



CIMPOR - CIMENTOS DE PORTUGAL, SGPS, S.A.

**FINANCIAL STATEMENTS OF THE HOLDING COMPANY
FOR THE SIX MONTHS ENDED 30 JUNE 2007**

Public Limited Company

Head Office: Rua Alexandre Herculano, 35, 1250-009 Lisbon Portugal

Share Capital: € 672,000,000

Tax and Lisbon Registry of Companies Registration number: 500.722.900

FINANCIAL STATEMENTS OF THE HOLDING COMPANY

FOR THE SIX MONTHS ENDED 30 JUNE 2007

CONTENTS:

- **Interim Management Report 1st Half 2007**
- **Balance Sheets**
- **Statements of Profit and Loss**
- **Cash Flow Statements**
- **Statements of Changes in Shareholder's Equity**
- **Notes to the Financial Statements**

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

Public Limited Company

Head Office: Rua Alexandre Herculano, 35, 1250-009 Lisbon Portugal

Share Capital: €672,000,000

Tax and Lisbon Registry of Companies Registration number: 500.722.900

INTERIM MANAGEMENT REPORT
1ST HALF 2007

(As provided for by Article 8.3 of the Securities Code, the financial information in this half -yearly report has not undergone an external audit or limited revision)

1. Introduction

This report describes the individual activities and accounts of CIMPOR – Cimentos de Portugal, SGPS, S.A. in the first half of 2007. The information on its consolidated activities and accounts is given in a separate report.

Taking into account the macroeconomic situation, in the pursuit of its object, the parent company of the CIMPOR Group promoted and coordinated the activities of the Group's different companies, in accordance with their business plans and operating budgets, with a view to achieving the goals set in its ongoing policy of permanent creation of value.

2. Economic and financial development

The income statement showing the profits and losses from shareholdings in Group and associated companies, prepared in accordance with Accounting Standard 9/92, shows a net profit of approximately EUR 116 million in the first half of 2007, which is 9.5% higher than in the same period in 2006.

Earnings from management fees rising from Group companies totalled EUR 2.44 million, covering around 41% of the cash costs associated with these services and the overall management of the Group (to a total of around EUR 6 million).

The financial profit, totalling EUR 119.8 million (more 10.6% than in the first half of 2006), essentially reflects gains and losses from participated companies, prepared using the equity method. Net gains and losses were around EUR 118.8 million (9.5% more than in the first half of 2006).

Total net assets went down approximately 4.5% to EUR 1,426 million compared to the end of last year. Equity totalling EUR 1,248 million rose by 4% in spite of the distribution of close to EUR 144 million in dividends.

3. Shares

On 30 June 2007, the share capital of CIMPOR – Cimentos de Portugal, SGPS, S.A. was represented by 672,000,000 shares with a face value of one euro, all of which were

admitted to trading at Euronext Lisbon. In the first half of this year, excluding OTC transactions, around 196.7 million shares were traded (75% more than in 2006 first half) to a value of nearly EUR 1.3 billion.

At the end of June, the share price was EUR 6.99, meaning a year to date appreciation of 11.1%, in spite of the dividend of EUR 0.215 per share distributed in the meantime, which corresponds to a dividend yield of 3.4% considering 2006 last price.

On 31 December 2006, CIMPOR held 2,766,810 own shares. During the first six months of 2007, it sold 1,104,700 shares to its employees under the Employee Stock Purchase Plan approved for this year and the different alive Stock Options Plans for the Group's Directors and Personnel:

Date	No. of shares	Price (EUR)	Note
14 March	249,500	3.20	(1)
14 March	272,970	3.30	(1)
14 March	214,830	4.05	(1)
17 May	128,650	5.03	(2)
25 May	238,750	4.90	(3)

(1) Stock Options Plan (2004, 2005 e 2006)

(2) Stock Purchase Plan (2007)

(3) Stock Options Plan (2007)

So as to proceed with the Group's incentive policy and to meet commitments made under the Stock Options Plans, meanwhile a total of 434,982 own shares were purchased at an average price of around EUR 6.23 per share.

Date	No. of Shares	Price (EUR)
19 March	10,951	6.02
	30,000	6.04
	16,000	6.05
	10,000	6.06
20 March	14,000	6.03
	20,000	6.04
	60,000	6.05
21 March	20,000	6.16
	15,000	6.22
22 March	20,000	6.25
	20,000	6.29
	20,000	6.31
	20,000	6.33
	20,000	6.34
23 March	20,000	6.30
	20,041	6.31
26 March	20,000	6.45
	20,000	6.47
	20,000	6.48
	18,990	6.49
	20,000	6.50

At the end of June, the Group's own shares in its portfolio totalled 2,097,092, representing 0.31% of its share capital.

4. Business prospects and most important events

The growth of the company is closely linked to the performance of the activities of its direct and indirect participated companies. Growth prospects and the main events during and after the end of the half-year are described in the report on the consolidated activities of CIMPOR – Cimentos de Portugal, SGPS, S.A.

Lisbon, 26 September 2007

BOARD OF DIRECTORS

CIMPOR - CIMENTOS DE PORTUGAL, SGPS, S.A.

BALANCE SHEETS FOR THE SIX MONTHS ENDED 30 JUNE 2007 AND DECEMBER 2006 - UNAUDITED

(Amounts stated in thousands of euros)

(Translated and reformatted from the Portuguese original - Note 27)

	<u>Notes</u>	<u>30 June 2007</u>	<u>31 December 2006</u>
Non-current assets:			
Investments, net	5	1,310,492	1,267,049
Fixed assets, net	6	6,525	6,508
Other non-current assets, net	4	7	7
Deferred tax	14	319	333
Total non-current assets		<u>1,317,342</u>	<u>1,273,897</u>
Current assets:			
Cash and cash equivalents		845	130,252
Accounts receivable-trade, net	3	24	24
Accounts receivable-other, net	3	45,474	33,055
Prepaid expenses and other current assets	11	62,645	56,034
Total current assets		<u>108,988</u>	<u>219,364</u>
Total assets		<u><u>1,426,330</u></u>	<u><u>1,493,261</u></u>
Non-current liabilities:			
Loans	7	-	5,000
Deferred tax	14	294	301
Total non-current liabilities		<u>294</u>	<u>5,301</u>
Current liabilities:			
Loans	7	5,000	21,782
Accounts payable-trade	8	557	408
Accounts payable-other	8	669	108,139
Accrued expenses	10	63,098	56,914
Taxes payable	12	13,738	9,151
Provision for other risks and costs	13	94,913	91,558
Total current liabilities		<u>177,976</u>	<u>287,952</u>
Total liabilities		<u>178,270</u>	<u>293,252</u>
Shareholders' equity:			
Share capital	17	672,000	672,000
Treasury shares	17	(8,269)	(9,295)
Revaluation reserve	17	1,832	1,853
Legal reserve	17	106,900	95,200
Adjustment in equity investments, other reserves and retained earnings	17	359,493	207,080
Net income for the period	17	116,104	233,171
Total shareholders' equity		<u>1,248,060</u>	<u>1,200,010</u>
Total liabilities and shareholders' equity		<u><u>1,426,330</u></u>	<u><u>1,493,261</u></u>

The accompanying notes form an integral part of the financial statements for the six months ended 30 June 2007.

CIMPOR - CIMENTOS DE PORTUGAL, SGPS, S.A.

STATEMENTS OF PROFIT AND LOSS FOR THE FOR THE SIX MONTHS ENDED

30 JUNE 2007 AND 2006 - UNAUDITED

(Amounts stated in thousands of euros)

(Translated and reformatted from the Portuguese original - Note 27)

	<u>Notes</u>	<u>30 June 2007</u>	<u>30 June 2006</u>
Operating income:			
Sales and services rendered	18	2,440	2,451
Other income and costs		264	258
Amortisations and adjustments reversal		27	78
Total operating income		<u>2,730</u>	<u>2,787</u>
Operating expenses:			
Outside supplies and services		(1,795)	(1,885)
Payroll	19	(4,110)	(3,584)
Depreciation and amortisation		(111)	(116)
Provisions		(3,021)	(3,150)
Other operating expenses		(61)	(63)
Total operating expenses		<u>(9,099)</u>	<u>(8,798)</u>
Operating loss		<u>(6,369)</u>	<u>(6,011)</u>
Financial income, net	20	119,781	108,267
Extraordinary items, net	21	427	(152)
Income before income tax		<u>113,840</u>	<u>102,104</u>
Income tax	14	2,265	3,915
Income before minority interest		<u>116,104</u>	<u>106,019</u>
Net profit for the period		<u>116,104</u>	<u>106,019</u>

The accompanying notes form an integral part of the financial statements for the six months ended 30 June 2007.

CIMPOR - CIMENTOS DE PORTUGAL, SGPS, S.A.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2007 AND DECEMBER 2006 - UNAUDITED

(Amounts stated in thousands of euros)

(Translated and reformatted from the Portuguese original - Note 27)

	Share capital	Treasury shares	Revaluation reserve	Legal reserve	Adjustment in equity investments	Other reserves and retained earnings	Net income for the period	Total
Balances at 1 January 2006	672,000	(12,796)	1,895	85,800	196,007	35,920	187,718	1,166,545
Earnings allocated to reserves	-	-	-	9,400	-	47,888	(57,288)	-
Dividends	-	-	-	-	-	490	(127,680)	(127,190)
Distribution of profits to employees	-	-	-	-	-	-	(2,750)	(2,750)
Purchase/(sale) of treasury shares	-	3,501	-	-	-	241	-	3,742
Other adjustments	-	-	(21)	-	26,819	(88,395)	-	(61,597)
Net profit for the period	-	-	-	-	-	-	106,019	106,019
Balances at 30 June 2006	672,000	(9,295)	1,874	95,200	222,825	(3,856)	106,019	1,084,768

	Share capital	Treasury shares	Revaluation reserve	Legal reserve	Adjustment in equity investments	Other reserves and retained earnings	Net income for the period	Total
Balances at 1 January 2007	672,000	(9,295)	1,853	95,200	210,915	(3,834)	233,171	1,200,010
Earnings allocated to reserves	-	-	-	11,700	-	73,991	(85,691)	-
Dividends	-	-	-	-	-	529	(144,480)	(143,951)
Distribution of profits to employees	-	-	-	-	-	-	(3,000)	(3,000)
Purchase/(sale) of treasury shares	-	1,026	-	-	-	648	-	1,674
Other adjustments	-	-	(21)	-	223,793	(146,549)	-	77,223
Net profit for the period	-	-	-	-	-	-	116,104	116,104
Balances at 30 June 2007	672,000	(8,269)	1,832	106,900	434,707	(75,215)	116,104	1,248,060

The accompanying notes form an integral part of the financial statements for the six months ended 30 June 2007.

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

CASH FLOW STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2007 AND 2006 - UNAUDITED

(Amounts stated in thousands of euros)

(Translated and reformatted from the Portuguese original – Note 27)

	<u>Notes</u>	<u>30 June 2007</u>	<u>30 June 2006</u>
<u>Operating activities:</u>			
Receipts from clients		57	96
Payments to suppliers		(1,836)	(2,805)
Payments to employees		(6,795)	(6,409)
Cash flows generated by operations		<u>(8,575)</u>	<u>(9,118)</u>
Income tax recovered / (paid)	1	8,130	15,923
Other payments relating to operating activities		<u>3,768</u>	<u>3,353</u>
Cash flow before extraordinary items		<u>3,323</u>	<u>10,158</u>
Payments relating to extraordinary items		<u>(50)</u>	<u>(50)</u>
Cash flows from operating activities (1)		<u>3,273</u>	<u>10,108</u>
<u>Investing activities:</u>			
Receipts relating to:			
Investments	2	7,900	-
Interest and similar income		1,714	3,581
Dividends	3	<u>145,248</u>	<u>114,770</u>
		<u>154,862</u>	<u>118,351</u>
Payments relating to:			
Investments		<u>-</u>	<u>(6)</u>
		<u>-</u>	<u>(6)</u>
Cash flows from investing activities (2)		<u>154,862</u>	<u>118,345</u>
<u>Financing activities:</u>			
Receipts relating to:			
Sale of treasury shares		4,053	3,550
Others	4	<u>96,000</u>	<u>-</u>
		<u>100,053</u>	<u>3,550</u>
Payments relating to:			
Loans obtained		(21,782)	(125)
Purchase of treasury shares		(2,713)	-
Interest and similar costs		(1,746)	(190)
Dividends		(143,951)	(127,190)
Others	4	<u>(217,400)</u>	<u>-</u>
		<u>(387,591)</u>	<u>(127,505)</u>
Cash flows from financing activities (3)		<u>(287,538)</u>	<u>(123,955)</u>
Variation in cash and cash equivalents (4) = (1)+(2)+(3)		(129,403)	4,498
Cash and cash equivalents at the beginning of the period		130,252	916
Effect of currency translation		(4)	(17)
Cash and cash equivalents at the end of the period		845	5,397

The accompanying notes form an integral part of the financial statements for the six months ended 30 June 2007.

CIMPOR - CIMENTOS DE PORTUGAL, SGPS, S.A.

CASH FLOW STATEMENTS (continued)

(Amounts stated in thousands of euros)

(Translated and reformatted from the Portuguese original – Note 27)

1. Income tax recovered / (paid)

This caption includes the income tax received from the companies included in the special regime for taxation of groups of companies, regularized in the six months ended on 30 June 2007.

2. Receipts relating to investments

	<u>Amounts received</u>
Kandmad, Lda	<u>7,900</u>

3. Dividends received

	<u>Amounts received</u>
Cimpor Portugal, SGPS, S.A.	55,000
Cimpor Inversiones, S.L.	<u>90,248</u>
	<u>145,248</u>

4. Loans to and from Group companies

	<u>Amounts paid during the year</u>	<u>Amounts received during the year</u>
Cimpor - Indústria de Cimentos, S.A.	109,500	96,000
Cimpor Internacional, SGPS, S.A.	54,300	-
Cimpor Investimentos, SGPS, S. A.	<u>53,600</u>	<u>-</u>
	<u>217,400</u>	<u>96,000</u>

The accompanying notes form an integral part of the financial statements for the six months ended 30 June 2007.

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

1. Introduction

Cimpor - Cimentos de Portugal, SGPS, S.A. (“the Company” or “Cimpor”) was incorporated on 26 March 1976, as a wholly owned Portuguese Government company. After several privatisation phases, Cimpor is now a public company listed on the Lisbon stock exchange. The Company operates in Portugal, Spain, Morocco, Mozambique, Brazil, Tunisia, Egypt, South Africa and Cape Verde (“the Cimpor Group”).

During the six months ended 30 June 2007, Cimpor has expanded its activity to Turkey and China.

The Company’s 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, ready mix concrete, concrete parts and related activities in Portugal; and (ii) Cimpor Inversiones, S.L., which holds the investments in companies with head offices abroad.

2. Summary of significant accounting policies

The attached financial statements were prepared in a going concern basis from the Company’s accounting records.

The financial statements are stated in thousands of euros and were prepared in accordance with generally accepted accounting principles in Portugal (“Portuguese GAAP”), which may be different from generally accepted accounting principles in other countries. The attached financial statements also include certain reclassifications in order to conform more closely to the form and content of financial statements presented in international financial markets.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the report period. Actual results could differ from those estimates.

These financial statements refer to the company on an individual non-consolidated basis, investments being recorded in accordance with the equity method as described below.

The principal accounting policies used in the preparation of the non-consolidated financial statements are:

Investments

Investments in group and associated companies are recorded using the equity method of accounting. Such investments being initially recorded at cost which is then increased or reduced to the amount corresponding to the proportion owned of the book equity of these

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED (Amounts stated in thousands of euros) (Translated and reformatted from the Portuguese original – Note 27)

companies as of the date of acquisition of the investment or the date the equity method was first applied.

Whenever necessary in order to conform the financial statements of group and associated companies to the Group's accounting policies, adjustments and reclassifications are made to them.

In accordance with the equity method of accounting, investments are adjusted by the amount corresponding to the Company's share in the net results of the group companies, by corresponding entry to the statement of profit and loss for the year (Note 20), and by other variations in the equity of subsidiary companies, by corresponding entry to the caption "Adjustments in equity investments" (Note 17). In addition, dividends received from these companies are recorded as deductions from the investments.

Other investments are stated at cost less, when applicable, adjustments for estimated losses on realisation, except quoted securities measured at fair value, in accordance with the requirements of IAS 39.

Goodwill

Goodwill arises from the difference between the cost of the investments in subsidiary companies and the related fair value of the subsidiaries' net assets as of the date of acquisition. Goodwill resulting from increases in previously investments are amortised on a straight-line basis over the remain useful live period defined on the first acquisition. Goodwill is capitalised and amortised on a straight-line basis over its estimated realisation period, which varies from five to twenty years.

Property, plant and equipment

Property, plant and equipment is stated at cost, which includes acquisition expenses or, in the case of certain fixed assets acquired up to 31 December 1992, at restated value computed in accordance with the revaluation criteria established by the applicable Portuguese legislation.

Depreciation is provided on a straight-line basis over the estimated useful lives which correspond to the following estimated average useful lives:

	<u>Years</u>
Buildings and other constructions	10 - 50
Basic equipment	7 - 16
Transportation equipment	4 - 5
Administrative equipment	3 - 14

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

Provisions and adjustments

The provisions and adjustments are stated at the amount considered necessary to cover potential risks in the collection of overdue accounts receivable balances.

Other provisions and adjustments are recorded at the amounts considered necessary to cover estimated losses.

Foreign currency transactions and balances

Foreign currency assets and liabilities for which there is no fixed exchange rate agreement are translated to euros at the rates of exchange prevailing at the balance sheet date. Exchange differences are credited or charged to the statement of profit and loss in the period in which they arise, except for the following, which are recorded in the balance sheet in the caption “Adjustments in equity investments”:

- Exchange differences arising on the translation of medium and long term foreign currency inter group balances which, in practice, correspond to an extension of investments;
- Exchange differences arising on financial operations hedging exchange risk on foreign currency investments, as established in International Accounting Standard (IAS) 21, provided that they comply with the efficiency criteria established in IAS 39.

Cash and cash equivalents

Cash represents immediately available funds and cash equivalents include liquid investments readily convertible to cash with an original maturity of three months or less.

Retirement benefits

Certain subsidiary companies have assumed the responsibility for paying additional pensions to those paid by the Portuguese Social Security, under two different schemes: a defined benefit plan and a defined contribution plan. The related liabilities are recorded in accordance with Portuguese Accounting Directive 19.

In accordance with this directive, payments made to the defined contribution plan are expensed in the year to which they relate. In the case of the defined benefit plan, costs are expensed over the normal active service life of the employees.

An actuarial valuation is performed at the end of each period in order to calculate the present value of the past service liability and the cost to be recorded in the period. The present value of the past service liability is compared with the market value of the plan’s assets in order to determine differences to be recorded in the balance sheet. The costs incurred in the year are recorded as payroll costs, based on the actuarial data.

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

Healthcare benefits

Certain subsidiary companies have supplementary healthcare benefits for their employees to those provided by the Public Social Security. The liabilities and costs resulting from these benefits are recorded in a similar manner to the retirement pension liabilities and costs referred to above.

Specific provisions to cover these liabilities are recorded in accordance with the criteria established by Portuguese Accounting Directive 19.

The actuarially determined cost of healthcare to be provided as from retirement age is recorded in the balance sheet caption “Provisions for risks and charges”.

The effects of those accounting records on these subsidiary companies are reflected on the Company’s financial statements by the application of the equity method.

Additionally, the Company has at its service, employees with contractual bond with Cimpor – Indústria de Cimentos, S.A. (“Cimpor Indústria”), which are beneficiary of retirement and healthcare benefits. The corresponding costs are supported by the Company and recorded as Payroll.

Income tax

Tax on income for the period is calculated based on the taxable results and takes into consideration deferred taxation.

The Cimpor Group has adopted the tax consolidation regime presently in force in Portugal since 2001. In accordance with this regime the provision for income tax is determined based on the estimated consolidated taxable profit of all the companies covered by this regime (all the 90% or more owned subsidiaries located in Portugal). The remaining group companies not covered by the tax consolidation regime are taxed individually, based on their respective taxable profits, computed in accordance with the tax legislation, at the applicable tax rates.

Deferred tax assets and liabilities are calculated and assessed periodically attending to the temporary differences between the assets and liabilities book values and the corresponding values valid for tax purposes, using the rates expected to be in force when the timing differences reverse and are not subject to discounting.

Deferred tax assets are only recognised when there is reasonable expectation that sufficient taxable profits will exist to use them. A reappraisal of the timing differences underlying the deferred tax assets is made at the balance sheet date, so as to recognise or adjust them based on the current expectation of their future recovery.

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

Revaluation reserve

Amounts recorded in this caption, resulting from the net increase in property, plant and equipment through revaluations made in accordance with the defined criteria, are transferred to retained earnings when realised through sale, write-off or depreciation of the related items. In general these amounts are not available for distribution and can only be used to increase share capital or to cover losses incurred up to the end of the period to which the revaluation relates.

Accruals basis

The company records income and expenses on an accruals basis. Under this basis, income and expenses are recorded in the period to which they relate independently of when the corresponding amounts are received or paid. Differences between the amounts received and paid and the related income and expenses are recorded in accrual and deferral captions.

Current classification

Assets to be realised and liabilities to be settled within one year of the balance sheet date are classified as current.

Derivative financial instruments and hedge accounting

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

In this respect the Group does not contract derivative financial instruments for speculation purposes.

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

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

Hedge accounting

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

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

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

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

Changes in the value of derivative financial instruments hedging net investments in a foreign entity, are recorded in the caption Exchange translation adjustments as regards their effective component. The non effective component of such variations is recognised immediately as financial income or expense for the period. If the hedging instrument is not a derivative, the corresponding variations resulting from changes in the exchange rate are recorded in the caption Exchange translation adjustments.

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

Trading instruments

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

3. Accounts receivable, net

This caption consists of:

	30 June 2007	31 December 2006
Accounts receivable from affiliated companies (Note 15)	42,986	30,943
Accounts receivable from public entities	1,365	1,365
Other receivables	1,147	771
	<u>45,498</u>	<u>33,079</u>

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

4. Other non-current assets, net

This caption consists of:

	30 June 2007	31 December 2006
Doubtful accounts receivable	3,809	3,898
Other receivables	614	615
	4,423	4,513
Adjustments for doubtful accounts receivable (Note 16)	(4,417)	(4,506)
	7	7

The Company classifies, as doubtful, specific overdue accounts receivable balances from customers. As these balances, together with other balances classified under the caption other receivables are not fully collectible, the Company records an adjustment for doubtful accounts receivable to cover the estimated loss on their realisation.

5. Investments, net

This caption consists of :

	30 June 2007	31 December 2006
<u>Affiliated companies:</u>		
Cimpor Inversiones, S.L.	786,163	810,321
Cimpor Portugal, SGPS, S.A.	510,479	437,151
Cimpor Reinsurance, S.A.	9,491	8,881
Kandmad, SGPS, Lda	-	6,879
Cimpor Financial Operations, B.V.	3,345	3,229
Cimpor Tec - Engenharia e Serviços Técnicos de Apoio ao Grupo, S.A.	886	429
Cement Services Company	50	81
Cimpor Egypt For Cement	5	4
	1,310,419	1,266,975
<u>Securities and other investments:</u>		
Companhia de Cimentos de Moçambique, S.A.	4,050	4,050
Others	74	74
	4,124	4,124
Adjustments for investments	(4,051)	(4,051)
	1,310,492	1,267,049

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED (Amounts stated in thousands of euros) (Translated and reformatted from the Portuguese original – Note 27)

The investments in affiliated companies are recorded in accordance with the equity method of accounting after any adjustment or reclassification to conform the affiliated companies financial statements with the Company's accounting policies. Other participations are stated at cost less, when applicable, adjustments for estimated losses on realisation.

Application of the equity method to investments in affiliated companies had the following effect on the six months ended 30 June 2007:

	Profit/ (loss) in group companies (Note 20)	Adjustment in equity investments (Note 17)	Dividends	Total
Cement Services Company	(29)	(2)	-	(31)
Cimpor Egypt for Cement	-	-	-	-
Cimpor Financial Operations, B.V.	116	-	-	116
Cimpor Inversiones, S.A.	56,004	10,086	(90,248)	(24,157)
Cimpor Portugal, SGPS, S.A.	61,604	66,724	(55,000)	73,328
Cimpor Reinsurance, S.A.	610	-	-	610
Cimpor Tec, S.A.	457	-	-	457
Kandmad, SGPS, Lda.	-	415	-	415
	<u>118,762</u>	<u>77,224</u>	<u>(145,248)</u>	<u>50,738</u>

The adjustments in equity investments relating to Cimpor Portugal and to Cimpor Inversiones include: (i) the effect of adopting the provisions of IAS 39; and (ii) the effect of translating the foreign currency financial statements of affiliated companies.

The reduction in investments concerns to the sale of 85% of the share capital of Kandmad, Lda, for 7,900 thousands euros, according to the contract entered in 11 April 2007, between the Company and Cimpor Portugal, SGPS, S.A.

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

6. Property, plant and equipment, net

This caption comprises the following, at net book value:

	30 June 2007	31 December 2006
<u>Cost:</u>		
Land	2,409	2,409
Buildings and other constructions	8,845	8,845
Basic equipment	3,095	3,095
Transportation equipment	344	279
Administrative equipment	5,341	5,357
Fixed assets in progress	70	8
	<u>20,104</u>	<u>19,993</u>
<u>Accumulated depreciation:</u>		
Buildings and other constructions	(5,250)	(5,161)
Basic equipment	(3,061)	(3,058)
Transportation equipment	(245)	(229)
Administrative equipment	(5,024)	(5,038)
	<u>(13,580)</u>	<u>(13,485)</u>
<u>Net book values:</u>		
Land	2,409	2,409
Buildings and other constructions	3,595	3,684
Basic equipment	34	37
Transportation equipment	99	51
Administrative equipment	317	319
Fixed assets in progress	70	8
	<u>6,525</u>	<u>6,508</u>

Property, plant and equipment has been revalued in accordance with Decree Laws 126/77, 219/82, 399-G/84, 118-B/86, 111/88, 36/91, 49/91, 22/92 and 264/92 using price indices established by that legislation.

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
 (Amounts stated in thousands of euros)
 (Translated and reformatted from the Portuguese original – Note 27)

The effect of the revaluations on net book value is as follows:

	Historical cost	Revaluation	Revalued amounts
Land	359	2,050	2,409
Buildings and other constructions	840	2,755	3,595
Basic equipment	34	-	34
Transportation equipment	99	-	99
Administrative equipment	297	20	317
	<u>1,630</u>	<u>4,825</u>	<u>6,455</u>

A portion (40%) of the additional depreciation arising from the revaluations is not deductible for income tax purposes, originating a deferred tax liability of 294 thousand euros (Note 14).

7. Loans

This caption consists of:

	30 June 2007		31 December 2006	
	Current	Non-current	Current	Non-current
Bank loans	5,000	-	21,782	5,000
Other loans	-	-	-	-
	<u>5,000</u>	<u>-</u>	<u>21,782</u>	<u>5,000</u>

8. Accounts payable

This caption consists of:

	30 June 2007	31 December 2006
Accounts payable to related companies (Note 15)	321	108,116
Accounts payable to suppliers	557	408
Other creditors	348	23
	<u>1,226</u>	<u>108,547</u>

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

9. Accrued income

This caption consists of:

	30 June 2007	31 December 2006
Interests receivable	70	85

10. Accrued expenses

This caption consists of:

	30 June 2007	31 December 2006
Derivative instruments (Note 25)	62,252	55,627
Vacation pay and vacation bonus	729	912
Interest payable	6	249
Other	112	126
	63,098	56,914

11. Prepaid expenses

This caption consists of:

	30 June 2007	31 December 2006
Derivative instruments (Note 15 and 25)	62,252	55,627
Insurance	155	100
Other	169	223
	62,575	55,949

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

12. Taxes payable

This caption consists of:

	30 June 2007	31 December 2006
Income tax	13,375	8,902
Withholding tax	162	94
Value added tax	102	74
Social Security contributions	98	81
	<u>13,738</u>	<u>9,151</u>

The income tax payable value, in the six months ended 30 June 2007 is a result of the special regime for taxation of groups of companies that Cimpor Group is subject.

13. Movement in the provisions

During the six months ended 30 June 2007, the movement in the provision account balances, was as follows:

	Beginning balance	Increases	Ending balance
Provisions for other risks and charges:			
Tax contingencies	87,887	3,355	91,242
Other risks and charges	3,672	-	3,672
	<u>91,558</u>	<u>3,355</u>	<u>94,913</u>

The increase in the provision for tax contingencies was recorded by corresponding entry to the following captions:

Provisions	3,021
Tax contingencies (Note 14)	<u>334</u>
	<u>3,355</u>

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

14. Income tax

The Company is subject to Corporate Income Tax (CIT) at the rate of 25%, and municipal surcharge up to 1,5%, which sums a total tax rate of 26,5%. Gains and losses in associated companies recorded under the equity method are not relevant for tax purposes. The same applies to dividends received from affiliated companies.

As from 2001, the Company and its over 90% held Portuguese subsidiaries are subject to the special regime for taxation of groups of companies (*RETGS*). This regime consists of applying the CIT rate plus the municipal surcharge to the consolidated taxable results of the companies included in the special regime, excluding dividends distributed between those companies. The Company is also subject to flat rate taxation over certain expenses mentioned in article 81 of the CIT Code.

In accordance with current legislation, the Company's tax returns are subject to reviews performed by the tax authorities for a period of four years (for Social Security purposes, five years as from 2001 and ten years up to 2000), except if there are tax losses computed, tax benefits granted or tax audits, claims or appeals in progress, in which cases the periods can be extended or suspended. At the date of this report, the Company's tax returns were reviewed by the tax authorities up to the tax year of 2004, and the tax audit for 2005 is in course.

As a result of the reviews performed by the tax authorities to the CIT returns for the years of 1996 to 2004, additional adjustments were made to the assessment basis and to tax, determined under the tax consolidation regimes, which originated additional tax and interest assessed and estimated of approximately 94 million euros, being the most significant adjustments from the increase of depreciations resulting from the revaluation of property, plant and equipment. The Board of Directors believes, based on the understanding of its tax consultants, that the above mentioned adjustments have no legal basis and therefore they have been legally claimed.

The Board of Directors believes that the recorded provisions reflect, prudently, the potential risks associated with the probability that the adjustments may result in future payments, including an estimate for the years not yet audited, in the amount of 7 million euros.

In addition, the Board of Directors believes that any payment of the above tax, resulting from tax assessments up to the tax year of 2001 or subsequent if originated by operations occurred up to that date, are the responsibility of the Government body, "Fundo de Regularização da Dívida Pública".

Timing differences between the recognition of income and expenses for accounting and tax purpose are considered in computing the income tax charge for the year.

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

Reconciliation of the provision for income tax at the statutory Portuguese income tax rate, for the six months ended 30 June 2007 and the effective income tax rate, was as follows:

	<u>Tax base</u>	<u>Income tax</u>
Income before income tax	113,840	
Temporary differences	(26)	
Permanent differences	<u>(116,354)</u>	
	<u>(2,541)</u>	
Normal charge		(673)
Autonomous taxation		<u>10</u>
		(664)
Deferred tax on temporary differences reversed in the period		7
Tax contingencies (Note 13)		334
Prior year adjustments		63
Adjustments to the consolidated Group's tax and others		<u>(2,005)</u>
Charge for the period		<u><u>(2,265)</u></u>

Permanent differences include mainly elimination of the effect of applying the equity method and the increase on provisions.

The movement in deferred taxes in the six months ended 30 June 2007 is as follows:

	<u>Beginning balance</u>	<u>Reversal</u>	<u>Ending balance</u>
Deferred tax assets:			
Adjustments for doubtful debts	313	(14)	299
Provision for other risks and charges	<u>20</u>	<u>-</u>	<u>20</u>
	<u>333</u>	<u>(14)</u>	<u>319</u>
Deferred tax liabilities:			
Revaluation of tangible fixed assets (Note 6)	<u>301</u>	<u>(7)</u>	<u>294</u>

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

15. Related parties

The principal balances and transactions in the six months ended 30 June 2007 with Group companies are as follows:

	Balances			Transactions				
	Group companies, accounts receivable (Note 3)	Accounts payable	Deferral and accruals (Note 11)	Group companies, accounts payable (Note 8)	Financial loss	Financial income	Services rendered (Note 18)	Other income
Betão Liz, S.A.	11	-	-	-	-	-	-	-
Cecisa - Comércio Internacional, S.A.	1	-	-	-	-	-	-	1
Cimpor - Indústria Cimentos, S.A.	26,613	-	7	261	-	1,136	2,325	-
Cimpor Betão -Indústria Betão Pronto, S.A.	6	-	-	-	-	-	-	-
Cimpor Finance Limited	41	-	-	-	-	-	-	-
Cimpor Imobiliária, S.A.	18	-	18	-	-	-	-	-
Cimpor Internacional, SGPS, S.A.	12	-	-	-	88	-	30	-
Cimpor Inversiones, S.A.	-	-	62,322	-	313	1,028	70	1
Cimpor Investimentos, SGPS, S.A.	9	-	-	-	87	-	15	-
Cimpor Portugal, SGPS, S.A.	16,110	-	-	-	-	-	-	-
Cimpor - Serviços Apoio à Gestão Empresas, S.A.	118	327	-	-	-	-	-	258
Cimpor Tec, S.A.	-	-	-	60	-	-	-	-
Imopar, SARL	10	-	-	-	-	-	-	-
Jomatel - Emp. Mat. Construção, S.A.	32	-	-	-	-	-	-	-
Scanang Trading Activities, Espanã	2	-	-	-	-	-	-	-
Scanang SGPS, Unipessoal, Lda	4	-	-	-	-	-	-	4
	42,986	327	62,347	321	487	2,164	2,440	264

The balance receivable from Cimpor Portugal, SGPS is due to tax income according to the special regime for taxation of groups of companies.

The balance receivable from Cimpor Indústria de Cimentos, S.A. includes 25,000 thousand euros relating to treasury support, which earns interest at normal market rates.

16. Movements occurred in the caption of asset adjustments

During the six months ended 30 June 2007, the movement in adjustments, was as follows:

	Beginning balance	Utilisation	Reversal	Ending balance
Adjustments for:				
Doubtful accounts receivable	3,895	(62)	(27)	3,806
Other debtors/ shareholders	611	-	-	611
	<u>4,506</u>	<u>(62)</u>	<u>(27)</u>	<u>4,417</u>

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

17. Share capital and reserves

At 30 June 2007, Cimpor's fully subscribed and paid up share capital consisted of 672 million shares with a nominal value of one euro each.

The last known capital structure of the Company, as per notifications of official qualifying shareholders received by the company until 30 June 2007, was as follows (Includes shares owned by its related companies and its corporate board members):

	%	Number of shares
Teixeira Duarte, SGPS, S.A.	20.16	135,473,319.00
Manuel Fino, SGPS, S.A.	19.02	127,825,670.00
Grupo Credit Suisse	12.73	85,538,586.00
Lafarge	12.64	84,908,825.00
Banco Comercial Português, S.A. (BCP) and Fundo de Pensões do BCP	10.04	67,474,186.00
Bipadosa, S.A.	3.02	20,303,525.00
Caixa Geral de Depósitos, S.A. (CGD) and Fundo de Pensões da CGD	2.08	13,977,706.00
Others	20.31	136,498,183.00
	<u>100.00</u>	<u>672,000,000.00</u>

Revaluation reserve

This caption results from the revaluation of property, plant and equipment in accordance with the applicable legislation (Note 6). In accordance with current legislation and the accounting practices followed in Portugal this reserve can only be used, when realised, to cover losses or to increase share capital.

Legal reserve

In accordance with current legislation the Company must appropriate, to the legal reserve, 5% of its annual net profit until the reserve equals a minimum of 20% of capital. This reserve cannot be distributed to the shareholders but can be used to absorb losses once all the other reserves have been used, up or to increase capital.

Adjustment in equity investments

This caption, in the six months ended 30 June 2007, relate mainly to: (i) transfer from "Retained earnings" to "Adjustments in equity investments" of the results not distributed by subsidiary companies recorded in accordance with the equity method; (ii) adjustment of investments resulting from changes in the equity of subsidiary companies (Note 5), which, in practice, correspond to extensions of the investments.

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

Net income application

The net profit for 2006 was appropriated as follows, in accordance with a decision of the Shareholders' Annual General Meeting held on 11 May 2007:

Dividends	144,480
Employees' bonus	3,000
Retained earnings	73,991
Legal reserve	11,700
	<u>233,171</u>

Undistributed dividends attributed to own shares, in the amount of 529 thousand euros, are included on the caption "Other reserves and retained earnings".

Treasury shares

Commercial legislation relating to treasury shares requires the existence of a free reserve equal to the amount of the cost of such shares, which is not available for distribution while the shares are not sold. In addition, the applicable accounting rules require gains and losses on the sale of own shares to be recorded in reserves.

The movement in treasury shares corresponds to the sale of 1,104,700 shares to several employees of the Group for a total of 4,386 thousand euros, which resulted in an increase of 648 thousand euros in Other reserves.

At 30 June 2007 Cimpor held 2,097,092 treasury shares (Note 24).

18. Sales and services rendered

Sales and services rendered for the six months ended 30 June 2007 result from contracts to render administrative services entered into with affiliated companies (Note 15).

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

19. Payroll costs

This caption consists of:

	30 June 2007	31 December 2006
Salaries	3,072	5,292
Social charges:		
Pensions	65	130
Others	972	1,411
	<u>4,110</u>	<u>6,833</u>

20. Financial income, net

This caption consists of:

	30 June 2007	30 June 2006
<u>Income:</u>		
Interest income	10,181	9,908
Gain in group companies (Note 5)	118,791	109,181
Foreign exchange gains	2	7
	<u>128,974</u>	<u>119,096</u>
<u>Expenses:</u>		
Interest expense	9,097	9,922
Loss in group companies (Note 5)	29	717
Foreign exchange loss	6	28
Other financial expenses	61	162
	<u>9,193</u>	<u>10,829</u>
Net financial income	<u>119,781</u>	<u>108,267</u>

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

21. Extraordinary items, net

This caption consists of:

	30 June 2007	30 June 2006
<u>Extraordinary income:</u>		
Debt recovery	10	15
Gain on the sale of fixed assets	606	-
Other extraordinary income	28	28
	<u>643</u>	<u>43</u>
<u>Extraordinary expenses:</u>		
Donations	56	61
Other extraordinary expenses	160	133
	<u>216</u>	<u>195</u>
Net extraordinary items	<u>427</u>	<u>(152)</u>

The caption Other extraordinary expenses includes 160 thousand euros relating to contract compensations, paid to employees.

22. Guarantees

At 30 June 2007 the Company had outstanding letters of guarantee and bank guarantees given to third parties totalling 20,942 thousand of euros. These guarantees are mainly related to additional tax assessments received, which responsibility is considered on the caption of tax contingencies on Provisions for other risks and charges (Note 13).

23. Commitments

Retirement pension benefits and medical benefits

As explained in Note 2, some Group companies have supplementary retirement and healthcare plans for their employees. The liability under these plans is reflected in the financial statements as of 30 June 2007 in accordance with the applicable accounting standards.

As a result of applying the equity method of accounting, the effect of these plans is reflected in the Company's financial statements in the captions financial income, net, and investments.

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

Other commitments – investments and services

At 30 June 2007 some of the Group companies had commitments relating to contracts to purchase tangible fixed assets and inventories as well for operating on third parties installations, the most significant amounts being 12,917 thousand euros relating to the Spain business area, 9,378 thousand euros relating to the Egypt business area and 8,268 thousand euros relating to the Portugal business area.

On 1 January 2004 a contract to render administrative, financial, accounting and human resources services was entered into between the Company and Cimpor – Serviços de Apoio à Gestão de Empresas, S.A.. The contract involves an annual commitment of 1,624 thousand euros.

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

Other commitments – comfort letters

Comfort letters relating to group companies, given to third parties, are as follows:

Cimpor Inversiones, S.A.	88,859
Cimpor Indústria de Cimentos, S.A.	60,000
Corporacion Noroeste, S.A.	50,773
Cimpor Cimentos do Brasil, LTDA	9,194
Cimentos de Moçambique, S.A.R.L.	1,966
Amreyah Cement Company, S.A.E.	605
Amreyah Cimpor Cement Company, S.A.E.	495
	<u>211,893</u>

24. Stock option plans

At the Shareholders’ General Meeting held on 11 May 2007 an *Employee Stock Acquisition Plan* and a *Cimpor Shares Stock Option Plan* were approved.

The Board of Directors of CIMPOR – Cimentos de Portugal, SGPS, S.A., is responsible for granting the benefits under the *Employee Stock Acquisition Plan*, other than to its own members, in which case the benefits are granted by the Remuneration Committee.

The beneficiaries are granted the right to acquire shares at a price equal to seventy-five percent of the closing price on the day the transaction is carried out, up to a maximum not exceed half of his/her monthly gross base remuneration.

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

In the case of the *Cimpor Shares Stock Option Plan* the options, which are granted by the Bodies referred to in the preceding paragraph, consist of the right to acquire Cimpor shares (initial options), at a price not lower than seventy-five percent of the average of the closing prices on the sixty stock market sessions preceding that date. For each option exercised, the beneficiary is granted the option to acquire one new share (derived options), at the same price, in each of the following three years.

The options exercised during the six months ended 30 June 2007 were as follows:

PLAN	Number of Shares	Unit price	Date
Stock Option Plan - derived options - series 2004	249,500	3.20	14 March
Stock Option Plan - derived options - series 2005	272,970	3.30	14 March
Stock Option Plan - derived options - series 2006	214,830	4.05	14 March
Stock Option Plan - series 2007	238,750	4.90	25 May
Employee Stock Acquisition Plan - year 2007	128,650	5.03	17 May
	<u>1,104,700</u>		

As at 30 June 2007, the Company held sufficient treasury stock to face the responsibilities inherent to the above mentioned stock options plans.

25. Financial instruments

In accordance with the Cimpor Group's risk management policies, Cimpor Holding contract a group of financial derivative instruments destined to minimize the exhibition risks to variations of interest and exchange rates, the one that is exposed through yours affiliated Cimpor Inversiones.

For the effect, Cimpor Holding and Cimpor Inversiones signed a contract ISDA (International Swaps and Derivatives Association), that regulates the operations of derivative instruments contracted among both. In this sense, the existent hedging positions between Cimpor Holding and the formal parts (financial institutions) are replied, to Cimpor Inversiones which becomes the holder of rights and obligations related to contracted positions. In this way, assets/liabilities accounted in Cimpor Holding, are the reflex of symmetrical positions in Cimpor Inversiones.

Cimpor Holding contracts this type of instruments after analyzing the risks that affects the assets and liabilities of the Group and to verify which of the existent instruments in the market revealed more appropriate to cover those risks.

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED (Amounts stated in thousands of euros) (Translated and reformatted from the Portuguese original – Note 27)

Under the risk management policy of the Cimpor Group, a wide range of derivative financial instruments have been contracted to hedge interest and exchange rate risk.

The Group contracts such instruments after evaluating the risks to which its assets and liabilities are exposed and assessing which instruments available in the market are the most adequate to hedge the risks.

These instruments are subject to prior approval by the Executive Committee and are permanently monitored by the Financial Operations Area. Several indicators relating to the instruments are periodically determined, namely market value and sensitivity of both the projected cash flows and market value to changes in key variables, with the aim of assessing their financial effect.

The recognition of financial instruments and its classification as instruments held for hedging or trading purposes, is based on the instructions of IAS 39.

Hedge accounting is applicable to financial derivative instruments that are effective as regards the elimination of variations in the fair value or cash flows of the underlying assets/liabilities. The effectiveness of such operations is verified on a regular quarterly basis. Hedge accounting covers two types of operations:

- Fair value hedging
- Cash flow hedging

Fair value hedging instruments are financial derivative instruments that hedge exchange rate and/or interest rate risk. Changes in the fair value of such instruments are reflected in the statement of profit and loss. The underlying asset/liability is also valued at fair value as regards the part corresponding to the risk that is being hedged, the respective changes being reflected in the statement of profit and loss.

Cash flow hedging instruments are financial derivative instruments that hedge the exchange rate risk on future purchases and sales of certain assets as well as cash flows subject to interest rate risk. The effective part of the changes in fair value of the cash flow hedging instruments is recognised in shareholders' equity, while the non effective part is reflected immediately in the statement of profit and loss.

Instruments held for trading purposes are financial derivative instruments contracted in accordance with the Group's risk management policies but where hedge accounting is not applicable, because they were not formally designated for that purpose or because they are not effective hedging instruments in accordance with the requirements of IAS 39.

CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007 - UNAUDITED
(Amounts stated in thousands of euros)
(Translated and reformatted from the Portuguese original – Note 27)

Fair value of financial instruments

On 30 June 2007 and 2006, the fair value of derivative financial instruments was as follows:

	30 June 2007	30 June 2006
Cash-flow hedges		
Interest rate swaps	-	-
Trading		
Interest rate swaps	62,252	55,627
	<u>62,252</u>	<u>55,627</u>

26. Subsequent events

The more significant events that occurred after 30 June 2007 are described in the Directors' Report.

27. Note added for translation

The accompanying financial statements are a reformatted translation of financial statements originally issued in Portuguese in accordance with generally accepted accounting principles in Portugal and the disclosures required by the Portuguese Official Chart of Accounts, some of which may not conform with or be required by generally accepted accounting principles in other countries. In the event of discrepancies the Portuguese language version prevails.