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INTERIM CONSOLIDATED FINANCIAL REPORT

(*translated from the original version in portuguese*)

1st Quarter

2017

Building Sustainable Partnerships

CIMPOR - Cimentos de Portugal, SGPS, S. A.
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Share Capital 672 000 000 Euros

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Cimpor operations improve on Q1, although Brazil effect

EBITDA grew 5% (YoY), as efficiency increased on the back of the initiatives pursued in the last two years. EBITDA margin rose 1pp to 18.6%.

Working capital seasonality together with future increasing activity and circumstantial inventory management required further investment, which combined with higher capex disbursements - energy upgrade conclusion and environmental compliance - prevented FCF generation.

New growth cycle in Argentina, outstanding deliver capacity in Paraguay, Portuguese market recovery and South Africa operational dynamics, along with local currency average price adjustment (+10%) and favorable Brazilian currency performance, kept Sales at Q1'16 level, overcoming lower consolidated cement and clinker volumes sold (-6.8%). A lagging Brazilian market and the challenges brought in by Egypt and Mozambique were no obstacles for Cimpor to grab new growth opportunities in its portfolio.

Cash Costs where down by 1,4%, reflecting market adjustment initiatives.

Financial results, unlike Q1'16, were not negatively affected by forex.

Net Income, recovered 28%, though still negative (€-30M).

Net Debt increased 4% to €3,509M, reflecting the negative Free Cash Flow (€-102M) - justified by seasonality, inventory management and capex.

As further described in subsequent events, asset monetization progressed, improving liquidity profile, and the sale of minority interests evolved, targeting Cimpor deleveraging process - which is also to benefit from the expected full year positive Free Cash Flow generation.

INCOME STATEMENT			
(€ million)	1st Quarter		
	2017	2016	YoY
Sales	**452.9**	**454.1**	**-0.3%**
Net Operational Cash Costs	368.8	374.1	-1.4%
Operational Cash Flow (EBITDA)	**84.1**	**80.1**	**5.0%**
Amortisations and Provisions	47.4	44.5	6.5%
Operating Income (EBIT)	**36.7**	**35.6**	3.1%
Financial Results	-62.1	-75.8	-18.1%
Pre-tax Income	**-25.4**	**-40.3**	-36.9%
Income Tax	4.2	1.0	n.m.
Net Income	**-29.6**	**-41.2**	**-28.2%**
Attributable to:			
Shareholders	-34.4	-40.7	-15.6%
Minority Interests	4.8	-0.5	n.m.

1. Q1’17 Performance

EBITDA and EBITDA margin increased, despite lower activity. Focus on commercial assertiveness and operating efficiency – industrial grid adjustment, energy matrix optimization and redesigned support to operations.

Seasonality, set up for short-term growth and inventory management to minimize variable costs required working capital investment. Capex addressed energy upgrade and environmental requirements. Furthermore, seasonality affected performance, resulting in negative FCF.

Cement and Clinker Volumes Sold still reflected exposure to the Brazilian crisis, the on-going adjustment of the Egyptian economy and the adverse context in Mozambique.

However, Argentina rise in the new growth cycle, Paraguay benchmarking, strong Portuguese market recovery and South Africa operating excellence drivers, together with price adjustments (+10%), offset lower volumes from other geographies, kept sales at Q1’16 level.

Volumes reached 5.6 million tons in Q1. Brazilian crisis, Egypt’s economic adjustments and adverse Mozambican context, penalized demand and drove consolidated volumes sold down by 6.8%.

Sales kept at Q1’16 level. Favourable market conditions in Argentina, Paraguay deliver capacity, Portuguese recovery and South African operating dynamics, together with average price adjustment (+10%) to overall cost inflation, offset lower volumes sold..

EBITDA grew 5%, while EBITDA margin went up 1 p.p. to 18.6%, despite the rising energy cost pressure. .

Reinforced commercial strategy combined with increasing efficiency initiatives pack undertook in late 2015 and 2016 – adjustments on the industrial grid, optimization of energy matrix and redesigned support to operations – delivered on a lower activity scenario, revealing the company’s new potential to grab market opportunities in rising favourable scenarios.

New efficiency initiatives progressed, implicating €4.5M indemnity and compensation expenses – mostly registered in Egypt (€2.8M). Excluding non-recurrent costs, EBITDA would have reached €88.6M, growing 9%, and EBITDA margin would have improved to 19.6%.

Depreciations Amortisations and Impairments, 6.5% above Q1’16 level.

Financial Results improved by 18% - unlike Q1’16, were not penalized by foreign exchange rates.

Net Income, though enhanced by 28%, was still negative by €-30M.

Free Cash Flow on Q1 (€-102M) degraded by 5%. In the seasonally most demanding quarter, set up for a new growth cycle in some markets together with active inventory management – stoppages planning and variable cost efficiency approach mode - required further working capital investment. Capex addressed the remaining new Egypt coal mill commitments, fast return coprocessing investments and environmental required initiatives.

FREE CASH FLOW		
(million euros)	1st Quarter	
	2017	2016
Adjusted EBITDA [1]	89	81
Working Capital	-111	-77
Others	-5	-16
Operating Activities	**-28**	**-12**
Interests Paid	-26	-51
Income taxes Paid	-6	-6
Cash Flow before investments	**-60**	**-69**
CAPEX	-44	-28
Assets Sales / Others	2	1
Free Cash Flow to the company	**-102**	**-96**
Borrowings, financing and debentures	22	24
Repayment of borrowings, financ. and debent.	-52	-38
Other financing activities	32	-18
Changes in cash and cash equiv.	-100	-128
Exchange differences	2	-12
Cash and cash equiv., EoP	429	567

[1] Adjusted for non-recurrent figures.

Total Assets stood at €4.921M, 1% below December 31, 2016.

Net Debt reached €3,509M, 4% above December 31, 2016, reflecting the free cash flow erosion.

Shareholders Equity attributable to Equity Holders, on a consolidated basis, remained negative (at €448M), in line with year end of 2016. On an individual base shareholders' equity is positive (€1,195M).

CONSOLIDATED BALANCE SHEET SUMMARY			
(million euros)	Mar 31 '17	Dec 31 '16	Var. %
Assets			
Non-current Assets	3,711	3,723	-0.3%
Current Assets			
Cash, Equivalents and Securities	448	576	-22.2%
Other Current Assets	761	678	12.3%
Total Assets	**4,921**	**4,977**	**-1.1%**
Shareholders' Equity attributable to:			
Equity Holders	(456)	(446)	2.3%
Minority Interests	41	37	12.1%
Total Shareholders' Equity	**(415)**	**(409)**	**1.4%**
Current Liabilities			
Loans & Obligations under finance leases	3,037	3,132	-3.0%
Provisions & Employee benefits	112	111	0.8%
Other Current Liabilities	483	479	0.9%
Non-current Liabilities			
Loans & Obligations under finance leases	1,120	1,063	5.4%
Provisions & Employee benefits	3	4	-16.8%
Other Non-current Liabilities	581	597	-2.8%
Total Liabilities	**5,335**	**5,386**	**-0.9%**
Total Liabilities & Shareholders Equity	**4,921**	**4,977**	**-1.1%**

2. Operations in-depth look – Q1'17

Brazil

Brazil consumption followed the anticipated slow down pace for 2017, and so did Cimpor volumes sold – though in a more pronounced magnitude (-15%), as focused on an EBITDA accretive market approach. Overcapacity in Brazil still prevented price adjustments, penalizing overall industry performance.

Efficiency increasing initiatives recently implemented materialized in local currency cost reductions – fixed costs (-16%); variable costs (-9%); SGA (-17%). However, a lower activity level came to further deteriorate EBITDA generation.

Argentina & Paraguay

EBITDA increased 48% with an EBITDA margin of 27.5%, riding company's operations momentum on both geographies.

Argentina

After a mild beginning of the year, Argentinian demand revealed a two-digit growth in March. The redesigned cost structure together with the commercial reaction towards inflation adjustments requirements succeeded.

Paraguay

Industrial operating excellence combined with a fruitful commercial strategy brought EBITDA margin to record high levels. Operations reached maturity, overcoming the recent installed integrated plant technical performance. Volumes and Sales grew more than 60% in an attractive economic scenario.

Egypt

The Egyptian macroeconomic restructuring, justifying the 51% depreciation of local currency and comprehending the elimination of energy subsidies, brought adjustments challenges such as a double-digit slowdown in local cement demand.

Despite the past proven Egyptian cement market resilience, the combined effect of cement sales drop and Egyptian pound depreciation drove sales down by 54%.

The operating flexibility and efficiency brought by the recently installed coal mill (energy matrix upgrade program), would have allowed, in local currency, to overcome the adverse circumstances impact on EBITDA generation. However, the cost of further efficiency initiatives taken in Q1'17 – namely non-recurring indemnities and compensations from head count reduction (€2.8 million), penalized EBITDA and dropped EBITDA margin to a sole digit level.

Mozambique

In a challenging political economic adverse context since late 2016, Q1 demand in Mozambique dropped more than 30% dragging sales down by 37%.

Nevertheless, efficiency initiatives implemented in 2016 delivered. Despite the slowdown and cost inflation impact on EBITDA and EBITDA margin, the latter improved from Q1'16 and both stood above the observed in Q4'16.

Furthermore, efficiency focus progressed in this quarter, with the partial suspension of a milling facility enhancing Cimpor flexibility to address the current Mozambique context.

South Africa

Industrial excellence plan urged further capacity utilization and drove cement production up, enabling the reinforced commercial approach to grow volumes sold by 11%.

Though benefiting from a 24% appreciation of the local currency (rand), EBITDA raised moderately, reflecting maintenance interventions in this quarter.

Portugal & Cape Verde

The recovery of internal market sales in Portugal, together with the recently implemented efficiency pack, allowed a 30% increase of EBITDA, and a 3p.p. improvement of the EBITDA margin.

Portugal

Local demand recovered, registering a 24% increase of cement and clinker volumes sold in the local market, while exports recovery lagged. Sales increased by 14%.

Cape Verde

Major new works delay draw down contribution to consolidated figures.

CEMENT AND CLINKER VOLUMES SOLD

(thousand tons)	1st Quarter		
	2017	2016	YoY
Brazil	1,918	2,267	-15.4%
Argentina	1,446	1,408	2.7%
Paraguay	147	90	64.7%
Portugal	771	730	5.6%
Cape Verde	43	49	-12.2%
Egypt	722	851	-15.1%
Mozambique	251	368	-31.8%
South Africa	351	315	11.2%
Sub-Total	**5,650**	**6,079**	**-7.1%**
Intra-Group Eliminations	-32	-49	-35.3%
Consolidated Total	**5,618**	**6,030**	**-6.8%**

SALES			
(€ million)	1st Quarter		
	2017	2016	YoY
Brazil	121	135	-10.7%
Argentina	172	134	28.7%
Paraguay	17	10	60.7%
Portugal	61	54	13.6%
Cape Verde	7	8	-15.5%
Egypt	24	53	-54.5%
Mozambique	21	34	-37.0%
South Africa	31	23	35.3%
Trading / Shipping	47	48	-3.4%
Others	11	11	-0.3%
Sub-Total	**512.3**	**510.8**	**0.3%**
Intra-Group Eliminations	-59	-57	5.0%
Consolidated Total	**452.9**	**454.1**	**-0.3%**

EBITDA			
(€ million)	1st Quarter		
	2017	2016	YoY
Brazil	8.7	17.1	-49.0%
Argentina & Paraguay	52.0	35.1	48.2%
Portugal & Cape Verde	10.5	8.2	28.7%
Africa	11.3	17.7	-36.4%
Trading / Shipping & Others	1.6	2.0	-21.2%
Consolidated Total	**84.1**	**80.1**	**5.0%**
EBITDA margin	**18.6%**	**17.6%**	**0.9 p.p.**

3. Subsequent events

Derivatives

On April 2017, following the announced asset monetization initiatives within the company's capital strengthening program, the company completed the unwind process of its derivative portfolio, rising cash and equivalents of USD 223 million (circa € 208 million).

Estreito Hydropower Plant

On May 2017, Cimpor signed an agreement to sell part of its stake in the Estreito hydropower plant for BRL 290 million (circa € 87 million).

The company sold a 19.2% stake in Estreito Participações, S.A. – a fully owned Cimpor subsidiary and the holder of a 4.44% stake in the share capital of the exploring consortium of the CESTE – Consórcio Estreito Energia Usina Hireletrica Estreito hydroelectric plant (Rio Tocantins, Tocantins – Brazil).

This transaction, following those concerning Cimpor stakes on Barra Grande (BAESA) and Machadinho (MAESA), completes the sale of energy assets, defined within the company's capital strengthening program.

CIMPOR

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CONSOLIDATED FINANCIAL STATEMENTS

1st Quarter

2017

(translated from the original version in portuguese)

Building Sustainable Partnerships

Condensed Consolidated Statement

of Profit and Loss and Other Comprehensive Income for the three months periods ended March 31, 2017 and 2016

(Unaudited)

(Amounts stated on thousand euros)

(Translation from the Portuguese original – Note 25)

	Notes	2017	2016
Operating income:			
Sales and services rendered	6	452,871	454,133
Other operating income		8,535	5,257
Total operating income		461,406	459,391
Operating expenses:			
Cost of goods sold and material used in production		(79,776)	(101,884)
Outside supplies and services		(213,567)	(207,070)
Payroll costs		(76,420)	(63,132)
Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets	6	(47,478)	(43,980)
Provisions	6 and 17	77	(524)
Other operating expenses		(7,588)	(7,244)
Total operating expenses		(424,751)	(423,834)
Net operating income	6	36,655	35,556
Net financial expenses	6 and 7	(62,354)	(75,765)
Share of profits of associates	6 and 7	179	70
Other investment income	6 and 7	97	(129)
Profit before income tax	6	(25,423)	(40,268)
Income tax	6 and 8	(4,173)	(958)
Net profit for the period	6	(29,596)	(41,226)
Other comprehensive income:			
That will not be subsequently reclassified to expenses and income:			
Actuarial gain and loss on employee's responsabilities	8	-	6
That might be subsequently reclassified to espenses and income:			
Derivative financial instruments	8	6,027	(4,443)
Currency translation adjustments (Variation)		19,627	(46,163)
Results recognize directly in equity		25,655	(50,600)
Total comprehensive income for the period		(3,941)	(91,826)
Net profit for the period attributable to:			
Equity holders of the parent	10	(34,398)	(40,740)
Non-controlling interests	6	4,802	(486)
		(29,596)	(41,226)
Total comprehensive income for the year attributable to:			
Equity holders of the parent		(8,937)	(90,068)
Non-controlling interests		4,996	(1,758)
		(3,941)	(91,826)
Earnings per share of operations:			
Basic	10	(0.05)	(0.06)
Diluted	10	(0.05)	(0.06)

The accompanying notes form an integral part of the financial statements for the three months period ended March 31, 2017.

Condensed Consolidated Statement

of Financial Position at March 31, 2017 and December 31, 2016

(Unaudited)

(Amounts stated on thousand euros)

(Translation from the Portuguese original – Note 25)

	Notes	2017	2016
Non-current assets:			
Goodwill	11	1,073,105	1,061,409
Intangible assets		65,119	29,803
Tangible assets	12	2,102,528	2,135,141
Investment properties		7,365	7,442
Investments in associates	6	8,636	8,582
Other investments		5,527	8,292
Other non-current assets		259,682	301,840
Deferred tax assets	8	188,913	170,365
Total non-current assets		3,710,875	3,722,873
Current assets:			
Inventories		464,548	409,321
Accounts receivable-trade		179,702	157,279
Cash, banks and securities	20	448,306	575,965
Other current assets		117,131	111,476
Total current assets		1,209,686	1,254,042
Total assets	6	4,920,561	4,976,915
Shareholders' equity:			
Share Capital	13	672,000	672,000
Treasury shares	14	(27,216)	(27,216)
Currency translation adjustments	15	(1,025,066)	(1,044,500)
Reserves		339,097	334,206
Retained Earnings		(380,017)	407,608
Net profit for the period	10	(34,398)	(787,625)
Equity before non-controlling interests		(455,600)	(445,527)
Non-controlling interests		41,022	36,595
Total shareholders' equity	6	(414,578)	(408,932)
Non-current liabilities			
Deferred tax liabilities	8	437,513	434,879
Employee benefities		22,117	21,825
Provisions	17	89,717	89,143
Loans	18	3,036,649	3,131,847
Other non-current liabilities		45,217	43,636
Total non-current liabilities		3,631,214	3,721,330
Current liabilities			
Employee benefits		903	903
Provisions	17	2,579	3,284
Loans	18	1,119,911	1,062,912
Accounts payable - trade		248,528	276,074
Other current liabilities		332,004	321,343
Total current liabilities		1,703,924	1,664,517
Total liabilities	6	5,335,139	5,385,847
Total liabilities and shareholders' equity		4,920,561	4,976,915

The accompanying notes form na integral part of the financial statements for the three months period ended at 31 March, 2017.

Condensed Consolidated Statement

of Changes in Shareholders' Equity for the three months periods ended March 31, 2017 and 2016 (Unaudited)

(Amounts stated on thousand euros)

(Translation from the Portuguese original – Note 25)

	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
Balances at December 31, 2015		672,000	(27,216)	(1,084,050)	299,256	478,849	(71,231)	267,609	41,046	308,655
Consolidated net profit for the period	6	-	-	-	-	-	(40,740)	(40,740)	(486)	(41,226)
Results recognized directly in equity		-	-	(44,891)	(4,437)	-	-	(49,328)	(1,272)	(50,600)
Total comprehensive income for the period		-	-	(44,891)	(4,437)	-	(40,740)	(90,068)	(1,758)	(91,826)
Appropriation of consolidated profit of 2015:										
Transfer to legal reserves and retained earnings		-	-	-	-	(71,231)	71,231	-	-	-
Dividends		-	-	-	-	-	-	-	(351)	(351)
Variation in financial investments and other		-	-	-	37,063	8	-	37,072	2,998	40,070
Balances at March 31, 2016		672,000	(27,216)	(1,128,940)	331,883	407,627	(40,740)	214,613	41,935	256,547
Balances at December 31, 2016		672,000	(27,216)	(1,044,500)	334,206	407,608	(787,625)	(445,527)	36,595	(408,932)
Consolidated net profit for the period	6	-	-	-	-	-	(34,398)	(34,398)	4,802	(29,596)
Results recognized directly in equity		-	-	19,434	6,027	-	-	25,461	194	25,655
Total comprehensive income for the period		-	-	19,434	6,027	-	(34,398)	(8,937)	4,996	(3,941)
Appropriation of consolidated profit of 2016:										
Transfer to legal reserves and retained earnings		-	-	-	-	(787,625)	787,625	-	-	-
Dividends		-	-	-	-	-	-	-	(349)	(349)
Variation in financial investments and other		-	-	-	(1,137)	-	-	(1,137)	(219)	(1,356)
Balances at March 31, 2016		672,000	(27,216)	(1,025,066)	339,097	(380,017)	(34,398)	(455,600)	41,022	(414,578)

The accompanying notes form an integral part of the financial statements for the three months period ended March 31, 2017.

Condensed Consolidated Statement

of Cash Flows for the periods ended March 31, 2017 and 2016

(Unaudited)

(Amounts stated on thousand euros)

(Translation from the Portuguese original – Note 25)

	Notes	2017	2016
Operating activities			
Cash Flows from operating activities (1)		(33,798)	(18,181)
Investing activities			
Receipts relating to:			
Financial investments	20	31,899	424
Tangible assets		1,676	632
Interest and similar income		908	2,713
Dividends		126	141
		34,609	3,911
Payments relating to:			
Financial investments	20	-	(16,944)
Tangible assets		(43,391)	(28,281)
Intagible assets		(709)	(97)
Others		-	(35)
		(44,100)	(45,358)
Cash flow from investing activities (2)		(9,490)	(41,447)
Financing activities:			
Receipts relating to:			
Loans obtained	20	22,431	23,976
		22,431	23,976
Payments related to:			
Loans obtained	20	(52,067)	(38,347)
Interest and similar costs		(22,149)	(53,282)
Others		(4,670)	(1,037)
		(78,886)	(92,666)
Cash flows from financing activities (3)		(56,455)	(68,690)
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		(99,743)	(128,318)
Effect of currency translation and other non monetary transactions		1,508	(12,377)
Cash and cash equivalents at the beginning of the period	20	527,001	707,198
Cash and cash equivalents at the end of the period	20	428,766	566,503

The accompanying notes form na integral part of the financial statements for the three months period ended at March 31, 2017.

Notes to the consolidated financial statements

For the three months period ended March 31, 2017
(Unaudited)
(Amounts stated in thousands of euros)
(Translation of notes originally issued in Portuguese – Note 25)

1. Introductory note

Cimpor - Cimentos de Portugal, SGPS, S.A. ("Cimpor" or the "Company") was incorporated on March 26, 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 March 31, 2017 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 Trading e Inversiones, S.A., which holds the investments in companies operating abroad.

2. Basis of presentation

The accompanying financial statements for the three months ended March 31, 2017 were prepared in accordance with IAS 34 – Interim Financial Reporting on a going concern basis from the books and accounting records of the companies included in the consolidation, restated in the consolidation process to the International Financial Reporting Standards as endorsed by the European Union, effective for the year beginning January 1, 2017.

3. Summary of significant accounting policies

The accounting policies adopted are consistent with those considered in the consolidated financial statements for the year ended as of December 31, 2016 and disclosed in the corresponding notes, except in respect of the standards and interpretations entering into force on or after January 1, 2017, the adoption of which had not a significant impact on the Group's profits or financial position.

4. Changes in the consolidation perimeter

In the three months periods ended March 31, 2017 and 2016 there were no changes in the consolidation perimeter of the Group.

5. Exchange rates used

The exchange rates used to translate, to euros, the foreign currency assets and liabilities at March 31, 2017 and December 31, 2016, as well the results for the three months periods ended March 31, 2017 and 2016 were as follows:

		Closing exchange rate (EUR / Currency)			Average exchange rate (EUR / Currency)		
Currency		March 2017	December 2016	Var.% (a)	March 2017	March 2016	Var.% (a)
USD	US Dollar	1.0698	1.0550	(1.4)	1.0654	1.1019	3.4
BRL	Brazilian Real	3.3896	3.4384	1.4	3.3499	4.2871	28.0
MZN	Mozambique Metical	72.5824	75.2056	3.6	74.1924	51.7224	(30.3)
CVE	Cape Verde Escudo	110.265	110.265	-	110.265	110.265	-
EGP	Egyptian Pound	19.2591	18.9862	(1.4)	19.0850	9.2658	(51.4)
ZAR	South African Rand	14.3566	14.4531	0.7	14.0062	17.4426	24.5
ARS	Argentinian Peso	16.4644	16.7642	1.8	16.6924	15.8981	(4.8)
PYG	Paraguayan Guaraní	6,035.67	6,092.32	0.9	6,022.05	6,363.42	5.7

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

6. Operating segments

The main profit and loss information for the three months periods ended March 31, 2017 and 2016, of the several operating segments, being geographical areas where Group operates, is as follows:

	March 2017				March 2016			
	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	120,748	270	121,017	(11,503)	135,459	-	135,459	201
Argentina and Paraguay	188,972	-	188,972	37,837	144,276	-	144,276	27,305
Portugal and Cape Verde	55,149	12,965	68,114	2,566	45,846	16,085	61,932	(633)
Egypt	23,952	-	23,952	(421)	52,601	-	52,601	3,649
Mozambique	21,497	-	21,497	2,357	34,120	-	34,120	3,531
South Africa	30,762	585	31,347	4,650	22,408	766	23,175	4,653
Total	441,080	13,820	454,900	35,485	434,710	16,852	451,562	38,707
Unallocated (a)	11,791	45,648	57,438	1,169	19,423	39,685	59,108	(3,151)
Eliminations	-	(59,468)	(59,468)	-	-	(56,537)	(56,537)	-
	452,871	**-**	**452,871**	**36,655**	**454,133**	**-**	**454,133**	**35,556**
Net financial expenses				(62,354)				(75,765)
Share of results of associates				179				70
Other investment income				97				(129)
Result before income tax				(25,423)				(40,268)
Income tax				(4,173)				(958)
Net result for the period				**(29,596)**				**(41,226)**

(a) This caption include; (i) holding companies and trading companies not attributable to specific segments and, (ii) intra-group eliminations between segments.

It should be notice that, as a result of restructuring processes in the Group, in particular in the Egyptian business area, in the three months period ended March 31, 2017, nonrecurring costs with indemnities and other amounted to around €4,500 thousand (around €900 thousand in the three months period ended March 31, 2016).

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

	March 2017	March 2016
Operating segments:		
Brazil	1,029	113
Argentina and Paraguay	2,725	1,057
Portugal and Cape Verde	100	70
Egypt	(31)	(10)
Mozambique	1,076	(1,729)
South Africa	(96)	14
Unallocated	-	-
	4,802	(486)

Other information:

	March 2017			March 2016		
	Fixed capital expenditure	Depreciation, amortisation and impairment losses a)	Provisions	Fixed capital expenditure	Depreciation, amortisation and impairment losses a)	Provisions
Operating segments:						
Brazil	9,870	20,362	(144)	7,895	16,553	341
Argentina and Paraguay	11,316	14,035	127	7,756	7,791	-
Portugal and Cape Verde	254	7,959	-	516	8,787	22
Egypt	12	1,926	-	11,861	3,172	45
Mozambique	291	1,482	-	785	1,623	-
South Africa	928	1,273	1	532	1,053	-
Unallocated	645	441	(61)	516	5,001	117
	23,315	47,478	(77)	29,862	43,980	524

a) The impairment losses, when applicable, respects to impairment losses on goodwill, tangible and intangible assets. In the three months period ended March 31, 2016 impairment losses were recorded in the amount of about €4 million in tangible assets unallocated to operating segments.

In addition, assets and liabilities, by reportable segment, reconciled to the total consolidated amounts as at March 31, 2017 and December 31, 2016, are as follows:

	March 2017			December 2016		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Brazil	2,781,608	1,560,145	1,221,462	2,741,520	1,529,515	1,212,005
Argentina and Paraguay	866,211	543,099	323,111	856,972	532,166	324,807
Portugal and Cape Verde	386,787	372,124	14,663	397,753	381,288	16,465
Egypt	208,693	116,572	92,121	207,590	98,219	109,371
Mozambique	200,878	191,479	9,399	182,822	179,583	3,239
South Africa	253,894	123,143	130,751	256,380	127,988	128,393
	4,698,070	2,906,562	1,791,508	4,643,038	2,848,758	1,794,280
Unallocated	866,400	3,081,123	(2,214,722)	944,183	3,155,976	(2,211,794)
Eliminations	(652,546)	(652,546)	-	(618,888)	(618,888)	-
Investments in associates	8,636	-	8,636	8,582	-	8,582
Consolidated total	**4,920,561**	**5,335,139**	**(414,578)**	**4,976,915**	**5,385,847**	**(408,932)**

7. Net financial expenses

Net financial expenses for the three months periods ended March 31, 2017 and 2016 were as follows:

	March 2017	March 2016
Financial expenses:		
Interest expense	65,569	59,720
Foreign exchange loss (a)	21,518	124,353
Changes in fair-value:		
Trading derivative financial instruments (b)	2	-
Other financial expenses (c)	13,333	15,619
	100,422	199,692
Financial income:		
Interest income	4,009	11,353
Foreign exchange gain (a)	31,288	103,130
Other financial income (c)	2,771	9,444
	38,068	123,927
Net financial expenses	(62,354)	(75,765)
Share of profits of associates:		
From equity method:		
Loss in associated companies	-	(33)
Gain in associated companies	179	104
	179	70
Other investment income:		
Gains/(Losses) on investments	97	(129)
	97	(129)

(a) In the three months periods ended March 31, 2017 and 2016, the exchange differences are mainly influenced by the effect, respectively, of the valuation and devaluation of functional currencies in Group against USD in the conversion of assets and liabilities registered in that currency.

(b) These captions are composed by fair value variation of trading derivative financial instruments which weren't qualified for hedge accounting.

(c) In Other financial income and expenses, are included income and costs related to the financial adjustments of assets and liabilities, including the effect of the financial adjustment of provisions (Note 17), prompt payment discounts granted and obtained and the costs related to commissions, guarantees and other bank charges in general. In the three months period ended March 31, 2016, this caption is also influenced by the repurchase of bonds issued by Cimpor Financial Operations, B.V. with a nominal value of USD 25,236 thousand which has generated a financial income in the amount of €6,517 thousand.

8. Income tax

The Group companies are taxed, when 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:

	March 2017	March 2016
Portugal (a)	22.5%	22.5%
Brazil	34.0%	34.0%
Mozambique	32.0%	32.0%
South Africa	28.0%	28.0%
Egypt	22.5%	22.5%
Argentina	35.0%	35.0%
Paraguay	10.0%	10.0%
Austria	25.0%	25.0%
Spain	25.0%	28.0%
Others	21%-27,08%	1%-29,22%

(a) Includes municipal surcharge at the maximum rate of 1.5%. Additionally, taxable income in excess of €1,500,000 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 to €7,500,000;
- 5% on taxable income from €7,500,000 and €35,000,000;
- 7% on taxable income exceeding €35,000,000.

Income tax expense for the three months periods ended March 31, 2017 and 2016 is as follows:

	March 2017	March 2016
Current tax	22,196	19,549
Deferred tax	(18,023)	(18,637)
Increases / (Decreases) in tax provisions (Note 17)	-	46
Charge / (Income) for the period	4,173	958

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").

The reconciliation between the tax rate applicable in Portugal and the effective tax rate in the Group in the three months periods ended March 31, 2017 and 2016, not considering the losses (around €19 million and €6 million, 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, is as follows:

	March 2017	March 2016
Profit before income tax	(25,423)	(40,268)
Profit from financial entities	18,795	5,870
Adjusted profit for income tax reconciliation	(6,628)	(34,398)
Tax rate applicable in Portugal	22.50%	22.50%
Theorical income tax	(1,491)	(7,739)
Non-taxable operational and financial results	1,215	2,178
Adjustments on deferred taxes	(812)	(2,248)
Tax rate differences	(1,294)	(2,655)
Other	6,555	11,422
Charge for the period	4,173	958

The caption Other, in the three months periods ended March 31, 2017 and 2016, includes the registration of a tax income charge of around €7 million and around €11 million, related to additional tax assessments made by tax authority to one of our companies in Egypt, referring to the years 2008 and 2000 to 2004, respectively. The Board of Directors has judicially appealed and, supported by the counsellors opinion, understands that the tax authorities have no grounds regarding the maintenance of the substantial of those assessments. However, the alternative found to avoid penalties, was to formalize a staged payment agreement until 2021, which does not imply the recognition of the reasons that led to such assessments, not even prevent the maintenance of the judicial proceedings to enforce that the reason is on the side of the company, and which expressly provides for the compensation of those values, now agreed to be paid, after the judicial decision in favour of the company, moment that the settled amounts will then be recognized in the assets of that company (Note 16).
The changes in deferred taxes in the three months periods ended March 31, 2017 and 2016 were as follows:

Deferred tax assets:	
Balances at December 31, 2015	135,572
Currency translation adjustments	1,024
Income tax	(7,986)
Shareholders' equity	(14,455)
Balances at March 31, 2016	114,155
Balances at December 31, 2016	170,365
Currency translation adjustments	2,322
Income tax	15,226
Shareholders' equity	1,000
Balances at March 31, 2017	188,913
Deferred tax liabilities:	
Balances at December 31, 2015	418,515
Currency translation adjustments	(9,775)
Income tax	(26,624)
Shareholders' equity	(192)
Balances at March 31, 2016	381,924
Balances at December 31, 2016	434,879
Currency translation adjustments	5,492
Income tax	(2,798)
Shareholders' equity	(60)
Balances at March 31, 2017	437,513
Carrying amount at March 31, 2016	(267,769)
Carrying amount at March 31, 2017	(248,600)

Deferred taxes are recorded directly in shareholders' equity whenever the situations that originate them have similar impact. Of these, in the three month periods ended March 31, 2017 and 2016, those recorded in "Other comprehensive income" are as follows:

	March 2017			March 2016		
	Gross value	Deferred tax	Shareholder's equity attributable to equity holders	Gross value	Deferred tax	Shareholder's equity attributable to equity holders
Other comprehensive income:						
That will not be subsequently reclassified to expenses and income:						
Actuarial gain and loss on employee's responsabilities	-	-	-	8	(1)	6
That might be subsequently reclassified to espenses and income:						
Derivative financial instruments	5,968	60	6,027	(4,603)	160	(4,443)

9. Dividends

In the Shareholders' General Meeting held on March 14, 2017 it was proposed not to distribute dividends for the year 2016. The same decision was taken in the Shareholders' General Meeting held on February 24, 2016 for the year 2015.

10. Earnings per share

Basic and diluted earnings per share for the three months periods ended March 31, 2017 and 2016 were computed as follows:

	March 2017	March 2016
Basic earnings per share:		
Net profit considered in the computation of basic earnings per share	(34,398)	(40,740)
Weighted average number of ordinary shares used to calculate the basic earnings per share (thousands) (a)	666,094	666,094
	(0.05)	(0.06)

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

By the fact there were no dilution effects, in the three months periods ended March 31, 2017 and 2016, basic and diluted earnings per share are equal.

11. Goodwill

The changes in goodwill and related accumulated impairment losses in the three months periods ended March 31, 2017 and 2016 were as follows:

	Total
Gross assets:	
Balances at December 31, 2015	1,549,292
Currency translation adjustments	10,606
Balances at March 31, 2016	1,559,898
Balances at December 31, 2016	1,729,691
Currency translation adjustments	11,696
Balances at March 31, 2017	1,741,388
Accumulated impairment losses:	
Balances at December 31, 2015	18,001
Balances at March 31, 2016	18,001
Balances at December 31, 2016	668,283
Balances at March 31, 2017	668,283
Carrying amount:	
As at March 31, 2016	1,541,897
As at March 31, 2017	1,073,105

Goodwill is subject to impairment tests annually and whenever there are indications of possible impairment, which are made based on the recoverable amounts of each of the corresponding business segments, which did not occur in the three months periods ended March 31, 2017 and 2016.

12. Tangible assets

The changes in tangible assets and corresponding accumulated depreciation and impairment losses in the three months periods ended March 31, 2017 and 2016 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 December 31, 2015	546,653	841,515	2,586,312	108,850	35,540	10,325	6,018	258,583	30,990	4,424,787
Currency translation adjustments	(23,107)	(1,518)	(52,698)	(3,019)	(836)	(457)	(297)	(1,726)	(445)	(84,103)
Additions	3,902	36	85	-	-	-	-	24,204	1,089	29,316
Sales	-	(61)	(714)	(265)	(8)	(6)	(34)	-	-	(1,089)
Transfers	168	8,681	(174)	(1,112)	49	79	3,202	(15,975)	(2,649)	(7,731)
Balances at March 31, 2016	527,616	848,653	2,532,810	104,454	34,745	9,941	8,890	265,086	28,985	4,361,180
Balances at December 31, 2016	557,573	919,576	2,635,233	66,208	34,703	11,655	6,389	260,354	26,556	4,518,246
Currency translation adjustments	6,177	7,848	20,190	774	165	44	29	3,400	362	38,989
Additions	3,647	39	1,369	-	-	-	2	17,676	175	22,908
Sales	(227)	(740)	(367)	(944)	(14)	(5)	-	-	-	(2,297)
Write-offs	-	-	-	-	(30)	-	(1)	-	-	(30)
Transfers	(30,565)	1,798	6,297	2,453	31	48	(3,450)	(17,283)	(56)	(40,727)
Balances at March 31, 2017	536,604	928,521	2,662,722	68,491	34,856	11,742	2,969	264,147	27,038	4,537,089
Accumulated depreciation and impairment losses:										
Balances at December 31, 2015	88,640	417,070	1,640,123	66,110	30,981	8,666	7,055	-	-	2,258,646
Currency translation adjustments	(1,365)	1,421	(24,642)	(891)	(609)	(338)	(204)	-	-	(26,627)
Increases	3,052	7,692	25,166	6,110	292	87	333	-	-	42,733
Decreases	-	-	(491)	(145)	(2)	(6)	(8)	-	-	(652)
Transfers	(309)	37	(6,089)	(1,387)	(44)	-	(9)	-	-	(7,801)
Balances at March 31, 2016	90,018	426,221	1,634,068	69,797	30,619	8,410	7,167	-	-	2,266,299
Balances at December 31, 2016	125,441	462,013	1,708,581	38,461	31,285	9,295	5,296	2,733	-	2,383,106
Currency translation adjustments	1,109	2,097	8,015	316	140	22	27	-	-	11,727
Increases	9,031	8,826	25,775	1,508	235	145	192	-	-	45,713
Decreases	-	(544)	(317)	(860)	(14)	(5)	-	-	-	(1,740)
Write-offs	-	-	-	-	(30)	-	(1)	-	-	(30)
Transfers	(2,166)	(17)	(147)	-	(2)	(2)	(1,880)	-	-	(4,214)
Balances at March 31, 2017	133,414	472,375	1,741,907	39,425	31,615	9,456	3,636	2,733	-	2,434,561
Carrying amount:										
As at March 31, 2016	437,598	422,432	898,743	34,657	4,126	1,531	1,723	265,086	28,985	2,094,881
As at March 31, 2017	403,190	456,146	920,814	29,066	3,241	2,286	(666)	261,414	27,038	2,102,528

Tangible assets in progress and advance to suppliers of tangible assets, in the three months period ended March 31, 2017, include the construction and improvement of installations and equipment of the cement sector of several production units, essentially in the Brazil, Argentina and Egypt business areas.

13. Share capital

The Company's fully subscribed and paid up capital at March 31, 2017 consisted of 672,000,000 shares, listed on Euronext Lisbon market, with a nominal value of one euro each.

14. Treasury shares

At March 31, 2017 and December 31, 2016 Cimpor had 5,906,098 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. In addition, the applicable accounting rules require that gains and losses on the sale of treasury shares be recorded in reserves.

15. Currency translation adjustments

The changes in this caption in the three months periods ended March 31, 2017 and 2016 were as follows:

	Egyptian Pound	Brazilian Real	Mozambique Metical	South African Rand	Argentinian Peso	Others	Total
Balances at December 31, 2015	(40,395)	(428,663)	(19,163)	(145,405)	(452,019)	1,596	(1,084,050)
Currency translation adjustments	(42,765)	64,294	(5,449)	1,152	(60,286)	(1,836)	(44,891)
Balances at March 31, 2016	(83,160)	(364,369)	(24,613)	(144,253)	(512,305)	(241)	(1,128,940)
Balances at December 31, 2016	(189,827)	(191,786)	(32,730)	(125,023)	(507,371)	2,236	(1,044,500)
Currency translation adjustments	(1,441)	17,458	141	765	4,530	(2,019)	19,434
Balances at March 31, 2017	(191,268)	(174,328)	(32,589)	(124,258)	(502,841)	217	(1,025,066)

16. Contingent assets and 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 for environmental, labor and regulatory cases. Facing to those natures, valuation and recorded provisions, there is an existing expectation that there are no relevant effects on the developed activity, equity and operating results.

On March 31, 2017, the Group has an exposure to contingent liabilities of €998 million (€932 million in December 31, 2016), being €7 million of contingent liabilities related to labor (€7 million in December 31, 2016), €728 million of tax contingent liabilities (€674 million as of December 31, 2016), €263 million of civil contingent liabilities and administrative processes of other natures (€251 million in December 31, 2016), whose likelihood of loss was considered possible, according to the opinion of our legal counsellors.

The increase in tax contingencies, is due mainly to additional income tax assessments, as a result of tax inspections for the year of 2011 in the business area of Brazil.

Contingent assets

In the financial statements for the years ended December 31, 2016 and 2015, it was mentioned a contingent liability for a tax dispute related to tax assessments that were made to a company in Egypt, referring to the years 2000 to 2004 and 2008, which were subject to a judicial appeal.

In the first quarters of 2017 and 2016, to avoid penalties, staged payment agreements until 2021 of those taxes were signed with the competent tax authorities. Because the conditions of such agreements do not meet the conditions for such payments being recognized as an asset of the company, until the court decision becomes effective, in those periods a tax charge corresponding to the total responsibility inherent to the agreement, amounting to around €7 and €11 million (Note 8), respectively, has been already recognized.

Guarantees

At March 31, 2017 and December 31, 2016, Group companies had requested guarantees totalling €474,009 thousand and €473,268 thousand, respectively, given to third parties, are as follows:

	March 2017	December 2016
Guarantees given:		
For tax processes in progress	320,557	323,190
Financing entities	118,386	125,731
To suppliers	3,450	3,453
Other	31,616	20,894
	474,009	473,268

Additionally, as reported on December 31, 2016, under CADE's process, real guarantees were conceded over two concrete plants in the Brazilian business area, aiming at the suspension of the penalties imposed, until the judgment decision.

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 March 31, 2017 and December 31, 2016, 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:

	March 2017	December 2016
Business area:		
Argentina	32,288	34,096
Brazil	48,000	50,405
Mozambique	20,271	26,100
Portugal	16,176	19,246
Egypt	12,087	7,896
South Africa	1,765	177
	130,588	137,921

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.

17. Provisions

At March 31, 2017 and December 31, 2016, the classification of provisions was as follows:

	March 2017	December 2016
Non-current provisions:		
Provisions for tax risks	18,913	18,822
Provisions for environmental rehabilitation	40,546	39,954
Provisions for employees	24,477	24,418
Other provisions for risks and charges	8,814	8,825
Legal deposits	(3,034)	(2,876)
	89,717	89,143
Current provisions:		
Provisions for employees	2,579	3,284
	92,296	92,428

The changes in the provisions in the three months periods ended March 31, 2017 and 2016 were as follows:

	Provisions for tax risks	Environmental rehabilitation	Provisions for employees	Other provisions for risks and charges	Legal deposits	Total
Balances at December 31, 2015	35,235	36,612	29,174	22,681	(3,246)	120,457
Currency translation adjustments	(904)	(265)	203	(969)	(162)	(2,097)
Increases	898	263	7	1,030	-	2,198
Decreases	(655)	-	-	(135)	-	(790)
Utilisations	(422)	(161)	(1,111)	(11,780)	(86)	(13,560)
Balances at March 31, 2016	34,153	36,448	28,273	10,827	(3,494)	106,207
Balances at December 31, 2016	18,822	39,954	27,703	8,825	(2,876)	92,428
Currency translation adjustments	33	442	174	56	(40)	665
Increases	745	268	314	597	-	1,924
Decreases	(671)	-	(416)	(105)	-	(1,192)
Utilisations	(16)	(118)	(719)	(558)	(118)	(1,529)
Balances at March 31, 2017	18,913	40,546	27,056	8,814	(3,034)	92,296

The increases and decreases in the provisions in the three months periods ended March 31, 2017 and 2016 were recorded by corresponding entry to the following accounts:

	March 2017	March 2016
Net result for the period:		
Operating costs	-	798
Payroll costs	6	32
Operating Income	-	(233)
Provisions	(77)	524
Financial expenses	803	241
Income tax (Note 8)	-	46
	732	1,408

The caption financial expenses include the effect of the financial updating of provisions.

18. Loans

Loans at March 31, 2017 and December 31, 2016 were as follows:

	March 2017	December 2016
Non-currents liabilities:		
Notes	1,159,013	1,157,415
Bank loans	1,877,636	1,932,590
Other loans	-	41,843
	3,036,649	3,131,847
Currents liabilities:		
Notes	123,699	121,926
Bank loans	227,470	214,086
Other loans	768,743	726,900
	1,119,911	1,062,912
	4,156,560	4,194,759

<u>Bonds</u>

Non-convertible bonds at March 31, 2017 and December 31, 2016 were as follows:

						March 2017		December 2016	
Business unit	Financial instrument	Currency	Emission date	Coupon (b)	Final maturity	Current	Non-current	Current	Non-current
Brazil	Debênture - Brazil (a)	BRL	Mar.12	Floating rate indexed to CDI	Apr.22	64,861	324,847	63,920	320,168
Brazil	Debênture - Brazil	BRL	Aug.12	Floating rate indexed to CDI	Aug.22	58,838	294,681	58,006	290,484
Holdings and Financial Vehicles	Senior Notes (a) (c)	USD	Jul.14	5.75%	Jul.24	-	539,485	-	546,764
						123,699	1,159,013	121,926	1,157,415

(a) Guaranteed by controlling entities of the Company;

(b) The contractual variable rates include spreads till 15% over the index;

(c) In July 17, 2014, Cimpor Financial Operations, B.V. (Cimpor B.V.), issued Senior Notes ("Notes") in the amount of USD 750 million, 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. Following this operation, shorter maturity debt were paid in advance. In the years ended December 31, 2016 and 2015 the Group purchased bonds in the nominal value of USD 108,378 thousand and USD 54,290 thousand, respectively. During the three months ended March 31, 2017 no bonds were acquired.

Bank loans

Bank loans as at March 31, 2017 and December 31, 2016 were as follows:

							March 2017		December 2016	
Business unit	Type	Currency	Interest rate (b)	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)	-	391,349	-	396,651
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb/12	Feb/22	(a)	-	306,796	-	306,796
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb/14	Feb/19	(a)	-	54,093	6,037	54,041
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Feb/14	Feb/19	(a)	-	181,715	20,616	183,992
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb/14	Feb/19	(a)	-	60,103	-	60,078
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Feb/14	Feb/19	(a)	-	201,904	-	204,605
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Feb/14	Feb/21	(a)	-	221,505	-	224,536
Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	May/14	May/19		-	46,340	-	46,974
Holdings and Financial Vehicles (*)	Bilateral	EUR	Fixed rate	Dec/14	Dec/18		-	23,113	-	22,949
Company (*)	Commercial paper	EUR	Floating rate	Mar/16	Mar/20	(a)	-	50,000	-	50,000
Argentina and Paraguay	Bilaterals	ARS	Floating rates indexed to Badlar	Several	Several		43,354	20,328	30,702	25,989
Argentina and Paraguay	Bilaterals	USD	Floating rates indexed to US Libor	Several	Several		69,554	28,777	53,934	45,746
Brazil	Bilaterals	BRL	Fixed and floating rates	Several	Several		13,770	147,847	12,716	151,819
Argentina and Paraguay	Bilaterals	USD	Fixed and floating rates	Several	Several		22,299	53,351	21,224	62,782
Argentina and Paraguay	Bilaterals	PYG	Fixed rates	Oct/15	Apr/17		13,880	-	13,751	-
South Africa	Bilaterals	ZAR	Floating rate indexed to Jibar	Several	Several		31,344	13,931	31,135	13,838
Portugal and Cape Verde	Bilaterals	EUR	Fixed and floating rates	Several	Several	(a)	-	75,000	-	75,000
Mozambique	Bilaterals	MZN	Floating rates indexed to BT 3M	Several	Several		1,597	278	1,541	268
Egypt	Bilaterals	EGP	Floating rates indexed to Corridor	Several	Several		31,671	1,208	22,429	6,525
							227,470	1,877,636	214,086	1,932,590

(*) Referring to the companies included in the Holdings, business and corporate support and trading segment.

(a) Guaranteed by controlling entities of the Company;

(b) For the major funding the variable rates contracted, both in dollars and euros consider spreads between 2.5% and 3.5%.

Other loans

Other loans obtained correspond, essentially, to loans from Cimpor Trading e Inversiones to InterCement Austria Holding GmbH, as described below:

Business unit	Financial instrument	Currency	Emission date	Coupon	Final maturity	March 2017 Current	December 2016 Current	December 2016 Non-current
Holdings and Financial Vehicles	Intercompany Loan	EUR	Feb.13	Floating rate indexed to Euribor	Feb.18	41,843	-	41,843
Holdings and Financial Vehicles	Intercompany Loan	EUR	Dec.12	Fixed rate	Jun.17 (*)	381,900	381,900	-
Holdings and Financial Vehicles	Intercompany Loan	EUR	Feb.14	Fixed rate	Jun.17 (*)	345,000	345,000	-
						768,743	726,900	41,843

(*) During the first quarter of 2017 it was agreed to change the terms of these loans, maturities were changed from April to June 2017.

The non-current portion of loans at March 31, 2017 and December 31, 2016 is repayable as follows:

Year	March 2017	December 2016
2018 (9 months)	378,652	460,534
2019	884,318	888,512
2020	355,954	355,561
2021	541,152	543,888
Following years	876,573	883,352
	3,036,649	3,131,847

The loans at March 31, 2017 and December 31, 2016 are stated in the following currencies:

	March 2017		After Hedging	December 2016		After Hedging
Currency	Currency	Euros	Euros	Currency	Euros	Euros
USD	1,878,892	1,756,278	661,497	1,907,282	1,807,824	535,745
BRL	3,067,059	904,844	904,844	3,084,634	897,113	897,113
EUR	-	1,337,847	2,432,627	-	1,343,644	2,615,722
ARS	1,048,487	63,682	63,682	950,373	56,691	56,691
MZN	136,069	1,875	1,875	136,069	1,809	1,809
EGP	633,233	32,880	32,880	549,736	28,954	28,954
PYG	83,775,750	13,880	13,880	83,775,750	13,751	13,751
ZAR	650,000	45,275	45,275	650,000	44,973	44,973
		4,156,560	4,156,560		4,194,759	4,194,759

Due to the existence of derivative financial instruments exchange rate hedging, of total loans in dollars, €661 million (€536 million in December 31, 2016) are exposed to foreign exchange risk, which, considering the cash in USD in the amount of €259 million (€291 million in December 31, 2016), reduces the net exposure to that currency to around €402 million (€245 million in

December 31, 2016). The net exposure of debt in euros, considering the financial derivative instruments, is lower in about €206 million (€252 million in December 31, 2016).

In April 2017, after the derivative financial instruments settlements (Note 19), the debt exposure to USD dollar was increased by USD 1,187 million, when compared to what was reported in March 2017.

19. Derivative financial instruments

Fair value of derivative financial instruments

The fair value of derivative financial instruments at March 31, 2017 and December 31, 2016 was as follows:

	Other assets				Other liabilities			
	Current		Non-current		Current		Non-current	
	March 2017	December 2016	March 2017	December 2016	March 2017	December 2016	March 2017	December 2016
Trading derivatives	-	-	203	200	-	4,876	454	-
Cash flow hedges - Interest rate and cross currency swaps	23,052	26,450	176,025	215,249	3,604	3,411	5,131	7,468
	23,052	26,450	176,228	215,450	3,604	8,287	5,586	7,468

These captions are included in the condensed consolidated statements in the financial position of other assets and liabilities, current and non-current.

The following schedule shows the operations at March 31, 2017 and December 31, 2016 that qualify as fair value hedging instruments:

Type of hedge	Notional	Type of Operation	Maturity	Financial purpose		Fair value March 2017	Fair value December 2016
Cash-flow	USD 200,000,000	Cross Currency Swap to EUR	Jul/24	Swich a USD loan into EUR loan	(b)	33,274	36,488
Cash-flow	USD 100,000,000	Cross Currency Swap to EUR	Jul/24	Swich a USD loan into EUR loan	(b)	15,296	15,960
Cash-flow	USD 50,000,000	Cross Currency Swap to EUR	Jul/24	Swich a USD loan into EUR loan	(b)	8,242	9,073
Cash-flow	USD 150,000,000	Cross Currency Swap to EUR	Jul/24	Swich a USD loan into EUR loan	(a)	-	26,021
Cash-flow	USD 195,750,000	Cross Currency Swap to EUR	Feb/19	Swich a USD loan into EUR loan	(b)	26,299	28,977
Cash-flow	USD 217,500,000	Cross Currency Swap to EUR	Feb/19	Swich a USD loan into EUR loan	(b)	39,733	43,488
Cash-flow	USD 424,000,000	Cross Currency Swap to EUR	Jan/22	Swich a USD loan into EUR loan	(b)	76,233	81,692
Cash-flow	EUR 379,218,809	Interest Rate Swap	Jan/22	Swich to fixed interest rate	(b)	(8,736)	(10,878)
						190,341	230,821

(a) Derivative instrument settled in March 2017, having been received in the three months period ended March 31, 2017, the amount of approximately €21 million, including about €19 million at the time of its settlement;

(b) Derivative instruments settled in April 2017, having been received in the three months period ended March 31, 2017, the amount of approximately €14 million and, in April 2017, with those settlements, around €189 million.

Additionally, was also made the settlement of the derivative financial instrument that did not qualified as hedge accounting on a liability of USD 50,000 thousand, whose fair value recorded in December 31, 2016 was €4,429, being maintained in the portfolio at March 31, 2017 two derivatives written-put options in connection with "Baesa" and "Machadinho" operations, whose liability fair value as of March 31, 2017 and December 31, 2016, were of about €251 and €248, respectively.

20. Notes to the consolidated cash flow statements

Cash and cash equivalents presented in cash flow statement at March 31, 2017 and 2016 were as follows:

	March 2017	March 2016
Cash	576	216
Bank deposits immediately available	272,319	293,946
Term bank deposits	108,353	140,322
Marketable securities	47,517	132,018
	428,766	566,503

The caption Cash, banks and securities 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.

The caption Cash, banks and securities in the consolidated statement of financial position at March 31, 2017 and 2016 includes, in addition, the amounts of €19,540 thousand and €43,267 thousand, respectively, corresponding to marketable securities 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.

In the three months period ended March 31, 2017, the caption financial investments received, concerns to the above mentioned securities redemption.

In the three months periods ended March 31, 2017 and 2016, Cash, banks and securities in the financial statements, are expressed in the following currencies:

	March 2017		March 2016	
Currency	Currency	Euros	Currency	Euros
USD	276,942	258,869	301,212	264,432
BRL	216,942	64,002	628,257	154,976
EUR	77,818	77,818	100,439	100,439
ARS	141,859	8,616	128,058	7,648
MZN	725,943	10,002	2,330,881	40,242
EGP	117,278	6,090	201,222	19,894
PYG	28,316,078	4,691	8,235,839	1,282
ZAR	235,219	16,384	310,933	18,561
CVE	202,231	1,834	253,096	2,295
		448,306		609,770

In the three months period ended March 31, 2017, “Receipts and Payments of Loans” are justified, essentially, by a partial amortization, in Cimpor B.V., in USD 22 million, of the Tranche A of the Sindicated loan with Itaú.

In the three months period ended March 31, 2016, “Receipts and Payments of Loans” are justified, essentially, by the repurchase of bonds issued in the amount of €16 million (Note18).

21. Related parties

Transactions and balances between Group companies consolidated by the full consolidation method were eliminated in the consolidation process and so are not disclosed in this note. The balances and transactions between the Group and associated companies and with other related parties fall within normal operational activities, being worth of mention the debt to InterCement Áustria Holding, in the amount of about €770 million, concerning to three loans and accrued interest to that company, already existed in December 2016 (Note 18). The financial charges, in the three months periods ended March 31, 2017 and 2016, arising from these financing of approximately €4 million.

In Other non-current assets is also included a loan receivable with InterCement Áustria Holding Gmbh in the amount of USD 10 million, with a maturity of up to two years and similar conditions to those above mentioned.

22. Financial assets and liabilities in accordance with IAS 39

In its operations the Cimpor Group is exposed to a variety of financial risks which can affect its financial position and results which, depending on their nature, can be grouped into the following categories:

- Interest rate risk;
- Exchange rate risk;
- Liquidity risk;
- Credit risk;
- Counterparty risk.

Financial risk is understood to be the probability of obtaining different results from those expected, be they positive or negative, materially and unexpectedly changing the Group's equity value.

Management of the above risks - resulting mainly from the unpredictability of the financial markets – requires strict application of a set of rules and methodologies approved by the Executive Commission, the ultimate objective of which is to minimize their potential negative impact on the Group's performance. With this objective in mind, all management is guided based on two essential concerns:

- Decrease, whenever possible, of fluctuations in the results and cash flows subject to situations of risk;
- Limit deviations in relation to projected results, through strict financial planning, based on multi-annual budgets.

In the context of the management of those risks, based on the evaluation of the market conditions and the perceived impacts of the risks inherent to the Group's exposures, in April 2017 all hedging derivative financial instruments of USD debt against Euro were settled (Note 19).

The Group's degree of solvency is also reflected in its Leverage ratio (Net Debt / EBITDA). To be noted that 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., annually and by reference to December 31. At 31 December 2016 this ratio wasn't complied with, however, the anticipation of a more favorable market environment for 2017, together with expanding the scope of measures to increase efficiency and the sale of non-strategic assets taken by Cimpor, the company agreed with bank creditors to a non-measurement as of December 31, 2016 and the postponement of the measurement of financial covenants for December 31, 2017.

At March 31, 2017 and December 31, 2016, accounting policies for financial instruments established in IAS 39 were applied by the Group to the following items:

2017	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Financial assets and liabilities at fair value	Total
Assets:					
Cash, banks and securities	405,171	-	-	43,136	448,306
Accounts receivable-trade	179,702	-	-	-	179,702
Other investments	-	4,686	-	841	5,527
Other non-current accounts receivable	32,355	-	-	-	32,355
Other current accounts receivable	47,307	-	-	-	47,307
Other non-current assets	-	-	-	176,228	176,228
Other current assets	1,736	-	-	23,052	24,788
Total assets	666,270	4,686	-	243,257	914,213
Liabilities:					
Non-current loans	-	-	3,036,649	-	3,036,649
Current loans	-	-	1,119,911	-	1,119,911
Current accounts payables-trade	-	-	248,528	-	248,528
Other non-current accounts payable	-	-	20,106	-	20,106
Other current accounts payable	-	-	68,511	-	68,511
Other non-current liabilities	-	-	526	5,586	6,112
Other current liabilities	-	-	179,667	3,604	183,272
Total liabilities	-	-	4,673,898	9,190	4,683,088

2016	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Financial assets and liabilities at fair value	Total
Assets:					
Cash, banks and securities	471,989	-	-	103,976	575,965
Accounts receivable-trade	157,279	-	-	-	157,279
Other investments	-	5,364	-	2,928	8,292
Other non-current accounts receivable	36,756	-	-	-	36,756
Other current accounts receivable	39,004	-	-	-	39,004
Other non-current assets	-	-	-	215,450	215,450
Other current assets	1,664	-	-	26,450	28,113
Total assets	706,692	5,364	-	348,804	1,060,859
Liabilities:					
Non-current loans	-	-	3,131,847	-	3,131,847
Current loans	-	-	1,062,912	-	1,062,912
Current accounts payables-trade	-	-	276,074	-	276,074
Other non-current accounts payable	-	-	22,299	-	22,299
Other current accounts payable	-	-	88,158	-	88,158
Other non-current liabilities	-	-	696	7,468	8,164
Other current liabilities	-	-	157,505	8,287	165,792
Total liabilities	-	-	4,739,491	15,755	4,755,246

Estimated fair value – assets measured at fair value

The following table presents the Group's assets and liabilities measured at fair value at March 31, 2017, grouped into levels based on the degree to which the fair value is observable:

- Level 1: the fair value of financial instruments is based on quoted prices in active markets as of the date of the statement of financial position;
- Level 2: the fair value of financial instruments is not based on quoted prices in active markets, but rather on valuation models;
- Level 3: the fair value of financial instruments is not based on quoted prices in active markets, but rather on valuation models, the main inputs of which are not observable in the market.

Category	Item	Level 1	Level 2	Level 3
Assets:				
Financial assets at fair value	Cash, banks and securities	43,136	-	-
Financial assets at fair value	Financial derivative instruments	-	199,280	-
Financial assets at fair value	Other investments	841	-	-
Liabilities:				
Financial liabilities at fair value	Financial instruments derivatives	-	9,190	-

Estimated fair value – assets and liabilities not measured at fair value

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, as shown in Note 18, in general, the long term maturities, are contracted at variable interest rates, with margins that are estimate to be close to those that possibly could be contracted in March 31, 2017. 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:

	March 2017	December 2016
Fair-Value	1,297,491	1,410,143
Accounting Value	1,405,599	1,500,195

23. Subsequent events

Derivatives

As mentioned in Note 19, on April 2017, following the announced asset monetization initiatives within the company's capital strengthening program, Cimpor completed the unwind process of its derivative portfolio, rising cash and equivalents of USD 223 million (circa €208 million).

Estreito Hydropower Plant

On May 2017, Cimpor signed an agreement to sell part of its stake in the Estreito hydropower plant for BRL 290 million (circa €87 million). The company sold a 19.2% stake in Estreito Participações, S.A. – a fully owned Cimpor subsidiary and the holder of a 4.44% stake in the share capital of the exploring consortium of the CESTE – Consórcio Estreito Energia Usina Hireletrica Estreito hydroelectric plant (Rio Tocantins, Tocantins – Brazil). This transaction, following those concerning Cimpor stakes on Barra Grande (BAESA) and Machadinho (MAESA), completes the monetization of energy assets, defined within the company's capital strengthening program.

24. Financial statements approval

These financial statements were approved and authorized by the Board of Directors on May 23, 2017.

25. Note added for translation

These consolidated financial statements are a translation of financial statements originally issued in Portuguese. In the event of discrepancies the Portuguese language version prevails.