CIMPOR – CIMENTOS DE PORTUGAL, S.G.P.S., S.A.

Public Limited Company
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Share Capital: €672,000,000
VAT Nº: P500 722 900
Lisbon Registry of Companies Registration Nº 731

ANNOUNCEMENT OF RESULTS FOR THE 1st HALF OF 2003

CIMPOR's first half Net Profit, after minorities, reached 90.3 million euros, slightly above (1.5%) 2002 first half figure.

Breakdown of Consolidated Profits
(euro million)

	1st Half 2003	1st Half 2002	Var. %
Turnover	654.3	689.5	(5.1)
Operating cash costs	407.0	415.2	(2.0)
Operating cash flow	247.3	274.3	(9.9)
Depreciation & provisions	111.0	111.4	(0.4)
Operating profit	136.3	162.9	(16.3)
Financial charges	(17.1)	(7.5)	n.s.
Extraordinary profit/(loss)	16.9	(9.0)	n.s.
Income tax	41.8	54.8	(23.7)
Minority interests	4.0	2.7	50.3
Group net profit	90.3	89.0	1.5

The decline of turnover caused by the decrease of activity, leading to a lesser dilution of overheads, led to a reduction of about 27 million euros both in operating cash flow (EBITDA) and in operating profits (EBIT). Compared to the first six months of last year the respective margins fell from 39.8% to 37.8% and from 23.6% to 20.8% respectively.

Operating Cash Flow (EBITDA)
(euro million)

Business	1st Half 2003		1st Half 2002		Variation	
Area	Value	Margin	Value	Margin	Value	%
Portugal	107.1	36.4 %	144.0	41.3 %	(36.9)	(25.7)
Spain	41.1	29.3 %	26.2	31.4 %	15.0	57.3
Morocco	11.2	42.9 %	9.9	42.3 %	1.3	13.7
Tunisia	6.5	23.8 %	5.6	18.0 %	0.9	15.9
Egypt	7.7	30.0 %	11.1	26.8 %	(3.4)	(30.8)
Brazil	56.1	52.8 %	73.6	52.6 %	(17.5)	(23.8)
Mozambique	4.7	25.9 %	1.6	10.0 %	3.1	188.7
South Africa	13.0	43.0 %	-	-	13.0	n.s.
Other business	(0.1)	-	2.3	-	(2.4)	n.s.
Total	247.3	37.8 %	274.3	39.8 %	(27.0)	(9.9)

The decrease of operating cash flow was particularly significant in Portugal, (less than around 37 million euros), with the respective margin having dropped by almost 5 p.p., not only for the sharp decrease in consumption but also for the lesser added value, comparing to the cement sold in the Portuguese market, of clinker sales to the new units acquired in the Spanish region of Andalusia.

With the exception of Portugal and Spain, all Business Areas increased their EBITDA margins, especially Tunisia and Mozambique, where the figures are now very close to the Group average. The slight reduction seen in Spain is easily explained by the lower cement selling prices seen in Andalusia (compared to Galicia) and, above all, by the fact that the new facilities there acquired do not have sufficient clinker production capacity and have to buy in clinker from third parties or from other Group factories.

The reduction of the operating cash flow in Business Areas of Egypt and Brazil was solely the result of the depreciation of their currencies against the euro. Had there been no depreciation, the cash flows of both these Business Areas would have increased, particularly in Brazil where, in local currency, the cash flow was up by more than 20%.

Contrary to what was seen in the first half of 2002, when there was a need to set aside or increase a number of provisions, this year it proved possible to write back some excesses. Added to a major cancellation of costs in respect of previous years, this meant that financial charges and extraordinary items, taken together, improved from a negative figure of about 16.4 million euros to practically zero.

During the first half of 2003 cement and clinker sales by the Cimpor Group totalled more than 8.9 million tonnes, an increase of 10.3% compared to the same period last year. The new facilities acquired in Spain and South Africa made a decisive contribution to this performance, since without them, and excluding also sales made by the Group factories in Portugal and Galicia to these new facilities, sales would have fallen by nearly 680,000 tonnes (8.4%).

Cement and Clinker Sales

(thousand tonnes)

Business Area	1st Half 2003	1st Half 2002	Var. %
Portugal	2 860	3 190	(10.4)
Spain	1 743	747	133.5
Morocco	394	344	14.7
Tunisia	757	793	(4.5)
Egypt	1 095	1 145	(4.3)
Brazil	1 571	1 700	(7.6)
Mozambique	271	198	36.9
South Africa	478	-	-
Consolidated Total	8 937	8 099	10.3

While the markets performed well in Spain and South Africa, and in Morocco and Mozambique in particular – the latter having seen growth rates of 11% and 25% respectively – cement consumption experienced more or less significant decreases in the other countries in which the Group operates, especially in Portugal (down 17.7%) and Brazil (down 9.6%).

Sales of Concrete, Aggregates and Mortars

Product / Business Area	1st Half 2003	1st Half 2002	Var. %
Concrete (1 000 m^3)			
Portugal	1 750	2 140	(18.2)
Spain	817	757	7.9
Other business areas	208	119	74.8
Total	2 775	3 016	(8.0)
Aggregates (1 000 tonnes)			
Portugal	4 362	5 223	(16.5)
Spain	1 524	1 485	2.6
Total	5 885	6 707	(12.3)
Mortars (1 000 tonnes)	218	211	3.1

Sales of concrete and aggregates were also considerably lower (8.0% and 12.3% respectively), solely as a result of the crisis on the Portuguese market, since all the other Business Areas saw growth to some extent. Mortar sales also improved, even in Portugal, the increase totalling about 3%.

Consolidated Group turnover during this first half of 2003 stood at 654 million euros, down 35 million (or 5.1%) compared to last time, despite the enlargement of the consolidation perimeter.

Contribution to Turnover
(euro million)

Business	1st Half 2003		1st Half 2002		Variation	
Area	Value	%	Value	%	Value	%
Portugal	294.1	45.0	348.7	50.6	(54.6)	(15.7)
Spain	140.3	21.4	83.3	12.1	57.0	68.3
Morocco	26.2	4.0	23.3	3.4	2.9	12.2
Tunisia	27.4	4.2	31.1	4.5	(3.7)	(12.0)
Egypt	25.5	3.9	41.4	6.0	(15.8)	(38.3)
Brazil	106.3	16.2	139.9	20.3	(33.6)	(24.0)
Mozambique	18.1	2.8	16.2	2.4	1.9	11.7
South Africa	30.2	4.6	-	-	30.2	-
Other Business *	(13.9)	-	5.4	0.8	(19.3)	n.s.
Consolidated Total	654.3	100.0	689.5	100.0	(35.2)	(5.1)

* Excluding thevalue of transactions between Business Areas

In Portugal alone, as a result of the market situation referred to above and despite the significant contribution made by sales to the new units acquired in Spain, turnover was down by nearly 55 million euros. Consequently, the contribution of this Business Area to total consolidated turnover fell from over 50% in the first half of 2002 to 45% in the first six months of this year.

The reductions seen in Tunisia, Egypt and Brazil were largely the result of the combined effect of the decline of these markets and of the sharp appreciation of the euro against their currencies. In terms of average exchange rates during the period under review when compared with the first half of 2002, this appreciation amount to 11.8%, 49.3% and 61.6% respectively. In Brazil, had there been no exchange-rate variation, turnover would have amounted to 65 million euros, or 23% more than the figure for the first six months of last year.

Emphasis is given to the performance of Morocco and Mozambique where, despite the fact that their currencies also depreciated against the euro, particularly in the case of the latter, turnover was sharply higher, even when measured in European currency terms.

South Africa also performed excellently and now accounts for over 4% of the Group's consolidated turnover. As a result of the enlargement of its consolidation perimeter, Spain is now Cimpor's second biggest Business Area in terms of turnover.

During the first half of the year the Group's investments in tangible and intangible fixed assets totalled 78.2 million euros. The larger investments were made in Portugal (16.2 million, mainly spent on environmental protection and improvement, and on the acquisition and construction of port facilities for the storage of clinker and cement for export), Egypt and Brazil (31.7 million and 13.3 million euros respectively, mainly directed at the construction of new production lines).

Summary of the Group's Consolidated Balance Sheet
(euro million)

	30 Jun 2003		31 Dec 2002	
	Value	%	Value	%
NET ASSETS				
Fixed assets	2 275.7	71.3	2 379.4	71.3
Current assets	783.7	24.5	814.5	24.4
Accruals & deferrals	133.8	4.2	143.9	4.3
Total	3 193.1	100.0	3 337.9	100.0
SHAREHOLDERS' EQUITY	913.1	28.6	949.6	28.4
Minority interests	82.0	2.6	88.5	2.6
LIABILITIES	2 198.0	68.8	2 299.8	68.9
Total	3 193.1	100.0	3 337.9	100.0

The Group's financial structure is practically unchanged when compared to the end of last year. Despite the large dividend paid out and the depreciation of the Egyptian pound, the self-financing ratio increased from 28.4% as at December 31, 2002, to 28.6% as at June 30, 2003.

Last months'slowdown of the consumption reduction trend in Portugal, allied to the increase of average selling prices in Egypt, to the recent depreciation of the euro against the currencies of most of the countries in which the Group does business and to the expected continuation of the good performance of the Spain, Morocco, South Africa and Mozambique Business Areas, suggests that at the year-end both the operating cash flow and the pre-tax profit could outperform the figures returned by the Group in 2002.

Lisbon, September 22, 2003

The Board of Directors