CIMPOR – CIMENTOS DE PORTUGAL, S.G.P.S., S.A.
Public Limited Company
Head Office: Rua Alexandre Herculano, 35, 1250-009 Lisbon Portugal
Share Capital: €672,000,000
VAT Nº: P500 722 900
Lisbon Registry of Companies Registration Nº 731

ANNOUNCEMENT OF 2003 CONSOLIDATED RESULTS

For Cimpor, 2003 was above all a year of consolidation, with the Group's management essentially focused on the integration of the new units acquired at the end of 2002 (a company in South Africa and three manufacturing facilities in Spain), on the restructuring of its financial debt (with a significant increase of its maturity) and on major investments in two new production lines (one in Brazil, completed in the middle of the year, and the other in Egypt, concluded at the beginning of 2004). Following the start-up of these new lines, the total production capacity of the Cimpor Group, using its own clinker, will increase to about 23.4 million tonnes per annum, keeping its tenth place in the world ranking of cement companies.

With the enlargement of the consolidation perimeter and despite the decline of some markets in which the Group operates (the Portuguese and the Brazilian markets in particular) and the sharp appreciation of the euro (which has risen by nearly 25% and more than 52% respectively, in average annual terms, against the Brazilian and Egyptian currencies), the consolidated Net Income, after Minority Interests, stood at €185.9 million, therefore €9.3 million (5.3%) above the figure of the previous year.

Consequently, the Group's return on equity (ROE) increased from 17.3% in 2002 to 19.5% in 2003.

Group Consolidated Income

(euro million)	2003	2002	Chg.	2001
Turnover	1,360.9	1,317.2	3.3 %	1,385.7
Operating Cash Cost	848.4	805.8	5.3 %	880.9
Operating Cash Flow (EBITDA)	512.5	511.4	0.2 %	504.8
Depreciation & Provisions	223.5	227.6	- 1.8 %	235.0
Operating Profit (EBIT)	289.0	283.8	1.8 %	269.8
Financial Income	- 35.5	- 23.3	52.2 %	-56.3
Current Income	253.4	260.5	- 2.7 %	213.6
Extraordinary Profit/Loss	12.3	- 38.2	s.s.	-5.2
Pre-tax Income	265.7	222.3	19.6 %	208.4
Income Tax	72.6	40.6	78.7 %	63.6
Income before Minority Interests	193.1	181.6	6.3 %	144.8
Minority Interests	7.2	5.1	42.5 %	6.9
Group Net Income	185.9	176.6	5.3 %	137.8

The Board of Directors intends to submit to the next General Shareholder's Meeting a cash dividend payment of €0,17 per share, which, similarly to the previous years, represents a payout ratio above 60%.

The total Group's Turnover amounted to €1,360.9 million – an increase of €43.7 million (3.3%) compared to 2002 – with the enlargement of the consolidation perimeter (Spain and South Africa) overcoming the reductions on the Turnover in Portugal and in the other countries in which the Group operates, when measured in the European currency (with the exception of Morocco and Mozambique).

In Portugal only, as a result of the evolution of the building and construction market (with cement consumption declining by 17%) and despite the significant contribution of the sales made to the new units acquired in Spain, Turnover fell by nearly €56 million. As a result of this, the relative importance of this Business Area for the consolidated Turnover fell from nearly 50% in 2002 to less than 44% in 2003.

Contributions to Turnover

(million euros)

Business	2003		2002		Change	
Areas	Amount	%	Amount	%	Amount	%
Portugal	596.8	43.9	652.8	49.6	- 56.0	- 8.6
Spain	300.1	22.1	170.2	12.9	129.9	76.3
Morocco	56.1	4.1	49.3	3.7	6.8	13.8
Tunisia	54.9	4.0	57.6	4.4	- 2.7	- 4.6
Egypt	55.4	4.1	73.8	5.6	- 18.5	- 25.0
Brazil	223.5	16.4	255.4	19.4	- 31.8	- 12.5
Mozambique	42.5	3.1	37.7	2.9	4.8	12.7
South Africa	69.2	5.1	13.5	1.0	55.7	S.S.
Other activities *	- 37.6	-	6.9	0.5	- 44.5	S.S.
Consolidated total	1,360.9	100.0	1,317.2	100.0	43.7	3.3

* Includes the deduction of transactions between Business Areas

The reductions seen in Tunisia, Egypt and Brazil were mainly caused by the combined effect of the decline of the respective markets and of the sharp appreciation of the euro against the currencies of those countries. In Brazil, not considering the currency variation, Turnover would have been €54 million higher, exceeding the 2002 figure by about 8.8%.

Attention is drawn to the performance of Morocco and Mozambique, where, despite the fact that their currencies also depreciated against the euro, the latter in particular, Turnover increased sharply, even when measured in the European currency.

South Africa, which also performed excellently (the 2003 figures are not comparable with those of the previous year, which cover just the last quarter of the year), already represents more than 5% of the Group's consolidated Turnover, while Spain, benefiting from the increase of its consolidation perimeter, is now Cimpor's second biggest Business Area in terms of this indicator.

In opposition to the situation at the end of the first half year, both the Operating Cash Flow and the Operating Profit increased slightly over the year as a whole (0.2% and 1.8% respectively), compared to 2002. However, given the decrease of the operations both in Portugal and in Brazil, combined with the fact that the new factories acquired in Spain have far lower margins than the units already owned by the Group in this market, both the EBITDA and the EBIT margins fell slightly compared to the previous year (from 38.8% to 37.7% and from 21.5% to 21.2% respectively).

With a reduction of its Operating Cash Flow by more than €46 million and the respective margin down by nearly 4 p.p., as a result of the referred decrease of the operations and of the relative weight of clinker sales (with substantially lower added value), Portugal was the most affected Business Area in terms of these indicators.

As a result of the decline of sales and of the devaluation of the Real, Brazil also suffered a significant reduction of its Operating Cash Flow, though maintaining an EBITDA margin similar to that of 2002.

Operating Cash Flow (EBITDA)

(million euros)

Business	2003		2002		Change	
Areas	Amount	Margin	Amount	Margin	Amount	%
Portugal	211.4	35.4 %	256.8	39.3 %	- 45.5	- 17.7
Spain	84.2	28.1 %	55.4	32.5 %	28.8	52.0
Morocco	25.4	45.3 %	22.5	45.6 %	2.9	12.8
Tunisia	13.3	24.3 %	10.5	18.3 %	2.8	26.9
Egypt	21.3	38.4 %	16.9	22.9 %	4.4	25.8
Brazil	115.5	51.7 %	130.8	51.2 %	- 15.3	- 11.7
Mozambique	11.7	27.4 %	7.3	19.5 %	4.3	58.7
South Africa	31.2	45.1 %	5.6	41.3 %	25.6	S.S.
Other activities *	(1.4)	-	5.6	-	- 6.9	S.S.
Consolidated total	512.5	37.7 %	511.4	38.8 %	1.1	0.2

In Spain, the reduction of the EBITDA margin is explained by the lower cement selling prices in the region of Andalusia (when compared to Galicia where, in 2002, all the Group sales were concentrated) and, mainly, by the fact that the new units acquired in the region do not have sufficient clinker production capacity and have to buy it from third parties or from other Group's units.

All the other Business Areas returned significant increases of their Operating Cash Flows, both by absolute value (despite the devaluation of their currencies, with the exception of South Africa) and, above all, in terms of margin (with the exception of Morocco, where the margin already exceeded the Group's average).

Compared to the previous year, Financial Income declined by some €12 million, solely as a result of the foreign exchange losses on hedging operations, since the interest charges on the Financial Debt were almost unchanged despite the increase on the amount of debt.

The Extraordinary Income, which in 2002 recorded a loss (caused by an extraordinary amortisation of goodwill and by the creation / increasing of certain provisions), had an increase of €50 million, reaching in 2003 a positive value of about €12 million.

Income Tax also rose significantly, with an increase of €32 million, since the figure for 2002 had benefited from major tax savings generated within the scope of the Group's restructuring.

During 2003, the sales of cement and clinker by the Cimpor Group totalled nearly 18,3 million tonnes, an increase of more than 11% compared to the previous year. The new units acquired in South Africa and in the Spanish region of Andalusia gave a decisive contribution to this result. Without them and also not considering the sales of the Portuguese and the Galician factories to those units, there would have been a decrease in sales volume of some 1,2 million tonnes, compared to 2002.

Cement and Clinker Sales
(million tonnes)

Business Areas	2003	2002	Change
Portugal	5,849	6,073	- 3.7 %
Spain	3,741	1,548	141.7 %
Morocco	822	739	11.2 %
Tunisia	1,498	1,471	1.8 %
Egypt	2,108	2,203	- 4.3 %
Brazil	3,242	3,693	-12.2 %
Mozambique	595	486	22.4 %
South Africa	1,033	271*	281.1 %
Consolidated total	18,286	16,464	11.1 %

* In the 4^{th} Quarter

Whereas in Spain, in South Africa and, particularly, in Morocco and Mozambique the markets performed well, with the latter two showing growth rates of about 9% and 17% respectively, there were different levels of reductions of cement consumption in the other countries in which the Group does business, with special emphasis in Portugal (down 17%) and Brazil (down 11%).

Capital Employed (Group)

(million euros)	2003	2002	2001
Assets	419.8	440.9	447.7
(Current non-financial liabilities)	(237.0)	(258.8)	(250.6)
Working capital (net)	182.8	182.1	197.1
Goodwill (gross)	1,250.7	1,256.5	995.6
Tangible fixed assets (net)	1,193.6	1,300.1	1,279.7
Other assets (net)	(55.7)	(273.1)	(29.9)
Capital employed	2,571.3	2,465.5	2,442.5
Financing liabilities	1,531.4	1,520.9	1,239.1
(Loans granted / Cash & cash equivalents	(292.9)	(372.0)	(181.7)
Net financial debt	1,238.5	1,148.9	1,057.3
Provisions for contingencies & liabilities	127.9	118.7	55.8
Minority interests	78.3	88.5	111.5
Deferred taxes (Sc)	(22.7)	(25.3)	32.9
Accumulated amortisation of goodwill	365.8	300.1	230.7
Shareholders' equity	960.6	949.6	1.091.1
Sub-total	2,748.5	2,580.5	2,579.3
(Assets not assigned to operations)	(177.2)	(115.0)	(136.8)
Capital employed	2,571.3	2,465.5	2,442.5

Capital Employed increased by slightly more than €100 million (about 4,3%), while the investments in fixed assets, including the Goodwill paid on the acquisitions, exceeded €165 million.

Despite those investments, the large dividend paid out (more than €100 million) and the fact that a large part of the assets acquired in Spain in December 2002 were paid for in the beginning of 2003 only, at the end of this year Net Financial Debt had increased by just €90 million, continuing to account for less than 50% of total Capital Employed. In net terms, its cost remained firmly under control and amounted to just 10% of the Operating Profit.

Lisbon, March 5th, 2004