transfers	-	-	8,400	-	-	-	-	-	-	8,400
Balances at 31 December 2008	7,878	35,873	72,019	-	90	-	10	-	7,799	123,669
Carrying amount:										
As at 31 December 2007	1,045	23,471	(57,793)	9,266	14,293	1,001	764	(11,528)	15,943	(3,539)
As at 31 December 2008	(7,373)	2,645	(65,209)	17,307	14,159	818	840	20	7,211	(29,582)

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 assets related to goodwill are mainly from the restructuring of society shares in the business area of Brazil.

- 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 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.

The other deferred tax assets includes, essentially, the temporary differences of the derivative financial instruments (Note 38).

At December 31, 2008 the Group has losses carried forward of EUR 116,695 thousand (EUR 99,954 thousand in 2007), for deduction from future tax profits, a deferred tax asset of EUR 17,307 thousand (EUR 9,266 thousand in 2007). Deferred tax asets of EUR 58,439 thousand (EUR 65,353 thousand in 2007) have not been recognised due to the uncertainty as to their recovery, of which EUR 52,826 thousand (EUR 58,613 thousand in 2007), are recoverable up to the year 2010.

26. INVENTORIES

Inventories at December 31, 2008 and 2007 are made up as follows:

	2008	2007
Raw materials and other supplies	189,051	143,015
Work in progress and semi-finished goods	43,109	29,296
Subproducts and waste	60	-
Finished goods	28,983	13,977
Merchandise	7,605	4,833
Advances on purchases	7,328	725
	276,136	191,846
Inventory allowances	(5,955)	(5,729)
	270,181	186,117

Inventories depreciation adjustments

Balance at 1 January 2007	7,192
Changes in the consolidation perimeter	208
Exchange translation adjustments	(419)
Increases	663
Decreases	(260)
Utilisation	(1,457)
Transfers	(199)
Balance at 31 December 2007	5,729
Exchange translation adjustments	(218)
Increases	675
Decreases	(132)
Utilisation	(99)
Balance at 31 December 2008	5,955

27. ACCOUNTS RECEIVABLE – TRADE

The caption Accounts receivable – trade at December 31, 2008 and 2007 is made up as follows:

	2008	2007
Trade receivable, current account	158,676	221,124
Trade receivable-notes receivable	51,295	4,701
Doubtful trade receivable	27,544	24,850
Advances to suppliers	7,224	5,151
	244,739	255,826
	(26,074)	(24,515)
Accumulated impairment	218,665	231,311

During the years ended December 31, 2008 and 2007, the changes in this caption are made up as follows:

Balance at 1 January 2007	20,388
Changes in the consolidation perimeter	1,903
Effect of currency translation	(206)
Increases	4,168
Decreases	(1,113)
Utilisation	(626)
Balance at 31 December 2007	24,515
Changes in the consolidation perimeter	771
Effect of currency translation	(4,285)
Increases	7,665
Decreases	(2,661)
Utilisation	(47)
Transfers	116
Balance at 31 December 2008	26,074

In the years ended December 31, 2008 and 2007, the ageing of this caption, was as follows:

	2008	2007
Undue balances	185,146	194,102
Due balances:		
up to 180 days	37,895	30,761
180 to 360 days	2,338	3,747
more than 360 days	19,360	27,216
	244,739	255,826

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.

28. SHARE CAPITAL

At 31 December 2008 and 2007, 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 companies 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, 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 2008 and 2007, is shown as follows:

	Euros	
	2008	2007
Other current finnancial assets	7,237	2,394
Cash and other equivalents	126,720	475,135
Non current debts with Credit institutions	(988,075)	(421,326)
Current debts with Credit institutions	(160,774)	(432,601)
Net financial position	**(1,014,892)**	**(376,398)**
Total liability	**(2,765,218)**	**(2,482,636)**
Net financial position/Total liability	**36.70%**	**15.16%**

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 2008, no changes have been made in the capital management with respect to the year 2007.

29. TREASURY SHARES

At 31 December 2008 and 2007, Cimpor Inversiones, S.A. (Sole-Shareholder Company) did not own any treasury shares.

30. TRANSLATION 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 39.

This heading also includes the effects of the financial instruments arranged to hedge investments in foreign operations (see Note 38), 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 2008 and 2007 were as follows:

	Total
Balance at 1 January 2007	139,423
Change in adjustments due to translation differences	50,837
Balance at 31 December 2007	190,260
Change in adjustments due to translation differences	(323,020)
Balance at 31 December 2008	(132,760)

During 2008 and 2007 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 2008 and 2007 were as follows:

	Legal reserve	Voluntary reserves	Fair value reserve and other reserves	Hedging transactions	Total
Balances at 1 January 2007	11,950	60,465	82	851	73,348
Distribution of consolidated profit	4,521	446	-	-	4,967
Change in the fair value of financial hedging instruments	-	-	-	(9,593)	(9,593)
Change in the fair value of available-for-sale investments	-	-	2,061	-	2,061
Actuarial gain and loss on employee benefit plans	-	1,062	-	-	1,062
Adjustments in equity investments in associates and others	-	-	71	-	71
Balances at 31 December 2007	16,471	61,973	2,215	(8,742)	71,917
Distribution of consolidated profit	10,342	12,749	-	-	23,091
Change in the fair value of financial hedging instruments	-	-	-	3,265	3,265
Change in the fair value of available-for-sale investments	-	-	(1,994)	-	(1,994)
Actuarial gain and loss on employee benefit plans	-	(333)	-	-	(333)
Adjustments in equity investments in associates and others	-	(41)	-	-	(41)
Balance at 31 December 2008	26,813	74,348	221	(5,477)	95,905

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 2008 and 2007, were as follows:

Balances at 1 January 2007	239,943
Dividends	(90,248)
Distribution of consolidated profit	187,111
Other changes in shareholders' equity of subsidiaries	228
Balances at 31 December 2007	337,034
Dividends	(80,317)
Distribution of consolidated profit	185,683
Other changes in shareholders' equity of subsidiaries	(2,067)
Balances at 31 December 2008	440,333

33. MINORITY INTERESTS

The changes in this heading in the years ended 31 December 2008 and 2007 were as follows:

Balances at 1 January 2007	51,307
Changes in the scope of consolidation (Note 6)	125,732
Exchange difference adjustments	5,633
Dividends	(15,734)
Increase in investments	6,965
Employee benefits	5
Other changes in shareholders' equity of subsidiaries	877
Profit for the year attributable to minority interests	27,078
Balances at 31 December 2007	201,864
Changes in the scope of consolidation (Note 6)	8,498
Exchange difference adjustments	3,278
Dividends	(12,517)
Increase in investments	(100,255)
Employee benefits	(62)
Other changes in shareholders' equity of subsidiaries	(12,202)
Profit for the year attributable to minority interests	17,801
Balances at 31 December 2008	106,405

At December 31, 2008 and 2007, the amount attributable to other susbsidiaries of Cimpor Portugal, for the investments made in Turkey and Mozambique, are included in this chapter by a total amount of EUR 9,040 and EUR 119,197 thousand, respectively.

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 related annual maturities are determined on the basis of actuarial studies performed by independent experts.

The detailed studies at 31 December 2008 and 2007 applied the projected unit credit method and established the following estimates and technical actuarial assumptions:

	2008	2007
Actuarial technical rate		
Spain	5.00%	5.40%
South Africa	8.40%	9.25%
India	5.75%	n/a
Morocco	5.55%	5.05%
Annual pension growth rate		
Spain	2.50%	2.50%
Annual fund income rate		
Spain	5.90%	5.90%
Annual salary growth rate		
Spain	3.50%	3.50%
India	7.00%	n/a
Mortality tables		
Spain	PERMF 2000	PERMF 2000
South Africa	SA 85-90	SA 85-90
India	LIC	n/a
Morocco	TV 88/90	TV 88/90
Nominal growth rate of medical costs		
South Africa	6.40%	7.25%
Morocco	3.00%	3.00%

In accordance with the actuarial valuations the pension and healthcare benefits costs for the hears ended 31 December 2008 and 2007 were as follows:

	Pension plans		Healthcare plans (Note 10)		Total	
	2008	2007	2008	2007	2008	2007
Current service cost	257	322	15	19	272	341
Interest cost	170	149	87	91	257	240
Curtailments/settlements/ transfers	-	-	2,042	-	2,042	-
Expected return of the plans' assets	(193)	(166)	-	-	(193)	(166)
Total cost/(income) of the defined benefit plans	234	306	2,145	110	2,379	416

Based on the above-mentioned actuarial studies, the expenses for retirement pension supplements and life insurance in the years ended 31 December 2008 and 2007 can be broken down as follows:

	Pension plans		Healthcare plans		Total	
	2008	2007	2008	2007	2008	2007
Liability	3,848	2,375	3,029	1,136	6,877	3,511
Value of the pension funds	(3,562)	(2,825)	-	-	(3,562)	(2,825)
Deficit	286	(450)	3,029	1,136	3,316	686
Liability for employee benefits:						
Current liability	601	(46)	18	46	619	-
Non-current liability	(246)	46	3,012	1,090	2,766	1,136
	356	0	3,029	1,136	3,385	1,136
Fund surplus (Note 24)	(69)	(450)	-	-	(69)	(450)
Total	286	(450)	3,029	1,136	3,316	686

At 31 December 2008 and 2007, 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		Healthcare plans		Total	
	2008	2007	2008	2007	2008	2007
Defined benefit liability - 1 January	2,375	4,140	1,136	1,193	3,511	5,333
Changes in the consolidation perimeter	1,203	-	-	-	1,203	-
Benefiits and bonuses paid	(866)	(467)	39	(46)	(827)	(513)
Current service cost	257	322	15	19	272	341
Curtailments / settlements / constitutions (a)	-	-	2,042	-	2,042	-
Interest cost	170	149	87	91	257	240
Actuarial gains and losses (b)	820	(1,770)	(49)	(22)	770	(1,792)
Exchange differences	(109)	-	(241)	(99)	(350)	(99)
Defined benefit liability - 31 December	3,848	2,375	3,029	1,136	6,877	3,511
Value of the pension funds - 1 January	2,825	4,509	-	-	2,825	4,509
Changes in the consolidation perimeter	940	-	-	-	940	-
Contributions	292	(1,170)	-	-	292	(1,170)
Benefits and bonuses paid	(866)	(467)	-	-	(866)	(467)
Expected income of the funds' assets	193	166	-	-	193	166
Actuarial gain in income from the funds' assets (b)	178	(212)	-	-	178	(212)
Value of the pension funds - 31 December	3,562	2,825	-	-	3,562	2,825

(a) Corresponds to changes on long term benefits structures, which affect actuarial valuations of future responsibilities, for past services.

(b) Since the date of transition to IFRSs, the Group has applied the new provisions of IAS 19, Employee Benefits, under which the actuarial gains and losses are recognised directly in reserves, with no impact on profit or loss for the year.

The detail of the main fund assets at 31 December 2008 and 2007 is as follows:

	2008	2007
Shares	-	21.7%
Fixed rate bonds	29.5%	38.2%
Variable rate bonds	-	32.3%
Real estate investment funds, hedge funds, cash and insurance	70.5%	7.7%
	100.0%	100.0%

35. PROVISIONS AND ACCUMULATED DETERIORATION LOSSES

At 31 December 2008 and 2007 the details of current and non current classification were as follows:

	2008	2007
Non-current provisions:		
Provisions for tax risks	11,237	10,648
Environmental rehabilitation	37,026	36,105
Provisions for employee benefits and others personnel provisions	7,290	5,289
Other provisions for risks and charges	30,331	27,604
	85,884	79,646
Current provisions:		
Provisions for tax risks	52	368
Environmental rehabilitation	250	250
Provisions for employee benefits and others personnel provisions	1,571	1,655
Other provisions for risks and charges	585	912
	2,458	3,185
	88,342	82,831

The changes in the balances of provisions in the year ended 31 December 2008 and 2007 were as follows:

	2007						
	Provisions for Tax and Legal Contingencies	Quarry Restoration Provision	Employee Benefit Provision	Severance Costs and Other Staff Costs	Litigation	Other Provisions for Contingencies and Expenses	Total
Balance at 1 January 2007	11,835	29,281	1,193	3,383	1,890	1,726	49,308
Changes in the scope of consolidation (Note 6)	19	3,405	-	3,000	66	260	6,750
Translation differences	(831)	1,299	(99)	304	535	(15)	1,194
Increases	17	2,626	88	1,245	7,468	1,359	12,803
Reductions	(86)	(1)	-	(68)	(210)	(284)	(649)
Amount used	(30)	(237)	(46)	(2,057)	(96)	-	(2,466)
Transfers	92	(18)	-	-	15,800	17	15,891
Balance at 31 December 2007	11,016	36,355	1,136	5,807	25,453	3,063	82,831

	2008						
	Provisions for Tax and Legal Contingencies	Quarry Restoration Provision	Employee Benefit Provision	Severance Costs and Other Staff Costs	Litigation	Other Provisions for Contingencies and Expenses	Total
Balance at 1 January 2008	11,016	36,355	1,136	5,807	25,453	3,063	82,830
Changes in the scope of consolidation (Note 6)	-	144	131	-	-	4,223	4,498
Translation differences	581	(5,113)	(258)	(1,188)	(4,603)	(385)	(10,966)
Increases	-	6,199	2,555	3,286	7,175	571	19,786
Reductions	(303)	(1)	-	(1,213)	(2,688)	(904)	(5,109)
Amount used	(5)	(323)	(179)	(890)	(756)	(545)	(2,698)
Transfers (Note 41)	-	15	-	(326)	-	312	1
Balance at 31 December 2008	11,289	37,276	3,385	5,476	24,581	6,335	88,342

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.

36. LOANS

The detail of the loans obtained at 31 December 2008 and 2007 is as follows:

	2008	2007
Non-current liabilities		
Bank Loans	988,075	421,326
	988,075	421,326
Current liabilities		
Debentures	-	-
Bank Loans	160,774	432,601
	160,774	432,601
	1,148,849	853,927

Bank loans

The detail of the bank borrowings at 31 December 2008 and 2007 is as follows:

Type of financing	Currency	Interest Rate	Non current 2008	Non current 2007
Syndicated	EUR	Euribor + 0,275%	280,000	280,000
Syndicated	EUR	Euribor + 0,275%	199,627	-
Bilateral	EUR	Euribor + 0,550%	299,526	-
Syndicated	EUR	Euribor + 0,750%	111,997	-
Bilaterals	BRL	Several	7,280	13,043
Bilaterals	EUR	Several	72,022	126,676
Bilaterals	CVE	Several	11	49
Bilaterals	CNY	Several	-	930
Bilaterals	MAD	Several	1,667	-
Bilateral	INR	Mibor + 1,80%	14,838	-
Bilaterals	PEN	Several	1,107	628
			988,075	421,326

Type of financing	Currency	Interest Rate	Current 2008	Current 2007
Syndicated	EUR	Euribor + 0,750%	112,409	-
Bilaterals	EUR	Several	2,365	-
Bilateral	EUR	Euribor + 0,275%	-	387,500
Bilaterals	CVE	Several	19	-
Bilaterals	MAD	Several	385	6,458
Bilaterals	BRL	Several	2,626	3,215
Bilaterals	ZAR	Several	-	43
Bilaterals	CNY	Several	3,138	20,756
Bilaterals	PEN	Several	232	7,203
Overdrafts	MAD	Several	3,533	-
Overdrafts	CVE	Several	882	611
Overdrafts	ZAR	Several	73	667
Overdrafts	TRY	Several	30,283	648
Overdrafts	EUR	Several	4,829	5,331
Overdrafts	MZM	Several	-	169
			160,774	432,601

The repayment schedule for the non-current bank borrowings at 31 December 2008 and 2007 was as follows:

	2008	2007
2009	-	67,920
2010	563,214	159,361
2011	224,530	95,999
2012	165,947	96,999
2013 and following years	34,383	1,047
	988,074	421,325

At 31 December 2008 and 2007, the borrowings were denominated in the following currencies:

	2008		2007	
Currency	Foreign Currency Value	Value in thousands of Euros	Foreign Currency Value	Value in thousands of Euros
EUR	1,082,775	1,082,775	-	799,507
EGP	-	-	-	-
MZM	-	-	5,888	169
BRL	32,131	9,906	42,213	16,259
ZAR	820	73	7,125	710
MAD	62,928	5,585	73,654	6,458
CVE	100,600	912	72,637	659
TRY	65,073	30,283	1,112	648
CNY	29,800	3,138	233,176	21,686
PEN	5,851	1,339	35,131	7,831
INR	1,000,000	14,838	-	-
		1,148,849		853,927

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 (Euribor + 0.275%) establish that the spread must be indexed to the 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. (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.

At 31 December 2008 and 2007, the guarantees provided by the Parent and other subsidiaries (mainly to other Cimpor Group companies) amounted to EUR 912,126 thousand and EUR 888,089 thousand, respectively.

Financial covenants

Cimpor Inversiones, S.A. (Sole-Shareholder company) guarantees the financing transactions described above, including financial covenants, which require compliance with certain financial ratios, calculated by reference to the Cimpor Group's consolidated financial statements, within previously negotiated limits.

At 31 December 2008 and 2007, all these ratios were within the established limits. The management considers that during the year 2008 the companies will continue fulfilling these commitments (see Note 39).

37. OBLIGATIONS UNDER LEASES

Finance leases

The minimum lease payments as at 31 December 2008 and 2007, resulting from finance lease liabilities, are as follows:

	2008		2007	
	Present value	Future value	Present value	Future value
Up to 1 year	1,933	1,943	1,807	1,848
From 1 to 5 years	4,440	4,750	6,284	6,521

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:

	Future value	
	2008	2007
Up to 1 year	2,212	2,991
From 1 to 5 years	3,574	4,586
More than 5 years	10	61

Total operating lease costs recognised in the consolidated statement of profit and loss for the year ended 31 December 2008 amounted EUR 2,372 thousand (EUR 3,334 thousand in 2007).

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 2008 and 2007 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 are subject to prior knowledge of the Board of Directors and Cimpor's Executive Committee and 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 entitie.

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 2008 and 2007 is as follows:

	Other Assets (Note 24)				Other Liabilities (Note 41)			
	Current		Non-Current		Current		Non-Current	
	2008	2007	2008	2007	2008	2007	2008	2007
Fair Value hedges								
Exchange and interest rate swaps	-	-	11,326	4,655	-	365	-	354
Interest rate swaps	2,281	-	4,888	-	-	-	-	-
Exchange rate forwards	7	-	-	-	110	-	-	-
Cash flow hedges								
Interest rate swaps	-	-	-	-	2,365	2,610	4,092	10,954
Trading instruments								
Exchange rate and interest rate derivatives	219	-	-	-	1,447	6,833	38,542	86,414
Interest rate derivatives	1,985	840	313	-	10,042	715	65,785	64,371
	4,492	840	16,527	4,655	13,964	10,523	108,419	162,093

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 2008 and 2007 that qualify as fair value and cash flow hedging instruments:

Type of hedge	Notional	Type of Operation	Maturity	Financial purpose	Fair value 2008	Fair value 2007
Fair value	EUR 22,325,000	Cross-Currency Swap	Oct. 2012	Principal and interest hedge on Intercompany Loan from C. Inversiones to Natal Portland Cement	8,126	4,418
Fair value	EUR 7,000,000	Cross-Currency Swap	Oct. 2013	Principal and interest hedge on Intercompany Loan from C. Inversiones to Natal Portland Cement	1,877	151
Fair value	EUR 5,000,000	Cross-Currency Swap	Oct. 2013	Principal and interest hedge on Intercompany Loan from C. Finance to Natal Portland Cement	1,323	86
Fair value	EUR 75,000,000	Interest Rate Swap	May 2011	Hedge of 12.5% of the interests on Intercompany Loan from C. Inversiones to Cimpor BV regarding the Eurobond payment	1,226	(570)
Fair value	EUR 75,000,000	Interest Rate Swap	May 2011	Hedge of 12.5% of the interests on Intercompany Loan from C. Inversiones to Cimpor BV regarding the Eurobond payment	2,057	(149)
Fair value	EUR 50,000,000	Interest Rate Swap	May 2011	Hedge of 8.33% of the interests on Intercompany Loan from C. Inversiones to Cimpor BV regarding the Eurobond payment	1,128	-
Fair value	EUR 50,000,000	Interest Rate Swap	May 2011	Hedge of 8.33% of the interests on Intercompany Loan from C. Inversiones to Cimpor BV regarding the Eurobond payment	1,355	-
Fair value	EUR 50,000,000	Interest Rate Swap	May 2011	Hedge of 8.33% of the interests on Intercompany Loan from C. Inversiones to Cimpor BV regarding the Eurobond payment	1,403	-
Fair value	USD 2,220,000	Forwards	ene. 2009	Currency hedge	(103)	-
Cash-Flow	BRL 388,586,800	Fixed Rate	Dec. 2011	Hedge of 100% of the interest on the note of Austria Republic on Cimpor Cimentos do Brasil	(6,455)	(13,564)
					11,935	(9,628)

In addition, the portfolio of derivative financial instruments at 31 December 2008 and 2007 that do not qualify as hedging instruments is made up as follows:

Face Value	Type of Operation	Maturity	Economic purpose	Fair value 2008	Fair value 2007
USD 150,000,000	Cross-Currency Swap	Jun. 2013	Hedge of 100% of the principal and interest 10Y tranche of the US Private Placements	(13,158)	(30,146)
USD 254,000,000	Cross-Currency Swap	Jun. 2015	Hedge of 100% of the principal and interest 12Y tranche of the US Private Placements	(26,612)	(63,101)
EUR 100,000,000	IRS with conditioned receivable Leg	Dec. 2012	Cobertura del 53% del tramo en EUR del Préstamo Sindicado CITIBANK liquidado el 30 de Junio de 2004	(11,485)	(13,721)
EUR 30,000,000	IRS with conditioned receivable and payable Leg	Jun. 2015	Cobertura del 100% del tramo de los US PP a 12 años	442	-
EUR 280,000,000	Basis Swap EUR	May 2009	Cobertura del 100% del tipo de interés del préstamo Club Deal	(2,881)	-
EUR 200,000,000	Basis Swap EUR	Aug. 2009	Cobertura del 100% del tipo de interés del	(4,746)	-
EUR 50,000,000	IRS with only conditioned receivable Leg	Dec. 2009	IRS with options sold on US Libor 6M	(6)	(208)
EUR 216,723,549	IRS with conditioned receivable Leg	Jun. 2015	IRS with a set of options sold on which the main exposure is the slope of the European swap curve.	(54,891)	(49,048)
EUR 300,000,000	IRS with only conditioned Payable Leg	Jun. 2015			
Set of symmetrical Swaps	Set of Interest Rate Swaps	Dec. 2009	Swaps already closed or tottaly hedged at the end of the year. The Group doesn't have anymore any economic risk in these positions.	36	(1,269)
				(113,299)	(157,493)

39. 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

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.
- 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).

The Group, as a rule, does not take speculative positions and so the sole aim of all operations carried out with the purpose of managing financial risks is to control existing risks to which the Group is unavoidably exposed.

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.

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. Whenever financing is contracted in a currency other than the euro, it is hedged via *cross currency swaps* so that no exchange risk is taken on (unless this originates a situation of equilibrium with assets denominated in that other currency).

Liquidity risk

Liquidity-risk management means maintaining an appropriate level of available cash and 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.

The 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 MTN and commercial paper programmes up to date, ensure that it is equipped to act swiftly in the capital markets.

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.

On 31 December 2008 and 2007, credit lines obtained but not used, excluding commercial paper which is not underwritten, rose to close to EUR 452 million and EUR 299 million, respectively.

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 two debt instruments envisaging such but also, through the performance of the cross default provisions, compliance by all the remaining debt.

Both ratios at the end of 2008 were far from the established thresholds, despite worsening during the year:

Ratio	December 2007	December 2008	Limit
Leverage	2.07	2.97	< 3.5
Interest Coverage	9.60	6.89	> 5

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 2008 and 2007 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 10 million euros increase / decrease in financial costs (before tax), for the financial years ended on 31 December 2008 and 2007 respectively, considering the effect of existing hedge instruments.

This raised impact of a possible interest rate change on the Group's profit or loss is due to the growth of debt and also the change of the Group's debt profile, wherein variable rate instruments accounted for the larger weight of debt at the end of 2008.

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 2008, 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	8,889	(7,273)
TRY	(2,222)	1,818
CNY	(4,556)	3,727
	2,111	(1,727)

40. OTHER PAYABLES

The detail of these headings at 31 December 2008 and 2007 is as follows:

	2008		2007	
	Current	Non-current	Current	Non-current
Associates	32	-	32,090	-
Group companies	19,734	881,119	84,159	854,425
Other shareholders	1,742	429	7,683	536
Fixed assets suppliers	105,998	12,814	28,622	13,562
Other creditors	26,946	-	20,454	1,298
	154,452	894,362	173,008	869,821

The long-term payable to Group companies correspond to the following operations: three loans signed with Cimpor Financial Operations, being two of them converted into US Dollars in the respective amounts of US Dollars 150,000 thousand and 254,000 thousand. The exchange rate used for the conversion will remain fixed for the entire term of the operations, based on a cross currency swap hedging position, maturing on 2013 and 2015, respectively. The third loan of EUR 597,042 thousand will mature on 2011.

The short-term payable to Group companies, related mainly to non matured accrued interest on the above mentioned loan operations.

41. OTHER CURRENT AND NON-CURRENT LIABILITIES

The detail of these headings at 31 December 2008 and 2007 is as follows:

	2008		2007	
	Current	Non-current	Current	Non-current
Interest payable	575	-	1,612	-
Deferred tax expenses (a)	425	-	-	-
Remuneration payable	8,371	-	7,630	-
Derivative financial instruments (Nota 38)	13,964	108,419	10,523	162,093
Grants related to assets	-	6,620	-	6,783
Other deferred expenses	8,703	-	10,269	-
	32,038	115,039	30,035	168,876

42. TRADE PAYABLES AND CUSTOMER ADVANCES

The detail of this heading at 31 December 2008 and 2007 is as follows:

	2008	2007
Trade payable, current account	111,067	88,870
Payable invoices not yet received	30,304	9,642
Trade-payable - Notes payable	11,283	36,297
Customer advances	16,100	3,153
	168,754	137,962

43. 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 2005 to 2007 period and 2008 to 2012.

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 1,773,890 tons (2005 to 2007) and 2,025,769 (period 2008 to 2012).

The estimated emissions of these premises were 1,650,344 tons of CO_2 during the financial year ended on 31 December 2008. 285,000 tons of CO_2 of the total licence of 2,025,769 tons of CO_2 awarded were disposed of, generating a gain of 6,657.69 thousand of euros, 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 2008, resulting a gain of 928,20 thousand euros (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:

2008	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	126,720	-	-	-	-	126,720
Accounts receivable-trade	218,665	-	-	-	-	218,665
Other investments	-	2,395	119,801	-	98	122,294
Other non-current accounts receivable	6,573	-	-	-	-	6,573
Other current accounts receivable	27,750	-	-	-	-	27,750
Other non-current assets	22,236	-	-	-	11,638	33,874
Other current assets	5,027	-	-	-	2,211	7,237
Current accrued income	1,319	-	-	-	-	1,319
Total assets	408,289	2,395	119,801	-	13,947	544,432
Liabilities:						
Non-current loans	-	-	-	988,075	-	988,075
Current loans	-	-	-	160,774	-	160,774
Current liabilities-trade	-	-	-	168,754	-	168,754
Other non-current accounts payable	-	-	-	619,414	274,948	894,362
Other current accounts payable	-	-	-	154,452	-	154,452
Other non-current liabilities	-	-	-	6,620	108,419	115,039
Other current liabilities	-	-	-	1,291	13,964	15,256
Current accrued costs	-	-	-	16,782	-	16,782
Total liabilities	-	-	-	2,116,163	397,331	2,513,494

2007	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	475,135	-	-	-	-	475,135
Accounts receivable-trade	231,311	-	-	-	-	231,311
Other investments	-	10,731	149,670	-	-	160,401
Other non-current accounts receivable	6,156	-	-	-	-	6,156
Other current accounts receivable	24,362	-	-	-	-	24,362
Other non-current assets	-	-	-	-	4,655	4,655
Other current assets	1,885	-	-	-	840	2,725
Current accrued income	1,554	-	-	-	-	1,554
Total assets	740,403	10,731	149,670	-	5,495	906,299
Liabilities:						
Non-current loans	-	-	-	421,326	-	421,326
Current loans	-	-	-	432,601	-	432,601
Current liabilities-trade	-	-	-	137,962	-	137,962
Other non-current accounts payable	-	-	-	611,480	258,341	869,821
Other current accounts payable	-	-	-	173,008	-	173,008
Other non-current liabilities	-	-	-	7,136	161,739	168,876
Other current liabilities	-	-	-	3,679	10,158	13,837
Current accrued costs	-	-	-	16,196	-	16,196
Total liabilities	-	-	-	1,803,389	430,239	2,233,627

45. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENTS

Cash and cash equivalents

The detail of this heading at 31 December 2008 and 2007 is as follows:

	2008	2007
Cash	133	55
Bank deposits	100,596	337,941
Marketable securities	25,991	137,139
	126,720	475,135
Bank overdrafts	(39,597)	(2,095)
	87,122	473,040

"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.

Financial asset collections/payments

The most significant cash flows occurred in the year ended 31 December 2008, respects to commercial paper emission and repayment in the amount of 284 millions of euros and 419 millios of euros, respectively, of two bilateral loans contracts amounting of 425 millions of euros and a repayment of other bilateral loan of 392.5 millios of euros, being the remaining cash flows essentially mady by the use and repayment of several current credit lines.

Payments relating to financial investments

Payments related to financial investments during the year ended 31 December 2008 relate mainly to the the minority investment acquisition in the share capital of participated companies and to the increase of investments in associates.

46. 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:

2008

	Receivables		Payables		Transactions			
Related Parties	Trade	Other debtors	Trade	Supply of fixed assets	Supply of fixed assets	External supplies and services	Inventories purchases	Sales and services rendered
Associates	3,385	20,150	312	-	-	724	700	8,169
Other related parties:								
Other companies Group Cimpor	2,171	10,698	45,570	86,107	-	18,303	79,030	314
Lafarge, S.A. and related	2,121	-	160	16,056	-	94	964	18,121
Teixeira Duarte, SGPS, S.A. and related	68	-	-	-	237	-	-	344
	7,745	30,848	46,043	102,164	237	19,121	80,694	26,947

2007

	Receivables		Payables		Transactions			
Related Parties	Trade	Other debtors	Suppliers of fixed assets	Supply of fixed assets	Supply of fixed assets	External supplies and services	Inventories purchases	Sales and services rendered
Associates	952	-	112	-	-	-	1.070	7.315
Others	14.550	946	122.080	18.963	9	10.123	86.908	33.270
	15.502	946	122.191	18.963	9	10.123	87.978	40.586

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 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.

Guarantees

At 31 December 2008 and 2007, the Group had provided guarantees to third parties amounting to EUR 34,021 thousand and EUR 38,891 thousand, respectively.

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.

During the annual period ended on 31 December 2008, 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.

At 31 December 2008 the Group had commitments relating to contracts to purchase tangible fixed assets and inventories as well for operating on this parties installations, totalling EUR 33,740 thousand (EUR 41,034 thousand in 2007). The more significant amounts being EUR 15,822 thousand relating to the Spain business area and EUR 12,513 thousand relating to the Egypt business area.

48. DISCLOSURES CONCERNING THE BOARD OF DIRECTORS

Directors' remuneration and other benefits:

In 2008 the Parent's Board of directors did not earn any remuneration.

At 31 December 2008, 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.

All the Parent's Board of directors members are men.

Also, at 31 December 2008, the staff members' wages and salaries were of EUR 1,594 thousand (EUR 1,486 thousand in 2007).

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 127 ter.4 of the Spanish Companies Law, introduced by Law 26/2003 of 17 July, which amended Securities Market Law 24/1988, of 28 July, and the consolidated Spanish Companies 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 2008.

Director	Company	Position	% of Ownership
Jorge M. Salavessa Moura	Corporación Noroeste, S.A.	Director	-
	Cimpor-Cimentos de Portugal, SGPS, S.A.	Director	0.140%
	Cimpor Internacional, SGPS, S.A.	Chairman	-
	Cimpor Portugal, SGPS, S.A.	Chairman	-
	Scanang, SGPS, Unipessoal, Lda.	Manager	-
Manuel Luis Barata de Faria Blanc	Corporación Noroeste, S.A.	Director	-
	Cimpor-Cimentos de Portugal, SGPS, S.A.	Director	0.059%
	Cimpor Internacional, SGPS, S.A.	Director	-
	Cimpor Portugal, SGPS, S.A.	Director	-
	Scanang, SGPS, Unipessoal, Lda.	Director	-
Luis F. Sequeira Martins	Corporación Noroeste, S.A.	Chairman of the Executive Committee	-
	Cimpor-Cimentos de Portugal, SGPS, S.A.	Director	0.026%
	Cimpor Internacional, SGPS, S.A.	Director	-
	Cimpor Portugal, SGPS, S.A.	Director	-
	Scanang, SGPS, Unipessoal, Lda.	Director	-

49. AUDIT SERVICES

The fees for the financial audit services provided to the companies composing the Cimpor Inversiones Group by the auditor and by other entities related to the auditor amounted to EUR 888 thousand in 2008 (EUR 871 thousand in 2007).

The fees for other professional services provided to the Group companies by the auditor and by other entities related to the auditor amounted to EUR 82 thousand in 2008 (EUR 103 thousand in 2007).

50. EVENTS AFTER THE BALANCE SHEET DATE

- Acquisition by Corporación Noroeste de Hormigones y Áridos, S.L. of 10% of the share capital of Firmes y Hormigones Sani, S.L., adding to the 80% shareholding already held in that company.
- Acquisition by Corporación Noroeste, S.A. of 25% of the share capital of Occidental de Áridos, S.L., for the sum of EUR 8.15 million, giving the former 100% control of that company.
- Issue by Shree Digvijay Cement Company Limited (India) of preferred shares – convertible in the time frame of 18 months and earning a priority dividend of 6% year – in the total amount of INR 870 million, fully subscribed by Cimpor Inversiones, S.A.

51. AUTHORISATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were authorised for issue by the Board of Directors on March 30th 2009 and are subject to approval by the sole-shareholder.

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.

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

Cimpor Inversiones, S.A.
(Sole-shareholder company)

Directors' report
for the year ended 31 December 2008

The most significant events and data regarding the activity of Cimpor Inversiones, S.A.U. and subsidiaries in 2008 were as follows:

Business performance

Cimpor Inversiones, S.A. (Sole-Shareholder Company) is the holding company for the Cimpor Group's international investments. The performance of each of the business areas in the various countries was as follows:

Spain-

The Group's activity in Spain was developed throughout the year in an extremely unfavorable business environment. In the first half, with energy prices and particularly fuel upwards prices, affecting the costs, whereas during the second half it was noted a fall down in oil prices while the construction sector suffered a sharp activity decline impacting on the Group's sales. As an example, in Galicia, the cement consumption fell by around 8.5% and in Andalusia and Extremadura combined fell by 25%.

The CIMPOR Group's cement sales reach a total of 3.19 million tons (down 21.3% on 2007), due to the low consumption above commented and the entry of new market competitors. The Group's other activities also suffered a sharp decline, concrete sales fell by 20%, mortar around 15%, and only aggregate market has reported a similar behavior as a result of the purchase of new quarries.

The turnover generated in Spain decreased by 23.8% of the previous year, whereas the Cash Flow (EBITDA), has been reduced by 39.8% as a consequence of the worsening of energy costs and energy and fuels high costs.

Morocco-

The economy growth rate, which amazingly escaped the effects of international financial crisis, it is expected to produce 6.0% in cement consumption, being this one of the sectors that support the investments in construction and public works (9.9% over previous year).

The Group's cement sales reached an amount of 1.12 thousand tons by around 6.6% increase. The concrete sales recorded growth over 20%. The consolidated turnover grew 10.4% and also the Cash flow (EBITDA) increased by 16.3%.

Tunisia-

This year, despite of the international crisis, the Tunisian economy is expected to have an increase of 4.7%. It was noted a cement consumption growth area of about 3.2% over the previous year. Our company in Tunisia accompanied this increase with a turnover of 1.52 million tons, - including exports - of cement (+ 4.1%), while turnover grew by EUR 7.2%.

The Fuel and energy price increase led to a decrease in the Cash Flow (EBITDA) of the company by 10.1%.

Egypt-

The Egyptian domestic cement market continues with a remarkable recovery following the last three years trend. In this context, internal Group's sales increased by approximately 13.4%, so as the internal demand, despite of certain governmental decisions influenced the cement industry (ex: exports prohibition, raw materials rates). The increase in turn on prices provided an increase of turnover at 33.7%. The Cash Flow (EBITDA) was also increased around 25%, in this case negatively influenced by price increases for energy products.

Turkey-

In 2007 Turkish economy already gave signs of deceleration, and most clearly stated in 2008, where GDP growth was of 1.7%. This slowdown also affected the construction sector, and therefore, cements consumption, reducing it by 4.5% over the previous year. The Group's cement sales in the Turkish market decreased in comparable basis, about 8.4%, and only concrete and aggregates sales have increased their sales as a result of new assets.

The turnover has also fallen down due to less sales volume in cement, as well as selling prices reduction pressured by the strong market competitors.

Brazil-

In 2008, the Brazilian economy experienced two different periods, a strong evolution in the first nine months and a clear slowdown in the last quarter. Despite all this, overall cement consumption increased by 14%. The Group's cement sales increased approximately 7.8%. It must also be highlighted the increase in concrete sales, improving the Group's sales by 24.6% and mortar sales by 18%.

Due to this evolution, and an important recovery in selling prices, the consolidated turnover increased by 24,6%, allowing the EBITDA to rise by almost 28,5%.

Mozambique-

Although it is a small market, cement consumption continued to grow in this economic climate at a rate close to 6% in 2008. Our company's sales accompanied by the growth in consumption, achieved a total of 11,8% in tonnage terms, which combined with the rising prices and the increase in concrete sales led to 2008 positive results by 30%, with an EBITDA increase by 10,4%.

South Africa-

Although the economy was no longer able to maintain the dynamism of previous years, GDP growth was close to 0%, and cement consumption nationwide has dropped by 5%, the Group, due to its area of influence and competition problems in the cement supply, achieved a growth of 13%. In the concrete area sales growth was also noticeable.

The turnover was also superior than the previous year by +6.5% higher ,in Euros, influenced by the devaluation of local currency with an EBITDA increase by 7.3%.

It must be noted that the conclusion of a new clinker production line contributed to the improvement of different margins by reducing imports of that product.

Cape Verde Islands-

In line with the development of the construction activity, the Group's cement sales in 2008 recorded year-on-year growth of 18.7%. Also the Group expanded its sale of concrete by 8.8%, which led to an increase of almost 38.1% in turnover and an EBITDA increasing about 42.2%.

China-

2008 is the first full year of our presence in this area (the Group's entrance operation took place at the end of the first half of 2007) with a turnover of nearly 3 million tons of cement at the end of the year, being more than double than that obtained in the second half of last year. The turnover reached €65 million and the EBITDA was € 6.3 million.

It is hoped to expand our presence in this market and for this reason, at the end of 2008 it was acquired the 100% of a company's shares which has a clinker production capacity of 900 thousand tons per year, and will begin the construction of a new factory in Shanting which is expected to be profitable in coming years since we are in an economy of a high growth rate.

India-

The Group's entrance into this market was performed at the end of the first quarter of 2008, achieving a total of 615 thousand tons of cement sales in the domestic market at the end of the year. The turnover was EUR 32.3 million and the EBITDA reached is 3.1 million

Future outlook-

2009 global scene is quite uncertain, with the global economy facing to a serious recession risk, and it is hoped with less deflation probability. Unless tensions on financial markets could be mitigated, the international situation will be marked by a significant growth reduction, the decline of international trade rates, difficulties to access to a credit and unemployment rises will lead to a reduction in the private consumption.

In this context, the OECD projections points out to reduce GDP in major economies (United States and European Union, 4%, Japan 6.5%) and only the emerging economies may have some positive rates, but much lower than those achieved in those prosperity years.

In this context, the construction sector probably record its worst year since 1991, witnessing a zero growth or close to zero, global cement consumption: the expected progression in Africa and Asia markets will not be enough to avoid the lower markets in the Euro zone, UK and USA.

For the different market areas where the Group is present, in 2009, the expected increases of EBITDA in Egypt, South Africa, China and India should be sufficient to cancel the possible retirements of Portugal and Spain, allowing the Group's Operating Cash Flow is at least at the same level of that achieved in 2007.

For the two Iberian countries, the recession period, points an important decrease in the cement consumption, advancing an important EBITDA reduction. The recent purchase of the assets located in the Canary Islands will mitigate the market decrease.

In the Mediterranean countries, the construction industry is passing through a good period, and it is estimated that cement consumption may growth but less than in the past years, and therefore contribute to an increase in the operating results.

In Turkey last estimates show a cement consumption deceleration, with a heavy pressure on selling prices that might undergo lower cement consumption.

In Brazil, it is expected that the construction and public works sectors shall continue to benefit from the current cycle of interest rate reductions and the incentives of the "Growth Acceleration Program" of the Brazilian government, so it is expected that the Group's EBITDA in this area records a significant improvement in local currency, based on recovering selling prices and reduced energy costs.

Also in Mozambique it is expected developments influenced by public investments, and in South Africa, although it is expected a cement consumption decrease it is hoped to be compensated by costs improvement with the new production line and thus improving the EBITDA.

For China and India, the reduction of its development (but it is expected to remain positive) will also affect the construction sector and cement consumption, however, the EBITDA must register a strong growth and in India, by the improvement of its operational performance, and being its first full year within the Group, and in China, by the impact of new acquisitions and the beginning of new units operation.

Events after the balance sheet date

No significant events took place after the balance sheet date other than those already described in the financial statements.

Research and development activities

Within the framework of the proposed targets and encompassing all Group production plants, in 2008 was carried out the preparation of an "Annual Benchmarking Programme" in which close to 200 key indicators were systematically compared in order to gauge the level of performance of each operating unit in each business area. Thus, priority lines of action were identified, and a package of measures was defined for each one, to be adopted over the next three years. This is known as the "Performance Enhancement Plan.

In the scope of the Central Laboratory's activity, a quality control program for the cement produced has been consolidated, so as it was signed a collaboration program with the Eduardo Torroja Institute for the development of belita cements. Also, it must be pointed out the launching of an ambitious formation program for the different operation units, including different matters relating to the cement activity, especially the second maintenance seminary dedicated to the "Work process and quality" subject.

It must also be pointed out the Group's concern regarding sustainable development, sharing the most important forums and in the "Cement Sustainability Initiative". With a six keys areas planning: Climate protection and management of CO^2 emissions, Responsible use of raw materials and fuels, worker safety and health, emission monitoring and disclosure, impact in terms of land use and the impact on local communities and reporting and communication.

Also, integrated in this same project efforts were focused of the CSI of a sector agreement area to limit CO2 emissions and the implementation of a "Survey about the mercuric cycle in the cement manufacture".

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 committed themselves to ensuring a minimum 8% reduction during the years 2008 up to 2012, in overall greenhouse gas emissions as compared with 1990 levels. In particular, for the above mentioned period Spain undertook not to exceed a 15% increase in relation to 1990 in overall emissions of these gases, expressed as an equivalent measure of carbon dioxide.

Cement production essentially involves two stages (the manufacture of kiln-fired clinker and subsequent milling). CO_2 is only released in the first phase when using fuel and when decarbonating the limestone used as the raw material. Accordingly, for the same production volume, emissions can be reduced by taking steps in relation to these two factors. As a result, the Group is working on the use of alternative fuels such as biomass.

In 2008, a new period of fulfillment of Kyoto protocol started (2008-2012), for which were assigned annual emission allowances to the four Spanish factories reaching an amount of 2,025,769 CO_2.tonnes per year. Releases allowances issued in 2008 for all four plants were of 1,640,344.

Treasury shares

Cimpor Inversiones, S.A.(Sole Shareholder company) and its subsidiaries did not have any treasury shares at 31 December 2008.

Financial instruments

As described in the financial statements, in order to limit foreign currency and interest rate risk, and in accordance with the Cimpor Group's risk management policy, the Company holds various financial derivative products.

Jorge Manuel Tavares Salavessa Moura

Manuel Luís Barata de Faria Blanc

Luís Filipe Sequeira Martins

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VII. Consolidated Financial Statements of Cimpor Inversiones, S.A.U.
for the year ended 31 December 2007 and the Auditors' Report thereon

Cimpor Inversiones, S.A.U and Subsidiaries

Consolidated Financial Statements and Consolidated Directors' Report for the year ended 31 December 2007 and 2006, 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 50). In the event of a discrepancy, the Spanish-language version prevails

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain. 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) comprising the consolidated balance sheet at 31 December 2007 and the related consolidated income statement, consolidated cash flow statement, consolidated statement of recognised income and expense and notes to the consolidated financial statements for the year then ended. The preparation of these consolidated financial statements is the responsibility of the Parent's directors. 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 generally accepted auditing standards in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made.

As required by Spanish corporate and commercial law, for comparison purposes the Parent's directors present, in addition to the consolidated figures for 2007 for each item in the consolidated balance sheet, consolidated income statement, consolidated cash flow statement and consolidated statement of recognised income and expense, the figures for 2006. As indicated in Note 2.1 to the accompanying consolidated financial statements, in 2007 the Parent's directors opted to present the consolidated statement of recognised income and expense rather than the consolidated statement of changes in equity. Our opinion refers only to the consolidated financial statements for 2007. On 20 April 2007, we issued our auditors' report on the 2006 consolidated financial statements, in which we expressed an unqualified opinion.

In our opinion, the accompanying consolidated financial statements for 2007 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 2007, and the consolidated results of their operations, the changes in consolidated recognised income and expense and their consolidated cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with International Financial Reporting Standards as adopted by the European Union, which were applied on a basis consistent with that used in the preparation of the figures for the preceding year.

The accompanying consolidated directors' report for 2007 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 2007. 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

Jaime Del Olmo Casalderrey

21 April 2008

CIMPOR INVERSIONES, S.A. (Sole-Shareholder Company)

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2007 AND 2006

(Thousands of Euros)

	Notes	31/12/07	31/12/06
Non-current assets:			
Goodwill	17	1,335,197	1,129,058
Intangible assets	18	6,718	4,534
Property, plant and equipment	19	1,342,995	971,431
Investments in associates	20	21,081	18,580
Other investments	21	160,401	281,846
Deferred tax assets	25	119,581	76,902
Other receivables	22	6,156	2,073
Tax receivables	23	20,488	3,528
Other non-current assets	24	4,655	1,816
Total non-current assets		**3,017,271**	**2,489,768**
Current assets:			
Inventories	26	186,117	135,111
Trade receivables and advances to supplier	27	231,311	181,353
Other receivables	22	24,362	12,523
Tax receivables	23	26,761	30,753
Cash and cash equivalents	44	475,135	179,242
Other current assets	24	4,279	3,684
Total current assets		**947,965**	**542,666**
Total assets		**3,965,236**	**3,032,434**
Equity:			
Share capital	28	522,700	522,700
Share premium		52	52
Translation differences	30	190,260	139,423
Reserves	31	71,917	73,348
Consolidation reserves	32	337,034	239,943
Profit for the year		208,774	192,078
Interim dividends	15	(50,000)	-
Equity attributable to the Parent		1,280,737	1,167,544
Minority interests	33	201,864	51,307
Total equity		**1,482,600**	**1,218,851**
Non-current liabilities:			
Borrowings	36	421,326	412,837
Finance leases	37	6,284	131
Deferred tax liabilities	25	123,120	66,089
Employee benefits	34	1,090	1,193
Provisions	35	78,556	46,630
Other payables	40	869,821	898,383
Tax payables	23	1,817	2,262
Other non-current liabilities	41	168,876	152,112
Total non-current liabilities		**1,670,891**	**1,579,637**
Current liabilities:		-	-
Trade payables and customer advances	42	137,962	99,110
Tax payables	23	33,148	25,113
Finance leases	37	1,807	258
Current borrowings	36	432,601	24,420
Employee benefits	34	46	-
Short-term provisions	35	3,139	1,486
Other payables	40	173,008	67,627
Other current liabilities	41	30,034	15,932
Total current liabilities		**811,745**	**233,946**
Total liabilities		**2,482,636**	**1,813,583**
Total equity and liabilities		**3,965,236**	**3,032,434**

The accompanying Notes 1 to 51 are an integral part of the consolidated statement for 2007 and 2006

The Board of Directors

Engº Jorge Manuel Tavares Salavessa Moura

Engº Luis Filipe Sequeira Martins

Dr. Manuel Luís Barata de Faria Blanc

CIMPOR INVERSIONES, S.A.(Sole-Shareholder Company)

CONSOLIDATED INCOME STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2007 AND 2006

(Thousands of Euros)

	Notes	dic-07	dic-06
Sales		1,346,736	1,134,150
Services rendered		127,112	48,604
Other operating income	9	16,982	12,932
Total operating income		1,490,830	1,195,686
Cost of sales	10	(493,004)	(357,615)
Changes in inventories		5,953	2,221
Utilities and outside services		(420,440)	(336,387)
Staff costs	11	(129,525)	(102,677)
Depreciation and amortisation charge		(111,754)	(94,832)
Provisions and impairment losses		(2,925)	(3,320)
Other operating expenses	12	(17,299)	(15,038)
Total operating expenses		(1,168,995)	(907,648)
Profit from operations		321,835	288,038
Finance costs	13	(147,779)	(145,877)
Finance income	13	88,715	86,272
Result of companies accounted for using the equity method	13, 20	2,675	535
Income from investments	13	6,104	16,250
Profit before tax		271,549	245,218
Income tax	14	(35,697)	(41,102)
Profit for the year		235,852	204,115
Attributable to:			
The Parent		208,774	192,078
Minority interests	33	27,078	12,037
		235,852	204,115
Earnings per share:			
Basic and diluted	16	3.99	3.67

The accompanying Notes 1 to 51 are an integral part of the consolidated statement for 2007 and 2006

The Board of Directors

Engº Jorge Manuel Tavares Salavessa Moura

Engº Luís Filipe Sequeira Martins

Dr. Manuel Luis Barata de Faria Blanc

CIMPOR INVERSIONES, S.A. (SOLE SHAREHOLDER COMPANY) AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED

31 DECEMBER 2007 AND 2006

(Amounts stated in thousands of euros)

		Notes	2007	2006
Operating activities:				
Receipts from clients			1,696,246	1,338,124
Payments to suppliers			(996,517)	(764,092)
Payments to employees			(128,722)	(95,550)
Cash flow generated by operations			571,007	478,482
Income tax recovered / (paid)			(38,487)	(17,826)
Other receipts relating to operating activities			(180,299)	(126,007)
Cash flow from operating activities	(1)		352,221	334,649
Investing activities:				
Receipts relating to:				
Changes in the scope of consolidation		6	464	-
Financial investments		44	133,453	71,269
Property, plants and equipments			2,781	3,500
Grants related to assets			2,281	1,028
Interests and similar income			23,543	25,114
Dividends			6,879	368
Other			9,146	54
			178,547	101,333
Payments relating to:				
Changes in the scope of consolidation		6	(247,913)	(36,607)
Financial investments		44	(5,331)	(149,545)
Property, plants and equipments			(181,597)	(133,538)
Intangible assets			(420)	(736)
Other			(1,807)	(32)
			(437,068)	(320,458)
Cash flow from investing activities	(2)		(258,522)	(219,125)
Financing activities:				
Receipts relating to:				
Loans		44	475,039	25,643
Other			-	10
			475,039	25,653
Payments relating to:				
Loans		44	(77,028)	(32,807)
Iinterest and similar expenses			(83,327)	(85,575)
Dividends		15	(90,248)	(52,270)
Other			(16,081)	(2,421)
			(266,684)	(173,073)
Cash flow from financing activities	(3)		208,355	(147,420)
Change in cash and cash equivalents	(4)=(1)+(2)+(3)		302,055	(31,896)
Effect of exchange differences and other non-monetary transactions			(5,083)	(4,341)
Cash and cash equivalents at the beginning of the year			176,068	212,305
Cash and cash equivalents at the end of the year			473,040	176,068

The accompanying Notes 1 to 51 are an integral part of the consolidated cash flow statements for 2007 and 2006

The Board of Directors

Engº Jorge Manuel Tavares Salavessa Moura

Engº Luís Filipe Sequeira Martins

Dr. Manuel Luís Barata de Faria Blanc

CIMPOR INVERSIONES, S.A. (SOLE-SHAREHOLDER COMPANY) AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSE

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Amounts stated in thousands of euros)

	Notes	2007	2006
Hedging financial instruments:			
Income (expense) recognised directly in shareholder' equity	31	(8,709)	1,148
Financial investments available for sale:			
Income (expense) recognised directly in shareholder' equity	31	2,061	-
Actuarial gain and loss on employee benefit plans	31, 33	1,067	820
Variation in currency translation adjustments	30, 33	56,471	(121,719)
Adjustments in shareholder's equity	31	71	65
Net income (expense) recognised directly in shareholder's equity		50,962	(119,686)
Transfers:			
Transfer to income and losses statement of:			
Hedging financial instruments	31	(884)	-
Transfer to income and losses statement of:			
Available-for-sale financial assets	31	-	(14,767)
Consolidated net profit for the year		235,852	204,115
Total recognised income and expense for the year		285,929	69,662
Attributable to:			
Equity holders of the parent		253,213	59,541
Minority Interest		32,717	10,121
		285,929	69,662

The accompanying Notes 1 to 51 are an integral part of the consolidated statement for 2007 and 2006

The Board of Directors

Engº Jorge Manuel Tavares Salavessa Moura

Engº Luís Filipe Sequeira Martins

Dr. Manuel Luís Barata de Faria Blanc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

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 50). In the event of a discrepancy, the Spanish-language version prevails.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

(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. and 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. 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, Peru and Ecuador. 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).

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 2007 of the Cimpor Inversiones Group were prepared by the Parent's directors, at the Board of Directors Meeting held on 31 March 2008, 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 2007, and in accordance with the policies established by the Cimpor Group in Portugal.

These consolidated financial statements present fairly the Group's consolidated equity and financial position at 31 December 2007, 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 2007.

The consolidated financial statements for 2007 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 Group's consolidated financial statements for 2006, prepared in accordance IFRS, were approved by the shareholders at the Annual General Meeting of Cimpor Inversiones, S.A.U. on 29 June 2007. The 2007 consolidated financial statements of the Group and the 2007 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 2006 consolidated financial statements which are included for comparison purposes, were also prepared in accordance with IFRSs, as adopted by the European Union, on a basis consistent with that used in 2007.

In application of IFRS1 – Presentation of the financial statements and owing to the Group when applies IAS19 – Employee Benefits, the actuarial gains and losses are recognised directly in the equity, this consolidated annual report shown the changes made to the equity on the accompanying profits and losses account.

2.2. First-time application of IFRSs

As at the date of these financial statements, several standards and interpretations already issued but effective only in subsequent years, had not yet been adopted by the Group. These include the following ones which are applicable to the Cimpor Inversiones Group's current transactions:

IAS 1 (revised) – Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009).

IAS 23 (revised) – Borrowing costs (effective for annual periods beginning on or after 1 January 2009).

NIIF 3 (revised) - Business combinations and IAS 27 (revision) – Consolidated and separate financial statements (effective for annual periods beginning on or after 1 January 2009). This revision might have impacts in future business combinations concerning Cimpor Inversiones Group.

IFRS 8 - Operating segments (effective for annual periods beginning on or after 1 January 2009). The possible impact of the adoption of this standard is still being evaluated, but it is not expected any change in terms of the number of reported segments.

IFRIC 14 – The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2008). Potential impacts resulting from the adoption of this interpretation were not yet evaluated.

Additionally, the impact of the acoption of the standards and interpretations that became effective on or after 1 January 2007, can be described as follows:

- IFRS 7 – Financial instruments: disclosures and amendments to IAS 1 – Presentation of financial statements – capital disclosures: this standard introduces new disclosures relating to financial instruments and its risks, not having, although, any impact in this valuation or classification.

- IFRIC 7 – Applying the restatement approach under IAS 29 – Financial Reporting in Hyperinflationary Economies: no impact in the Cimpor Inversiones Group financial statements.

- IFRIC 8 – Scope of IFRS 2: no impact in the Cimpor Inversiones Group financial statements.

- IFRIC 9 – Reassessment of embedded derivatives: no impact in the Cimpor Inversiones Group financial statements.

- IFRIC 10 – Interim financial reporting and impairment: no impact in the Group's financial statements for the years ended 31 December 2007 and 2006.

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

Goddwill 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 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 of deferred tax assets is reviewed by Management at the end of each reporting period and it takes into consideration the expectation about the future performance of the company.

- 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. Control is presumed to exist when the Group owns directly or indirectly the majority of the voting power of the investee, or when it has effective control over its management.

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 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. Any deficiency of the cost of acquisition below the fair value of the net assets acquired is recognised in profit or loss.

Intra-Group transactions, balances and dividends are eliminated in proportion to the control attributable to the Group.

Investments in the jointly controlled entities are classified on the basis of the inter-company agreements regulating the control.

c) Business combinations

Business combinations, namely the acquisition of controlled and subsidiary companies, are recorded in accordance with the purchase method. Cost corresponds to the sum of the fair values of the assets acquired less the liabilities incurred or assumed and the equity instruments issued in exchange for the control acquired as of the transaction date plus any cost directly attributable to the purchase process.

The identifiable assets, liabilities and contingent liabilities of a subsidiary that meet the criteria to be recognised in accordance with IFRS 3 – Business Combinations, are measured by their fair value as of the purchase date, except for non current assets (or groups of assets) that are identified as held for sale in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured by their respective fair values less costs to sell.

Any excess of cost over the vair value of the identifiable net assets acquired as of the purchase date is recorded as Goodwill. Where cost is lower 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 is made.

Minority shareholders' interest is reflected in proportion to the fair value of the assets and liabilities identified.

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.

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.

Any excess of the cost of acquisition over the fair value of the identifiable net assets is recognised as goodwill. Any deficiency of the cost of acquisition below the fair value of the identified net assets is recognised in the income statement for the year.

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

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Goodwill is recognised as an asset and is not amortised and is presented either as a separate balance-sheet. On an annual basis, or when there is an indication that goodwill might be impaired, it is tested for impairment. Any impairment losses are recognised immediately as an expense in the Income statement for the year and cannot subsequently be reversed.

On disposal of a subsidiary, an associate or a jointly controlled company, the related goodwill is included in its measurement.

As a result of the exception provided for in IFRS 1, the Group adopted the provisions of IFRS 3, Business Combinations, for all acquisitions subsequent to the Company's date of formation. The goodwill arising from acquisitions made subsequent to this date was recalculated in the respective currencies of the subsidiaries, and was translated to the functional currency of the Group (euros) at the exchange rates prevailing at the balance sheet date, and up to the limit of the estimated recoverable amount of these assets.

Exchange differences arising on translation are recognised under "Translation Differences".

Exchange differences arising prior to 1 January 2004 were taken directly to reserves, in accordance with IFRS 1.

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. Non-current assets held for sale

Non current assets (or discontinued operations) are classified as held for sale if the amount is realisable through sale, as opposed to through continued use. This is considered to be the case where the sale is probable and the asset is available for immediate sale it its current condition, management is commited to a sales plan and the sale is expected to take place in a period of twelve months.

Non current assets (or discontinued operations) classified as held for sale are stated at the lower of book value or fair value less costs to sell.

3.2. Intangible assets

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 2007 and 2006, the Group does not have this type of assets.

3.3. 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.

Items of property, plant and equipment are depreciated on a straight-line basis from the date on which they become available for use, in accordance with the following estimated useful lives:

	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 quarry operations is depreciated over the projected period of operation.

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 income.

3.4. 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.

3.5. 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. An intangible asset with an indefinite useful life is tested for impairment at least annually.

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.

3.6. 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.

In order to reduce its exposure to foreign currency risk, the Group arranges derivative hedging instruments.

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. 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.

3.10. Balance sheet classification

Assets to be realised and liabilities to be settled within one year of the balance sheet date are classified as current.

3.11. 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 and 20) and income tax, are excluded.

3.12. 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.

3.13. Financial instruments

a) Cash and cash equivalents

"Cash and Cash Equivalents" includes cash and bank deposits, time deposits and other cash applications with a maturity of less than three months that can be made immediately available and are subject to an insignificant risk of changes in value.

For cash flow classification purposes, "Cash and Cash Equivalents" also includes the bank overdrafts included under "Other 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 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.

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 are contracts that evidence a residual interest in the Group's assets, after deducting its liabilities.

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.

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.

The Group does not use 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.

<u>Hedging transactions</u>

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) Treasury shares

Treasury shares are recognised at acquisition cost as a deduction from equity. Gains and losses arising from the disposal of treasury shares are recognised in reserves.

i) 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 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.

3.14. 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 obligation), 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.

3.15. 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 is the case with the treatment 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.

3.16. Contingent assets and liabilities

Contingent liabilities are not recognised in the consolidated financial statements, being, where applicable, only disclosed in these notes to consolidated financial statement as required by IAS 37.

Contingent assets are not recognised in the consolidated financial statements, but rather are disclosed when an inflow of future economic benefits is probable.

3.17. 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.

Revenue associated with the rendering of services is recognised in the period in which the services are rendered.

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.

3.18. 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 reversed.

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.

3.19. Income tax

Income tax is calculated on the basis of the taxable profit (or tax loss) (which differs from the accounting profit) of the consolidated companies, in accordance with the tax rules in force in the countries in which each of the Group companies are resident and taking into account deferred taxation.

Deferred taxes include temporary differences arising from the differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred taxes assets and liabilities are calculated and are periodically measured at the tax rates that are expected to apply at the date on which the temporary differences reverse, and they are not discounted.

Deferred tax assets are only recognised to the extent that the Group reasonably expects to obtain sufficient taxable profits in the future. At each balance sheet date, the temporary differences underlying the deferred tax assets are assessed, in order to recognise or adjust them, based on the current expectations of their future recovery.

3.20. 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.

3.21.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.

3.22. CO_2 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 2007 and 2006 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 years ended 31 December 2007 and 2006, the changes in measurement bases involving the largest amounts were those made to the variables used in actuarial studies to determine employee benefit obligations as described in Note 34. In these years there were no changes in accounting policies or corrections of errors.

5. COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION

5.1. Fully consolidated companies

The fully consolidated companies included the Parent, Cimpor Inversiones, S.A.U., and the following subsidiaries in which a majority of the voting power (control) is held: (See Appendix for additional information on these subsidiaries)

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
HOLDING		31/12/2007	31/12/2006
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 36204 Vigo	99.54	99.54
C.N. HORMIGONES Y ÁRIDOS	CORPORACIÓN NOROESTE DE HORMIGONES Y ÁRIDOS, S.L.(1) Brasil, 56 36204 Vigo	99.54	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 14014 Córdoba	99.54	99.54
CEMENTOS ANDALUCÍA	CEMENTOS DE ANDALUCÍA, S.L.(1) Av. de la Agrupación de Córdoba, 15 14014 Córdoba	99.54	99.54
OCCIDENTAL HORMIGONES	OCCIDENTAL DE HORMIGONES, S.L.(1) Calle la Viela Polígono Industrial el Nevero 06006 Badajoz	99.54	99.54

(1) Sole Shareholder Company

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2007	EFFECTIVE % OF OWNERSHIP 31/12/2006
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	99.54
CEMENTOS NOROESTE	CEMENTOS NOROESTE, S.L.(1) Brasil, 56 36204 Vigo	99.54	99.54
SERMACONSA	SERVICIOS Y MATERIALES PARA LA CONSTRUCCIÓN, S.A.(1) Brasil, 56 36204 Vigo	99.54	99.54
MORTEROS GALICIA	MORTEROS DE GALICIA, S.L. Brasil, 56 36204 Vigo	99.54	99.54
HORMIGONES HÉRCULES	HORMIGONES HÉRCULES, S.L.(1) Polígono Industrial – El Prado – 40 – Mérida 06800 – Badajoz	99.54	99.54
S.I.F. GALLEGA	SOCIEDAD INDUSTRIAL Y FINANCEIRA GALLEGA, S.L.(1) Brasil, 56 36204 Vigo	99.54	99.54
TABANQUE, S.L.	TABANQUE, S.L.(1) Brasil, 56 36204 Vigo	99.54	99.54
HORMIGONES MIÑO	HORMIGONES MIÑO, S.L. Brasil, 56 36204 Vigo	99.52	99.52
CEMENTOS COSMOS	CEMENTOS COSMOS, S.A. Brasil, 56 36204 Vigo	99.29	99.29
PREBETONG GALICIA	PREBETONG GALICIA, S.A. Brasil, 56 36204 Vigo	98.42	98.42
CANTERAS PREBETONG	CANTERAS PREBETONG, S.L. Brasil, 56 36204 Vigo	98.42	98.42

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
		31/12/2007	31/12/2006
BOMTRAHOR	BOMBEO Y TRANSPORTE DE HORMIGON, S.A. Brasil, 56 36204 Vigo	92.80	92.80
PREBETONG LUGO	PREBETONG LUGO, S.A. Av. Benigno Rivera s/n - Políg. Ind. del Ceao 27003 Lugo	81.58	81.58
P.LUGO DE HORMIGONES	PREBETONG LUGO DE HORMIGONES, S.A. Brasil, 56 36204 Vigo	81.58	81.58
F.Y.H. SANI	FIRMES Y HORMIGONES SANI, S.L. CARRETERA NACIONAL – 630 Gijón – Sevilla, Km 308 06200 ALMENDRALEJO (BADAJOZ)	92.43	79.63
MATERIALES ATLÁNTICO	MATERIALES DEL ATLÁNTICO, S.A. Polígono Industrial Lagoas – Carretera Cedeira Km. 1,5 15570 Narón (La Coruña)	69.02	69.02
HORMINGONES LA BARCA	HORMIGONES Y ÁRIDOS LA BARCA, S.A. Calle La Barca, nº 14 36002 Pontevedra	49.77	49.77
ARICOSA	ÁRIDOS DE LA CORUÑA, S.A. Candame 15142 Arteixo La Coruña	49.21	49.21
CANPESA	CANTEIRA DO PENEDO, S.A. Reina, 1 – 3º 27001 Lugo	40.77	40.77
MOROCCO			
ASMENT DE TEMARA	ASMENT DE TEMARA, S.A. Ain Attig – Route de Casablanca Témara	62.60	62.60
BETOCIM	BETOCIM, S.A. Ain Attig – Route de Casablanca Témara	97.50	97.50

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2007	EFFECTIVE % OF OWNERSHIP 31/12/2006
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 3, Rue de Touraine, Cité Jardins 1002 Tunis – Belvédère	100.00	100.00
BRAZIL			
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
C.B.	CIMPOR BRASIL PARTICIPAÇÕES, LTDA. Av. Mª Coello Aquiar, 215 Bl E – 8º J- São Luís – São Paulo	-	100.00
MOZAMBIQUE			
CIM. MOÇAMBIQUE	CIMENTOS DE MOÇAMBIQUE, S.A.R.L. Av. Fernão de Magalhães, 34 – 2º, nº1 Maputo – Caixa Postal 270	65.41	65.41
CIMBETÃO	CIMPOR BETÃO MOÇAMBIQUE, S.A.R.L. Estrada de Lingamo Matola	65.41	65.41
PREMAR	PREFABRICADOS DE MAPUTO, S.A.R.L. Avª 24 de Julho, 2096, 4º Andar Maputo	-	56.65

EGYPT

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2007	EFFECTIVE % OF OWNERSHIP 31/12/2006
AMCC	AMREYAH CEMENT COMPANY El Gharbaneyat – Borg El Arab City P. O. Box 21511 Alexandria	96.39	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	97.29	97.29
CSC	CEMENT SERVICES COMPANY, S.A.E. El Gharbaneyat – Borg El Arab City P.O. Box 21511 Alexandria	53.37	53.37
CIMPSAC	CIMPOR SACS MANUFACTURE COMPANY, S.A.E. El Gharbaneyat – Borg El Arab City P.O. Box 21511 Alexandria	99.59	99.59
AMREYAH DEKHEILA	AMREYAH DEKHEILA TERMINAL COMPANY – S.A.E. Trade City Center – Down Town Desert Road International Garden - Alejandria	97.34	97.34

SOUTH AFRICA

NPCC	NATAL PORTLAND CEMENT COMPANY (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban South Africa	100.00	100.00
NPC	NPC - CIMPOR (PTY) LIMITED 199 Coedmore Road Bellair 4094 Durban South Africa	74.00	100.00
DCL	DURBAN CEMENT LTD. 199 Coedmore Road Bellair 4094 Durban – South Africa	100.00	100.00

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2007	EFFECTIVE % OF OWNERSHIP 31/12/2006
SRT	THE SIMUNA REHABILITATION TRUST 1 Wedgelink Road Bryanstone – South Africa	100.00	100.00
NPC - CELL "A7"	NATAL PORTLAND CEMENT (PTY) – CELL "A7" 5 th Floor Sa Eagle House 70 Fox Street Johannesburg South Africa	100.00	100.00
CONCRETE	CONCRETE MIX (PTY) LTD. T/A SOUTH COAST MIXED CONCRETE P. O. Box 255 4240 Port Shepstone	100.00	100.00
S C STONE	SOUTH COAST STONE CRUSHERS (PTY) LTD. P. O. Box 255 4240 Port Shepstone	100.00	100.00
EEDESWOLD	EEDESWOLD HIGHLANDS (PTY) LTD. P.O. Box 255 4240 Port Shepstone	100.00	100.00
S C MINING	SOUTH COAST MINING (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban South Africa	100.00	100.00
STERKSPRUIT QUARRIES	STERKSPRUIT QUARRIES (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban South Africa	100.00	100.00
STERKSPRUIT CONCRETE	STERKSPRUIT CONCRETE (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban South Africa	100.00	100.00
STERKSPRUIT INVESTMENTS	STERKSPRUIT INVESTMENTS (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban – South Africa	100.00	100.00

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2007	EFFECTIVE % OF OWNERSHIP 31/12/2006
CAPE VERDE			
NORDICAVE TRADING	NORDICAVE TRADING INDUSTRIAL, LIMITADA. Estrada de Tira Chapéu, Praia, Santiago – 14/A Cape Verde	100.00	100.00
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	53.27	53.27
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	54.26	-
CHINA			
CIMPOR MACAU INVESTMENT	CIMPOR MACAU INVESTMENT COMPANY, LTD. Av. da Praia Grande, 693 Edifício Tai Wash - 15º andar MACAU (R. P. China)	50.00	-
CIMPOR CHENGTONG	CIMPOR CHENGTONG CEMENT CORPORATION LTD. Suite 6404, 64th floor Central Plaza, 18 Harbour Road Wanchai – Hong Kong (R.P. China)	40.00	80.00

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2007	EFFECTIVE % OF OWNERSHIP 31/12/2006
SEA – LAND MINING	SEA – LAND MINING LIMITED Suite 6404, 64th floor Central Plaza, 18 Harbour Road Wanchai - Hong Kong (R. P. China)	40,00	-
NEW LIUYUAN	SHANGDONG LIUYUAN NEW TYPE CEMENT DEVELOPMENT COMPANY LIMITED Kuangsi Village, Liuyuan Town, Yicheng District Zaozhuang City, Shangdong Province ZIP code: 277300 (R.P. China)	38.40	-
NANDA	SUZHOU NANDA CEMENT COMPANY LTD N°. 1, WenDu Road, Wang Ting Town, Xiang Cheng District Suzhou City, Jiangu Province ZIP code: 215155 (R.P. China)	28.41	-
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	38.40	-
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	38.40	-
TURKEY			
CIMPOR YIBITAS	CIMPOR YIBITAS CIMENTO SANAYI VE TICARET A.S. Portakal Cicegi Sokak n° 33 – 06540 06540 Cankaya/Ankara/TURKIYE	50.21	-
YOZGAT	YIBITAS YOZGAT ISCI BIRLIGI INSAAT MALZEMELERI TICARET VE SANAYI A. S. Portakal Cicegi Sokak n° 33 – 06540 06540 Cankaya/Ankara/TURKIYE	39.04	-
YIBMAK	CIMPOR YIBITAS MUHENDISLIK MAKINA SANAYI VE TICARET A.S. Portakal Cicegi Sokak n° 33 – 06540 06540 Cankaya/Ankara/TURKIYE	25.51	-

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP 31/12/2007	EFFECTIVE % OF OWNERSHIP 31/12/2006
BEYNAK	CIMPOR YIBITAS BEYNELMILEL NAKLIYECILIK TICARET VE SANAYI A.S. Portakal Cicegi Sokak nº 33 - 06540 06540 Cankaya/Ankara/TURKIYE	50.21	-
NAKLIYECILIK	CIMPOR YIBITAS NAKLIYECILIK LTD. STI. Portakal Cicegi Sokak nº 33 – 06540 06540 Cankaya/Ankara/TURKIYE	50.21	-
PERU			
CEMENTOS OTORONGO	CEMENTOS OTORONGO, S.A.C. Calle Siglo XXI nº 120 Centro Comercial La Gran Vía, Of.549 – 551 Cercado Arequipa – Perú	80.00	-
AGRECOM	AGREGADOS COMERCIALIZADOS, S,A,C, Av. Nestor Gambetta s/n Base Naval del Callao, Puerta 6 (Callao – Perú)	40.00	-
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	100.00
SCANANG TRADING	SCANANG TRADING ACTIVITIES-ESPAÑA, SOCIEDAD ANÓNIMA Brasil, 56 36204 Vigo	100.00	100.00

CIMPOR DEL ECUADOR	CIMPOR DEL ECUADOR, S.A. Distrito metropolitano de Quito Provincia de Pichincha	90.00	-

5.2. Associates

The associates accounted for using the equity method (see Note 20) at 31 December 2007 are as follows:

ABBREVIATION	COMPANY	EFFECTIVE % OF OWNERSHIP	EFFECTIVE % OF OWNERSHIP
		31/12/2007	31/12/2006
CEMENTOS ANTEQUERA	CEMENTOS ANTEQUERA, S.A. Carretera del Polvorín km 2, margen izquierdo 29540 Bobadilla, Estación. Málaga	21.29	21.35
ARENOR	ARENOR, S.L. Calle Montecarmelo, 1 – 5º C Sevilla	28.44	28.44
AUXILIAR DE ÁRIDOS	AUXILIAR DE ÁRIDOS, S.L. Calle Montecarmelo, 1 – 5º C Sevilla	-	28.32

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
BRASIL		31/12/2007	31/12/2006
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

The main changes in the scope of consolidation in the year ended 31 December 2007 relate mainly to:

Acquisitions:

- In Turkey, acquisition of direct and indirect participations representing 50.21% of the share capital of Yibitas Lafarge Orta Anadolu Cimento Sanayi ve Ticaret, A.S., now called Cimpor Yibitas Cimento Sanayi ve Ticaret A.S., which part of its participations were acquired directly from a Lafarge Group Company for around 269 millions of euros.

- In China, constitution of the company Cimpor Macau Investment Company, Ltd., based in Macau (China), in which Cimpor Inversiones, S.A.U. has 50% shares. This company was formed as the head of the Group for the development of the cement activity in that area.

- Conclusion of the acquisition by the subsidiary Cimpor Chengtong Cement Corporation, Ltd. (Cimpor Chengtong) of 60% of Shandong Liuyuan New Type Cement Development Company, Ltd. (New Liuyuan) and all the share capital of Sea-Land Mining, the main asset of which is a 71.03% shareholding in Suzhou Nanda Cement Company, Ltd. (Nanda). Our shareholding in New Liuyuan went up to 96% in 2007 through a share capital increase wholly subscribed by Cimpor Chengtong. The shareholder owning 4% of New Liuyuan has a call option exercisable in five years on the part that it was to subscribe.

- In Cape Verde, acquisition of 55% of the share capital of Betões de Cabo Verde, S.A.

- In Peru, acquisition of 80% of the share capital of Cementos Otorongo, S.A.C., which owns 50% of Agregados Comercializados, S.A.C.

- In Ecuador, constitution of the company Cimpor del Ecuador, S.A., with 90% of the share capital.

Sales

- In Spain, sale of our whole shareholding in Auxiliar de Áridos, S.L.

- In Mozambique, sale of the whole shareholding owned by Cimentos de Moçambique in Premap – Prefabricados de Maputo, S.A.R.L.

The impact of the changes in the scope of consolidation on the balance sheet at 31 December 2007 is as follows:

Captions	Acquisitions						Sales			
	Turkey	China	Cape Verde	Brazil	Perú	Subtotal of acquisitions	Spain	Mozambique	Subtotal of sales	Total
Non current assets:										
Intangible assets (Note 18)	1.172	1.081	-	-	448	2.702	-	-	-	2.702
Tangible assets (Note 19)	211.462	42.735	1.123	2.509	6.616	264.445	-	(273)	(273)	264.172
Investments in associates (Note 20)	-	-	-	-	-	-	(94)	-	(94)	(94)
Accounts receivable - other	81	-	-	-	7.585	7.666	-	-	-	7.666
Deferred tax assets (Note 25)	641	-	-	-	206	847	-	-	-	847
Total non-current assets	213.356	43.816	1.123	2.509	14.856	275.661	(94)	(273)	(367)	275.293
Current assets:										
Inventories	19.927	3.879	44	-	219	24.069	-	(73)	(73)	23.995
Accounts receivable - trade	26.974	5.321	702	-	55	33.051	-	(81)	(81)	32.970
Accounts receivable - other	793	1.207	55	-	-	2.055	-	(2)	(2)	2.053
Taxes recoverable	2.755	16	-	-	1.021	3.793	-	-	-	3.793
Other current assets	816	-	11	-	23	850	-	(6)	(6)	844
Total current assets	51.265	10.424	812	-	1.318	63.818	-	(163)	(163)	63.655
Total assets	264.621	54.240	1.935	2.509	16.173	339.478	(94)	(436)	(530)	338.948
Non current liabilities:										
Deferred tax liabilities (Note 25)	(29.233)	-	-	-	(10)	(29.242)	-	-	-	(29.242)
Provisions for risks and charges (Note 35)	(6.730)	-	-	-	(19)	(6.750)	-	-	-	(6.750)
Loans	-	(5.029)	(448)	-	(606)	(6.084)	-	-	-	(6.084)
Accounts payable - other	(614)	(1.655)	-	-	-	(2.269)	-	-	-	(2.269)
Total non-current liabilities	(36.577)	(6.684)	(448)	-	(635)	(44.345)	-	-	-	(44.345)
Current liabilities:										
Current liabilities - trade	(15.393)	(4.459)	(678)	-	(206)	(20.736)	-	324	324	(20.412)
Accounts payable - other	(1.704)	(2.880)	(523)	-	(71)	(5.178)	-	33	33	(5.145)
Taxes payable	(1.889)	(159)	(45)	-	-	(2.093)	-	12	12	(2.080)
Loans	(761)	(38.103)	-	-	(7.641)	(46.504)	-	-	-	(46.504)
Other current liabilities	(3.888)	(649)	-	-	-	(4.538)	-	45	45	(4.493)
Total current liabilities	(23.635)	(46.250)	(1.246)	-	(7.918)	(79.049)	-	415	415	(78.634)
Total liabilities	(60.212)	(52.934)	(1.694)	-	(8.553)	(123.394)	-	415	415	(122.979)
Minority interest (Note 33)	(116.468)	(6.373)	(132)	-	(2.785)	(125.757)	-	25	25	(125.732)
Net amount	87.942	(5.067)	109	2.509	4.835	90.328	(94)	4	(90)	90.237
Goodwill (Note 17)	157.481	4.072	261	1.054	3.626	166.494	-	(40)	(40)	166.454
Adjustments in investments in associates	-	-	-	-	-	-	40	-	40	40
Capital (gain) / loss	-	-	-	-	-	-	(243)	(132)	(374)	(374)
Accounts payable - other	-	(980)	-	(361)	(7.569)	(8.910)	-	-	-	(8.910)
Net amount paid / (received)	245.423	(1.976)	370	3.203	893	247.912	(297)	(167)	(464)	247.448
Cash and cash equivalents	23.530	3.051	46	-	4.612	31.239	-	(10)	(10)	31.229
Net assets acquired / (sold)	268.952	2.056	416	3.563	13.073	288.060	(297)	(177)	(474)	287.586

The changes in the scope of consolidation had the following impact on the Consolidated Income statement at 31 December 2007:

Captions	Turkey	China	Other	Total
Operating income	189.554	24.839	15.174	229.567
Operating expenses	165.996	23.815	16.489	206.300
Net operating income	23.558	1.024	(1.315)	23.267
Net financial income	(1.110)	(2.845)	77	(3.878)
Profit before income tax	22.448	(1.820)	(1.238)	19.390
Income tax	(5.177)	-	416	(4.761)
Net profit for the year	17.271	(1.820)	(822)	14.629
Attributable to:				
Equity holders of the parent	7.340	(726)	(740)	5.874
Minority interest	9.931	(1.094)	(82)	8.755

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 2007 and 2006 and in the translation of the profit or loss for the years then ended, were as follows:

		Closing exchange rate			Average exchange rate		
Divisa	Segment	2007	2006	Var.%	2007	2006	Var.%
USD	Other	1,4721	1,3170	11,8	1,3707	1,2562	9,1
MAD	Morocco	11,4042	11,1354	2,4	11,3084	11,1827	1,1
BRL	Brazil	2,5963	2,8118	(7,7)	2,6690	2,7383	(2,5)
TND	Tunisia	1,8030	1,7078	5,6	1,7726	1,6859	5,1
MZM	Mozambique	34.830,00	34.470,00	1,0	35.156,33	32.796,98	7,2
CVE	Cape Verde	110,2650	110,2650	-	110,2650	110,2650	-
EGP	Egypt	8,1072	7,5217	7,8	7,8368	7,3087	7,2
ZAR	South Africa	10,0298	9,2124	8,9	9,6710	8,5314	13,4
HKD	Hong Kong	11,4800	10,2409	12,1	10,6949	10,1427 [1]	5,4
TRY	Turkey	1,7170	-	-	1,7826 [2]	-	-
PEN	Peru	4,4862	-	-	4,4080 [3]	-	-
CNY	China	10,7524	-	-	10,5908 [4]	-	-
MOP	Macau	11,8244	-	-	11,2599 [4]	-	-

[1] Average exchange rate from 1 November to 31 December 2006
[2] Average exchange rate from 1 March to 31 December 2007
[3] Average exchange rate from 1 to 31 December 2007
[4] Average exchange rate from 1 July to 31 December 2007

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 2007 and 2006 in the various business lines relating to each of the geographical segments is as follows:

2007

2007

	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	Others	Unallocated	Eliminations	Consolidated
Sales and services rendered:													
External sales	460.791	80.478	59.732	120.600	163.053	321.760	60.078	128.119	23.939	30.522	24.776	-	1.473.848
Inter segment sales	1.280	-	-	3.328	-	207	-	1.658	-	-	98.054	(104.527)	-
Total	462.071	80.478	59.732	123.927	163.053	321.967	60.078	129.778	23.939	30.522	122.830	(104.527)	1.473.848
Operating results	92.337	26.409	10.826	46.017	23.558	37.144	28.797	38.051	260	2.129	14.306	-	321.835
Financial expenses													(147.779)
Financial income													88.715
Share of results of associates													2.675
Other investment income													6.104
Profit before income tax													271.549
Income tax													(35.697)
Net profit for the year													235.852

Transactions between various geographical segments are carried out at market prices.

The net profit shown relates to the total profit of the various business lines, disregarding the portion attributable to minority interests, which amounted to:

Other information

	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	Others	Unallocated	Consolidated
Profit for the year attributable to minority interest	1.663	7.522	-	1.243	9.931	-	7.011	-	(170)	(117)	(4)	27.078

Also, the detail, by geographical area, of the assets and liabilities and their reconciliation with the consolidated totals at 31 December 2007 are as follows:

Other information:

	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	Others	Unallocated	Consolidated
Fixed capital expenditure	42.701	8.926	1.638	18.385	253.616	39.145	3.903	39.861	44.470	13.800	-	466.448
Depreciation and amortisation	33.272	6.775	7.773	11.114	13.963	30.031	1.461	4.957	1.586	824	-	111.754
Provisions and impairment losses	10.437	46	345	1.474	1.306	6.691	(17.417)	-	-	42	-	2.925

Also, the detail, by geographical area, of the assets and liabilities and their reconciliation with the consolidated totals at 31 December 2007 are as follows:

	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	Others	Unllocated	Eliminations	Consolidated
Assets													
Segment assets	644.313	153.615	120.227	400.527	510.960	1.352.918	80.308	253.215	67.476	54.141	674.004	(367.549)	3.944.155
Investments in associates													21.081
Total consolidated assets													3.965.236
Liabilites													
Segment liabilities	361.536	33.711	16.348	39.800	106.145	307.665	24.036	69.725	42.473	27.105	1.821.636	(367.545)	2.482.636
Total consolidated liabilities													2.482.636

The information, by business line, for the year ended 31 December 2007 is as follows:

	Sales and services rendered	Net assets	Fixed capital expenditure
Cement	1.087.808	3.156.733	439.839
Ready-mix and pre-cast concrete	331.067	332.884	21.274
Others	54.973	475.619	5.334
	1.473.848	3.965.236	466.446

2006

	Spain	Brazil	Egypt	Tunisia	Morocco	South Africa	Others	Unallocated	Eliminations	Consolidated
Sales and services rendered:										
External sales	427.691	267.880	126.809	59.615	70.985	119.511	72.530	37.734	-	1.182.754
Inter segment sales	3.283	2.468	13.109	-	1.813	-	-	35.254	(55.927)	-
Total	430.974	270.348	139.918	59.615	72.798	119.511	72.530	72.988	(55.927)	1.182.754
Operating results	110.113	34.506	50.625	9.650	25.889	39.561	8.819	8.876	-	288.038
Financial expenses										(145.877)
Financial income										86.272
Share of results of associates										535
Other investment income										16.250
Profit before income tax										245.218
Income tax										(41.102)
Net profit for the year										204.115

Transactions between various geographical segments were carried out at market prices.

The net profit shown relates to the total profit of the various business lines, disregarding the portion attributable to minority interests, which amounted to:

	Spain	Brazil	Egypt	Tunisia	Morocco	South Africa	Others	Unallocated	Consolidated
Profit for the year attributable to minority interests	2.017	-	1.368	-	6.916	-	1.737	-	12.037

Other information

	Spain	Brazil	Egypt	Tunisia	Morocco	South Africa	Others	Unallocated	Consolidated
Fixed capital expenditure	33.171	30.431	20.469	3.704	4.804	43.878	8.090	-	144.548
Depreciation and amortisation	32.033	26.092	11.730	7.841	7.664	7.742	1.729	0	94.832
Provisions and impairment losses	1.381	-	987	20	(28)	619	172	170	3.320

Also, the detail, by geographical area, of the assets and liabilities and their reconciliation with the consolidated totals at 31 December 2006 were as follows:

	Spain	Brazil	Egypt	Tunisia	Morocco	South Africa	Others	Unallocated	Eliminations	Consolidated
Assets										
Segment assets	696.724	1.177.287	401.651	129.812	127.191	223.011	80.066	586.049	(407.937)	3.013.854
Investments in associates										18.580
Total consolidated assets										3.032.434
Liabilites										
Segment liabilities	344.034	236.757	56.936	15.332	30.244	46.351	27.389	1.464.477	(407.937)	1.813.583
Total consolidated liabilities										1.813.583

The information, by business line, for the year ended 31 December 2006 were as follows:

	Revenue	Net assets	Other non-current Assets
Cement	900.098	2.548.803	111.315
Ready-mix and pre-cast concrete	227.120	245.682	25.426
Other	55.536	237.949	7.807
	1.182.754	3.032.434	144.548

9. OTHER OPERATING INCOME

The detail of the heading "Other Operating Income" at 31 December 2007 and 2006 is as follows:

	2007	2006
Suplementary income (a)	2.107	112
Grants related to income	3	4
Group work on non-current assets	1.992	1.706
Recovery of receivables	4	50
Revenues obtained from the sale of assets (b)	3.256	2.333
Reversal of allowances for doubtful receivables	1.113	2.437
Reversal of inventory allowances	260	21
Grants related to assets	326	909
Other	7.921	5.360
	16.982	12.932

(a) The gains indicated relate mainly to gains derivated from the machinery rent.
(b) The gains indicated relate mainly to gains on the disposal of items of property, plant and equipment.

10. COST OF SALES

In the years ended 31 December 2007 and 2006, the cost of sales was as follows:

	2007	2006
Goods sold	115.302	75.192
Material used in production	377.489	282.441
Other	213	(18)
	493.004	357.615

11. STAFF COSTS

The average number of employees, by business and geographical segment, in the years ended 31 December 2007 and 2006 was as follows:

	2007	2006
Cement operations	**4.088**	**2.920**
Spain	492	520
Brazil	715	719
Egypt	462	482
Tunisia	226	236
Morocco	180	187
South Africa	271	321
Turkey	634	-
China	623	-
Other	485	455
Ready-mix concrete and aggregates	**1.451**	**981**
Spain	429	420
Brazil	555	381
Morocco	23	21
South Africa	146	139
Turkey	140	-
Other	158	20
Other activities	**70**	**92**
Common functions	**279**	**244**
	5.888	**4.237**

Staff costs in the years ended 31 December 2007 and 2006 were as follows:

	2007	2006
Wages and salaries	92.237	72.282
Employer social security costs	15.812	11.862
Other staff costs	19.204	16.624
Insurance	306	216
Other welfare costs (Note 34)	110	51
Pension plans (Note 34)	1.856	1.643
	129.525	**102.677**

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 2007 and 2006 were as follows:

	2007	2006
Adjustments for doubtful debts	4.168	4.908
Taxes	5.919	4.826
Association membership fees	2.405	1.266
Inventory adjustments	663	879
Fines and penalties	343	73
Losses on disposal of assets	463	597
Other operating expenses	3.338	2.489
	17.299	15.038

13. FINANCIAL PROFIT

The detail of the financial profit for the years ended 31 December 2007 and 2006 is as follows:

	2007	2006
Financial expenses:		
Interest expense:		
Variation in fair-value:		
Trading Derivative financial instruments (a)	7.752	12.555
Financial assets/liabilities at fair value (a)	2.128	183
	9.880	-
Other	82.330	69.815
Foreign exchange loss:		
Variation in fair-value:		
Trading Derivative financial instruments (a)	32.320	35.702
Financial assets/liabilities covered	2.286	4.575
	34.606	40.277
Other	6.317	10.893
Financial discount allowed	1.533	1.413
Other financial expenses	13.113	10.741
	147.779	145.877
Financial income:		
Interest income:		
Variation in fair-value:		
Trading Derivative financial instruments (a)	15.531	12.716
Financial assets/liabilities at fair value (a)	217	669
	15.748	13.385
Other	24.362	26.561
Foreign exchange gain:		
Variation in fair-value:		
Hedging derivative financial instruments	2.286	4.575
Financial assets/liabilities at fair value (a)	32.320	35.702
	34.606	40.277
Other	8.165	3.212
Cash discount received	174	183
Gain on the sale of other financial assets	-	305
Other financial income	5.660	2.349
	88.715	86.272
Share of results of associates:		
Gain in associated companies	2.675	535
	2.675	535
Investment income:		
Dividends	6.804	241
Gains/(losses) on the sale of investments	(700)	16.009
	6.104	16.250

(a) These captions are mainly related to: "US Private Placements" fair value changes (Note 36), 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 38) are not qualified by the Group for hedge accounting effects.

In 2007 and 2006 the profit or loss at associates included the effect of using the equity method to account for the investments in associates.

14. INCOME TAX

The detail of the income tax for the years ended 31 December 2007 and 2006 is as follows:

	2007	2006
Current tax	43.263	25.492
Deferred tax	(7.744)	16.794
Prior years' adjustments	177	(1.184)
Expenses for the year	35.697	41.102

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., SERMACONSA, Prebetong Galicia, S.A., Hormigones Miño, S.L., Canteras Prebetong, S.L., Cementos Noroeste, S.L., Corporación Noroeste de Hormigones y Áridos, S.L., Cementos el Monte, S.L., Hormigones Hércules, S.L., Sociedad de Cementos y Materiales de Construcción de Andalucía, S.A., Morteros de Galicia, S.L., Cimpor Sagesa, S.A., Sociedad Industrial y Financiera Gallega, S.L., 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., Tabanque, S.L., Materiales del Atlántico, S.A., Scanang Trading Activities España, S.A. and Firmes y Hormigones Sani, S.L.

The income tax relating to the other geographical segments is calculated at the respective local rates in force.

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 income tax expense was calculated as follows:

	2007	2006
Tax rate applicable in Portugal	32,50%	35,00%
Operational results non taxable (a)	(3,46%)	(2,29%)
Financial results non taxable (b)	(2,51%)	(0,19%)
Benefits by deduction to the taxable profit and to the collect (c)	(1,07%)	(8,25%)
Adjustments on deferred taxes (d)	(10,26%)	(2,47%)
Rate differences	(2,46%)	(4,56%)
Others	0,41%	(0,48%)
Effective tax rate of the Group	13,15%	16,76%

(a) Included in this item are the profits of tax exempt companies and transactions that are not relevant for tax purposes.

(b) This item consists of financial profits and losses that are not relevant for tax purposes, the most important of it are gains appropriated from associated companies and, essentially in 2007, the gain from the financial asset held to maturity mentioned in Note 21.

(c) This includes tax benefits and goodwill depreciation deductible for tax purposes.

(d) This item essentially includes deferred tax adjustments arising from changes in tax rates at which it is estimated that tax will be recovered and changes in expectations of recovering temporary differences from previous years.

In addition to the tax expense for the years ended 31 December 2007 and 2006, deferred taxes amounting to EUR 4,463 thousand and EUR 1,398 thousand, respectively, were recognised directly in reserves (see Note 25).

The Parent has all the last four years open for review by the tax authorities for all the taxes applicable to it. In February 2007, the Parent received a notification from the Tax Authorities, of an inspection for 2002, 2003 and 2005 corporate income tax, and also for 2003 and 2004 VAT and other taxes applicable.

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

On December 28, 2007, the Board of Directors of Cimpor Inversiones, S.A. (Sole-Shareholder Company) agreed to distribute a gross interim dividend totalling EUR 50,000 thousand on account of the Company's profit. This amount reduces the Equity chapter of the accompanying balance sheet.

At December 31, 2007, Cimpor Inversiones, S.A. (Sole-Shareholder Company) has generated a profit after tax for the financial period amounting 103,423.1, all of them distributable, as shown below:

	Euros
Profit before tax	81.229
Company tax	22.194
	103.423

On the other hand, the cash previsions for the period from December 1, 2007 to February 29, 2008, was the following:

	Euros
Balance available in cash	150.200
Projected collections on the	512.152
Projected payment in the mentioned period, interim include	-324.307
Final	338.045

In view of these statements, and considering the structure of the Company's balance sheet at those dates, it was considered the Company has enough liquidity to distribute an interim dividend.

The proposal of the profit distribution made by the Board of Directors of the parent company, includes a dividend distribution totalling EUR 80,317 thousand. In this amount is included the above mentioned interim dividend so as EUR 10,479 thousand were recorded in Legal reserve and EUR 13,991 thousand in Voluntary reserves.

16. EARNINGS PER SHARE

Basic and diluted earnings per share (see Note 3.21) for the years ended 31 December 2007 and 2006 were calculated taking into account the following amounts:

Basic and diluted earnings per share	2007	2006
Profit for the year for the purpose of calculating earnings per share	208.774	192.078
Weighted average number of shares for the purpose of calculating earnings per share (thousands)	52.270	52.270
Earnings per share (basic and diluted)	3,99	3,67

17. GOODWILL

In the years ended 31 December 2007 and 2006, 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	Total
ross Assets												
Balance at 1 January 2006	103.619	662.845	213.610	45.950	49.773	127.701	16.481	7.721	-	-	-	1.227.700
Changes in the scope of consolidation	9.338	1.441	-	-	-	2.681	-	1.021	-	-	-	14.481
Adjustments due to exchange differences	-	(21 285)	(21 655)	(2 680)	(849)	(24 679)	(1 718)	-	-	-	-	(72 866)
Increases	-	-	-	-	-	-	40	-	-	-	-	40
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 1 January 2007	112.957	643.001	191.955	43.270	48.924	105.703	14.803	8.742	-	-	-	1.169.355
Changes in the scope of consolidation (Note 6)	-	1.054	-	-	-	-	(40)	261	157.481	4.072	3.626	166.454
Adjustment due to exchange differences	-	53.691	(13 885)	(2 285)	(1 149)	(8 680)	(1 555)	-	12.845	(185)	(102)	38.695
Increases	-	-	-	-	-	-	-	-	1.941	860	-	2.801
Tranfers	(2 654)	-	-	-	-	-	-	-	-	-	-	(2 654)
Balance at 31 December 2007	110.303	697.746	178.070	40.985	47.775	97.023	13.208	9.003	172.267	4.747	3.524	1.374.651

	Spain	Brazil	Egypt	Tunisia	Morocco	South Africa	Mozambique	Cape Verde	Turkey	China	Peru	Total
ccumulated impairment losses												
Balance at 1 January 2006	4.297	3.339	8.539	-	24.122	-	-	-	-	-	-	40.297
Balance at 1 January 2007	4.297	3.339	8.539	-	24.122	-	-	-	-	-	-	40.297
Adjustment due to exchange differences	-	361	(639)	-	(565)	-	-	-	-	-	-	(843)
Balance at 31 December 2007	4.297	3.700	7.900	-	23.557	-	-	-	-	-	-	39.454
et Balance at 31 December 2006	108.660	639.662	183.416	43.270	24.802	105.703	14.803	8.742	-	-	-	1.129.058
et Balance at 31 December 2007	106.006	694.046	170.170	40.985	24.218	97.023	13.208	9.003	172.267	4.747	3.524	1.335.197

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, based on the most recent financial projections approved by the respective Boards of Directors (see Note 35).

In the tests performed, the recoverable value of each group of cash generating units, determined based on the value for use, is compared with the book value. An impairment loss is only recognised if the book value exceeds the recoverable value. Future cash flows are discounted based on the weighted average cost of capital, adjusted by the specific risks of each market.

The cash flow projections are based on the medium and long term business plans approved by the Board of Directors, in perpetuity considered.

The main assumptions used to determine the value for use of goodwill are as follows:

		2007			2006		
Geographic area	Currency	Goodwill	Discount rate (a)	Long term rate (b)	Goddwill	Discount rate (a)	Long term rate (b)
España	EUR	106.006	7,1%	2,0%	108.660	6,7%	0,1% - 0,7%
Brasil	BRL	694.046	8,9%	3,6%	639.662	12,7%	4,2%
Egypt	EGP	170.170	8,7%	4,7%	183.416	13,7%	4,6%
Tunisia	TND	40.985	8,2%	2,7%	43.270	9,2%	1,1%
Morocco	MAD	24.218	8,9%	2,3%	24.802	9,5%	0,7%
South Africa	ZAR	97.023	7,9%	4,5%	105.703	11,6%	3,4% - 4%
Mozambique	MZM	13.208	10,8%	8,7%	14.803	17,5%	7,8%
Cape Verde	CVE	9.003	10,4%	3,0%	8.742	10,7%	1,8%
Turkey	TRY	172.267	10,2%	4,1%	-	-	-
China	CNY	4.747	7,7%	3,8%	-	-	-
Peru	PEN	3.524	-	-	-	-	-
		1.335.197			1.129.058		

(a) Euros
(b) Local currency

18. INTANGIBLE ASSETS

The changes in intangible asset accounts and in their respective accumulated amortisation and impairment losses in the years ended 31 December 2007 and 2006 were as follows:

	Industrial property and other rights	Intangible assets in progress	Total
ross assets:			
Balances at 1 January 2006	8.077	-	8.077
Changes in the scope of consolidation (Note 6)	52	-	52
exchange difference adjustments	(307)	(8)	(315)
Additions	33	646	679
Sales	(386)	-	(386)
Write-offs	(46)	-	(46)
Transfers	167	-	167
Balances at 1 January 2007	7.590	638	8.228
Changes in the scope of consolidation (Note 6)	9.091	11	9.102
Exchange difference adjustment	694	(24)	670
Additions	765	157	922
Write-offs	(88)	-	(88)
Transfers	755	(782)	(27)
Balance at 31 December 2007	18.807	-	18.807

	Industrial property and other rights	Intangible assets in progress	Total
ccumulated amortisation and ıpairment losses:			
Balances at 1 January 2006	3.050	-	3.050
Changes in the scope of consolidation (Note 6)	12	-	12
Exchange difference adjustment	(136)	-	(136)
Increases	1.211	-	1.211
Write-offs	(46)	-	(46)
Transfers	(10)	-	(10)
Balances at 1 January 2007	3.694	-	3.694
Changes in the scope of consolidation (Note 6)	6.400	-	6.400
Exchange difference adjustment	586	-	586
Increases	1.495	-	1.495
Write-offs	(86)	-	(86)
Balance at 31 December 2007	12.089	-	12.089
arrying amount:			
s at 31 December 2006	3.896	638	4.534
s at 31 December 2007	6.718	-	6.718

This balance relates mainly to land surface rights and software user licenses.

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 2007 and 2006 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 2006	164.654	213.733	1.649.539	41.917	22.144	2.298	7.902	51.919	28.440	2.182.546
Changes in the scope of consolidation (Note 6)	8.534	1.340	6.256	5.997	134	52	77	6	-	22.396
Exchange difference adjustments	(5.098)	(6.167)	(93.500)	(2.339)	(1.389)	(201)	(81)	(6.154)	(3.227)	(118.156)
Additions	1.113	3.521	9.807	1.281	890	78	412	99.863	9.375	126.340
Sales	(325)	(1.202)	(3.204)	(2.835)	(370)	(32)	(139)	(35)	-	(8.142)
Write-offs	-	(45)	(122)	(446)	-	-	-	-	-	(613)
Transfers	711	30.043	35.114	2.755	351	(113)	1.126	(40.953)	(29.216)	(182)
Balances at 1 January 2007	169.589	241.223	1.603.890	46.330	21.760	2.082	9.297	104.646	5.372	2.204.189
Changes in the scope of consolidation (Note 6)	40.289	77.015	354.311	13.674	2.156	746	99	19.096	4.313	511.699
Exchange difference adjustments	5.624	6.424	13.648	1.626	139	(139)	(75)	(1.844)	905	26.308
Additions	1.746	6.136	35.732	5.437	3.668	98	235	127.135	16.462	196.649
Sales	(212)	(725)	(5.663)	(3.837)	(302)	(4)	(237)	(44)	-	(11.024)
Write-offs	(1)	(103)	(12.298)	(116)	(191)	(18)	(9)	(5)	-	(12.741)
Transfers	4.752	12.477	55.803	5.862	503	373	92	(70.133)	(5.566)	4.163
Balances at 31 December 2007	221.787	342.447	2.045.423	68.976	27.733	3.138	9.402	178.851	23.486	2.921.243
Accumulated depreciation and impairment losses:										
Balances at 1 January 2006	6.224	77.963	1.079.211	30.432	14.091	1.862	4.614	-	-	1.214.397
Changes in the scope of consolidation (Note 6)	-	185	3.179	1.361	66	51	65	-	-	4.907
Exchange difference adjustments	(192)	(2.156)	(68.245)	(1.688)	(791)	(163)	(57)	-	-	(73.292)
Increases	1.788	20.669	64.036	4.224	2.044	127	716	-	-	93.604
Decreases	-	(603)	(2.651)	(2.530)	(357)	(32)	(60)	-	-	(6.233)
Write-offs	-	(14)	-	(122)	(431)	-	-	-	-	(567)
Transfers	15	7.265	(7.611)	235	(14)	(1)	53	-	-	(58)
Balances at 31 December 2006	7.835	103.309	1.067.919	31.912	14.608	1.844	5.331	-	-	1.232.758
Changes in the scope of consolidation (Note 6)	176	28.351	206.016	8.687	3.604	649	44	-	-	247.527
Exchange difference adjustments	155	5.100	9.162	854	319	(110)	(59)	-	-	15.421
Increases	2.775	13.196	84.173	6.627	2.448	164	691	-	-	110.274
Decreases	-	(407)	(5.269)	(3.096)	(237)	(3)	(177)	-	-	(9.189)
Write-offs	-	(7.760)	(10.518)	(80)	(175)	(18)	(9)	-	-	(18.560)
Transfers	9	57	12	17	(8)	-	(70)	-	-	17
Balances at 31 December 2007	10.950	141.846	1.351.495	44.921	20.559	2.526	5.951	-	-	1.578.248
Carrying amount:										
As at 31 December 2005	161.754	137.914	535.971	14.418	7.152	238	3.966	104.646	5.372	971.431
As at 31 December 2006	210.837	200.601	693.928	24.055	7.174	612	3.451	178.851	23.486	1.342.995

At the date of transition to IFRS the Group elected, as stipulated in IFRS 1, (1 January 2004) to measure all its property, plant and equipment items relating to the cement business at their fair value at that date, which was deemed to be their new cost. Accordingly, the gross value and the accumulated depreciation of these assets were recalculated.

Also, the value of the land used in operations was increased to reflect the estimated amount of the future expenses for its environmental reclamation and restoration, which in turn gave rise to an increase in liabilities.

In the year ended December 31, 2007, write-offs in caption "Accumulated depreciation and impairment losses", included the net amount of EUR 6,624 thousand, corresponding to the effect of: reversal of impairment losses of EUR 17,417 thousand, previously recognised to tangible fixed assets in the Mozambique business area, due to appreciation of the recoverable value of that cash generating unit, and impairment recognition of EUR 10,793 thousand, related to tangible fixed assets in the Spain and Egypt business areas, due to obsolescence of equipments, resulting from investments made.

In the year ended 31 December 2007, the property, plant and equipment in the course of construction and the advances thereon included the construction and improvement of facilities and equipment used in various cement production units, in particular in the Brazil, Turkey, South Africa and Spain business areas.

20. INVESTMENTS IN ASSOCIATES

The changes in 2007 and 2006 in this heading in the consolidated balance sheet were as follows:

	Investment	Goodwill	Total
Balance at 1 January 2006	2.362	4.297	6.659
Changes in the consolidation perimeter	7.041	4.013	11.054
Equity method effect:			
On profit (Note 12)	535	-	535
On shareholders' equity	61	-	61
Aquisitions and increases	270	-	270
Balance at 1 January 2007	10.270	8.310	18.580
Changes in the consolidation perimeter (Note 5)	(94)	-	(94)
Equity method effect:			
On profit (Note 12)	2.675	-	2.675
On shareholders' equity	(171)	-	(171)
Dividends received	(211)	-	(211)
Aquisitions and increases	302	-	302
Balance at 31 December 2007	12.772	8.310	21.081

The most significant economic and financial information on the associates at 31 December 2007 and 2006 is as follows:

	2007	2006
Total assets	119.431	101.329
Total liabilities	(59.667)	(53.247)
Total shareholders' equity	59.764	48.082
Group's share of shareholder's equity	21.081	18.580
Sales and services rendered	95.192	40.088
Net profit for the year	10.054	2.507
Group's share of net profit for the year	2.675	535

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS AND OTHER INVESTMENTS

The changes in the "Available-for-Sale Financial Assets" and "Other Investments" in the years ended 31 December 2007 and 2006 were as follows:

	Available-for-sale financial assets		Held to maturity	
	Cost	Fair value	financial assets	Total
Gross investment:				
Balances at 1 January 2006	6.867	202.570	-	209.437
Changes in the consolidation perimeter	11	-	-	11
Exchange translation adjustments	(4.469)	-	-	(4.469)
Increases	8.280	-	-	8.280
Transfers	141.910	-	-	141.910
Sales and write-offs	(1.999)	(69.220)	-	(71.219)
Balances at 1 January 2007	150.600	133.350	-	283.950
Exchange translation adjustments	(42)	(618)	11.471	10.811
Reavaliações / ajustamentos	-	2.061	-	2.061
Increases	176	-	-	176
Transferências	(147.080)	(126.589)	138.199	(135.470)
Balances at 31 December 2007	3.654	8.204	149.670	161.528
Impairment losses:				
Balances at 1 January 2006	2.131	-	-	2.131
Exchange translation adjustments	(27)	-	-	(27)
Balances at 1 January 2007	2.104	-	-	2.104
Exchange translation adjustments	85	-	-	85
Transferências	(1.062)	-	-	(1.062)
Balances at 31 December 2007	1.127	-	-	1.127
Carrying amount:				
As at 31 December 2006	148.496	133.350	-	281.846
As at 31 December 2007	2.527	8.204	149.670	160.401

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 held to maturity, namely an instrument issued by the Republic of Austria.

At December 31, 2006, Cimpor Inversiones, S.A.(Sole-Shareholder company). mantained available for sale the investment in Cimpor Internacional, since the Company intended to dispose of this investment. The book value of these shares was of EUR 133,350 thousand. In February 2007 such investment was sold to a Cimpor's subsidiary, registering a financial loss of EUR 700 thousand, as the difference between its book value and its sale price.

22. DEFERRED TAXES

The changes in deferred tax assets and liabilities in the years ended 31 December 2007 and 2006 were as follows:

	2007		2006	
	Current	Non-current	Current	Non-current
Associates	971	-	-	-
Group companies	10.100	-	5.062	-
Other shareholders	713	-	-	-
Fixed assets suppliers	36	-	254	-
Other receivables	13.334	6.156	7.868	2.073
	25.154	6.156	13.184	2.073
Accumulated adjustments to other receivable acc	(792)	-	(661)	-
	24.362	6.156	12.523	2.073

In this account are included those amounts to be received from entities, owing to transactions no related to the Group's main activities.

At 31 December 2007 and 2006, the maturities of these balances were the following:

	2007		2006	
	Corrente	Não corrente	Corrente	Não corrente
Undue balances	21.631	1.672	9.858	1.004
Due balances				
up to 180 days	1.280	3.115	1.021	49
180 to 360 days	178	500	1.314	234
more than 360 days	2.066	869	990	786
	25.154	6.156	13.184	2.073

Adjustments to accounts receivable - other

In the years ended 31 December 2007 and 2006, the changes in this caption were as follows:

Balance at 1 January 2006	737
Changes in the consolidation perimeter	8
Effect of currency translation	(73)
Increases	57
Utilisation	(67)
Balance at 1 January 2007	661
Effect of currency translation	(52)
Increases	190
Utilizações	(7)
Balance at 31 December 2007	792

23. TAX RECEIVABLES AND PAYABLES

The detail of the tax receivables and payables at 31 December 2007 and 2006 is as follows:

	2007		2006	
	Current	Non-current	Current	Non-current
Tax receivable:				
Corporate income tax	11.270	-	11.437	-
Personal income tax	2.773	-	9.143	-
Value added tax	10.634	1	8.228	-
Social security contributions	-	-	3	-
Other Tax receivable	2.084	20.487	1.943	3.528
	26.761	20.488	30.753	3.528

	2007		2006	
	Current	Non-current	Current	Non-current
Tax payable:				
Corporate income tax	13.790	-	8.154	-
Personal income tax	3.696	-	2.240	-
Value added tax	8.780	1.734	8.426	2.186
Social security contributions	3.510	83	2.240	77
Other tax payable	3.372	-	4.052	-
	33.148	1.817	25.113	2.262

In the year ended 31 December 2007, non-current recoverable taxes in the caption "Others" include a judicial deposit in the amount of EUR 15,891 thousand, made by a company in the Brazil business area, due to a judicial divergence in relation with the relevant applicable tax rate. The Board of Directors, according to previous similar processes and lawyer's opinion, believes that the resolution of it could be favourable.

24. OTHER CURRENT ASSETS

The detail of this heading at 31 December 2007 and 2006 is as follows:

	2007		2006	
	Current	Non-current	Current	Non-current
Interest receivable	1.544	-	192	-
Derivative financial instruments (Note 39)	840	4.655	2.008	1.816
Leases	468	-	517	-
Employee benefits (Note 41)	450	-	369	-
Insurance	349	-	175	-
Other deferred expenses and accrual accounts	628	-	423	-
	4.279	4.655	3.684	1.816

25. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

The detail of "Trade Receivables and Advances to Suppliers" at 31 December 2007 and 2006 is as follows:

	Intangible assets	Goodwill	Tangible assets	Tax losses carried forward	Provisions for risks and charges	Doubtful accounts	Inventories	Investment	Available-for-sale financial assets	Others	Total
Deferred tax assets:											
Balances at 1 January 2006	1.701	34.714	11.595	8.964	11.691	539	738	10	-	22.333	92.285
Changes in the consolidation perimeter	-	-	-	74	-	-	-	-	-	-	74
Exchange translation adjustments	(13)	(750)	(754)	(1.710)	(322)	(44)	(49)	-	-	(7)	(3.649)
Income tax (Note 14)	(374)	(3.368)	468	(2.597)	(2.668)	(144)	92	-	-	(2.766)	(11.358)
Shareholders' equity	-	-	-	-	(55)	-	-	-	-	(395)	(450)
Balances at 1 January 2007	1.313	30.595	11.310	4.730	8.646	352	781	10	-	19.165	76.902
Changes in the consolidation perimeter (Note 6)	-	-	-	206	468	27	-	-	-	146	847
Exchange translation adjustments	39	3.244	(692)	278	1.209	(29)	(51)	1	-	(343)	3.656
Income tax (Note 14)	(173)	25.156	301	4.051	4.152	651	155	-	-	(697)	33.596
Shareholders' equity	-	-	-	-	(6)	-	-	-	-	4.585	4.579
Balances at 31 December 2007	1.179	58.995	10.919	9.266	14.469	1.001	886	10	-	22.855	119.581

	Intangible assets	Goodwill	Tangible assets	Tax losses carried forward	Provisions for risks and charges	Doubtful accounts	Inventories	Investment	Available-for-sale financial assets	Others	Total
Deferred tax liabilities:											
Balances at 1 January 2006	-	-	41.152	-	-	-	25	12.956	2.376	8.556	65.065
Changes in the consolidation perimeter	-	-	-	-	-	-	-	-	-	-	-
Exchange translation adjustments	-	-	(2.242)	-	(2)	-	(13)	-	-	(307)	(2.564)
Income tax (Note 14)	-	12.250	(4.308)	-	(219)	-	110	(456)	-	(1.941)	5.436
Shareholders' equity	-	-	-	-	369	-	-	-	(2.376)	160	(1.847)
Balances at 1 January 2007	-	12.250	34.602	-	148	-	122	12.500	-	6.467	66.089
Changes in the consolidation perimeter (Note 6)	-	-	29.114	-	-	-	-	-	-	128	29.242
Exchange translation adjustments	5	18	1.461	-	(3)	-	-	-	-	339	1.820
Income tax (Note 14)	130	23.256	3.535	-	(476)	-	-	(962)	-	369	25.852
Shareholders' equity	-	-	-	-	506	-	-	-	-	(390)	116
Balances at 31 December 2007	134	35.525	68.712	-	176	-	122	11.539	-	6.912	123.120
Carrying amount:											
As at 31 December 2006	1.313	18.345	(23.292)	4.730	8.498	352	659	(12.491)	-	12.698	10.813
As at 31 December 2007	1.045	23.471	(57.793)	9.266	14.293	1.001	764	(11.528)	-	15.943	(3.539)

The 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 relating to losses to be compensated, registered in shareholder's equity, mainly from negative exchange differences resulting from loans, are recorded as a greater increasement in financial investments (Note 3.6), registered in Currency translation adjustments caption (Note 30).

The deferred tax assets, recorded in Reserves related 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 other deferred tax assets includes, essentially, the temporary differences of the derivative financial instruments (Note 38).

At December 31, 2007 the Group has losses carried forward of EUR 99,954 thousand (EUR 88,924 thousand in 2006), for deduction from future tax profits, a deferred tax asset of EUR 9,266 thousand (EUR 4,730 thousand in 2006). Deferred tax asets of EUR 63,353 thousand (EUR 69,745 thousand in 2006) have not been recognised due to the uncertainty as to their recovery, of which EUR 58,613 thousand (EUR 63,942 thousand in 2006), are recoverable up to the year 2010.

26. INVENTORIES

Inventories at December 31, 2007 and 2006 are made up as follows:

	2007	2006
Raw materials and other supplies	143.015	106.494
Work in progress and semi-finished goods	29.296	21.049
Finished goods	13.977	10.564
Merchandise	4.833	3.551
Advances on purchases	725	645
	191.846	142.303
Inventory allowances	(5.729)	(7.192)
	186.117	135.111

Inventories adjustments

Balance at 1 January 2006	6.991
Exchange translation adjustments	(651)
Increases	879
Decreases	(21)
Utilisation	(7)
Balance at 1 January 2007	7.192
Changes in the consolidation perimeter	208
Exchange translation adjustments	(419)
Increases	663
Decreases	(260)
Utilisation	(1.457)
Transfers	(199)
Balance at 31 December 2007	5.729

27. ACCOUNTS RECEIVABLE – TRADE

The caption Accounts receivable – trade at December 31, 2007 and 2006 is made up as follows:

	2007	2006
Trade receivable, current account	221.124	172.597
Trade receivable-notes receivable	4.701	2.937
Doubtful trade receivable	24.850	21.312
Advances to suppliers	5.151	4.895
	255.826	201.741
	(24.515)	(20.388)
	231.311	181.353

Adjustment to account receivable – trade

During the years ended December 31, 2007 and 2006, the changes in this caption are made up as follows:

Balance at 1 January 2006	18.356
Changes in the consolidation perimeter	4
Effect of currency translation	(443)
Increases	4.908
Reduções	(2.437)
Balance at 1 January 2007	20.388
Alterações de perímetro	1.903
Effect of currency translation	(206)
Increases	4.168
Decreases	(1.113)
Utilizações	(626)
Balance at 31 December 2007	24.515

In the years ended December 31, 2007 and 2006, the ageing of this caption, was as follows:

	2007	2006
Undue balances	194.102	161.778
Due balances:		
up to 180 days	30.761	15.236
180 to 360 days	3.747	3.637
more than 360 days	27.216	21.090
	255.826	201.741

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.

28. SHARE CAPITAL

At 31 December 2007 and 2006, 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.

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 companies 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, 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 2007 and 2006, is shown as follows:

	Euros	
	2007	2006
Other current finnancial assets	2.394	2.345
Cash and other equivalents	475.135	179.242
Non current debts with Credit institutions	(421.326)	(412.837)
Current debts with Credit institutions	(432.601)	(23.269)
Net financial position	**(376.398)**	**(254.519)**
Total liability	**(2.482.636)**	**(1.813.583)**
Net financial position/Total liability	**15,16%**	**14,03%**

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 2007, no changes have been made in the capital management with respect to the year 2006.

29. TREASURY SHARES

Spanish corporate and commercial legislation on treasury shares requires that a restricted reserve be recorded for an amount equal to the acquisition price of these shares. The balance of this reserve cannot be used until the shares are sold. Also, in accordance with applicable accounting rules, gains or losses on the disposal of treasury shares are recognised in reserves.

At 31 December 2007 and 2006, Cimpor Inversiones, S.A. (Sole-Shareholder Company) did not own any treasury shares.

30. TRANSLATION 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 39.

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 2007 and 2006 were as follows:

	Translation differences adjustment	Hedging operations	Total
Balance at 1 January 2006	269.377	(10.155)	259.223
Change in adjustments due to translation differences	(119.800)	-	(119.800)
Balance at 1 January 2007	149.578	(10.155)	139.423
Change in adjustments due to translation differences	50.837	-	50.837
Balance at 31 December 2007	200.415	(10.155)	190.260

31. RESERVES

The changes in "Reserves" in the years ended 31 December 2007 and 2006 were as follows:

	Legal reserve	Voluntary reserves	Fair value reserve and other reserves	Hedging transactions	Total
Balances at 1 January 2006	743	8.311	14.784	(297)	23.541
Distribution of consolidated profit	11.206	48.588	-	-	59.795
Change in the fair value of financial hedging instruments	-	-	-	1.148	1.148
Change in the fair value of available-for-sale investments	-	-	(14.767)	-	(14.767)
Adjustments in equity investments in associates and others	-	-	61	-	61
Other	-	2.750	4	-	2.754
Balances at 1 January 2007	11.950	60.465	82	851	73.348
Distribution of consolidated profit	4.521	446	-	-	4.967
Change in the fair value of financial hedging instruments	-	-	-	(9.593)	(9.593)
Change in the fair value of available-for-sale investments	-	-	2.061	-	2.061
Actuarial gain and loss on employee benefit plans	-	1.062	-	-	1.062
Adjustments in equity investments in associates and others	-	-	71	-	71
Balances at 31 December 2006	16.471	61.973	2.215	(8.742)	71.917

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 2007 and 2006, were as follows:

Balances at 1 January 2006	215.902
Dividends	(52.270)
Distribution of consolidated profit	76.186
Adjustments of equity investments in associates and others	125
Balances at 1 January 2007	239.943
Dividends	(90.248)
Distribution of consolidated profit	187.111
Other changes in shareholders' equity of subsidiaries	228
Balances at 31 December 2007	337.034

33. MINORITY INTERESTS

The changes in this heading in the years ended 31 December 2007 and 2006 were as follows:

Balances at 1 January 2006	42.669
Changes resulting from translation differences	(1.920)
Dividends	(1.170)
Increase in investments	28
Employee benefits	3
Other changes in shareholders' equity of subsidiaries	(341)
Profit for the year attributable to minority interests	12.037
Balances at 1 January 2007	51.307
Changes in the consolidation perimeter	125.732
Changes resulting from translation differences	5.633
Dividends	(15.734)
Increase in investments	6.965
Employee benefits	5
Other changes in shareholders' equity of subsidiaries	877
Profit for the year attributable to minority interests	27.078
Balances at 31 December 2007	201.864

At December 31, 2007 and 2006, the amount attributable to other susbsidiaries of Cimpor Portugal, for the investments made in Turkey and Mozambique, are included in this chapter by a total amount of EUR 119,197.00 and EUR 7.00 thousand, respectively.

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 related annual maturities are determined on the basis of actuarial studies performed by independent experts.

The detailed studies at 31 December 2007 and 2006 applied the projected unit credit method and established the following estimates and technical actuarial assumptions:

	2007	2006
Actuarial technical rate		
Spain	5,40%	4,75%
South Africa	9,25%	8,00%
Annual pension growth rate		
Spain	2,50%	2,25%
Annual fund income rate		
Spain	5,90%	4,90%
Annual salary growth rate		
Spain	3,50%	3,25%
Mortality tables		
Spain	PERMF 2000	PERMF 2000
South Africa	SA 85-90	SA 85-90
Nominal growth rate of medical costs		
South Africa	7,25%	6,00%

In accordance with the actuarial valuations the pension and healthcare benefits costs for the hears ended 31 December 2007 and 2006 were as follows:

	Pension plans		Healthcare plans (Note 10)		Total	
	2007	2006	2007	2006	2007	2006
Current service cost	322	343	19	30	341	373
Interest cost	149	190	91	108	240	299
Curtailments/settlements	-	-	-	(87)	-	(87)
Expected return of the plans' assets	(166)	(140)	-	-	(166)	(140)
Total cost/(income) of the defined benefit plans (Note 11)	306	393	110	51	416	445

Based on the above-mentioned actuarial studies, the expenses for retirement pension supplements and life insurance in the years ended 31 December 2007 and 2006 can be broken down as follows:

	Pension plans		Healthcare plans		Total	
	2007	2006	2007	2006	2007	2006
Liability	2.375	4.140	1.136	1.193	3.511	5.333
Value of the pension funds - 1 January	(2.825)	(4.509)	-	-	(2.825)	(4.509)
Deficit	(450)	(369)	1.136	1.193	686	824
Liability for employee benefits:						
Current liability	(46)	-	46	-	-	-
Non-current liability	46	-	1.090	1.193	1.136	1.193
	0	-	1.136	1.193	1.136	1.193
Asset for employee benefits (Note 23)	(450)	(369)	-	-	(450)	(369)
Total	(450)	(369)	1.136	1.193	686	824

At 31 December 2007 and 2006, 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		Healthcare plans		Total	
	2007	2006	2007	2006	2007	2006
Defined benefit liability - 1 January	4.140	4.920	1.193	1.631	5.333	6.551
Benefits and bonuses paid	(467)	(171)	(46)	-	(513)	(171)
Current service cost	322	343	19	30	341	373
Curtailments/settlements (a)	-	-	-	(87)	-	(87)
Interest cost	149	190	91	108	240	299
Actuarial gains and losses (b)	(1.770)	(1.143)	(22)	(190)	(1.792)	(1.333)
Exchange differences	-	-	(99)	(299)	(99)	(299)
Defined benefit liability - 31 December	2.375	4.140	1.136	1.193	3.511	5.333
Value of the pension funds - 1 January	4.509	4.920	-	-	4.509	4.920
Contributions	(1.170)	(342)	-	-	(1.170)	(342)
Benefits and bonuses paid	(467)	(171)	-	-	(467)	(171)
Expected income of the funds' assets	166	190	-	-	166	190
Actuarial gain in income from the funds' assets (b)	(212)	(89)	-	-	(212)	(89)
Value of the pension funds - 31 December	2.825	4.509	-	-	2.825	4.509

(a) Corresponds to changes on long term benefits structures, which affect actuarial valuations of future responsibilities, for past services.

(b) Since the date of transition to IFRSs, the Group has applied the new provisions of IAS 19, Employee Benefits, under which the actuarial gains and losses are recognised directly in reserves, with no impact on profit or loss for the year.

The detail of the main fund assets at 31 December 2007 and 2006 is as follows:

	2007	2006
Shares	21,7%	21,6%
Fixed rate bonds	38,2%	40,2%
Variable rate bonds	32,3%	26,2%
Real estate investment funds, hedge funds and cash	7,7%	12,0%
	100,0%	100,0%

35. BORROWINGS AND ACCUMULATED DETERIORATION LOSSES

Borrowings

The changes in the balances of borrowings in the year ended 31 December 2007 and 2006 were as follows:

	2007						
	Provisions for Tax and Legal Contingencies	Quarry Restoration Provision	Employee Benefit Provision	Severance Costs and Other Staff Costs	Litigation	Other Provisions for Contingencies and Expenses	Total
Balance at 1 January 2007	11.835	29.281	1.193	3.383	1.890	1.726	49.308
Changes in the scope of consolidation (Note 6)	19	3.405	-	3.000	66	260	6.750
Translation differences	(831)	1.299	(99)	304	535	(15)	1.194
Increases	17	2.626	88	1.245	7.468	1.359	12.803
Reductions	(86)	(1)	-	(68)	(210)	(284)	(649)
Amount used	(30)	(237)	(46)	(2.057)	(96)	-	(2.466)
Transfers	92	(18)	-	-	15.800	17	15.891
Balance at 31 December 2007	11.016	36.355	1.136	5.807	25.453	3.063	82.831

	2006						
	Provisions for Tax and Legal Contingencies	Quarry Restoration Provision	Employee Benefit Provision	Severance Costs and Other Staff Costs	Litigation	Other Provisions for Contingencies and Expenses	Total
Balance at 1 January 2006	12.950	28.646	1.631	2.625	1.897	3.798	51.547
Changes in the scope of consolidation (Note 6)	-	-	-	218	-	-	218
Translation differences	(1.272)	(742)	(299)	(16)	(165)	(29)	(2.523)
Increases	157	1.535	-	1.502	529	(1.968)	1.755
Reductions	-	(172)	(507)	(974)	(371)	(31)	(2.055)
Amount used	-	15	368	28	-	(43)	368
Balance at 31 December 2006	11.835	29.281	1.193	3.383	1.890	1.727	49.309

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.

36. LOANS

The detail of the loans obtained at 31 December 2007 and 2006 is as follows:

	2007	2006
Non-current liabilities		
Bank Loans	421.326	412.837
	421.326	412.837
Current liabilities		
Debentures	-	1.151
Bank Loans	432.601	23.269
	432.601	24.420
	853.927	437.257

Debentures

The detail of the non-convertible debentures outstanding at 31 December 2007 and 2006 were as follows:

Issuer	Issue Date	Interest Rate	Repayment Terms and Conditions	2007 Current	2007 Non-Current	2006 Current	2006 Non-Current
Cimentos de Moçambique S.A.R.L.	13.dic.04	TAM + 5,25%	(i)	-	-	1.151	-
				-	-	1.151	-

(i) Repayable in five half-yearly instalments from June 2005.

Bank loans

The detail of the bank borrowings at 31 December 2007 and 2006 is as follows:

Type of financing	Currency	Interest Rate	Non current 2007	Non current 2006
Bilateral	EUR	Euribor + 0,275%	280.000	387.500
Bilateral	EGP	Caibor + 1,125%	-	8.702
Bilateral	BRL	Several	13.043	16.635
Bilateral	EUR	Several	126.676	-
Bilateral	CVE	Several	49	-
Bilateral	CNY	Several	930	-
Bilateral	PEN	Several	628	-
			421.326	412.837

Type of financing	Currency	Interest Rate	Current 2007	Current 2006
Bilateral	EUR	Euribor + 1,1%	-	3.125
Bilateral	EGP	Caibor + 1,125%	-	4.351
Bilateral	BRL	Several	3.215	3.723
Others	EUR	Several	5.331	6.099
Overdraft	MAD	Several	-	3.020
Bilateral	MAD	Several	6.458	2.798
Overdraft	CVE	-	611	-
Overdraft	ZAR	-	667	153
Bilateral	EUR	Euribor + 0,275%	387.500	-
Bilateral	ZAR	Several	43	-
Bilateral	CNY	Several	20.756	-
Bilateral	PEN	Several	7.203	-
Overdraft	TRY	Several	648	-
Overdraft	MZM	Several	169	-
			432.601	23.269

The repayment schedule for the non-current bank borrowings at 31 December 2007 and 2006 was as follows:

	2007	2006
2008	-	397.396
2009	67.920	9.896
2010	159.361	-
2011	95.999	-
2012	96.999	-
2013 and following years	1.047	5.545
	421.326	412.836

At 31 December 2007 and 2006, the borrowings were denominated in the following currencies:

Currency	2007 Foreign Currency Value	2007 Value in thousands of Euros	2006 Foreign Currency Value	2006 Value in thousands of Euros
EUR	-	799.507	-	396.724
EGP	-	-	98.181	13.053
MZM	5.888	169	39.675	1.151
BRL	42.213	16.259	57.243	20.358
ZAR	7.125	710	1.410	153
MAD	73.654	6.458	64.563	5.818
CVE	72.637	659	-	-
TRY	1.112	648	-	-
CNY	233.176	21.686	-	-
PEN	35.131	7.831	-	-
		853.927		437.257

The loans arranged in foreign currencies were translated to euros at the exchange rate ruling on the balance sheet date.

Rating qualifications

The larger bilateral loan (Euribor + 0.275%) establishes that the spread must be indexed to the Standard & Poor's rating, therefore reflecting the assessment of risk of these operations.

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.

At 31 December 2007 and 2006, the support letters provided by the Parent and other subsidiaries (mainly to other Cimpor Group companies) amounted to EUR 888,089 thousand and EUR 886,185 thousand, respectively.

Financial covenants

Cimpor Inversiones, S.A. (Sole-Shareholder company) guarantees the financing transactions described above including financial covenants, which require compliance with certain financial ratios, calculated by reference to the Cimpor Group's consolidated financial statements, within previously negotiated limits.

At 31 December 2007 and 2006, all these ratios were within the established limits. The management considers that during the year 2008 the companies will continue fulfilling these commitments.

37. OBLIGATIONS UNDER LEASES

Finance leases

The minimum lease payments as at 31 December 2007 and 2006, resulting from finance lease liabilities, are as follows:

	2007		2006	
	Present value	Future value	Present value	Future value
Up to 1 year	1.807	1.848	258	283
From 1 to 5 years	6.284	6.521	131	152

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:

	Future value	
	2007	2006
Up to 1 year	2.991	1.974
From 1 to 5 years	4.586	3.471
More than 5 years	61	90

Total operating lease costs recognised in the consolidated statement of profit and loss for the year ended 31 December 2007 amounted €3,334 thousand (€1,360 thousand in 2006).

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 2007 and 2006 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 are subject to prior approval by the Board of Directors and Cimpor's Executive Committee and 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 entitie.

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 2007 and 2006 is as follows:

	Other Assets				Other Liabilities			
	Current		Non-Current		Current		Non-Current	
	2007	2006	2007	2006	2007	2006	2007	2006
Fair Value hedges								
Exchange rate and interest rate swaps	-	-	4.655	2.623	365	-	354	-
Cash flow hedges								
Interest rate swaps	-	788	-	413	2.610	-	10.954	-
Trading instruments								
Exchange rate and interest rate derivatives	-	-	-	-	6.833	3.501	86.414	72.383
Interest rate derivatives	840	-	-	-	715	902	64.371	55.926
	840	788	4.655	3.036	10.523	4.404	162.093	128.309

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 2007 and 2006 that qualify as fair value and cash flow hedging instruments:

Hedge Type	Notional amount	Transaction Type	Maturity	Purpose	Fair Value 2007	Fair Value 2006
Fair Value	EUR 22.325.000	Cross-Currency Swap	oct-12	To hedge the capital and interest of the loan granted by Standard Bank	4.418	2.623
Fair Value	EUR 7.000.000	Cross-Currency Swap	oct-13	To hedge the capital and interest of the loan granted to NPC	151	-
Fair Value	EUR 5.000.000	Cross-Currency Swap	oct-13	To hedge the capital and interest of the loan granted to NPC	86	-
Fair Value	EUR 50.000.000	Fixed interest	jun-08	To hedge the 17% of the syndicated loan by ABN/BNP Paribas 2003-2008	-	139
Fair Value	EUR 50.000.000	Fixed interest	jun-08	To partially hedge the Totta loan	-	1.063
Fair Value	EUR 75.000.000	Interest Rate Swap	may-11	To hedge the 12,5% of the interest of the loan got, to pay the Eurobonos	(570)	-
Fair Value	EUR 75.000.000	Interest Rate Swap	may-11	To hedge the 12,5% of the interest of the loan got, to pay the Eurobonds	(149)	-
Cash-Flow	BRL 388.586.800	Fixed interest	dec-11	To hedge the 100% of the interest of the asset issued by the Republic of Austria	(13.564)	-
					(9.628)	3.824

In addition, the portfolio of derivative financial instruments at 31 December 2007 and 2006 that do not qualify as hedging instruments is made up as follows:

Notional amount	Transaction Type	Maturity	Purpose	Fair Value 2007	Fair Value 2006
USD 150.000.000	Cross-Currency Swap	jun-13	To hedge 100% of the capital and interest of the loans from Cimpor Financial Operations, BV	(30.146)	(23.402)
USD 254.000.000	Cross-Currency Swap	jun-15	To hedge 100% of the capital and interest of the loans from Cimpor Financial Operations, BV	(63.101)	(52.483)
EUR 50.000.000	Floating rate	dec-09	To hedge 53% of the tranche in euros of the CITIBANK syndicated loan settled on 30 June 2004	(14.611)	(12.719)
EUR 100.000.000	Floating rate subject to conditions	dec-09			
EUR 50.000.000	Fixed rate with floating rate option	dec-09	To hedge 17% of the 2003-2008 ABN/BNP Paribas syndicated loan	(208)	(535)
EUR 216.723.549	Floating rate subject to conditions	jun-15	To hedge the full portion of the floating letg of the cross-currency swap hedging the portion of the loans with Cimpor Financial Operations, BV maturing at 12 years	(49.048)	(43.574)
EUR 150.000.000	Floor sale over the Spread 10y US CMS -2y US CMS	jun-15			
EUR 50.000.000	Short Term Straddle Swap	dec-09	To hedge of the 15% of the EUR 392,5 MM of theTotta loan	(379)	-
				(157.493)	(132.712)

39. 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

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.

On 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.

The Financial Operations Department at Corporate Centre is responsible for managing financial risks, which includes identifying, assessing and hedging them, under the guidance of the Executive Committee, particularly the Director in charge (whose approval is required prior to any operation).

Interest-rate risk

The Group's exposure to interest-rate risk arises from the fact that its balance sheet includes financial assets and liabilities that 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.

In 2007, as almost all the Group's financial debt was denominated in euros, and there were perspectives of the euro interest rate going down, it was decided to take a more aggressive position in the "variable rate component". Therefore, considering existing hedges, the weight of this component in the total debt went from around 45% at the close of 2006 to around 57% on December 2007.

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 (using forwards or other financial instruments). However, the Group has not done this systematically, as it considers that the cost of these operations 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 only carries out exchange-rate operations to cover existing or contracted positions. This is the case of some future cash flows in foreign currency that, due to the degree of uncertainty associated with them, are often hedged.

Almost all financing contracted by the Group is denominated in the consolidation currency (euros). In the particular case of "US Private Placements" issued in 2003, when the Group decided to turn to the American market to diversify its sources of finance and take advantage of the better conditions offered by this market, it contracted two cross-currency swaps converting fixed-rate US-dollar (USD) loans into variable-rate loans in euros. Both the loans and the derivatives are being reported at their fair value with a direct impact on the profit and loss account (Note 38).

On 31 December 2007 and 2006, not considering the effect of these cross-currency swaps, our main debt instruments were denominated in the following currencies:

	2007	2006
EUR	84%	77%
USD	13%	20%
Other currencies	3%	3%
	100%	100%

Considering the cross-currency swaps effect, 97% of our debt was denominated in euros on both dates.

Liquidity risk

Liquidity-risk management means maintaining an appropriate level of available cash and contracting credit limits that not only ensure the normal pursuit of the Group's activities but also meet the needs of any acquisition operations.

Liquidity risk is monitored through a cash budget, which is reviewed at regular intervals. The Group has a strong, stable rating (BBB) and access to short-term lines of credit and keeps its MTN and Commercial Paper programmes up to date and can therefore operate quickly on the capital market whenever necessary.

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.

On 31 December 2007 and 2006, credit lines obtained but not used, excluding commercial paper which is not underwritten, totalled around EUR 285 million and EUR 243 million, respectively.

Credit risk

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. It is concentrated to a large extent in one firm (JP Morgan) to facilitate operations. In any case, as this portfolio consists mainly of swaps with sold options, it is JP Morgan and not the Group that actually runs the counterparty risk, as the valuation of the positions in question is always negative or zero.

The three swaps in the other component of our interest-rate derivatives portfolio (classified as hedge accounting) have different counterparties, due to our care not to increase commercial involvement with JP Morgan.

The live operations in our interest-rate swaps portfolio have two different counterparties. The exchange-risk hedge swaps for US market are contracted with Citibank and the cross-currency swaps, hedging the financial risk of loans granted to NPC (South Africa) by Cimpor Inversiones were negotiated with Standard Bank (a local bank).

Sensitivity analyses

a) interest rate

Exposure to interest-rate risk results in variability of the Group's financial profits or losses.

The results of a sensitivity analysis of exposure as at 31 December 2007 and 2006 were as follows: with all other assumptions remaining constant, a parallel alteration of +/- 1% in the interest-rate curve would represent approximately a 10 million euros and 6 million euros increase / decrease in financial costs (before tax), for the financial years ended on 31 December 2007 and 2006 respectively, considering the effect of existing hedge instruments. In 2007, the impact of volatility rose, due to a larger percentage of variable-instruments in the debt profile comparatively to 2006.

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

40. OTHER PAYABLES

The detail of these headings at 31 December 2007 and 2006 is as follows:

	2007		2006	
	Current	Non-current	Current	Non-current
Associates	32.090	-	1.436	-
Group companies	84.159	854.425	33.533	884.147
Other shareholders	7.683	536	6.421	-
Fixed assets suppliers	28.622	13.562	11.968	14.202
Other creditors	20.454	1.298	14.269	34
	173.008	869.821	67.627	898.383

"Other Payables" includes the amounts payable to various entities for transactions not related to the Group's core business activities.

The balance of "Group Companies" relates to three loans arranged in 2003 and 2004 with the related company Cimpor Financial Operations, B.V. Two of these loans, arranged on 27 June 2003 for EUR 127,986.3 thousand and EUR 216,723.6 thousand, and maturing on 26 June 2013 and 26 June 2015, were converted on 1 April 2004 to US dollars, amounting to USD 150,000.0 thousand and USD 254,000.0 thousand, respectively. At 31 December 2007, its market value amounted to EUR 106,073 thousands and EUR 179,299 thousand, respectively. The exchange rate applied for the conversion was USD 1.17/EUR. This rate was fixed for the entire term of the transactions through a cross-currency swap hedging transaction. The third loan, which was arranged on 27 May 2004 for EUR 597,042.0 thousand, matures on 27 May 2011.

This balance also includes the amount of EUR 50,000,0 with Cimpor Cimentos de Portugal, SGPS, S.A. which corresponds to a proposed anticipated dividend (Note 15).

41. OTHER CURRENT AND NON-CURRENT LIABILITIES

The detail of these headings at 31 December 2007 and 2006 is as follows:

	2007		2006	
	Current	Non-current	Current	Non-current
Interest payable	1.612	-	507	-
Deferred tax expenses (a)	-	-	-	17.672
Remuneration payable	7.630	-	6.435	-
Derivative financial instruments (Nota 38)	10.523	162.093	4.404	128.309
Grants related to assets	-	6.783	-	6.131
Other deferred expenses	10.269	-	4.586	-
	30.034	168.876	15.933	152.112

(a) Brazilian tax legislation includes taxes which are calculated on the basis of net income generated in each period. One of the investees in Brazil has appealed through the courts against the percentage applied for one of these taxes and the related calculation base. The increase in expenses relates to the amount claimed by the Brazilian tax authorities, in relation to which this company has filed an appeal. At 31 December 2007, the balance registered in 2006 was transferred to "Other provisions for risks and expenses" caption (Note 35).

42. TRADE PAYABLES AND CUSTOMER ADVANCES

The detail of this heading at 31 December 2007 and 2006 is as follows:

	2007	2006
Trade payable, current account	88.870	52.602
Payable invoices not yet received	9.642	11.544
Trade-payable - Notes payable	36.297	32.847
Customer advances	3.153	2.117
	137.962	99.110

43. 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:

2007	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	475.135	-	-	-	-	475.135
Accounts receivable-trade	231.311	-	-	-	-	231.311
Other investments	-	10.731	149.670	-	-	160.400
Other non-current accounts receivable	6.156	-	-	-	-	6.156
Other current accounts receivable	24.362	-	-	-	-	24.362
Other non-current assets	-	-	-	-	4.655	4.655
Other current assets	1.554	-	-	-	840	2.394
Total assets	738.518	10.731	149.670	-	5.495	904.414
Liabilities:						
Non-current loans	-	-	-	421.326	-	421.326
Current loans	-	-	-	432.601	-	432.601
Current liabilities-trade	-	-	-	137.962	-	137.962
Other non-current accounts payable	-	-	-	611.480	258.341	869.821
Other current accounts payable	-	-	-	123.008	-	123.008
Other non-current liabilities	-	-	-	354	161.739	162.094
Other current liabilities	-	-	-	16.561	10.158	26.719
Total liabilities	-	-	-	1.743.292	430.239	2.173.531

2006	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	179.242	-	-	-	-	179.242
Accounts receivable-trade	181.353	-	-	-	-	181.353
Other investments	-	133.350	148.496	-	-	281.846
Other non-current accounts receivable	2.073	-	-	-	-	2.073
Other current accounts receivable	12.523	-	-	-	-	12.523
Other non-current assets	-	-	-	-	1.816	1.816
Current accrued income	337	-	-	-	2.008	2.345
Total assets	375.527	133.350	148.496	-	3.824	661.198
Liabilities:						
Non-current loans	-	-	-	412.837	-	412.837
Current loans	-	-	-	24.420	-	24.420
Current liabilities-trade	-	-	-	99.110	-	99.110
Other non-current accounts payable	-	-	-	610.047	288.336	898.383
Other current accounts payable	-	-	-	67.627	-	67.627
Other non-current liabilities	-	-	-	17.672	128.309	145.981
Other current liabilities	-	-	-	11.212	4.404	15.616
Total liabilities	-	-	-	1.242.926	421.049	1.663.975

44. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENTS

Cash and cash equivalents

The detail of this heading at 31 December 2007 and 2006 is as follows:

	2007	2006
Cash	55	79
Bank deposits	337.941	82.153
Marketable securities	137.139	97.010
	475.135	179.242
Bank overdrafts	(2.095)	(3.173)
	473.040	176.068

"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 the year ended 31 December 2007, bank deposits includes the amounts of two Escrow Accounts, as part of the acquisition process of the Indian company Shree Digvijay Cement Company Limited, in the amounts of 1,201,681 thousand of INR (equivalent to EUR 20,708 thousand, according to the end of 31 December 2007 exchange rate) and EUR 55,937 thousand, respectively.

Financial asset collections/payments

The more significant cash flow occurred in the year ended 31 December 2007 relate mainly to the use of several credit lines to the acquisition of the Turkish assets in the amount of EUR 158 millions.

45. RELATED PARTIES

The transactions and balances between Cimpor Inversiones, S.A. (Sole-Shareholder Company) (the Parent) and the Group companies were eliminated on consolidation. The balances and transactions between the Group and associates and other parties related to the Cimpor Group are as follows:

2007

	Receivables		Payables		Transactions			
Related Parties	Trade	Other debtors	Suppliers of fixed assets	Supply of fixed assets	Supply of fixed assets	External supplies and services	Inventories purchases	Sales and services rendered
Associates	952	-	112	-	-	-	1.070	7.315
Others	14.550	946	122.080	18.963	9	10.123	86.908	33.270
	15.502	946	122.191	18.963	9	10.123	87.978	40.586

2006

	Receivables		Payables		Transactions			
Related Parties	Trade	Other debtors	Suppliers of fixed assets	Supply of fixed assets	Supply of fixed assets	External supplies and services	Inventories purchases	Sales and services rendered
Empresas associadas	441	-	111	-	-	-	547	3.741
Outras	4.416	224	50	17.042	28	2	2.241	23.487
	4.858	224	161	17.042	28	2	2.788	27.228

The terms and conditions applied between the Group companies and related parties are virtually identical to those that would normally be arranged, accepted and applied between independent entities in comparable transactions.

Apart from these balances, there are loans arranged with Group companies, detailed in Note 36.

46. 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 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.

Guarantees

At 31 December 2007 and 2006, the Group had provided guarantees to third parties amounting to EUR 38,891 thousand and EUR 35,347 thousand, respectively.

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.

Pursuant to current South African legislation, companies that hold rights for the exploitation of natural resources must have local bodies as their shareholders in order to comply with the Black Economic Empowerment policy. Consequently, the Group is currently searching for local partners, who wish to acquire equity interests in the subsidiaries which exploit local natural resources in the South African market. At all times these subsidiaries will remain under the Group's control.

On 1 April 2005, an agreement was entered into between the subsidiary NPC and the National African Women's Alliance (NAWA) for the sale of a 26% holding in the subsidiary S.C. Stone (see Note 5). At 31 December 2007, this transaction had not yet been recognised, since substantially all the risks and rewards incidental to this investment had not been transferred to the buyer. Based on the terms and conditions agreed upon for this transaction, no loss will be recognised.

At 31 December 2007, there were commitments relating to contracts for the acquisition of property, plant and equipment and inventories amounting to EUR 41,034 thousand (2006: EUR 32,179 thousand). The most significant of these arose in the business areas of Egypt (EUR 10,451 thousand), Spain (EUR 19,099 thousand) and Morocco (EUR 11,484 thousand).

47. DISCLOSURES CONCERNING THE BOARD OF DIRECTORS

Directors' remuneration and other benefits:

In 2007 the Parent's Board of directors did not earn any remuneration.

At 31 December 2007, 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.

All the Parent's Board of directors members are men.

Also, at 31 December 2007, the staff members' wages and salaries were of EUR 2,081 thousand (EUR 2,083 thousand in 2006).

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 127 ter.4 of the Spanish Companies Law, introduced by Law 26/2003 of 17 July, which amended Securities Market Law 24/1988, of 28 July, and the consolidated Spanish Companies 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 2007.

Director	Company	Position	% of Ownership
Jorge M. Salavessa Moura	Corporación Noroeste, S.A.	Director	-
	Cimpor-Cimentos de Portugal, SGPS, S.A.	Director	0.082%
	Cimpor Internacional, SGPS, S.A.	Chairman	-
	Cimpor Investimentos, SGPS, S.A.	Chairman	-
	Cimpor Portugal, SGPS, S.A.	Chairman	-
Manuel Luis Barata de Faria Blanc	Corporación Noroeste, S.A.	Director	-
	Cimpor-Cimentos de Portugal, SGPS, S.A.	Director	0.049%
	Cimpor Internacional, SGPS, S.A.	Director	-
	Cimpor Investimentos, SGPS, S.A.	Director	-
Luis F. Sequeira Martins	Corporación Noroeste, S.A.	Chairman of the Executive Committee	-
	Cimpor-Cimentos de Portugal, SGPS, S.A.	Director	0.012%
	Cimpor Internacional, SGPS, S.A.	Director	-
	Cimpor Investimentos, SGPS, S.A.	Director	-
	Cimpor Portugal, SGPS, S.A.	Director	-

48. AUDIT SERVICES

The fees for the financial audit services provided to the companies composing the Cimpor Inversiones Group by the auditor and by other entities related to the auditor amounted to EUR 871 thousand in 2007 (EUR 688 thousand in 2006).

The fees for other professional services provided to the Group companies by the auditor and by other entities related to the auditor amounted to EUR 103 thousand in 2007 (EUR 156 thousand in 2006).

49. EVENTS AFTER THE BALANCE SHEET DATE

On 27 March 2008 the conclusion of the process of acquisition by Cimpor Inversiones, S.A. of a set of shareholdings corresponding to 73.63% of the share capital of the Indian company Shree Digvijay Cement Company Limited, listed on the Bombay Stock Exchange, for the sum of approximately €70 million.

A reduction has been made in the share capital of Société Les Ciments de Jbel Oust (Tunisia) amounting to TND 5,850.5 thousand (EUR 3,243.4 thousand) through the amortization of 58,505 shares.

On 22 January 2008 was signed a loan contract under the form of "Club deal", with the Royal Bank of Scotland PLC and the BBVA amounting to EUR 200,000.0 thousand. This loan will be depreciated in six quotes, being the first one in August 2010 and the last one in February 2013. With this loan, a part of the liability is being refinanced, with a maturity date in 2008.

50. AUTHORISATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were authorised for issue by the Board of Directors on 31 March 2008 and are subject to approval by the sole-shareholder.

51. 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.

CIMPOR INVERSIONES, S.A.U.

AND SUBSIDIARIES

Directors' Report

For the year ended December 31, 2007

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

Cimpor Inversiones, S.A. (Sole-shareholder company)

Directors' report for the year ended 31 December 2007

The most significant events and data regarding the activity of Cimpor Inversiones, S.A.U. and subsidiaries in 2007 were as follows:

Business performance

Cimpor Inversiones, S.A. (Sole-Shareholder Company) is the holding company for the Cimpor Group's international investments. The performance of each of the business areas in the various countries was as follows:

Spain-

The Group's activity in Spain have got two different phases throughout the year, thus in the first half, the market dynamism was practically identical to the previous year, whereas during the second half the construction market has begun to show signs of clear slowdown. Growth in demand in the markets where the Group operates was, however, quite varied: while in Galicia it grew by around 8%, in Andalucía and Extremadura combined, it fell by nearly 3%.

The CIMPOR Group's sales of cement fell to just over 4.06 million tones (down 4.3% on 2006), due to the fall in consumption in the south of the country and, above all, due to the extended stoppages in two Andalusia's plants. (in order to undertake important environmental investments and to increase capacity). The other Group's markets has reported a positive behavior, having benefited from the heavy investments made in recent years, so that concrete market rose by nearly 6%. Mortar and aggregates markets grew around 18%.

The turnover generated in Spain increased by more than 9.4% of the previous year, Nonetheless, this increase was not tracked by an equivalent increase in the Cash Flow (EBITDA), since in order to meet demand and offset the above stated stoppages at the plants in Andalusia, significant amounts of both clinker and cement had to be imported. This fact, combined with the worsening energy costs, led to a reduction (of about 4.1%) in operating cash flow.

Morocco- -

The economy growth rate of around 2.5%, produced a significant increase in cement consumption, especially for investment in construction and public works.

The Group's cement sales, due to kiln stoppages, which obliged to import clinker, fell down to 1.130 thousand tonnes, by around 1.8% decrease. The concrete sales recorded growth above 70%. The consolidated turnover grew 11.7% and the Cash flow increased 5.1%.

Tunisia-

Cement consumption has slightly increased this year (of about 2.1%). Our company in Tunisia followed this increase, nevertheless the consumption growth area did not coincided with the factory influence one, nevertheless, sales has been practically the same as last year, decreasing by 1.6%.

Due to the facts mentioned above, the company's turnover grow by 0.2%, as long as the Cash Flow well up by 8.2%, as a consequence of a decrease in the purchase of clinker.

Egypt-

The Egyptian domestic cement market continues with a remarkable recovery following the last two years trend. In this context, internal Group's sales increased by approximately 2.1%, as so the internal demand, in spite of the extended stoppage of one of the production lines for an important improvement and modernization work.

The prices pressure, the decline in the export sales and the local currency depreciation, led to a decrease in the turnover and an EBITDA reduction.

Brazil-

In the huge Brazilian market, taking exports into account, Group sales of cement increased by 8.6% with respect to 2006 and totaled 4.3 million tonnes in the domestic market. It must also be highlighted the 42.7% increase in concrete sales with respect to the previous year.

Due to this evolution, and a slight increase in the cement selling price, the consolidated turnover increased by 19%, allowing the EBITDA to rise by almost 22%.

Mozambique-

Although it is a small market, cement consumption continued to grow in this economic climate at a rate close to 10% in 2007. Our company's sale accompanied by the growth in consumption, achieved a total by 9,9% in tonnage terms, which combined with the rising prices and the growth in concrete sales led to positive results for 2007, with an EBITDA increase by 47.1%.

South Africa-

Continuing with the burgeoning trend witnessed in previous years, the domestic market reached a historically high level and posted a growth rate of 12.3% in 2007. Notable sales growth was also achieved in the concrete and quarrying areas.

The turnover was also superior than the previous year by 8.6% higher, nevertheless, the Group's liquid results has been slightly inferior due to the cost of fuel and the import of the clinker needed, which it is hoped to be solved with the new line of clinker manufacture, which is already in construction.

Cape Verde Islands-

In line with the development of the construction activity, the Group's cement sales in 2007 recorded year-on-year growth of 36%. Also the Group expanded its field of business to the production and sale of concrete and aggregates, which led to a grow of almost 70% in turnover and an EBITDA increasing about 28%.

Turkey-

The beginning of this new Group's business area took place in March of 2007, and the cement's sales reached an amount of 2,3 millions tones, being the Turkish market in a deceleration process after five years of high increases. Consolidated sales makes the Group's one of the main Business Areas, where the concrete and aggregates markets besides participate.

China-

The influence of this market is small since the Group's entrance operation took place at the end of the first half of a year, reaching a cement sales in the domestic market of 879 thousand tonnes and 293 thousand tonnes of clinker, so as the clinker's export of 270 thousand tonnes. The investments are expected to be progressively improved in the next years, since we are in an economy of a high growth rate.

Future outlook

2008 global scene is quite uncertain due to the problems that assails the financial sector, combined with climbing raw material prices, specially the price of oil and the inflationary prices. The latest projections of the International Monetary Fund, in this context, indicate growth rates of the USA and Euro zone of only 0.5% and 1.3%, respectively. Only the emerging economies may indeed benefit from dynamic domestic demand and, as a result, will probably once again could record strong growth (6.9% on average).

The outlook for the cement industry is, despite all this, rather optimistic, and worldwide growth above 7% is forecast . While the emerging markets should grow, the mature markets shall probably undergo a decline in the sales.

For the different market areas where the Group is present, the integration of the new business area of India and the expected increases of EBITDA in Egypt, Brazil and South Africa, should make 2008 an overall positive year for the Group.

In the Mediterranean countries where the Group operates, the construction sector in general is passing through a period of growth and it is estimated that cement consumption may growth in 2008 by around 10% in Morocco and by around 5% in Egypt, Tunisia and Turkey.

In Brazil, the construction sector, in particular, shall continue to benefit from significant investment in the residential segment and in large infrastructures established due to this it is expected that the consumption rise by between 7% to 10%, with selling prices recovering. Also in Mozambique should continue to grow at a good rate driven by public investment in large-scale infrastructure projects. So as in South Africa economic activity is expected to undergo deceleration to a certain extent. Nonetheless, its contribution to increasing the Group's operating cash flow shall certainly be one of the most significant, as a result of the planned start-up of new clinker production line.

In Spain, it is estimated that the process of economic deceleration initiated shall extend throughout 2008. The regions of Andalusia and Extremadura will foreseeable be those most affected, accounting for a 5% fall in cement consumption. In Galicia the contrary will probably occur, since the large number of public works in progress shall cause demand to remain high. It is assumed that the EBITDA shall evolve negatively in 2008, despite the reduction of clinker import requirements as a result of the increases in capacity implement in the Andalusia's factories.

Events after the balance sheet date

No significant events took place after the balance sheet date other than those already described in the financial statements.

Research and development activities

Within the framework of the proposed targets and encompassing all Group production plants, in 2007 was carried out the preparation of an "Annual Benchmarking Programme" in which close to 200 key indicators were systematically compared in order to gauge the level of performance of each operating unit in each business area. Thus, priority lines of action were identified, and a package of measures was defined for each one, to be adopted over the next three years. This is known as the "Performance Enhancement Plan", it must be pointed out the first seminary of maintenance driven to "reliability and security" matters.

In the scope of the Central Laboratory's activity, a quality control program for the cement produced has been consolidated. Also, it must be indicated the launching of an ambitious program for formation of the different operation units, including different matters relating to the cement activity, especially the first maintenance seminary dedicated to the "Reliability and security" subject.

It must also be pointed out the Group's concern regarding sustainable development, sharing the most important forums and in the "Cement Sustainability Initiative". With a six keys areas planning: Climate protection and management of CO^2 emissions, Responsible use of raw materials and fuels, worker safety and health, emission monitoring and disclosure, impact in terms of land use and the impact on local communities and reporting and communication.

Also, integrated in this same project and as two new more key areas, efforts were focused of the CSI of a sector agreement area to limit CO^2 emissions in the medium/long term and recycling concrete.

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 committed themselves to ensuring a minimum 8% reduction during the years 2008 up to 2012, in overall greenhouse gas emissions as compared with 1990 levels. In particular, for the above mentioned period Spain undertook not to exceed a 15% increase in relation to 1990 in overall emissions of these gases, expressed as an equivalent measure of carbon dioxide.

Cement production essentially involves two stages (the manufacture of kiln-fired clinker and subsequent milling). CO_2 is only released in the first phase when using fuel and when decarbonating the limestone used as the raw material. Accordingly, for the same production volume, emissions can be reduced by taking steps in relation to these two factors. As a result, the Group is working on the use of alternative fuels such as biomass.

It must be pointed out that finished the first fulfillment period (2005-2007) that the Government assigned emission allowances to the four Spanish factories of 5,321,670 tonnes of CO^2 , the registered emissions level was of 5,070,493 tonnes CO^2 , being stated therefore a leftover of rights of 251,177 tonnes, which part of it was sold to a Group's Portugal company (210,000) CO^2).

In 2008, a new period of fulfillment of Kyoto protocol will start (2008-2012), for which the Government assigned annual emission allowances to the four Spanish factories reaching an amount of 2,025,769 CO_2.tonnes.

Treasury shares

Cimpor Inversiones, S.A.(Sole Shareholder company) and its subsidiaries did not have any treasury shares at 31 December 2007.

Financial instruments

As described in the financial statements, in order to limit foreign currency and interest rate risk, and in accordance with the Cimpor Group's risk management policy, the Company holds various financial derivative products.

Jorge Manuel Tavares Salavessa Moura

Manuel Luís Barata de Faria Blanc

Luís Filipe Sequeira Martins

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VIII. Consolidated Unaudited Interim Financial Information of Corporación Noroeste, S.A. for the six months ended 30 June 2009

Translation of an extract of the financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain. In the event of a discrepancy, the Spanish-language version prevails.

GRUPO CORPORACIÓN NOROESTE

Consolidated Balance Sheet
as of 30 June 2009

	2009
	(EUR thousands)
Fixed assets	
Intangible assets	89,918
Property plan and equipment (Net)	408,426
Investments	51,371
Deferred tax assets	2,763
	552,478
Goodwill	83,131
Current assets	
Inventories	47,218
Accounts receivable	108,220
Cash	108,668
Accrued income and prepaid expenses	1,250
	265,356
Total assets	900,965
Liabilities	
Provisions for risk and charges	12,257
Non current liabilities	280,199
Current liabilities	429,778
Accruals and deferred income	95
Total liabilities	722,329
Shareholders' equity	
Share capital	26,162
Reserves	11,900
Other reserves	116,438
Net income	1,165
Capital subventions	14,298
Minority interest	8,673
Total Shareholders' equity	178,636
Total liabilities, shareholders' equity and minority interests	900,965

GRUPO CORPORACIÓN NOROESTE

Consolidated Statement of Profit and Loss as of 30 June 2009

	2009
	(EUR thousands)
Net revenues	
Sales and services rendered	161,145
Other revenues	12,366
Total net revenues	173,511
Operating costs and expenses	
Cost of materials consumed	-49,863
Staff costs	-30,199
Depreciation and amortization	-19,955
Provisions	-11
Other costs and expenses	-68,692
Total operating costs and expenses	-168,720
Operating income	4,791
Financial income (expense) – net	-4,349
Result of companies accounted for using equity method	-118
Income before income taxes and minority interests	324
Income taxes	318
Consolidated profit for the period	642
Attributable to minority interests (losses)	523
Attributable to the Parent	1,165

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IX. Consolidated Financial Information of Corporación Noroeste, S.A.
for the year ended 31 December 2008 and the Auditors' Report thereon

Translation of an extract of the financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain. In the event of a discrepancy, the Spanish-language version prevails.

GRUPO CORPORACIÓN NOROESTE

Consolidated Balance Sheet as of 31 December 2008

	2008 (EUR thousands)
Fixed assets	
Intangible assets	79,706
Property plan and equipment (Net)	415,548
Investments	48,136
Deferred tax assets	2,724
	546,114
Goodwill	23,091
Current assets	
Inventories	48,695
Accounts receivable	109,675
Investments	621
Cash	9,029
Accrued income and prepaid expenses	369
	168,389
Non current assets	
Accounts receivable	
Total assets	737,594
Liabilities	
Provisions for risk and charges	12,110
Non current liabilities	397,540
Current liabilities	151,665
Accruals and deferred income	35
Total liabilities	561,350
Shareholders' equity	
Share capital	26,162
Reserves	11,107
Other reserves	116,583
Dividends	-19,622
Net income	21,529
Capital subventions	4,759
Minority interest	15,726
Total Shareholders' equity	176,244
Total liabilities, shareholders' equity and minority interests	737,594

CORPORACIÓN NOROESTE S.A.

Consolidated Statement of Profit and Loss for the year ended 31 December 2008

	2008
	(EUR thousands)
Net revenues	
Sales and services rendered	358,946
Other revenues	50,769
Total net revenues	409,715
Operating costs and expenses	
Cost of materials consumed	-112,553
Staff costs	-48,970
Depreciation and amortization	-31,876
Provisions	353
Other costs and expenses	-169,158
Total operating costs and expenses	-362,204
Operating income	47,511
Financial income (expense) – net	-10,160
Result of companies for using equity method	-7,309
Income before income taxes and minority interests	30,042
Income taxes	-7,921
Consolidated profit for the year	22,121
Attributable to minority interests (profits)	-592
Attributable to the Parent	21,529

Translation of an extract of the financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain. In the event of a discrepancy, the Spanish-language version prevails.

CORPORACIÓN NOROESTE S.A.

Consolidated Cash Flow Statement for the 2008 financial year

(euros)

CASH FLOW FROM OPERATING ACTIVITIES	**46,348,711.81**
Annual pre-tax results	30,042,279.51
Adjustments to results:	
- Amortisation of fixed assets	31,876,233.26
- Variation of provisions	(3,709,994.81)
- Attribution of subsidies	37,177,701.57
- Results from elimination and transfer of fixed assets	(6,976,575.52)
- Financial income	(641,515.43)
- Financial expenditure	13,899,034.19
- Exchange rate differences	(300.52)
- Results of companies consolidated by the equity method	7,308,751.17
- Other income and expenditure	(111,723.36)
Changes in working capital	
- Stock	16,677,303.90
- Debtors and other accounts receivable	(16,047,920.02)
- Other current assets	(14,252,366.85)
- Creditors and other accounts payable	(3,680,568.03)
Other cash flow from operating activities	
- Interest payable	13,899,034.19
- Dividends	48,024.17
- Interest receivable	641,515.43
- Payment of tax on earnings	(32,002,132.66)
CASH FLOWS FROM INVESTMENT ACTIVITIES (II)	**(157,170,556.01)**
OPERATING PROFIT	
Payments on investments	
- Group and associated companies	(28,038,967.47)
- Intangible fixed assets	(50,271.32)
- Tangible fixed assets	(128,584,916.59)
- Other financial assets	(410,392.60)
Income from divestments	
- Intangible fixed assets	6,657,689.10
- Tangible fixed assets	318,886.42
- Other financial assets	(7,062,583.55)
CASH FLOW FROM FINANCING ACTIVITIES (III)	**111,434,526.31**
Income and payments on equity instruments	
- Subsidies, donations and legacies received	1,457,063.19
- Return and repayment of debts with credit entities	(60,954,501.47)
- Return and repayment of debts with group and associated companies	200,337,693.16
- Return and repayment of other debts	5,559,195.33
Dividend payments and remuneration of other equity instruments	
- Dividends	(34,964,923.90)
EFFECT OF EXCHANGE RATE VARIATIONS (IV)	
NET INCREASE/DECREASE OF CASH OR EQUIVALENT(I+II+III+IV)	**612,682.11**
Cash or equivalent at the start of the financial year	8,416,192.78
Cash or equivalent at the end of the financial year	9,028,874.89

Translation of an extract of the notes to financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain. In the event of a discrepancy, the Spanish-language version prevails.

BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Fair presentation-

The accompanying consolidated financial statements of Corporación Noroeste, S.A. and Subsidiaries have been obtained from the accounting records of Corporación Noroeste, S.A. and of the subsidiaries comprising the Corporación Noroeste Group, and are hereby presented in accordance with Royal Decree 1815/1991, approving the rules for the preparation of consolidated financial statements, with Royal Decree 1514/2007, of 16 November, approving the Spanish National Chart of Accounts, and taking in consideration the Note of the Spanish Accounting and Audit Institute (ICAC) of 24 November 2008 on the applicable policies for the preparation of consolidated financial statements according to the Spanish Commercial Code for the years starting from 1 January 2008, and accordingly, present fairly the Corporación Noroeste Group net worth, financial position and results of operations and cash flows during the related year.

The accompanying consolidated financial statements, which were formally prepared by the Parent's Directors, will be submitted for approval by the shareholders at the Annual General Meeting, and it is considered that they will be approved without any changes. The consolidated financial statements for the year 2007 were approved by the shareholders at the Annual General Meeting of Corporación Noroeste, S.A. held on 31 March 2008 and filed at the Mercantile Registry of Pontevedra.

b) Non-obligatory accounting principles applied-

No non-obligatory accounting principles were applied. The directors formally prepared these consolidated financial statements by taking into account all the obligatory accounting principles and standards with a significant effect thereon.

c) Key issues in relation to the measurement and estimation of uncertainty-

In preparing the accompanying consolidated financial statements estimates were made by the Parent's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported therein. These estimates relate basically to the following:

- The assessment of potential impairment losses of certain assets (see Note 4.c)

- The useful life of property, plant and equipment and intangible assets (see Notes 4.a and 4.b)

- The calculation of the impairment loss on goodwill related to investments in Group and associated companies.

- The calculation of the provision for quarry restoration and the provision for termination benefits (see Notes 5.b and 12).

Although these estimates were made on the basis of the best information available at 2008 year-end, 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.

d) Comparative information and matters arising from the transition to the new accounting rules-

In compliance with the obligation established in Article 35.6 of the Spanish Commercial Code and for the purposes of applying the principle of consistency and meeting the requirement of comparability, the consolidated financial statements for the year ended 31 December 2008 are considered to be initial consolidated financial statements and, accordingly, is not obligatory to include comparative figures.

However, pursuant to Royal Decree 1514/2007, set forth below are the consolidated balance sheet and consolidated income statement for 2007 approved by the shareholders at the Annual General Meeting of the Parent Company. These consolidated financial statements were prepared in accordance with the rules established in Royal Decree 1815/1991 and Royal Decree 1643/1990 of 20 December (Spanish National Chart of Accounts (1990)).

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain. 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. AND SUBSIDIARIES comprising the consolidated balance sheet at 31 December 2008 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 preparation of these consolidated financial statements is the responsibility of the Parent's directors. 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 generally accepted auditing standards, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made.

The accompanying consolidated financial statements for 2008 are the first that the Parent's directors have prepared in accordance with Law 16/2007, of 4 July and the Spanish National Chart of Accounts approved by Royal Decree 1514/2007. In this regard, in accordance with Transitional Provision Four.1 of the aforementioned Chart of Accounts, these consolidated financial statements have been considered to be initial financial statements and, therefore, they do not include comparative figures. Note 2.d to the consolidated financial statements "Comparative information and matters arising from the transition to the new accounting rules" includes the consolidated balance sheet and consolidated income statement contained in the approved consolidated financial statements for 2007 prepared in accordance with the Spanish National Chart of Accounts in force in that year, together with an explanation of the main differences between the accounting policies applied in 2007 and those applied in 2008, as well as a quantification of the impact of this change in accounting policies on consolidated equity at 1 January 2008, the date of transition. Our opinion refers only to the 2008 consolidated financial statements. On 26 February 2008, we issued our auditors' report on the 2007 consolidated financial statements, prepared in accordance with generally accepted accounting principles and standards under the Spanish regulations in force in that year, in which we expressed an unqualified opinion.

In our opinion, the accompanying consolidated financial statements for 2008 present fairly, in all material respects, the consolidated equity and financial position of Corporación Noroeste, S.A. and Subsidiaries at 31 December 2008 and the consolidated results of its operations, the changes in consolidated equity and their consolidated cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with the generally accepted accounting principles and standards under the Spanish regulations applicable to the companies.

The accompanying consolidated directors' report for 2008 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 2008. 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

Jaime Del Olmo Casalderrey

20 February 2009

X. Consolidated Financial Information of Corporación Noroeste, S.A.
for the year ended 31 December 2007 and the Auditors' Report thereon

Translation of an extract of the financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain. In the event of a discrepancy, the Spanish-language version prevails.

GRUPO CORPORACIÓN NOROESTE

Consolidated Balance Sheet
as of 31 December 2007 and 31 December 2006

	2007	2006
	(EUR thousands)	
Fixed assets		
Intangible assets	27,097	57,088
Property plan and equipment (Net)	311,475	308,413
Investments	13,417	12,826
Shares of dominant society		
	351,989	378,327
Goodwill	27,905	31,175
Current assets		
Inventories	32,017	28,273
Accounts receivable	133,676	133,935
Negotiable securities	7,066	57,184
Cash	8,416	15,759
Accrued income and prepaid expenses	349	417
	181,524	235,568
Total assets	561,418	645,070
Liabilities		
Provisions for risk and charges	5,512	6,144
Non current liabilities	200,584	197,464
Current liabilities	177,697	213,128
Accruals and deferred income	4,111	2,892
Total liabilities	387,904	419,628
Shareholders' equity		
Share capital	26,162	26,162
Reserves	5,648	79,361
Other reserves	105,932	75,422
Dividends	-34,965	-52,399
Net income	58,198	85,172
Total Shareholders' equity	160,975	213,718
Minority interest	12,539	11,724
Total liabilities, shareholders' equity and minority interests	561,418	645,070

Translation of an extract of the financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain. In the event of a discrepancy, the Spanish-language version prevails.

GRUPO CORPORACIÓN NOROESTE

Consolidated Statement of Profit and Loss as of 31 December 2007 and 31 December 2006

	2007	2006
	(EUR thousands)	
Net revenues		
Sales and services rendered	459,172	428,141
Other revenues	5,213	2,493
Total net revenues	464,385	430,634
Operating costs and expenses		
Cost of materials consumed	-168,056	-141,171
Staff costs	-45,138	-43,553
Depreciation and amortization	-31,837	-30,915
Provisions	-71	-518
Other costs and expenses	-123,792	-143,008
Total operating costs and expenses	-368,893	-359,165
Operating income	95,492	71,469
Financial income (expense) – net	-6,025	-4,400
Result of companies for using equity method	2,471	532
Goodwill amortization	-3,270	-2,158
Income before extraordinary items	88,668	65,443
Extraordinary gain – net	904	60,640
Income before income taxes and minority interests	89,572	126,083
Income taxes	-29,790	-39,509
Consolidated profit for the year	59,782	86,574
Attributable to minority interests (profit)	-1,584	-1,402
Attributable to the Parent	58,198	85,172

Translation of an extract of the notes to financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain. In the event of a discrepancy, the Spanish-language version prevails.

BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Fair presentation-

The accompanying consolidated financial statements of Corporación Noroeste, S.A. and Subsidiaries have been obtained from the accounting records of Corporación Noroeste, S.A. and of the subsidiaries comprising the Corporación Noroeste Group, and are hereby presented in accordance with Royal Decree 1815/1991, approving the rules for the preparation of consolidated financial statements, with Royal Decree 1514/2007, of 16 November, approving the Spanish National Chart of Accounts, and taking in consideration the Note of the Spanish Accounting and Audit Institute (ICAC) of 24 November 2008 on the applicable policies for the preparation of consolidated financial statements according to the Spanish Commercial Code for the years starting from 1 January 2008, and accordingly, present fairly the Corporación Noroeste Group net worth, financial position and results of operations and cash flows during the related year.

The accompanying consolidated financial statements, which were formally prepared by the Parent's Directors, will be submitted for approval by the shareholders at the Annual General Meeting, and it is considered that they will be approved without any changes. The consolidated financial statements for the year 2007 were approved by the shareholders at the Annual General Meeting of Corporación Noroeste, S.A. held on 31 March 2008 and filed at the Mercantile Registry of Pontevedra.

b) Non-obligatory accounting principles applied-

No non-obligatory accounting principles were applied. The directors formally prepared these consolidated financial statements by taking into account all the obligatory accounting principles and standards with a significant effect thereon.

c) Key issues in relation to the measurement and estimation of uncertainty-

In preparing the accompanying consolidated financial statements estimates were made by the Parent's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported therein. These estimates relate basically to the following:

- The assessment of potential impairment losses of certain assets (see Note 4.c)

- The useful life of property, plant and equipment and intangible assets (see Notes 4.a and 4.b)

- The calculation of the impairment loss on goodwill related to investments in Group and associated companies.

- The calculation of the provision for quarry restoration and the provision for termination benefits (see Notes 5.b and 12).

Although these estimates were made on the basis of the best information available at 2008 year-end, 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.

d) Comparative information and matters arising from the transition to the new accounting rules-

In compliance with the obligation established in Article 35.6 of the Spanish Commercial Code and for the purposes of applying the principle of consistency and meeting the requirement of comparability, the consolidated financial statements for the year ended 31 December 2008 are considered to be initial consolidated financial statements and, accordingly, is not obligatory to include comparative figures.

However, pursuant to Royal Decree 1514/2007, set forth below are the consolidated balance sheet and consolidated income statement for 2007 approved by the shareholders at the Annual General Meeting of the Parent Company. These consolidated financial statements were prepared in accordance with the rules established in Royal Decree 1815/1991 and Royal Decree 1643/1990 of 20 December (Spanish National Chart of Accounts (1990)).

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain. 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. AND SUBSIDIARIES, comprising the consolidated balance sheet at 31 December 2007, and the related consolidated statement of income and notes to consolidated financial statements for the year then ended. The preparation of these consolidated financial statements is the responsibility of the Parent Company's Directors. 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 generally accepted auditing standards, which require examination, by means of selective tests, of the documentation supporting the consolidated financial statements and evaluation of their presentation, of the accounting principles applied and of the estimates made.

As required by Spanish corporate law, for comparison purposes the Parent Company's Directors present, in addition to the 2007 figures for each item in the consolidated balance sheet and consolidated statement of income, the figures for 2007. Our opinion refers only to the 2007 consolidated financial statements. Our auditors' report dated 24 February 2007, on the 2006 consolidated financial statements contained an unqualified opinion.

In our opinion, the consolidated financial statements for 2007 referred to above present, in all material respects, a true and fair view of the net worth and financial position of Corporación Noroeste, S.A. and Subsidiaries at 31 December 2007, and of the results of their operations in the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with generally accepted accounting principles and standards applied on a basis consistent with that of the preceding year.

The accompanying consolidated management report for 2007 contains the explanations which the Parent Company'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 management report is consistent with that contained in the consolidated financial statements for 2007. Our work as auditors was confined to checking the consolidated management report with the aforementioned scope, and did not include a review of any information other than that drawn from the Group companies' accounting records.

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

Jaime Del Olmo Casalderrey

26 February 2008

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