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# CIMPOR

## Q3'10 Results Presentation

November, 2010



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# Highlights

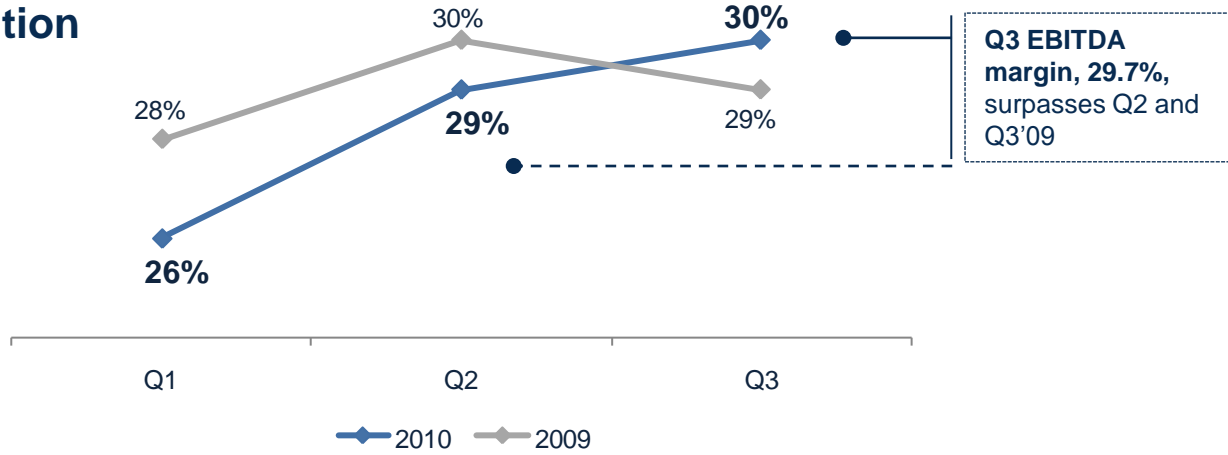
## Q3: Another Record Quarter!

- **€176 M Q3 EBITDA beats Q2 record high**
- **Q3 EBITDA up 11% yoy**
  - Brazil strength / Turkey and China recover / Portugal contribution
- **Q3'10 EBITDA margin, 29.7%**, overcomes Q2'10 and Q3'09
- Top of the industry performer, outperforming peers and beats analysts consensus.
- Record Q3 delivers 9M Turnover up 7% and 9M EBITDA up 4%
- Q3 Net Profit increases 1.5% yoy, improving ytd performance (-4.1%)
- Strong operations and conservative investment **ensure strong credit profile:**
  - Net Debt/EBITDA 2.66x and Net Debt/EV 34%.
- **Positive outlook**

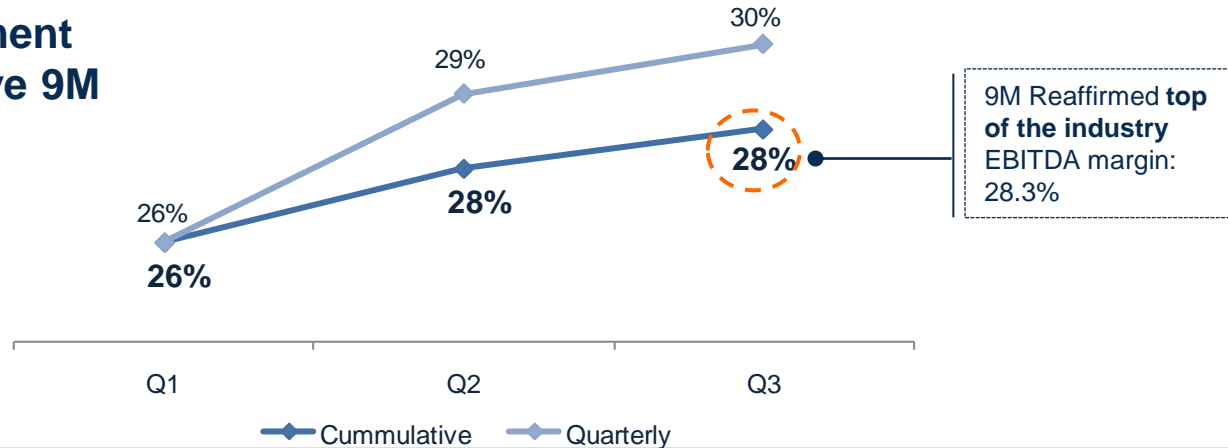
# Top of the industry EBITDA performance

- €176 M Q3 EBITDA **beats** Q2 record high
- Q3 EBITDA **up** 11% yoy
- After a tough Q1, Q2 and Q3 ensure sustained operating recovery

## Quarterly yoy evolution of EBITDA margin

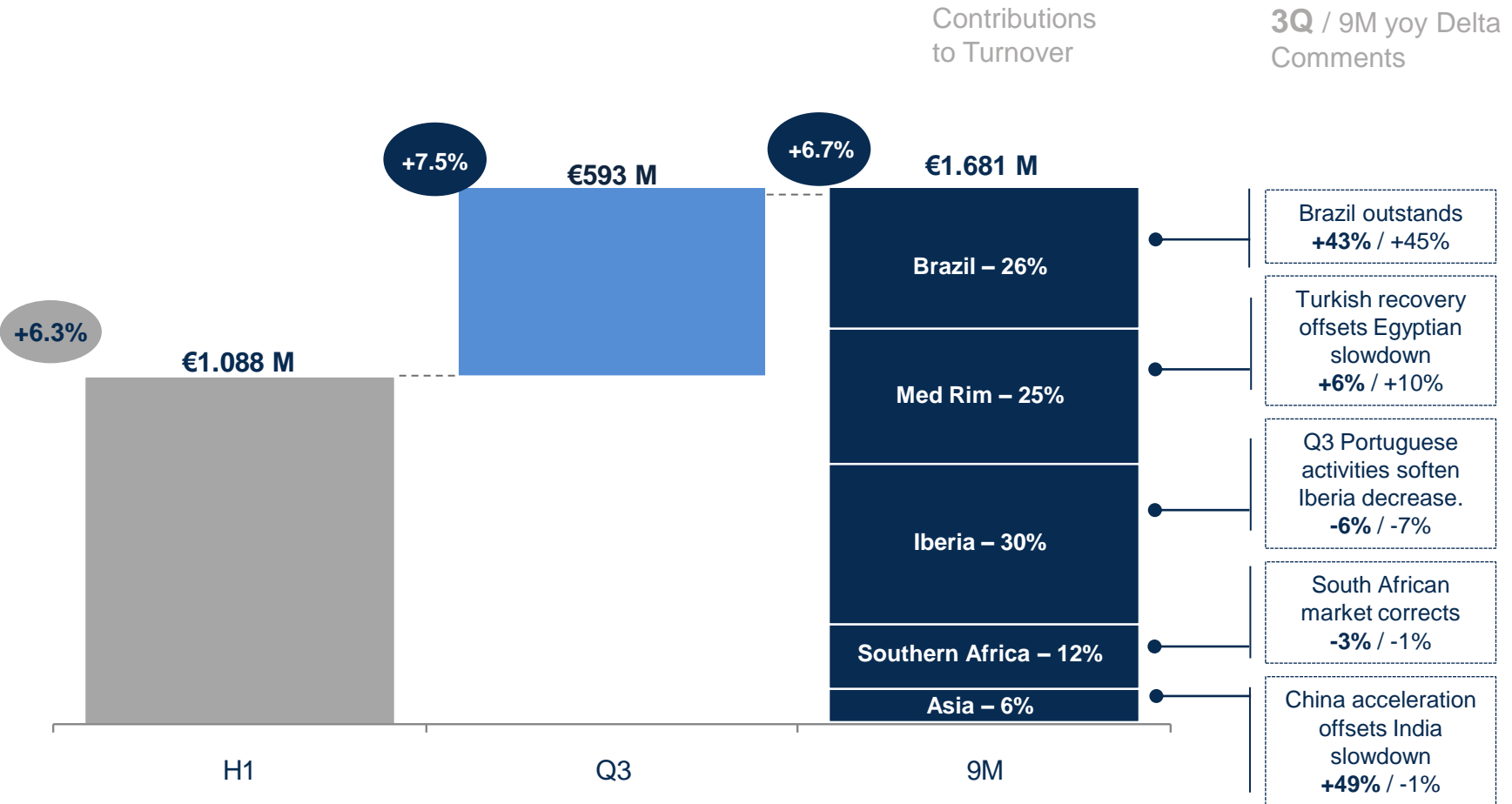


## Quarterly improvement drives up cumulative 9M EBITDA margin



# Turnover: Brazil stars again!

Q3 increases at higher pace than H1 (7.5% vs. 6.3%)

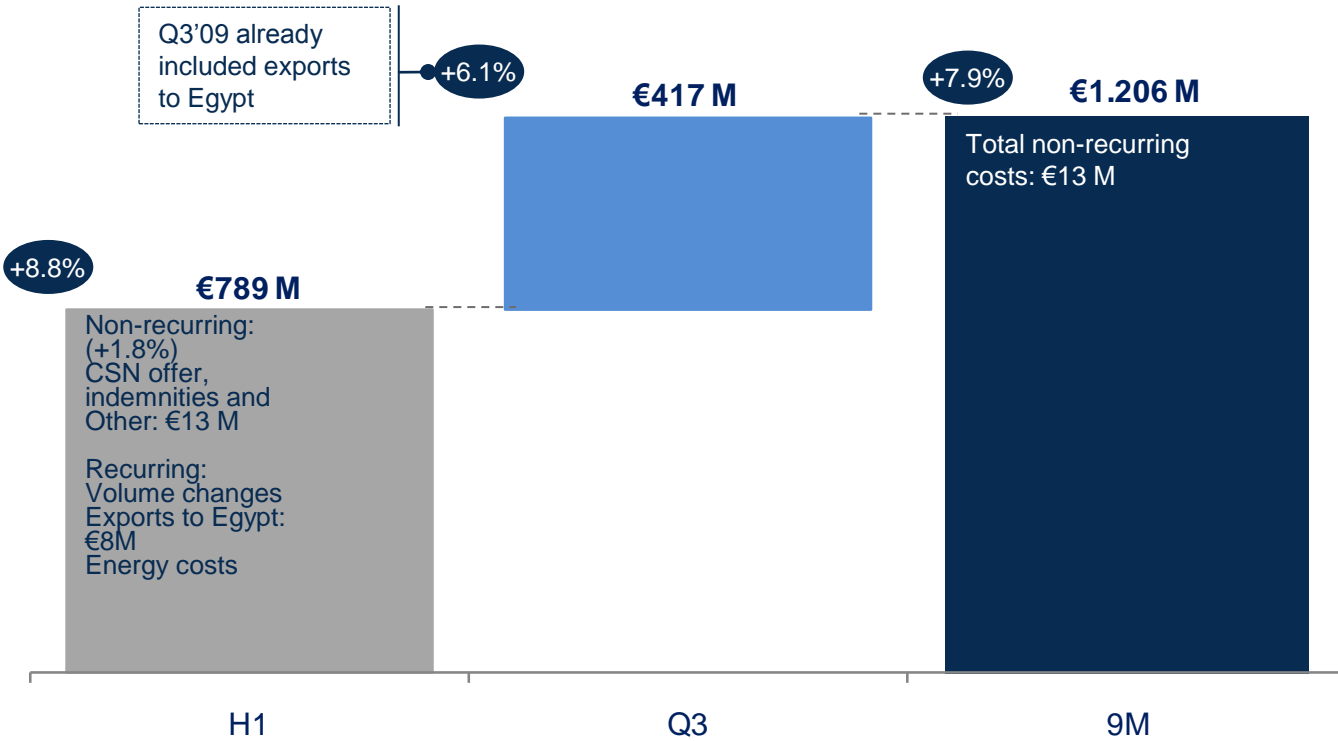


# Cash costs performance in Q3

Iberia CO2 sales offset higher energy costs in most geographies

No significant non-recurring costs in Q3

YoY Variation (%)

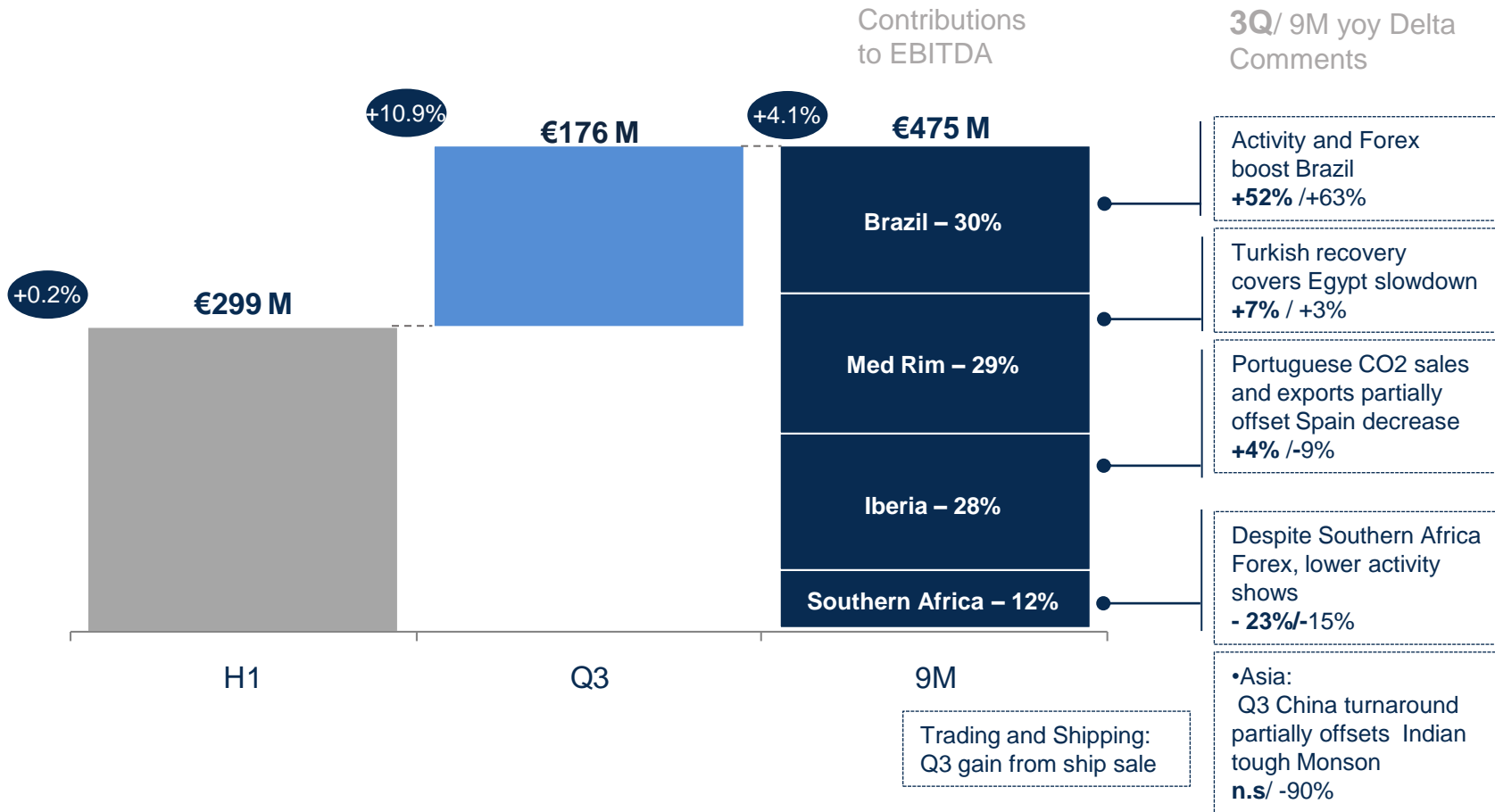


# Q3 EBITDA 176 M€ beats Q2 record high....

## ... allowing a 9M increase of 4.1% (vs 0.2% in H1)

Despite global economic momentum and increasing energy costs, Q3 EBITDA increases 11% yoy

YoY Variation (%)

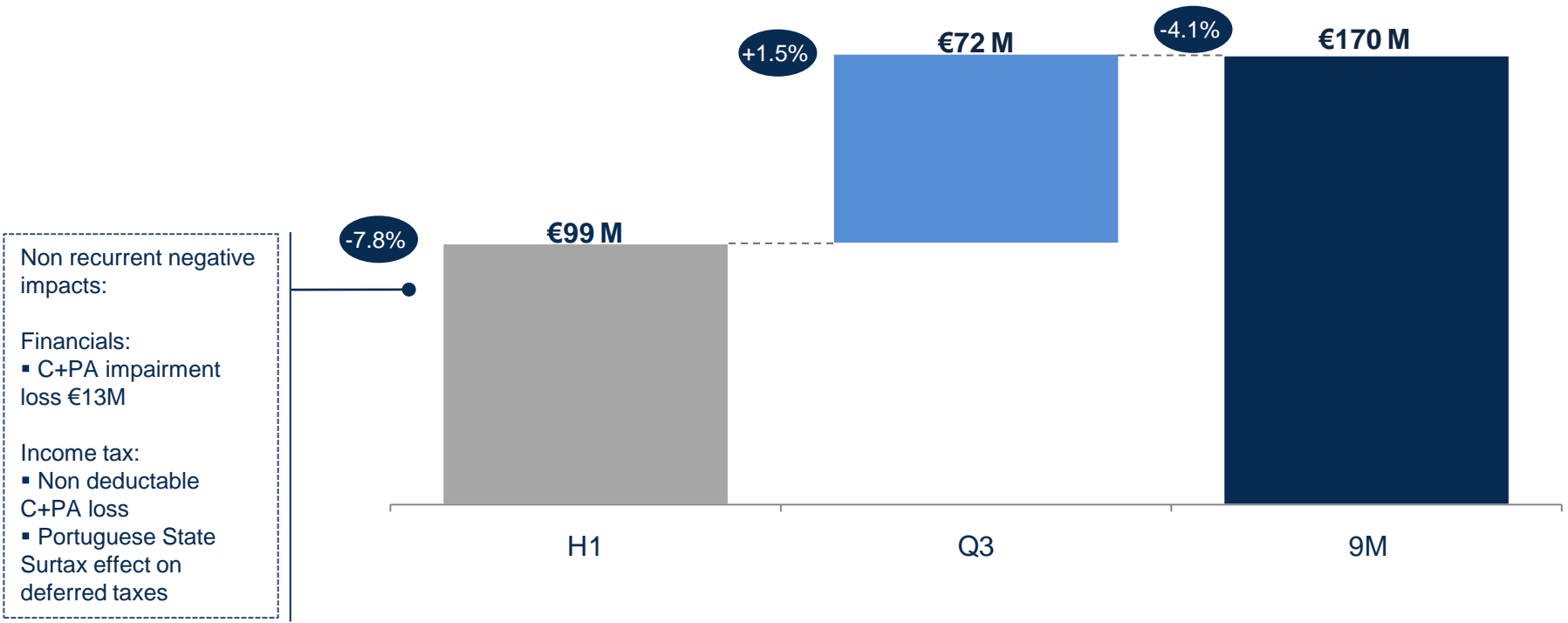


\* Asia and Other contribution to EBITDA: 1%

# Q3 Net Profit increases 1.5%...

- ... on the back of operating performance,...
- ... while providing a softer 9M decrease: -4.1% (vs. -7.8% in H1)
- Q3 higher financial expenses (+€15 M, reflecting increasing interest rates and mk to mkt valuations)...
- ... offset by “back to normal” income tax rate levels: 23.7% (Q3'09 rate: +27.0% included tax adjustments)

YoY Variation (%)





# Key Financials

| € Million                          | Jan - Sep    |              |              |
|------------------------------------|--------------|--------------|--------------|
|                                    | 2010         | 2009         | % Chg.       |
| <b>Turnover</b>                    | <b>1.681</b> | <b>1.575</b> | <b>6,7%</b>  |
| Operating Cash Costs               | 1.206        | 1.118        | 7,9%         |
| <b>EBITDA</b>                      | <b>475</b>   | <b>457</b>   | <b>4,0%</b>  |
| <i>EBITDA margin</i>               | <i>28,3%</i> | <i>29,0%</i> |              |
| Depreciation & Provisions          | 176          | 157          | 12,0%        |
| EBIT                               | 299          | 300          | -0,3%        |
| <b>Net Financial Results</b>       | <b>(48)</b>  | <b>(53)</b>  | n.s.         |
| Net Profit before taxes            | 251          | 246          | 1,8%         |
| Corporate tax                      | 75           | 63           | 20,3%        |
| Net Profit                         | 175          | 184          | -4,5%        |
| Minorities                         | 5            | 6            | -16,9%       |
| <b>Net Profit after minorities</b> | <b>170</b>   | <b>178</b>   | <b>-4,1%</b> |
| CAPEX                              | 107          | 181          | -40,9%       |
| Capital Employed                   | 3.822        | 3.485        | 9,7%         |
| <b>ROCE<sup>(1)</sup></b>          | <b>8,4%</b>  | <b>9,5%</b>  |              |
| Net Debt                           | 1.658        | 1.809        | -8,3%        |
| Net Debt / EBITDA                  | 2,66         | 2,95         |              |
| EBITDA / Net Financial Expenses    | 14,7         | 8,9          |              |

| 3rd Quarter |       |        |
|-------------|-------|--------|
| 2010        | 2009  | % Chg. |
| 593         | 552   | 7,5%   |
| 417         | 393   | 6,1%   |
| 176         | 159   | 10,9%  |
| 29,7%       | 28,8% |        |
| 61          | 55    | 11,4%  |
| 115         | 104   | 10,6%  |
| (21)        | (6)   | n.s.   |
| 95          | 98    | -3,6%  |
| 22          | 27    | -15,4% |
| 72          | 72    | 0,7%   |
| 0           | 1     | -63,5% |
| 72          | 71    | 1,5%   |

# Country overview

## Iberia

|            | Portugal |      |     |
|------------|----------|------|-----|
|            | H1       | Q3   | 9M  |
| Sales*     | 22%      | 0%   | 14% |
| Turnover*  | 0%       | -13% | 0%  |
| EBITDA*    | -11%     | 18%  | -2% |
| EBITDA Mg. | 30%      | 36%  | 32% |



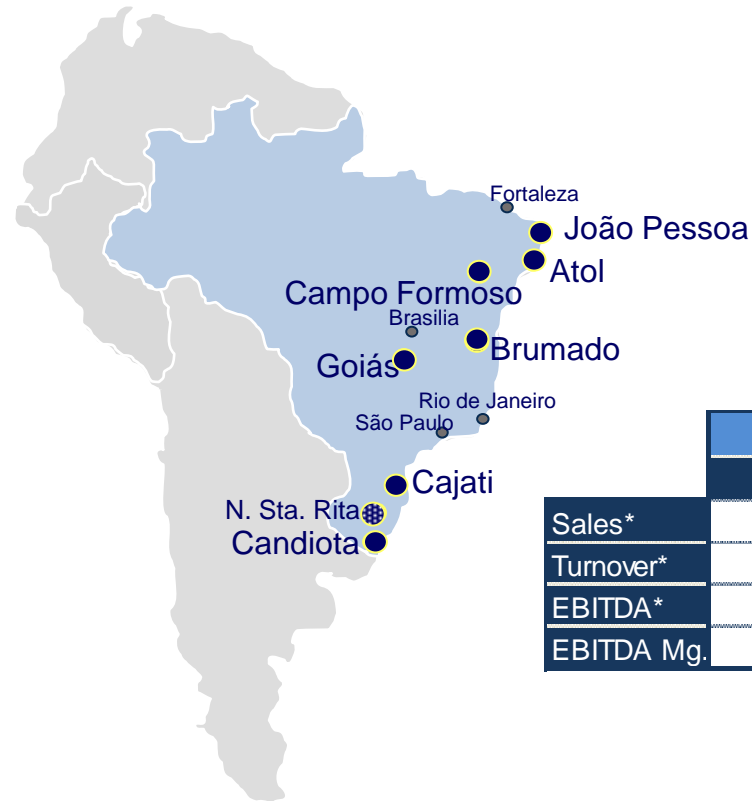
|            | Spain |      |      |
|------------|-------|------|------|
|            | H1    | Q3   | 9M   |
| Sales*     | -4%   | -11% | -7%  |
| Turnover*  | -13%  | -21% | -16% |
| EBITDA*    | -36%  | -35% | -32% |
| EBITDA Mg. | 10%   | 11%  | 11%  |

- 9M: Iberia slows EBITDA drop
- Q3 Portuguese exports balance 3% market decrease. EBITDA , including CO2 sales, up 18% and margin to 36%.
- On the back of Galician sales, CIMPOR in Spain performs better than the market. Energy costs, and prices lower EBITDA.

\* y-o-y changes

# Country overview

## Brazil



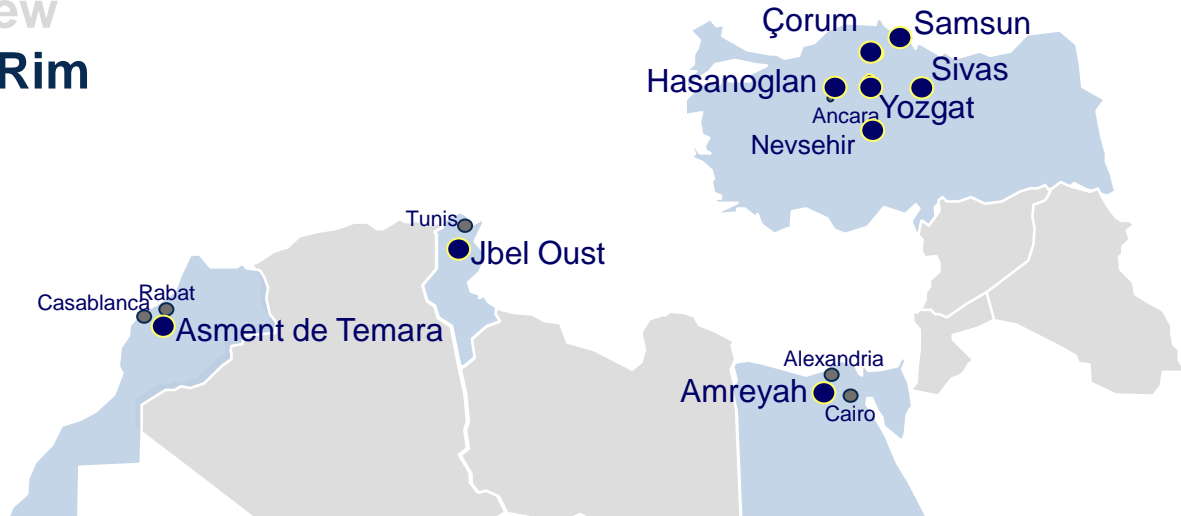
|            | Brazil |     |     |
|------------|--------|-----|-----|
|            | H1     | Q3  | 9M  |
| Sales*     | 20%    | 18% | 19% |
| Turnover*  | 47%    | 43% | 45% |
| EBITDA*    | 71%    | 53% | 63% |
| EBITDA Mg. | 33%    | 32% | 32% |

- Strong economic momentum
- Q3 Consumption up: +13%. Ongoing capacity increases.
- Q3 BRL Appreciation: 18%
- EBITDA increases y-o-y:
  - Q3 €19Mn, +53% (+27%, excluding Forex)
  - 9M €55Mn, +63% (+34% excluding Forex)

\* y-o-y changes

# Country overview

## Mediterranean Rim



|            | Morocco |     |     | Tunisia |     |     | Egypt |      |      | Turkey |     |     |
|------------|---------|-----|-----|---------|-----|-----|-------|------|------|--------|-----|-----|
|            | H1      | Q3  | 9M  | H1      | Q3  | 9M  | H1    | Q3   | 9M   | H1     | Q3  | 9M  |
| Sales*     | 0%      | -5% | -1% | 11%     | 4%  | 9%  | 2%    | -21% | -6%  | 37%    | 20% | 30% |
| Turnover*  | 2%      | 1%  | 2%  | 12%     | 11% | 12% | 6%    | -6%  | 0%   | 41%    | 34% | 38% |
| EBITDA*    | 6%      | 7%  | 6%  | 39%     | -2% | 22% | -14%  | -6%  | -12% | 80%    | 63% | 71% |
| EBITDA Mg. | 43%     | 49% | 45% | 30%     | 33% | 30% | 36%   | 43%  | 38%  | 12%    | 20% | 16% |

### Widespread EBITDA margin improvement vs. H1

- Despite maintenance stoppage in Q3, Tunisia increases mg 3pp above H1
- Morocco - highest Q3 EBITDA margin within Group (49%), despite post Ramadan lingering
- Consistency of Turkish recovery leads EBITDA margin up 8pp vs. H1
- Egypt: Q3 slower market uptrend and mills issue justifies sales decrease. Lower clinker import pressure allows higher margin than H1.

\* y-o-y changes

# Country overview

## Southern Africa

|            | South Africa |      |      |
|------------|--------------|------|------|
|            | H1           | Q3   | 9M   |
| Sales*     | -22%         | -16% | -20% |
| Turnover*  | -1%          | -7%  | -4%  |
| EBITDA*    | -12%         | -16% | -13% |
| EBITDA Mg. | 42%          | 40%  | 41%  |



|            | Mozambique |      |      |
|------------|------------|------|------|
|            | H1         | Q3   | 9M   |
| Sales*     | 12%        | 12%  | 12%  |
| Turnover*  | 2%         | 6%   | 3%   |
| EBITDA*    | -9%        | -69% | -29% |
| EBITDA Mg. | 15%        | 5%   | 12%  |

- South Africa:
  - Demand correction from 2007 peak slows.
  - Prices in LC up 2.9%
  - Strong 9M ZAR appreciation:+18%
  - Despite increasing energy costs, EBITDA margin still above 40%
  
- Mozambique:
  - Consistent consumption growth
  - Operating problems decrease EBITDA margin

\* y-o-y changes

# Country overview

## Asia

|            | India |       |      |
|------------|-------|-------|------|
|            | H1    | Q3    | 9M   |
| Sales*     | -12%  | -25%  | -16% |
| Turnover*  | -7%   | -25%  | -11% |
| EBITDA*    | -35%  | -148% | -60% |
| EBITDA Mg. | 18%   | -13%  | 11%  |



|            | China |      |      |
|------------|-------|------|------|
|            | H1    | Q3   | 9M   |
| Sales*     | -12%  | 54%  | 8%   |
| Turnover*  | -21%  | 84%  | 6%   |
| EBITDA*    | -162% | n.s. | n.s. |
| EBITDA Mg. | -6%   | 1%   | -4%  |

- China:
  - EBITDA turns positive in Q3
  - 2010 New plant: Strong sales improvement on Q3 show potential recovery throughout 2010.
  - Increasing competition in CIMPOR operating regions:
    - economic slowdown and excess of capacity (delayed government capacity retirement)
    - 13% price decreases (local currency) in 9M
  
- India:
  - Local Market contraction, exceptional rain season and new players justify lower Q3 EBITDA.

\* y-o-y changes

# Strong Balance Sheet

| Summary of Consolidated Balance Sheet             |              |              |             |
|---|--------------|--------------|-------------|
| € Million   | Sep 30 2010  | Dec 31 2009  | % Chg.      |
| <b>Assets</b>                                     |              |              |             |
| Non-current Assets                                | 3.862        | 3.764        | 2,6%        |
| Current Assets                                    |              |              |             |
| Cash and Equivalents                              | 515          | 439          | 17,3%       |
| Other Current Assets                              | 835          | 724          | 15,4%       |
| <b>Total Assets</b>                               | <b>5.213</b> | <b>4.927</b> | <b>5,8%</b> |
| <b>Shareholders' Equity, attributable to:</b>     |              |              |             |
| Equity Holders                                    | 2.013        | 1.831        | 10,0%       |
| Minority Interests                                | 90           | 92           | -2,3%       |
| <b>Total Shareholders' Equity</b>                 | <b>2.103</b> | <b>1.923</b> | <b>9,4%</b> |
| <b>Liabilities</b>                                |              |              |             |
| Loans   | 2.147        | 2.098        | 2,3%        |
| Provisions  | 196          | 179          | 9,3%        |
| Other Liabilities                                 | 767          | 727          | 5,6%        |
| <b>Total Liabilities</b>                          | <b>3.110</b> | <b>3.004</b> | <b>3,5%</b> |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>5.213</b> | <b>4.927</b> | <b>5,8%</b> |

- Forex important contribution to Net assets increase

## Solid credit profile...

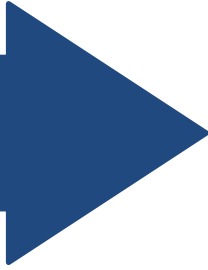
- Profitability and conservative investment improve strong credit profile
- 9M CAPEX: €107 M which represents a 41% yoy decrease.

|                                 | Jan - Sep |       |        |
|---------------------------------|-----------|-------|--------|
|                                 | 2010      | 2009  | % Chg. |
| CAPEX                           | 107       | 181   | -40,9% |
| Net Debt                        | 1.658     | 1.809 | -8,3%  |
| Net Debt / EBITDA               | 2,66      | 2,95  |        |
| Net Debt / EV                   | 34%       | 32%   |        |
| EBITDA / Net Financial Expenses | 14,7      | 8,9   |        |





A focused **cement** producer,  
holding a geographically **diversified**  
and well **balanced** portfolio,  
with a **relevant** regional footprint in **high**  
**growth** potential markets,  
**controlling** its assets for maximum group  
synergies and development.  
An **Investment Grade** Company.



**Consistently Delivering**  
cash-flows,  
superior returns,  
stakeholders value creation.

**Cimpor. In cement. An excellent business.**



# CIMPOR

## Q3'10 Results Presentation

November, 2010



# Appendix I: Sales Volumes and Turnover by Country

|                     | Sales ('000 tons) |              |             |             | Turnover (€ M) |            |             |             |
|---------------------|-------------------|--------------|-------------|-------------|----------------|------------|-------------|-------------|
|                     | 3rd Quarter       |              |             | 9M          | 3rd Quarter    |            |             | 9M          |
|                     | 2010              | 2009         | % Chg.      | % Chg.      | 2010           | 2009       | % Chg.      | % Chg.      |
| Portugal            | 1.163             | 1.167        | -0,3%       | 13,6%       | 120            | 137        | -12,8%      | -0,3%       |
| Spain               | 752               | 845          | -11,0%      | -6,9%       | 72             | 92         | -21,1%      | -15,7%      |
| Morocco             | 272               | 287          | -5,1%       | -1,4%       | 23             | 23         | 1,2%        | 1,5%        |
| Tunisia             | 376               | 361          | 4,1%        | 9,0%        | 17             | 16         | 11,7%       | 11,9%       |
| Egypt               | 793               | 1.008        | -21,3%      | -5,8%       | 51             | 57         | -11,2%      | 0,3%        |
| Turkey              | 835               | 695          | 20,2%       | 29,8%       | 45             | 33         | 34,2%       | 37,9%       |
| Brazil              | 1.445             | 1.221        | 18,4%       | 19,2%       | 171            | 120        | 42,6%       | 45,0%       |
| Mozambique          | 232               | 207          | 12,1%       | 12,3%       | 22             | 21         |             | 2,9%        |
| South Africa        | 324               | 386          | -16,1%      | -19,8%      | 41             | 45         | -10,1%      | -3,5%       |
| China               | 1.269             | 824          | 54,0%       | 7,8%        | 29             | 16         | 83,3%       | 5,5%        |
| India               | 154               | 206          | -25,2%      | -15,7%      | 8              | 11         | -32,7%      | -11,2%      |
| Cape Verde          | 62                | 63           | -1,5%       | 4,0%        | 8              | 8          | -2,1%       | -1,9%       |
| Other (1)           | (288)             | (250)        | n.s.        | n.s.        | (14)           | (28)       | -49,6%      | n.s.        |
| <b>Consolidated</b> | <b>7.391</b>      | <b>7.020</b> | <b>5,3%</b> | <b>3,9%</b> | <b>593</b>     | <b>552</b> | <b>7,5%</b> | <b>6,7%</b> |

## Appendix II: EBITDA and EBITDA margin per Country

|                     | EBITDA (€ M) |            |              |             | EBITDA Margin (%) |              |                 |
|---------------------|--------------|------------|--------------|-------------|-------------------|--------------|-----------------|
|                     | 3rd Quarter  |            |              | 9M          | 3rd Quarter       |              | 9M              |
|                     | 2010         | 2009       | % Chg.       | % Chg.      | 2010              | 2009         | Chg. p.p.       |
| Portugal            | 43           | 37         | 16,5%        | -2,0%       | 35,7%             | 26,8%        | 9,0 p.p.        |
| Spain               | 8            | 13         | -34,9%       | -32,1%      | 11,4%             | 13,9%        | -2,4 p.p.       |
| Morocco             | 11           | 11         | 5,7%         | 5,7%        | 48,9%             | 46,8%        | 2,1 p.p.        |
| Tunisia             | 6            | 6          | -2,6%        | 22,4%       | 32,5%             | 37,3%        | -4,8 p.p.       |
| Egypt               | 22           | 23         | -5,7%        | -11,7%      | 43,4%             | 40,8%        | 2,5 p.p.        |
| Turkey              | 9            | 6          | 63,2%        | 70,8%       | 20,3%             | 16,7%        | 3,6 p.p.        |
| Brazil              | 54           | 35         | 52,2%        | 63,2%       | 31,6%             | 29,6%        | 2,0 p.p.        |
| Mozambique          | 1            | 3          | -69,5%       | -28,6%      | 4,8%              | 16,6%        | -11,8 p.p.      |
| South Africa        | 17           | 20         | -16,0%       | -13,4%      | 40,4%             | 43,3%        | -2,9 p.p.       |
| China               | 0            | (0)        | -221,4%      | -157,8%     | 1,1%              | -1,6%        | 2,7 p.p.        |
| India               | (1)          | 2          | -146,4%      | -59,5%      | -12,5%            | 18,2%        | -30,7 p.p.      |
| Cape Verde          | 1            | 1          | -7,1%        | -17,4%      | 10,3%             | 10,9%        | -0,6 p.p.       |
| Other (1)           | 5            | 3          | 98%          | n.s.        | -38,3%            | -9,7%        | -28,6 p.p.      |
| <b>Consolidated</b> | <b>176</b>   | <b>159</b> | <b>10,9%</b> | <b>4,0%</b> | <b>29,7%</b>      | <b>28,8%</b> | <b>0,9 p.p.</b> |