2014

Annual Report

CIMPOR a member of InterCement

Building sustainable partnerships

(Translated from the original version in Portuguese)

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

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Public Company | Tax and Lisbon Commercial Registry Number: 500 722 900 | Share Capital 672 000 000 Euros

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Message from the Board of Directors

Dear Shareholders,

2014 was marked, worldwide, by an "uncertain” economic environment in which economic recovery was "fragile", in the World Bank's own words in its report on 'Global Economic Prospects'.

Cimpor, an InterCement company, conducted its business activity in this climate in 2014, taking advantage of its geographical diversity, which is markedly multi-continental. This fact allowed it to compensate for its exposure to more anaemic economies with the strength demonstrated by more heated economies.

The global growth agenda continued to be directly related to the economic strength of the developing countries which, in 2014, grew about 4%, well above the 2.6% recorded by the world economy.

The strategic objective of Cimpor, taken on by this Board of Directors since the day it took office in June 2012, is based on the relocation of its activity with greater focus on the African and South American continents, which have recorded economic growth and cement consumption rates much higher than those of mature economies, like Portugal.

Without wishing to diminish the importance of any of the eight countries in which Cimpor operates, I would like to highlight the results achieved in Africa. Mozambique, South Africa and Egypt, jointly, increased their contribution to cement and clinker sales by 18% and their contribution to EBITDA by 25%, underlining the capital gain of the portfolio diversification adopted by the group.

Let me underline some data: Cimpor recorded a turnover of EUR 2,604 million (-0.8%) in line with that registered in 2013. If losses are excluded, it would represent an increase of 13.3% compared to 2013. Profitability remains the watermark of Cimpor. The EBITDA margin of 24.8% achieved in 2014 is, once again, a worldwide benchmark in this sector.

Perseverance and determination have allowed us to circumvent challenges and discover opportunities, whether in Portugal, where the trading activity continues to offset the fall in the domestic market, or in Brazil where Cimpor has increased its market share, despite the economy’s cooling.

The results of a company also mirror its ability to set strategies that are as ambitious as feasibly possible, as well as the perseverance of its officers to execute them, regardless of their position in the hierarchy. In this regard, I would like to convey our appreciation for and recognition of the nearly 9,000 employees of Cimpor - an InterCement company, for their work this year now ending, with the certainty that our activity is made by people, for people.

Lastly, I would like to draw your attention to the extensive and well-founded Corporate Governance Report, prepared in accordance with corporate governance best practices. It aims to inform the shareholders and the market of the governance rules adopted, with the greatest transparency.

Daniel Proença de Carvalho

Chairman of the Board of Directors of Cimpor

Message from the Chief Executive Officer

The dispersal of our activity over different countries allowed us to be more prepared in 2014 to withstand market volatility. It gives us a competitive advantage, which was important for ensuring the year's performance, when Cimpor's net income amounted to EUR 2.6 billion, a fall of 0.8% compared to the previous year. EBITDA of EUR 645.6 million, was 6.7% below the previous year's result and net profit reached EUR 29.6 million. These numbers do not demonstrate the expansion of our business activity, as a result of the impact of the depreciation of some currencies in which we operate (Brazilian real, Argentine peso and South African rand) in relation to the euro, the currency in which we present our consolidated accounts.

Building sustainable partnerships have been at the centre of our attentions in 2014. The proximity to the client, the supplier and the community, the concern with matching the needs of our stakeholders with our performance, prove to be a great advantage that we have been able to show and this was important in the construction of this year's results.

We achieved a lot of success in Brazil with our core business strategies, which still today accounts for approximately 50% of our EBITDA, with gains in market share, especially in the first half. We have a double challenge in the country: internally, to advance with the optimisation of processes, the demand for productivity, efficiency and competitive costs, maturing the process of integration and synergy following the assets swap with InterCement in 2012 and, externally, to address a market that is no longer growing so rapidly.

The year began in Argentina with a sharp devaluation of the peso. There was a slight drop in sales compared to the previous year, which was already expected vis-à-vis the cycle of sharp growth in demand that we have seen in recent years. Loma Negra, leader of the national market with a share over 45%, is a flagship company. It has a recognised brand that stands out for its quality, customer service, provision of services and the development of new products. Business in the industrial area remained steady, guaranteeing controlled costs and technical indicators aligned with best practices.

The trading activity and, in particular, exports from Portugal, continued to be a clear success. At a time when the domestic market of Portugal still underwent a sharp fall, in the order of 11% over the year as a result of local economic adversity, exports rose 19%, from 2,648,819 tons in 2013 to 3,153,800 tons in 2014, and confirming Cimpor as the fifth largest cement trader of the industry. In fact, entry into new markets, especially in Africa, has allowed us to record best ever export figures. Algeria was a stand out sales destination. The very good operational efficiency of Portugal should be noted, with high standards of productivity and costs competitiveness, surpassing its co-processing benchmarks.

Paraguay had an outstanding year. We only operated, until October, the grinding facility opened in 2013, using imported clinker. In that month we inaugurated the kiln of the new integrated plant, which is performing as expected for the initial phase. The production of its own clinker makes the country one of major potential on our portfolio and we expect to more than triple the results in 2015, with the entry into operation of the integrated plant. This plant will start activities with at full capacity thanks to the pre-marketing work carried out in recent years with the support of the trading area.

In Egypt, anticipating the disturbances in fuel supply, we stockpiled mazote and clinker, which allowed our operations not to suffer from interruptions due to the energy crisis that affected the country. We were able to expand our sales to non-habitual customers. Fuel supply flexibility remains an issue of particular importance in Egypt. Measures in this field, besides the beginning of co-processing, are ongoing. It should also be referred here that the entire team in Egypt is heavily involved in the use of our management tools, which also led to the country winning our internal management excellence award. The use of these tools has enabled the implementation of operational practices that are a reference throughout the world.

Mozambique is the country that has grown at the highest rates among all the countries in which we operate, with positive growth of 17% from 2013 to 2014. We launched the Mutirão project, aware of the enormous potential of our business in this country. Under this project, internal experts of the industrial, commercial and logistics areas have liaised to develop a plan of action aiming at improving our local performance. The first results began to have an impact from the second half of the year. with greater operational stability and reduced costs.

Of note in South Africa was the strengthening of market intelligence, with the search for new niches and operating regions. We grew 17%, in line with the market and in a particularly competitive economic climate, preserving our share within historical levels. In operational terms, reference should be made to the beginning of the activity of co-processing, like in Egypt.

The main challenge of 2015 is to deal with the macroeconomic adversity present throughout the world. We will use the advantage of our geographical dispersion and the increasingly structured way that we manage our operations to guarantee the level of performance we have set ourselves. We have several internal projects that will allow us to maintain world-class operations. We shall prioritize productivity, with challenging goals aligned to both internal and external benchmarks, undertaking the structured work to improve processes and exchange best practices. We are supporters of the best management system tools because they allow us to tackle any challenge. We have the support of a significant innovation culture, strengthened in 2014 with the global launch of Click Lab, a portal for ideas where employees can comment and contribute with suggestions and projects. We created Neogera, a company intended to accelerate small business that can play an important role in the future.

We will continue to improve our financing structure, following the policy of reducing and leveraging debt and the redesigning the debt profile. Among the stand out projects in this field we will be especially committed to that to increase the efficiency in management of the working capital fund, the results of which are already evident in Q4 2014.

I also highlight the topic of safety, because we face the major challenge of improving our occupational safety indicators, reinforcing even more the belief that “we do it safely or not at all”. Safety is a value. It forms part of Cimpor Attitude, and must be the centre of our attention. The topic forms part of the Culture project that is under construction and will be one of our priorities in 2015, strengthening participatory leadership, teamwork, the respect for people, recognising our multi-culturalism, so that we may continue to grow in our way of being.

Ricardo Lima

CEO Cimpor

Cimpor

Cimpor, positioned among the ten largest cement producers in the world, runs operations in eight countries, in South America, Africa and Europe. It has 40 cement plants and mills and an installed capacity of more than 47 million tons/year. It is the market leader in Portugal, Argentina, Mozambique and Cape Verde, deputy leader in Brazil and in Paraguay, and it holds a market leading position in South Africa and in Egypt.

Cimpor ended 2014 with sales of 30 million tons of cement and clinker, which is 6% higher than the results of the previous year. It also achieved in 2014 a net income of EUR 2.6 billion, a negative variation of 0.8% compared to 2013, and ended the year with a workforce of 8,768.

Cimpor's operations are guided by a long-term vision, establishing the target for 2023 of remaining among the ten largest international cement companies and achieving a position among the five most solid and profitable.

OVERVIEW OF CIMPOR:

- Broad geographical presence: 3 continents, 8 countries
- Strong market presence in Brazil, Argentina, Paraguay, Portugal, Egypt, Mozambique, South Africa and Cape Verde.
- 40 cement units: 23 integrated plants and 17 mills
- 8,768 employees
- 29,988 thausand tons sold

Mission, Vision, Values

VISION

Stand out for its customers through the level of collaboration and services provided, remaining always among the sector's ten largest companies and in the top-five soundest and most profitable international companies of the industry.

MISSION

Grow and develop together with customers, employees, suppliers, shareholders and communities, steered by innovation, sustainability and operational excellence.

VALUES

Respect for people and the environment – Act always correctly and fairly towards shareholders, employees, customers, suppliers, governments, communities and society at large Act responsibly in relation to the environment.

Operate responsibly – Respect that established in the legislation of the countries and regions where we operate; live up to the values defined here; act in an upright manner and according to universal standards of good human coexistence, without discrimination of race, sex, creed, religion, title, function or another.

Transparency – Provide clear and comprehensive information about the activities, achievements, policies and performance, in a systematic and accessible manner.

Focus on results – Always seek to maximize performance in order to ensure business continuity, the investments made, the return for shareholders and the right conditions for employees.

Quality and innovation – Ensure customers obtain the highest possible quality in the execution of services or the supply of products and continuously invest in the improvement of business activities and employees.

Business environment

The cement industry is distributed to almost every country in the world, and we see the operations of local firms and large international groups. Estimates are that worldwide more than 5,500 cement plants operates and that global production was around 4.2 billion tons in 2014, just over the 4 billion tons produced in 2013, according to data of the Global Cement Report. It's a market that transacts about USD 250 billion a year, without considering China, which accounts for more than half of world production and consumption and where basically only national companies operate.

Brazil, the main market of Cimpor - an InterCement company, had estimated production of 69.8 million tons in 2014, making it the world's fifth largest producer, after China, India, USA and Iran. Brazil is well placed relative to other major economies, allowing it to grow above the world average of 73% in the period between 2005 and 2013. The high growth level of 94%, led Brazilian production to improve from 13th to 5th position on the international ranking.

The global market which is directly dependent on the performance of local economies, presented variations in 2014 in accordance with the performance of those markets: lower growth in China, India and Iran, high sales in the USA and virtually stagnant in Europe and in Brazil.

Cimpor is positioned among the ten largest cement companies with international operations. It is the second largest cement manufacturer of Brazil. It is the market leader in Portugal, Argentina, Mozambique and Cape Verde, while in Paraguay it is ranked second in the market. In Egypt and South Africa it is the market leader of the regions in which it operates, in Alexandria and Durban, respectively.

MARKETS WHERE CIMPOR OPERATES

Country	Market size (tons)	Growth (GAGR 2003-2013)	Cimpor's ranking	Characteristics
Brazil	70.8	7.7%	2nd	• world's 5th largest market • Need for infrastructure and construction of housing • 6 competitors with multi-regional presence – 19 in total • Cimpor: operating in the country's key regions
Argentina	10.5	7.8%	1st	• Sound and resilient market • 4 competitors • Cimpor: logistics advantage
Paraguay	1.4	8.8%	2nd	• Growing market • Economic growth cycle supports increased demand • 2 competitors • Cimpor: integrated plant completed in 2014
Egypt	54.2	7.4%	1st in the Alexandria region	• Resilient market • Low urban development rate (43%) • Cimpor: local competitive advantages
Mozambique	1.7	9.2%	1st	• One of the fastest growing economies • Strong potential, low per capita consumption • Cimpor: sole integrated local producer
South Africa	11.8	1.5%	1st in the Durban region	• Strong growth • Signs of recent recovery • Cimpor: commercial and operational strategy
Portugal and Cape Verde	3	- 10.6%	1st	• Exports compensate for contraction of the internal market • 2 competitors • Cimpor: highest level of productivity
Trading	-			• Fifth largest trader in the world, significant exports to Africa and Latin America • Optimisation of resources • Investment timing flexibility • Prospecting new markets

Highlights
Main indicators

FINANCIAL	2013	2014	Change (%)
Turnover (EUR million)	2,624.5	2,603.7	-0.8%
EBITDA (EUR million)	691.8	645.6	6.7%
EBITDA Margin (%)	26.4%	24.8%	-5.9%
Net profit (EUR million)	-15.3	29.6	n.m.
Investment (EUR million)	342.3	204.3	-40.3%
Income per employee (EUR thousand)	295.7	297,0	0.4%
EBITDA per employee (EUR thousand)	77.9	73,6	-5.5%

OPERATIONAL	2013	2014	Change (%)
Cement and clinker sales (million tons)	28.4	30.0	5.7%
Concrete sales (million m^3)	4.8	4.5	-6.1%
Volume of aggregates (million tons)	8.2	8.2	-0.4%
Tons transported by rail (million tons) (1)	5.8	5.3	-8.6%
Employees (at end of period)	8,875	8,768	0.5%

Strategy

A strategic map designed collaboratively and involving different instances of company, guides and sets targets that permeate through Cimpor towards the greater objective set out in the 2023 Vision: always be among the ten largest and the five most profitable international companies of the sector.

The strategic map was divided into four components, which are pillars on which the targets are established: Results, Partnerships, Processes, People and Culture. Three cross-cutting aspects were established, which are essential values of Cimpor. Everything must be done always respecting these three fundamental items: Risks, Innovation and Sustainability, and Safety.

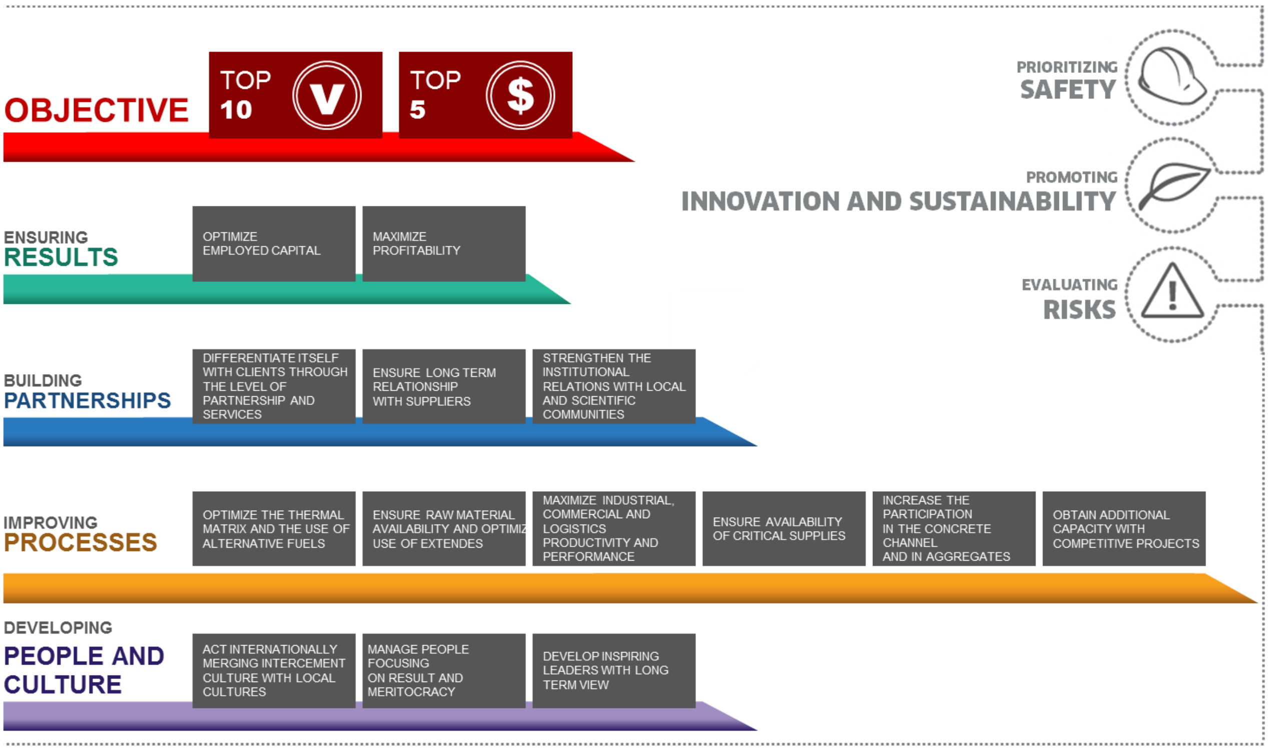
Each component has strategic goals that derive from a 2014-2023 Action Plan and have indicators and targets that allow Cimpor to keep track of whether the strategy is being effectively implemented. Managers, defined from among the senior management, are in charge of managing compliance with the targets of each component - ensuring compliance in the short term and taking action for their fulfilment in the medium and long-term.

The Action Plan is the result of a participatory process that involved more than 200 employees. Overall strategic topics were defined during the process - such as thermal energy, trading, additives, products and services, concrete and aggregates with an environmental impact. These topics allow Cimpor to stand out from its competitors and achieve the 2023 Vision. Potential new countries and investments of around EUR 440 million in the period between 2015 and 2017 were also assessed, which will ensure that the targets are achieved.

The goals of each component are detailed in this report.

STRATEGIC MAP Cimpor

CIMPOR 2014-2023



Financing

A new financing policy recently began to be implemented, adjusted to the new profile of the company and its development ambitions. The guidelines of this policy are to reduce leveraging and debt and to redesign the debt profile – which comprises the decrease in foreign exchange exposure and looking for an adjustment in funding sourcing in the currency in which revenue is generated in each country, where appropriate, as a means of Cimpor hedging.

The process of reducing leveraging and debt comprises the prudent selection of investments, various projects to increase efficiency and a specific programme to increase the management efficiency of the working capital fund. These initiatives will be further bolstered by the disposal of non-operating assets of the company.

In relation to the new financing profile and from a perspective of adjustment to the borrowing requirements of the operational activity and its development, two operations in 2014 should be highlighted for extending the average maturity of debt and reducing liquidity pressure:

(i) a new syndicated loan of 900 million dollars;

(ii) a bond issue maturing in 2024 (Senior Unsecured Notes Due 2024), in July 2014 in the amount of 750 million dollars with an interest rate of 5.75%.

The implementation of the above initiatives fostered a dispersal of the sources of financing – which in addition to the banks, today includes debentures and capital markets - and an extension of the average maturity of debt from 4.5 in 2013 to 5.9 years, at the end of 2014.

In terms of hedging, substantial hedging (about 70%) of the exposure in dollars occurred in Q3 of 2014, which provided greater stability in the reporting of financial results by adherence to the company's consolidation currency, the euro.

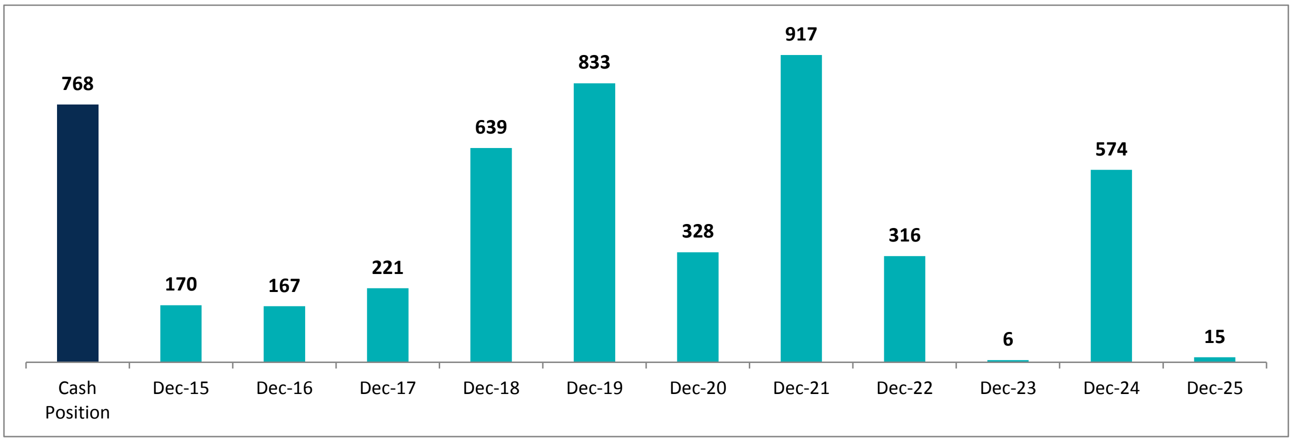
Net financial debt (EUR 3,439 million) was in line with the end of the previous year, evolving favourably by about EUR 193 million in the last quarter of the year, which greatly contributed to strong cash generation during this period (around EUR 126 million).

In the context of Cimpor's responsibilities towards its creditors, it should be noted that the indicator of indebtedness (net financial debt/EBITDA) being measured at the level of InterCement's shareholdings - its controlling shareholder, was in harmony with the contractually established covenants.

As the ratings of Cimpor – Cimentos de Portugal, SGPS, S.A. and Cimpor Inversiones, S.A., directly and indirectly controlled by InterCement Participações, S.A., are restricted by the rating of its ultimate controlling shareholder (the criterion of Standard & Poor's envisages the pegging of the rating of subsidiaries to the parent company) a request was made to Standard & Poor's (S&P) to remove the ratings awarded those two companies. This request was based on the fact that none of the above companies had currently issued any debt that might require a rating. It should however be noted, for reference, that on the date of this request the rating of both companies was "BB".

Under the sphere of Cimpor, the rating for InterCement Brasil, S.A. is nonetheless maintained (currently at "BB") which, together with InterCement Participações, S.A., is the guarantor for the issuance of Senior Unsecured Notes Due 2024 by Cimpor Financial Operations BV, which is rated "BB" by S&P.

Maturities Schedules:



Note: includes derivatives.

Cimpor Share Performance

The shares of Cimpor were the target of a devaluation and some volatility in 2014, with a maximum price of 3.36 euros (on 10 April) and a minimum price of EUR 1.055 (on 24 December). The closing price for the year was EUR 1.174, with a total of 8.8 million shares transacted, corresponding to EUR 20.7 million.

The low free float together with reduced liquidity and considering the developments of the Portuguese shareholder market throughout 2014, restricted the development of the share price.

The 2013 dividends were paid on 24th April 2014, amounting to 0.0029 euros per share.

The net income of Cimpor - Cimentos de Portugal , SGPS, SA , on an individual basis, amounted up to 868,646.56 euros. A possible payment of these results to shareholders would not have a significant impact, evince, to some small shareholders, counterproductive in face of charges for the respective receipt. Thus, the Board of Directors proposes no dividend distribution for the year 2014. This proposal is subject to the shareholders that reach the percentage provided in Cimpor statutes, article 22 , paragraph 1, point b).

Cimpor held 5.906.098 treasury shares in portfolio at 31 December 2014. No shares were traded during 2014, so the number of treasury shares remained the same as that of the close of 2013.

The Annual General Meeting of 2014 did not approve any shares plan therefore, given the termination of the plans implemented in 2012, no shares plans or stock option plans were in force in 2014.

Corporate Governance

Controlled risks

Risk assessment is a cross-cutting evaluation of all the shares of Cimpor so that the strategic objectives of the company are achieved, overcoming adversities associated with the complexity of the business environment and cultural diversity. It is one of the three cross-cutting topics defined in the strategic chart – the other two are the priority given to safety, innovation and sustainability. The corporate policies of risk management and crisis management have been widely disseminated in the countries of operation.

The vision is to manage risks and maintain reliable control systems which allow for the focus on the pursuit of the goals, taking advantage of the business opportunities and ensuring the continuity of the company. This is why tools are kept that help identify, establish parameters, assess and propose contingency plans or plans to mitigate the factors which could have an adverse impact on the results. The risk management seeks to establish a harmonious balance between risk and cost/investment, maximizing opportunities and minimizing adverse effects.

There was a refinement of the risk matrix in 2014, through the reassessment of the most relevant risk factors in all operations, sorting them into two major groups: business and operation.

The business risks were identified, assessed and prioritized by the Executive Board and employees of the business units. They comprise factors that impact, in some manner, on five components that can affect the results: reduction of EBITDA, market share, indebtedness, reputation and image, and continuity of operations. The operating risks encompass controls to ensure that the activities are not jeopardised by failures of equipment or processes.

A plan of action was established for each risk and managers identified for adopting monitoring measures and mitigating action, which includes the participation of a member of the Executive Board or senior management and directors of the business units. The process included the development of a methodology that defines tolerance and limits the risk, as a means of defending the business. Risk management is coordinated by the area of risk management and audit and it has a structure in each business unit represented by those responsible for the internal audit process. Other instruments were refined and/or developed to monitor risk factors. These principal instruments were the process of compliance, the adoption of the methodology of continuous auditing and the implementation of a telephone line called the Ethics Line.

Ethics and integrity

Cimpor has had an Ethics Committee since 2013, reporting to the Corporate Governance and Sustainability Committee and to the Audit Committee. The Ethics Committee is advised by the Audit and Risk Management area, which ensures the implementation and Monitoring of the Irregularities' Reporting Policy and Code of Conduct in all Business Units of Cimpor and among the different various stakeholders. This area has the "Ethics Line" for this purpose, a channel advertised among all employees, suppliers, customers and stakeholders, which has public access on the site and on the internal networks of Cimpor, and where questions, suggestions, comments and complaints of behaviour deviating from that set out in the Code of Conduct can be posted.

Special emphasis was given in 2014 to the Anti-corruption Law which came into force in Brazil. It was widely disseminated in the company. Employees of the risk management, legal and audit areas conducted lectures and conferences for all employees of the Brazil BU and for the top executives of all the other business units of Cimpor.

Furthermore, all managers of the Brazil BU were interviewed to identify the relationship with public agents, suppliers and society as well as the business processes that may pose risk of corruption with the aim of supporting the implantation of a process of compliance to ensure adherence to the provisions of the mentioned anti-corruption law. The same criteria will be applied to other business units during 2015. These measures identified sensitive processes and areas, for a more structured follow-up.

Corporate Governance

Throughout 2014 we continued improving and simplifying the system of government of Cimpor Society, and the results of this process patents, both in terms of the integration process as the company's operations, as you 'll find in this report.

Cimpor develops the best practices in Corporate Governance and largely complies with the recommendations of the new CMVM Corporate Governance Code of 2013, which it has adopted. Compliance with those recommendations is presented in the separate Report on Corporate Governance (attached hereto).

Cimpor maintains a robust and active governance model, able to support the accelerated growth in recent years and to ensure the Mission, Vision and Values of the company are met. It seeks to maintain best practices that convert principles into objective recommendations, aligning interests with the end purpose of preserving and optimizing the value of the organisation, facilitating its access to capital and contributing to its longevity.

The Executive Committee is responsible for the overall running of the business.

The work of the Executive Committee is supported in each country by management committees, responsible for ensuring that the procedures follow the corporate policies and the guidelines are taken into consideration in the decision-making process. In 2014, the units of Africa began to be directed by a Vice-Chairman, created to give more agility in making operational decisions and in identifying and capturing potential management synergies. The Egypt and South Africa units will have, from 2015, General Directors of local origin. In terms of corporate finance, the responsibility for operations in Europe and Africa was also given to a CFO specialised in these regions. There are also corporate areas in Brazil and in Portugal responsible for the main overall guidelines.

Cimpor also has a specifically defined governance structure for the management of its corporate social responsibility, because it believes a company has a social responsibility inherent to its business performance. Cimpor has the methodological support of the Camargo Corrêa Institute (ICC) in the aim of improvement of the social welfare of surrounding communities. This institution has an extensive track record in this area. Cimpor converges its social intervention projects in a new methodology that develops four structural programmes: Ideal Childhood, Ideal School, Ideal Future and Ideal Volunteer.

Results

Cimpor believes that optimising capital use and extracting its best possible performance, enhances the ability of cash generation through operational excellence and productivity.

Highlights

2014: Market position is strengthened, while the potential of Africa stands out on the portfolio.

Cement and clinker sales grow 6%, reaching a record volume in the new portfolio of 30 million tons. Strengthening of market position in Brazil, new operational capacity in Paraguay, growing contribution of operations in Africa and optimised flexibility through Trading activity reaffirm Cimpor's position among international players. Unfavourable currency developments Argentine Peso (33%) South African Rand (11%) and Brazilian Real (8%), constrain perception of indicators' evolution.

Turnover reached EUR 2,604 million, in line with the previous year's value (-0.8%). If we remove the exchange rate losses compared with 2013 (EUR 326 million), this indicator presents a growth in excess of 13% compared with the same period of the previous year.

EBITDA margin of 24.8%, one of the best among the international companies of the sector.

EBITDA rose to EUR 645.6 million. Using the base currency of 2014 for comparative purposes in the 2013 results, i.e. excluding the negative currency effect of EUR 80 million, EBITDA would have increased 6%, rather than the 7% decrease shown in the accounts.

Operations in Latin America, strengthen its position in the local market and introduce new measures to increase efficiency.

- Brazil – Strengthening of market position requires logistical efforts and operational interventions that, in a background of pressure from energy costs, penalize the margin and results.
- Argentina – reinforced market leadership allows consumer contraction to be mitigated. Depreciation of the local currency.
- Paraguay-New grinding mill and later start of integrated production with a new kiln, increase efficiency and increase sales, reinforcing the local competitive position.

The performance of assets in Africa - cement and clinker sales up 18%, 25% increase of EBITDA and 2 p.p. on its margin – illustrate the growing trend of the contribution of these operations to the consolidated results, reinforcing the potential of geographical diversification of the asset portfolio.

- Egypt - management of fuel and clinker stocks leverage competitive advantage, increasing sales (+18%) and strengthening local presence.

- Mozambique – restructuring of sales team, developing market intelligence and results of multidisciplinary project for increased efficiency have an impact, accelerating the reconquering of the market position.

- South Africa – penetration of new brand and marketing intelligence sales rise (+17%) and average price in competitive environment, providing an increased market share. Industrial efficiency and co-processing increase EBITDA.

Flexibility and Dynamism set Cimpor apart.

- Portugal and Cape Verde - exports compensate for market contraction in Portugal. Cape Verde shows signs of recovery.

- Trading and others – increase of volume and expansion of activity to new countries and increased efficiency.

Advances in the balance sheet strengthening process: improvement in debt profile (maturity extension and currency hedging); return of the working capital program and investment discipline; introduction of operational improvements to increase return.

Net profit reaches EUR 30 million, reflects the improvement of financial results and taxes.

Last quarter presents cash generation of EUR 126 million, determining the release of EUR 91 million and performing positively vis-à-vis the previous year's performance.

Main Indicators			
	Jan - Dec		
	2014	2013	Change %
Cement and Clinker Sales (thousand ton)	29,987.6	28,381.5	5.7
Turnover (million Euros)	2,603.7	2,624.5	-0.8
EBITDA (million Euros)	645.6	691.8	-6.7
Net Profit (million Euros) [1]	27.7	(19.4)	n.m.
Free Cash Flow to the company	91.1	(102.0)	n.m.

[1] Attributable to Shareholders

Business Activity in 2014

	Unit	Brazil	Argentina	Paraguay	Portugal [1]	C. Verde	Egypt	Mozambique	South Africa
Cement Activity									
Cement installed capacity [2]	10^6 ton	17.9	8.5	0.7	9.1	-	5.8	3.1	1.8
Cement and Clinker Sales	10^3 ton	12,601	6,178	422	4,371	-	3,761	1,520	1,502
Overall Activity									
Turnover	10^6 euros	1,168.4	545.4	55.9	274.3	27.0	246.9	148.9	126.1
Employees (31 Dec.)	units	3,020	2,970	105	863	101	508	600	385

[1] Excluding Group common areas
[2] Cement production

1. Operational Performance

2014 was a year of strategic affirmation for Cimpor as it returned to strengthen its market position in the countries in which it operates. The potential of the company's assets in Africa was evident, in particular through the increase of its weight in the contribution to consolidated EBITDA.

Sales grew 6% in 2014 as Cimpor sold a record volume for its new portfolio of assets, 30 million tons of cement and clinker. Sales grew in all countries where it operates, with the exception of Argentina.

Cimpor has reaffirmed its position among the biggest international cement companies by expanding its market position in Latin America due to the practical application of its client-focused strategy and the increased capacity in Paraguay, structuring its operations in Africa in order to respond to the growing demand and taking advantage of its trading flexibility, for an efficient management of geographically dispersed production capacity of the company.

While this expansion and development are evident in the field, its translation into the consolidated results in euros and, in particular, its comparison with the previous year, was penalised by the depreciation observed in 2014, mainly in the Argentine Peso (33%), South African Rand (11%) and Brazilian Real (8%).

Nevertheless, turnover in 2014 reached EUR 2,604 million, in line with the previous year's value (-0.8%). This indicator would show an increase of 13.3% compared with the same period of the previous year if we neutralize the exchange losses in relation to the 2013 financial year (EUR 326 million).

Cimpor is again, with an EBITDA margin of 24.8%, a stand out company among the most profitable companies of the sector. However, despite the increase in the company's business and the growth of operational efficiency in diverse areas, the increase of energy prices and raw material costs would eventually cancel out the evolution of EBITDA margin (26.4% in 2013).

In absolute terms, EBITDA amounts to EUR 645.6 million. Using the base currency of 2014 in 2013 for comparative purposes, i.e. excluding the negative currency effect of EUR 80 million, EBITDA would have increased 6%, rather than the 7% decrease shown in the accounts.

An analysis by country shows that in the Latin America operations, Cimpor strengthened its market position and prepared an increase of efficiency, while the performance of assets in Africa - cement and clinker sales up 18%, 24.8% increase of EBITDA and 2 p.p. rise of its margin, reinforces the growing trend of increased contribution of these operations to the consolidated results of the company and shows the potential of geographical diversification of the asset portfolio. Portugal, operational benchmarking, and the Trading activity stand out for the dynamism and flexibility that they provide to set Cimpor apart.

SALES

In accumulated terms, there has been 6% growth in the sales of cement and clinker to 30 million tons. There was a growing contribution from sales in 2014 in all countries where Cimpor operates, with the exception of Argentina.

In 2014, following its strategy to focus on the customer and taking advantage of national coverage that today exists in Brazil, Cimpor sold 12.6 million tons in that country. The company, recording growth of sales of 1%, estimates it has increased its market share in a climate of slowing consumption - a trend more pronounced in the second half of the year, in the face of the national involvement in the football World Cup and the periods before and after the elections.

In Argentina, Cimpor has reaffirmed its position as national leader showing a growth in market share. However, following a cycle of increasing consumption and after a record year of sales in the country in 2013, demand contracted 3.2% compared with the previous year. If this trend of contraction was evident to Cimpor in the first half of the year, the last few months of the year showed signs of recovery.

Paraguay, benefiting from a full year of operation of its milling unit and, from the end of the year, from its fully integrated production line - with the entry into production of the new clinker kiln, responded with a strong commercial dynamic to the local demand, exceeding sales of the previous year by 50.6% and increasing its share of the local market.

The domestic market in Portugal continued to shrink, which worsened as the year progressed. However, the use of export activity and the favourable contribution of the business in Cape Verde, made 8% growth of sales of this unit possible.

Trading, which is strategically dedicated to the optimisation of Cimpor's production capacity and to capture opportunities in new markets, again heavily increased its activity in 2014, reaching growth of sales of 19.7% - which essentially went to South America and Africa.

Cimpor's operations in Africa showed quite uniform sales growth (over 17% in all countries). Egypt recorded 17.8% growth of sales, reaching 3.7 million tons sold. The stock management strategy ensured a privileged position in the market in the first half, keeping a high pace of growth in the second half of the year after stabilisation of the competition. Both Mozambique and South Africa's market were affected by the inflow of imported cement, but Cimpor's operations in both countries managed to increase market share. The restructuring of sales team in Mozambique, developing market intelligence and greater production capacity (full year of operation of the two mills that came into operation in 2013), coupled with an operational improvement in the second half also drove growth of 17.0% of sales compared with the previous year. Lastly, in South Africa, sales growth was 17.3% consolidating the success of the business strategy and implantation of the new brand.

In consolidated terms, and regarding the sales of other products of Cimpor, the 6.1% reduction of the quantity of concrete sold is to be highlighted (caused by lower demand for major projects in Brazil), and also certain stability in sales of aggregates and mortars.

CEMENT AND CLINKER SALES - BUSINESS UNIT			
(Thousand tons)	Jan - Dec		
	2014	2013	Change %
Brazil	12,601	12,533	0.5
Argentina	6,178	6,383	-3.2
Paraguay	422	280	50.6
Portugal	4,371	4,053	7.9
Cape Verde	182	176	3.7
Egypt	3,761	3,192	17.8
Mozambique	1,520	1,299	17.0
South Africa	1,502	1,281	17.3
Sub-Total	**30,539**	**29,197**	**4.6**
Intra-Group Eliminations	-551	-815	**n.m.**
Consolidated Total	**29,988**	**28,382**	**5.7**

OTHERS ACTIVITIES SALES			
	Jan - Dec		
	2014	2013	Change%
Concrete Sales (thousand m^3)	4,542	4,836	-6.1
Aggregates Sales (thousand tons)	8,219	8,255	-0.4
Mortar Sales (thousand tons)	238	240	-1.0
Railroad Operation (thousand tons)	5,259	5,751	-8.6

TURNOVER

Turnover reached EUR 2,604 million in 2014, in line with the previous year's value (-0.8%). This indicator shows an increase of 13.3% compared with the same period of the previous year if we neutralize the exchange losses in relation to 2013 (EUR 326 million).

In Brazil the customer focus in Brazil translated into a combative commercial trend set apart by the level of partnership and service provided, which allowed the price and sales to grow slightly in an unfavourable macroeconomic climate. The appreciation of the euro eventually negated this local performance resulting in a reduction of this indicator in 5.7% compared to 2013.

Likewise, the turnover of the Argentina and Paraguay business unit would not reflect the local performance in the consolidation into euros, despite the contention of the correction of consumption in Argentina and the exponential increase of activity in Paraguay, due to the impact of the depreciation of the Argentine peso against the euro.

Portugal registered a slight shrinkage as a result of decreased activity in the domestic market. Cape Verde again grew sustained by growth both in sales and price. The Trading activity also excelled, exceeding the revenue of 2013 by about 10%.

Cimpor's performance in Africa was a clear highlight, with turnover growing 16.5%. Egypt and South Africa have shown progress in their competitive position, particularly the 37% increase in annual terms of this indicator in the case of Egypt and the improvement achieved in Q4. The significant sales growth in Mozambique offset the dilution of the average sale price (under pressure from imports and new competitors in the market), resulting in the increase of about 5% in revenue generated compared with 2013.

TURNOVER - BUSINESS UNIT			
(Million Euros)	Jan - Dec		
	2014	2013	Change%
Brazil	1,168.4	1,238.7	-5.7
Argentina	545.4	613.1	-11.1
Paraguay	55.9	38.4	45.6
Portugal	274.3	283.5	-3.2
Cape Verde	27.0	24.0	12.7
Egypt	246.9	180.8	36.6
Mozambique	148.9	141.9	5.0
South Africa	126.1	125.2	0.7
Trading / Shipping	305.5	276.9	10.3
Others	48.6	34.2	42.1
Sub-Total	**2,947.0**	**2,956.6**	**-0.3**
Intra-Group Eliminations	-343.3	-332.1	3.4
Consolidated Total	**2,603.7**	**2,624.5**	**-0.8**

EBITDA

Cimpor is again, with an EBITDA margin of 24.8%, a stand out company of 2014 among the most profitable companies of the sector. However, despite the solid growth of operational efficiency and the increase of the company's activity, the increase of energy prices and raw material costs would eventually cancel out the evolution of EBITDA margin, which had achieved 26.4% in 2013.

In absolute terms, EBITDA rose to EUR 645.6 million. Using the base currency of 2014 for comparative purposes in the 2013 results, i.e. excluding the negative currency effect of EUR 80 million, EBITDA would have increased 6%, rather than the 7% decrease shown in the accounts.

The highlight presented by the increased return from operations in Africa (EUR 148 million), which showed an increase in EBITDA of 26% compared to 2013, reflects a trend that is envisaged to increase, of the increased share of the consolidated EBITDA of Cimpor. This clearly indicates the asset potential in this region in which the company has been investing. Nevertheless, South America continues to lead the portfolio of assets. It should be noted that Brazil's contribution is already less pronounced, representing for the first time less than half the EBITDA generated.

Brazil recorded an EBITDA of EUR 322 million in 2014, in a context influenced by the election year and by strong pressure on costs, especially in terms of energy. Moreover, the analysis of its evolutionary performance vis-à-vis 2013 turns out to be altered by the conversion of its contribution to euros, registering a loss of about EUR 34 million due to depreciation of the real.

The Argentina and Paraguay business unit unveiled EBITDA of EUR 128 million, equivalent to growth of 2.3%. On the one hand, the EBITDA of this BU benefits from the doubling of the contribution from Paraguay for the purpose of comparison with the previous year (via increased activity and efficiency of the new industrial units) and the anti-trust fine in Argentina in 2013 (EUR 25 million), while on the other it sees the contribution of its local performance to the consolidation into euros impaired by the depreciation of the Argentine Peso (EUR 39 million).

The Portugal and Cape Verde business unit benefitted from the increased contribution from Cape Verde and from the strong dynamism in the export activity - which, by the volume achieved, and despite providing a lesser profit margin than sales in the domestic market in Portugal, managed to offset the contraction in that market. Thus, the EBITDA of this business unit was EUR 32.8 million, although showing a reduction of 2.7% from 2013, justified by lower sales of CO2 permits.

The performance of Cimpor's operations in Africa clearly stood out in 2014. Egypt registered a substantial increase of EBITDA, sustained by the increase of turnover in parallel with improved operational performance, offsetting the increased cost with local fuels. In Mozambique, EBITDA was constrained by operational problems in the first half and by pressure on the sale price generated by local imports. Lastly, a successful sales campaign and the optimisation of variable costs formed the base for the increase of EBITDA in South Africa.

Finally, it is worth mentioning the increased Trading activity, which is a clear sign of the growing flexibility and commercial reach of Cimpor's operations that make this company the world’s fifth largest cement trader.

Cimpor continues its development in a constant search to increase productivity and efficiency. The various activities it develops in this field include the expansion of co-processing as part of the adjustment of its energy matrix, with a directly positive contribution to the EBITDA of the company.

The start of this process in South Africa and Mozambique means that the company now co-processes in all countries where it produces cement. Cimpor is currently co-processing at 21 plants (out of 25) and in 25 kilns (out of a total of 30. It reached, for the first time, daily rates in excess of 50% at some of its units. The total volume of waste co-processed increased 4.3%, allowing 250,000 t of fossil fuels to be saved (growth of 15,000 t from 2013). This fosters a positive impact of EUR 28 million on EBITDA.

EBITDA			
(Million Euros)	Jan - Dec		
	2014	2013	Change %
Brazil	322.2	416.5	-22.6
Argentina and Paraguay	128.0	125.2	2.3
Portugal and Cape Verde	32.8	33.8	-2.7
Africa	148.4	119.0	24.8
Trading / Shipping and Others	14.1	-2.7	n.m.
Consolidated	**645.6**	**691.8**	**-6.7**
EBITDA Margin	**24.8%**	**26.4%**	**-1.6 p.p.**

Brazil

The Brazilian economy is expected to have registered growth of about 1% in 2014. The national involvement in the football World Cup followed by a period of uncertainty surrounding the electoral process justifies the investment and consumption slowdown observed in the second half. Economic sentiment reflected a contraction of this market after a cycle of high cement consumption, which registered average growth of 7.8% per annum between 2004 and 2013. This slowdown is estimated at around 2%.

Although the geographical diversification strategy of assets highlights the potential return of the other portfolio operations of Cimpor, Brazil is still the major contributor to consolidated EBITDA, due to its local sales volume of 12.6 million tons.

The customer focus, which was taken up by Cimpor as a strategic pillar, sets the company apart, allowing it to, counter-cyclically, increase sales by 0.5% in a clear sign of its reaffirmation in this market.

In parallel, the development of the level of services provided under the commercial dynamism fostered by the company, made an increase in average price of cement possible, although still below the inflation rate observed.

In concrete and mortar operations, Cimpor registered sales in 2014 of 2.4 million m3 and 0.2 million tons, respectively. The aggregates activity grew slightly, 1% from the same period of 2013.

The strengthening of the national foothold of Cimpor and the firm intention to ensure a continuous supply of cement to its base customers, required a major logistical effort accompanied by operational interventions to adjust the products made available. In 2014 energy costs also increased, not only by virtue of the withdrawal of subsidies but also by the impact of the devaluation of the Brazilian real on the import of fossil fuels.

In this climate, the Brazil business unit recorded an EBITDA of EUR 322 million, a reduction of about 23% compared to 2013, a comparison influenced in EUR 34 million by the depreciation of the Brazilian real.

Investments in 2014 amounted to EUR 128 million euros, with emphasis on the following projects: capacity increase of the Apiaí cable car system, waste burning system in Candiota and the capacity increase project - Caxitu greenfield and Cezarina brownfield (new clinker production line).

	Unit	2014	2013	Change
Cement installed capacity (1)	10^6 ton	17.9	17.9	-0.2%
Cement and Clinker Sales	10^3 ton	12,601	12,533	0.6%
Concrete Sales	10^3 m^3	2,394	2,760	-13.3%
Aggregates Sales	10^3 ton	2,420	2,396	1.0%
Mortar Sales	10^3 ton	183	196	-6.6%
Turnover	10^6 euros	1,168.4	1,238.7	-5.7%
Operational Cash Flow (EBITDA)	10^6 euros	322.2	416.5	-22.6%
EBITDA Margin	%	24.8%	26.4%	-1.6 p.p.
Employees (31 Dec.)	Units	3,020	3,055	-1.1%
Operating Investments	10^6 euros	127.9	224.5	-43.0%

(1) Cement production

Argentina and Paraguay

	Unit	2014	2013	Change
Cement installed capacity (1)	10^6 ton	8.5	8.5	0.3%
Cement and Clinker Sales	10^3 ton	6,600	6,664	-1.0%
Turnover	10^6 euros	601.3	651.5	-7.7%
Operational Cash Flow (EBITDA)	10^6 euros	128.0	125.2	2.3%
EBITDA Margin	%	21.3%	19.2%	2.1 p.p.
Employees (31 Dec.)	Units	3,075	3,048	0.9%
Operating Investments	10^6 euros	46.8	72.4	-35.4%

(1) Cement production

Argentina and Paraguay achieved an EBITDA in 2014 of EUR 128 million, ensuring this BU remained the second largest contributor to consolidated EBITDA of the company. In the comparison with 2013 we must first bear in mind the increase in the contribution to this business unit from the activity in Paraguay, which would eventually drive an increase in its EBITDA margin of about 6 p.p. as a result of increased efficiency. This comparison should also favourably take into account the extraordinary costs incurred in 2013 (anti-trust fine in the amount of EUR 25 million) and, unfavourably, the 33% devaluation impact of the Argentine Peso (about EUR 39 million).

An important slice of Cimpor's investments in 2014 was allocated to Paraguay, to the project to complete the integrated cement production plant. The investment allocated in 2014 to the Argentina and Paraguay business unit stood at EUR 47 million, covering in Paraguay coal grinding, grinding of the raw mixture and the kiln for this integrated plant and in Argentina it was mainly used as maintenance investments.

ARGENTINA

Argentina’s economy registered in 2014 its first fall in growth in more than a decade with GDP shrinking about 1% from 2013. The start of the year, marked by widespread exchange rate instability and turbulence in the financial markets due to the local debt restructuring, contributed to a reduction in consumption and investment.

The cement market, which registered average growth of 7.7% over the last 10 years, after recording record sales in 2013 and growth of 12%, had already given signs of the prospect of adjustment, which eventually came true in 2014. However, and despite the above-referred climate, the market once again showed its resilience as it limited this contraction to 3.5%, which is possible in view of the trend to channel investment to Argentina's residential construction sector as the usual safe haven in a climate of marked inflation.

Cimpor, strategically oriented to focus on the customer, reaffirmed its position as national leader and increased its market share. The impact of the market contraction would be mitigated by these means and a recovery in the last quarter would even be registered, driven by this local trend, ensuring 2014 ended with cement and clinker sales of 6.2 million tons.

Despite the fact that the economic context impacted on the different businesses of this unit, we must refer to the measures to increase efficiency that have been having an effect, such as the reduction of incorporated clinker and increased energy efficiency through co-processing.

	Unit	2014	2013	Change
Cement installed capacity [1]	10^6 ton	8.5	8.5	0.3%
Cement and Clinker Sales	10^3 ton	6,178	6,383	-3.2%
Concrete Sales	10^3 m^3	706	726	-2.7%
Aggregates Sales	10^3 ton	1,059	1,112	-4.8%
Railroad Operation	10^3 ton	5,259	5,751	-8.6%
Turnover	10^6 euros	545.4	613.1	-11.1%
Employees (31 dec.)	Units	2,970	2,968	0.1%

(1) Cement production

PARAGUAY

After a year of outstanding economic growth among the countries of Latin America, the Paraguayan economy should have grown roughly 4% in 2014, showing a progressively more competitive and attractive Paraguay for foreign investment.

The cement market maintained its pace of expansion, growing 14% from the previous year and surpassing the 1 million ton mark in consumption.

2014 was the first year Cimpor could benefit from a full year's use of its grinding unit. At the end of 2014 the new kiln was also completed, which provided this unit with an integrated cement production capacity of 680,000 tons/year. The local industrial capacity allied with the versatility and agility of Cimpor, resorting to its production capacity in other countries where and whenever necessary, enabled local demand to be promptly and continuously met.

The company increased its sales in this country by 50.6%, showing resilience in a climate particularly pressurized by imports that eventually led to a decline in the local price.

	Unit	2014	2013	Change
Cement installed capacity [1]	10^6 ton	0.7	0.4	70.0%
Cement and Clinker Sales	10^3 ton	422	280	50.6%
Turnover	10^6 euros	55.9	38.4	45.6%
Employees (31 Dec.)	Units	105	80	31.3%

(1) Cement production

Portugal and Cape Verde

	Unit	2014	2013	Change
Cement installed capacity [(1)]	10^6 ton	9.1	9.1	-0.3%
Cement and Clinker Sales	10^3 ton	4,554	4,229	7.7%
Turnover	10^6 euros	301.3	307.4	-2.0%
Operational Cash Flow (EBITDA)	10^6 euros	32.8	33.8	-2.7%
EBITDA Margin	%	10.9%	11.0%	-0.1 p.p.
Employees (31 Dec.)	units	964	973	-0.9%
Operating Investments	10^6 euros	6.4	3.3	93.7%

(1) Cement production

Despite the increased activity of the Portugal and Cape Verde business unit, the impact of the heavyweight drop of cement sales in the Portuguese domestic market and the decrease of revenue from the sale of CO_2 permits compared to 2013 (less EUR 2 million) are the reasons for the 2.7% decrease in EBITDA.

The scenario of containment in terms of net operational investments remained in place, which totalled EUR 6 million, with emphasis on the co-processing project for MSW burning at the Alhandra plant.

PORTUGAL

The Portuguese economy reversed the contraction trend of the previous 3 years in 2014, recording GDP growth of around 1% and consolidating a trajectory of overall GDP recovery.

The construction sector, which is sensitive to the cutting back of private investment and budgetary constraints on the State’s accounts, remained standoffish, penalising cement consumption in the domestic market. Positive signals were observed although the evolution of construction still remained unfavourable, and the degree of market downturn, though still in two digits, was rather less than had occurred in 2013.

Cimpor's cement sales in Portugal followed the market trend, declining 12% from the previous year to record a total of around 1.3 million tons. To compensate for this, the exports of cement and clinker again beat records, growing 20% in the year, the equivalent of more than 3 million tons sold, primarily to countries in Africa and South America. Exports, despite having lower prices when compared to prices in the domestic market, have helped to leverage the production of cement and clinker, increasing the rate of capacity utilisation of clinker.

Concrete in 2014 reversed the decline trend registered in 2013, as sales increased 9.4% to 1.064 million m3. EBITDA grew for aggregates and mortars fuelled by higher mortar sales (24% higher than 2013) and operational optimization in aggregates (sales fell 2% from the previous year).

	Unit	2014	2013	Change
Cement installed capacity (1)	10^6 ton	9.1	9.1	-0.3%
Cement and Clinker Sales	10^3 ton	4,371	4,053	7.9%
Concrete Sales	10^3 m^3	1,064	973	9.4%
Aggregates Sales	10^3 ton	4,103	4,199	-2.3%
Mortar sales	10^3 ton	56	45	23.7%
Turnover	10^6 euros	274.3	283.5	-3.2%
Employees (31 Dec.)	Units	863	868	-0.6%

(1) Cement production

CAPE VERDE

2014 in Cape Verde was marked by an increase in cement consumption, reversing the trend that had existed. Cimpor's sales exceeded the performance of the market growing about 3.7% for a total of 182,000 tons sold, incorporating a price increase of more than 3%. Similarly, the increased number of major works, mainly linked to the tourism sector and the public investment programme, led to sales of concrete and aggregates increasing by more than 60%.

	Unit	2014	2013	Change
Cement Sales	10^3 ton	182	176	3.7%
Concrete Sales	10^3 m^3	17	10	66.3%
Aggregates Sales	10^3 ton	64	39	63.7%
Turnover	10^6 euros	27.0	24.0	12.7%
Employees (31 Dec.)	Units	101	105	-3.8%

Africa

The development of Cimpor's operations in Africa clearly stood out in 2014, revealing the potential of its growing weight in the portfolio of assets by presenting EBITDA growth of 25%.

	Unit	2014	2013	Change
Cement installed capacity (1)	10^6 ton	10.7	10.1	6.3%
Cement and Clinker Sales	10^3 ton	6,783	5,772	17.5%
Turnover	10^6 euros	521.9	447.8	16.5%
Operational Cash Flow (EBITDA)	10^6 euros	148.4	119.0	24.8%
EBITDA Margin	%	28.4%	26.6%	1.9 p.p.
Employees (31 Dec.)	Units	1,493	1,580	-5.5%
Operating Investments	10^6 euros	21.5	46.0	-53.3%

(1) Cement production

The recent development of Cimpor's operations in Africa, reflect the local markets' potential allied with the management practices being introduced in these countries. All the markets where the company operates recorded growth, further fostered by the operational improvements introduced through the systems for sharing best practices and the implementation of measures to achieve the levels presented as benchmarks, which have been taking effect in the various regions.

The increased commercial dynamism in all countries, responding to the strategic call for customer focus, introducing levels of response to demand and the provision of innovative services, combined with the benefits of the management of stock and the energy matrix in Egypt, operating improvements in South Africa and initiatives of the Mutirão project in Mozambique, have all contributed, among others, to the 25% increase in EBITDA registered, raising it to EUR 148 million.

This increase is all the more relevant if the 2 p.p. increase of EBITDA margin associated with it is taken into consideration: 28.4%.

Net operating investment fell more than 50% compared to 2013, down to EUR 21 million. This investment covered the installation of the new coal mill and the more intensive implementation of co-processing in Egypt, the installation of the cement mill at Dondo and the electricity substation in Mozambique, and maintenance investments in South Africa.

EGYPT

Egypt's economy maintained growth above 2% in 2014, benefitting from greater political stability, economic reforms and investment recovery.

The improved economic context led to a growth in cement consumption greater than 2.5%, to a total of 51 million tons consumed.

On the other hand, the adjustments in energy policy would cause increases in the energy bill for the cement industry.

Cimpor's business in Egypt performed positively in 2014. In anticipation of the restrictions and corrections applied to the supply of fuel, in particular the withdrawal of subsidies for natural gas, primarily used as the fuel to then, the company strategically decided to stockpile both fuels and clinker. The scenario the company had envisaged became reality and the company, unlike some of its competitors, managed to assure the normal functioning of operations responding to its natural demand and expanding its customer base.

The stockpiling option coupled with the commercial dynamism of Cimpor resulted in increased market share, with sales growth of 18% as a result of the competitive advantage presented.

Cimpor, following up on the measures to increase local operational efficiency, as evidently shown by the EBITDA margin registered in 2014, also moved to optimise clinker consumption. In parallel, considering the new local energy policy, Cimpor continued to adjust its energy matrix – which in addition to the ongoing installation of a new coal mill also comprises the more intensive use of co-processing. Cimpor did in fact register record co-processing statistics for this unit, in 2014, mitigating the increase of about 20% in local energy costs.

	Unit	2014	2013	Change
Cement installed capacity [(1)]	10^6 ton	5.8	5.5	5.9%
Cement and Clinker Sales	10^3 ton	3,761	3,196	17.7%
Concrete Sales	10^3 m^3	17	15	9.1%
Turnover	10^6 euros	246.9	180.8	36.6%
Employees (31 Dec.)	Units	508	516	-1.6%

(1) Cement production

MOZAMBIQUE

Latest estimates indicate that Mozambique's GDP has grown around 8% in 2014. The country continues to register robust macroeconomic performance based on increased coal production, the implementation of infrastructure projects and budgetary expansion.

The cement market maintained its recent trend, growing in 2 digits, and surpassing the GDP growth of the Mozambican economy, with estimated growth of 14%. The especially competitive climate as a result of imports would eventually apply pressure to the local price.

The year of Cimpor was marked by the beginning of an operational improvement project called "Mutirão Industrial", with the goal of leveraging key points of industrial performance and raising the unit to the operational benchmarking levels of the company. At the end of the year, with the challenge of regular supply of limestone to the kiln, improvements in productivity and efficiency could already be seen with the production of cement and clinker surpassing the previous year by 35% and 28%, respectively, supplemented by reductions observed in the consumption of fuel and electricity.

The restructuring of the commercial team and the development of market intelligence in this business unit - which benefitted for the first time from a full year of activity of the two new mills installed in 2013, and an industrial response immediately improved by the impact of the actions implemented under the Mutirão Industrial project, raised local cement sales by 17% to the record total of 1.5 million tons. This process was engaged in reconquering the local market share.

	Unit	2014	2013	Change
Cement installed capacity [(1)]	10^6 ton	3.1	2.9	7.2%
Cement and Clinker Sales	10^3 ton	1,520	1,299	17.0%
Concrete Sales	10^3 m^3	157	172	-8.7%
Turnover	10^6 euros	148.9	141.9	5.0%
Employees (31 Dec.)	Units	600	643	-6.7%

(1) Cement production

SOUTH AFRICA

The prospects for development of the South African economy proved to be positive with growth of about 1.5%, in line with the expansion that has been observed since 2008.

According to the latest estimates, the cement market in 2014 should have registered growth of less than 2%. An increase of competitiveness was observed due to the sharp increase in imports and the entry of new players.

Cimpor, implementing a new commercial dynamism and exploring the new brand introduced in 2013, increased its sales by approximately 17%, to about 1.5 million tons, showing a clear recovery of its market share while at the same time imposing an average price increase of about 3%.

The commercial performance was complemented with operational improvements, translating into clinker production 25.6% higher than the previous year with lower thermal consumption and the start-up of the co-processing activity.

	Unit	2014	2013	Change
Cement installed capacity (1)	10^6 ton	1.8	1.7	5.7%
Cement and Clinker Sales	10^3 ton	1,502	1,281	17.3%
Concrete Sales	10^3 m^3	188	180	4.3%
Aggregates Sales	10^3 ton	573	509	12.5%
Turnover	10^6 euros	126.1	125.2	0.7%
Employees(31 Dec.)	Units	385	421	-8.6%

(1) Cement production

2. Amortization and Provisions

Amortization and impairments totalled EUR 197 million which, compared with EUR 205 million in 2013, were influenced by the impact of currency conversion to the euro. Currency exchange in 2013, amortization and impairments increased by around EUR 15 million.

3. Net Financial Expenses

The net financial expenses of Cimpor at the end of the 2014 financial year were negative EUR 371 million, compared to the negative EUR 407 million recorded in 2013.

The favourable evolution of negative exchange rate differences contributed significantly to this variation, by about EUR 97 million. This was driven by contributions from the contracting in the third quarter of the year of financial instruments to cover the euro from exchange rate exposure to the USD, which allowed losses of about EUR 100 million euros to be avoided, and thus significantly reduced the risk to the financial results of exposure to exchange rate volatility.

The increase of net interest expenses, around EUR 39 million, as a result of the increase of interest rates in South America and the effect on rates by increasing the maturity of financial debts in EUR and USD, resulting from the restructuring that took place in the year, and which is also responsible for an increase of associated charges by about EUR 16 million, are factors that limited that growth.

4. Taxes

Income taxes improved around EUR 48 million to EUR 48 million. Income taxes are still not influenced by the registering of deferred taxes corresponding to the negative results of the holdings and financial societies holding debt and reflect a generation of results in 2014 with more favourable effective taxation.

5. Net Income

Net income amounted to EUR 30 million. The component attributable to shareholders increased EUR 46 million euros, to stand at EUR 27 million, heavily influenced by the variations of net financial expenses and taxes, for the reasons set out above.

INCOME STATEMENT			
(Million Euros)	Jan - Dec		
	2014	2013	Change%
Turnover	**2,603.7**	**2,624.5**	**-0.8**
Net Operational Cash Costs	1,958.1	1,932.7	1.3
Operational Cash Flow (EBITDA)	**645.6**	**691.8**	**-6.7**
Amortisations and Provisions	196.9	204.7	-3.9
Operating Income (EBIT)	**448.8**	**487.0**	**-7.9**
Financial Results	-371.4	-406.9	n.m.
Pre-tax Income	**77.3**	**80.1**	**-3.5**
Income Tax	47.8	95.5	-50.0
Net Income	**29.6**	**-15.3**	**n.m.**
Attributable to:			
Shareholders	27.2	-19.4	n.m.
Minority Interests	2.4	4.0	-41.0

6. Balance sheet

The total assets of Cimpor at 31 December 2014 were EUR 6,553 million, which represents an increase of 1.6% compared to the values at the end of 2013.

Net financial debt, which increased slightly from EUR 3,427 million to EUR 3,439 million, evolved favourably by about EUR 193 million in the last quarter of the year, which greatly contributed to strong cash generation during this period (around EUR 126 million).

The average maturity of financial debt increased to around 5.9 years, as a result of refinancing operations carried out in the year. Of particular note in this regard, and which also represents the capacity of diversification of financing sources, is the issue by the subsidiary Cimpor BV of 10-year Senior Notes amounting to USD 750 million.

Net operating investments amounted to around EUR 204 million in 2014, about EUR 138 million less than in 2013, in line with the financial consolidation effort being followed. The most significant projects involved the continued expansion of the Caxitu and Cezarina units, in Brazil, and the installation of the kiln in Paraguay to complete the integrated line there. Other investments included the installation of the cement mill in Dondo and the electricity substation of the unit in Mozambique, while in other countries the resources were intended primarily for the maintenance of existing assets.

CONSOLIDATED BALANCE SHEET SUMMARY			
(Million Euros)	31 Dec 2014	31 Dec 2013	Change %
Assets			
Non-current Assets	5,049	4,976	1.5
Current Assets			
Cash and Equivalents	724	691	4.7
Other Current Assets	780	784	-0.5
Total Assets	**6,553**	**6,451**	**1.6**
Shareholders' Equity attributable to:			
Equity Holders	928	947	-2.0
Minority Interests	50	41	23.4
Total Shareholders' Equity	**978**	**988**	**-0.9**
Liabilities			
Loans	4,285	4,125	3.9
Provisions	145	143	1.5
Other Liabilities	1,144	1,196	-4.3
Total Liabilities	**5,574**	**5,464**	**2.0**
Total Liabilities and Shareholders' Equity	**6,553**	**6,451**	**1.6**

7. Free Cash Flow

The Free Cash Flow of Cimpor in 2014 was EUR 91 million, showing a clear freeing up of cash as opposed to the EUR 102 million requirement of 2013.

In addition to the seasonal factor, which by its nature drives marked cash generation in the second half, a positive trend of cash flow generation of about EUR 126 million was observed in the fourth quarter.

The programme of efficiency improvement in the generation of working capital proved to be particularly significant. In fact, excluding the item of payments to CAPEX suppliers, the benefits of the new methodologies applied to the management of working capital offset the funding needs arising from the increased activity of Cimpor, so no additional investment is required.

The amounts presented in the above-referred suppliers item arise from the finalisation of all the five production units under construction in 2013, a fact which also justifies why the value displayed under CAPEX for this period registered a reduction of approximately 40% in 2014.

Cimpor concluded a cycle of heavy investment in 2013, and it is now in a comfortable position for its slowdown guided by the investment discipline inherent to the deleveraging objectives of the company.

Accordingly, a contraction of EBITDA occurred, mitigated by efficiency of the management of working capital and a reduction of CAPEX and taxes paid (since a special settlement under a beneficial scheme in Portugal occurred in 2013) and which all combined to release the registered cash funds.

€ million	2013 1H	2013 2H	2013 FY	2014 1H	2014 2H	2014 FY
EBITDA	284	408	692	289	357	646
Working Capital [1]	-184	65	-119	-121	80	-41
Others	7	-31	-24	-2	-13	-15
Operating Activities	**108**	**441**	**549**	**166**	**424**	**590**
Interests Paid	-110	-112	-222	-102	-139	-240
Income taxes Paid	-27	-78	-105	-13	-29	-42
Cash Flow before investments	**-29**	**251**	**222**	**51**	**256**	**308**
CAPEX	-179	-158	-337	-105	-94	-199
Assets Sales / Others	-17	31	14	-32	14	-18
Free Cash Flow to the company	**-226**	**124**	**-102**	**-85**	**176**	**91**
Borrowings, financing and debentures	215	227	442	1166	607	1,773
Repayment of borrowings, financ. and debent.	-196	-213	-409	-1208	-678	-1,886
Dividends	-14	-4	-17	-3	0	-3
Changes in cash and cash equivalents	-220	134	-86	-130	105	-24
Exchange differences	-34	-54	-88	1	28	29
Cash and cash equivalents, End of the Period	560	640	640	512	645	645

[1] 2014 Working capital includes payments to 2013 CAPEX suppliers.

Partnerships

"Building sustainable partnerships", the tag line of the company since 2013 and one of its four strategic components, gave rise to the Partnerships Project. The main objective of that project is differentiation between the company's different relationship audiences. The project focuses on the compatibility and complementarity of the goals of the company and its partners - customers, suppliers and the community - aiming to create lasting relationships which translate into long-term benefits for both parties.

The project was developed from interviews and workshops with a group of partners to identify priorities and systematize some initiatives, with the presentation of ideas and projects aligned with the strategic objectives and perceptions of customers, suppliers and the surrounding communities. The Executive Committee then subsequently approved projects that are currently being implemented and will be developed over the next few years.

Customers

The premises for Cimpor are to stand out among customers through the level of service and partnership and build a consolidated relationship with customers through actions such as product development, training plans, consulting, among others.

The strategic paths for the company to develop win-win partnerships with its customers are represented in 11 fields. These include aspects such as the demand for the delivery of productivity that is measurable for the customer, design of prices and customer segmentation according to the performance, as well as sharing significant strategic market information for the best development of the business. The projects were structured in 2014 and will be in implementation from 2015.

One of the most emblematic is the **Customer's Plant**, which consists of a diagnosis and analysis of constraints in the infrastructure of the plants to meet demand, trying to identify the adjustments necessary to improve the level of service offered, in order to optimize the length of stay of vehicles, expedite customer service and make the product available. The initial focus was on Brazil, where all the plants in the country were mapped to identify improvements that should be introduced to provide a tailor-made service for the different customer profiles.

Suppliers

The guideline for any relationship conducted by the company shall be to ensure long-term relationships with suppliers, guided by the search for an adequate cost-benefit ratio, by technical and financial reliability and transparency in the conducting of negotiations, and also seeking to influence suppliers to adopt a socio-environmentally responsible posture.

The understanding of the guideline of what it means to create a sustainable relationship with suppliers was obtained from interviews with different companies that provide products or services to Cimpor. The interviews allowed the ambitions and needs of those partners to be conveyed. Various areas were identified from these interviews to develop win-win partnerships in the future.

Several projects were identified in the process that are capable of achieving the goal of ensuring a long-term relationship with suppliers. Two such initiatives in particular should be highlighted:

The first is the creation of a **Logistics Forum** that includes the value chain - customers, suppliers, users and service providers. This initiative will create a structured process of dialogue with the logistics chain and significant advances in the performance of the entire operation.

Another project is **Partner**, a formatted recognition programme to encourage productivity and innovation, in addition to fostering sustainability practices, safety and social responsibility. Various parameters were established to audit these developments and periodic evaluations will be made. An event is planned for the end of 2015 to publicly acknowledge the most relevant results.

Communities

On the agenda of Cimpor's actions with surrounding communities is the establishment of institutional relations marked by respect for the laws and for transparency inducing the development of the quality of life of the communities where the company is located, as well as the fostering of scientific and technical development through partnerships that create long-term value.

In addition to the various channels of relationship the company already had, under the Partner project interviews were conducted with different target groups of the community and a discussion group of opinion-makers. This provided the understanding of the meaning of building a sustainable relationship with the community and identifying the areas for the establishment of a win-win partnership between the community and the manufacturing plants. The issues included the integration of various business chain agents – for example researchers, suppliers and customers in shared causes, the alignment of social and environmental actions proposed for the community with the company's strategy and the public agenda, and the ability to transfer power, expertise and generate income for the local community, among others.

In the company's relationship with the communities, in all operations, it has created and upkept the Community Development Committees (CDC) which are composed of local community leaders, regardless of whether they are representatives of formal authority, NGOs or other significant actors, and the representatives of the company. The goal of this group is to ensure that the defined projects have representation in that community, and also that the community's representatives are involved.

All countries have Committees to Encourage Volunteering and Interaction with the Community (Civic) and Ideal Voluntary Action Groups (GAIVS) to support these initiatives.

This structure develops and implements structural projects related to social themes with the methodological support of Instituto Camargo Corrêa. The structural projects, adapted to the local reality, seek to develop the potential of each community helping them to overcome their challenges through projects to support children and youth. The main themes are the improvement of early childhood, child and adolescent rights, fundamental education, income generation and preparation for the labour market.

The community development priority also made the company launch new innovation methods to identify project opportunities for shared value generation. The result was the Social Innovation Program – "Cobuilding, the Social Innovation Engine", which takes the private social investment of Cimpor to a new level, contributing to the construction of sustainable partnerships. Priority was given within this broad initiative to emblematic projects to be developed in 2014 and over the next few years.

Development of Local Suppliers - the project which combines income creation initiatives to the value chain of the company combines the binding of actions to the strategy and revenue generation. In Brazil, in partnership with Sebrae, small suppliers are being trained in the region of Pedro Leopoldo, Minas Gerais, with the goal of ensuring the improvement of their processes, and the excellence and expansion of operations. This is just the pilot of a model that will encompass the entire company and will later be adapted to other countries. The project is aimed at micro and small enterprises with annual sales of less than BRL 3.6 million. In 2014 the project had 60 participants.

Similarly, training projects were implemented to develop the chain of small producers of concrete artefacts in Matola, Mozambique. The local survey identified 191 producers, 70% of which had one to four employees and used manual equipment. The pilot project, started in September and with a duration between 12 and 18 months, aims to build the capacity of 30 entrepreneurs in fields such as management, production standards, marketing and uniting for bulk purchases and sales.

The Khulanathi project in South Africa, follows the same path. It is an initiative aimed at small and medium-sized enterprises that are customers of Cimpor. It aims to develop the chain of small producers of cement artefacts thus generating shared value.

Open Doors 2.0 – Visits to productive units, as part of the strategy of stakeholder engagement. This initiative comprises a fundamental activity for the community to understand the dynamics of production, its problems and the efforts made to ensure sustainable management of the environment and the values guiding the day-to-day operations. 3,716 visits occurred in total.

Baby's Week – a pilot project developed in Brazil with the slogan "All together for early childhood". The Baby Week project has been implemented since 2013 and it aims to bring the communities closer to the Cimpor units in that country. The goal is to contribute to the strengthening of public policies aimed at early childhood (up to 6 years of age). All initiatives are performed through a partnership with Fundação Maria

Cecília Souto Vidigal and are implemented by the NGO Bem-Vindo. The focus in 2014 was to place babies (0 to 3 years) at the centre of attention of the communities and government agencies. The initiatives took place between 26 May and 1 June, in 15 municipalities where Cimpor's units are installed in Brazil. More than 10,000 people benefitted from the initiatives. Moreover, in seven cities there was a voluntary initiative, featuring 278 volunteers and 44 partners.

Processes

This is a priority topic of the strategic chart - the improvement of processes is essential to ensure the company's competitiveness in the international market and it has been the focus of special attention by the teams in all the industrial units. The action plans comprise six priorities, which have projects at different stages of implementation.

The rate of consumption of the planet's resources cannot stay above the rate at which nature can regenerate. Moreover, the capacity of the planet to absorb the waste generated by all of us is gradually running out. The recovery, reuse and recycling of industrial by-products or waste in order to reduce consumption of virgin raw materials and fuels are accepted industrial practices followed all over the world, as long as the adequate management criteria of the waste hierarchy are respected. It is therefore crucial that industries become increasingly innovative in this segment.

In the cement industry there is a tendency towards the adoption of the principles of industrial ecology, which consists of using the by-products from other industries as raw materials and fuels, thus avoiding waste.

This strategy represents considerable effort for Cimpor regarding innovation and adaptation to the new markets of raw materials and alternative fuels for the production of clinker and cement production additives. It also entails the creation of solid and lasting industrial partnerships. This investment in industrial ecology enables Cimpor to provide a relevant service to society through the treatment and recovery of waste in a safe and effective manner.

Co-processing

The optimization of the thermal matrix and the use of alternative fuels is taken as one of the most pressing strategic priorities of Cimpor. The implementation of the co-processing programme in this regard is to be highlighted. This technology consists of replacing fossil fuels for waste - such as tyres, waste from end-of-life vehicles and household waste. This process provides clear benefits for contemporary society through the complete elimination of such materials in safe conditions, as well as other positive impacts from an environmental point of view (lower consumption of natural resources, reduction of atmospheric emissions arising from the use of petroleum-based fuels or coal) and economic perspective (promoting the circular economy).

Workshops called Coprocessing Days were conducted in all countries in 2014, in order to plot out the long-term strategy to promote the discussion and exchange of ideas for the expansion of the use of waste and biomass as an energy source, evaluating the environmental options and costs.

Various initiatives underline the progress of this activity in the company. These include the investments in Egypt to make the plant ready for co-processing. The activity is being performed in South Africa using old tyres as the fuel. In Brazil, an important partnership was celebrated between the Ijaci unit (MG) and a Spanish waste treatment company. The co-processing activity also began in Mozambique this year.

Additives

Ensure the availability of raw materials with a focus on planning and management strategy of the supply chain of own or third parties mineral reserves aims to ensure the competitive position of the company in relation to the perpetuity of current operations and their expansion.

Cimpor, aligned with the commitment to sustainability, aims to reduce the consumption of natural raw materials used in the manufacturing process and identify alternative sources of raw materials and additives. Today, we increasingly use alternative raw materials for a variety of reasons. These alternative raw materials permit a reduction in the quantity of virgin natural resources used. They can be used as correctives in the clinker production process and as additives in the manufacture of certain types of blended cement, substituting clinker, natural gypsum and the natural pozzalanas. They can also, in certain cases, represent a good alternative in terms of cost-benefit compared to conventional raw materials.

Cimpor set priorities by business unit and identified alternatives in studies in 2014 that included, for example, the use of oil shale and the product development from slag.

In addition to the actions comprehended by the current technical knowledge of the sector, Cimpor also invests in research and development projects that will, in the future, go beyond the current limits of this process.

INDUSTRIAL ECOLOGY

Cimpor promotes the efficient use of resources, benefitting its carbon footprint, inspired on the intelligent functioning of ecosystems and symbioses that are established in the wild. The company, playing a central role in the industrial ecosystem, uses and co-processes by-products and waste from other productive sectors, as both raw materials and alternative fuels. We have established a number of partnerships with companies from different sectors (oil, footwear, steel, electricity production, tobacco, ornamental rocks, sugarcane, livestock, among others) with the purpose of maintaining regularity in the supply and channelling of these materials/by-products from other industries and, at the same time, solving the problem of generated waste that would otherwise be discarded in an environmentally suitable manner.

Our main product (cement) can be recycled in the form of "artificial aggregates" or reused once embedded in concrete, at the end of its useful life. The reuse or recycling of concrete directly contributes to the lower use of virgin aggregates and less waste disposed of in landfills.

Cimpor thus acts in harmony with its sustainability policy, giving priority to reducing the consumption of natural resources and using renewable energy sources. This action is not just restricted to manufacturing, but extending to the entire value chain.

In this context, we regard our industry that consumes huge amounts of materials and energy as an opportunity to establish win-win relationships with other production processes, promoting industrial ecology.

Productivity

Cimpor believes that it is essential for the sustainability of the business to maximize industrial, commercial and logistics productivity and performance with the optimization of resources, establishing action plans that support continuous improvement in all processes.

This raises the topic of the challenge of producing more with less resources and putting into practice improvement plans for the production units. It involves the whole range of variables involved, from labour productivity to the pricing of the product.

One initiative this year was the revamping and simplification of the management system, updating some of the tools of the company's management system - for example the matrix management and implementation of PDCA (Plan, Do, Check, Act). The goal is to help all business units to improve their results, from a strategic, tactical and operational perspective.

A Business Intelligence (BI) platform was prepared, which includes 100% of the company's management information. Training manuals and programmes for employees were also prepared, with the aim of improving productivity. In the IT area, there was also the unification of the data centre – previously supported on various structures. The system was centred in Portugal, giving flexibility, agility and cost optimization. Another front was the creation of a performance improvement plan, which involves increasing the productivity of labour of every country, through training, capacity building and improving the profile of employees.

A management highlight was the Egypt business unit, which received the IMS, for efficiency in the practical application of the PDCA tool.

Sourcing

One of the priorities of Cimpor is to establish and implement the sourcing strategy for critical supplies, ensuring availability and the best cost/benefit ratio.

Detailed plans were established based on the matrix of critical supplies, to ensure supply and availability, particularly for energy consumption: fuel oil, natural gas, electricity, coal and petcoke. These plans considered the supply risk - based on overall demand, concentration of suppliers, relative demand and origin of consumption – and the impact on variable cost and on the process to determine that criterion. Since it is an energy-intensive activity, identifying new suppliers and also consumption that guarantees operational stability is in constant development.

At the centre of the projects with a positive impact on the business value chain is Cimpor's policy of responsible use of fuels and alternative raw materials, such as biomass and other fuels with lower emission factors, the use of electrical energy from renewable sources, promoting new types of composite cement with a reduced carbon footprint and raising the awareness of suppliers.

The "Building Partnerships" and "Improving Processes" projects are underway, among others. They comprise not only the carbon footprint but also aspects of a social nature.

Legal Pulverization: Work with the pulverization chain (i.e. scrap production of charcoal) in order to make it aligned to the principles of Cimpor and, at the same time, contribute to ensuring the supply of an important alternative fuel source.

The Forest Trust (TFT) - Global NGO specialising in sustainable forest products – the project sought to map the supply chain of pulverized coal in some regions of Brazil (Minas Gerais, Mato Grosso do Sul and São Paulo).

Concrete and aggregates

Cimpor believes that its competitiveness requires that it broaden the representativeness of the concrete channel, reaching the participation established in an appropriate period of time.

Intensive workshops were held with all stakeholders, called Concrete Day, to set up long-term plans in all countries to achieve more attractive profit margins for the integration of cement and concrete, which also implies ensuring the relevant participation in aggregates. The action plans established a long-term strategy -10 years - and involved benchmarking studies.

The idea was to align the strategy for concretes and aggregates to the strategy for the channel, according to the reality of each region and country, in order to improve productivity.

Additional capacity

Cimpor has established the goal of proposing and delivering engineering solutions that permit the increase of the capacity of existing plants as well as the installation of new plants with the best possible cost-benefit. In this way it ensures that investment recommendations reflect the best available strategy to maximize the generation of sustainable value.

A component of this strategic dimension has been to systemize controls to apply a check list to ensure the execution of expansion projects within the time limits set out in the approved budget and in accordance with the established performance index (available capacity versus planned capacity).

The installation of the kiln to begin operation of the integrated plant in Paraguay was completed in 2014. This plant began operating in October and it provided the expected performance. Other strategic works developed follow the model that ensures efficiency in the capital invested.

MUTIRÃO INDUSTRIAL

Staff experts from various countries were mobilised for the Mutirão Project, an initiative to improve the performance of the industrial units of Mozambique in order to efficiently meet the increasing demand of this country that registers one of the most significant GDP growth rates in the world - around 10% per annum.

The work of the team involved 70 people and sought to promote excellence in key indicators of industrial performance (like grinding the raw mixture, tower, kiln, cement grinding and bagging), as well as in the areas of maintenance, logistics and supplies, marketing and occupational safety. The positive results of the project at the end of the year were confirmed, such as the 13% increase in cement production.

People and culture

The construction of a unique culture in a global company, formed from the union of different operations is a challenge that Cimpor seeks to meet through the strategic component of developing people and culture. This process began in 2013 and gained more body in 2014, with the view that culture is the driver of behaviour, a way of being and doing business to achieve the long-term strategy of the company. This challenge sought to actively incorporate the 8,768 people who work for the company.

The five dimensions considered base for this process were worked in the process of consolidation of the new culture: Internationalization, Leadership, People Management, Performance Management and External Orientation and Innovation. The project called Attitudes began to be developed at the end of 2014. This project is a breakdown of the five dimensions, relating ten essential attitudes for our employees. The project will be developed and put into practice in 2015.

International culture

Cimpor believes that adapting to the context of operating internationally ensuring the respect and appreciation of local particularities and, at the same time, maintaining its essential characteristics such as optimism, flexibility and responsiveness are essential conditions for the strategy of an international company.

For example, the main initiative of the internationalisation component in 2014 was the trainee programme, which selected 13 young graduates who competed among 7,000 participants from five countries for one of the vacancies to work in the company's units in South America, in Africa or in Europe. The programme, with a duration of 24 months, envisages a two-month initial training period followed by the responsibility of development of projects in specific areas of business.

Cimpor still has the youth and agility of its management team as one of its competitive advantages, which has allowed it to make successive adjustments to the changes of scenario and in a cohesive, capable and efficient manner, at a progressively faster pace.

People management

The promotion of an environment of development and meritocracy valuing the best performing people, and management of the consequences of poor performance forms part of the management strategy of Cimpor. Moreover, we believe that the focus on the results, with a robust, simplified and structured management system from the main value levers of the business guarantees long-term competitiveness.

In people management, the company conducted the reformatting of the People's Committee with a revision of the tools, including the assessment of potential, with the aim of enlarging the meritocracy and expertise management. These committees have been set up in all countries bringing greater assertiveness to the process.

Without losing the opportunities for oxygenation of the structure, attracting collaborators, Cimpor fosters the development of the people within the company. In this area, this process included the appointment of three new directors to the structure of the Brazil unit, for the Industrial, Organisational Development and Concrete areas. The nominees have an average age of 35 years and 12 years of experience with the company, two of them formed part of trainee programmes.

The aim in the Performance component was to clarify the goals that people must achieve and the reward tools for achieving the established goals. Two fields were worked: how clear the responsibilities and performance indicators of each area are and how easy it is to view the delivered results.

Leaders' development

Cimpor's strategy to develop inspiring leaders and with a long-term vision is to promote a more consultative leadership model adapted to the cultural issues of each country, with leaders able to take assertive decisions in good time and form, through a participatory process.

In the Leadership area, a process of transformation of the entire senior management was initiated by them undergoing an initial phase of evaluation of potential. This identified development opportunities, followed by feedback and a self-reflection of the need for change. After this stage, individual development plans were built, guided by the Cimpor Leader profile.

The focus in training was the technical training of employees. The capacity building was taught by internal staff and experts in the subjects, divided into specific modules with theoretical and practical content.

Safety

Safety at work is one of the key issues in the cement industry. It is reinforced on the strategic chart of Cimpor as a basic condition that must guide all actions of employees. The topic is a challenge and it performed negatively in 2014, with the registration of six deaths of workers contracted to third parties.

The occurrences led to a review of all occupational health and safety programmes, structure and management teams. The 100% Safety Campaign reinforced the slogan “We do it safely or not at all", based on four pillars: Understand, Act, Collaborate and Share.

This is a long-term action that aims to consolidate the application of safety tools and procedures in all units worldwide, with the challenge of taking procedures to different local cultures and realities.

Innovation and Sustainability

Innovation

The Cimpor innovation projects are intrinsically linked to sustainability and focus on delivering results for the business. There is a constant search for new products, services and processes, as well as reducing the environmental footprint, always believing that it is possible to identify new trade-offs to allow improvement of the three pillars of sustainability: economic, environmental and social. Cimpor believes that innovation cannot be left to chance, and it therefore invests in the teams and processes that support this topic. New value propositions, incremental innovation and effort in the implementation are issues that are answered as components of our comprehensive innovation methodology.

CLICK CHALLENGES

The development of new value propositions, whether a new business platform, a new product line or a new channel, requires a broad and structured discussion involving internal and external collaborators who apply structured tools for generating ideas and their grouping together to create new solutions. Various challenges were launched that were answered with several proposals.

The Service to Customers challenge was launched, aligned with the customer-focused strategy, and which generated 35 value propositions grouped into three fronts. The proposals were then placed on an evolutionary chart according to their level of complexity, maturity of the organization and potential results.

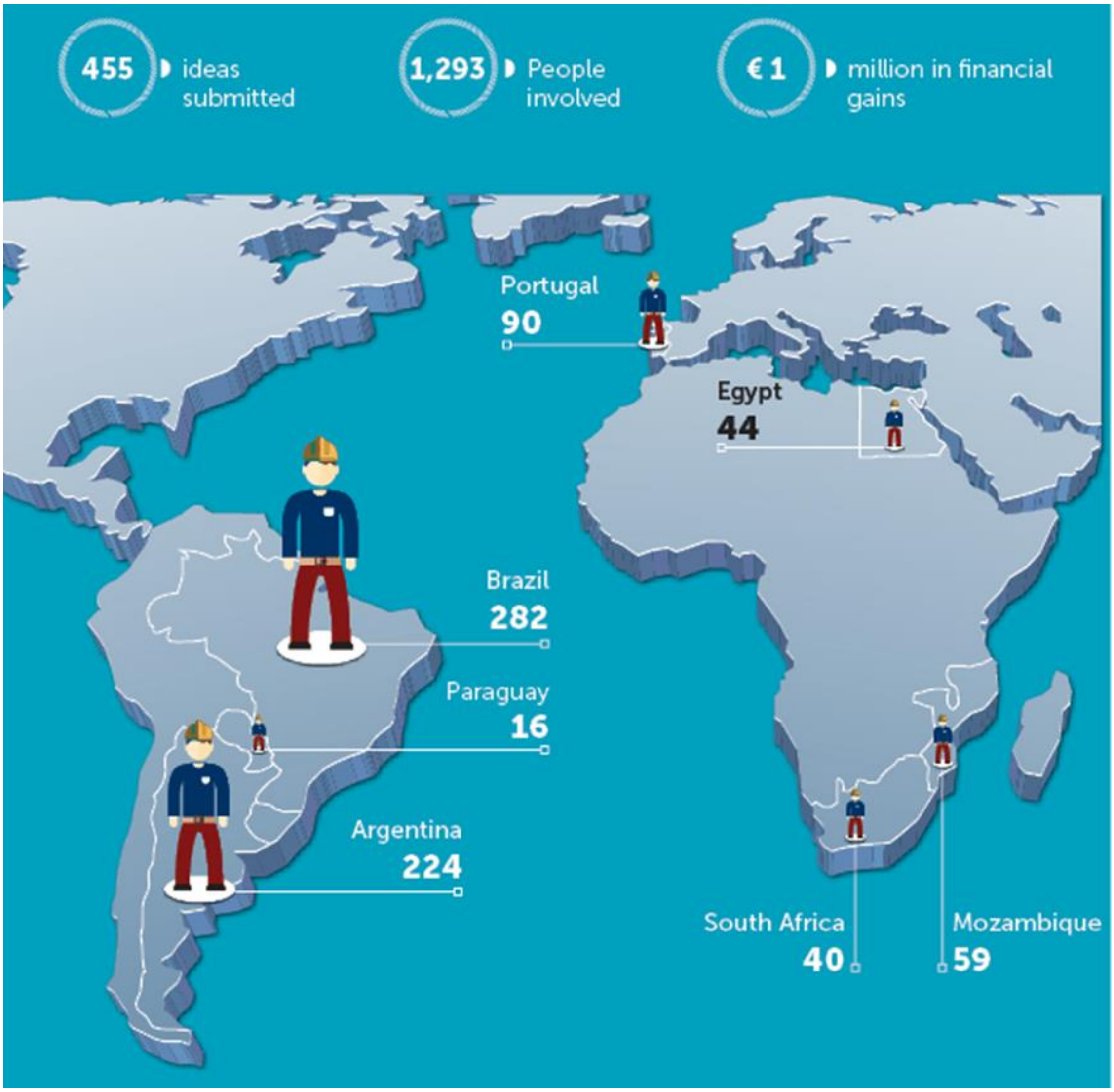
One of the stand out projects born from radical challenges was that which identified the potential of using biomass as thermal energy. The project culminated in a comprehensive research programme, in partnership with the Brazilian Agricultural Research Corporation (Embrapa). Experimental crops were grown in 2014 and tests were made in the kiln. Other agribusiness wastes have been identified according to the location of each of our production units in Brazil.

Click Lab

Incremental innovation initiatives rely on the support of an interactive innovation platform called Click Lab. This portal allows employees to submit ideas that are commented on and improved by the participation of staff from around the world. A distinguishing feature is the immediate translation of all content to the different languages of the countries of operation, which facilitates participation. There is a scoring system and participants earn points as they interact - by submitting a proposal, commenting on the idea of a colleague or propose an enhancement. There are additional points if the idea is approved, and later put into practice. These points can be exchanged for prizes, such as books and electrical or electronic appliances.

Challenges are made to stimulate the emergence of ideas. The stand out challenge of 2014 was 100% Production, the first challenge of global reach and with the translation tool, with the objective of improving the productivity of the plants. The challenge was set in August. It received lots of traffic in the search for solutions to achieve more efficient production in order to increase the productivity of the entire cement manufacturing process, from the extraction of raw materials to the shipment of the product. At the local level, when employees participated in their geographical areas of operation, there were 755 participants who generated 300 ideas, 1,508 comments and 5,201 votes.

***CLICK LAB* NUMBERS**



Click & Go

Prepare a new value proposition is just one part of the path. Often, implementation is much more complex and difficult than the generation of ideas. In order to overcome this barrier Cimpor has launched Click & Go, comprising a series of resources (people, process, partners) that seek to minimise the implementation difficulties.

Cimpor associated a business accelerator to this initiative. The two partners together guide small initiatives until they have the strength to walk alone.

The figure of person responsible for developing a value proposition from its inception to an operational model at a pilot stage was created to support this programme.

Also in 2014, Cimpor created NeoGera, a company with the specific goal of encompassing all investments in innovation.

Sustainability

Cimpor believes and invests in the markets in which it is present and is proud to participate in their development as an important agent of the industrial sector. However, it understands that all participants of the global community need to reflect and act to preserve the environment and the social structures of which they form part. We have been observing increasing stress on natural resources and the social fabric worldwide. Companies have become increasingly relevant due to their size, financial strength and transnational presence. Companies should also provide part of the solution to this problem. Cimpor is committed to doing its part. Therefore, it has had a structure trained in Sustainability for several years now, which has a defined strategy and undertakes relevant action, assuming positions in accordance with the Global Compact of the United Nations (UN) and the World Business Council for Sustainable Development (WBCSD) through the mobilisation of the sector in the Cement Sustainability Initiative (CSI).

The company believes that it is only possible to move ever closer to a sustainable operation by discovering new ways to operate, which is why innovation is an important element of this quest.

Relevant social projects are coordinated in all countries in which we operate, under the social work framework of sustainability, whether through a network of partners or voluntary involvement.

The environmental aspects of sustainability also receive special attention due to the nature of the company's business, because we have the scale, knowledge and determination needed to take a leading role in this field. All eyes are focused on measures to minimise the impact of our activity on the environment, with the use of advanced production technologies, process control and risk management.

MATERIALITY & STAKEHOLDER ENGAGEMENT

There are individuals or groups of people that may have an impact on the ability of the company to operate, such as employees, trade unions, governments, NGOs or the academic world. These stakeholders may also be individuals or groups directly affected by the activity of Cimpor, such as communities, suppliers, customers and final consumers. These stakeholders may have more global or more local action.

On the one hand, WBCSD is one of the main platforms of Cimpor to identify and interact with the global stakeholders of the civil construction industry, to conduct periodic dialogue processes with these stakeholders and to select the material issues for the sector. Many of these global material issues are addressed and discussed through the Cement Sustainability Initiative (CSI). Global dialogues provide an opportunity for regular and frank dialogue with the leaders of companies of the cement industry and dialogue between Cimpor and external and independent opinion leaders. These dialogues aim to fine-tune the broad lines of the industry's sustainability agenda which Cimpor seeks, of course, to respond to by presenting it performance through the sustainability report.

On the other hand, each business unit and each production unit, according to the company's corporate policy, is responsible for conducting the process to identify and engage with local stakeholders. The maturity of this relationship is measured in a more formal way through the self-assessment corporate tool called the Stakeholder Engagement Scorecard, which aims to identify the local stakeholders, mapping the material issues for each group and their prioritization, the level of harmonisation associated with each of these issues, the existence of an adequate budget, the training of the liaison people, the actions taken to resolve possible conflicts and many other aspects. Interaction with local stakeholders is through stakeholder panels that are organised periodically or ad hoc for the discussion of issues of common interest.

There are various corporate programs underway which aim to respond to many of these material issues as well as many others concerning the operating performance of each Cimpor unit.

Social

Cimpor, understanding the social complexity in which we operate, restructured its corporate social responsibility governance model in 2014, in order to seek to align the theme at the level of the company's main strategic discussions.

So that its performance is always aligned to this vision of sustainable growth, Cimpor seeks to develop actions that enhance and encourage open and transparent dialogue with its various audiences - customers, suppliers, shareholders, investors and the communities surrounding its plants.

Cimpor invested EUR 4 million in social responsibility projects during the year. Most of this amount was applied to structuring projects, i.e. those following the defined thematic line, which is focused on children and teenagers through three comprehensive programmes: 1) Ideal Childhood, for the protection of the rights of children; 2) Ideal School, for the improvement of the management of public schools; and 3) Ideal Future, focusing on entrepreneurship and income generation.

A portion of the amount was invested in the fourth programme called Ideal Volunteer, which has the objective of encouraging volunteering and stimulating the civic action of employees.

Environmental

In a society increasingly attentive to how wealth is generated, the integration into corporate conduct of socio-economic and environmental aspects which respect the need for preserving our legacy for future generations has become inevitable.

Environmental issues are strategic for Cimpor which is committed to minimising the impact of its operations and establishing lasting relationships with the surrounding communities.

The management of these types of issues in Cimpor is aligned with the Sustainability Charter, the Climate Agenda, the Health, Safety and Environment systems and with a vast set of policies, guidelines and corporate statements. In addition, Cimpor regularly identifies external initiatives and partnerships that generate knowledge and learning in this field. The company has made external commitments in this field - its participation in WBCSD/Cement Sustainability Initiative (CSI) and signing up to the principles of the CSI Charter and the UN Global Compact.

In 2014, the company joined two new important global environmental initiatives:

- The "Caring for Climate Initiative", entered in the UN Global Compact, of the United Nations Environment Programme (UNEP) and the United Nations Framework Convention on Climate Change (UNFCCC).
- The “Pledge for Access to Safe Water, Sanitation and Hygiene at the Workplace (WASH)”, an initiative of the WBCSD to ensure the supply of quality water, sanitation and hygiene in the workplace.

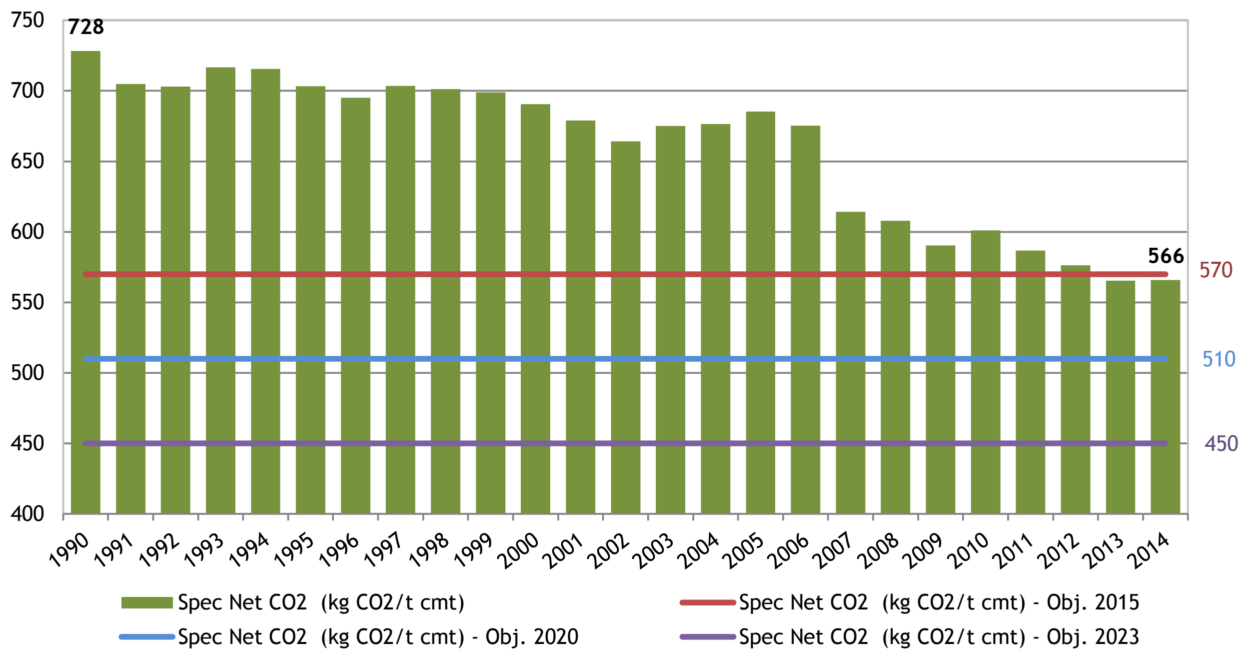
CLIMATE CHANGE

Cimpor, as part of its Climate Change and Energy Policy, monitors its carbon footprint in order to determine its level of exposure, evaluates opportunities to reduce that footprint by developing specific projects and defines goals for the reduction and to contribute to the process of development of policies in this area through participation in national and international forums.

The CO_2 emissions of Cimpor are calculated and monitored according to the “CO_2 Protocol for the cement industry" developed by WBCSD/WRI according to the GHG Protocol model and audited and certified by an independent external entity. After 2012, the base for CO_2 emissions report became the year 2007.

Net specific emissions have developed extremely positively, today at 565 kgCO_2 / t of cement. This value, which places Cimpor prominently among the CSI member companies, is the result of a set of short, medium and long-term strategies.

Cimpor performs greenhouse gas emissions inventories, according to the CSI Protocol and the GHG Protocol and subject to verification by an independent external entity:



Emissions of Pollutants

The cement manufacturing process releases into the atmosphere pollutants like dust, nitrogen oxides (NO_x) and sulphur dioxide (SO_2), as well as other micro-pollutants that can contribute to local air pollution.

Cimpor has invested in monitoring the major pollutants, and reducing and reporting its pollutant emissions. Currently, all the chimneys of the Cimpor kilns are equipped with main pollutant monitoring (dust, NO_x, SO_2) and some micro-pollutants (COV, HCl, HF, CO). In addition, spot measuring of micro-pollutants is systematically conducted (PCDD/F, VOC, HCl, HF, CO, mercury and other heavy metals).

Between 2007 and 2014, the emissions of kilns dust were reduce from 243.1 to 170 g/t-clínker, achieving previously the objective for 2015.

This performance reflects the company’s investment on kilns bag filters installation and improvements in existent electro filters. Today, about 60% of kilns have hybrid electro filters, considered to be the best technology available.

Specific emissions of nitrogen oxides (NOx), resulting from kilns combustion processes, were in 2014 reduced from 1924.4 in 2007 to 1869 g / t-clinker. With the investment in effluent treatment gas facilities by injecting hydraulic lime / calcium hydroxide, the reduction of sulfur dioxide (SO2) from the natural raw materials used in clinker production has experienced an evolution of 375.7 in 2007 to 320 g / t clinker in 2014.

SOIL USE | ENVIRONMENTAL REHABILITATION OF QUARRIES & BIODIVERSITY MANAGEMENT

Cimpor is aware of the strategic importance of the careful management of its quarries, not only in relation to the importance of this practice for the preservation of the natural systems and surrounding society, but also to guarantee the sustainability and longevity of the cement activity.

In this context, Cimpor published in 2013 the guidelines ”Quarry Environmental Management / Guidelines on Environmental and Social Assessment, Quarry Rehabilitation & Biodiversity Management”, which defines a set of best practices for minimising the pressure on natural habitats from the exploitation of minerals and the recovery of degraded areas.

These guidelines are in line with the reference documents of the Cement Sustainability Initiative (CSI).

Today, 63% of Cimpor's quarries have rehabilitation plans. In addition, 31% of them are situated in areas classified by its high biodiversity value and the latter quarries with high biodiversity value 48% have actively implemented biodiversity management plans.

WATER

Cimpor promotes a widespread culture of rational use of water and advocates stringent standards for the use of this resource. These standards include the measurement of consumption and losses, treatment, recycling and reuse of water, use of rainwater and raising awareness to more rational consumption. Today, the careful monitoring of consumption, through direct measurements or correct estimates helps to identify the best reduction opportunities.

The cement industry is not a particularly intensive user of water although it constitutes a fundamental resource for the development of the business activity.

Cimpor has used the Global Water Tool, developed by the World Business Council for Sustainable Development (WBCSD), since 2011. This tool identifies, in a systematic manner, the operations that are located in areas of water stress, water scarcity or extreme water scarcity.

The initiatives carried out in 2014 include the implementation in all productive units of action plans for the rational use of water, based on a detailed diagnosis of the consumption of each one. As a result of this diagnosis, the Catamarca plant in Argentina and Campo Formoso, Bahia, plant in Brazil, were selected as pilot facilities for the development of more ambitious initiatives concerning the conservation and identification of good practices for application in the other units.

About 30% of the 7 million cubic metres of water extracted in 2014 by Cimpor occurred in 11 operating units located in environments of possible water stress, water scarcity or extreme water scarcity in 2025.

In Cimpor, more than 70% of cement plants are equipped with water recycling systems. Of these, 30% recycles a volume more than 50%. Moreover, 50% of those units have sewage treatment systems where production takes place, contributing towards a minor environmental impact on water discharges.

An average of 0.250 cubic metres of water was used in 2014 to produce one ton of clinker, within the target set six years ago for 2015 (0.300 m^3/t of clinker).

Cimpor joined the "Pledge for Access to Safe Water, Sanitation and Hygiene at the Workplace (WASH)" initiative of the WBCSD in 2014. This aims to ensure the supply of quality water, sanitation and hygienic conditions in the workplace.

Prospects

Cimpor is focused on developing its portfolio of assets.

In a continuous process of integration, the company shares best practices between the various areas and countries in which it operates through the use of management tools, which consolidate the identified synergies by optimizing the enhancement of assets for increased efficiency.

The potential of Cimpor's position in Brazil, where it has extended its nationwide coverage, associated with a strategy focused on sustainable partnerships with its customers has strengthened its share of this market. This has lain the foundations for commercial and industrial opportunities where the potential, in the medium and long term, is evident given the gaps that exist in both infrastructures and also in the residential sector. Similarly, the company is the local market leader in Argentina, where it has reinforced its initiatives to increase operational efficiency.

The transposition of the best practices to Cimpor's operations in Africa has driven the growth of its contribution to consolidated EBITDA, a trend that will continue to make itself felt in the performance of the company. The pace of this affirmation will depend, also, on the foreign exchange developments of the local currencies against the euro, the consolidation currency of Cimpor.

The trading activity, taking advantage of market opportunities and the availability of production capacity in some countries, mainly Portugal, has developed its export capacity not only as a strategic instrument for identifying new customers, particularly along the African coast, but also as a means of making the schedule of investments to increase capacity more flexible, since it can meet demand in regions where the company operates.

Cimpor envisages a scenario of consolidated sales growth for the next three years. There may be adjustments in some local economies, especially in Brazil and Argentina. It also envisages a price recovery trend that may be more significant on the African continent.

Production costs should follow general inflation trends. The company gives priority to increase energy efficiency, whether by investments aimed at making greater use of co-processing or by making the fuel sources to be used more flexible.

The project to increase efficiency in the management of the working capital fund is worth highlighting, aligned with the operational income, described above, which may define EBITDA in 2015. In the process of continuous improvement, this project should provide a reduction in days of operational net income next year, which will cancel out the increased working capital requirements arising from the growth of activity.

The level of investment in 2014 (EUR 204 million), now exiting a cycle of high investment that culminated with the record investment amount observed in 2013 – the year in which Cimpor moved forward with expansion projects in five production units, has now begun approaching the planned cruise speed for the forthcoming years, in line with the company's investment plan of EUR 440 million from 2015 to 2017. The investment is aimed at operations expansion and modernisation projects, with particular focus on advancing the activity of co-processing and using alternative raw materials for cement production.

Thus, in view of the EBITDA, CAPEX and Working Capital trends associated with the perspectives of disbursements for interest and taxes approaching the values observed in 2014, Cimpor envisages an increase of Free Cash Flow in 2015 on the value achieved in 2014.

Brazil

Brazil faces a new economic cycle based on medium and long-term sustainable growth. It is faced with fiscal rebalancing due to tax increases and the reduction of public spending, creating conditions for the reduction of inflation and interest rates. The introduction of these economic measures should generate growth and real income gains.

On the other hand, reduced consumption may be mitigated by investments aimed at meeting the housing and infrastructure needs of Brazil. The country has bottlenecks in its transportation infrastructure, and investments are required in urban mobility, energy and sanitation. In the housing area, the historic deficit, recently estimated at 6 to 7 million homes, will continue to be addressed through public and private investment, in programmes like the "My house, My life" plan. Thus, in the short term, cement consumption is projected to remain stable with a growth forecast of about 3% per year from 2016.

The water issue is also a factor of concern for the Brazilian economy. The country is experiencing its most severe drought of the last 100 years. The continuation of this situation may require the implementation of water supply and electricity restrictions, as well as the increased cost of their consumption, impacting on the performance of the Brazilian economy.

About 50% of the electricity consumed by Cimpor in Brazil is provided by hydroelectric power plants in which the company is a shareholder. So, in a climate of power generation reduction, Cimpor keeps its supplies at cost price. The supply of the other 50% is secured by 10-year contracts with other distributors, with the energy prices annually revised based on the adjusted CPI.

Cimpor, prepared to face the effects of increased competitiveness, will continue to strengthen the focus on partnerships with customers and initiatives to increase operational efficiency, especially in capturing synergies and the exchange of best practices between its various international operations. Cimpor will ensure the supply to customers and the best level of service of the industry in order to maintain its market share. It can also rely on the ability to import cement from Portugal to ensure greater flexibility and adequacy of its product supply in the Brazilian market.

Argentina

The economic trend envisaged for 2015 in Argentina is similar to that registered in 2014, with positive signs already indicated in the second half. This scenario reflects the prospect of lower inflation and the introduction of a set of economic correction measures positively associated with the election period. There is also the expectation of the improvement of the price of commodities exported by Argentina and the imports of oil, both of which are vital to economic recovery.

Cement consumption, after a period of favourable growth and the record level registered in 2013, when growth exceeded 12%, was expected to be corrected in 2014, and which should extend in a more contained manner to 2015.

This expectation is based on the fact that, despite the economic downturn, the real estate sector should continue to attract private investments and therefore contribute to thedemand for cement, to the extent that real estate is seen as a financial reserve, especially in a context of high inflation. Consumption in 2015 could also benefit from the electoral process.

Increased local competitiveness will force Cimpor to conduct its business with extra effort to increase efficiency, since it will not adopt a price increase above inflation.

In a new cycle of economic recovery that is expected for the medium-term, the construction services and cement consumption should grow to recover investment deficits in several areas of the infrastructure sector, as the result of a long period of financial contingencies that have taken per capita consumption of cement to a level lower than the average of countries with the same income level. In the building materials sector, Cimpor aims to reassert its position as leader of the cement market, continually improving the level of service to customers and deepening its partnerships with different stakeholders, thus differentiating the company among its peers. Cimpor, seeking to strengthen its finances to support investments that will be needed when economic growth recovers, will keep its various initiatives to improve operational productivity and efficiency, which embody investments in co-processing projects. These measures will, jointly, maximise the operating income.

Paraguay

Although it is a small market, compared with its neighbours Argentina and Brazil, the country is going through a good economic cycle. The economy may also be benefitted by low oil prices, the country's main import. It is also expected that the country will maintain GDP growth at the average of recent years, which levers investments in infrastructure and in housing, allowing the construction sector and, consequently, cement consumption to grow at even higher rates. It is estimated that the recent dynamism of the construction sector will stand out among the various areas of the economy in Paraguay, assuming an increasing weight in its contribution to the GDP. The attractiveness of the Paraguayan market may be reflected in increased competitiveness by means of imports. Moreover, the scenario forecast by Cimpor envisages the consumption of cement in the domestic market increasing at a rate higher than GDP, in a context in which the growth of local supply will lead to a level of confidence in construction that will stimulate demand that has been suppressed to now due to the shortage of cement supply in the local market.

Cimpor expects that cement sales growth will exceed the increase of local consumption, due to favourable economic dynamics and market leading management practices.

Hence, Cimpor envisages, assuming the full use of its integrated cement production capacity in 2015, increased profitability - doubling the EBITDA margin - and a significant gain in the business unit's contribution to the consolidated accounts of the company.

Cimpor, confident in the economic progress of Paraguay, has made the commitment since the beginning of its operations to respond to and accompany the growth of local demand for cement, with a plant designed so that its production capacity could be doubled through the assessment of new investments.

Egypt

In a scenario of national stability, the Egyptian economy, leveraged by household consumption, tourism and the manufacturing and construction sectors, shows signs of acceleration, as reflected by the GDP growth registered in the last quarter of 2014. The cement market accompanies that growth through the opportunities presented by the demographic profile and the local infrastructure needs.

The prospects of economic reform and increased investment in the country allow Cimpor to forecast major demand for cement and it is preparing for this on two fronts: evaluation of the expansion of production capacity and increased energy efficiency. On this second front, Cimpor, aligned with the national policies for the energy sector, has been adjusting its energy matrix to a system of greater efficiency and flexibility with the construction of a new coal mill. It has also been burning waste (co-processing), expecting to achieve 30% replacement of conventional fossil fuels.

2014 was a year of exceptional performance by the Egypt business unit, with direct impact on increasing the company's EBITDA margin. Cimpor benefitted from the policy to stockpile fuel and clinker and new commercial dynamism, setting Cimpor apart from its peers.

Portugal

The economic expectations for 2015 are the acceleration of GDP.

The forecast for 2015 is the reverse of the trend of contraction presented by the home market in recent years and cement sales growth will come through exports. The Portugal plants are the benchmarking for efficiency and production exported to other countries. They are strategic, for the company's Trading of merit, because they give flexibility to investment timings and assist the identification of opportunities to enter new markets, in particular on the African coast.

Cape Verde

The forecast is that demand in Cape Verde will continue to evolve positively in 2015, especially stimulated by the pre-election period.

Cimpor will continue its plan for the improvement of local operations, confirming its position as market leader and keeping up with the growth of demand in this country.

Mozambique

Mozambique is particularly promising. It has registered economic growth in recent years that is among the world's highest. This trend should, according to the IMF, continue with GDP growth forecast at 7.5% accompanied by inflation of 5%. The dynamic Mozambican economy continues to be driven by mining activities and construction fed, in particular, by the great lack of infrastructure that will drive this sector of the economy in the short, medium and long-term.

Cimpor in Mozambique will continue to be the only company present virtually all over the country and the only one to locally manufacture its own clinker. This competitive advantage will tend to be maintained in the near future, although the growth of competition from imported cement is also expected. To accompany the development of Mozambique, Cimpor has the project to install a new kiln. This increase of clinker production capacity will supply not only the existing mills in the country, but also the increase in demand expected in the northern region.

The expectations of development of the activity in Mozambique in 2015 will also rely on the dynamism from the initial results of the actions provided for in the Mutirão Industrial project (focused on operations). In this project, internal experts of the industrial, commercial and logistics areas liaised to develop a plan to increase local efficiency. The first results began to have an impact from the second half of the year. with greater operational stability and reduced costs, in addition to the recovery of market share. The second stage of the project will continue in 2015, called Mutirão People. This stage aims to develop the potential of the staff in Mozambique. These initiatives, together with the development of the local market, can generate an increase in the EBITDA margin from this unit.

South Africa

It is estimated that South Africa's GDP has grown around 1.5% in 2014. This performance was due to the instability of the international economic climate and the volatility of the rand (local currency), in addition to energy supply interruptions and strikes in several sectors.

There are positive signs regarding the prospects of economic growth in the short-term, in the perspective of the fall in oil prices and the increase of domestic demand, which will be fuelled in a post-election context by the implementation of a one trillion rand national programme for the development of infrastructures.

The construction sector, as well as cement consumption, should overcome the stagnation observed since 2008 and show the first signs of growth, driven by increased demand in the residential and agriculture sectors. Nonetheless, the cement industry will still have to address increases in production costs and competitive pressure from new market entrants, in addition to imported cement.

In this competitive environment Cimpor has been strengthening its market share by using its commercial policy and intelligence and with the implementation of a new cement brand.

Cimpor is focused on increasing efficiency, profitability and the creation of value in building sustainable partnerships with its stakeholders. It recently appointed a new management team responsible for strengthening its market position and increasing technical competitiveness, creating a platform that encourages performance and productivity improvement.

In this context, the forecast for Cimpor in South Africa is that it will increase its contribution to consolidated EBITDA.

Proposed Appropriation of Profit

"Whereas:

a) As stated in the financial statements, despite the consolidated income of EUR 27,206,558.03 for the financial year ended on 31 December 2014, the net profit on an individual basis was positive EUR 868,646.56;

b) In accordance with law and the Articles of Association of Cimpor, a percentage of no less than 5% of the profit for the period is to be used to increase the legal reserve until it reaches the amount required by law (at least 20% of the share capital). Since the Company currently already meets this threshold, strengthening the legal reserve is not necessary.

Pursuant to Article 22 of the Articles of Association of this company, the Board of Directors proposes to the Shareholders the following appropriation of the 2014 profit:

- Award of bonuses to employees on the payroll of Cimpor - Cimentos de Portugal, SGPS, S.A. at the end of December 2014, in the maximum amount of EUR 400,000.

- Transfer of the remaining net profit for the financial year to Retained Earnings

An eventual payment of the net income on an individual basis (868,646.56 euros) to shareholders would not have a significant impact, evince, to some small shareholders, counterproductive in face of charges for the respective receipt. The Board of Directors proposes no dividend distribution for the year 2014. This proposal is subject to the shareholders that reach the percentage provided in Cimpor statutes, article 22 , paragraph 1, point b)".

Declaration of Conformity

The members of the Board of Directors declare, pursuant to Article 245(1)(c) of the Portuguese Securities' Code, that to the best of their knowledge, the management report, annual accounts and other financial statements have been prepared in accordance with applicable accounting standards. The same members also state that the referred documents give a true and fair view of the assets and liabilities, financial position and profits of CIMPOR - Cimentos de Portugal, SGPS, S.A. and the undertakings included in the consolidation perimeter, and that the management report faithfully relates the evolution of the business, the performance and position of CIMPOR and the companies included in the consolidation perimeter, and it contains a description of the principal risks and uncertainties faced.

The Board of Directors

Daniel Proença de Carvalho

Claudio Borin Guedes Palaia

Nélson Tambelini Júnior

Ricardo Fonseca de Mendonça Lima

Albrecht Curt Reuter Domenech

André Pires Oliveira Dias

José Édison Barros Franco

Luiz Roberto Ortiz Nascimento

António Soares Pinto Barbosa

Pedro Miguel Duarte Rebelo de Sousa

II. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS

of Profit and loss and other Comprehensive Income for the years ended 31 December 2014 and 2013

(Amounts stated in thousands of euros)

(Translation from the Portuguese original – Note 51)

	Notes	2014	2013
Operating income:			
Sales and services rendered	7	2,603,685	2,624,524
Other operating income	8	45,275	88,571
Total operating income		2,648,960	2,713,095
Operating expenses:			
Cost of goods sold and material used in production	9	(646,102)	(571,854)
Outside supplies and services		(1,046,245)	(1,059,962)
Payroll costs	10	(285,117)	(331,591)
Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets	7, 16, 17 and 18	(197,205)	(204,134)
Provisions	7 and 36	349	(613)
Other operating expenses	11	(25,875)	(57,906)
Total operating expenses		(2,200,195)	(2,226,059)
Net operating income	7	448,765	487,036
Net financial expenses	7 and 12	(372,961)	(407,295)
Share of profits of associates	7 and 12	960	741
Other investment income	7 and 12	578	(346)
Profit before income tax	7	77,342	80,136
Income tax	7 and 13	(47,759)	(95,458)
Net profit for the year	7	29,584	(15,322)
Other comprehensive income:			
That will not be subsequently reclassified to expenses and income:			
Actuarial gain and loss on employee's responsabilities	31 and 33	(2,742)	1,498
That might be subsequently reclassified to espenses and income:			
Derivative financial instruments	31 and 33	(5,972)	681
Currency translation adjustments (Variation)	30 and 33	(32,733)	(480,296)
Results recognize directly in equity		(41,447)	(478,116)
Total comprehensive income for the year		(11,863)	(493,438)
Net profit for the year attributable to:			
Equity holders of the parent	15	27,207	(19,351)
Non-controlling interests	7 and 33	2,377	4,028
		29,584	(15,322)
Total comprehensive income for the year attributable to:			
Equity holders of the parent		(16,131)	(497,355)
Non-controlling interests		4,268	3,917
		(11,863)	(493,438)
Earnings per share of operations:			
Basic	15	0.04	(0.03)
Diluted	15	0.04	(0.03)

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2014.

CONSOLIDATED STATEMENTS

of Financial Position at 31 December 2014 and 2013

(Amounts stated in thousands of euros)

(Translation from the Portuguese original – Note 51)

	Notes	2014	2013
Non-current assets:			
Goodwill	16	1,935,467	1,958,671
Intangible assets	17	35,003	32,422
Tangible assets	18	2,749,557	2,774,490
Investments in associates	7 e 19	10,752	8,414
Other investments	20	8,845	13,585
Accounts receivable-other	22	35,616	19,518
Taxes recoverable	23	38,836	35,159
Other non-current assets	24	115,175	6,067
Deferred tax assets	25	119,712	127,401
Total non-current assets		5,048,962	4,975,727
Current assets:			
Inventories	26	467,752	450,263
Accounts receivable-trade	27	176,075	207,070
Accounts receivable-other	22	41,646	39,955
Taxes recoverable	23	74,387	74,546
Cash and cash equivalents	46	723,868	691,116
Other current assets	24	18,311	12,431
		1,502,039	1,475,380
Non-current assets held for sale	21	1,867	237
Total current assets		1,503,906	1,475,617
Total assets	7	6,552,868	6,451,345
Shareholders' equity:			
Share Capital	28	672,000	672,000
Treasury shares	29	(27,216)	(27,216)
Currency translation adjustments	30	(462,584)	(428,017)
Reserves	31	267,273	276,222
Retained Earnings	32	451,692	473,386
Net profit for the year	15	27,207	(19,351)
Equity before non-controlling interests		928,371	947,025
Non-controlling interests	33	50,020	40,536
Total shareholders' equity	7	978,391	987,561
Non-current liabilities			
Deferred tax liabilities	25	539,054	575,799
Employee benefities	34	17,229	16,637
Provisions	36	122,276	121,019
Loans	37	4,115,219	4,020,399
Account payable - other	41	19,425	21,927
Taxes payable	23	7,292	7,664
Other non-current liabilities	42	6,124	7,096
Total non-current liabilities		4,826,620	4,770,542
Current liabilities			
Employee benefits	34	904	903
Provisions	36	4,469	4,214
Loans	37	169,997	104,873
Accounts payable - trade	43	222,195	246,644
Accounts payable - others	41	108,809	145,786
Taxes payable	23	61,954	56,889
Other current liabilities	42	179,530	133,933
Total current liabilities		747,857	693,242
Total liabilities	7	5,574,478	5,463,784
Total liabilities and shareholders' equity		6,552,868	6,451,345

The accompanying notes form na integral part of the financial statements for the year ended at 31 December 2014

CONSOLIDATED STATEMENTS

of Changes in Shareholders’ Equity for the years ended 31 December 2014 and 2013

(Amounts stated in thousands of euros)

(Translation from the Portuguese original – Note 51)

	Notes	Share capital	Treasury shares	Currency translation adjustments	Reserves	Retained earnings	Net profit	Shareholder's equity attributable to equity holders	Non-controlling interest	Shareholder's equity
Saldo em 31 de Dezembro de 2012 (restated)		672,000	(27,216)	52,167	275,760	907,919	(423,734)	1,456,897	39,788	1,496,685
Consolidated net profit for the year	7	-	-	-	-	-	(19,351)	(19,351)	4,028	(15,322)
Results recognized directly in equity	30 and 31	-	-	(480,184)	2,180	-	-	(478,004)	(112)	(478,116)
Total comprehensive income for the year		-	-	(480,184)	2,180	-	(19,351)	(497,355)	3,917	(493,438)
Appropriation of consolidated profit of 2012:										
Transfer to legal reserves and retained earnings	32	-	-	-	-	(423,734)	423,734	-	-	-
Dividends	14, 32 and 33	-	-	-	-	(10,785)	-	(10,785)	(3,016)	(13,801)
Variation in financial investments and other	33	-	-	-	(1,717)	(15)	-	(1,732)	(153)	(1,885)
Saldo em 31 de Dezembro de 2013		672,000	(27,216)	(428,017)	276,222	473,386	(19,351)	947,025	40,536	987,561
Consolidated net profit for the year	7	-	-	-	-	-	27,207	27,207	2,377	29,584
Results recognized directly in equity	30 and 31	-	-	(34,568)	(8,770)	-	-	(43,338)	1,891	(41,447)
Total comprehensive income for the year		-	-	(34,568)	(8,770)	-	27,207	(16,131)	4,268	(11,863)
Appropriation of consolidated profit of 2013:										
Transfer to legal reserves and retained earnings	32	-	-	-	-	(19,351)	19,351	-	-	-
Dividends	14, 32 and 33	-	-	-	-	(1,931)	-	(1,931)	(1,377)	(3,307)
Variation in financial investments and other	33	-	-	-	(179)	(412)	-	(592)	6,592	6,001
Balances at 31 December 2014		672,000	(27,216)	(462,584)	267,273	451,692	27,207	928,371	50,020	978,391

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2014.

CONSOLIDATED STATEMENTS

of Cash Flows for the years ended 31 December 2014 and 2013

(Amounts stated in thousands of euros)

(Translation from the Portuguese original – Note 51)

	Notas	2014	2013
Operating activities			
Receipts from clients		2,731,971	2,745,996
Payments to suppliers		(1,786,654)	(1,853,748)
Payments to employers		(247,314)	(313,612)
Cash Flows generated by operations		698,003	578,636
Income tax recovered/ (paid)		(41,682)	(104,811)
Other payments related to operating activities		(108,141)	(30,077)
Cash Flows from operating activities (1)		548,181	443,748
Investing activities			
Receipts relating to:			
Financial investments		13,477	21,647
Tangible assets		8,200	21,808
Intangible assets		-	27
Interest and similar income		9,011	4,023
Dividends	19	665	714
Others		411	-
		31,764	48,217
Payments relating to:			
Changes in consolidation perimeter	5	-	(75)
Financial investments		(35,859)	(30,664)
Tangible assets		(195,883)	(331,057)
Intagible assets		(2,992)	(6,316)
Others		(4,603)	-
		(239,338)	(368,112)
Cash flow from investing activities (2)		(207,574)	(319,895)
Financing activities:			
Receipts relating to:			
Loans obtained	46	1,773,330	442,252
Sales of treasury shares		-	2
Others		4,032	-
		1,777,363	442,254
Payments related to:			
Loans obtained	46	(1,885,846)	(408,797)
Interest and similar costs		(249,489)	(225,874)
Dividends	14	(1,931)	(10,785)
Others	46	(5,185)	(6,351)
		(2,142,451)	(651,807)
Cash flows from financing activities (3)		(365,088)	(209,553)
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		(24,482)	(85,700)
Effect of currency translation and other non monetary transactions		28,729	(87,667)
Cash and cash equivalents at the beginning of the year	46	640,326	813,692
Cash and cash equivalents at the end of the year	46	644,573	640,326

The accompanying notes form na integral part of the financial statements for the year ended at 31 December 2014.

SEPARATE STATEMENTS

of Profit and loss and other Comprehensive Income for the years ended 31 December 2014 and 2013

(Amounts stated in thousands of euros)

(Translation from the Portuguese original – Note 51)

	Notes	2014	2013
Operating income:			
Services rendered	47	3,762	5,250
Other operating income	8 and 47	144	11,676
Total operating income		3,906	16,926
Operating expenses:			
Outside supplies and services		(2,781)	(3,808)
Payroll costs	10	(3,106)	(3,671)
Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets		(58)	(173)
Other operating expenses	11	(330)	(396)
Total operating expenses		(6,275)	(8,048)
Net operating income		(2,369)	8,878
Financial income, net	12	4,517	6,059
Investment income	12	1,912	1,906
Profit before income tax		4,060	16,843
Income tax	13	(3,191)	(9,300)
Net profit for the year	15	869	7,543
Total comprehensive income for the year		869	7,543
Earnings per share:			
Basic	15	0.00	0.01
Diluted	15	0.00	0.01

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2014.

SEPARATE STATEMENTS

of Financial Position at 31 December 2014 and 2013

(Amounts stated in thousands of euros)

(Translation from the Portuguese original – Note 51)

	Notes	2014	2013
Non-current assets:			
Intangible assets		-	4
Tangible assets	18	399	463
Investments in subsidiaries and associates	19	1,121,340	1,121,840
Other investments	20	87	87
Accounts receivable-other	22	98,000	114,500
Deferred tax assets	25	11,795	10,769
Total non-current assets		1,231,621	1,247,663
Current assets:			
Accounts receivable-trade	27	238	4
Accounts receivable-other	22	5,838	3,522
Taxes recoverable	23	2,902	3,308
Cash and cash equivalents	46	404	341
Other current assets	24	31	42
Total current assets		9,413	7,216
Total assets		1,241,034	1,254,880
Shareholders' equity:			
Share capital	28	672,000	672,000
Treasury shares	29	(27,216)	(27,216)
Reserves	31	306,732	306,732
Retained earnings	32	254,379	248,766
Net profit for the year	15	869	7,543
Equity before minority interest		1,206,763	1,207,825
Total shareholders' equity		1,206,763	1,207,825
Non-current liabilities:			
Deferred tax liabilities	25	-	3
Provisions	36	26,929	25,911
Accounts payable-other	41	964	1,784
Total non-current liabilities		27,893	27,699
Current liabilities:			
Provisions	36	180	176
Accounts payable-trade	43	426	516
Accounts payable-other	41	4,423	17,498
Taxes payable	23	783	246
Other current liabilities	42	567	920
Total current liabilities		6,378	19,356
Total liabilities		34,271	47,054
Total liabilities and shareholders' equity		1,241,034	1,254,880

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2014.

SEPARATE STATEMENTS

of Changes in Shareholders' Equity for the years ended 31 December 2014 and 2013

(Amounts stated in thousands of euros)

(Translation from the Portuguese original – Note 51)

	Notes	Share capital	Treasury shares	Reserves	Retained earnings	Net profit	Total shareholders' equity
Balances at 31 december 2012		672,000	(27,216)	306,732	216,052	43,499	1,211,067
Net profit for the year		-	-	-	-	7,543	7,543
Total comprehensive income for the year		-	-	-	-	7,543	7,543
Appropriation of profit of 2012:							
Transfer to legal reserves and retained earnings		-	-	-	43,499	(43,499)	-
Dividends	14 and 32	-	-	-	(10,785)	-	(10,785)
Balances at 31 december 2013	32	672,000	(27,216)	306,732	248,766	7,543	1,207,825
Net profit for the year		-	-	-	-	869	869
Total comprehensive income for the year		-	-	-	-	869	869
Appropriation of profit of 2013:							
Transfer to legal reserves and retained earnings		-	-	-	7,543	(7,543)	-
Dividends	14 and 32	-	-	-	(1,931)	-	(1,931)
Balances at 31 december 2014	32	672,000	(27,216)	306,732	254,379	869	1,206,763

SEPARATE STATEMENTS

of Cash Flows for the years ended 31 December 2014 and 2013

(Amounts stated in thousands of euros)

(Translation from the Portuguese original – Note 51)

		Notes	2014	2013
Operating activities:				
Receipts from clients			5,765	6,740
Payments to suppliers			(3,483)	(5,707)
Payments to employees			(4,355)	(5,605)
Cash flows generated by operations			(2,073)	(4,572)
Income tax recovered/(paid)		36	(15,832)	(37,413)
Other payments related to operating activities			(1,294)	1,850
Cash flows from operating activities	**(1)**		(19,199)	(40,135)
Investing activities:				
Receipts relating to:				
Financial investments			-	1,460
Loans granted		46	17,000	63,705
Tangible assets			423	16,193
Interest and similar income			2,928	8,140
Dividends		46	901	1,893
			21,252	91,391
Payments relating to:				
Financial investments		19	(7)	-
Tangible assets			-	(292)
			(7)	(292)
Cash flows from investing activities	**(2)**		21,245	91,099
Financing activities:				
Receipts relating to:				
Sale of treasury shares			-	2
Loans obtained			-	5,200
			-	5,202
Payments relating to:				
Interest and similar costs			(53)	(387)
Dividends		14	(1,931)	(10,785)
Loans obtained		46	-	(44,900)
			(1,984)	(56,072)
Cash flows from financing activities	**(3)**		(1,984)	(50,870)
Variation in cash and cash equivalents (4) = (1) + (2) + (3)			62	94
Effect of currency translation and other non monetary transactions			1	-
Cash and cash equivalents at the beginning of the year		46	341	248
Cash and cash equivalents at the end of the year		46	404	341

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2014.

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Notes to the consolidated and separate financial statements

For the year ended 31 December 2014

(Amounts stated in thousands of euros)

(Translation of notes originally issued in Portuguese – Note 51)

1. Introductory note

Cimpor - Cimentos de Portugal, SGPS, S.A. ("Cimpor" or the "Company") was incorporated on 26 March 1976, with the name Cimpor - Cimentos de Portugal, E.P.. The Company has undergone several structural and legal changes, which have resulted in it becoming the parent company of a Business Group which, in 31 December 2014 held operations in 8 countries: Portugal, Egypt, Paraguay, Brazil, Mozambique, South Africa, Argentina and Cape Verde (the "Cimpor Group" or "Group").

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

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

2. Summary of accounting policies

2.1. Basis of presentation

The accompanying consolidated and non-consolidated financial statements were prepared on a going concern basis from the books and accounting records of the Company and the companies included in the consolidation, maintained in accordance with generally accepted accounting principles in Portugal and in the headquarter of foreign company, restated in the consolidation process to the International Financial Reporting Standards as endorsed by the European Union, effective for the years beginning 1 January 2014. Such standards include the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), the International Accounting Standards ("IAS") issued by the Accounting Standards Committee ("IASC") and the interpretations issued by the IFRS Interpretation Committee ("IFRIC") and Standing Interpretation Committee ("SIC") which were endorsed by the European Union. These standards and interpretations are hereinafter referred to collectively as "IFRS".

2.2. New standards and interpretations, revisions and amendments

That came into effect during the year

The following standards, interpretations and amendments and revisions adopted ("endorsed") by the European Union have mandatory application for the first time in the year ended December 31, 2014:

Standard/Interpretation	Applicable in the exercises started on or after	Observations
IFRS 10 - consolidated financial statements	January 1, 14	This standard established the requirements relating to the presentation of consolidated financial statements of the parent company, substituting, for these matters, standard IAS 27 – Consolidated and Separate Financial Statements and SIC 12 –Consolidation – Special Purpose Entities. This standard also introduced new rules regarding the definition of control and determination of the consolidation perimeter.
IFRS 11 – Joint agreements	January 1, 14	This standard substitutes IAS 31 – Joint Ventures and SIC 13 – Jointly Controlled Entities – Non Monetary Contributions by Developers, and eliminates the possibility of using the proportional consolidation method for recording interests in joint ventures.
IFRS 12 – Disclosures About holdings in other Entities	January 1, 14	This standard establishes a new set of disclosures relating to participations in subsidiaries, joint agreements, associates and entities not consolidated.
IAS 27 – Separate financial statements (2011)	January 1, 14	This amendment comes to restrict the scope of IAS 27 separate financial statements.
IAS 28 – investments in associates and jointly controlled entities (2011)	January 1, 14	This amendment ensures consistency between IAS 28 – Investments in Associates and the new standards adopted, especially IFRS 11 – Joint Agreements.

Standard/Interpretation	Applicable in the exercises started on or after	Observations
Amendment to the rules: • IFRS 10 – consolidated financial statements; • IFRS 12 – Disclosures regarding participation in other Entities (Investment Entities)	January 1, 14	This amendment introduces an exemption from consolidation of certain entities that meet the definition of investment entities. It also establishes rules for measurement of investments held by these investment entities.
Amendment to IAS 32 – Offsetting of financial assets against liabilities	January 1, 14	This amendment clarifies certain aspects of the standard relating to the application of offsetting requirements between financial assets and liabilities.
Amendment to standard IAS 36 – Impairment (Disclosures regarding the recoverable amount of non-financial assets)	January 1, 14	This amendment eliminates the requirements to disclose the recoverable amount of a cash generating unit with goodwill or intangibles of undefined useful life allocated to periods in which no impairment loss or impairment reversal was recorded. It introduces additional disclosure requirements regarding assets for which impairment loss or impairment reversal was recorded and their recoverable amount was determined based on their fair value less costs to sell.
Amendment to standard IAS 39 – Financial instruments: Recognition and Measurement (Reformulation of derivatives and continuation of hedge accounting)	January 1, 14	This amendment permits continuation of hedge accounting in certain circumstances when a derivative designated as a hedge instrument is reformulated.
IFRIC 21 – Payments to the State	January 1, 14	This interpretation comes to lay down the conditions as to the timing of the recognition of a liability related to the payment to the State of a contribution on behalf of an entity as a result of a certain event (for example, participation in a given market), without the payment having counterparts on specified goods or services.

There is no significant impact on the Group's financial statements for the year ended 31 December 2014 arising from the adoption of the above mentioned standards, interpretations, amendments and revisions.

That will come into effect in future years

The following standards, interpretations, amendments and revisions endorsed by the European Union by the date of approval of these financial statements are of mandatory application in future financial years:

Standard/Interpretation	Applicable in the exercises started on or after	Observations
Improvements of international financial reporting standards (2011-2013 cycle)	January 1, 15	These improvements involve the clarification of some aspects of IFRS 1 – first-time adoption of international financial reporting standards, IFRS 3 – business combination, IFRS 13 – Measurement at fair value, and IAS 40 – investment Properties.

The evaluation of the impact of the referred improvements on the Group's financial statements was not yet completed but it is not foreseen to be relevant.

Not yet adopted by the European Union

The following standards, interpretations, amendments and revisions of mandatory application in future years have not been endorsed by the European Union up to the date of approval of the accompanying financial statements:

Standard/Interpretation	Observations
IFRS 9 – financial instruments (2009) and subsequent amendments	This standard falls in the draft revision of IAS 39 and establishes the requirements for the classification and measurement of financial assets and liabilities and for the application of hedge accounting rules.
IFRS 15 – revenue from contracts with customers	This standard comes to introduce a structure of revenue recognition based on principles and based on a template to be applied to all contracts concluded with customers.
Amendment to IFRS standard 11 – Joint Agreements	This amendment clarifies the IFRS 3 to be applied when an investor acquires an interest in a jointly controlled entity when it consists of a business as defined by this standard. The application of IFRS 3 is applied in the acquisition of initial interest and subsequent acquisition of interests.
Amendments to the standards IAS 16 – property, plant and equipment and IAS 38 – intangible assets	These amendments are to clarify what methods of depreciation of property, plant and equipment and intangible assets are allowed.

Standard/Interpretation	Observations
Amendment to IAS 19 – employee benefits	This amendment clarifies the circumstances under which employees ' contributions for post-employment benefit plans constitute a reduction in the cost of short-term benefits.
amendments to IFRS 10 - consolidated financial statements and IAS 28 – investments in associates and jointly controlled entities (2011)	These amendments eliminate a conflict between those rules, related to the sale or with the contribution of assets between the investor and the associate or the jointly controlled entity.
Amendment to IAS 27 – Separate financial statements (2011)	This amendment comes to introduce the possibility of applying the equity method, in the valuation of investments in subsidiaries, associates and jointly controlled entities, in the separate financial statements of an entity which presents consolidated financial statements.
Amendments to IFRS 10 consolidated financial Statements, IFRS – 12 – Disclosures About holdings in other entities and IAS 28 – investments in associates and jointly controlled entities (2011)	These amendments include clarification of several aspects related to the application of the exception of consolidation on the part of investment entities.
Amendment to IAS 1 – presentation of financial statements (Disclosures)	This amendment introduces a set of indications and guidelines that aim to improve and simplify the disclosures in the context of the existing reporting requirements of IFRS.
Improvements of international financial reporting standards (2010-2012 cycles and 2012-2014)	These improvements involve the revision of several standards.

These standards have not yet been adopted ("endorsed") by the European Union and, as such, were not applied by the group in the year ended December 31, 2014.

2.3. Critical accounting judgements/estimates

The preparation of financial statements in accordance with IFRS recognition and measurement principles requires the Cimpor Board of Directors (”Management”) to make judgements, estimates and assumptions that can affect the presented amount of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, as well as of income and expenses.

These estimates are based on the best knowledge existing at each moment and the planned actions, and are regularly reviewed based on the information available. Changes in facts and circumstances can lead to a revision of the estimates and so actual results may differ from these estimates.

The significant estimates and assumptions made by the Management in preparing these financial statements include assumptions used in estimating the following items:

• Impairment of non-current assets (excluding Goodwill)

The determination of a potential impairment loss can arise as result from the occurrence of several events, many of them external to the Cimpor Group, such as future availability of financing, capital cost or any other changes, either internal or external, to Cimpor Group.

The identification of impairment indicators and the determination of the assets' recoverable amount, are subject of a Management's judgement referring to the identification and evaluation of the different impairment indicators, cash-generating units, expected cash flows, applicable discount rates, growth rates, useful lives and transaction values.

• 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 2.4. e). The recoverable amounts of the cash-generating units to which goodwill has been allocated, is the higher between the market value, determined according with recent transaction multiples, and the value in use, 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.

• Accounts receivable impairment

The credit risk associated to accounts receivable is evaluated at the end of each reporting period, taking into consideration the debtor's historical information and his risk profile. The accounts receivable are adjusted by the assessment of the estimated collection risks at the statements of financial position dates, which might differ from the effective risk to incur.

• Useful lives of intangible and tangible fixed assets

The useful life of an asset is the time period during which an entity expects that an asset will be available for use and it must be reviewed at least at the end of each economical year.

The determination of the assets useful lives, amortization/depreciation method to apply, it's residual value and of the estimated losses resulting from the early replacement of equipment's, due to technological obsolescence, is essential to determine the amount of amortization/depreciation charge to the profit and loss of each year.

These parameters are defined according to Management's best estimate, for the assets and businesses in question, also considering the best practices adopted by companies operating in the same business activity.

• Provisions recognition and contingent liabilities disclosure

The Group periodically analyses possible obligations that arise from past events that should be recognized or disclosed. The inherent subjectivity 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 strong 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 year and takes into consideration the expectation about the future performance.

• Retirement and healthcare benefits

An actuarial valuation made by independent experts and based on economic and demographic assumptions is performed each year in order to assess the liabilities resulting from retirement and healthcare benefits granted to Group's employees. Any change in these assumptions will have an impact on the on the amount of the liability for retirement and health benefits, being the Group's policy to periodically review the assumptions.

• Measurement of Derivative financial instruments

The measurement of derivative financial instruments involves a number of estimates and assumptions variables procedure, in particular exchange and interest rates, as well as estimates of the Group's credit risk and several involved counterparties, which may be different that they will effective occur.

2.4. Consolidation principles

a) Controlled companies

Controlled companies have been consolidated in each accounting period by the full consolidation method. Control is considered to exist where the Group holds, directly or indirectly, a majority of the voting rights at Shareholders' General Meetings, or has the power to determine the companies' financial and operating policies.

Third party participation in shareholders' equity and net profit of such companies is presented separately in the consolidated statement of financial position and consolidated statement of comprehensive income under the caption “Non-controlling interests”.

The results of controlled companies acquired or sold during the period are included in the consolidated statement of comprehensive income from the date of their control is obtained to the date of their control is lost, respectively.

Significant balances and transactions between controlled companies are eliminated in the consolidation process. Capital gains or losses within the Group on the sale of subsidiary and associated companies are also eliminated.

Whenever necessary, adjustments are made to the financial statements of subsidiaries and associated companies to conform to the Group's accounting policies.

b) Business combinations

Business combinations, namely the acquisition of controlled companies are recorded in accordance with the purchase method.

Acquisition cost is determined by the sum of the fair value of the assets given, liabilities and contingent liabilities incurred or assumed and equity instruments issued by the Group in exchange for the assumption of control in the entity acquired. Costs relating to the acquisition are recognized as expenses when incurred. Where applicable, cost includes the fair value of the contingent payments measured as of the date of acquisition. Subsequent changes in the value of the contingent payments or deferred payments are recorded in accordance with the accounting standard that sets the recording of those assets and liabilities except where they qualify as adjustments in the period of provisional measurement.

The identifiable assets, liabilities and contingent liabilities of a subsidiary that meet the criteria to be recognised in accordance with IFRS 3 - Business Combinations ("IFRS 3"), 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 ("IFRS 5"), which are recognised and measured by their respective fair values less costs to sell.

Any excess of cost plus the amount of the non-controlling interests over the fair value of the identifiable assets and liabilities acquired as of the purchase date is recorded as Goodwill. Where acquisition cost increased with non-controlling interests is lower than the fair value of the net assets identified, the difference is recorded as a gain of profit and loss for the period in which the acquisition is made after reconfirmation of the fair value attributed.

If the process for recording combinations of business activities is incomplete at the end of the year in which the combination occurs, the Group discloses the situation and the amounts provided can be adjusted during the measuring period (the period between the date of acquisition and the date the Group obtains complete information on the facts and circumstances that existed as of the date of acquisition, up to a maximum of 12 months), or new assets and liabilities can be recognized to reflect facts and circumstances that existed as of the balance sheet date which, if recognized, would affect the amounts recognized on the date of acquisition.

Non-controlling interests without control are reflected separately in equity from the interests of the shareholders. Non-controlling interests can initially be measured at their fair value or by the proportion of the fair value of the assets and liabilities of the subsidiary acquired. This option is made separately for each transaction.

After initial recognition, the book value of the non-controlling interests is determined as the amount initially recognized plus the proportion of changes in equity of the subsidiary. Comprehensive income of a subsidiary is attributed to non-controlling interests even if it is negative.

The results of subsidiaries acquired or sold during the period are included in the statement of comprehensive income as from the date of acquisition or up to the date of sale.

In specific situations in which the Group has in substance control of other entities created for a specific purpose, even if it does not have participations directly in the entities, they are consolidated by the full consolidation method.

Changes in the percentage of control over subsidiaries that do not result in loss of control are recorded as equity transactions. The value of the Group’s non-controlling interests is adjusted to reflect changes in percentages. Any difference between the amount for which the non-controlling interests is adjusted and the fair value of the transaction is recorded directly in equity and attributed to the shareholders of the parent company.

When the Group loses control over a subsidiary, the gain or loss on the sale is calculated as the difference between (i) the aggregated amount of the fair value of the assets received and the fair value of the interests retained and (ii) the book value of the assets (including goodwill) and liabilities of the subsidiary and the non-controlling interests. Amounts previously recognized in equity as “Other comprehensive income”, namely the exchange effect resulting from the translation of foreign currency financial statements as set in the Note 2.10 below, are transferred to profit and loss or to retained earnings in the same way as would happen if related assets or liabilities were sold. The fair value of the interests retained corresponds to the fair value at the initial recognition for purposes of the subsequent recording in accordance with IAS 39 – Financial instruments or, where applicable, cost for purposes of the initial recognition of an investment in an associate or joint venture.

c) Investments in associates

An associated company is one over which the Group exercises significant influence, but does not have control or joint control, through participation in decisions relating to its financial and operating policies.

Investments in the associated companies are recorded in accordance with the equity method, except where they are classified as held for sale, being initially recorded at cost which is then increased or decreased by the difference between cost and the proportional value of the equity of such companies as of the purchase date or the date the equity method and adjusted, whenever necessary, to reflect the Group’s accounting policies.

In accordance with the equity method investments are recorded at cost at purchase date, adjusted periodically by the amount of comprehensive income in the associate (including net results of associated companies) by corresponding entry to net profit for the year or other comprehensive income, respectively, and dividends received.

Losses in associated companies in excess of the investment in them are not recognised, unless the Group has assumed commitments to participate in the losses.

Any excess of cost over the fair value of the identifiable net assets and contingent liabilities is recorded as “Investments in associates – Goodwill”. Where cost is lower than the fair value of the net assets and contingent liabilities identified, the difference is recorded as a gain in the consolidated statement of comprehensive income for the period in which the acquisition is made.

In addition, dividends received from these companies are recorded as decreases in the amount of the investments.

Unrealised gains on transactions with associated companies are eliminated in proportion to the Group’s interest in such companies, by corresponding entry to the amount of the corresponding investment. Unrealised losses are also eliminated, but only up to the point in which the loss does not show that the asset transferred is in a situation of impairment.

A valuation is made of investments in associated when there are indications that the asset may be impaired, any impairment losses being recognized. When impairment losses recognized in previous periods cease to exist, they are reversed. The reversal of impairment losses is recognized as income up to the carrying amount of the investment that would have been determined had no impairment loss been recognized.

d) Jointly controlled entities

The financial investments in jointly controlled entities are registered by equity method of accounting. According to this method, financial investments are registered by their acquisition cost, adjusted by the correspondent value to the Group participation in Shareholders’ Equity variation (including net profit for the year) of these companies against gains and losses of exercise and by received dividends, liquid of accumulated impairment losses.

The classification of financial interests held for sale in jointly controlled entities is determined based on: i) shareholder agreements that regulate the joint control; ii) effective ownership percentage; iii) voting rights held.

e) Goodwill

Differences between the cost of investments in subsidiaries or jointly controlled entities, plus the amount of non-controlling interests, and the fair value of the identifiable assets, liabilities and contingent liabilities of these companies as of the date of acquisition, if positive, are recognized as goodwill.

Goodwill is recorded as an asset and is not amortised, being reflected in a separate caption of the consolidated statement of financial position. Annually, or whenever there are indications of a possible loss in value, goodwill is subjected to impairment tests. Any impairment loss is immediately recorded as a cost in the consolidated statements of profit and loss and other comprehensive income for the period and is not subject to subsequent reversal.

Goodwill is included in determining the gain or loss on the sale of a subsidiary or jointly controlled entity.

Goodwill is stated in the functional currency of the respective cash-generating unit, being translated to the Group reporting currency (euros) at the rate of exchange as of the balance sheet date. Exchange differences generated in that translation are recorded in the equity caption "Currency translation adjustments".

Goodwill on acquisitions prior to 31 December 1998 was maintained at the former amount and denominated in euros, being subject to annual impairment tests as from that date.

Where cost is lower than the fair value of the net assets and contingent liabilities identified, the difference is recorded as a gain in the consolidated statement of profit and loss and other comprehensive income for the period in which the acquisition takes place.

2.5. Intangible assets

Intangible assets, which comprise essentially contractual rights and costs incurred on specific projects with future economic value, are stated at cost less accumulated amortisation and impairment losses. Intangible assets are only recognised if it is probable that they will produce future economic benefits for the Group, they are controlled by the Group and their value can be determined reliably.

Internally generated intangible assets, namely current research and development costs, are recognised as costs when incurred.

Internal costs relating to the maintenance and development of software are recorded as costs in the statement of profit and loss and other comprehensive income when incurred, except where such costs relate directly to projects which will probably generate future economic benefits. 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 are available for use, in accordance with their estimated useful life.

2.6. Tangible assets

Tangible assets used in production, rendering services or for administrative use are stated at cost, including expenses incurred with their purchase, less accumulated depreciation and impairment losses, when applicable.

Assets relating to the cement operations on 1 January 2004 were revalued as allowed by the transition provisions of IFRS 1 – First Adoption of Financial Reporting Standards, the resulting amount being considered as the deemed cost.

Depreciation of tangible fixed assets is provided on a straight-line basis over their estimated useful lives, except when another method is shown to be more adequate based on its use, as from the date the assets become available for their intended use and in the proper place, in accordance with the following estimated periods of useful life:

	Average useful life
Buildings and other constructions	10 – 50
Basic equipment	7 – 30
Transportation equipment	4 – 8
Administrative equipment	2 – 14
Other tangible fixed assets	2 – 10

Land relating to stone quarry operations and mineral resources is depreciated on a straight-line basis over their expected operating periods less, where applicable, their residual amount.

The amount subject to depreciation does not include, when determinable and significant the estimated residual value of the assets at the end of their useful lives. Additionally, the assets stop being depreciated when they are classified as assets held for sale.

Improvements are only recognised as assets when they increase the useful life or efficiency of the assets, resulting in increased future financial benefits.

Tangible assets in progress correspond to tangible assets under construction/production and are recorded at acquisition or production cost less possible impairment losses. These assets are depreciated as from the date they become available for their intended use.

Gains and losses arising from the sale or write off of tangible assets, which are determined by the difference between the proceeds of the sale of the assets and their net book value at the date of sale, are recognised by its net amount in the statement of profit and loss and other comprehensive income as "Other operating income" or "Other operating expenses".

2.7. Investments in subsidiaries and associates (separate financial statements)

Investments in subsidiaries and associates are recognized at cost, except for those already existing on 1 January 2009, for which the option of recording them at the amount as of that date was followed ("deemed cost") in accordance with the options established for transition to IFRS. Investments in subsidiaries and associates are subject to impairment tests whenever there are indications that their book value is higher than their recoverable value considering the higher of value in use and sale.

2.8. Leases

Lease contracts are classified as: (i) finance leases, if substantially all the risks and benefits of ownership are transferred under them; and (ii) operating leases, if substantially all the risks and benefits of ownership are not transferred under them.

Leases are classified as finance or operating leases based on the substance and not form of the contract. Tangible fixed assets acquired under finance lease contracts, as well as the corresponding liabilities are recorded in accordance with the financial method. In accordance with this method, the cost of assets are recorded as tangible assets, the corresponding liability is recognised and the interest included in the lease instalments and depreciation of the assets, calculated as explained above, are recognised in the consolidated statement of comprehensive income for the period to which they relate.

In the case of operating profit and loss and other, the lease instalments are recognised, on a straight- basis, in the consolidated statement of profit and loss and other comprehensive income over the period of the lease contracts.

In accordance with IFRIC 4 – Determination if an agreement contains a lease, if an agreement entered into contains a lease, including transactions that transfer the right to use an asset or, if compliance with the agreement depends on the use of a specific asset, the Group analyses the agreement so as to assess if it contains a lease and if the requirements of IAS 17 – Leases should be applied.

2.9. Impairment of non-current assets, excluding goodwill

Impairment valuations are made whenever an event or change in circumstances is identified that indicates that the book value of an asset may not be recovered. Where such indications exist, the Group determines the recoverable value of the asset, so as to determine the possible extent of the impairment loss. In situations in which the individual asset does not generate cash flows independently of other assets, the recoverable value is estimated for the cash generating unit to which the asset belongs.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognised by charge to the consolidated statement of comprehensive income caption "Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets".
The recoverable amount is the higher between the net selling price (selling price, less costs to sell) and the value in use. Net selling price is the amount that would be obtained from selling the asset in a transaction between knowledgeable independent entities, less the costs directly attributable to the sale. The value in use is the present value of the estimated future cash flows resulting from the continued use of the asset and sale thereof at the end of its useful life. The recoverable amount is estimated for each asset individually or, where this is not possible, for the unit generating the cash flows to which the asset belongs.

Impairment losses recognised in prior periods are reversed when there are indications that such losses no longer exist or have decreased. The reversal of impairment losses are recognised in the consolidated statement of comprehensive income caption "Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets”. However, the impairment loss is reversed up to the amount that would have been recognised (net of amortisation or depreciation) if the impairment loss had not been recorded in prior periods.

2.10. Foreign currency assets, liabilities and transactions

Transactions in currencies other than euro are recorded at the exchange rates in force on the date of the transaction. Foreign currency monetary assets and liabilities at the balance sheet dates are translated to euros at the rates of exchange in force on that dates.

Exchange gains and losses resulting from differences between the exchange rates in force on the dates of the transactions and those in force on the dates of collection, payment or the balance sheet date are recognised as income or costs in the consolidated statement of comprehensive income, except for those relating to non monetary items where the change in fair value is recognised directly in shareholders’ equity (“Currency translation adjustments”), namely:

- Exchange differences resulting from the translation of medium and long term foreign currency intra Group balances which, in practice, are extensions of investments;

- Exchange differences on financial operations to hedge exchange risk on foreign currency investments as established in IAS 21 - The effects of changes in foreign exchange rates (“IAS 21”), provided that they comply with the efficiency criteria established in IAS 39 – Financial instruments: Recognition and measurement (“IAS 39”) .

The foreign currency financial statements of subsidiary and associated companies are translated as follows: assets and liabilities at the exchange rates in force on the balance sheet dates; shareholders’ equity captions at the historical exchange rates; and consolidated statement of profit and loss and other comprehensive income and statement of cash-flows captions at the average exchange rates.

The exchange effect of such translations after 1 January 2004 is recognized as income and costs and reflected in the shareholders’ equity caption “Currency translation adjustments” in the case of subsidiary companies and in the shareholders’ equity caption “Reserves - Adjustments in investments in associates” in the case of investments in associated companies, and is transferred to the statement of profit and loss caption “Net financial expenses” when the corresponding investments are sold.

In accordance with IAS 21, goodwill and fair value corrections determined on the acquisition of foreign entities are considered in the reporting currency of such entities, and are translated to euros at the exchange rate in force on the balance sheet date. Exchange differences arising from these translations are reflected as income and costs in the equity caption “Currency translation adjustments”, except when they correspond to a discontinued operation in accordance with Note 2.14, in which case they are included in Net result of discontinued operations.

The Group contracts derivative financial hedging instruments when it wishes to reduce its exposure to exchange rate risk.

2.11. Borrowing costs

Costs incurred on loans obtained directly to finance the acquisition, construction or production of assets that necessarily take a substantial 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. Additionally, to the extent that fixed interest rate loans used to finance a hedged item are covered by a fair value hedge relation, the financial burden in addition 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.

2.12. Subsidies

Subsidies are recognised based on their fair value, when there is reasonable certainty that they will be received and that the Group will comply with the conditions required for them to be granted.

Operating subsidies, namely those for employees training, are recognised in the profit and loss of the period, together with the costs incurred.

Investment subsidies relating to the acquisition of tangible fixed assets are recorded in the caption "Other non-current liabilities" and transferred to profit and loss for the period on a consistent straight-line basis in proportion to depreciation of the subsidised assets.

2.13. Inventories

Merchandise and raw, subsidiary and consumable materials are stated at average cost using the average cost as the costing method.

Finished and semi-finished products and work in progress are stated at production cost, which includes the cost of the raw materials incorporated, labour and production overheads.

Inventories are adjusted when net realisable value is lower than book value, through the recognition of an impairment loss, the reduction being reversed when the reasons that gave rise to it cease to exist.

2.14. Non-current assets held for sale and discontinued operations

Non-current assets (or disposal group) are classified as held for sale if their value is realizable through a sale transaction rather than through its continued use. This situation is only considered to arise when: (i) the sale is highly probable; (ii) the asset is available for immediate sale in its present condition; (iii) the management is committed to a plan of sale; and (iv) the sale is expected to take place within a period of twelve months.

Non-current assets (or disposal group) classified as held for sale are measured at the lower of the book value or their fair value less the costs incurred in their sale, and are presented separately in the consolidated statement of financial position.

A discontinued operation is a component of an entity which was either sold or is classified as available for sale and:

- Represents a significant separate operating or geographic business line;
- Is part of a single coordinated plan to sell a significant separate business line or geography
- Is a subsidiary acquired exclusively to be resold.

The amounts included in the consolidated statement of profit and loss and other comprehensive income and consolidated statement of cash flows relating to these discontinued operations are presented separately for the current period and all earlier periods that are presented in the financial statements.

Assets and liabilities relating to discontinued operations (not yet sold) are presented in separate lines for the latest year presented, without readjustment of prior years.

2.15. Segment reporting

An operating segment is a distinguishable component of an entity that is engaged in providing a product or service or a group of related products or services which are different from those of other segments.

The Group reports its assets and liabilities, as well as its operations, as geographical segments, following the way Management carries out businesses.

2.16. Balance sheet classification

Assets to be realized and liabilities to be settled within one year of the balance sheet date are classified as current assets and current liabilities, respectively.

In addition, the liabilities are also classified as current, when there is no unconditional right to defer its settlement for a period of at least twelve months after the balance sheet date.

2.17. 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 tangible assets and intangible assets. Also comprise, gains or losses on the sale of companies consolidated using the full or proportional integration method, except in cases where they correspond to discontinued operations (as explained in Note 2.14), in which case the resulting effects are recognized in the Consolidated statement of profit and loss and other comprehensive income caption "Net result of discontinued operations". As such the operating results, the net financial expenses, the share of results of associates, other financial investments and income tax are excluded.

2.18. Provisions

Provisions are recognised when: (i) exists an obligation (legal or constructive) resulting from a past event; (ii) under which it is probable that it will have an outflow of resources to settle the obligation; and (iii) the amount of the obligation can be reasonably estimated. At each balance sheet date provisions are reviewed and adjusted to reflect the best estimate as of that date.

When one of the conditions described is not completed the Group disclosures the events in question as contingent liabilities, unless the possibility of outflow of resources is remote, in which case they are not subject to disclosure.

a) Provisions for restructuring costs

Provisions for restructuring costs are recognised by the Group whenever there is a formal detailed restructuring plan which has been communicated to the parties involved.

b) Environmental rehabilitation

In accordance with current legislation and practices in force in several business areas in which the Group operates, land used for quarries must be environmentally rehabilitated.

In this regard, provisions are recorded to cover the estimated cost of environmentally recovering and rehabilitating the land used for quarries, whenever this can be reasonably determined. Such provisions are recorded together with a corresponding increase in the amount of the underlying assets, based on the conclusions of landscape rehabilitation studies, being recognised in profit and loss as the corresponding assets are depreciated.

In addition, the Group has the procedure of progressively rehabilitating the areas freed up by the quarries, using the recorded provisions.

2.19. Financial instruments

Financial assets and liabilities are recognised when the Group becomes part to the contractual relationship.

a) Cash and cash equivalents

The caption "Cash and cash equivalents" includes cash, bank deposits, term deposits and other treasury applications which mature in the short term (three months or less), highly liquid and immediately convertible into cash with insignificant risk of change in value.

For the purpose of statement of cash flow, the caption "Cash and cash equivalents" also includes bank overdrafts, which are included in the consolidated statement of financial position in the caption "Loans".

b) Accounts receivable

Accounts receivable are measured at fair value on the initial recognition and are subsequently stated at amortised cost in accordance with the effective interest rate method. When there is evidence that the accounts receivable are impaired, the corresponding adjustment is recorded in profit and loss, for the difference between the book value of the accounts receivable and the present value of the cash flows discounted at the effective interest rate determined upon initial recognition.

c) Other investments

Other investments are recognised (and derecognised) as of substantially all the risks and benefits of ownership are transferred under them, irrespective of the settlement date.

Investments are initially recognised at cost, which is the fair value of the price paid, including transaction costs. The subsequent measurement depends on its classification.

Investments are classified as follows:

- Held-to-maturity investments;
- Assets at fair value through profit and loss; and
- Available-for-sale financial assets.

Held-to-maturity investments are classified as non-current assets, except if they mature in less than twelve months from the balance sheet date and include, investments with a defined maturity date which the Group intends and has the capacity to hold up to that date. These investments are recognised at amortised cost, using the effective interest rate, net of capital repayments and interest received. Impairment losses are recognised in the profit and loss when the recorded amount of the investment is higher than the estimated value of the cash flows discounted at the effective interest rate determined at the time of initial recognition. Impairment losses can only be reversed subsequently when there is an increase in the recoverable amount of the investment can be objectively related to an event occurring after the date in which the impairment loss was recognised. In any case the recognised amount of the investment cannot exceed the amount corresponding to amortised cost of the investment had the impairment loss not been recognised.

After initial recognition, assets measured at fair value through profit and loss and available-for-sale financial assets are revalued to fair value by reference to their market value as of the balance sheet date with no deduction for transaction costs that could arise up to the date their sale. Investments in equity instruments not listed on regulated markets, where it is not feasible to estimate their fair value on a reliable basis, are maintained at cost less possible impairment losses.

Available-for-sale financial assets are classified as non-current assets. Gains and losses due to changes in the fair value of available-for-sale financial assets are reflected in the shareholders' equity caption "Fair value reserve" until the investment is sold, collected or in any other way realised, or where impairment losses are believed to exist, in which case the accumulated gain or loss is transferred to profit and loss. Those who do not have listed in an active market and whose fair value cannot be reliably measured are kept at cost adjusted for estimated impairment losses.

d) Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contract independently of its legal form. Equity instruments are contracts that have a residual interest in the Group's assets after deducting its liabilities.

Equity instruments issued are recorded at the amount received net of costs incurred to issue them.

e) Loans

Loans are initially recorded as liabilities at the amount received, net of loan issuing costs, which corresponds to their fair value on that date. Loans are subsequently measured at amortised cost, being the corresponding financial costs calculated at the effective interest rate.

Accrued interest is recognized on an accruals basis and is presented in the consolidated statement of financial position caption "Other current liabilities – Accrued interest".

f) Accounts payable

Accounts payable are initially recognised at fair value and subsequently measured at amortised cost in accordance with the effective interest rate method.

g) Derivative financial instruments and hedge accounting

The Group has the policy of resorting to financial derivative instruments to hedge the financial risks to which it is exposed as a result of changes in interest and exchange rates.

The Group resorts to financial derivative instruments in accordance with internal policies set and approved by the Board of Directors.

Financial derivative instruments are measured at fair value. The method of its recognition depends on the nature and purpose of the transaction.

Hedge instruments

Derivative financial instruments are designated as hedging instruments in accordance with the provisions of IAS 39, as regards their documentation and effectiveness.

Changes in the fair value of derivative instruments designated as "fair value hedging" are recognised as financial income or expense for the period, together with changes in the fair value the asset or liability subject to the risk.

Changes in the fair value of derivative financial instruments designated as "cash flow hedging" instruments are recorded as other comprehensive income in the caption "Reserves - Hedging operations" regarding their effective component and in financial income or expense for the period regarding their non effective component. The amounts recorded under "Reserves - Hedging operations" are transferred to financial income or expense in the period in which the effect on the item covered is also reflected in profit and loss.

Changes in the fair value of derivative financial instruments hedging net investments in a foreign entity, are recorded as other income and costs in the equity caption "Currency translation adjustments" regarding their effective component. The ineffective component of such changes is recognised immediately as net financial expenses for the period. If the hedging instrument is not a derivative, the corresponding variations resulting from changes in the exchange rate are recorded as income and costs in the equity caption "Currency translation adjustments".

Hedge accounting is discontinued when the hedging instrument matures, is sold or exercised, or when the hedging relationship ceases to comply with the requirements of IAS 39.

Trading instruments

Changes in the fair value of derivative financial instruments which are contracted for financial hedging purposes in accordance with the Group's risk management policies, but do not comply with all the requirements of IAS 39 to qualify for hedge accounting, are recorded as net financial expenses in the statement of profit and loss and other comprehensive income for the period in which they occur.

h) Treasury shares

Treasury shares are recorded at cost, as a decrease in shareholders' equity. Gains and losses on the sale of treasury shares are recorded in equity.

i) Fair value of financial instruments

The fair value of financial assets and financial liabilities is determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices;

- The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flows analysis using prices from observable current market transactions;

- The 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 flows, which includes some assumptions that are supportable by observable market prices or rates.

2.20. Impairment 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. In this situation, the eventual cumulative loss – measured as the difference between the asset's carrying amount and the current fair value, less any impairment loss already recognised in profit and loss – is removed from reserves (other comprehensive income recognised in equity) to profit and loss for the period. Impairments losses on equity instruments recognized in profit and loss are not reversed through profit and loss for the period, directly affecting other income recognized in equity.

Clients, debtors and other financial assets

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 original terms contracted. To identify these losses, several indicators are used, such as:

- accounts receivable ageing;
- debtor's financial difficulties;
- debtor's bankruptcy probability.

The impairments are determined by the difference between the recoverable amount and the book value of the financial asset and recognized by corresponding entry to profit and loss. Whenever a trade or other receivable it is considered as uncollectible it is derecognized using the respective impairment. Subsequent recovery of these amounts is recorded in profit and loss.

2.21. Employee benefits - retirement

Responsibilities for the payment of retirement, pensions, disability and survivor are recorded in accordance with IAS 19 - Employee benefits ("IAS 19").

Defined benefit plans

Costs of these benefits are recognised as the services are rendered by the beneficiary employees.

Therefore, at the end of each accounting period actuarial valuations are performed by independent entities to determine the amount of the liability as of that date and the pension cost to be recognised in the period, in accordance with the "projected unit credit" method. The liability thus estimated is compared with the market value of the pension fund, so as to determine the amount of the difference to be recorded in the consolidated statement of financial position.

As established in the above mentioned standard, pension costs are recognised in the caption "Payroll costs – retirement benefits", based on the amounts determined on an actuarial basis, and include current service costs (increase in the liability), which corresponds to the additional benefits accrued to the employees during the period and net interest costs, which result from updating the initial past service liability using the discount rate. Actuarial gains and losses are recorded as other comprehensive income directly in equity.

Defined contribution plans

Contributions made by the Group to defined contribution plans are recorded as costs when they are due.

2.22. Employee benefits - healthcare

Some Group companies provide supplementary healthcare benefits to their employees in addition to those provided by the Public Social Security, extensive to their families, early retired and retired personnel. The liability resulting from these benefits is recorded in a similar manner to the retirement pension liability, in the caption "Payroll costs - healthcare benefits".

As in the case of retirement benefits, actuarial valuations made by an independent entity are obtained at the end of each accounting period, so as to determine the amount of the liability as of that date. Actuarial gains and losses are recognized directly in the statement of comprehensive income.

2.23. Contingent assets and liabilities

A contingent liability is (i) a possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events; or (ii) a present obligation that arises from past events, but that is not recognized because an outflow of funds are not probable or the amount cannot be reliably measured.

Contingent liabilities are not recognised in the financial statements but are disclosed in their notes, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not subject to disclosure.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events.

Contingent assets are not recognised in the financial statements, but are disclosed in the notes to the financial statements when a future economic benefit is probable.

2.24. Revenue recognition and accruals basis

Income resulting from sales is recognised in the statement of comprehensive income when the risks and rewards of assets ownership are transferred to the purchaser and the revenue amount can be reasonably quantified. Sales are recognised at the fair amount received or receivable, net of taxes, discounts and other costs incurred to realise them, by the fair value of the amount received or receivable.

Income from services rendered is recognised in the statement of comprehensive income in the period in which they are rendered considering the phase of completion of the transaction as of the statement of financial position date.

Interest and financial income are recognised on an accrual basis in accordance with the effective interest rate.

Costs and income are recognised in the period to which they relate regardless the date of invoicing. Costs and income, the amount of which is not known, are estimated.

Costs and income attributable to the current period which will only be paid or received in future periods, as well as amounts paid and received in the current period that relate to future periods and will be attributed to each of the periods by the amount corresponding to them, are recorded in the captions “Other current assets” and “Other current liabilities”.

Dividends relating to investments recorded at cost or in accordance with IAS 39 are recognized when is given the right to receive them.

2.25. Income tax

Tax on income for the year is calculated based on the taxable results of the companies included in the consolidation and takes into consideration deferred taxation.

Current income tax is calculated based on the taxable results (which could differ from the accounting results) of the companies included in the consolidation, in accordance with the tax rules applicable to the area in which the tax jurisdiction of each Group company.

Deferred taxes refer to temporary differences between the amounts of assets and liabilities for accounting purposes and the corresponding amounts for tax purposes and are recorded in the statement of profit and loss and other comprehensive income, except when they are related with items registered as other comprehensive income recognised directly in equity, in which case the deferred tax is recorded in equity.

Deferred tax assets and liabilities are calculated and assessed periodically using the tax rates expected to be in force when the temporary differences reverse, and are not subject to discounting.

Deferred tax liabilities are recognised for all the taxable temporary differences. Deferred tax assets are only recognised when there is reasonable expectation that there will be sufficient future taxable income to utilise them. At each balance sheet date a reappraisal is made of the temporary differences underlying the deferred tax assets so as to recognize or adjust them based on the current expectations of their future recovery. The compensation of deferred tax assets and liabilities is not allowed, except if: i) there is a legal right to compensate such assets and liabilities or there is the intention and its allowed to do such compensation; ii) such assets and liabilities are related to income taxes due to the same tax authority; iii) there is an intention to clear those balances for settlement purposes.

2.26. Earnings per share

Earnings per share are calculated dividing the result attributable to the ordinary shareholders of the parent company, by the weighted average number of shares in circulation during the period.

The diluted earnings per share are calculated dividing the result attributable to the ordinary shareholders of the parent company, by the weighted average number of shares in circulation during the period, adjusted by potential ordinary diluting shares.

Potential ordinary diluting shares can result from options over shares and other financial instruments issued by the Group, convertible to shares of the parent company.

2.27. 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 financial statements.

Events that occur after the balance sheet date, that provide information on conditions that exist after the balance sheet date, if material, are disclosed in the notes to the financial statements.

2.28. CO_2 emission licences – Emissions market

Some of the Group’s production units in Portugal are covered by the European greenhouse effect gas emissions market. While the IASB does not issue accounting policies covering the granting and trading of emission licences, the Group adopts the following policy:

- Emission licences granted at no cost, as well the corresponding emissions covered by that licences, do not give rise to the recognition of any asset or liability;

- Gains from the sale of emission rights are recognised in Net operating income;

- When it is estimated that annual CO_2 emissions will exceed the licences granted annually, a liability, measured in accordance with the price at the end of the year, is recognised by corresponding charge to "Other operating expenses";

- Licences acquired are recognised at cost, in a specific intangible assets account under the "Industrial property and other rights" caption.

3. Changes in policies, estimates and errors

During the year ended 31 December 2014, there were no changes in accounting policies in relation to those considered in the preparation of the financial information for the year ended on 31 December 2013, except as regards the adoption of the revised or amended standards and interpretations, revisions and amendments mentioned in Note 2, which did not have a significant impact on financial position or comprehensive income, nor were any identified errors that should have been corrected.

4. Subsidiaries, associates and jointly controlled entities

4.1. Companies consolidated in accordance with the full consolidation method

The parent company, Cimpor - Cimentos de Portugal, SGPS, S.A., and the following subsidiaries, in which it has majority participation (control), have been consolidated using the full consolidation method:

NAME	FULL NAME/HEADQUARTERS	EFFECTIVE PARTICIPATION 2014	EFFECTIVE PARTICIPATION 2013
HOLDINGS AND BUSINESS AND CORPORATE SUPPORT COMPANIES SEGMENT			
CIMPOR SGPS	CIMPOR - CIMENTOS DE PORTUGAL, SGPS, S.A.		
CIMPOR INVERSIONES	CIMPOR INVERSIONES, S.A.	100.00	100.00
CIMPOR B.V.	CIMPOR FINANCIAL OPERATIONS, B.V.	100.00	100.00
CIMPOR REINSURANCE	CIMPOR REINSURANCE, S.A.	100.00	100.00
CIMPOR PORTUGAL	CIMPOR PORTUGAL, SGPS, S.A.	100.00	100.00
CIMPOR SERVIÇOS	CIMPOR – SERVIÇOS DE APOIO À GESTÃO DE EMPRESAS, S.A.	100.00	100.00
KANDMAD	KANDMAD – SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, LDA.	100.00	100.00
CIMPOR ECO	CIMPOR ECO, S.L.	b)	100.00
CIMPOR TRADING	CIMPOR TRADING, S.A.	b)	100.00
CIMPSHIP	CIMPSHIP - TRANSPORTES MARÍTIMOS, S.A.	60.00	60.00
CECIME	CECIME – CIMENTOS, S.A.	100.00	100.00
CTA	CEMENT TRADING ACTIVITIES - COMÉRCIO INTERNACIONAL,S.A.	100.00	100.00
INTERCEMENT AUSTRIA EQUITY	INTERCEMENT AUSTRIA EQUITY PARTICIPATIONS GMBH	100.00	100.00
CAUE AUSTRIA	CAUE AUSTRIA HOLDING GMBH	100.00	100.00
PORTUGAL AND CAPE VERDE SEGMENT			
CIMPOR INDÚSTRIA	CIMPOR – INDÚSTRIA DE CIMENTOS, S.A.	100.00	100.00
CECISA	CECISA - COMÉRCIO INTERNACIONAL, S.A.	b)	100.00
MOSSINES	MOSSINES – CIMENTOS DE SINES, S.A.	100.00	100.00
CIMENTAÇOR	CIMENTAÇOR - CIMENTOS DOS AÇORES, LDA.	100.00	100.00
BETÃO LIZ	BETÃO LIZ, S.A.	98.50	98.50
AGREPOR	AGREPOR AGREGADOS - EXTRACÇÃO DE INERTES, S.A.	100.00	100.00
SOGRAL	SOGRAL - SOCIEDADE DE GRANITOS, S.A.	100.00	100.00
SANCHEZ	SANCHEZ, S.A.	100.00	100.00
BENCAPOR	BENCAPOR - PRODUÇÃO DE INERTES, S.A.	75.00	75.00
IBERA	IBERA - INDÚSTRIA DE BETÃO, S.A.	50.00	50.00
PREDIANA	PREDIANA - SOCIEDADE DE PRÉ-ESFORÇADOS, S.A.	100.00	100.00
GEOFER	GEOFER - PRODUÇÃO E COMERCIALIZAÇÃO DE BENS E EQUIPAMENTOS, S.A.	100.00	100.00
SACOPOR	SACOPOR - SOCIEDADE DE EMBALAGENS E SACOS DE PAPEL, S.A.	100.00	100.00
CIARGA	CIARGA - ARGAMASSAS SECAS, S.A.	100.00	100.00
ALEMPEDRAS	ALEMPEDRAS - SOCIEDADE DE BRITAS, LDA.	100.00	100.00
CIMPOR IMOBILIÁRIA	CIMPOR IMOBILIÁRIA, S.A.	100.00	100.00
MECAN	MECAN - MANUFACTURA DE ELEMENTOS DE CASAS DE CONSTRUÇÃO NORMALIZADA, LDA.	100.00	100.00
SOGESSO	SOGESSO - SOCIEDADE DE GESSOS DE SOURE, S.A.	100.00	100.00
TRANSFORMAL	TRANSFORMAL, S.A.	100.00	100.00
INVERSIONES FILARIA	INVERSIONES FILARIA, S.L.	b)	100.00
LUSOBETI	LUSOBETIMOBILIÁRIA, S.A.	100.00	100,00 a)
CIMPOR CABO VERDE	CIMPOR CABO VERDE, S.A.	98.13	98.13
CABO VERDE BETÕES E INERTES	CABO VERDE BETÕES E INERTES, S.A.	98.13	98.13
ITP	INDÚSTRIA DE TRANSFORMAÇÃO DE PEDRAS, LDA.	98.13	98.13
BETÕES DE CABO VERDE	BETÕES DE CABO VERDE, S.A.	98.13	98.13

NAME	FULL NAME/HEADQUARTERS	EFFECTIVE PARTICIPATION 2014	EFFECTIVE PARTICIPATION 2013
BRAZIL SEGMENT			
INTERCEMENT BRASIL	INTERCEMENT BRASIL, S.A.	100.00	100.00
CAUE FINANCE	CAUE FINANCE LIMITED	100.00	100.00
CCCIMENTOS PARTICIPAÇÕES	CCCIMENTOS PARTICIPAÇÕES, LTDA.	99.82	98.99
INTERCEMENT PORTUGAL	INTERCEMENT PORTUGAL, SGPS, S.A.	a)	100.00
ECO-PROCESSA	ECO-PROCESSA – TRATAMENTO DE RESÍDUOS LTDA.	50.00	50.00
RIOS PRIMEIRA	INVERSIONES RÍOS PRIMEIRA LIMITADA	99.99	99.99
BAESA	BAESA - ENERGÉTICA BARRA GRANDE, S.A	9.00	9.00
CCCE	COMPANHIA CAMARGO CORREIA ENERGIA	100.00	100.00
TRANSVIARIA BR	TRANSVIARIA LOGÍSTICA E TRANSPORTES, LDA.	100.00	100.00
NEOGERA INV. EM INOVAÇÃO	NEOGERA INVESTIMENTOS EM INOVAÇÃO LTDA. c)	98.76	-
EGYPT SEGMENT			
CEC	CIMPOR EGYPT FOR CEMENT COMPANY, S.A.E.	100.00	100.00
AMCC	AMREYAH CEMENT COMPANY, S.A.E.	99.14	99.14
AMREYAH CIMPOR	AMREYAH CIMPOR CEMENT COMPANY, S.A.E.	99.36	99.36
CSC	CEMENT SERVICES COMPANY, S.A.E.	99.61	99.61
CIMPSAC	CIMPOR SACS MANUFACTURE COMPANY, S.A.E.	99.90	99.90
AMREYAH DEKHEILA	AMREYAH DEKHEILA TERMINAL COMPANY, S.A.E.	99.37	99.37
AMREYAH CIMPOR READY MIX	AMREYAH CIMPOR READY MIX COMPANY, S.A.E.	99.25	99.25
MOZAMBIQUE SEGMENT			
CIM. MOÇAMBIQUE	CIMENTOS DE MOÇAMBIQUE, S.A.	82.64	82.64
CIMBETÃO	CIMPOR BETÃO MOÇAMBIQUE, S.A.	82.64	82.89
IMOPAR	IMOPAR - IMOBILIÁRIA DE MOÇAMBIQUE, S.A.	100.00	100.00
CINAC	CIMENTOS DE NACALA, S.A.	82.72	82.72
SOUTH AFRICA SEGMENT			
NPC	NPC - CIMPOR (PTY) LIMITED	74.00	74.00
NPCC	NATAL PORTLAND CEMENT COMPANY (PTY) LTD.	100.00	100.00
DC	DURBAN CEMENT LTD.	100.00	100.00
SRT	SIMUMA REHABILITATION TRUST	33.30	33.30
CONCRETE	NPC CONCRETE (PTY) LTD.	100.00	100.00
S. C. STONE	SOUTH COAST STONE CRUSHERS (PTY) LTD.	74.00	74.00
S. C. MINING	SOUTH COAST MINING (PTY) LTD.	100.00	100.00
EEDESWOLD	EEDESWOLD HIGHLANDS (PTY) LTD.	100.00	100.00
STERKSPRUIT AGGREGATES	STERKSPRUIT AGGREGATES (PTY) LTD.	74.00	74.00
STERKSPRUIT CONCRETE	STERKSPRUIT CONCRETE (PTY) LTD.	b)	100.00
DURBAN QUARRIES	DURBAN QUARRIES (PTY) LTD.	b)	100.00
ARGENTINA AND PARAGUAY SEGMENT			
HOLDTOTAL	HOLDTOTAL, S.A.	99.98	99.99
LOMA NEGRA	LOMA NEGRA C.I.A., S.A.	96.46	97.56
BETEL	BETEL, S.A.	96.47	97.56
COFESUR	COFESUR, S.A.	94.20	85.52
CIA. ARG. DE CEMENTO	CIA. ARG. DE CEMENTO PORTLAND, S.A.	96.47	97.56
LA PREFERIDA DE OLAVARRIA	LA PREFERIDA DE OLAVARRÍA,S.A.	96.47	97.56
RECYCOMB	RECYCOMB, S.A.	96.47	97.56
YGUAZU CEMENTOS	YGUAZU CEMENTOS, S.A.	65.76	62.57

a) Entered into the consolidation perimeter (Note 5);

b) Excluded from the consolidation perimeter as a result of mergers with other subsidiaries and liquidations;

c) Brazilian subsidiary constituted in 16 October 2014 with the objective to invest in innovation projects.

4.2. Associates and joint ventures

Investments in associates, recorded in accordance with the equity method (Note 19) as at 31 December 2014 and 2013 are as follows:

NAME	FULL NAME/HEADQUARTERS	EFFECTIVE PARTICIPATION 2014	EFFECTIVE PARTICIPATION 2013
SEGMENTO PORTUGAL			
AVE	AVE- GESTÃO AMBIENTAL E VALORIZAÇÃO ENERGÉTICA, S.A.	35.00	35.00
SETEFRETE	SETEFRETE, SGPS, S.A.	25.00	25.00
SEGMENTO BRASIL			
COMICAN	COMPANHIA DE MINERAÇÃO CANDIOTA	48.00	48.00
CAMARGO CORRÊA ESCOM	CAMARGO CORRÊA ESCOM CEMENT B.V.	50.10	50.10

5. Changes in the consolidation perimeter

Changes in the consolidation perimeter and discontinued operations

In the year ended 31 December 2014, there were no significant changes in the consolidation perimeter.

The main changes in the consolidation perimeter in the year ended 31 December 2013 resulted from the inclusion of the net assets of Machadinho Energética, S.A. on 19 February 2013 and the acquisition of participations not material to the Group.

The effect on the Consolidated statement of financial position, in the year ended 31 December 2013, of the net assets incorporated was as follows:

Non current assets:	
Tangible assets (Note 18)	12,928
Total non-current assets	12,928
Current assets:	
Inventories	550
Accounts receivable - trade	177
Accounts receivable - other	(15)
Taxes recoverable	141
Cash and cash equivalents	(75)
Other current assets	1,010
Total current assets	1,788
Total assets	14,716
Current liabilities:	
Accounts payable - trade	500
Accounts payable - other	56
Taxes payable	4
Loans	150
Other current liabilities	137
Total current liabilities	847
Total liabilities	847
Net amount	13,869

Up to that date the investment in that consortium was held through participation in Maesa Machadinho Energética, S.A. which was classified as an available for sale financial asset (Note 20).

6. Exchange rates

The exchange rates used to translate, to euros, the foreign currency assets and liabilities at 31 December 2014 and 2013, as well the results for the years then ended were as follows:

		Closing exchange rate (EUR / Currency)			Average exchange rate (EUR / Currency)		
Currency		2014	2013	Var.% (a)	2014	2013	Var.% (a)
USD	US Dollar	1.2149	1.3773	13.4	1.3285	1.3291	0.0
BRL	Brazilian Real	3.2270	3.2265	(0.0)	3.1221	2.8676	(8.1)
MZN	Mozambique Metical	40.0919	40.7386	1.6	41.2062	39.5036	(4.1)
CVE	Cape Verde Escudo	110.265	110.265	-	110.265	110.265	-
EGP	Egyptian Pound	8.6864	9.5713	10.2	9.3968	9.1391	(2.7)
ZAR	South African Rand	14.0488	14.4621	2.9	14.3847	12.8163	(10.9)
ARS	Argentinian Peso	10.1734	8.9775	(11.8)	10.7470	7.2459	(32.6)
PYG	Paraguayan Guaraní	5,623.91	6,315.33	12.3	5,916.51	5,813.40	(1.7)

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

7. Operating segments

The main profit and loss information for years ended 31 December 2014 and 2013, of the several continued operational segments, being each of them one geographical area where **Group** operates, was as follows:

	December 2014				December 2013			
	Sales and services rendered			Operating results	Sales and services rendered			Operating results
	External sales	Inter segment sales	Total		External sales	Inter segment sales	Total	
Operating segments:								
Brazil	1,168,245	203	1,168,448	240,769	1,238,694	-	1,238,694	335,952
Argentina and Paraguay	600,823	-	600,823	92,636	650,150	-	650,150	82,829
Portugal and Cape Verde	188,941	112,063	301,003	(9,878)	206,043	101,211	307,255	(17,541)
Egypt	246,895	-	246,895	69,125	180,778	-	180,778	39,453
Mozambique	148,939	-	148,939	19,439	141,882	-	141,882	26,098
South Africa	122,416	3,675	126,092	32,427	121,703	3,481	125,184	26,090
Total	2,476,259	115,941	2,592,200	444,518	2,539,250	104,692	2,643,942	492,880
Unallocated (a)	127,426	226,588	354,014	4,247	85,274	225,816	311,091	(5,844)
Eliminations	-	(342,529)	(342,529)	-	-	(330,508)	(330,508)	-
	2,603,685	**-**	**2,603,685**	**448,765**	**2,624,524**	**-**	**2,624,524**	**487,036**
Net financial expenses				(372,961)				(407,295)
Share of results of associates				960				741
Other investment income				578				(346)
Result before income tax				77,342				80,136
Income tax				(47,759)				(95,458)
Net result for the period				29,584				(15,322)

(a) The results not relating to reportable segments correspond to the results of holding companies and business support, corporate and trading entities (Note 4).

All intersegment transactions were made at market values.

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

	December 2014	December 2013
Operating segments:		
Argentina and Paraguay	837	1,030
Portugal and Cape Verde	177	(147)
Egypt	372	187
Mozambique	1,302	2,601
South Africa	2,141	924
Unallocated	(2,452)	(567)
	2,377	4,028

Other information of the Group:

	December 2014			December 2013		
	Fixed capital expenditure	Depreciation, amortisation and impairment losses a)	Provisions	Fixed capital expenditure	Depreciation, amortisation and impairment losses a)	Provisions
Operating segments:						
Brazil	137,402	84,556	(3,116)	226,828	80,044	532
Argentina and Paraguay	46,821	34,518	887	72,716	41,421	957
Portugal and Cape Verde	7,901	42,639	85	3,733	52,872	(1,563)
Egypt	7,462	10,187	11	19,950	9,977	856
Mozambique	12,695	8,033	-	24,997	6,021	-
South Africa	1,413	9,188	2	1,591	10,457	3
Unallocated	1,805	8,085	1,782	2,150	3,342	(171)
	215,499	197,205	(349)	351,965	204,134	613

(a) The impairment losses, when applicable, respects to impairment losses on goodwill, tangible and intangible assets. In the year ended 31 December 2014 impairment losses were recorded in the amount of 5.000 thousand euros, approximately, in assets unallocated to operating segments. The impairment losses, when applicable, respects to impairment losses on goodwill, tangible and intangible assets. In the year ended 31 December 2013 impairment losses were recorded in the Portugal in the amount of 5.500 thousand euros, approximately (Note 18).

In addition, assets and liabilities, by reportable segment, reconciled to the total consolidated amounts as at 31 December 2014 and 2013, are as follows:

	December 2014			December 2013		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Brazil	3,655,571	1,650,058	2,005,513	3,684,011	1,683,211	2,000,800
Argentina and Paraguay	1,174,579	591,191	583,388	1,240,420	622,853	617,567
Portugal and Cape Verde	472,850	421,989	50,861	524,031	452,034	71,997
Egypt	377,225	93,730	283,496	347,740	116,829	230,911
Mozambique	222,355	130,454	91,901	223,151	138,292	84,859
South Africa	265,516	118,316	147,201	250,595	114,253	136,341
	6,168,096	3,005,738	3,162,359	6,269,948	3,127,472	3,142,476
Unallocated	972,350	3,167,070	(2,194,720)	807,076	2,970,406	(2,163,329)
Eliminations	(598,330)	(598,330)	-	(634,094)	(634,094)	-
Investments in associates	10,752	-	10,752	8,414	-	8,414
Consolidated Total	**6,552,868**	**5,574,478**	**978,391**	**6,451,345**	**5,463,784**	**987,562**

a) The assets and liabilities not attributed to reportable segments include: assets and liabilities of companies not attributable to specific segments.

8. Other operating income

Other operating income of continued operations for the years ended 31 December 2014 and 2013 were as follows:

	Group		Company	
	2014	2013	2014	2013
Supplementary income	13,194	19,937	104	1,175
Gains on the sale of assets tangible and intangible (a)	15,024	46,215	28	10,461
Reversal of receivables impairment (Note 27)	1,246	3,100	2	12
Investment subsidies	10	6	-	-
Own work for the company	605	1,485	-	-
Reversal of inventories impairment (Note 26)	1,232	1,013	-	-
Reversal of receivables impairment (Note 22)	12	1,026	-	-
Others	13,953	15,787	11	29
	45,275	88,571	144	11,676

(a) In the year ended 31 December 2014 and 2013 this caption includes the gain on the sale of CO_2 licenses (Note 44), as well on tangible assets in several business areas. The profit shown by the Company in the year ended 31 December 2013 corresponds essentially to the gain realized on the sale of a property to an entity related to the Camargo Corrêa group (Notes 18 and 47). The Group also included the sale of other assets in several business areas, especially Brazil (18,115 thousand euros) Portugal (11,801 thousand euros), which includes the gain of 11,000 thousand euros from the sale of a receivable from a public entity, following the legal outcome of an action given in the year ended 31 December 2013.

9. Cost of goods sold and material used in production

The cost of goods sold and material used in production of continued operations for the years ended 31 December 2014 and 2013 was as follows:

	2014	2013
Goods sold	366,905	372,316
Material used in production	266,389	219,951
Gain/(Loss) on inventories	246	(1,871)
	633,540	590,397

10. Payroll costs

Payroll expenses of continued operations for the years ended 31 December 2014 and 2013 were made up as follows:

	Group		Company	
	2014	2013	2014	2013
Remuneration	201,466	215,070	2,183	3,297
Bonus (c)	19,149	26,801	114	(562)
Charges on remuneration	30,436	33,536	340	433
Social action and other (a)	27,979	24,289	86	87
Indemnities and compensations (b)	6,873	27,125	256	255
Employee benefits - retirement (Note 34)	3,014	3,610	75	113
Employee benefits - healthcare (Note 34)	(4,304)	797	-	-
Stock options and purchase plans	-	13	-	13
Insurance	505	350	51	36
	285,117	331,591	3,106	3,671

a) The caption “Social action and other” includes occupational health, healthcare assistance, professional training and meal allowance costs.

b) The indemnities and compensation costs incurred in the years ended 31 December 2013 correspond to costs incurred with the exit of employees due to business restructuring, including early retirements, in the Portuguese business area (Note 36).

c) In the year ended 31 December 2013, in relation to the Egyptian business area, this caption includes the result of negotiations with representatives of employees, under which Amreyah Cement Company SAE (“ACC”) committed itself to a new labour agreement and to increase, over the next three years, the amount of bonuses normally established, thus ensuring the conclusion of the employees’ claims relating to the calculation of incentives and remuneration complements, covering possible retroactive effects. As a result of this agreement a cost of 4,289 thousand euros was recognized (39,200 Egyptian pounds).

The average number of employees of continued operations of the **Group** in the years ended 31 December 2014 and 2013 was as follows:

	2014	2013
Portugal	869	905
Egypt	516	505
Brazil	3,019	3,145
Mozambique	635	620
South Africa	388	438
Cape Verde	103	106
Argentina	2,974	2,976
Paraguay	95	-
	8,599	8,695
Unallocated	216	210
	8,815	**8,905**

The average number of employees of the **Company** in the years ended 31 December 2014 and 2013, included in Common functions, was 21 and 26, respectively.

11. Other operating expenses

Other operating expenses for the years of continued operations ended 31 December 2014 and 2013 were as follows:

	Group		Company	
	2014	2013	2014	2013
Taxes	14,899	16,474	39	54
Receivables impairment (Note 27)	4,134	1,841	-	-
Subscriptions	482	793	27	87
Inventory impairment (Note 26)	363	600	-	-
Loss on disposal of assets	2,908	305	-	113
Donations	1,542	1,774	262	138
Fines and penalties (a)	143	23,172	-	-
Uncollectible debts	61	3,049	-	-
Others receivables impairment (Note 22)	64	749	-	-
CO_2 emission licences	-	261	-	-
Others (b)	1,278	8,887	2	3
	25,875	57,906	330	396

a) In the year ended 31 December 2013, includes essentially a cost of the subsidiary "Loma Negra" following an unfavourable legal decision relating to a fine applied by the Argentine *Comissão Nacional de Defesa da Concorrência*, for alleged acts practiced in July 1981 and August 1999, in the amount of approximately 23,000 thousand euros;

b) In the year ended 31 December 2013, includes a cost relating to definitive determination of the amount of net financial debt relating to the exchange of assets process in the amount of 5,439 thousand euros.

12. Net financial expenses

Net financial expenses of continued operations for the years ended 31 December 2014 and 2013 were made up as follows:

	Group		Company	
	2014	2013	2014	2013
Financial expenses:				
Interest expense	272,969	260,789	-	201
Foreign exchange loss (a)	209,078	376,942	3	4
Changes in fair-value:				
Trading derivative financial instruments (b)	29,936	119	-	-
	29,936	119	-	-
Other (c)	55,187	38,758	114	106
	567,170	676,608	117	311
Financial income:				
Interest income	35,516	62,656	4,629	6,367
Foreign exchange gain (a)	122,562	193,399	5	3
Changes in fair-value:				
Trading derivative financial instruments (b)	31,448	9,608	-	-
	31,448	9,608	-	-
Other (c)	4,683	3,650	-	-
	194,208	269,313	4,634	6,369
Net financial expenses	(372,961)	(407,295)	4,517	6,059
Share of profits of associates:				
Loss in associated companies (Note 19)	(8)	(18)	-	-
Gain in associated companies (Note 19)	968	759	-	-
	960	741	-	-
Investment income:				
Gains on holdings (d)	-	31	1,912	1,906
Gains/(Losses) on investments (e)	578	(377)	-	-
	578	(346)	1,912	1,906

(a) In the year ended 31 December 2014, the unfavourable and favourable exchange differences are influenced by the effect of the valuation of USD against Euro in assets and liabilities registered in that currency. As a result of contracting interest rate hedging derivative financial instruments of EUR against the USD of the debts settled in this last currency, negative exchange differences of 99,877 thousand euros were compensated (Note 39). In the year ended 31 December 2013, exchange differences are significantly influenced by currency adjustment of assets and liabilities in Euro and USD, in jurisdictions, with the Real and the Argentine Peso functional currency of consolidation.

(b) This captions are compose by fair value variation of negotiable derivative financial instruments, in order to cover exchange and interest rate risks, which weren't qualified to cover accountant effects. In the years ended 31 December 2014 and 2013, as a result of fair value variation, was recognized a liquid financial profit of 1.512 thousand euros and 9,489 thousand euros, respectively.

(c) In Other financial income and expenses of the Group, are included profits and losses related to assets and liabilities financial updating, including, financial updating of provisions

(Note 36), prompt-payment discounts obtain and conceded, and costs related to commissions, guarantees and other general bank expenses. In the year ended 31 December 2014, are still registered in this caption costs related to financing pre-payment, in the amount of, approximately, 22,000 thousand euros.

13. Income tax

Group corporate income tax

The Group companies are taxed, whenever possible, under group's special income tax schemes allowed by tax legislation from each jurisdiction in which the Group operates.

Tax on income relating to the other geographic segments is calculated at respective rates in force, as follows:

	2014	2013
Portugal (a)	24.5%	26.5%
Brazil	34.0%	34.0%
Mozambique	32.0%	32.0%
South Africa	28.0%	28.0%
Egypt (b)	30.0%	25.0%
Argentina	35.0%	35.0%
Paraguay	10.0%	10.0%
Austria	25.0%	25.0%
Spain (c)	30.0%	30.0%
Others	21%-25%	21%-25%

(a) Additionally, taxable income in excess of 1,500,000 euros are subject to a state surcharge in accordance with article 87 – A of the Corporation Income Tax Code, at the following rates:
- 3% for taxable income from 1,500,000 euros to 7,500,000 euros;
- 5% on taxable income from 7,500,000 and 35,000,000 euros;
- 7% on taxable income exceeding 35,000,000 euros.

In 2015 the rate of Corporation Income Tax is 22.5% and state surcharge will be determined in the above mentioned levels.

(b) In 2017 and following, income tax in Egypt will be 25%.

(c) In 2015 income tax in Spain is 28% (25% in 2016 and following).

Pursuant to legislation in force in the different jurisdictions in which the Group operates, the corresponding tax returns are subject to review by tax authorities for a period varying from 4 to 5 years, which may be extended under certain circumstances, namely when there are tax losses or ongoing investigations, claims or disputes.

The **Group** income tax expense of discontinued operations for the years ended 31 December 2014 and 2013 was as follows:

	2014	2013
Current tax	58,581	68,890
Deferred tax (Note 25)	(11,865)	26,840
Increases in tax provisions (Note 36)	1,042	(272)
Charge for the year	47,759	95,458

Temporary differences between the book value of assets and liabilities and their corresponding value for tax purposes are recognised in accordance with IAS 12 - Income taxes ("IAS 12") (Note 25).

In order to facilitate understanding of the comparability of the tax charge, reconciliation of the rate of tax for the years ended 31 December 2014 and 2013 does not take into consideration losses (around 151 million euros and 244 million euros, respectively) of entities with liabilities on which the corresponding tax effects were not recognized, since at present there are no projections that enable them to be expected to be recovered. Reconciliation not considering that effect is as follows:

	2014	2013
Tax rate applicable in Portugal	24.50%	26.50%
Operational and financial results non taxable	(5.73%)	(1.23%)
Adjustments on deferred taxes	1.76%	0.14%
Tax rate differences	3.40%	5.40%
Other	(3.06%)	(2.96%)
Effective tax rate of the Group	20.88%	27.85%

In addition to the tax charge, in 2014 and 2013 the Group recorded deferred tax of 2,026 thousand euros and 990 thousand euros, respectively, directly in income and costs recognized in equity (Note 25).

On May 13, 2014, Brazil published the law 12.973/14, which regulates income taxes rules for entities and persons resident in Brazil mainly regards to international earnings, and other changes in the previous tax rules. Such law should be applied for the year beginning on January 1, 2015; however, there is an option for the early adoption for the year beginning on January 1, 2014. The Company has not opted to such early adoption, considering requirements changes in its accounting and fiscal books, which depends of further instructions from the Brazilian IRS. Management believes based on its legal advisors, it is not expected significant impacts in the Financial Statements.

Company corporate income tax

The Company and the majority of its subsidiaries in Portugal are subject to Corporate Income Tax ("CIT"), currently at the rate of 23%, plus a Municipal surcharge up to a maximum of 1.5% of taxable income, totalling 24.5%.

The Company is taxed under the special income tax scheme for corporate groups, comprising the companies in which it directly or indirectly holds by eligible entities at least 75% of the capital and which comply with the requirements of law. This tax scheme consists of applying the CIT rate to the consolidated taxable results of the companies included in the tax scheme plus the municipal surcharge, and excluding profits distributed between those companies.

In accordance with current legislation, the Company's tax returns are subject to tax audits for a period of four years, except if there are tax losses computed, tax benefits granted or tax audits, claims or appeals in progress, in which cases the periods can be extended or suspended.

At the date of this report, the Company's tax returns were reviewed by the tax authorities up to the tax year of 2012. The tax returns for the years 2013 and 2014 are still subject to review.

The Board of Directors, based on the positions of its tax consultants and taking into account the recognised responsibilities, believes that any review of these tax returns will not result in adjustments with any significant effect on the financial statements.

The **Company** Income tax expense for the years ended 31 December 2014 and 2013 was as follows:

	2014	2013
Current tax	3,194	10,388
Deferred tax (Note 25)	(1,003)	645
Increases/ Decreases in tax provisions (Note 36)	1,000	(1,733)
Charge for the year	3,191	9,300

The reconciliation between the tax rate applicable in Portugal and the effective tax rate in the **Company** is as follows:

	2014	2013
Tax rate applicable in Portugal	24.50%	26.50%
Operational and financial results non taxable	(10.47%)	(6.17%)
Increases / (Decreases) in tax provisions	24.63%	(10.29%)
Tax rate changes	24.24%	5.63%
Other	15.30%	36.35%
Effective tax rate	78.20%	52.02%

Non-taxable net operating and financial items refer essentially to dividend income received from subsidiaries (Note 12). Others include corrections to prior year taxes and the effect of the adjustment to the internal results of the tax group.

14. Dividends

In the Shareholders' General Meeting held on 27 March 2014 it was decided to pay dividends corresponding to 0.0029 euros per share (0.0162 per share in the preceding year), totalling 1,931 thousand euros paid in the year ended 31 December 2014 (10,785 thousand euros in 2013).

For the year ended 31 December 2014, management does not propose the payment of any dividend.

15. Earnings per share

Basic and diluted earnings per share for the years ended 31 December 2014 and 2013 were computed as follows:

	Group		Company	
	2014	2013	2014	2013
Basic earnings per share:				
Net profit considered in the computation of basic earnings per share	27,207	(19,351)	869	7,543
Weighted average number of ordinary shares used to calculate the basic earnings per share (thousands) (a)	666,094	666,094	666,094	666,094
	0.04	(0.03)	0.00	0.01

By the fact there were no dilution effects, basic and diluted earnings per share are equal.

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

16. Goodwill

The changes in goodwill and related accumulated impairment losses in the years ended 31 December 2014 and 2013 were as follows:

	Portugal	Egypt	Brazil	Mozambique	South Africa	Cape Verde and other	Argentina	Total
Gross assets:								
Balances at 31 December 2012 (Restated)	27,004	68,627	1,770,967	24,681	92,710	9,458	375,955	2,369,401
Currency translation adjustments	-	(8,419)	(258,043)	(923)	(21,087)	-	(104,257)	(392,729)
Balances at 31 December 2013	27,004	60,207	1,512,924	23,758	71,623	9,458	271,698	1,976,672
Currency translation adjustments	-	6,134	(206)	700	2,107	-	(31,939)	(23,204)
Balances at 31 December 2014	27,004	66,341	1,512,717	24,459	73,731	9,458	239,759	1,953,468
Accumulated impairment losses:								
Balances at 31 December 2012 (Restated)	18,001	-	-	-	-	-	-	18,001
Balances at 31 December 2013	18,001	-	-	-	-	-	-	18,001
Balances at 31 December 2014	18,001	-	-	-	-	-	-	18,001
Carrying amount:								
As at 31 December 2013	9,003	60,207	1,512,924	23,758	71,623	9,458	271,698	1,958,671
As at 31 December 2014	9,003	66,341	1,512,717	24,459	73,731	9,458	239,759	1,935,467

Goodwill is subject to impairment tests annually or whenever there are indications of possible impairment. The impairment tests are made based on the recoverable amounts of each of the corresponding business segments (Note 2.3.).

For impairment test purposes, considering the financial statement structure adopted for management purposes, goodwill is attributed generally to each operating segment (Note 7), due to the existence of synergies between the units of each segment in a perspective of vertical integration of business (Introductory note).

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, after taxes, are discounted based on the weighted average cost of capital, after taxes ("WACC"), adjusted for 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, plus perpetuity.

The determination of the value in use was based on discounted cash flows calculated in local currency, using the corresponding WACC and perpetuities rates, as follows:

		2014			2013		
Segments	Currency	Goodwill	"WACC" rate	Long term growth rate	Goodwill	"WACC" rate	Long term growth rate
Portugal and Cape Verde	EUR/CVE	18,461	7.0%	0.0%	18,461	9.5%	0.0%
Egypt	EGP	66,341	20.6%	1.0%	60,207	21.1%	1.0%
Brazil	BRL	1,512,717	10.0%	1.0%	1,512,924	10.5%	1.0%
Mozambique	MZM	24,459	14.3%	1.0%	23,758	14.6%	1.0%
South Africa	ZAR	73,731	11.4%	1.0%	71,623	15.5%	1.0%
Argentina	ARS	239,759	21.6%	1.0%	271,698	23.2%	1.0%
		1,935,467			1,958,671		

The long term growth rates indicated correspond to the real growth rates (above long term inflation in each of the segments).

The Group examined the impact of a 50 basis points change in the discount rates or long-term growth rates and, no situations were identified in which the recoverable amount of the assets would became lower than the corresponding book value.

17. Intangible assets

The changes in intangible assets and corresponding accumulated amortization and impairment losses in **Group** in the years ended 31 December 2014 and 2013 were as follows:

	Industrial property and other rights	Intangible assets in progress	Total
Gross assets:			
Balances at 31 December 2012	60,682	2,346	63,028
Currency translation adjustments	(6,976)	(63)	(7,039)
Additions	4,963	1,360	6,323
Write-offs	(10,599)	-	(10,599)
Transfers	9,156	(2,022)	7,134
Changes in the consolidation perimeter (Note 5)	(1,798)	-	(1,798)
Balance at 31 December 2013	55,428	1,620	57,048
Currency translation adjustments	(297)	16	(280)
Additions	3,183	30	3,212
Write-offs	(6)	-	(6)
Transfers	5,583	(333)	5,250
Balances at 31 December 2014	63,892	1,333	65,225
Accumulated amortisation and impairment losses:			
Balances at 31 December 2012	25,913	-	25,913
Currency translation adjustments	(2,092)	-	(2,092)
Increases	5,372	-	5,372
Write-offs	(10,449)	-	(10,449)
Transfers	5,881	-	5,881
Balances at 31 December 2013	24,627	-	24,627
Currency translation adjustments	51	-	51
Increases	6,287	-	6,287
Write-offs	(6)	-	(6)
Transfers	(737)	-	(737)
Balances at 31 December 2014	30,222	-	30,222
Carrying amount:			
As at 31 December 2013	30,801	1,620	32,422
As at 31 December 2014	33,670	1,333	35,003

The "Industrial property and other rights" caption mainly includes contractual rights, land surface rights and licences, including the use of software.

18. Tangible assets

The **Group** changes in tangible assets and corresponding accumulated depreciation and impairment losses in the years ended 31 December 2014 and 2013 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 31 December 2012 (Restated)	726,323	1,012,859	3,001,917	157,787	45,381	11,481	6,803	271,965	52,152	5,286,668
Currency translation adjustments	(124,524)	(131,401)	(376,248)	(19,717)	(3,595)	(757)	(1,272)	(53,051)	(11,227)	(721,790)
Additions	8,579	1,598	9,776	717	126	45	2,123	257,348	54,201	334,513
Sales	(3,749)	(10,976)	(8,081)	(5,359)	(810)	(138)	(538)	(129)	(327)	(30,106)
Write-offs	(271)	(147)	(1,091)	(224)	(203)	(26)	(2)	-	-	(1,963)
Transfers	10,336	93,186	35,346	(1,365)	(3,649)	(683)	910	(128,014)	(14,155)	(8,087)
Changes in perimeter (Note 5)	195	10,016	9,493	(18)	9	-	-	-	-	19,695
Balances at 31 December 2013	616,890	975,136	2,671,113	131,820	37,259	9,922	8,025	348,119	80,643	4,878,929
Currency translation adjustments	(15,489)	(11,785)	3,631	(2,488)	19	85	(195)	4,962	17,241	(4,019)
Additions	8,262	1,243	20,223	529	646	110	606	130,113	50,552	212,287
Sales	(654)	(11,878)	(15,978)	(1,931)	(358)	(122)	(165)	-	-	(31,087)
Write-offs	-	-	(3)	(25)	(39)	(16)	(1)	-	-	(84)
Transfers	9,698	27,722	226,386	(2,333)	287	235	(1,143)	(263,837)	(11,462)	(14,447)
Balances at 31 December 2014	618,707	980,439	2,905,372	125,572	37,815	10,213	7,128	219,357	136,975	5,041,579
Accumulated depreciation and impairment losses:										
Balances at 31 December 2012 (Restated)	49,329	370,946	1,576,700	54,151	34,987	8,294	2,536	-	-	2,096,944
Currency translation adjustments	(2,207)	(20,405)	(139,988)	(5,693)	(2,024)	(288)	(159)	-	-	(170,763)
Increases	13,334	42,473	124,863	13,693	2,233	624	1,528	-	-	198,747
Decreases	(3)	(7,284)	(7,525)	(2,664)	(786)	(137)	(4)	-	-	(18,401)
Write-offs	(271)	(74)	(331)	(224)	(201)	(26)	(2)	-	-	(1,129)
Transfers	(1,459)	(244)	6,280	(7,736)	(3,594)	(441)	(532)	-	-	(7,726)
Changes in perimeter (Note 5)	(211)	3,576	3,415	(19)	6	-	-	-	-	6,767
Balances at 31 December 2013	58,512	388,989	1,563,414	51,508	30,621	8,026	3,368	-	-	2,104,438
Currency translation adjustments	(187)	91	23,596	245	217	128	11	-	-	24,100
Increases	15,912	39,877	114,816	15,502	1,954	448	1,067	-	-	189,576
Decreases	-	(4,731)	(14,000)	(636)	(349)	(121)	(80)	-	-	(19,917)
Write-offs	-	-	(3)	(17)	(39)	(10)	(1)	-	-	(70)
Transfers	95	(1,290)	3,120	(6,911)	(508)	-	(612)	-	-	(6,107)
Balances at 31 December 2014	74,333	422,936	1,690,943	59,690	31,897	8,470	3,753	-	-	2,292,021
Carrying amount:										
As at 31 December 2013	558,378	586,148	1,107,698	80,313	6,638	1,896	4,657	348,119	80,643	2,774,490
As at 31 December 2014	544,374	557,503	1,214,429	65,882	5,918	1,743	3,375	219,357	136,975	2,749,557

The value of the operating land includes the estimated future cost of environmental recovery and rehabilitation of the land, which also increased liabilities (Note 36).

The additions during the financial years ended on 31 December 2014 and 2013 include 26,013 thousand euros and 9,304 thousand euros, respectively, of financial expenses related to loans contracted to finance the construction of qualifying assets.

In 2014 there were impairment losses of tangible fixed assets unallocated totalling 5,000 thousand euros and in 2013 there were impairment losses of tangible fixed assets of the Portuguese business unit totalling 5,554 thousand euros (Note 7).

Tangible fixed assets in progress and advances on account of tangible fixed assets at 31 December 2014 and 2013 include amounts incurred on the construction and improvement of equipment relating the cement business area in several production units, essentially in the Brazilian, Argentinian, Egyptian and Mozambican business areas in 2014, and in the Brazilian, Paraguayan, Egyptian and Mozambican business areas in 2013.

The changes in tangible assets, corresponding depreciation and impairment losses in the years ended 31 December 2014 and 2013 for the **Company** were as follows:

	Land	Buildings and other constructions	Basic equipment	Transportation equipment	Administrative equipment	Other tangible assets	Tangible assets in progress	Total
Gross assets:								
Balances at 31 December 2012	2,409	9,566	3,078	580	5,068	4	54	20,761
Additions	-	-	-	10	-	-	-	10
Sales	(2,409)	(9,566)	(3,072)	(382)	(676)	(4)	(54)	(16,164)
Balances at 31 December 2013	-	-	6	208	4,391	-	(0)	4,606
Sales	-	-	-	(83)	(64)	-	-	(148)
Balances at 31 December 2014	-	-	6	125	4,327	-	-	4,459
Accumulated depreciation and impairment losses:								
Balances at 31 December 2012	-	6,297	3,069	303	4,649	-	-	14,318
Increases	-	59	-	86	21	-	-	166
Decreases	-	(6,356)	(3,063)	(260)	(661)	-	-	(10,341)
Balances at 31 December 2013	-	-	6	128	4,009	-	-	4,143
Increases	-	-	-	37	17	-	-	54
Decreases	-	-	-	(73)	(64)	-	-	(137)
Balances at 31 December 2014	-	-	6	92	3,962	-	-	4,060
Carrying amount:								
As at 31 December 2013	-	-	-	80	382	-	-	463
As at 31 December 2014	-	-	-	31	365	-	-	399

The sales in 2013 correspond to the sale of a property to related parties (Notes 8 and 47).

19. Investments in subsidiaries, associates and joint ventures

In the **Group**, the changes in investments in subsidiaries, associates and joint ventures in the years ended 31 December 2014 and 2013 were as follows:

	Investment	Goodwill	Total
Gross assets:			
Balances at 31 December 2012	1,405	6,969	8,374
Exchange translation adjustments	13	-	13
Equity method effect:			
On financial expenses (Note 12)	741	-	741
Dividends received	(714)	-	(714)
Balances at 31 December 2013	1,445	6,969	8,414
Currency translation adjustments	(68)	-	(68)
Equity method effect:			
On financial expenses (Note 12)	960	-	960
On shareholders' equity	(24)	-	(24)
Dividends received	(665)	-	(665)
Sales and write-offs	(408)	-	(408)
Transfers (Note 20)	2,544	-	2,544
Balances at 31 December 2014	3,783	6,969	10,752
Accumulated impairment losses:			
Balances at 31 December 2013	-	-	-
Balances at 31 December 2014	-	-	-
Carrying amount:			
As at 31 December 2013	1,445	6,969	8,414
As at 31 December 2014	3,783	6,969	10,752

The breakdown of **Group** investment in associates and joint ventures, its respective equity values in 31 December 2014 and 2013 and its net profit for the years ended in such dates were as follows:

Name	Operating segment	2014						Balance value	
		Ownership percentage	Assets	Liabilities	Shareholders' equity	Sales and services rendered	Net profit	Investments in associates	Provisions (Note 36)
Setefrete, SGPS, S.A.	Portugal and Cape Verde	25%	6,281	(26)	6,255	103	3,273	3,851	-
Companhia de Mineração Candiota	Brazil	48%	26	-	26	-	-	13	-
CCEscom	Brazil	50%	4,685	(623)	4,063	-	(16)	2,035	-
AVE- Gestão Ambiental e Valorização Energética, S.A.	Unallocated	35%	3,958	(3,469)	489	12,380	428	4,853	-
								10,752	-

Name	Operating segment	2013						Balance value	
		Ownership percentage	Assets	Liabilities	Shareholders' equity	Sales and services rendered	Net profit	Investments in associates	Provisions (Note 36)
Setefrete, SGPS, S.A.	Portugal and Cape Verde	25%	5,205	(25)	5,179	103	2,571	3,583	-
Agueiro, S.A.	Spain	45%	10,531	(11,085)	(554)	-	-	-	(249)
Companhia de Mineração Candiota	Brazil	48%	26	-	26	-	(5)	13	-
AVE- Gestão Ambiental e Valorização Energética, S.A.	Unallocated	35%	4,088	(3,696)	392	12,302	331	4,819	-
								8,414	(249)

The breakdown of **Company** investments in subsidiaries and associates and its respective equity values in 31 December 2014 and 2013, and its net profit for the years ended in such dates were as follows:

Name	Country	2014				2013			
		Ownership percentage	Shareholders' equity	Net profit	Balance value	Ownership percentage	Shareholders' equity	Net profit	Balance value
Cimpor Trading e Inversiones, S.A.	Spain	90	1,075,846	705	641,444	90	1,054,166	196,722	641,444
Cimpor Portugal, SGPS, S.A.	Portugal	100	250,788	(1,781)	438,480	100	260,330	11,894	438,480
Cimpor Reinsurance, S.A.	Luxembourg	95	14,288	2,524	10,855	95	16,812	905	10,855
Kandmad, SGPS, Lda.	Portugal	100	25,818	(1,606)	27,495	100	29,925	2,557	27,995
Cimpor - Serviços de Apoio e Gestão de Empresas, S.A.	Portugal	100	2,356	779	1,900	100	1,576	943	1,900
Cimpor Financial Operations, B.V.	Holand	74.595	2,790	909	1,024	74.595	3,708	748	1,024
Cement Services Company, S.A.E.	Egypt	45	268	42	137	45	228	121	137
Cimpor Egypt For Cement Company, S.A.E.	Egypt	0.00187894	266,535	2,733	5	0.00187894	243,075	3,621	5
					1,121,340				1,121,840

The changes in **Company** investments in subsidiaries and associates in the years ended 31 December 2014 and 2013 were as follows:

Balances at 31 December 2012	1,124,420
Decreases	(2,580)
Balances at 31 December 2013	1,121,840
Decreases	(500)
Balances at 31 December 2014	1,121,340

The decreases in 2014 correspond essentially to the repayment of supplementary capital contributions of the company Kandmad, SGPS, Lda..

20. Other investments

The changes in "Other investments" in the scope of IAS 39 for the years ended 31 December 2014 and 2013 were as follows:

	Available-for-sale financial assets		Financial assets at fair-value through profit and loss	Total	Available-for-sale financial assets
	Cost	Fair value			Cost
Gross investment:					
Balances at 31 December 2012	24,469	2,278	6,372	33,120	4,138
Currency translation adjustments	(2,445)	-	(272)	(2,717)	-
Revaluation/adjustments	-	(516)	-	(516)	-
Increases	2,690	-	704	3,393	-
Transfers	-	-	(5,176)	(5,176)	-
Sales	-	(252)	-	(252)	-
Changes in the consolidation perimeter	(10,172)	-	-	(10,172)	-
Balances at 31 December 2013	14,542	1,510	1,627	17,679	4,138
Currency translation adjustments	200	-	(32)	168	-
Revaluation/adjustments	-	38	-	38	-
Increases	4	-	3,375	3,379	-
Transfers (Note 19)	(2,544)	-	-	(2,544)	-
Sales	(3,375)	-	(2,406)	(5,781)	-
Balances at 31 December 2014	8,827	1,547	2,564	12,939	4,138
Accumulated impairment losses:					
Balances at 31 December 2013	4,094	-	-	4,094	4,051
Balances at 31 December 2014	4,094	-	-	4,094	4,051
Carrying amount:					
As at 31 december 2013	10,448	1,510	1,627	13,585	87
As at 31 december 2014	4,733	1,547	2,564	8,845	87

This caption includes: (i) available for sale financial assets measured at fair value as well as their cost of acquisition adjusted for estimated impairment losses when they do not have listed market prices in an active market the cost of which cannot be reliably measured; and (ii) financial assets at fair value to results, that correspond essentially to a portfolio of investment funds.

The transfers in Financial assets at fair-value through profit and loss in 2013 include essentially the transfer of assets to the caption cash and cash equivalents.

21. Non-current assets held for sale

At 31 December 2014 this caption includes essentially assets in the Portuguese business area.

22. Accounts receivable - other

This caption at 31 December 2014 and 2013 was made up as follows:

	Group				Company			
	2014		2013		2014		2013	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Subsidiaries, associated and participated companies	64	1,709	6,304	161	5,728	98,000	3,054	114,500
Other shareholders	283	-	283	-	-	-	-	-
Advances to suppliers of fixed assets	-	14,020	727	4,186	-	-	-	-
Other debtors	42,932	20,279	39,566	15,600	392	328	751	328
	43,279	36,008	46,880	19,947	6,121	98,328	3,805	114,828
Accumulated impairments	(1,632)	(393)	(6,925)	(429)	(283)	(328)	(283)	(328)
	41,646	35,616	39,955	19,518	5,838	98,000	3,522	114,500

In the years ended 31 December 2014 and 2013, those accounts receivable ageing were as follow:

	Group				Company			
	2014		2013		2014		2013	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Undue balances	31,592	35,933	33,578	19,947	5,838	98,000	3,522	114,500
Due balances:								
Up to 180 days	7,471	15	7,312	-	-	-	-	-
From 181 to 360 days	417	61	2,243	-	-	-	-	-
More than 361 days	3,799	-	3,746	-	283	328	283	328
	43,279	36,008	46,880	19,947	6,121	98,328	3,805	114,828

Impairments to accounts receivable - other

In the years ended 31 December 2014 and 2013 the changes in this caption were as follows:

	Group	Company
Balances at 31 December 2012	12,801	611
Currency translation adjustments	(128)	-
Increases (Note 11)	749	-
Decreases (Note 8)	(1,026)	-
Utilisations	(6,969)	-
Transfers	1,927	-
Balances at 31 December 2013	7,354	611
Currency translation adjustments	20	-
Increases (Note 11)	64	-
Decreases (Note 8)	(12)	-
Utilisations	(5,347)	-
Transfers	(54)	-
Balances at 31 December 2014	2,025	611

The recognized impairments represent the estimated loss on the accounts receivable, as a result of the credit risk analysis, after deducting the amounts covered by credit insurance and other warranties.

23. Taxes recoverable and taxes payable

Taxes recoverable and taxes payable at 31 December 2014 and 2013 were as follows:

	Group				Company	
	2014		2013		2014	2013
	Current	Non-current	Current	Non-current	Current	Current
Taxes recoverable:						
Corporate income tax	21,850	1,676	16,520	2,151	2,621	3,276
Personal income tax	3,470	-	3,271	-	32	32
Value added tax	47,519	21,780	53,326	19,106	249	-
Other	1,549	15,380	1,429	13,902	-	-
	74,387	38,836	74,546	35,159	2,902	3,308
Taxes payable:						
Corporate income tax	30,124	6,860	17,520	7,100	638	-
Personal income tax	2,888	-	3,081	-	60	64
Value added tax	18,360	-	24,164	-	43	142
Social security contributions	7,646	-	8,248	-	42	40
Other	2,936	432	3,877	565	-	-
	61,954	7,292	56,889	7,664	783	246

In compliance with the requirements of Art.º 21 Decree-Law nº 411/91 of 17 October, it is declared that the Company does not have any overdue liabilities to the tax administration or the social security.

24. Other current and non-current assets

Other current and non-current assets at 31 December 2014 and 2013 were as follows:

	Group				Company	
	2014		2013		2014	2013
	Current	Non-current	Current	Non-current	Current	Current
Accrued interest	1,447	-	746	2	-	-
Derivative financial instruments (Note 39)	13,456	115,175	3,822	5,785	-	-
Leases	546	-	646	-	-	-
Insurances	458	-	570	-	21	31
Other deferred costs and accrued income	2,404	-	6,646	279	10	10
	18,311	115,175	12,431	6,067	31	42

25. Deferred taxes

The changes in **Group** deferred taxes in the years ended 31 December 2014 and 2013 were as follows:

	Intangible assets	Goodwill	Tangible assets	Tax losses carried forward	Provisions for risks and charges	Doubtful accounts	Inventories	Investments	Available-for-sale financial assets	Other	Total
Deferred tax assets:											
Balances at 31 December 2012 (Restated)	305	9,215	12,322	72,964	37,516	2,882	1,197	1,085	198	14,812	152,494
Currency translation adjustments	(19)	(789)	(640)	(9,760)	(4,139)	(132)	(64)	(2)	-	(2,652)	(18,198)
Income tax (Note 13)	(35)	(6,330)	(6,947)	136	(5,315)	(1,713)	(154)	(701)	-	4,694	(16,364)
Shareholders' equity (Note 13)	-	-	-	-	(677)	-	-	-	-	(312)	(990)
Transfers	-	-	31	10,255	-	-	-	-	-	173	10,458
Balances at 31 December 2013	251	2,095	4,766	73,595	27,384	1,037	979	381	198	16,715	127,401
Currency translation adjustments	1	69	8	(48)	(184)	(77)	42	1	-	(593)	(782)
Income tax (Note 13)	(41)	(2,164)	(466)	(4,361)	(963)	2,500	(172)	140	(198)	(3,225)	(8,949)
Shareholders' equity (Note 13)	-	-	-	-	1,227	-	-	-	-	814	2,042
Balances at 31 December 2014	211	-	4,308	69,186	27,464	3,459	849	523	-	13,712	119,712
Deferred tax liabilities:											
Balances at 31 December 2012 (Restated)	-	161,923	486,722	-	11,928	-	-	2,288	-	27,540	690,400
Currency translation adjustments	-	(25,737)	(94,188)	-	(297)	-	-	38	-	(5,079)	(125,262)
Income tax (Note 13)	-	30,561	(13,352)	-	(4,373)	-	-	(2,293)	-	(68)	10,475
Transfers	-	-	192	-	-	-	-	-	-	(6)	186
Balances at 31 December 2013	-	166,748	379,373	-	7,259	-	-	33	-	22,387	575,799
Currency translation adjustments	-	237	(15,754)	-	1	-	-	-	-	(432)	(15,947)
Income tax (Note 13)	-	(12,004)	(14,200)	-	360	-	-	(6)	-	5,038	(20,813)
Shareholders' equity (Note 13)	-	-	-	-	-	-	-	-	-	16	16
Balances at 31 December 2014	-	154,981	349,419	-	7,619	-	-	27	-	27,009	539,054
As at 31 December 2013	251	(164,653)	(374,607)	73,595	20,125	1,037	979	348	198	(5,672)	(448,398)
As at 31 December 2014	211	(154,981)	(345,111)	69,186	19,846	3,459	849	496	-	(13,297)	(419,342)

The deferred tax assets are recorded directly in other profit and loss on shareholders’ equity when the situations that have originated them have similar impact, namely:

- The deferred tax assets and liabilities arising from provisions, resulting from the tax effect associated to the actuarial gains and losses recorded directly in Reserves;

- The deferred tax assets and liabilities related to hedging reserve in the cash flow hedge accounting;

- 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 (Note 31).

Temporary differences originating deferred taxes are influenced by the allocation of fair values, without tax base, to assets and liabilities acquired in business combination processes, with significant impact on tangible assets and, for most types, differences in valuation and the accounting policies between the accounting basis of assets and liabilities of the Group companies and the corresponding tax base.

The deferred tax liabilities related to Goodwill arise from the existence of some jurisdictions in which the goodwill is taxable deductible.

At 31 December 2014 the Group had tax losses of approximately 1,020 million euros to be used (1,000 million euros at 31 December 2013) deductible from future profits, having recognized deferred tax assets of 69,186 thousand euros (73,595 thousand euros at 31 December 2013) recoverable up to 2032. Deferred tax assets of approximately 785 million euros were not recognized for losses (780 million euros at 31 December 2013) due the unpredictability of their recovery.

Deferred tax assets were recognized as it is probable that future taxable profits will occur, which could be used to recover fiscal losses and temporary differences. This evaluation was performed in accordance with the Group's entities business plans, periodically reviewed and updated.

The changes in **Company's** deferred taxes in the years ended 31 December 2014 and 2013 were as follows:

	Tangible assets	Tax losses carried forward	Doubtful accounts	Others	Total
Deferred tax assets:					
Balances at 31 December 2012	439	-	283	651	1,374
Income tax (Note 13)	-	(866)	-	-	(866)
Transfers	(439)	10,824	(6)	(117)	10,261
Balances at 31 December 2013	-	9,958	277	534	10,769
Income tax (Note 13)	-	(984)	(22)	-	(1,006)
Transfers	-	2,332	-	(300)	2,032
Balances at 31 December 2014	-	11,306	255	234	11,795
Deferred tax liabilities:					
Balances at 31 December 2012	221	-	-	3	224
Income tax (Note 13)	(219)	-	-	(2)	(221)
Balances at 31 December 2013	2	-	-	1	3
Income tax (Note 13)	(2)	-	-	(1)	(3)
Balances at 31 December 2014	-	-	-	-	-
Carrying amount:					
As at 31 December 2013	(2)	9,958	277	533	10,765
As at 31 December 2014	-	11,306	255	234	11,795

In the Company, deferred tax assets for losses result from the appropriation results, under the special income tax scheme for corporate groups, related to tax years 2013 and 2014, and recoverable until 2018 and 2026, respectively.

The transfers include fiscal consolidation losses of the year, whose tax payable to companies in the tax group is stated as current debt (Note 41).

26. Inventories

Group inventories as at 31 December 2014 and 2013 were as follows:

	2014	2013
Raw, subsidiary and consumable materials	341,492	323,315
Work in process	74,528	81,715
Finished and semi-finished products	43,888	44,537
Merchandise	3,561	4,857
Advances on purchases	11,040	5,627
	474,509	460,050
Accumulated impairments	(6,758)	(9,787)
	467,752	450,263

Accumulated inventory impairments

The changes in Group inventories adjustments in the years ended 31 December 2014 and 2013 were as follows:

Balances at 31 December 2012	13,546
Currency translation adjustments	(1,773)
Increases (Note 11)	600
Decreases (Note 8)	(1,013)
Utilisations	(1,573)
Balances at 31 December 2013	9,787
Currency translation adjustments	192
Increases (Note 11)	363
Decreases (Note 8)	(1,232)
Utilisations	(2,353)
Balances at 31 December 2014	6,758

27. Accounts receivable - trade

This caption at 31 December 2014 and 2013 was as follows:

	Group		Company	
	2014	2013	2014	2013
Trade receivables	172,331	185,459	238	4
Notes receivable - trade	251	40	-	-
Doubtful trade accounts receivable	21,785	27,078	2,147	2,381
Advances to suppliers	10,769	25,973	-	-
	205,136	238,550	2,385	2,385
Accumulated impairments	(29,061)	(31,480)	(2,147)	(2,381)
	176,075	207,070	238	4

Accumulated impairments to accounts receivable - trade

During the years ended 31 December 2014 and 2013, the changes in this caption were as follows:

	Group	Company
Balances at 31 December 2012	40,001	2,483
Currency translation adjustments	(1,991)	-
Increases (Note 11)	1,841	-
Decreases (Note 8)	(3,100)	(12)
Utilisations	(5,271)	(89)
Balances at 31 December 2013	31,480	2,381
Currency translation adjustments	(362)	-
Increases (Note 11)	4,134	-
Decreases (Note 8)	(1,246)	(2)
Utilisations	(4,996)	(233)
Transfers	51	-
Balances at 31 December 2014	29,061	2,147

In the years ended 31 December 2014 and 2013, the ageing of this caption, was as follows:

	Group		Company	
	2014	2013	2014	2013
Undue balances	118,120	130,521	238	4
Due balances:				
Up to 180 days	58,506	74,233	-	-
From 180 to 360 days	8,421	5,920	-	-
More than 360 days	20,088	27,876	2,147	2,381
	205,136	238,550	2,385	2,385

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 the risk is spread over a broad range of trade and other debtors. The recognized impairments represent the estimated loss on the accounts receivable, as a result of the credit risk analysis, after deducting the amounts covered by credit insurance and other warranties.

28. Share capital

The Company's fully subscribed and paid up capital at 31 December 2014 consisted of 672,000,000 privatized shares, listed on Euronext Lisbon market, with a nominal value of one euro each.

The official qualifying shareholders are disclosed in the appendix to these financial statements.

29. Treasury shares

Commercial legislation relating to treasury shares requires that a free reserve equal to the cost of those treasury shares be unavailable while the shares are not sold (Note 31). In addition, the applicable accounting rules require that gains and losses on the sale of treasury shares be recorded in reserves.

In 31 December 2014 and 2013 the company held 5,906,098 own shares.

In the years ended 31 December 2014 and 2013 there were no movements in own shares.

30. Currency translation adjustments

The changes in this caption in the years ended 31 December 2014 and 2013 were as follows:

	Egyptian Pound	Brazilian Real	Mozambique Metical	South African Rand	Argentinian Peso	Others	Total
Balances at 31 December 2012 (Restated)	(38,767)	157,649	(4,659)	(61,850)	-	(206)	52,167
Currency translation adjustments	(33,811)	(159,190)	(2,818)	(59,583)	(225,228)	447	(480,184)
Balances at 31 December 2013	(72,577)	(1,541)	(7,478)	(121,433)	(225,228)	241	(428,017)
Currency translation adjustments	26,122	(1,255)	1,646	4,398	(67,398)	1,919	(34,568)
Balances at 31 December 2014	(46,455)	(2,796)	(5,832)	(117,035)	(292,627)	2,160	(462,584)

No financial derivative instruments were contracted in 2014 and 2013 to hedge investments in foreign entities.

31. Reserves

This caption at 31 December 2014 and 2013 was as follows:

	Group		Company	
	2014	2013	2014	2013
Legal reserve	134,400	134,400	134,400	134,400
Other reserves	138,586	141,501	172,332	172,332
Fair value reserve	67	67	-	-
Hedging operations reserve (Note 39)	(5,780)	254	-	-
	267,273	276,222	306,732	306,732

Legal reserve: Commercial legislation establishes that at least 5% of annual net profit must be appropriated to a legal reserve until the reserve equals at least 20% of share capital. This reserve is not available for distribution, but can be used to absorb losses once the other reserves have been exhausted, or to increase capital.

Other reserves: As of 31 December 2014 and 2013, "Other reserves" includes non-distributable reserves of 27,216 thousand euros, corresponding to the cost of these treasury shares acquisition (Note 29).

Other income and costs recognized in the Group's Reserves in 2014 correspond essentially to the recognition of actuarial losses on the liability to employees in the net amount of 2,736 thousand euros (1,498 thousand euros of actuarial gains in 2013) and the recognition of hedging operations losses of 6,034 thousand euros (681 thousand euros gains in 2013).

32. Retained earnings

The changes in retained earnings in the years ended 31 December 2014 and 2013 were as follows:

	Group	Company
Balances at 31 December 2012	907,919	216,052
Appropriation of profit of 2012	(434,518)	32,714
Other	(15)	-
Balances at 31 December 2013	473,386	248,766
Appropriation of profit of 2013	(21,281)	5,613
Other	(412)	-
Balances at 31 December 2014	451,692	254,379

33. Non-controlling interests

The changes in this caption in the years ended 31 December 2014 and 2013 were as follows:

Balances at 31 December 2012 (Restated)	39,788
Currency translation adjustments	(112)
Dividends	(3,016)
Variation in investments	(153)
Net profit for the year attributable non-controlling interests	4,028
Balances at 31 December 2013	40,536
Currency translation adjustments	1,835
Dividends	(1,377)
Financial instruments hedging	63
Actuarial gain and loss on personnel responsabilities (Note 34)	(6)
Variation in investments (a)	1,884
Other changes	4,708
Net profit for the year attributable non-controlling interests	2,377
Balances at 31 December 2014	50,020

(a) The amount indicated corresponds essentially to the non-controlling participation in supplementary capital contributions.

34. Employee benefits

Defined benefit plan

The Group has defined benefit retirement pension plans and healthcare plans, for which the liability is determined annually based on actuarial valuations made by independent entities, the cost determined by these valuations being recognised in the year.

Most of the liability for the retirement benefit plans has been transferred to pension funds managed by specialised independent entities.

The valuations as of 31 December 2014 and 2013 were made using the “Projected Unit Credit” method and were based in the following assumptions and technical bases:

	2014	2013
Actuarial technical rate (in local currency)		
Portugal	2,6%	4%
South Africa	8.30%	8.84%
Annual pension growth rate		
Portugal	1.0%	1.8 % - 2.5%
Annual fund income rate		
Portugal	2,6%	4%
Annual salary growth rate		
Portugal	2%	2% - 3%
Mortality tables		
Portugal	TV88/90	TV88/90
South Africa	SA 85-90	SA 85-90
Disability tables		
Portugal	EKV 80	EKV 80
Nominal growth rate of medical costs		
Portugal		
Growth rate of medical costs	N/A	N/A
Medical inflation rate	2%	4%
Growth rate of medical costs by age	N/A	N/A
South Africa	8.00%	8.22%

In the Portuguese business area, changes in principal actuarial assumptions result, essentially, of changes in the main market variables and expectations that determine them.

In accordance with the actuarial valuations the pension and healthcare benefits costs for the years ended 31 December 2014 and 2013 were as follows:

		Pension plans	
		2014	2013
Current service cost		578	603
Interest cost		2,814	2,916
Administrative costs		188	120
Expected return of the plans' assets		(2,640)	(2,661)
Total cost/(income) of the pension plans (Note 10)	(I)	940	977

		Healthcare plans	
		2014	2013
Current service cost		133	164
Interest cost		585	632
Plan change		(5,022)	-
Total cost/(income) of the healthcare plans (Note 10)	(II)	(4,304)	797
Total cost/(income) of the defined benefit plans	(I) + (II)	(3,363)	1,774

The changes in the amount of the responsibilities for defined benefit plans and related market value of fund assets during the years ended 31 December 2014 and 2013 were as follows:

	Pension plans		Healthcare plans		Total	
	2014	2013	2014	2013	2014	2013
Defined benefit liability - 1 january	71,402	74,715	14,223	15,897	85,625	90,612
Benefiits and bonuses paid	(4,817)	(4,923)	(796)	(962)	(5,614)	(5,886)
Current service cost	578	603	133	164	711	767
Past service cost	-	(767)	(5,022)	(2,240)	(5,022)	(3,007)
Interest cost	2,814	2,916	585	632	3,399	3,548
Actuarial gains and losses	3,686	(1,141)	1,567	901	5,253	(240)
Exchange differences	-	-	25	(169)	25	(169)
Defined benefit liability - 31 december	73,663	71,402	10,716	14,223	84,378	85,625
Value of the pension funds - 1 january	68,085	68,582	-	-	68,085	68,582
Contributions	24	28	-	-	24	28
Benefits and bonuses paid	(4,829)	(4,938)	-	-	(4,829)	(4,938)
Expected income of the funds' assets	2,640	2,661	-	-	2,640	2,661
Actuarial gains and losses in income from the funds' assets	514	1,872	-	-	514	1,872
Administrative costs	(188)	(120)	-	-	(188)	(120)
Value of the pension funds - 31 december	66,246	68,085	-	-	66,246	68,085

Past service cost includes an estimate of the effect resulting from the increase in the legal retirement age in the Portuguese business area, as well as the effect of changes in the Health Plan.

The effect of the decrease of 0.25% in the discount rate on the liability for defined pension benefit plans and the health area in the Portuguese business area, which represents more than 95% of the Group's liability, was estimated to amount to an increase of around 2,150 thousand euros in the liability.

The movements of net actuarial gains and losses during the years ended 31 December 2014 and 2013 were as follows:

	2014	2013
Changes during the year:		
Related to the liabilities	(5,253)	240
Related to the funds assets	514	1,872
Corresponding defferred tax	1,304	(613)
Non-controlling interests (Note 33)	(6)	-
	(3,442)	1,498

In addition, actuarial gains and losses include the following experience adjustments:

	2014	2013
Related to the liabilities	729	240
Related to the funds assets	514	1,872

The difference between the present value of the benefit plan liability and the market value of the funds' assets for the last five years ended 31 December was as follows:

Pension plans	2014	2013	2012	2011	2010
Liability	73,663	71,402	74,715	76,917	80,683
Value of the pension funds	(66,246)	(68,085)	(68,582)	(70,402)	(72,732)
Deficit	7,417	3,317	6,133	6,515	7,951
Liability for employee benefits:					
Current liability	-	-	-	3,708	3,308
Non-current liability	7,417	3,317	6,133	3,708	4,762
	7,417	3,317	6,133	7,416	8,070
Fund surplus	-	-	-	(901)	(118)
Total exposure	7,417	3,317	6,133	6,515	7,951

Healthcare plans	2014	2013	2012	2011	2010
Liability for employee benefits:					
Current liability	904	903	902	1,003	928
Non-current liability	9,812	13,320	14,995	15,148	14,309
Total exposure	10,716	14,223	15,897	16,151	15,238

The Group has not established funds for the health plans. The main assets of the funds as at 31 December 2014 and 2013 are as follows:

	2014	2013
Shares	20.8%	21.6%
Fixed rate bonds	47.2%	47.6%
Variable rate bonds	14.7%	16.6%
Real estate investment funds, hedge funds, cash and insurance	17.3%	14.2%
	100.0%	100.0%

Real estate investments include a property valued at 5,500 thousand euros, which is rented, for use within the Group, for an annual rent of 560 thousand euros.

Defined contribution plans

In 2014 and 2013 the Group incurred costs of 2,074 thousand euros and 2,632 thousand euros, respectively with defined contribution plans (Note 10). The cost of the Company's defined contribution plans in 2014 and 2013 amounted to 75 thousand euros and 113 thousand euros, respectively (Note 10).

35. Contingent liabilities, guarantees and commitments

Contingent liabilities

In the normal course of its business the Group is involved in several legal cases and complaints relating to its products and services as well as of an environmental nature, labour cases and regulatory. Considering the nature of the legal cases and the provisions recorded, the expected outcome is to not have a significant impact on the Group's operations, financial position or operations results.

In December 31, 2014, the Group has an exposure of 663 million euros (595 million euros in December 31, 2013), being 8 million euros of contingencies related to personnel (10 million euros in December 31, 2013), 435 million euros of tax contingencies (382 million euros in December 31, 2013), 220 million euros of civil contingencies and administrative processes of other natures (203 million euros in December 31, 2013), whose likelihood of loss was considered possible, according to the opinion of legal counsel.

The most significant of the contingent liabilities are:

In Brazil, Intercement Brasil, such as most companies of the sector, are parties to administrative proceedings related to Brazilian antitrust regulation, in progress at the Council for Economic Defence (CADE), for which no provision is recognized as of December 31, 2014 and 2013, since the likelihood of loss is assessed as possible, based on an assessment that takes into consideration the administrative and judicial proceedings. In May 28, 2014, the judgment of the Administrative Procedure condemned Intercement Brasil to pay the announced fine due course, 540 million BRL, corresponding to 167 million euros in December 31, 2014, staying the Group with an obligation to sell 20% of its concrete´s assets in Brazil, among other accessory penalties. On July 11, 2014, the Company filed an administrative appeal regards to CADE's decision which is still pending. Considering the opinion of its legal advisors, loss in judicial court is considered possible and the Company has not made any provision for such process in the financial statements.

Concerning to processes with tax nature with a possible loss risk in the Brazilian business area, in December 31, 2014, the contingent liabilities ascends to an amount of, about 328 million euros, (about 291 million euros in December 31, 2013).

In Egypt, in the context of the industrial licensing process in the industrial unit of Amreyah Cimpor Cement Company, the Industrial Development Authority (IDA), an Egyptian government entity, claims a payment in the amount of 217 million EGP (around 25 million euros). The Board of Directors, based on the understanding of the company’s legal advisors, believes that the payment is not due, having submitted a legal petition in this respect. In 2013 there was an unfavorable legal decision, the company maintaining its conviction that it is correct and so the most appropriate means of reaction will be taken. Under this process, a guarantee was presented to other entities include a bank guarantee in favor of the Industrial Development Authority (IDA).

Still about Egypt, as a result of tax inspections, additional tax assessments on income were realized for the years 2002 to 2004 in the amount of 795 million EGP (92 million euros in December 31, 2014). In the sequence of administrative demarches realized by the Group, the mentioned assessments were reduced to around 150 million EGP (17 million euros in December 31, 2014). This decision will be subject of appeal, being the conviction of Administration, supported by the opinion of tax advisers, that doesn’t assist a substantial reason to the maintenance of those assessments, for that reason, at the end of the process, is not expected any relevant impact on Group’s assets.

In Spain, as a result of tax inspections of the years 2002 to 2004 and 2005 to 2008, additional tax assessments were realized, of approximately 27 million euros and 120 million euros, respectively. The additional assessments relate essentially to net financial items resulting mainly from interpretations not adjusted to the nature of certain transactions, Management being of the opinion that the conclusion of the legal processes resulting from the actions in progress already petitioned contesting the additional assessments will not result in significant costs for the Group. This opinion is confirmed by the understanding and opinion of its legal and tax advisors, which consider the possibility of loss of most of them as possible (around 86 million euros) to remote (around 61 million euros). Following these assessments the company submitted to the Spanish tax administration guarantees which at this time amount to approximately 147 million euros. Already during the second half of 2014, the Spanish tax authorities began inspecting the years 2009 to 2012, which is in progress and is therefore not possible to make an estimate of its conclusions.

In the **Company**, as a result of audits performed by the tax authorities to the CIT returns for the years of 1996 to 2012, additional adjustments were made to the assessment basis and to tax, determined under the tax consolidation regimes in force in each year. The Board of Directors believes, based on the understanding of its tax consultants that the above mentioned adjustments have no legal basis and therefore they have been legally claimed. Even so, as mentioned in Note 36, due to the lack of jurisprudence and the technical complexity of some matters, provisions were set up for most of the issues in dispute.

In addition, the Board of Directors believes that any responsibility of the above tax, resulting from tax assessments up to the tax year of 2001 or subsequent if influenced by operations up to that date, are the responsibility of the *“Fundo de Regularização da Dívida Pública”* (In this way, Administrative Court already decided for the years 1997,1998 and 1999).

Some of the tributary processes related to those additional assessments are still in course, as well as some administrative processes, in order that the "Fundo de Regularização da Dívida Pública" assumes the respective responsibility.

Guarantees

At 31 December 2014 and 2013 Group companies had requested guarantees totalling 429,282 thousand euros and 445,851 thousand euros, respectively, given to third parties, are as follows:

	2014	2013
Guarantees given:		
For tax processes in progress	271,762	285,588
Financing entities	116,048	104,507
To suppliers	5,003	6,115
Other	36,469	49,641
	429,282	445,851

In the Portugal business area, due to legislation on the legal responsibilities for environmental damage reserves were established or assets of the Group companies assigned in a total of approximately 8.5 million euros.

The above guarantees for tax processes include 8,680 thousand euros and 28,248 thousand euros at 31 December 2014 and 2013, respectively, relating to the Company.

Guarantees provided to Other entities at 31 December 2014 and 2013 include the bank guarantee in favor for the Industrial Development Authority (IDA), Egyptian governmental entity, in the amount of around 25 and 23 million euros, respectively (217 million Egyptian pounds).

Other commitments

In the normal course of its business the Group assumes commitments related essentially to the acquisition of equipment, under its investment operations in progress and for the purchase and sale of investments.

Additionally, as of 31 December 2014 and 2013, there are commitments related to contracts for the acquisition of tangible fixed assets and stocks as well as for the operation of facilities located on the property of third parties, as follows:

	2014	2013
Business area:		
Brazil	100,059	122,872
Argentina	85,102	63,362
Egypt	19,257	22,553
Portugal	7,907	9,641
Mozambique	-	1,723
South Africa	751	52
	213,076	220,204

In accordance with the Commercial Company Code ("Código das Sociedades Comerciais"), the parent company Cimpor – Cimentos de Portugal, SGPS, S.A. is jointly responsible for the obligations of its subsidiaries.

36. Provisions

In the year ended as of 31 December 2014 and 2013, the classification of provisions was as follows:

	Group		Company	
	2014	2013	2014	2013
Non-current provisions:				
Provisions for tax risks	39,219	38,503	26,000	25,000
Provisions for environmental rehabilitation	43,117	42,802	-	-
Provisions for employees	29,980	26,665	897	880
Other provisions for risks and charges	9,961	13,049	31	31
	122,276	121,019	26,929	25,911
Current provisions:				
Provisions for employees	4,469	4,214	180	176
	126,746	125,233	27,108	26,087

The provisions for tax risks cover liabilities from tax assessments, which have been claimed. The Board of Directors, together with its tax and legal consultants, believes that, for the majority of the issues in dispute with the tax authorities, the Group has a strong possibility of winning those processes. However, the inexistence of case law and the technical complexity of some of the issues advise the recording of such provisions.

The provisions for environmental rehabilitation represent the Group's legal or constructive obligation to rehabilitate land used for quarries. Payment of this liability depends on the period of operation and the beginning of the related exploration.

The provisions relating to personnel correspond essentially to the estimate of costs of the liability for termination of employment and long term remuneration, of which 19,421 thousand euros and 21,278 thousand euros, respectively, relating to 31 December 2014 and 2013 correspond to the pre-retirement of employees (Note 10).

The other provisions for risks and charges are to cover specific business risks resulting from the Group's operations, including those resulting from litigation, as well as provisions for liabilities resulting from participations in associated companies, which at 31 December 2013 amounted to 249 thousand euros (Note 19).

The changes in the **Group's** provisions in 2014 and 2013 were as follows:

	Provisions for tax risks	Environmental rehabilitation	Provisions for employees	Other provisions for risks and charges	Total
Balances at 31 December 2012	87,501	48,538	19,140	24,923	180,102
Currency translation adjustments	(2,398)	(6,547)	(1,794)	(2,504)	(13,242)
Increases	2,588	1,163	20,014	2,552	26,317
Decreases	(9,243)	(175)	(2,386)	(4,827)	(16,630)
Utilisations	(42,350)	(177)	(4,732)	(4,056)	(51,314)
Transfers	2,404	-	635	(3,039)	-
Balances at 31 December 2013	38,503	42,802	30,878	13,049	125,233
Currency translation adjustments	529	(597)	(393)	393	(69)
Increases	3,329	1,355	12,822	5,611	23,117
Decreases	(3,239)	-	(3,279)	(5,586)	(12,104)
Utilisations	-	(443)	(5,579)	(3,409)	(9,431)
Transfers	96	-	-	(96)	-
Balances at 31 December 2014	39,219	43,117	34,449	9,961	126,746

Provisions increases for the year ended 31 December 2014 include mainly the increase of provisions for staff in Brazil. For the year ended 31 December 2013 include mainly the effect of liabilities resulting from the conclusion of pre-retirement agreements with employees in Portugal in the amount of 17,349 thousands euros.

The utilization of provisions for tax risks in 2013 resulted essentially from the payment in the Portuguese business area under the special regime for the liquidation of tax debts in force up to the end of the year.

The decrease of provisions in 2014 results essentially from reappraisal of the degree of probability of the occurrence of losses in several business areas. In 2013 these include: i) partial reversal in Egypt of the provision for the rate applicable to the consumption of clay in the amount of 5,516 thousand euros and; ii) reversal of the provision recorded in previous years in Brazil under the administrative process brought about by Secretaria de Direito Económico do Ministério da Justiça do Brasil (Note 48) in the amount of 6,118 thousand euros, in relation to which the Group's legal advisors believe that the risk of loss is not considered probable.

The changes in the **Company** provisions in the years ended 31 December 2014 and 2013 were as follows:

	Provisions for tax risks	Provision for employees	Other provisions for risks and charges	Total
Balances at 31 december 2012	68,300	1,320	31	69,652
Increases	-	82	-	82
Decreases	(1,733)	(203)	-	(1,936)
Utilisation	(41,567)	(143)	-	(41,710)
Balances at 31 December 2013	25,000	1,056	31	26,087
Increases	1,000	221	-	1,221
Utilisation	-	(201)	-	(201)
Balances at 31 December 2014	26,000	1,077	31	27,108

Utilization in 2013 results from the payment made under the above mentioned special regime for the liquidation of tax debts, of which around 4,500 thousand euros through the compensation of balances.

The increases and decreases in the provisions in the years ended 31 December 2014 and 2013 were recorded by corresponding entry to the following accounts:

	Group		Company	
	2014	2013	2014	2013
Tangible assets:				
Land	-	182	-	-
Net result for the period:				
Operating costs	2,219	(871)	-	-
Payroll costs	2,356	15,055	(21)	(121)
Operating Income	(1,738)	(7,441)	-	-
Provisions	(349)	613	-	-
Financial expenses	7,482	2,420	-	-
Income tax (Note 13)	1,042	(272)	(1,000)	(1,733)
	11,013	9,687	(1,021)	(1,854)

Financial costs include the financial adjustment of provisions for the recovery of the scenery. The amounts recorded in other income and costs recognized in equity correspond to the actuarial income and costs component of the provisions relating to personnel.

37. Loans

Loans in the **Group** as at 31 December 2014 and 2013 were as follows:

	December 2014	December 2013
Non-currents liabilities:		
Bonds	1,442,146	835,576
Bank loans	1,904,331	2,802,897
Other loans	768,743	381,926
	4,115,219	4,020,399
Currents liabilities:		
Bonds	-	179
Bank loans	169,969	104,638
Other loans	27	56
	169,997	104,873
	4,285,216	4,125,273

Bonds

Non-convertible bonds at 31 December 2014 and 2013 were as follows:

						December 2014	December 2013	
Business unit	Financial instrument	Currency	Emission date	Coupon (b)	Final maturity	Non-current	Current	Non-current
Brazil	Debênture - Brazil (a)	BRL	Mar.12	Floating rate indexed to CDI	Apr.22	462,465	-	462,538
Brazil	Debênture - Brazil	BRL	Jan.12	Floating rate indexed to CDI	Aug.16	479	179	1,120
Brazil	Debênture - Brazil	BRL	Aug.12	Floating rate indexed to CDI	Aug.22	371,861	-	371,919
Holdings and Financial Vehicles	Senior Notes (a)	USD	Jul.14	5.75%	Jul.24	607,342	-	-
						1,442,146	179	835,576

(a) Guaranteed by security and the pledge of shares by controllers of the Company.
(b) The contractual variable rates include spreads till 15% over the index.

In July, 2014, the Senior Notes ("Notes") were issued by Cimpor Financial Operations, B.V., in the amount of 750 million USD, with a payment maturity of 10 years. The notes were launched with coupon of 5.75% per annum and are listed on the Singapure Stock Exchange. The net funds of this issuance was used to refinance existing debt and for corporate use in general, allowing an increase in the average maturity of the company's debt.

Bank loans

Group bank loans as at 31 December 2014 and 2013 were as follows:

							December 2014		December 2013	
Business unit	Type	Currency	Interest rate (c)	Contract date	Maturity		Current	Non-Current	Current	Non-Current
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	May-12	Jan-22	(a)	-	406,921	-	536,973
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb-12	Feb-22	(a)	-	303,340	-	453,800
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Sep-12	Sep-17	(d)	-	-	-	214,776
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Aug-12	Oct-17	(d)	-	-	-	192,405
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Oct-12	Apr-17	(d)	-	-	-	179,386
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Sep-13	Sep-18	(d)	-	-	-	142,968
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Nov-12	Sep-17	(d)	-	-	-	127,665
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Sep-12	Sep-17	(d)	-	-	-	99,134
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Oct-12	Apr-15	(d)	-	-	-	86,080
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Jul-11	Jul-16	(d)	-	-	-	83,342
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Jul-11	Jul-15	(d)	-	-	-	74,420
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rates indexed to Euribor	Nov-12	Sep-17	(d)	-	-	-	74,224
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rates indexed to Euribor	Several	Several	(d)	-	-	-	52,697
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rates indexed to Euribor	Feb-14	Aug-19	(a)	-	59,528	-	-
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Feb-14	Aug-19	(a)	-	176,614	-	-
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rates indexed to Euribor	Feb-14	Aug-21	(a)	-	59,528	-	-
Holdings and Financial Vehicles (*)	Bilaterals	USD	Floating rate indexed to US Libor	Feb-14	Aug-21	(a)	-	176,614	-	-
Holdings and Financial Vehicles (*)	Bilaterals	USD	Floating rate indexed to US Libor	Feb-14	Aug-21	(a)	-	243,606	-	-
Holdings and Financial Vehicles (*)	Bilaterals	USD	Floating rate indexed to US Libor	May-14	May-19		-	137,711	-	-
Holdings and Financial Vehicles	Bilaterals	EUR	Fixed Rate	Dec-14	Dec-18		-	24,000	-	-
Argentina and Paraguay	Bilaterals	ARS	Floating rates indexed to Badlar	Several	Several		76,058	60,275	46,944	81,192
Argentina and Paraguay	Bilaterals	USD	Floating rate indexed to US Libor	Several	Several		2,271	49,987	19,950	46,042
Brazil	Bilaterals	USD	Fixed and Floating Rates	Several	Several	(a)	37,604	-	1,035	126,956
Brazil	Bilaterals	BRL	Fixed and Floating Rates	Several	Several	(b)	23,254	84,235	16,646	101,807
Argentina and Paraguay	Bilaterals	USD	Floating rate indexed to US Libor	Several	Several	(a)	18,729	76,195	7,455	73,011
South Africa	Bilateral	ZAR	Floating rate indexed to Jibar	Dec-13	Dec-18		-	42,708	-	41,488
Portugal and Cape Verde	EIB	EUR	EIB Rate	Sep-03	Sep-15		6,667	-	6,667	6,667
Portugal and Cape Verde	Bilateral	EUR	Floating rates indexed to Euribor	Several	Several		-	-	250	175
Mozambique	Bilateral	MZN	Floating rates indexed to BTM	Aug-10	Feb-16		2,549	1,853	2,509	4,332
Egypt	Bilaterals	EGP	Floating rates indexed to Corridor	Several	Several		2,837	1,214	2,962	3,357
Portugal and Cape Verde	Overdraft	CVE	Floating Rates Indexed to TRIBESCV 3M	Jun-13	Jun-14		-	-	221	-
							169,969	1,904,331	104,638	2,802,897

(a) Guaranteed by controlling entities of the Company;
(b) Approximately 91 million euros are guaranteed by controlling entities of the Company;
(c) For the major funding, the variable rates contracted, both in dollars and euros, consider spreads between 2.5% and 4.5%
(d) Pre-paid funding, being the incurred charges registered on issue of those, around 16 million euros.

Other loans

Other loans obtained correspond, essentially, to loans from Cimpor Inversiones to InterCement Austria Holding GmbH, as described below:

					December 2014	December 2013
Business unit	Type	Currency	Interest rate	Maturity	Non-Current	Non-Current
Holdings and Financial Vehicles	Related parties's loan	EUR	Floating rate indexed to Euribor	Feb.16	41,843	-
Holdings and Financial Vehicles	Related parties's loan	EUR	Floating rate indexed to Euribor	Jun.18	381,900	381,900
Holdings and Financial Vehicles	Related parties's loan	EUR	Floating rate indexed to Euribor	Feb.21	345,000	-
					768,743	381,900

During the year ended 31 December 2014, was obtained a loan of 345 million under market conditions and more competitive against to the loan that was repaid; and occurred the reclassification of a payable balance of around 42 million euros, also to that Society (Note 41),

Are also included loans from official entities under program contracts relating to investment projects.

The non-current portion of loans as at 31 December 2014 and 2013 is repayable as follows:

Year	December 2014	December 2013
2015	-	483,915
2016	166,935	380,370
2017	222,146	851,195
2018	642,717	865,663
Following years	3,083,422	1,439,256
	4,115,219	4,020,399

The loans at 31 December 2014 and 2013 are stated in the following currencies:

	December 2014		After hedging	December 2013	
Currency	Currency	Euros	Euros	Currency	Euros
USD	2,349,125	1,933,595	597,275	2,458,233	1,784,800
BRL	3,040,783	942,294	942,294	3,078,754	954,208
EUR	-	1,221,832	2,558,153	-	1,203,260
ARS	1,386,971	136,333	136,333	1,150,338	128,136
MZN	176,481	4,402	4,402	278,688	6,841
EGP	35,188	4,051	4,051	60,481	6,319
ZAR	600,002	42,708	42,708	600,000	41,488
CVE	-	-	-	24,326	221
		4,285,216	4,285,216		4,125,273

Due to derivative financial instruments exchange rate hedging, of total loans in dollars, 597 million euros are exposed to foreign exchange risk, which considering the deposits in dollars (141 million euros), reduces the net exposure to that currency to around 456 million euros. The net exposure of debt in euros, considering the financial derivative instruments, is inferior of about 100 million euros.

Comfort letter and guarantee letters

The comfort letters and guarantees given in the Group at 31 December 2014 and 2013 correspond to liabilities reflected in the consolidated financial position of 3,067,016 thousand euros and 3,116,397 thousand euros, respectively.

38. Obligations under leases

Operating leases

The current operating lease contracts relate essentially to transport and office equipment.

Future commitments as at 31 December 2014 and 2013 under the current operating lease contracts were as follows (minimum lease payments):

	Group		Company	
	2014	2013	2014	2013
Up to 1 year	3,096	2,350	13	14
From 1 to 5 years	9,199	3,786	21	31
More than 5 years	5,681	-	-	-

Total operating costs of the **Group**’s continuing operations under operating lease contracts for 2014 and 2013 amounted to 3,126 thousand euros and 2,386 thousand euros, respectively.

In the **Company** current operating lease contracts relate essentially to transport equipment and in the years ended 31 December 2014 and 2013 the costs incurred amounted to 14 thousand euros and 9 thousand euros, respectively.

39. Derivative financial instruments

At 31 December 2014 and 2013, a range of derivative financial instruments have been contracted 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 those risks, selecting as counterparts international banking with a rating notation of “investment grade”.

These operations are subject to prior approval by the Executive Committee and are permanently monitored by the Financial Direction. 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 foreign entities.

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 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 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 in the caption Reserves - Hedging operations, while the non-effective part is reflected immediately in 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 caption "Currency translation adjustments" until the hedged investment is sold or extinguished when they are transferred to profit and loss.

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 2014 and 2013 is as follows:

	Other assets (Note 24)				Other liabilities (Note 42)			
	Current asset		Non-current assets		Current asset		Non-current assets	
	December 2014	December 2013	December 2014	December 2013	December 2014	December 2013	December 2014	December 2013
Cash flow hedges:								
Interest rate and cross currency swaps	13,456	-	90,576	-	1,838	490	4,032	91
Financial investments hedges								
Trading:								
Interest rate derivatives	-	-	-	-	594	-	-	1,783
Exchange and interest rate derivatives	-	-	24,599	5,785	-	-	-	-
Exchange rate forwards	-	3,822	-	-	-	39	-	-
	13,456	3,822	115,175	5,785	2,432	529	4,032	1,874

Some derivative financial instruments, although complying with the Group's financial risk management policies as regards volatility risk management, do not comply with requirements to qualify for hedge accounting and so are classified as trading instruments.

The following schedule shows the operations at 31 December 2014 and 2013 that qualify as fair value hedging instruments:

Type of hedge	Notional	Type of Operation	Maturity	Financial purpose	Fair value	
					December 2014	December 2013
Cash-flow	EUR 35.000.000	Interest Rate Swap	Jun-15	Cash-flow hedge	Cancelled(a)	(581)
Cash-flow	USD 200.000.000	Cross Currency Swap	Jun-24	Cash-flow hedge	13,657	-
Cash-flow	USD 200.000.000	Cross Currency Swap	Jul-24	Cash-flow hedge	10,603	-
Cash-flow	USD 100.000.000	Cross Currency Swap	Jul-24	Cash-flow hedge	5,719	-
Cash-flow	USD 50.000.000	Cross Currency Swap	Jul-24	Cash-flow hedge	3,395	-
Cash-flow	USD 150.000.000	Cross Currency Swap	Jul-24	Cash-flow hedge	8,976	-
Cash-flow	USD 217.500.000	Cross Currency Swap	Feb-19	Cash-flow hedge	11,668	-
Cash-flow	USD 217.500.000	Cross Currency Swap	Feb-19	Cash-flow hedge	15,086	-
Cash-flow	USD 500.000.000	Cross Currency Swap	Jan-22	Cash-flow hedge	34,927	-
Cash-flow	EUR 379.218.809	Interest Rate Swap	Jan-22	Cash-flow hedge	(5,869)	-
					98,162	(581)

a) In January 2014, following early repayment of the asset underlying this hedging, the Group cancelled this instrument with a similar cost to its market value.

Under the risk management policy of the Group, in the year ended 31 December 2014, fair value hedging instruments were contracted (through setting exchange and interest rate), intending cover the exchange rate risk of part of the deb in USD. With interest rate hedging derivative instruments, the Group proceeds to setting a funding rate that was previously variable.

In addition, the fair value of the portfolio of derivative financial instruments at 31 December 2014 and 2013 that do not qualify as hedging instruments is as follows:

Face Value	Type of Operation	Maturity	Economic purpose	Fair value	
				December 2014	December 2013
USD 50.000.000	Cross-Currency-Swap	Sep-18	Swich a USD Loan into a BRL Loan	6,215	1,509
USD 50.000.000	Cross-Currency-Swap	Sep-18	Swich a USD Loan into a BRL Loan	5,926	1,220
USD 50.000.000	Cross-Currency-Swap	Sep-18	Swich a USD Loan into a BRL Loan	6,189	1,480
USD 50.000.000	Cross-Currency-Swap	Sep-18	Swich a USD Loan into a BRL Loan	6,270	1,576
USD 130.875.922	FX Swaps	Jan-14/Feb-14	Increase the Asset exposure to USD	-	3,783
EUR 25.000.000	IRS with conditioned receivable Leg	Jun-15	Reduce the cost of funding - IRS with options sold on an Interest Rate Index	(594)	(1,783)
				24,005	7,785

40. Financial risk management

General principles

During its normal business activities, Cimpor Group is exposed to a variety of financial risks likely to change its net worth, which can be grouped, according to their nature, in the following categories:

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

Financial risk is deemed to mean the probability of obtaining a positive or negative outcome different to that expected, and which materially and unexpectedly alters the Group's net worth.

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 situations;
- Curbing 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.

Hedging the interest-rate risk and exchange-rate risk normally means contracting financial derivatives on the over-the-counter market (for reasons of flexibility), involving a limited number of counterparties with high ratings. All these operations are undertaken with financial entities with which ISDA contracts have been concluded beforehand, in accordance with international standards.

The whole treasury department is responsible for managing financial risks, including identifying, assessing and hedging such risks. This risk management is conducted under the guidance of the Executive Committee, in particular of the director responsible for the financial risk area (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 may have been contracted at fixed interest rates or at variable interest rates. In the former case, the Group runs the risk of variation in the fair value of those assets and liabilities, whereby any change in market rates involves a (positive or negative) opportunity cost. In the latter case, such change has a direct impact on the amount of interest paid/received, resulting in cash account changes.

Interest-rate swaps are normally contracted to hedge this type of risk, in accordance with the Group's expectations concerning the development of market rates.

During the year of 2014, new hedging instruments were contracted (Note 39). The low rates of interest in the monetary markets of the main liability currencies (EUR and USD), together with July’s successful market operation (*Senior Notes 2024*), led the Group to increase exposure to fixed rate.

At 31 December 2014 the Group’s liability by type of interest rate, considering derivative financial instruments, between floating and fixed rate, was as follows:

	Dec-14	Dec-13
Floating rates	72%	95%
Fixed rates	28%	5%

Exchange rate risk

The Group’s internationalisation means that it is exposed to the exchange-rate risk for the currencies of different countries, particularly the following ones, due to the amounts of capital invested there: Brazil, Egypt, Argentina and South Africa (Note 7).

The exchange effects of the translation of local financial statements in the Group’s consolidated financial statements can be mitigated by hedging the net investments made in those countries. These operations aren’t frequent, considering the maturity of those markets and it’s considered that the cost of such operations (the difference between the local interest rates and the Group’s reference currency) is generally too high considering the risks involved.

When the exchange-rate risk is hedged, swaps and forward contracts and standard exchange options, generally with maturities equivalent to debt instrument that serves as a hedging basis.

The Group does not carry out exchange-rate operations that do not adequately cover existing or contracted positions.

The fact that the Group operates in countries with significant interest rate differentials in relation to the consolidation currency (EUR), results in the search for natural hedge strategies. In this respect this year there was an increase in the debt of the Business Units (South Africa and Paraguay) and exchange of the liability in USD for local currency (Argentina) in order to obtain better correspondence between assets and liabilities in the same currency, thus decreasing the Group’s overall exposure.

Some hedging operations were also realized to help manage the Group’s exchange exposure, namely a cross-currency swap that transforms a liability in USD to a liability contracted in Euros (Note 39).

The main debt instruments as at 31 December 2014 and 2013, and considering the effect of the existing cross currency swaps, were denominated in the following currencies:

	Dec-14	Dec-13
USD	15%	43%
BRL	23%	23%
EUR	59%	29%
Other	3%	5%

Liquidity risk

Liquidity risk management means maintaining an appropriate level of cash resources and contracting credit limits that not only ensure the normal pursuit of the Group's activities but also meet the needs of any extraordinary operations.

If with the refinancing made upon change in shareholder, the Group had remained with a very comfortable average useful life of its liabilities, with the operations realized in 2014, no significant liabilities would have been repaid in the next four years.

This, together with the significant amount in cash and cash equivalents at the end of the year (724 million euros) which practically eliminates the Group's liquidity risk, results in the need for the existence of backup lines being residual.

This risk is monitored through a cash budget, which is reviewed on a weekly basis.

The cash surpluses of the different segments are, whenever possible, channelled to the Company through the payment of dividends or made available to other areas with a shortage of funds, through intercompany loans.

Credit risk

The markets 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 ancillary, embodying the prudent and balanced management of the business in order to lessen the probability of defaulting on its obligations.

The Group's degree of solvency is also reflected in its Leverage ratio (Net Debt / EBITDA).

The contractual measurement of this covenant is not made at Cimpor Group level, but rather at the level of its indirect controller InterCement Participações S.A.. At 31 December this ratio was complied with.

Besides Financial Covenant (Net Debt / EBITDA), the Group is also subject to some other restrictive clauses, such as the close-out netting by shareholder control exchange.

Counterparty 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 endeavours to limit its exposure to this risk, when making bank deposits and other cash investments and also when contracting derivative instruments, by carefully selecting the counterparties, based on their rating and taking into account the nature, maturity and scope of the operations.

No losses due to non-compliance are expected based on the information currently available.

Sensitivity analyses

a) Interest rate

Exposure to interest-rate risk results in the variability of the Group's net financial expenses.
The results of a sensitivity analysis of exposure at 31 December de 2014 were as follows:

- Considering that the EUR and USD monetary rates are at levels below 1% only scenarios relating to increase in the Euribor and Libor were simulated.

A parallel change of +/- 1% in the interest rate curve with all the other assumptions remaining constant would result in an increase in financial costs for the year then ended (before taxes) of approximately 13 million euros on the euro liability indexed to the variable rate and 5 million dollars on the variable rate loan in USD, as shown in table below:

Indexing	Currency	Value	1.0%	2.0%	3.0%
Euribor	EUR	1,523,643	15,236	30,473	45,709
US Libor	USD	545,134	5,451	10,903	16,354

In the case of rates indexed in BRL, 3 scenarios were simulated: maintenance of the year end rates (Probable Scenario), assumed as probable, and two scenarios of increase of 25% (Possible Scenario) and 50% (Remote Scenario) in the rates, being specifically considered that as there were significant amounts invested in this currency, there was a simulation of the impact that an decrease in rates would have on these applications (CDI and Selic – Assets). The results for the assets and liabilities impacts are as follows:

Indexing	total	S. Probable	S. Possible	S. Remote
IGP-M	(9,690)	439	549	659
TJLP	(67,271)	3,363	4,205	5,045
IPCA	(72)	5	7	8
CDI - Liability	(921,153)	116,342	145,427	174,513
CDI - Asset	74,191	9,370	7,028	4,685
SELIC - Asset	22,309	2,909	2,182	1,455

b) Exchange rates

In the debt and financial derivatives components, considering the currency distributing aforementioned, the exchange rate risks result from exchange rate volatility as well as its impact on consolidated financial results.

Considering the Group's financial liability profile at 31 December 2014 the more significant impact on net financial results would be as follows:

				USD depreciation			USD appreciation	
Amount in USD	Funcional currency	FX Rate (31-12-14)		-10%	-5.0%	0.0%	5.0%	10.0%
513,262	EUR	1.21	Efect in EUR	42,247	21,124	-	(21,124)	(42,247)
77,571	BRL	2.66	Efect in BRL	20,604	10,302	-	(10,302)	(20,604)
			Efect in EUR	6,488	3,073	-	(2,780)	(5,308)
63,488	ARS	8.37	Efect in ARS	53,164	26,582	-	(26,582)	(53,164)
			Efect in EUR	5,310	2,515	-	(2,276)	(4,344)
115,000	PYG	4,629.11	Efect in PYG	53,234,813	26,617,407	-	(26,617,407)	(53,234,813)
			Efect in EUR	9,618	4,556	-	(4,122)	(7,869)
58,000	MZN	33.00	Efect in MZN	191,412	95,706	-	(95,706)	(191,412)
			Efect in EUR	4,851	2,298	-	(2,079)	(3,969)

Taking into account the existence, in some companies, of large deposit amounts, in other currencies than the functional currencies, are also simulated the most relevant impacts that exchange rate volatility would have on the financial results:

				USD depreciation			USD appreciation	
Amount in USD	Funcional currency	FX Rate (31-12-14)		-10%	-5.0%	0.0%	5.0%	10.0%
128,531	EUR	1.21	Efect in EUR	(10,580)	(5,290)	-	5,290	10,580
58,000	ZAR	11.56	Efect em ZAR	(67,070)	(33,535)	-	33,535	67,070
			Efect in EUR	(4,851)	(2,298)	-	2,079	3,969
31,886	PYG	4,629.11	Efect em PYG	(14,760,394)	(7,380,197)	-	7,380,197	14,760,394
			Efect in EUR	(2,667)	(1,263)	-	1,143	2,182

				EGP depreciation			EGP appreciation	
Amount EGP	Funcional currency	FX Rate (31-12-14)		-10%	-5.0%	0.0%	5.0%	10.0%
778,133	EUR	8.58	Efect in EUR	(9,070)	(4,535)	-	4,535	9,070

				ZAR depreciation			ZAR appreciation	
Amount ZAR	Funcional currency	FX Rate (31-12-14)		-10%	-5.0%	0.0%	5.0%	10.0%
513,000	EUR	14.05	Efect in EUR	(3,652)	(1,826)		1,826	3,652

41. Accounts payable - other

Accounts payable – other as at 31 December 2014 and 2013 were as follows:

	Grupo				Empresa			
	2014		2013		2014		2013	
	Current	Non current	Corrente	Non current	Current	Non current	Corrente	Non current
Subsidiaries, associated and participanted companies a)	3,504	-	51,709	-	2,015	-	16,263	-
Other shareholders	2,873	-	1,798	-	84	-	84	-
Suppliers of fixed assets	37,239	8,646	35,767	8,945	-	-	-	-
Other creditors	65,193	10,779	56,511	12,982	2,323	964	1,150	1,784
	108,809	19,425	145,786	21,927	4,423	964	17,498	1,784

a) At 31 December 2013 the Group's liability to third parties in terms of subsidiary and associated companies and participations included essentially the amount of 51,371 thousand euros payable to InterCement Austria Holding, reclassified during the year ended 31 December 2014 to Other obtained loans (Notes 37 and 47).

42. Other current and non-current liabilities

These captions as at 31 December 2014 and 2013 were as follows:

	Group				Company	
	2014		2013		2014	2013
	Current	Non-current	Current	Non-current	Current	Current
Accrued interest	120,310	-	83,908	629	-	-
Accrued payroll	18,470	-	18,323	-	540	853
Derivative financial instruments (Note 39)	2,432	4,032	529	1,874	-	-
Investment subsidies	-	22	-	41	-	-
Other accrued costs and deferred income	38,319	2,071	31,174	4,551	27	67
	179,530	6,124	133,933	7,096	567	920

43. Accounts payable - trade

The caption "Accounts payable - trade" at 31 December 2014 and 2013 was as follows:

	Group		Company	
	2014	2013	2014	2013
Trade payables	183,676	211,202	426	516
Suppliers - invoices for approval	18,406	24,222	-	-
Advances from clients	20,112	11,220	-	-
	222,195	246,644	426	516

44. CO_2 emission licences

In transposing European Parliament and Council Directive 2003/87/CE to internal legal orders, lists of the installations of participants in the trading of emissions and the respective emission licences have been approved by the Portuguese government.

In the period from 2013 to 2020 the Group considered four installations in Portugal annual emission licences corresponding, in the end of 2020, to 25,887,686 tons of CO2, attribute in the first year 3,468,143 tons of CO2 being attributed to it , being gradually reduced in subsequent years.

During the year ended 31 December 2014, CO2 emission licences for the plants Portugal were estimated at 2,950,253 tons (2,749,209 tons of CO2 at 31 December 2013). Of the licences granted 400,000 tons were sold (883,000 tons in 2013), which generated income of 2,468 thousand euros (4,088 thousand euros in 2013) recorded in "Other operating income" (Note 8).

45. Financial assets and liabilities according to IAS 39

The accounting policies in accordance with IAS 39 to financial instruments were applied to following items of the **Group**:

2014	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Financial assets and liabilities at fair value	Total
Assets:					
Cash and cash equivalents	644,573	-	-	79,295	723,868
Accounts receivable-trade	176,075	-	-	-	176,075
Other investments	-	6,281	-	2,564	8,844
Other non-current accounts receivable	35,616	-	-	-	35,616
Other current accounts receivable	41,646	-	-	-	41,646
Other non-current assets	0	-	-	115,175	115,175
Other current assets	3,061	-	-	13,456	16,517
Total assets	900,971	6,281	-	210,489	1,117,741
Liabilities:					
Non-current loans	-	-	4,115,219	-	4,115,219
Current loans	-	-	169,997	-	169,997
Current accounts payables-trade	-	-	222,195	-	222,195
Other non-current accounts payable	-	-	19,425	-	19,425
Other current accounts payable	-	-	108,809	-	108,809
Other non-current liabilities	-	-	2,071	4,032	6,103
Other current liabilities	-	-	177,098	2,432	179,530
Total liabilities	-	-	4,814,813	6,463	4,821,277

2013	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Financial assets and liabilities at fair value	Total
Assets:					
Cash and cash equivalents	640,546	-	-	50,570	691,116
Accounts receivable-trade	207,070	-	-	-	207,070
Other investments	-	11,958	-	1,627	13,585
Other non-current accounts receivable	19,518	-	-	-	19,518
Other current accounts receivable	39,955	-	-	-	39,955
Other non-current assets	281	-	-	5,785	6,067
Other current assets	3,045	-	-	3,822	6,868
Current accrued income	-	-	-	-	-
Total assets	910,416	11,958	-	61,805	984,179
Liabilities:					
Non-current loans	-	-	4,020,399	-	4,020,399
Current loans	-	-	104,870	-	104,870
Current accounts payables-trade	-	-	246,644	-	246,644
Other non-current accounts payable	-	-	21,927	-	21,927
Other current accounts payable	-	-	145,786	-	145,786
Other non-current liabilities	-	-	5,180	1,874	7,055
Other current liabilities	-	-	133,404	529	133,933
Total liabilities	-	-	4,678,211	2,403	4,680,614

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

The following table presents the Group's assets and liabilities measured at fair value as of 31 December 2014 in accordance with the following fair value seniority levels:

- Level 1: the fair value of financial instruments is based on listings on net active markets as of the date of the financial statements;
- Level 2: the fair value of financial instruments is not based on listings on net active markets but rather based valuation models;
- Level 3: the fair value of financial instruments is not based on listings on net active markets but rather on valuation models, the principal inputs of which are not observable in the market.

Category	Item	Level 1	Level 2	Level 3
Assets:				
Financial assets available for sale	Investment fund	1,547	-	-
Financial assets at fair value	Cash and cash equivalents	79,295	-	-
Financial assets at fair value	Financial derivative instruments	-	128,630	-
Financial assets at fair value	Other investments	2,564	-	-
Liabilities:				
Financial liabilities at fair value	Financial instruments derivatives	-	6,463	-

<u>Estimated fair value – assets and liabilities not measured at fair value</u>

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

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

Regarding loans and bonds, as shown in Notes 37, in general, are contracted at variable interest rates, with margins there are estimate to be close to those that possibly could be contracted in 31 December 2014. Consequently, it is understood that the corresponding book value (amortized cost) does not differ significantly from their corresponding market value, except for the fixed interest rate loans contracted in the Brazilian, Argentinian and Paraguayan business areas, the effect of their valuation to fair value in relation to their book value being as follows:

	2014	2013
Fair-Value	1,535,421	988,507
Accounting Value	1,610,066	1,004,696

For the **Company** the accounting policies in accordance with IAS 39 to financial instruments were applied to following items:

2014	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Total
Assets:				
Cash and cash equivalents	404	-	-	404
Accounts receivable-trade	238	-	-	238
Other investments	-	87	-	87
Other non-current accounts receivable	98,000	-	-	98,000
Other current accounts receivable	5,838	-	-	5,838
Other current assets	31	-	-	31
Total assets	104,511	87	-	104,598
Liabilities:				
Current liabilities-trade	-	-	426	426
Other current accounts payable	-	-	4,423	4,423
Total liabilities	-	-	4,848	4,848

2013	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Total
Assets:				
Cash and cash equivalents	341	-	-	341
Accounts receivable-trade	4	-	-	4
Other investments	-	87	-	87
Other non-current accounts receivable	114,500	-	-	114,500
Other current accounts receivable	3,515	-	-	3,515
Other current assets	42	-	-	42
Total assets	118,401	87	-	118,488
Liabilities:				
Current liabilities-trade	-	-	516	516
Other current accounts payable	-	-	17,498	17,498
Total liabilities	-	-	18,014	18,014

46. Notes to the consolidated cash flow statements

Cash and cash equivalents as at 31 December 2014 and 2013 were as follows:

	Group		Company	
	2014	2013	2014	2013
Cash	299	607	-	-
Bank deposits immediately available	297,155	282,552	104	91
Term bank deposits	134,733	77,501	300	250
Marketable securities	212,385	279,886	-	-
	644,573	640,546	404	341
Bank overdrafts (Note 37)	-	(221)	-	-
	644,573	640,326	404	341

The caption "Cash and cash equivalents" comprises cash, deposits repayable on demand, treasury applications, government bonds, deposit certificates and term deposits maturing in less than three months with insignificant risk of change in value. Bank overdrafts include amounts drawn from current accounts with financial institutions.

The caption cash and cash equivalents in the consolidated statement of financial position at 31 December 2014 and 2013 includes, in addition, the amounts of 79,295 thousand euros and 50,570 thousand euros, respectively, corresponding to exclusive funds that do not fully comply with the requirements necessary for them to be recognized as cash and cash equivalents in the Statement of cash flows.

The cash flows of the **Group**'s investing and financing activities in 2014 and 2013 include:

In 2014:

Receipt / payment of loans obtained

- There were taken the following debt refinancing operations:

    - New loans taken: (i) a syndicated loan of 900 million dollars; (ii) an intercompany loan of 345 million euros (Note 37); (iii) an issue of 750 million dollars Senior Notes; (iv) and a bank loan of 200 million dollars. With these operations it was possible to anticipate the payment of bank loans totaling 1,710 million dollars and 510 million euros.

    - It was partially pre-amortized in Cimpor BV, in 30 million USD, Bradesco's financing, initially taken in the amount of 200 million dollars.

    - It was taken in Cimpor Inversiones a new financial loan of 24 million euros with a maturity of 4 years.

Payments relating to financing activities – others

- Payments relating to Others include the payment of dividends to non-controlling interests.

In 2013:

Receipt / payment of loans obtained

- Cimpor Inversiones repaid early several loans contracted from local banks in the amount of 200 million euros, which had significantly shorter lives than the average lives of the liabilities contracted by the Group. In order to cover this refinancing, the company contracted a loan of 200 million dollars with a significantly greater maturity.

- The Argentinian business unit restructured its debt, increasing the proportion of local currency debt (approximately 590,000 thousand pesos) by corresponding decrease in the proportion US dollars (around 100,000 thousand dollars).

- The Paraguayan and South African business units contracted loans of 79 million euros and 46 million euros, respectively.

Payments relating to financing activities – others

- Payments relating to Others include the payment of dividends to non-controlling interests.

The **Company** cash flows regarding investment and financing activities occurred in the years ended 31 December 2014 and 2013, highlight to the following:

Receipts relating to dividends:

	2014	2013
C.C.B. - Cimpor Cimentos do Brasil, Ltda.	-	4
Kandmad - Sociedade Gestora de Participações Sociais, Lda.	900	1,389
Cimpor Egypt For Cement Company, S.A.E.	1	500
	901	1,893

Loans granted to group companies:

	2014	2013
	Amounts received during the year	Amounts received during the year
Cimpor Portugal, SGPS, S.A.	16,500	61,500
Kandmad, SGPS, Lda.	500	1,205
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	-	1,000
	17,000	63,705

Loans obtained

	2013
	Amounts paid during the year
Kandmad, SGPS, Lda.	1,300
Cimpor Indústria de Cimentos, S.A.	28,500
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	500
Mossines - Cimentos de Sines, S.A.	1,200
Betão Liz, S.A.	10,000
Cimpor Portugal, SGPS, S.A.	3,400
	44,900

Other information:

The income tax recovered / (paid) includes the income tax payments made by the Company on behalf of the Portuguese tax group.

47. Related parties

Transactions and balances between Group companies consolidated by the full consolidation method or by the proportional consolidation method were eliminated in the consolidation process and so are not disclosed in this note.

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 at 31 December 2014 and 2013 and transactions for the year then ended between the Group and associated companies and other related parties are detailed below:

	Associated companies		Camargo Corrêa Group	
	2014	2013	2014	2013
Assets:				
Accounts receivable-trade	363	-	124	684
Accounts receivable-other	4	861	1,769	3,921
	368	**861**	**1,893**	**4,606**
Liabilities:				
Suppliers	7	645	100	23
Other loans (Notes 37 and 41)	-	-	768,743	381,900
Accounts payable-other (Note 41)	-	-	6,377	51,371
Other current liabilities	-	-	22,896	8,065
	7	**645**	**798,116**	**441,359**
Transactions:				
External supplies and services	5,044	3,767	-	-
Sales and services rendered	-	-	1,649	7,471
Fixet asset Sales (Notes 8 and 18)	-	-	-	16,000
Other operating costs	-	-	-	9,580
Other operating income	19	19	-	-
Financial expenses, net	-	-	(29,001)	(8,113)
	5,063	**3,786**	**(27,352)**	**24,938**

In addition to the above, the Company's controlling entities gave assurances and pledges of shares as explained in Note 37.

Benefits of the members of the Company's corporate board and executive seniors

Benefits of the members of the Company's corporate board and senior executive during the years ended 31 December 2014 and 2013 were as follows:

Group:

	2014		2013	
	Fixed	Variable	Fixed	Variable
Board of directors:				
Executive directors	284	1,142	592	1,015
Non-executive directors	1,053	-	1,172	-
	1,336	1,142	1,764	1,015
Senior executives	2,473	1,481	2,537	1,491
	3,809	2,622	4,301	2,506
Short-term benefits	3,715	2,622	4,251	2,506
Post employment benefits	94	-	50	-
	3,809	2,622	4,301	2,506

Company:

	2014		2013	
	Fixed	Variable	Fixed	Variable
Board of directors:				
Executive directors	284	1,142	592	1,015
Non-executive directors	1,053	-	1,172	-
	1,336	1,142	1,764	1,015
Short-term benefits	1,145	1,142	1,573	1,015
Post employment benefits	191	-	191	-
	1,336	1,142	1,764	1,015

Balances at 31 December 2014 and 2013 and transactions in such years ended between the **Company** and related parties are detailed below.

Balances:

	2014		
	Accounts receivable	Group companies, accounts receivable (Note 22)	Group companies, accounts payable
Subsidiaries:			
Betão Liz, S.A.	-	-	9
Cement Services Company, S.A.E.	-	32	-
Cimpor - Indústria de Cimentos, S.A.	-	-	1,403
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	231	57	350
Cimpor Portugal , SGPS, S.A.	-	102,629	1,957
Imopar, SARL	-	10	-
Kandmad, SGPS, Lda.	7	1,000	-
	238	103,728	3,719

	2013		
	Accounts receivable	Group companies, accounts receivable (Note 22)	Group companies, accounts payable
Subsidiárias:			
Agrepor Agregados - Extracção de Inertes, S.A.	-	7	-
Betão Liz, S.A.	-	8	22
Cement Services Company, S.A.E.	-	17	-
Cimpor - Indústria de Cimentos, S.A.	-	-	43
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	-	84	329
Cimpor Inversiones, S.A.	-	-	7
Cimpor Portugal , SGPS, S.A.	-	117,427	15,862
Imopar, SARL	-	10	-
Kandmad, SGPS, Lda.	4	-	-
	4	117,553	16,263

Transactions:

	2014			
	Outside supplies and services	Services rendered	Other operating income	Interest income (Note 12)
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	1,759	750	84	-
Cimpor Indústria de Cimentos, S.A.	-	3,000	10	-
Cimpor Portugal , SGPS, S.A.	-	-	-	4,629
Cimpor Trading e Inversiones, S.A.	-	-	1	-
Kandmad, SGPS, Lda.	-	12	-	-
	1,759	3,762	95	4,629

	2013				
	Outside supplies and services	Interest expenses (Note 12)	Services rendered	Other operating income	Interest income (Note 12)
Agrepor Agregados - Extracção de Inertes, S.A.	-	-	-	95	-
Betão Liz, S.A.	10	20	-	94	-
Cement Services Company, S.A.E.	-	-	-	2	-
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	1,913	1	750	665	1
Cimpor Indústria de Cimentos, S.A.	-	139	4,488	1	-
Cimpor Portugal , SGPS, S.A.	-	17	-	-	6,363
Kandmad, SGPS, Lda.	-	7	12	-	-
Mossines - Cimentos de Sines, S.A.	-	17	-	-	-
	1,923	201	5,250	856	6,365

In addition, in 2013 an office building was sold to PARMV Properties - Participações e Empreendimentos, S.A. (a company related to the Camargo Corrêa Group) for 16,000 thousand euros, which is leased to the Group.

48. Auditors fees and services

In the years ended 31 December 2014 and 2013, the fees and services provided by Deloitte to the Company and to the Group were as follows:

	Value		%	
	2014	2013	2014	2013
Cimpor Holding:				
Legal certification of accounts	33	33	2%	2%
Other assurance services	26	-	1%	0%
	59	**33**	**3%**	**2%**
Subsidiaries:				
Legal certification of accounts	1,126	1,117	56%	52%
Other assurance services	623	743	31%	35%
Tax consultancy services	199	197	10%	9%
Other	19	43	1%	2%
	1,967	**2,101**	**97%**	**98%**
	2,026	**2,133**	**100%**	**100%**

49. Subsequent events

Nothing to mention.

50. Financial statements approval

These financial statements were approved and authorized for issuance by the Board of Directors on 26 February 2015 and are subject to approval at the Shareholders' General Meeting scheduled for 25 March 2015.

51. 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

Daniel Proença de Carvalho

Claudio Borin Guedes Palaia

Nélson Tambelini Júnior

Ricardo Fonseca de Mendonça Lima

Albrecht Curt Reuter Domenech

André Pires Oliveira Dias

José Édison Barros Franco

Luiz Roberto Ortiz Nascimento

António Soares Pinto Barbosa

Pedro Miguel Duarte Rebelo de Sousa

III. OTHER CORPORATE INFORMATION DOCUMENTS

Corporate Governance Report 2014

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

Part I – Information on the Shareholder Structure, Organisation and Corporate Governance

A. Shareholder Structure

I. Share Capital Structure

1 Share capital structure

The share capital of Cimpor stands at 672 million euros, and it is fully paid up. It is represented by 672 million ordinary shares, nominative and book entered, each with a par value of one euro. All shares are admitted to trading on Euronext, the regulated market managed by Euronext Lisbon.

The majority of the shares (94.19%) are held by Participações Morro Vermelho, S.A., as described in section 7 below, while ownership of the remaining share capital is dispersed among other shareholders.

2. Restrictions on the transferability of shares

All Cimpor shares are freely transferable, with no restrictions on their ownership provided for in the articles of association.

3. Treasury shares

Cimpor held 5,906,098 treasury shares in portfolio on 31 December 2014 (i.e. 0.9% of the share capital and voting rights). No treasury stock was acquired or disposed of during 2014.

4. Significant agreements containing change of control clauses

There is no significant agreement to which the Company is a party and which, in the event of any change in control of the Company, would automatically come into force, be amended or cease to be effective.

Some debt instruments contracted by subsidiaries of Cimpor, as is market practice, include change of control clauses which envisage the possibility of immediate maturity of the debt, at the discretion of the relevant financial entity.

5. System governing the renewal or withdrawal of defensive measures

There are no measures intended to prevent the success of a takeover bid. There are also no defensive measures, measures in the articles of association or of any other nature that have the effect of limiting the number of votes capable of being held or exercised by a single shareholder individually or in concert with other shareholders, in the event of a shift in control or change in the composition of the management body.

6. Shareholders' Agreements that may lead to restrictions on the transfer of securities or voting rights

As far as Cimpor knows, there were no shareholders' agreements that may result in restrictions on the transfer of securities or voting rights, at 31 December 2014 and on the publication date of this report.

II. Shareholdings and Bonds

7. Qualifying holdings

According to the Statements of Qualifying Holdings received by the Company and in compliance with the rules of imputing voting rights established in the Portuguese Securities' Code, the holders of the referred shareholdings, at 31 December 2014 were as follows:

Shareholders	No. of Shares	% of Share Capital (2)	% of Voting Rights (3)
Participações Morro Vermelho	**632,933,437**	**94.19%**	**94.19%**
Rosana Camargo de Arruda Botelho,Renata de Camargo Nascimento and Regina de Camargo Pires Oliveira Dias w ho, jointly, directly control the company RRRPN - Empreendimentos e Participações, S.A. and individually, respectively, the companies (a) RCABON Empreendimentos e Participações, S.A. and RCABPN Empreendimentos e Participações, S.A.; (b) RCNON Empreendimentos e Participações, S.A. e RCNPN Empreendimentos e Participações, S.A.; and (c) RCPODON Empreendimentos e Participações, S.A. and RCPODPN Empreendimentos e Participações, S.A..	632,933,437	94.19%	94.19%
Throuth the companies RRRPN Empreendimentos e Participações, S.A., RCABON Empreendimentos e Participações, S.A., RCABPN Empreendimentos e Participações, S.A., RCNON Empreendimentos e Participações, S.A., RCNPN Empreendimentos e Participações, S.A., RCPODON Empreendimentos e Participações, S.A. and RCPODPN Empreendimentos e Participações, S.A..	632,933,437	94.19%	94.19%
Through the jointly and directly controlled company, Participações Morro Vermelho, S.A.	632,933,437	94.19%	94.19%
Through the company Camargo Corrêa, S.A. w hich it fully controls	632,933,437	94.19%	94.19%
Through the company Camargo Corrêa Cimentos Luxembourg, S.à.r.l. w hich it fully controls	161,527,515	24.04%	94.19%
Through the company InterCement Participações S.A. controlled	471,405,922	70.15%	94.19%
Through InterCement Austria Holding GmbH w hich it fully controls	471,405,922	70.15%	94.19%
It is imputable to InterCement Austria Holding GmbH, according to the CMVM understanding follow ing the launch of the Public Offer by the former over the total share capital of Cimpor, the sum of the voting rights of the follow ing:			
Participations held by itself	471,405,922	70.15%	70.15%
Camargo Corrêa Cimentos Luxembourg, S.à.r.l. (company of the Camargo Corrêa Group, as above mentioned)	161,527,515	24.04%	24.04%

(1) As per official qualifying shareholdings announcements and other information received by the company
(2) With voting rights
(3) The calculation basis includes the number of ow n shares, i.e. all the shares w ith voting rights, w ith the suspension of the respective exercise being of noconsequence to the calculations (according to the criteria of paragraph b), no. 3 of the article 16 of the Portuguese Securities Code)

8. Shares and bonds held by members of the management and supervisory bodies

There were no changes in 2014 to the number of shares or bonds held by members of the management and supervisory bodies, therefore only Daniel Proença de Carvalho (Chairman of the Board of Directors) holds one Cimpor share.

9. Special powers of the management body

The powers of the Board of Directors are those conferred by the Companies Code, as the management body, with exclusive and full powers of representation of the Company. Such powers give it the responsibility of managing the Company's business activities. It must comply with the decisions of the shareholders or the interventions of the Audit Committee, in those cases required by law or the articles of association.

In addition, pursuant to the Articles of Association[1] approved at the Extraordinary General Meeting of 16 July 2012, the Board of Directors has the powers to:

(i) increase the share capital, by capital contributions in cash, with preferential rights for shareholders, until the share capital attains the amount of one billion euros;

[1] Articles 4 and 5

(ii) issue autonomous warrants on its own securities (which may confer the right to subscribe to or purchase shares of the Company up to the mentioned limit of one billion euros).

The period for which such powers of the Board of Directors may be exercised and the manner of implementing those powers are not mentioned in the company's articles of association. Those terms are governed by law.

In 1995 and 1999, the share capital was increased by incorporation of reserves in the amount of EUR 70 million and EUR 253 million, respectively. These capital increases were performed in accordance with the wording of the articles of association then in force, decided in the General Meeting. No warrants were ever issued.

10. Information on the existence of relevant commercial relationships between the company and shareholders with qualifying holdings

Cimpor or any of the companies it controls does not have any relevant commercial relationships with the shareholders of qualifying holdings or entities related with such shareholders, pursuant to Article 20 of the Portuguese Securities Code, with the exception of some transactions of no financial significance to either of the parties involved, conducted under normal market conditions for similar operations and part of Cimpor’s regular business activity.

B. Governing Bodies and Committees

I. General Meeting

a) Composition of the General Meeting Board

11. Identification of the members of the general meeting board

The Annual General Meeting of 23 May 2013 re-elected the following members of the General Meeting Board until the end of the current term (2012-2014):

General Meeting Board		Date of first appointment
Chairman	Luís Manuel de Faria Neiva dos Santos	11.05.2007
Vice-Chairman	Rodrigo de Melo Neiva dos Santos	13.05.2009

b) Exercising Voting Rights

12. Restrictions on voting rights

The blocking of shares to attend and vote at the General Meeting is not required. Any shareholder holding at least one share may attend and vote, one share carries one vote, at the General Meeting provided they declare such intention in writing to the Chairman of the General Meeting Board and the financial intermediary in which the individual registration account is held, no later than 00:00 of the fifth trading day prior to the date of the General Meeting (this date will be, in any case, indicated in the Notice of Meeting). An e-mail message may be used for this purpose.

Shareholders may be represented by third parties. To that end they must ensure the Chairman of the General Meeting Board receives the necessary instruments of representation, pursuant to the terms and conditions set forth in the relevant Notice of Meeting.

Shareholders holding, in a professional capacity, company shares in their own name on behalf of clients may vote differentially with their shares, provided that, in addition to that required by paragraphs 3 and 4 of Article 23-C of the Portuguese Securities Code, they submit to the Chairman of the General Meeting Board, within the same time limit and using sufficient and proportional means of proof: (a)The identification of each client and the number of shares held to vote on their behalf; (b) The specific voting instructions given by each client for each item on the agenda[2].Cimpor does not establish any mechanisms that have the effect of causing a time lag between the right to receive dividends or to subscribe for new securities and the voting rights of each ordinary share.

Thus according to the articles of association of Cimpor, and as mentioned above, shareholders need only hold one share to attend and vote at the General Meetings of the company, thus complying with recommendation I.1. of the CMVM corporate governance code, version of 2013 (hereinafter "Governance Code"), as regards the incentive to shareholders to attend and vote at the General Meetings of the company. Postal voting, by mail, is also provided for in the articles of association of this company. In view of the number of shareholders and their representatives attending recent General Meetings, the implementation of an electronic voting system makes no sense in practical and economic terms. Therefore, recommendation I.1 of the Governance Code is considered to be complied with.

13. Maximum percentage of voting rights that can be held

According to the Cimpor Articles of Association[3] each share is equivalent to one vote. There are no statutory limits to the maximum percentage of voting rights that can be cast by a single shareholder or by shareholders in any of the relations with the former provided for in Article 20(1) of the Portuguese Securities Code.

14. Shareholder decisions requiring a qualified majority

As stated in the Cimpor Articles of Association[4], the General Meeting shall decide by majority vote, without prejudice to the requirement of qualified majority in the cases established by law.

The rules applying to General Meeting resolutions are those of Portuguese general law (the Companies Code). They do not establish any quorum for calling meetings to order or percentage for the approval of decisions that is higher than that legally provided for, nor is any special system for equity rights envisaged.

II. Management and Supervision

a) Composition

15. Governance model adopted

Cimpor follows the Corporate Governance model commonly referred to as the "one-tier Anglo-Saxon" model, as provided for in the Companies' Code[5]. The governing bodies are, therefore,

[2] Article 23-C(5)
[3] Article 7(2)
[4] Article 11
[5] Article 278(1)

the General Meeting, Board of Directors, including an Audit Committee, and the Statutory Auditor.

16. Statutory rules on procedural and substantive requirements concerning the appointment and replacement of members of the Board of Directors

The Board of Directors is elected by the General Meeting by means of lists of members selected by the proposing shareholder or shareholders (with votes solely cast for lists). The lists are drawn up by shareholders without the intervention of the Company.

The articles of association[6] establish the possibility of one of the members of the Board of Directors being elected from among the persons proposed on lists (containing the name of at least two people eligible for the post) that are endorsed and submitted by groups of shareholders (provided these do not represent less than 10% and no more than 20% of the share capital; and the same shareholder may not endorse more than one list). Should there be such a proposal, the Director in question is elected separately and prior to the election of the others. If more than one group submits a list, they will be voted on jointly.

The articles of association do not establish any specific rules regarding the replacement of members of the Board of Directors. The articles of association only provide for, during the course of a term in office, (ii) the change to the number of members (within statutory limits)[7] and (ii) rules on replacement due to definitive absence[8].

Three successive absences or five absences spread over the course of a term of office from meetings of the Board of Directors by any member of the Board, according to the articles of association[9], without justification accepted by the Board proper, will lead to the Board declaring the respective director to be in permanent absence. Since neither the articles of association nor the Rules of Procedure of the Board of Directors define specific rules for replacement in the event of permanent absence, only the provisions of the Companies Code apply for this purpose[10].

If an extra election is held or substitution occurs, the term of office of the member(s) thus elected shall coincide with that of the other Directors.

In the absences and temporary impediment of the Chairman, the duties of that office shall be performed by the Director sitting on the Board in whom the Chairman has delegated such representation or, if no such director has been designated, then the Director of the Board that is designated by the majority of the other members of the Board. Whatever the case, this Director will be responsible for performing all the duties of the office of Chairman of the Board of Directors at the meeting in question.

The Chief Executive Officer, given the role established for the Appointments and Assessment Committee according to the Rules of Procedure of the Board of Directors, is not permitted, in the event of co-opting, and despite being an ex-officio member, to participate in and vote on resolutions related to the process of selection of non-executive Directors and also vote on resolutions relating to the performance evaluation and the setting of remuneration and respective criteria for the Company's executive Directors, in order to ensure non-interference by the executive Directors in these processes.

[6] Article 12(4)
[7] Article 6(4)
[8] Article 13(3)
[9] Article 13(3)
[10] Article 393

17. Composition of the Board of Directors

The Board of Directors, pursuant to the articles of association[11], is composed of five to fifteen Directors, one of whom is Chairman and the others are members. The members of the governing bodies are appointed for a three-year term of office, and they may be re-elected. The General Meeting elects the Board of Directors and also appoints the Chairman (who holds the casting vote pursuant to the articles of association[12]). The current term of office of the members of the Board of Directors, approved at the Extraordinary General Meeting of 16 July 2012, ended on 31 December 2014. Nonetheless, the members of the governing bodies remain in office until a new decision by the General Meeting.

The Board of Directors was composed of 11 members during the 2014, as indicated in the following table:

Board of Directors		Date of first appointment
Chairman	Daniel Proença de Carvalho	16-07-2012
Members	Claudio Borin Guedes Palaia	26-08-2013
	Nelson Tambelini Junior	26-08-2013
	Ricardo Fonseca de Mendonça Lima	16-07-2012
	Albrecht Curt Reuter Domenech	29-04-2010
	André Pires Oliveira Dias	20-12-2012
	José Édison Barros Franco	29-04-2010
	Luiz Roberto Ortiz Nascimento	20-12-2012
	António Soares Pinto Barbosa	16-07-2012
	José Manuel Neves Adelino	29-04-2010
	Pedro Miguel Duarte Rebelo de Sousa	16-07-2012

José Manuel Neves Adelino resigned from the post on 26 November 2014, as disclosed to the market at that time. Therefore, in accordance with the Portuguese Companies' Code[13] he only ceased to perform his duties on 31 December 2014.

18. Executive and non-executive members and identification of members who can be considered independent

The Board of Directors includes a number of non-executive members, guaranteeing the effective supervision, monitoring and assessment of the activity of the executive members. On 31 December 2014, the majority of the members of the Board of Directors of Cimpor (eight of a total of eleven) were non-executive Directors.

The Executive Committee is composed of Ricardo Fonseca de Mendonça Lima, Claúdio Borin Guedes Palaia and Nelson Tambelini Junior.

The non-executive members of the Board of Directors considered to be independent in compliance with recommendation II.1.7 of the Governance Code are José Manuel Neves Adelino[14], Pedro Miguel Duarte Rebelo de Sousa and António Soares Pinto Barbosa. The proportion of 3 independent directors in a total of 11 is deemed adequate, considering the characteristics of Cimpor, the adopted governance model, the shareholder structure and the limited free float.

[11] Article 12(1) and Article 6(2).
[12] Article 12(3)
[13] Article 404(2)
[14] José Manuel Neves Adelino resigned from the post on 26 November 2014, although he remained in office until 31 December 2014

The assessment of the independence of the members of the Audit Committee meets the criteria established in the Companies Code[15], according to which the independent members of the Audit Committee are the directors José Manuel Neves Adelino[16] and António Soares Pinto Barbosa.

19. Professional qualifications and other relevant curricular information for each of the members of the Board of Directors

The posts currently held and curricula vitae of the members of the Board of Directors are presented in Annex I of this Report.

20. Customary and relevant family, professional or commercial relations

The family relationships between members of the Board of Directors and shareholders to whom a qualifying holding of more than 2% of voting rights is attributable are:

- The director André Pires Oliveira Dias is the son of Regina Camargo Pires Oliveira Dias to whom the shares described in section 7 above are attributable.
- Luiz Roberto Ortiz Nascimento and Claudio Borin Guedes Palaia, hold a family relationship with Renata de Camargo Nascimento.

Luiz Roberto Ortiz Nascimento, Albrecht Curt Reuter, José Édison Barros Franco, André Pires Oliveira Dias, hold professional relationships with the companies listed in item 7, as indicated in the CV presented in Annex I.

The members of the Board of Directors do not maintain significant commercial relations with shareholders of qualifying holdings greater than 2%.

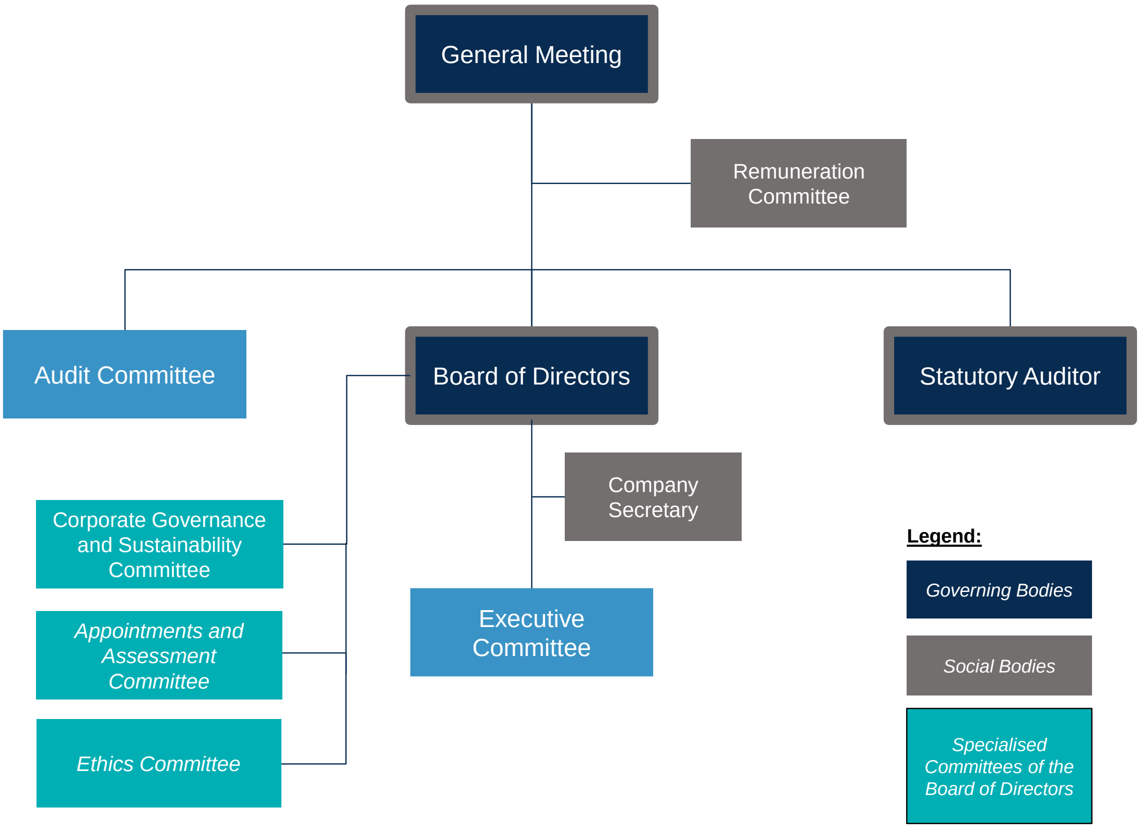
21. Division of powers

21.1. Organisational chart relative to the division of powers between the different bodies and committees

The division of powers between the different bodies and committees of Cimpor are shown in the following organisational chart:

[15] Article 414(5) of the Companies' Code.

[16] José Manuel Neves Adelino resigned from the post on 26 November 2014, although he remained in office until 31 December 2014



21.2. Delegation of the Board of Directors in its Executive Committee

The Board of Directors has delegated the powers relating to the day-to-day management of the Company in an Executive Committee composed of three of its members, reserving for itself the key decisions.

Hence, pursuant to law[17], the Rules of Procedure of the Board of Directors and the delegation of powers of the Board of Directors, the following matters are reserved for the plenary meeting of the Board of Directors:

- The appointment by co-option of directors to fill any vacancies that may occur;
- Convene General Meetings;
- Approve the annual reports and accounts, the sustainability report as well as quarterly and half-year management reports;
- Approve the budget and annual business and financial plans as well as three-year business plans, including the investment plan;
- Decide on the provision of bonds and personal or real guarantees by the Company;
- Decide on the change of headquarters and capital increases pursuant to the articles of association;

[17] Portuguese Companies' Code.

- Decide on company merger, split and transformation operations to be submitted to the General Meeting;
- Appoint the Company Secretary and substitute;
- Approve the Company's strategy and general practices;
- Approve Cimpor's business structure;
- Approve rules of procedure, rules of general application and of an ethical nature, and amendments to the Rules of Procedure of the Board of Directors;
- Approve the Financial Policy of Cimpor, and other instruments of a strategic nature;
- Take decisions that must be considered strategic due to the amounts or risk involved, or their special nature, and which may include the following:
  - The acquisition of equity holdings or physical assets: (i) outside of the context of the main business activity of Cimpor, (ii) in countries where the Group does not yet operate, or (iii) of value, per acquisition operation, exceeding ten million euros;
  - The sale of equity holdings or physical assets exceeding five million euros in value per transaction;
  - The undertaking of development investments envisaged in the budget previously approved by the Board of Directors, exceeding fifteen million euros in value;
  - The undertaking of development investments not envisaged in the budget previously approved by the Board of Directors, exceeding five million euros in value per investment operation and twenty five million euros in annual accrued total;
  - The granting of credit to customers where such credit exceeds five million euros in value per customer;
  - Undertaking financial operations that do not comply with the Financial Policy approved by the Board of Directors.
- Deciding on the issue of preferred shares without voting rights and autonomous warrants on its own securities and subordinated bonds or debentures or other debt securities permitted by law;
- Appoint the director who shall act as Chairman in the absence or impairment of the designated chairman.

The Executive Committee may decide, whenever necessary in the defence of the interests of the company, on any matters that may not have been delegated and there is no possibility of convening the Board of Directors in time, provided it has, through the Chairman of the Board of Directors, referred the matter in advance to all the members of the Board and obtained a consensual opinion from most of these.

The Executive Committee shall submit to the Board of Directors for approval any matters concerning any business, commitments, contracts, agreements and conventions to be concluded by Cimpor, or any company of the group or with which it is in a control relationship, with shareholders owning 2% or more of the share capital of Cimpor (or with parties related to such shareholders in any of the forms established in the Portuguese Securities' Code[18]), except when, considering the nature or monetary value involved, those matters may be considered day-to-day interests or encompassed in the business of the Company, and provided no special advantage is granted the holder of the qualifying shareholding or the related party.

21.3. Disclosure Duties of the Executive Committee

The following procedures have been adopted to ensure that all members of the Board of Directors are made aware of the decisions taken by the Executive Committee:

- The minutes of the Executive Committee and the notices convening the meetings are made available to the members of the Board of Directors;
- At meetings of the Board of Directors, the Executive Committee shall regularly summarize the significant aspects of the business undertaken since the previous meeting;
- The Executive Committee also provides to members of the Board of Directors the clarifications and additional or supplementary information that they may request;
- The executive directors provide the information requested from them by the members of the governing bodies, in good time and a manner appropriate to the information request made;

21.4. Powers of the Chairman of the Board of Directors

The responsibilities of the Chairman of the Board of Directors are:

- Coordinate the activity of the Board of Directors;
- Convene the Board of Directors, determine the agenda of the meetings, preside over discussions and decide on all matters concerning how it operates. The Chairman will also convene the Board whenever such is requested by two or more Directors and will include on the agenda the items that such Directors shall request for inclusion;
- Foster communication between the Company and all its stakeholders;
- Monitor and consult with the Executive Committee on the performance of the powers delegated in the latter;
- Contribute to the effective performance of duties and powers by the non-executive Directors and the Internal Committees of the Board of Directors;
- Have the casting vote.

The Chairman of the Board of Directors does not perform an executive role, though he may perform such a role in exceptional circumstances following specific resolution of the Board of Directors.

In the absence or temporary impediment of the Chairman, the duties of that office shall be performed by the Director sitting on the Board in whom the Chairman has delegated such representation or, if no such director has been designated, then the Director that is designated by the majority of the other members of the Board. Whatever the case, this Director will be responsible for performing all the duties of the office of Chairman of the Board of Directors at the meeting in question.

[18] Article 20

21.5. Powers of the Chief Executive Officer

The responsibilities of the Chief Executive Officer are:

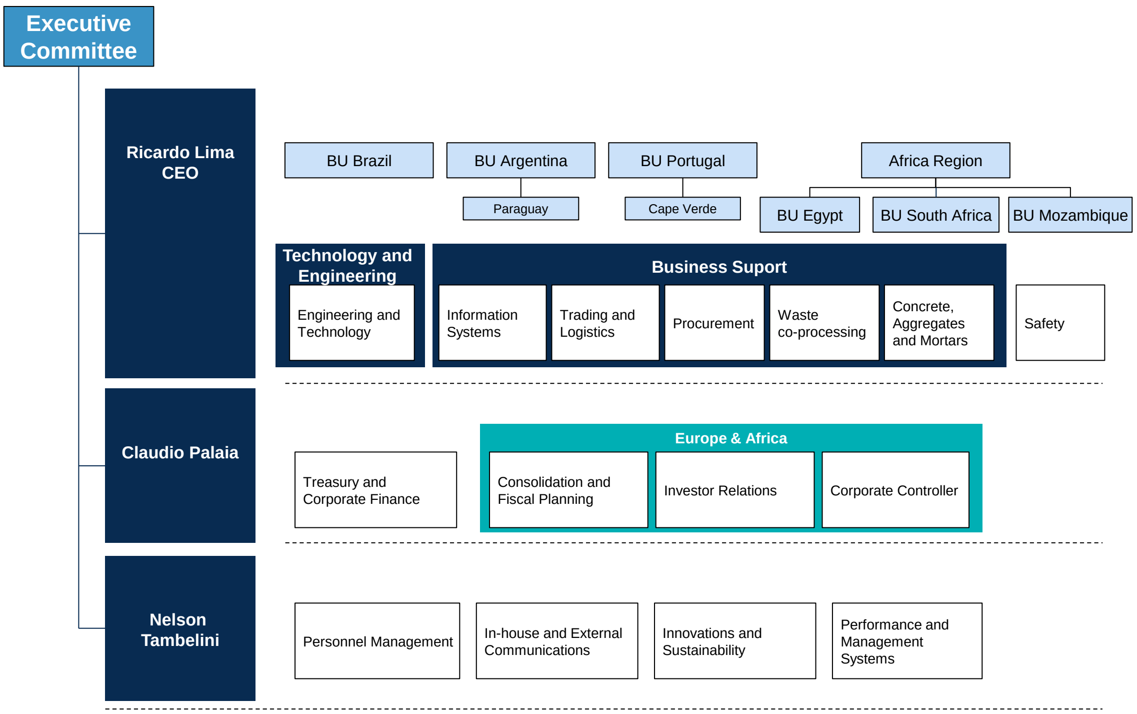
- Represent the Executive Committee;
- Convene and preside over meetings of the Executive Committee;
- Coordinate the activities of the Executive Committee, distributing among its members the preparation or monitoring of the matters that should merit the appraisal or decision by the Executive Committee;
- Propose to the Board of Directors the list of management matters that each member of the Executive Committee should have specific responsibility for;
- Act to ensure the correct implementation of the resolutions of the Executive Committee.

The Chief Executive Officer must also, besides the above-described duties:

- Ensure that all information concerning the activities and decisions of the Executive Committee is provided to the other members of the Board of Directors;
- Ensure compliance with the limits of the delegation of powers, the Company's strategy and the duty of collaboration with the Chairman of the Board of Directors.

21.6. Division of areas of responsibility on the Executive Committee

Notwithstanding the collective exercise of duties delegated in the Executive Committee, each of its members has been specifically entrusted with the responsibility of supervising certain matters, as shown in the following chart.



The Executive Committee of Cimpor, an InterCement company, has the support of all the professionals of its subsidiaries and of InterCement Participações. This support is provided from a perspective of articulated and coordinated management between different areas to ensure maximum efficiency in the capture of synergies, particularly in the areas of business support, which include, in addition to those presented above, the Legal, Risk Management and Audit and Strategic Intelligence areas.

Business Units

Cimpor is structured in Business Units, corresponding to the countries where it operates, as shown above.

The various activities in each Business Unit are grouped by product, been the core business is the production and sale of cement.

Cimpor's holding company is responsible for the strategic development and overall management of all the different Business Units and Support Units. It is also responsible for the Investor Relations area.

Each of the above-mentioned Business Units is coordinated by a General Manager, who sits on the management bodies of the major companies located in the respective countries, reporting directly to the CEO.

The organisational model of each Business Unit is adapted to the business' characteristics and conditions and the country's legal system. The aim is to take advantage of possible synergies and benefits arising from more favourable financial and tax frameworks. The organisational model in each country follows a standardised template with small adjustments according to national needs, and it comprises the development of the businesses, under the responsibility of the General Manager of the country, through Industrial, Commercial, Concrete and Aggregates, and Finance and Shared Services responsibilities.

Each Business Unit operates on principles of management autonomy, especially for current and operational management matters, under a system of planning and control conducted by the holding company. The most important decisions, e.g. those that exceed specific values or that have greater impact on profits or on Cimpor's strategic development - must be approved or ratified by the Board of the holding company. This also applies to decisions or actions that, when dealt with at Cimpor level, enable significant synergies to be generated.

The structure and composition of the management and supervisory bodies of the subsidiaries of Cimpor obey the relevant laws and regulations of the respective jurisdiction.

Business Support

The units with Business Support duties identified in the functional chart above, support the business activity of Cimpor by providing technology and specialised technical assistance and allowing them to benefit from economies of scale and sharing best practices across Cimpor. The delegations in the Executive Committee are partly made operational by using middle management platforms with specific roles such as those for Engineering and Technology, Business Support, and Europe and Africa Finance. The Europe and Africa CFO, Armando Sérgio Antunes da Silva, coordinates the work in the areas of Consolidation and Tax Planning, Corporate Controller and Investor Relations.

21.7. Specialised Committees of the Board of Directors

21.7.1. *Corporate Governance and Sustainability Committee*

This Committee has the function of assisting the Board of Directors on matters of corporate governance and standards of conduct, as well as in the areas of sustained development and social responsibility of Cimpor. It is responsible for[19]:

- The evaluation of the corporate governance model, principles and practices of the Company and the relevant subsidiaries of Cimpor (as may be determined by the Board of Directors and referred to hereinafter as "Relevant Subsidiaries"), in order to seek its constant improvement and submit proposals to that end to the Board of Directors, which encompass in particular the functioning and powers of the Board of Directors and its internal committees and their articulation with the other governing bodies and management structures, as well as the prevention of conflicts of interest and information discipline;
- The definition of the guidelines of the policies that ensure the sustained development of the Company and Cimpor, fostering social responsibility and environmental protection;
- The definition, collaboration in the implementation and supervision of compliance with standards of conduct appropriate to the adherence to strict ethical and moral principles, in the performance of the duties attributed to the members of the governing bodies and employees of Cimpor;
- The improvement and update of the Rules of Procedure on Irregularities' Reporting and the Code of Ethics adopted by Cimpor, submitting proposals in this regard to the Board of Directors, whenever such is deemed necessary;
- The coordination of the drafting of the annual report on the governance of the Company in the areas of its responsibility and the presentation of proposals to the Board regarding the statements to be included in that report concerning the effectiveness of the adopted governance model, the standards of conduct and the internal control and risk management systems;
- The presentation of proposals to the Board relative to the adoption of the measures to ensure the Company complies with legal and regulatory requirements, recommendations and good practices, applying at any time to matters of corporate governance, standards of conduct and social responsibility and sustainability standards.

21.7.2. *Appointments and Assessment Committee*

The duties of the Appointments and Assessment Committee are, inter alia, and in accordance with the Rules of Procedure of the Board of Directors[20], are to assist the Board in the following matters:

a) Occupancy of positions vacated on the Board of Directors, pursuant to law and the articles of association;

b) Monitoring the procedures for the selection and appointment of senior management of the Company and Relevant Subsidiaries and the members of the governing bodies of Relevant Subsidiaries, informing the Board of Directors on such processes;

[19] Article 18 of the Rules of Procedure of the Board of Directors
[20] Article 19.

c) Annual process of assessment of the overall performance of the Board of Directors and its Internal Committees, as well as the annual assessment of the members of the Executive Committee of the Company, consulting with the relevant Chairman on such;

d) Drawing up opinions to be submitted to the Remunerations Committee for the process of defining the remuneration of members of the Executive Committee.

It is also responsible for, in the performance of its duties referred to in sub-paragraphs (a) to (b) above:

- Keeping up-to-date information on the qualifications, knowledge, professional experience and independence necessary to perform the duties of director of the Company;
- Assisting the Board of Directors and the Executive Committee in the approval and implementation of the succession plan for members of the boards of directors and senior management of the Company and the Relevant Subsidiaries;
- Whenever deemed necessary, it will draw up a reasoned opinion for the purpose of co-option or appointment of members of the Board of Directors, identifying the parties and/or persons that, in its view, have the most appropriate profile for the performance of a specific job.

It is also responsible for, in the performance of its duties referred to in sub-paragraphs (c) and (d) above:

- Proposing to the Board of Directors the criteria to be used in the evaluation process, on an annual basis and per term of office;
- Proposing to the Remuneration Committee the criteria to be used for determining the variable remuneration on an annual basis and per term of office, in particular the individual performance goals after, in this latter case, consulting the Chief Executive Officer;
- Proposing or issuing an annual opinion to the Board of Directors and the Remuneration Committee, as applicable, on the remuneration policy and remuneration principles of the management and supervisory bodies and other managers of the Company, and an opinion on the annual statement submitted to the General Meeting in this regard.

When performing the functions and duties referred to above, the Appointments and Assessment Committee should also make any proposals to the Board of Directors and the Remuneration Committee, as applicable, it deems necessary for the purposes of the Company's compliance with legal and regulatory requirements, recommendations and good practices in matters of appointments and remuneration, applying at any time.

21.8. Supervisory Bodies

21.8.1. *Audit Committee*

The responsibilities of the Audit Committee are those mentioned in sections 37 and 38 below.

21.8.2. *Statutory Auditor*

The Statutory Auditor is responsible, pursuant to the Portuguese Companies Code[21], for checking the accounting books and records and the supporting documents thereto, and,

[21] Article 420(1) sub-paragraphs (c), (d), (e) and (f) and article 446.

whenever such is deemed appropriate and in the manner deemed suitable, verify the extent of cash and the stocks of any kind of goods or assets belonging to the Company or received by it as security, deposit or under any other form, as well as the accuracy of the accounts. It also checks that the accounting policies and the valuation criteria adopted by the Company result in a correct evaluation of the assets and profits.

The Statutory Auditor is also responsible, as external auditor and in the scope of its powers, for checking the implementation of the remuneration policies and systems, the effectiveness and functioning of the internal control mechanisms and the reporting of any defects to the Audit Committee.

21.9. Ethics Committee

In March 2013, the Corporate Governance and Sustainability Committee approved a proposal from the Executive Committee for the creation of the Ethics Committee with dual reporting to the Corporate Governance and Sustainability Committee and the Audit Committee. This Committee is responsible for assessing all matters relating to this area and for implementing the adoption of the New Cimpor Code of Conduct. It had the following members on 31 December 2014:

José Manuel Neves Adelino (Chairman)

José Édison Barros Franco

Gueber Lopes (Remuneration Committee)

Nelson Tambelini Junior (Director responsible for the Human Resources area)

Ricardo Fonseca de Mendonça Lima

The powers of this committee are presented in section 49 below.

b) Functioning

22. Existence of rules of procedure and where to consult them

The rules of procedure of the Board of Directors can be viewed at www.cimpor.com, and at the registered office of the Company.

23. Number of meetings held and attendances

The Board of Directors met 8 times during 2014. None of its members were absent without approved reason: Luiz Roberto Ortiz Nascimento attended 63% of the meetings, Albrecht Curt Reuter Domenech and Pedro Rebelo de Sousa attended 75% of the meetings held and Ricardo Lima attended 88% of the meetings held in 2014. The other members of the Board of Directors were not absent on any occasion, which represents an attendance record of 100%.

The Executive Committee of the Board of Directors of Cimpor met 12 times in 2014. As there were no absences that were not approved, the attendance percentage was as follows, Ricardo Lima (Chairman) 83%; Cláudio Palaia and Nelson Tambelini attended all the meetings held.

24. The competent company bodies for conducting the assessment of the performance of executive directors

The Appointments and Assessment Committee and the Chief Executive Officer are responsible for the performance assessment of the members of the Executive Committee. This assessment is based on criteria that are as objective and transparent as possible, in order to allow comparison with the main non-financial companies listed on Euronext Lisbon and with a group of cement companies comparable to Cimpor in terms of size and geographical distribution.

Despite the Chief Executive Officer being a member of the Appointments and Assessment Committee, he is precluded from voting on resolutions related to performance assessment, the criteria for determining the remuneration of Company's executive directors, and of course for himself, thereby ensuring his independence.

25. Criteria for assessing the performance of the executive directors

The criteria for assessing the performance of the executive Directors are divided into three categories:

- Individual and collective criteria: In this context, it is intended that there is greater appreciation of collective criteria over individual criteria, taking into consideration the number of executive directors of Cimpor and the allocated areas of responsibility;
- Company profitability criteria and creating value for shareholders: These criteria include indicators of growth and sector comparability (value creation and the relative performance of the return on assets, compared with the Sector Peer Group - companies of size and geographic distribution comparable with Cimpor);
- Qualitative management criteria: These criteria focus on and support an individual and collective qualitative assessment of the executive Directors.

The combination of these three vectors ensures alignment with the interests of shareholders, adequate incentive of management performance, the pursuit of real growth of the company, the creation of wealth for the shareholders, as well as the long-term sustainability of the Company.

26. Availability of each member of the Board of Directors indicating the posts simultaneously held in other companies and other relevant business conducted during the financial year

The curricula vitae of the members of the Board of Directors are presented in Annex I of this Report.

c) Committees within the Board of Directors

27. Committees created within the Board of Directors and location for consulting the respective rules of procedure

There are four committees within the Board of Directors: Executive Committee, Audit Committee, Corporate Governance and Sustainability Committee and the Appointments and Assessment Committee.

In addition to the laws and regulations applying to commercial companies, companies with share capital open to public investment and the securities markets, the functioning of the Company's bodies is governed by the provisions of the articles of association, Rules of Procedure of the Board of Directors and the Rules of Procedure of the Audit Committee, which can be viewed at www.cimpor.com.

27.1. Executive Committee

The composition of the Executive Committee is described in section 28. Further information regarding the Executive Committee can be found in section 21 above.

27.2. Audit Committee

The composition of the Audit Committee is described in section 31. Further information regarding the Audit Committee can be found in sections 21 and 30, below.

27.3. Corporate Governance and Sustainability Committee

The committee has between three and seven non-executive directors, at least one of whom must comply with the criteria of independence applicable to the members of the Board of Directors.

The Corporate Governance and Sustainability Committee, by resolution of the Board of Directors of 16 August 2012, comprises three directors, all non-executive: These being:

- Daniel Proença de Carvalho (Chairman)
- José Manuel Neves Adelino (Independent)
- Albrecht Curt Reuter

Further information regarding the Corporate Governance and Sustainability Committee can be found in section 21.7.1 above.

27.4. Appointments and Assessment Committee

The Appointments and Assessment Committee has between two and six non-executive directors, at least one of whom must comply with the criteria of independence applying to members of the management body. The Chief Executive Officer is an ex-officio member of this committee.

The Chief Executive Officer, despite being an ex-officio member of the Appointments and Assessment Committee, is not permitted according to the Rules of Procedure of the Board of Directors[22], to participate in and vote on resolutions related to the process of selection of non-executive directors and also vote on resolutions relating to the performance evaluation and the setting of remuneration and respective criteria for the Company’s executive directors.

The Appointments and Assessment Committee, by resolution of the Board of Directors of 16 August 2012, is composed of four directors, one of whom is an independent non-executive director:

- Albrecht Curt Reuter (Chairman)
- José Édison Barros Franco
- Pedro Miguel Duarte Rebelo de Sousa (Independent)
- Ricardo Fonseca de Mendonça Lima (Chief Executive Officer, ex-officio member)

Further information regarding the Appointments and Assessment Committee can be found in section 21.7.2 above.

28. Members of the Executive Committee

The Executive Committee comprised the following Directors on 31 December 2014:

- Ricardo Fonseca de Mendonça Lima (Chief Executive Officer)

[22] Article 19(5)

- Claudio Borin Guedes Palaia
- Nelson Tambelini Junior

29. Powers of each of the committees created and overview of the activities undertaken in the exercise of those powers

The powers of each of the committees created in the Board of Directors are explained in section 21 above.

The activities developed by these committees in 2014 complied with the powers assigned them, as presented in section 27.

The Corporate Governance and Sustainability Committee met once, the Appointments and Assessment Committee also met once and the Executive Committee met 12 times during 2014. Minutes were drawn up for all the meetings.

III. Supervision

a) Composition

30. Identification of the supervisory body

An Audit Committee composed of three members elected by the General Meeting is responsible for the supervision of the Company, according to the articles of association[23]. One of those three members shall be its chairman.

Moreover, the articles of association state that the examination of the company's accounts is the responsibility of a Statutory Auditor elected by the General Meeting, on proposal from the Audit Committee.

31. Members of the Audit Committee

In accordance with section 30. (above) the Audit Committee is composed of three members elected by the General Meeting, one of whom shall be its chairman. The members of the Audit Committee are appointed jointly with the other members of the Board of Directors. The lists for voting on must specify the members intended to occupy positions on the Audit Committee and indicate the proposed chairman. If the General Meeting does not indicate the Chairman of the Audit Committee then such will be appointed by the committee members themselves.

The current term of office of the Audit Committee coincides with that of the other members of the Board of Directors, elected at the Extraordinary General Meeting of 16 July 2012 and ending on 31 December 2014. The members are as follows:

Audit Committee		Date of first appointment
Chairman	José Manuel Neves Adelino (1)	16-07-2012
Members	António Soares Pinto Barbosa (1)	16-07-2012
	José Édison Barros Franco	16-07-2012

(1) Independent member.

[23] Article 18

José Manuel Neves Adelino resigned from the post on 26 November 2014, as disclosed to the market at that time. Therefore, in accordance with the Portuguese Companies' Code[24] he only ceased to perform his duties on 31 December 2014.

32. Identification of the independent members of the Audit Committee

According to the respective self-assessment, the incompatibility rules and independence criteria established in the Portuguese Companies' Code[25] are complied with by two of the three members of the Audit Committee, as mentioned in section 18 above.

33. Professional qualifications of the members of the Audit Committee

The posts currently held and curricula vitae of the members of the Board of Directors currently sitting on the Audit Committee are presented in Annex I of this Report, in accordance with section 19 above.

b) Functioning

34. Location for consulting rules of procedure

The rules of procedure of the Audit Committee can be viewed at www.cimpor.com, as indicated in section 27 herein.

35. Number of meetings held and attendance of members

The Audit Committee met 6 times during 2014. All its members attended every single meeting.

36. Availability of each member of the Audit Committee indicating the posts simultaneously held in other companies and other relevant business conducted during the financial year

The members of the Audit Committee provided the availability required for the exercise of their duties in 2014. The information on posts held simultaneously in other institutions is made available in Annex I to this report.

c) Powers and duties

37. Description of the procedures and criteria for the supervisory body to commission additional services from the external auditor

Services other than audit services are contracted under special authorisation granted by the Audit Committee at the request of the management, based on the comparative advantage of the services provided, namely through the gains arising from knowledge already in place of Cimpor's companies, structures and operations arising from its position as auditor.

To safeguard the independence of these entities, the acquisition from them of any type of service that may jeopardize such independence is expressly forbidden, namely:

- Accounting and administrative services, such as book-keeping, the preparation of financial statements and reports, the processing of salaries and the preparation of tax returns;

[24] Article 404(2)
[25] Article 414-A(1) and Article 414(5) of the Portuguese Companies' Code.

- Conception, design and implementation of management information systems;
- Assessment of assets or liabilities that may be recorded in Cimpor's financial statements;
- Internal auditing services;
- Legal consultancy services requiring the entities in question to represent any of Cimpor's companies to resolve litigation and disputes with third parties;
- Recruitment and selection of senior staff.

In addition, the acquisition of services from the external auditor or entities belonging to its "network", both in Portugal and in the countries where Cimpor operates, must comply with a set of rules established by the holding company and communicated to all Cimpor companies. And so, besides prohibiting the contracting of the aforementioned services, the following must be emphasized:

- The entities in question must, without fail, demonstrate the ability, credentials, resources and comparative advantages in relation to third parties, with respect to the provision of the services in question;
- Proposals to render services submitted by those entities are analysed and assessed, and compared (whenever possible) to the market, by the person in charge of the area (or company) requiring the service, and subsequently, depending on the amount of the proposal, by the Director of the respective area of responsibility or the Executive Committee responsible for deciding whether or not to award the contract.

38. Other duties of the supervisory bodies and, if applicable, the Financial Matters Committee

The Audit Committee is responsible for, notwithstanding the other powers assigned it by law and the articles of association, in accordance with the rules of procedure of the Audit Committee[26], monitoring and supervising the management of the Company, ensuring compliance with the law and the articles of association, including:

- Check whether the accounting policies and valuation criteria adopted by the company lead to a correct assessment of the assets and profits;
- Monitor and supervise the correct implementation of accounting principles and standards in force, in liaison with the internal audit activity, the Statutory Auditor and the External Auditor, collecting the necessary information and fostering the exchange of relevant information;
- Supervise the effectiveness of internal procedures for accounting and auditing, as well as the systems of internal control, compliance and risk management, if any. Meet with the Executive Committee and relevant operational managers of the areas to discuss annual work plans and their implementation;
- Analyse monitoring and internal audit reports and the responses of the Executive Committee;
- Analyse and check the accuracy of the Company's financial information, supervising its preparation and disclosure processes;

[26] Article 2(2)

- Propose to the General Meeting the appointment of the Company's Statutory Auditor and substitute;
- Monitor and assess the activity of the Statutory Auditor, checking its independence, particularly where the provision of additional services are concerned;
- Supervise the audit of the Company's financial statements and documents;
- Receive and process reports of financial and accounting irregularities submitted by shareholders, company employees or others, recording the steps taken and the results thereof;
- Propose measures to the Board of Directors intended to improve the functioning of the internal control systems for financial reporting, internal auditing, compliance and risk management, as well as the procedures relating to the receipt and processing of complaints regarding financial and accounting irregularities;
- Prepare a report every year on its supervisory activities and assess and give an opinion on the report, accounts and proposals submitted by the management;
- Convene the General Meeting when the chairman of the respective Board does not do so when such is required;
- Give a prior opinion on business of significant relevance, in the terms defined by the Audit Committee following proposal by the Board of Directors, to be concluded between holders of qualifying holdings or entities related thereto and Cimpor or any company with which it is in a control or group relationship;
- Perform the other duties established by law or by the Company's Articles of Association.

According to the above-referred Rules of Procedure[27], it represents the Company before the external auditor, for all purposes, and it is especially responsible for:

- Proposing the hiring, renewal of the contract and remuneration of the external auditor, promoting and undertaking the respective selection process;
- Ensuring that the external auditor is afforded adequate conditions for the provision of services to the Company and the companies with which it is in a group or control relationship;
- Ensuring the personal and professional independence of the External Auditor, particularly as regards the process of prior approval of other services to be provided to Cimpor outside the scope of the audit;
- Annually monitor and assess the performance of the Company's External Auditor, namely through prior discussion of the minutes and reports of the audit of the accounts and opinion on the internal control system, as well as the regular reports on the development and provisional or final findings of the audit work audit. It shall annually assess and propose the dismissal to the General Meeting, whenever there is just cause for such.
- Examine and approve the annual audit planning proposal for the company's accounts to be undertaken by the External Auditor;
- Define internal quality control procedures for the external auditor.

This Committee is also responsible for that referred to in section 37 above.

[27] Article 2(3)

The Audit Committee can also, as part of its duties:

- Check the accuracy of the Company's financial statements and documents;
- and contract the provision of expert services to assist one or more of its members in the exercise of their duties. Such hiring and remuneration of experts must take into account the importance of the matters committed to them and the financial situation of the company.

IV. Statutory Auditor

39. Identification of the statutory auditor

CIMPOR's Statutory Auditor is currently Deloitte & Associados, SROC, S.A., represented by Carlos Alberto Ferreira da Cruz since May 2013.

40. Indication of the number of years in which the statutory auditor consecutively performs duties for the company and/or group

Deloitte & Associados, SROC, S.A. has performed the role of statutory auditor of Cimpor since 2001, therefore for 13 years.

41. Description of other services provided by the statutory auditor to the company

The statutory auditor of Cimpor also performs the role of external auditor of this Company. See section 46 below for more information about the services provided.

V. External Auditor

42. Identification of the external auditor

The external auditor of Cimpor is Deloitte & Associados, SROC, S.A., registered in the CMVM under number 43 and represented by its partner Carlos Alberto Ferreira da Cruz, holding professional registration number 1146.

43. Indication of the number of years in which the external auditor consecutively performs duties for the company and/or group

Deloitte & Associados, SROC, S.A. has been providing services to Cimpor and its subsidiaries for 13 consecutive years. In 2007, six years since the beginning of the provision of those services, a new partner was appointed to oversee or directly implement the referred services. The General Meeting approved in 2013 the proposal, duly substantiated, of the Audit Committee to reappoint Deloitte & Associados, SROC, SA. The partner responsible was also changed, and it is now Carlos Alberto Ferreira da Cruz.

44. Policy and rotation frequency of the external auditor

Deloitte & Associados, SROC, S.A. has provided external audit services to Cimpor under services contracts since 2001.

The draft resolution of the General Meeting to keep the external auditor for a period exceeding three terms of office is accompanied with specific opinion of the supervisory body, specifically appraising the independence conditions of the auditor and the advantages and costs of its replacement.

45. Assessment of the external auditor

The Audit Committee is responsible for annually assessing the external auditor, in accordance with its rules of procedure[28].

46. Identification of work other than audit performed by the external auditor for the company and/or companies with which it is in a control relationship, as well as an indication of internal procedures for approval of hiring such services, and indicating the reasons for their hiring

The work other than audit work performed by the external auditor for the company and/or companies with which it is in a control relationship are focused on Tax Advisory Services. The other work in this context were scattered throughout the different countries where Cimpor operates, and was not, as a whole, of material value or significance.

The approval for hiring these services complied with the procedures and criteria set out in section 37 above. Moreover, the authorisation duly granted by this Committee for the recruitment of services other than audit services from Deloitte, identified above and justified by the competitive advantage of this service provider, mainly owing to the gain from knowing the business and companies of Cimpor, structures and operations arising from its position as auditor.

47. Annual remuneration paid to the auditor and other natural or legal persons belonging to the same network and breakdown of the percentage relative to the following services

In 2014, the total cost of services rendered to Cimpor and its subsidiaries by its external auditor (Deloitte & Associados, SROC, S.A.), including all natural or legal persons belonging to its “network” (as set forth in European Commission Recommendation no. C (2002) 1873 of 16 May), amounted to EUR 2.03 million, broken down in the following percentages:

[28] Article 2(3)(c)

By society*	€ thou.	%
Amount of the certification of accounts services (€)	33	56%
Amount of assurance services (€)	26	44%
Amount of tax consultancy services (€)	0	0%
Amount of services other than certification of accounts (€)	0	0%
By entities within the group*		
Amount of the certification of accounts services (€)	1.126	57%
Amount of assurance services (€)	623	32%
Amount of tax consultancy services (€)	199	10%
Amount of services other than certification of accounts (€)	19	1%
Consolidated Total		
Amount of the certification of accounts services (€)	1.159	57%
Amount of assurance services (€)	649	32%
Amount of tax consultancy services (€)	199	10%
Amount of services other than certification of accounts (€)	19	1%

**Including individual and consolidated accounts*

C. Internal Organisation

I. Articles of Association

48. Rules applying to amendments of the articles of association

The articles of association can be amended pursuant to applicable legislation[29]:

- So that the General Meeting may take a decision to amend the articles of association on its first notice to convene, the shareholders attending or represented at the Meeting must hold at least one-third of the share capital. On the second notice to convene, the General Meeting may take decisions regardless of the number of shareholders attending or represented and the capital they represent. [30]

- Decisions to amend the articles of association have to be approved by a minimum of two-thirds of the votes cast, irrespective of whether the General Meeting is convened at the first call or the second call, unless, in the latter case, the shareholders attending or

[29] The rules described herein also apply to cases of merger, spin-off, transformation and winding up of the company, or other matters for which the law requires a qualified majority, without specifying such.
[30] Article 383(2) and (3) of the Portuguese Companies' Code.

represented at the Meeting hold at least half of the share capital, in which event such decisions may be approved by simple majority of the votes cast. [31]

II. Reporting irregularities (Whistleblowing)

49. Means and policy for reporting irregularities

The Audit Committee - without prejudice to the powers of the Corporate Governance and Sustainability Committee – is responsible for receiving and processing irregularity reports as well as monitoring and supervising the entire system, in particular the respective levels of adequacy and effectiveness.

The policy of Cimpor for reporting irregularities, embodied in the Ethics Line, Operation Manual of the Ethics Line and Code of Business Conduct, is disseminated among all employees of Cimpor, generally identifying the different types of irregularities and establishing a set of rules and procedures related to their handling.

These irregularities are analysed in the light of the provisions of laws and regulations, the articles of association, the recommendations applying at any time and the principles and rules of the Code of Business Conduct adopted by Cimpor.

The Code of Business Conduct establishes the standards and principles that should guide behaviour in relationships with different audiences: ethics, legal, respect for others, reject any form of discrimination, stimulate personal and professional development, and social, environmental and cultural responsibility, among others.

The Ethics Committee is responsible for managing the implementation of the Code of Business Conduct, with double reporting to the Corporate Governance and Sustainability Committee and the Audit Committee, and it is responsible for appraising all issues relating to this matter.

The Ethics Committee is advised by the Audit and Risk Management area, which ensures the implementation and Monitoring of the Irregularities' Reporting Policy and Code of Conduct in all Business Units of Cimpor and among the different various stakeholders. This area has the "Ethics Line" for this purpose, a channel advertised among all employees, suppliers, customers and stakeholders, which has public access on the site and on the internal networks of Cimpor, and where questions, suggestions, comments and complaints of behaviour deviating from that set out in the Code of Conduct can be posted. The Audit and Risk Management area has delegated to specialised external consultants the receipt of communications and feedback on the action taken. Confidentiality is fully guaranteed. The contact channels for this purpose will be the telephone, e-mail and post.

III. Internal control and risk management

50. Internal audit responsibilities

The creation and operation of internal control, risk management and internal audit systems is the responsibility of the Board of Directors and its Executive Committee, to the extent of its delegated powers. The Audit Committee is responsible for reviewing the effectiveness of the referred systems, assessing their operation, as well as proposing any adjustments according to the Company's needs.

[31] Article 386(3) of the Companies' Code.

The Audit Committee is responsible for Internal Audit, as stated in the rules of procedure of the Audit Committee[32]. In addition to the duties assigned it and described in section 38 above, it is the responsibility of the Audit Committee to comment on the work plans and resources allocated to the internal audit service and the services that ensure compliance with the rules applicable to the company (compliance services). It should be the recipient of reports made by these services, at least when matters related to the rendering of accounts, identification or settlement of conflicts of interest and the detection of potential illegalities are concerned.

51. Hierarchical dependence and/or functional relations

The internal control systems of Cimpor include:

- Strategic control;
- Management control, with particular reference to health and safety, technical and financial control subsystems;
- Operational control.

Systemic redundancy is primarily monitored by Internal and External Audits and by the irregularities' reporting system (Ethics Line).

The operational implementation of these systems is primarily the responsibility of the hierarchical structure, broken down into successive levels of responsibility by the Board of Directors, which delegates these matters in its Executive Committee, and which, in turn, refers to the operational and support structures.

Risk Management is a core responsibility of the entire management structure of Cimpor, aimed at the timely identification of the main risks and respective risk factors facing the company and the study, approval and implementation of the appropriate measures.

The Cimpor SGPS and Cimpor Inversiones holding companies are responsible for managing the financial risks requiring specific hedging.

The operating managers are responsible for designing and implementing the most suitable risk control mechanisms. The efficiency of such mechanisms is periodically evaluated, through the corporate support of the Audit and Risk Management area, in accordance with an annually prepared and implemented plan audits of financial areas and information systems audits, and verifying processes and conformity with approved procedures.

Several areas have special responsibilities in risk management where the corporate support areas are concerned, namely:

Health and Safety - Cimpor Serviços, where the cement production business is concerned, and the Mortar, Aggregates and Concrete Competence Centre, with particular responsibilities in the identification, analysis and measurement and management of the health and safety, technical and operational, and industrial facilities risks of Cimpor.

Treasury - responsible, among other duties, for the management of risks of a financial nature, including interest rate, liquidity, currency and counterparty risks.

Insurance - responsible for the global insurance programmes of Cimpor and for the coordination of Cimpor practices in all other coverage.

[32] Article 2(2)

Planning and Control and Investor Relations - responsible, together with the Risk Management and Audit area, for the control, preparation and disclosure of financial information, in the manner provided for in section 55 below.

Risk Management and Auditing - working together with the Board of Directors, Executive Committee and the Audit Committee of Cimpor, it has the task of not only ensuring the adequacy and effectiveness of the internal control systems in all Cimpor areas, but also the good performance of those systems.

The main responsibilities of this area are:

- Define and implement the methodology for the identification, prioritization and mitigation of risk and respective risk factors;
- Assist the Directors of the Business Units in the integrated process of identifying, assessing and mitigating the risks of the Business Units;
- Manage the Internal Audit Activity (e.g. audit of processes, continuous auditing, evaluation of misconduct);
- Assess compliance with the rules and policies of risk management, identifying points of non-compliance and improvement actions;
- Manage the External Audit activity;
- Manage the process of monitoring the use of the so-called Ethics Line code of conduct;
- Define the annual budgets for each process;
- Advise the Executive Committee and Audit Committee.

52. Other functional areas with risk control duties

The different functional areas with risk control duties are identified in section 51 of this report.

53. Main risk types and risk factors

Business Risk Factors

<u>Construction Industry Dependency</u>

Cement consumption is cyclical and highly correlated to construction levels. Our business in the countries in which we operate is highly dependent on construction levels, especially residential and commercial construction activity, as well as private and public infrastructure spending in the countries where we operate. Reduced activity in the construction industry is generally correlated with declines in economic conditions. A contraction of economic activity in the countries in which we operate or a decline in the construction or housing sectors in those countries may have a material adverse effect on demand for our products and could have a material adverse effect on the results of our operations and financial health. In addition, we cannot ensure that growth in gross domestic product, or GDP, of the countries where we operate will translate into an increase in demand for our products.

We are also subject to the risk that we could build up excess capacity, for example as a result of our incorrect evaluation of market developments. Any failure by us to adequately use our production capacity could lead to impairment charges on goodwill and otherwise adversely affect the results of our operations and financial health.

Economic conditions in markets where we operate

We are dependent, in large part, on the growth of the economies of the countries in which we market our products. The economies of these countries are in different stages of development. Consequently, like many other companies with significant international operations, we are exposed to risks from changes in foreign currency exchange rates, interest rates, inflation, governmental spending, social instability and other political, economic or social developments that may materially adversely affect our business, financial health and results of operations.

Expansion of our operations

Our business strategies for the medium term are to continue to expand our cement production capacity and distribution network and to acquire additional assets, which would require investments, including capital expenditures. We would likely need to finance any such investments through additional debt and/or equity financing, however, adequate financing may not be available or, if available, may not be available on satisfactory terms, including as a result of adverse macroeconomic conditions. We may be unable to obtain sufficient additional capital in the future to fund our capital requirements and our business strategy at acceptable costs. If we are unable to access additional capital on terms that are acceptable to us, we may not be able to fully implement our business strategy, which may limit the future growth and development of our business. If we were to require additional capital as a result of operating losses, these losses may make it more difficult for us to raise additional capital to fund our expansion projects.

The implementation of our growth strategies depends on certain factors that are beyond our control, including changes in the conditions of the markets in which we operate, actions taken by our competitors and laws and regulations in force in jurisdictions in which we operate. Our failure to successfully implement any part of our strategy may have a material adverse effect on us.

Merger & Acquisitions

We are unable to predict whether or when we may pursue any additional acquisitions or alliances, or the likelihood of a material transaction or acquisition being completed on terms favourable to us. Our ability to continue to expand successfully through acquisitions and strategic alliances depends on many factors, including the general availability of suitable targets, as well as our ability to identify such targets, negotiate favourable terms, obtain financing and close transactions.

Financial Risk Factors

Consolidated Debt

We had EUR 4185 million of total consolidated debt (excluding accrued interest) as of 31 December 2014. Our level of indebtedness, including our plans to deleverage, could have important consequences for our business, including:

- limiting our ability to obtain any necessary financing in the future for working capital, capital expenditures, debt-service requirements or other purposes;

- requiring dedication of a substantial portion of our cash flow from operations to pay principal and interest on our debt, and these amounts may not be available for other purposes, such as capital expenditures;

- limiting our flexibility in planning for, or reacting to, changes in our business and the industry and placing us at a competitive disadvantage to competitors that may have lower leverage ratios, a fact that may adversely affect our operating margins; and
- making us more vulnerable in the event of a downturn in our business.

Consolidated Indebtedness Indenture

The indenture governing the terms of certain other debt we hold impose a number of operating and financial restrictions, which may limit our operating flexibility and our ability to capitalize on certain business opportunities. Those restrictions may limit our capability, among other actions, to:

- incur debt;
- make certain investments;
- sell assets;
- enter into agreements that restrict dividends or other distributions from restricted subsidiaries;
- create or assume liens;
- engage in certain mergers or consolidations.

These restrictions could limit our operating flexibility and our ability to take advantage of attractive growth opportunities for our businesses, particularly if we are unable to finance these opportunities with additional indebtedness or make investments to take advantage of these opportunities. Our ability to comply with some of these restrictions may be affected by economic conditions and volatility in foreign exchange rates, as well as by overall conditions in the financial and capital markets in which we operate.

The breach of any of these covenants that we do not remedy in a timely manner could result in a default under the indenture governing the notes, as well as certain of our other existing senior notes, including as a result of the cross-default provisions set forth in the instruments governing these debt obligations. If the indebtedness under the senior notes, or certain other existing debt obligations were to be accelerated as a result of any such event of default, we cannot assure you that we would be able to repay in full that indebtedness or our other indebtedness.

In addition, in connection with our entering into new borrowings or amendments to existing financing arrangements, our financial and operational flexibility may be further reduced as a result of more restrictive covenants, requirements to provide collateral and other covenants.

Rating

The ratings of Cimpor – Cimentos de Portugal, SGPS, S.A. and of Cimpor Inversiones, S.A. are dependent on the rating of its controlling shareholder. In accordance with the rules of Standard & Poor's (which envisages the pegging of the rating of subsidiaries to their parent company), Cimpor – Cimentos de Portugal, SGPS, S.A. requested that Standard & Poor's (S&P) remove the ratings that were assigned to itself and its subsidiary Cimpor Inversiones, S.A. This request was based on the fact that none of the above companies had currently issued any debt that might require a rating. It should however be noted, for reference, that on the date of this request the rating of both companies was "BB" with positive outlook.

Under the sphere of Cimpor – Cimentos de Portugal, SGPS, S.A., the rating for InterCement Brasil, S.A. is nonetheless maintained (currently at "BB" with positive outlook) that, just like InterCement Participações, S.A., is the guarantor for the issuance of Senior Unsecured Notes Due 2024 by Cimpor Financial Operations BV, which is rated "BB" by S&P.

The credit ratings are subject to change at any time and, as a result of the above-described, the credit rating of Cimpor's subsidiaries may suffer a downgrade or upgrade at any time, thus impacting on the conditions that Cimpor competes in the financing market. This can positively or negatively affect its business, financial health and financial results.

Litigation

We are, and may be in the future, involved in numerous tax, civil and labour disputes, among others, involving monetary claims. At of 31 December 2014, we were party to various legal and administrative proceedings relating to civil, environmental, labour and tax matters involving an amount in dispute of approximately EUR 732 million, and we had established provisions of EUR 69 million for those in which the risk of loss was deemed probable. If unfavourable decisions are rendered in one or more of these lawsuits, we could be required to pay substantial amounts, which could have a material adverse impact on us. For some of these claims, we have not established any provision, or we have established a provision for a portion of the amount in controversy, based on the judgment of our counsel involved in these disputes. In addition, we generally do not record any provisions with respect to lawsuits for which the risk of loss was deemed possible or remote. An unfavourable outcome in our pending or future litigation may reduce our liquidity and negatively affect our financial performance and health.

Emerging markets exposure

Our presence and plans for expansion in emerging markets exposes us to economic and political risks which we do not face in more mature markets.

Emerging markets face economic and political risks and risks generally associated with legal systems being less certain than those in more mature economies. As of 31 December 2014, approximately 80% of our total installed cement production capacity was located in so-called emerging markets. Emerging markets are even more exposed to volatility in GDP, inflation, exchange rates and interest rates than developed markets. This may negatively affect the level of construction activity and the results of our operations in the emerging markets in which we operate or will operate.

Other potential risks presented by certain emerging markets include:

- disruption of our operations due to civil disturbances, terrorism and other actual and threatened conflicts;
- fluctuations in currency exchange rates;
- restrictions on the payment of dividends and the repatriation of capital;
- nationalization or expropriation of private assets;
- imposition of price controls;
- changes in regulatory environments, including environmental, health and safety, local planning, zoning and labour laws, rules and regulations;

- varying tax regimes, including with respect to the imposition of withholding taxes on remittances and other payments by subsidiaries and joint ventures;
- decreases in wages and levels of economic activity;
- fluctuations in currency exchange rates and restrictions on the repatriation of capital;
- difficulties in attracting and retaining qualified management and employees; and
- other political, social and economic developments in or affecting these markets.

Any of these emerging market risks could have a material adverse effect on our business, financial condition and results of operations.

Market Share Risk Factors

Competition

The cement, aggregates, ready-mix concrete, mortar and other building materials markets in which the Company operates are highly competitive. The Company operates in certain consolidated markets with substantial competition from domestic and international competitors. In addition, in certain markets, we may face competition from imports. Our competitive position is impacted by price, logistics and production costs. If we are unable to remain competitive, or our competitors are successful in competing with us, it may have a material adverse effect on us in the markets in which we operate.

Production Cost Risk Factors

Supply of raw materials, thermal and electrical energy

Our business requires raw materials, including clinker, gypsum, slag, fly ash and other materials for the production of clinker and cement. Raw material supply conditions generally involve multiple risks, including the possibility of higher raw material costs and reduced control over delivery schedules, any or all of which may have a material adverse impact on us. We may not be able to obtain adequate supplies of raw materials in a timely and cost-effective manner, which may have a material adverse effect on us.

We use substantial amounts of petcoke in our cement production processes and are dependent on a limited number of suppliers that set the price of petcoke in or with reference to U.S. dollars, which may adversely affect our operating results. In addition, any shortage or interruption in the supply of petcoke could also disrupt our operations.

We consume substantial quantities of electrical energy in our cement production processes and currently rely on third-party suppliers for a significant portion of our total energy needs. Our results of operations may be materially adversely affected by higher costs of electricity or unavailability or shortages of electricity, or an interruption in energy supplies.

Higher energy and fuel prices

Our operations consume significant amounts of power and fuel, the cost of which has significantly increased worldwide in recent years. Fuel prices generally reflect certain volatility, particularly in times of political turbulence in Iran, Iraq and other countries in the Middle East and Africa. We cannot assure that our operations would not be materially adversely affected in the future if energy and fuel costs were to increase.

In addition, if our efforts to increase our use of alternative fuels are unsuccessful, we would be required to use greater amounts of traditional fuels, which would increase our energy and fuel costs and could have a material adverse effect on our business, financial health and results of operations.

Governmental approvals, licenses and permits

We may fail to obtain or renew or may experience material delays in obtaining required governmental approvals, licenses and permits for the conducting of our business.

We require various approvals, licenses, permits and certificates for the conducting of our business. We cannot assure you that we will not encounter difficulties in obtaining new or renewing existing approvals, licenses, permits and certificates required for conducting our business, or that we will continue to satisfy the conditions on which such approvals, licenses, permits and certificates are granted. There may also be delays on the part of regulatory and administrative bodies in reviewing our applications and granting approvals. If we fail to obtain and/or maintain the necessary approvals, licenses, permits and certificates required for the conduct of our business, we may be required to incur substantial costs or temporarily suspend the operation of one or more of our production facilities, which could have a material adverse effect on our business, financial health, results of operations and prospects.

Additionally, we require authorizations, concessions and licenses from governmental and other regulatory bodies (including environmental and mining agencies) to conduct our mining operations, processing, transportation, storage and production facilities. These authorizations, concessions and licenses are subject to our compliance with conditions imposed and regulations promulgated by the relevant governmental authorities. Our mining concessions and exploration licenses require us to make certain payments to the applicable governments, including royalties and applicable duties, taxes and fees related to the exploration, transportation, production, exploitation and use of mineral resources. These may change or increase substantially as a result of unfavourable judicial decisions in litigation with the applicable governmental entities or simply because these duties (which are different at each phase of the mineral rights development) tend to accrue higher amounts at the mining concession stage than at the exploration license stage (e.g. royalties are charged only at mining concession stage). If the mining royalties, taxes and fees to which we are subject increase substantially, this may adversely impact our business and the results of operations. Accordingly, we must continually assess the mineral potential of each mining concession to determine if the costs of maintaining the exploration licenses and mining concessions are justified by the results of operations or planned operations. There can be no assurance that we will be able to obtain or maintain the required mining concessions on terms favourable to us, or at all, for our current and future intended mining or exploration targets. Additionally, if we fail to demonstrate the existence of technical and economically viable mineral deposits in an area covered by our exploration licenses, we may be required to return it, which could lead to a substantial loss of part of the mineral deposit originally identified in our prospection, exploration or feasibility studies.

We have obtained, or are in the process of obtaining, all material authorizations, concessions and licenses required to conduct our mining and mining-related operations. However, we may need to renew such authorizations, concessions and licenses or require additional authorizations, concessions and licenses in the future. While we anticipate that we will obtain all required authorizations, concessions and licenses or their renewals as and when sought, there is no assurance that these authorizations, concessions, licenses or renewals will be granted as a matter of course, and there can be no assurance that additional conditions will not be imposed in connection with such renewals.

If we were to violate any of the foregoing laws and regulations or the conditions of our approvals, licenses, permits, certificates, concessions, authorizations and licenses, we may be subjected to substantial fines or criminal sanctions, revocations of operating permits or licenses and possible closure of certain facilities we own.

New cement facilities (Greenfield and Brownfield)

Delays in the construction of new cement facilities and the expansion of our existing facilities may materially adversely affect us.

The construction or expansion of a cement facility involves various risks, including engineering, construction, governmental, environmental, regulatory and other significant challenges that may delay or prevent the successful operation of a project or significantly increase its cost. For example, the delay in the start-up of a greenfield project at a new location or a site with little or any infrastructure available to support the project can be the result of engineering challenges related to mining limestone in difficult topographies. In addition, we may be unable to identify attractive locations for construction of new facilities. Our ability to successfully complete any construction or expansion project on schedule also may be subject to financing and other risks. Therefore, we may incur additional costs if we are unable to complete any construction or expansion project on time or within budget or if our new or expanded facilities do not operate at their designed capacity or cost more to construct, expand or operate than we anticipated. We cannot assure you that any of these additional costs will not have a material adverse effect on us.

Environmental Risk Factors

Compliance with environmental, health and safety regulation could result in significant additional costs, and non-compliance with environmental legislation may result in punishment for environmental damages, as well as criminal and administrative sanctions, which could adversely affect us.

Our operations often involve the use, handling, disposal and discharge of hazardous materials into the environment and the use of natural resources. Most of our operations are subject to extensive environmental, health and safety regulations. For this reason, careful and regular monitoring and update of the major issues is systematically carried out at the corporate and operating unit levels in order to take the relevant corrective measures.

The enactment of stricter laws and regulations, or a different or stricter interpretation or application of existing laws or regulations, may impose new risks or costs on us or result in the need for additional investments in pollution control equipment, which could result in a material decline in our profitability. Efforts to address climate change through federal, state and regional laws and regulations in the countries where we operate, as well as through international agreements, and those aimed at reducing greenhouse gases emissions, or GHGs, can create risks and uncertainties for our business. This is because the cement manufacturing process requires the combustion of large amounts of fuel and generates carbon dioxide as a by-product of the calcination process. These risks could include costs to purchase allowances or credits to meet GHG emission caps, costs required to provide equipment to reduce emissions to comply with these limits, or decreased profits arising from higher production costs resulting directly or indirectly from the imposition of legislative or regulatory controls. We also may be required to modify or retrofit certain of our facilities at substantial cost in order to comply with waste disposal and emissions regulations. Therefore, Cimpor is continuously monitoring the evolution and potential business impacts in terms of a legally binding international agreement on climate change mitigation that might occur during the UNFCCC/CoP21, in Paris, by the end of 2015. Some countries have already announced their CO_2 emission and energy reduction commitments as part of the UNFCCC process. For this reason, we are also following more closely the developments in our different BUs, particularly: i) the commitments already made by the Brazilian federal government and several states; ii) the EU Post 2020 Energy and Climate Package launched in 2014 that will introduce some changes to the EU ETS and affect, even before 2020, our operations in Portugal; and iii) the potential introduction of a carbon tax in South Africa. In line with our Climatic Agenda, several short, mid and long term projects are already in place not only to reduce the impact of such regulations on CO_2 emissions and electrical energy costs but also to consolidate InterCement as an international benchmark in terms of carbon footprint. Co-processing, the use of alternative raw materials / cement extenders, energy efficiency programs and R&D projects, are some of the potential levers for this.

Failure to comply with environmental laws and regulations as well as health and safety regulations may make us liable for the repair of any damage that has been or may be caused, and may harm our reputation or require us and our managers to pay criminal, civil, labour, social security or administrative penalties. These penalties could include fines, restriction of rights, community service and restitution. The imposition of any such penalty or obligation of redress for a violation of environmental legislation may materially and adversely affect us. Several internal action plans are continuously launched to improve globally our operational and environmental performance.

The European Union (EU), through the Directive on Environmental Liability, April 2004, which had among its main objectives the application of the "polluter pays principle" requires Cimpor to evaluate the risks, make provisions or finance the necessary additional measures to repair or to prevent the payment of penalties by fault or negligence resulting from its activity, which has been and will continue to be done.

The European Union (EU), through the Directive of November 2010 on industrial emissions (IPPC/Integrated Pollution Prevention and Control of Pollution), defined the obligations of industrial activities as regards environment protection and health. In this sense, it established an operational permitting procedure and a few requirements which may need some investment, although our operating units in the EU are already provided with advanced technologies and comply with the directions of the BREF (Best Available Techniques Reference Document) for the control of industrial pollutant emissions.

We are party to certain environmental judicial and administrative proceedings. Any losses that may arise from these proceedings may materially and adversely affect the results of our operations or financial health.

Information and systems technology dependency

We are dependent on information technology and our systems and infrastructure, as well as those provided by our third-party service providers, face certain risks, including cyber security risks.

We rely on a variety of information technology and automated operating systems to manage or support our operations. The proper functioning of these systems is critical to the efficient operation and management of our business. In addition, these systems may require modifications or upgrades as of a result of technological changes or growth in our business. These changes may be costly and disruptive to our operations, and could impose substantial demands on management time. Our systems, as well as those provided by our third-party service providers, may be vulnerable to damage or disruption caused by circumstances beyond our control, such as physical or electronic break-ins, catastrophic events, power outages, natural disasters, computer system or network failures, viruses or malware, unauthorized access and cyber-attacks. Although we take steps to secure our systems and electronic information, these security measures may not be adequate. Any significant disruption to our systems could materially adversely affect our business, financial condition and results of operations.

54. Description of the process of identification, assessment, monitoring, control and management of risk

The Process of Integrated Management and Control of Risk of Cimpor was developed based on the COSO concept - Committee of Sponsoring of Organization - comprising five key phases:

- Preparation and approval of the Corporate Policy - defining the purpose, scope, responsibility of the Risk Management process - and Risk Management Manual - detailing the procedures (step by step) for adequate Risk Management in all business units.

- Identification of Critical Processes - Through the analysis of the individual activities of each Business Unit, identifying the respective business processes and operations, evaluating and classifying them according to the level of criticality: high critical, average critical and low critical. This assessment is mostly performed considering the complexity of the activities, transaction volumes, quality control and impact or relevance on the business. As a result, all Business Units are equipped with respective critical processes charts, which are annually reviewed.

- Preparation of Risk Dictionary - a dictionary of the risks involved based on the analysis of the business, processes and external benchmarking of the cement industry, is drawn up in order to promote reasonable standardization of the management of the Risk Management and Audit processes.

- Identification of Critical Risks - Identification, organization and classification as business risks and process risks of the Critical Risks inherent to each Business Unit.

- Identification of factors associated with such critical risks and

- Preparation and monitoring of the Action Plans designed to mitigate the identified critical risks.

Business risks are those that on appearing de facto significantly affect EBITDA, the ability to pay financial obligations, the ongoing nature of business operations and the image and reputation of the Business Units. The evolution of these risks is periodically monitored by the Executive Committee.

Process risks are those that on appearing de facto affect business performance and are primarily managed by the general managers and staff of the respective Business Units.

When the risks and respective risk factors are identified they are assessed and prioritized according to two parameters - Business Impact and Occurrence Vulnerability.

The Critical Risk Charts for all business units result at this phase. There are also reviewed and updated on an annual basis.

Definition of Mitigation Plan - After the previous phases, the heads of each Business Unit jointly drawn up with the Risk Management and Audit area specific action plans to mitigate the identified critical risks, concentrating on those considered to be most critical (high impact and high likelihood of occurrence). These plans are monitored as described below.

Definition of the Tolerance Limits - The Tolerance Indicators are defined for the critical risks associated with critical processes, which demonstrate the tolerance level of the Administration to risks.

Continuous monitoring - mainly performed by the Internal and External Audit processes that assess the level of compliance of the actions plans in place to mitigate the risks.

Compliance processes (conformity) are also adopted at this stage to verify compliance with laws and regulations in order to mitigate the risks of a regulatory nature.

55. Main elements relating to the process of disclosure of financial information

The internal control system concerning the preparation and disclosure of financial information is jointly guaranteed by the Management Planning and Control Department - with contributions from the various Units of the Cimpor business - and by the Risk Management and Audit areas and Investor Relations Department. The Chief Executive Officer and the Executive Director responsible for the financial area are tasked with the definition of the goals, supervision, evaluation of effectiveness and continuous improvement of the activities undertaken.

As regards financial reporting, this occurs whenever the evaluation of the impact or nature of the same leads to its classification, depending on the case, by the Executive Committee or Executive Director responsible for the financial area, as one of the legal aspects requiring disclosure, in which case the Investor Relations area is responsible for its prompt publication.

IV. Investor Support

56. Investor Relations Department

The "Investor Support" duties envisaged in applicable law are the responsibility of the Investor Relations area, which has the function of keeping contacts with the financial community and informing it of the evolution of Cimpor's business and supporting current and potential shareholders of Cimpor in good time in their relations with the Company, in full compliance with the principle of equal treatment of shareholders.

Cimpor's contact with private and institutional investors, fund managers and other collective investment bodies, analysts and other stock market operators is maintained through meetings and replies to requests for information by telephone, e-mail or traditional postal services.

Investor Relations Department contacts:

Personal Contacts:

Filipa Mendes (Representative for Market Relations)

Francisco Sequeira

Address:

Investor Relations Department

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

Rua Alexandre Herculano, 35

1250-009 Lisboa

PORTUGAL

Telephone	**Fax**	**E-Mail**	**Internet**

21 311 81 00	21 311 88 39	investorrelations@cimpor.com	www.cimpor.pt

The Cimpor site (**www.cimpor.pt**) provides various content of interest in Portuguese and English, in addition to information that might influence the share price, which is also published on the website of the CMVM (www.cmvm.pt) and Euronext (www.euronext.com). It also publishes the compulsory information provided for in the CMVM Regulation No 4/2013[33].

57. Representative for market relations

The representative for relations with the securities' market and the CMVM, pursuant to and for the purposes of the Securities Code, is, since 1 October 2004, Filipa Mendes.

58. Information related to information enquiries

The information enquiries received in 2014 were answered in less than two days, on average. No enquiries for prior years are pending. In this way, Cimpor ensures that the requests for information, clarification and other enquiries by shareholders or other stakeholders were swiftly answered by the Investor Relations Department in 2014.

V. Website

59. Address

The website address of Cimpor is www.cimpor.pt.

60. Location for viewing information

Information about the company, the public company status, registered office and other legally required information[34] can be found at www.cimpor.pt.

61. Location of the articles of association and rules

The articles of association and rules of procedure governing the functioning of the bodies and committees of Cimpor are available at www.cimpor.pt.

62. Location of information related to the members of the governing bodies, Representative for Market Relations and Investor Support Office

The information on the identity of the members of the governing bodies, the representative for market relations, the Investor Relations Department, their roles and means of access is available at www.cimpor.pt.

63. Location of accounting statements and the calendar of corporate events

The accounting documents, accessible for at least five years, as well as the half-yearly calendar of corporate events, published at the beginning of each half-year period, and which includes, among others, general meetings, disclosure of annual, half-yearly and quarterly accounts, are available at www.cimpor.pt.

[33] Article 3
[34] Article 171 of the Portuguese Companies' Code

64. Location for publication of notice of general meeting and related information

The notices of general meetings and all the preparatory and subsequent related information are available at www.cimpor.pt, and also at www.cmvm.pt.

65. Location of the business archive

The historical archive with the resolutions of the general meetings of the company, the share capital represented and voting results are available for viewing on the Cimpor site (www.cimpor.pt) for at least the preceding three years.

D. Remunerations

I. Powers to set remunerations

66. Indication of the powers to determine the remuneration of the governing bodies, of the executive committee members and of the company's managers

The determination of the remuneration of the governing bodies and members of the executive committee is subject to the intervention of the General Meeting in the Remuneration Policy and Performance Assessment of the Directors of the Company. It occurs on four levels:

- Election of a Remuneration Committee.
- Delegation of remuneration policy powers in the Remuneration Committee, as provided for in the articles of association[35].
- Annual resolution on the statement concerning the remuneration policy to apply to members of the management and supervisory bodies, pursuant to Law No. 28/2009 of 19 June.
- General appraisal at each Annual General Meeting of the Company's management, pursuant to the Portuguese Companies' Code[36], which also implies the assessment of the members of the Board of Directors.

The current Remuneration Committee was elected at the General Meeting of 16 July 2012 for the 2012-2014 term of office, except for Aparecida Shizue Yamashita, who was elected at the General Meeting of 27 March 2014.

As regards the remuneration policy for all other managers, that is defined by the Board of Directors through the Executive Committee, within the meaning of the Portuguese Securities Code[37].

II. Remuneration Committee

67. Members of the remuneration committee and independence of each member

[35] Article 17(2)
[36] Article 376
[37] Article 248-B

67.1. Composition of the Remuneration Committee

The Remuneration Committee, pursuant to the articles of association[38], with term in office 2012-2014, had the following members at 31 December 2014:

- Manuel Soares Pinto Barbosa (Chairman);
- Aparecida Shizue Yamashita
- Gueber Lopes;

Aparecida Shizue Yamashita was elected to the post by the General Meeting of 27 March 2014, following the resignation of Nélson Tambelini Júnior tendered on 26 August 2013.

This Committee met 3 times during 2014, drawing up minutes of the meetings.

The remuneration of the Remuneration Committee solely consists of a fixed amount. The value of that remuneration is established pursuant to the articles of association by a committee composed of representatives of the three largest shareholders, as detailed below.

Remuneration of the Remuneration Committee in 2014	Post	Value in Euros
Manuel Soares Pinto Barbosa	Chairman	16,800
Aparecida Shizue Yamashita (1)	Member	11,917
Gueber Lopes	Member	15,600

(1) initiated office on March 27, 2014

67.2. Independence of the members of the Remuneration Committee

The members of the Remuneration Committee are independent from the executive members of the Board of Directors. Nevertheless, Manuel Pinto Barbosa, Chairman of the Remuneration Committee, is the brother of António Pinto Barbosa, non-executive Director of Cimpor. Nonetheless, and considering the referred family relationship, the Chairman of the Remuneration Committee abstained from the decision-making process regarding the remuneration of the director António Pinto Barbosa. Moreover, Gueber Lopes is tied by employment contract with InterCement Brasil, S.A..

68. Knowledge and experience of the members of the remuneration committee

Manuel Pinto Barbosa has experience as a director of several companies and a member of the Remuneration Committee: of particular note is that between 1995 and 1998 he was non-executive director of Portucel Industrial, from 1996 to 1999 he was a member of the advisory committee of Barclays Bank, from 2002 to 2006 he was non-executive director of PTII and from 2004 to 2006 he was chairman of the Board of Directors of TAP. He is currently chairman of the Board of Directors of Nova Forum (since 2005), chairman of the General and Supervisory Board of TAP (since 2007) and member of the Remunerations and Welfare Committee of BCP.

Gueber Lopes has extensive experience in auditing, in particular in matters relating to remuneration and human resources in general. Significant posts he has held are Corporate Director of Risk Management and Auditing, Audit Director, Risk and Standards Manager Controller Manager, Auditor and Consultant.

[38] Article 17

Aparecida Shizue Yamashita, member of the Remuneration Committee since 27 March 2014, has 27 years of experience in the Remunerations and Benefits areas in companies of the financial and industrial sectors. She has experience in several areas of Human Resources, of particular note: Benefit Plans, Variable Remuneration and Incentive Programmes. Her experience also includes the deployment and development of executive programmes and management, as well as those for other non-executive levels.

III. Remunerations structure

69. Description of the remuneration policy for management and supervisory bodies

The articles of association establish that the remuneration policy, the amount and form of fixed and/or variable remuneration and the amounts payable to members of corporate bodies as compensation or damages for severance of the respective legal ties shall be set by the General Meeting or by a Remuneration Committee nominated by such for periods of three years, on consulting the Appointments and Assessment Committee. The General Meeting delegated in the Remuneration Committee the duties provided by law in this respect.

In the 2014 Annual General Meeting, held on 27th March, the Remuneration Committee ensured that the Statement on the Remuneration Policy for Members of the Management and Supervisory Bodies was adopted relative to the 2014 financial year ("2014 Statement"), which is attached to this report. This meant the new bodies to be elected would be responsible for defining the remuneration policy for 2014.

The areas where the Remuneration Committee and the Appointments and Assessment Committee act are defined in the articles of association and the Rules of Procedure of the Board of Directors.

- Remuneration Committee's powers:
    - Those granted by the applicable legal rules and the articles of association of Cimpor[39].
    - In this context, the Remuneration Committee will decide in particular on: (a) the fixed remuneration of management and supervisory bodies, (b) variable remuneration to be awarded to members of the Executive Committee (annual and multi-year), (c) contributions to retirement plans.
    - In relation to variable remuneration, the Remuneration Committee decides with respect to the limit established in Article 17(1) of the articles of association, taking into account the information conveyed by the shareholders, particularly as regards the following global parameters: maximum percentage cap of remuneration of the management and supervisory bodies in terms of company payroll costs; the annual change in remuneration of the management and supervisory bodies; the percentage of variable pay of total remuneration; and the distribution of variable remuneration over annual and multi-year components.
    - Accordingly, the Remuneration Committee will decide on variable remuneration taking into account the performance assessment of the members of the Executive Committee made by the Appointments and Assessment Committee and the CEO [Chief Executive Officer], based on criteria that are as objective

[39] Article 17

and transparent as possible, in order to allow comparison with the main non-financial companies listed on Euronext Lisbon and with a group of cement companies comparable to Cimpor in terms of size and geographical distribution.

- Role of the Appointments and Assessment Committee:
    - The role of the Appointments and Assessment Committee with regard to the remuneration of the management and supervisory bodies is limited to evaluating the performance of the members of the Executive Committee, which will be taken into account in determining the variable component of the Total Annual Remuneration. The performance assessment criteria considered by the Appointments and Assessment Committee, as well as the respective results will be made known to the Remuneration Committee in time for its due consideration and subsequent decision.
- Relationship of the Remuneration Committee with the majority shareholders and the Appointments and Assessment Committee:
    - The Remuneration Committee should be provided with the relevant guidelines in good time, for the purposes of the proper performance of its duties.
    - For decision-making purposes, the Remuneration Committee and Appointments and Assessment Committee will meet, preferably in the month following the General Meeting where the overall variable remuneration to be awarded to the Executive Committee is voted on, to share information on the performance assessment of the executive Directors, based on the approved metrics and criteria.

69.1 Board of Directors

The remuneration of the members of the Board of Directors of the Company includes a fixed portion, to which, in the case of executive Directors, is added a variable remuneration.

The variable component may not, on aggregate, exceed 5% of the profits of the Company, as provided for in the articles of association[40]. The Remuneration Committee determined during 2014 that the variable remuneration must reach a maximum of 50% of fixed remuneration. The maximum fixed remuneration is set by that committee.

The fixed remuneration of the members of the governing bodies with term of office from 2012 to 2014 was revised considering in particular the present shareholder structure of Cimpor (existence of a shareholder holding the majority of shares) and the new Corporate Governance model and profile.

The total remuneration amounts earned by the members of the management body of the Company in the year ended on 31 December 201, were as follows:

[40] Article 17(1) of the articles of association.

Director (value in Euros)	Fixed Remuneration awarded and paid in 2014	Tied Remuneration awarded and paid in 2011 and deferred to 2014		Total Remuneration paid in 2014
		Variable (1)	Exercise of Options (2)	
Executive Directors until July 16, 2012	0	970,000	171,800	1,141,800
Other Executive Directors	281,200	0	0	281,200
Non-Executive Directors	909,581	0	0	909,581
Total	**1,190,781**	**970,000**	**171,800**	**2,332,581**

(1) Part of the performance bonus relating to 2011, deferred to 2014 and paid in cash.
(2) Once extinguished the Option Plan in force in 2011, this amount w as paid in cash.

Thus, the calculation of the total remuneration paid to Directors in 2014 amounted to 0.42% of the consolidated payroll costs of Cimpor.

Remuneration of Non-Executive Directors:

The remuneration of non-executive directors solely has a fixed component and is paid as cash. It seeks to ensure a balanced compromise between:

a) Competitive values that attract and retain suitably qualified persons for the roles and which adequately compensate the effort and dedication made in the adequate exercise of the roles;

b) Remunerations that mitigate the creation of a dependent relationship with the Company, ensuring in particular, with respect to independent directors, an appropriate positioning in relation to the Company.

Remuneration of Executive Directors:

With regard to the remuneration of the executive directors, the Remuneration Committee maintained the payment policy in 2014 for both fixed and variable remuneration, ensuring alignment of the interests of members of the Executive Committee with those of the Company.

In 2014, in accordance with the remuneration paid in 2011, the total amount of 1,141,800 euros was paid, deferred until 2014, to members of the Executive Committee in office at that time, in accordance with number 77.

In relation to the members of the Executive Committee in office in 2013, and subject to the variable remuneration policy of the company, they were not assigned by the company in 2014 any sum as variable remuneration. Owing to the fact that Armando Sérgio Antunes da Silva, Daniel Antonio Biondo Bastos and André Gama Schaeffer resigned from their posts of director of this company, all with executive roles, on 26 August 2013, and on the same date the Board of Directors designated by co-option, to fill those vacancies, Claudio Borin Guedes Palaia and Nélson Tambelini Júnior, said directors, including Ricardo Fonseca de Mendonça Lima, agreed not to receive any sum as variable remuneration from Cimpor.

The criteria for award of variable remuneration are set forth in section 71 below.

The Annual General Meeting of 2014 did not approve any shares plan therefore, given the termination of the plans implemented in 2012, meaning that no Cimpor shares plans or stock option plans were in force in 2014.

69.2. Audit Committee

The remuneration of the supervisory bodies is only composed of a fixed component. It seeks to ensure balanced compensation for the work carried out, also taking into account the prevailing market values for similar roles.

The remuneration of the Audit Committee is defined by the Remuneration Committee and it solely has a fixed component, which totalled EUR 71,750 in 2014, broken down as indicated in section 81.

The Statement on the Remuneration Policy for Members of the Management and Supervisory Bodies relative to 2015, which is submitted to the General Meeting by the Remuneration Committee, is attached hereto (Annex III).

70. Remuneration structure

The remuneration of executive Directors is structured so as to guarantee, on one hand, a fixed remuneration that is competitive and adequately compensates the effort and dedication made in the appropriate exercise of duties and, on the other, a variable remuneration that fosters the creation of value in a sustained manner for the shareholder.

The set of indicators and metrics used to determine the variable component, which have been consistently used over the years, mitigate less appropriate acts as regards risk taking, and instead encourage the pursuit of a policy of active risk management and the reward of long-term performance.

Moreover, the existence of adequate proportionality between the fixed and variable components as well as the definition of a ceiling for the variable component, both contribute to discouraging the pursuit of business strategies that encompass inadequate risk profiles.

Lastly, as is clear from the criteria and metrics described below, the recommendations of the Governance Code on remunerations (section III) are partially complied with by the Company, as applicable, taking into account the following principle:

- The variable remuneration component is based on the performance assessment made by the Appointments and Assessment Committee and decided by the Remuneration Committee, within its powers, in accordance with impartial and transparent criteria and considering, inter alia, the real growth of Cimpor, alignment with corporate strategy and the generation of effective wealth for the shareholders, as well as ensuring the sustainability of the Company and compliance with the rules applying to its business;
- The maximum amount of the variable remuneration will not surpass 50% of the fixed annual remuneration;
- Additionally, the remunerations amount (both fixed and variable components) of the executive committee members takes into account their status of non-permanent residents in Portugal (with remuneration accrued outside of Cimpor consolidation perimeter).

71. Variable component

The remuneration structure of executive directors has a fixed component and a variable component that is annually defined by a set of predetermined criteria better described below. Those criteria encompass a set of indicators regarding the performance of the Company and its executive management, focusing on financial parameters, the creation of value and the qualitative performance of the executive members.

This component is calculated based on a percentage of the annual fixed remuneration and the annual performance assessment derived from predetermined criteria. It is only payable if a minimum level of 80% compliance with defined objectives is achieved. Those objectives aim to simultaneously create a performance stimulus that tends to be competitive and aggressive, while continuing to ensure a balanced weighting between the fixed and variable components.

Their determination is based on criteria as impartial and transparent as possible in order to allow comparison with a group of cement companies of size and geographical distribution comparable to Cimpor. The referred criteria underlying the assessment include consideration of the Company's performance as well as an individual assessment of the executive directors.

During 2014, the Remuneration Committee determined that the variable remuneration, considering due criteria of reasonableness, must reach a maximum of 50% of fixed remuneration. The maximum fixed remuneration is set by that committee.

72. Deferring payment of the variable component

No variable remuneration was paid by Cimpor in 2014, in accordance with that stated in section 69.1 above. The variable remuneration awarded the members of the Executive Committee in 2011 and deferred for three years was, however, paid in 2014. Hence, there were no deferrals of any amount awarded in 2014 in the form of variable remuneration of the executive directors the Cimpor.

73. Award of shares as form of remuneration

Cimpor does not award shares as remuneration to its executive directors.

The Directors of the Company have not entered into any contracts which may have the effect of mitigating the risk inherent to the variability of the remuneration they are paid.

74. Award of stock options as form of remuneration

No stock option plans were issued in 2014. Since all plans in force terminated in 2012, no member of the governing bodies of Cimpor held any stock options over Cimpor shares in 2014.

75. Annual bonus scheme and other non-cash benefits

There are no annual bonus schemes besides those already mentioned above, and there are also no other non-cash benefits.

76. Characteristics of the supplementary pension or early retirement schemes

The remuneration of both executive directors and non-executive directors does not take the form of a Retirement Benefit or a Supplementary Pension.

IV. Disclosure of Remunerations

77. Annual amount of remuneration paid to the members of the company's management bodies

In compliance with the provisions of Law no. 28/2009[41], the annual amount of remuneration earned by the members of the Board of Directors from Cimpor - Cimentos de Portugal, SGPS, S.A. is individually disclosed below.

[41] Article 3 of Law No. 28/2009 of 19 June

Directors in office at December 31, 2014 (value in Euros)	Fixed Remuneration awarded and paid in 2014
Daniel Proença de Carvalho (2)	283,000
Claudio Borin Guedes Palaia (1)	84,000
Nelson Tambelini Junior (1)	84,000
Ricardo Fonseca de Mendonça Lima (1)	113,200
Albrecht Curt Reuter Domenech (2)	78,750
Andre Pires Oliveira Dias (2)	79,594
José Édison Barros Franco (2) (4)	98,000
Luiz Roberto Ortiz Nascimento (2)	79,594
António Soares Pinto Barbosa (2) (4)	99,050
José Manuel Trindade Neves Adelino (2) (3) (5)	112,000
Pedro Miguel Duarte Rebelo de Sousa (2)	79,594
Total	**1,190,781**

(1) Executive Director

(2) Non-Executive Director

(3) Includes amount received as Chairman oh the Audit Committee

(4) Includes amount received as member of the Audit Committee

(5) Non-Executive Director (presented the resignation on November 26, 2014)

Directors in office until July 16, 2012 (valores em Euros)	Tied Remuneration awarded and paid in 2011 and deferred to 2014		
	Variable (1)	Exercise of Options(2)	Total
Francisco José Queiroz de Barros de Lacerda	285,000	0	285,000
António Carlos Custodio de Morais Varela	237,500	32,800	270,300
Luís Filipe Sequeira Martins	210,000	107,800	317,800
Luís Miguel da Silveira Ribeiro Vaz	237,500	31,200	268,700
Total	**970,000**	**171,800**	**1,141,800**

(1) Part of the performance bonus relating to 2011, deferred to 2014 and paid in cash.

(2) Once extinguished the Option Plan in force in 2011, this amount was paid in cash.

The annual amount of remuneration earned by the members of the Audit Committee is disclosed individually in section 81.

Altogether, the amount earned by the management and supervisory bodies represents 0.42% of total consolidated payroll costs of Cimpor.

78. Amounts paid for any reason by other companies in a control or group relationship

The non-independent members of the Board of Directors are eligible for remuneration paid through other companies of the group as compensation for their work in those companies.

79. Remuneration paid in the form of profit sharing and/or bonus payments

Sharing in the profits of the Company, as provided for in the articles of association[42], translates into the award of bonuses. The amount paid in bonuses to the executive directors in 2014 amounted to EUR 1,141,800 as individually detailed in section 77 above, complying with the award criteria in force at that time.

80. Compensation paid or owed to former executive directors

No compensation was paid or owed to former executive directors in 2014.

81. Annual amount of remuneration paid to the members of the company's supervisory bodies

The remuneration paid to the members of the Audit Committee, as members of that supervisory board of the company in 2014, was broken down as follows:

Remuneration of Audit Committee - 2014	Post	Supplement[(1)] (value in euros)
José Manuel Neves Adelino [(2)]	Chairman	33,250
José Édison Barros Franco	Member	19,250
António Soares Pinto Barbosa	Member	19,250

(1) Supplement paid to each Director for holding post of chairman or member of audit committee

(2) Presented resignation on November 26, 2014

82. Remuneration of the chairman of the general meeting board in the reference year

The remuneration of the Chairman of the General Meeting Board takes the form of an attendance fee of up to EUR 4,500, by decision of the Remuneration Committee.

V. Agreements with remuneration implications

83. Contractual limitations established for the compensation payable for unfair dismissal of a director

Pursuant to the remuneration policy for members of the Board of Directors approved by the Remuneration Committee, in the event of dismissal of any director or termination by agreement of the director's position, no compensation will be paid when the dismissal or termination is due to inadequate performance of the role.

84. Existence and description of agreements between the Company and the members of the management body and senior managers that envisage the payment of compensation in the event of resignation, unfair dismissal or termination of employment in the wake of a takeover.

There are no agreements between the members of the management body or senior managers of Cimpor (under the terms of the Portuguese Securities' Code) and the Company or third parties, that envisage the payment of compensation in the event of resignation, unfair dismissal or severance of the employment contract with the Company, in the wake of a change of control of the Company or which have the aim of mitigating the risk arising from the variability of their remuneration established by the Company.

[42] Article 17(1)

VI. Share or stock option plans

85. to 88.

The issues of sections 85 to 88 do not apply since the General Meeting did not approve in 2013 any new shares plan or award of stock options, and also no plans to award shares or share options approved in previous years are in force.

E. Transactions with Related Parties

I. Mechanisms and control procedures

89. Mechanisms in place to control transactions with related parties

The Executive Committee shall submit to the Board of Directors for approval, as established in the Rules of Procedure of the Board of Directors[43], any business, commitments, contracts, agreements and conventions to be concluded by Cimpor, or any company of the group or with which it is in a control relationship, with shareholders owning 2% or more of the share capital of Cimpor (shareholders with qualifying holdings), or entities with which such shareholders have any kind of relationship pursuant to the Portuguese Securities' Code (related parties), except when, considering the nature or monetary value involved, those matters may be considered day-to-day interests or encompassed in the business of the Company, and provided no special advantage is granted the shareholder with the qualifying holding or the related party.

The Board of Directors submits to the Audit Committee for appraisal prior to their conclusion, transactions with special financial significance for any of the parties or in conditions that may be construed as distanced from normal market conditions for similar operations and outside of the scope of the current business activity of Cimpor.

The Audit Committee examines the evidence provided, requesting additional information or studies if necessary, including support from the external auditor, and it checks compliance with the rules in the areas of conflict of interest, fair treatment, non-discrimination, equal relationship with suppliers and service providers and preserving the interests of the Company.

90. List of the transactions that were appraised in the reference year

The Audit Committee gave its approval in 2014 to an intercompany loan in the amount of EUR 345 million of the subsidiaries of Cimpor - Cimpor Inversiones, SA and Cimpor Financial Operations BV, with its majority shareholder, InterCement Austria Holding GmbH. This loan was contracted under market conditions, as duly disclosed.

91. Description of the procedures and criteria applying to the intervention of the supervisory body for the prior assessment of business to be conducted between the company and shareholders with qualifying holdings or entities with which such shareholders have any type of relationship

The procedures and criteria for intervention of the Audit Committee for the prior assessment of business to be conducted between the company and shareholders with qualifying holdings or

[43] Article 20

entities with which such shareholders have any type of relationship, are described in section 89, above.

II. Data concerning such business

92. Indication of the location of accounting documents containing information on business with related parties, or alternatively, the reproduction of this information

Information on the business with related parties is to be found in Note 47 of the Notes to the Consolidated and Individual Financial Statements of 2014.

Part II – Appraisal of Corporate Governance

1. Identification of the adopted corporate governance code

Pursuant to CMVM Regulation No. 4/2013, Cimpor adopts the Corporate Governance Code of the CMVM in its version of July 2013 (hereinafter the "Governance Code"), which is available for viewing at the CMVM website www.cmvm.pt and at the registered office of Cimpor – Cimentos de Portugal, SGPS, S.A.. ("Cimpor").

2. Analysis of compliance with the adopted corporate governance code

Recommendations that have or have not been adopted

Cimpor adopts the best Corporate Governance practices. There is a small number of recommendations of the Governance Code that it does not fully comply with, and for which it has provided good reason.

		Recommendation	Compliance	Reference
I.		**Voting and Corporate Control**		
I.1.		Incentive for shareholders to participate and vote at General Meetings	Complies	12. and 13.
I.2.		Not adopting mechanisms that make it difficult for shareholders to reach decisions	Complies	14.
I.3.		No mechanisms exist that cause time lags between shareholder rights	Complies	12.
I.4.		Restrictions on the number of votes	Complies	13.
I.5.		Absence of defensive measures	Complies	5.
II.		**Supervision, Management and Auditing**		
II.1.		Supervision and Management		
	1.	Delegation of day-to-day management of the Company	Complies	21.2.
	2.	Pursuit of the Company's goals and limits on the delegation of powers	Complies	21.2.
	3.	Duties of the General and Supervisory Board	Not Applicable	
	4.	Existence of committees to assess the performance of directors and committees and to evaluate the adopted governance system	Complies	21.7.1. and 21.7.2.
	5.	Goals and risk management systems	Complies	54.
	6.	Number of non-executive Directors	Complies	18.
	7.	Number of independent non-executive Directors	Complies	18.
	8.	Provision of information to the other members of the governing bodies	Complies	21.3.
	9.	Remittance of notices of meetings and the minutes of meetings to the chairmen of the Board of Directors, Audit Board, Audit Committee, General and Supervisory Board and the Financial Matters Committee	Complies	21.3.
	10.	Coordination of the work of non-executive directors	Not Applicable	
II.2.		Supervision		
	1.	Independence of the Chairman of the Audit Board, Audit Committee or Financial Matters Committee, and powers to exercise the respective duties	Complies	31. to 33.
	2.	Representation of the supervisory body before the external auditor	Complies	38.
	3.	Assessment and proposal for dismissal of the external auditor	Complies	38.
	4.	Assessment of the functioning of the internal control and risk management systems	Complies	38.
	5.	Reporting of internal audit services to the Audit Committee	Complies	38. and 50.

		Recommendation	Compliance	Reference
II.3.		Definition of Remunerations		
	1.	Independence and powers of the members of the Remuneration Committee	Complies	67.2. and 68.
	2.	Independence of consultants to the remuneration committee	Not Applicable	
	3.	Statement on remuneration policy for members of the management and supervisory bodies	Complies	69.
	4.	Submission of share and stock option plans to the General Meeting	Not Applicable	85. to 88.
	5.	Submission of the retirement benefits systems to the General Meeting	Not Applicable	76.
III.		**Remunerations**		
III.1.		Remuneration policy for executive directors	Complies	69.1.; 70.; 71. and 72.
III.2.		Remuneration policy for non-executive directors and members of the supervisory body	Complies	69.1.
III.3.		Reasonableness and ceilings of the components of remuneration	Complies	71.
III.4.		Deferral of part of the variable remuneration	Not Applicable	72
III.5.		Not concluding contracts with a view to mitigate the variability of the remuneration established by the company	Complies	84.
III.6.		Keeping company shares awarded to executive directors	Not Applicable	85. to 89.
III.7.		Deferral of the start of the exercise of the options awarded by the company	Not Applicable	85. to 89.
III.8.		Restrictions on the award of indemnity or compensation to directors	Complies	83. and 84.
IV.		**Audit**		
IV.1.		Powers of the external auditor	Complies	38.
IV.2.		Contracting non-audit services from the external auditor	Complies	37. and 46.
IV.3.		Rotation of the external auditor	Complies	44.
V.		**Conflicts of Interest and Transactions with Related Parties**		
V.1.		Business conducted by the company with the owners of qualifying holdings and related parties	Complies	10.; 90. and 91.
V.2.		Definition of the relevant level of significance of business conducted with shareholders with a qualifying holding	Does not comply	
VI.		**Information**		
VI.1.		Disclosure of information on the Company's website	Complies	56. and 59. to
VI.2.		Investor Support Office and the existence of enquiry records	Complies	56. to 58.

Comply or explain

Cimpor, as mentioned above and in light of the criteria set forth in the Governance Code, did not comply with one of the recommendations of that Code, which it justifies in the following manner.

2.1. Definition of the relevant level of significance of business conducted with shareholders with a qualifying holding

Recommendation V.2 The supervisory or audit body must establish the procedures and criteria required to define the relevant level of significance of business with holders of qualifying holdings - or with entities related thereto under any of the relationships described in Article 20(1) of the Portuguese Securities Code -, ensuring that the conduct of business of significant importance depends on the prior approval of that body.

It is the understanding of the Board of Directors and also the Audit Committee that any quantification for business concluded between, on the one hand, any shareholder with a qualifying holding or related entity and, on the other, Cimpor or any company with which it is in a control or group relationship is not sufficient to require that it is appraised by the Audit Committee. The Board of Directors considers that it is required to request the prior opinion of the Audit Committee when the matter at hand can cast the slightest doubt on guaranteeing the conducting of the above business under normal market conditions.

2.2. Deferral of part of the variable remuneration

Recommendation III.4: A significant portion of the variable remuneration must be deferred for a period of no less than three years, and its actual payment made dependent on the continued positive performance of the company during that period.

As described in section 72, Cimpor did not award variable remuneration to executive directors in office in 2014, therefore this recommendations is considered non applicable.

ANNEX I

Members of the Management and Supervisory Bodies

(Termination of period in office: 2014)

Board of Directors

Daniel Proença de Carvalho (Chairman of the Board of Directors– since 16 July 2012).

Date of birth:	15 September 1941
Nationality:	Portuguese
Date of 1st appoinment:	16 July 2012
End of the term-off-office:	2014

Education:

1965: Law degree by Faculdade de Direito in Universidade de Coimbra.

Professional activities in last 5 years:

Chairman of the Board of Directors of ZON MULTIMÉDIA, SGPS, S.A. (2007 – 2013);
Vice-Chairman of the general meeting of Caixa Geral de Depósitos, S.A. (2007 – 2011);
Chairman of the general meeting of:

- Edifer – Investimentos, Sociedade Gestora de Participações Sociais, S.A., (2003 – 2011);
- Edifer - Sociedade Gestora de Participações Sociais, S.A., (2003 – 2011);
- Euroatlântica - Investimentos e Comércio, S.A., (1998 – 2011);
- PANATLÂNTICA - HOLDING, Sociedade Gestora de Participações Sociais, S.A., (1995 – 2011);
- Estoril Sol, SGPS, S.A.;
- G.A. – Estudos e Investimentos, SA, (1996 – 2011);
- BESI – Banco Espírito Santo de Investimento;

Member of the Board of Directors of SINDCOM - Sociedade de Investimento na Indústria e Comércio, SGPS, S.A., (2005 – 2010);
Member of the remuneration committee of Banco Espírito Santo, S.A..

Positions held in entities outside the Group at 31 December 2014:

Chairman of the general meeting of:

- Galp Energia, SGPS, S.A.;
- Socitrel – Sociedade Industrial de Trefilaria, S.A.;
- Portugália – Administração de Patrimónios, S.A.;
- Almonda – Sociedade Gestora de Participações Sociais, S.A.;
- Renova – Fábrica de Papel do Almonda, S.A.;
- Cabo Raso – Empreendimentos Turísticos, S.A.;
- SOGEB – Sociedade de Gestão de Bens, S.A.;
- Sociedade Agrícola Belo de Mértola, S.A.;
- Sociedade Agrícola dos Namorados, S.A.;
- Coaltejo – Criador de Ovinos Algarve e Alentejo, S.A.;
- Sogesfin – Sociedade Gestora de Participações Sociais, S.A.;
- 3 Z – Administração de Imóveis, S.A.;
- Sétimos - Participações, SGPS, S.A.;
- Confiança Participações, SGPS, S.A.;
- Sociedade Agrícola da Serra Branca, S.A.;
- Gotan, SGPS, S.A.;
- Companhia Agrícola da Apariça, S.A.;
- Companhia Agrícola das Polvorosas, S.A.;
- Companhia Agrícola de Corona, S.A.;
- Herdade do Monte da Pedra, S.A.;
- TRABELIBEX - Investimentos Imobiliários, S.A.;
- ÉCAMPO - Cinegética e Turismo, S.A.;
- FREIXAGRO - Empresa Agrícola do Freixo, S.A.;
- INTEROCEÂNICO – Capital, SGPS, S.A..

Chairman of the Board of the general meeting of Instituto Português de Corporate Governance, (since 21 June 2010);

Number of shares held at 31 December 2014:

1.

Claudio Borin Guedes Palaia (Member of the Board of Directors and Member of the Executive Committee – since 26 August 2013)

Date of birth:	8 January 1975
Nationality:	Brazilian
Date of 1st appointment:	26 August 2013
End of the term-of-office:	2014

Education:

1997: Company Administration, Fundação Getúlio Vargas.

2002: MBA Management, Wharton School, University of Pennsylvania.

Professional activities in last 5 years:

Corporate Finance Director of Camargo Corrêa Cimentos (2007 – 2012);
Concrete Director of Camargo Corrêa Cimentos (2007- 2012).

Positions held in entities inside the Group at 31 December 2014:

Advisor of InterCement Portugal, SGPS, S.A..

Positions held in entities outside the Group at 31 December 2014:

Finance Vice-President of InterCement;
Member of the Board of Directors of:
- São Paulo Alpargatas;
- CPFL Energia.

Director of:
- Camargo Corrêa Cimentos Participações, Ltda.;
- Caue Finance Limited;
- Finance of InterCement Participações, S.A..

No shares of Cimpor were held at 31 December 2014.

Nelson Tambelini Junior (Member of the Board of Directors and Member of yhe Executive Committee – since 26 August 2013)

Date of birth:	5 December 1962
Nationality:	Brazilian
Date of 1st appointment:	26 August 2013
End of the term-of-office:	2014

Education:

1985: Law Degree, United Metropolitan Colleges.

2007: MBA Business Management, Fundação Getúlio Vargas

Professional activities in last 5 years:

Human Resources Director of Camargo Corrêa Cimentos (2009 – 2012);
Chief People Officer of TAVEX, based in Madrid, answering the areas of Quality Management System, Communication, Human Resources and Innovation (2006 – 2009).

Positions held in entities outside the Group at 31 December 2014:

Vice-President of Organizational Development, with responsability for the areas of Human Resources, Internal and External Communication, Innovation, Sustainability and R&D of InterCement.

No shares of Cimpor were held at 31 December 2014.

Ricardo Fonseca de Mendonça Lima (Member of the Board of Directors and Chief Executive Officer – since 16 July 2012)

Date of birth:	5 May 1966
Nationality:	Brazilian
Date of 1st appointment:	16 July 2012
End of the term.of-office	2014

Education:

Degree in Metallurgical Engineering by Escola Politécnica – Universidade de São Paulo;
Master's Degree in Metallurgical Engineering by Universidade de São Paulo;
Postgraduate diploma in Industrial Management by Universidade de São Paulo, Fundação Vanzolini;
MBA in Management by Fundação Dom Cabral;
Advanced Management Program by Harvard.

Professional activities in last 5 years:

Operations Vice-President of InterCement (Brasil), (2010 – 2012).
General Manager of:
- InterCement Brasil, S.A. (Brasil) (2008);
- Kandmad - Sociedade Gestora de Participações Sociais, (Portugal), (2012-2014).

Chairman of the Board of Directors of:
- Loma Negra CIASA (Argentina) (2008-2010);
- NPC – Cimpor (PTY) Limited (África do Sul), (2013-2013);
- Natal Portland Cement Company (Proprietary) Limited (África do Sul), (2012-2013);
- Cimpor – Serviços de Apoio à Gestão de Empresas S.A. (2012-2014);
- Cimpor Trading e Inversiones, S.A. (2012-2014).

Member of the Board of Directors of:
- Recycomb, S.A. (Argentina), (2008-2014);
- Betel, S.A. (Argentina), (2008-2014);
- Compañia Argentina Cemento Portland, S.A. (Argentina), (2009-2014);
- Cofesur, S.A. (Argentina), (2009-2014);
- Ferrosur Roca S.A. (Argentina) (2008-2013); e
- La Preferida de Olavarría S.A. (Argentina) (2009-2014).

Positions held in entities inside the Group at 31 December 2014:

Chairman of the Board of Directors of:
- Cimpor Portugal, SGPS, S.A. (Portugal);
- Cimpor – Indústria de Cimentos, S.A. (Portugal);
- Cimentos de Moçambique, S.A. (Moçambique);
- Holdtotal, S.A..

Member of the Board of Directors of Loma Negra C.I.A.S.A. (Argentina).

Positions held in entities outside the Group at 31 December 2014:

Advisor of:
Instituto Camargo Corrêa;
Câmara Portuguesa de Comércio de São Paulo.

No shares of Cimpor were held at 31 December 2014.

Albrecht Curt Reuter Domenech (Member of the Board of Directors – since 29 April 2010)

Date of birth:	25 June 1947
Nationality:	North American
Date of 1st appointment:	29 April 2010
End of the term-of-office:	2014

Education:

Master's Degree in Civil Engineering, University of Puerto Rico and a MBA of Wharton School, University of Pennsylvania.

Professional activities in last 5 years:

Member of the Board of Duratex, S.A. (2008-2009).

Those listed below.

Positions held in entities inside the Group at 31 December 2014:

Vice-Chairman of the Board of Directors of InterCement Brasil S.A.;
Member of the Board of Directors of Loma Negra CIASA.

Positions held in entities outside the Group at 31 December 2014:

Vice-Chairman of the Board of Directors of**:**

- CV Serviços de Meio Ambiente S.A.;
- Arrossensal Agropecuária e Industrial S.A..
- Camargo Corrêa, S.A.;
- InterCement Participações S.A.;
- Camargo Corrêa Energia S.A.;
- VBC Energia S.A.;
- ESC Energia S.A..

Member of the Board of Directors of Tavex (Indústria Têxtil).

No shares of Cimpor were held at 31 December 2014.

André Pires Oliveira Dias (Member of the Board of Directors – since 21 December 2012)

Date of birth:	23 August 1981
Nationality:	Brazilian
Date of 1st appointment:	21 December 2012
End of the term-of-office:	2014

Education:

2002-2005: Business Administration / International Business, in American Intercontinental University, London, United Kingdom.

Professional activities in last 5 years:

Camargo Corrêa Desenvolvimento Imobiliário – Camargo Corrêa Real Estate Business Unit (2006 - 2008);
Business Development Department – Manager (2008 - 2009);
Business Development Department – Coordinator (2007 - 2008);

Positions held in entities inside the Group at 31 December 2014:

Vice-President of the Board of Directors of InterCement Brasil S.A..

Positions held in entities outside the Group at 31 December 2014:

Vice-President of the Board of Directors of:

- InterCement Participações, S.A.;
- CV Serviços de Meio Ambiente, S.A.;
- Camargo Corrêa Desenvolvimento Imobiliário, S.A.;
- HM Engenharia, S.A.;
- InterCement Brasil, S.A.;
- Construções e Comércio Camargo Corrêa, S.A.;
- Camargo Corrêa Construções e Participações, S.A..

Deputy Member of the Board of Directors of:

- CCR, S.A.;
- Alpargatas, S.A.;
- CPFL Energia, S.A..

Strategy and Planning Department Manager of Camargo Corrêa, S.A. – Holding Co..

No shares of Cimpor were held at 31 December 2014.

José Édison Barros Franco (Vogal do Conselho de Administração – desde abril de 2010)

Data de nacimento	4 de março de 1950
Nacionalidade	Brasileira
Data da 1ª designação	29 de abril de 2010
Termo do mandato atual	2014

Formação académica:

1974: Licenciado em Engenharia Mecânica pela Escola Politécnica da Universidade de São Paulo.
1978: Pós-graduação em Gestão pela Fundação Getúlio Vargas.

1998: Advanced Management Program pela Harvard University (EUA).

Atividades profissionais exercidas nos últimos 5 anos:

Presidente do Conselho de Administração:
- Ferrosur Roca (2005 –2011 - Argentina);
- São Paulo Alpargatas S.A. (2008 – 2011 - Brasil e Argentina);
- InterCement Portugal, SGPS, S.A. (2010 – 2014 Portugal).

Vogal do Conselho de Administração:
- São Paulo Alpargatas S.A. (2004 – 2008);
- CPFL Energia S.A. (2005 - 2008);
- CCR Companhia de Concessões Rodoviárias S.A. (2005 - 2008).

Membro dos Comités de Finanças da Alpargatas, Santista e CCSA; de Recursos Humanos da Alpargatas, CCSA e Cimpor; de Auditoria da Alpargatas e da CCSA; de Corporate Governance da CCR e da Cimpor e do Comitê Executivo do Grupo Camargo Corrêa.

Funções exercidas noutras sociedades do Grupo Cimpor, a 31 de dezembro de 2014:

Presidente do Conselho de Administração:
- InterCement Brasil S.A.;
- Loma Negra CIASA.

Funções exercidas em entidades fora do Grupo a 31 de dezembro de 2014:

Presidente do Conselho de Administração da InterCement Participações S.A.;
Diretor da Camargo Corrêa Cimentos Luxembourg, S.à.R.L.;
Membro do Conselho do Instituto Camargo Corrêa.
Membro do Conselho Consultivo Estratégico da Fundação Loma Negra.

Em 31 de dezembro de 2014, não detinha ações Cimpor.

Luiz Roberto Ortiz Nascimento (Vogal do Conselho de Administração – desde dezembro de 2012)

Data de nacimento	19 de dezembro de 1950
Nacionalidade	Brasileira
Data da 1ª designação	21 de dezembro de 2012
Termo do mandato atual	2014

Formação académica:

1973: Licenciado em Economia pela Universidade Mackenzie.

Atividades profissionais exercidas nos últimos 5 anos:

Membro do Conselho de Administração da Duratex, S.A. (2008-2009).

Vice-Presidente do Conselho de Administração:
- Camargo Corrêa Construções e Participações S.A.;
- Construções e Comércio Camargo Corrêa S.A.;
- Camargo Corrêa Projetos de Engenharia S.A.;
- Camargo Corrêa Desenvolvimento Imobiliário S.A.;
- HM Engenharia, S.A.;
- Alpargatas, S.A.;
- CCR, S.A..

Funções exercidas noutras sociedades do Grupo Cimpor, a 31 de dezembro de 2014:

Vice-Presidente do Conselho de Administração da InterCement Brasil, S.A.;

Membro do Conselho de Administração da Loma Negra CIASA.

Funções exercidas em entidades fora do Grupo, a 31 de dezembro de 2014:

Vice-Presidente do Conselho de Administração:
- CV Serviços de Meio Ambiente S.A.;
- Arrossensal Agropecuária e Industrial S.A..
- Camargo Corrêa, S.A.;
- Camargo Corrêa Investimentos em Infraestrutura S.A.;
- InterCement Participações S.A.;
- Camargo Corrêa Energia S.A.;
- VBC Energia, S.A.;
- ESC Energia, S.A..

Presidente do Conselho de Administração da CCR, S.A.;
Fundador e membro no Brasil do WWF – World Wildlife Foundation (desde 1998);
Sócio Fundador do Instituto Camargo Corrêa (criado em dezembro de 2000).

Em 31 de dezembro de 2014, não detinha ações Cimpor.

António Soares Pinto Barbosa (Member of the Board of Directors– since 16 July 2012)

Date of birth:	20 May 1944
Nationality:	Portuguese
Date of 1st appointment:	16 July 2012
End of the term-of-office:	2014

Education:

1966: Graduate Degree in Finance, Universidade Técnica de Lisboa.

1978: PhD in Economics, Virginia Polytechnic Institute and State University (Center For Study of Public Choise).

1984: Habilitatus, Faculdade de Economia, Universidade de Nova de Lisboa.

1986: Associate Doctor, Faculdade de Economia, Universidade Nova de Lisboa.

1986: Professor, Faculdade de Economia, Universidade Nova de Lisboa.

Professional activities in last 5 years:

Chairman Working Group for the elaboration of the Articles of Portuguese Conselho Finanças Públicas.

Positions held in entities outside the Group at 31 December 2014:

Member of the Board of Directors of Impresa, SGPS, S.A.;
Member of the Audit Committee of Impresa, SGPS, S.A.;
Member of the Advisory Committee of Banif;
Member of the Audit Board of Fundação Champalimaud.

No shares of Cimpor were held at 31 December 2014.

José Neves Adelino (Member of the Board of Directors – since 29 April 2010)

Date of birth:	19 March 1954
Nationality:	Portuguese
Date of 1st appointment:	29 April 2010
End of the term-of-office:	2014

Education:

1976: Degree in Finance, ISE, Universidade Técnica, Lisbon.

1981: PhD in Finance, Kent State University.

Professional activities in last 5 years:

University Professor of Finance, Faculdade de Economia, Universidade Nova, Lisbon;
Visiting Professor, Bentley College, USA;
Finance and Investment Director of Fundação Calouste Gulbenkian;
Member of the Audit Committee of BPI – Banco Português de Investimento;
Member of the Investment Committee of Portuguese Venture Capital Initiative – European Investment Fund;
Advisory Working Group Member of CSER's Corporate Finance Standing Committee;
Extensive consultancy activity in private companies and public bodies.

Positions held in entities outside the Group at 31 December 2014:

Member of the Board of Directors of Fundação Calouste Gulbenkian;
Member of the Board of Directors and member of the Audit Committee of Sonae, SGPS, S.A..

No shares of Cimpor were held at 31 December 2014.

Pedro Rebelo de Sousa (Member of the Board of Directors– since 16 July 2012)

Date of birth:	29 April 1955
Nationality:	Portuguese
Date of 1st appointment:	16 July 2012
End of the term-of-office	2014

Education:

Masters of Business Administration, Getúlio Vargas Foundation – School of Business Administration, São Paulo, Brazil;
Specialisation (Postgraduate Diploma) in Commercial and Business Law, Universidade Pontífica Católica, Brazil;
Graduate Degree in Law, Universidade de Lisboa, Portugal.

Professional activities in last 5 years:

Partner of Simmons & Simmons (2001 – 2009);
Member of the Board and PAC of Simmons & Simmons, in London, (2004 – 2009);
Non-Executive Member of the Board of Directors, Chairman of the Strategy, Governance and Evaluation Committee and Member of the Audit Committee of Caixa Geral de Depósitos, S.A. (2011 – 2013);
Member of the Board of Directors of Circulo Eça de Queiroz.

Positions held in entities outside the Group at 31 December 2014:

Senior Partner of Sociedade Rebelo de Sousa & Advogados Associados RL, formerly Simmons & Simmons Rebelo de Sousa, since 2009.
Member of the Remuneration Committee of Novabase, SGPS, S.A..
Chairman of the general meeting of:

- Atitude/SSE – Associação pelo Desenvolvimento do Investimento Social;
- AICD – Associação para Inserção por Centros Digitais de Informação;
- Associação Turma do Bem;
- CADIN – Centro de Apoio ao Desenvolvimento Infantil;
- Grémio Literário;
- Bolsa de Valores Sociais;
- Refrigor, SGPS, S.A.;
- Tecnovia, SGPS, S.A..

Board Member of Câmara de Comércio Portugal-Holanda.
Member of the curador board of the CADIN – Centro de Apoio ao Desenvolvimento Infantil.
Member of the Advisory Board of:

- SUN AID – Associação para o Desenvolvimento pela Energia Solar;
- Universidade Europeia (Laureat)

Member of the curador board of the Fundação Luso-Brasileira para o Desenvolvimento do Mundo de Língua Portuguesa.
Chairman of the board of:

- Instituto Português de Corporate Governance;
- Circulo Eça de Queiroz.

Member of the Advisory Board of Marsh.
Chairman of Comissão de Banking Internacional of Union Internacionale des Avocats.

No shares of Cimpor were held at 31 December 2014.

ANNEX II

Remuneration Committee Statement

2014

Under the terms of articles 2 and 3 of Law no. 28/2009, of 19th June, the Remuneration Committee is presenting its statement on the Remuneration Policy for Members of the Management and Supervisory Bodies of the Company to be submitted to the Cimpor – Cimentos de Portugal, SGPS, S.A. (Cimpor) General Meeting.

This statement takes into account, as well as the abovementioned Law, the Recommendations of the Corporate Governance Code of the Portuguese Stock Market Commission (Comissão do Mercado de Valores Mobiliários - CMVM), in its 2013 version, and the applicable legal provisions of the Companies Code, the Stock Market Code, CMVM Regulations no. 1/2010 and no. 4/2013 (in effect since 1st January 2014, replacing CMVM Regulation no. 1/2010) and Cimpor's articles of association.

1. 2013

The Remuneration Committee's team (elected at the Cimpor Extraordinary General Meeting on 16th July, 2012) was changed in 2013 due to the resignation of Nélson Tambelini Junior following his nomination as a Cimpor Executive Director on 26th August 2013. Given that election of members of the Remuneration Committee is the responsibility of the General Shareholder's Meeting, the place previously taken up by Nélson Tambelini Junior was left open until the next General Meeting.

REMUNERATION POLICY

This change notwithstanding, the work of the Remuneration Committee continued throughout 2013, notably the implementation of the variable remuneration scale and corresponding evaluation models of the InterCement Group at Cimpor and its subsidiaries, in line with the targets set out for this area for last year. As set out in the guidelines for 2013 in the previous "Statement from the Remuneration Committee," this measure – covering executive directors and management staff at Cimpor and respective business units where the company operated on an individual basis before its merger with the InterCement Group – is intended to promote (horizontal and vertical) consistency of the Group's evaluation metrics after combining the two companies. This ensures continued compliance with the standards and recommendations adopted by Cimpor, particularly in terms of convergence with the company's long term growth and sustainability targets, creating value for shareholders and appropriate incentives for management performance.

Otherwise, Cimpor's remuneration policy, detailed in Chapter III of the Cimpor Annual report and Accounts, was in line with the general remuneration policy in place in previous years, together with adjustments that were considered appropriate given Cimpor's new shareholder and corporate governance structure after a controlling position was taken by the Camargo Corrêa/InterCement Group in 2012.

PAYMENTS FOR DIRECTORS' DISMISSAL OR TERMINATION OF SERVICES

No payments were made, as they were unenforceable, for directors' dismissals in 2013.

2. Guidelines for 2014

The Remuneration Committee's current term of office and Cimpor's remuneration policy as detailed in Chapter III of the Cimpor Annual Report and Accounts include, as much as possible, the recommendations of the CMVM Corporate Governance Code (in its 2013 version) and the provisions of CMVM Regulation no. 4/2013, since it came into effect on 1st January, 2014.

Unless there is a significant change of circumstances this year that would justify an extraordinary review, the potential maximum fixed amount payable to members of Cimpor's governing bodies in 2014 will be as follows:

Board of Directors	Fixed Annual Remuneration[1] (Euros)
Directors at 31st December 2013	
Daniel Proença de Carvalho (Chairman)	**280,000**
Luiz Roberto Ortiz Nascimento	**78,750**
Albrecht Curt Reuter Domenech	**78,750**
José Édison Barros Franco [5]	**98,000**
Claudio Borin Guedes Palaia [3]	**84,000**
Andre Pires Oliveira Dias	**78,750**
Ricardo Fonseca de Mendonça Lima [2]	**112,000**
Nelson Tambelini Junior [3]	**84,000**
José Manuel Trindade Neves Adelino [4]	**112,000**
Pedro Miguel Duarte Rebelo de Sousa	**78,750**
António Soares Pinto Barbosa [5]	**98,000**
Total[1]	**1,183,000**

[1] Gross figures applicable from 1st January 2014, subject to all taxes and contributions due by law; [2] Chairman of the Executive Commission; [3] Member of the Executive Commission; [4] chairman of the Audit Commission; [5] Member of the Audit Commission.

The abovementioned fixed remuneration figures are subject to a maximum variation of 5% to cover any potential exchange rate losses resulting from payment in a currency other than the Euro.

Based on current pre-established conditions to achieve certain results and performance the members of the Cimpor Executive Commission may be paid a variable remuneration, which will only be owed if at least 80% of the targets are reached. The maximum potential amount for variable remuneration will be 50% of the annual fixed remuneration. In addition to this, the total value of remuneration (fixed and variable) of executive directors takes into account their situation as expatriates (with remuneration paid by InterCement in Brazil, outside of Cimpor's consolidation perimeter).

The maximum potential fixed remuneration to be paid to Deloitte & Associados SROC, S.A., to act as Cimpor's statutory auditor in 2014, has yet to be set. However, we do not expect a significant variation on the base amount paid for the statutory audit of Cimpor's individual and consolidated accounts in 2013, which, as shown in the company's Report and Accounts, totalled 33,000 euros and 1,117,000 euros, respectively.

Taking into consideration the recent company and business integration of Cimpor and InterCement as well as the implementation of the variable remuneration scale and the corresponding evaluation models of the InterCement Group at Cimpor and its subsidiaries, for 2014 the Remuneration Committee recommends that the current remuneration policy remain in place.

27th February, 2014

Manuel Soares Pinto Barbosa	Gueber Lopes
(*Chairman*)	(Member)

ANNEX III

Remuneration Committee Statement
2015

Pursuant to Articles 2 and 3 of Law No. 28/2009 of 19 June, the Remuneration Committee presents the Statement on the Remuneration Policy of the members of the Management and Supervisory Bodies to be submitted to the General Meeting of Cimpor - Cimentos de Portugal, SGPS, S.A. (Cimpor).

This Statement takes into account, in addition to the above-indicated law, the Corporate Governance Recommendations of the Portuguese Securities Market Commission – CMVM (2013 version) and the applicable rules of the Portuguese Companies' Code, the Portuguese Securities' Code, CMVM Regulation No. 1/2010 and No. 4/2013 (in force since 1 January 2014, revoking CMVM Regulation No. 1/2010), and the Articles of Association of Cimpor.

3. The year 2014

REMUNERATION POLICY

2014 was a year of continuity and consolidation of the changes made in 2013 to the remuneration policy and the assessment model for Cimpor and its subsidiaries. These changes were made to ensure alignment with the practice followed in the InterCement Group, without jeopardising the upkeep of the general guidelines of the remuneration policy of Cimpor in force in previous years. The Remuneration Committee developed its work under normal circumstances. It met three times during the 2014 financial year.
No variable remuneration was paid to the members of the Executive Committee in 2014, who, taking into account the changes in the composition of that Committee made in 2013, agreed not to receive any amount by way of variable remuneration from Cimpor. The variable remuneration assigned in 2011 was, nonetheless, paid in 2014 to the executive directors who were in office at the time when such payment was deferred for three years, in accordance with the remuneration policy of this company.

PAYMENTS RELATIVE TO THE DISMISSAL OR TERMINATION OF OFFICE OF DIRECTORS

No payments concerning the termination of office of directors were made during 2014, as no such payments were required.

4. Guidelines for 2015

The mandate of the Remuneration Committee in progress and the Cimpor remuneration policy detailed in chapter III of the Annual Report and Accounts of Cimpor have assimilated, to the extent applicable, the recommendations of the CMVM Corporate Governance Code (2013 version) and the provisions of CMVM Regulation No. 4/2013, since its entry into force on 1 January 2014.

Unless there is a significant change of circumstances in the course of the financial year, providing grounds for an extraordinary review, the potential maximum amount of fixed remuneration payable to members of the corporate bodies of Cimpor in 2015 will be the following:

Board of Directors	Annual Fixed Remuneration[1] (Euros)
Chairman of the Board of Directors	280,000
Chief Executive Officer	112,000
Members of the Executive Committee (2)	84,000
Chairman of the Audit Committee	112,000
Members of the Audit Committee (2)	98,000
Other members of the Board of Directors (4)	78,750
Total[1]	**1,183,000**

(1) Estimated gross amounts in force from 1 January 2015, subject to taxes and contributions payable under law, considering 12 full members of the Board of Directors.

The fixed remuneration amounts listed above are subject to a maximum variation of up to 5% to cover any exchange losses resulting from payment in a currency other than the euro.

Maintaining the existing conditions of restricting the achievement of the performance and results goals based on predefined criteria, the members of the Executive Board of Cimpor can be awarded a variable remuneration, which shall only be payable if at least 80% of the goals are attained. The maximum potential variable remuneration will be equal to 50% of the fixed annual remuneration. Moreover, the value of the remuneration (fixed and variable) of executive directors takes into account their status of non-permanent residents in Portugal (with remuneration paid by InterCement in Brazil, outside the consolidation perimeter of Cimpor).

The maximum potential fixed remuneration payable to Deloitte & Associados SROC, S.A., for performing the role of statutory auditor of the accounts of Cimpor, in 2015, is still not defined. Nonetheless, a substantial change from the base values paid for the statutory audit of the individual and consolidated accounts of Cimpor in 2014 is not expected. The amount paid in 2014 was, according to the Annual Report and Accounts of the company, EUR 432,869.

The Remuneration Committee, notwithstanding the above-stated, recommends that the remuneration policy in force remains unchanged for 2015.

20 February 2015

Manuel Soares Pinto Barbosa (Chairman)	Gueber Lopes (Member)	Aparecida Shizue Yamashita (Member)

LIST OF SHAREHOLDERS POSSESSING QUALIFYING HOLDINGS[1]

Shareholders	No. of Shares	% of Share Capital [2]	% of Voting Rights [3]
Participações Morro Vermelho	**632,933,437**	**94.19%**	**94.19%**
Rosana Camargo de Arruda Botelho,Renata de Camargo Nascimento and Regina de Camargo Pires Oliveira Dias who, jointly, directly control the company RRRPN - Empreendimentos e Participações, S.A. and individually, respectively, the companies (a) RCABON Empreendimentos e Participações, S.A. and RCABPN Empreendimentos e Participações, S.A.; (b) RCNON Empreendimentos e Participações, S.A. e RCNPN Empreendimentos e Participações, S.A.; and (c) RCPODON Empreendimentos e Participações, S.A. and RCPODPN Empreendimentos e Participações, S.A..	632,933,437	94.19%	94.19%
Throuth the companies RRRPN Empreendimentos e Participações, S.A., RCABON Empreendimentos e Participações, S.A., RCABPN Empreendimentos e Participações, S.A., RCNON Empreendimentos e Participações, S.A., RCNPN Empreendimentos e Participações, S.A., RCPODON Empreendimentos e Participações, S.A. and RCPODPN Empreendimentos e Participações, S.A..	632,933,437	94.19%	94.19%
Through the jointly and directly controlled company, Participações Morro Vermelho, S.A.	632,933,437	94.19%	94.19%
Through the company Camargo Corrêa, S.A. which it fully controls	632,933,437	94.19%	94.19%
Through the company Camargo Corrêa Cimentos Luxembourg, S.à.r.l. which it fully controls	161,527,515	24.04%	94.19%
Through the company InterCement Participações S.A. controlled	471,405,922	70.15%	94.19%
Through InterCement Austria Holding GmbH which it fully controls	471,405,922	70.15%	94.19%
It is imputable to InterCement Austria Holding GmbH, according to the CMVM understanding following the launch of the Public Offer by the former over the total share capital of Cimpor, the sum of the voting rights of the following:			
Participations held by itself	471,405,922	70.15%	70.15%
Camargo Corrêa Cimentos Luxembourg, S.à.r.l. (company of the Camargo Corrêa Group, as above mentioned)	161,527,515	24.04%	24.04%

(1) As per official qualifying shareholdings announcements and other information received by the company

(2) With voting rights

(3) The calculation basis includes the number of own shares, i.e. all the shares with voting rights, with the suspension of the respective exercise being of noconsequence to the calculations (according to the criteria of paragraph b), no. 3 of the article 16 of the Portuguese Securities Code)

INFORMATION REQUIRED BY LAW

According to the requirements of Article 447 of the Companies Code and Regulation No. 5/2008, the movement occurred during 2014 in terms of Cimpor shares and bonds belonging to members of the management and supervisory bodies, senior management and entities closely related thereto, are set out below:

Shares:

Members of Board of Directors and Audit Committee

Shareholders	No. of Shares 31-12-2013	No. of Shares 31-12-2014	Transactions in 2014: Acquisitions	Disposals	Price €	Date
Daniel Proença de Carvalho	1	1				

Companies closely related to Board Members

Shareholders	No. of Shares 31-12-2013	No. of Shares 31-12-2014	Transactions in 2014: Acquisitions	Disposals	Price €	Date
Camargo Corrêa Cimentos Luxembourg, S.à.r.l [1]	189.660.153	161.527.515	-	28.132.638	3,03	31-03-2014

[1] As José Édison Barros Franco, related thereto, is also a member of the Board of Directors of Cimpor.

Information Disclosed and Sources of Information

In its capacity as an issuer of securities admitted to trading on the market, Cimpor – Cimentos de Portugal, SGPS, S.A. (Cimpor) published the following information during 2014 on the site of Cimpor. According to law or regulations, these announcements were also published on the site of the CMVM and Euronext, and also the Justice site when specifically required.

23 January	Cimpor informs the market on the progress of the administrative procedure of CADE (Brazil) to look into alleged conduct by several companies of the sector related to the practice of economic offences in the cement and ready-mix concrete markets in Brazil. In the hearing, four of the five CADE Judges voted in favour of condemning the group of companies in Brazil currently under the control of Cimpor. A final decision was suspended until a date to be defined.
8 February	Announcement of a series of financing operations that allowed the growth of the average debt term by 1 year to 5.8 years, and the transfer of liquidity requirements for 2017.
27 February	Announcement of 2013 Consolidated Results
27 March	The 2014 General Meeting approves the accounting documents relating to the 2013 financial year; the gross dividend of 0.0029 euros per share; the ratification of the co-opting of Claudio Borin Guedes Palaia and Nélson Tambelini Júnior as directors for the term of office in progress; as well as all other items of the agenda proposed for approval.
9 April	Announcement of the payment date of the dividends relative to 2013.
21 May	Interim Accounts – 1st Half 2014.
29 May	Cimpor informs the market on the ruling of CADE (Brazil) relative to the administrative procedure to investigate alleged conduct by several companies of the sector related to the practice of economic offences in the cement and ready-mix concrete markets in Brazil. This ruling convicts the group of companies in Brazil today under the sphere of Cimpor to pay a fine of 540 million reais (EUR 177 million) and the obligation to sell 20% of its concrete production assets in Brazil.
10 July	Cimpor informs the market that its subsidiary Cimpor Financial Operations, B.V., guaranteed by InterCement Participações S.A. (the holding that controls Cimpor) and by InterCement Brasil S.A. (a subsidiary of Cimpor), closed the terms and conditions on this date of a Senior Notes issue (“Notes”) in the total amount of USD 750 million, with 10-year maturity. The notes were issued with a coupon of 5.750% per annum and were subsequently listed on the Singapore Stock Exchange.
28 August	Interim Report and Accounts – 1st Half 2014.
26 November	Interim Report and Accounts – 3rd Quarter 2014.
5 December	Cimpor informs the market of the resignation of José Manuel Neves Adelino from the post of director, on 26 November 2014.
12 December	Cimpor informs the market that it has requested Standard & Poor’s to remove the ratings awarded to it and to its subsidiary Cimpor Inversiones, S.A.. The rating of both companies was "BB" with positive outlook.

IV SUPERVISION AND AUDIT DOCUMENTS

AUDIT COMMITTEE REPORT AND OPINION ON THE CONSOLIDATED AND INDIVIDUAL ACCOUNTS OF CIMPOR – CIMENTOS DE PORTUGAL, SGPS, SA FOR 2014

Pursuant to Article 423-F(1)(g) of the Company's Code, the Audit Committee of Cimpor - Cimentos de Portugal, SGPS, S.A. presents the report of its monitoring action, its opinion on the Annual Report for the financial year ended 31 December 2014, and its opinion on the proposals submitted by the Board of Directors of the company to the General Meeting.

Supervision of the Company

During the year 2014 the Audit Committee monitored the risk management system and internal control adopted by the company. This committee regularly monitored the activity developed by the internal audit of the company through access to information provided by these services in the context of work carried out according to the schedule approved by the Audit Committee. The Audit Committee believes that the systems in place are adequate and progress in the identification, monitoring and managing the risks the Company is exposed to.

At the same time it is important to refer that in following up of the activities developed by units integrated in the universe of the Cimpor Group, during the year 2014, it has not detected any fact worthy of relief. The Audit Committee has fostered compliance with the law and the Company's articles of association, and accuracy of the published accounting documents. It has also checked the validity of the accounting records, the adequacy of the accounting policies adopted, and supervised the process of preparation and disclosure of financial information, including periodic information disclosed to the market.

During 2014, the Audit Committee, pronounced in favor of the operation of loans between associated enterprises Cimpor Inversiones and Cimpor Financial BV and InterCement Austria Holding GmbH since they were carried out according to normal market conditions. Additionally, Audit Committee regularly monitored the information on the existing system of receiving and dealing with irregularities.

The Audit Committee did not encounter any constraint on the exercise of its activity. It met six times and participated, with all its members attending, in all the meetings of the Board of Directors.

The Audit Committee maintained necessary contact with the Statutory Auditor and the External Auditor to monitor the audit work performed and learn the respective conclusions, ensuring the independence of the external auditor is maintained and evaluating its performance.

Statement of Compliance

The members of the Audit Committee declare, pursuant to Article 245(1)(c) of the Portuguese Securities' Code applicable by virtue of Article 8(1)(a) of CMVM Regulation no. 5/2008 (Duty of Disclosure), that to the best of their knowledge the data contained in the annual report, the accounts, the statutory audit certificate and other accounting documents of Cimpor – Cimentos de Portugal, SGPS, S.A. relative to the 2014 financial year were all drawn up in conformity with applicable accounting standards. Those members also state that the referred documents provide an accurate and appropriate image of the assets and liabilities, the financial situation and the profits of that company and the companies included in the consolidation perimeter, and that the management report faithfully reports the evolution of the business, the performance and the position of Cimpor and the companies included in the consolidation perimeter, also containing a description of the main risks and uncertainties facing them.

Opinion

The Audit Committee examined the proposals presented by the Board of Directors to the Shareholders, the Management Report and the consolidated and individual financial statements for the year ended 31 December 2014, which include the consolidated statements of financial position, the individual and consolidated profit and loss statement, the individual and consolidated statements of comprehensive income, cash flows and changes in equity and the annexes thereto, for the year ended on that date and prepared in accordance with International Financial Reporting Standards.

Its duties included the analysis of the Statutory Audit Certificate and the Audit Reports of those consolidated and individual financial statements, prepared by the Statutory Auditor.

The Audit Committee agrees with the Statutory Audit Certificate of the individual and consolidated accounts prepared by the Statutory Auditor.

The Audit Committee also reviewed the Corporate Governance Report for 2014, prepared by the Board of Directors in accordance with the provisions of Regulation no. 4/2013 (Corporate Governance of Listed Companies), as established by the Portuguese Securities' Market Commission and includes, inter alia, the factors identified in Article 245-A of the Portuguese Securities' Code.

It is the Audit Committee's opinion, in view of the above, that the individual and consolidated financial statements and the Management Report to 31 December 2014, as well as the proposed appropriation of profits expressed in the Management Report, are in accordance with the accounting, legal and statutory requirements so there is no obstacle to its approval by the Shareholders.

Lisboa, 23 February, 2015

LEGAL CERTIFICATION OF ACCOUNTS AND AUDITORS' REPORT

(Translation of a report originally issued in Portuguese)

Introduction

1. In compliance with the applicable legislation we hereby present our Legal Certification of Accounts and Auditors' Report on the consolidated and separate financial information contained in the Board of Directors' Report and the accompanying consolidated and separate financial statements of Cimpor – Cimentos de Portugal, SGPS, S.A. ("the Company") for the year ended 31 December 2014, which comprise the consolidated and separate statements of financial position as of 31 December 2014 (that present totals of 6,552,868 thousand Euros and 1,241,034 thousand Euros, respectively and consolidated and separate shareholders' equity of 978,391 thousand Euros and 1,206,763 thousand Euros, respectively, including a consolidated net profit attributable to the shareholders of the Company of 27,207 thousand Euros and a separate net profit of 869 thousand Euros, respectively), the consolidated and separate statements of profit and loss and other comprehensive income, of changes in shareholders' equity and of cash flows for the year then ended and the corresponding notes.

Responsibilities

2. The Company's Board of Directors is responsible for: (i) the preparation of consolidated and separate financial statements which present a true and fair view of the financial position of the Company and of the companies included in the consolidation, the consolidated and separate results and comprehensive income of their operations, the changes in their consolidated and separate shareholders' equity and their consolidated and separate cash flows; (ii) the preparation of historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union ("IAS/IFRS") and that is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code ("*Código dos Valores Mobiliários*"); (iii) the adoption of adequate accounting policies and criteria and the maintenance of appropriate systems of internal control; and (iv) the disclosure of any significant facts that have influenced the operations of the Company and the companies included in the consolidation, their financial position or their results and comprehensive income.

3. Our responsibility is to examine the consolidated and separate financial information contained in the documents of account referred to above, including verifying that, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code, and to issue a professional and independent report based on our examination.

Scope

4. Our examination was performed in accordance with the Auditing Standards ("*Normas Técnicas e Directrizes de Revisão/Auditoria*") issued by the Portuguese Institute of Statutory Auditors ("*Ordem dos Revisores Oficiais de Contas*"), which require the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated and separate financial statements are free of material misstatement. Our examination included verifying, on a sample basis, evidence supporting the amounts and disclosures in the consolidated and separate financial statements and assessing the significant estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation. Our examination also included verifying the consolidation procedures, application of the equity method and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting policies used, their uniform application and their disclosure, taking into consideration the circumstances, verifying of the applicability of the going concern concept, assessing the adequacy of the overall presentation of the consolidated and separate financial statements and assessing if, in all material respects, the financial information is complete, true, timely, clear, objective and licit. Our examination also included verifying that the consolidated and separate financial information included in the Directors' Report is consistent with the other consolidated and separate financial statements as well as carrying out the verifications set forth in items 4 and 5 of article 451 of the Portuguese Commercial Company Code ("*Código das Sociedades Comerciais*"). We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated and separate financial statements referred to in paragraph 1 above, present fairly, in all material respects, the consolidated and separate financial position of Cimpor – Cimentos de Portugal, SGPS, S.A. as of 31 December 2014 and the consolidated and separate results and comprehensive income of its operations, the changes on its consolidated and separate shareholders' equity and its consolidated and separate cash flows for the year then ended, in accordance with International Financial Reporting Standards as endorsed by the European Union and the information included therein is, in accordance with the definitions contained in the standards referred to in paragraph 4 above, complete, true, timely, clear, objective and licit.

Report on other legal requirements

6. It is also our opinion that the consolidated and separate financial information included in the Directors' Report is consistent with the annual consolidated and separate financial statements and the Corporate Governance Report includes the information required for the Company in accordance with article 245 - A of the Portuguese Securities Market Code.

Lisbon, 26 February 2015

Deloitte & Associados, SROC S.A.
Represented by Carlos Alberto Ferreira da Cruz

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