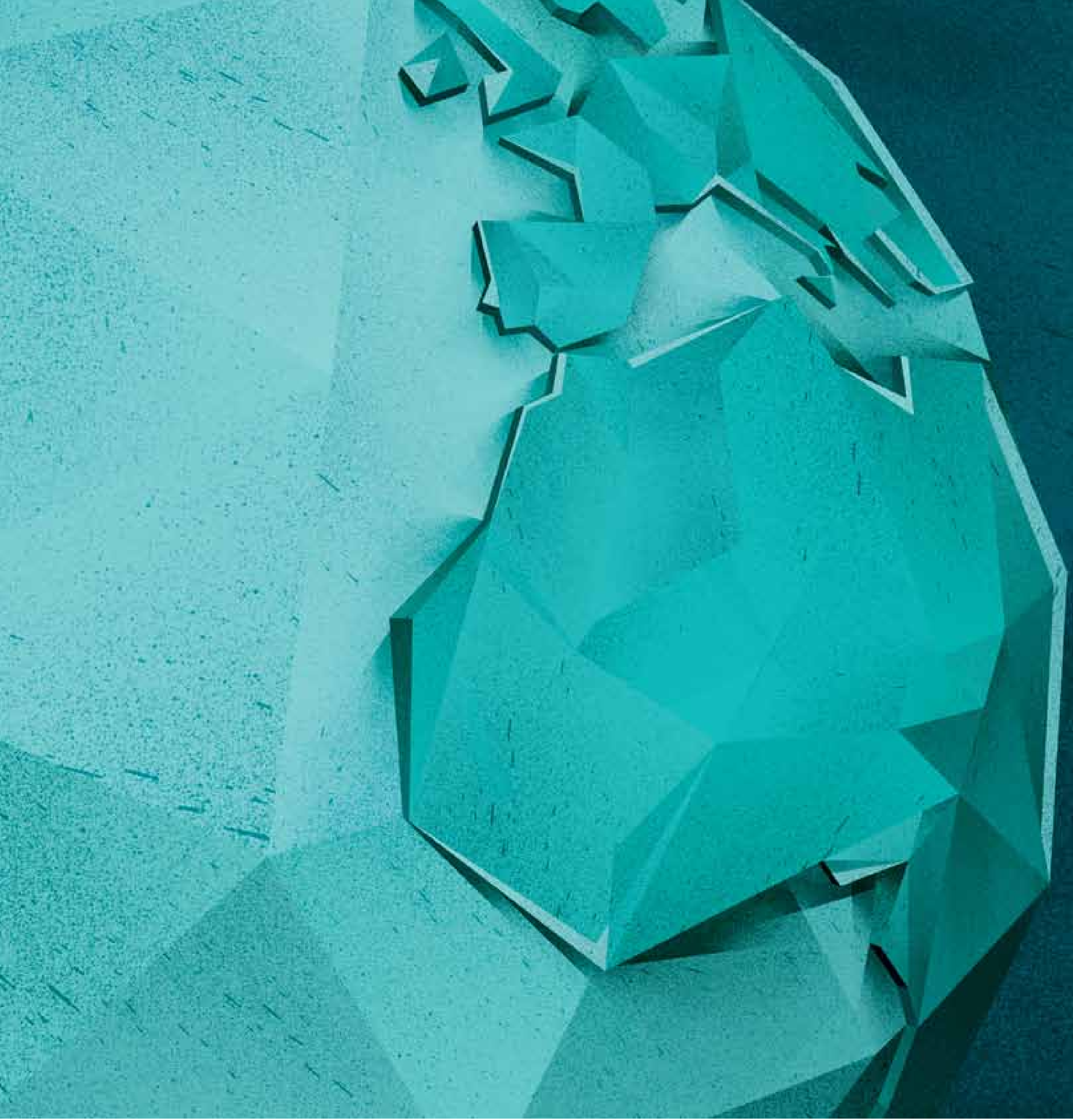


CIMPOR ANNUAL REPORT 2011

CIMPOR

ANNUAL REPORT AND ACCOUNTS
2011 FINANCIAL YEAR

"Translated from the original version in Portuguese"

GENERAL CONTENTS

Message from de Chairman of the Board of Directors

Message from the Chairman of the Executive Committee

Cimpor around the World

Governing Bodies and Management

Highlights and Key Financials

Part I – Management Report

Part II – Financial Statements

Part III – Corporate Governance Report

Part IV – Supervision and Audit Documents

Message from the Chairman of the Board of Directors

Dear Shareholders

Cimpor navigated a climate of great complexity, uncertainty and change in 2011, as a result of the European sovereign debt crisis, the Arab Spring and the acceleration of the economic and political importance of the emerging countries, in relation to the traditionally more developed countries. Cimpor experienced, for better or for worse, due to the location of its assets, all aspects of this complex climate and it performed well in the negotiation of the year.

The sovereign debt crisis in Europe, especially in the economies of the southern countries, had a negative impact on Portugal and Spain, where Cimpor has a capacity of 10.2 million tons of cement with own clinker. The chain of effects impacted on the life of our Company, through the shrinkage of the Iberian markets and rise in the costs of refinancing its debt.

The so-called Arab Spring spread by chain reaction to several countries of North Africa, in three of which - Tunisia, Morocco and Egypt – we have an installed production capacity of 7.1 million tons, 4 million tons of which are in Egypt, the country where its impact was greatest. The domino effect started in Tunisia and then spread to other countries of the Middle East in the vicinity of an emerging country, Turkey, where we have an installed capacity of 3 million tons.

The European sovereign debt crisis and the major political and social transformations in the Arab world fuelled each other in terms of impact, further shrinking various markets on both sides of the Mediterranean, while in the countries most eager for social and political changes, there was the spread of increased costs and some factors of production, especially labour and energy.

The growing assertion of the political and economic importance of emerging countries of the Far East - especially China and India, where Cimpor controls 7.2 million tons of cement - was decisive in world GDP growth, although below 2010 figures (1.4% less). The dynamism of their markets had a positive impact on the economies of other emerging countries, producers of agricultural products and mineral resources, in South America, especially Brazil - where we are already a player of reference in the cement market, with 6.6 million tons, as well as the Southern Africa region - South Africa and Mozambique - where Cimpor has 2.5 million tons installed.

The economic dynamism of the emerging countries and the swelling of tension in the Middle East arising from the Arab Spring brought instability to the oil and natural gas markets, which reflected and continue to reflect a sharp upward trend in prices.

In this context of great complexity, uncertainty and change, Cimpor was up to the challenge and it is proud of this fact: it protected itself well from the adverse conditions it had to tackle and it took advantage of the best opportunities that were presented it.

Moving towards and in compliance with the four strategy pillars adopted in 2010 by the Board of Directors, on which all reference shareholders are represented, and for the horizon to 2015:

- Cimpor continued to invest, especially in the most dynamic and profitable markets where it operates. The investment value was the highest of the last three years. Cimpor has ongoing investments and other opportunities in the pipeline, which will have a significant impact on capex in 2012.

- Cimpor strengthened the thematic and geographical ambition of its cost cutting programme, which instilled throughout the organisation, due to its mobilisation and scope, a culture even more directed towards cost efficiency. Our programme’s ambition to use alternative fuels envisages significant efficiency and environmental gains. Our R&D programmes with national and foreign universities are steered in the same direction.

- Significant steps were taken throughout 2011, especially in the second half, to redefine and qualify our organisational structure, and renew our human resources, laying solid foundations for the evolution of Cimpor from a multi-domestic group to a multinational group.

- Our traditional good performance, the commitment made to our shareholders and other investors regarding the priority we place on our balance sheet strength, and how we were able to dialogue with the representatives of the financial markets during the year, had three consequences that I wish to mention:

    - Cimpor shares stood out for their positive performance on the PSI 20 Index and compared to the shares of our peers.

    - We maintained the Company’s rating, which remained at Investment Grade, thus substantively protecting it from the impact of the sovereign risk of Portugal.

    - We raised resources in the market, which covered our financing requirements to 2014.

The way in which we were able to deal with the adverse conditions we faced and take advantage of the best opportunities that opened to us were reflected in sales growth and a slight decrease of EBITDA. These indicators would have been substantially better if it weren’t for the drop in sales in Egypt and in the Iberian markets. Even so, we compare well with our peers.

Four exogenous reasons jointly contributed to the decline of net profits: the increase of energy costs, rising financial costs, the depreciation of most currencies against the euro, the growth of profits in countries with higher tax rates. Nevertheless, we maintained the same payout ratio as the previous year.

In the difficult year of 2011, the results we achieved were only possible with the dedication and professionalism of the management team and the mobilisation and commitment of all the company’s employees. All the non-executive members of the Board of Directors enhanced the action of the executive directors through their participation and contributions in this governing body of the Company and the committees deriving from it and on which all actively participated.

The situation of the Iberian markets and uncertainty in some markets in North Africa must continue to be, as it has been, the focus of our special attention. We shall continue to strengthen the integrated management of installed capacity on both sides of the Mediterranean, reducing the levels of under-utilization and directing such capacity, with a thorough consideration of transport costs, to countries where we have insufficient manufacturing capacity to meet demand, or other markets where the contribution margin is positive. The African countries of the South Atlantic and Latin America, principally Brazil, should be more integrated into the framework of this strategic line of defence.

This type of response, defensive in nature, does not rule out more aggressive approaches, which, as it happens, are envisaged in the strategy we adopted in 2010 and pursued in 2011. These aggressive approaches can include investing in the more dynamic and profitable markets or in others where good investment opportunities arise.

The times in which we live require greater weighing up on our part of investment decisions, so that the balance sheet does not lose flexibility and funding costs do not penalise the expected return on equity. In some countries, because we want to continue growing safely, we must envisage and assess the possibility of selling assets as an additional source of funding for new investment, which would broaden the geographical diversification of our activities, minimise the Company's risk and create more value for Cimpor.

As I stated in the message I delivered to shareholders at the last General Meeting, in compliance with Article No. 398 of the Companies' Code and the agreement concluded between Cimpor - Cimentos de Portugal, SGPS, S.A. and Cimpor Brasil, on the one hand, and CADE on the other, and according to the guidelines approved at the General Meeting relating to the 2009 financial year, the Board of Directors and each of its members meticulously comply with all procedures regarding conflicts of interests and the protection of sensitive information.

Dear shareholders,

Due to the distinctive performance of Cimpor shares during 2011, the current results that we present herein, the payout ratio we have proposed to you, unchanged from the preceding year, and since adversity has not diminished our will to win, we hope to continue to deserve your confidence.

The Chairman of the Board of Directors

António de Castro Guerra

Message from the Chairman of the Executive Committee

Dear Shareholders,

2011 was a year of unexpected changes for the world in terms of economic growth. It was expected, after the "dark year" of 2009, that the global recovery of 2010 was the turning point, but the growth of economies again slowed down in 2011, as world GDP grew 3.8% in 2011 vs. 5.2 % in 2010 (IMF projections). The worsening climate in financial markets, which entailed increased costs of financing the economy, will have been an important driver of the year we live in, and it will have certainly been a confining element of the strategic agendas of leaders and managers.

The cement market was also limited by these trends, with overall growth in cement consumption falling from 10% to 8%. The emerging markets confirmed their status as the motors of growth of world economies and the cement industry (growth of ~8% in cement consumption). Demand in emerging markets marginally grew (around 1%). The referred figures clearly confirm the growing importance of emerging markets in the cement industry, consuming about 3,200 million tons of approximately 3,600 million tons consumed in the world in 2011.

In this climate, Cimpor achieved the second best operating performance of its history, following on from the record performance associated with the favourable economic climate of 2010. The generation of operating funds (EBITDA, the financial and operating performance indicator most used) was EUR 616 million (-2.2% less than the EUR 630 million in 2010, but 1.7% higher than the EUR 606 million of 2009). Cement and clinker sales fell 2.7% to 27.5 million tons. Total revenue attained the highest value of our history: EUR 2,275 million, equivalent to growth of 1.6% over 2010.

I would like to highlight the following, in order to provide a better understanding of our performance and a summary of Cimpor’s year under review:

- **The weight of Brazil and exposure to a strong mix of emerging markets**: 2011 again demonstrated to us the importance of having a balanced portfolio of assets. Brazil reasserted itself as an important pillar of Cimpor, generating EBITDA of 210 million euros, growth of ~10% compared to 2010. We navigated a revolutionary environment in Egypt and the start of a financial assistance programme in Portugal. These countries account for ~30% of our installed capacity and, to quantify the strong performance of the other countries, it is interesting to note that our EBITDA would have increased by ~16% if Egypt and Portugal are excluded. Nonetheless, the competence and resilience of our employees in these countries makes me sure of our ability to adapt to new social and market realities and find the right course to optimise our performance.

- **The results of the Best programme:** The Best programme, which aims to improve the operating performance and efficiency of our assets, generated savings of more than EUR 40 million in 2011 (compared to the 2009 cost base). It made an essential contribution to our overall results, since it had a smoothing effect on the rising costs of some raw materials, particularly fuel. On the numerous occasions I came into contact with this programme, particularly in relation to the different operations, I realise that Best has also generated a non-quantifiable result that may also be a determining factor in the future of Cimpor: the change of mindsets and strengthening of a culture of Operational Excellence.

- **Turnaround in Turkey, China and Mozambique**: Part of our strategy was the heavy growth of profitability of some operations that we believed were operating below potential. Thus, I was delighted to observe over the year that our initiatives were generating results: the EBITDA of these three countries grew 42%, 101% and 107%, respectively (to 31, 18 and 24 million euros). We believe that these gains may be consolidated in 2012 and we shall pay particular attention to the development of the challenging markets in these three countries.

- **Implementation of the strategic agenda in line with the defined priorities**: Lastly, our performance in 2011 would not be adequately rounded up without reference to the strategic implementation of our plan in its four pillars:

  - **Growth:** We invested EUR 294 million in 2011 (almost double the 2010 value), in a consistent effort focused on our DNA in emerging markets. The priorities in 2011 were Brazil (completion of the revamping of a line at Campo Formoso and expansion of capacity at Cezarina, and the start of construction of two significant projects at Caxitú and Cezarina), Mozambique and Egypt, while we maintain the intention to grow in the markets where we operate.

  - **Efficiency and Performance:** In addition to the referred results, the Best Programme also morphed into Best+. This upgrade entails the increase of fundamental initiatives such as the centralisation of procurement and an ambitious alternative fuels co-processing plan, in a consistent focus on our vision of sustainability. We announced new targets for the Best+ Programme: savings of EUR 75 million in 2012 and EUR 100 million in 2014. This is our path of Operational Excellence.

  - **Strengthen Organisation and Capabilities:** During 2011 we made the central structures of Cimpor even more robust, ensuring adequate support for operations, and we made local structures and processes more consistent in accordance with best practices. It was also a year of injection of talent in the various hierarchies. We believe that this axis should be a priority for 2012, with emphasis on the improvement of human resources policies and promotion of greater unity in relation to the mission and values of Cimpor.

  - **Sound financial performance:** In 2011, Standard & Poor's confirmed Cimpor's investment grade status. It also formally stated that the exposure of Cimpor's rating to the sovereign risk of Portugal was low. This reference, unique in Portugal, gives us great satisfaction and assures us of the path to follow, making us certain that the strength of our balance sheet remain a key strategic priority. Cimpor has already secured its financing requirements to 2014 and the debt ratios of 2011 are broadly in line with our commitments.

Lastly, the commitment to sustainable development is a core value for us that goes beyond the strategic agenda. The investigation of more efficient processes, the co-processing of waste, support to local communities, the patronage of causes we consider worthy, and especially the safety of our employees, will always be a major component of our policies and initiatives. The severity rate and occurrence of accidents in our operations have improved, but I will not be happy until we have reduced occupational accidents to a minimum and fully eliminated fatalities.

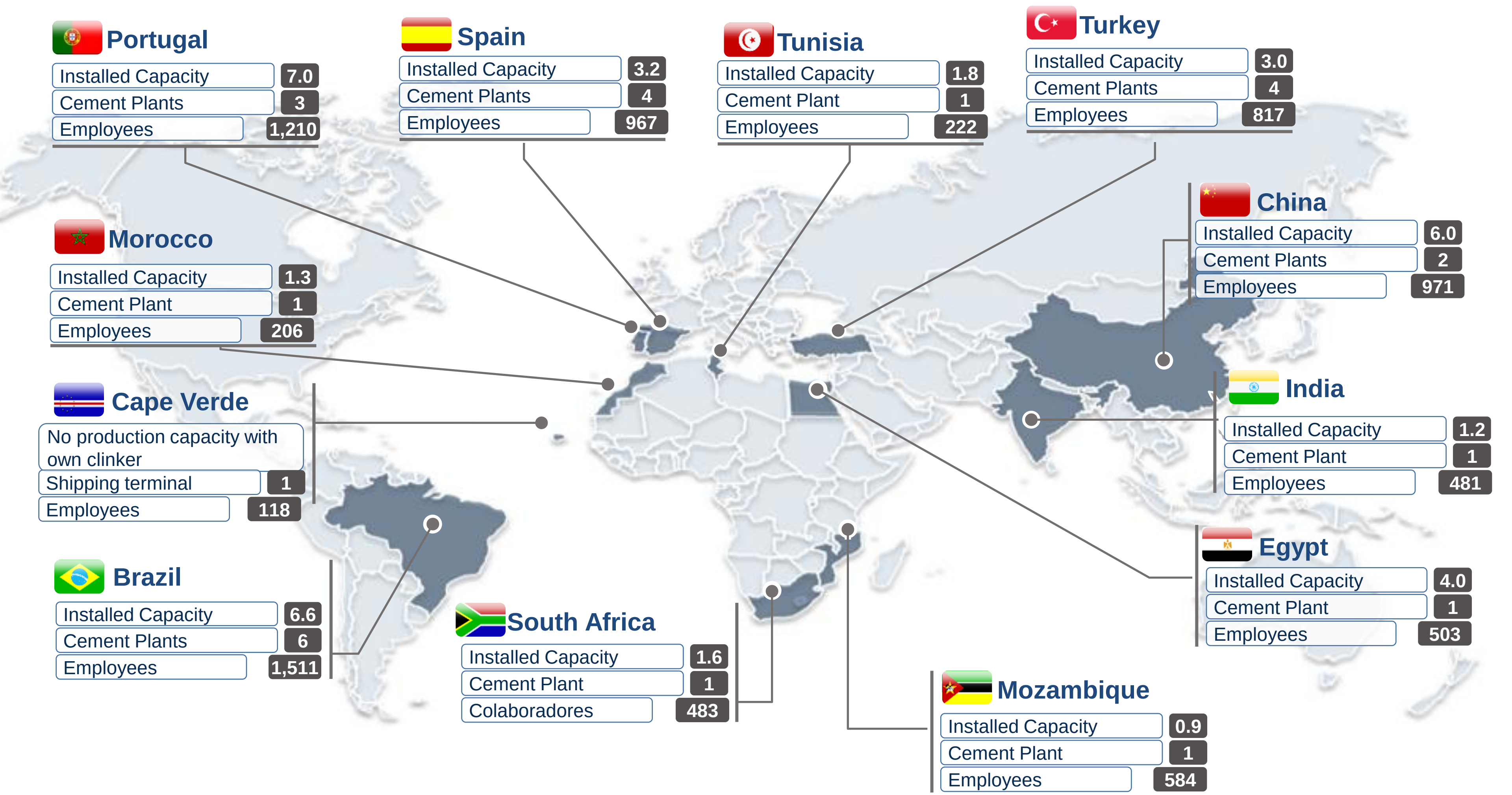
We are proud of all we have achieved in 2011 and we are confident that we made the right decisions which best assure the future of Cimpor. The competence and resilience of our employees is our best asset. We are working more and more as a truly multinational company and we confirm on a daily basis the wealth of having enormously heterogeneous assets, cultures and people.

Proud of what we confirmed in 2011, I now repeat what I wrote here a year ago: we shall be persistent in carrying out our strategy and determined in creating value. 2011 was a good year for Cimpor. I am certain that 2012 will be better.

Francisco de Lacerda

Cimpor Around the World

36.5 Mton/year Cement Production Capacity



Cimpor, which has its headquarters in Portugal, is one of the world's top ten cement groups. Portugal, Spain, Cape Verde, Brazil, Morocco, Tunisia, Egypt, Turkey, Mozambique, South Africa, China and India are the 12 countries where Cimpor operates and where it employs almost 8,250 people of 33 different nationalities.

Cimpor's main business is the manufacture and sale of cement. Its 26 plants and 16 grinding mills currently have an installed production capacity of 36.5 million tons of cement per year using its own clinker. Cimpor group also produces and sells ready-mix concrete, aggregates and dry mortars with the aim of ensuring the vertical integration of its businesses.

Governing Bodies and Management

In march 22, 2012

General Meeting

Luís Neiva dos Santos, Chairman
Rodrigo Neiva dos Santos, Vice - Chairman

Audit Board

Ricardo da Cruz-Filipe, Chairman
Luís Black Freire d' Andrade
J. Bastos, C. Sousa Góis & Associados, SROC, Lda., represented by **Ana Maria dos Santos**
João José Lopes da Silva, Substitute Member

Statutory Auditor

Deloitte & Associados, SROC, S.A., represented by **João Costa da Silva**

Board of Directors

António de Castro Guerra, Chairman
José Manuel Fino
Albrecht Curt Reuter
José Édison Barros Franco
Walter Schalka
João José Lopes Raimundo
Paulo Henrique de Oliveira Santos
Manuel de Faria Blanc
António Gomes Mota
José Neves Adelino
Francisco de Lacerda
Luís Sequeira Martins
António Varela
Luís Ribeiro Vaz

Company Secretary

Jorge Oom, Secretary
Francisco Simão, Substitute Secretary

Executive Committee

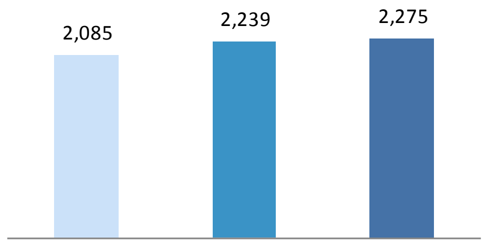
Francisco de Lacerda, Chairman and CEO
Luís Sequeira Martins
António Varela, CFO
Luís Ribeiro Vaz

Management Committee

Francisco de Lacerda, Chairman
Luís Sequeira Martins
António Varela
Luís Ribeiro Vaz
Alexandre Lencastre
Álvaro Serra Nazaré
Fernando Plaza
José Brás Chaves
Pieter Strauss
João Salgado
Miguel Silva
Paula Carneiro

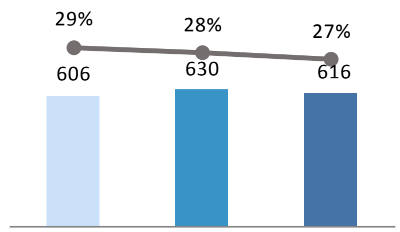
Turnover

10^6 euros



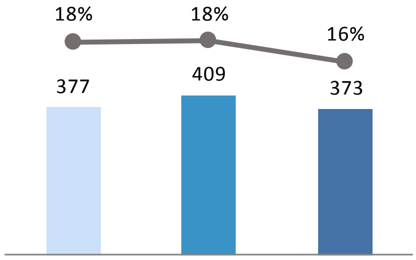
EBITDA and EBITDA Margin

10^6 euros



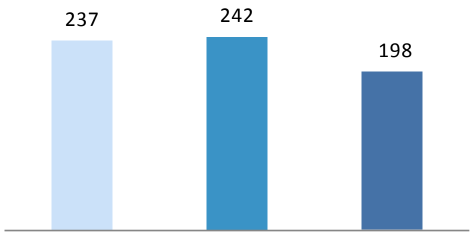
Net Operating Income (EBIT) and EBIT Margin

10^6 euros



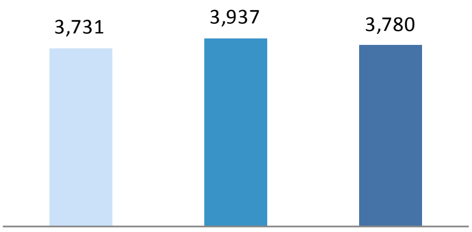
Net Income Attributable to Shareholders

10^6 euros



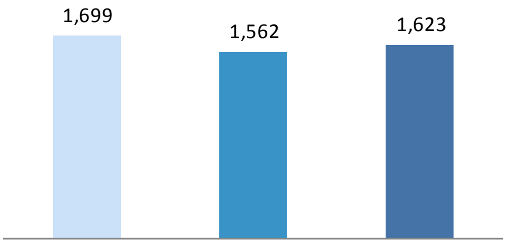
Capital Employed

10^6 euros

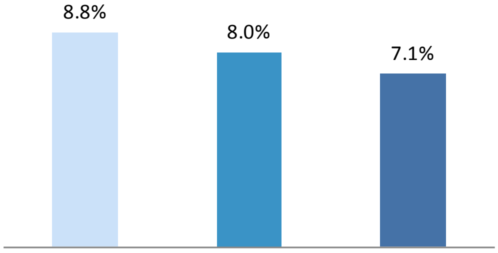


Net Debt

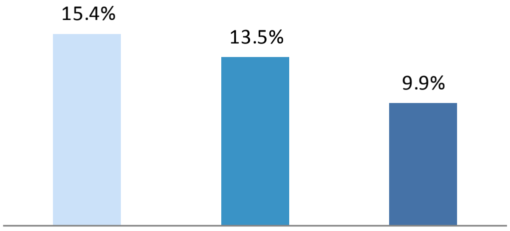
10^6 euros



Return on Capital Employed (ROCE)



Return on Equity (ROE)



2009 2010 2011

Key Financials

Consolidated Data	Unit	2011	2010	Change	2009
Installed capacity (cement with own clinker) [a] [1]	10^3 ton	36,503	35,442	3.0%	33,540
Installed capacity (total cement) [2]	10^3 ton	44,409	43,074	3.1%	39,115
Sales:					
Cement and Clinker	10^3 ton	27,515	28,269	-2.7%	27,402
Concrete	10^3 m^3	6,786	6,721	1.0%	7,264
Aggregates	10^3 ton	13,071	12,751	2.5%	13,891
Mortar	10^3 ton	438	474	-7.6%	543
Employees (31 Dec.)	units	8,255	8,493	-2.8%	8,693
Total direct emissions of CO_2	10^6 ton	17.9	18.9	-5.3%	17.7
Accident Frequency Rate [3]	-	4.83	5.85	-17.4%	6.36
Turnover	10^6 euros	2,275	2,239	1.6%	2,085
Operating Cash Flow (EBITDA)	10^6 euros	616	630	-2.2%	606
EBITDA Margin	%	27.1%	28.1%	-1.1 p.p.	29.1%
Net Operating Income (EBIT)	10^6 euros	373	409	-8.9%	377
EBIT Margin	%	16.4%	18.3%	-1.9 p.p.	18.1%
Net Financial Income	10^6 euros	-81	-61	33.4%	-63
Income Tax	10^6 euros	86	97	-11.4%	68
Net Income Attributable to Shareholders	10^6 euros	198	242	-18.1%	237
Return on Equity (ROE) [4]	%	9.9%	13.5%	-3.7 p.p.	15.4%
Operating Net Investment [5]	10^6 euros	294	164	79.8%	218
Total Assets	10^6 euros	5,237	5,385	-2.7%	4,927
Capital Employed (31 Dec.)	10^6 euros	3,780	3,937	-4.0%	3,731
Return on Capital Employed (ROCE) [6]	%	7.1%	8.0%	-0.9 p.p.	8.8%
Free Cash-Flow [7]	10^6 euros	455	479	-4.9%	682
Net Debt [8]	10^6 euros	1,623	1,562	3.9%	1,698.7
Net Debt [8] / EBITDA	-	2.63	2.48	6.2%	3
EBITDA / Net Financial Costs	-	7.7	10.5	-26.6%	11.3
Cash and Equivalents	10^6 euros	610	660	-7.5%	439
Earnings per Share (*EPS*)	euros	0.295	0.360	-18.1%	0.353
Dividend per Share [b]	euros	0.166	0.205	-19.0%	0.200
Market Capitalisation (31 Dec.)	10^6 euros	3,573	3,407	4.9%	4,320
Price (31 Dec)/Price Earnings per Share (PER)	-	18.0	14.1	28.0%	16.6
Dividend per Share [b] / Price (31 Dec.) *(Yield)*	%	3.1%	4.0%	-0.9 p.p.	3.1%

a) The criteria changed in 2011, with the capacity of the Liyang plant (grinding capacity in adjacent area) now considered

b) 2011: proposal of the Board of Directors

[1] Total capacity of cement production with own clinker

[2] Total capacity of cement production with own and third-party clinker

[3] Number of occupational accidents with lost working days per 1 million hours worked

[4] Current Net Income/ Average Shareholder Equity

[5] Investments Net of Disposals (excluding Financial Contractual Rights)

[6] Current Operating Income (net of Cash Taxes) / Average Capital Employed

[7] Flow generated by operations - taxes +/- Change in *Working Capital* + Removal/Addition to Inventory - Net Interest

[8] Loans contracted and other items of a Net Debt nature - Cash and Cash Equivalents

CONTENTS

I – Management Report 15

1.	**Strategy**	**16**
1.1	Economic Environment	16
1.2	Strategy	16
1.3	Strategic Developments	17
2.	**Corporate Governance, Organisation and Management**	**20**
3.	**Cimpor Shares**	**23**
3.1	Share Performance on the Stock Exchange and Treasury Shares	23
3.2	Dividend Distribution Policy	26
3.3	Employee Share Plans	27
4.	**Sustainability**	**30**
4.1	Sustainable Development	30
4.2	Social Responsibility	31
4.3	Occupational Health and Safety	32
4.4	Human Resources	36
5.	**Group's Business Activity**	**40**
5.1	Portugal	42
5.2	Spain	44
5.3	Cape Verde	47
5.4	Brazil	49
5.5	Egypt	52
5.6	Morocco	55
5.7	Tunisia	57
5.8	Turkey	60
5.9	Mozambique	62
5.10	South Africa	65
5.11	India	67
5.12	China	70
5.13	Trading	73
6.	**Business Support**	**75**
6.1	Cimpor Tec	75
6.2	Aggregate & Concrete Competence Center	76
6.3	Corporate Logistics	77
6.4	Information Systems	77
6.5	Centralised Procurement	78

7. **Management Discussion and Analysis** 79
7.1 Worldwide and Sectoral Economic Framework 79
7.2 Sales 80
7.3 Turnover 83
7.4 Cash-Costs 84
7.5 Exchange Rates 85
7.6 EBITDA 86
7.7 Amortization and Provisions 88
7.8 Financial Income 88
7.9 Income Tax 88
7.10 Net Income 89
7.11 Investments 89
7.12 Returns 90
7.13 Cash Flow Management 90
7.14 Debt Management 91
7.15 Risks and Coverage Policy 98

8. **Subsequent Events** 100

9. **Proposed Appropriation of Profits** 100

10. **Dclaration of Conformity** 101

II – Financial Statements 102

1. Consolidated Statements of Comprehensive Income 103
2. Consolidated Statements of Financial Position 104
3. Consolidated Statements of Changes in Shareholders’ Equity 105
4. Consolidated Cash Flow Statements 106
5. Individual Statements of Comprehensive Income 107
6. Individual Statements of Financial Position 108
7. Individual Statements of Changes in Shareholders’ Equity 109
8. Individual Cash Flow Statements 110
9. Notes to the Consolidated and Individual Financial Statements 111

III – Other Corporate information Documents 219

1. Corporate Governance Report 220
2. Qualifying Shareholdings 314
3. Shareholdings of Members of the Board of Directors and Audit Committee 315
4. Information Disclosed and Sources of Information 327

IV – Supervision and Audit Documents 330

1. Report and Opinion of the Audit Board 331
2. Declaration of Conformity (Audit Board) 336
3. Legal Certification of Accounts and Auditor’s Report 337

I. MANAGEMENT REPORT

1. Strategy

1.1 Economic environment

The international economic environment was marked by overall slower growth, with the emerging and developing countries increasingly becoming the motors of world economic development.

The year was also noted for increasing tension in financial markets, which has increased the intensity of deleveraging in some economies, with main focus on the euro area and the peripheral countries, in particular.

Emerging countries have grown even more in importance in terms of cement demand, and they currently account for more than 90% of worldwide consumption, especially in Asian countries, which account for more than 70% of the total.

In terms of industry trends, there is a strengthening of cost cutting programmes as a way of tackling the consecutive price increases of various inputs, especially energy. The gradual increase in co-processing has assumed particular importance in these programmes, taking into account the environmental and economic advantages it provides. The rise in the world cement market of various groups from emerging countries, such as Russia, China and India, is also to be noted.

1.2 Strategy

The strategic principles that guide Cimpor over a five-year horizon were defined and presented in 2010. The objectives are to continue being one of the best international cement companies, growing sustainably, with the focus on emerging markets, and keeping one of the highest levels of profitability in the industry through the excellence of operations. The four strategic pillars then identified were:

GROWTH
Capture the best growth opportunities in the cement sector, through organisational growth or acquisitions, particularly in emerging countries, with particular attention to three geographical areas: South America, Africa and India.

EFFICIENCY
Improve efficiency and performance whether through cross-cutting programmes to reduce costs or foster efficiency, or by reversing the trend in less profitable operations.

ORGANISATION
Strengthen organisational capabilities to support the defined strategy, through processes such as the creation and centralisation of key functions, the implementation of integrated corporate processes or strengthening the talent in leadership positions.

FINANCIAL POSITION
Maintain a solid financial position so that the company growth does not endanger the appropriate levels of debt and Cimpor rating.

1.3 Strategic Developments

In 2011, Cimpor implemented the strategic principles that had been settled in the previous year through a wide range of initiatives that embraced each of the pillars and thus contributed to the pursuit of the defined objectives.

GROWTH

In 2011, Cimpor **acquired** 100% of CINAC's equity, a company owning a cement grinding station in northern Mozambique with an annual capacity of about 350 thousand tons of cement.

Organisational growth occurred in the targeted markets**:**

- In **Africa**, a new cement mill was opened at the Matola plant, in Mozambique, with a capacity of 600 thousand tons of cement and the construction and assembly of another mill began at Dondo, also in Mozambique, with a capacity of 400 thousand tons of cement per year, which is scheduled for start-up in 2013. Also worthy of mention, the revamping of line two at Amreyah plant in Egypt began, with the main aim of improving efficiency but will also lead to an increase in production capacity.

- In **Brazil**, the projects to revamp line 1 at Campo Formoso and increase of line 1 capacity at Cezarina were completed, which led to an increase in the annual capacity of 0.5 million tons of cement with own clinker. Also in Brazil, acquisition contracts were signed for major equipment to the new plant to be established at Caxitu (Paraíba) and for a new clinker production line at the Cezarina plant. These two major investments, with expected start-up in early 2014, will increase the cement production capacity (with own clinker) in that country by more than 2 million tons per year.

EFFICIENCY

BEST Cost Cutting Programme is the umbrella programme for the different efficiency improvement initiatives in progress in Cimpor. The BEST programme started at the end of 2009, and takes place in all countries where Cimpor is present, in cement and concrete production areas and in logistics (both the procurement and sales components).

Corporate areas, both those existing, such as CimporTec (cement production), and those that were recently created as the Aggregates and Concrete Competence Centre (since the beginning of 2010) and the Group's Logistics Department (since the end of 2010), have been crucial in providing technical support to the different improvement initiatives.

The programme has been a catalyst for action to improve the efficiency of operations and, consequently, it has given important leverage to the dissemination and strengthening of the cost reduction culture. The methodology consists of clearly and objectively quantifying the financial savings generated by the various initiatives, through comparison with the references before the programme start. With the goal of saving EUR 60 million in 2012, the results at the end of 2011 had already exceeded two-thirds of the initial goal, since the savings have already surpassed EUR 40 million.

In view of the excellent results and in order to pursue the strategic guidelines, at the end of 2011 Cimpor decided to strengthen the programme by incorporating two new areas of action: procurement and co-processing, for which central support structures have been created. It is expected that these two important areas can decisively contribute to efficiency increase of Cimpor's operations. As a result, the savings goal for the programme was increased to EUR 75 million in 2012 and EUR 100 million in 2014.

Enhancing the reversal of trend in less profitable operations, worthy of note the substantial results improvement obtained in China, Turkey and, to a lesser extent, in Spain. The settlement of various management measures in China, including the substantial strengthening of the management team - several employees from Portugal and Spain with extensive technical and business experience have been placed there - and the improvement of market conditions allowed EBITDA to rise from EUR 8.9 million in 2010 to almost EUR 18 million in 2011. The economic dynamism in Turkey and the measures previously taken made it possible to increase EBITDA by more than 40% from 2010 to 2011. In Spain, and in spite of the adverse economic context, the various initiatives undertaken and the Iberian integration of Cimpor enabled EBITDA to grow by more than 6%.

ORGANISATION

Important and specific steps were taken in 2011 to **strengthen the organisational capacity to support the defined strategy**.

Following on from the formalisation at the end of the previous year of a structure based on five world regions (Iberia and Cape Verde, Latin America, Mediterranean Basin, Southern Africa and Asia), the various processes inherent to the referred structure were consolidated and the homogenization of duties in each country occurred, including the appointment of local CEO's and CFO's.

The consolidation of the support areas in order to leverage the strategy was quite evident, not only through the creation of new departments but also the improvements already observed in some of the critical business control processes.

New centralised procurement and co-processing areas were created in 2011, both based in Vigo following the objective of the Iberian integration of Cimpor. The increased bargaining leverage, the standardisation of processes and the centralisation of knowledge on the procurement side, and the increased use of alternative fuels in conditions of excellence and technical control on the area of waste and co-processing, will generate significant savings in the short and medium-term.

The highlights concerning the improvements in business control processes are the strengthening of budget management and the release of a new industrial performance analysis tool (Cimpor Industrial Dashboard) which automatically collates the main indicators of all business units of the group.

Also to mention the fact that in 2011 a **profound change in terms of Human Resources organisational model** and related corporate policies took place. The change was intended to meet the following challenges: standardisation of processes focused on people, monitor the growth of Cimpor, align the strategy with the human assets and guarantee the development of people in accordance with the company's needs.

The Human Resources area, following on from the challenges identified, began to be organised into four main pillars of action: organisational development, talent attraction and culture, performance and compensation, and training and retaining people.

FINANCIAL POSITION

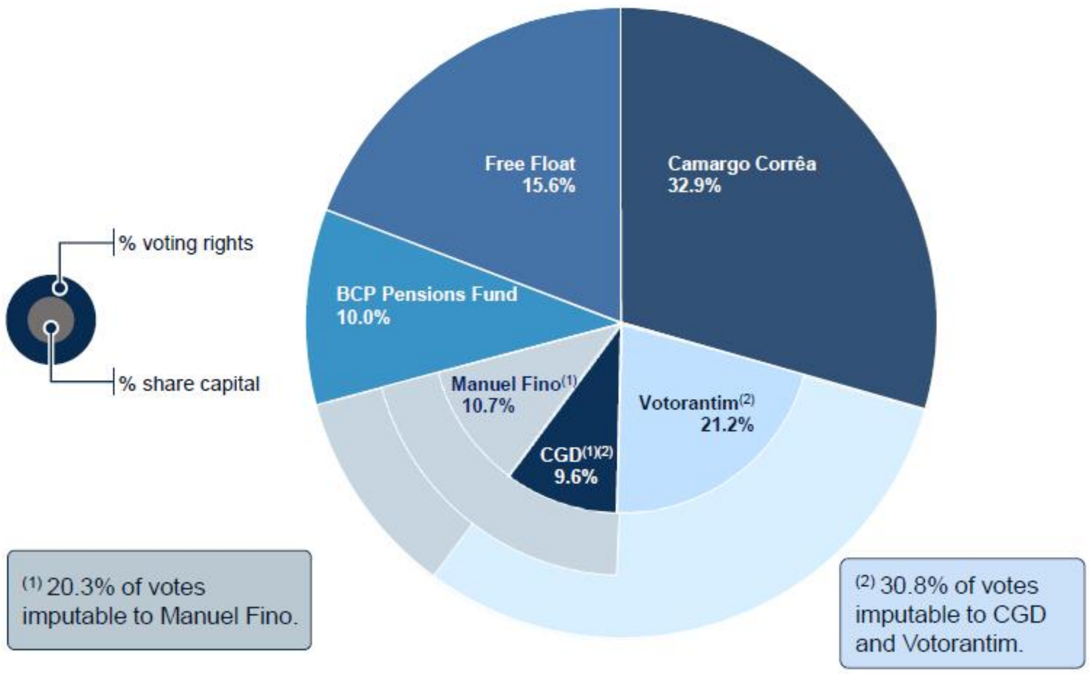
In financial terms and in an extremely unfavourable context, especially for the peripheral countries of the euro area, 2011 was clearly noted for the confirmation of Cimpor’s BBB- rating by Standard & Poor's, ensuring it kept the status of Investment Grade and decoupling it from the Portuguese Republic. This fact proved to be extremely important in the current situation, as it eases the access to financial markets and lowers financing cost.

2. Corporate Governance, Organisation and Management

This chapter summarises the developments of the corporate life of CIMPOR with the greatest impact on Corporate Governance. The reader can find more detailed information in the "Corporate Governance Report" attached hereto, as well as in the notes to the 2011 financial statements, or in the original documents, published on the Cimpor´s website *(www.cimpor.com).*

The development of Corporate Governance returned to play a prominent role in Cimpor in 2011, as the focus of particular shareholder attention and as a management priority.

Shareholder Structure



(1) Call option of Investifino/Manuel Fino on Caixa Geral de Depositos shareholding. This option, maturing in February 2012 was not exercised.

(2) Shareholder agreement between CGD and Votorantim.

2011 was a year of all round stability of the structure reproduced above. The shareholder framework comprised the shareholder agreement between the shareholders Votorantim and CGD and the still pending authorisation of the Brazilian competition authority on the manner for the Brazilian shareholders Camargo Corrêa and Votorantim to remain within Cimpor capital structure.

The voting syndicate agreement between the shareholders Votorantim and Caixa Geral de Depósitos, concluded in 2010, and with duration of 10 years, seeks to promote shareholder stability, sustainable development and Cimpor independence, corporate structure and culture, in particular as a public listed company, with headquarters in Portugal, and the conservation of a financial situation liable to grant an investment grade rating.

In turn, due to the significance of the hypothetical combination of activities of Camargo Corrêa and Votorantim with Cimpor in the Brazilian cement sector, the fact that they have taken shareholders positions in Cimpor in 2010 requires the *ex-post* authorisation of the Brazilian competition authority (CADE). In this context, Cimpor accepted the invitation from CADE in

2010 to, just like its two shareholders, to sign an agreement with this organization to Preserve the Reversibility of the Operation ("APRO"). In that agreement it committed, for the benefit of the authorisation process and until that authority makes a decision, to maintain the status quo of the operations of its subsidiary CCB - Cimpor Cimentos do Brasil Ltda. in Brazil, and comply with a set of monitoring and reporting obligations.

In the meantime, under the continuing validity of the APRO's signed by Cimpor and by its shareholders Camargo Corrêa and Votorantim, the functioning of the Board of Directors of Cimpor has adopted the necessary measures to comply with the commitments made within those agreements, to restrict the access to information and to ensure the non-participation in decisions relating to the Brazilian market of the directors concurrently holding positions in Cimpor and the Votorantim and Camargo Corrêa groups. These matters are the subject of review by the external auditor.

The defence of the competitive interests of Cimpor over those of its shareholders in that market is safeguarded through the Corporate Governance of Cimpor, as submitting to a system which prevents and controls conflicts of interest, the authorisations granted to the non-executive Directors elected at the General Meetings of 2010 and 2011 to perform duties in competitors ("competing director"), particularly in Brazil. Thus, (i) a methodology to classify information and materials as sensitive was implemented and (ii) competing directors were prevented from accessing sensitive information and taking part in decisions that might jeopardize the Group's activity in the Brazilian market of the competing company.

The General Meeting of 2011 eliminated the statutory requirement for shares to be blocked to attend the General Meeting, a measure taken to streamline shareholder participation in Cimpor and comply with new laws concerning this matter. The other issues of Corporate Governance of specific shareholder focus in that Meeting were increasing the transparency of the remuneration policy of the governing bodies and aligning their interests and those of other employees with Cimpor.

The major shareholders initiatives in 2011 in relation to the remuneration of the Board of Directors were to eliminate the statutory responsibilities of Cimpor regarding retirement pensions, the redefinition and public disclosure of the evaluation criteria of Executive Directors and the deferral of part of their variable remuneration to make it dependent on the subsequent positive performance of the company.

The alignment of the interests of executive directors and employees with Cimpor was strengthened this year by the new approach to the Share Plans proposed by a group of shareholders at the General Meeting.

In this area, the new shares acquisition plan, 3C Plan, directed at the majority of Group employees, but excluding the directors at the outset, permitted the purchase of Cimpor shares at a discount less than that provided in the past, but spread the its payment over the year - requiring the shares to be kept in portfolio for the same period.

In turn, the new stock option plan, ODS Plan, for Executive Directors and staff indicated by the Board of Directors, is innovative since (i) no payment of the exercise price is required at the time of subscription – it now offers the possibility of future purchase of Cimpor shares at the average price of the 20 trading sessions prior to their award date without any discount - and (ii) the start of the exercise period is deferred for 3 years, thereby tying the return benefit to the medium-term sustainable development of Cimpor.

The highlights in terms of the functioning of the management and supervisory bodies, besides the growth of the intervention of specialised committees of the Board of Directors, are the improvement of the instruments to provide data on the group and for management control at the disposal of non-executive directors. The Board of Directors and its specialised committees discussed reports and presentations throughout the year covering all areas of activity. Specifically, in addition to the development of the operational “flash” report, in the financial area, a monthly snapshot report on financial aspects was created, following the specific request of non-executive directors, which details information describing the situation, commitments and financial prospects of the company.

The Board of Directors, assisted by its Corporate Governance and Sustainability Committee, defined a new policy for reporting irregularities, fostering a clear opening up of the Group to its stakeholders. The implementation of this policy would be completed at the start of 2012, ensuring easy communication, the confidentiality of those making the report and a swift response to any situations submitted.

The Executive Committee, true to the internal organisation strategy outlined in 2010, took action to implement a new organisational model based on the following principles:

- prevalence of the management hierarchy;
- hierarchical model of regional division;
- strengthening the corporate functions most relevant to growth and efficiency;
- clarifying the separation between Group activities and the Portugal business area.

Lastly, given the Cimpor Group’s commitment of full transparency, especially to the capital markets, and the internally promoting of monitoring, awareness, sensitivity and accuracy as of the Group's financial performance evolution, in 2011 Cimpor presented a revamped structure for the disclosure of information, particularly reflected in its annual and quarterly reporting.

Approval Granted for Business between the Company and its Directors

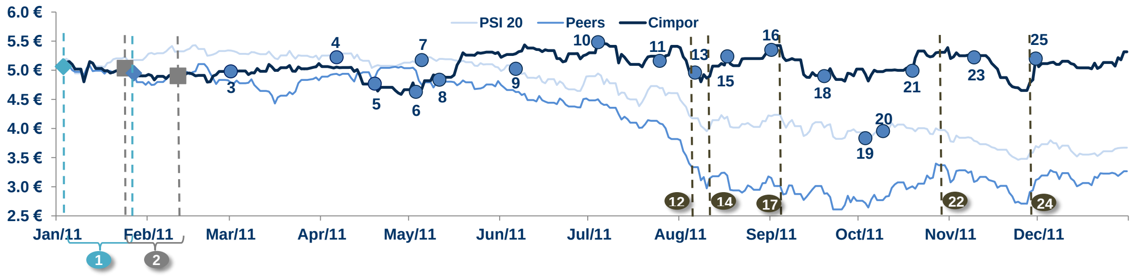
It is hereby registered, pursuant to the provisions of Article 397 of the Portuguese Companies Code, that during 2011 the only agreements authorised, with the prior opinion of the Audit Committee, were (i) with the Executive Director Luís Filipe Sequeira Martins to compensate for the loss of acquired rights by virtue of removing from the articles of association the entitlement to retirement pension and (ii) with the Executive Directors Luís Filipe Sequeira Martins, António Carlos Custódio de Morais Varela and Luís Miguel da Silveira Ribeiro Vaz for compensation due to early exercise of the options granted to 2010 and exercisable by 2013.

These agreements are described in detail in the attached Corporate Governance Report.

3. Cimpor Shares

3.1 Share Performance on the Stock Exchange and Treasury Shares

Against the backdrop of great turmoil in capital markets, particularly in the euro area, the 4.9% appreciation of Cimpor shares in 2011, clearly stood out against the 28% decline of the Lisbon index (PSI 20), the 14% decline of the Next100 and 36% decline of its peers[1] of the international cement industry.



Despite the reflection of the concerns that the instability associated with the "Arab Spring" brought to the share performance in the first few months of 2011, renewed investor confidence in view of the results of the first quarter, presented in May, ensured the recovery of the shares.

The recognition of Cimpor as a company of emerging markets, the resilience provided by the equilibrium of its activity and international positioning, the exposure to high-growth economies, the reduced presence in Europe and the fact that it does not operate in the United States justified the important operating return advantage compared to its peers, resulting in a sustained share price while the stock performance of the cement industry underwent sharp contraction.

The operating soundness is further bolstered by the financial solidity of Cimpor, which took on particular significance in September when the rating agency Standard & Poor's decided to formally dissociate Cimpor's credit rating from Portugal's sovereign rating, maintaining its status as investment grade.

[1] Holcim, Heidelberg, Cemex and Lafarge.

Note	Date	Event
1	4 to 27 January	Tunisia uprising, culminating in President Ben Ali's resignation. Operational slowdown for a few days in Cimpor facility
2	25 January to 11 February	Egypt uprising, culminating in President Mubarak's resignation. Operational stoppage for circa one week in Cimpor facility
3	1 March	Cimpor announces its 2010 Full Year Results and a proposed dividend of €0.205 per share to be approved in the AGM
4	6 April	Portuguese Prime Minister Sócrates announces the intention of the Portuguese Government to ask the IMF, EC and ECB for a bailout plan
5	18 April	Cimpor Annual General Meeting. Approval of dividend proposal of €0.205 per share
6	3 May	Ex-dividends trading of Cimpor share
7	5 May	Troika and the Portuguese Government announce the details of the Portuguese bailout plan
8	10 May	Cimpor Q1 Results announcement
9	5 June	Portuguese election
10	4 July	Highest (intraday) price of Cimpor share
11	25 July	Cimpor announces the update on its EMTN programme
12	4 August	Germany’s Prime Minister Merkel against EC President Barroso’s position on enlarging de European Financial Stability Facility
13	5 August	Lowest (intraday) price of Cimpor share
14	8 August	Standard & Poor’s downgrades USA sovereign debt from AAA to AA+ for the first time in History. Worldwide markets plummet
15	17 August	Cimpor 1H11 Results announcement
16	1 September	S&P reafirms Cimpor's rating
17	5 September	Merkel loses one more regional election in Germany
18	19 September	Cimpor discloses its plan to invest Euro 15mn in Dondo, Mozambique
19	4 October	Fitch downgrades 6 Portuguese Banks
20	7 October	Moody's downgrades 6 Portuguese Banks
21	19 October	Rumors that Camargo Corrêa and Votorantim may lauch a tender offer for Cimpor
22	27 October	The European leaders agreed to expand the bailout fund (to Euro 1 trillion) to halt the sovereign debt crisis
23	8 November	Cimpor 9M'11 Results announcement
24	22 November	6 of the world’s most important central banks announce coordinated actions to fight back the european debt crisis
25	30 November	Cimpor rises 7.5%. Worldwide positive reaction: major global central banks decide to lower the interest rate on dollar liquidity facilities

Cimpor's performance would also be affected by some speculation regarding the hypothetical redefinition of the shareholder structure, eventually resulting from the still pending decision of the Brazilian competition authority on how the shareholders Votorantim and Camargo Corrêa would remain in its capital structure.

The share appreciation potential would be, however, jeopardized to a certain extent by the current small size of the free float (16%) and its implications on the shares’ trading volume, which is one of the factors preventing the taking up of Cimpor’s capital by some important international investment funds.

The value of Cimpor share trading rose to EUR 448 million in 2011, representing 89 million shares traded. The decline from the previous year, 40% in value, 4.7% in average price and 38% in trading volumes is easily understood when we remember that at the start of 2010 Cimpor was still under a takeover bid by the Brazilian company CSN which, despite its failure, generated a number of important shareholder movements.

The dividend on the 2010 results, paid out from 6 May, amounted to 0.205 euros per share corresponding to a payout of 56%, making it one of the most attractive dividend yields of the industry: 4.0% against the year’s end price and 4.3% on the closing price of the payment date.

Main Indicators

	31 Dec 2011	31 Dec 2010	Change
Share Capital (10^6 euros)	**672**	**672**	0.0%
No. Shares			
Total (1,000 shares)	672,000	672,000	0.0%
Treasury shares (1,000 shares)	6,214	6,865	-9.5%
Share Price (euros)			
High	5.550	6.500	-14.6%
Low	4.501	3.910	15.1%
Average	5.056	5.303	-4.7%
Year end	5.317	5.070	4.9%
Market capitalisation (10^6 euros)	**3,573**	**3,407**	**4.9%**
Dividend (1)	0.166	0.205	-19.0%
Dividend yield (2)	3.1%	4.0%	-0.9p.p.
Transactions			
In volume (1,000 shares)	88,529	141,786	-37.6%
In value (10^6 euros)	448	752	-40.5%
Market share	1.6%	1.8%	-0.2p.p.
Annual appreciation			
Euronext 100	-14.2%	1.0%	-15.2p.p.
PSI 20	-27.60%	-10.30%	-17.3p.p.
Cimpor Share	4.87%	-21.10%	26.0p.p.

(1) Dividend for 2011 financial year, according to proposal to be made at General Meeting of 20 April 2012.

(2) Based on year end share price.

On 31 December 2010, Cimpor held 6,864,657 treasury shares in portfolio, and it sold in 2011 to its employees a total of 650,699 shares under the 3C Plan (Plan to Encourage Employees and Management to Acquire Shares in the Capital of Cimpor) approved in that year and the various series of the Stock Option Plan for the Group's directors and senior management:

Date	No. Shares	Price (€)	Note
25 to 31 March	116,560	4.250	1
25 to 31 March	190,650	2.850	2
25 March	100,562	4.250	3
30 May	242,927	4.077	4

1 Stock Option Plan (options derived from the 2008 series)

2 Stock Option Plan (options derived from the 2009 series)

3 Stock Option Plan (options derived from the 2010 series)

4 3C Plan. No. of shares includes deferrals to 30 June.

Details of these transactions are attached as an annex hereto.

As no further shares have been acquired since, the number of treasury shares in portfolio at 31 December 2011 was 6,213,958.

3.2 Dividend Distribution Policy

Despite that the financial management of the company aims the distribution of a growing dividend per share, the implementation of this policy has to be consistent with both the strategy approved for Cimpor and its achieved results, being subordinated to the keeping *its investment grade rating.*

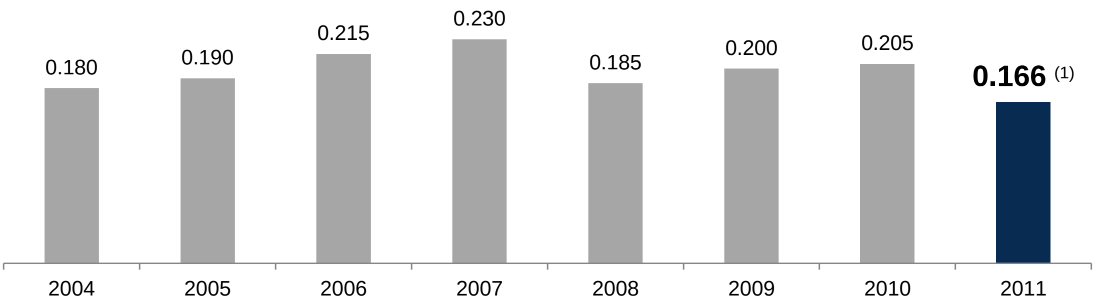
The dividend distribution policy also aims to ensure:

- the stability of the payout ratio and;
- the competitiveness of the dividend yield in the context of the Portuguese market and the international cement industry.

On 6 May 2011, Cimpor distributed the dividend on the 2010 results amounting to 0.205 euros per share (0.1609 euros per share net of taxes)

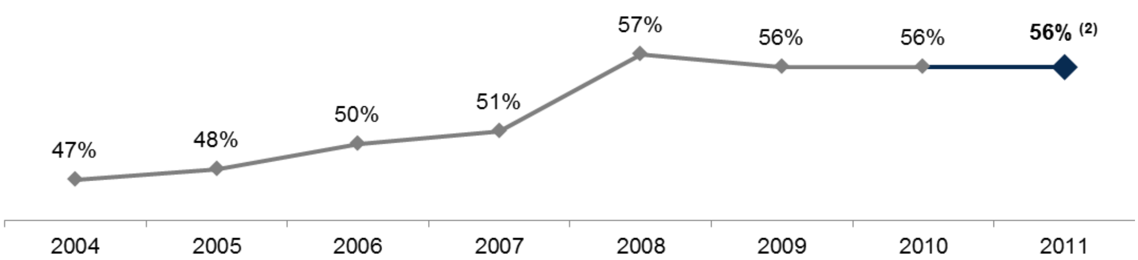
The appropriation of profits proposal included in this report (I.9) follows the guidance of the policy above, corresponding the proposed dividend to 0.166 euros per share, 19% below the previous year following a net profit decrease, but yet ensuring the same payout as in 2010: 56%.

Gross Dividend/Share *(euros)*



(1) Dividend to be proposed by the Board of Directors of Cimpor to the General Meeting of 20 April 2012

Payout



(2) Considering the dividend to be proposed by the Board of Directors of Cimpor to the General Meeting of 20 April 2012

3.3 Employee Share Plans

The Share Plans, which are the favoured instruments for aligning the interests of employees with Cimpor, had their structure revamped in 2011.

The new philosophy underlying the new plans implemented in 2011 consists of:

- a greater deferral in time of the share acquisition benefit (3C Plan) or the exercise of options (ODS Plan), in this latter case still tied to the positive performance of Cimpor;
- not requiring immediate liquidity to subscribe the plans - granting "credit" in the case of the share purchase plan (3C Plan), and the elimination of any requirement to fund the options at the time of subscription of the ODS Plan;

- the reduction and even elimination in the case of the options plan, of the discount in the acquisition of shares, thereby tying their remuneratory potential to the rise of the Cimpor share price, clearly steering the interests of the plan's subscriber to the medium-term sustainable development of this company.

Hence, by decision of the Remuneration Committee with regard to Executive Directors and the Board of Directors with respect to all other employees, the following plans were rolled out (described in detail in Section III.10 of the Corporate Governance Report attached hereto):

3C Plan – *Plan to Encourage Employees and Management to Acquire Shares in the Capital of Cimpor*

The 3C Plan is a complement to variable remuneration that intends, by encouraging employees to acquire shares in the capital of Cimpor, to create greater identification with the Group's objectives and stimulate interest in the development of its market value, thus promoting the alignment of employees' interests with those of Cimpor.

This plan, which specifically excludes the directors of the holding company, is addressed to the majority of employees with a stable tie to the Group.

The beneficiaries designated, this year by the Board of Directors purchased shares under the following conditions:

a) Acquisition price: EUR 4.077 euros/share (equivalent to 85% of the weighted average closing prices of Cimpor in the last twenty (20) trading sessions of Euronext Lisbon preceding 18 April 2011[2], less the value of the net dividend per share 0.1609 euros/share paid on 6 May, i.e. between the date of the Annual General Meeting and the acquisition date, 30 May);

b) Maximum number of shares to be acquired[3] per beneficiary =

(Annual gross basic salary of beneficiary/14) / Acquisition price;

c) Payment: compulsorily in fourteen (14) instalments each corresponding to 1/14 of the payable price, settled by deduction from the monthly wage and holiday and Christmas pay earned over a period of one year following the acquisition of the shares.

Of a total of 2,054 employees given the opportunity to acquire Cimpor shares under the above-stated terms, a total of 293 employees responded affirmatively, during the application period (between 11 and 20 May). A total of 242,927 shares were acquired.

[2] Date of General Meeting. Rounded up to 3 (three) decimal places.
[3] Rounded off to the largest relevant whole number.

ODS Plan – *Cimpor Plan for the Allocation of Options for Sustainable Development*

The ODS Plan is a supplement on the variable remuneration deferred in time tied, for the purpose of exercising the option, to the positive development of the company, and tied, for the purpose of remuneratory potential, to the positive evolution of its price (as the option exercise price is set at the time of allocation without any discount).

The recipients include the directors of the holding that the Remuneration Committee has decided to name as beneficiaries, as well as other employees designated for that purpose by the Board of Directors.

The main features of this plan execution in 2011 were:

a) Exercise Price: 4.986 euros/share (i.e. the amount equal to the weighted average of the closing prices of Cimpor shares of the last twenty (20) sessions of Euronext Lisbon preceding the date of assignment, i.e. the date of the General Meeting of 18 April 2011).

b) Exercise period definition: 18 April 2014 to 17 April 2017. The options are exercisable 3 years after their assignment date, provided that during this period Cimpor has maintained a positive performance. They expire if not exercised by the beneficiary in the three years following the date they become exercisable.

c) Means of exercise: each Beneficiary may exercise all or part of their Exercisable Options once every month. The exercise of the options foresees their physical and financial settlement as described in Section III.10 of the Corporate Governance Report attached hereto.

Under the ODS Plan, 1,360,333 options ODS were awarded in 2011, encompassing 320 directors and employees of the Group. 250 of these requested subscription, so that between 18 April 2014 and 17 April 2017 (inclusive), a maximum number of 1,304,133 ODS options at the price of 4.986 euros/share may be exercised relative to the 2011 series of the ODS Plan.

Options exercisable under the plans implemented prior to 2010.

In the revamping of the structure of share plans, the General Meeting of 2011 safeguarded the exercise of options exercisable under the series assigned up to 2010 under the Cimpor Share Option Plans for Directors and Management of the Group - ("2004 Regulations").

In relation to the 2008, 2009 and 2010 series of the Cimpor Share Option Plans for Directors and Management of the Group - ("2004 Regulations"), a total of 517,772 options of the 700,620 exercisable options in 2011 were exercised, with the remaining 182,848 options being extinguished. Of the remaining options exercisable in 2012 and 2013, 155,000 options were exercised early by financial settlement under an agreement between Cimpor and the three beneficiaries who were among its executive directors, in order to defer part of their benefit for a period of three years as detailed in section II.30.1 of the Corporate Governance Report attached hereto.

Options Granted, Exercised and Extinguished:

In summary and with reference to 2011:

Options Granted, Exercised and Extinguished	Option Plans				Total
	Series granted up to 2010			ODS 2011	
	2008	2009	2010	2011	
Exercise Price (€)	4,250	2,850	4,250	4,986	
Options Granted(1)					
In compensation for options exercised early	-	-	-	103,333	103,333
As beneficiaries of the 2011 series	-	-	-	1,201,000	1,201,000
Options Exercisable in 2011(2)	224,090	286,900	189,630	-	700,620
Options Exercisable in 2011(2), Exercised in 2011					
Physical settlement	116,560	190,650	100,562	-	407,772
Financial settlement(3)	20,000	25,000	65,000	-	110,000
Options Exercisable in 2012(2) and 2013(2), Exercised in 2011 (financial settlement)(3)	-	25,000	130,000	-	155,000
Extinguished Options					
Exercisable in 2011(2), due to non-exercise of options	87,530	71,250	24,068	-	182,848
Exercisable in 2012(2) and 2013(2), due to tendering resignation from post	-	-	400	-	400

(1) Options granted in 2011 under the ODS Plan and only exercisable from 2014.

(2) Options granted up to 2010 under the Stock Option Plan - Reg. 2004.

(3) By agreement with the company. Deferral for 3 years of 50% of the financial settlement, tied to the positive performance of the company.

Therefore, while the total number of shares needed at the beginning of the year to meet the exercise of options granted up to 2010, inclusively, rose to 1,366,780, the number of shares needed at the end of 2010 to cover the exercise of all the options granted to date was 1,815,093, broken down as follows:

Series	Options Exercisable in:			Total
	2012	2013	2014 to 2017	
2009	261,900	-	-	261,900
2010	124,430	124,430	-	248,860
ODS 2011	-	-	1,304,333	1,304,333
Total	**386,330**	**124,430**	**1,304,333**	**1,815,093**

4. Sustainability

Sustainability is one of the strategic management vectors of Cimpor, kept alive in the company's everyday life by management approach that seeks to conciliate technical, economic and financial performance with demanding ethical, social and environmental standards.

The rapid growth of the world population and finite natural resources today pose major challenges to the cement industry, which will have to satisfy ever increasing demand with the minimum consumption of non-renewable raw materials. Cimpor has invested EUR 235 million over the past five years in initiatives to promote sustainable development.

Below is a summary of the most important activity in the sustainability field. More detailed information about the projects is provided in the Sustainability Report prepared according to the GRI guidelines and available at www.cimpor.com.

4.1 Sustainable Development

The sustainable development initiatives promoted by Cimpor were identified through interaction with stakeholders and its participation on wider dialogue platforms, such as the World Business Council for Sustainable Development, the Cement Sustainable Initiative and national and international professional associations. The initiatives focus on the areas of energy and climate, resource recovery, air quality, environmental management, well-being of employees, social responsibility and communities and regional development.

The new projects in 2011 included the establishment of a corporate department to develop the use of alternative fuels and raw materials for the manufacture of cement on a global scale, the issue of internal guidelines for the responsible use of alternative fuels and raw materials, new guidelines for environmental rehabilitation of quarries, investment to improve the energy efficiency of industrial buildings and improvements to information reporting systems, with the introduction of new key performance indicators and widening the coverage of the guideline indicators of the Global Reporting Initiative (GRI).

Selected Sustainability Indicators

CERTIFICATION OF MANAGEMENT SYSTEMS	2011	2010	2009
QMS	85%	88%	88%
EMS	63%	65%	65%
OHSMS	66%	65%	65%

CO_2 EMISSIONS	2011	2010	2009
10^6 t CO_2	17.9	18.9	17.7
kg CO_2/ t cement product	688	679	674

MAIN POLLUTANT EMISSIONS	2011	2010	2009
Particles (g/t clinker)	176	144	161
NO_x (g/t clinker)	1,654	1,523	1,656
SO_2 (g/t clinker)	193	184	247

% THERMAL SUBSTITUTION OF FUEL	2011	2010	2009
Total Alternative Fuels	5.09%	4.63%	4.58%
Biomass	2.00%	1.32%	1.52%
Alternative Fossil Fuel	3.09%	3.31%	3.06%

The development of these indicators primarily reflects the reduction of production activity on the Iberian Peninsula.

The information will be developed in detail in the Sustainability Report 2011.

Research & Development

This area is led by Cimpor Tec, which is responsible for technical development and innovation worldwide and supporting the business units. The R&D projects underway, on which Cimpor has invested more than EUR 7 million in the last five years, include the reduction of CO2 emissions associated with the cement manufacturing process, the development of new hydraulic binders, the use of alternative fuels and raw materials and the design of new equipment for the cement industry. The R&D initiatives in partnership with universities and university institutes are directly steered by CIMPOR. In the specific case of one of these projects, the nano-engineering of CSH through a contract with the Massachusetts Institute of Technology (MIT), a provisional patent was registered in 2011, which could become definitive if the development of research over the year gives it support.

4.2 Social Responsibility

Cimpor seeks to establish constructive and lasting relationships with its stakeholders in all countries where it operates, proactively intervening in the monumental and heritage recuperation, social, educational, cultural, environmental and sporting areas, preferably involving the local and regional authorities.

Improving social well-being is the goal of many of the initiatives promoted by the Operating Units in the different countries, either directly or through volunteer programs and partnerships with local institutions.

Cimpor has a vast field of intervention, which stretches from sanitation facilities, such as those to provide drinking water to populations in Mozambique, to the programmes to promote health and prevent diseases such as AIDS and malaria, vocational capacity building initiatives, extending the academic life of young people, developing entrepreneurial skills, supporting the scientific community and institutions of higher education.

Also common to all Operating Units is the "Open Door" policy that encourages visits to the industrial sites and the dissemination of information about the activity, as well as the sharing with local communities of the social and sporting facilities for Group employees.

On the environmental side, the protection of animal and plant biodiversity is a concern integrated by Cimpor not only in quarry rehabilitation projects but also initiatives to catalogue plant species, to create nurseries for endangered species, the recovery of protected areas and raising public awareness for the need to preserve ecosystems.

Corporate social responsibility is even more visible in programmes to support the recuperation of historical heritage, embodied in funding the restoration of monuments classified as being of great social and cultural value. Examples of this currently include the support given for the restoration of the *Charola* of Christ Convent in Tomar, classified as World Heritage by UNESCO, and the Graça Chapel in João Pessoa, an example of Portuguese architecture of the seventeenth century, a classified monument of the Brazilian Ministry of Culture. In Turkey, the Kerkenes archaeological project, which has revealed the largest town of Anatolia, founded in 600 BC, also continues to be funded.

Information on all these initiatives is detailed in the Sustainability Report available at www.cimpor.com.

4.3 Occupational Health and Safety

Zero Fatal Accidents, a Healthy and Safe Workplace is the motto that expresses Cimpor’s goals in occupational health and safety (OHS). One of the main operational priorities of Cimpor is to consistently reduce the number of occupational accidents and the loss of human life in all operating units of the group. In 2011, Cimpor strengthened the structure that performs the corporate management of this area with a new leadership and a stronger team.

The highlight of the activities of the Occupational Health and Safety department to promote compliance with this ambitious goal is a set of diagnostic and monitoring initiatives that sought to more clearly assess the challenges facing the Group and monitor its evolution. An important contribution was given by the entry into operation of the Cimpor H&S computer application, which is used to report occupational accidents, record OHS indicators and house the goals and action plans, making the information more reliable and accessible.

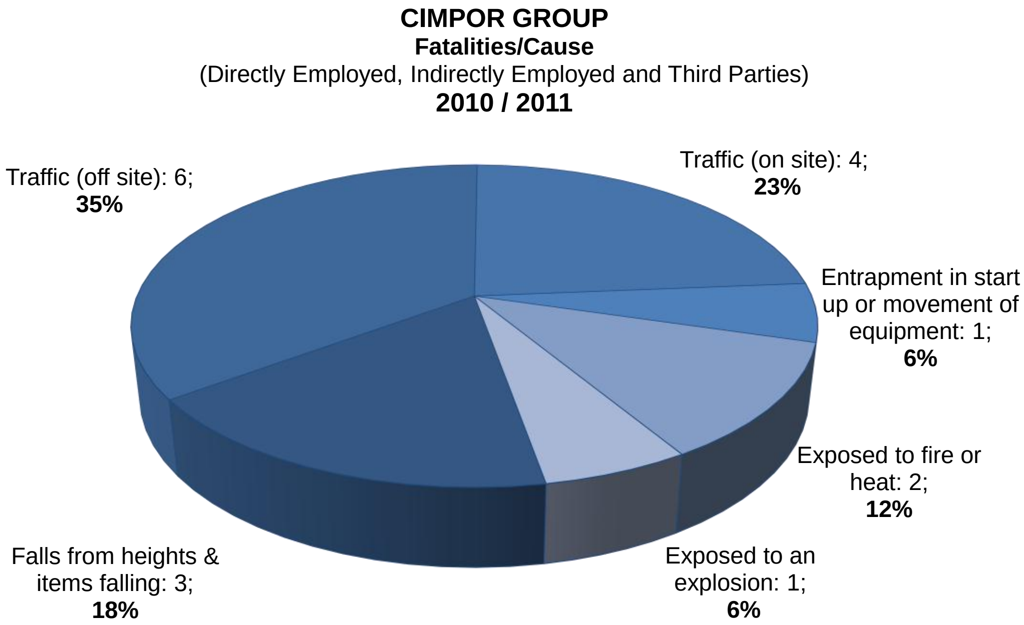
Following the 4th Meeting of Occupational Health and Safety Coordinators of the Group, at which the strategies for the different areas were aligned, audit plans were produced in seven of the twelve countries and the compliance with goals in all operating units. All units had OHS action plans for the implementation of the goals, by the end of 2011.

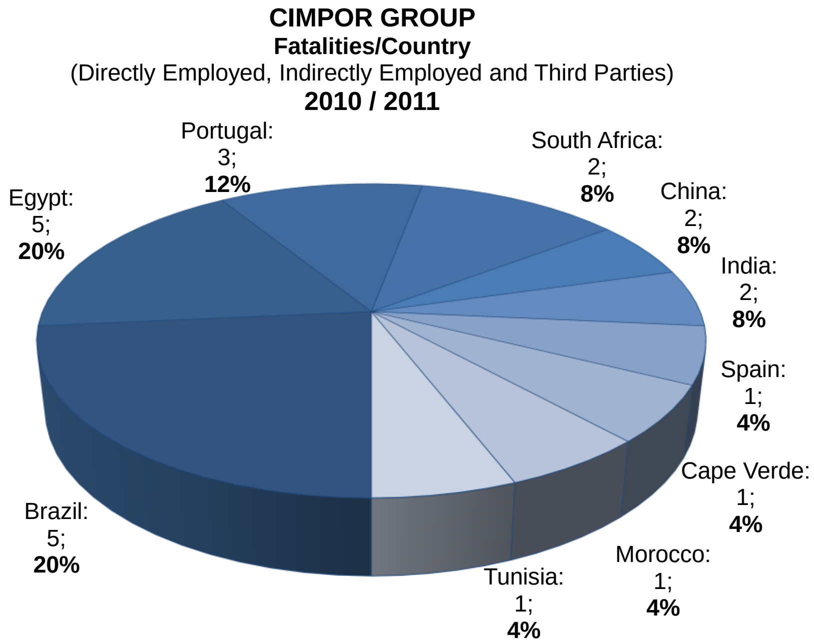
The efforts to strengthen the health and safety culture throughout the Group included initiatives such as the survey of employees with leadership and management duties, the commemoration of World Safety Day with a video message by the CEO broadcast to the entire Cimpor universe, the photography contest intended to promote healthier occupational health and safety examples or concepts, and the Cimpor Safety Award, which was awarded to South Africa, as the business unit with the best OHS performance in 2011, at a ceremony during the annual meeting of the Group’s managers.

Indicators 2011

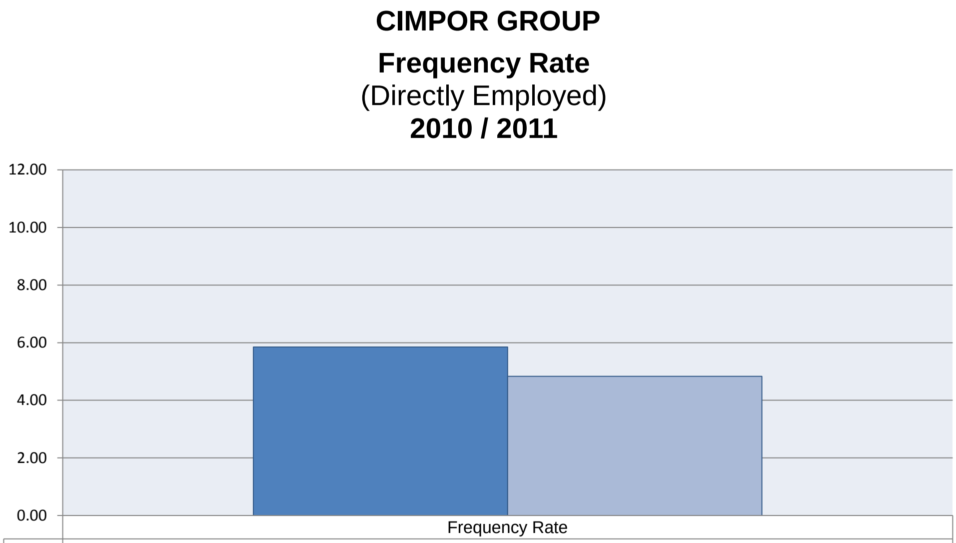
Although the number of fatalities is a major concern of the Group, eight fatal accidents still occurred in 2011, one fewer than the previous year. Traffic accidents are still the main cause of fatalities, with three occurrences. As regards the remaining fatal accidents, two were caused by exposure to heat or flames, one by exposure to an explosion, one by a fall from height and one by entrapment on the start-up or movement of equipment. One of the victims was directly employed by Cimpor, five were indirectly employed and 2 were third parties without a direct relationship with the company. Brazil, Egypt and Portugal were the countries with the most occupational fatalities in the last three years.

No. Fatal Accidents	2010	2011
Direct employees on site	1	1
Direct employees off site	0	0
Indirect employees on site	2	2
Indirect employees off site	4	3
Third parties on site	1	2
Third parties off site	1	0
	9	**8**

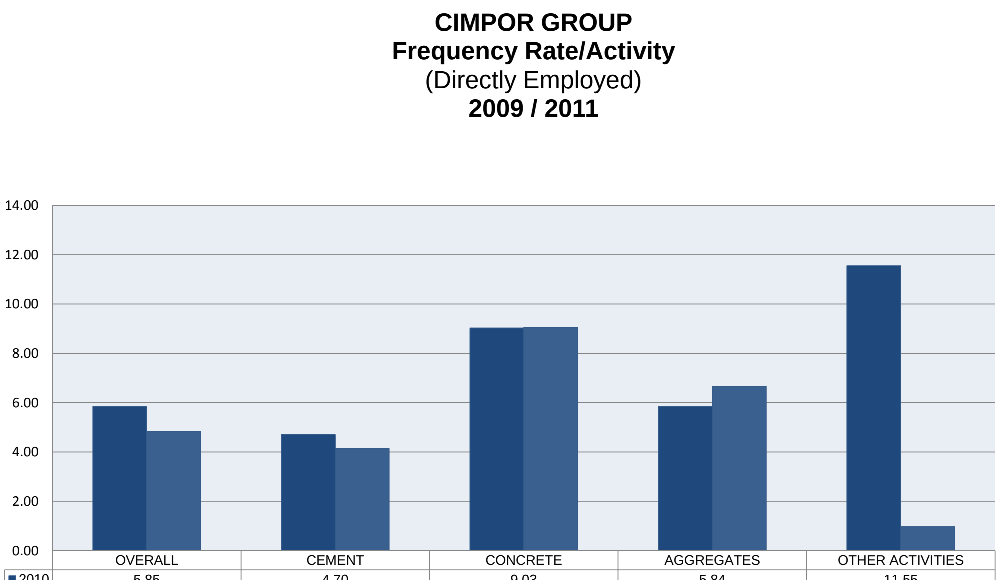




In recent years the Frequency Rate, which measures the number of occupational accidents leading to time off work per thousand man-hours worked, has been steadily declining, demonstrating the significant decrease in the number of accidents with lost working days and greater control of the accident risk in the Group. In 2011, the best performing activity areas were cement and other industrial activities.



	Frequency Rate
2010	5.85
2011	4.83



	OVERALL	CEMENT	CONCRETE	AGGREGATES	OTHER ACTIVITIES
2010	5.85	4.70	9.03	5.84	11.55
2011	4.83	4.14	9.05	6.66	0.97

4.4 Human Resources

The Cimpor Group adopted a new organisational model in 2011 that reinforces the corporate support to local operations. The Group formed a central structure that combines the functions of Business Support and Corporate Support and is also physically separated from the Iberia management structure. The organisation in each country was also standardised to be led by a national CEO to whom all local areas report.

The Talent Management and Organisational Development area is responsible for defining the organisational model capable of feeding the growth of Cimpor and the needs arising from its internationalisation, the standard people management processes, the organisational model and building the capacity of resources and the strategy for acquiring and developing talent.

The Talent Management and Organisational Development area ensures a single rhythm for people management across the Group. In 2011, it prepared the performance assessment projects for the Top Management and Senior Management. This included personnel planning and the 2012 pay scale according to the budget and management objectives for the twelve countries and corporate support structure, the definition of the compensation policy adjusted to the functional levels for top management, the establishment of international partnerships for the worldwide recruitment of personnel and a new policy for expatriates, the definition of the principles to be included in the new performance management model as regards the leadership and management skills.

Description of the Group’s Human Assets

The success of Cimpor is based on the qualifications and personal commitment of more than 8,000 Group employees throughout the world. The skill, dedication, creativity and energy of its teams have proved to be essential to successfully tackle the high level of competitiveness in the world market.

On 31 December 2011 the Group had 8,257 employees, which is a reduction of 3% over the previous year's total. This change in headcount, based on the need to adjust human resources to the needs of each market, was mostly achieved through the non-renewal of fixed term contracts and not replacing staff voluntarily leaving or retiring.

The greatest variations occurred in Mozambique, where the growth required new hires and, in the opposite direction, in Portugal where the contraction of the market and the reorganisation of the corporate support area generated the adjustment of the country’s human resources structure and transfers from the Iberian business unit to the corporate support area.

Number of Employees by Business Area and Region

	2011		2010		Change	
	No.	%	No.	%	No.	%
Headquarters	182	2.2%	103	1.2%	79	77%
Group Central Services	**182**		**103**			
Portugal	1,210	14.7%	1,373	16.2%	-163	-12%
Spain	967	11.7%	1,006	11.8%	-40	-4%
Cape Verde	118	1.4%	123	1.4%	-5	-4%
Iberia & Cape Verde	**2,295**		**2,502**			
Morocco	206	2.5%	198	2.3%	8	4%
Tunisia	222	2.7%	211	2.5%	11	5%
Egypt	503	6.1%	500	5.9%	3	1%
Turkey	817	9.9%	824	9.7%	-7	-1%
Mediterranean	**1,748**		**1,733**			
Mozambique	584	7.1%	464	5.5%	120	26%
South Africa	483	5.8%	534	6.3%	-51	-10%
Southern Africa	**1,067**		**998**			
Brazil	1,511	18.3%	1,629	19.2%	-118	-7%
Peru	2	0.0%	4	0.0%	-2	-50%
Latin America	**1,513**		**1,633**			
China	971	11.8%	1,022	12.0%	-51	-5%
India	481	5.8%	502	5.9%	-21	-4%
Asia	**1,452**		**1,524**		**72**	
Total	**8,257**	100%	**8,493**	100%	**-237**	-3%

Number of Employees by Activity

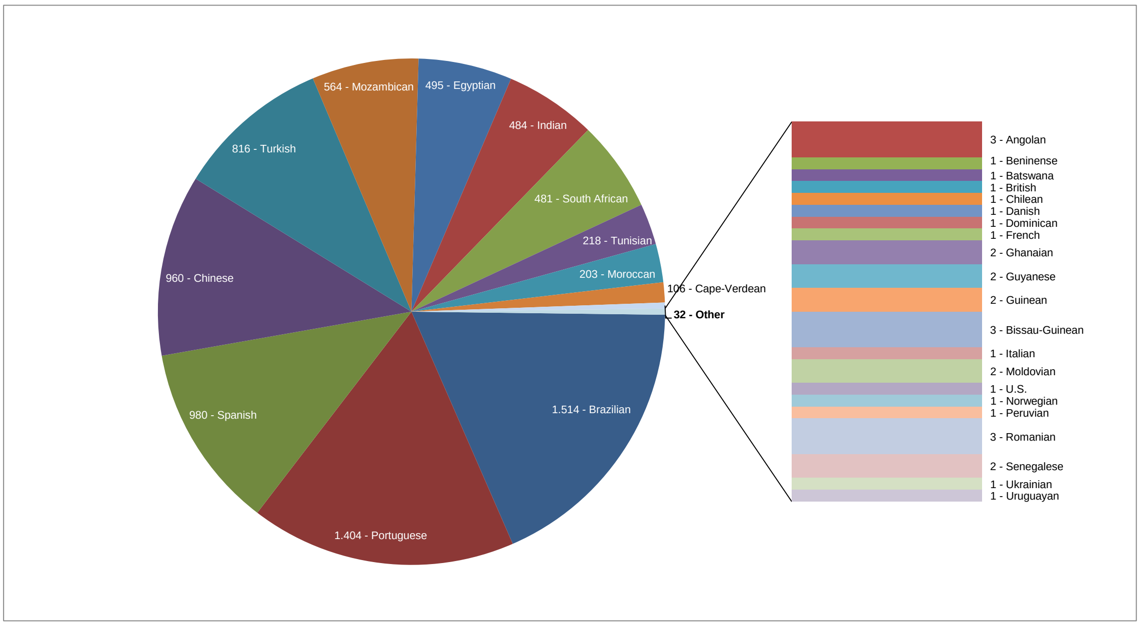
	2011		2010		Change	
	No.	%	No.	%	No.	%
Cement	5,539	67.1%	5,774	68.0%	-235	-4%
Concrete	1,342	16.3%	1,493	17.6%	-151	-10%
Aggregates	434	5.3%	482	5.7%	-48	-10%
Mortar (1)	70	0.8%			70	
Other Activities	128	1.6%	219	2.6%	-92	-42%
Common Services	562	6.8%	422	5.0%	140	33%
Group Central Services (2)	182	2.2%	103	1.2%	79	77%
Total	**8,257**	100.00	**8,493**	100.00	**-237**	-3%

Notes:

(1)- Mortar was not considered an independent activity in 2010 (it was included under Other Activities)

(2)- Group Central Services in 2010 only included Cimpor Holding, Cimpor Inversiones and CimporTec

Nationality of Employees



Academic Qualifications of Employees

	2011		2010		Change	
Academic Qualifications	Headcount	Percentage	Headcount	Percentage	No.	Percentage
Higher Education	1,908	23.1%	1,689	19.9%	219	13.0%
Mid-level Vocational Education	1,189	14.4%	696	8.2%	493	70.8%
Secondary Education	2,707	32.8%	3,329	39.2%	-622	-18.7%
Basic Compulsory Education	1,798	21.8%	2,088	24.6%	-290	-13.9%
Attended Basic Compulsory Education	554	6.7%	594	7.0%	-40	-6.7%
Illiterate	101	1.2%	97	1.1%	4	4.1%
	8,257		8,493		-236	-3%

Age of Employees

	2011		2010		Change	
Range	No.	Percentage	No.	Percentage	No.	Percentage
< 18 years	16	0.19%	16	0.19%	0	0%
[18-24] years	368	4.46%	398	4.69%	-30	-8%
[25-29] years	924	11.19%	919	10.82%	5	1%
[30-34] years	1,250	15.13%	1,334	15.70%	-84	-6%
[35-39] years	1,130	13.68%	1,156	13.61%	-26	-2%
[40-44] years	1,127	13.64%	1,157	13.62%	-31	-3%
[45-49] years	1,331	16.12%	1,358	15.98%	-27	-2%
[50-54] years	1,083	13.12%	1,153	13.57%	-70	-6%
[55-59] years	796	9.64%	767	9.03%	30	4%
[60-64] years	217	2.62%	219	2.57%	-2	-1%
>=65 years	17	0.21%	19		-2	-11%
Grand Total	8,257		8,493		-236	-3%

Years of Service of Employees

	2011		2010		Change	
Years of Service in Company	Headcount	Percentage	Headcount	Percentage	No.	Percentage
< 1 year	559	6.77%	637	7.49%	-78	-12.18%
[1-2 years]	1,020	12.35%	972	11.45%	48	4.94%
[3-5 years]	1,479	17.91%	1,474	17.36%	5	0.34%
[6-10 years]	1,505	18.23%	1,165	13.71%	341	29.24%
[11-15 years]	791	9.57%	1,081	12.73%	-291	-26.87%
[16-20 years]	685	8.30%	799	9.40%	-114	-14.21%
[21-25 years]	927	11.23%	1,014	11.94%	-87	-8.58%
[26-30 years]	649	7.86%	673	7.92%	-24	-3.49%
[31-35 years]	425	5.15%	456	5.36%	-31	-6.70%
[36-40 years]	180	2.18%	194	2.28%	-14	-6.98%
> 40 years	37	0.45%	31	0.36%	7	21.31%
Grand Total	8,257		8,493		-236	-3%

Top Management

On 31 December 2011, the Top Management consisted of 35 employees of 8 different nationalities. The average age is 54 years and average years of service in the Group of 11 years, 91% are male and 80% of which are Portuguese.

			Change	
Description of Top Management	2011	2010	No.	Percentage
female	3	2	1	50%
male	32	36	-4	-11%
Grande Total	35	38	-3	-8%

			Change	
Origin of Top Management	2011	2010	No.	Percentage
South Africa	1	1	0	0%
Brazil	1	2	-1	-50%
Spain	1	1	0	0%
India	1	1	0	0%
Morocco	1	1	0	0%
Portugal	28	28	0	0%
Tunisia	1	1	0	0%
Turkey	1	1	0	0%
China	0	1	-1	-100%
Norway	0	1	-1	-100%
Grande Total	35	38	-3	-8%

5. Group's Business Activity in 2011

2011 was overall characterised by the gap increase between the emerging and more developed countries economic growth rate, although the first have experienced a slight slowdown in their growth rates.

Thus, in a year where Cimpor's business activity experienced significant adversities in two traditionally more profitable countries, company wise (Portugal and Egypt), the recovery or growth in other emerging markets (Brazil, Mozambique, Turkey and China) combined with the cost reduction programmes and initiatives, protected Cimpor's results and held up the decrease of EBITDA to only 2.2%, which reached EUR 616.0 million.

Main Business Areas – Business Activity 2011

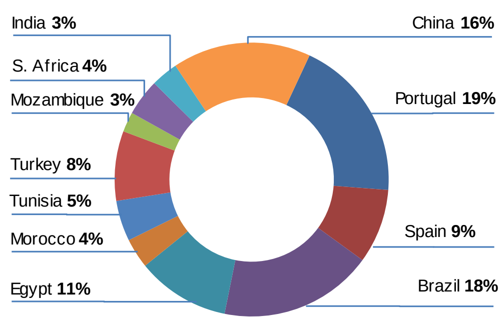
	Unit	Portugal (1)	Spain (1)	C. Verde	Brazil	Egypt	Morocco
Cement Activity							
Installed Capacity (2)	10^3 ton	7,034	3,211	-	6,630	4,013	1,290
Clinker installed capacity utilization (3)	%	51.8%	63.0%	-	86.8%	67.7%	81.5%
Cement and Clinker Sales	10^3 ton	3,700	2,397	227	5,626	3,226	1,209
Market Share (4)	%	53.8%	11.4%	81.5%	8.6%	6.4%	7.5%
Overall Activity							
Turnover	10^6 euros	378.2	249.8	32.1	688.9	165.6	99.7
Cash Costs	10^6 euros	278.8	215.1	28.1	478.8	115.7	58.8
Operating Cash Flow (EBITDA)	10^6 euros	99.4	34.6	4.1	210.1	50.0	40.9
EBITDA margin	%	26.3%	13.9%	12.6%	30.5%	30.2%	41.0%
Net Operating Income (EBIT)	10^6 euros	46.2	-17.9	3.1	166.0	37.6	32.9
EBIT Margin	%	12.2%	-7.2%	9.6%	24.1%	22.7%	33.0%
Net Income	10^6 euros	30.4	-24.0	2.2	117.5	36.1	19.2
Working Capital (5)	10^6 euros	68.0	60.9	0.3	96.4	37.2	26.5
Return on Capital Employed (ROCE) (6)	%	6.8%	-0.6%	14.7%	12.2%	11.8%	29.5%
Employees (31 Dec.)	units	1,210	967	118	1,511	503	206
Operating Investments (without Acquisitions)	10^6 euros	17.6	39.0	0.3	98.5	19.3	3.9

	Unit	Tunisia	Turkey	Mozambique	S. Africa	India	China
Cement Activity							
Installed Capacity (2)	10^3 ton	1,751	3,005	858	1,582	1,167	5,962
Clinker installed capacity utilization (3)	%	87.3%	98.7%	51.4%	65.4%	71.3%	73.8%
Cement and Clinker Sales	10^3 ton	1,738	3,034	976	1,230	927	3,893
Market Share (4)	%	25.5%	5.5%	78.0%	10.5%	n.s.	n.s.
Overall Activity							
Turnover	10^6 euros	83.6	165.6	114.6	148.7	50.8	127.6
Cash Costs	10^6 euros	59.8	134.4	91.0	89.1	47.4	109.7
Operating Cash Flow (EBITDA)	10^6 euros	23.8	31.3	23.6	59.7	3.4	17.9
EBITDA margin	%	28.5%	18.9%	20.6%	40.1%	6.7%	14.0%
Net Operating Income (EBIT)	10^6 euros	17.6	14.4	16.5	46.4	-3.1	8.4
EBIT Margin	%	21.1%	8.7%	14.4%	31.2%	-6.2%	6.6%
Net Income	10^6 euros	16.6	3.7	11.4	32.8	-1.8	-4.8
Working Capital (5)	10^6 euros	10.6	20.0	16.3	17.5	5.3	42.4
Return on Capital Employed (ROCE) (6)	%	14.7%	2.3%	13.7%	13.3%	-2.1%	3.4%
Employees (31 Dec.)	units	222	817	584	483	481	971
Operating Investments (without Acquisitions)	10^6 euros	10.5	6.4	56.1	6.4	8.9	8.3

(1) Excluding Group common areas
(2) Cement production capacity w ith ow n clinker
(3) Clinker production/Installed capacity (clinker)
(4) Estimate
(5) Consolidated net w orking capital, directly associated w ith operations
(6) Current Operating Income (net of Cash Taxes)/Average Capital Employed

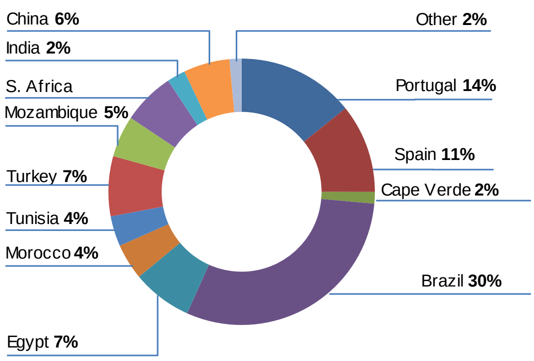
Contributions and Relative Position of the Business Areas - 2011

Breakdown of Installed Cement Capacity (*)



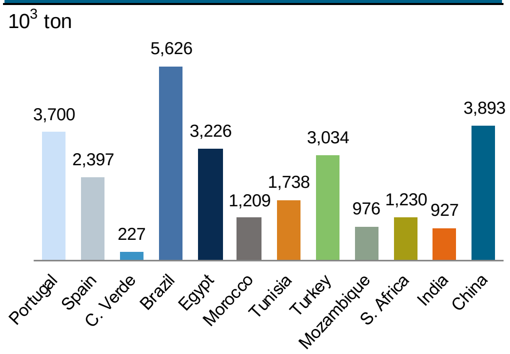
(*) with own clinker

Contribution to Turnover (*)

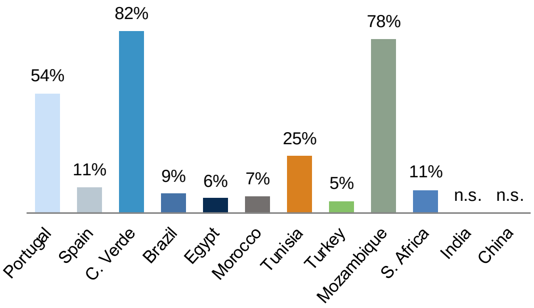


(*) Excluding Intra-group transactions

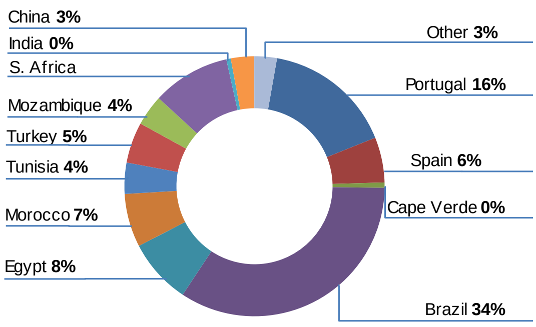
Cement and Clinker Sales



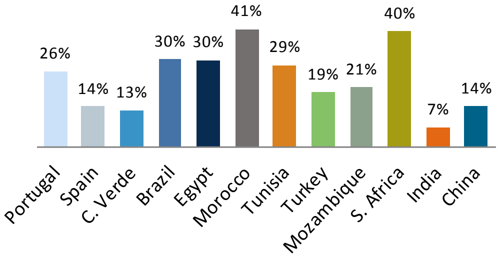
Cement Market Share



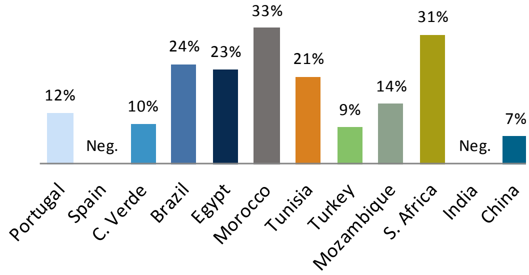
Contribution to Operating Cash Flow (EBITDA)



EBITDA Margin



EBIT Margin



5.1 Portugal

- The economies deleveraging led to a 13% shrinkage in demand
- Internal market and lower exports justify for 18.8% fall in cement and clinker sales
- Turnover decline minimised by CO_2 licences sales
- Cost cutting programme alleviates the business decline and fuel prices rise
- EBITDA retreats 28.0% compared to 2010

Portugal

	Unit	2011	2010	Change
Installed Capacity [(1)]	10^3 ton	7,034	7,157	-1.7%
Clinker installed capacity utilization [(2)]	%	51.8%	67.5%	-15.7 p.p.
Cement and Clinker Sales	10^3 ton	3,700	4,557	-18.8%
Market share [(3)]	%	53.8%	55.5%	-1.7 p.p.
Concrete Sales	10^3 m^3	1,805	2,061	-12.4%
Aggregates Sales	10^3 ton	4,893	5,651	-13.4%
Mortar Sales	10^3 ton	103	122	-15.3%
Turnover	10^6 euros	378.2	438.1	-13.7%
Cash Costs	10^6 euros	278.8	300.1	-7.1%
Operating Cash Flow (EBITDA)	10^6 euros	99.4	138.0	-28.0%
EBITDA Margin	%	26.3%	31.5%	-5.2 p.p.
Net Operating Income (EBIT)	10^6 euros	46.2	82.3	-43.9%
EBIT Margin	%	12.2%	18.8%	-6.6 p.p.
Working Capital [(4)]	10^6 euros	68.0	75.2	-9.6%
Return on Capital Employed (ROCE) [(5)]	%	6.8%	15.6%	-8.7 p.p.
Employees (31 Dec.)	unit	1,210	1,373	-11.9%
Net Operating Investment	10^6 euros	17.6	26.5	-33.7%

[(1)] Cement production capacity with own clinker

[(2)] Clinker production/Installed capacity (clinker)

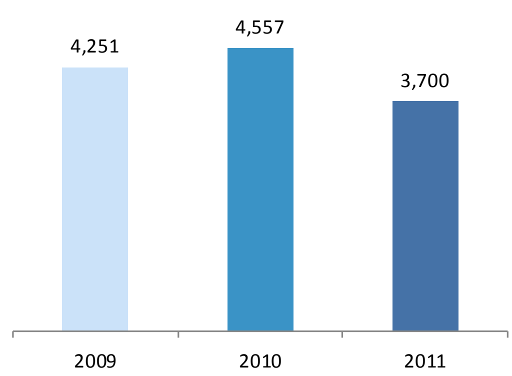
[(3)] Estimate

[(4)] Consolidated net working capital, directly associated with operations

[(5)] Current Operating Income (net of Cash Taxes)/Average Capital Employed

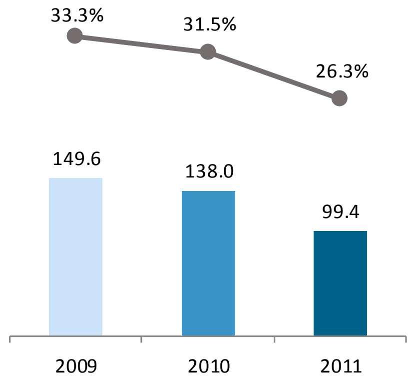
Cement and Clinker Sales

10^3 ton



EBITDA and EBITDA Margin

10^6 euros



The year was marked by the sovereign debt crisis worsening which culminated in Portugal's external assistance request in April 2011. The Portuguese economy went into recession, with GDP suffering a decline that, according to the latest estimates, has been of 1.6%. Private consumption contracted essentially due to unemployment increase (which stood at around 14%), and in parallel, there was a public consumption reduction as a result of the State's accounts consolidation in order to control the budget deficit.

The difficulties in accessing bank credit and its increased cost had a very negative impact on the construction and public works sector. In this environment, the downward trend of cement consumption in the domestic market, observed in recent years, was exacerbated. It is estimated that it dwindled about 13% in 2011, to 4.9 million tons

Cimpor's cement and clinker sales decreased 18.8% to 3.7 million tons, primarily due to the domestic demand contraction coupled with a decline in exports. Despite the third parties cement exports increase - Trading activity – the drop of around 25% in total exports was essentially due to lower clinker needs in Egypt.

In the Concrete business it was also recorded a decline in sales of 12.4%, even so it was less than the market drop, which fell about 13.7%, totalling 1.8 million cubic metres. Aggregates consumption also underwent heavy decline in 2011 as a result of several projects suspension or cancellation due to the unfavourable macroeconomic context, leading Cimpor to record a 13.4% decrease in aggregates sales to 4.9 million tons. 103 thousand tons of mortars were sold, which was 15.3% lower than 2010.

The cement sale price remained stable throughout the year (only a few adjustments were made on some types of products), being that, on average, it rose little more than 1%. As for the concrete business, the drop in demand was responsible for a significant increase in commercial aggressiveness, which fostered the sale of products of higher quality. The average price was thus 2.3% above 2010, mainly due to the concrete average strength increase. Aggregates price remained virtually unchanged from the preceding year. The average mortars price rose more than 10%, partly due to a change in the mix.

The overall sales decline of the various businesses - cement, concrete, aggregates and mortars – is the reason for Portugal's consolidated turnover evolution, which fell 13.7% compared to the preceding year, to EUR 378.2 million.

Cash Costs decreased 7.1% from 2010, standing at EUR 278.8 million. The lower cement and clinker production in 2011 combined with some adjustment measures relative to the current economic context, particularly under the cost cutting programme, such as the increase in the alternative fuels use and the logistics cost optimisation, allowed the expense reduction. These measures were not however sufficient to offset the main production factors price increase, in particular the increase of over 20% of fuel costs in 2011.

Lower sales, the fuel cost increase and the concrete and aggregates business activity declines, led to a 28.0% reduction in EBITDA to EUR 99.4 million. The EBITDA margin was 26.3%, 5.2 percentage points down on the preceding year. CO_2 licences sales mitigated the negative impact on net operating income, albeit limited due to the downward trend of the respective price in international markets, especially towards the end of 2011.

Operating investments decreased by about 34%, reaching EUR 17.6 million, and they mostly refer to the improvement in the cement plants' operation, safety and environment conditions. The concrete structures recovery in all units, the acquisition of a ferrule for one of the kilns at

Alhandra, the conditioning tower body's replacement at Souselas and the raw materials analyser modernisation at the Loulé plant were some of the investments in 2011.

Working capital was EUR 68.0 million, 9.6% less than the preceding year, where there was a simultaneous decrease of the customers and suppliers balances and stock levels, compared to 2010. The decrease in sales led to the fall of customer balances and the optimisation of stock management meant the reduction of inventory levels. Despite the unfavourable economic context, the average collection period did not deteriorate from 2010.

The forecasts for 2012 point to an even sharper contraction of GDP than the one seen in 2011. It is expected that the construction sector, despite the good prospects in relation to the development of the national dams plan, will continue the downward trend followed in recent years, taking into account the expected reduction in public investments and the private investment development uncertainty.

Hence, considering the referred conditions, no significant improvements in the various businesses where Cimpor operates are envisaged, where the cement and clinker exports continue to be a very important means of offsetting the Portuguese market decrease. The actions under the cost cutting programme will continue as a mean of mitigating the mentioned decline in activity. Thus, and despite the uncertainties that affect the entire national economy, Cimpor is committed to the Portuguese EBITDA not being significantly affected in relation to the 2011's value.

5.2 Spain

- Demand falls about 17% to 20 million tons of cement (about 1/3 of the 2007 consumption)
- Antequera grinding plant's operation limits decline of domestic sales to 10%
- Price evolves favourably and minimises the effect of fuel and electricity heavy increases
- Cost cutting programme initiatives counter business decline
- EBITDA grows 6.4% to EUR 34.6 million

Spain

	Unit	2011	2010	Change
Installed Capacity (1)	10^3 ton	3,211	3,132	2.5%
Clinker installed capacity utilization (2)	%	63.0%	81.2%	-18.1 p.p.
Cement and Clinker Sales	10^3 ton	2,397	2,856	-16.1%
Market share (3)	%	11.4%	10.5%	0.9 p.p.
Concrete Sales	10^3 m^3	1,412	1,397	1.1%
Aggregates Sales	10^3 ton	3,903	4,233	-7.8%
Mortar Sales	10^3 ton	125	143	-12.7%
Turnover	10^6 euros	249.8	272.5	-8.3%
Cash Costs	10^6 euros	215.1	239.9	-10.3%
Operating Cash Flow (EBITDA)	10^6 euros	34.6	32.5	6.4%
EBITDA Margin	%	13.9%	11.9%	1.9 p.p.
Net Operating Income (EBIT)	10^6 euros	-17.9	-10.5	n.s.
EBIT Margin	%	-7.2%	-3.8%	n.s.
Working Capital (4)	10^6 euros	60.9	57.2	6.4%
Return on Capital Employed (ROCE) (5)	%	-0.6%	-0.6%	n.s.
Employees (31 Dec.)	unit	967	1,006	-3.9%
Net Operating Investment	10^6 euros	39.0	25.3	53.7%

(1) Cement production capacity with own clinker

(2) Clinker production/Installed capacity (clinker)

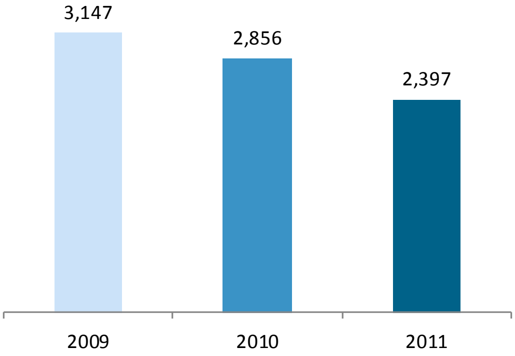
(3) Estimate

(4) Consolidated net working capital, directly associated with operations

(5) Current Operating Income (net of Cash Taxes)/Average Capital Employed

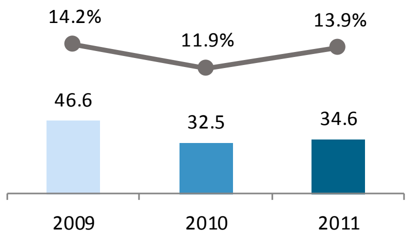
Cement and Clinker Sales

10^3 ton



EBITDA and EBITDA Margin

10^6 euros



Although GDP grew 0.7% over 2011 as a whole, rebounding from a drop of 0.5% in 2010, the year's last two quarters again showed a slippage of the Spanish economy, primarily penalised by the 1.3% decrease in domestic demand. Despite the growth, the general government accounts recorded a slight improvement in the budget deficit to 8.1% of GDP (9.3% in 2010), by virtue of the strong austerity measures put in place by the Government following the sovereign debt crisis of the Euro area's peripheral countries. On the other hand, the unemployment rate stood above 23%, remaining one of the major concerns in Spain.

The construction sector, affected by the real estate collapse, recorded a decrease in 2011 of more than 10% in the number of home permits and a drop of 40% in public works. Cement consumption continued the downward trend of the last four years and stood at 20.2 million tons, 17.2% less than in 2010, a reduction of 64% compared to 2007, in which more than 56 million tons of cement were consumed in Spain.

In the various regions where Cimpor operates only Galicia, with a decline of approximately 22%, underperformed in relation to the national average, also a decrease of about 16% in Andalusia and 11% in the Canaries was recorded.

Cimpor’s cement and clinker sales decreased 16.1% to 2.4 million tons, hence recording a decline slightly less than that of the Spanish market. Sales fell by just 10% when only the domestic market is considered, sustained by the increase of around 16% in the south region as a result of the Antequera grinding station performance (Malaga province), which was leased in late 2010. Galicia and the Canary Islands, on the contrary, recorded reductions of 24.8% and 19.7%, respectively.

Cimpor has shown great resilience in the face of a concrete consumption reduction in Spain that has been estimated at around 17%, by increasing its sales in 2011 by about 1.1% to 1.4 million cubic metres. This rise is mainly due to the good market performances of Andalusia and Extremadura, which recorded a growth of 13.6%. Aggregates and mortars businesses suffered significant reductions compared to the preceding year, dropping 7.8% and 12.7%, respectively. In absolute figures, aggregate sales stood at 3.9 million tons and mortar sales totalled 125 thousand tons.

The improvement of the cement average sales prices in the Galicia and Andalusia regions, 6.5% and 5.5% respectively, offset the 2.5% fall registered in the Canary Islands. The update registered throughout the year and the completion of some significant works (with a price below the overall average) contributed to the 3.1% increase of the average price in 2011.

The average concrete price has increased 2.4% from 2010, primarily due to the type of products sold (higher strength concretes). The variation in average price of aggregates and mortar stood at 0.8% and 3.8%, respectively.

Despite the general price increase, the drop in sales volume led to a 8.3% decrease in turnover to around EUR 250 million.

The significant fuel and electricity cost increases, about 26% and 18% respectively, heavily contributed to higher production costs. Cash Costs decreased by around 10%, to EUR 215.1 million, also influenced by lower production and by the various measures set in motion under the cost cutting programme, such as improving the efficiency of electrical and calorific consumption.

The turnover decrease was thus countered, by the reduction of operating costs and also by the CO_2 licences’ sales, leading to a 6.4% increase of EBITDA to EUR 34.6 million. The margin was 13.9%, 1.9 pp up on the preceding year.

Cimpor’s investment in Spain in 2011 rose to EUR 39 million (around 54% higher than in 2010), essentially distributed between the cement (EUR 24.6 million) and aggregates (EUR 11.5 million) businesses. Of note in these amounts is the accounting registration of the assets corresponding to the leased grinding station in Antequera and the acquisition of the Arenor quarries. The latter operation did not involve any financial payment since it comprised an exchange of assets and the settlement of current accounts.

The Working Capital deteriorated about 6.4% to EUR 60.9 million. Noteworthy were the customer balance and stocks’ decreases that were, however, insufficient to offset the decline of over 12% in the suppliers balance. The average collection periods in Spain remained roughly at the same level as the preceding year in the cement and concrete businesses, substantially improved in the mortar business and deteriorated slightly in aggregates.

The Spanish economy’s outlook for 2012 is not optimistic, and GDP is expected to contract by 1.5%. The reduction in domestic demand, mainly due to the strong decrease in public consumption as well as the continued decline of investment in the construction area, should negatively influence the economy’s evolution. Likewise, improvements in the cement market are also not expected in 2012 which will likely record another reduction.

Cimpor does not expect an increase in sales in 2012, due to the low expectations for the development of domestic cement consumption. However, the perspective of lower costs resulting from the implementation of various measures of the BEST Programme and the continuation of the positive sales price trend do not foresee a substantial deterioration in EBITDA.

5.3 Cape Verde

- Slight fall in cement consumption, favourable price development
- Cement sales accompany demand reduction and decrease 2.9%
- Notable increase of the aggregates business
- Optimisation of internal and in-between islands transport costs
- EBITDA grew 11%, surpassing EUR 4 million

Cape Verde

	Unit	2011	2010	Change
Cement Sales	10^3 ton	227	234	-2.9%
Market Share (1)	%	81.5%	81.0%	0.6 p.p.
Concrete Sales	10^3 m^3	35	40	-11.4%
Aggregates Sales	10^3 ton	316	108	191.7%
Turnover	10^6 euros	32.1	31.1	3.3%
Cash Costs	10^6 euros	28.1	27.4	2.2%
Operating Cash Flow (EBITDA)	10^6 euros	4.1	3.7	11.0%
EBITDA Margin	%	12.6%	11.8%	0.9 p.p.
Net Operating Income (EBIT)	10^6 euros	3.1	2.7	15.5%
EBIT Margin	%	9.6%	8.6%	1.0 p.p.
Working Capital (2)	10^6 euros	0.3	2.5	-87.3%
Return on Capital Employed (ROCE) (3)	%	14.7%	9.9%	4.8 p.p.
Employees (31 Dec.)	unit	118	123	-4.1%
Net Operating Investment	10^6 euros	0.3	0.2	124.8%

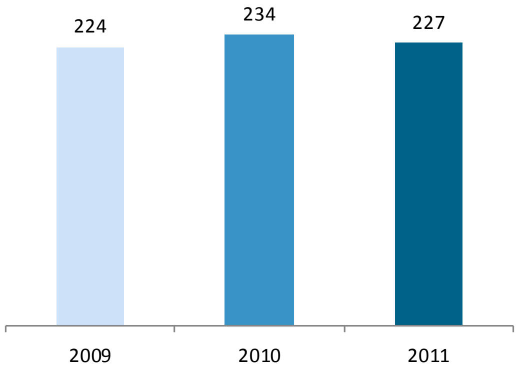
(1) Estimate

(2) Consolidated net working capital, directly associated with operations

(3) Current Operating Income (net of Cash Taxes)/Average Capital Employed

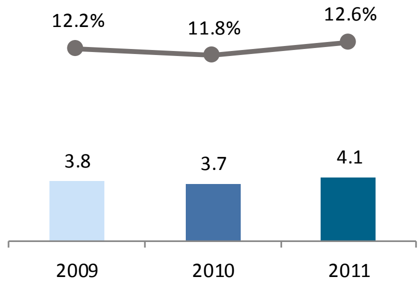
Cement and Clinker Sales

10^3 ton



EBITDA and EBITDA Margin

10^6 euros



Cape Verde's economy continued to register a growth over 5% in 2011, driven by the positive performance of the tourism sector which remains one of the major contributors to the advance of GDP. The country has, however, been affected by rising fuel prices, which significantly worsened the cost of imports, and by the international economic context, which halted the growth of direct foreign investment. The rise in fuel and food prices on international markets was also the main reason for the inflation rates' increase in 2011, which, according to the latest estimates, must have reached 5%.

The construction sector was restricted by the foreign investment's referred decline, which held up the start of some projects, mainly in the tourism sector. As a result, the cement market recorded a decrease of approximately 4%, with consumption standing at about 280 thousand tons.

Cimpor's cement sales, entirely imported from Portugal, followed the market trend and fell almost 3% in 2011, to 227 thousand tons. Concrete decreased by 11.4% to 35 thousand cubic metres sold, primarily owing to the completion of a significant construction project on the Sal island. The development of aggregates was extremely positive, with sales growing by more than 190% as a result of some significant construction works on the Sal and Santiago islands. On the Boavista island, the activity's decline led to the temporary suspension of work at the Cimpor quarry.

The average cement sales price increased 3.9% in 2011, offsetting the fall in terms of quantities. As a result of the higher strength concrete sales growth, the sales price could be increased by 4.1%. The average price of aggregates fell more than 40%, primarily due to the greater quantity of low-value products.

Hence, turnover rose to EUR 32.1 million, 3.3% up on the preceding year, driven by the aggregates activity's growth and the cement sales price.

Cash Costs were EUR 28.1 million in 2011, an increase of 2.2% over the preceding year. The cement distribution optimisation within and in-between islands is noteworthy, as well as the 6% decrease of payroll costs due to headcount reduction.

Accordingly, EBITDA increased 11% in 2011, reaching EUR 4.1 million. The EBITDA margin grew 0.9 percentage points to 12.6%.

Operating investments totalled EUR 0.3 million. The most notable investment was the equipment acquisition for the unloading of bulk cement.

Working Capital developed positively in 2011 to stand at EUR 0.3 million, a reduction of 87.3% compared to the preceding year. All components recorded a positive change. Moreover, the decrease of more than 30 days in the average collection period for concrete is to be emphasized.

The increase in domestic demand, based on a rise, albeit moderate, of private consumption in view of the expected reduction of inflationary pressures, should enable the Cape Verde economy to record a GDP growth rate in 2012 equivalent to that registered in 2011. The local government elections and the "Home for All" programme launched in 2011 should boost the construction sector and, consequently, the consumption of cement in the country.

Accordingly, Cimpor expects a slight recovery of cement sales in 2012. Although a slowdown in the aggregates business is foreseen, the country's EBITDA should remain at similar levels to 2011.

5.4 Brazil

- Record cement and concrete sales , with growth of 6% and 14%, respectively
- Good Cost Cutting Programme results and industrial efficiency's improvement
- Best-ever EBITDA surpassing EUR 210 million (10% more than in 2010)
- Investment in clinker production capacity at Cezarina and Campo Formoso (available in 2012)
- Award of equipment for the new Caxitu plant and line 3 of Cezarina

Brazil

	Unit	2011	2010	Change
Installed Capacity [(1)]	10^3 ton	6,630	6,511	1.8%
Clinker installed capacity utilization [(2)]	%	86.8%	79.9%	6.8 p.p.
Cement and Clinker Sales	10^3 ton	5,626	5,327	5.6%
Market share [(3)]	%	8.6%	8.8%	-0.2 p.p.
Concrete Sales	10^3 m^3	1,708	1,502	13.7%
Aggregates Sales	10^3 ton	597	160	271.8%
Mortar Sales	10^3 ton	210	209	0.5%
Turnover	10^6 euros	688.9	609.2	13.1%
Cash Costs	10^6 euros	478.8	418.3	14.5%
Operating Cash Flow (EBITDA)	10^6 euros	210.1	190.9	10.1%
EBITDA Margin	%	30.5%	31.3%	-0.8 p.p.
Net Operating Income (EBIT)	10^6 euros	166.0	162.4	2.2%
EBIT Margin	%	24.1%	26.7%	-2.6 p.p.
Working Capital [(4)]	10^6 euros	96.4	87.3	10.4%
Return on Capital Employed (ROCE) [(5)]	%	12.2%	12.5%	-0.4 p.p.
Employees (31 Dec.)	unit	1,511	1,629	-7.2%
Net Operating Investment	10^6 euros	98.5	61.5	60.0%

[(1)] Cement production capacity with own clinker

[(2)] Clinker production/Installed capacity (clinker)

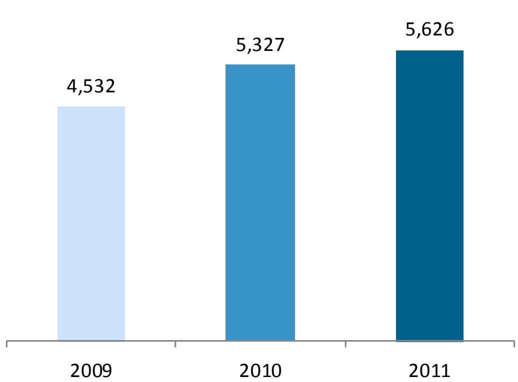
[(3)] Estimate

[(4)] Consolidated net working capital, directly associated with operations

[(5)] Current Operating Income (net of Cash Taxes)/Average Capital Employed

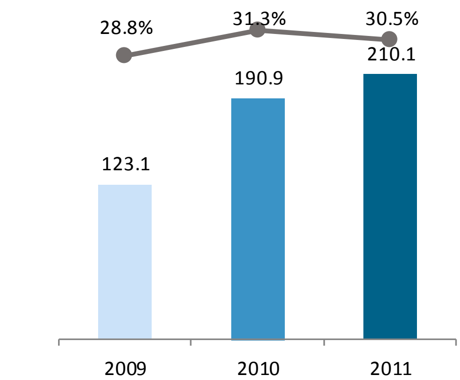
Cement and Clinker Sales

10^3 ton



EBITDA and EBITDA Margin

10^6 euros



After a notable performance in 2010, when Brazil's economy grew by 7.5%, it underwent a slowdown in 2011 as GDP only grew about 3%. The civil construction sector’s performance (growth of 3.8% compared to 11% in 2010), the investment in fixed capital (only 2.5% growth from 2010) and the fall in household consumption greatly contributed to the slowdown in 2011. Although inflation has reached its highest value since 2004, at 6.6%, the continued creation of new jobs allowed the country to register its lowest ever unemployment rate, of 6%.

The continuation of a set of fiscal and economic stimuli, which include the PAC (Growth Acceleration Program), the "My House My Life" project (to support the construction of housing for the most disadvantaged populations) and the industrialised products tax reduction extension, significantly contributed to the Brazilian cement market exceeded 64 million tons in 2011, which is a 7.6% increase over the preceding year.

Cimpor's cement and clinker sales, although slightly lower than the growth of demand in Brazil, reached a record of 5.6 million tons, 5.6% higher than 2010 values.

The concrete business recorded an increase in sales from 1.5 million cubic metres in 2010 to 1.7 million in 2011, which is an increase of 13.7%. This growth was driven by the contribution of three newly opened fixed and four mobile concrete plants throughout the year. The operational start-up in September 2010 of the Cezarina quarry (responsible for over half of the 2011's production) strongly drove the aggregates business activity, with sales of almost 600 thousand tons, 270% higher than 2010. The quantity of mortars sold remained virtually unchanged, standing at 210 thousand tons.

The widespread improvements in all regions where Cimpor operates resulted in an average increase in the cement sales price of about 5%. The concrete and mortar sales prices also recorded sharp increases of 8.4% and 9.6%, respectively. With respect to aggregates, the change in sales price was 5.5%.

As a result of higher sales, the positive evolution of prices and driven by the Brazilian real's appreciation against the euro, of around 1%, the turnover in Brazil reached EUR 688.9 million, an increase of around 13% from 2010.

Cash Costs increased about 14.5% to a total of EUR 478.8 million in 2011. Although a notable improvement in thermal and electrical consumption was registered, Cimpor was affected by the significant rise in fuel (10%) and electricity prices (11%). Moreover, internal restructuring and the high market demand for qualified human resources, meant that payroll costs would end up 11% higher than 2010 values. The industrial efficiency's improvements are to be highlighted, contributing to the cement and clinker production's increase by 7.6% and 4.4%, respectively, thus reducing the need to purchase clinker from abroad.

Sales growth in all activities, coupled with the positive development of sales prices and the implementation of important cost control measures, contributed to a record EBITDA in Brazil that exceeded EUR 210 million, more than 10% higher than in 2010. EBITDA margin, despite decreasing slightly, remained above 30%, ensuring the country has the third best margin of the entire Cimpor Group.

The major investments undertaken in 2011 include the revamping of line 1 at Campo Formoso and the capacity's expansion of line 1 at the Cezarina plant, which, in 2012, will enable the company to increase the annual production capacity of clinker by around 400 thousand tons. Also of note was the signing of the equipment purchase contracts for a new production line in Cezarina and as well as for the new plant at Caxitu, which are vital investments for Cimpor's consolidation in one of the most important markets of its portfolio.

With regard to Working Capital, the demand's acceleration did not allow significant improvements in the average collection period. Although it was possible to maintain the previous year's values in the concrete business, the remaining activities worsened in terms of collection period. The main change focused primarily on the 32% increase of stocks compared to 2010. In a country where Cimpor's activity is very geographically dispersed, the distance to ports and logistics difficulties make stock management a challenge in the short term. The total working capital value of EUR 96.4 million was 10.4% higher than the EUR 87.3 million recorded in 2010.

The prospects for 2012 again point to moderate economic growth, mainly due to the crisis in key international markets. Tax measures to stimulate the economy are expected from the Federal Government and the Central Bank is expected to reduce interest rates to stimulate consumption. The local government elections during the year, the housing programmes (such as the aforementioned "My Home My Life" that intends to build more than 600 thousand homes) and the infrastructure needed to host the Football World Cup in 2014 and the 2016 Olympic Games should continue to allow the construction sector's expansion in the upcoming years.

Accordingly, the expectations indicate a growth of around 6% in Brazil's cement consumption in 2012, and it is estimated that Cimpor will be able to follow on the market trend. The investments to increase clinker production capacity and the cost cutting programme should serve as catalysts to maintain Cimpor's good performance in 2012, resulting in a further positive development of its EBITDA.

5.5 Egypt

- Business strongly affected by the turbulence associated with the "Arab Spring"
- Increase in supply (new market entrants) with impact on prices and sales
- Clinker exports attenuate domestic sales decline effects
- Production restricted by extraordinary stoppages and fuel shortages
- EBITDA decreases 42.5% compared to 2010

Egypt

	Unit	2011	2010	Change
Installed Capacity (1)	10^3 ton	4,013	4,005	0.2%
Clinker installed capacity utilization (2)	%	67.7%	85.9%	-18.2 p.p.
Cement and Clinker Sales	10^3 ton	3,226	3,657	-11.8%
Market share (3)	%	6.4%	7.4%	-1.0 p.p.
Concrete Sales	10^3 m^3	35	19	85.9%
Turnover	10^6 euros	165.6	226.6	-26.9%
Cash Costs	10^6 euros	115.7	139.8	-17.2%
Operating Cash Flow (EBITDA)	10^6 euros	50.0	86.9	-42.5%
EBITDA Margin	%	30.2%	38.3%	-8.2 p.p.
Net Operating Income (EBIT)	10^6 euros	37.6	72.6	-48.2%
EBIT Margin	%	22.7%	32.1%	-9.3 p.p.
Working Capital (4)	10^6 euros	37.2	40.2	-7.5%
Return on Capital Employed (ROCE) (5)	%	11.8%	25.0%	-13.2 p.p.
Employees (31 Dec.)	unit	503	500	0.6%
Net Operating Investment	10^6 euros	19.3	8.0	140.9%

(1) Cement production capacity with own clinker

(2) Clinker production/Installed capacity (clinker)

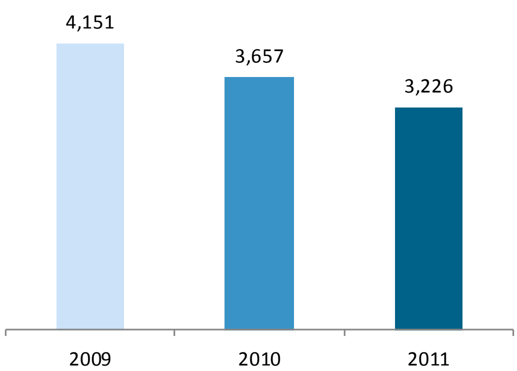
(3) Estimate

(4) Consolidated net working capital, directly associated with operations

(5) Current Operating Income (net of Cash Taxes)/Average Capital Employed

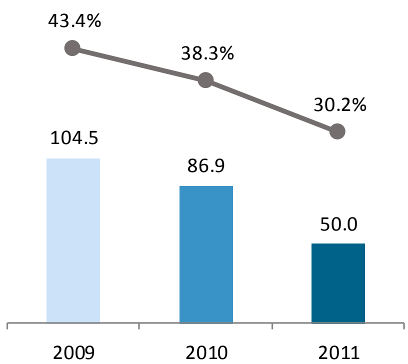
Cement and Clinker Sales

10^3 ton



EBITDA and EBITDA Margin

10^6 euros



After the clear signs of recovery in 2010, with GDP growing at a rate of over 5%, Egypt's economy was significantly affected in 2011 by the consequences of the so-called "Arab Spring". The strong social protest and troubled political transition period led to a GDP growth estimated at less than 2%. The international markets' lack of confidence in the economic recovery caused the sharp fall in the country's credit rating, which was reduced 4 times throughout 2011 to the level of "junk". Investment abruptly fell off and exports continued to worsen, causing a reversal of the Egyptian balance of payments, turning it into a deficit.

Despite the turbulence in the country, the installed cement capacity increased throughout the year by about 6.4 million tons to a total of 58.5 million tons, as the result of investments already started prior to 2011. The country's cement consumption, despite the growth in the available supply, recorded a decline of around 2% to stand at 48.7 million tons.

2011 was marked by a fall in total quantities sold by Cimpor, by around 12%, in view of shrinking consumption and the increase in supply. Total sales fell to values similar to 2008, approximately 3.2 million tons. The reduction in sales would have been even higher if the company had not exported around 130 thousand tons of clinker in order to compensate for the difficulties of the domestic market. The systematic failure in the fuel's (mazout) supply during the second half of the year resulted in clinker production losses estimated at around 0.6 million tons, which prevented Cimpor from further increasing its exports. Sales of concrete are still not significant, despite doubling from the preceding year, totalling 35 thousand cubic metres.

Sale prices, limited by the emergence of new players seeking market share, declined by about 6% compared with the preceding year.

As a result of the above-described factors and also the Egyptian pound's more than 10% devaluation against the euro, turnover in Egypt fell by 26.9% to EUR 165.6 million.

The year was marked by two events with direct impact on the company's cost structure. The plant was forced, as a result of the revolution that swept across the country, into extraordinary stoppages in February and May. From the month of July, Cimpor also found itself having to tackle the aforementioned systematic failures in the fuel supply which, although never causing the total plant shutdown, led to prolonged interruptions in the kilns' operation. The referred events associated with the extraordinary growth in payroll costs and substantial operating fees' increases for the quarries were only partially offset by the reduction in the purchased clinker usage (due to the decline in sales), which was nearly 60% less than the previous year. Accordingly, Cash Costs fell by 17%, to stand at EUR 115.7 million.

As a result of the turnover's decline, and despite the decrease in the purchased clinker's consumption, the production downtime and the various cost increases impacted on the company's EBITDA which fell to EUR 50.0 million, 42.5% less than in 2010. The EBITDA margin also recorded a very significant decrease of 8 percentage points, leaving it slightly above 30%.

The installation of bag filters on lines 1 and 3, the start of the line 2's revamping project and the first phase of the electrical equipment's replacement were the main investments in 2011, totalling EUR 19.3 million.

The continued policy of not granting credit facilities (despite the growing commercial pressure) and, above all, the heavy decrease in the stocks' value, as a result of the lower need for purchased clinker due to the decline in sales, were the main factors for the positive development of working capital, which fell 7.5% to EUR 37.2 million.

The political instability that still exists in Egypt and uncertainty about the direction the country will take, place serious doubts on the local economy's immediate future. 2012 should show, with respect to the cement market, a further significant increase of installed production capacity. Supply is estimated to grow by around 4.5 million tons of cement, which should contribute to the ongoing pressure on sales prices. Demand for cement in 2012, in contrast with the expansion of supply, should continue to decline, by about 2%.

Despite the fact that the increase of local supply could require a commercial strategy adaptation, the focus on new markets, particularly exports, should lead to a slight increase in sales by Cimpor in 2012. The end of subsidies on fuel and electricity, expected for the upcoming year, may be a decisive factor in the production costs' increase, resulting in added difficulties for EBITDA growth in 2012.

5.6 Morocco

- Economic and social crises in neighbouring countries did not affect the economy's dynamics
- Construction area's expansion drives cement market's growth above 10%
- Sales increased 6.5%, despite a new operator's entry
- Production restrictions gave rise to the need to purchase clinker
- Slight reduction in EBITDA over the previous year (-1.6%), but margin maintenance above 40%

Morocco

	Unit	2011	2010	Change
Installed Capacity (1)	10^3 ton	1,290	1,327	-2.8%
Clinker installed capacity utilization (2)	%	81.5%	90.4%	-8.9 p.p.
Cement and Clinker Sales	10^3 ton	1,209	1,135	6.5%
Market share (3)	%	7.5%	7.8%	-0.3 p.p.
Concrete Sales	10^3 m^3	361	351	2.8%
Aggregates Sales	10^3 ton	-	45	-100.0%
Turnover	10^6 euros	99.7	94.5	5.5%
Cash Costs	10^6 euros	58.8	52.9	11.1%
Operating Cash Flow (EBITDA)	10^6 euros	40.9	41.6	-1.6%
EBITDA Margin	%	41.0%	44.0%	-3.0 p.p.
Net Operating Income (EBIT)	10^6 euros	32.9	35.8	-8.1%
EBIT Margin	%	33.0%	37.9%	-4.9 p.p.
Working Capital (4)	10^6 euros	26.5	24.7	7.5%
Return on Capital Employed (ROCE) (5)	%	29.5%	32.6%	-3.1 p.p.
Employees (31 Dec.)	unit	206	198	4.0%
Net Operating Investment	10^6 euros	3.9	5.4	-28.1%

(1) Cement production capacity with own clinker

(2) Clinker production/Installed capacity (clinker)

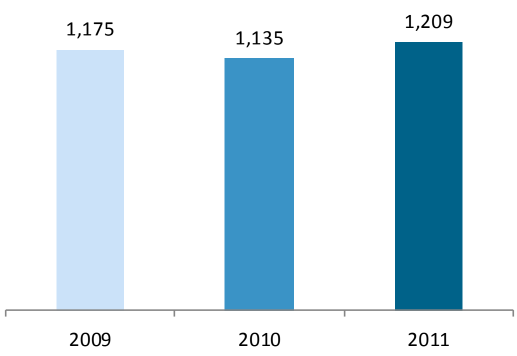
(3) Estimate

(4) Consolidated net working capital, directly associated with operations

(5) Current Operating Income (net of Cash Taxes)/Average Capital Employed

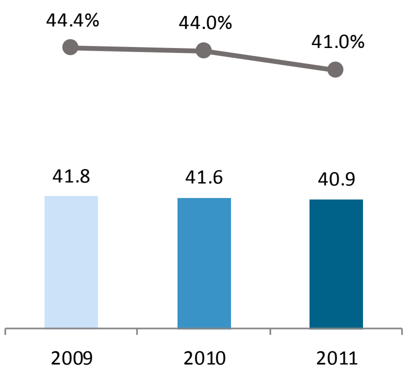
Cement and Clinker Sales

10^3 ton



EBITDA and EBITDA Margin

10^6 euros



The Moroccan economy in 2011, despite the Euro area's instability and the political and social revolutions that affected several countries of the Arab world, continued to show strong resilience, primarily sustained on robust domestic demand. GDP grew at around 5% (4.1% in 2010). As a confirmation of the country's favourable period, Standard & Poor's reaffirmed its rating for Morocco in 2011, after having raised it from junk to investment grade in 2010.

The construction sector exceeded the growth rate shown in recent years, growing by more than 10%, mainly driven by the expansion of social housing and large-scale infrastructure, the most significant of which are the port of Tangier and the Tangier-Casablanca rail link by high speed train. The cement market has grown significantly as a result, at a rate above 10% to surpass 16 million tons consumed.

Cimpor was able, despite the appearance of a new competitor placing greater pressure on the supply side, to adjust its business strategy and improve sales by 6.5% from 2010, surpassing the 1.2 million tons mark for the first time. Thus the market share, benefiting from the growth of demand, decreased by only 0.3 pp. standing at 7.5%. Sales of concrete by Cimpor increased about 3% from 2010 to 361 thousand cubic metres.

The increase in transport costs, due to the commercial action scope expansion need, was reflected in the decline of cement's average sales price by about 1.7%. In the concrete business, it was possible to improve the sales price by about 4% compared to 2010, despite the highly competitive market.

Cimpor's consolidated turnover in Morocco rose therefore to approximately EUR 100 million, 5.5% higher than 2010, as a direct result of the cement and concrete sales' increase and the increased price of the latter.

The occurrence of different operational problems limited clinker production, which was about 10% down on the 2010's production, leading to the need to acquire 55 thousand tons of this semi-finished product. This fact, coupled with escalating fuel prices, the thermal and electrical consumption increases, and despite the decline in maintenance costs as a result of the cost cutting programme, led to a rise of 11.1% in Cash Costs, to a total of EUR 58.8 million.

The positive impact of the cement sales' rise, which directly influenced turnover, was not however sufficient to offset the increase of costs mainly due to the acquisition of clinker and the substantial increase in fuel prices. The EBITDA generated by Morocco decreased 1.6% to EUR 40.9 million. The margin remained at the significant amount of 41%, despite declining 3 p.p..

The investments made during 2011 fell 28.1% from the preceding year, totalling EUR 3.9 million. Most of this amount is allocated to the cement business, such as the completion of a new cement silo and the refurbishment of equipment in the shipping area. The main concrete's investment was the Salé plant's renewal.

Working capital worsened by 7.5%, to EUR 26.5 million. The need to adapt the company's commercial policies to the market contingencies was reflected in the average collection periods' increase by 14 days for the cement activity and 8 days for the concrete activity, and the consequent increase in customer debts at the end of 2011. In the opposite direction, reflecting the management measures previously implemented, it was possible to increase the payment period to suppliers by 20 days. In relation to stocks, the purchase of a petcoke ship close to the year's end was the reason for an increase of about 14%, compared to 2010.

The domestic demand's dynamics, in particular the construction and public works sector's vitality, should be the main driver for the Moroccan economy to sustain GDP growth in 2012 by amounts similar to those reached in 2011. While sectors such as agriculture and tourism still have significant weight in the economy, several measures have been implemented to encourage the creation of new industries such as automobile production and renewable energies, the positive effects of which are expected to begin taking hold in 2012.

The cement market, driven by heavy public investment in the construction of large-scale infrastructures and the creation of social housing, should further grow in 2012, by an estimated 3%. Cimpor is planning to sell a new type of cement that will fill a gap in the market, and, as a result, it is expected that the total company's sales will increase compared to 2011. However, the difficulty of reflecting in the sales prices the expected worsening in production costs, namely electricity, may influence Cimpor's results in 2012 not foreseeing any significant changes against 2011.

5.7 Tunisia

- "Arab Spring" gives rise to a year of social, economic and political turmoil
- Cimpor's response capacity to the crisis makes it the market leader
- Sales identical to previous year, remaining at 1.7 million tons
- Extraordinary growth of the aggregates business
- EBITDA grew 2.5%, despite the fuel and payroll costs' increases.

Tunisia

	Unit	2011	2010	Change
Installed Capacity [(1)]	10^3 ton	1,751	1,668	5.0%
Clinker installed capacity utilization [(2)]	%	87.3%	89.3%	-2.0 p.p.
Cement Sales	10^3 ton	1,738	1,737	0.1%
Market share [(3)]	%	25.5%	23.4%	2.0 p.p.
Aggregate Sales	10^3 ton	1,098	264	315.5%
Turnover	10^6 euros	83.6	78.0	7.1%
Cash Costs	10^6 euros	59.8	54.8	9.1%
Operating Cash Flow (EBITDA)	10^6 euros	23.8	23.3	2.5%
EBITDA Margin	%	28.5%	29.8%	-1.3 p.p.
Net Operating Income (EBIT)	10^6 euros	17.6	16.0	10.4%
EBIT Margin	%	21.1%	20.5%	0.6 p.p.
Working Capital [(4)]	10^6 euros	10.6	13.3	-20.0%
Return on Capital Employed (ROCE) [(5)]	%	14.7%	13.6%	1.0 p.p.
Employees (31 Dec.)	unit	222	211	5.2%
Net Operating Investment	10^6 euros	10.5	5.9	79.4%

[(1)] Cement production capacity w ith ow n clinker

[(2)] Clinker production/Installed capacity (clinker)

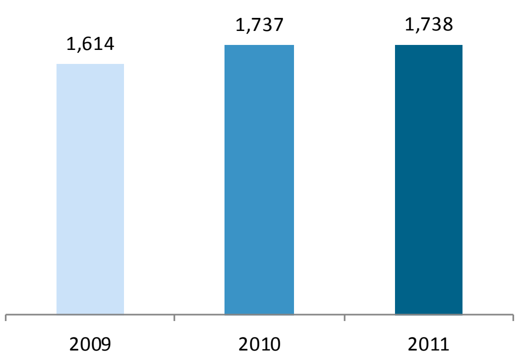
[(3)] Estimate

[(4)] Consolidated net w orking capital, directly associated w ith operations

[(5)] Current Operating Income (net of Cash Taxes)/Average Capital Employed

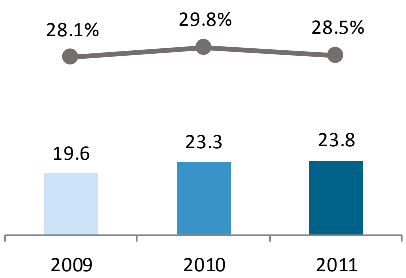
Cement and Clinker Sales

10^3 ton



EBITDA and EBITDA Margin

10^6 euros



The Jasmine Revolution occurred in January 2011 in Tunisia (it was later called the Arab Spring since it gave rise to several other revolutions in the Arab world), created a context of political, social and economic turmoil that affected the country during the rest of the year. This crisis had an impact on all sectors of the economy, but with particular emphasis on the tourism and industrial exports areas, causing the GDP stagnation after it had grown by almost 4% in 2010. Unemployment, reflecting the weak economic performance, soared to 18.3% (13.3% in 2010) while inflation decreased to 3.5% (4.4% in 2010).

The sharp decline in public and foreign investment pressured cement consumption, which amounted to 6.7 million tons in 2011, down 6.7% from 2010. Cimpor was able, despite the unfavourable environment, to assert its position as market leader, with cement sales in the country increasing about 1%. The 35.4% decrease in exports, to 38 thousand tons, determined total sales exceeding 1.7 million tons, the same value as in 2010.

2011 was the first full operating year for the aggregates activity, and sales exceeded 1.1 million tons, equivalent to an extraordinary growth of 315.5% from 2010.

Turnover grew by 7.1%, reaching EUR 83.6 million in 2011. The significant contributors to this variation were the 5.4% increase in the average cement sales price (set by the Government) and the notable performance of the aggregates business.

Of note in relation to Cash Costs is the increase above 30% in fuel prices, as the result of freight rates and international markets' petcoke price rises, and the increase of around 25% in payroll costs in view of the strong social protest throughout the country. These facts, although mitigated by the reduction in the purchased clinker's consumption (only 48 thousand tons in 2011 against 173 thousand tons in 2010), had a substantial impact on Cash Costs, causing an increase of 9.1% for the year, to EUR 59.8 million.

Cimpor, demonstrating its ability to deal with all the turmoil that the social crisis triggered, succeeded in ensuring 2.5% growth of EBITDA in Tunisia, in 2011, which reached EUR 23.8 million. Despite the almost 3% devaluation of the Tunisian dinar in 2011, the cement sales price increase and the development of the aggregates business activity were sufficient to, in absolute values, offset the rise of fuel and payroll costs. The EBITDA margin fell slightly by 1.3 percentage points to stand at 28.5% at the end of 2011.

Operating net investment rose to EUR 10.5 million, approximately 80% higher than in 2010. The installation of a new fabric filter, which will ensure the reduction of gas emissions to the environment, accounted for more than 75% of the total sum invested. The remaining amount was essentially invested to ensure the operational continuity of the equipment.

Working Capital maintained its positive trend from the preceding year, decreasing 20% to EUR 10.6 million. This performance is the result of a sharp decrease of stocks, mainly clinker, despite a slight increase in the average collection period.

The expectations of the Tunisian Government for 2012 are a context of economic recovery that should result in GDP growth of about 4.5% and the creation of over 75 thousand new jobs. The intention to promote the inland regions of the country was announced, providing them with the transport and communications infrastructure that will foster their development. This investment in public works associated with growing private initiative in the construction sector will certainly be a positive factor for the cement market, and cement consumption in 2012 is estimated to grow by about 5%, to around 7 million tons.

Although the entry of a new competitor will increase commercial pressure, Cimpor expects to maintain in 2012 the level of domestic sales and undergo a more consistent recovery in exports. The endeavours of the group's procurement area should result in considerable savings in fuel purchases which, together with the aggregates activity's good performance, envisages the growth of EBITDA, though likely modest.

5.8 Turkey

- Booming economy, with GDP growth exceeding 8%
- Record sales of more than 3 million tons of cement
- Notable increase in the cement sale price (17%)
- EBITDA increases by more than 42%, reaching over EUR 31 million
- 17% devaluation of the Turkish lira prevents even better results

Turkey

	Unit	2011	2010	Change
Installed Capacity [1]	10^3 ton	3,005	3,027	-0.7%
Clinker installed capacity utilization [2]	%	98.7%	87.3%	11.4 p.p.
Cement and Clinker Sales	10^3 ton	3,034	2,884	5.2%
Market share [3]	%	5.5%	5.5%	0.0 p.p.
Concrete Sales	10^3 m^3	1,173	1,088	7.8%
Aggregates Sales	10^3 ton	1,741	1,719	1.3%
Turnover	10^6 euros	165.6	154.5	7.2%
Cash Costs	10^6 euros	134.4	132.6	1.4%
Operating Cash Flow (EBITDA)	10^6 euros	31.3	22.0	42.4%
EBITDA Margin	%	18.9%	14.2%	4.7 p.p.
Net Operating Income (EBIT)	10^6 euros	14.4	-0.6	n.s
EBIT Margin	%	8.7%	-0.4%	n.s
Working Capital [4]	10^6 euros	20.0	25.8	-22.7%
Return on Capital Employed (ROCE) [5]	%	2.3%	0.4%	2.0 p.p.
Employees (31 Dec.)	unit	817	824	-0.8%
Net Operating Investment	10^6 euros	6.4	6.4	0.5%

(1) Cement production capacity with own clinker

(2) Clinker production/Installed capacity (clinker)

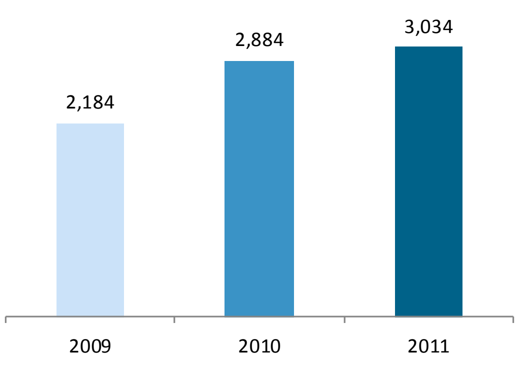
(3) Estimate

(4) Consolidated net working capital, directly associated with operations

(5) Current Operating Income (net of Cash Taxes)/Average Capital Employed

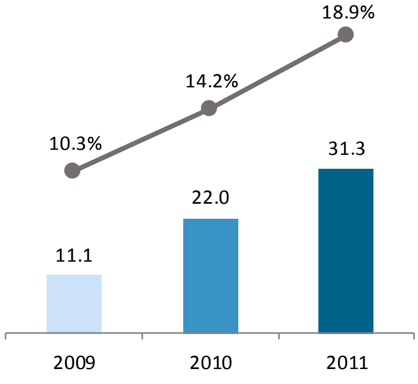
Cement and Clinker Sales

10^3 ton



EBITDA and EBITDA Margin

10^6 euros



In opposition to the difficulties affecting the euro area countries and at a time of great uncertainty regarding the future of the world economy, Turkey has consolidated the growth trend that has recorded since the end of 2009, with its GDP advancing 8.3%, according to the latest forecasts. The dynamism of domestic market and the high level of public investment, and despite an unexpected rise of around 4 p.p. in the inflation rate, to 10.5%, as a result of rising oil and food prices associated with a sharp devaluation of the Turkish lira against the euro (approximately 17%), have powered very positive results in various economic indicators, of note being the fall in the unemployment rate to 9.1% (11.2% in 2010) and the growth in exports by over 20%.

The construction sector, with the emphasis on investment in infrastructure and housing, was one of the pillars of the country's economic growth, with an estimated increase of 12.7% in 2011. Cement market also registered notable growth, increasing by around 14% to a total of 55.6 million tons consumed. This volume is more than 7 million tons higher than that of the preceding year, and it represents the highest ever in Turkey. Conversely, exports were substantially affected by the turbulence in Middle East and North African countries, and they fell by more than 20%.

Cimpor registered record sales, exceeding 3 million tons of cement in the domestic market, which is 366 thousand tons higher than in 2010 (an increase of 13.7%). No exports occurred in 2011, considering the level of demand in 2011, and clinker sales in the domestic market were also reduced. Overall, cement and clinker sales in Turkey increased 5.2% over the previous year.

Concrete sales, like in cement activity, also grew substantially in 2011, reaching 1.2 million cubic metres, 7.8% more than in 2010. Aggregates activity recorded growth of only 1.3% in 2011, after having increased sales by more than 40% in 2010. 1.7 million tons of aggregates were sold in 2011.

Continuing the positive trend of 2010, the average cement sale price registered a notable increase of about 17%, and the increase in concrete and aggregates activities were 14.1% and 2.6%, respectively.

The increase in quantities sold combined with the price increase, and despite the influence of the strong devaluation of the Turkish lira against the euro, contributed to the 7.2% rise in turnover from the preceding year (25.2% in local currency), to stand at EUR 165.6 million.

In parallel with market evolution, clinker production exceeded the 2010 value by 350 thousand tons, with the excellent reliability indicators of all plants being a determining factor in this result. However, although the use of installed capacity was close on 100%, it was necessary to acquire 125 thousand tons of clinker. The combination of this factor with the rise in fuel prices (over 33%) and in electricity prices in the fourth quarter was decisive for Cash Costs to record an increase of 18% in local currency, although in euros this will result in an increase of only 1.4%. The progressive use of alternative fuels is also to be highlighted, although currently not significant, it will be a catalyst in the future for cost reduction in the country.

Driven by the significant increase in sales and respective prices in all activities, and despite the currency devaluation and the strong impact in Cash Costs of rising fuel and electricity costs and of purchased clinker, EBITDA was EUR 31.3 million, up 42.4% on the preceding year.

The major investments in 2011 were related to reactivating one of the kilns at Sivas (stopped for two years) and the renovation work on raw mill at Çorum. Apart from these, and in response to new environmental requirements, new facilities were built to store waste at several plants. Thus, net operating investment in 2011 was identical to the amount of 2010, totalling EUR 6.4 million.

In a year marked by sales growth, this was reflected in the changes of customer debts, which had increased by around 7% at 31 December 2011, compared with the same date of the previous year. Although the reduction trend of the average collection period has been on-going throughout 2011, the fact that sales in the last two months of the year were well below the same period in 2010, due to the harsh winter, eventually resulted in the increase of the period by 7 days. The level of stocks increased at the end of 2011, as a result of the effort to ensure an adequate response to the expected rise in demand in early 2012. However, the notable expansion of debts to suppliers allowed the aforementioned effects to be offset and thus contribute to an improvement in working capital, both in local currency (about 9%) and euros (23%).

The reduction of the public deficit in 2011 was above 10% of GDP and it should be the main target of government policy in 2012. The uncertainty caused by the international crisis in countries neighbouring Turkey and the fact that more than 50% of its exports are destined to Europe, indicate that the country's economic growth forecast for this year may undergo sharp deceleration.

Despite the less than optimistic outlook for the Turkish economy, cement market should still substantially evolve, with consumption expected to increase by 5%, according to the latest forecasts, and driven by the construction sector development. Cimpor has positive expectations for this year, forecasting turnover growth essentially supported by the continued recovery in sale price. Although the cost increases in production factors, especially fuel, may have some impact on the final results, EBITDA should maintain the trend of the last two years and again develop positively.

5.9 Mozambique

- Significant increase in cement consumption in the country (15%)
- Sales grow more than 10%, approaching one million tons
- Improvement of industrial performance allows clinker production to increase by more than 30%
- EBITDA more than doubles and reaches EUR 23.6 million
- Average annual appreciation of the metical by about 8%
- Start-up of the new cement mill at Matola and construction start-up of the cement mill at Dondo

Mozambique

	Unit	2011	2010	Change
Installed Capacity [(1)]	10^3 ton	858	732	17.2%
Clinker installed capacity utilization [(2)]	%	51.4%	39.2%	12.2 p.p.
Cement and Clinker Sales	10^3 ton	976	884	10.4%
Market share [(3)]	%	78.0%	81.1%	-3.1 p.p.
Concrete Sales	10^3 m^3	132	139	-5.3%
Turnover	10^6 euros	114.6	88.1	30.2%
Cash Costs	10^6 euros	91.0	76.6	18.8%
Operating Cash Flow (EBITDA)	10^6 euros	23.6	11.4	106.5%
EBITDA Margin	%	20.6%	13.0%	7.6 p.p.
Net Operating Income (EBIT)	10^6 euros	16.5	2.5	552.8%
EBIT Margin	%	14.4%	2.9%	11.5 p.p.
Working Capital [(4)]	10^6 euros	16.3	7.8	108.5%
Return on Capital Employed (ROCE) [(5)]	%	13.7%	3.7%	9.9 p.p.
Employees (31 Dec.)	unit	584	464	25.9%
Net Operating Investment	10^6 euros	56.1	15.2	269.6%

[(1)] Cement production capacity with own clinker

[(2)] Clinker production/Installed capacity (clinker)

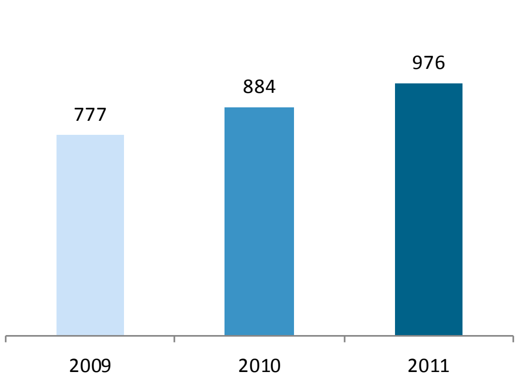
[(3)] Estimate

[(4)] Consolidated net working capital, directly associated with operations

[(5)] Current Operating Income (net of Cash Taxes)/Average Capital Employed

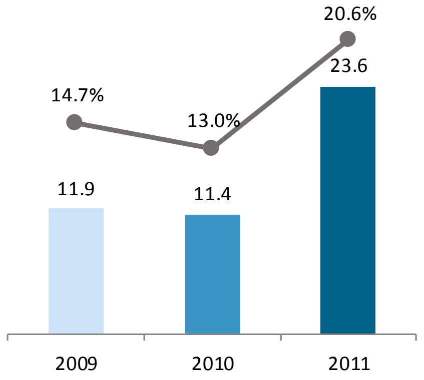
Cement and Clinker Sales

10^3 ton



EBITDA and EBITDA Margin

10^6 euros



The Mozambican economy maintained its notable performance in 2011, with GDP growth estimated at about 7.5%, almost unchanged from the previous year (7.4%), supported by the high level of foreign investment, mainly in the extraction of natural resources such as coal and natural gas. The appreciation of the metical against the euro (about 8% on average) overwhelmingly contributed to the control of inflation, which has fallen substantially in 2011, to 11.2% (5.2 p.p. less than the preceding year).

The civil construction industry extensively contributed to the good performance of Mozambique's economy. It is estimated that the industry grew, even in the absence of official data, between 12% and 14%. The need to provide the country with logistics infrastructure to enable the export of mineral resources is proving to be one of the main growth drivers in this industry.

It is estimated that cement consumption in Mozambique, as the result of the economic dynamism, particularly in construction, increased about 17% in 2011, reaching 1.4 million tons. The inability of local production to entirely meet cement demand in the country gave rise to the need to import about 350 thousand tons of cement.

The significant improvement in industrial performance of the Matola plant (and also the Nacala grinding station) allowed the sale of 976 thousand tons in 2011, 10.4% up from 2010. Conversely, concrete sales were 132 thousand cubic metres, 5.3% down compared to 2010.

The strong appreciation of the metical in 2011 promoted cement imports which, together with the emergence of a new competitor in the southern region, has pressurised prices, especially in the second half of the year. Nonetheless, prices rose on average by about 6% compared with the preceding year, offsetting the rise in some important production factors. The average concrete price recorded a sharper increase, about 29%, in order to transfer to the customer the increase in the cost of raw materials and transport in the central and northern regions.

Cimpor turnover in Mozambique also benefited from the appreciation of the metical and reached EUR 114.6 million, which is 30.2% up from the previous year (19.7% in local currency).

2011 is clearly divided into two distinct periods. In the first half of the year there were several operational problems that strongly limited the industrial performance of Matola plant, and hence the clinker production and the ability of Cimpor to supply the market. However, after the annual shutdown (during which a range of work was carried out under the on-going refurbishment project), industrial performance has improved very significantly, as reflected in 30% more clinker being produced in 2011 than in 2010, thus decreasing the need to import this product. The 18.8% increase in Cash Costs (only 9.3% in local currency) was therefore mainly due to the higher production volume and the rise in some important costs such as electricity or the limestone transport, which, due to rail restrictions, had to be partly done by truck.

In general, the increase in cement consumption and the ability of Cimpor to meet that demand in more competitive conditions as a result of the clear improvement to its operations, namely at the Matola plant and Nacala grinding station, driven by the appreciation of the metical, have generated the best ever EBITDA for the country, at EUR 23.6 million euros, more than double the EUR 11.4 million of 2010. EBITDA margin also showed a marked improvement, rising 7.6 p.p. to stand at 20.6%.

Operating investment rose to EUR 56.1 million, 270% up on 2010. This value includes the acquisition of 100% of CINAC, a company that owns a cement grinding station located in northern Mozambique. Other notable investments were the new cement grinding mill (which came into operation in June) and a by-pass at the Matola plant, the construction start-up of a cement mill at Dondo and the refurbishment of packing systems at all plants.

Working capital reached EUR 16.3 million at 31 December 2011, increasing more than 100% from the identical period of 2010. The expansion of the business activity and increase of the average collection period by 7 days for cement and 18 days for concrete are the main reasons for the doubling of accounts receivable balances. No significant changes were recorded for suppliers and stocks, therefore the deterioration of this indicator, in euro, is also largely explained by the strong appreciation of the metical.

Currency exchange rate evolution in 2012 will be a determining factor and it will govern the performance of the Mozambican economy. The latest forecasts indicate GDP growth of about 7.5%. The expectations are promising and it may even be one of the fastest growing economies in the coming years and possibly become one of the 10 largest coal exporters. The country needs investment to support the export of this ore (railways, roads and ports) which, if implemented, will have a direct impact on the construction sector and cement consumption.

The final months of 2011 provided good prospects for Cimpor in 2012. It is hoped that the improvement in industrial reliability as well as the investments that have been made will permit the accompaniment of the expected market growth, which should translate into increased sales. A sharp increase in the concrete activity is also envisaged, with the possibility of establishing more plants in new locations, contributing to the perspective of the positive development of Cimpor EBITDA in Mozambique.

5.10 South Africa

- Commercial policy and exports lead to increased sales by about 7%
- Slight retraction in cement sale price
- Industrial improvements raise the use of clinker capacity by more than 13 p.p.
- Heavy increases in fuel, electricity and slag prices
- EBITDA grows 1.3% and margin remains over 40%

South Africa

	Unit	2011	2010	Change
Installed Capacity (1)	10^3 ton	1,582	1,465	8.0%
Clinker installed capacity utilization (2)	%	65.4%	52.0%	13.3 p.p.
Cement and Clinker Sales	10^3 ton	1,230	1,152	6.8%
Market share (3)	%	10.5%	10.5%	0.0 p.p.
Concrete Sales	10^3 m^3	126	124	1.4%
Aggregates Sales	10^3 ton	522	574	-9.1%
Turnover	10^6 euros	148.7	144.8	2.7%
Cash Costs	10^6 euros	89.1	85.9	3.6%
Operating Cash Flow (EBITDA)	10^6 euros	59.7	58.9	1.3%
EBITDA Margin	%	40.1%	40.7%	-0.5 p.p.
Net Operating Income (EBIT)	10^6 euros	46.4	45.4	2.3%
EBIT Margin	%	31.2%	31.3%	-0.1 p.p.
Working Capital (4)	10^6 euros	17.5	15.4	13.4%
Return on Capital Employed (ROCE) (5)	%	13.3%	13.1%	0.1 p.p.
Employees (31 Dec.)	unit	483	534	-9.6%
Net Operating Investment	10^6 euros	6.4	5.2	22.2%

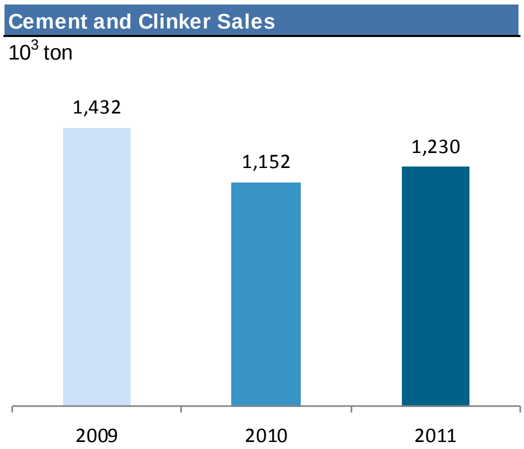
(1) Cement production capacity with own clinker

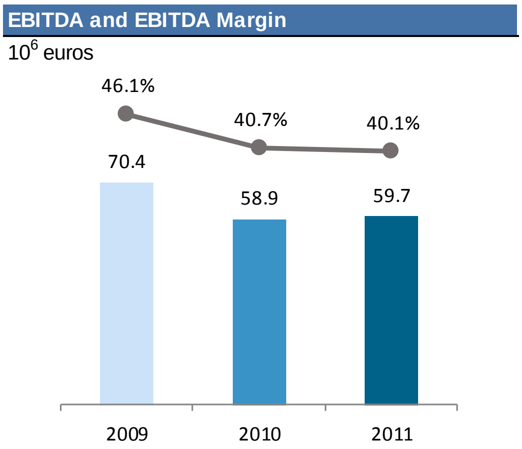
(2) Clinker production/Installed capacity (clinker)

(3) Estimate

(4) Consolidated net working capital, directly associated with operations

(5) Current Operating Income (net of Cash Taxes)/Average Capital Employed





After the recession of 2009, the South African economy has been showing signs of recovery, albeit moderate, and in 2011 GDP grew about 3.1% (2.6% in 2010). This growth came mainly from the increase in private consumption, driven by the low interest rates set by the Central Bank. Although inflation rose, albeit slight, to 5% (4.1% in 2010), the biggest challenge facing the government is to control the unemployment rate which remains at about 25%.

The construction sector, after several years of strong expansion, is now experiencing a slowdown, largely due to lack of infrastructural projects, revealing a less optimistic scenario for the sector companies. Nonetheless, and according to latest estimates, cement consumption in 2011 increased 3.3%, to a total of 11.2 million tons.

Cimpor implemented a dynamic commercial strategy, having achieved a 3.5% increase in domestic sales. The export of 50 thounsand tons of cement to Mozambique and Swaziland helped boost total sales in 2011 to 1.2 million tons, 6.8% above the previous year's figure.

Concrete sales remained practically unchanged from 2010, while aggregates sales decreased 9.1% due to the reduction of the number of on-going projects on road infrastructure.

Average cement sale price, under pressure from imports and experiencing the impact of the commercial policy followed, decreased by about 2.4%. Concrete and aggregates businesses, unlike with cement, were able to pass on the large increases in most production factors, and prices rose about 11% and 14%, respectively.

Thus, turnover, although affected by the devaluation of the rand against the euro, grew by 2.4% (6.5% in local currency), to EUR 148.7 million in 2011.

Cash Costs increased 3.6% (7.5% in local currency), to stand at EUR 89.1 million. The contributors to this development included the heavy increase in fuel prices and, in particular, electricity prices, which rose about 13%. The scarcity of slag in the market caused more clinker to be used for cement production, which directly influenced the rise in costs. Significant industrial improvement should, however, be noted, which made it possible to increase the use of capacity by 13.3 p.p. and hence the production of clinker by more than 30%.

The increase in sales offset the rise in fuel and electricity prices, resulting in an EBITDA 1.3% higher than in 2010, to EUR 59.7 million.

Operating investments were EUR 6.4 million in 2011, 22.2% up from 2010. This increase mainly stems from the modernization of the packing system, the construction of a new silo at Newcastle and the replacement of the cooler at Simuma.

The adaptation of a more flexible commercial policy led to the increase in the average collection period in the cement activity by five days, which, together with the increase in sales, resulted in the doubling accounts receivable balances at the end of 2011. In relation to suppliers, there was also an increase of payment periods by 5 days, by virtue of the renewal of some contracts on more favourable terms. No significant changes in stocks were observed. Thus, the working capital stood at EUR 17.5 million, an increase of 13.4% over 2010, while also benefiting from the devaluation of the rand.

The outlook for 2012 is the continuation of moderate GDP growth in South Africa, with the latest forecasts pointing at around 3.4%. The economy development will not escape the contagion effect of the international crisis, which may guide the future direction that the rand exchange rate will follow. The construction sector should continue to grow modestly, according to latest estimates, at around 3%.

The main goal of Cimpor for 2012, as no significant growth in cement demand in the South African market is envisaged, will be to maintain sales volume and, thereby, market share. 2012 will also mark the start of alternative fuels use which, in addition to the obvious environmental benefits, should contribute to reduce energy costs. However, the already announced increase in electricity prices and the expected increase in slag prices may affect Cimpor costs, and no significant change in EBITDA is envisaged for 2012.

5.11 India

- Sharp growth in demand in Gujarat state (17%)
- Market entry of new operators prevents sales increase
- Significant improvement in average sale price leads to increased turnover
- Operational problems impact on clinker production (20% decline)
- Substantial increases in fuel and electricity prices
- 8% devaluation of the currency contributed to 22% reduction of EBITDA

India

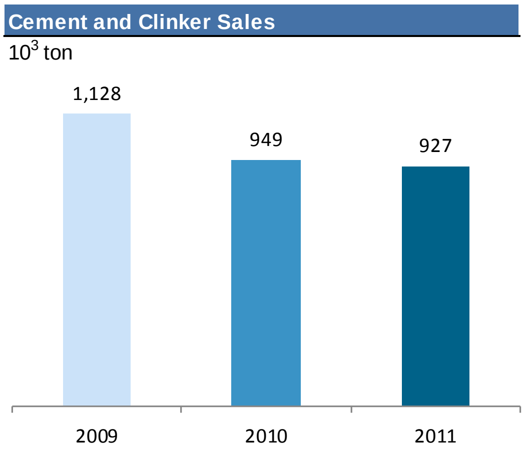
	Unit	2011	2010	Change
Installed Capacity (1)	10^3 ton	1,167	1,149	1.5%
Clinker installed capacity utilization (2)	%	71.3%	89.3%	-18.1 p.p.
Cement and Clinker Sales	10^3 ton	927	949	-2.4%
Turnover	10^6 euros	50.8	48.2	5.5%
Cash Costs	10^6 euros	47.4	43.8	8.2%
Operating Cash Flow (EBITDA)	10^6 euros	3.4	4.3	-21.9%
EBITDA Margin	%	6.7%	9.0%	-2.3 p.p.
Net Operating Income (EBIT)	10^6 euros	-3.1	-2.0	n.s.
EBIT Margin	%	-6.2%	-4.2%	n.s.
Working Capital (3)	10^6 euros	5.3	11.9	-55.7%
Return on Capital Employed (ROCE) (4)	%	-2.1%	-1.2%	s.s.
Employees (31 Dec.)	unit	481	502	-4.2%
Net Operating Investment	10^6 euros	8.9	2.6	243.1%

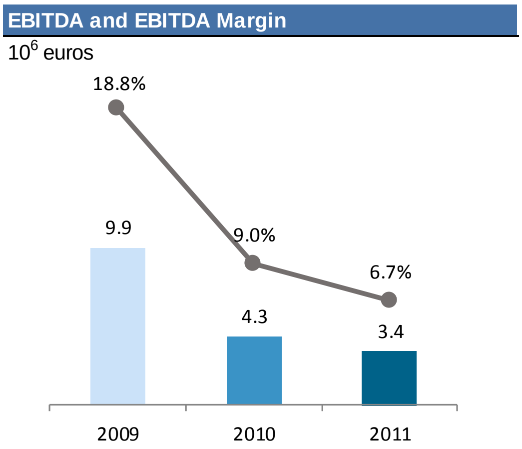
(1) Cement production capacity with own clinker

(2) Clinker production/Installed capacity (clinker)

(3) Consolidated net working capital, directly associated with operations

(4) Current Operating Income (net of Cash Taxes)/Average Capital Employed





India continued in 2011 to register strong economic growth, despite the 7.4% estimated GDP increase showing a slowdown compared to almost 10% in the previous year. The tertiary sector, with a share greater than 50% of domestic product continued to be the main development motor of the country. In 2011, as India struggles with the challenge of controlling price rises without endangering economic growth, the year was marked by the fall in inflation by 1.5 p.p., to 10.5%. Nevertheless, the high level of exposure to commodity prices, the expansionary fiscal policy and the rupee devaluation can threaten the referred objective of stable inflation.

Cement consumption in India, according to latest estimates, shall have reached close on 229 million tons in 2011, an increase of 10% over the previous year. In the state of Gujarat, where the Cimpor plant is located, the increase has been even higher, with forecasts pointing to a growth of about 17%. This is the result of several on-going projects to provide the state with better infrastructure, particularly in the transport and communications areas. Cement consumption in Gujarat shall have reached almost 18 million tons in 2011, about 8% of the country total.

Despite the increase in demand, Cimpor sales in 2011 fell by 2.5%, to a total of 927 thousand tons. This decline was mainly due to the penetration of new competitors in the market. Also of note is the fact that in 2011 no clinker was exported, unlike 2010 when the company exported 47 thousand tons.

The excess installed production capacity and continuing imbalance between cement supply and demand caused great volatility in prices throughout the year. Sale price performed positively, on average and despite several fluctuations, when compared to 2010, increasing 13.9%. This rise offset the drop in sales and allowed turnover to increase 5.5%, to stand at EUR 50.8 million.

The positive evolution of sale price was, however, insufficient to offset the significant increases in the main production factors, which drove an increase in Cash Costs of 8.2% to EUR 47.4 million. These increases included the rise in fuel and electricity prices, above 20% in both cases. The happening of some operational problems as well as the fall in sales restricted clinker production (which decreased by 20% in 2011) and also caused an increase in maintenance costs of about 8%.

The increase in Cash Costs exceeding turnover improvement dictated a 21.9% decrease in EBITDA from the previous year, to EUR 3.4 million. EBITDA margin also declined to 6.7%, 2.3 p.p. less than in 2010.

Operating investments rose to EUR 8.9 million, most notably the project to generate electricity from production process gases. This project is in an advanced implementation stage and it is estimated to start operating in early 2012.

Working Capital in 2011 registered a very positive result, falling more than 50% compared to the preceding year to EUR 5.3 million by the year's end. Reduction in clinker and coal stocks was the main cause of improvement of this indicator.

The Indian economy is expected to continue growing at a considerable pace in 2012 and the latest forecasts point to a growth rate in the region of 7%. Cement demand is also expected to continue to increase, and consumption in Gujarat is expected to increase by more than 10% in 2012. An increase on the supply side is also foreseen, with the influx of new installed capacity during the year, which will maintain competitive pressure high.

Despite 2012 forecasts pointing to Cimpor non-significant sales increase, the price improvement at the end of 2011 is expected to boost turnover. On the other hand, several measures have been undertaken to offset the rise in Cash Costs, including the search for quarries closer to the plant, to reduce limestone transportation costs, and the installation of the referred electricity generation system powered by gases from the production process. These facts combined with several other management measures being implemented should contribute to EBITDA growth in 2012.

5.12 China

- High economic growth rate, albeit slower in comparison to 2010
- Significant increase in the average sale price
- EBITDA grew 100% to around EUR 18 million
- Price improvement and management measures drive margin increase

China

	Unit	2011	2010	Change
Installed Capacity [(a)] [(1)]	10^3 ton	5,962	5,270	13.1%
Clinker installed capacity utilization [(2)]	%	73.8%	73.1%	0.7 p.p.
Cement and Clinker Sales	10^3 ton	3,893	4,105	-5.1%
Turnover	10^6 euros	127.6	106.1	20.3%
Cash Costs	10^6 euros	109.7	97.2	12.9%
Operating Cash Flow (EBITDA)	10^6 euros	17.9	8.9	100.9%
EBITDA Margin	%	14.0%	8.4%	5.6 p.p.
Net Operating Income (EBIT)	10^6 euros	8.4	0.5	1541.0%
EBIT Margin	%	6.6%	0.5%	6.1 p.p.
Working Capital [(3)]	10^6 euros	42.4	28.0	51.3%
Return on Capital Employed (ROCE) [(4)]	%	3.4%	0.3%	3.1 p.p.
Employees (31 Dec.)	unit	971	1,022	-5.0%
Net Operating Investment	10^6 euros	8.3	6.0	39.1%

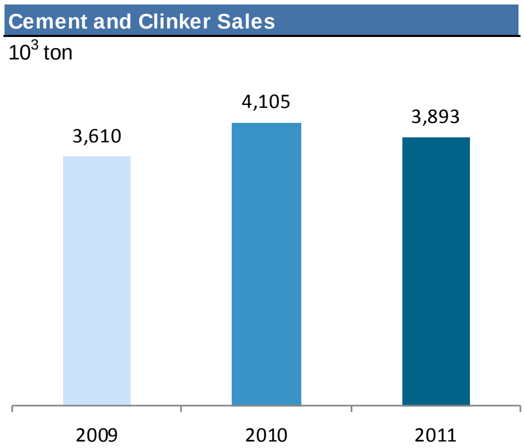
a) The criteria w as changed in 2011, and the capacity of the Liyang plant (grinding capacity in adjacent zone) is now considered.

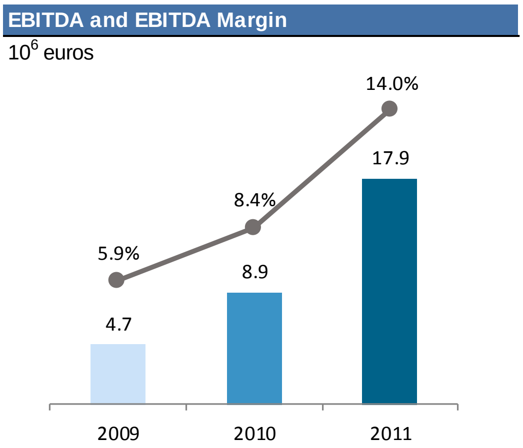
[(1)] Cement production capacity w ith ow n clinker. The criteria w as changed in 2011, and the capacity of the Liyang plant (grinding capacity in adjacent zone) is now considered.

[(2)] Clinker production/Installed capacity (clinker)

[(3)] Consolidated net w orking capital, directly associated w ith operations

[(4)] Current Operating Income (net of Cash Taxes)/Average Capital Employed





The Chinese economy, continuing the trend of the last 20 years, reported growth above 9% in 2011, which is, however, a slight slowdown compared with 10.3% achieved in 2010. Exports reduction as a result of the international context as well as the Government's monetary policies, namely the rise in interest rates and restrictions on credit access, contributed to the economic slowdown. Monetary policies were also important in controlling inflation rate, which was 5.4% in 2011.

The construction sector also performed notably well, consistent with the high economic growth rate, reflecting the cement market expansion. The year of 2011 was, according to latest estimates, another record year in terms of cement consumption, which shall have exceeded 2 billion tons, i.e. 15% higher than the previous year.

Cimpor sales in China, despite the shrinkage of about 5%, surpassed those of Portugal in 2011, making it the second largest volume contributor to the Group. The strategic decision to focus more on the sale of clinker, which had a better margin during the year than cement, and the increase of production capacity by other operators during the second half, turned out to be the main cause of sales registering a total slightly below 4 million tons, unlike 2010 when that barrier was surpassed.

As the result of more favourable market conditions from the last half of 2010 onwards, cement and clinker average sale prices recorded significant increases, above 20%, decisively contributing to the 20.3% turnover rise. In 2011, turnover amounted to EUR 127.6 million.

In terms of Cash Costs, Cimpor was faced with some operational constraints that resulted in higher maintenance costs. The increase in fuel prices of about 8.5% also decisively contributed to the 12.9% increase in Cash Costs, which totalled EUR 109.7 million.

After around four years operating in China, a period during which the Cimpor investments were focused primarily on the acquisition and expansion of its industrial units, 2011 was marked by the investment in strengthening the monitoring and improving the efficiency of operations. A highly experienced and technically qualified management team was designated for this purpose, which is expected to be pivotal to the company's success in the country.

The measures already undertaken by the new management team, combined with the rise of the sale price and the increase of clinker sales, were the main drivers of the EBITDA achieved in 2011, which doubled from EUR 9 million in 2010 to EUR 17.9 million. The margin also followed this positive trend, rising by around 5.6 p.p. to 14.0%.

Net operating investments, although increasing by approximately 40% compared to 2010, and amounting to EUR 8.3 million, are mainly related to Zaozhuang plant completion works.

As a result of the need to adapt the commercial policy to the market context, the average collection period widened in 2011, generating an evident impact on working capital. This fact, together with stocks increase and compounded by the appreciation of the local currency against the euro, raised the working capital needs to EUR 42.4 million, about 50% higher than in 2010.

2012 is estimated to be another year of cooling economic growth in China, with GDP maintaining a growth rate of 7.5%. Expectations are that economic growth will take precedence over inflation. Moreover, and since tax revenue has grown on a large scale in recent years, some cuts in the tax burden are expected for the forthcoming year.

Cement market is expected to keep the pace of recent years due to continued demand growth. The Chinese Government recently announced several large-scale infrastructure projects that are expected to further increase the cement demand. However, these major public works will be developed outside Cimpor’s radius of action and are not expected to have a direct impact on the company's sales.

The start-up of new market competitors planned for the first half of 2012, in the region of the Zaozhuang plant, will drive up the cement supply, which may impact on Cimpor sales and prices.

5.13 Trading

	Unidade	2011	2010	Change
Turnover	10^6 euros	205.8	147.9	39.1%
Cash Costs	10^6 euros	193.9	138.2	40.4%
Operating Cash Flow (EBITDA)	10^6 euros	11.8	9.7	21.8%
EBITDA Margin	%	5.8%	6.6%	-0.8 p.p.
Operating Income (EBIT)	10^6 euros	10.3	7.9	31.1%
EBIT Margin	%	5.0%	5.3%	-0.3 p.p.
Net Operating Investment	10^6 euros	13.2	-4.8	n.s.

The Trading activity manages the flow of purchases and sales between Cimpor Group companies and with third parties. It mainly trades products such as cement, clinker, slag, fly ash, gypsum, petcoke and other products of the cement family. This activity offers integrated solutions that include the sale of products and all associated logistics, including port operations and transport to the end destination.

The trading activity in 2011 exceeded 3 million tons traded, similar in volume to 2010 but with a difference in the mix of products, as the result of the growing diversification of supply. In 2010, clinker accounted for 58% of the products traded, whereas in 2011 it had reduced its share to around 40%, while cement rose from 22% in 2010 to 27% last year. All the products combined still account for less than one-third of the total traded volume, although they moved closer to this barrier in 2011.

Quantities Traded by Product

(10^3 t)	2011	2010	Change %
Clinker	1,191.6	1,732.0	-45.3
Cement	819.4	676.6	17.4
Petcoke	861.4	500.4	41.9
Gypsum	72.1	30.7	57.5
Slag	32.6	44.2	-35.6
Other Products	26.4	24.7	6.9
Total Quantity Traded	3,003.5	3,008.6	0.2

2011 was notable for Cimpor Trading's change in focus to the market, by boosting the supply to third parties. Transactions of cement and clinker in 2011 to customers outside the Cimpor Group grew 71% and already account for 29% of total sales.

Sales of Cement and Clinker within the Group and to Third Parties

10^3 t	2011		2010		Change	
Intragroup sales	1,435.1	71.3%	2,071.0	86.0%	-30.7%	-14.7 p.p.
Sales to Third Parties	576.0	28.7%	336.6	14.0%	71.1%	14.7 p.p.

South America and Africa were the main destinations of exports, accounting for 25% and 49% of total sales, respectively. The geographical universe of Cimpor Trading’s activities includes Brazil, Algeria, Angola, Benin, Cape Verde, Cameroon, Egypt, Equatorial Guinea, United Arab Emirates, Guinea-Bissau, Mozambique, Paraguay, S. Tomé and Principe, Thailand and Togo.

As a result of growing confidence in the shipping area of Cimpor, virtually 50% of the clinker and cement supplied to third parties in 2011 was sold on a CIF/CFR basis (product placed at the destination). In 2010, the share sold under these terms did not exceed 26%.

Maritime transport in 2011 was a record, as the Cimpor maritime fleet transported 2.7 million tons of products, in 161 transport operations between more than ten countries, 31% more than in 2010.

Port operations totalled 3.8 million tons, 56.5% of which in the ports of Portugal and Spain, in the amount of EUR 17.5 million.

Trading and Shipping activities recorded a joint turnover in 2011 of EUR 206 million, an increase of 39% over the previous year. This growth is embodied in an increase of about 22% in EBITDA, which reached EUR 11.8 million, while the margin recorded a slight decrease of 0.8 p.p., to stand at 5.8%.

It is to be noted that during 2011, Cimpor invested about USD 26 million in the acquisition of a modern ship, Témara, designed for the carriage of solid bulk cargoes, which will meet the needs of the long distance shipping company. This vessel has a hold capacity of 50 thousand tons, and it will operate on the intercontinental routes between Portugal and North Africa and America.

Already in 2012 the company has acquired a second bulk carrier with a capacity slightly greater than 20 thousand tons, best suited for medium-haul transport. It has been baptized with the name Souselas, and will focus on medium distance routes, mainly in Europe and Africa.
These two vessels wholly renewed Cimpor’s own fleet, which now has an average age of less than five years, replacing the previous ships, Alhandra and Niebla, which were sold in 2010 and 2011. These acquisitions should ensure that in 2012 Cimpor’s own fleet will provide more than 30% of the company’s global transportation needs.

6. Business Support

6.1 Cimpor Tec

Cimpor Tec is the Competence Center for Cement and Sustainability, responsible for providing support to the Group's Business Areas. In 2011, the Quality Management System underwent the second follow-up audit conducted by APCER, which confirmed certification according to the ISO 9001:2008 standard.

The implementation of the Technical Area Activities Plan in 2011 exceeded 80%, indicating efficiency in response to the needs of the Operating Units (OU) and the effectiveness of the Activities Management portal of Cimpor Tec which gathers information on all planned work and its development.

The implementation of the Cimpor Performance Programme consisted in 2011 of the collection and validation of KPI, the annual update of the Plant Data Sheet, preparing and monitoring the Performance Improvement Plans and auditing the Benchmarking Indicators of the operating units of Asment de Témara, Cordoba and Cezarina. The new software tool and the Plant Management Dashboard under development will allow each OU to monitor the evolution of its indicators and compare them with other OU.

The work undertaken in the Process Engineering and Products area is of particular note: the assessment of the conditions for the implementation of improvement actions, capacity increases or new investments undertaken in several of the Group's OU in Spain, Morocco, Turkey, Brazil, Egypt, Mozambique, China and India.

In the raw materials area, the research work, operational planning and control of reserves undertaken in 2011 for the Group's OU focused on Portugal, Spain, Morocco, Egypt, Mozambique, China and India.

The central laboratory conducted nearly 50,000 tests throughout the year, a 10% increase on 2010, and it took part in several national and international testing programmes. Over 90% of the results had a deviation of less than 1.5 points (Z score).

The main research and development projects in progress concern belite cement, in partnership with Instituto Eduardo Torroja; Liquid Stone, in association with MIT; hydrated cement pastes with the nanostructure and chemical-mechanical properties of CSH; and the hydration mechanism of clinker, with Instituto Superior Técnico.

2011 was a year of great activity in the management of engineering projects in progress in Portugal, Spain, Morocco, Tunisia, Egypt, Mozambique and Brazil, to allow the use of alternative fuels, to modernise operating conditions and permit the future expansion of activity. The special focus in the maintenance field was on the management of frameworking maintenance projects and the implementation of standard applications for the Group's plants, in addition to the assessment of the performance of some areas of maintenance and plant equipment.

Cimpor Tec participated in 2011 in the Task Force of the Cement Sustainability Initiative and in a set of initiatives related to the Our Agenda for Action plan, which identified six key areas for progress - Climate protection and management of CO_2 emissions, responsible use of raw materials and fuel, safety and health of workers, monitoring and disclosure of emissions, impacts in terms of land use and on local communities and Reporting and Communication.

Almost one hundred technical officers from the various regions attended technical training courses organised by Cimpor Tec in the areas of: Raw Materials and Preparation, Products & Clinker, Maintenance Techniques, Mechanical Equipments' Maintenance, Advanced Grinding and Clinker Line Operation & Control.

6.2 Aggregate & Concrete Competence Center

The Aggregate & Concrete Competence Center (A&CCC) was created in 2010 to support the technical, operational and commercial development of the business areas (BA) engaged in the Aggregates and Ready-Mix Concrete activities. Its field of action already extends to 193 production centres in ten countries in the ready-mix concrete activity area, and 41 quarries and crushing plants of seven BA in the Aggregates activity area.

The main concern of A&CCC in 2011 was the introduction of more effective management and planning by the business areas, through the implementation of new procedures, conducting audits, consultancy and a systematic management and information use approach.

The work of the A&CCC covers four areas: Business Intelligence & Management Reporting, Performance & Benchmarking, Investments & Engineering & Products, Production & Quality.

The main objective of the year in the Business Intelligence & Management Reporting was achieved with the implementation of a harmonised management information model for the Ready-Mix Concrete activity in all BA and the development of an identical system for the Aggregates activity, with the conclusion date scheduled for the first quarter of 2012.

The benchmarking and performance monitoring programme in the Ready-Mix Concrete and Aggregates activity areas made it possible to evaluate the development in selected indicators of technical performance, identify the contribution of each country and the respective potential for improvement, and also promote the development of action plans to optimise and improve performance. The benchmarking programme for Aggregates was also initiated in 2011.

The A&CCC contributes to the BEST programme in the Ready-Mix Concrete area, ensuring the identification of improvement axes, the definition of concepts and the approach to take in calculating the savings achieved, coordinating the definition and validation of the objectives for each production centre, the structuring of the action plans, as well as monitoring their implementation and their impact.

The Investments & Engineering area took part in the discussion and drawing up of the investment plans of the BA in the Ready-Mix Concrete area and it created a global baseline through the inventorying of the equipment existing in the group, in order to optimise the available resources and expedite their transfer between BA.

This area also promotes technological innovation and the investigation of ways to further improve the performance of equipment and processes, such as the ongoing study on the use of press filters to optimise binder consumption.

The Products, Production & Quality area developed various projects in 2011 for dissemination by the BA of the procedures identified as good practices in the Ready-Mix Concrete activity, including the Production and Supply of Concrete manual and the Formula Optimization manual, which respectively describe the best practices in producing and supplying concrete and the best practices on how to select raw materials according to their availability and quality.

In a perspective of continuous improvement, 2011 was also marked by the definition of an employee performance appraisal system and a system to appraise customer satisfaction, which aims to identify opportunities for improvement and anticipate market needs.

Also of highlight in relation to the activities of A&CCC in 2011 are the technical audits conducted in Egypt and Brazil and collaboration in the in-depth restructuring that occurred in South Africa.

6.3 Corporate Logistics

The importance of logistics in the Cimpor Group justified the creation of a corporate logistics area, whose activity is divided between the departments of Logistics Policy and National Support and Cross-border Logistics.

The mission of this area is to coordinate all logistics strategy, by defining and monitoring the implementation of policies, guidelines and standard contract negotiation procedures in all countries and activities.

The intervention in 2011 focused on the business areas of Iberia, Brazil, South Africa, India and China, representing 65% of the Group's logistics costs. Initiatives were identified in each of these countries to optimise the logistical procedures and costs, and ensure alignment with the overall objectives of the Group. This intervention covers the entire value chain seeking to maximise cost control while ensuring the best level of service.

6.4 Information Systems

2011 was noted for the extensive restructuring of the oversight of Information Systems, responsible for the across-the-board management of all Information Systems branches of the Cimpor Group. The Projects & Development and Technologies & Systems Administration areas were joined by the new units of Business Information and Security & Auditing, which respectively aim to give support to the non-standard information needs of the Group and to strengthen the security of the systems.

Of particular relevance in the Projects & Development field was the systematisation of a global template for the implementation of business processes in the financial, logistics and commercial areas. This template uses SAP solutions and extends to all activities of the Group. Also of note is the implementation of the Credit Control Management Cockpit and Module, which connects to external data to provide the automatic classification of customers.

The projects to improve the Group's central datacentre and the disaster recovery site added the latest technologies available in the marketplace, with obvious gains in resource optimisation and maintenance. The Technologies & Systems Administration area also developed various projects to restructure and update the systems and networks.

6.5 Centralised Procurement

In June 2011, Cimpor, aware of the efficiency gains that the purchasing and procurement processes can contribute to the company's results, created a centralised procurement structure that was integrated into the corporate Business Support area.

This new structure, which was established in November, intends to centralise procurement in accordance with the best international practices, establishing a new organisational model and a set of procurement processes, as well as building the capacity and training teams in procurement.

The Procurement Centre was designed to meet the needs for the various categories of goods and services specific to the industry, with special focus on the standardisation of acquisition processes in all business areas of the Group and their orientation towards an optimised total cost of ownership.

The work that is being undertaken by the Procurement Centre also aims to develop and consolidate the procedures that allow internal competencies to be developed that cut across all business units of the Group, identifying initiatives that generate savings and define the key performance indicators that can be monitored in the future.

The activity of the Procurement Centre and its team is governed by its own code of conduct, which specifies for this area the scope of the principles of accountability, integrity, rigour and transparency adopted by Cimpor and expressed in the Group's Code of Ethics.

7. Management Discussion and Analysis

7.1 Worldwide and Sectoral Economic Framework

The pace of world economic recovery slowed in 2011, with world economic growth estimated at 3.8%, compared to 5.2% in 2010. Economic growth was once again led by the emerging and developing countries, which must have grown, as a whole, by slightly over 6%, about 1 p.p. less than the previous year. These countries were not completely immune to various significant events that mainly occurred in developed economies but had a global impact, such as the sovereign debt crisis of the euro area, the earthquake and tsunami in Japan and the slowdown in the U.S. economy. The developed countries generally registered a significant slowdown, moving from over 3% growth in 2010 to 1.6% in 2011. The divergence between the growth rates of the most developed countries and the emerging and developing countries increased even more, confirming the importance of the latter on a global scale.

Another aspect to highlight in 2011 is the looming inflationary pressures, in both developed countries and emerging and developing countries, albeit with generally higher rates in the latter. One of the factors that contributed to the rise in inflation was the evolution of oil prices, which were on average about 20% higher than in 2010.

Emerging and developing countries, and particularly China, consumed more than 90% of worldwide cement in 2011. The latest estimates point to a world consumption in 2011 of about 3.6 billion tons, 8% higher than the preceding year. However, the increase is only 5% if China is excluded. China is estimated to have surpassed the 2 billion tons barrier for the first time in 2011.

Cement demand, as was the case with economic growth, was again quite different in developed and emerging countries. In developed countries demand shall have declined about 2%, while in emerging countries cement consumption has increased almost 9% (or about 5% if we exclude China, which has seen its national demand grow by around 10% in 2011).

Economic shrinkage in developed countries was largely driven by the decline in Western Europe, where, despite some growth in northern European countries such as France, Germany, Belgium or Holland, the countries most affected by the sovereign debt crisis (Greece, Ireland, Italy, Spain and Portugal) recorded substantial reductions.

In relation to emerging countries, all world regions registered positive cement consumption growth rates in 2011. In Eastern Europe, the increase in Turkey is to be noted; in Latin America the increases registered in Brazil, Colombia and Argentina are to be noted; the growth in Iraq and Saudi Arabia is notable in the Middle East; in the rest of Asia (excluding China) the good performance of demand in India, Indonesia, Thailand and Vietnam deserve mention. In Africa, although demand increased overall (especially in Algeria, Morocco and Nigeria), growth rate was lower than in 2010 due to the declines in the countries where the so-called Arab Spring revolutions took place (Egypt, Libya and Tunisia).

7.2 Sales

Sovereign debt crisis and Arab Spring affect Iberia and Egypt, respectively, and prevent sales growth

Cimpor cement and clinker sales on a consolidated basis were of 27.5 million tons in 2011, which is 2.7% down on the 28.3 million tons in 2010. Emerging markets (also encompassing export destinations) attained an ever larger share of sales, already accounting for about 82% of the total, which is 3 p.p. higher than the preceding year.

Significant sales increases in Brazil and Turkey, and the smaller increases (on an overall Group basis) in Mozambique, South Africa and Morocco were not sufficient to offset the falls in China, Spain, Egypt, and in Portugal, in particular, which declined 18.8% compared to 2010 (about 850,000 tons).

CEMENT AND CLINKER SALES			
(1,000 ton)	2011	2010	Change %
Portugal	3,700	4,557	-18.8
Spain	2,397	2,856	-16.1
Cape Verde	227	234	-3.0
Brazil	5,626	5,327	5.6
Egypt	3,226	3,657	-11.8
Morocco	1,209	1,135	6.5
Tunisia	1,738	1,737	0.1
Turkey	3,034	2,884	5.2
Mozambique	976	884	10.4
South Africa	1,230	1,152	6.8
India	927	949	-2.4
China	3,893	4,105	-5.1
Intra-Group	-667	-1,208	n.s.
Consolidated	**27,515**	**28,269**	**-2.7**

The Group's clinker installed capacity utilization rate, accompanying the decrease of sales, fell by 4.6 p.p. to stand at 72.1% in 2011. The reductions, by country, in installed capacity utilization recorded in declining markets such as Portugal and Spain develop in the opposite direction to those recorded in countries where cement demand has substantially grown in recent years, such as Turkey or Brazil.

Deleveraging of economies significantly affects demand in Spain and Portugal

The sovereign debt crisis of the peripheral countries of the euro area, which includes Portugal and Spain, and the resulting deleveraging of the economy had a very significant impact on cement demand in those two countries. The fiscal consolidation effort and difficulties in accessing finance by companies and individuals in both Portugal (which requested external assistance in April 2011) and Spain, have had a great impact on the economy, namely on domestic demand, and particularly in the respective construction sectors which, according to the latest available data, have shrunk between 8-10% in both countries, compared to 2010.
The Portuguese market, which has been steadily declining since 2002, underwent one of its largest reductions in recent years, and it shall have contracted about 13% compared to 2010, to approximately 4.9 million tons of cement consumed. The decline of Cimpor total sales from

Portugal was greater than that recorded by the domestic market, standing at 18.8%, because of the overall 25% decrease in total exports, despite the increase in cement exports to third parties. The overall fall in exports was primarily due to lower amount of clinker shipped to Egypt.

It is estimated that the consumption decline in Spain was about 17%, with total consumption amounting to just over 20 million tons. The contraction of the Spanish market has been quite sharp since 2007, a year in which more than 56 million tons were consumed, signifying a reduction of over 60% from the consumption peak in 2007. The leasing of a grinding station at Antequera (Malaga province) sustained a sales reduction lower than that of the market, and despite the decline in exports.

Social and political instability restricts activity in Egypt

Cimpor sales in Egypt, like those on the Iberian Peninsula, also registered a significant drop in 2011, retreating nearly 12% compared with the previous year. This downward trend in sales is essentially due to the consequences of the so-called Arab Spring, the popular revolt that swept the country at the start of 2011. In economic terms, the instability and uncertainty that followed the revolution led to the slowdown of economic growth to a value slightly below 2%. In previous years Egypt had consistently posted growth higher than 5% per year. Growth slowdown also had an impact on construction, and therefore on cement consumption, which is estimated to have shrunk about 2% compared to 2010. There are other aspects, besides the decline in demand, that have restricted Cimpor sales performance. On the one hand, the start-up of new installed capacity led to a decrease in market share, while on the other, the instability generated by the political situation resulted in the shutdown of the plant for several days in February and May and the shortage of fuel for clinker production led to the 11.8% decrease in sales compared with the previous year. The reduction would have been even higher if Cimpor had not exported some clinker which alleviated some of the difficulties in the domestic market.

Cimpor sold about 6.8 million cubic metres of concrete in 2011, 1.0% more than in the previous year. Overall, the significant increases observed in Brazil (+13.7%) and Turkey (+7.8%) deserve mention, offsetting the drop in sales in Portugal (-12.4%). Also of note is the fact that in Spain, despite the extremely unfavourable climate (it is estimated that the market as a whole decreased about 17%), Cimpor was able to improve sales compared to the previous year (+1.1%), mainly due to increases in the southern regions (Extremadura and Andalusia) as a result of concrete supply to some sections of high-speed railway lines and thermo-solar plants.

CONCRETE SALES			
Concrete (1,000 m^3)	2011	2010	Change %
Portugal	1,805	2,061	-12.4
Spain	1,412	1,396	1.1
Cape Verde	35	40	-11.4
Brazil	1,708	1,502	13.7
Egypt	35	19	85.9
Morocco	361	351	2.8
Turkey	1,173	1,088	7.8
Mozambique	132	139	-5.3
South Africa	126	124	1.4
Total Concrete	**6,786**	**6,721**	**1.0**

Cimpor increased its aggregates sales in 2011, reaching 13.1 million tons, 2.5% more than in 2010. Tunisia deserves mention in this business, where in the first full year of activity (in 2010 the operation began at the end of the first half) sales increased from 264,000 tons in 2010 to nearly 1.1 million tons in 2011 (+315.5%). Sales also increased substantially from the previous year in Cape Verde (+191.6%), due to the supply to some construction works of considerable size, and in Brazil (+271.8%), owing to the opening of a new quarry at Cezarina, in September 2010. The above-stated increases offset the declines, that mainly occurred in Portugal (-13.4%) and Spain (-7.7%).

AGGREGATE SALES			
Aggregates (1,000 ton)	2011	2010	Change %
Portugal	4,893	5,651	-13.4
Spain	3,903	4,228	-7.7
Cape Verde	316	108	191.6
Brazil	597	160	271.8
Tunisia	1,098	264	315.5
Turkey	1,741	1,719	1.3
Other	522	619	-15.7
Total Aggregates	**13,071**	**12,751**	**2.5**

In mortar business, 438,000 tons were sold in 2011, 7.6% down from 2010. The reduction is due to falling sales in Portugal (-15.3%) and Spain (-12.7%), offset by a slight activity increasein Brazil (+0.5%).

MORTAR SALES			
Mortar (1,000 ton)	2011	2010	Change %
Portugal	103	122	-15.3
Spain	125	143	-12.7
Brazil	210	209	0.5
Total Mortar	**438**	**474**	**-7.6**

7.3 Turnover

Cimpor consolidated turnover in 2011 was EUR 2.2753 billion, an increase of 1.6% over the previous year. The increase of this indicator, despite the already analysed decrease in cement and clinker sales and the devaluation of most local currencies against the euro, was driven by increased concrete and aggregates sales and, in particular, the good performance of sale prices in most countries.

It is also to be noted that Cimpor turnover in 2011 only decreased in three countries where it operates (Portugal, Spain and Egypt), precisely those most affected by the year's contingencies (the euro area crisis and the Arab Spring). Cimpor turnover, excluding those three countries, grew by 13%.

TURNOVER			
(EUR Million)	2011	2010	Change %
Portugal	378.2	438.1	-13.7
Spain	249.8	272.5	-8.3
Cape Verde	32.1	31.1	3.3
Brazil	688.9	609.2	13.1
Egypt	165.6	226.6	-26.9
Morocco	99.7	94.5	5.5
Tunisia	83.6	78.0	7.1
Turkey	165.6	154.5	7.2
Mozambique	114.6	88.1	30.2
South Africa	148.7	144.8	2.7
India	50.8	48.2	5.5
China	127.6	106.1	20.3
Trading / Shipping	205.8	147.9	39.1
Other (1)	-235.8	-200.1	n.s.
Consolidated	**2,275.3**	**2,239.4**	**1.6**

(1) Includes Intra-Group write-offs

Sale prices drive turnover growth

Only three of the 12 countries where Cimpor operates (Morocco, South Africa and Egypt) did not record a positive evolution of the cement sale price in local currency. Cimpor's capacity to pass on to the sales price a large part of cost increases during the year was thus the main growth driver for its turnover.

China and Turkey deserve particular mention regarding the price changes. In China, a very positive price evolution was primarily due to improved market conditions at the end of 2010, when the energy consumption restrictions in Jiangsu province, which is Cimpor's area of operation, led to sharp price rises. Although the prices have declined since, they remained at levels higher than before during 2011, albeit with a sharper downward trend at the end of the year as a result of the changes in some macroeconomic assumptions and the increase in supply. In Turkey, the good performance of prices - rising 17% in local currency - was primarily related to increased demand as a result of the very favourable economic conditions currently existing in that country. Construction is one of the main pillars of development, with notable dynamism in residential and infrastructure sectors (such as dams construction).

Evolution was also quite generally favourable in India, although with some important changes throughout the year depending on demand, competitive pressure or weather conditions, particularly during the monsoon season.

Brazil, Mozambique, Cape Verde, Tunisia and Spain recorded positive developments in their average cement sale prices in 2011. In relation to the first 3 cases, the positive change in prices was brought about by the substantial demand increase as a result of their growing economies, although the increase in imports in Mozambique, (aided by the the local currency appreciation) may have driven down the price somewhat at the end of the year. In Tunisia, the increase in prices came from their approval by the Government while in Spain, besides it being possible to mitigate the sharp rise in fuel, the completion of some projects of significant size, in which the price was below the global average, had an impact.

Price change in Portugal, though positive, was very slight. In Morocco, South Africa and, more markedly, in Egypt, prices were below the average of the previous year. The causes of the less favourable sale prices in Morocco and Egypt are basically linked to the increase in supply through the emergence of new operators, while the price decrease in South Africa was related to the goal of regaining some of the market share.

7.4 Cash Costs

Comprehensive cost cutting programme and industrial turnaround in Mozambique mitigate the general rise of fuel and electricity costs and minimise the difficulties in Egypt arising from the political situation

The consolidated cash costs of Cimpor in 2011 were EUR 1.6593 billion euros, 3.1% higher than the previous year. The increase in cash costs despite the decrease in sales of cement and clinker is fundamentally explained by the general increase in the price of fuel and electricity, which was partly mitigated by the good results of the BEST overall cost cutting programme. Despite sales reduction (-2.7%) and consequent reduction in clinker (-5.7%) and cement (-4.4%) production, in absolute terms, fuel costs underwent an increase of more than 7% while total electricity costs fell by around 1% compared with the previous year. These trends are a result of the generalised rise of prices, reflected in Like-for-Like increases of more than 16% in the average of Gcal cost (thermal energy) and 8% in the MWh cost (electricity), compared to 2010.

Good results of the BEST programme were essential in mitigating rising costs

The good results already achieved by Cimpor’s Cost Reduction Programme launched at the end of 2009 - named BEST - were essential to minimise the effect of the rise in main production factors as well as the decreased activity in some markets. The programme covers the main areas of the company, such as cement manufacturing, logistics (both the procurement and sales components) and concrete production.

The BEST programme has fostered action plans, whose results are clearly and accurately measured in financial terms, and compared to the moment before the commencement of such initiatives.

Several measures were taken in cement production to improve industrial efficiency in specific consumption (thermal and electric), the use of alternative fuels, incorporation of clinker and fixed costs. It should also be noted that many of the measures also have a very positive impact on the environment due to the inherent reduction in CO_2 emissions.

Another axis of the programme was the detailed study oflogistics structures in some countries, with several opportunities for improvement being identified. Several action plans were developed to ensure gains are obtained from the detected opportunities, and such plans have already begun to generate significant savings in 2011.

Various initiatives were also implemented in the concrete business, across the entire Group, aimed at increasing Cimporcompetitiveness, particularly in the optimisation of concrete compositions and reducing transport costs.

The frequent monitoring of all measures taken as well as the strict quantification and control of the gains have been pivotal to the good results obtained, which have exceeded EUR 40 million at the end of 2011, compared to the base year.

Cimpor decided in 2011, considering the success of the programme and the need to mitigate the rise of the major production costs and the activity decline in some markets, to expand its BEST programme (which is now called BEST +). The programme now incorporates new intervention areas such as centralised procurement, improving the efficiency of the aggregates business and the launch of an ambitious programme to increase the use of alternative fuels. These new areas have raised the savings goal in 2012 from EUR 60 to 75 million, thus establishing a new goal for 2014 of EUR 100 million.

Substantial improvement of industrial operations in Mozambique

Despite the not so good initial performance of the kiln at Matola in 2011, the operational renewal work carried out during the annual shutdown in the middle of the year has very significantly improved the vast majority of the industrial performance indicators. As a result, clinker productioncould be increased by over 30% compared to the previous year, reducing the need to import this product by almost 20%. Moreover, the improved reliability and various other measures taken also had a significant impact on the reduction of heat consumption, minimising the incorporation of clinker and, in general, controlling and reducing the main industrial costs. The range of improvements made was thus essential to boost the results of Mozambique, allowing the company to meet the strong demand for cement existing in the country under substantially more competitive conditions.

7.5 Exchange Rates

The devaluation of most currencies against the euro had a negative impact on the financial results of Cimpor in 2011

Unlike 2010, when the exchange rate had a very positive impact on Cimpor results, in 2011 the exchange rate effect was negative, by about EUR 10 million, owing to the devaluation of the main currencies of the countries where the Group operates. In other words, excluding the exchange rate effect, EBITDA would have remained almost identical to the previous year.

In absolute terms, the currencies that most contributed to this negative trend due to the weight of the respective country in the Group and the recorded exchange rate developments were the Egyptian pound and Turkish lira, which respectively depreciated 16.8% and 10.3%, on average against the euro. The Turkish lira maintained a strong depreciation trend against the euro throughout the year, due to the exchange rate policy pursued by the central bank. In the case of Egypt, devaluation was mainly at the beginning of the year because of the social and political events.

Both the Indian rupee and the South African rand underwent sharp devaluations at the end of 2011, generating an annual average change of -7.8% and -3.7%, respectively. This fact also penalised the results of those countries, with particular emphasis on the rand, considering the importance of South Africa in Cimpor's results.

The Brazilian real, which was the main contributor to the positive exchange rate developments last year, only achieved very slight appreciation (0.7%) against the euro in 2011, and despite fluctuation over the year, including sharp devaluation at the year's end. On the other hand, the currency that most contributed on the positive side was the Mozambican metical, which appreciated 8.0% against the euro during 2011.

7.6 EBITDA

Cimpor EBITDA in 2011 was EUR 616.0 million, a decrease of 2.2% compared to 2010.

EBITDA			
(EUR million)	2011	2010	Change %
Portugal	99.4	138.0	-28.0
Spain	34.6	32.5	6.4
Cape Verde	4.1	3.7	11.0
Brazil	210.1	190.9	10.1
Egypt	50.0	86.9	-42.5
Morocco	40.9	41.6	-1.6
Tunisia	23.8	23.3	2.5
Turkey	31.3	22.0	42.4
Mozambique	23.6	11.4	106.5
South Africa	59.7	58.9	1.3
India	3.4	4.3	-21.9
China	17.9	8.9	100.9
Trading / Shipping	11.8	9.7	21.8
Other	5.4	-2.2	s.s.
Consolidated	**616.0**	**629.8**	**-2.2**
EBITDA Margin	**27.1%**	**28.1%**	

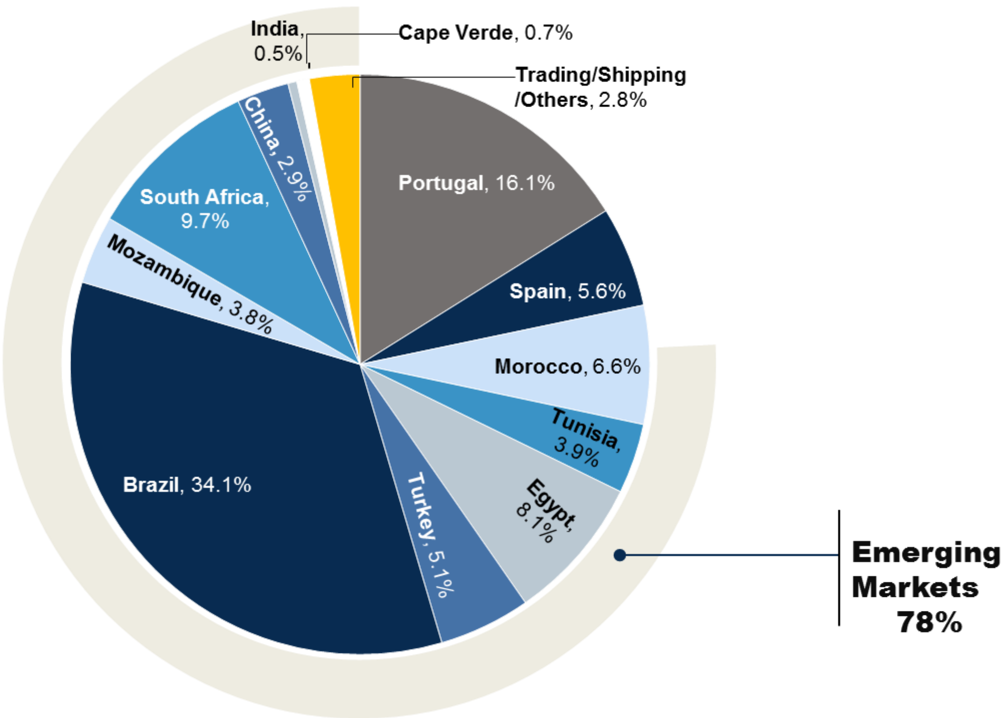
The favourable performance of sale prices in most countries and the various efficiency improvement measures under the BEST cost cutting programme were essential to offsetting the significant increases that most of the production factors underwent, especially in fuels and electricity.

EBITDA performance in most countries was positive, with particular reference to the referred increases in Brazil, Mozambique, Turkey and China. These increases resulted, in most cases, from considerable economic dynamism (especially in Brazil, Turkey and China) combined with a substantial improvement in performance (particularly Mozambique and China) owing to the various management measures that have been implemented. However, the impact of the financial assistance programme to Portugal and the Arab Spring resulted in declines in EBITDA of almost 30% in Portugal and over 40% in Egypt, which absorbed the positive results generated in other countries. The influence of these events was so significant that, excluding contributions of the Iberian Peninsula and Egypt, EBITDA would have grown by over 15% compared to 2010.

It is also to be noted that the fall in demand in both Portugal and Spain was offset by the sale of CO_2 licences, albeit this was limited due to the decrease of the respective market price, especially at the end of 2011.

The EBITDA margin, quite penalised by the increase in energy factors and the fall in profitability in Portugal and Egypt, and despite the substantial improvements posted by Mozambique, China and Turkey, fell around 1 p.p. to 27.1%.

The good performance of most of the emerging countries, together with the activity reduction recorded on the Iberian Peninsula, means that the contribution of the emerging countries to EBITDA is now 78%, up 6 p.p. over the previous year.



7.7 Amortization and Provisions

Amortization and provisions in 2011 amounted to EUR 243.2 million, up 10.2% from the previous year.

The amortization value in 2011 was virtually identical to 2010 (-0.2%), as a result of the containment of investments in previous years.

Provisions underwent a significant increase, mainly due to the reporting of impairments of tangible fixed assets of the non-cement activities in Spain (EUR 10 million), due to the continuation of restructuring initiated in previous years, which aims to adjust the operational capacity to the shrunk market, and also through the increase of the amount relating to tax proceedings in Brazil (about EUR 8 million).

7.8 Financial Income

The Financial Income of Cimpor in 2011 was EUR 80.9 million, which compares unfavourably with the value of the previous year, by around by EUR 20 million.

The decline in financial income, excluding the impact of non-recurring transactions, is primarily the result of the increase of costs to fund the Group, mainly from the increase in spreads.

Cimpor was not immune to the worsening of the funding conditions currently affecting the countries of southern Europe. All the debt contracted during the refinancing of the last quarter of 2010 (with lower impact on the results of the previous year) has had full impact on this year's results. Moreover, the new debt instruments contracted during 2011 have credit spreads that are substantially higher than those already carried on Cimpor balance sheet, which explains the increase in paid interest. The impact of the substitution of the debt contracted during 2007 and 2008 is, therefore, the main factor underlying the increase in financial costs. That increase was partly offset by the improved financial income from the interest earned on the large amounts of cash held by the Group. Those sources of financial income include that earned by the companies heading the Group and in Brazil (EUR 13.4 million and EUR 4.8 million, respectively).

7.9 Income Tax

Income taxes amounted to EUR 85.7 million in 2011, 11.4% less than in 2010. Thus, the 1.6 p.p. increase in the effective rate of income tax is essentially due to the continued trend of results growth in jurisdictions with higher income tax rates.

Furthermore, the concentration of funds at the top of Group meant higher tax payments at source, and also various settlements of deferred taxes were made.

7.10 Net Income

The net income attributable to Cimpor's shareholders was largely influenced by the increase in provisions, financial expenses and taxation, decreasing 18.1% in 2011 to EUR 198.1 million.

INCOME STATEMENT			
(EUR Million)	2011	2010	Change %
Turnover	**2,275.3**	**2,239.4**	**1.6**
Net Operating Cash Costs	1,659.3	1,609.6	3.1
Operating Cash flow (EBITDA)	**616.0**	**629.8**	**-2.2**
Amortizations and Provisions	243.2	220.7	10.2
Net Operating Income (EBIT)	**372.8**	**409.1**	**-8.9**
Financial Income	-80.9	-60.6	n.s.
Earnings before Tax	**291.9**	**348.5**	**-16.2**
Income Tax	85.7	96.8	-11.4
Net Income	**206.1**	**251.7**	**-18.1**
Attributable to:			
Shareholders	198.1	241.8	-18.1
Minority interests	8.0	9.9	-19.0

7.11 Investments

After two years of heavy investment containment that allowed Cimpor to achieve among the best credit metrics of its peers, it became important in 2011 to again prepare the portfolio to accompany the predictable dynamics of some of the markets. Thus, Cimpor approved significant investments, especially in increasing capacity and also to improve efficiency and environmental conditions and the safety of its facilities.

Net operating investments totalled EUR 294.5 million euros in 2011, about 80% more than the amount invested the previous year. About 90% of that total is directly related to the cement activity.

The increased investment was largely aimed at increasing production capacity in markets with higher growth potential. Examples of this are the acquisition of 100% of CINAC, a grinding station located in Nacala, Mozambique, a new cement mill at Matola and the start of construction of a new mill at Dondo, also in Mozambique, as well as expansion and renovation projects at Cezarina and Campo Formoso, Brazil, which shall provide about 500,000 tons of additional production capacity in Brazil.

The notable investments to improve operational efficiency are the installation of electricity generation through the recovery of energy from exhaust gases of the production process (WHR), in India, and logistics optimisation such as the replacement of the "Niebla" ship (sold in 2010) for the 'Temara', which is more adjusted to current needs.

Of note in environmental terms, is the installation of bag filters at the plant in Tunisia and on two of the clinker production lines at the Egypt plant.

7.12 Returns

Return on Capital	2011	2010	Change
Return on Equity (ROE) (1)	9.9%	13.5%	-3.7 p.p.
Return on Capital Employed (ROCE) (2)	7.1%	8.0%	-0.9 p.p.
Return on Invested Capital (ROIC) (3)	6.8%	7.8%	-1.0 p.p.

(1) Current Net Income/Average Shareholder's Equity
(2)Current Operating Income (net of Cash Taxes) / Average Capital Employed
(3) Current Operating Income (net of Cash Taxes) / Average Invested Capital

The various return on capital indicators of Cimpor decreased in 2011, compared to the previous year, mainly due to the two specific situations that affected the company (the request for external assistance by Portugal, and the social and political situation in Egypt) and the increase in non-operating costs driven by the international situation.

Return on equity fell 3.7 p.p. in 2011 to 9.9%. The decline in net income as a result of non-operating items was the main cause of this indicator's reduction, despite the slight decrease in equity due to the depreciation of the major currencies against the euro in the countries where Cimpor operates.

The return on capital employed dropped 0.9 p.p., on average, to 7.1%. Although the capital employed declined, largely due to the exchange rate factor, the reduction of current operating income and the increase of the tax rate caused the return to decrease.

The value of the return on invested capital was 6.8% in 2011, 1.0 p.p. less than the previous year. Invested capital underwent a slight decrease, mainly due to the reduction of capital employed, even though ongoing investments have grown slightly over the previous year. Nonetheless, and as happened in relation to capital employed, the main cause of the lower return on invested capital was the decrease in current operating income.

7.13 Cash-Flow Management

Net Free Cash-Flow	(EUR million)		
	2011	**2010**	Change %
Cash flow generated by transactions (+)	604.6	616.8	-2.0
Taxes (-)	71.1	71.3	-0.2
Change in Working Capital (+/-)	-13.1	-34.7	n.s.
Cash flow generated by operating activity	520.4	510.8	1.9
Disposals and Income from Investments (+)	12.6	18.7	-32.7
Net Interest (-)	77.6	50.7	53.3
Free Cash-Flow	455.4	478.9	-4.9
Investment in Assets and Acquisitions (-)	272.6	179.7	51.6
Financial Investment (-)	53.5	24.2	120.8
Dividends and changes in equity (-)	143.4	144.4	-0.7
Net Cash-Flow	**-14.1**	**130.5**	**n.s.**

The comparison of the use of cash flow generated in 2010 and 2011 clearly shows Cimpor shifting to balanced growth, having surpassed the phase of giving priority to deleveraging.

Cimpor's ability to generate strong cash flows, despite the very significant increase in investment referred to above, made it possible to maintain the level of indebtedness in 2011.

The cash flow generated from operations in 2011 underwent a slight reduction (-2.0%), in line with the change in EBITDA of Cimpor. The value of tax payments was similar to 2010. The change in working capital, although around EUR 13 million to the negative, was still lower than the change the previous year (which was also negative). Although this indicator is influenced by quite dissimilar realities in the various countries where Cimpor operates, notably the increased activity in several markets, the increase of the stocks at the end of the year of fuel in Brazil (due to planned stoppages) and of fuel and finished products in China (due to the slowdown in demand) had a certain impact. The cash flow generated by operating activities as a result of these effects rose 1.9% to EUR 520.4 million.

Net interest, i.e. the difference between interest paid and earned, substantially increased owing to the rise of financial costs as a result of the financial markets climate for peripheral issuers, which made the Free Cash Flow decrease 4.9% to EUR 455.4 million.

Lastly, the component that most influenced the change in cash flow was the increase in the payment of investments derived from the increase recorded in that item. Payments related to financial investments increased significantly in comparison with the previous year due to the decision to dispose of almost the entire portfolio of trading derivatives in the 1st half of 2011. Finally, the payment of dividends value (and changes in equity) was virtually identical to 2010, driving an increase in the net debt of Cimpor in 2011 by EUR 14.1 million.

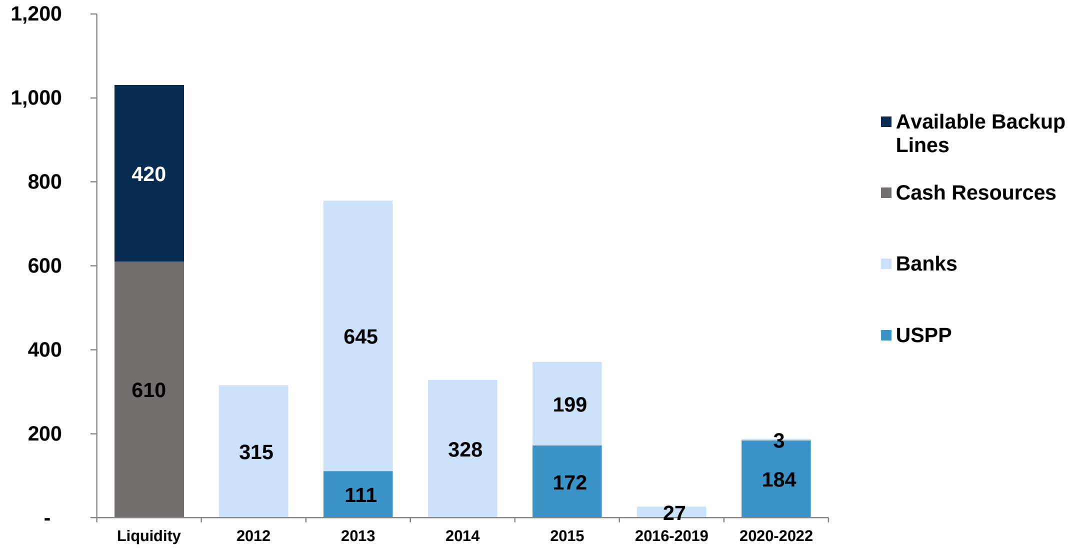
7.14 Debt Management

The management of Cimpor's debt was heavily limited by the unfavourable economic climate that affected the economic agents of Southern Europe and, in particular, the request for international financial assistance by the Portuguese Government in April. Prior to that date, access to the European capital markets for issuers based in Portugal was already very problematic, and after April it became virtually impossible.
This situation has further fuelled by the slimming down of credit extended by the international banking system. European banks, pressured by the European Community agencies to strengthen their balance sheets, and the other banks, afraid of the deepening crisis in Europe, naturally chose to reduce the funding and demanded higher interest on the loans provided.

This adverse climate made it impossible to refinance the Eurobond issued in May 2004 (EUR 600M; 7y) through the same community of investors, as would normally be the case. To that end, Cimpor resorted to the mobilisation of a bank credit facility of EUR 320 million, already negotiated and guaranteed since 2010 in order to circumvent the situation that did, in fact, occur.

This meant that it was impossible to extend the average life of the financial liabilities as much as Cimpor had desired - given the large scale of the operation, equivalent to more than one-quarter of the gross debt - and hence liquidity needed to be strengthened, obtained from the banking market in particular, in order to ensure prudent coverage of the instruments with shorter maturities.

Maturity of Debt (Top of Group) in EUR million



The average life of the liabilities at the top of Group was almost three years, reflecting the way how the Eurobond was amortized and also that the maturity of the new credit obtained in the meantime from the banking sector is lower than that obtained from the capital markets.

In the meantime, at the start of September the Standard & Poor's agency completed the assessment of the exposure of Cimpor to the sovereign risk of Portugal, which resulted in the practical implementation of the criteria it had defined in April, whereby the rating of issuers based in the euro area could exceed that assigned to the sovereign.

That assessment resulted in the recognition that the risk relative to the rating of the Portuguese Republic was low ("low risk"), while simultaneously confirmed the BBB-, stable outlook rating of Cimpor.

Development of *Rating* between Dec.10 and Dec.11						
	Portugal			Cimpor		
	Moody	S&P	Fitch	Moody	S&P	Fitch
Aaa/AAA						
Aa1/AA+						
Aa2/AA						
Aa3/AA-						
A1/A+	NEG		NEG			
A2/A						
A3/A-		NEG				
Baa1/BBB+						
Baa2/BBB						
Baa3/BBB-		NEG			STA	
Ba1/BB+			NEG			
Ba2/BB						
Ba3/BB-	NEG					
B1/B+						
B2/B						
B3/B-						
Below B-						

NEG "Negative Outlook"; STA "Stable Outlook"

These two facts - decoupling and keeping the same rating - which occurred at a time of successive downward revisions of both the sovereign risk and the rating of the majority of Portuguese issuers, was extremely important, although it was insufficient to instantly reopen the European capital market - it should be noted that the financial crisis continued to worsen at that time, with Spain and Italy becoming contaminated by the unresolved Greek issue.

Interest Rates and Credit Default Swaps (CDS) in the Periphery of Europe

Sovereign Debt CDS (5 years)	dec-10	mar-11	jun-11	sep-11	dec-11
Germany	60 bps	43 bps	40 bps	116 bps	101 bps
Italy	244 bps	142 bps	174 bps	479 bps	487 bps
Spain	350 bps	231 bps	258 bps	378 bps	382 bps
Portugal	504 bps	566 bps	746 bps	1105 bps	1081 bps
Greece	1153 bps	883 bps	1693 bps	5202 bps	8644 bps

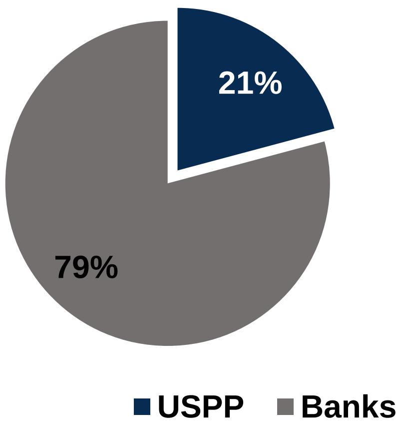
Government Bonds - Rates (%)	dec-10	mar-11	jun-11	sep-11	dec-11
Germany					
2 years	0.86%	1.79%	1.61%	0.55%	0.14%
10 years	2.96%	3.35%	3.03%	1.89%	1.83%
Italy					
2 years	2.88%	2.50%	3.09%	4.25%	5.12%
10 years	4.82%	4.82%	4.88%	5.54%	7.11%
Spain					
2 years	3.46%	3.17%	3.44%	3.48%	3.30%
10 years	5.45%	5.30%	5.45%	5.14%	5.09%
Portugal					
2 years	4.26%	8.78%	13.19%	17.15%	16.06%
10 years	6.60%	8.41%	10.90%	10.93%	13.36%
Greece					
2 years	12.24%	15.76%	26.73%	62.17%	134.23%
10 years	12.47%	12.84%	16.34%	22.69%	34.96%

Source: Bloomberg;

The decoupling is, on the one hand, a strong caution of how Cimpor intends to be perceived by the markets - an international group with a geographically diversified portfolio that is mostly based in emerging economies, with a high return within the sector and, in particular, with low exposure to the Iberian market. Moreover, keeping the same rating during a year so full of turmoil, where the focus was on the downgrade of most issuers (particularly the Portuguese), made it possible for financers to continue classifying it as a solid and interesting risk.

This context was critical to the successful compliance with the two financial policy goals defined for 2011: increase liquidity through new operations with diversified counterparties, with costs and maturities as reasonable as possible and, in parallel, strengthening a long-term relationship with new groups of investors capable of generating, as soon as possible, debt issues with longer terms.

Debt Breakdown by Instruments



The highlights among the specific initiatives in the debt refinancing and liquidity management field are:

- The contracting throughout the year and at the top of the Group of an approximate total of EUR 300 million in medium / long-term loans with non-national counterparties, with particular reference to a 4-year bullet loan of EUR 100 million from a Brazilian bank and a long-term operation in the U.S. Private Placements market, increasing the amount agreed in December 2010 by USD 40 million;

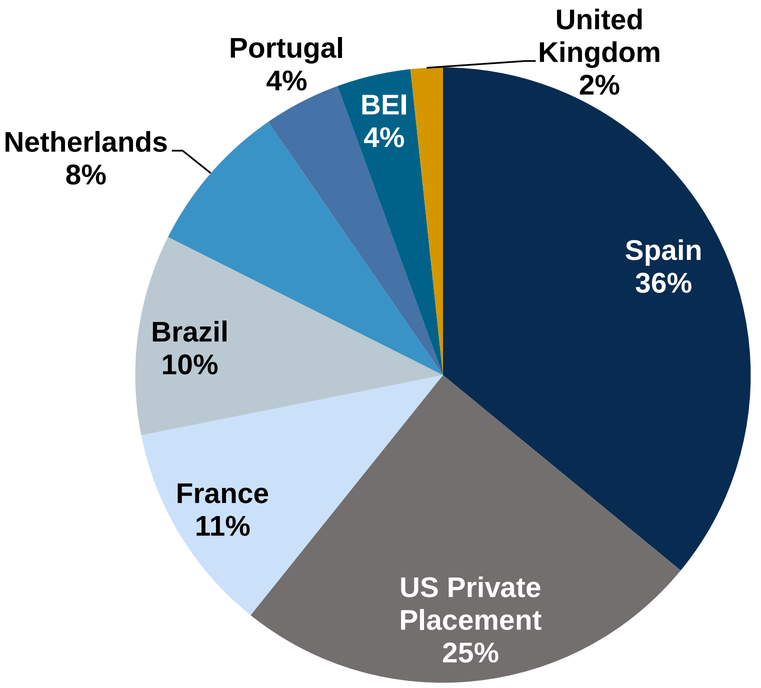
- The substitution of the majority of the credit lines contracted with institutions whose lending capacity could come under pressure (particularly Spanish banks) for bilateral loans, thus removing any doubts about the soundness of these lines;

- The extension to 2014 of a EUR 100 million tranche of bank debt, with maturity scheduled for January 2011, and the use - already provided for – of the banking facility subordinated to refinancing the Eurobond;

- The strengthening, in terms of geographical diversification and the rating of counterparties, of the credit lines portfolio, with the emphasis on a new line of credit of EUR 50 million contracted with a U.S. institution with a high rating, together with the reduction of the amounts secured by the Iberian banking sector. The total available through credit lines at the end of the year was EUR 420 million, EUR 385 million of which were contracted at the top of the Group.

On 31 December only 4% of the financial liabilities of the Group had their origin in Portugal, with the U.S. market and geographical diversification of the banking sources of particular note.

Sources of Funding by Country



Maintaining a high amount of liquidity, higher than that needed to support the financing of the normal operating cycle of the Group companies – although crucial to safeguarding the rating - coupled with the widespread increase in funding costs, has necessarily led to a significant increase in financial expenses.

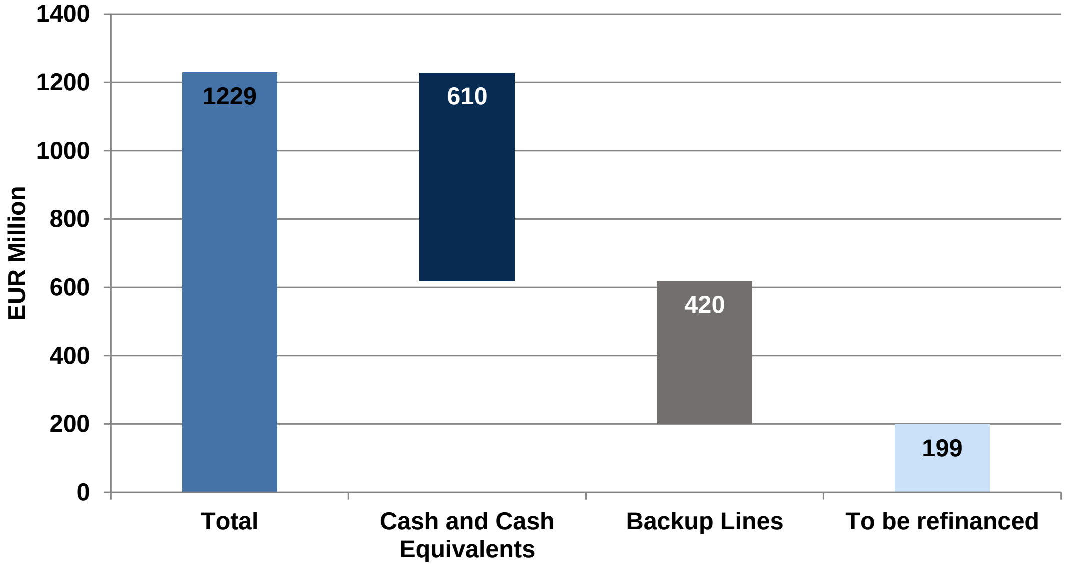
It should be noted that all the debt contracted in the last quarter of 2010 only had a slight impact on the results of the previous year, but it had a full impact on 2011. Moreover, the debt instruments contracted during 2011, with substantially higher credit spreads, also contributed to the worsening of interest expenses.

It is true that this phenomenon was partly mitigated by the increased financial income from the interest earned on the large amounts of cash held, in particular the interest earned at the top of the Group and in Brazil, but it was still insufficient to prevent the growth of net financial expenses.

With one year's hindsight, it can be recognised that the operations to strengthen liquidity carried out in the autumn of 2010 proved to be fruitful, since they ensured that the financial management throughout 2011 did not have to focus on short-term needs (liquidity risk), allowing the emphasis to be on the medium-term and safeguarding adequate solvency levels.

This fact is evident in the following chart, which shows that the amount of cash and cash equivalents held at the end of 2011 (EUR 610 million) is sufficient to cover half the consolidated financial liabilities of the next two years. If we add the available and fully guaranteed credit lines (EUR 420 million), it can be concluded that only 16% of the debt maturing in the next 24 months required refinancing at the end of 2011.

Financial Liabilities in 2012/2013



Since the goal of full coverage of financial liabilities for 2012 and 2013 was achieved with the operations performed in 2012, Cimpor will remain committed to strengthening its financial structure. It can be expected, that keeping its European Medium Term Notes programme updated, that Cimpor will accomplish the goal of increasing the average maturity of its financial liabilities, by issuing significant amounts in the capital markets when the price and execution risk conditions are deemed appropriate. The achievement of that goal will slim down the costs arising from holding very high levels of liquidity.

The Consolidated Net Debt at the year's end amounted to EUR 1.6227 billion, in other words, EUR 61.1 million higher than at the end of 2010. This difference was mainly the result of a higher investment amount than in the preceding year.

The debt ratio (Net Debt/EBITDA) and coverage of financial expenses ratio (EBITDA/Net Financial Expenses) comfortably comply with the contractually established limits.

Debt at 31 December 2011 (EUR Million)				
Operating Segment	Cash Resources	Gross Debt	Leasings	Net Debt
CIMPOR Holding + Shared Areas	40.4			-40.4
CIMPOR BV	2.7	467.0		464.3
CIMPOR Inversiones	380.2	1,415.3	17.4	1,052.5
Portugal	48.4	127.3	0,1	79.1
Spain	19.8	1.2		-18.6
Brazil	7.8	20.8	2,1	15.1
Egypt	22.2	20.9		-1.3
Morocco	5.9	1.8	0.1	-4.0
Turkey	1.2	56.7		55.5
China	6.5	60.0		53.5
Tunisia	14.6	3.8	0.1	-10.7
Mozambique	3.4	34.2		30.8
Cape Verde	1.1	0.1		-1.1
South Africa	36.1			-36.1
India	6.2	4.1		-2.1
Peru	3.6			-3.6
Trading	10.2			-10.2
	610.4	**2,213.4**	**19.7**	**1,622.7**

7.15 Risks and Coverage Policy

In its business the CIMPOR Group is exposed to various risks likely to more or less have a material impact on its financial statements.

As regards the management of assets and liabilities, the interest rate and foreign exchange risks stand out, arising the fact that the Group holds financial assets and liabilities denominated in currencies other than the consolidation currency.

CIMPOR, in addition to adopting a set of procedures and practices generally accepted in the implementation of policies to cover risks, has defined some basic principles with regard to its funding policy and allocation of cash resources, which are summarised as follows:

- Whenever possible, contracting financing in local currencies, with the purpose of financing investment projects or working capital in various business areas. The contracting of credit lines in Turkey, Tunisia and Morocco during 2011 illustrate this policy;

- Maximising cash movements from the various business areas to the top of the group, usually through dividends, in order to keep cash positions (assets) on currencies other than the Euro to a minimum, and to simultaneously strengthen the liquidity situation at the top of the Group, where about 90% of consolidated debt is placed.

About EUR 270 million were transferred during 2011 from the various business areas to Cimpor Inversiones, in the form of dividends and similar forms of return on capital.

These two conditions contribute to the shrinkage of Net Positions denominated in currencies other than that of the consolidation, thus naturally minimising the exchange rate impact on the consolidation of the balance sheet.

Of particular note is the decision to keep the US Private Placement issues, undertaken in December 2010, denominated in dollars, as well as an additional USD 40 million in December 2011 in the same market and also a dollar tranche of a loan from a Brazilian bank. This decision is a mean of naturally hedging liabilities, taking into account the better correlation between several of the currencies the Group is exposed to and the U.S. dollar, compared with the euro.

Many of the mentioned measures seek to mitigate the lack of coverage of net positions in foreign investments with derivatives (net investment hedge), given the cost of such coverage - resulting from high interest rate differentials between the euro and the emerging currencies - and the lack of liquidity and depth of such operations.

However, it should be noted that the market valuation of industrial assets is strongly pegged to the dollar in the cement industry, which means that the impact of exchange rate changes are relatively limited to the accounting sphere.

It should be noted, with regard to interest rate risk, that Interest Rate Swaps totalling EUR 165 million were contracted, with the aim of increasing the share of debt indexed to fixed rates, bringing the fixed rate/floating rate mix closer to the defined objectives, and also taking advantage of the historically low interest rates available in 2011.

8. Subsequent Events

On 28 February 2012, Jorge Humberto Correia Tomé resigned from the post of director of Cimpor.

On 22 March 2012, J. Bastos, C. Sousa Góis & Associados, SROC appointed its representative to the Audit Board of Cimpor, Ana Maria Celestino Alberto dos Santos, following the resignation of Jaime de Macedo Santos Bastos.

9. Proposed Appropriation of Profits

As reflected in the financial statements, the consolidated profit attributable to shareholders for the 2011 financial year was EUR 198,131,722.04 and the net profit on an individual basis for the financial year amounted to EUR 110,232,993.74.

In accordance with the provisions of Article 20 of the Articles of Association of CIMPOR and the dividend distribution policy set forth in the Corporate Governance Report, the Board of Directors proposes to the Shareholders that the net profits for the 2010 financial year are appropriated as follows:

- Award of bonuses to the members of the Executive Committee and other employees on the payroll of CIMPOR – Cimentos de Portugal, SGPS, S.A. at the end of December 2011, in the maximum amounts of EUR 1,980,000.00 and EUR 720,000.00 (already considered in the financial statements);

- Payout to the shareholders of the remaining net profit on an individual basis for the 2011 financial year, amounting to EUR 107,532,993.74 euros, together with the amount of EUR 4,019,006.26 of retained earnings from the 2010 financial year, in order to make up a gross dividend of 0.166 euros per share.

10. Declaration of Conformity

The members of the Board of Directors, pursuant to Article 245(1)c) of the Portuguese Securities' Code, hereby state that to their full knowledge the annual report and accounts and other accounting documents were drawn up in conformity with applicable accounting standards, providing an accurate and appropriate image of the assets and liabilities, the financial situation and the profits of CIMPOR – Cimentos de Portugal, SGPS, S.A., and the companies included in the consolidation perímeter. They further state that the annual report faithfully shows the evolution of the business, the performance and the position of CIMPOR and the companies included in the consolidation perimeter, and it contains a description of the main risks and uncertainties that they faced.

The Board of Directors

António José de Castro Guerra

José Manuel Baptista Fino

Jorge Humberto Correia Tomé

Albrecht Curt Reuter Domenech

José Édison Barros Franco

Walter Schalka

João José Belard da Fonseca Lopes Raimundo

Paulo Henrique de Oliveira Santos

Manuel Luís Barata de Faria Blanc

António Sarmento Gomes Mota

José Neves Adelino

Francisco José Queiroz de Barros de Lacerda

Luís Filipe Sequeira Martins

António Carlos Custódio de Morais Varela

Luís Miguel da Silveira Ribeiro Vaz

II. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS
of Comprehensive Income for the years ended 31 December 2011 and 2010
(Amounts stated in thousand of euros)
(Translation from the Portuguese original – Note 52)

	Notes	2011	2010
Operating income:			
Sales and services rendered	7	2,275,269	2,239,426
Other operating income	8	82,963	76,479
Total operating income		2,358,233	2,315,905
Operating expenses:			
Cost of goods sold and material used in production	9	(659,954)	(642,745)
Changes in inventories of finished goods and work in progress		(7,599)	14,622
Supplies and services		(769,946)	(757,966)
Payroll costs	10	(266,034)	(260,256)
Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets	7, 16, 17 and 18	(225,929)	(216,387)
Provisions	7 and 36	(17,227)	(4,303)
Other operating expenses	11	(38,750)	(39,743)
Total operating expenses		(1,985,438)	(1,906,778)
Net operating income	7	372,795	409,127
Net financial expenses	7 and 12	(80,545)	(47,103)
Share of profits of associates	7 and 12	(1,240)	(993)
Other investment income	7 and 12	867	(12,553)
Profit before income tax	7	291,876	348,478
Income tax	7 and 13	(85,746)	(96,771)
Net profit for the year	7	206,130	251,707
Other comprehensive income:			
Derivative financial instruments	31 and 33	(613)	2,010
Available-for-sale financial assets		(548)	(64)
Actuarial gain and loss on employee's responsabilities	31 and 33	(3,340)	(6,087)
Currency translation adjustments	30 and 33	(205,629)	211,745
Adjustments in investments in associates	19	161	21
		(209,970)	207,625
Total comprehensive income for the year		(3,840)	459,332
Net profit for the year attributable to:			
Equity holders of the parent	15	198,132	241,837
Non-controlling interests	7 and 33	7,998	9,870
		206,130	251,707
Total comprehensive income for the year attributable to:			
Equity holders of the parent		(16,470)	435,458
Non-controlling interests		12,630	23,874
		(3,840)	459,332
Earnings per share:			
Basic	15	0.30	0.36
Diluted	15	0.30	0.36

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2011.

CONSOLIDATED STATEMENTS

of Financial Position at 31 December 2011 and 2010

(Amounts stated in thousand of euros)

(Translation from the Portuguese original – Note 52)

	Notes	2011	2010
Non-current assets:			
Goodwill	16	1,358,893	1,445,229
Intangible assets	17	55,091	69,933
Tangible assets	18	2,214,162	2,188,328
Investments in associates	7 and 19	18,289	23,083
Other investments	20	28,331	13,443
Accounts receivable-other	22	12,322	12,496
Taxes recoverable	23	36,300	33,851
Other non-current assets	24	3,561	22,218
Deferred tax assets	25	139,634	128,935
Total non-current assets		3,866,582	3,937,516
Current assets:			
Inventories	26	337,354	362,008
Accounts receivable-trade	27	282,160	284,359
Accounts receivable-other	22	26,916	24,713
Taxes recoverable	23	62,370	60,292
Cash and cash equivalents	46	610,430	659,678
Other current assets	24	10,409	22,314
		1,329,638	1,413,364
Non-current assets held for sale	21	40,818	34,000
Total current assets		1,370,457	1,447,364
Total assets	7	5,237,038	5,384,880
Shareholders' equity:			
Share capital	28	672,000	672,000
Treasury shares	29	(29,055)	(32,986)
Currency translation adjustments	30	46,043	256,337
Reserves	31	273,717	280,678
Retained earnings	32	822,052	714,928
Net profit for the year	15	198,132	241,837
Equity before non-controlling interests		1,982,890	2,132,794
Non-controlling interests	33	101,451	97,437
Total shareholders' equity	7	2,084,341	2,230,231
Non-current liabilities:			
Deferred tax liabilities	25	265,055	272,800
Employee benefits	34	18,857	19,071
Provisions	36	198,370	170,828
Loans	37	1,634,525	1,253,345
Obligations under finance leases	38	16,791	3,072
Accounts payable-other	41	19,656	26,191
Taxes payable	23	1	521
Other non-current liabilities	42	44,537	79,995
Total non-current liabilities		2,197,793	1,825,822
Current liabilities:			
Employee benefits	34	4,711	4,236
Provisions	36	1,080	1,101
Loans	37	553,579	934,629
Obligations under finance leases	38	2,915	3,092
Accounts payable-trade	43	192,464	199,370
Accounts payable-other	41	72,905	73,851
Taxes payable	23	67,772	44,166
Other current liabilities	42	59,479	68,381
Total current liabilities		954,905	1,328,827
Total liabilities	7	3,152,697	3,154,649
Total liabilities and shareholders' equity		5,237,038	5,384,880

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2011.

CONSOLIDATED STATEMENTS

of Changes in Shareholders’ Equity for the years ended 31 December 2011 and 2010

(Amounts stated in thousand of euros)

(Translation from the Portuguese original – Note 52)

	Notes	Share capital	Treasury shares	Currency translation adjustments	Reserves	Retained earnings	Net profit	Shareholders' equity attributable to equity holders	Non-controlling interest	Total shareholders' equity
Balances at 1 january 2010		672,000	(39,905)	58,587	287,456	615,340	237,025	1,830,503	92,488	1,922,991
Consolidated net profit for the year	7	-	-	-	-	-	241,837	241,837	9,870	251,707
Results recognised directly in equity		-	-	197,750	(4,129)	-	-	193,621	14,004	207,625
Total comprehensive income for the year		-	-	197,750	(4,129)	-	241,837	435,458	23,874	459,332
Appropriation of consolidated profit of 2009:										
Transfer to legal reserves and retained earnings	31 and 32	-	-	-	7,235	229,790	(237,025)	-	-	-
Dividends	14, 32 and 33	-	-	-	-	(132,954)	-	(132,954)	(14,595)	(147,549)
(Purchase) / Sale of treasury shares	29	-	6,919	-	(1,874)	-	-	5,045	-	5,045
Share purchase options		-	-	-	(770)	2,420	-	1,651	-	1,651
Variation in financial investments and others		-	-	-	(7,240)	331	-	(6,909)	(4,330)	(11,239)
Balances at 31 december 2010		672,000	(32,986)	256,337	280,678	714,928	241,837	2,132,794	97,437	2,230,231
Consolidated net profit for the year	7	-	-	-	-	-	198,132	198,132	7,998	206,130
Results recognised directly in equity		-	-	(210,294)	(4,307)	-	-	(214,601)	4,632	(209,970)
Total comprehensive income for the year		-	-	(210,294)	(4,307)	-	198,132	(16,470)	12,630	(3,840)
Appropriation of consolidated profit of 2010:										
Transfer to legal reserves and retained earnings	32	-	-	-	-	241,837	(241,837)	-	-	-
Dividends	14, 32 and 33	-	-	-	-	(136,361)	-	(136,361)	(10,192)	(146,553)
(Purchase) / Sale of treasury shares	29	-	3,931	-	(1,084)	-	-	2,847	-	2,847
Share purchase options		-	-	-	(771)	1,262	-	491	-	491
Variation in financial investments and others		-	-	-	(799)	387	-	(412)	1,576	1,164
Balances at 31 december 2011		672,000	(29,055)	46,043	273,717	822,052	198,132	1,982,890	101,451	2,084,341

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2011.

CONSOLIDATED STATEMENTS

of Cash Flows for the years ended 31 December 2011 and 2010

(Amounts stated in thousand of euros)

(Translation from the Portuguese original – Note 52)

	Notes	2011	2010
Operating activities:			
Receipts from clients		2,647,284	2,608,829
Payments to suppliers		(1,576,467)	(1,546,051)
Payments to employees		(247,598)	(253,457)
Cash flows generated by operations		823,220	809,321
Income tax recovered/(paid)		(71,128)	(71,256)
Other payments related to operating activities		(231,719)	(227,301)
Cash flows from operating activities (1)		520,373	510,765
Investing activities:			
Receipts relating to:			
Changes in consolidation perimeter		-	300
Investments		556	-
Tangible assets		11,376	16,825
Investment subsidies		-	530
Interest and similar income		39,082	36,055
Dividends		652	1,195
Others		40	6
		51,707	54,911
Payments relating to:			
Changes in consolidation perimeter	5	(28,392)	(7,192)
Investments	46	(16,814)	(20,432)
Tangible assets		(242,638)	(170,398)
Intangible assets		(6,734)	(5,943)
Others		-	(143)
		(294,578)	(204,108)
Cash flows from investing activities (2)		(242,871)	(149,197)
Financing activities:			
Receipts relating to:			
Loans obtained	46	930,293	558,334
Sale of treasury shares		2,022	4,370
Others		2,741	1,165
		935,056	563,869
Payments relating to:			
Loans obtained	46	(943,235)	(509,906)
Interest and similar costs		(148,220)	(86,706)
Dividends	14	(136,361)	(132,954)
Others	46	(11,795)	(16,931)
		(1,239,611)	(746,497)
Cash flows from financing activities (3)		(304,555)	(182,628)
Variation in cash and cash equivalents (4) = (1) + (2) + (3)		(27,053)	178,940
Effect of currency translation and other non monetary transactions		4,449	19,253
Cash and cash equivalents at the beginning of the year	46	578,851	380,657
Cash and cash equivalents at the end of the year	46	556,247	578,851

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2011.

INDIVIDUAL STATEMENTS

of Comprehensive Income for the years ended 31 December 2011 and 2010

(Amounts stated in thousand of euros)

(Translation from the Portuguese original – Note 52)

	Notes	2011	2010
Operating income:			
Services rendered	47	5,250	4,543
Other operating income	8 and 47	4,314	900
Total operating income		9,564	5,443
Operating expenses:			
Outside supplies and services		(4,974)	(9,288)
Payroll costs	10	(15,981)	(18,336)
Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets	17 and 18	(3,693)	(3,504)
Other operating expenses	11	(246)	(467)
Total operating expenses		(24,895)	(31,594)
Net operating income		(15,331)	(26,151)
Financial income, net	12	5,238	(1,819)
Investment income	12	120,594	321,698
Profit before income tax		110,501	293,727
Income tax	13	(268)	4,523
Net profit for the year	15	110,233	298,250
Total comprehensive income for the year		110,233	298,250
Earnings per share:			
Basic	15	0.17	0.45
Diluted	15	0.17	0.45

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2011.

INDIVIDUAL STATEMENTS

of Financial Position at 31 December 2011 and 2010

(Amounts stated in thousand of euros)

(Translation from the Portuguese original – Note 52)

	Notes	2011	2010
Non-current assets:			
Intangible assets	17	17	4,111
Tangible assets	18	6,654	6,228
Investments in subsidiaries and associates	19	1,117,418	1,104,768
Other investments	20	87	87
Accounts receivable-other	22	188,005	7
Deferred tax assets	25	1,594	698
Total non-current assets		1,313,775	1,115,898
Current assets:			
Accounts receivable-trade	27	1,399	476
Accounts receivable-other	22	14,408	85,989
Taxes recoverable	23	5,731	6,026
Cash and cash equivalents	46	19,841	160,166
Other current assets	24	2,257	289
Total current assets		43,635	252,946
Total assets		1,357,410	1,368,844
Shareholders' equity:			
Share capital	28	672,000	672,000
Treasury shares	29	(29,055)	(32,986)
Reserves	31	307,906	309,760
Retained earnings	32	215,667	52,516
Net profit for the year	15	110,233	298,250
Total shareholders' equity		1,276,751	1,299,541
Non-current liabilities:			
Deferred tax liabilities	25	239	254
Provisions	36	65,531	59,931
Accounts payable-other	41	3,497	-
Total non-current liabilities		69,267	60,185
Current liabilities:			
Accounts payable-trade	43	579	1,390
Accounts payable-other	41	918	1,214
Taxes payable	23	5,679	224
Other current liabilities	42	4,216	6,290
Total current liabilities		11,392	9,119
Total liabilities		80,659	69,303
Total liabilities and shareholders' equity		1,357,410	1,368,844

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2011.

INDIVIDUAL STATEMENTS

of Changes in Shareholders' Equity for the years ended 31 December 2011 and 2010

(Amounts stated in thousand of euros)

(Translation from the Portuguese original – Note 52)

	Notes	Share capital	Treasury shares	Reserves	Retained earnings	Net profit	Total shareholders' equity
Balances at 1 january 2010		672,000	(39,905)	305,170	6,405	183,879	1,127,549
Net profit for the year		-	-	-	-	298,250	298,250
Total comprehensive income for the year		-	-	-	-	298,250	298,250
Appropriation of profit of 2009:							
Transfer to legal reserves and retained earnings	32	-	-	7,235	176,644	(183,879)	-
Dividends	14 and 32	-	-	-	(132,954)	-	(132,954)
(Purchase) / Sale of treasury shares	29	-	6,919	(1,874)	-	-	5,045
Share purchase options	32	-	-	(770)	2,420	-	1,651
Balances at 31 december 2010		672,000	(32,986)	309,760	52,516	298,250	1,299,541
Net profit for the year		-	-	-	-	110,233	110,233
Total comprehensive income for the year		-	-	-	-	110,233	110,233
Appropriation of profit of 2010:							
Transfer to legal reserves and retained earnings	32	-	-	-	298,250	(298,250)	-
Dividends	14 and 32	-	-	-	(136,361)	-	(136,361)
(Purchase) / Sale of treasury shares	29	-	3,931	(1,084)	-	-	2,847
Share purchase options	32	-	-	(771)	1,262	-	491
Balances at 31 december 2011		672,000	(29,055)	307,906	215,667	110,233	1,276,751

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2011.

INDIVIDUAL STATEMENTS

of Cash Flows for the years ended 31 December 2011 and 2010

(Amounts stated in thousand of euros)

(Translation from the Portuguese original – Note 52)

	Notes	2011	2010
Operating activities:			
Receipts from clients		5,532	5,501
Payments to suppliers		(5,966)	(9,393)
Payments to employees		(10,678)	(15,206)
Cash flows generated by operations		(11,111)	(19,098)
Income tax recovered/(paid)		6,789	3,101
Other payments related to operating activities		(679)	(1,680)
Cash flows from operating activities (1)		(5,001)	(17,678)
Investing activities:			
Receipts relating to:			
Investments		701	3,099
Loans granted	46	81,500	55,000
Tangible assets		30	50
Interest and similar income		5,753	622
Dividends	46	120,612	321,680
		208,596	380,451
Payments relating to:			
Investments	19	(13,014)	(10,900)
Loans granted	46	(194,000)	(130,000)
Tangible assets		(831)	(368)
Intangible assets		(1,674)	(2,636)
		(209,520)	(143,904)
Cash flows from investing activities (2)		(924)	236,548
Financing activities:			
Receipts relating to:			
Sale of treasury shares		2,022	4,370
Loans obtained		-	64,000
		2,022	68,370
Payments relating to:			
Interest and similar costs		(61)	(620)
Dividends	14	(136,361)	(132,954)
Loans obtained		-	(64,000)
		(136,422)	(197,574)
Cash flows from financing activities (3)		(134,401)	(129,204)
Variation in cash and cash equivalents (4) = (1) + (2) + (3)		(140,325)	89,666
Effect of currency translation and other non monetary transactions		-	5
Cash and cash equivalents at the beginning of the year	46	160,166	70,495
Cash and cash equivalents at the end of the year	46	19,841	160,166

The accompanying notes form an integral part of the financial statements for the year ended 31 december 2011.

Notes to the consolidated and individual financial statements

For the year ended 31 December 2011

(Amounts stated in thousands of euros)

(Translation of notes originally issued in Portuguese – Note 52)

CONTENTS

1. Introductory note....113
2. Summary of accounting policies....113
2.1. Basis of presentation.... 113
2.2. New standards and interpretations, revisions and amendments adopted by the European Union....113
2.3. Critical accounting judgements/estimates.... 115
2.4. Consolidation principles.... 116
2.5. Intangible assets.... 120
2.6. Tangible assets.... 121
2.7. Investments in shareholdings (Company's financial statements).... 122
2.8. Leases.... 122
2.9. Impairment of non-current assets, excluding goodwill.... 122
2.10. Foreign currency assets, liabilities and transactions.... 123
2.11. Borrowing costs.... 124
2.12. Subsidies.... 124
2.13. Inventories.... 124
2.14. Non-current assets held for sale....125
2.15. Segment reporting.... 125
2.16. Balance sheet classification.... 125
2.17. Net operating income.... 125
2.18. Provisions.... 126
2.19. Financial instruments.... 126
2.20. Impairment and adjustments of financial assets.... 130
2.21. Retirement benefits.... 130
2.22. Healthcare benefits.... 131
2.23. Share-based payments.... 131
2.24. Contingent assets and liabilities.... 132
2.25. Revenue recognition and accruals basis.... 132
2.26. Income tax.... 133
2.27. Earnings per share.... 133
2.28. Subsequent events.... 134
2.29. CO_2 emission licences – Emissions market.... 134
3. Changes in policies, estimates and errors....134
4. Companies included in the consolidation....135
4.1. Companies consolidated in accordance with the full consolidation method.... 135
4.2. Associated companies....143
4.3. Companies consolidated in accordance with the proportional method.... 144
5. Changes in the consolidation perimeter....145
6. Exchange rates....147
7. Operating segments....148
8. Other operating income....151
9. Cost of goods sold and material used in production....151
10. Payroll costs....152
11. Other operating expenses....153
12. Net financial expenses....154
13. Income tax....155
14. Dividends....158
15. Earnings per share....159
16. Goodwill....159
17. Intangible assets....161
18. Tangible assets....163
19. Investments in subsidiaries and associates....164

20. Other investments 166
21. Non-current assets held for sale 167
22. Accounts receivable - other....167
23. Taxes recoverable and taxes payable 168
24. Other current and non-current assets 169
25. Deferred taxes 169
26. Inventories 171
27. Accounts receivable - trade....172
28. Share capital....173
29. Treasury shares....173
30. Currency translation adjustments and hedges....174
31. Reserves 174
32. Retained earnings 175
33. Non-controlling interests....175
34. Employee benefits....176
35. Incentive plan 180
36. Provisions 183
37. Loans 185
38. Obligations under leases....189
39. Derivative financial instruments 190
40. Financial risk management 193
41. Accounts payable - other....199
42. Other current and non-current liabilities....200
43. Accounts payable - trade....200
44. CO_2 emission licences 200
45. Financial assets and liabilities according to IAS 39 201
46. Notes to the consolidated cash flow statements....203
47. Related parties 206
48. Contingent liabilities, guarantees and commitments 209
49. Auditors fees and services 213
50. Subsequent events....214
51. Financial statements approval 214
52. Note added for translation 214

Notes to the consolidated and individual financial statements

For the year ended 31 December 2011

(Amounts stated in thousands of euros)

(Translation of notes originally issued in Portuguese – Note 52)

1. Introductory note

Cimpor - Cimentos de Portugal, SGPS, S.A. ("Cimpor" or the "Company") was incorporated on 26 March 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 with operations in Portugal, Spain, Morocco, Tunisia, Egypt, Turkey, Brazil, Peru, Mozambique, South Africa, China, India and Cape Verde (the "Cimpor Group" or "Group").

Cimpor Group's core business is the production and sale of cement. The Group also produces 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 Inversiones, S.A., which holds the investments in companies operating abroad.

2. Summary of accounting policies

2.1. Basis of presentation

The accompanying consolidated and non-consolidated financial statements were prepared on a going concern basis from the books and accounting records of the companies included in the consolidation (Note 4), maintained in accordance with generally accepted accounting principles in Portugal and in the headquarter of foreign company, restated in the consolidation process to the International Financial Reporting Standards as endorsed by the European Union, effective for the years beginning 1 January 2011. Such standards include the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), the International Accounting Standards ("IAS") issued by the Accounting Standards Committee ("IASC") and the interpretations issued by the IFRS Interpretation Committee ("IFRIC") and Standing Interpretation Committee ("SIC") which were endorsed by the European Union. These standards and interpretations are hereinafter referred to collectively as "IFRS".

2.2. New standards and interpretations, revisions and amendments adopted by the European Union

The following standards, interpretations, amendments and revisions endorsed by the European Union with mandatory application in the financial years beginning on or after 1 January 2011, and that are applicable to financial statements, were adopted for the first time in the year ended 31 December 2011:

Standard / interpretation	Effective date (years beginning on or after)	Brief description
Changes to the IAS 24 - Disclosure of related parties and changes to the IFRS 8 - Operational segments	31 December 2010	This revision will simplify the definition of related party, deleting simultaneously some internal inconsistencies, and predict isentions to the entites related to the public administration, concerning the quantity of information that these entities should provide in terms of related party transactions. The changes to the IFRS 8 come from the already mentioned changes to the IAS 24.
Changes to the IFRIC 14 - Pre-payment of a minimum funding requirement	31 December 2010	These changes eliminate a non intentional consequence of the IFRIC 14 in the cases in which an entity is subject to minimum funding requirement proceeds to the payment in advance of contributions when , in some circumstances, the entity that proceeds to that pre-payment would be obliged to recognise an expense. If a certain benefits plan is jubject to a minimum funding requirement, the amendment to the IFRIC 14 determines that the payment will be treated like any other pre-payment, as if it was an asset.
IFRIC 19 - Extinction of financial liabilities through equity instruments and changes to the IFRS 1 - Adoption for the 1st time of the IFRS	30 June 2010	This interpretation raises the following questions: (a) Are the equity instruments issued with the goal of total or partial extinction of a financial liability retribuitions paid according to the paragraph 41 of the IAS 39? (b) How should an entity measure initially the equity instruments, for the extinction of that financial liability? (c) How should a company register any difference between the book value and the initial amount, measured on the equity instruments issued? The entities that adopt for the first time the IFRS may apply the transitional present on the IFRIC 19.
Changes to the IFRS 1 and 7 - Adoption for the first time of the IFRS - Financial Instruments: Disclosures	30 June 2010	Limited isention of the obligation of presenting comparative disclosures according to the IFRS 7 for the first time adopters.
Improvement of some IFRS: IFRS 1, IFRS 3 and IFRS 7. IAS 1, 32, 39 and IFRIC 13	IFRS 1, 3 e IAS 32, 39: After 30-Jun-10 e IFRS 7, IAS 1, 34 e IFRIC 13: After 31-Dec-10	Improvements introduced on the IFRS, that intend to simplify and clarify the ISA's.
IAS 32 - Financial instruments	31 January 2010	The presentation is modified regarding the terms of the attachments and respective regulation.

The impact on the consolidated and non-consolidated financial statements for the year ended 31 December 2011 arising from the adoption of these new standards, interpretations, amendments and revisions occurred in relation to the presentation and disclosure of financial information.

The following standards, interpretations, amendments and revisions endorsed by the European Union by the date of approval of these financial statements, with potential impact on the Group's financial statements, are of mandatory application in future financial years:

Standard / interpretation	Effective date (years beginning on or after)	Brief description
Changes to the IFRS 7 - Financial Instruments: Disclosures	07 July 2011	This review will increase the disclosure requirements regarding the transactions that regard financial assets transfers. It seeks to guarantee more transparency regarding the risk exposure when financial assets are transfered and the entity that transfer them keeps exposed on them.

This standard although endorsed by the European Union was not adopted by the Group for the year ended 31 December 2011 because their application is not yet mandatory. The evaluation of the impact of the adoption of these standards is not concluded, though impacts of significant effect on the financial statements are not expected.

2.3. Critical accounting judgements/estimates

The preparation of financial statements in accordance with IFRS recognition and measurement principles requires the Board of Directors of Cimpor to make judgements, estimates and assumptions that can affect the amount of assets and liabilities presented, the disclosure of contingent assets and liabilities as of the date of the financial statements, as well as of income and expenses.

These estimates are based on the best knowledge existing at each moment and the planned actions, and are regularly reviewed based on the information available. Changes in facts and circumstances can lead to a revision of the estimates and so actual results may differ from these estimates.

The significant estimates and assumptions made by the Board of Directors in preparing these financial statements include assumptions used in estimating the following items:

• Impairment of non-current assets

The determination of a potential impairment loss can arise as result from the occurrence of several events, many of them external to the Cimpor Group, such as future availability of financing, capital cost or any other changes, either internal or external, to Cimpor Group.

The identification of impairment indicators and the determination of the assets’ recoverable amount, are subject of a Management’s judgement referring to the identification and evaluation of the different impairment indicators, cash-generating units, expected cash flows, applicable discount rates, growth rates, useful lives and transaction values.

• Impairment of goodwill

Goodwill is subjected to annual impairment tests or whenever there are indications of a possible loss in value, in accordance with the policy mentioned in Note 2.4. e). The recoverable amounts of the cash-generating units to which goodwill has been allocated, is the higher between the market value, determined according with transaction multiples, and the value in use, determined according to the expected cash flows. The calculation of these amounts requires the use by the Management of estimates regarding the future evolution of the activity and the discount rates considered.

• Accounts receivable impairment

The credit risk associated to accounts receivable is evaluated at the end of each reporting period, taking into consideration the debtor’s historical information and his risk profile. The accounts receivable are adjusted by the assessment performed by the Management of the estimated collection risks at the balance sheet dates, which might differ from the effective risk to incur.

• Useful lives of intangible and tangible fixed assets

The useful life of an asset is the time period during which an entity expects that an asset will be available for use and it must be reviewed at least at the end of each economical year.

The determination of the assets useful lives, amortization/depreciation method to apply and of the estimated losses resulting from the early replacement of equipments, due to technological obsolescence, is essential to determine the amount of amortization/depreciation charge to the consolidated income statement of each year.

These parameters are defined according to Management’s best estimate, for the assets and businesses in question, considering as well the best practices adopted by companies operating in the same business activity.

• Provisions recognition and contingent liabilities disclosure

Cimpor Group periodically analyses possible obligations that arise from past events that should be recognized or disclosed. The inherent subjectivity to the determination of the probability and amount of internal resources required to settle the obligations, might lead to significant adjustments, either by the variation of the assumptions used or by the future recognition of provisions previously disclosed as contingent liabilities.

• Recognition of deferred tax assets

Deferred tax assets are only recognised when there is strong expectation that there will be sufficient future taxable income to utilise them or when there are deferred tax liabilities whose reversal is expected to occur in the same period of the reversal of the deferred tax assets. The carrying amount of deferred tax assets is reviewed by Management at the end of each reporting period and takes into consideration the expectation about the future performance.

• Retirement and healthcare benefits

An actuarial valuation made by independent experts and based on economic and demographic indicators is performed each year in order to assess the liabilities resulting from retirement and healthcare benefits granted to Group’s employees.

2.4. Consolidation principles

a) Controlled companies

Controlled companies have been consolidated in each accounting period by the full consolidation method. Control is considered to exist where the Group holds, directly or indirectly, a majority of the voting rights at Shareholders’ General Meetings, or has the power to determine the companies’ financial and operating policies.

Third party participation in shareholders' equity and net profit of such companies is presented separately in the consolidated balance sheet and consolidated statement of profit and loss under the caption "Non-controlling interests".

Where losses attributed to minority shareholders exceed the non controlled interest in shareholders' equity of controlled companies, the Group absorbs such excess and any additional losses, except where the minority shareholders are required and are able to cover such losses. If the subsidiary subsequently reports profits, the Group appropriates them up to the amount of the losses absorbed by the Group.

The results of controlled companies acquired or sold during the period are included in the consolidated statement of comprehensive income from the date of their control is obtained to the date of their control is lost.

Significant balances and transactions between controlled companies were eliminated in the consolidation process. Capital gains within the Group on the sale of subsidiary and associated companies are also eliminated.

Whenever necessary, adjustments are made to the financial statements of subsidiary and associated companies to conform to the Group's accounting policies.

b) Jointly controlled companies

Investments in jointly controlled companies are consolidated in accordance with the proportional consolidation method as from the date joint control is acquired. Under this method, assets, liabilities, income and expenses of these entities are included in the accompanying consolidated financial statements, caption by caption, in proportion to the Group's control.

The excess of cost over the fair value of the identifiable assets, liabilities and contingent liabilities of jointly controlled companies as of the acquisition date is recognised as Goodwill. If the difference between cost and the fair value of the assets, liabilities and contingent liabilities acquired is negative, it is recognised as income for the period.

Transactions, balances and dividends distributed between these companies are eliminated in proportion to the Group's control.

c) Business combinations

Business combinations, namely the acquisition of controlled and subsidiary companies are recorded in accordance with the purchase method.

Acquisition cost is determined by the sum of the fair value of the assets given, liabilities and contingent liabilities incurred or assumed and equity instruments issued by the Group in exchange for the assumption of control in the entity acquired. Costs relating to the acquisition are recognized as expenses when incurred. Where applicable, cost includes the fair value of the contingent payments measured as of the date of acquisition. Subsequent changes in the value of the contingent payments are recorded in accordance with the accounting standard that sets the recording of the assets and liabilities in question except where they qualify as adjustments in the period of provisional measurement.

The identifiable assets, liabilities and contingent liabilities of a subsidiary that meet the criteria to be recognised in accordance with IFRS 3 - Business Combinations (“IFRS 3”), are measured by their fair value as of the purchase date, except for non-current assets (or groups of assets) that are identified as held for sale in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations (“IFRS 5”), which are recognised and measured by their respective fair values less costs to sell.

Any excess of cost plus the amount of the non-controlling interests over the fair value of the identifiable assets and liabilities acquired as of the purchase date is recorded as Goodwill. Where acquisition cost increased with non-controlling interests is lower than the fair value of the net assets identified, the difference is recorded as a gain in the statement of profit and loss for the period in which the acquisition is made after reconfirmation of the fair value attributed.

If the process for recording combinations of business activities is incomplete at the end of the year in which the combination occurs, the Group discloses the situation and the amounts provided can be adjusted during the measuring period (the period between the date of acquisition and the date the Group obtains complete information on the facts and circumstances that existed as of the date of acquisition, up to a maximum of 12 months), or new assets and liabilities can be recognized to reflect facts and circumstances that existed as of the balance sheet date which, if recognized, would affect the amounts recognized on the date of acquisition.

Interests of shareholders without control are reflected separately in equity from the interests of the Parent company’s shareholders. Interests without control can initially be measured at their fair value or by the proportion of the fair value of the assets and liabilities of the subsidiary acquired. This option is made separately for each transaction.

After initial recognition, the book value of the non-controlling interests is determined as the amount initially recognized plus the proportion of changes in equity of the subsidiary. Comprehensive income of a subsidiary is attributed to non-controlling interests even if it is negative.

The results of subsidiaries acquired or sold during the period are included in the statement of profit and loss as from the date of acquisition or up to the date of sale.

In specific situations in which the Group has in substance control of other entities created for a specific purpose, even if it does not have participations directly in the entities, they are consolidated by the full consolidation method.

Changes in the percentage of control over subsidiaries that do not result in loss of control are recorded as equity transactions. The value of the Group’s non-controlling interests is adjusted to reflect changes in percentages. Any difference between the amount for which the non-controlling interests is adjusted and the fair value of the transaction is recorded directly in equity and attributed to the shareholders of the parent company.

When the Group loses control over a subsidiary, the gain or loss on the sale is calculated as the difference between (i) the amount added to the fair value of the interests retained and (ii) the book value of the assets (including goodwill) and liabilities of the subsidiary and the non-controlling interests. Amounts previously recognized as "Other comprehensive income" are transferred to the statement of profit and loss for the year or transferred to retained earnings in the same way as would happen if related assets or liabilities were sold. The fair value of the interests retained corresponds to the fair value at the initial recognition for purposes of the subsequent recording in accordance with IAS 39 – Financial instruments or, where applicable, cost for purposes of the initial recognition of an investment in an associate or jointly controlled entity.

d) Investments in associates

An associated company is one over which the Group exercises significant influence, but does not have control or joint control, through participation in decisions relating to its financial and operating policies.

Investments in the associated companies are recorded in accordance with the equity method, except where they are classified as held for sale. Investments are initially recorded at cost which is then increased or decreased by the difference between cost and the proportional value of the equity of such companies as of the purchase date or the date the equity method was first applied.

In accordance with the equity method investments are recorded at cost at purchase date, adjusted periodically by the amount of comprehensive income in the associate (including net results of associated companies) by corresponding entry to net profit for the year or other comprehensive income, respectively, and dividends received.

Losses in associated companies in excess of the investment in them are not recognised, unless the Group has assumed commitments to participate in the losses.

Any excess of cost over the fair value of the identifiable net assets and contingent liabilities is recorded as "Investments in associates – Goodwill". Where cost is less than the fair value of the net assets and contingent liabilities identified, the difference is recorded as a gain in the consolidated statement of comprehensive income for the period in which the acquisition is made.

In addition, dividends received from these companies are recorded as decreases in the amount of the investments.

Unrealised gains on transactions with associated companies are eliminated in proportion to the Group's interest in such companies, by corresponding entry to the amount of the corresponding investment. Unrealised losses are also eliminated, but only up to the point in which the loss does not show that the asset transferred is in a situation of impairment.

A valuation is made of investments in associated when there are indications that the asset may be impaired, any impairment losses being recognized. When impairment losses recognized in previous periods cease to exist, they are reversed. The reversal of impairment losses is recognized as income up to the carrying amount of the investment that would have been determined had no impairment loss been recognized.

e) Goodwill

Differences between the cost of investments in Group companies or jointly controlled entities, plus the amount of non-controlling interests, and the fair value of the identifiable assets, liabilities and contingent liabilities of these companies as of the date of acquisition, if positive, are recognized as goodwill.

Goodwill is recorded as an asset and is not amortised, being reflected in a separate caption of the consolidated statement of financial position. Annually, or whenever there are indications of a possible loss in value, goodwill is subjected to impairment. Any impairment loss is immediately recorded as a cost in the consolidated statement of comprehensive income for the period and is not subject to subsequent reversal.

Goodwill is included in determining the gain or loss on the sale of a subsidiary or jointly controlled entity.

Goodwill is stated in the functional currency of the respective cash-generating unit, being translated to the reporting currency (euros) at the rate of exchange as of the balance sheet date. Exchange differences generated in that translation are recorded in the equity caption “Currency translation adjustments”.

Goodwill on acquisitions prior to 31 December 1998 was maintained at the former amount and denominated in Euros, being subject to annual impairment tests as from that date.

Where cost is less than the fair value of the net assets and contingent liabilities identified, the difference is recorded as a gain in the consolidated statement of comprehensive income for the period in which the acquisition takes place.

2.5. Intangible assets

Intangible assets, which comprise essentially contractual rights and costs incurred on specific projects with future economic value, are stated at cost less accumulated amortisation and impairment losses. Intangible assets are only recognised if it is probable that they will produce future economic benefits for the Group, they are controllable by the Group and their value can be determined reliably.

Internally generated intangible assets, namely current research and development costs, are recognised as costs when incurred.

Internal costs relating to the maintenance and development of software are recorded as costs in the statement of profit and loss when incurred, except where such costs relate directly to projects which will probably generate future economic benefits. In such cases these costs are capitalised as intangible assets.

Amortisation of such assets is provided on a straight-line basis as from the date the assets are available for use, in accordance with their estimated useful life.

2.6. Tangible assets

Tangible assets used in production, rendering services or for administrative use are stated at cost, including expenses incurred with their purchase, less accumulated depreciation and impairment losses, when applicable.

Assets relating to the cement operations on 1 January 2004 were revalue as allowed by the transition provisions of IFRS 1 – First Adoption of Financial Reporting Standards, the resulting amount being considered as the deemed cost.

Depreciation of tangible fixed assets is provided on a straight-line basis over their estimated useful lives, except when another method is shown to be more adequate based on its use, as from the date the assets become available for their intended use and in the proper place, in accordance with the following estimated periods of useful life:

	Average useful life
Buildings and other constructions	10 – 50
Basic equipment	7 – 30
Transportation equipment	4 – 8
Tools and dies	2 – 8
Administrative equipment	2 – 14
Other tangible fixed assets	2 – 10

The amount subject to depreciation does not include, when determinable and significant the estimated residual value of the assets at the end of their useful lives. Additionally, the assets stop being depreciated when they are classified as assets held for sale.

Land used for quarries and mineral resources are depreciated over their estimated period of operation, less, where applicable, their residual value.

Improvements are only recognised as assets when they increase the useful life or efficiency of the assets, resulting in increased future financial benefits.

Tangible assets in progress correspond to tangible assets under construction/production and are recorded at cost less possible impairment losses. These assets are depreciated as from the date they become available for their intended use.

Gains and losses arising from the sale or write off of tangible assets, which are determined by the difference between the proceeds of the sale of the assets and their net book value at the date of sale, are recognised by its net amount in the statement of comprehensive income as “Other operating income” or “Other operating expenses”.

2.7. Investments in subsidiaries and associates (individual financial statements)

Investments in subsidiaries and associates are recognized at cost, except for those already existing on 1 January 2009, for which the option of recording them at the amount as of that date was followed (deemed cost) in accordance with the options established for transition to IAS/IFRS. Investments in subsidiaries and associates are subject to impairment tests whenever there are indications that their book value is higher than their recoverable value considering the higher of value in use and sale.

2.8. Leases

Lease contracts are classified as: (i) finance leases, if substantially all the risks and benefits of ownership are transferred under them; and (ii) operating leases, if substantially all the risks and benefits of ownership are not transferred under them.

Leases are classified as finance or operating leases based on the substance and not form of the contract.

Fixed assets acquired under finance lease contracts, as well as the corresponding liabilities are recorded in accordance with the financial method. In accordance with this method the fixed assets are recorded as tangible assets, the corresponding liability is recognised and the interest included in the lease instalments and depreciation of the assets, calculated as explained above, are recognised in the consolidated statement of comprehensive income for the period to which they relate.

In the case of operating leases, the lease instalments are recognised, on a straight- basis, in the consolidated statement of comprehensive income over the period of the lease contracts.

2.9. Impairment of non-current assets, excluding goodwill

Impairment valuations are made whenever an event or change in circumstances is identified that indicates that the book value of an asset may not be recovered. Where such indications exist, the Group determines the recoverable value of the asset, so as to determine the possible extent of the impairment loss. In situations in which the individual asset does not generate cash flows independently of other assets, the recoverable value is estimated for the cash generating unit to which the asset belongs.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognised by charge to the consolidated statement of comprehensive income caption “Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets”.

The recoverable amount is the higher between the net selling price (selling price, less costs to sell) and the value in use. Net selling price is the amount that would be obtained from selling the asset in a transaction between knowledgeable independent entities, less the costs directly attributable to the sale. The value in use is the present value of the estimated future cash flows resulting from the continued use of the asset and sale thereof at the end of its useful life. The recoverable amount is estimated for each asset individually or, where this is not possible, for the unit generating the cash flows to which the asset belongs.

Impairment losses recognised in prior periods are reversed when there are indications that such losses no longer exist or have decreased. The reversal of impairment losses are recognised in the consolidated statement of comprehensive income caption “Depreciation, amortisation and impairment losses on goodwill, tangible and intangible assets”. However, the impairment loss is reversed up to the amount that would have been recognised (net of amortisation or depreciation) if the impairment loss had not been recorded in prior periods.

2.10. Foreign currency assets, liabilities and transactions

Transactions in currencies other than euro are recorded at the exchange rates in force on the date of the transaction. Foreign currency monetary assets and liabilities at the balance sheet dates are translated to euros at the rates of exchange in force on that dates.

Exchange gains and losses resulting from differences between the exchange rates in force on the dates of the transactions and those in force on the dates of collection, payment or the balance sheet date are recognised as income or costs in the consolidated statement of comprehensive income, except for those relating to non monetary items where the change in fair value is recognised directly in shareholders’ equity (“Currency translation adjustments”), namely:

- Exchange differences resulting from the translation of medium and long term foreign currency intra Group balances which, in practice, are extensions of investments;

- Exchange differences on financial operations to hedge exchange risk on foreign currency investments as established in IAS 21 - The effects of changes in foreign exchange rates (“IAS 21”), provided that they comply with the efficiency criteria established in IAS 39 – Financial instruments: Recognition and measurement (“IAS 39”) .

The foreign currency financial statements of subsidiary and associated companies are translated as follows: assets and liabilities at the exchange rates in force on the balance sheet dates; shareholders’ equity captions at the historical exchange rates; and consolidated statement of comprehensive income and statement of cash-flows captions at the average exchange rates.

The exchange effect of such translations after 1 January 2004 is recognized as income and costs and reflected as in the shareholders’ equity caption “Currency translation adjustments” in the case of subsidiary companies and in the shareholders’ equity caption “Reserves - Adjustments in investments in associates” in the case of investments in associated companies, and is transferred to the statement of profit and loss caption "Net financial expenses" when the corresponding investments are sold.

In accordance with IAS 21, goodwill and fair value corrections determined on the acquisition of foreign entities are considered in the reporting currency of such entities, and are translated to euros at the exchange rate in force on the balance sheet date. Exchange differences arising from these translations are reflected as income and costs in the equity caption "Currency translation adjustments".

The Group contracts derivative financial hedging instruments when it wishes to reduce its exposure to exchange rate risk.

2.11. Borrowing costs

Costs incurred on loans obtained directly to finance the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for its intended use or sale (qualifying assets) are capitalised as part of the cost of the assets during that period.

To the extent that variable interest rate loans, attributable to finance the acquisition, construction or production of qualifying assets, are being covered through a cash flow hedge relation, the effective portion of fair value of the derivative financial instrument is recognized in Reserves and transferred to profit and loss when the qualifying asset has an impact on results.

Additionally, to the extent that fixed interest rate loans used to finance a hedged item are covered by a fair value hedge relation, the financial burden in addition to the cost of the asset should reflect the interest rate covered.

Any financial income generated by loans obtained in advance to finance specific capital expenditure is deducted from the capital expenditure subject to capitalisation.

2.12. Subsidies

Subsidies are recognised based on their fair value, when there is reasonable certainty that they will be received and that the Group will comply with the conditions required for them to be granted.

Operating subsidies, namely those for employees training, are recognised in the profit and loss, and also as costs incurred.

Investment subsidies relating to the acquisition of tangible fixed assets are recorded in the caption "Other non-current liabilities" and transferred to the statement of profit and loss for the period on a consistent straight-line basis in proportion to depreciation of the subsidised assets.

2.13. Inventories

Merchandise and raw, subsidiary and consumable materials are stated at average cost.

Finished and semi-finished products and work in progress are stated at production cost, which includes the cost of the raw materials incorporated, labour and production overheads.

Inventories are adjusted when market value is lower than book value, through the recognition of an impairment loss, the reduction being reversed when the reasons that gave rise to it cease to exist.

2.14. Non-current assets held for sale

Non-current assets (or discontinued operations) are classified as held for sale if their value is realizable through a sale transaction rather than through its continued use. This situation is only considered to arise when: (i) the sale is highly probable and the asset is available for immediate sale in its present condition; (ii) the management is committed to a plan of sale; and (iii) the sale is expected to take place within a period of twelve months.

Non-current assets (or discontinued operations) classified as held for sale are measured at the lower of the book value or their fair value less the costs incurred in their sale.

2.15. Segment reporting

An operating segment is a distinguishable component of an entity that is engaged in providing a product or service or a group of related products or services which are different from those of other segments.

The Group reports its assets and liabilities, as well as its operations, as geographical segments, following the way Management carries out businesses.

2.16. Balance sheet classification

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

In addition, the liabilities are also classified as current, when there is no unconditional right to defer its settlement for a period of at least twelve months after the balance sheet date.

2.17. Net operating income

Net operating income includes operating income and expenses, whether recurring or not, including restructuring costs and operating income and expenses associated to tangible assets and intangible assets. Also comprise, gains or losses on the sale of companies consolidated using the full or proportional integration method. The net financial expenses, share of results of associates, other financial investment and income tax, are excluded.

2.18. Provisions and contingent liabilities

Provisions are recognised when: (i) exists an obligation (legal or constructive) resulting from a past event; (ii) under which it is probable that it will have an outflow of resources to resolve the obligation; and (iii) the amount of the obligation can be reasonably estimated. At each balance sheet date provisions are reviewed and adjusted to reflect the best estimate as of that date.

When one of the conditions described is not completed the Group disclosures the events in question as contingent liabilities, unless the possibility of outflow of resources is remote, in which case they are not subject to disclosure.

a) Provisions for restructuring costs

Provisions for restructuring costs are recognised by the Group whenever there is a formal detailed restructuring plan which has been communicated to the parties involved.

b) Environmental rehabilitation

In accordance with current legislation and practices in force in several business areas in which the Group operates, land used for quarries must be environmentally rehabilitated.

In this regard, provisions are recorded to cover the estimated cost of environmentally recovering and rehabilitating the land used for quarries, whenever this can be reasonably determined. Such provisions are recorded together with a corresponding increase in the amount of the underlying assets, based on the conclusions of landscape rehabilitation studies, being recognised in profit and loss as the corresponding assets are depreciated.

In addition, the Group has the procedure of progressively rehabilitating the areas freed up by the quarries, using the recorded provisions.

2.19. Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual relationship.

a) Cash and cash equivalents

The caption “Cash and cash equivalents” includes cash, bank deposits, term deposits and other treasury applications which mature in the short term (three months or less), highly liquid and immediately convertible into cash with insignificant risk of change in value.

For the purpose of statement of cash flow, the caption “Cash and cash equivalents” also includes bank overdrafts, which are included in the consolidated statement of financial position in the caption “Loans”.

b) Accounts receivable

Accounts receivable are measured at fair value on the initial recognition and are subsequently stated at amortised cost in accordance with the effective interest rate method. When there is evidence that the accounts receivable are impaired, the corresponding adjustment is recorded in profit and loss. The adjustment is recognised and measured by the difference between the book value of the accounts receivable and the present value of the cash flows discounted at the effective interest rate determined upon initial recognition of the accounts receivable.

c) Other Investments

Other investments are recognised (and derecognised) as of substantially all the risks and benefits of ownership are transferred under them, irrespective of the settlement date.
Investments are initially recognised at cost, which is the fair value of the price paid, including transaction costs. The subsequent measurement depends on its classification.

Investments are classified as follows:

- Held-to-maturity investments;
- Assets at fair value through the statement of profit and loss; and
- Available-for-sale financial assets.

Held-to-maturity investments are classified as non-current assets, except if they mature in less than twelve months from the balance sheet date, investments with a defined maturity date which the Group intends and has the capacity to hold up to that date being recorded in this caption. These investments are recognised at amortised cost, using the effective interest rate, net of capital repayments and interest received. Impairment losses are recognised in the profit and loss when the recorded amount of the investment is higher than the estimated value of the cash flows discounted at the effective interest rate determined at the time of initial recognition. Impairment losses can only be reversed subsequently when there is an increase in the recoverable amount of the investment can be objectively related to an event occurring after the date in which the impairment loss was recognised. In any case the recognised amount of the investment cannot exceed the amount corresponding to amortised cost of the investment had the impairment loss not been recognised.

After initial recognition, assets measured at fair value through profit and loss and available-for-sale financial assets are revalue to fair value by reference to their market value as of the balance sheet date with no deduction for transaction costs that could arise up to the date their sale. Investments in equity instruments not listed on regulated markets, where it is not feasible to estimate their fair value on a reliable basis, are maintained at cost less possible impairment losses.

Available-for-sale financial assets are classified as non-current assets. Gains and losses due to changes in the fair value of available-for-sale financial assets are reflected in the shareholders’ equity caption “Fair value reserve” until the investment is sold, collected or in any other way realised, or where impairment losses are believed to exist, in which case the accumulated gain or loss is transferred to profit and loss.

Those who do not have listed in an active market and whose fair value cannot be reliably measured are kept at cost adjusted for estimated impairment losses.

d) Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contract independently of its legal form. Equity instruments are contracts that have a residual interest in the Group’s assets after deducting its liabilities.

Equity instruments issued are recorded at the amount received net of costs incurred to issue them.

e) Loans

Loans are initially recorded as liabilities at the amount received, net of loan issuing costs, which corresponds to their fair value on that date. Loans are subsequently measured at amortised cost, being the corresponding financial costs calculated at the effective interest rate, except as follows:

- Loans that form part of a relationship qualified as a fair value hedge, which are measured at fair value as regards the part attributed to the risk hedged. Variations in fair value are recognised in the statement of profit and loss for the period and compensated by the variation in fair value of the hedging instrument, as regards the corresponding effective component;

- Loans designated as financial liabilities, measured at fair value through profit and loss.

f) Accounts payable

Accounts payable are initially recognised at fair value and subsequently measured at amortised cost in accordance with the effective interest rate method.

g) 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 and exchange rates.

The Group resorts to 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 its recognition 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 hedging" are recognised as financial income or expense for the period, together with changes in the fair value the asset or liability subject to the risk.

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

Changes in the fair value of derivative financial instruments hedging net investments in a foreign entity, are recorded as other income and costs in the equity caption "Currency translation adjustments" regarding their effective component. The ineffective component of such changes 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 as income and costs in the equity caption "Currency 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 as net financial expenses in the statement of comprehensive income for the period in which they occur.

h) Treasury shares

Treasury shares are recorded at cost, as a decrease in shareholders' equity. Gains and losses on the sale of treasury shares are recorded in equity.

i) Fair value of financial instruments

The fair value of financial assets and financial liabilities is determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices;

- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flows analysis using prices from observable current market transactions;

The fair value of derivative financial instruments is calculated using market prices. Where such prices are not available, fair value is determined based on discounted cash flows, which includes some assumptions that are supportable by observable market prices or rates.

2.20. Impairment and adjustments of financial assets

At each balance sheet date, the Group reviews for any indication that a financial asset or a group of financial assets may be impaired.

Available-for-sale financial assets

For the financial assets classified as available-for-sale, a continuous or a significant decline in the fair value of the instrument below its cost, is considered as an indicator of impairment. In this situation, the eventual cumulative loss – measured as the difference between the asset's carrying amount and the present fair value, less any impairment loss already recognised in profit and loss – is removed from reserves (other comprehensive income recognised in equity) and recognised in profit and loss for the period. Impairments losses on equity instruments recognized in profit and loss are not reversed through profit and loss for the period, directly affecting other income recognized in equity.

Clients, debtors and other financial assets

Impairment losses are recorded whenever there are clear indicators that the Group will not be able to collect all the amounts it should receive, according to the original terms contracted. To identify these losses, several indicators are used, such as:

- accounts receivable ageing;
- debtor’s financial difficulties;
- debtor’s bankruptcy probability.

The impairments are determined by the difference between the recoverable amount and the book value of the financial asset and recognized by corresponding entry to profit and loss. Whenever a trade or other receivable it is considered as uncollectible it is derecognized using the respective impairment. Subsequent recovery of these amounts is recorded in profit and loss.

2.21. **Employee** benefits - retirement

Employee benefits are recorded in accordance with IAS 19 - Employee benefits (“IAS 19”).

Defined benefit plans

Costs of these benefits are recognised as the services are rendered by the beneficiary employees.

Therefore, at the end of each accounting period actuarial valuations are obtained from independent entities to determine the amount of the liability as of that date and the pension cost to be recognised in the period, in accordance with the "projected unit credit" method. The liability thus estimated is compared with the market value of the pension fund, so as to determine the amount of the difference to be recorded in the consolidated statement of financial position.

As established in the above mentioned standard, pension costs are recognised in the caption "Payroll costs – retirement benefits", based on the amounts determined on an actuarial basis, and include current service costs (increase in the liability), which corresponds to the additional benefits accrued to the employees during the period and interest costs, which result from updating the past service liability. These amounts are reduced by the estimated return on the assets relating to the plan. Actuarial gains and losses are recorded as other comprehensive income directly in equity.

Past service costs are recognised immediately, as the related benefits have already been recognised or, alternatively, recognised on a straight-line basis over the estimated period in which they are obtained.

Defined contribution plans

Contributions made by the Group to defined contribution plans are recorded as costs when they are due.

2.22. Employee benefits - healthcare

Some Group companies provide supplementary healthcare benefits to their employees in addition to those provided by the Public Social Security, extensive to their families, early retired and retired personnel. The liability resulting from these benefits is recorded in a similar manner to the retirement pension liability, in the caption "Payroll costs - healthcare benefits".

As in the case of retirement benefits, actuarial valuations made by an independent entity are obtained at the end of each accounting period, so as to determine the amount of the liability as of that date. Actuarial gains and losses are recognized directly in the statement of comprehensive income.

2.23. Share-based payments

Share-based payments to employees, according to incentive share purchase plan and share option plan, are recorded in accordance with IFRS 2 - Share-based payment ("IFRS 2").

In accordance with IFRS 2, equity settled payment transactions (equity instruments) are recognised at their fair value on the date they are granted. Fair value as of the date the benefits are granted is recognised as staff cost on a straight-line basis over the vesting period as a result of services rendered.

The benefits granted in the form of shares and which are cash settled or provide the choice of settling the transaction with the transfer of monetary assets or equity instruments are measured based on the respective liability fair value, determined in each reporting period, using options' measurement models. Any change in fair value is recognised in profit and loss of the period in which they were generated. The benefits that are granted are recorded as payroll costs as the beneficiaries provide the service by counterpart entry of the liability.

2.24. Contingent assets and liabilities

A contingent liability is (i) a possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events or (ii) a present obligation that arises from past events, but that is not recognized because an outflow of funds are not probable or the amount cannot be reliably measured.

Contingent liabilities are not recognised in the financial statements but are disclosed in their notes, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not subject to disclosure.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events.

Contingent assets are not recognised in the financial statements, but are disclosed in the notes to the financial statements when a future economic benefit is probable.

2.25. Revenue recognition and accruals basis

Income resulting from sales is recognised in the statement of comprehensive income when the risks and rewards of ownership of assets are transferred to the purchaser and the amount of income can be reasonably quantified. Sales are recognised at the fair amount received or receivable, net of taxes, discounts and other costs incurred to realise them, by the fair value of the amount received or receivable.

Income from services rendered is recognised in the statement of comprehensive income in the period in which they are rendered considering the phase of completion of the transaction as of the balance sheet date.

Interest and financial income are recognised on an accrual basis in accordance with the effective interest rate.

Costs and income are recognised in the period to which they relate independently of when they are paid or received. Costs and income, the amount of which is not known, are estimated.

Costs and income attributable to the current period which will only be paid or received in future periods, as well as amounts paid and received in the current period that relate to future periods and will be attributed to each of the periods by the amount corresponding to them, are recorded in the captions "Other current assets" and "Other current liabilities".

Dividends relating to investments recorded at cost or in accordance with IAS 39 are recognized when the Company is given the right to receive them.

2.26. Income tax

Tax on income for the year is calculated based on the taxable results of the companies included in the consolidation and takes into consideration deferred taxation.
Current income tax is calculated based on the taxable results (which differ from the accounting results) of the companies included in the consolidation, in accordance with the tax rules applicable to the area in which the head office of each Group company is located.

Deferred taxes refer to temporary differences between the amounts of assets and liabilities for accounting purposes and the corresponding amounts for tax purposes and are recorded in profit and loss of the statement of comprehensive income, except when they are related with items registered as other comprehensive income recognised directly in equity, in which case the deferred tax is recorded in equity.

Deferred tax assets and liabilities are calculated and assessed periodically using the tax rates expected to be in force when the temporary differences reverse, and are not subject to discounting.

Deferred tax liabilities are recognised for all the taxable temporary differences.

Deferred tax assets are only recognised when there is reasonable expectation that there will be sufficient future taxable income to utilise them. The compensation of deferred tax assets and liabilities are not allowed, except if: i) there is a legal right to compensate such assets and liabilities or there is the intention and its allowed to do such compensation; ii) such assets and liabilities are related to income taxes due to the same tax authority. Temporary differences underlying the deferred tax assets are assessed annually in order to recognise or adjust the deferred tax assets based on the current expectation of their future recovery.

2.27. Earnings per share

Earnings per share are calculated dividing the result attributable to the ordinary shareholders of the parent company, by the weighted average number of shares in circulation during the period.

The diluted earnings per share are calculated dividing the result attributable to the ordinary shareholders of the parent company, by the weighted average number of shares in circulation during the period, adjusted by potential ordinary diluting shares.

Potential ordinary diluting shares can result from options over shares and other financial instruments issued by the Group, convertible to shares of the parent company.

2.28. Subsequent events

Events that occur after the date of the balance sheet that provide additional information on conditions that existed as of the balance sheet date are reflected in the financial statements.

Events that occur after the date of the balance sheet, that provide information on conditions that exist after the balance sheet date, if material, are disclosed in the notes to the financial statements.

2.29. CO_2 emission licences – Emissions market

Some of the Group’s production units in Portugal and Spain are covered by the European greenhouse effect gas emissions market. While the IASB does not issue accounting policies covering the granting and trading of emission licences, the Group adopts the following policy:

- Emission licences granted at no cost, as well the corresponding emissions covered by that licences, do not give rise to the recognition of any asset or liability;

- Gains from the sale of emission rights are recognised in Net operating income;

- When it is estimated that annual CO_2 emissions will exceed the licences granted annually, a liability, measured in accordance with the price at the end of the year, is recognised by corresponding charge to “Other operating expenses”;

- Licences acquired are recognised at cost, in a specific intangible assets account under the “Industrial property and other rights” caption.

3. Changes in policies, estimates and errors

During the year ended 31 December 2011, there were no other changes in accounting policies in relation to those considered in the preparation of the financial information for the year ended on 31 December 2010, with impacts on the financial position or comprehensive income, beyond the effect of the adoption of new, revised or amended standards and interpretations, revisions and amendments mentioned in Note 2, nor any error that should have been corrected was identified.

4. Subsidiaries, associates and jointly controlled entities

4.1. Companies consolidated in accordance with the full consolidation method

The parent company, Cimpor - Cimentos de Portugal, SGPS, S.A., and the following subsidiaries, in which it has majority participation (control), have been consolidated using the full consolidation method:

NAME	FULL NAME / HEADQUARTERS	EFFECTIVE PARTICIPATION 2011	EFFECTIVE PARTICIPATION 2010
HOLDINGS AND BUSINESS AND CORPORATE SUPPORT COMPANIES			
CIMPOR SGPS	CIMPOR - CIMENTOS DE PORTUGAL, SGPS, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa		
CIMPOR PORTUGAL	CIMPOR PORTUGAL, SGPS, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
CIMPOR INVERSIONES	CIMPOR INVERSIONES, S.A. Calle Brasil, 56 36204 Vigo	100.00	100.00
CIMPOR B.V.	CIMPOR FINANCIAL OPERATIONS, B.V. Teleportboulevard 140 1043 EJ Amesterdam	100.00	100.00
CIMPOR REINSURANCE	CIMPOR REINSURANCE, S.A. 74, Rue de Merl, L - 2146 1611 – Luxemburgo	100.00	100.00
CIMPOR SERVIÇOS	CIMPOR – SERVIÇOS DE APOIO À GESTÃO DE EMPRESAS, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
CIMPOR TEC	CIMPOR TEC – ENGENHARIA E SERVIÇOS TÉCNICOS DE APOIO AO GRUPO, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
KANDMAD	KANDMAD – SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, LDA. Rua dos Aranhas, nº 53 - 3º Andar, Letra H, Freguesia da Sé, 9000 - 044 Funchal	100.00	100.00
CIMPOR ECO	CIMPOR ECO, S.L. Calle Brasil nº 56 36 204 Vigo	100.00	99.54
CIMPOR TRADING	CIMPOR TRADING, S.A. Brasil, 56 36 204 Vigo	100.00	100.00
CIMPSHIP	CIMPSHIP - TRANSPORTES MARÍTIMOS, S.A. Rua Ivens, nº 3 - B, Edifício Dona Mécia, 2º L, Freguesia da Sé, Conselho do Funchal 9000 - 039 Funchal	60.00	60.00
CECIME	CECIME – CIMENTOS, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00

NAME	FULL NAME / HEADQUARTERS	EFFECTIVE PARTICIPATION 2011	EFFECTIVE PARTICIPATION 2010
CTA	CEMENT TRADING ACTIVITIES - COMÉRCIO INTERNACIONAL, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00

PORTUGAL

CIMPOR INDÚSTRIA	CIMPOR – INDÚSTRIA DE CIMENTOS, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
SCIAL	ESTABELECIMENTOS SCIAL DO NORTE, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
CECISA	CECISA - COMÉRCIO INTERNACIONAL, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
MOSSINES	MOSSINES – CIMENTOS DE SINES, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
CIMENTAÇOR	CIMENTAÇOR - CIMENTOS DOS AÇORES, LDA. Rua Bento Dias Carreiro, 6 9600-050 Pico da Pedra - Ribeira Grande Açores	100.00	100.00
BETÃO LIZ	BETÃO LIZ, S.A. Rua Quinta do Paizinho, Edifício Bepor, Bloco 2-1ºEsq. 2790 - 237 Carnaxide	98.50	100.00
AGREPOR	AGREPOR AGREGADOS - EXTRACÇÃO DE INERTES, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
CIMPOR BETÃO	CIMPOR BETÃO - INDÚSTRIA DE BETÃO PRONTO, S.A. Rua Quinta do Paizinho, Edifício Bepor, Bloco 2-1ºEsq. 2790 - 237 Carnaxide	-	100.00
JOMATEL	JOMATEL - EMPRESA DE MATERIAIS DE CONSTRUÇÃO, S.A. Rua Quinta do Paizinho, Edifício Bepor, Bloco 2-1ºEsq. 2790 - 237 Carnaxide	-	100.00
FORNECEDORA	FORNECEDORA DE BRITAS DO CARREGADO, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
SOGRAL	SOGRAL - SOCIEDADE DE GRANITOS, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
SANCHEZ	SANCHEZ, S.A. Serra da Achada, Santana, freguesia de Sesimbra (Castelo) 2970-578 Sesimbra	100.00	100.00
BENCAPOR	BENCAPOR - Produção de Inertes, S.A. Qtª da Madeira, Estrada Nac. 114, km 85 7002 - 505 Évora	75.00	75.00

NAME	FULL NAME / HEADQUARTERS	EFFECTIVE PARTICIPATION 2011	EFFECTIVE PARTICIPATION 2010
IBERA	IBERA - INDÚSTRIA DE BETÃO, S.A. Qtª da Madeira, Estrada Nac. 114, km 85 7002 - 505 Évora	50.00	50.00
PREDIANA	PREDIANA - SOCIEDADE DE PRÉ-ESFORÇADOS, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
GEOFER	GEOFER - PRODUÇÃO E COMERCIALIZAÇÃO DE BENS E EQUIPAMENTOS, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
SACOPOR	SACOPOR - SOCIEDADE DE EMBALAGENS E SACOS DE PAPEL, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
CIARGA	CIARGA - ARGAMASSAS SECAS, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
TRANSVIÁRIA	TRANSVIÁRIA - GESTÃO DE TRANSPORTES, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
ALEMPEDRAS	ALEMPEDRAS - SOCIEDADE DE BRITAS, LDA. Casal da Luz, Santa Maria 2510 - 086 Óbidos	100.00	100.00
SCORECO	SCORECO - VALORIZAÇÃO DE, RESÍDUOS, LDA. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
CIMPOR IMOBILIÁRIA	CIMPOR IMOBILIÁRIA, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
MECAN	MECAN - MANUFACTURA DE ELEMENTOS DE CASAS DE CONSTRUÇÃO NORMALIZADA, LDA. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00
BETOFEIRA	BETOFEIRA - Comércio de Cimentos, Lda. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	100.00	100.00

SPAIN

CORPORACIÓN NOROESTE	CORPORACIÓN NOROESTE, S.A. Calle Brasil nº 56 36 204 Vigo	99.55	99.54
CIMPOR SAGESA	CIMPOR SAGESA, S.A. Brasil, 56 36 204 Vigo	100.00	100.00
S.C.M.C. ANDALUCÍA	SOCIEDAD DE CEMENTOS Y MATERIALES DE CONSTRUCCIÓN DE ANDALUCÍA, S.A. Av. de la Agrupacíon de Córdoba, 15 14 014 Córdoba	99.55	99.54

NAME	FULL NAME / HEADQUARTERS	EFFECTIVE PARTICIPATION 2011	EFFECTIVE PARTICIPATION 2010
CEMENTOS ANDALUCÍA	CEMENTOS DE ANDALUCÍA, S.L. Av. de la Agrupación de Córdoba, 15 14 014 Córdoba	99.55	99.54
OCCIDENTAL HORMIGONES	OCCIDENTAL DE HORMIGONES, S.L. Calle la Biela s/n Polígono Industrial el Nevero 06006 Badajoz	-	99.54
MORTEROS GALICIA	MORTEROS DE GALICIA, S.L. Calle Brasil nº 56 36 204 Vigo	99.55	99.54
HORMIGONES MIÑO	HORMIGONES MIÑO, S.L. Calle Brasil nº 56 36 204 Vigo	-	99.52
CEMENTOS COSMOS	CEMENTOS COSMOS, S.A. Calle Brasil nº 56 36 204 Vigo	99.32	99.31
CIMPOR HORMIGÓN	CIMPOR HORMIGÓN ESPAÑA, S.A. Calle Brasil nº 56 36 204 Vigo	99.53	99.54
CANTERAS PREBETONG	CANTERAS PREBETONG, S.L. Calle Brasil nº 56 36 204 Vigo	98.43	98.41
BOMTRAHOR	BOMBEO Y TRANSPORTE DE HORMIGON, S.A. Calle Brasil nº 56 36 204 Vigo	-	93.86
PREBETONG LUGO	PREBETONG LUGO, S.A. Av. Benigno Rivera s/n Polígono Industrial del Ceao 27 003 Lugo	82.50	82.51
PREBETONG LUGO HORMIGONES	PREBETONG LUGO HORMIGONES, S.A. Av. Benigno Rivera s/n Polígono Industrial del Ceao 27 003 Lugo	82.50	82.51
MATERIALES ATLÁNTICO	MATERIALES DEL ATLÁNTICO, S.A. Polígono Industrial As Lagoas – Carretera Cedeira Km. 1,5 15 570 Narón (La Coruña)	99.32	99.30
HORMIGONES LA BARCA	HORMIGONES Y ÁRIDOS LA BARCA, S.A. Lugar de Lantañón Vilanoviña - Meis (Pontevedra)	49.78	49.77
ARICOSA	ÁRIDOS DE LA CORUÑA, S.A. Candame 15 142 Arteixo (La Coruña)	49.21	49.21
CANPESA	CANTERA DO PENEDO, S.A. Reina, 1 – 3º 27 001 Lugo	41.23	41.24
OCCIDENTAL DE ARIDOS	OCCIDENTAL DE ARIDOS, S.L. Calle Brasil nº 56 36 204 Vigo	99.55	99.54
CIMPOR HORMIGÓN CANARIAS	CIMPOR HORMIGÓN CANARIAS, S.L. Calle Brasil nº 56 36 204 Vigo	99.55	99.54

NAME	FULL NAME / HEADQUARTERS	EFFECTIVE PARTICIPATION 2011	EFFECTIVE PARTICIPATION 2010
CIMPOR CANARIAS	CIMPOR CANARIAS, S.L. Calle Brasil nº 56 36 204 Vigo	99.55	99.54
BETOBOMBA	BETOBOMBA, S.L. Calle Brasil nº 56 36204 Vigo	-	99.54
DS UNIÓN	DS UNIÓN, S.L. Calle Goya, nº1, 5º-C 18 002 Granada	89.60	89.58
INVERSIONES FILARIA	INVERSIONES FILARIA, S.L. Calle Brasil nº 56 36 204 Vigo	99.32	99.30
SOGESSO	SOGESSO - SOCIEDADE DE GESSOS DE SOURE, S.A. Lugar de São José do Pinheiro 3130 - 544 Soure	99.32	99.30
TRANSFORMAL	TRANSFORMAL, S.A. Rua Joaquim Brandão, 13 - 1 E 2900 - 422 Setúbal	99.32	99.30

MOROCCO

ASMENT DE TEMARA	ASMENT DE TEMARA, S.A. Ain Attig – Route de Casablanca Témara	62.62	62.62
BETOCIM	BETOCIM, S.A.S. Chez Asment Témara, Ain Attig – Route de Casablanca Témara	62.62	100.00
ASMENT DU CENTRE	ASMENT DU CENTRE, S.A. Chez Asment Témara, Ain Attig – Route de Casablanca Témara	100.00	100.00
GRABEMA	GRABEMA, S.A. Chez Asment Témara, Ain Attig – Route de Casablanca Témara	100.00	100.00

TUNISIA

C.J.O.	SOCIÉTÉ DES CIMENTS DE JBEL OUST 9, Rue de Touraine, Cité Jardins 1082 Tunis – Belvédère	100.00	100.00
B.J.O.	SOCIÉTÉ BETON JBEL OUST 9, Rue de Touraine, Cité Jardins 1082 Tunis – Belvédère	100.00	100.00
G.J.O.	SOCIÉTÉ GRANULATS JBEL OUST 9, Rue de Touraine, Cité Jardins 1082 Tunis – Belvédère	100.00	100.00

NAME	FULL NAME / HEADQUARTERS	EFFECTIVE PARTICIPATION 2011	EFFECTIVE PARTICIPATION 2010
EGYPT			
CEC	CIMPOR EGYPT FOR CEMENT COMPANY, S.A.E. El Gharbaneyat – Borg El Arab City P.O. Box 21511 Alexandria	100.00	100.00
AMCC	AMREYAH CEMENT COMPANY, S.A.E. El Gharbaneyat – Borg El Arab City P. O. Box 21511 Alexandria	99.14	99.14
AMREYAH CIMPOR	AMREYAH CIMPOR CEMENT COMPANY, S.A.E. El Gharbaneyat – Borg El Arab City P.O. Box 21511 Alexandria	99.36	99.36
CSC	CEMENT SERVICES COMPANY, S.A.E. El Gharbaneyat – Borg El Arab City P.O. Box 21511 Alexandria	99.61	99.61
CIMPSAC	CIMPOR SACS MANUFACTURE COMPANY, S.A.E. El Gharbaneyat – Borg El Arab City P.O. Box 21511 Alexandria	99.90	99.90
AMREYAH DEKHEILA	AMREYAH DEKHEILA TERMINAL COMPANY, S.A.E. Dekheila Port Alexandria	99.37	99.37
AMREYAH CIMPOR READY MIX	AMREYAH CIMPOR READY MIX COMPANY, S.A.E. Industrial area, Plot no. 89T, Dekheila, Alexandria	99.25	99.25
TURKEY			
CIMPOR YIBITAS	CIMPOR YIBITAS CIMENTO SANAYI VE TICARET, A.S. Portakal Cicegi Sokak nº 33 - 06540 06540 Cankaya / Ankara	99.74	99.74
YOZGAT	YIBITAS YOZGAT ISCI BIRLIGI INSAAT MALZEMELERI TICARET VE SANAYI, A.S. 66920 - Sarayköy / Yozgat	82.33	81.55
BEYNAK	CIMPOR YIBITAS BEYNELMILEL NAKLIYECILIK, A.S. Portakal Cicegi Sokak nº 33 - 06540 06540 Cankaya / Ankara	99.74	99.74
BRAZIL			
C.C.B.	CIMPOR - CIMENTOS DO BRASIL, LTDA. Avª Maria Coelho Aguiar, 215 – Bloco E – 8º Jardim São Luíz - São Paulo	100.00	100.00
MOZAMBIQUE			
CIM. MOÇAMBIQUE	CIMENTOS DE MOÇAMBIQUE, S.A. Av. 24 de Julho, nº 7 - 9º/10º pisos Caixa Postal 270 Maputo	81.64	82.46

NAME	FULL NAME / HEADQUARTERS	EFFECTIVE PARTICIPATION 2011	EFFECTIVE PARTICIPATION 2010
CIMBETÃO	CIMPOR BETÃO MOÇAMBIQUE, S.A. Estrada de Lingamo Matola	81.64	82.71
IMOPAR	IMOPAR - IMOBILIÁRIA DE MOÇAMBIQUE, S.A. Av. 24 de Julho, nº 7 - 10º piso, direito Maputo	100.00	100.00
CINAC	CIMENTOS DE NACALA, S.A: Av. 24 de Julho, nº 7 - 10º piso, direito Maputo	81.73	-

SOUTH AFRICA

NAME	FULL NAME / HEADQUARTERS	EFFECTIVE PARTICIPATION 2011	EFFECTIVE PARTICIPATION 2010
NPC	NPC - CIMPOR (PTY) LIMITED 199 Coedmore Road Bellair 4094 Durban	74.00	74.00
NPCC	NATAL PORTLAND CEMENT COMPANY (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
DC	DURBAN CEMENT LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
SRT	SIMUMA REHABILITATION TRUST 1 Wedgelink Road Bryanston	33.30	33.30
CONCRETE	NPC CONCRETE (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
S. C. STONE	SOUTH COAST STONE CRUSHERS (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	74.00	74.00
S. C. MINING	SOUTH COAST MINING (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
EEDESWOLD	EEDESWOLD HIGHLANDS (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
STERKSPRUIT AGGREGATES	STERKSPRUIT AGGREGATES (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	74.00	74.00
STERKSPRUIT CONCRETE	STERKSPRUIT CONCRETE (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00
DURBAN QUARRIES	DURBAN QUARRIES (PTY) LTD. 199 Coedmore Road Bellair 4094 Durban	100.00	100.00

CHINA

NAME	FULL NAME / HEADQUARTERS	EFFECTIVE PARTICIPATION 2011	EFFECTIVE PARTICIPATION 2010
CIMPOR CEMENT CORPORATION	CIMPOR CEMENT CORPORATION LIMITED 35/F Cheung Kong Center, 2 Queen's Road Central - Hong Kong	50.00	50.00

NAME	FULL NAME / HEADQUARTERS	EFFECTIVE PARTICIPATION 2011	EFFECTIVE PARTICIPATION 2010
SEA - LAND MINING	SEA - LAND MINING LIMITED 35/F Cheung Kong Center, 2 Queen's Road Central - Hong Kong	50.00	50.00
CIMPOR SHANDONG	CIMPOR (SHANDONG) CEMENT COMPANY LIMITED Kuangsi Village, Liuyuan Town, Yicheng District Zaozhuang City, Shangdong Province ZIP code: 277300	48.80	48.80
NANDA	SUZHOU NANDA CEMENT COMPANY LIMITED Nº. 1, WenDu Road, Wang Ting Town, Xiang Cheng District Suzhou City, Jiangu Province ZIP code: 215155	35.52	35.52
HUAI'AN LIUYUAN	HUAI'AN LIUYUAN CEMENT COMPANY LIMITED Shendu Village, Wangying Town, Huaiyin district, Huai'na city, Jiangsu Province ZIP code: 223300	48.80	48.80
SUZHOU LIUYUAN	SUZHOU LIUYUAN NEW TYPE CEMENT DEVELOPMENT CO., LTD. Suzhou Wuzhong economic development zone, DongWu industrial park second term (Yinzhong south road) ZIP code: 215000	48.80	48.80
CIMPOR SHANGHAI	CIMPOR (SHANGHAI) ENTERPRISES MANAGEMENT CONSULTING COMPANY LIMITED 222 Huaihai Zhong Lu, Lippo Plaza, Floor 25, Room 2505-07 ZIP Code: 200021 Shanghai	50.00	50.00
LIYANG	LIYANG DONGFANG CEMENT COMPANY LIMITED Shanghuang Town, Liyang, Jiangsu Province ZIP Code: 213314	50.00	50.00
NEW HLG	CIMPOR (HUAI'AN) CEMENT PRODUCTS COMPANY LIMITED Wangying Town, Huaiyin district Huai'An City, Jiangsu Province	50.00	50.00
CIMPOR ZAOZHUANG	CIMPOR (ZAOZHUANG) CEMENT COMPANY LIMITED Matou Village, Fucheng County, Shanting District, Zaozhuang City, Shandong Province ZIP Code: 277222	50.00	50.00
CIMPOR MACAU INVESTMENT	CIMPOR MACAU INVESTMENT COMPANY, S.A. Av. da Praia Grande, 693 Edifício Tai Wash - 15º andar MACAU	50.00	50.00
EAST ADVANTAGE	EAST ADVANTAGE INTERNATIONAL LIMITED Romasco Place, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola British Virgin Islands VG1110	50.00	50.00
PUCHENG JIANCAI	PUCHENG BUILDING MATERIALS COMPANY LIMITED Shanghuang Town, Liyang, Jiangsu Province ZIP Code: 213314	50.00	50.00

INDIA

SHREE DIJIVAY CEMENT CO, LTD	SHREE DIJIVAY CEMENT CO, LTD. P.O. Digvijaygram - 361140 Jamnagar Estado de Gujarat	73.63	73.63

NAME	FULL NAME / HEADQUARTERS	EFFECTIVE PARTICIPATION 2011	EFFECTIVE PARTICIPATION 2010
CAPE VERDE			
CIMPOR CABO VERDE	CIMPOR CABO VERDE, S.A. Estrada de Tira Chapéu Praia, Santiago 14/A	98.13	98.65
CABO VERDE BETÕES E INERTES	CABO VERDE BETÕES E INERTES, S.A. Estrada de Tira Chapéu Praia, Santiago 14/A	98.13	54.32
ITP	INDÚSTRIA DE TRANSFORMAÇÃO DE PEDRAS, LDA. Estrada de Tira Chapéu Praia, Santiago 14/A	98.13	98.65
BETÕES DE CABO VERDE	BETÕES DE CABO VERDE, S.A. Estrada de Tira Chapéu Praia, Santiago 14/A	98.13	54.32
PERU			
CEMENTOS OTORONGO	CEMENTOS OTORONGO, S.A.C. Malecón Cisneros 428 dpto. 1002 Miraflores Lima	100.00	100.00

4.2. Associates

Investments in associates, recorded in accordance with the equity method (Note 19) as at 31 December 2011 and 2010 were as follows:

NAME	FULL NAME / HEADQUARTERS	EFFECTIVE PARTICIPATION 2011	EFFECTIVE PARTICIPATION 2010
HOLDINGS AND BUSINESS AND CORPORATE SUPPORT COMPANIES			
AVE	AVE- Gestão Ambiental e Valorização Energética, S.A. Avenida das Forças Armadas, nº 125 - 8º Lisboa	35.00	-
PORTUGAL			
SETEFRETE	SETEFRETE, SGPS, S.A. Av. Luísa Todi, 1 – 1º 2900 – 459 Setúbal	25.00	25.00

NAME	FULL NAME / HEADQUARTERS	EFFECTIVE PARTICIPATION 2011	EFFECTIVE PARTICIPATION 2010
SPAIN			
CEMENTOS ANTEQUERA	CEMENTOS ANTEQUERA, S.A. Calle Atarazanas nº 2 - 1º 29005 Málaga	22.98	22.98
ARENOR	ARENOR, S.L. Calle Monte Carmelo nº 1 – 5º C 41011 Sevilla	-	28.44
HORMICESA	HORMIGONES MIRANDA CELANOVA, S.A. Ctra. Casasoá, Km. 0,100 32817 Celanova - Ourense	39.81	39.82
AGUEIRO	AGUEIRO, S.A. Parroquía de Rois, Parcela B-26, Pol. Ind. Bergondo 15166 Bergondo - A Coruña	44.69	44.79
MOROCCO			
ECOCIM	ECOCIM S.A.S. 421 Boulevard Abdelmoumen, Casablanca Témara	25.00	-
BRAZIL			
COMICAN	COMPANHIA DE MINERAÇÃO CANDIOTA Av. Maria Coelho Aguiar, 215 - Bloco E - 8º. Andar - Sala A Jardim São Luiz - São Paulo	48.00	48.00
SOUTH AFRICA			
NOMAKANJANI	NOMAKANJANI LOGISTICS (PTY), LTD. 199 Coedmore Road Bellair 4094 Durban	-	30.00

4.3. Companies consolidated in accordance with the proportional method

The following companies were consolidated in accordance with the proportional method as they are jointly controlled with other shareholder:

NAME	FULL NAME / HEADQUARTERS	EFFECTIVE PARTICIPATION 2011	EFFECTIVE PARTICIPATION 2010
PORTUGAL			
TEPORSET	TEPORSET - TERMINAL PORTUÁRIO DE SETÚBAL, S.A. Rua Alexandre Herculano, 35 1250 - 009 Lisboa	-	50.00

NAME	FULL NAME / HEADQUARTERS	EFFECTIVE PARTICIPATION 2011	EFFECTIVE PARTICIPATION 2010
SPAIN			
CEISA	CEMENTOS ESPECIALES DE LAS ISLAS, S.A. Calle Secretario Artiles nº 36 35007 Las Palmas de Gran Canaria	50.00	50.00
INPROCOI	INSULAR DE PRODUCTOS PARA LA CONSTRUCCIÓN Y LA INDUSTRIA, S.L. Explanada Muelle Dique del Este s/n 38180 Puerto de Santa Cruz de Tenerife	50.00	50.00
TUNISIA			
TCG	TERMINAL CIMENTIER DE GABES, G.I.E. Port de Gabes Gabes	33.33	33.33
BRAZIL			
ECO-PROCESSA	ECO-PROCESSA – TRATAMENTO DE RESÍDUOS LTDA. Av. Rio Branco, 110 – 39º - parte Cidade do Rio de Janeiro Estado do Rio de Janeiro	50.00	50.00

Teporset was wound up and in the year ended 31 December 2011, and the respective net assets were absorbed by Cimpor Indústria in proportion to the shareholding, therefore with no impact on the consolidation perimeter.

5. Changes in the consolidation perimeter

Changes in the consolidation perimeter in the year ended 31 December 2011 corresponds to; i) the conclusion of the acquisition of 100% of the share capital in CINAC – Cimentos de Nacala, S.A. (“CINAC”), a total investment around 29 million USD, including 18 million USD of loans, which resulted in a goodwill of 21,184 thousand euros (Note 16), still subject to changes resulting from the conclusion of process to allocate the purchase value of the net assets of acquired business and; ii) the acquisition of 35% of the share capital in AVE – Gestão Ambiental e Valorização Energética, S.A., through a subsidiary of the Spain business area, in the amount of 4,916 thousand euros.

The impact on the balance sheet of the changes in the consolidation perimeter on their effective date was as follows:

Captions	Segment: Mozambique	Segment: Spain	Total of acquisitions
Non current assets:			
Tangible assets (Note 18)	12,943	-	12,943
Investments in associates (Note 19)	-	234	234
Deferred tax assets (Note 25)	4,048	-	4,048
Total non-current assets	16,991	234	17,224
Current assets:			
Inventories	224	-	224
Accounts receivable - trade	84	-	84
Taxes recoverable	3	-	3
Total current assets	311	-	311
Total assets	17,301	234	17,535
Non current liabilities:			
Deferred tax liabilities (Note 25)	(249)	-	(249)
Provisions (Note 36)	(35)	-	(35)
Loans	(13,966)	-	(13,966)
Total non-current liabilities	(14,250)	-	(14,250)
Current liabilities:			
Accounts payable - trade	(8)	-	(8)
Accounts payable - other	(69)	-	(69)
Taxes payable	(82)	-	(82)
Other current liabilities	(599)	-	(599)
Total current liabilities	(759)	-	(759)
Total liabilities	(15,009)	-	(15,009)
Net amount	2,293	234	2,526
Goodwill (Note 16 e 19)	21,184	4,682	25,865
Net amount paid / (received)	23,476	4,916	28,392
Cash and cash equivalents	(1,464)	-	(1,464)
Net assets acquired / (sold)	22,012	4,916	26,927

The inclusion of the Mozambican company in the consolidation perimeter had the following impact on net profit for the year ended 31 December 2011:

Captions	Value
Operating income	5,215
Operating expenses	(3,751)
Net operating income	1,464
Net financial expenses	728
Profit before income tax	2,193
Income tax	(703)
Net profit for the year	1,489
Attributable to:	
Equity holders of the parent	997
Minority interest	492

In the year ended 31 December 2010, the changes in the consolidation perimeter refers, essentially, to the acquisition of a participation in an entity in the Portugal business area, for, approximately, 7 million euros.

6. Exchange rates

The exchange rates used to translate, to euros, the foreign currency assets and liabilities at 31 December 2011 and 2010, as well the results for the years then ended were as follows:

		Closing exchange rate (EUR / Currency)			Average exchange rate (EUR / Currency)		
	Currency	2011	2010	Var.%	2011	2010	Var.%
USD	US Dollar	1.2939	1.3362	3.3	1.39280	1.32789	(4.7)
MAD	Moroccan Dirham	11.0952	11.2213	1.1	11.34410	11.25420	(0.8)
BRL	Brazilian Real	2.4159	2.2177	(8.2)	2.32980	2.34594	0.7
TND	Tunisian Dinar	1.9398	1.9284	(0.6)	1.96630	1.91467	(2.6)
MZM	Mozambique Metical	34,960.0	43,650.0	24.9	40,452.6	43,986.0	8.7
CVE	Cape Verde Escudo	110.265	110.265	-	110.265	110.265	-
EGP	Egyptian Pound	7.8032	7.7522	(0.7)	8.31830	7.54044	(9.4)
ZAR	South African Rand	10.483	8.8625	(15.5)	10.10080	9.73991	(3.6)
TRY	Turkish lira	2.4432	2.0694	(15.3)	2.33780	2.00085	(14.4)
HKD	Hong Kong Dollar	10.051	10.3856	3.3	10.85100	10.33040	(4.8)
CNY	Chinese Yuan Renminbi	8.1588	8.8220	8.1	9.01690	9.00050	(0.2)
MOP	Macao Pataca	10.3525	10.6972	3.3	11.36730	10.82566	(4.8)
PEN	Peruvian Nuevo Sol	3.489	3.7497	7.5	3.88140	3.80613	(1.9)
INR	Indian Rupee	68.713	59.7580	(13.0)	65.69980	60.97080	(7.2)

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

7. Operating segments

The main profit and loss information for years ended 31 December 2011 and 2010, of the several operating segments, being each of them one geographical area where **Group** operates, was as follows:

	2011				2010			
	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:								
Portugal	323,580	54,619	378,199	46,195	376,716	61,387	438,103	85,707
Spain	245,580	4,188	249,768	(17,915)	268,864	3,601	272,465	(10,462)
Morocco	99,651	-	99,651	32,904	94,469	-	94,469	35,820
Tunisia	83,591	-	83,591	17,646	78,032	-	78,032	15,988
Egypt	165,646	-	165,646	37,632	226,645	-	226,645	72,643
Turkey	165,647	-	165,647	14,440	154,549	-	154,549	(556)
Brazil	688,902	-	688,902	165,978	609,194	-	609,194	162,431
Mozambique	114,645	-	114,645	16,507	88,056	-	88,056	2,529
South Africa	144,393	4,336	148,729	46,432	141,735	3,103	144,837	45,376
China	127,608	-	127,608	8,365	106,073	-	106,073	510
India	50,797	-	50,797	(3,130)	46,808	1,356	48,164	(2,026)
Others	32,121	-	32,121	2,394	31,103	-	31,103	1,877
Total	2,242,162	63,143	2,305,305	367,446	2,222,244	69,447	2,291,690	409,835
Unallocated	33,108	228,277	261,384	5,348	17,182	177,752	194,934	(708)
Eliminations	-	(291,420)	(291,420)	-	-	(247,198)	(247,198)	-
Sub-total	**2,275,269**	**-**	**2,275,269**	**372,795**	**2,239,426**	**-**	**2,239,426**	**409,127**
Net financial expenses				(80,545)				(47,103)
Share of results of associates				(1,240)				(993)
Other investment income				867				(12,553)
Profit before income tax				291,876				348,478
Income tax				(85,746)				(96,771)
Net profit for the year				**206,130**				**251,707**

All inter segment transactions were made at market values.

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

	2011	2010
Operating segments:		
Portugal	(3)	144
Spain	(150)	(81)
Morocco	7,155	8,010
Egypt	203	1,247
Turkey	555	617
Mozambique	2,017	(105)
China	(2,101)	81
India	(484)	(386)
Others	159	(112)
	7,351	9,415
Unallocated	647	455
Profit for the year attributable to non-controlling interests	**7,998**	**9,870**

Other information of the Group:

	2011			2010		
	Fixed capital expenditure	Depreciation, amortisation and impairment losses (a)	Provisions	Fixed capital expenditure	Depreciation, amortisation and impairment losses (a)	Provisions
Operating segments:						
Portugal	16,990	54,163	(969)	27,305	55,186	(2,870)
Spain	39,335	52,548	-	26,719	43,003	-
Morocco	3,910	7,451	523	5,440	5,687	54
Tunisia	10,570	6,191	-	5,948	6,524	741
Egypt	19,312	7,131	5,198	8,585	9,666	4,545
Turkey	6,893	16,600	237	6,460	22,386	141
Brazil	98,950	34,447	9,672	61,997	28,808	(349)
Mozambique	35,004	7,230	(119)	15,614	8,229	681
South Africa	6,373	13,241	-	5,310	13,519	-
China	14,133	9,265	253	6,015	8,392	-
India	8,949	6,509	-	2,747	6,356	(1)
Others	391	976	7	295	994	-
	260,809	215,751	14,802	172,436	208,751	2,943
Unallocated	21,323	10,178	2,425	7,126	7,636	1,360
	282,133	**225,929**	**17,227**	**179,561**	**216,387**	**4,303**

(a) The impairment losses, when applicable, respects to impairment losses on goodwill, tangible and intangible assets. In the year ended 31 December 2011 impairment losses were recorded in the Spain business area, in the Concrete and Aggregates activity, 3,679 thousand euros in goodwill and 6,321 thousand euros in tangible assets, totalling 10,000 thousand euros.

In addition, assets and liabilities, by reportable segment, reconciled to the total consolidated amounts as at 31 December 2011 and 2010, are as follows:

	2011			2010		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Portugal	662,340	503,018	159,322	756,333	318,110	438,224
Spain	768,279	590,139	178,140	787,528	595,052	192,477
Morocco	126,928	46,482	80,446	121,184	29,254	91,929
Tunisia	152,250	22,456	129,794	148,872	17,304	131,568
Egypt	335,018	82,795	252,222	434,501	76,534	357,967
Turkey	527,476	117,797	409,679	638,982	157,604	481,378
Brazil	1,248,388	250,370	998,018	1,303,949	214,449	1,089,500
Mozambique	182,567	106,701	75,866	102,118	41,839	60,279
South Africa	304,924	47,904	257,020	339,358	41,206	298,152
China	240,767	205,289	35,478	209,353	177,687	31,666
India	110,452	25,982	84,471	122,804	23,482	99,322
Others	35,513	9,219	26,293	37,305	11,232	26,073
	4,694,902	2,008,152	2,686,749	5,002,287	1,703,752	3,298,535
Unallocated	1,462,734	2,083,431	(620,697)	1,184,302	2,275,688	(1,091,386)
Eliminations	(938,886)	(938,886)	-	(824,792)	(824,792)	-
Investments in associates	18,289	-	18,289	23,083	-	23,083
Total	**5,237,038**	**3,152,697**	**2,084,341**	**5,384,880**	**3,154,649**	**2,230,231**

The assets and liabilities not attributed to reportable segments include: (i) assets and liabilities of companies not attributable to specific segments, essentially holding companies and trading companies; (ii) intra-group eliminations between segments; and (iii) investments in associates.

Following is a break-down of the information for the years ended 31 December 2011 and 2010, by business segment of the **Group**:

	2011			2010		
	Sales and services rendered	Assets	Fixed capital expenditure	Sales and services rendered	Assets	Fixed capital expenditure
Cement	1,651,018	3,991,869	220,384	1,696,402	4,138,815	143,353
Ready-mix and precast concrete	492,394	430,864	38,932	429,534	432,801	27,771
Others	131,858	814,305	22,817	113,490	813,264	8,437
	2,275,269	5,237,038	282,133	2,239,426	5,384,880	179,561

8. Other operating income

Other operating income for the years ended 31 December 2011 and 2010 were as follows:

	Group		Company	
	2011	2010	2011	2010
Supplementary income	21,661	20,401	3,337	802
Gains on the sale of CO_2 (Note 44)	26,323	13,830	-	-
Gains on the sale of assets tangible and intangible	5,502	10,439	356	-
Reversal of receivables impairment (Note 27)	3,107	6,392	27	90
Investment subsidies	3,898	4,385	-	-
Own work for the company	3,461	2,345	-	-
Reversal of inventories impairment (Note 26)	1,221	1,366	-	-
Reversal of receivables impairment (Note 22)	65	559	-	-
Others	17,724	16,763	594	8
	82,963	76,479	4,314	900

9. Cost of goods sold and material used in production

The cost of goods sold and material used in production for the years ended 31 December 2011 and 2010 was as follows:

	2011	2010
Goods sold	126,343	78,946
Material used in production	533,342	562,425
Gain/(Loss) on inventories	268	1,374
	659,954	642,745

10. Payroll costs

Payroll expenses for the years ended 31 December 2011 and 2010 were made up as follows:

	Group		Company	
	2011	2010	2011	2010
Remuneration	162,045	157,498	7,226	6,759
Bonus	21,036	23,629	3,115	2,605
Charges on remuneration	40,403	38,037	1,054	1,018
Social action and other	29,218	28,276	286	315
Indemnities and compensations	8,417	12,300	2,583	5,174
Employee benefits - retirement (Note 34)	1,941	4,022	579	685
Employee benefits - healthcare (Note 34)	1,009	(6,020)	-	-
Stock options and purchase plans (Note 35)	980	1,651	980	1,651
Insurance	984	864	158	131
	266,034	260,256	15,981	18,336

The caption "Social action and other" includes occupational health, healthcare assistance, professional training and meal allowance costs.

The average number of employees of the **Group** in the years ended 31 December 2011 and 2010, by business and operating segment, was as follows:

	2011				2010			
	Cement	Ready-mix and precast concrete	Others	Total	Cement	Ready-mix and precast concrete	Others	Total
Segments:								
Portugal	579	474	110	1,163	617	478	125	1,220
Spain	572	322	54	948	587	357	58	1,001
Morocco	172	27	-	198	174	29	-	202
Tunisia	203	10	-	213	206	7	-	214
Egypt	464	12	28	504	458	7	29	494
Turkey	616	164	9	789	622	156	9	787
Brazil	806	666	9	1,481	814	682	9	1,505
Mozambique	482	47	1	531	419	47	1	467
South Africa	313	112	-	425	349	141	-	490
China	973	-	-	973	1,011	-	-	1,011
India	491	-	-	491	518	-	-	518
Others	65	55	-	120	70	61	4	135
	5,736	1,887	212	7,835	5,846	1,963	234	8,043
Common functions	-	-	-	590	-	-	-	528
	5,736	**1,887**	**212**	**8,425**	**5,846**	**1,963**	**234**	**8,571**

The average number of employees of the **Company** in the years ended 31 December 2011 and 2010, included in Common functions, was 64 and 61, respectively.

11. Other operating expenses

Other operating expenses for the years ended 31 December 2011 and 2010 were as follows:

	Group		Company	
	2011	2010	2011	2010
Taxes	15,123	16,045	110	323
Receivables impairment (Note 27)	8,086	8,305	1	39
Subscriptions	3,472	3,762	105	57
Inventory impairment (Note 26)	2,990	1,382	-	-
Loss on disposal of assets	2,350	4,372	-	-
Donations	2,206	1,322	-	5
Fines and penalties	1,264	1,756	-	-
Others receivables impairment (Note 22)	629	705	-	-
Others	2,630	2,092	30	42
	38,750	39,743	246	467

12. Net financial expenses

Net financial expenses for the years ended 31 December 2011 and 2010 were made up as follows:

	Group		Company	
	2011	2010	2011	2010
Financial expenses:				
Interest expense	94,699	68,781	2,700	3,030
Foreign exchange loss	31,628	19,756	14	24
Changes in fair-value:				
Hedged assets / liabilities	1,684	-	-	-
Hedging derivative financial instruments	3,770	10,428	-	-
Trading derivative financial instruments (a)	7,176	3,934	-	-
Financial assets/liabilities at fair value (a)	13,606	27,036	-	-
	26,236	41,398	-	-
Other (b)	15,123	17,018	65	72
	167,686	146,954	2,779	3,126
Financial income:				
Interest income	27,530	22,675	7,998	1,283
Foreign exchange gain	37,251	26,805	19	24
Changes in fair-value:				
Hedged assets / liabilities	3,770	10,428	-	-
Hedging derivative financial instruments	1,684	-	-	-
Trading derivative financial instruments (a)	13,786	36,708	-	-
Financial assets/liabilities at fair value (a)	915	-	-	-
	20,156	47,135	-	-
Other (b)	2,204	3,236	-	-
	87,141	99,851	8,016	1,307
Net financial expenses	(80,545)	(47,103)	5,238	(1,819)
Share of profits of associates:				
Loss in associated companies (Notes 19 and 36)	(1,758)	(1,617)	-	-
Gain in associated companies (Note 19)	518	624	-	-
	(1,240)	(993)	-	-
Investment income:				
Gains on holdings (d)	103	48	120,594	321,680
Gains/(Losses) on investments (c)	764	(12,601)	-	18
	867	(12,553)	120,594	321,698

(a) These captions are mainly related to: (i) “US Private Placements” fair value changes (Note 37), which were designated as financial liabilities at fair value through profit and loss and (ii) fair value changes of trading financial derivative instruments, including two of them that, although contracted to cover exchange rate and interest rate risks associated to “US Private Placements” (Note 39), are not qualified for hedge accounting by the **Group**. In the years ended 31 December 2011 and 2010, arising from changes in fair values, was recognised, respectively, a financial expense of 6,080 thousand euros and a financial income of 5,737 thousand euros.

(b) In the years ended 31 December 2011 and 2010, these items in **Group** essentially include the costs and income relative to the financial actualization of assets and liabilities, including the financial actualization of provisions (Note 36), the cash discounts granted and obtained and costs with commissions, guarantees and other bank charges in general.

(c) In the year ended 31 December 2011, this item in **Group** included the gain obtained from the exchange of the shareholding of Arenor, SL amounting to 951 thousand euros (Note 21) and the depreciation of a portfolio of investment funds classified as a financial asset at fair value through profit and loss, in the amount of 188 thousand euros (Note 20). In the previous year, it included the recording of a impairment loss in C+PA - Cimento e Produtos Associados, S.A. ("C+PA") of 13,200 thousand euros (Note 21), and the appreciation of a portfolio of investment funds classified as a financial asset at fair value through profit and loss, in the amount of 599 thousand euros.

(d) In the years ended 31 December 2011 and 2010, the gains on holdings of the **Company**, refers to the dividends received from subsidiaries (Note 46).

13. Income tax

Group corporate income tax

The Group companies are taxed, whenever 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:

	2011	2010
Portugal (a)	26.5%	26.5%
Spain	30.0%	30.0%
Morroco	30.0%	30.0%
Tunisia	30.0%	30.0%
Egypt	25.0%	20.0%
Turkey	20.0%	20.0%
Brazil	34.0%	34.0%
Mozambique	32.0%	32.0%
South Africa	28.0%	28.0%
China	25.0%	25.0%
India	32.4%	33.2%
Other	25.5% - 30.0%	25.5% - 30.0%

(a) Until 31 December 2011, companies that exceed a 2,000 thousand euros taxable profit are subject to a state surcharge of 2.5% over the amount that exceeds that limit, under Corporate Income Tax Code rules. For the 2012 and 2013 financial years this surcharge will vary from 3% to 5% according to the calculated taxable profit: i) 3% for profits between 1,500 and 10,000 thousand euros, and ii) 5% for the share of profits above 10,000 thousand euros.

Pursuant to legislation in force in the different jurisdictions in which the Group operates, the corresponding tax returns are subject to review by tax authorities for a period varying from 4 to 5 years, which may be extended under certain circumstances, namely when there are tax losses or ongoing investigations, claims or disputes.
The **Group** income tax expense for the years ended 31 December 2011 and 2010 was as follows:

	2011	2010
Current tax	86,886	80,828
Deferred tax (Note 25)	(6,828)	12,706
Increases in tax provisions (Note 36)	5,689	3,237
Charge for the year	85,746	96,771

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 (Note 25).

The reconciliation between the tax rate applicable in Portugal and the effective tax rate in the **Group** is as follows:

	2011	2010
Tax rate applicable in Portugal	26.50%	26.50%
Operational and financial results non taxable	(0.22%)	(0.86%)
Benefits by deduction to the taxable profit and to the collect	(4.31%)	(5.86%)
Increases / (Decreases) in tax provisions	1.95%	0.93%
Adjustments on deferred taxes	(1.44%)	1.11%
Tax rate changes on deferred taxes	0.99%	1.98%
Tax rate differences	3.89%	2.38%
Taxable dividends and other	2.02%	1.60%
Effective tax rate of the Group	29.38%	27.77%

The continued increase of income in jurisdictions with higher tax rates justified the growth trend of the Group's tax rate.

In addition to the income tax charge for the year, in the years ended 31 December 2011 and 2010, deferred taxes of 3,000 thousand euros and 459 thousand euros, were recorded directly in other comprehensive income, respectively, as an increase and reduction (Note 25).

Company corporate income tax

The Company and the majority of its subsidiaries in Portugal are subject to Corporate Income Tax ("CIT"), currently at the rate of 25%, plus a Municipal surcharge up to a maximum of 1.5% of taxable income, totalling 26.5%. In addition, from 1 January 2010 on, companies that exceed a 2,000 thousand euros taxable profit are subject to a State surcharge of 2.5% over the amount that exceeds that limit, under Corporate Income Tax Code rules.

The Company is taxed under the special income tax scheme for corporate groups, comprising the companies in which it directly or indirectly holds at least 90% of the capital and which comply with the requirements of law. This tax scheme consists of applying the CIT rate to the consolidated taxable results of the companies included in the tax scheme plus the municipal surcharge, and excluding profits distributed between those companies.

In accordance with current legislation, the Company's tax returns are subject to tax audits for a period of four years, 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 2009, and the tax audit for 2010 is in course.

The Board of Directors, based on the positions of its tax consultants and taking into account the recognised responsibilities, believes that any review of these tax returns will not result in adjustments with any significant effect on the financial statements.

The **Company** Income tax expense for the years ended 31 December 2011 and 2010 was as follows:

	2011	2010
Current tax	(1,720)	(7,747)
Deferred tax (Note 25)	(912)	(13)
Increases in tax provisions (Note 36)	2,900	3,237
Charge for the year	268	(4,523)

Considering the sustainable development of new materials, based on cement, to be produced by the Group, the Company signed a research agreement with the Massachusetts Institute of Technology which expense, in the year ended 31 December 2011, amounted to 90 thousand euros, being in course the preparation of an application under the *"Sistema de Incentivos Fiscais à Investigação e Desenvolvimento II"* (System of Tax Incentives for Research and Development -"SIFIDE II"), which will originate an estimated tax credit (already recorded in the accounts) of around 30 thousand euros.

The reconciliation between the tax rate applicable in Portugal and the effective tax rate in the **Company** is as follows:

	2011	2010
Tax rate applicable in Portugal	26.50%	26.50%
Operational and financial results non taxable	(28.09%)	(28.55%)
Increases / (Decreases) in tax provisions	2.62%	1.10%
Other	(0.79%)	(0.59%)
Effective tax rate	0.24%	(1.54%)

The non taxable operating and financial results are related essentially to dividends received from its subsidiaries (Note 12). In addition, in the item “Other” it is included the impact of a tax consolidation adjustment related with the elimination of intra-group results between group companies.

14. Dividends

In the year ended 31 December 2011 a dividend of 20.5 cents per share (20 cents per share in 2010), totaling 136,361 thousand euros (132,954 thousand euros in 2010), was paid as decided by the Shareholders’ Annual General Meeting held on 18 April 2011.

In relation to the financial year ended on 31 December 2011, the Board of Directors proposes a dividend of 16.6 cents per share, subject to approval by the General Meeting of the shareholders to be held on 20 April 2012.

15. Earnings per share

Basic and diluted earnings per share for the years ended 31 December 2011 and 2010 were computed as follows:

	Group		Company	
	2011	2010	2011	2010
Basic earnings per share				
Net profit considered in the computation of basic earnings per share	198,132	241,837	110,233	298,250
Weighted average number of ordinary shares used to calculate the basic earnings per share (thousands) (a)	665,637	664,885	665,637	664,885
Basic earnings per share	0.30	0.36	0.17	0.45
Diluted earnings per share				
Net profit considered in the computation of basic earnings per share	198,132	241,837	110,233	298,250
Weighted average number of ordinary shares used to calculate the basic earnings per share (thousands) (a)	665,637	664,885	665,637	664,885
Effect of the options granted under the Share Option Plan (thousands) (Note 35)	1,815	1,367	1,815	1,367
Weighted average number of ordinary shares used to calculate the diluted earnings per share (thousands)	667,452	666,252	667,452	666,252
Diluted earnings per share	0.30	0.36	0.17	0.45

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

16. Goodwill

The changes in goodwill and related impairment losses in the years ended 31 December 2011 and 2010 were as follows:

	Portugal	Spain	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	India	Other	Total
Gross assets:													
Balances at 1 january 2010	27,004	128,446	27,254	71,546	73,035	282,168	586,320	2,578	97,115	19,069	49,952	12,397	1,376,883
Changes in the consolidation perimeter	-	202	-	-	-	-	-	-	-	-	-	-	202
Currency translation adjustments	-	-	-	-	1,301	11,631	53,960	201	19,763	1,766	6,087	323	95,032
Sales	-	(737)	-	-	-	-	-	-	-	-	-	-	(737)
Transfers	-	(1,519)	-	-	-	-	-	-	-	-	-	-	(1,519)
Balances at 31 december 2010	27,004	126,392	27,254	71,546	74,336	293,799	640,280	2,779	116,877	20,836	56,039	12,720	1,469,861
Changes in the consolidation perimeter (Note 5)	-	-	-	-	-	-	-	21,184	-	-	-	-	21,184
Currency translation adjustments	-	-	-	-	(486)	(44,950)	(37,865)	3,451	(18,067)	1,136	(7,303)	244	(103,840)
Balances at 31 december 2011	27,004	126,392	27,254	71,546	73,850	248,849	602,415	27,414	98,810	21,972	48,736	12,964	1,387,204
Accumulated impairment losses:													
Balances at 1 january 2010	601	-	24,031	-	-	-	-	-	-	-	-	-	24,632
Balances at 31 december 2010	601	-	24,031	-	-	-	-	-	-	-	-	-	24,632
Increases	-	3,679	-	-	-	-	-	-	-	-	-	-	3,679
Balances at 31 december 2011	601	3,679	24,031	-	-	-	-	-	-	-	-	-	28,311
Carrying amount:													
As at 31 december 2010	26,403	126,392	3,223	71,546	74,336	293,799	640,280	2,779	116,877	20,836	56,039	12,720	1,445,229
As at 31 december 2011	26,403	122,713	3,223	71,546	73,850	248,849	602,415	27,414	98,810	21,972	48,736	12,964	1,358,893

Goodwill is subject to impairment tests annually and whenever there are indications of possible impairment.

The impairment tests are made based on the recoverable amounts of each of the corresponding business segments (Note 2.3.). An impairment loss in the goodwill assigned to the aggregates activity in the Spain business area, in the amount of 3,679 thousand euros, was recorded in the year ended 31 December 2011.

The transfers of the value of goodwill that occurred in the financial years ended 31 December 2010 result from the conclusion of processes to allocate the purchase value of the net assets of acquired businesses in Spain, as part of business combination processes.

For impairment test purposes, considering the financial statement structure adopted for management purposes, goodwill is attributed generally to each operating segment (Note 7), due to the existence of synergies between the units of each segment in a perspective of vertical integration of business (Introductory note).

The recoverable value of each group of cash-generating units is compared, in the tests performed, with the respective book value. An impairment loss is only recognised when the book value exceeds the higher of the value in use and transaction value. For the value in use, the future cash flows, after taxes, are discounted based on the weighted average cost of capital (“WACC”), after taxes, adjusted for the specific risks of each market.

The cash flow projections are based on the medium and long term business plans approved by the Board of Directors, plus perpetuity.

The determination of the value in use was based on discounted cash flows calculated in local currency, using the corresponding WACC and perpetuities rates, as follows:

		2011			2010		
Segments	Currency	Goodwill	"WACC" rate	Long term growth rate	Goodwill	"WACC" rate	Long term growth rate
Portugal	EUR	26,403	10.0% - 7.2%	1.5%	26,403	7.1%	1.4%
Spain	EUR	122,713	7.4% - 7.1%	1.4% - 2.0%	126,392	6.2%	2.0%
Morocco	MAD	3,223	10.1%	1.0%	3,223	8.1%	2.5%
Tunisia	TND	71,546	13.3%	1.0%	71,546	8.2%	2.5%
Egypt	EGP	73,850	19,3% - 15,1%	3.0%	74,336	9.5%	4.0%
Turkey	TRY	248,849	13.3%	4.0%	293,799	10.0%	4.0%
Brazil	BRL	602,415	11.9%	2.0%	640,280	8.3%	2.0%
Mozambique	MZM	27,414	16.0%	3.0%	2,779	11.1%	2.5%
South Africa	ZAR	98,810	10.6%	1.0%	116,877	7.5%	2.5%
China	CNY	21,972	8.3%	1.0%	20,836	7.0%	2.5%
India	INR	48,736	10.7%	6.0%	56,039	8.9%	3.0%
Other	-	12,964	12.9%	2.0%	12,720	8.3% and 11.5%	2.0% and 2.5%
		1,358,893			1,445,229		

The determination of the value in use relative to the Portugal, Spain and Egypt business areas considered different “WACC” rates to discount the cash flows of different periods of the projections. This procedure is the result of the need to adapt the adequacy of these discount rates to the expectations of future developments of the corresponding country risk premiums in particular in terms of the determination of the perpetuity, in which the discount rates used were lower than those considered in the early years of the projection, influenced in the case of Portugal and Spain by the current economic and financial climate and by political instability, in the case of Egypt.

The Group examined the impact of a 50 basis points change in the discount rates or long-term growth rates and, except for the Spain business area, where these changes would result in an increase of impairment losses by about 2 million euros, no other situations were identified in which the recoverable amount of the assets would became lower than the corresponding book value.

17. Intangible assets

The changes in intangible assets and corresponding accumulated amortisation and impairment losses in **Group** in the years ended 31 December 2011 and 2010 were as follows:

	Industrial property and other rights	Intangible assets in progress	Total
Gross assets:			
Balances at 1 january 2010	93,639	726	94,364
Changes in the consolidation perimeter	6,354	-	6,354
Currency translation adjustments	2,849	22	2,871
Additions	7,291	369	7,660
Write-offs	(1,368)	-	(1,368)
Transfers	(3,180)	(237)	(3,417)
Balances at 31 december 2010	105,585	880	106,465
Currency translation adjustments	(1,346)	29	(1,318)
Additions	11,304	331	11,634
Write-offs	(9,004)	(15)	(9,019)
Transfers	(14,935)	(498)	(15,433)
Balance at 31 december 2011	91,604	727	92,331
Accumulated amortisation and impairment losses:			
Balances at 1 january 2010	24,719	-	24,719
Currency translation adjustments	1,040	-	1,040
Increases	11,257	-	11,257
Write-offs	(999)	-	(999)
Transfers	515	-	515
Balances at 31 december 2010	36,532	-	36,532
Currency translation adjustments	(1,602)	-	(1,602)
Increases	13,457	-	13,457
Write-offs	(7,916)	-	(7,916)
Transfers	(3,230)	-	(3,230)
Balance at 31 december 2011	37,240	-	37,240
Carrying amount:			
As at 31 december 2010	69,053	880	69,933
As at 31 december 2011	54,364	727	55,091

The "Industrial property and other rights" caption mainly includes contractual rights, land surface rights and licences, including the use of software.

In the year ended 31 december 2011 the transfers are essentially the result of allocating to Land and Natural Resources the value of the mineral reserves exploit contracts due to the acquisition of the corresponding land under the agreement signed with Arenor (Notes 18 and 47). In the year ended 31 December 2010, the transfers, essentially, resulted from the attributing of fair values to assets acquired in business combination processes.

For the **Company**, in the years ended 31 December 2011 and 2010, the changes in intangible assets and corresponding accumulated amortisation and impairment losses were as follows:

	Industrial property and other rights
Gross assets:	
Balances at 1 january 2010	9,656
Balances at 31 december 2010	9,656
Additions	20
Write-offs	(8,733)
Balances at 31 december 2011	943
Accumulated amortisation and impairment losses:	
Balances at 1 january 2010	2,377
Additions	3,168
Balances at 31 december 2010	5,545
Additions	3,286
Write-offs	(7,905)
Balances at 31 december 2011	926
Carrying amount:	
As at 31 december 2010	4,111
As at 31 december 2011	17

18. Tangible assets

The **Group** changes in tangible assets, corresponding accumulated depreciation and impairment losses in the years ended 31 December 2011 and 2010 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 1 january 2010	417,462	918,148	3,373,198	128,081	64,300	13,465	12,221	131,199	10,136	5,068,211
Changes in the consolidation perimeter	1,815	81	677	16	5	-	-	2,912	-	5,506
Currency translation adjustments	11,664	37,618	160,878	7,534	2,446	385	42	12,093	702	233,362
Additions	1,683	9,362	18,332	2,906	868	181	1,011	104,458	21,238	160,040
Sales	(505)	(998)	(7,827)	(13,976)	(782)	(64)	(131)	-	(411)	(24,693)
Write-offs	(622)	(1,275)	(13,691)	(831)	(9,504)	(91)	(123)	(73)	(2,338)	(28,548)
Transfers	14,236	41,555	98,171	2,788	232	194	79	(130,415)	(16,891)	9,949
Balances at 31 december 2010	445,734	1,004,490	3,629,738	126,519	57,565	14,071	13,099	120,174	12,438	5,423,828
Changes in the consolidation perimeter (Note 5)	35	4,511	8,313	62	20	1	-	-	-	12,943
Currency translation adjustments	(12,070)	(32,516)	(160,059)	(6,719)	(2,077)	(13)	27	(5,997)	(88)	(219,512)
Additions	13,700	9,914	50,710	21,495	876	252	694	137,354	22,561	257,556
Sales	(414)	(573)	(4,276)	(16,154)	(286)	(91)	(11)	(170)	-	(21,975)
Write-offs	(42)	(2,377)	(3,384)	(1,232)	(810)	(45)	(49)	(572)	(37)	(8,549)
Transfers	66,240	26,456	71,909	4,667	1,157	293	184	(108,803)	(4,081)	58,022
Balances at 31 december 2011	513,182	1,009,906	3,592,951	128,638	56,444	14,470	13,945	141,985	30,793	5,502,313
Accumulated depreciation and impairment losses:										
Balances at 1 january 2010	52,079	429,899	2,301,049	85,869	53,927	10,740	6,875	-	-	2,940,438
Currency translation adjustments	571	13,067	107,108	4,894	1,904	248	30	-	-	127,821
Increases	5,136	40,002	146,394	8,772	3,441	358	1,026	-	-	205,130
Decreases	-	(304)	(6,321)	(8,047)	(756)	(60)	(23)	-	-	(15,511)
Write-offs	(379)	(1,062)	(11,132)	(714)	(9,430)	(90)	(27)	-	-	(22,833)
Transfers	226	21	4,480	(3,600)	(668)	(1)	(2)	-	-	456
Balances at 31 december 2010	57,633	481,623	2,541,577	87,174	48,419	11,195	7,879	-	-	3,235,500
Currency translation adjustments	(670)	(14,438)	(115,361)	(4,274)	(1,665)	89	17	-	-	(136,302)
Increases	12,424	39,782	142,456	9,799	2,472	731	1,130	-	-	208,793
Decreases	-	(393)	(3,514)	(10,824)	(262)	(91)	(8)	-	-	(15,092)
Write-offs	-	(2,227)	(2,980)	(679)	(795)	(44)	(14)	-	-	(6,739)
Transfers	3,490	(2,557)	1,022	12	18	6	-	-	-	1,991
Balances at 31 december 2011	72,878	501,791	2,563,200	81,207	48,186	11,885	9,004	-	-	3,288,151
Carrying amount:										
As at 31 december 2010	388,100	522,868	1,088,161	39,345	9,146	2,876	5,221	120,174	12,438	2,188,328
As at 31 december 2011	440,304	508,115	1,029,751	47,431	8,257	2,585	4,941	141,985	30,793	2,214,162

The value of the operating land was increased to reflect the estimated future cost of environmental recovery and rehabilitation of the land, which also increased liabilities (Note 36).

The additions during the financial years ended on 31 December 2011 and 2010 include 1,656 thousand euros and 436 thousand euros, respectively, of financial expenses related to loans contracted to finance the construction of qualifying assets.

The transfers to "Lands and natural resources" in the year ended 31 December 2011 include: i) the reclassification of strategic mineral reserves of the Egypt business area, previously recorded as inventories, totalling approximately 32 million euros, and ii) the value of the mineral reserves exploit contracts under the agreement with Arenor (Notes 17 and 47), about 26 million euros. In addition, in the year ended 31 December 2011, an office building was transferred from "Buildings and other constructions" to the "Non-current Assets held for sale", totalling 7 million euros (Note 21).

In the year ended 31 December 2011, the increased depreciation and impairment losses is influenced by an impairment loss amounting to 6,321 thousand euros in the Spain business area, assigned to the Concrete and Aggregates activity.

Tangible assets in progress and Advances to suppliers of tangible assets in the year ended 31 December 2011 include the construction and improvement of installations and equipment of the cement sector of several production units, essentially in the Brazil, Spain, Mozambique, India and South Africa business areas.

The changes in tangible assets, corresponding depreciation and impairment losses in the years ended 31 December 2011 and 2010 for the **Company** were as follows:

	Land	Buildings and other constructions	Basic equipment	Transportation equipment	Administrative equipment	Other tangible assets	Tangible assets in progress	Advance to suppliers of tangible assets	Total
Gross assets:									
Balances at 1 january 2010	2,409	8,950	3,095	630	4,943	-	2	-	20,029
Additions	-	7	-	312	26	-	4	-	348
Sales	-	-	-	(66)	-	-	-	-	(66)
Write-offs	-	-	(17)	-	-	-	-	-	(17)
Balances at 31 december 2010	2,409	8,957	3,078	876	4,969	-	5	-	20,295
Additions	-	347	-	296	114	4	17	80	858
Sales	-	-	-	(82)	-	-	-	-	(82)
Write-offs	-	-	(0)	(1)	(71)	-	-	-	(72)
Transfers	-	5	-	-	-	-	(5)	-	-
Balances at 31 december 2011	2,409	9,309	3,078	1,088	5,012	4	17	80	20,998
Accumulated depreciation and impairment losses:									
Balances at 1 january 2010	-	5,703	3,073	361	4,628	-	-	-	13,765
Increases	-	181	4	144	6	-	-	-	336
Decreases	-	-	-	(17)	-	-	-	-	(17)
Write-offs	-	-	(17)	-	-	-	-	-	(17)
Balances at 31 december 2010	-	5,884	3,061	488	4,634	-	-	-	14,067
Increases	-	185	4	177	41	-	-	-	406
Decreases	-	-	-	(57)	-	-	-	-	(57)
Write-offs	-	-	-	(1)	(71)	-	-	-	(72)
Balances at 31 december 2011	-	6,068	3,065	607	4,604	-	-	-	14,344
Carrying amount:									
As at 31 december 2010	2,409	3,073	18	387	335	-	5	-	6,228
As at 31 december 2011	2,409	3,241	13	482	408	4	17	80	6,654

19. Investments in subsidiaries and associates

The breakdown of **Company** investments in subsidiaries and associates and its respective equity values in 31 December 2011 and 2010, and its net profit for the years ended in such dates were as follows:

		2011				2010			
Name	Country	Ownership percentage	Shareholders' equity	Net profit	Balance value	Ownership percentage	Shareholders' equity	Net profit	Balance value
Cimpor Inversiones, S.A.	Spain	90	1,332,887	242,907	641,444	100	846,814	223,616	641,444
Cimpor Portugal, SGPS, S.A.	Portugal	100	305,723	51,805	438,480	100	261,225	77,918	438,480
Cimpor Reinsurance, S.A.	Luxembourg	95	16,548	2,925	10,855	95	13,624	(698)	10,855
Kandmad, SGPS, LDA.	Portugal	100	21,300	150	22,000	100	8,150	43	9,000
Cimpor - Serviços de Apoio e Gestão de Empresas, S.A.	Portugal	100	1,819	350	1,900	100	1,469	9	1,900
Cimpor Tec - Engenharia e Serviços Técnicos de Apoio ao Grupo, S.A.	Portugal	100	996	556	1,573	100	785	345	1,573
Cimpor Financial Operations, B.V.	Netherlands	74.595	2,926	318	1,024	100	2,608	593	1,373
Cement Services Company, S.A.E.	Egypt	45	139	14	137	45	191	77	137
Cimpor Egypt For Cement Company, S.A.E.	Egypt	0.00187894	331,957	6,196	5	0.00187894	339,596	1,312	6
Cimpor Ybitas Cimento A.S.	Turkey	0.0000000004	169,147	679	-	0.0000000004	195,479	(2,289)	-
Cimpor Yibitas Beynelmilel Nakliyecilik A.S.	Turkey	0.00000010	250	25	-	0.00000010	268	1	-
			2,183,692	305,924	1,117,418		1,670,207	300,928	1,104,768

The changes in **Company** investments in subsidiaries and associates in the years ended 31 December 2011 and 2010 were as follows:

Balances at 1 January 2010	1,096,967
Increases	10,900
Decreases	(3,099)
Balances at 31 December 2010	1,104,768
Increases	13,000
Decreases	(350)
Balances at 31 December 2011	1,117,418

In the year ended 31 December 2011, the increases relate to the provision of supplementary share capital to the company Kandmad, SGPS, Lda. and the decreases mainly refer to the sale to a subsidiary of 47 shares of Cimpor Financial Operations B.V. to a participated company.

In the year ended 31 December 2010, the increases refer to the acquisitions from group companies of: i) 100% of the share capital of Kandmad, SGPS, Lda. for a total amount of 9,000 thousand euros; ii) and 100% of the share capital of Cimpor – Serviços de Apoio e Gestão de Empresas, S.A., of 1,900 thousand euros. In the same year, the decreases correspond to the repayment of supplementary share capital by Cimpor Financial Operations, B.V. in the amount of 3,099 thousand euros.

In the **Group**, the changes in investments in subsidiaries and associates in the years ended 31 December 2011 and 2010 were as follows:

	Investment	Goodwill	Total
Balances at 1 january 2010	17,575	7,416	24,992
Currency translation adjustments	3	-	3
Equity method effect:			
On profit (Note 12)	(964)	-	(964)
On shareholders' equity	21	-	21
Dividends received	(969)	-	(969)
Balances at 31 december 2010	15,666	7,416	23,083
Changes in the consolidation perimeter (Note 5)	234	4,682	4,916
Currency translation adjustments	3	-	3
Equity method effect:			
On profit (Note 12)	88	-	88
On shareholders' equity	161	-	161
Transfers	(9,961)	-	(9,961)
Balances at 31 december 2011	6,191	12,098	18,289

In the year ended 31 December 2011, the transfers relate essentially to the reclassification in the first half under IFRS 5 as non-current assets held for sale of the Group's shareholding in Arenor, S.L. (Note 21).

The breakdown of **Group** investment in associates, its respective equity values in 31 December 2011 and 2010 and its net profit for the years ended in such dates were as follows:

		2011							
Name	Operating segment	Ownership percentage	Assets	Liabilities	Shareholders' equity	Sales and services rendered	Net profit	Balance value: Investments in associates	Balance value: Provisions
Setefrete, SGPS, S.A.	Portugal	25%	5,404	(25)	5,379	91	1,321	3,632	-
Arenor, S.L.	Spain	0%	-	-	-	-	(617)	-	-
Cementos Antequera, S.A.	Spain	23%	24,363	(5,536)	18,827	1,864	(1,103)	9,474	-
Agueiro, S.A.	Spain	45%	12,178	(15,135)	(2,958)	-	(2,939)	-	(1,331)
Hormigones Miranda Celanova, S.A.	Spain	40%	360	(336)	24	556	(12)	9	-
Ecocim, S.A.S.	Morocco	25%	1,726	(776)	950	2,313	753	237	-
Companhia de Mineração Candiota	Brazil	48%	41	-	41	-	-	20	-
AVE- Gestão Ambiental e Valorização Energética, S.A.	Others	35%	2,250	(1,582)	668	8,367	-	4,916	-
			46,322	(23,391)	22,931	13,191	(2,597)	18,289	(1,331)

		2010							
Name	Operating segment	Ownership percentage	Assets	Liabilities	Shareholders' equity	Sales and services rendered	Net profit	Balance value: Investments in associates	Balance value: Provisions
Setefrete, SGPS, S.A.	Portugal	25%	5,471	(1,547)	3,924	26,211	2,496	3,269	-
Arenor, S.L.	Spain	29%	63,858	(28,614)	35,244	1,598	(5,016)	10,069	-
Cementos Antequera, S.A.	Spain	23%	34,558	(14,629)	19,929	14,197	(273)	9,729	-
Agueiro, S.A.	Spain	45%	2,247	(2,266)	(19)	4,496	(153)	(8)	-
Hormigones Miranda Celanova, S.A.	Spain	40%	319	(311)	8	622	(57)	3	-
Companhia de Mineração Candiota	Brazil	48%	45	-	45	-	-	22	-
Nomakanjani Logistics (PTY), LTD.	South africa	30%	-	-	-	-	(99)	-	(30)
			106,497	(47,366)	59,131	47,124	(3,102)	23,083	(30)

20. Other investments

The changes in “Other investments” in the scope of IAS 39 for the years ended 31 December 2011 and 2010 were as follows:

	Group					Company
	Available-for-sale financial assets		Financial assets at fair-value through profit and loss	Held to maturity financial assets	Total	Available-for-sale financial assets
	Cost	Fair value				Cost
Gross investment:						
Balances at 1 january 2010	8,422	3,869	4,066	224	16,580	4,124
Currency translation adjustments	225	-	-	22	247	-
Revaluation/adjustments	-	(83)	599	-	516	-
Increases	3,014	-	-	-	3,014	14
Transfers	-	-	-	(246)	(246)	-
Sales	(1,802)	-	-	-	(1,802)	-
Balances at 31 december 2010	9,859	3,785	4,665	-	18,310	4,138
Currency translation adjustments	(310)	-	-	-	(310)	-
Revaluation/adjustments	-	(772)	(188)	1,105	145	-
Increases	913	-	-	14,352	15,265	-
Transfers	(44)	-	-	-	(44)	-
Sales	(94)	-	-	-	(94)	-
Balances at 31 december 2011	10,324	3,013	4,478	15,457	33,272	4,138
Impairment losses:						
Balances at 1 january 2010	6,642	-	-	-	6,642	4,051
Sales	(1,775)	-	-	-	(1,775)	-
Balances at 31 december 2010	4,867	-	-	-	4,867	4,051
Increases	75	-	-	-	75	-
Balances at 31 december 2011	4,942	-	-	-	4,942	4,051
Carrying amount:						
As at 31 december 2010	4,992	3,785	4,665	-	13,443	87
As at 31 december 2011	5,382	3,013	4,478	15,457	28,331	87

In this caption are included: (i) the available-for-sale financial assets, measured at fair value, both at acquisition cost, when there’s no market price quoted in an active market and which value cannot be measured in a reliable way, adjusted with any estimated impairment losses; (ii) financial assets at fair value through profit and loss, which comprise, essentially, a portfolio of investment funds; and (iii) financial assets held to maturity.

The increases in financial assets held to maturity, in the year ended 31 December 2011, include setting up a bank deposit in the amount of USD 20 million (Note 48).

21. Non-current assets held for sale

Non-current assets held for sale as of 31 December 2011, correspond to: i) the Group's shareholding in C+PA of 34,000 thousand euros, which amount is expected to be recovered through sale. Although it has been more than a year since the reclassification of this investment to this category, the procedural complexity together with the nature of the asset and the negotiation process, led to the fact that it was not yet possible to conclude this process, being in progress the corresponding arrangements. During the year ended 31 December 2010, the investment in C+PA was reduced from 47,200 thousand euros to 34,000 thousand euros, due to the recording of an impairment loss of 13,200 thousand euros (Note 12), as a result of the updating of the estimated recoverable amount of that asset considering its corresponding book value as basis for the calculation; and ii) an office building used by companies of the Portugal business area as a result of a preliminary contract to sale the building to the Pension Fund of Cimpor Indústria.

The shareholding position on Arenor, S.L. classified as non-current assets held for sale in 30 June 2011 has been sold during the third quarter of 2011 (Note 47).

22. Accounts receivable - other

This caption at 31 December 2011 and 2010 was made up as follows:

	Group				Company			
	2011		2010		2011		2010	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Subsidiaries, associated and participated companies	3,714	-	1,737	478	13,917	188,000	85,907	-
Other shareholders	1,299	102	901	385	-	-	-	-
Advances to suppliers of fixed assets	46	-	58	-	-	-	-	-
Other debtors	25,359	12,574	24,579	12,274	774	332	365	334
	30,418	12,676	27,275	13,137	14,691	188,332	86,272	334
Accumulated impairments	(3,502)	(354)	(2,562)	(641)	(283)	(328)	(283)	(328)
	26,916	12,322	24,713	12,496	14,408	188,005	85,989	7

Other debtors include the accounts receivable through the disposals of tangible fixed assets and accounts receivable resulting from supplementary income (Note 8).

In the years ended 31 December 2011 and 2010, those accounts receivable ageing were as follow:

	Group				Company			
	2011		2010		2011		2010	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Undue balances	23,405	12,334	20,939	12,310	14,408	188,005	85,971	7
Due balances:					-	-	-	-
Up to 180 days	2,927	10	2,820	-	-	-	-	-
From 180 to 360 days	580	-	1,384	178	-	-	-	-
More than 360 days	3,504	332	2,131	649	283	328	301	328
	30,418	12,676	27,275	13,137	14,691	188,332	86,272	334

Impairments to accounts receivable - other

In the years ended 31 December 2011 and 2010 the changes in this caption were as follows:

	Group	Company
Balances at 1 january 2010	2,956	611
Currency translation adjustments	101	-
Increases (Note 11)	705	-
Decreases (Note 8)	(559)	-
Transfers	(1)	-
Balances at 31 december 2010	3,203	611
Currency translation adjustments	89	-
Increases (Note 11)	629	-
Decreases (Note 8)	(65)	-
Balances at 31 december 2011	3,856	611

The recognized impairments represent the estimated loss on the accounts receivable, as a result of the credit risk analysis, after deducting the amounts covered by credit insurance and other warranties.

23. Taxes recoverable and taxes payable

Taxes recoverable and taxes payable at 31 December 2011 and 2010 were as follows:

	Group				Company	
	2011		2010		2010	2009
	Current	Non-current	Current	Non-current	Current	Current
Taxes recoverable:						
Corporate income tax	32,443	-	20,550	-	5,513	5,919
Personal income tax	1,577	-	2,186	-	32	30
Value added tax	26,837	8,887	34,940	8,467	186	77
Social security contributions	-	-	3	-	-	-
Other	1,514	27,412	2,613	25,384	-	-
	62,370	36,300	60,292	33,851	5,731	6,026
Taxes payable:						
Corporate income tax	25,508	-	8,445	-	5,162	-
Personal income tax	8,743	-	4,558	-	157	132
Value added tax	19,426	1	19,064	521	260	-
Social security contributions	5,303	-	4,619	-	100	92
Other	8,792	-	7,479	-	-	-
	67,772	1	44,166	521	5,679	224

In 31 December 2011 and 2010, non-current recoverable taxes in the caption 'Other', include a judicial deposit in the amount of 40 million Brazilian reais, made by a subsidiary in the Brazilian business area, due to a judicial divergence in relation with the relevant applicable tax rate, for which a partially unfavourable court decision in the amount of 32 million Brazilian reais occur. The company is awaiting the judicial order to withdraw the remaining amount. To address this dispute, the Group has established a liability under Provisions for other contingencies (Note 36)

though it is not foreseen that the settlement of this situation will result in negative equity impacts.

In accordance with the Article No. 21 of Decree-Law No. 411/91 of 17 October, the **Company** has no outstanding debt to tax or social security authorities.

24. Other current and non-current assets

Other current and non-current assets at 31 December 2011 and 2010 were as follows:

	Group				Company	
	2011		2010		2011	2010
	Current	Non-current	Current	Non-current	Current	Current
Accrued interest	1,381	-	1,560	-	10	35
Derivative financial instruments (Note 39)	4,661	2,502	15,187	3,300	-	-
Leases (a)	866	21	2,098	18,495	1	-
Employee benefits (Note 34)	-	901	118	-	-	-
Insurances	903	-	1,185	6	82	27
Other deferred costs and accrued income	2,598	137	2,167	418	2,164	227
	10,409	3,561	22,314	22,218	2,257	289

(a) the year ended 31 December 2011, following the agreement concluded between the Cimpor Group and Arenor S.L., the amount paid under the mineral reserves exploit contract was transferred to tangible assets (Note 47).

25. Deferred taxes

The changes in **Group** deferred taxes in the years ended 31 December 2011 and 2010 were as follows:

	Intangible assets	Goodwill	Tangible assets	Tax losses carried forward	Provisions for risks and charges	Doubtful accounts	Inventories	Investments	Available-for-sale financial assets	Other	Total
Deferred tax assets:											
Balances at 1 january 2010	495	32,909	11,850	26,421	29,023	1,589	1,868	815	-	2,335	107,305
Changes in the consolidation perimeter	-	-	-	8	98	-	-	-	-	-	106
Currency translation adjustments	34	3,861	998	776	2,204	33	12	4	-	176	8,098
Income tax (Note 13)	(114)	(8,570)	470	19,611	(769)	(367)	3	(32)	-	1,041	11,273
Shareholders' equity (Note 13)	-	-	-	(1,796)	2,363	-	-	-	-	-	567
Transfers	-	-	-	1,586	-	-	-	-	-	-	1,586
Balances at 31 december 2010	414	28,200	13,318	46,606	32,919	1,255	1,883	787	-	3,552	128,935
Changes in the consolidation perimeter (Note 5)	-	-	-	4,048	-	-	-	-	-	-	4,048
Currency translation adjustments	(20)	(2,028)	(699)	(400)	(2,384)	22	50	(5)	-	(61)	(5,523)
Income tax (Note 13)	26	(8,016)	232	11,191	5,305	157	119	(30)	(26)	(30)	8,929
Shareholders' equity (Note 13)	-	-	-	1,300	1,481	-	-	-	224	240	3,245
Balances at 31 december 2011	421	18,156	12,852	62,746	37,322	1,434	2,052	753	198	3,702	139,634
Deferred tax liabilities:											
Balances at 1 January 2010	7,899	45,443	155,688	-	10,918	-	-	4,292	46	9,567	233,853
Currency translation adjustments	131	2,620	5,815	-	732	-	-	-	-	1,634	10,931
Income tax (Note 13)	(261)	2,854	3,795	-	1,310	-	-	13,149	-	3,131	23,979
Shareholders' equity (Note 13)	-	-	-	-	128	-	-	-	(20)	-	108
Transfers	1,430	-	2,499	-	-	-	-	-	-	-	3,929
Balances at 31 december 2010	9,198	50,918	167,797	-	13,087	-	-	17,441	26	14,332	272,800
Changes in the consolidation perimeter (Note 5)	-	-	-	-	-	-	-	-	-	249	249
Currency translation adjustments	(186)	(1,958)	(5,894)	-	(753)	-	-	14	-	(1,561)	(10,339)
Income tax (Note 13)	(661)	794	(2,564)	-	4,577	-	-	(12,408)	(26)	12,389	2,101
Shareholders' equity (Note 13)	-	-	-	-	245	-	-	-	-	-	245
Balances at 31 december 2011	8,352	49,753	159,339	-	17,156	-	-	5,047	-	25,408	265,055
Carrying amount:											
As at 31 december 2010	(8,784)	(22,718)	(154,479)	46,606	19,832	1,255	1,883	(16,654)	(26)	(10,780)	(143,865)
As at 31 december 2011	(7,931)	(31,597)	(146,487)	62,746	20,165	1,434	2,052	(4,294)	198	(21,706)	(125,421)

The deferred tax assets are recorded directly on shareholders' equity when the situations that have originated them have similar impact, namely:

- The deferred tax assets and liabilities arising from provisions, resulting from the tax effect associated to the actuarial gains and losses recorded directly in Reserves;

- The deferred tax liabilities related to Available-for-sale financial assets, resulted from its valuations to market values, which are recorded on Fair value reserve (Note 31).

Temporary differences originating deferred taxes are influenced by the allocation of fair values, without tax base, to assets and liabilities acquired in business combination processes, with significant impact on tangible assets and, for most types, differences in valuation and the accounting policies between the accounting basis of assets and liabilities of the Group companies and the corresponding tax base.

At 31 December 2011 the **Group** had tax losses carried forward of 215,229 thousand euros (2010: 152,914 thousand euros) for deduction from future tax profits; deferred tax assets of 62,746 thousand euros was recognised (2010: 46,606 thousand euros). Of these tax losses, 164,433 thousand euros are relative to Spain business area with a recovery maturity from 2020 to 2029. Deferred tax assets of 4,060 thousand euros (2010: 6,496 thousand euros) have not been recognised due to the uncertainty as to their recovery.

Deferred tax assets were recognized as it is probable that future taxable profits will occur, which could be used to recover fiscal losses and temporary differences. This evaluation was performed in accordance with the Group's entities business plans, periodically reviewed and updated.

The changes in **Company's** deferred taxes in the years ended 31 December 2011 and 2010 were as follows:

	Tangible assets	Doubtful accounts	Others	Total
Deferred tax assets:				
Balances at 1 january 2010	397	274	29	699
Income tax (Note 13)	(10)	13	(4)	(2)
Balances at 31 december 2010	386	287	25	698
Income tax (Note 13)	14	(4)	886	896
Balances at 31 december 2011	400	283	911	1,594
Deferred tax liabilities:				
Balances at 1 january 2010	261	-	8	269
Income tax (Note 13)	(13)	-	(2)	(15)
Balances at 31 december 2010	247	-	6	254
Income tax (Note 13)	(13)	-	(2)	(15)
Balances at 31 december 2011	234	-	5	239
Carrying amount:				
As at 31 december 2010	139	287	18	444
As at 31 december 2011	166	283	906	1,355

26. Inventories

Group inventories as at 31 December 2011 and 2010 were as follows:

	2011	2010
Raw, subsidiary and consumable materials	248,773	263,826
Work in process	71,456	74,394
Finished and semi-finished products	21,926	24,771
Merchandise	7,009	9,110
Advances on purchases	193	200
	349,356	372,301
Accumulated impairments	(12,003)	(10,293)
	337,354	362,008

The reduction in the caption "Raw, subsidiary and consumable materials" is mainly due to the reclassification to tangible assets of strategic mineral reserves of the Egypt business unit (Note 18).

Inventory impairments

The changes in Group inventories adjustments in the years ended 31 December 2011 and 2010 were as follows:

Balances at 1 january 2010	9,879
Currency translation adjustments	459
Increases (Note 11)	1,382
Decreases (Note 8)	(1,366)
Utilisations	(150)
Transfers	90
Balances at 31 december 2010	10,293
Currency translation adjustments	(59)
Increases (Note 11)	2,990
Decreases (Note 8)	(1,221)
Balances at 31 december 2011	12,003

27. Accounts receivable - trade

This caption at 31 December 2011 and 2010 was as follows:

	Group		Company	
	2011	2010	2011	2010
Trade receivables	210,058	217,468	1,397	453
Notes receivable - trade	55,727	46,705	-	-
Doubtful trade accounts receivable	65,984	67,207	2,486	2,592
Advances to suppliers	14,439	16,739	1	24
	346,208	348,119	3,885	3,069
Acummulated impairments	(64,048)	(63,760)	(2,486)	(2,592)
	282,160	284,359	1,399	476

Impairments to accounts receivable - trade

During the years ended 31 December 2011 and 2010, the changes in this caption were as follows:

	Group	Company
Balances at 1 january 2010	69,429	2,892
Currency translation adjustments	709	-
Increases (Note 11)	8,305	39
Decreases (Note 8)	(6,392)	(90)
Utilisations	(8,244)	(250)
Transfers	(48)	-
Balances at 31 december 2010	63,760	2,592
Currency translation adjustments	(733)	-
Increases (Note 11)	8,086	1
Decreases (Note 8)	(3,107)	(27)
Utilisations	(3,959)	(80)
Balances at 31 december 2011	64,048	2,486

In the years ended 31 December 2011 and 2010, the ageing of this caption, was as follows:

	Group		Company	
	2011	2010	2011	2010
Undue balances	181,613	179,485	15	-
Due balances:				
Up to 180 days	92,239	96,733	1,383	454
From 180 to 360 days	9,520	13,491	-	4
More than 360 days	62,837	58,409	2,488	2,611
	346,208	348,119	3,885	3,069

The book value of the accounts receivable is close to its fair value.

The Group does not have a significant concentration of credit risk, as the risk is spread over a broad range of trade and other debtors. The recognized impairments represent the estimated loss on the accounts receivable, as a result of the credit risk analysis, after deducting the amounts covered by credit insurance and other warranties.

28. Share capital

The Company's fully subscribed and paid up capital at 31 December 2011 consisted of 672,000,000 privatized shares, listed on Euronext Lisbon market, with a nominal value of one euro each.

The official qualifying shareholders are disclosed in the appendix to these financial statements.

29. 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.

The changes in treasury shares in the years ended 31 December 2011 and 2010 were as follows:

	Quantity	Value
Balances at 1 january 2010	7,974,587	(39,905)
Treasury shares sale (Note 35)	(1,109,930)	6,919
Balances at 31 december 2010	6,864,657	(32,986)
Treasury shares sale (Note 35)	(650,699)	3,931
Balances at 31 december 2011	6,213,958	(29,055)

The sales on the years ended 31 December 2011 and 2010 results from the disposals made in compliance with share based payments (Note 35). Losses arising from these disposals in the years ended 31 December 2011 and 2010, amount to 1,084 thousand euros and 1,874 thousand euros, respectively.

30. Currency translation adjustments

The changes in this caption in the years ended 31 December 2011 and 2010 were as follows:

	Morocco	Tunisia	Egypt	Turkey	Brazil	Mozambique	South Africa	China	India	Others	Total
Balances at 1 january 2010	(1,322)	(13,597)	(14,928)	(77,662)	220,999	(4,202)	(45,572)	676	(6,021)	216	58,587
Currency translation adjustments	876	(544)	4,317	18,906	110,520	3,940	48,973	158	9,643	959	197,750
Balances at 31 december 2010	(446)	(14,141)	(10,610)	(58,755)	331,519	(263)	3,402	834	3,622	1,175	256,337
Currency translation adjustments	130	(287)	(8,250)	(72,417)	(76,240)	3,221	(47,871)	1,952	(11,395)	863	(210,294)
Balances at 31 december 2011	(316)	(14,428)	(18,860)	(131,172)	255,279	2,958	(44,470)	2,786	(7,773)	2,039	46,043

In the year ended 31 December 2011 the changes in currency translation adjustments are significantly influenced by the impact of currencies devaluations such as the Brazilian real, Turkish lira and South-African rand against the euro in the translation of net assets denominated in that currency.

No derivative instruments for the purpose of hedging investment in foreign entities were contracted during the financial years ended on 31 December 2011 and 2010.

31. Reserves

This caption at 31 December 2011 and 2010 was as follows:

	Group		Company	
	2011	2010	2011	2010
Legal reserve	134,400	134,400	134,400	134,400
Other reserves	140,304	146,146	173,506	175,360
Fair value reserve (Note 20)	(416)	132	-	-
Hedging operations reserve (Note 39)	(570)	-	-	-
	273,717	280,678	307,906	309,760

In the year ended 31 December 2011, Other comprehensive income recognized in the **Group** Reserves relate mainly to the recognition of actuarial gains and losses on employee’s responsibilities, by the net amount of 3,350 thousand euros (6,087 thousand euros in 2010) and the recognition of hedging transactions amounting to 570 thousand euros (2,010 thousand euros in 2010).

<u>Legal reserve</u>: Commercial legislation establishes that at least 5% of annual net profit must be appropriated to a legal reserve until the reserve equals at least 20% of share capital. This

reserve is not available for distribution, but can be used to absorb losses once the other reserves have been exhausted, or to increase capital.

Other reserves: As of 31 December 2011 and 2010, "Other reserves" includes non distributable reserves of 29,055 thousand euros and 32,986 thousand euros, respectively, corresponding to the cost of these treasury shares.

32. Retained earnings

The changes in retained earnings in the years ended 31 December 2011 and 2010 were as follows:

	Group	Company
Balances at 1 january 2010	615,340	6,405
Appropriation of profit	96,836	43,690
Stock options and purchase plans	2,420	2,420
Other	331	-
Balances at 31 december 2010	714,928	52,516
Appropriation of profit	105,475	161,889
Stock options and purchase plans	1,262	1,262
Other	387	-
Balances at 31 December 2011	822,052	215,667

33. Non-controlling interests

The changes in this caption in the years ended 31 December 2011 and 2010 were as follows:

Balances at 1 january 2010	92,488
Currency translation adjustments	13,995
Dividends	(14,595)
Actuarial gain and loss on personnel responsabilities (Note 34)	9
Increase in investments	(4,330)
Net profit for the year attributable non-controlling interests	9,870
Balances at 31 december 2010	97,437
Currency translation adjustments	4,665
Dividends	(10,192)
Financial instruments hedging	(42)
Actuarial gain and loss on personnel responsabilities (Note 34)	9
Change in investments	1,576
Net profit for the year attributable non-controlling interests	7,998
Balances at 31 december 2011	101,451

34. Employee benefits

Defined benefit plan

The Group has defined benefit retirement pension plans and healthcare plans, for which the liability is determined annually based on actuarial valuations made by independent entities, the cost determined by these valuations being recognised in the year.

Most of the liability for the retirement benefit plans has been transferred to pension funds managed by specialised independent entities.

The valuations as of 31 December 2011 and 2010 were made using the "Projected Unit Credit" method and were based in the following assumptions and technical bases:

	2011	2010
Actuarial technical rate (in local currency)		
Portugal	5.00%	5.00%
Spain	5.00%	4.90%
South Africa	8.48%	8.43%
India	8.50%	8.00%
Morocco	5.20%	5.10%
Annual pension growth rate		
Portugal	2.50%	2.50%
Spain	2.00%	2.00%
Annual fund income rate		
Portugal	5.00%	5.00%
Spain	5.00%	4.90%
Annual salary growth rate		
Portugal	2.50% and 3.00%	2.50% and 3.00%
Spain	3.00%	3.00%
India	7.00%	7.00%
Morocco	4.00%	4.00%
Mortality tables		
Portugal	TV88/90	TV88/90
Spain	PERMF 2000	PERMF 2000
South Africa	SA 85-90	SA 85-90
India	LIC	LIC
Morocco	TV 88/90	TV 88/90
Disability tables		
Portugal	EKV 80	EKV 80
Nominal growth rate of medical costs		
Portugal		
Growth rate of medical costs	N/A	N/A
Medical inflation rate	2.00%	2.00%
Growth rate of medical costs by age	N/A	N/A
South Africa	6.48%	6.43%
Morocco	3.00%	3.00%

The changes to actuarial assumptions are justified by changes in market conditions. The discount rates (actuarial technical rate) of the liabilities were estimated based on long-term rates of return of highly rated bonds and with maturities similar to those liabilities. The salary growth rates were determined in accordance with the wage policy of the Group for the indicated segments.

In accordance with the actuarial valuations the pension and healthcare benefits costs for the years ended 31 December 2011 and 2010 were as follows:

		Pension plans	
		2011	2010
Current service cost		962	1,016
Interest cost		3,971	4,090
Cancelation of the benefit (a)		(1,322)	-
Expected return of the plans' assets		(4,180)	(3,799)
Total cost/(income) of the pension plans (Note 10)	(I)	(568)	1,307

		Healthcare plans	
		2011	2010
Current service cost		254	304
Interest cost		755	1,018
Plan change (a)		-	(7,342)
Total cost/(income) of the healthcare plans (Note 10)	(II)	1,009	(6,020)
Total cost/(income) of the defined benefit plans	(I) + (II)	441	(4,713)

(a) In the year ended 31 December 2011, resulting from amendments to the statutes of Cimpor by the most recent Annual General Meeting of the Company, the right of directors to supplementary retirement pensions were removed (Note 47). In the year ended 31 December 2010, the Group review the healthcare plan conditions in Portugal business area. Accordingly to the new conditions, the responsibilities reported in that date were reduced in amount of 7,342 thousand euros.

The changes in the amount of the responsibilities for defined benefit plans and related market value of fund assets during the years ended 31 December 2011 and 2010 were as follows:

	Pension plans		Healthcare plans		Total	
	2011	2010	2011	2010	2011	2010
Defined benefit liability - 1 january	80,683	79,363	15,238	19,301	95,921	98,664
Benefiits and bonuses paid	(5,325)	(5,522)	(1,003)	(928)	(6,328)	(6,450)
Current service cost	962	1,016	254	304	1,216	1,319
Plan change / cancelation of the benefit	(1,322)	-	-	(7,342)	(1,322)	(7,342)
Interest cost	3,971	4,090	755	1,018	4,727	5,108
Actuarial gains and losses	(1,825)	1,546	1,004	2,717	(821)	4,264
Exchange differences	(228)	191	(96)	168	(325)	359
Defined benefit liability - 31 december	76,917	80,683	16,151	15,238	93,068	95,921
Value of the pension funds - 1 january	72,732	74,186	-	-	72,732	74,186
Contributions	4,026	3,093	-	-	4,026	3,093
Benefits and bonuses paid	(5,325)	(5,522)	-	-	(5,325)	(5,522)
Expected income of the funds' assets	4,180	3,799	-	-	4,180	3,799
Actuarial gains and losses in income from the funds' assets	(5,021)	(2,966)	-	-	(5,021)	(2,966)
Exchange differences	(189)	143	-	-	(189)	143
Value of the pension funds - 31 december	70,402	72,732	-	-	70,402	72,732

From the date of transition to IFRS, the Group applied the new provisions of IAS 19 - Employee benefits, recognising actuarial gains and losses directly in the specific item of equity. The movements of net actuarial gains and losses during the years ended 31 December 2011 and 2010 were as follows:

	2011	2010
Balances at 1 january	(22,818)	(17,672)
Changes during the year:		
Related to the liabilities	821	(4,264)
Related to the funds assets	(5,021)	(2,966)
Corresponding defferred tax	1,217	2,074
Non-controlling interests (Note 33)	9	9
Balances at 31 december	(25,793)	(22,818)

In addition, actuarial gains and losses include the following experience adjustments:

	2011	2010
Related to the liabilities	(332)	317
Related to the funds assets	(5,021)	(2,966)

The difference between the present value of the benefit plan liability and the market value of the funds' assets for the last five years ended 31 December was as follows:

Pension plans	2011	2010	2009	2008	2007
Liability	76,917	80,683	79,363	73,181	81,645
Value of the pension funds	(70,402)	(72,732)	(74,186)	(69,807)	(79,300)
Deficit	6,515	7,951	5,177	3,374	2,345
Liability for employee benefits:					
Current liability	3,708	3,308	3,168	3,847	1,220
Non-current liability	3,708	4,762	2,067	(246)	1,773
	7,416	8,070	5,235	3,601	2,993
Fund surplus (Note 24)	(901)	(118)	(58)	(227)	(647)
Total exposure	6,515	7,951	5,177	3,374	2,345

Healthcare plans	2011	2010	2009	2008	2007
Liability for employee benefits:					
Current liability	1,003	928	1,384	838	841
Non-current liability	15,148	14,309	17,917	16,888	15,255
Total exposure	16,151	15,238	19,301	17,726	16,096

The Group has not established funds for the health plans. The main assets of the funds as at 31 December 2011 and 2010 are as follows:

	2011	2010
Shares	17.0%	20.3%
Fixed rate bonds	45.9%	44.5%
Variable rate bonds	17.6%	19.9%
Real estate investment funds, hedge funds, cash and insurance (a)	19.4%	15.4%
	100.0%	100.0%

(a) At 31 December 2011, includes advance payment made on account of a preliminary contract to sale an office building signed wit the management entity of the pension fund (Note 21).

Defined contribution plans

In the years ended 31 December 2011 and 2010 the **Group** incurred on costs of 2,509 thousand euros and 2,715 thousand euros, respectively, with defined contribution plans (Note 10). In the **Company**, in the years ended 31 December 2011 and 2010, the costs of the defined contribution plans were 579 thousand euros and 685 thousand euros, respectively.

35. Stock options and purchase plans

The Annual General Meeting of 18 April 2011 approved new plans to encourage employees to purchase shares in the company:

- "3C Plan" – share acquisition plan
- "ODS Plan" – stock options plan

The Management decides on the beneficiaries of these plans, except for its respective members, the award to which is decided by the Remuneration Committee.

To the employee beneficiaries of the "3C Plan" are granted the right to purchase shares at a price equal to eighty-five percent of the weighted average closing price over the most recent 20 (twenty) trading sessions prior to each Annual General Meeting, up to the maximum amount of 1/14 of the Beneficiary's gross annual basic salary. The respective payment is made in 14 equal monthly instalments.

In the "2011 ODS Plan" the beneficiaries have the right to purchase Cimpor shares from 18 April 2014 and for the following three years at a price of 4.986 euros per share. The options may be exercised by subscription or purchase of shares or by cash settlement.

To the beneficiaries of the Share Acquisition Plans in force up to 2010 were granted the right to acquire shares, at a price equal to seventy-five percent of the average weekly reference price if settled immediately, or at eighty-five per cent of that price with payment deferred for a year, and to a total amount not exceeded half their monthly basic salary.

Moreover,For the beneficiaries of the Cimpor Share Purchase Option Plans in force up to 2010 were granted the right to purchase Cimpor shares (initial options) at a price that should not be less than seventy-five percent of the average closing price of the sixty stock market sessions immediately preceding that date. For each option exercised, the beneficiary was given entitlement to purchase one share in each of the three subsequent years at the same price (derivative options), to be exercised until they expire.

The shares acquired and stock options assigned and/or exercised under either the new plans or the former ones, in the years ended 31 December 2011 and 2010, were as follows:

PLAN	2011 Nº of shares (Note 29)	2011 Exercise price	2011 Date	2010 Nº of shares (Note 29)	2010 Exercise price	2010 Date
"2011 3C Plan"	242,927	4.077	30 may	-	-	-
"2011 ODS Plan"	1,304,333	4.986	(a)	-	-	-
Acquired shares:						
Shares purchased by employees	-	-	-	146,800	3.879	17 may
Shares purchased by employees	-	-	-	53,845	4.397	17 may
				200,645		
Granted shares:						
Share purchase options - derived options:						
- Series 2007	-	-	-	183,960	4.90	22 march
- Series 2008	116,560	4.25	25 march	235,045	4.25	22 march
- Series 2009	190,650	2.85	25 march	300,650	2.85	22 march
- Series 2010	100,562	4.25	25 march	189,630	4.25	21 may
	407,772			909,285		
	1,955,032			1,109,930		

(a) Exercisable from 18 April 2014 to 17 April 2017.

For accounting purposes it was assumed that "2011 ODS Plan" would be fully exercised by cash settlement and accordingly in each accounting period they are fair value valuated and the cost for the period is proportionally recognised to the time already elapsed of the period of three years until the starting date of the exercise period.

Under this plan, 1,201,000 options were granted on 18 April 2011 to the beneficiaries of the 2011 series, 510,000 of which to members of the Management. In addition, 103,333 options were granted to Executive Board members as compensation for options exercised early. As at 31 December 2011 the fair value of the total ODS Options amounted to 1,343 thousand euros (established through the use of Black-Scholes model), being recognised an expense during the period of 317 thousand euros as well as a liability in the same amount.

The changes in this liability in number of shares, in the years ended 31 December 2011 and 2010 were as follows:

	2011	2010
Changes in the year:		
Outstanding at the beginning of the year	1,366,780	1,747,130
Issued during the year	1,304,333	869,200
Exercised during the year	(672,772)	(909,285)
Lapsed during the year and not exercised	(183,248)	(340,265)
Outstanding at the end of the year (Nota 15)	1,815,093	1,366,780
Details of options issued during the year:		
Maturity date	Between April 2014 and 2017	May 2010 March 2011, 2012, 2013
Exercise price (euros)	4.986	4.25
Total value exercised (thousands of euros)	6,503	3,694
Cost for the year included in personnel costs	317	195
Details of options exercised during the year:		
Average exercise price (euros)	3.75	3.92
Total value exercised (thousands of euros)	2,522	3,563

The fair value of the share options granted, reflected in “Payroll costs”, was calculated based on the Black-Scholes Model, and during the year ended 31 December 2011 were recognised costs of 980 thousand euros (Note 10) (1,651 thousand euros in 2010) relating to share option payment plans, as follows:

	2011	2010
Share purchase option plans issued during the year	-	195
Share purchase option plans issued in prior years	370	1,293
2011 ODS Plan	317	-
Shares purchased by employees	294	163
Cost for the year (Note 10)	980	1,651

The following assumptions were used in the valuations as of 31 December 2011 and 2010:

	2011	2010
Price per share	5.317	4.39
Exercise price	4.986	4.25
Historical volatility	26.9%	36,4 to 39,99%
Maturity	18 april 2017	-
Dividend yield	3,48 to 4,01	5,22 to 5,49%

36. Provisions

In the year endedAs of 31 December 2011 and 2010, the classification of provisions was as follows:

	Group		Company	
	2011	2010	2011	2010
Non-current provisions:				
Provisions for tax risks	87,586	71,893	65,500	59,900
Environmental rehabilitation	48,583	43,149	-	-
Provisions for employees	12,800	11,612	-	-
Other provisions for risks and charges	49,401	44,175	31	31
	198,370	170,828	65,531	59,931
Current provisions:				
Environmental rehabilitation	372	300	-	-
Provisions for employees	189	223	-	-
Other provisions for risks and charges	520	578	-	-
	1,080	1,101	-	-
	199,451	171,929	65,531	59,931

The provisions for tax risks cover liabilities from tax assessments, which have been claimed. The Board of Directors, together with its tax and legal consultants, believes that, for the majority of the issues in dispute with the tax authorities, the Company has a strong possibility of winning those processes. However, the inexistence of case law and the complexity of some of the issues advise the recording of such provisions.

The provisions for environmental rehabilitation represent the Group's legal or constructive obligation to rehabilitate land used for quarries. Payment of this liability depends on the period of operation and the beginning of the related exploration.

Provisions for employees essentially relate to the estimated costs of contracts termination and exclude liability for pension and healthcare plans.

The other provisions for risks and charges cover specific business risks resulting from the Group's normal operations, including those arising from litigation among which. It should be noted the provision in Egypt concerning the tax on the consumption of clay, and the provision in Brazil corresponding to the contribution that the Group agreed to make under an agreement proposed in 2007 with the Administrative Council for Economic Defence, due to the administrative process filed by the Secretariat of Economic Law of the Ministry of Justice of Brazil (Note 48).

The changes in the **Group** provisions in the years ended 31 December 2011 and 2010 were as follows:

	Provisions for tax risks	Environmental rehabilitation	Provisions for employees	Other provisions for risks and charges	Total
Balances at 1 january 2010	65,248	39,023	8,572	41,823	154,667
Changes in the consolidation perimeter	-	2,116	-	418	2,534
Currency translation adjustments	192	1,300	378	3,441	5,311
Increases	6,464	2,452	3,296	6,983	19,194
Decreases	-	(488)	(997)	(4,148)	(5,632)
Utilisations	(21)	(811)	(70)	(3,740)	(4,642)
Transfers	10	(143)	655	(25)	497
Balances at 31 december 2010	71,893	43,449	11,835	44,753	171,929
Changes in the consolidation perimeter (Note 5)	-	35	-	-	35
Currency translation adjustments	(68)	(682)	(1,245)	(2,211)	(4,206)
Increases	16,175	7,758	1,807	11,443	37,183
Decreases	-	(42)	(57)	(1,729)	(1,829)
Utilisations	(414)	(1,562)	(94)	(2,376)	(4,446)
Transfers	-	-	743	41	785
Balances at 31 december 2011	87,586	48,955	12,989	49,922	199,451

In the year ended 31 December 2011, the increase of the provisions for tax risks include about 8 million euros for tax proceedings in Brazil relating to taxes directly applied on the activity, in addition to the increases in several jurisdictions of provisions for income tax.

The changes in the **Company** provisions in the years ended 31 December 2011 and 2010 were as follows:

	Provisions for tax risks	Other provisions for risks and charges	Total
Balances at 1 January 2010	54,164	31	54,195
Increases	5,736	-	5,736
Balances at 31 December 2010	59,900	31	59,931
Increases	5,600	-	5,600
Balances at 31 December 2011	65,500	31	65,531

The increases and decreases in the provisions in the years ended 31 December 2011 and 2010 were recorded by corresponding entry to the following accounts:

	Group		Company	
	2011	2010	2011	2010
Tangible assets:				
Land	173	701	-	-
Intangible assets:				
Exploitation rights	5,828	-	-	-
Profit and loss for the year:				
Supplies and services	45	(251)	-	-
Payroll costs	388	656	-	-
Operating income	-	(225)	-	-
Provisions	17,227	4,303	-	-
Financial expenses	4,223	3,777	2,700	2,498
Share of results of associates (Note 12)	1,327	30	-	-
Income tax (Note 13)	5,689	3,237	2,900	3,237
Shareholders' equity:				
Other comprehensive income	453	1,333	-	-
	35,354	13,562	5,600	5,736

The caption "Financial expenses" include the financial actualizations of the provision for environmental rehabilitation. The amounts recorded in "Other comprehensive income" correspond to the actuarial gains and losses with provisions for employees.

37. Loans

Loans in the **Group** as at 31 December 2011 and 2010 were as follows:

	2011	2010
Non-currents liabilities:		
Bonds	467,024	419,364
Bank loans	1,167,378	833,761
Other loans	123	220
	1,634,525	1,253,345
Currents liabilities:		
Bonds	-	604,032
Bank loans	553,524	330,597
Other loans	55	-
	553,579	934,629
	2,188,104	2,187,974

Bonds

Non-convertible bonds at 31 December 2011 and 2010 were as follows:

Issuer	Financial instrument		Issue Date	Interest Rate	Repayment Date	2011 Non-current	2010 Current	2010 Non-current
Cimpor Financial Operations B.V.	Eurobonds	(a)	27 may.04	4.50%	27 may.11	-	604,032	-
Cimpor Financial Operations B.V.	US Private Placements 10Y	(b)	26 jun.03	5.75%	26 jun.13	110,692	-	108,017
Cimpor Financial Operations B.V.	US Private Placements 12Y	(b)	26 jun.03	5.90%	26 jun.15	172,055	-	161,669
Cimpor Financial Operations B.V.	US Private Placements 10Y	(c)	22 dec.10/11	6.70%	22 dec.20	126,313	-	93,549
Cimpor Financial Operations B.V.	US Private Placements 12Y	(d)	22 dec.10	6.85%	22 dec.22	57,964	-	56,129
						467,024	604,032	419,364

(a) The bond issue carried out in 2004 on the European debt market, under the terms of the EMTN Programme (Programme updated in 25 July 2011 amounting to 2.500 million euros), was entirely paid off in May 2011, via a previously agreed medium-term bank loan and use of part of the Group's available cash.

(b) The US Private Placements issued in 2003 have a nominal value of 354,000 thousand USD and are designated as financial liabilities at fair value through profit and loss, as a result of applying since 31 December 2005 the transitional provisions of IAS 39 on financial instruments, and were measured before that period in accordance with fair value hedge accounting.

At 31 December 2011, the fair value of these bonds was higher than the nominal value on 9,156 thousand euros (4,756 thousand euros in 31 December 2010).

(c) At December 2011, the 10Y tranche, arranged in 2010, of the U.S. Private Placements, was increased by 40,000 thousand USD, taking the total to 165,000 thousand USD.

(d) As of 31 December 2011, these issues of "US Private Placements" amounted to 75,000 thousand USD.

Bank loans

Group bank loans as at 31 December 2011 and 2010 were as follows:

Type	Currency	Interest rate	2011	2010
EIB loan	EUR	2.69%	49,927	49,910
EIB loan	EUR	EIB basic rate	26,667	33,333
Bilaterals loans	EUR	Variable rate indexed to Euribor	1,362,608	920,401
Bilaterals loans	USD	Variable rate indexed to Libor	107,868	-
Bilaterals loans	Several	Variable rate	119,649	79,887
Overdrafts (Note 46)	Several	Variable rate	54,184	80,827
			1,720,902	1,164,357

Other loans

Other loans represent loans granted by official agencies under agreements related to investment projects.
The non-current portion of loans as at 31 December 2011 and 2010 is repayable as follows:

Year	2011	2010
2012	-	314,144
2013	675,745	333,268
2014	353,430	239,670
2015	380,637	175,003
Following years	224,712	191,260
	1,634,525	1,253,345

The loans at 31 December 2011 and 2010 are stated in the following currencies:

		2011		2010	
Currency		Currency	Euros	Currency	Euros
EUR		-	1,439,471	-	1,608,360
USD	(a)	354,000	282,747	354,000	269,686
USD		378,007	292,145	200,000	149,678
TRY		138,500	56,688	156,909	75,823
HKD		258,693	25,738	259,408	24,978
CNY		279,505	34,258	204,550	23,186
BRL		24,798	10,264	23,986	10,816
MAD		20,282	1,828	15,649	1,395
MZM		707,245	20,230	397,989	9,118
CVE		-	-	129,441	1,174
TND		7,404	3,817	2,005	1,040
EGP		163,219	20,917	98,551	12,713
ZAR		-	-	65	7
			2,188,104		2,187,974

(a) Due to certain derivative financial instruments for hedging exchange rate (Note 39), these financings are not exposed to exchange-rate risk.

Control of subsidiaries

The majority of the loan operations of the operating and sub-holding companies do not establish the need for Cimpor – Cimentos de Portugal, SGPS, S.A. to maintain majority control of the companies. However the most significant bank loans, in particular those contracted by Cimpor Inversiones, contain an Ownership Clause.

The comfort letters requested from the holding company, for purposes of contracting these operations, usually contain a commitment for it not to sell its direct or indirect control of these companies. The Company also provides support to the Euro Medium Term Note programmes established by the Group.

Comfort letter and guarantee letters

The comfort letters and guarantee letters provided by the **Group** refers to responsibilities already included in the consolidated financial position at 31 December 2011 and 2010 totalling 226,771 thousand euros and 90,309 thousand euros, respectively, of which 50,000 thousand euros was provided directly by the **Company** as of 31 December 2011.

Financial covenants

In the larger financial operations the loan contracts also contain financial covenants for certain financial ratios to be maintained at previously agreed levels.

The financial ratios are:

- Net debt / EBITDA, at consolidated level;
- EBITDA / (Financial expenses – Financial income), at consolidated level;
- Quantitative limits on the indebtedness of operating companies ("Subordination ratios")

At 31 December 2011 these ratios were within the commitments established.

Negative pledge

The majority of the financing instruments have Negative pledge clauses. The larger loans (those exceeding 50 million euros) normally establish a maximum level of pledges over assets, which must not be exceeded without prior notice to the financial institutions.

Cross default

Cross default clauses, which are current practice in loan contracts, are also present in the large majority of the referred financial instruments.

Change of control

Various financing instruments include change of control clauses that can even provide for the possibility of early repayment by decision of the creditors, if 51% of the Company capital is controlled by a single entity or several entities acting in consortium. At 31 December 2011, the debt attributable to financial instruments containing such a clause amounted to 2,031 million of euros (1,419 million of euros in 31 December 2010), of which 1,670 million euros are registered as non-current financial debt (1,230 million euros in 31 December 2010).

The penalties that the creditor can apply in the event of unremedied non-compliance or acceptance of these financial constraints within an agreed time period generally comprises the early repayment in full of the loan obtained or the cancellation of the credit lines available. At 31 December 2011 and 2010, the Group fully complied with all the above mentioned financial constraints.

38. Obligations under leases

Finance leases

The **Group** minimum lease payments as at 31 December 2011 and 2010, resulting from finance lease liabilities, are as follows:

	2011		2010	
	Present value	Future value	Present value	Future value
Up to 1 year	2,915	3,433	3,092	3,127
From 1 to 5 years	7,893	10,030	3,072	3,171
More than 5 years	8,899	9,747	-	-

The increase of the liability under leasing contracts observed in the financial year ended 31 December 2011 was essentially driven by the formalisation of a lease contract to operate a grinding facility located in Malaga, owned by the associate Cementos de Antequera, S.A., with a 10 year duration. The Group takes over the overall management of that asset, so the risks and rewards of that asset are considered to be transferred in full.

Operating leases

The current operating lease contracts relate essentially to transport and office equipment.

Future commitments as at 31 December 2011 and 2010 under the current operating lease contracts were as follows (minimum lease payments):

	Group		**Company**	
	Future value		Future value	
	2011	2010	2011	2010
Up to 1 year	5,029	4,951	11	22
From 1 to 5 years	11,569	9,878	3	14
More than 5 years	31	-	-	-

Total operating costs with operating leases recognised in the **Group** during the years ended 31 December 2011 and 2010 amounted to 6,050 thousand euros and 6,311 thousand euros respectively.

In the **Company** current operating lease contracts relate essentially to transport equipment and in the years ended 31 December 2011 and 2010 the costs incurred amounted to 11 thousand euros and 28 thousand euros respectively.

39. Derivative financial instruments

Under the risk management policy of the Cimpor Group, a range of derivative financial instruments have been contracted at 31 December 201 1 and 2010 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 those risks.

These operations are subject to prior approval by the Executive Committee and are permanently monitored by the Financial Direction. Several indicators relating to the instruments are periodically determined, namely their market value and sensitivity of 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 their classification as hedging or trading instruments is based on the provisions 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 three types of operations:

- Fair value hedging;
- Cash flow hedging;
- Hedging of net investments in foreign entities.

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 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 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 in the caption Reserves - Hedging operations, while the non effective part is reflected immediately in profit and loss.

Instruments hedging net investment in foreign entities are exchange rate financial derivative instruments that hedge the effect, on shareholders’ equity, of the risks on translation of the financial statements of foreign entities. Changes in the fair value of these hedging operations are recorded in the shareholders’ equity caption “Currency translation adjustments” until the hedged investment is sold or extinguished when they are transferred to 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.

Fair value of derivative financial instruments

The fair value of derivative financial instruments at 31 December 2011 and 2010 is as follows:

	Other assets (Note 24)				Other liabilities (Note 42)			
	Current asset		Non-current assets		Current asset		Non-current assets	
	2011	2010	2011	2010	2011	2010	2011	2010
Fair value hedges:								
Exchange and interest rate swaps	1,407	-	654	-	903	-	-	-
Interest rate swaps	-	9,397	-	-	-	-	-	-
Exchange rate forwards	117	13	-	-	40	-	-	-
Cash flow hedges:								
Interest rate swaps	59	-	-	-	469	-	1,097	-
Trading:								
Exchange and interest rate derivatives	3,078	2,784	-	-	-	-	28,361	39,363
Interest rate derivatives	-	2,992	1,848	3,300	2,408	7,551	9,222	34,025
	4,661	15,187	2,502	3,300	3,821	7,551	38,679	73,389

Transactions of Movements on derivative financial instruments during the year ended 31 December 2011 were as follows:

	Balances at 31 december 2010	Currency translation adjustments	Changes in the consolidation perimeter	(Interest expense) / Interest income	Changes in fair-value (Note 12)	Hedging operations (Note 31)	Receipts/ Payments	Balances at 31 december 2011
Fair value hedges:								
Exchange and interest rate swaps	-	(40)	-	(244)	1,684	(238)	(4)	1,158
Interest rate swaps	9,397	-	-	3,794	(3,770)	-	(9,421)	-
Exchange rate forwards	13	-	-	-	76	-	(13)	76
Cash flow hedges:	-	-	-	-	-	-	-	-
Interest rate swaps	-	-	(475)	(799)	-	(618)	386	(1,506)
Trading:	-	-	-	-	-	-	-	-
Exchange and interest rate derivatives	(36,579)	-	-	(22)	13,188	-	(1,870)	(25,283)
Interest rate derivatives	(35,285)	-	-	(662)	(6,654)	-	32,818	(9,782)
	(62,454)	(40)	(475)	2,067	4,525	(856)	21,895	(35,337)

During the first quarter of 2011 the Group bought back much of the interest rates derivatives, classified as trading, which essentially justifies the decrease in that caption, and whose payment amounting to 31 million euros is evidenced above in the receipts / payments as well in the Consolidated Statement of Cash Flows under “Payments relating to interest and similar costs” (presented as a cash flow of investment in the Management Report).

This operation reduced significantly the Group's exposure to trading financial instruments enabling a lower volatility of Group´s future results.

The following schedule shows the operations at 31 December 2011 and 2010 that qualify as fair value hedging instruments:

Type of hedge	Notional	Type of Operation	Maturity	Financial purpose	Fair value 2011	Fair value 2010
Fair value	EUR 300.000.000	Several Interest Rate Swap	May/11	Hedge of 50% of the interests on Intercompany Loan from C. Inversiones to Cimpor BV regarding the Eurobond payment	-	9,397
Fair value	USD 3.310.000	Interest Rate Swap	Oct/10	Currency hedge	-	13
Fair value	USD 7.684.285	Interest Rate Swap	Jan/12	Currency hedge	76	-
Fair Value	USD 5.300.000	Several Cross Currency Swap	Aug/14	Hedge of 100% of the capital and interests from a loan in USD	383	-
Fair value	USD 6.340.715	Interest Rate Swap	Jun/12	Hedge of the capital and interests from a loan in USD	302	-
Fair value	USD 2.777.398	Interest Rate Swap	Jul/12	Hedge of the capital and interests from a loan in USD	180	-
Fair value	USD 4.552.738	Interest Rate Swap	Aug/12	Hedge of the capital and interests from a loan in USD	294	-
Fair value	USD 14.760.000	Interest Rate Swap	Dec/15	Cash-flow hedge of the interest on loan	(589)	-
Fair value	EUR 25.000.000	Interest Rate Swap	Jan/14	Cash-flow hedge of the interest on loan	(55)	-
Fair value	EUR 25.000.000	Interest Rate Swap	Jan/14	Cash-flow hedge of the interest on loan	(99)	-
Fair value	EUR 25.000.000	Interest Rate Swap	Jan/14	Cash-flow hedge of the interest on loan	(55)	-
Fair value	EUR 25.000.000	Interest Rate Swap	Jan/14	Cash-flow hedge of the interest on loan	(55)	-
Fair value	EUR 25.000.000	Interest Rate Swap	Nov/13	Cash-flow hedge of the interest on loan	(275)	-
Fair value	EUR 40.000.000	Interest Rate Swap	Jun/15	Cash-flow hedge of the interest on loan	(379)	-
					(272)	9,410

In addition, the fair value of the portfolio of derivative financial instruments at 31 December 2011 and 2010 that do not qualify as hedging instruments is as follows:

Face Value	Type of Operation	Maturity	Economic purpose	Fair value 2011	Fair value 2010
USD 140.789.004	Cross-Currency Swap	Jun/13	Hedge of 100% of the principal and interests 10Y tranche of the US Private Placements	(9,404)	(11,068)
USD 213.210.966	Cross-Currency Swap	Jun/15	Hedge of 100% of the principal and interests 12Y tranche of the US Private Placements	(15,879)	(25,511)
EUR 100.000.000	IRS with conditioned receivable Leg	Dec/12	Reduce the cost of funding - IRS with options sold on Euribor 6M and US Libor 6M	-	(4,167)
EUR 30.000.000	IRS with conditioned receivable and payable Leg	Jun/15	Reduce the cost of funding - IRS with options sold on European swap curve and options bought on the slope of the European Swap Rate.	-	1,944
EUR 430.000.000	IRS with conditioned receivable Leg	Jun/15	Reduce the cost of funding - IRS with a set of options sold on which the main exposure is the slope of the European swap curve.	(496)	(25,284)
EUR 37.000.000	IRS	Jun/15		-	(2,823)
EUR 25.000.000	IRS with only conditioned Payable Leg	Jun/15		-	(2,171)
EUR 150.000.000	EUR Interest Rate Swap	Jun/15	Reduce the cost of funding - Interest Rate Swap	-	1,702
EUR 50.000.000	IRS with conditioned receivable Leg	Jun/15	Reduce the cost of funding - IRS with options sold on an Interest Rate Index	(5,452)	(291)
EUR 25.000.000	IRS with conditioned receivable Leg	Jun/15	Reduce the cost of funding - IRS with options sold on an Interest Rate Index	(3,834)	(3,132)
EUR 50.000.000	Several Interest Rate Swap	Apr/17	Interest rate pre-hedge	-	(1,062)
				(35,065)	(71,864)

40. Financial risk management

General principles

During its normal business activities, Cimpor Group is exposed to a variety of financial risks likely to change its net worth, which can be grouped, according to their nature, in the following categories:

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

Financial risk is deemed to mean the probability of obtaining a positive or negative outcome different to that expected, and which materially and unexpectedly alters the Group's net worth.

The management of the above-stated risks, which primarily arise from the unpredictability of financial markets, requires the prudent application of a set of rules and methods approved by the Executive Committee, with the end purpose of minimising their potential negative impact on the Group performance.

All risk management, focused on that objective, is conducted according to two core concerns:

- Reducing, whenever possible, fluctuations in profit/loss and cash flows that are exposed to risk situations;
- Curbing deviation from forecast financials by means of meticulous financial planning based on multi-year budgets.

Furthermore, another concern of the Group is that the processes for managing these risks meet internal information needs and also external requirements (regulators, auditors, financial markets and all other stakeholders).

The Group, as a rule, does not take speculative positions and so the sole aim of all operations carried out with the purpose of managing financial risks is to control existing risks to which the Group is unavoidably exposed.

Hedging the interest-rate risk and exchange-rate risk normally means contracting financial derivatives on the over-the-counter market (for reasons of flexibility), involving a limited number of counterparties with high ratings. All these operations are undertaken with financial entities with which ISDA contracts have been concluded beforehand, in accordance with international standards.

The Finance Department is responsible for managing financial risks, including identifying, assessing and hedging such risks. This risk management is conducted under the guidance of the Executive Committee, in particular of the director responsible for the financial risk area (whose approval is required prior to any operation).

Interest rate risk

The Group’s exposure to interest-rate risk arises from the fact that its balance sheet includes financial assets and liabilities that may have been contracted at fixed interest rates or at variable interest rates. In the former case, the Group runs the risk of variation in the fair value of those assets and liabilities, whereby any change in market rates involves a (positive or negative) opportunity cost. In the latter case, such change has a direct impact on the amount of interest paid/received, resulting in cash account changes.

Interest-rate swaps are normally contracted to hedge this type of risk, in accordance with the Group’s expectations concerning the development of market rates.

In 2011, the interest rate market has confirmed the historical low levels of rates that have marked the year of 2010, with particular emphasis on the longer terms causing a flattening of the yield curve.

The Euro Zone interest rates at 2011 and 2010 year end were as follows:

	December 2011	December 2010
Interest rate Euro Swap 2Y	1.30%	1.56%
Interest rate Euro Swap 5Y	1.73%	2.49%
Interest rate Euro Swap 10Y	2.38%	3.32%
Interest rate Euro Swap 30Y	2.55%	3.50%

(Source: Bloomberg)

In what concerns the money market rates and in spite of the uptrend observed in 2011, the rates remained at low levels. The money market interest rates in the Euro Zone at 2011 and 2010 year end were as follows:

	December 2011	December 2010
Euribor 12M	1.95%	1.51%
Euribor 6M	1.62%	1.23%
Euribor 3M	1.36%	1.01%
Euribor 1M	1.02%	0.78%

(Source: Bloomberg)

The Group, taking advantage of these interest rates, contracted interest rate derivatives in the amount of 165,000 thousand euros (Note 39) in order to mitigate the strong current imbalance in relation to the floating rate in its financial liabilities.

Given the current restrictions on access to capital markets, which has required that bank financing be almost exclusive used, a better balance between floating rate and fixed rate will be achieved when the Group launches a market operation. The Group's debt by type of interest rate, considering the impact from derivative financial instruments, is distributed as follows:

	December 2011	December 2010
Variable rate	82%	76%
Fixed rate	18%	24%

Like last year, and taking advantage of the yield curve slope of the monetary market, the Group continued to focus on bank loans linked to shorter term rates (3 months and 1 month) instead of the usual term (6 months).

Exchange rate risk

The Group’s internationalisation means that it is exposed to the exchange-rate risk for the currencies of different countries, particularly the following ones, due to the large amounts of capital invested there: Brazil, Egypt, South Africa and Turkey (Note 7).

The exchange effects of the translation of local financial statements in the Group’s consolidated financial statements can be mitigated by hedging the net investments made in those countries. However, the Group has only done this sporadically, since it considers the cost of such operations (the difference between the local interest rates and the Group’s reference currency) to generally be too high in view of the risks involved.

When the exchange-rate risk is hedged, forward contracts and standard exchange options, generally maturing in less than one year, are normally used.

The Group does not carry out exchange-rate operations that do not adequately cover existing or contracted positions.

The decision not to hedge the exchange-rate risk in 2011 ended up generating a negative impact, since most of the currencies in which Group operates performed negatively against the Euro.

In relation to intercompany loans between businesses operating in different currencies, these hedges should be carried out whenever market conditions warrant such, to hedge the foreign exchange risk (usually from companies borrowing funds).

The Group, with the exception of debt directly contracted by the different segments to meet their day-to-day requirements, has favoured financing in the consolidation currency. Nevertheless, it was decided to keep the US Private Placements launched in December 2010, and the small increase made in 2011, denominated in USD, as a way to achieve a kind of natural hedge, given the stronger correlation between the USD and the Group’s exposure currencies, compared with the euro.

The main debt instruments as at 31 December 2011 and 2010, and considering the effect of the existing cross currency swaps, were denominated in the following currencies:

	December 2011	December 2010
EUR	83%	86%
USD	8%	7%
Other	9%	7%

Liquidity risk

Liquidity risk management means maintaining an appropriate level of cash resources and contracting credit limits that not only ensure the normal pursuit of the Group's activities but also meet the needs of any extraordinary operations.

In particular, the Group maintains committed backup lines with some banks, which can be used to meet occasional cash needs, thereby reducing the liquidity risk and also satisfying the ratios required by the rating agencies.

At 31 December 2011 and 2010, the credit lines obtained and not used, not considering commercial paper which was not underwritten, were 475 million euros and 1,360 million euros, respectively. This sharp decrease is explained by the fact that in 2010 the Group heavily reinforced these lines to cover the refinancing of the Eurobond that it amortized in may 2011 (Note 37). With this risk removed, the Group's liquidity was adjusted to adequate levels to meet its short-term liabilities.

This risk is monitored through a cash budget, which is reviewed at regular intervals. The Group's access to short-term lines of credit of ample value and the fact that it keeps its MTN and commercial paper programmes updated periodically plus the *Pagarés Y Bonos* Programme recently updated and registered in the Spanish Market, ensure the ability to access swiftly the capital markets.

The cash surpluses of the different segments are, whenever possible, channelled to the Company through the payment of dividends or made available to other areas with a shortage of funds, through intercompany loans.

Credit risk

The markets view of Cimpor's credit risk in regards to financing operations is naturally reflected in the financial costs associated to such operations. The Group's influence in such matters is merely ancillary, embodying the prudent and balanced management of the business in order to lessen the probability of defaulting on its obligations.

After the strong compression of credit spreads seen also in 2010, the last year was marked by an inversion of this trend, even not achieving the levels seen in 2008. The evolution of credit spreads (basis points) by risk level (J.P. Morgan Maggie Index) was as follows:

	December 2010	March 2011	June 2011	September 2011	December 2011
JP Morgan Maggie AAA	56	14	15	20	48
JP Morgan Maggie AA	134	74	87	133	105
JP Morgan Maggie A	163	99	103	192	201
JP Morgan Maggie BBB	214	148	173	273	293

(Fonte: Bloomberg)

The Group’s high degree of solvency is reflected in its Leverage ratio (Net Debt / EBITDA) and Interest Coverage ratio (EBITDA / Net Financial Charges). The achievement of the levels pre-established for these two indicators is fundamental in ensuring compliance not only with the debt instruments envisaging such but also, through the performance of the cross default provisions, compliance by all the remaining debt.

As of 31 December 2011 and 2010, both ratios - calculated according to the methodology imposed by the USPP Note Purchase Agreements (financial debt at nominal value) were far from the established limits:

Ratio		December 2010	December 2011	Limit
Leverage	Net Debt / Ebitda	2.48	2.63	≤ 3,5
Interest Coverage	Ebitda / Net Finance Charges	10.52	7.70	≥ 5

Counterparty risk

When the Cimpor Group establishes different contractual relations with third parties, it takes on the risk of the probability of non-fulfilment or even, in an extreme scenario, default by a counterparty.

The Group endeavours to limit its exposure to this risk, when making bank deposits and other cash investments and also when contracting derivative instruments, by carefully selecting the counterparties, based on their rating and taking into account the nature, maturity and scope of the operations.

No losses due to non-fulfilment by counterparties are expected, based on the information currently to hand, and despite the decline in rating of the different counterparties with which the Group maintains relations.

The Group’s policy in regard to the management of its derivatives portfolio is to diversify counterparties, favouring those with whom it already works in bank financing terms.
In the exchange-rate swaps portfolio, the hedges related with the financing obtained in the US market in 2003 are contracted with the bank that led the operation.

Sensitivity analyses

a) Interest rate

Exposure to interest-rate risk results in the variability of the Group’s net financial expenses.

The results of a sensitivity analysis of exposure as at 31 December 2011 and 2010 were as follows: a parallel shift of +/- 1% in the interest rate curve, with all other assumptions remaining constant, would represent approximately a 18 million euros and 17 million euros increase /

decrease in financial expenses (before tax), for the years ended on 31 December 2011 and 2010 respectively.

The fact that the Group has not substantially changed its debt profile in terms of balance between floating rate and fixed rate means the result of the sensitivity analysis remains practically unchanged.

b) Exchange rates

In the debt and financial derivatives components, the exchange rate risks are substantially hedged by symmetrical positions and so the potential profits variability is low. The same is true for the exchange risk exposure in other financial instruments, arising from the Group's normal business activity.

As at 31 December 2011, the exposure of profits to exchange rate fluctuations mainly derives from loans in USD in the Group's central structures and from intra-group loans between business areas operating with different currencies. A 10% change in the euro exchange rate with the currencies where such exposure is most significant, would impact on profits as follows:

	+10%	-10%
USD	25,087	(20,526)
MZN	(2,638)	2,158
ZAR	2,404	(1,967)
CNY	(2,500)	2,045
	22,354	(18,290)

41. Accounts payable - other

Accounts payable – other as at 31 December 2011 and 2010 were as follows:

	Group				Company		
	2011		2010		2011		2010
	Current	Non-current	Current	Non-current	Current	Non-current	Current
Subsidiaries, associated and participated companies	62	-	1	-	311	-	1,079
Other shareholders	4,097	1,420	4,492	60	84	-	84
Suppliers of fixed assets	34,831	14,403	36,949	25,615	197	-	37
Other creditors	33,915	3,833	32,408	516	327	3,497	15
	72,905	19,656	73,851	26,191	918	3,497	1,214

42. Other current and non-current liabilities

These captions as at 31 December 2011 and 2010 were as follows:

	Group				Company	
	2011		2010		2011	2010
	Current	Non-current	Current	Non-current	Current	Current
Accrued interest	15,171	-	22,471	-	-	-
Accrued payroll	26,007	-	26,923	-	4,182	3,663
Derivative financial instruments (Note 39)	3,821	38,679	7,551	73,389	-	-
Investment subsidies	-	5,856	-	6,605	-	-
Other accrued costs and deferred income	14,481	2	11,435	1	35	2,627
	59,479	44,537	68,381	79,995	4,216	6,290

43. Accounts payable - trade

The caption "Accounts payable - trade" at 31 December 2011 and 2010 was as follows:

	Group		Company	
	2011	2010	2011	2010
Trade payables	128,030	134,319	579	1,368
Suppliers - invoices for approval	24,122	22,276	-	22
Notes payable - trade	34,254	36,123	-	-
Advances from clients	6,057	6,652	-	-
	192,464	199,370	579	1,390

The trade payables balances for the C**ompany** include balances with subsidiaries of 178 thousand euros in 2010 and 174 thousand euros in 2010 (Note 47).

44. CO_2 emission licences

In transposing European Parliament and Council Directive 2003/87/CE to internal legal orders, lists of the installations of participants in the trading of emissions and the respective emission licences granted for the 2008 to 2012 have been approved by the Portuguese and Spanish governments.

Eight manufacturing plants of Group companies, four in Portugal (Cabo Mondego, Alhandra, Loulé and Souselas production centres) and four in Spain (Oural, Toral de los Vados, Córdoba and Niebla production centres) received licences annually corresponding emissions rights of 4,053,897 tons and 2,025,769 tons of CO_2, respectively (for the period from 2008 till 2012).

The estimated emissions of these premises amounted to 3,673,915 tons of CO_2 during the year ended 31 December 2011 (4,744,875 in 2010). 1,975,000 tons (900,000 in 2010) of the total licence of 6,079,666 tons of CO2 awarded were sold, generating a gain of 23,477 thousand euros (13,830 thousand euros in 2010), reported under "Other operating income" (Note 8).

Notwithstanding, the Group held emission licences that exceeded the referred to estimates by a reasonable margin. Furthermore, in the year ended 31 December 2011, the Group exchanged 1,050,000 European Union Allowances ("EUA") licences for Certified Emission Reductions ("CER") resulting in a gain of 2,846 thousand euros (Note 8).

45. Financial assets and liabilities according to IAS 39

The accounting policies in accordance with IAS 39 to financial instruments were applied to following items of the **Group**:

2011	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Assets and liabilities at fair value through profit and loss	Total
Assets:					
Cash and cash equivalents	610,430	-	-	-	610,430
Accounts receivable-trade	282,160	-	-	-	282,160
Other investments	-	23,853	-	4,478	28,331
Other non-current accounts receivable	12,322	-	-	-	12,322
Other current accounts receivable	26,916	-	-	-	26,916
Other non-current assets	1,059	-	-	2,502	3,561
Other current assets	4,321	-	-	4,661	8,982
Total assets	937,208	23,853	-	11,640	972,701
Liabilities:					
Non-current loans	-	-	1,351,778	282,747	1,634,525
Current loans	-	-	553,579	-	553,579
Current liabilities-trade	-	-	192,464	-	192,464
Other non-current accounts payable	-	-	17,373	-	17,373
Other current accounts payable	-	-	72,905	-	72,905
Other non-current liabilities	-	-	2	38,679	38,681
Other current liabilities	-	-	55,658	3,821	59,479
Total liabilities	-	-	2,243,759	325,247	2,569,006

2010	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Assets and liabilities at fair value through profit and loss	Total
Assets:					
Cash and cash equivalents	659,678	-	-	-	659,678
Accounts receivable-trade	284,359	-	-	-	284,359
Other investments	-	8,778	-	4,665	13,443
Other non-current accounts receivable	12,496	-	-	-	12,496
Other current accounts receivable	24,713	-	-	-	24,713
Other non-current assets	18,919	-	-	3,300	22,218
Other current assets	14,557	-	-	5,790	20,347
Total assets	1,014,721	8,778	-	13,755	1,037,254
Liabilities:					
Non-current loans	-	-	983,659	269,686	1,253,345
Current loans	-	-	934,629	-	934,629
Current liabilities-trade	-	-	199,370	-	199,370
Other non-current accounts payable	-	-	26,191	-	26,191
Other current accounts payable	-	-	73,851	-	73,851
Other non-current liabilities	-	-	1	73,389	73,390
Other current liabilities	-	-	60,831	7,550	68,381
Total liabilities	-	-	2,278,533	350,625	2,629,157

For the **Company** the accounting policies in accordance with IAS 39 to financial instruments were applied to following items:

2011	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Total
Assets:				
Cash and cash equivalents	19,841	-	-	19,841
Accounts receivable-trade	1,399	-	-	1,399
Other investments	-	87	-	87
Other non-current accounts receivable	188,005	-	-	188,005
Other current accounts receivable	14,408	-	-	14,408
Other current assets	218	-	-	218
Total assets	223,870	87	-	223,957
Liabilities:				
Current liabilities-trade	-	-	579	579
Other current accounts payable	-	-	918	918
Total liabilities	-	-	1,497	1,497

2010	Loans granted and accounts receivable	Available-for-sale financial assets	Other financial liabilities	Total
Assets:				
Cash and cash equivalents	160,166	-	-	160,166
Accounts receivable-trade	476	-	-	476
Other investments	-	87	-	87
Other non-current accounts receivable	7	-	-	7
Other current accounts receivable	85,989	-	-	85,989
Other current assets	254	-	-	254
Total assets	246,892	87	-	246,980
Liabilities:				
Current liabilities-trade	-	-	1,390	1,390
Other current accounts payable	-	-	1,214	1,214
Total liabilities	-	-	2,604	2,604

46. Notes to the consolidated cash flow statements

Cash and cash equivalents as at 31 December 2011 and 2010 were as follows:

	Group		Company	
	2011	2010	2011	2010
Cash	150	167	-	-
Bank deposits immediately available	74,456	64,635	91	166
Term bank deposits	492,527	489,524	19,750	160,000
Marketable securities	43,298	105,352	-	-
	610,430	659,678	19,841	160,166
Bank overdrafts (Note 37)	(54,184)	(80,827)	-	-
	556,247	578,851	19,841	160,166

The caption “Cash and cash equivalents” 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. Bank overdrafts include amounts drawn from current accounts with financial institutions.

At 31 December 2011 and 2010, the cash flow of operating activities can be indirectly explained as follows:

	2011	2010
Net profit for the year	206,130	251,707
Adjustments for income and expenses which are non cash or not related to operating activities :		
Depreciation and amortisation	215,929	216,387
Financial and investment results	80,918	60,649
Income tax	85,746	96,771
Other income and expenses	15,859	(8,758)
	398,452	365,049
Movements in working capital:		
(Increase) / Decrease in accounts receivable-trade (net)	(3,106)	(7,848)
Increase / (Decrease) in accounts payable-trade	(5,272)	9,217
(Increase) / Decrease in inventories (net)	(15,941)	(50,397)
Variation of other assets and other liabilities	11,237	14,293
	(13,081)	(34,736)
Cash generated from operations before income tax	591,501	582,020
Income tax recovered/(paid)	(71,128)	(71,256)
Cash flows from operating activities	520,373	510,765

The most significant Group cash flows regarding investment and financing activities occurred, in the Group, in the years ended 31 December 2011 and 2010, and were as follows:

2011

Payments relating to financial investments

- The payments relating to financial investments made in the year ended 31 December 2011, primarily concern the setting up of a deposit in a bank of the CGD Group in the amount of 20 million USD, in respect of a loan contracted by a subsidiary (Note 47).

Receipts / payments relating to loans financing activities

- The Cimpor Group performed a series of operations to restructure the debt through Cimpor Financial Operations BV and Cimpor Inversiones, the most important of which are the full amortisation of the Eurobonds in the amount of 600 million euros and refinancing in the amount of 602 million from different financial institutions;

- 40 million USD (30 million euros) increase of the 10Y tranche of the US Private Placements;

- The contracting of commercial parper issues by Cimpor - Indústria de Cimentos, S.A. amounting to 160 million euros and the payment of others in the amount of 60 million euros;

- Obtaining financing in the amount of 57 million euros in the Egypt business area related to environmental improvement projects "Bag filter for the 1st Line" under the EPAP II (Environmental Pollution Abatement Project - phase II).

Payments relating to financing activities – others

- Payments regarding the figure "Others", include dividends payment to non-controlled interests.

2010

Receipts / payments relating to financial investments

- Payments related to financial investments, occurred in the year ended 31 December 2010, correspond essentially to acquisition of shares from non-controlling interests in participated companies, namely in Ameriyah Cement Company (9,5 million euros) and in Occidental de Áridos (8,1 million euros – payment regarding acquisition made in 2009).

Receipts / payments relating to loans financing activities

- Cimpor Group has performed several financial operations through Cimpor Financial Operations BV, as part of a financial debt global restructuring management program, amounting to 152 million euros. Considering the value, term and conditions obtained, the most notable of those are two Private Placements issued of about 125 and 75 million USD (with a maturity of 10 and 12 years, respectively);

- As part of the Group's financial debt restructuring, Cimpor Inversiones has borrowed around 264 million euros and made repayments in the amount of 239 million euros;

- Local loans amortization by Corporación Noroeste (200 million euros, in net terms);

- Loan obtained by Cimpor Inversiones regarding the grinding capacity increasing in Turkey (50 million euros);

- Ameriyah Cement Company contracted a 21 million euros loan, of which 9 million euros have been repaid during 2010;

- The use of short term debt by Cimpor China (funding of approximately 8 million euros, in net terms) to fund working capital.

Payments relating to financing activities – others

- Payments regarding the figure "Others", include dividends payment to non-controlled interests.

The **Company** cash flows regarding investment and financing activities occurred in the years ended 31 December 2011 and 2010, highlight to the following:

Receipts relating to dividends:

	2011	2010
Cimpor Inversiones, S.A.	120,221	140,000
Cimpor Tec - Engenharia e Serviços Técnicos de Apoio ao Grupo, S.A.	345	1,675
Cement Services Company, S.A.E.	27	4
Cimpor Egypt For Cement Company, S.A.E.	1	1
Cimpor Portugal, SGPS, S.A.	-	180,000
Others	18	-
	120,612	321,680

Loans granted to group companies:

	2011		2010	
	Amounts received during the year	Amounts paid during the year	Amounts received during the year	Amounts paid during the year
Cimpor - Indústria de Cimentos, S.A.	46,500	-	54,500	101,000
Betão Liz, S.A.	29,000	-	500	29,000
Cimpor Portugal, SGPS, S.A.	1,000	189,000	-	-
Kandmad, SGPS, Lda.	4,250	4,250	-	-
Cimpor Tec - Engenharia e Serviços Técnicos de Apoio ao Grupo, S.A.	750	750	-	-
	81,500	194,000	55,000	130,000

Other information:

The income tax recovered / (paid) includes the income tax payments made by the Company on behalf of the Portuguese tax group.

47. Related parties

Transactions and balances between Group companies consolidated by the full consolidation method or by the proportional consolidation method were eliminated in the consolidation process and so are not disclosed in this note.

The terms and conditions of the transactions between the Group companies and related parties are substantially similar to those contracted, accepted and practiced in similar operations with independent entities.

Balances and transactions between the **Group** and associated companies and other related parties are detailed below.

	Associated companies		Other related parties							
			Camargo Corrêa Group		Votorantim Group		Manuel Fino, SGPS, S.A. and related		Caixa Geral de Depósitos, S.A. and related	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Assets:										
Deposits	-	-	-	-	-	-	-	-	148	10,366
Accounts receivable-trade	104	2,333	7	2	1	2,103	1,892	1,348	-	-
Accounts receivable-other	3,714	19,002	-	-	3	3	-	-	-	-
	3,818	21,336	7	2	5	2,106	1,892	1,348	148	10,366
Liabilities:										
Loans	-	-	-	-	-	-	-	-	195,650	1,174
Leasing	17,411	-	-	-	-	-	-	-	-	-
Suppliers	214	160	-	-	21	195	-	-	7	-
Accounts payable-other	-	-	-	-	-	-	-	-	-	22
	17,624	160	-	-	21	195	-	-	195,657	1,196
Transactions:										
External supplies and services	1,723	1,263	-	-	-	-	-	-	5,319	2,802
Fixed assets purchases	2,100	-	-	-	-	-	-	123	-	-
Inventories purchases	20	-	1	1,263	1,081	1,716	-	-	-	-
Sales and services rendered	858	6,666	7,530	1,050	11,835	5,108	3,162	1,862	-	-
Other operating income	18	-	198	-	39	39	-	-	-	-
Financial expenses, net	-	-	-	-	-	-	-	-	1,895	821
	4,720	7,929	7,729	2,313	12,955	6,862	3,162	1,985	7,214	3,623

It is worthy of mention the credit lines obtained but not used from Caixa Geral de Depósitos Group amounted to 25 million euros, 305 million euros in 2010, (included on those mentioned in Note 40), as well as guarantees and bond insurances of approximately 139 million euros, the largest of which was related to the European Investment Bank (“EIB”) loan (Note 48).

Transactions between related parties also include the following operations and commitments, regarding acquisitions of equity investments, namely:

- Conclusion of the acquisition from its shareholder Camargo Corrêa Cimentos, S.A., during the first quarter, of a 51% shareholding of CINAC ((the remaining 49% during the fourth quarter of 2011, from unrelated third parties);

- An agreement was signed on 30 June 2011 and later made official on 27 July 2011 between the Cimpor Group and Arenor, S.L. via which the latter handed over all the assets belonging to Arenor and its Group of Companies in Andalucia, related to the quarrying and sales of aggregates and production and sale of ready-mix concrete, for around 27 million euros. In turn, the Cimpor Group passed its entire stake in the Company to Arenor, via a prior agreement to reduce the company’s share capital, for around 11 million euros. This operation was carried out in the form of asset swap and regularization of current accounts, and involved no financial settlement. With this operation the Cimpor Group, maintaining the industrial profile of its business in the aggregate and concrete sub-sector in Andalucia, to which it has add the ownership of quarries and land, has entirely uncoupled itself from Arenor and, on its side, Arenor has brought an end to all its manufacturing activities in Spain, in the aforementioned sectors.

Benefits of the members of the Company's corporate board and executive seniors

Benefits of the members of the Company's corporate board and senior executive during the years ended 31 December 2011 and 2010 were as follows:

Group:

	2011		2010		
	Fixed	Variable	Fixed	Variable	Compensation by ending of mandate
Board of directors:					
Executive directors	2,117	2,161	1,677	1,319	2,620
Non-executive directors	1,169	32	1,010	-	2,554
	3,287	2,193	2,687	1,319	5,174
Senior executives	7,859	1,863	7,562	1,604	-
	11,146	4,056	10,250	2,924	5,174
Long-term benefits	-	1,042	-	-	-
Short-term benefits	10,848	2,631	10,018	2,406	5,174
Post employment benefits	298	-	231	-	-
Share based payments	-	383	-	518	-
	11,146	4,056	10,250	2,924	5,174

Company:

	2011		2010		
	Fixed	Variable	Fixed	Variable	Compensation by ending of mandate
Board of directors:					
Executive directors	2,117	2,161	1,677	1,319	2,620
Non-executive directors	1,169	32	1,010	-	2,554
	3,287	2,193	2,687	1,319	5,174
Senior executives	2,678	564	2,333	693	-
	5,964	2,757	5,020	2,012	5,174
Long-term benefits	-	1,042	-	-	-
Short-term benefits	5,845	1,420	4,897	1,525	5,174
Post employment benefits	119	-	123	-	-
Share based payments	-	295	-	487	-
	5,964	2,757	5,020	2,012	5,174

As a result of the approval on the last **Company** General Meeting for the attribution of share options outlined in the Regulations for the CIMPOR Plan for Attribution of Options for Sustainable Development – ODS Plan ("ODS Regulations") and the repeal of the 2004 Regulations, an agreement was made with the three members of Cimpor's Executive Commission that held derivative options attributed under the terms of the Plans outlined in those Regulations, with the approval of the Audit Board, for a settlement of the value of those options via a cash payment, 50 percent was immediately paid and the remainder over three years with interest, in a total of 321 thousand euros, and the delivery of 103 thousand ODS options, in the proportion of two ODS options for every three of the extinct options.

In addition, with the changes to Cimpor's Statutes, approved at the last **Company** General Meeting, the right to pension supplements for directors was extinguish and as a consequence a compensation of 3,000 thousand euros was agreed, an amount that was already partially provisioned for through post-employment provisions.

Balances at 31 December 2011 and 2010 and transactions in such years ended between the **Company** and related parties are detailed below.

Balances:

	2011						
	Accounts receivable	Group companies, accounts receivable	Accrued income	Loans to Group companies (Note 22)	Accounts payable (Note 43)	Group companies, accounts payable	Accrued expenses
Agrepor Agregados - Extracção de Inertes, S.A.	-	15	60	-	-	4	-
Amreyah Cement Company, S.A.E.	-	166	-	-	-	-	-
Asment de Temara, S.A.	-	35	-	-	-	-	-
Betão Liz, S.A.	-	268	244	-	-	49	-
Canteras Prebetong, S.L.	-	-	2	-	-	-	-
Cecime - Cimentos, S.A.	-	-	30	-	-	-	-
Cecisa - Comércio Internacional, S.A.	-	-	1	-	-	-	-
CTA - Comércio Internacional, S.A.	-	6	-	-	-	-	-
Cementos Cosmos, S.A.	-	-	80	-	-	-	-
Ciarga – Argamassas Secas, S.A.	-	3	15	-	-	-	-
Cimentaçor – Cimentos dos Açores, Lda.	-	6	28	-	-	-	-
Cimpor - Indústria de Cimentos, S.A.	460	97	360	-	-	244	6
Cementos Andalucia, S.L.	-	-	32	-	-	-	-
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	492	396	660	-	177	10	-
Cimpor Canarias, S.L.	-	-	14	-	-	-	-
Cimpor Hormigón Canarias, S.L.	-	-	2	-	-	-	-
Cimpor Hormigón España, S.A.	-	-	45	-	-	-	-
Cimpor Cabo Verde, S.A.	-	36	-	-	-	-	-
Cimpor Inversiones, S.A.	-	-	55	-	-	-	-
Cimpor Portugal , SGPS, S.A.	-	12,703	65	188,000	-	4	-
Cimpor Sagesa, S.A.	-	-	38	-	-	-	-
Cimpor Tec - Engenharia e Serviços Técnicos de Apoio ao Grupo, S.A.	431	68	150	-	1	-	-
Cimpor Yibitas Çimento Sanayi Ve Ticaret A.S.	-	47	-	-	-	-	-
Corporacion Noroeste, S.A.	-	-	58	-	-	-	-
Firmes Y Hormigones Sani, S.L.	-	-	3	-	-	-	-
Geofer - Produção e Comercialização de Bens e Equipamentos, S.A.	-	2	4	-	-	-	-
Ibera - Indústria de Betão, S.A.	-	-	2	-	-	-	-
Imopar, SARL	-	11	-	-	-	-	-
Kandmad, SGPS, Lda.	15	-	-	-	-	-	-
Materiales Del Atlántico, S.A.	-	-	3	-	-	-	-
Occidental de Áridos, S.L.	-	-	12	-	-	-	-
Sacopor - Sociedade de Embalagens e Sacos de Papel, S.A.	-	6	28	-	-	-	-
Societé les Ciments de Jbel Oust	-	48	-	-	-	-	-
Soc. Cementos Y Materiales de Const. Andalucia, S.A.	-	-	25	-	-	-	-
Transviária - Gestão de Transportes, S.A.	-	4	19	-	-	-	-
	1,397	13,917	2,029	188,000	178	311	6

	2010					
	Accounts receivable	Group companies, accounts receivable	Loans to Group companies (Note 22)	Accounts payable (Note 43)	Group companies, accounts payable	Accrued expenses
Agrepor Agregados - Extracção de Inertes, S.A.	-	9	-	-	2	-
Amreyah Cement Company, S.A.E.	-	143	-	-	-	-
Betão Liz, S.A.	-	108	29,000	-	38	-
Cecime - Cimentos, S.A.	-	1	-	-	-	-
Ciarga – Argamassas Secas, S.A.	-	-	-	-	40	-
Cimpor - Indústria de Cimentos, S.A.	453	20	46,500	-	218	6
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	-	-	-	174	538	-
Cimpor Betão - Indústria de Betão Pronto, S.A.	-	-	-	-	59	-
Cimpor Cabo Verde, S.A.	-	18	-	-	-	-
Cimpor Imobiliária, S.A.	-	-	-	-	-	18
Cimpor Portugal , SGPS, S.A.	-	10,004	-	-	-	-
Cimpor Tec - Engenharia e Serviços Técnicos de Apoio ao Grupo, S.A.	-	6	-	-	-	-
Cimpor Yibitas Çimento Sanayi Ve Ticaret A.S.	-	12	-	-	-	-
Geofer - Produção e Comercialização de Bens e Equipamentos, S.A.	-	-	-	-	91	-
Imopar, SARL	-	11	-	-	-	-
Jomatel - Empresa de Materiais de Construção, S.A.	-	-	-	-	70	-
Sacopor - Sociedade de Embalagens e Sacos de Papel, S.A.	-	9	-	-	-	-
Societé les Ciments de Jbel Oust	-	49	-	-	-	-
Transviária - Gestão de Transportes, S.A.	-	-	-	-	24	-
	453	10,388	75,500	174	1,079	25

Transactions:

	2011			
	Outside supplies and services	Services rendered	Other operating income	Interest income (Note 12)
Agrepor Agregados - Extracção de Inertes, S.A.	21	-	78	-
Amreyah Cement Company, S.A.E.	-	-	166	-
Asment de Temara, S.A.	-	-	35	-
Betão Liz, S.A.	106	-	298	565
Canteras Prebetong, S.L.	-	-	2	-
Cecime - Cimentos, S.A.	-	-	30	-
Cecisa – Comércio Internacional, S.A.	-	-	1	-
Cementos Andalucia, S.L.	-	-	32	-
Cementos Cosmos, S.A.	-	-	80	-
Ciarga – Argamassas Secas, S.A.	-	-	18	-
Cimentaçor – Cimentos dos Açores, Lda.	-	-	34	-
Cimpor - Serviços de Apoio à Gestão Empresas, S.A.	1,810	400	1,230	-
Cimpor Cabo Verde, S.A.	-	-	36	-
Cimpor Canarias, S.L.	-	-	14	-
Cimpor Hormigón Canarias, S.L.	-	-	2	-
Cimpor Hormigón España, S.A.	-	-	45	-
Cimpor Indústria de Cimentos, S.A.	1	4,488	466	395
Cimpor Inversiones, S.A.	-	-	55	-
Cimpor Portugal , SGPS, S.A.	3	-	84	1,362
Cimpor Sagesa, S.A.	-	-	38	-
Cimpor Tec - Engenharia e Serviços Técnicos de Apoio ao Grupo, S.A.	12	350	329	16
Cimpor YibitaŞ Çimento Sanayi Ve Ticaret A.S.	-	-	47	-
Corporacion Noroeste, S.A.	-	-	58	-
CTA - Comércio Internacional, S.A.	-	-	6	-
Firmes Y Hormigones Sani, S.L.	-	-	3	-
Geofer - Produção e Comercialização de Bens e Equipamentos, S.A.	-	-	6	-
Ibera - Indústria de Betão, S.A.	-	-	2	-
Kandmad, SGPS, Lda.	-	12	-	-
Materiales Del Atlántico, S.A.	-	-	3	-
Occidental de Áridos, S.L.	-	-	12	-
Sacopor - Sociedade de Embalagens e Sacos de Papel, S.A.	-	-	34	-
Soc. Cementos Y Materiales de Const. Andalucia, S.A.	-	-	25	-
Societé des Ciments de Jbel Oust	-	-	48	-
Transviária - Gestão de Transportes, S.A.	-	-	22	-
	1,954	5,250	3,334	2,338

	2010				
	Outside supplies and services	Interest expenses (Note 12)	Services rendered	Other operating income	Interest income (Note 12)
Agrepor Agregados - Extracção de Inertes, S.A.	1	-	-	-	-
Amreyah Cement Company, S.A.E.	-	-	-	143	-
Asment de Temara, S.A.	-	-	-	15	-
Betão Liz, S.A.	-	-	-	-	124
Cimpor - Indústria de Cimentos, S.A.	18	-	4,488	30	552
Cimpor - Serviços Apoio Gestão Empresas, S.A.	2,305	-	-	505	-
Cimpor Cabo Verde, S.A.	-	-	-	18	-
Cimpor Internacional, SGPS, S.A.	-	519	55	-	-
Cimpor Tec - Engenharia e Serviços Técnicos de Apoio ao Grupo, S.A.	1	-	-	30	-
Cimpor Yibitas Çimento Sanayi Ve Ticaret A.S.	-	-	-	12	-
Societé les Ciments de Jbel Oust	-	-	-	49	-
Transviária - Gestão de Transportes, S.A.	20	-	-	-	-
	2,346	519	4,543	801	676

48. Contingent 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 as of an environmental nature, labour cases and regulatory. Considering the nature of the legal cases and the provisions recorded, the expected outcome is to not have a significant impact on the Group’s operations, financial position or operations results.

The most significant of the contingent liabilities are:

In the **Company**, as a result of audits performed by the tax authorities to the CIT returns for the years of 1996 to 2009, additional adjustments were made to the assessment basis and to tax, determined under the tax consolidation regimes in force in each year. 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. Even so, as mentioned in Note 36, due to the lack of jurisprudence and the technical complexity of some matters, provisions were set up for most of the issues in dispute.

In addition, the Board of Directors believes that any responsibility of the above tax, resulting from tax assessments up to the tax year of 2001 or subsequent if influenced by operations up to that date, are the responsibility of the *“Fundo de Regularização da Dívida Pública”*.

For the years 1997 and 1998 this subject was sanctioned by the decision of the Chamber of the Supreme Administrative Court, confirmed by plenary of that Chamber, which consequences are the recognition, as always has been defended by the Company, that the responsibility of the above tax, resulting from additional tax assessments related to these years, it’s responsibility of *“Fundo de Regularização da Dívida Pública”*. Additionally, in 2010, it was sanctioned a decision of Lisbon Administrative Court recognizing the same rights to the Company, for the financial year of 1999.

In the **Group**, and apart from the above, in Spain for tax audits for the years of 2002 to 2004, the tax authorities assessed an amount of tax totalling approximately of 35 million euros (including accrued interests), reduced in the meantime by around 4 million euros through the acceptance of part of the challenges presented. The adjustments to the taxable profit claimed relate primarily to financial profit/loss, resulting mainly from interpretations not appropriate to the nature of certain transactions, and it is the belief of the Board of Directors that the conclusion of court proceedings already underway to challenge those adjustments, will not result in significant costs to the Group. This conviction is backed up by the opinion of its legal and tax advisers, who mostly gauge the possibility of losing such court cases as being remote.

In Egypt, the cement companies in July 2011 were subject to an additional levy on the consumption of clay in cement production for the period between May 2008 and June 2010, including an estimate of interest on arrears amounting to about 48 million euros. The additional levy is based on the literal compliance with the provision that as a manifest and recognized lapse in the consumption of clay, without corresponding at all with the actual consumption of the industry. This issue had been discussed with local authorities in late 2010, and there was the belief then that it would be surpassed. Cimpor continues to make efforts with the authorities to resolve this situation, in parallel with the appropriate legal measures taken. The amount that Cimpor admit that may need to be paid is already provisioned and accordingly it is not expected that the resolution of this situation may result in any significant impact.

Also in Egypt, and following an inspection conducted in 2006 on tax returns for the years 2000 to 2004 of one of the companies, additional tax payments on income totalling approximately 89 million euros were demanded, based on the calculation of profits assumed by alleged insufficiency and failure to fully comply with the required legal and documental requirements. The company believes that there are no grounds for these settlements given the activity undertaken and the results obtained, and based on the opinion and support of its tax advisers, the company responded by challenging those assessments and, in the limit, demanding for the realisation of a new inspection. The decision of the Tax Appeal Court is pending (this case is with this Court since 2009, which notified us for a first session in 2011, and without any previous decision from any other agency).

In Brazil, contingent liabilities for tax settlements proceedings, total about 159 million euros. It is worth noting in relation to those cases, the results of an inspection completed in the last quarter of 2011, which questioned the impact occurred by a corporate restructuring undertaken, resulted in a total settlement of about 98 million euros, including interest and penalties, which the company disputed due to the valid economic basis for performing such operation. It is the conviction of the Directors, supported by an understanding of the consultants who assist us, that our chances of success in this case are quite high, which is reinforced by the existence of cases similar to ours in which the outcome was favourable to the inspected entities.

Still in Brazil, and under the administrative case filed in 2007, the Secretariat of Economic Law of the Ministry of Justice ("SDE") published a Technical note in November 2011 closing the investigation of economic infringements in the cement sector, which recommended to the Administrative Council for Economic Defence ("CADE") the condemnation of all companies and individuals included in that case (with the exception of two, one for lack of evidence and the other by agreement with that agency at the start of the case).

In 2007, Cimpor set up a provision of 15 million reais, which it still maintains, equivalent to 2.5% of the 2006 gross turnover (the basis for determining the estimated liability at the time, could amount to up to 30% of that turnover), corresponding to the contribution that Cimpor was ready to make in a possible agreement with CADE, under legislation governing these matters. Such an agreement was based on the desire to avoid all the costs and delays inherent to the ongoing nature of such processes and the consequent disruption of normal business operation. This proposal did not involved any admission of guilt or acknowledgment of misconduct. Cimpor reaffirms the understanding that it committed no infringement. The case was referred to CADE for judgment.

Guarantees

At 31 December 2011 and 2010 the **Group** companies had guarantees totalling 222,877 thousand euros and 217,962 thousand euros, respectively, given to third parties, are as follows:

	2011	2010
For tax processes in progress	75,415	70,412
Financing entities	76,776	83,426
To suppliers	15,727	8,025
Other	54,959	56,099
	222,877	217,962

In the Portugal business area, due to legislation on the legal responsibilities for environmental damage reserves were established or assets of the Group companies assigned in a total of approximately 7 million euros.

Granting of a guarantee, under a pledged deposit made at a bank of CGD Group, of around 20 million USD (15 million euros), in relation of a loan taken out by a subsidiary. This deposit was classified as non-current assets under “Other investments” (Note 20).

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.

As of 31 December 2011, the sale of the 26% of the share capital of S. C. Stone and Sterkspruit Aggregates (Note 4), made in accordance with South Africa legislation regarding Black Economic Empowerment (“BEE”), in previous years, were not recognised because the significant risks and benefits relating to those investments were not been transferred to the buyer. In accordance with the terms agreed there are no losses to be recognised as a result of the transactions.

Pursuant to the contractually established terms and conditions, the minority shareholder of Shandong Liuyuan New-type Cement Development Co., Ltd., is provided the opportunity to increase their shareholding in that company to a maximum of 40%, until 15 October 2012. The Board of Directors does not estimate any materially relevant impact on the Group financial statements in the event that such option is taken up.

Additionally, as of 31 December 2011 and 2010, 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:

	2011	2010
Business area:		
Brazil	124,859	21,526
Egipt	44,110	13,781
Portugal	20,155	16,049
Mozambique	12,907	3,395
Spain	12,780	14,689
India	1,664	10,232
Others	3,990	3,897
	220,464	83,569

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.

49. Auditors fees and services

In the years ended 31 December 2011 and 2010, the fees and services provided by Deloitte to the Company and to the Group were as follows:

	Value		%	
	2011	2010	2011	2010
Cimpor Holding:				
Legal certification of accounts	60	65	4%	4%
Other assurance services	28	-	2%	-
Tax consultancy services	-	20	-	1%
Other	17	-	1%	-
	104	**85**	**6%**	**5%**
Subsidiaries:				
Legal certification of accounts	1,283	1,292	79%	81%
Other assurance services	50	6	3%	0%
Tax consultancy services	99	166	6%	10%
Other	98	38	6%	2%
	1,529	**1,502**	**94%**	**95%**
	1,633	**1,587**	**100%**	**100%**

50. Subsequent events

On 28 February 2012 Jorge Humberto Correia Tomé has resigned to Director of Cimpor.

On 22 March 2012, J. Bastos, C. Sousa Góis & Associados, SROC appointed its representative to the Audit Board of Cimpor, Ana Maria Celestino Alberto dos Santos, following the resignation of Jaime de Macedo Santos Bastos.

51. Financial statements approval

These financial statements for the year ended 31 December 2011 were approved by the Board of Directors on 22 March 2012. However, they are still subject to approval by the Shareholders’ General Meeting in accordance with commercial legislation in force in Portugal, set to 20 April 2012.

52. 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.

The Board of Directors

António José de Castro Guerra

José Manuel Baptista Fino

Jorge Humberto Correia Tomé

Albrecht Curt Reuter Domenech

José Édison Barros Franco

Walter Schalka

João José Belard da Fonseca Lopes Raimundo

Paulo Henrique de Oliveira Santos

Manuel Luís Barata de Faria Blanc

António Sarmento Gomes Mota

José Neves Adelino

Francisco José Queiroz de Barros de Lacerda

Luís Filipe Sequeira Martins

António Carlos Custódio de Morais Varela

Luís Miguel da Silveira Ribeiro Vaz

III. CORPORATE GOVERNANCE REPORT 2011

Corporate Governance Report

(translated from the original version in portuguese)

0. Statement of Compliance

Corporate Governance Rules Applying to Cimpor

Pursuant to Regulation No. 1/2010 of the CMVM, Cimpor adopts the Corporate Governance Code of the CMVM in its version of January 2010 (hereinafter the "Governance Code"), which is available for viewing at its website, namely: www.cmvm.pt and at the registered office of Cimpor – Cimentos de Portugal, SGPS, S.A. ("Cimpor").

Recommendations that have or have not been adopted

Cimpor adopts the best Corporate Governance practices, demonstrated by the fact that the criteria of the Governance Code are not complied with in only three cases. (1) the number of terms of office of the chairman of the Audit Board, (2) the number of independent directors and (3) the integration of components of the internal risk control and management systems, as explained below.

		Recommendation	Compliance	Reference
I.		**General Meeting**		
I.1.		General Meeting Board		
	1.	Adequate resources available to the Chairman of the General Meeting Board	COMPLIES	I.3.
	2.	Disclosure of the remuneration of the Chairman of the General Meeting Board	COMPLIES	I.3.
I.2.		Admission to the General Meeting		
	1.	Deadline established for the advance deposit or blocking of shares	NOT APPLICABLE	I.4.
	2.	Blocking shares in the event of suspension of the General Meeting	NOT APPLICABLE	I.5.
I.3.		Voting and Exercising Voting Rights		
	1.	Absence of statutory restrictions on postal voting	COMPLIES	I.9.
	2.	Time limit for receiving voting ballots by mail	COMPLIES	I.11.
	3.	Principle of proportionality (in particular one share, one vote)	COMPLIES	I.6. and I.7.
I.4.		Quorum and Resolutions - Quorum not exceeding legal limits	COMPLIES	I.8.
I.5.		Minutes and Information on Resolutions Passed, disclosure on the Company's website	COMPLIES	I.13
I.6.		Corporate Control Measures		
	1.	Absence of measures to prevent the success of takeover bids	COMPLIES	I.20.
	2.	Absence of defensive measures	COMPLIES	I.20.
II.		**Management and Supervisory Bodies**		
II.1.		General		
	1.	Structure and Powers		
		1. Assessment of the governance model by the management body	COMPLIES	II.1.
		2. Internal control and risk management systems	DOES NOT COMPLY	II.5.
		3. Powers of the management and supervisory bodies regarding internal control and risk management systems	COMPLIES	II.6.
		4. Identification of the key risks and functioning and effectiveness of the internal control and risk management systems	COMPLIES	II.9. and II.5.
		5. Rules of procedure of the management and supervisory bodies	COMPLIES	II.7.

		Recommendation	Compliance	Reference
	2.	Incompatibilities and Independence		
		1. Number of non-executive Directors	COMPLIES	II.14.
		2. Number of independent non-executive Directors	DOES NOT COMPLY	II.14.
		3. Independence assessment rules	COMPLIES	II.15.
	3.	Eligibility and Appointment		
		1. Independence of the Chairman of the Audit Board and powers to exercise the respective duties	DOES NOT COMPLY	II.21.
		2. Process of selecting candidates for non-executive Director	COMPLIES	II.16.
	4.	Irregularities' Reporting Policy (Whistleblowing)		
		1. Adoption of an irregularities' reporting policy	COMPLIES	II.35.
		2. Disclosure of general guidelines	COMPLIES	II.35.
	5.	Remuneration		
		1. Alignment with the Company's long-term interests	COMPLIES	II.30.1
		2. Statement on the remuneration policy for members of the management and supervisory bodies	COMPLIES	II.30.
		3. Statement on the remuneration policy for other managers	COMPLIES	II.29.
		4. Submission of share allocation and stock option plans and retirement benefits system to the General Meeting	COMPLIES	I.16. and III.10.
		6. At least one representative of the Remuneration Committee attends General Meetings	COMPLIES	I.15.
II.2.		Board of Directors		
	1.	Delegation of the day-to-day management of the Company	COMPLIES	II.3.1.
	2.	Pursuit of the Company's goals and limits on the delegation of powers	COMPLIES	II.3.1.
	3.	Coordination of the work of non-executive Directors	NOT APPLICABLE	II.8.
	4.	Disclosure of the activities of non-executive Directors	COMPLIES	II.17.
	5.	Rotation of the areas of responsibility among members of the Board of Directors	COMPLIES	II.11.1.
II.3.		Executive Committee		
	1.	Provision of information to the other members of the governing bodies	COMPLIES	II.3.2. and II.13.
	2.	Remittance of notices of meetings and the minutes of meetings to the chairmen of the Board of Directors and the Audit Board	COMPLIES	II.3.2. and II.13.
	3.	Remittance of notices of meetings and the minutes of meetings to the chairmen of the General and Supervisory Board and the Financial Matters Committee	NOT APPLICABLE	
II.4.		Audit Board		
	1.	Duties of the General and Supervisory Board	NOT APPLICABLE	
	2.	Disclosure of the annual report on the Company's website	COMPLIES	II.4.
	3.	Description of the supervisory activity in the annual report	COMPLIES	II.4.
	4.	Representation of the Company before the external auditor	COMPLIES	II.24. and II.3.6.1.
	5.	Assessment and proposal for dismissal of the external auditor	COMPLIES	II.24. and II.3.6.1.
	6.	Reporting of the internal audit services to an independent Director or to the Audit Board	COMPLIES	II.3.8.2.
II.5.		Specialised Committees		
	1.	Committees for performance assessment, to identify potential candidates for a director's role, and to evaluate the adopted governance system.	COMPLIES	II.3.7. and II.2.2. and II.2.3.
	2.	Independence and powers of the members of the Remuneration Committee	COMPLIES	II.39
	3.	Independence of the consultants to the remuneration committee	COMPLIES	II.39.
	4.	Minutes	COMPLIES	II.37.
III.		**Information and Auditing**		
III.1.		General Disclosure Obligations		
	1.	Investor relations office	COMPLIES	III.16.

		Recommendation	Compliance	Reference
	2.	Disclosure of information in English on the Company’s website	COMPLIES	III.16.
	3.	Rotation of the external auditor	COMPLIES	III.18.
	4.	Powers of the external auditor	COMPLIES	II.3.6.
	5.	Contracting non-audit services from the external auditor	COMPLIES	III.17.
IV.		**Conflicts of Interest**		
IV.1.		Relations with shareholders		
	1.	Business conducted by the company with the owners of qualifying shareholdings and related parties.	COMPLIES	III.12.
	2.	Prior opinion of the supervisory body	COMPLIES	III.13.

Comply or explain

Cimpor, as mentioned above and in light of the criteria set forth in the Governance Code, did not comply with three of the recommendations of that Code, which it justifies in the following manner.

0.3.1. Independence of the Chairman of the Audit Board

***Recommendation II.1.3.1*. The chairman of the audit board, supervisory committee or the financial matters committee, depending on the applicable model, must be independent and be adequately qualified to carry out the duties of that office.**

Cimpor considers the Chairman of its Audit Board to be adequately impartial and competent to perform the duties inherent to that role, considering his qualifications and service to the Company, in that capacity, since March 1992.

It is deemed that the publicly recognised impartiality of the chairman of the Audit Board is not affected by the fact that he has been in office for more than three terms. Cimpor believes that the enhancement of his knowledge throughout the term in office has proven to be particularly valuable to the performance of his duties.

The criteria used by the Governance Code to assess independence is not, therefore, complied with since the Chairman of the Audit Board has been in that role for more than three terms of office, which means that he must not be considered independent in light of the Portuguese Companies' Code.

0.3.2. Independent non-executive Directors

***Recommendation II.1.2.2*. The must be an adequate number of independent Directors among non-executive Directors, considering the size of the company and its shareholder structure, and which shall never be less than one quarter of the total number of Directors.**

Cimpor considers three independent directors to be appropriate to its specific case, considering, on the one hand, its corporate governance structure with a Audit Board, the number, diversity of affiliations and profile of its non-executive directors, and the fact that the Executive Committee is exclusively composed of professionals elected in that capacity, and on the other hand, the existence of a limited shareholder free float of around 16%. The percentage of independents of the total of non-executive Directors is more than twice the percentage of dispersed share capital. However, Cimpor does not comply with the second part of this recommendation as the number of independent non-executive Directors according to the provisions of Article 414(5) of the Companies Code represents one-fifth of the total number of Directors and not the recommended one-fourth.

The election of seven new Directors, one of whom is independent, at the General Meeting of 29 April 2010, at which 85% of the share capital was represented, already reflects the will of the current shareholder structure, reiterated at the General Meeting of 18 April 2011 ("2011 General

Meeting") through the substitution of a non-independent Director for another, also not independent.

0.3.3. Components of the internal control and risk management systems

Recommendation II.1.1.2. ***Companies must establish internal control and risk management systems, to safeguard their value and enhance corporate governance transparency, which will allow them to identify and manage risk. Those systems shall at least include the following components: i) the setting of the strategic objectives of the company as regards risk-taking, ii) the identification of the main risks related to the actual business undertaken and events that may pose risk, iii) analysis and measuring of the impact and the probability of occurrence of each potential risk, iv) risk management aimed at aligning the risks actually incurred with the company's strategic option for risk-taking, v) mechanisms for monitoring the implementation of the adopted risk management measures and their effectiveness; vi) the adoption of internal information and communication mechanisms in relation to the various components of the system and of risk warnings, vii) the periodic evaluation of the implemented system and adoption of modifications deemed necessary.***

Cimpor ensures the measurement of the impact and probability of occurrence of the risks for which the available information and characteristics thereof are suited to these mathematical and statistical procedures (financial risks, depletion of reserves, etc.). Such methods, like widespread practice in companies of the sector, do not form part of the risk management and control systems of Cimpor regarding other risks.

I. General Meeting

I.1 and I.2. Identification, Start and End of Term of Office of the Members of the General Meeting Board

The Annual General Meeting of 13 May 2009 elected the following members for the 2009-2012 four-year period:

General Meeting Board		Date of first appointed
Chairman	Luís Manuel de Faria Neiva dos Santos	11.05.2007
Vice-Chairman	Rodrigo de Melo Neiva dos Santos	13.05.2009

I.3. Disclosure of the Remuneration of the Chairman of the General Meeting Board and resources adequacy

The remuneration of the Chairman of the General Meeting Board takes the form of an attendance fee, which was adjusted following the General Meeting of 13 May 2009, by decision of the Remuneration Committee, from EUR 1,000 to EUR 4,500. The Chairman of the General Meeting Board relies on the support of the Vice-Chairman and the Company Secretary, within their respective legal powers, to convene and conduct the General Meetings. The Chairman is further provided the logistics support and human resources necessary for the proper performance of duties, particularly where contact with shareholders and the guarantee of the correct running of the General Meetings is concerned.

I.4. Disclosure of the Deadline Established for the Blocking of Shares in order to Attend and Vote at the General Meeting

The blocking of shares is not required. The Cimpor 2011 General Meeting removed this requirement from its articles of association.

I.5. Blocking of Shares in the event of Suspension of the General Meeting

As described in I.4. above, the right to attend and vote at the General Meeting does not depend on blocking shares.

I.6. Number of Shares corresponding to one Vote

One share.

I.7. Restrictions on the Exercise or Counting of Votes

There are no such restrictions.

I.8. Articles of Association Rules on the Exercise of Voting Rights

A shareholder intending to attend and vote at the General Meeting must declare such intention in writing to the Chairman of the General Meeting Board and the financial intermediary in which the individual registration account is held, no later than 0:00 of the fifth trading day prior to the date of the General Meeting (this date will be, in any case, indicated in the Notice of Meeting). An e-mail message may be used for that purpose.

Shareholders may be represented by third parties. To that end they must ensure the Chairman of the General Meeting Board receives the necessary instruments of representation, pursuant to the terms and conditions set forth in the relevant Notice of Meeting.

Shareholders holding, in a professional capacity, company shares in their own name, but on behalf of clients, may vote differentially with their shares, provided that, in addition to that required by paragraphs 3 and 4 of Article 23-C of the Portuguese Securities Code, they provide the Chairman of the General Meeting Board, within the same time limit and using sufficient and proportional means of proof, with: (a) The identification of each client and the number of shares held to vote on their behalf; (b) The specific voting instructions given by each client for each item on the agenda[4].

The rules applying to General Meeting resolutions are those of Portuguese general law (namely the portuguese Companies Code), in other words they do not establish any quorum for the sitting of meetings or percentage for the approval of decisions that is higher than that legally provided for, neither do they envisage any special system for equity rights.

[4] Article 23-C (5)

I.9. Articles of Association Rules on the Exercise of Voting Rights by Post

Cimpor does not establish any restriction in its articles of association to the exercise of voting rights by post.

The procedures to be taken and the applicable time limits are set forth in the articles of association[5], according to which any shareholder wishing to vote by post must ensure that the Chairman of the General Meeting Board receives the voting ballot indicating the vote on each item of the meeting’s agenda by the second business day prior to the date convened for the General Meeting.

I.10. Provision of a Ballot Paper Form for Exercising Voting Rights by Post

Cimpor accepts any document indicating the votes cast. Nonetheless, shareholders who so wish may use the ballot paper form for voting available at the site www.cimpor.com.

I.11. Establishment of a Time Limit between the Reception of the Voting Ballot by Post and the Date convened for the General Meeting

The voting instructions by post must be received by Cimpor (addressed to the Chairman of the General Meeting of the Company) by the second business day prior to the date of the Meeting.

I.12. Exercise of Voting Rights by Electronic Means

The Company does not use electronic voting mechanisms - such is not justified given the limited number of entities voting at General Meetings.

I.13. Extracts of Minutes of the General Meetings

The Company discloses the resolutions of General Meeting on the same day by means of announcement on the websites of the CMVM (www.cmvm.pt) and Cimpor (www.cimpor.pt), basic shareholder participation statistics are also published on the Cimpor site, followed by more detailed statistics, including the results of votes, within 5 days.

The detailed report of the resolutions and votes may be consulted afterwards on the website of Cimpor, when the minutes are published within the time limit prescribed by law.

I.14. Archive of General Meetings

The information identified in the previous paragraph (I.13) is available for viewing at the site of Cimpor (www.cimpor.com) for at least the three subsequent years.

[5] Article 7(5). This report provides a summary of the relevant provisions of the Company’s articles of association.

I.15. Indication of the Representative of the Remuneration Committee attending the General Meetings

Usually all the members of the Remuneration Committee of the Company attend the General Meeting, as was the case of the 2011 General Meeting.

I.16. Role of the General Meeting in the Evaluation and Remuneration Policy of the Company

The role of the General Meeting in the Remuneration Policy and Performance Assessment of the Directors of the Company occurs on four levels:

- Election of a Remuneration Committee, composed of independent members.
- Delegation in the Remuneration Committee of remuneration policy powers, as provided for in the articles of association[6].
- Annual resolution on the statement concerning the remuneration policy regarding members of the management and supervisory bodies, pursuant to Law No. 28/2009[7]
- General appraisal at each Annual General Meeting of the Company's management, pursuant to the Companies' Code[8], which also implies the assessment of the members of the Board of Directors.

The Remuneration Committee elected in the General Meeting for the period 2009-2012, pursuant to the articles of association[9], is composed of the following members (all independent):

- Manuel Soares Pinto Barbosa (Chairman);
- Filipe de Jesus Pinhal;
- José de Melo Torres Campos.

This Committee met seven times during 2011, drawing up minutes of the meetings.

The remuneration of the Remuneration Committee was established pursuant to statutory terms by a committee composed of representatives of the three largest shareholders and it solely consists of a fixed amount, as detailed below.

Remuneration of the Remuneration Committee	Value (Euros)
Manuel Soares Pinto Barbosa	16,800
José de Melo Torres Campos	15,600
Filipe de Jesus Pinhal	15,600

[6] Article 16(2)
[7] of 19 June
[8] Article 376
[9] Article 16

As regards the remuneration policy for all other managers, that is defined by the Board of Directors through the Executive Committee, within the meaning of the Portuguese Securities Code[10].

I.17. Role of the General Meeting in Share Allocation Plans for the Management and Supervisory Bodies and other Managers

The General Meeting is responsible for approving share purchase plans and the allocation of share options to Directors as well as to employees of the Company, following proposal by the Board of Directors, without prejudice to the General Meeting delegating powers in this regard to the Remuneration Committee (in accordance with section I.16 of this Report).

The 2011 General Meeting approved the implementation of the following plans:

- Share Allocation Plan:
    - *3C Plan (Plan to Encourage Employees to Acquire Shares in the Capital of Cimpor) addressed to a wide range of Group employees, including their managers, but expressly excluding members of the Board of Directors of Cimpor.*
- *Options Plans:*
    - *New ODS Plan (Cimpor Plan to Allocate Options for Sustainable Development) aimed at executive Directors and a number of other employees of the Group.*
    - Compliance with the Company's responsibilities arising from the still valid series of Stock Option Plans awarded before 2010 (inclusively). It should be noted that despite these Stock Option Plans still being in force, the executive Directors are no longer considered therein (as detailed in II.30.1).

The above-referred plans are detailed in III.10. below.

The 2011 General Meeting approved the full regulations of the 3C and ODS Plans, also providing for these the following parameters:

- *3C Plan:*

  Criteria and ceiling on the number of shares to be sold by the Company, the period and form of exercise and criteria for setting the price.

- ODS Plan:

  Ceiling on the number of options to be allocated to executive Directors and other employees, and therefore the maximum number of shares to be sold, the period and form of exercise and the criteria for defining the options exercise price.

[10] Article 248-B

- Options Plans prior to 2011:

  Number of options maturing in 2012 and 2013, the period and exercise price for each series.

I.18. Role of the General Meeting in the Retirement Benefits Schemes of the Management and Supervisory Bodies and other Managers

There are no benefit systems or supplementary pension schemes for the Company’s Board of Directors or Audit Board.

The statutory provisions providing for the allocation of retirement pension supplements were eliminated in the 2011 General Meeting, which also instructed the Board of Directors to adequately ensure that the rights acquired by the Directors under the amended statutory provision were safeguarded, which was done as described in II.33 o) below.

With regard to other managers, the Board of Directors is responsible for the respective determination of retirement benefits. The Board of Directors manages the retirement benefits according to general rules set forth in the human resources policy and with full respect for the commitments made to employees. The details of the assigned Pension Funds and their respective liabilities are reported in the financial statements and annexes thereto.

I.19. Articles of Association Provision Envisaging Submission to the General Meeting, Every Five Years, of a Rule Limiting the Votes Likely to be held or Exercised by a Single Shareholder

This requirement does not apply to Cimpor since the articles of association do not establish any rule to limit votes.

I.20. Defensive Measures causing the Deterioration of the Worth of the Company

There are no measures intended to prevent the success of a takeover bid. There are also no defensive measures, measures in the articles of association or of any other nature aimed at seriously reducing the Company’s worth in the event of a shift in control or change in the composition of the Board of Directors, thus ensuring compliance with recommendations I.6.1 and I.6.2 of the Governance Code.

I.21. Significant Agreements containing Change of Control Clauses

Likewise, there is no significant agreement to which the Company is a party and which, in the event of any change in control of the Company, would automatically come into force, be amended or cease to be effective.

Some debt instruments contracted by subsidiaries of Cimpor, as is market practice, include change of control clauses which provide for the possibility of immediate maturity of the debt by decision of the respective financial entity (see Note 37 of the Notes to the Consolidated Financial Statements).

I.22. Agreements with Directors and Managers that envisage Indemnification in the event of Termination of the Term of Office following a Change of Control

There are no agreements between the Company and the members of the management body or senior managers of Cimpor (under the terms of the Portuguese Securities’ Code[11]) that envisage the payment of compensation in the event of resignation, unfair dismissal or severance of the employment contract with the Company, in the wake of a change of control of the Company.

II. Management and Supervisory Bodies

Section I. General

II.1. Governing Bodies

Cimpor has adopted the Corporate Governance model usually called the “Latin one-tier model”. No restrictions or other functioning aspects in relation to the General Meeting, Board of Directors, Audit Board and Statutory Accountant were detected, which might justify the proposal of amendments. The members of the governing bodies are appointed for a three-year term of office, pursuant to the articles of association[12]. They may be re-elected. The term of office of the current members of the governing bodies runs from 2009 to 2012.

II.1.1. Board of Directors

The Board of Directors, pursuant to the articles of association[13], is composed of five to fifteen Directors, one of whom is Chairman and the others are members.

The Board of Directors is elected by the General Meeting, which also appoints the Chairman (who holds the casting vote pursuant to the articles of association[14]).

Following the resignation as member of the Board of Directors by Álvaro Luís Veloso on 23 March 2011, the General Meeting of 2011 elected Paulo Henrique de Oliveira Santos in his place, to complete the term already in progress. Therefore, at 31 December 2011, the Board of Directors was composed of the following individuals:

[11] Article 248-B(3)
[12] Article 6(2)
[13] Article 11(1)
[14] Article 11(3)

Board of Directors		Date of first appointed
Chairman	António José de Castro Guerra	29.04.2010
Members	José Manuel Baptista Fino	27.04.2005
	Jorge Humberto Correia Tomé (2)	13.05.2009
	Albrecht Curt Reuter Domenech	29.04.2010
	José Édison Barros Franco	29.04.2010
	Walter Schalka	29.04.2010
	João José Belard da Fonseca Lopes Raimundo	29.04.2010
	Manuel Luís Barata de Faria Blanc	31.07.2001
	António Sarmento Gomes Mota	13.05.2009
	José Neves Adelino	29.04.2010
	Francisco José Queiroz de Barros de Lacerda	29.04.2010
	Luís Filipe Sequeira Martins	12.02.1987 (1)
	António Carlos Custódio de Morais Varela	13.05.2009
	Luís Miguel da Silveira Ribeiro Vaz	13.05.2009
	Paulo Henrique de Oliveira Santos	18.04.2011

(1) Appointed as member of the Management Board of Cimpor – Cimentos de Portugal, E.P.

(2) Resigned in February 2012 as member of the Board of Directors of Cimpor – Cimentos de Portugal, SGPS, S.A..

In February 2012, Jorge Humberto Correia Tomé resigned as a Director of the Company.

II.1.2. Audit Board and Statutory Auditor

An Audit Board and a Statutory Auditor or Firm of Statutory Auditors, elected by the General Meeting, are responsible for the supervision of the Company pursuant to the articles of association[15].

The Audit Board is composed of three incumbent members and one substitute. If the General Meeting does not indicate the Chairman of the Audit Board then such will be appointed by the board members from among their number. The Statutory Auditor or a Firm of Statutory Auditors is appointed by proposal of the Audit Board.

The General Meeting of 2009 maintained the same members of the Audit Board that had been in office to that date (the only difference being that Jaime de Macedo Santos Bastos had previously held office in the capacity of a natural person):

[15] Article 17

Audit Board		Date of first appointed
Chairman	Ricardo José Minotti da Cruz Filipe	31.03.1992[3]
Members	Luís Black Freire d'Andrade [1]	11.05.2007
	J. Bastos, C. Sousa Góis & Associados, SROC, Lda., representada pelo Dr. Jaime de Macedo Santos Bastos [1] [2]	11.05.2007
Deputy	João José Lopes da Silva [1]	09.05.2008

[1] Independent member.

[2] Moved from Substitute to Incumbent Member on 28/01/2008. Performed these duties as a natural person to 13 May 2009. On 22 March 2012 tendered his resignation as representative of the above-stated firm of statutory auditors and was replaced by Ana Maria Celestino Alberto dos Santos.

[3] The Chairman of the Audit Board had already been in the post of Chairman of the Supervisory Committee of Cimpor – Cimentos de Portugal E.P., since 12/02/1987.

Cimpor's Statutory Auditor is Deloitte & Associados, SROC, S.A., which has performed this role since 2001. It has always been represented since October 2007 by João Luís Falua Costa da Silva.

II.2. Identification and Composition of Specialised Committees of the Company with Management and Supervisory Powers

II.2.1. Executive Committee

By resolution of the Board of Directors, the Executive Committee comprises the following Directors:

Francisco José Queiroz de Barros de Lacerda (Chairman)
Luís Filipe Sequeira Martins
António Carlos Custódio de Morais Varela
Luís Miguel da Silveira Ribeiro Vaz

II.2.2. Corporate Governance and Sustainability Committee

The Committee, which succeeded the Advisory Committee on Corporate Governance created in 2002, has between three and seven non-executive Directors, with at least one of them complying with the independence criteria applying to members of the management body.

The committee is currently composed of four Directors, all of whom are non-executive. These being:

José Neves Adelino (Chairman, independent)
Jorge Humberto Correia Tomé [1]
José Édison Barros Franco
Manuel Luís Barata de Faria Blanc (independent)

(1) Resigned as a member of the Board of Directors of Cimpor in February 2012.

II.2.3. Appointments and Assessment Committee

The Appointments and Assessment Committee is composed of the Chairman of the Executive Committee, ex-officio, and a further two to six non-executive directors, at least one of whom must comply with the independence criteria applying to members of the management body.

Following the resignation of Álvaro Luís Veloso from the post of Director, this Committee is currently and at 31 December 2011, composed of five Directors, one of whom is an independent non-executive Director:

António Sarmento Gomes Mota (Chairman, independent)
José Édison Barros Franco
Walter Schalka
José Manuel Baptista Fino

The Chairman of the Executive Committee, Francisco José Queiroz de Barros de Lacerda, is also an ex-officio member of this committee,.

II.2.4. Investment Committee

The Investment Committee is composed of the Chairman of the Board of Directors, the Chairman of the Executive Committee (both ex-officio) and three to five non-executive Directors.

This Committee is currently composed of seven Directors, six of which are non-executive:

António José de Castro Guerra (Chairman of the Committee in the capacity of Chairman of the Board of Directors)
Francisco José Queiroz de Barros de Lacerda (in the capacity of Chairman of the Executive Committee)
Jorge Humberto Correia Tomé (1)
Albrecht Curt Reuter Domenech
José Manuel Baptista Fino
João José Belard da Fonseca Lopes Raimundo
Walter Schalka

(1) Resigned as a member of the Board of Directors of Cimpor in February 2012.

II.3. Division of Powers among the various Governing Bodies, Committees and/or Departments of the Company

II.3.1. Delegation of the Board of Directors in its Executive Committee

The Board of Directors has delegated the powers relating to the day-to-day management of the Company in an Executive Committee composed of four of its members, reserving for itself the key decisions.

Thus, pursuant to legislation[16], the Rules of Procedure of the Board of Directors and the delegation of powers of the Board of Directors, the following matters are reserved for the Plenary meeting of the Board of Directors:

- The appointment by co-option of Directors to fill any vacancies that may occur;
- Convene General Meetings;
- Approve the annual reports and accounts, the sustainability report as well as quarterly and half-year management reports;
- Approve the budget and annual business and financial plans as well as three-year business plans, including the investment plan;
- Decide on the provision of bonds and personal or real guarantees by the Company;
- Decide on the change of headquarters and capital increases pursuant to the articles of association;
- Decide on company merger, split and transformation operations to be submitted to the General Meeting;
- Appoint the Company Secretary and substitute;
- Approve the Company's strategy and general practices;
- Approve the Cimpor Group's business structure;
- Approve rules of procedure and rules of general application, and of an ethical nature;
- Approve the Financial Policy of Cimpor, and other instruments of a strategic nature;
- Take decisions that must be considered strategic due to the amounts or risk involved, or their special nature, and which include the following:
    - The acquisition of equity holdings or physical assets: (*i*) outside of the context of the main business activity of the Cimpor Group, (*ii*) in countries where the Group does not yet operate, or (*iii*) with a value per acquisition operation exceeding ten million euros;
    - The sale of equity holdings or physical assets exceeding five million euros in value per transaction;
    - The undertaking of development investments envisaged in the budget previously approved by the Board of Directors, exceeding fifteen million euros in value;

[16] Portuguese Companies' Code.

- The undertaking of development investments not envisaged in the budget previously approved by the Board of Directors, exceeding 5 million euros in value per investment operation and 25 million euros in annual accrued total;
- The granting of credit to customers where such credit exceeds five million euros in value per customer;
- Undertaking financial operations that do not comply with the Financial Policy approved by the Board of Directors.

- Deciding on the issue of preferred shares without voting rights and autonomous warrants on its own securities and subordinated bonds or debentures or other debt securities with a maturity exceeding 10 years;
- Appoint the Director who shall act as Chairman in the absence or impairment of the same.

The following are excluded from the delegation of powers in the Executive Committee (i) strategies and general practices, (ii) the corporate structure of the Cimpor Group, (iii) the approval of rules of procedure as well as rules of general application, of an ethical nature (iv) the Financial Policy encompassing the scope of the Company as well as the exercise of the role of shareholder and the management guidelines of the Cimpor Group companies, and (v) the decisions that are considered strategic owing to the amount, risk or their special features.

Whenever it is necessary in the defence of the interests of the company to decide on any of the matters referred to as strategic for the purposes of sub-paragraph (v) above, but there is no possibility of convening the Board of Directors in time, the Executive Committee may decide on any of the foregoing matters provided it has, through the Chairman of the Board of Directors, previously referred the matter to all the members of the Board and obtained consent from the majority of these.

The Executive Committee shall submit to the Board of Directors for approval any matters concerning any business, commitments, contracts, agreements and conventions to be concluded with shareholders owning 2% or more of the share capital of CIMPOR (or with parties related to such shareholders by any form of relationship, pursuant to the Portuguese Securities' Code[17]), except when, considering the nature or monetary value involved, those matters may be considered day-to-day interests or encompassed in the business of the Company, and provided no special advantage is granted the holder of the qualifying shareholding.

II.3.2. Disclosure Duties of the Executive Committee

The following procedures have been created to ensure that all members of the management body are aware of the decisions taken by the Executive Committee (enshrined in the Rules of Procedure of the Board of Directors[18]):

[17] Article 20
[18] Article 14(5)

- The minutes of the Executive Committee and the notices convening the meetings are distributed to the members of the Board of Directors and the Chairman of the Audit Board;
- The Executive Committee also provides to members of the Audit Board the clarifications and additional information requested of it, in a timely and appropriate manner;
- At meetings of the Board of Directors, the Executive Committee shall regularly summarize the significant aspects of the business undertaken since the previous meeting;
- The Executive Committee also provides to members of the Board of Directors the clarifications and additional or supplementary information that they may request;

II.3.3. Powers of the Chairman of the Board of Directors

Powers:

- Coordinate the activity of the Board of Directors;
- Convene the Board of Directors, determine the agenda of the meetings and preside over discussions. The Chairman will also convene the Board whenever such is requested by two or more Directors and will include on the agenda the items that such Directors shall request for inclusion;
- Foster communication between the Company and all its stakeholders;
- Monitor and consult with the Executive Committee on the performance of the powers delegated in the latter;
- Contribute to the effective performance of duties and powers by the non-executive Directors and the Internal Committees of the Board of Directors.
- Have the casting vote.

The Chairman of the Board of Directors does not perform an executive role, though he may perform such a role in exceptional circumstances following specific resolution of the Board of Directors.

In the absence or temporary impediment of the Chairman, the duties of that office shall be performed by the Director sitting on the Board in whom the Chairman has delegated such representation or, if no such director has been designated, then the Director that is designated by the majority of the other members of the Board. Whatever the case, this Director will be responsible for exercising all the duties of the office of Chairman of the Board of Directors at the meeting in question, including having the casting vote.

II.3.4. Powers of the Chairman of the Executive Committee

Powers:

- Represent the Executive Committee;
- Convene and preside over meetings of the Executive Committee;

- Coordinate the activities of the Executive Committee, distributing among its members the preparation or monitoring of the matters that should merit the appraisal or decision by the Executive Committee;
- Propose to the Board of Directors the list of management matters that each member of the Executive Committee should have specific responsibility for;
- Act to ensure the correct implementation of the resolutions of the Executive Committee.

The Chairman of the Executive Committee must also, besides the above-described duties:

- Ensure that all information concerning the activities and decisions of the Executive Committee is provided to the other members of the Board of Directors;
- Ensure compliance with the limits of the delegation of powers, the Company's strategy and the duty of collaboration with the Chairman of the Board of Directors.

II.3.5. Allocation of responsibility within the Executive Committee

Notwithstanding the collective exercise of duties delegated in the Executive Committee, each of its members has been specifically entrusted with the responsibility of supervising certain Functional Areas, as follows:

Executive Committee

Francisco José Queiroz de Barros de Lacerda
Chief Executive Officer - CEO

- Strategy and Development
- Talent & Organization Development
- Legal (Group)
- Communication
- Internal Audit
- Company Secretary

Luís Filipe Sequeira Martins

- Iberia and Cape Verde
- Latin America (Brazil)
- Egypt
- Asia (India and China)
- Cement and Sustainability Competence Center (CimporTec)
- Health and Safety (Group)
- Waste co-processing

António Carlos Custódio de Morais Varela
Chief Financial Officer - CFO

- Planning & Control
- Consolidation, Reporting & Tax
- Finance
- Investor Relations
- Information Technologies

Luís Miguel da Silveira Ribeiro Vaz

- Southern Africa (South Africa and Mozambique)
- Med Rim except Egypt (Turkey, Tunisia and Morocco)
- Concrete, Aggregates and Mortars Competence Center
- Trading & Logistics
- Purchasing

II.3.6. Supervisory Bodies

II.3.6.1. Audit Board

Powers:
The Audit Board, in conjunction with the Statutory Auditor, is responsible for the supervision of the Company:

- Supervise the management of the Company;
- Monitor compliance with the law and articles of association;
- Prepare an annual report on its supervisory activities and give an opinion on the report, accounts and proposals submitted by the management;
- Supervise the process of preparation and disclosure of financial information;
- Supervise the effectiveness of internal control, internal auditing and risk management systems;
- Receive reports of irregularities submitted by shareholders, employees of the Company or others.

The Audit Board is also responsible for proposing to the General Meeting the appointment of the incumbent and substitute Statutory Auditor, monitoring and assessing its independence, the scope of the relevant services and the audit of the Company's accounts and financial statements;

The Audit Board represents the Company before the external auditor, for all and purposes, and it is responsible for:

- Proposing the hiring, renewal of the contract and remuneration of the external auditor;
- Ensuring that the external auditor is afforded adequate conditions for the provision of services to the Company and the companies with which it is in a group or control relationship;
- Appraising the content of the audit reports, annually evaluate the performance of the external auditor of the Company and propose the removal from office to the General Meeting whenever just cause for such exists.

II.3.6.2. Statutory Auditor

The Statutory Auditor is responsible, pursuant to the Companies Code[19], for checking the accounting books and records and the supporting documents thereto, and, whenever it deems appropriate and in the manner it deems suitable, verifying the extent of cash and the stocks of any kind of goods or assets belonging to the Company or received by it as security, deposit or under any other form, as well as the accuracy of the accounts. It also checks that the accounting policies and the valuation criteria adopted by the Company result in a correct evaluation of the assets and profits.

The Statutory Auditor is also responsible, as external auditor and in the scope of its powers, for checking the implementation of the remuneration policies and systems, the effectiveness and

[19] Article 420(1) sub-paragraphs (c), (d), (e) and (f) and article 446.

functioning of the internal control mechanisms and the reporting of any defects to the Audit Board of the Company.

II.3.7. Specialised Committees of the Board of Directors

II.3.7.1. Corporate Governance and Sustainability Committee

This Committee has the function of assisting the Board of Directors on matters of corporate governance and standards of conduct, as well as in the areas of sustained development and social responsibility of the Cimpor Group. It is responsible for:

- The evaluation of the corporate governance model, principles and practices of the Company and the significant subsidiaries of the Cimpor Group, in order to seek its constant improvement and present proposals to that end to the Board of Directors, which encompass, in particular, the functioning and powers of the Board of Directors and its internal committees and their articulation with the other governing bodies and management structures, as well as the prevention of conflicts of interest and information discipline;

- The definition of the guidelines of the policies that ensure the sustained development of the Company and the Cimpor Group, fostering social responsibility and environmental protection;

- The definition, collaboration in the implementation and supervision of compliance with standards of conduct appropriate to the adherence to strict ethical and moral principles, in the performance of the duties attributed to the members of the governing bodies and employees of the Cimpor Group;

- The improvement and update of the Rules of Procedure on Irregularities’ Reporting and the Code of Ethics adopted by the Cimpor Group, submitting proposals in this regard to the Board of Directors, whenever such is deemed necessary;

- The coordination of the drafting of the annual report on the governance of the Company in the areas of its responsibility and the presentation of proposals to the Board regarding the statements to be included in that report concerning the effectiveness of the adopted governance model, the standards of conduct and the internal control and risk management systems;

- The presentation of proposals to the Board relative to the adoption of the measures to ensure the Company complies with legal and regulatory requirements, recommendations and good practices, applying at any time to matters of corporate governance, standards of conduct and social responsibility and sustainability standards.

II.3.7.2. Appointments and Assessment Committee

The duties of the Appointments and Assessment Committee *inter alia*, and in accordance with article 18(1) of the Rules of Procedure of the Board of Directors[20], are to assist the Board in the following matters:

a) Occupancy of positions vacated on the Board of Directors, pursuant to law and the articles of association;

b) Selection of Directors to appoint to the Executive Committee;

c) Monitoring the procedures for the selection and appointment of senior management of the Company and Relevant Subsidiaries and the members of the governing bodies of Relevant Subsidiaries, informing the Board of Directors on such processes;

d) Annual process of assessment of the overall performance of the Board of Directors and its Internal Committees, as well as the annual assessment of the members of the Executive Committee of the Company, consulting with the relevant Chairman on such;

e) Drawing up opinions to be submitted to the Remunerations Committee for the process of defining the remuneration of the members of the Executive Committee.

It is also responsible for, in the performance of its duties referred to in sub-paragraphs (a) to (c) above:

- Keeping up-to-date information on the qualifications, knowledge, professional experience and independence necessary to perform the duties of Director of the Company;

- Assisting the Board of Directors and the Executive Committee in the approval and implementation of the succession plan for members of the boards of directors and senior management of the Company and the Relevant Subsidiaries;

- Whenever deemed necessary, it will draw up a reasoned opinion for the purpose of co-option or appointment of members of the Board of Directors, identifying the parties and/or persons that, in its view, have the most appropriate profile for the performance of a specific post.

It is also responsible for, in the performance of its duties referred to in sub-paragraphs (d) and (e) above:

- Proposing to the Board of Directors the criteria to be used in the evaluation process on an annual basis and per term of office;

- Proposing to the Remuneration Committee the criteria to be used for determining the variable remuneration on an annual basis and per term of office, in particular the individual performance goals after, in this latter case, consulting the Chairman of the Executive Committee;

[20] Article 18(1)

- Proposing or issuing an annual opinion to the Board of Directors and the Remuneration Committee, as applicable, on the remuneration policy and remuneration principles of the management and supervisory bodies and other managers of the Company, and an opinion on the annual statement submitted to the General Meeting in this regard;

- Proposing or issuing an opinion to the Board of Directors and the Remuneration Committee, as applicable, on share allocation or stock option or share performance plans.

When performing the functions and duties referred to above, the Appointments and Assessment Committee should also make any proposals to the Board of Directors and the Remuneration Committee, as applicable, it deems necessary for the purposes of the Company's compliance with legal and regulatory requirements, recommendations and good practices, applying at any time, in matters of appointments and remuneration.

II.3.7.3. Investment Committee

The role of the Investment Committee is to assist the Board of Directors in the following areas, with the aim of optimising the process of defining, carrying out and assessing the strategy of the Cimpor Group:

- The sustained internationalisation of the Cimpor Group;
- The diversification of businesses and investment and the sale of strategic assets;
- Drawing up multiple-year strategic plans, in accordance with the Cimpor Group’s objectives;
- Defining the strategy and policies for the growth and development of the Company.

This Committee is also responsible for assisting the Board of Directors in defining the operating organisational structure of the Cimpor Group.

II.3.8. Functional Structure

The Cimpor Group is structured by Business Units, corresponding to the countries where it operates. These are grouped into large regions, as described below (the head of each is indicated):

Business Unit Head	Iberia and Cape Verde José Augusto Brás Chaves	Latin America Alexandre Lencastre	MedRim Fernando Plaza	Sub-Saharan Africa Pieter Strauss	Asia Álvaro Serra Nazaré
Country CEO	Iberia and Cape Verde José Augusto Brás Chaves	Brazil Alexandre Lencastre	Morocco Brahim Laraqui	Mozambique João Nunes Pereira	India Suman Mukherjee
			Tunisia Abdelkader Nciri	South Africa Pieter Strauss	China Teixeira de Freitas
			Egypt Luis Fernandes		
			Turkey Sefik Tuzun		

The various activities undertaken in each Business Unit are grouped by product, with the core business being the production and sale of cement.

The Group's holding company is responsible for the strategic development and overall management of all the different Business Units, ensuring their coordination, supported by a set of Corporate and Business Support Units.

Each of the above-mentioned regions is coordinated by a Region Head, who sits on the management bodies of the major companies located in the respective countries, reporting directly to the Executive Committee.

The organisational model of each region is adapted to the business' characteristics and conditions and the country's legal system. The aim is to take advantage of possible synergies and benefits arising from more favourable financial and tax frameworks. The organisational model in each country follows a standardised template with small adjustments according to national needs, and it comprises the development of the businesses, under the responsibility of the CEO of the country, through Industrial, Commercial, Concrete and Aggregates, and Finance and Shared Services responsibilities.

Each Business Unit is autonomously managed, particularly in day-to-day and operational management matters, according to a planning and control system steered by the holding company. This system's strategic guidelines, business and investment plans and targets and annual budgets are defined through participation and interaction, subject to periodic review and control.

The most important decisions in the different Business Units, e.g. those that exceed specific values or that have greater impact on profits or on the Group's strategic development - must be approved or ratified by the Board of the holding company. This also applies to decisions or actions that, when dealt with at Group level, enable significant synergies to be generated.

The organization and composition of the Board of Directors and the Supervisory Bodies of the subsidiaries of Cimpor obey the relevant laws and regulations of the respective jurisdiction.

II.3.8.1. Business Support

Cimpor has a set of centralised services in Lisbon and Vigo that support the business activity by providing technology and specialised technical assistance, allowing Cimpor to benefit from economies of scale owing to the size of the Group. The Support Units and the respective head are as follows:

Cement and Sustainability Competence Centre (Cimpor Tec):

(Valter Albuquerque)

- Provides technical and technological assistance to the different Group companies;
- Coordinates the design and implementation of the Group’s industrial investments regarding cement production;
- Launches initiatives common to all Group companies, namelly staff training initiatives, with the underlying aim of the technical progress of cement production and commercialization;
- Provides technical advice in the assessment of the financial aspects of any opportunities to acquire cement production assets;
- Promotes the best practices, and use of the Group’s the knowledge and know-how.

(Jorge Reis)

- Maximises the strategic development of the Aggregates and Concrete business, in technical terms and also in the commercial and management fields, increasing the efficiency and performance of operations through the dissemination of knowledge and best practices in the various operations spread throughout the universe of the Cimpor Group.

Waste Co-Processing Department:

(Francisco Leme)

- Identifies needs and opportunities in the use of raw materials and alternative fuels, contributing to business sustainability.
- Plans, coordinates and supplies waste co-processing solutions to the Business Units, including the selection and organisation of technology, supplies and its adaptation to the industrial units.

Trading & Logistics Department:

(Pedro Marques)

Plans, coordinates and provides cross-border logistics solutions to the Group, including all transport (road, rail and marine transport) and shipping operations between countries;

Plans and coordinates the trading activities (mainly cement and clinker) of Cimpor and its subsidiaries and supports the business areas by establishing business relationships with customers, suppliers and other external entities.

Information Technologies Department:

(Eugénio Paupério)

Ensures the development, coordination and performance of the information systems of the companies of the Cimpor Group, with the main emphasis on defining and putting forward the Group’s Information Technology (IT/IS) strategic plan and the functional coordination of the local IT officers of the Group’s Business Areas, ensuring alignment with Group strategy.

Purchasing Department:

(Carlos Roque)

Defines, enhances and coordinates the Procurement policy of the Cimpor Group.

Centralises the procurement of the main categories of purchases cutting across the Group, making analysis of the supply chain and the supply market, identifying structural solutions, with the aim of maximising efficiency and the results of the goods and services purchase decisions.

II.3.8.2. Corporate Support Units

Cimpor has a group of units located in Lisbon and Vigo that ensure the performance of the corporate processes and provide management support. The Corporate Support Units and the respective head are as follows:

Strategy and Development Department:

(João Salgado)

Technically supports the definition and implementation of the Group’s Development Strategy;

Advises the Executive Committee on undertaking the acquisition and sale of companies and shareholdings, specific assets, entering into business partnerships and mergers;

Develops and coordinates the economic and financial evaluation of investment projects related to setting up new production plants and expanding the capacity of existing ones;

Coordinates the implementation of corporate restructuring measures associated with the Group's international presence;

Planning and Control Department:

(Miguel Silva)

Supports the Executive Committee in Management Control and Planning;

Enhances, coordinates and oversees the implementation of the business plan and budget of the Business Areas and of the Group, and undertakes the subsequent management control;

Supervises, follows-up and monitors the results of group-wide projects of a strategic scope, as well as operational projects.

Occupational Health and Safety Department:

(Raúl Caldeira)

Proposes the guidelines that should steer the policy to follow, the objectives to be achieved and the management system to use in the field of occupational health and safety in the workplace, driving its implementation;

Functionally coordinates, throughout the entire Group, the activities in question and monitors their implementation, assessing the relevant results.

Finance Department:

(Jorge Saraiva)

Manages the financial assets and liabilities of the Group, directly answering to the Executive Committee, ensuring access, under the best conditions, to the financial resources required for the expansion of the Group and its day-to-day business;

Controls the financial situation of the Group and its companies, through the centralisation of information on the respective financial resources and cash funds.

(Paula Carneiro)

Supports the Executive Committee in Human Resources Management and the Organisation of Cimpor, proposing the respective policies, instruments and objectives;

Promotes the management and development of human resources in order to obtain the commitment and engagement of all employees in pursuing the objectives of the Group, as well as their own personal and professional fulfilment.

Investor Relations Department:

(Filipa Mendes)

Supports the Executive Committee in relations with the various intervening parties in the capital market, namely the shareholders, supervisors and other public entities, financial analysts and managers of funds and other collective investment entities;

Ensures strict compliance by Cimpor with legislation, in its capacity of securities’ issuer.

Communication Department:

(Mafalda Correia)

Develops the activities related to the implementation of both external and internal image and communication policies of the Group;

Represents the Company in its institutional relations and community support.

Consolidation, Reporting & Tax Department: (Sérgio de Almeida)

- Promotes, coordinates and implements the financial consolidation of the Group;
- Defines the accounting principles and policies of the Group and coordinates and supports their implementation;
- Ensures asset planning and tax compliance;
- Monitors and supports acquisition, restructuring or financing operations within the Group, ensuring the necessary accounting and tax-related actions.

Internal Audit Department:

(João Contreiras)

- Coordinates the internal financial, asset and operational auditing activity throughout the Group, by examining and assessing the level of adequacy and effectiveness of the internal control systems and the quality of their performance. Irrespective of its hierarchical dependence with Cimpor's Executive Committee, this Department functionally reports to the Audit Board.

II.4. Annual Report on the Activity of the Audit Board

The Audit Board, in accordance with the Rules of Procedure of the Audit Board[21], applicable legal rules and recommendations II.4.2. and II.4.3. of the Governance Code, prepares and publishes on the Company's website the annual report of its activities at the same time as the financial statements. In that report, it describes the supervisory activities carried out during the financial year under analysis, and referring, where applicable, to any constraints found.

II.5. Internal Control and Risk Management Systems

Cimpor has the following principal internal control systems:

- Strategic control,
- Management control, with particular reference to health and safety, technical and financial control subsystems
- Operational control.

Systemic redundancy is guaranteed by Internal and External Audits and by the whistleblowing system.

Risk Management is a core responsibility of the entire management structure of Cimpor, aimed at the timely identification of key risks and opportunities facing the company and studying, deciding on and implementing the appropriate measures.

It is especially the responsibility of the Cimpor SGPS e Cimpor Inversiones holding companies to manage the financial risks requiring specific coverage.

The operational implementation of these systems is primarily the responsibility of the hierarchical structure, broken down into successive levels of responsibility by the Board of

[21] Article 6

Directors and its Executive Committee, Management Committee, Business Area Executive Committees, and operational and support structures.

Moreover, the Health and Safety Department, Cimpor Tec, where the cement production business is concerned, and the Concrete, Aggregates and Mortars Competence Center have particular responsibilities in the identification, analysis and measurement and management of the health and safety, technical and operational, and industrial facilities risks of Cimpor.

Three bodies have special responsibilities in risk management, and particularly financial risk, where the corporate support areas are concerned, namely:

Financial Department - responsible, among other duties, for the management of risks of a financial nature, including interest rate, duration, liquidity, currency and counterparty risks.

Insurance Area - responsible for the global insurance programmes of Cimpor and for the coordination of Group practices in all other coverage.

Internal Audit Department, which, working together with the Board of Directors and the Audit Board of Cimpor (to which it reports in, respectively, hierarchical and functional terms) has the task of not only ensuring the adequacy and effectiveness of the internal control systems in all Group areas, but also the good performance of those systems.

The duties of this Department are:

- Conduct financial, administrative and asset audits;
- Certify the results in relation to the established strategy and goals;
- Examine and ensure compliance with established policies and plans and the applicable procedures, laws and regulations;
- Verify the powers and responsibilities established within the Group and their level of formalisation;
- Monitor the development of or changes in operations, programmes, systems and controls;
- Verify the custody, physical existence and valuation criteria of assets;
- Carry out operational audit tasks (in particular in the areas of marketing, production, investment, maintenance and personnel);
- Evaluate the level of the respective management control;
- Recommend any corrective measures deemed necessary;
- Check that previously reported deficiencies have been duly corrected;
- Audit the computer systems;
- Assess the reliability and integrity of the information and the various means used to identify, process and disclose it;
- Analyse the existing information systems in terms of their security, basic programmed controls and how up-to-date user manuals are.

The operating managers are responsible for designing and implementing the most suitable risk control mechanisms. The efficiency of such mechanisms is periodically evaluated, through the relevant Internal Audit Department, in accordance with a plan, prepared and implemented annually, for auditing financial areas and information systems, and verifying processes and conformity with approved procedures.

The internal control system concerning the preparation and disclosure of financial information is jointly secured by the Planning and Control Department - with contributions from the various Units of the Group - and the Internal Audit and Investor Relations Departments. The Chairman of the Executive Committee and the CFO responsible for the financial area are tasked with the definition of the goals, supervision, evaluation of effectiveness and continuous improvement of the activities undertaken.

As regards financial reporting, this occurs whenever the evaluation of the impact or nature of the same leads to its classification, depending on the case, by the Executive Committee or CFO, as one of the legal aspects requiring disclosure, in which case the Investor Relations Department is responsible for its prompt publication.

Notwithstanding the setting of the revision objective for the improvement of this set of systems, the systems have proven to be effective.

II.6. Responsibilities of the Management and Supervisory Bodies in relation to the Internal Control and Risk Management Systems

The creation and operation of internal control, risk management and internal audit systems is the responsibility of the Board of Directors - and its Executive Committee, to the extent of its delegated powers. The Audit Board is responsible for reviewing the effectiveness of those systems, as well as assessing their operation and proposing any adjustments according to the Company's needs.

II.7. Rules of Procedure of the Company Bodies

In addition to the laws and regulations applying to commercial companies, publicly traded companies and the securities markets, the functioning of the Company's bodies is governed by the provisions of the Rules of Procedure of the Board of Directors, the Rules of Procedure of the Audit Board and the Code of Ethics adopted by the Cimpor Group, which are available for viewing at www.cimpor.com. The work of the Statutory Auditor is further bound by specific professional standards.

There are no other internal rules relative to incompatibility or the maximum number of cumulative posts that can be held on the management and supervisory bodies of Cimpor.

Section II. Board of Directors

II.8. Mechanisms for Coordinating the Work of Non-Executive Directors

The Chairman of the Board of Directors of Cimpor does not perform an executive role.

II.9. Identification of the Main Economic, Financial and Legal Risks that the Company is Exposed to in the Undertaking of its Business

Business and market risks

The set of financial results and profitability of Cimpor can be negatively affected by a continued decline in construction activity, either globally or in a significant market where it operates.

Cimpor’s business is sensitive to factors such as GDP growth, investment in infrastructure and construction activity. Construction activity arises from housing needs and investment in commercial and office spaces. An economic slowdown can lead to a recession in the construction industry and consequently in the production of cement. Turmoil in the financial sector increased in the second half of 2008, having a negative impact on the real worldwide economy, mainly in 2009, with the reduction in demand for cement and a fall of prices in mature markets and some developing markets. Some of Cimpor’s markets, such as Portugal, Spain and Turkey, were affected by this unprecedented turmoil. During 2011, the activities and results of Cimpor were particularly affected by the worsening of the Portuguese economic situation associated with the request for financial assistance and the turbulence and shrinkage of the markets associated with the "Arab Spring", particularly in Egypt.

The diversified geographical presence of Cimpor has traditionally contributed to the stability of its profits, since periods of cyclical decline in individual markets were offset by growth in other markets. But, despite the twelve countries where Cimpor operates having been affected differently by the recent downturn in the world economy, there is no guarantee that a weakening of economic growth does not globally affect the construction market or that negative economic conditions in one or more regions do not affect the construction markets in some countries.

Competition risks

Cimpor competes with local and foreign competitors, as well as importers, in each of its markets. As a result, the prices that Cimpor offer its customers are not, in principle, materially different to the prices charged by producers of the same competing products in the same markets. Accordingly, the profitability of Cimpor’s business operations is quite dependent on the level of demand for such products, as well as its ability to control efficiency and operating costs.

The prices in these segments undergo significant changes on account of relatively minor fluctuations in supply and demand, general economic conditions and other market conditions outside the control of Cimpor. Consequently, Cimpor may be faced with declines in prices, margins or sales volumes in the future which could have a materially significant adverse effect on profits.

Increases in capacity by competitors that are not accompanied by an increase in demand could result in surplus supply in some regions, driving down sale prices and reducing profit margins. Antitrust and competition regulators have been increasing their inspections of the cement industry since 1994, levying monetary fines on companies that may be engaged in illegal practices of cartelisation or other practices of unfair competition.

The Cimpor companies in Brazil and South Africa are currently under investigation and have legal proceedings filed against them by competition authorities. Cimpor cannot predict with any certainty the outcome of those pending legal proceedings or investigations, nor guarantee in any way that other subsidiary companies will not be the focus of other investigations by the competition authorities.

Cimpor believes that the practices and policies that rule its activity comply with the competition and anti-monopoly laws and regulations undertaken in the various jurisdictions where the group operates.

Raw material availability risk

The long-term success of each of Cimpor's Business Units depends on their ability to secure raw materials in sufficient quantities, including limestone, gypsum and other materials necessary for the production of clinker and cement, available from quarries located close to the different industrial units. Limestone is usually obtained from the mining of quarries owned or leased by Cimpor, with a minimum service life of 50 to 100 years. In some cases, Cimpor may have to tackle the risk of the exhaustion of raw materials in some quarries, most notably limestone, and the cancellation of quarry leasing agreements. This would force the Group to find new quarry sources further away from their production units, causing a corresponding impact on raw material extraction and transport costs. These cases can have an adverse effect on Cimpor's ability to achieve its production targets.

Increased energy costs risk

The operating income of Cimpor is significantly affected by energy price changes. Energy prices have significantly increased over the last year and may vary significantly in the future, mainly due to market forces and other factors outside Cimpor's control. Cimpor seeks to protect itself from energy price inflation risks through the diversification of its fuel sources, the use of alternative fuels, the capacity to transfer all or part of increased costs to the end customer and through the use of long-term contracts for certain energy needs. Cimpor also seeks to produce different types of cement with lower clinker content, replacing it with other mineral components such as fly ash, slag, pozzolana, and limestone.

Regulatory risk

The businesses of Cimpor are affected by laws and regulations, including legal rules on the concession of quarries, operating licences, environmental regulations, the landscape rehabilitation of quarries, price controls, export bans and the payment of fees for the licensing of new plants. Cimpor believes that it is in possession of and/or has submitted applications that are entirely viable for obtaining all necessary licences and permits to conduct its manufacturing and quarrying operations. However, Cimpor cannot ensure that present or future regulations and compliance with such will not have a significant adverse effect on its business.

Environmental risk

The activities of cement manufacturers and wholesalers are subject to numerous national and international environmental laws, regulations, treaties and conventions, including those governing the discharge of materials into the environment, which enforce the removal and clean-up of environmental contamination, or relate to the protection of the environment.

The infringement of environmental regulations leave offenders open, especially in the European Union, to fines and substantial monetary penalties and may require technical measures or investment to ensure compliance with mandatory emission limits.

Environmental regulations in force may be amended or modified, and new environmental rules may be established, reducing or regulating cement industry operations in the various jurisdictions where Cimpor operates. In the European Union, environmental regulation in force is particularly focused on CO_2 emissions by the industry, which primarily arises from, in the cement industry, the chemical process used to produce clinker and the burning of fossil fuels.

As a result of the Kyoto Protocol, the European Union established a cap on CO_2 emissions, which has been in force since 1 January 2005. This cap only applies to the activities of Cimpor in Portugal and Spain; the Company receives allowances from the respective governments that set the limits for carbon dioxide emissions. Cimpor’s policy on CO_2 emissions has been to adjust the levels of clinker production in Portugal and Spain in line with the emission rights given, thus limiting the need to buy or sell additional licences on the open market. It should be noted that Cimpor has sought to offset the sharp fall in sales of cement in the Iberian market by exporting clinker to emerging markets.

For the 2008 to 2012 period, the Cimpor companies operating in Portugal and Spain approximately received the same allowances that they had received the previous period (2003 to 2007). This fact would enable these entities to produce a level of clinker similar to the previous period. From 2013 it is known that the European Union is going to significantly reduce the volume of allowances available for issue to the sector. It should not be ruled out that the cost of CO_2 allowances rises in proportion to that reduction, in the scenario of a widespread economic recovery in Europe. Related to the lower allotment of allowances is the risk that Cimpor may have to buy additional allowances or reduce the production of clinker in Portugal and Spain. Some of the emerging markets where Cimpor operates still don’t have legislation requiring the reduction of CO_2 emissions, except South Africa where the introduction of a carbon tax is planned, however, the Kyoto Protocol also creates financial incentives and promotes clean development mechanisms in these regions. The implementation of growing, varying and unpredictable regulatory systems in different parts of the world, especially the European Union, could affect international competitiveness and, ultimately, although such a scenario is not thought probable, lead to the discontinuation of the use of assets. Although Cimpor admits it is capable, with some effort, of meeting the objectives currently known regarding CO_2 emissions, it is not able to guarantee that it will be able to comply with goals, so far unknown, that may be imposed on the cement industry by external regulators. Furthermore, additional regulation and/or new requirements in this field, such as the imposition of ceilings even lower than those presently allowed may come into force, which could generate a significant negative impact on Cimpor’s profits and on the industry subject to such regulations.

In the European Union (EU), the Environmental Responsibility Policy of April 2004, which has among its main objectives the application of the principle of 'polluter pays', provides a common framework of responsibility that aims to prevent and repair the damage to animals, plants, natural habitats and water resources, as well as to the soil. Despite the high degree of conformity of our plants, the transposition of this directive to the Portuguese and Spanish law requires that Cimpor evaluate the risks, directly taking, insuring or funding the necessary additional measures to prevent or repair the possible payment of penalties due to fault or negligence resulting from its activity, which has been and will continue to be done.

The European Union (EU) through the Directive of November 2010 on industrial emissions (integrated pollution control and prevention) defined obligations that industrial activities with a greater potential for pollution must comply with. The purpose is to avoid or minimise pollutant emissions to the air, water and soil, as well as waste from industrial and agricultural facilities, and thus achieve a high level of environment and health protection. In this context, an authorisation procedure was established and requirements were defined, specifically in terms of emissions. The authorisation must provide for the necessary measures to ensure compliance with the fundamental requirements of the operator and the environmental quality standards that could also require some additional investment. The plants on the Iberian Peninsula, though, are already equipped with advanced technologies and comply with the indications of BREF (reference documents on Best Available Techniques) to control their industrial emissions.

Cimpor's strategy involves the increasing use of alternative fuels to mitigate the price volatility of conventional fuels on international markets and to reduce CO_2 emissions, which in some cases, despite the minimisation of impacts and absolute safety of the process, may require that the company take special information measures, dialogue with stakeholders, including employees and local populations, due to fears that sometimes arise in municipalities and among citizens.

Health and safety risk

There is the risk of accidents or improper acts, given the nature of the sector in which Cimpor operates. Although Cimpor invests significant resources in occupational health and safety measures, serious accidents continue to occur, partly due to the growth of the business of Cimpor in emerging markets, where compliance with safety rules and practices is more difficult to guarantee than it is in more developed markets.

There is no guarantee, despite the measures taken or which may be taken by Cimpor, that accidents or improper acts will not occur and, if they do occur, there is no guarantee that such accidents or improper acts actions will not endanger the environment and/or Cimpor and subcontractor staff. This fact could have an adverse effect on the profits of Cimpor and its reputation.

Emerging markets risk

Cimpor's expansion to emerging markets, where more than 80% of total production is located, exposes it to political risks, including the nationalisation and expropriation of assets, risks associated with legal and fiscal frameworks, risks related to GDP volatility of several emerging economies, inflation, interest rates and currency exchange rates, price controls, export bans, licensing fees for the construction of new plants, restrictions on money movements and the repatriation of capital, and the difficulties of attracting skilled employees and managers. These risks can adversely affect the financial situation and profits of Cimpor’s operations.

Currency exchange risk

CIMPORCimpor, due to its exposure to emerging markets, faces foreign currency risks arising from operating in various currencies, since variations in currency exchange rates have a significant influence on profits and the financial situation of the Group. The conversion of local financial statements to the currency in which Cimpor publishes its financial results (Euro) leads to currency conversions impacts that Cimpor does not usually actively cover.

Moreover, the balance sheet is only partly covered by borrowing funds in foreign currency and, consequently, a significant decrease in the aggregate value of such currencies against the Euro could have a materially significant impact on the equity of Cimpor. Those currency fluctuations may also give rise to the reporting of currency exchange losses in operations, which will be reflected in the consolidated financial statements of Cimpor.

Beside the natural hedge, whenever possible, Cimpor aims to finance its operations or investments on the functional or reference currency adopted in the jurisdictions where the company is present. However for Cimpor, it is not common practice to create specific hedges for its operations or investments, given that, generally, the high cost of these instruments does not justify its hiring.

Investment risk

Cimpor’s investments in fixed assets include investments to maintain existing plants and expansion investments associated with projects to implement organisational growth, as well as the acquisition of new businesses.

Cimpor has made, and may do so in the future, and as an integral part of its growth strategy, selective acquisitions to strengthen and develop its portfolio, particularly in geographical areas that it believes are growing and may have strong synergies with existing business activities. The successful implementation of this acquisitions strategy depends on a number of factors, including Cimpor’s ability to identify suitable opportunities, to agree the appropriate prices and to access the necessary financing. There may also be substantial difficulties or delays in the integration and creation of added value in businesses acquired or to be acquired by Cimpor.

Integration costs can be substantially higher than forecast and Cimpor could not obtain the synergies expected from such acquisitions, which could have a negative effect on profits. Cimpor may be subject to other risks on acquired assets or businesses, such as unexpected liabilities or liabilities exceeding forecasts, and the possibility of making the sellers of such assets accountable is non-existent, unpredictable or insufficient to cover all potential liabilities.

Logistics risk

Cimpor relies on outsourced services to transport its products to customers. Cimpor’s ability to serve customers at reasonable costs often depends on its bargaining capacity with suppliers, including rail, road and sea operators. Cimpor bears substantial transport costs due to the heavy weight of its products. As logistics providers increase their freight rates Cimpor can be forced to support those increases before it can pass them on to the end customer, assuming it can do such.

Cimpor owns and operates a small fleet of transport ships as a means of limiting the impact of any increase of the freight rate of cement, clinker and petcoke.

Financing risks

The ability of Cimpor to obtain finance from banks or the capital market depends on favourable market conditions. The recent financial crisis has limited the ability of companies to obtain the necessary funds, especially in relation to bank financing, and increased the costs of financing due to the widening of spreads.

This slowdown in the market can adversely affect Cimpor's ability to borrow from banks or capital markets and can significantly increase the costs of such loans. In the event there do not exist sufficient sources of funding, for these or other reasons, Cimpor may be unable to meet its financing needs, which can lead to its profits and financial position being materially affected in a negative manner.

Cimpor's rating risk

The ability of Cimpor to successfully compete in the financing market depends on various factors, including its financial stability, which is reflected in its operating income, and credit ratings assigned by internationally recognised credit agencies. Therefore, a downgrade of the credit ratings can have an impact on Cimpor's ability to raise funds, which in turn could affect its business, financial situation and operating income.

The current rating by Standard & Poor's of Cimpor – Cimentos de Portugal, SGPS, S.A. and Cimpor Inversiones, S.A.U. is BBB- with stable outlook. In September 2011, the same agency confirmed this rating for both companies, maintaining the status of investment grade.

In the specific case of Cimpor - Cimentos de Portugal, SGPS, SA, as well as that agency considering the level of liquidity of this company to be "appropriate" it also qualified its exposure to the sovereign risk of Portugal as "low". In practice, this qualification enables the "rating" of Cimpor - Cimentos de Portugal, SGPS, SA to be up to five or six notches above the rating of Portugal, depending on whether it is investment grade or not.

Credit ratings are likely to change at any time and the credit rating of Cimpor - Cimentos de Portugal, SGPS, S.A., on account of the above-described, can suffer a downgrade at any time.

Impairment risk

The cement industry and, to a lesser degree, the concrete and aggregates industries, are characterised by being very capital intensive. The majority of acquisitions involve substantial goodwill, which undergoes annual impairment testing.

Cimpor annually assesses whether there is any indication that a non-financial asset may be impaired. If such indication exists, the recoverable amount of the relevant non-financial asset is estimated in order to determine the extent of the impairment loss, if any. If it is found that the recoverable amount of a non-financial asset is lower than the amount registered on the balance sheet, the value of the asset on the balance sheet is reduced to the amount calculated as the recoverable amount. Impairment losses are recognised in the Income Statement and they can therefore have a materially significant impact on Cimpor’s profits.

Tax risk

Cimpor can be negatively affected by changes to the tax framework in the countries where it operates. It has no kind of control over such changes, or changes in the interpretation of tax legislation by any tax authority. Significant changes of tax legislation or difficulties in implementing or complying with new tax laws can have an adverse impact on the business of Cimpor, its financial situation and operating income.

Business interruption risk

Interruptions in the availability of any plant can, due to the capital intensive nature of the cement industry, lead to a significant decline in productivity and operating income during the period of interruption. The cement manufacturing processes are dependent on vital pieces of equipment such as raw material grinders, kilns to manufacture clinker and cement mills. This equipment may occasionally be out of service due to strikes, unexpected failures, accidents or events of *force majeure*. There is also the risk that the equipment or production facilities may be damaged or destroyed in the course of such events.

Litigation risk

Cimpor is presently, and may be in the future, in the ordinary course of its business, involved in legal proceedings, complaints, investigations and lawsuits, including matters of product liability, property, commercial, health and safety and tax proceedings. Such processes can have a negative impact on the assets, financial situation and operating income of Cimpor.

Insurance coverage risk

The operational risk management policy of Cimpor is covered by a reinsurance company - Cimpor Reinsurance, S.A. - which is headquartered in Luxembourg and owned one hundred percent by Cimpor - Cimentos de Portugal, SGPS, S.A. This entity directly takes on all risks of material damage and damage to machinery with compensatory ceilings of up to 3 million euros for each insured event and third party and product risks of up to 250,000 euros per insured event. The surplus is covered, in each case, by international reinsurance companies.

Some Cimpor locations on the Iberian Peninsula and in some Mediterranean countries are exposed to increased risks of earthquakes and other natural disasters.

Cimpor has no insurance cover for acts of terrorism.

In the event of damage to property, plants and equipment of Cimpor, besides third party liability, where Cimpor does not have insurance coverage or has insufficient coverage, the operations and financial situation of Cimpor can be affected.

Key employees’ risk

The development of Cimpor’s business and, in particular, its technological evolution and geographical diversification, depend on the ability to attract and retain qualified and motivated employees.

Competition for personnel with these characteristics has been increasing in recent years, creating difficulties in obtaining or retaining such personnel. The loss of employees, particularly individuals in key positions or at management level, or staff shortages could have a negative impact on the future development of Cimpor and its ability to maintain the required level of know-how.

Information technology and communication risk

The efficiency and operational continuity of Cimpor’s computers, telecommunications apparatus and data processing systems are essential to the ongoing business of its manufacturing facilities, sales and all support services, including wage processing, accounting, planning and the financial area. In the event these systems are affected by disturbances, damage, power failures, computer viruses, fires and similar events, they can generate a significant adverse impact on Cimpor and, as a result, its operations and financial situation may be adversely affected.

II.10. Powers of the Management Body, particularly in relation to Resolutions to Increase the Share Capital

The powers of the Board of Directors are those conferred by the Companies Code, as the management body, with exclusive powers of representation of the Company and giving it the responsibility of managing the Company’s activities. It must comply with the decisions of the shareholders or the interventions of the Audit Board, in those cases determined by law or the articles of association.

In addition, pursuant to the articles of association[22], the Board of Directors has the powers to:

(i) increase the share capital, by the paying in of cash, with preferential rights for shareholders, until the share capital attains the amount of one billion euros;

(ii) issue autonomous warrants on its own securities (which may confer the right to subscribe to or purchase shares of the Company up to the mentioned limit of one billion euros).

[22] Articles 4 and 5

II.11. Policy of Rotation of Responsibilities in the Board of Directors - Appointment and Replacement of Members

II.11.1. Policy of Rotation of Responsibilities

The Executive Committee exercises as a body the powers delegated therein. However, by decision of the Board of Directors, each of its members is allocated the responsibility of monitoring certain functional areas ("portfolios").

The allocation of responsibilities, and therefore their possible rotation, meets the needs of the Company having regard to its Corporate Governance structure, the structure of the companies comprising the Group, the geographical spread (with effective investments in twelve countries on four continents), the variety of markets in which the Company operates, the available systems of information, technological sophistication, staffing structures and decision-making processes, seeking, in view of the profiles of training, leadership and technical expertise of the executive Directors, the best commitment for creating value.

Responsibility for the financial area is attributed to António Carlos Custódio de Morais Varela, who is performing this duty in his first term in office, therefore the rotation of this responsibility in light of recommendation II.2.5. of the Governance Code is not relevant.

II.11.2. Rules on the Appointment and Replacement of Members of the Board of Directors

The Board of Directors, as provided for in the articles of association[23], is composed of five to fifteen members elected for terms of three years by the General Meeting, which will also appoint its chairman.

The articles of association do not establish any specific rules regarding the replacement of members of the Board of Directors. The articles of association only provide for (ii) the change to the number of members (within statutory limits)[24] during a term of office and (ii) rules concerning substitution in the event of permanent absence[25].

According to Article 11(6) of the articles of association,[26] three successive absences or five absences spread over the course of a term of office, from meetings of the Board of Directors by any member of the Board, without justification accepted by the Board proper, will lead to the Board declaring the respective director to be in permanent absence. Neither the articles of association or the Rules of Procedure of the Board of Directors define specific rules for replacement in the event of permanent absence, therefore only the provisions of the Companies Code apply for this purpose[27] .

[23] Article 11(1) and (2) and article 6(2)
[24] Article 6(4)
[25] Article 11(6)
[26] Article 11(6)
[27] Article 393

The articles of association do, however, establish that in the event of an extra election or substitution, the term of office of the member(s) thus elected shall coincide with that of the other Directors.

In the absences and temporary impediment of the Chairman, the duties of that office shall be performed by the Director sitting on the Board in whom the Chairman has delegated such representation or, if no such director has been designated, then the Director of the Board that is designated by the majority of the other members of the Board. Whatever the case, this Director will be responsible for exercising all the duties of the office of Chairman of the Board of Directors at the meeting in question, including having the casting vote.

II.11.3. Rules on the Appointment and Replacement of Members of the Audit Board

The Board of Directors, as provided for in the articles of association[28], is composed of three members and a substitute elected by the General Meeting for terms of three years.

Moreover, the Rules of procedure of the Audit Board[29], also establishes that this body should be composed by a majority of independent members and that it is the responsibility of the Audit Board to appoint its own Chairman, if the General Meeting has not done so.

There are no specific rules regarding the replacement of members of the Audit Board, so legislation in this regard is applied. The Company's Articles of Association only provides for the change to the number of members (within statutory limits) during a term of office – Article 6(4).

If an extra election is held or replacement occurs in this body, the term of office of the member(s) thus elected shall coincide with that of the other members.

II.12. Number of Meetings of the Management and Supervisory Bodies as well as reference to the drawing up of the Minutes of those Meetings

The Board of Directors met 17 times during 2011. It drew up minutes of the meetings, which were duly submitted to the Audit Board.

The Audit Board held 14 meetings during 2011, drawing up minutes of those meetings.

II.13. Number of Meetings of the Executive Committee and Provision of the Minutes and Notices of Meeting

This Executive Committee met 43 times during 2011, drawing up minutes of the meetings. The Chairman of the Executive Committee, in conformity with section II.3.2 above, provided the members of the Board of Directors and the Chairman of the Audit Board with the minutes and notices of the relevant meetings.

[28] Article 6(2) and article 17(2)
[29] Article 4

II.14. Executive and Non-Executive Members - Rules of Incompatibility and Independence Criteria

The Board of Directors includes a number of non-executive members guaranteeing the effective supervision, monitoring and assessment of the activity of the executive members. Thus, on 31 December 2011, the majority of the members of the Board of Directors of Cimpor (eleven out of a total of fifteen) were non-executive Directors.

The composition of the Executive Committee is presented in section II.2.2 of this Report.

The non-independent non-executives among the other member of the Board of Directors are those, in the light of the criteria established in the Companies' Code[30], if they were applied, would be considered incompatible or non-independent, as each case explains:

Non-independence by application of "incompatibility criterion":

Where they are bound to the interests of competing companies or perform administrative functions in more than five companies, as provided for in sub-paragraphs (f) and (h) of Article 414-A(1) of the Companies Code, according to the description of activities detailed in Annex I of this Report.

Director	Article 414-A of the Securities' Code	
	f)	h)
José Manuel Baptista Fino		X
Jorge Humberto Correia Tomé (1)		X
Albrecht Curt Reuter Domenech	X	X
José Edison Barros Franco	X	X
Walter Schalka	X	
Paulo Henrique de Oliveira Santos	X	

(1) Resigned as member of the Board of Directors of Cimpor in February 2012.

Non-independence by application of "independence criterion":

Where they hold posts in the holders of Qualifying Shareholdings, as indicated below:

Director	Qualifying Shareholder Article 414(5)(a) of the Securities' Code
José Manuel Baptista Fino	Investifino
Jorge Humberto Correia Tomé (1)	Caixa Geral de Depósitos
Albrecht Curt Reuter Domenech	Grupo Camargo Corrêa
João José Belard da Fonseca Lopes Raimundo	Millennium BCP
José Edison Barros Franco	Grupo Camargo Corrêa
Walter Schalka	Grupo Votorantim
Paulo Henrique de Oliveira Santos	Grupo Votorantim

(1) Resigned as member of the Board of Directors of Cimpor in February 2012.

[30] Incompatibility and independence criteria established by the Companies' Code for members of the Audit Board, Sole Auditor or Statutory Auditor in Articles 414-A(1 except sub-paragraph b) and 414(5).

Consequently, one-fifth of the members of the Board of Directors are independent non-executive Directors, which is considered to be an appropriate number given the existence of an Audit Board, the shareholder structure of CIMPOR, the diversity of affiliations and qualifications of the remaining non-executives and that all executive members are independent professionals holding posts in that capacity, as well as the limited participation of the free float in the Company's capital (around 16%).

Independent Non-Executive Directors
Manuel Luís Barata de Faria Blanc
António Sarmento Gomes Mota
José Neves Adelino

II.15. Rules for Evaluating the Independence of Members of the Management

The measurement of independence of the Directors of the Company is based on the information they provide in compliance with the provisions of the Rules of Procedure of the Board of Directors[31], with reference to the range of situations envisaged in Article 414(5) and Article 414-A(1) (except sub-paragraph (b)), both of the Companies' Code.

II.16. Selection Process of Candidates for Non-Executive Director

The Board of Directors is elected by the General Meeting according to lists of members selected by the proposing shareholder or shareholders (with votes solely cast for lists). The lists are drawn up by shareholders without the intervention of the Company.

The articles of association[32] establish the possibility of one of the members of the Board of Directors being elected from among the persons proposed on lists (containing the name of at least two people eligible for the post) that are endorsed and submitted by groups of shareholders (provided these do not represent less than 10% and no more than 20% of the share capital and the same shareholder may not endorse more than one list). Should there be such a proposal, the Director in question is elected separately and prior to the election of the others. If more than one group submits a list, they will be voted on jointly.

In the event of cooptation, given the role assigned the Appointments and Assessment Committee in the Rules of Procedure of the Board of Directors, the Chairman of the Executive Committee, although sitting on that committee, is prevented from participating and voting on these resolutions to ensure non-interference by executive directors in these processes.

[31] Article 6(4)
[32] Article 12

II.17. Description of the Activity of Non-Executive Directors

The annual management report briefly describes the activities of non-executive Directors with regard to the supervision, monitoring and evaluation of the activity of executive Directors, referring to any possible constraint that may have occurred.

Cimpor executed an Agreement to Preserve the Reversibility of the Operation (APRO) with the Brazilian competition authority, Conselho Administrativo de Defesa Económica (CADE), valid until CADE's final decision on Camargo Corrêa S.A. and Votorantim Cimentos S.A. taking up shareholder positions in Cimpor. This Agreement prevents the members of the Board of Directors related to those shareholders from receiving information or participating in the management of the operations of Cimpor in Brazil, and it provides for the fulfilment of competition obligations and the reporting of information to that same authority.

II.18. Professional Qualifications of the Members of the Board of Directors, indication of the Professional Positions Held in at least the last five years, the number of Shares of the Company they hold, the date of first Appointment and termination date of the Term of Office

The current post and curricula vitae of the members of the Board of Directors, the number of Company shares they hold and the year of first appointment and termination date of their term of office are presented in Annex I of this Report.

II.19. Posts that the Members of the Board of Directors hold in other Companies, detailing those held in other Group Companies

The posts held in other companies or organisations by the members of the Board of Directors are detailed in Annex I of this Report.

Section III. Audit Board

II.21. Identification of the Members of the Audit Board and compliance with incompatibility rules and independence criteria

In accordance with the respective self-assessment:

- All the members of the Audit Board identified in section II.1.2 above comply with the incompatibility rules established in the Companies' Code[33].

[33] Article 414-A(1) of the Companies' Code.

- The independence criteria established in the Companies’ Code[34] are complied with by two of the three incumbent members of the Audit Board.

Ricardo José Minotti da Cruz Filipe qualifies as non-independent in the light of the Companies’ Code since he has held the post of Chairman of the Audit Board for more than three terms of office[35].

II.22. Professional Qualifications of the Members of the Audit Board, indication of the Professional Positions Held in at least the last five years, the number of Shares of the Company they hold, the date of first Appointment and termination date of the Term of Office

The current post and curricula vitae of the members of the Audit Board, the number of company shares they hold and the year of first appointment and termination date of their term of office are presented in Annex I of this report.

II.23. Posts that the Members of the Audit Board hold in other Companies, detailing those held in other Group Companies

The posts held in other companies or organisations by the members of the Audit Board are detailed in Annex I of this Report.

II.24. Reference to the fact that the Audit Board annually evaluates the External Auditor and the possibility of proposing to the General Meeting the removal from office of the Auditor with just cause for such.

The Audit Board, according to the Rules of Procedure of the Audit Board[36], represents the Company before the external auditor, for all and purposes, and it is responsible for:

- Proposing the hiring, renewal of the contract and remuneration of the external auditor;
- Ensuring that the external auditor is afforded adequate conditions for the provision of services to the Company and the companies with which it is in a group or control relationship;
- Appraising the content of the audit reports, annually evaluate the performance of the external auditor and propose the removal from office to the General Meeting whenever just cause for such exists.

II.25. to II.28.

The information envisaged for these items by Regulation No. 1/2010 of CMVM does not apply to Cimpor, since the Company chose to adopt a one-tier Latin model of Corporate Governance.

[34] Article 414(5) of the Companies’ Code.
[35] Article 414(5)(b) of the Companies’ Code.
[36] Article 6(4) of the Rules of Procedure of the Audit Board.

II.29. Company Managers’ Remuneration Policy

The overall remuneration policy of the company, encompassing the executive management bodies and senior staff of the top of the organisational structure (top management) and with the most significant influence on the performance of the company, including managers under the terms of the Securities’ Code[37], is guided by the observation of four common principles:

- The structuring of remuneration in a fixed component and a variable component and the provision of wage supplements in the form of cash contributions to pension funds (in the case of executive directors, contributions to retirement savings plans) and participation in share purchase plans and stock option plans;

- The practice of competitive remuneration values, considering the local benchmarking in each country, that enable the attraction and retaining of talent, ensuring that Cimpor has skilled and motivated workers;

- Coherence between the goals and assessment criteria of executive Directors and top management officers in order to drive value creation, the level of integration of performance and, at the same time, ensure adequate alignment throughout the company’s management structure;

- Expatriation is assumed to be an integral part of the career of Cimpor staff, assuring compensation for the disadvantages of relocation.

Observation of these principles promotes individual and overall performance, enhancing the sustainable creation of value for shareholders.

The managers referred to by the Securities’ Code[38] that are not Directors and members of the Audit Board are included among Top Management, and there are no other employees whose work may have a significant impact on the risk profile of the company and whose remuneration contains a significant variable component.

The specific details of the remuneration policy relating to management and supervisory bodies are presented in II.30.

[37] Article 248-B
[38] Article 248-B(3)

Section IV. Remuneration

II.30. Description of the Remuneration Policy of the Management and Supervisory Bodies

The articles of association establish that the remuneration policy, the amount and form of fixed and/or variable remuneration and the amounts payable to members of corporate bodies as compensation or damages for termination of the respective legal ties, shall be set by the General Meeting or by a Remuneration Committee nominated by such for periods of three years, on consulting the Appointments and Assessment Committee. The General Meeting provided, in May 2010 and until the end of the current term of office (2009-2012), the Remuneration Committee with the duties provided by law in this respect.

In the 2011 General Meeting, the Remuneration Committee's statement on the remuneration policy of the members of the management and supervisory bodies (2011 Statement) was approved, and is attached hereto (annex II of this report).

The areas of intervention of the Remuneration Committee and the Appointments and Assessment Committee are defined, as stated in the mentioned 2011 Statement:

"

- Remuneration Committee's powers:
    - Those granted by the applicable legal rules and the articles of association of Cimpor[39].
    - In this context, the Remuneration Committee will decide in particular on: (a) the fixed remuneration of management and supervisory bodies, (b) variable remuneration to be awarded to members of the Executive Committee (annual and multi-year), (c) contributions to retirement plans, and (d) pecuniary benefits of share purchase plans and/or stock option plans, which are approved by the General Meeting on the proposal of the Board of Directors.
    - In relation to variable remuneration, the Remuneration Committee decides regarding the limit established in paragraph number six [now renumbered to one] of Article 16 of the articles of association, taking into account the information conveyed by the shareholders, particularly as regards the following global parameters: maximum percentage cap of remuneration of the management and supervisory bodies as payroll costs of the company; the annual change in remuneration of the management and supervisory bodies; the percentage of variable pay of total remuneration; and the distribution of the variable remuneration over annual and multi-year components.
    - Accordingly, in relation to variable remuneration, the Remuneration Committee will decide, taking into account the performance assessment of the members of the Executive Committee made by the Appointments and Assessment Committee and the CEO [Chairman of the Executive Committee], based on

[39] Article 16

criteria that are as objective and transparent as possible, in order to allow comparison with the main non-financial companies of the PSI-20 index, and with a group of cement companies of size and geographical distribution comparable to Cimpor.

- Role of the Appointments and Assessment Committee:
  - The role of the Appointments and Assessment Committee with regard to the remuneration of the management and supervisory bodies, is limited to evaluating the performance of the members of the Executive Committee, which will be taken into account in determining the variable component of the Total Annual Remuneration. The performance assessment criteria considered by the Appointments and Assessment Committee, as well as the respective results will be made known to the Remuneration Committee in time for its due consideration and subsequent decision.
- Relationship of the Remuneration Committee with the majority shareholders and the Appointments and Assessment Committee:
  - For purposes of the proper performance of its duties - in particular, contribution so that the overall remuneration "package" of the Board of Directors may be challenging, in order to achieve progressively more demanding business objectives - the Remuneration Committee should be provided with the relevant guidelines in good time.
  - For decision-making purposes, the Remuneration Committee and Appointments and Assessment Committee will meet, preferably in the month following the General Meeting when the overall variable remuneration to be awarded to the Executive Committee is voted on, to share information on the performance assessment of the executive Directors, based on the approved metrics and criteria. “

II.30.1 Board of Directors

The remuneration of the members of the Board of Directors of the Company includes a fixed portion, to which, in the case of executive Directors, is added a contribution to a Retirement Savings Plan (aka RSP), a variable remuneration (partly deferred and made conditional) and participation in the *Plan for the Allocation of Options for Sustainable Development* (“ODS Plan”).

The variable component may not, on aggregate, exceed 5% of the profits of the Company, as provided for in the articles of association[40].

As defined in the 2011 Statement, the fixed remuneration of Directors, effective in 2011, was based on the following parameters:

“Director replacing the Chairman of the Executive Committee (CEO) in his absence or impediment: 75 to 85% of the Chairman of the Executive Committee (CEO);

[40] Article 16(1) of the articles of association.

Chief Financial Officer (CFO): 75 to 85% of the Chairman of the Executive Committee (CEO);

Members of the Executive Committee: 70 to 80% of the Chairman of the Executive Committee (CEO);

Chairman of the Board of Directors: 65 to 75% of the Chairman of the Executive Committee (CEO);

Non-executive members chairing Specialised Committees: 20 to 30% of the Chairman of the Executive Committee (CEO);

Non-executive members of Specialised Committees: 15 to 25% of the Chairman of the Executive Committee (CEO);

Other non-executive Directors that are not members of Specialised Committees: 10 to 20% of the Chairman of the Executive Committee (CEO)."

The total remuneration amounts, including payments to RSPs and other incentives earned by the members of the management body of the Company in the year ended on 31 December 2011, were as follows:

Directors (Value in Euros)	Fixed Remuneration awarded and paid in 2011	Variable remuneration awarded and paid in 2011 (1)	Tied Variable Remuneration(2) awarded in 2011 and deferred to 2014	Total Remuneration awarded and paid in 2011	Remuneration awarded in 2011 including tied portion and deferred to 2014 (3)
Executive	1,898,092	1,119,480	1,141,902	3,017,572	4,159,474
Non-Executive	1,070,506	73,800	0	1,144,306	1,144,306
Total	**2,968,598**	**1,193,280**	**1,141,902**	**4,161,878**	**5,303,780**

(1) Includes variable remuneration paid as bonus and exercise of options

(2) Payment tied to the positive performance of the company. Includes variable remuneration paid as bonus and exercise of options.

(3) Payment tied to the positive performance of the company.

Thus, the calculation of the total remuneration paid to Directors in 2011 amounted to 0.69% of the Group's payroll costs.

Remuneration of non-executive Directors:

The remuneration of non-executive Directors solely has a fixed component and is paid as cash. It seeks to ensure a balanced compromise between:

a) Competitive values that attract and retain suitably qualified persons for the roles and which adequately compensate the effort and dedication made in the adequate exercise of the roles, particularly valuing positions on the special committees of the Board of Directors;

b) Remunerations that mitigate the creation of a dependent relationship with the Company, ensuring in particular, with respect to independent Directors, an appropriate positioning in relation to the Company.

Remuneration of executive Directors:

In 2011, despite the fact that the remuneration of executives Directors was already structured to allow the alignment of their interests with the long-term interests of the Company with the existence of a variable component, both the General Meeting and the Remuneration Committee enhanced this alignment through the introduction of mechanisms of remuneration deferral in time conditioned by the positive performance of the Company.

In 2011, that Committee awarded the members of the Executive Committee a total of EUR 1,940,000.00 in bonuses, equivalent to around 0.98% of the Group’s net income (after minority interests) and 1.76% of the Company’s net profit, on an individual basis. EUR 970,000.00 was actually paid of the above amount, with the remainder being deferred for a period of three years and subject to the positive performance of Cimpor.

The criteria for award of variable remuneration are set forth in II.33 c).

Executive Directors are excluded from the 2011 3C share acquisition plan.

The 2011 General Meeting approved the new ODS options plan, with its exercise deferred for a minimum period of three years and strike price equal to the weighted average of the closing price of Cimpor the last 20 sessions prior to allocation.

The features of the ODS Plan reinforce the aspects associated with investment in shares, which were to some extent already included in the Option Plans prior to 2011, since the benefit resulting from their award is more dependent on the medium and long-term performance of Cimpor and the sustainability of the respective profits.

In this framework, in 2011 Cimpor encouraged the three executive Directors holding options from the Stock Option Plan for the Group’s Directors and Management Personnel – Regulations 2004 (“Stock Option Plan – Reg.2004”) to immediately exercise using financial settlement all options exercisable by 2013 (inclusive), deferring 50% of the payment, plus interest, for a period of three years conditioned to the positive performance of the company. That settlement was at the closing price of Cimpor on the exercise date. In addition, the award of ODS options in 2011 also took into account the necessary compensation for the loss of potential appreciation of the Cimpor shares due to the early exercise of the options exercisable in 2012 and 2013. To that end, two ODS options were awarded for every three options exercised early. The values of this operation are indicated on an individual basis in II.31.

The Director Manuel Luís Barata de Faria Blanc, who held an executive position on the Board of Directors until 2010, was not party to the above-mentioned agreement, and so in 2011 he exercised the option rights awarded him in 2008 and 2009. Thus, in relation to the Directors as a whole and with reference to the year 2011, the number of options granted, exercised and exercisable are indicated below, and no options were extinguished.

Options Granted, Exercised and Extinguished	Options Plans				Total
	Series granted to 2010			ODS 2011	
	2008	2009	2010	2011	
Exercise Price (€)	**4,250**	**2,850**	**4,250**	**4,986**	
Options Granted (1)					
In compensation for options exercised early(2)	-	-	-	103,333	103,333
As beneficiaries of the 2011 series	-	-	-	510,000	510,000
Options Exercisable in 2011(3)	**45,000**	**50,000**	**65,000**	**-**	**160,000**
Options Exercisable in 2011(3), Exercised in 2011					
Physical settlement	25,000	25,000			
Financial settlement(2)	20,000	25,000	65,000	-	110,000
Options Exercisable in 2012(3) and 2013(3), Exercised in 2011 (2) (financial settlement)	**-**	**25,000**	**130,000**	**-**	**155,000**

(1) Options granted in 2011 under the ODS Plan and only exercisable between 2014 and 2017.

(2) By agreement with the company. Deferral for 3 years of 50% of the financial settlement, tied to the positive performance of the company.

(3) Options granted up to 2010 under the Stock Option Plan - Reg. 2004.

At the end of the year, there were the following options to be exercised: 25,000 of the 2009 series of the Stock Option Plan – Reg. 2004 from Manuel Luís Barata de Faria Blanc and 613,333 options relative to the new 2011 ODS plan, making a total of 638,333 options to exercise.

The Option plans are detailed in III.10. below.

A part of the variable remuneration of executive Directors is deferred for three years and subject to the positive performance of the Company during that period. The period for which the mandates are defined is also three years.

Shares acquired by executive Directors in the exercise of ODS Options, according to the rules of this plan, will be held in portfolio until the end of their term and up to the limit of twice the value of the total annual remuneration, except for those who need to sell to pay the taxes arising from the benefit of such shares or those whose sale is authorised by the Board of Directors in response to a duly reasoned request and on obtaining the approval of the Audit Board.

II.30.2. Audit Board

With regard to the supervisory bodies, the full remuneration is only composed of a fixed component, and it seeks to ensure balanced compensation for the work carried out while taking into account the prevailing market values for similar roles.

The remuneration of the Audit Board is likewise determined by the Remuneration Committee and it solely has a fixed component, which amounted to EUR 136,474.20 in 2011, broken down as follows:

Remuneration of Audit Board	Value (Euros)
Ricardo Minotti da Cruz Filipe	56,600
Luís Black Freire de Andrade	41,354
J. Bastos, C. Sousa Góis & Associados, SROC, Lda.	38,520

The 2012 Remuneration Committee's statement on the remuneration policy of the members of the management and supervisory bodies, to be submitted to the General Meeting by the Remuneration Committee, is an annex to this report (Annex III).

II.31. Remuneration earned individually by the Members of the Company’s Management and Supervisory Bodies

In compliance with the provisions of Law no. 28/2009[41], the annual amount of remuneration earned by the members of the Board of Directors is individually disclosed below.

Remuneration of the Members of the Board of Directors:

Director	Remuneration awarded and paid in 2011 (value in Euros)				Tied Remuneration awarded in 2011 and deferred to 2014 (value in Euros)			Remuneration awarded in 2011 including tied portion and deferred to 2014 (6) (value in Euros)
	Fixed (1)	Variable (2)	Exercise of Options (3)	Total	Variable (4)	Exercise of Options (5)	Total	
António José de Castro Guerra (7)	332,495			332,495				332,495
José Manuel Baptista Fino (7)	78,166			78,166				78,166
Jorge Humberto Correia Tomé (7) (11)	0			0				0
Albrecht Curt Reuter Domenech (7)	78,166			78,166				78,166
João José Belard da Fonseca Lopes Raimundo (7)	78,166			78,166				78,166
José Édison Barros Franco (7)	78,166			78,166				78,166
Walter Schalka (7)	78,166			78,166				78,166
Paulo Henrique de Oliveira Santos (7) (8)	46,027			46,027				46,027
Manuel Luís Barata Faria Blanc (7)	78,166		73,800	151,966				151,966
António Sarmento Gomes Mota (7)	98,935			98,935				98,935
José Manuel Trindade Neves Adelino (7)	98,935			98,935				98,935
Álvaro Luís Veloso (9)	25,117			25,117				25,117
Francisco José Queiroz de Barros de Lacerda (10)	563,351	285,000	0	848,351	285,000	0	285,000	1,133,351
Luís Filipe Sequeira Martins (10)	458,024	237,500	93,752	789,276	237,500	107,815	345,315	1,134,591
António Carlos Custodio de Morais Varela (10)	455,415	237,500	28,512	721,427	237,500	32,789	270,289	991,716
Luís Miguel da Silveira Ribeiro Vaz (10)	421,302	210,000	27,216	658,518	210,000	31,298	241,298	899,816
Total	**2,968,598**	**970,000**	**223,280**	**4,161,878**	**970,000**	**171,902**	**1,141,902**	**5,303,780**

(1) Includes RSP's and subsistence allowances
(2) Part of performance bonus paid in cash
(3) As described in II.30.1. for Luís Filipe Sequeira Martins, António Carlos Custódio de Morais Varela and Luís Miguel Ribeiro Vaz: 50% of the value of the financial settlement of the options awarded under the "Share Purchase and Stock Option Plans for Directors and Managers of the group (2004 Regulations)" exercisable up to 2013 inclusively (i.e. 50% of the value of the multiplication of the differential between the Cimpor share price on the exercise date, EUR 5.114, and the exercise price, by the number of options exercisable up to 2013 inclusively); for Manuel Luís Barata de Faria Blanc: the value of the multiplication of the differential between the Cimpor share price on the exercise/purchase date and the exercise price of the options of the referred plan, by the number of options exercisable in 2011. Options awarded to Manuel Luís Barata de Faria Blanc while executive director.
(4) Part of the performance bonus with payment deferred to 2014 and tied to the positive performance of the Company.
(5) As described in note 3 above and II.30.1: 50% of the financial settlement value of the options awarded under the "Share Purchase and Stock Option Plans for Directors and Managers of the group (2004 Regulations)" exercisable up to 2013 inclusively, plus 5% interest. Deferred amount tied to the positive performance of the Company.
(6) Tied to the positive performance of the Company.
(7) Non-executive director
(8) Took up post on 18 April 2011.
(9) Non-executive director until 17 April 2011.
(10) Executive director
(11) Resigned as member of the Board of Directors of Cimpor – Cimentos de Portugal, SGPS, S.A. in February 2012.

The remuneration shown above includes the specific remuneration for the non-executive members of the Board of Directors who are members of Specialised Committees, these being the following:

[41] Article 3 of Law No. 28/2009 of 19 June

Name	Post	Supplement[1] (value in euros)
José Manuel Baptista Fino	Member (3) (4)	13,416
Jorge Humberto Correia Tomé (5)	Member (2) (4)	0
Albrecht Curt Reuter Domenech	Member (4)	13,416
João José Belard da Fonseca Lopes Raimundo	Member (4)	13,416
José Édison Barros Franco	Member (2) (3)	13,416
Walter Schalka	Member (3) (4)	13,416
Manuel Luís Barata Faria Blanc	Member (2)	13,416
António Sarmento Gomes Mota	Chairman (3)	34,185
José Manuel Trindade Neves Adelino	Chairman (2)	34,185

(1) Supplement paid to each Director for holding post of chairman or member of specilaised committee.
(2) Corporate Governance and Sustainability Committee
(3) Appointements and Assessement Committee
(4) Investment Committee
(5) Resinged as a member of the Cimpor Board of Directors in February 2012

The annual amount of remuneration paid to the Audit Board members is disclosed individually in II.30.2.

Altogether, the amount earned by the management and supervisory bodies represents 0.71% of total payroll costs of the Group.

II.32. Aligning the interests of members of the management body with the long-term interests of the company as well as the manner by which it is based on the performance assessment and discourages excessive risk taking.

The remuneration of executive Directors is structured so as to guarantee, on one hand, a fixed remuneration that is competitive and adequately compensates the effort and dedication made in the appropriate exercise of duties and, on the other, a variable remuneration that fosters the creation of value in a sustained manner for the shareholder.

The set of indicators and metrics used to determine the variable component, which have been consistently used over the years, mitigate less appropriate acts in regards to risk taking, and instead encourage the pursuit of a policy of active risk management and the reward of long-term performance.

Moreover, the existence of adequate proportionality between the fixed and variable components as well as the definition of a ceiling for the variable component, both contribute to discouraging the pursuit of business strategies that encompass inadequate risk profiles.

Lastly, as is clear from the criteria and metrics described below, recommendation II.1.5.1. of the Governance Code is amply complied with by the Company taking into account the following principles:

- The variable remuneration component is based on the performance assessment made by the Appointments and Assessment Committee and decided by the Remuneration Committee, within its powers, in accordance with objective and transparent criteria and considering, *inter alia*, the real growth of CIMPOR, the alignment with corporate strategy and the generation of effective wealth for the shareholders, as well as ensuring the long-term sustainability of the Company and compliance with the rules applying to its business;

- The deferral of a significant portion of the variable compensation for a period of no less than three years, making its actual payment dependent on the confirmation of the positive performance of the Company during that period.

II.33. In relation to the Remuneration of the Executive Directors

a) Reference to the fact that the remuneration of executive Directors includes a variable component and information on how this component depends on the assessment of performance;

The remuneration structure of executive Directors has a fixed component and a variable component that is annually defined by a set of predetermined criteria better described below. Those criteria encompass a set of indicators of the performance of the Company and of its executive management, focusing on financial parameters, the creation of value and the qualitative performance of the executive members.

This component is calculated based on a percentage of the annual fixed remuneration and the annual performance assessment derived from predetermined criteria. It is only payable if a minimum level of 80% compliance with defined objectives is achieved. Those objectives aim to simultaneously create a performance stimulus that tends to be competitive and aggressive, while continuing to ensure a balanced weighting between the fixed and variable components.

Their determination is based on criteria as objective and transparent as possible in order to allow comparison with the main non-financial companies of the PSI-20 index and with a group of cement companies of size and geographical distribution comparable to Cimpor.

The referred criteria underlying the assessment include consideration of the Company's performance as well as an individual assessment of the executive Directors.

b) Indication of the competent company bodies for conducting the assessment of the performance of executive Directors;

The definition of the variable remuneration by the Remuneration Committee of the remuneration of the members of the Executive Committee is based on their performance assessment made by the Appointments and Assessment Committee and the Chairman of the Executive Committee, based on criteria that are as objective and transparent as possible, in order to allow comparison with the main non-financial companies of the PSI-20 index, and with a group of cement companies of size and geographical distribution comparable to Cimpor.

Despite the Chairman of the Executive Committee being a member of the Appointments and Assessment Committee, he is precluded from voting on resolutions related to performance assessment, remuneration attribution and remuneration criteria for executive Directors of the Company, and of course for himself, thereby ensuring his independence.

c) Indication of the pre-determined criteria for assessing the performance of the executive Directors;

The criteria for assessing the performance of executive Directors are divided into four major groups:

- Individual and collective criteria: In this context, it is intended that there is greater appreciation of collective criteria over individual criteria, taking into consideration the number of executive Directors of Cimpor and the allocated areas of responsibility;

- Stock market performance criteria: These criteria encompass the creation of value for shareholders (via Total Shareholder Return), and as supported by best practices, they foster an element of comparison, whether in the domestic market (by reference to the PSI-20 index) or to the cement sector (through the establishment of a Sector Peer Group referring to companies of comparable size and geographical distribution to Cimpor);

- Company profitability criteria: Considered in this field are indicators of growth and sector comparability (value creation and the relative performance of the return on assets, compared with the Sector Peer Group);

- Qualitative management criteria: These criteria focus on and support an individual and collective qualitative assessment of the executive Directors.

The combination of these four vectors ensures alignment with the interests of shareholders, adequate incentive of management performance, the pursuit of real growth of the company, the creation of wealth for the shareholders as well as the long-term sustainability of the Company.

d) Relative importance of the variable and fixed components of the remuneration of the Directors, as well as indication of the ceilings for each component;

The weight of the fixed (RF) and variable (VR) remuneration was defined taking into account the activity of the Company and the practices of the Sector Peer Group. As such, it can range from a minimum RF/RV of 100/0 to a maximum of 30/70, where the former corresponds to a performance that did not meet minimum acceptable performance standards and the latter refers to an outstanding performance.

The combination of the above maximum with the establishment by the Remuneration Committee of the CEO's fixed remuneration corresponds to the setting of maximum remunerations, both in terms of the fixed and the variable components, since the remuneration of the other executive Directors are set at percentage brackets with reference to the remuneration of the CEO, as detailed in II.30.1 and II.31.

The division between these two remuneration components has as its starting point an adequate equilibrium between the two, expressed as a ratio of 50/50 in a scenario of 100% achievement of the objectives associated with the criteria for variable remuneration, focusing on an aggressive progression of the variable component to drive performance, although with a ceiling so as to discourage taking short-term strategies likely to generate risks and imbalances in the Company.

Sections II.30.1, II.31 and III.10 of this report also provide information on the remuneration paid under the Share Purchase and Option Plans, as annually defined by the Appointments and Assessment Committee and the Remuneration Committee, within their respective competences.

e) Deferring the payment of the variable component of the remuneration;

The variable remuneration in cash awarded annually was 50% deferred, in 2011, for a period of three years from the date of award, which will occur in the month following that of the holding of the General Meeting that approves the accounts for the year to which that remuneration refers.

The same three-year deferral applies to the beginning of the options exercise period.

f) Explanation of how the payment of variable remuneration is tied to the continued positive performance of the company during the deferral period;

The payment of the deferred variable remuneration (in cash and options) is tied to the continued positive performance of the company which is pre-defined annually by the Remuneration Committee, taking account of appropriate indicators, an assessment of the economic and financial context of the company, the economy and industry, and also exceptional factors and those beyond the control of the management that may influence Company performance.

g) Sufficient information on the criteria on which the award of variable remuneration in shares is based as well as on executive Directors keeping the company shares they have obtained, information on any contracts concluded regarding those shares, namely hedging or risk transfer contracts, the respective limits, and their ratio of the total annual value of remuneration;

Cimpor does not award shares as remuneration to its executive Directors.

The Directors of the Company have not entered into any contracts which may have the effect of mitigating the risk inherent to the variability of the remuneration they are paid.

Under the ODS Plan of stock options adopted at the General Meeting of 2011, the Executive Directors must keep, to the end of their term in office, shares that they have obtained through the exercise of options granted under the Plan up to the limit of twice the value of the total annual remuneration, except for those who need to sell to pay the taxes arising from the benefit of such shares or those whose sale is authorised by the Board of Directors in response to a duly reasoned request and on obtaining the approval of the Audit Board.

h) Sufficient information on the criteria on which the award of variable remuneration in stock options is based and indication of the period of deferral and the exercise price;

The criteria used for the allocation of options under stock Plan ODS are the same as the criteria used for the award of variable remuneration of which the allocation of options is a complement, and which are detailed in II. 33 c).

The executive directors hold 613,333 ODS options with strike at 4.986 euros, which may be exercised between 18 April 2014 and 17 April 2017. The allocation of these options is detailed in III.10.2.

Directors' remuneration does not include any award of shares as a form of variable remuneration.

The exercise of options granted under the ODS Plan is deferred for a period of three years from the date of allocation, since the term of office of the Board of Directors is also for periods of three years, ensuring the holding of the options until the end of the term of office.

i) Identification of the main parameters and grounds for any annual bonus scheme and any other non-cash benefits;

There are no other annual bonus schemes besides those mentioned in sub-paragraphs c) and d) above, and there are also no non-cash benefits.

j) Remuneration paid in the form of profit sharing and/or bonus payments and the reasons for such bonuses and/or profit sharing being paid out;

Sharing in the profits of the Company, as provided for in the articles of association[42], translates into the award of bonuses. In 2011 the amount of bonuses awarded to the executive Directors amounted to EUR 1.940 million, as individually detailed in section II.31 above, and the award reasons obeyed the above-stated criteria.

l) Compensation paid or owed to former executive Directors following the termination of duties during the financial year;

No compensation was paid or owed to executive Directors in 2011 for the termination of their duties as such.

m) Reference to the contractual limitation established for the compensation payable for unfair dismissal of a Director and the relationship with the variable component of remuneration.

Pursuant to the remuneration policy for members of the Board of Directors approved by the Remuneration Committee, in the event of dismissal of any Director or termination by agreement of the Director's position, no compensation will be paid when the dismissal or termination is due to inadequate performance of the role.

[42] Article 20(1)(d)

n) Amounts paid for any reason by other companies in a control or group relationship;

The members of the Board of Directors did not earn any other remuneration whatsoever from other companies in a group or control relationship with Cimpor. Neither do they earn from Cimpor or from other companies in a group or control relationship with the same, any significant non-monetary benefits that may be considered remuneration. The same is true for the members of the Audit Board.

o) Description of the main characteristics of supplementary pension schemes or the early retirement of Directors, indicating whether or not they were appraised by the General Meeting;

The fixed remuneration of executive Directors includes an amount of 12.5% on the salary to be compulsorily applied in a retirement savings plan (RSP) or similar instrument, in order to help cover their retirement. However, since this practice does not generate any liability for the Company other than that mentioned, this payment does not take the form of a Retirement Benefit or a Supplementary Pension.

As described in I.18, due to the removal from the statutory provisions of the allocation of retirement pension supplements, the 2011 General Meeting instructed the Board of Directors to adequately ensure that the rights acquired by the Directors under the statutory provision removed thenceforth, were safeguarded. It was thus agreed with Luís Filipe Sequeira Martins, Director of the Company since 1987, the award of compensation of EUR 3,000,000 million, the payment of which will be made on termination of the duties of Director.

Director (Value in Euros)	Compensation(1) Paid in 2011	Compensation(1) Payment to be done on termination of duties as Director
Luís Filipe Sequeira Martins	300,000	2,700,000

(1) Elimination of Pension supplement as established in articles of association

p) Estimate of the value of significant non-cash benefits considered as remuneration not covered by the situations defined above.

There are no significant non-cash benefits considered as remuneration not covered by the situations defined above.

q) Existence of mechanisms that prevent executive Directors from concluding contracts that undermine the basis of the variable remuneration.

Pursuant to the remuneration policy for members of the Board of Directors approved by the Remuneration Committee, Directors must not execute contracts with either the Company or with third parties, which have the effect of mitigating the risk arising from the variability of the remuneration that the Company defines for them.

II.34. Reference to the fact that the remuneration of non-executive Directors of the management body does not include variable components

The remuneration of the non-executive Directors of Cimpor, following recommendations in this field, is exclusively composed of a fixed component paid 14 times a year in cash, and it is based on the type of duties performed and market practices.

II.35. Whistleblowing Policy

The Whistleblowing Regulations are disclosed to all Cimpor employees through its internal communication network (Cimpornet) and posters in the workplace. Those rules generally identify the different types of irregularities, and comprise a set of internal rules and procedures for receiving, registering and processing reports of irregularities allegedly occurred within Cimpor, and they clearly expresses the confidential and anonymous handling of communications.

These irregularities are analysed in the light of the provisions of laws and regulations, the articles of association, the recommendations applying at all times (including recommendation II.1.4.1. of the Governance Code) and the principles and rules of the Code of Ethics adopted by the Cimpor Group.

The Audit Board - without prejudice to the powers of the Corporate Governance and Sustainability Committee – is responsible for receiving and processing irregularity reports, as well as monitoring and supervising the entire system, in particular the respective levels of adequacy and effectiveness.

In summary, the above-stated rules provide for:

- Any employee, shareholder, customer, supplier of Cimpor or any other entity with information on any irregularity and/or suspicion of such, in a well-founded and reasonable manner, may report the irregularity (hereinafter "Reporting person") to the Audit Board through an on-line application for Irregularities Reporting (API), available on all sites of the Group (including www.cimpor.com) or by letter sent to the Chairman of the Audit Board.
- The confidential treatment of the information received is assured.
- The investigation will be conducted and supervised by the Audit Board, which may delegate to a "processor" and/or to the Internal Audit Department. These may also request the assistance of the legal department, any departments, services, workers and/or employees of the company and also, with the prior consent of the Chairman of the Audit Board, outside consultants, or even, in certain circumstances, the relevant public authorities whose involvement is required.
- The report resulting from the above investigation will be forwarded to the Chairman of the Board of Directors or to the Chairman of the Executive Committee of Cimpor and other external entities whose involvement is required or justified.

- Depending on the focus and seriousness of the irregularity, the Audit Board or the Board of Directors will make the decision to archive, follow-up on or apply penalties for the irregularity.

- The Audit Board shall provide the Reporting entity, without prejudice to the legal time limits and/or contractual provisions, a summary of the reasons for the decision to reject, archive or conclude the internal procedures, as applicable, on the reported alleged irregularity, within ten days of the date of that decision.

Section V. Specialised Committees

Cimpor has three specialised committees to support the Board of Directors, in addition to the Executive Committee.

II.36. Corporate Governance and Sustainability, Appointments and Assessment, and Investment Committees

The composition of the Corporate Governance and Sustainability, Appointments and Assessment, and Investment Committees was detailed in section II.2.

Although the Corporate Governance structure of Cimpor does not address the existence of an independent committee with powers to identify candidates for the post of Directors, certain powers were still delegated to the Appointments and Assessment Committee in relation to the identification of candidates for the Management posts, particularly in the case of co-optation, as described in section II.3.7.2. above.

II.37. Number of meetings of Committees with Management and Supervisory competences

During 2011, the Corporate Governance and Sustainability Committee met three times, the Appointments and Assessment Committee met five times and the Investment Committee met four times. Minutes were drawn up for all the meetings.

II.38. Reference to the fact that a Member of the Remuneration Committee has knowledge and experience in remuneration policy matters

The Remuneration Committee elected at the General Meeting and the special committee of Appointments and Assessments of the Board of Directors consist of members that combine high academic and university qualifications in the areas of business management and human resources policy with relevant professional experience at the highest level of management in large companies and very extensive contact with the fields of remuneration and assessment of managers and top management, thus guaranteeing the theoretical and business knowledge essential for a proper evaluation of remuneration policy.

II.39. Independence of the persons contracted for the Remuneration Committee

The members of the Remuneration Committee are independent of the company and the Board of Directors, and the incumbent three members have no family relationship with Directors, nor do their spouses or relatives in a straight line to the third degree, inclusively.

In the 2011 financial year, the Remuneration Committee did not hire the services of any persons who provides or has provided during the past three years services to the Board of Directors of Cimpor or any structure under its control (under an employment contract or any other form of collaboration, including the provision of services), nor having any current relationship as consultant to the Company.

III. Information and Auditing

III.1. Capital Structure

The share capital of Cimpor stands at 672 million euros, and it is fully paid up. The (registered and ordinary) shares number 672 million, (each with a par value of one euro), and are traded on Lisbon Euronext.

Characteristics of Cimpor Securities

Title: Cimpor – Cimentos de Portugal, SGPS, S.A.

Share Trading: Euronext Lisbon

Futures trading: Euronext Lisbon

Codes:

LISBON TRADING: CPR

REUTERS: CMPR.IN

BLOOMBERG: CPR PL

Number of shares (with a par value of 1 euro):

Total – 672,000,000

Listed for trading – 672,000,000

III.2. Qualifying holdings calculated pursuant to Article 20 of the Portuguese Securities Code

According to the Information on Qualifying Holdings received by the Company by 31 December 2011, and in compliance with the rules of imputing voting rights established in the Securities' Code[43], the holders of the referred shareholdings were, on that date, as follows:

List of Shareholders possessing Qualifying Holdings(1)

Shareholders	Nº of Shares	% of Share Capital (2)	% of Voting Rights
Camargo Corrêa Group	**221,360,153**	**32.94%**	**32.94%**
Rosana Camargo de Arruda Botelho,Renata de Camargo Nascimento and Regina de Camargo Pires Oliveira Dias who, jointly, directly control the company RRRPN - Empreendimentos e Participações, S.A. and individually, respectively, the companies (a) RCABON Empreendimentos e Participações, S.A. and RCABPN Empreendimentos e Participações, S.A.; (b) RCNON Empreendimentos e Participações, S.A. and RCNPN Empreendimentos e Participações, S.A.; and (c) RCPODON Empreendimentos e Participações, S.A. and RCPODPN Empreendimentos e Participações, S.A..	221,360,153	32.94%	32.94%
Through the companies RRRPN Empreendimentos e Participações, S.A., RCABON Empreendimentos e Participações, S.A., RCABPN Empreendimentos e Participações, S.A., RCNON Empreendimentos e Participações, S.A., RCNPN Empreendimentos e Participações, S.A., RCPODON Empreendimentos e Participações, S.A. and RCPODPN Empreendimentos e Participações, S.A..	221,360,153	32.94%	32.94%
Through the jointly and directly controlled company, Participações Morro Vermelho, S.A.	221,360,153	32.94%	32.94%
Through the company Camargo Corrêa, S.A. which it fully controls.	221,360,153	32.94%	32.94%
Through the company Camargo Corrêa Cimentos Luxembourg, S.à.r.l.	221,360,153	32.94%	32.94%
Votorantim Group	**142,492,130**	**21.20%**	**30.84%**
António Ermírio de Moraes, who directly controls the company AEM Participações S.A., Ermírio Pereira de Moraes, who directly controls the company ERMAN Participações S.A., Maria Helena Moraes Scripilliti who directly controls the company MRC Participações, S.A., and José Ermírio Moraes Neto, José Roberto Ermírio de Moares and Neide Helena de Moraes, who jointly and directly control the company JEMF Participações, S.A.	142,492,130	21.20%	30.84%
Through the companies AEM Participações, S.A., ERMAN Participações, S.A., MRC Participações, S.A. and JEMF Participações, S.A.	142,492,130	21.20%	30.84%
Through the jointly and directly controlled company, Hejoassu Administração, S.A.	142,492,130	21.20%	30.84%
Through the company Votorantim Participações, S.A. which it controls	142,492,130	21.20%	30.84%
Directly and through the company Votorantim Industrial, S.A., which it controls	142,492,130	21.20%	30.84%
Through the company Votorantim Cimentos, S.A. (5)	142,492,130	21.20%	30.84%
Manuel Fino, SGPS, S.A.	**71,735,860**	**10.67%**	**20.27%**
Through its fully and directly controlled companies Limar, Limited e Jevon, Limited.	71,735,860	10.67%	20.27%
Through the company Investifino - Investimentos e Participações, SGPS, S.A. (3)(7), controlled by Limar, Limited and participated by Jevon, Limited.	71,735,860	10.67%	20.27%
On its own account	71,734,000	10.67%	20.27%
Through members of its board of directors and audit committee	1,460	0.00%	0.00%
Through its fully and directly controlled companies:			
Fino Participações SGPS, S.A.	100	0.00%	0.00%
Predifino – Sociedade Imobiliária, S.A.	100	0.00%	0.00%
Quinta da Ramada Imobiliário, S.A.	100	0.00%	0.00%
Quinta da Ramada – Sociedade Agrícola, SA.	100	0.00%	0.00%
Banco Comercial Português, S.A. (BCP) and BCP Pension Fund	**67,474,186**	**10.04%**	**10.04%**
Banco Comercial Português, S.A. and entities related to it (4)	274,186	0.04%	0.04%
Banco Comercial Português, S.A.	500	0.00%	0.00%
Banco Millennium BCP Investimento, S.A.	261,586	0.04%	0.04%
Fundação Banco Comercial Português	12,100	0.00%	0.00%
Fundo de Pensões do Banco Comercial Português, S.A.	67,200,000	10.00%	10.00%
Caixa Geral de Depósitos, S.A. (CGD) (6)	**64,776,365**	**9.64%**	**30.84%**
On its own account	64,473,258	9.59%	30.80%
Through Caixa Seguros e Saúde, SGPS, S.A., which it fully owns	92,101	0.01%	0.01%
Through Fidelidade Mundial, S.A., which it fully owns	83,564	0.01%	0.01%
Through Império Bonança – Companhia de Seguros, S.A., which it fully owns	8,537	0.00%	0.00%
Through Parcaixa, SGPS, S.A., which it controls	54,653	0.01%	0.01%
Through Fundo de Pensões da Caixa Geral de Depósitos, S.A.	156,353	0.02%	0.02%

(1) As per official qualifying shareholdings announcements and other information received by the company

(2) With voting rights

(3) The company is fully controlled by Manuel Fino, SGPS, S.A.

(4) As foreseen in article 20 of the Portuguese Securities Code

(5) Attribution of voting rights according to the Shareholders' Agreement signed with Caixa Geral de Depósitos, S.A., under article 20 of the Portuguese Securities Code.

(6) Attribution of voting rights according to the Shareholders' Agreement signed with Votorantim Cimentos, S.A., under article 20 of the Portuguese Securities Code.

(7) Call option over 64.406.000 shares (9,6% of the share capital) held by Caixa Geral de Depósitos, S.A. on its behalf. As announced, this call option matured without exercice on February 2012

[43] Article 20

III.3. Identification of Shareholders holding Special Rights

No shareholder of Cimpor holds any special rights and all the shares representing the Company’s share capital are freely traded on a regulated market (with no restrictions on ownership), and no employee equity scheme is envisaged.

III.4. Restrictions on the transferability of shares, such as disposal consent clauses or restrictions on the ownership of shares

Information already provided herein in section III.3 above.

III.5. Shareholders' Agreements that may lead to Restrictions on the Transfer of Securities or Voting Rights

According to the announcements published on 4, 5 and 9 of February 2010, available at the company's website, www.cimpor.com and the websites of the CMVM and NYSE Euronext, Caixa Geral de Depósitos, S.A. and Votorantim Cimentos, S.A. concluded a shareholders' agreement on 3 February 2010, in order to establish their relationship as shareholders of Cimpor, with the purpose of:

- “establishing a minority shareholders block, representing less than one-third of the voting rights of Cimpor, which is cohesive and stable and contributes to fostering shareholder stability in Cimpor,
- the sustained development of the company and the continuation of the independence of its business, structure and corporate culture, in particular as a listed company with head office in Portugal, and
- the preservation of a financial situation likely to generate an investment grade rating."

The parties intend to achieve this by “undertaking reciprocal obligations in regards to the exercise of their voting rights (voting syndicate), maintaining their equity holdings in Cimpor (lock up and stand still) and taking on restrictions as regards the sale of their equity interests (right of first refusal)”, for an initial period of ten years.

III.6. Amendments to the Articles of Association

The articles of association can be amended pursuant to the provisions established in law and according to the rules defined in the articles of association proper[44]:

- So that the General Meeting may take a decision to amend the articles of association on its first notice to convene, the shareholders attending or represented at the Meeting must hold at least one-third of the share capital; and
- Decisions to amend the articles of association have to be approved by a minimum of two-thirds of the votes cast, irrespective of whether the General Meeting is convened at the first call or the second call, unless, in the latter case, the shareholders attending or represented at the Meeting hold at least half of the share

[44] Article 8

capital, in which event such decisions may be approved by simple majority of the votes cast.

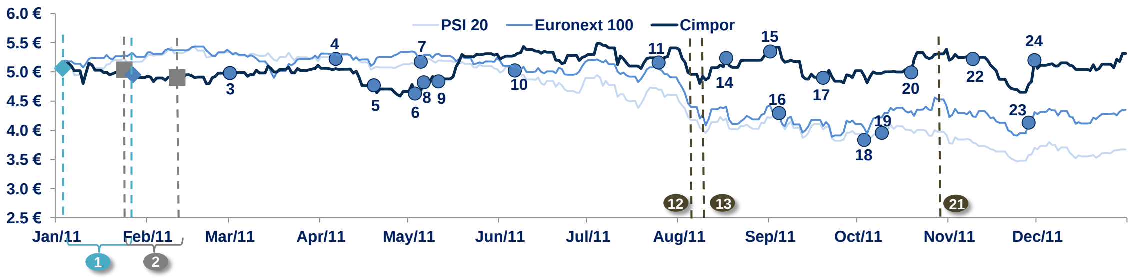
III.7. Control Mechanisms Envisaged for any Employee Equity Scheme

There is no scheme that specifically envisages employee participation in the share capital of the Company, which implies that the respective voting rights are not directly exercised by the employees.

III.8. Description of the development of the Company's share price

Stock Market Performance of Cimpor shares

Stock Market Performance in 2011



KEY

Note	Date	Event
1	4 to 27 January	Tunisia uprising, culminating in President Ben Ali's resignation. Operational slowdown for a few days in Cimpor facility
2	25 January to 11 February	Egypt uprising, culminating in President Mubarak's resignation. Operational stoppage for circa one week in Cimpor facility
3	1 March	Cimpor announces its 2010 Full Year Results and a proposed dividend of €0.205 per share to be approved in the AGM
4	6 April	Portuguese Prime Minister Sócrates announces the intention of the Portuguese Government to ask the IMF, EC and ECB for a bailout plan
5	18 April	Cimpor Annual General Meeting. Approval of dividend proposal of €0.205 per share
6	3 May	Ex-dividends trading of Cimpor share
7	5 May	Troika and the Portuguese Government announce the details of the Portuguese bailout plan
8	5 May	Pay date for the 2010 dividends
9	10 May	Cimpor Q1 Results announcement
10	5 June	Portuguese election
11	25 July	Cimpor announces the update on its EMTN programme
12	4 August	Germany's Prime Minister Merkel against EC President Barroso's position on enlarging de European Financial Stability Facility
13	8 August	Standard & Poor's downgrades USA sovereign debt from AAA to AA+ for the first time in History. Worldwide markets plummet
14	17 August	Cimpor 1H11 Results announcement
15	1 September	S&P reafirms Cimpor's rating
16	5 September	Merkel loses one more regional election in Germany
17	19 September	Cimpor discloses its plan to invest Euro 15mn in Dondo, Mozambique
18	4 October	Fitch downgrades 6 Portuguese Banks
19	7 October	Moody's downgrades 6 Portuguese Banks
20	19 October	Rumors that Camargo Corrêa and Votorantim may lauch a tender offer for Cimpor
21	27 October	The European leaders agreed to expand the bailout fund (to Euro 1 trillion) to halt the sovereign debt crisis
22	8 November	Cimpor 9M'11 Results announcement
23	22 November	6 of the world's most important central banks announce coordinated actions to fight back the european debt crisis
24	30 November	Cimpor rises 7.5%. Worldwide positive reaction: major global central banks decide to lower the interest rate on dollar liquidity facilities

III.9. Dividend Distribution Policy

Despite that the financial management of the company aims the distribution of a growing dividend per share, the implementation of this policy has to be consistent with both the strategy approved for Cimpor and its achieved results, being subordinated to the keeping its investment grade rating.

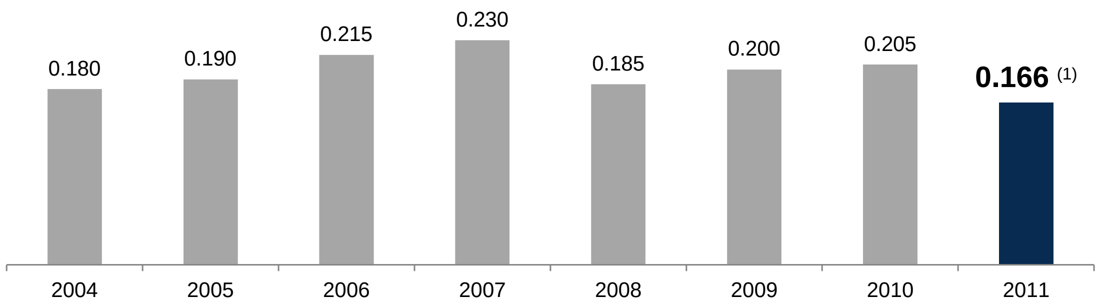
The dividend distribution policy also aims to ensure:

- the stability of the payout ratio and;
- the competitiveness of the dividend yield in the context of the Portuguese market and the international cement industry.

On 6 May 2011, Cimpor distributed the dividend on the 2010 results amounting to 0.205 euros per share (0.1609 euros per share net of taxes)

The appropriation of profits proposal included on Cimpor 2011 Annual Report follows the guidance of the policy above, corresponding the proposed dividend to 0.166 euros per share, 19% below the previous year following a net profit decrease, but yet ensuring the same payout as in 2010: 56%.

Gross Dividend/*Share (euros)*



(1)- Dividend to be proposed by the Board of Directors to the General Meeting of Cimpor on 20 April 2012

III.10. Share Purchase and Stock Option Plans

The General Meeting of 2011 approved a plan for the acquisition of shares by employees the Plan to Encourage Employees to Acquire Shares in the Capital of Cimpor (3C Plan) and a new Cimpor Plan to Allocate Share Options for Sustainable Development (ODS Plan).

III.10.1. Share Purchase Plan: 2011 3C Plan

The 3C Plan aims to encourage CIMPOR employees to acquire shares in the company, creating greater identification with the Group's objectives, making them interested in the financial results of the Company and the evolution of its value, and promoting the alignment of their interests with the interests of the Company.

The Plan, which specifically excludes the Directors of Cimpor, is aimed at most staff holding a stable employment relationship with Cimpor, or the companies with head offices in any country of the Iberian Peninsula controlled, directly or indirectly, by Cimpor, as well as at the directors and managers of the other Group companies (proposed by the managers of the respective areas for that purpose) and at other personnel (indicated for the purpose by the Board of Directors) contracted by companies in which the holding company, or any company it controls, has a shareholding in the respective capital.

The beneficiaries designated this year by the Board of Directors acquired shares, taking into account the total maximum quantity of shares set by the General Meeting and under the following conditions:

- **a)** Price equivalent to 85% of the weighted average closing price of Cimpor in the last twenty (20) trading sessions of Euronext Lisbon preceding the date of each Annual

General Meeting, rounded up to 3 (three) decimal places, deducted from the net dividend per share that may be paid between the date of the Annual General Meeting and the Purchase Date;

b) Maximum number of shares to be acquired is obtained from the division of 1/14 of the annual gross basic salary of the Beneficiary by the Purchase Price set according to the terms of the preceding paragraph, rounding off to the largest integer;

c) The payment by each beneficiary of the price of the acquired shares is compulsorily made in 14 (fourteen) instalments each corresponding to 1/14 of the overall price, settled by discount from the monthly wage and holiday and Christmas pay earned over the period of one year following the acquisition of the shares.

Of the 2.054 employees given the possibility of purchasing Cimpor shares under the above-defined terms, a total of 293 employees responded affirmatively within the given time limit (11 to 20 May). These acquired a total of 242,927 shares at a unit price of 4,077 euros.

The Board of Directors is responsible for implementing this plan and it is also empowered by the General Meeting to make adjustments to its rules, provided such are necessary or convenient to its ensure its compliance with any changes in legislation or regulations and/or guidelines or opinions issued by the competent administrative or fiscal authorities.

The beneficiaries of the 3C Plan cannot, in any manner, transfer or encumber the shares acquired under the Plan until full and effective payment of the price, which is made in 14 (fourteen) instalments each corresponding to 1/14 of the overall price, to be settled by discount from the monthly wage and holiday and Christmas pay earned over the period of one year from the acquisition of the shares.

III.10.2. Stock Option Plans

The 2011 General Meeting, with the aim of harmonising the stock option plans of Cimpor with the latest legislative and regulatory changes incorporated the best practices in this area, adopting a new approach to the stock option plans which primarily consists of:

- Not including any discount at the outset in the exercise price of the options. Effectively, as the Exercise Price is the share price at the time of allocation of the option, the respective potential remuneration is compulsorily and exclusively comprised of the rise in market value;

- Options can only be exercised 3 (three) years after the allocation date;

- The exercise, besides being deferred in time, is dependent on the positive performance of the Company during those 3 (three) years.

These features are contained in the new ODS Plan.

Given the key role of employees in the Group's development, the aims of this plan are:

- The creation of favourable conditions for attracting staff with high potential and/or of strategic value to Cimpor;

- The retention of employees and fostering their productive capacity, thereby driving the business results of Cimpor;

- The alignment of the interests of employees with the interests of Cimpor, guiding their performance for the effective creation of wealth and the long-term performance of the company, thus discouraging excessive risk-taking and fostering sustainable development.

The ODS Plan is aimed at Directors of the holding company who the Remuneration Committee decides to name as beneficiaries, as well as the members of the Boards of Directors of the subsidiaries and other Group managers designated by the Board of Directors.

The Remuneration Committee is responsible for deciding on whether to award ODS options to members of the Executive Committee. It defines the number of options to be allocated to each one, based on the assessment it makes of their performance the previous year, by applying the criteria established in the remuneration policy of Cimpor and within the overall limits established by the General Meeting.

In turn, the Board of Directors is responsible for deciding whether to award ODS options to employees, defining the list of selected employees and the number of options to be allocated to each one, based on its assessment of the same, given their performance the previous year, assessed according to the criteria in force at any time and within the overall limits established by the General Meeting.

The most notable features of this plan are, namely in 2011:

a) The exercise price or the purchase of shares on exercising an option shall be the weighted average of the closing prices of Cimpor shares on the Euronext Lisbon in the last 20 (twenty) sessions prior to the allocation date.

b) The options become exercisable 3 years from the date of allocation, provided that Cimpor performed positively during that period. The options expire if not exercised by the beneficiary in the three years following the date they become exercisable, without prejudice to other situations of expiry at an earlier time, pursuant to the ODS Plan Regulations.

c) During the Exercise Period, each beneficiary may exercise all or part of their Exercisable Options, once every month. The exercise of the options comprises their physical or financial settlement.

    - If the beneficiary opts for financial settlement, he will be given the amount of money corresponding to the difference between the weighted average of the closing price of Cimpor shares in the first twenty (20) sessions of Euronext Lisbon of the month following that in which Cimpor receives the communication of intention to exercise by the beneficiary and the Exercise Price, multiplied by the number of options exercised.

- If the beneficiary does not opt for financial settlement, he should ensure the proper means for payment of shares at the Exercise Price. In this case, the Board of Directors shall freely decide on the means of execution, which may take the form of physical settlement through the increase of the share capital of Cimpor.

In any case, in situations such as of lack of sufficient liquidity or shortage of treasury shares the Board of Directors, with the approval of the Audit Board, will be responsible for defining the mode of exercise of all or part of the options, in the best interest of Cimpor.

This Plan granted 1,360,333 ODS options in 2011, encompassing 320 directors and employees of the Group. 250 of these requested subscription[45] to this plan. Therefore, between 18 April 2014 and 17 April 2017 (inclusively), a maximum of 1,304,133 ODS options of the 2011 series of the ODS Plan could be exercised at the price of 4.986 euros/share.

Under the ODS Plan, the executive Directors must keep, to the end of their term in office, shares that they have obtained through the exercise of options granted under the Plan up to the limit of twice the value of the total annual remuneration, except for those who need to sell to pay the taxes arising from the benefit of such shares or those whose sale is authorised by the Board of Directors in response to a duly reasoned request and on obtaining the approval of the Audit Board.

In relation to the allocation of options made up to 2010 under the "Stock Option Plan – Reg. 2004" Regulations, the General Meeting safeguarded the obligations of Cimpor under its scope by approving the sale of treasury stock in compliance with the responsibilities of Cimpor set forth in those regulations.

Options Granted, Exercised and Extinguished:

Under the 2008, 2009 and 2010 series of the Stock Option Plan – Reg. 2004, of the 700.620 options exercisable in 2011, a total of 517.772 options were exercised and the remaining 182.848 were extinguished. Of the remaining options exercisable in 2012 and 2013, 155,000 options were exercised early by financial settlement, by an agreement between Cimpor and the three executive Directors, so that in accordance with the new philosophy of aligning Directors' interests with the Company, it was possible to defer part of the this remuneratory benefit for a period of three years, as detailed in section II.30.1 of the Corporate Governance report attached hereto.

[45] Subscription applied for between 23 and 30 June

To summarise the situation for 2011:

Options Granted, Exercised and Extinguished	Option Plans				Total
	Series granted up to 2010			ODS 2011	
	2008	2009	2010	2011	
Exercise Price (€)	4,250	2,850	4,250	4,986	
Options Granted[1]					
In compensation for options exercised early	-	-	-	103,333	103,333
As beneficiaries of the 2011 series	-	-	-	1,201,000	1,201,000
Options Exercisable in 2011[2]	224,090	286,900	189,630	-	700,620
Options Exercisable in 2011[2], Exercised in 2011					
Physical settlement	116,560	190,650	100,562	-	407,772
Financial settlement[3]	20,000	25,000	65,000	-	110,000
Options Exercisable in 2012[2] and 2013[2], Exercised in 2011 (financial settlement)[3]	-	25,000	130,000	-	155,000
Extinguished Options					
Exercisable in 2011[2], due to non-exercise of options	87,530	71,250	24,068	-	182,848
Exercisable in 2012[2] and 2013[2], due to tendering resignation from post	-	-	400	-	400

(1) Options granted in 2011 under the ODS Plan and only exercisable from 2014.

(2) Options granted up to 2010 under the Stock Option Plan - Reg. 2004.

(3) By agreement with the company. Deferral for 3 years of 50% of the financial settlement, tied to the positive performance of the company.

Therefore, while the number of shares needed at the beginning of the year to meet the exercise of options granted to 2010, inclusive, rose to 1,366,780, the number of shares needed at the end of the year to meet the exercise of all the options granted in the meantime was 1,815,093, broken down as follows:

Series	Options Exercisable in:			Total
	2012	2013	2014 to 2017	
2009	261,900	-	-	261,900
2010	124,430	124,430	-	248,860
ODS 2011	-	-	1,304,333	1,304,333
Total	**386,330**	**124,430**	**1,304,333**	**1,815,093**

The Board of Directors is responsible for implementing the above-described plans. The Board of Directors and Remuneration Committee, taking into account the respective competencies, are responsible for making any adjustments to the rules of the ODS plan that are necessary or convenient to ensure its compliance with any changes in legislation or regulations and/or guidelines or opinions issued in the meantime by the competent administrative or fiscal authorities.

Any changes to the Stock Option Plan – Reg. 2004 require the approval of the Remuneration Committee.

III.11 Business and Transactions between the Company and Members of its Management and Supervisory Bodies, or Companies with which it is in a Control or Group Relationship, outside of normal market conditions.

Apart from the sale of treasury shares under stock option plans referred to in sections III.10 and II.30 above, and the early exercise of the options mentioned in II.30 and the compensation awarded to Luís Filipe Sequeira Martins for loss of pension rights acquired as a Director (as described in I.18 and II.33), neither the Company nor any of the companies it controls has undertaken any business or transaction with any members of its management and supervisory bodies or companies with which it is in a group or control relationship, with the exception of some transactions of no financial significance to any of the parties involved, and which were conducted under normal market conditions for similar operations and executed as part of the Group's regular business activity.

III.12. Business and Transactions between the Company and shareholders with Qualifying Holdings or entities with which it is in a control relationship, pursuant to Article 20 of the Portuguese Securities Code, outside of normal market conditions

Cimpor nor any of the companies it controls undertook any business or transaction with the shareholders of qualifying holdings or entities with which it is in any kind of relationship pursuant to Article 20 of the Portuguese Securities Code, with the exception of some transactions of no financial significance to either of the parties involved, conducted under normal market conditions for similar operations and executed as part of the Group's regular activity.

It should be noted, due to its special strategic significance and without prejudice to the above disclosed that, in accordance with the privileged information dated 1 October 2010 and dated 25 March 2011, Cimpor completed the acquisition from Camargo Corrêa Cimentos, S.A. of shares representing 51% of the share capital of the company CINAC - Cimentos de Nacala, S.A. ("CINAC"), a shareholding that this shareholder of Cimpor had just acquired from the Mozambican Group INSITEC in 2010.

This acquisition represents a total investment of approximately USD 24 million, including USD 18 million of shareholder loans, as detailed in the Annual Report and Accounts 2011.

CINAC is a company located in Nacala in northern Mozambique, which owns a cement grinding plant with an installed capacity of 350,000 ton/year and various plots of land and limestone quarries. Under the binding agreement that was signed, the management of CINAC, in partnership with the Mozambican group INSITEC, will be conducted by Cimpor from a majority position.

III.13. Role of the supervisory body in the prior assessment of business to be conducted between the company and shareholders with qualifying holdings

As provided for in the Rules of Procedure of the Board of Directors[46], any business of significant relevance, under the terms defined by the Audit Board, on proposal of the Board of Directors, to be concluded between, on one hand, any shareholder with a qualifying holding greater than or equal to 2% of the voting rights of the share capital of Cimpor or any party with which it is in any of the situations envisaged in Article 20 of the Portuguese Securities Code and, on the other hand, Cimpor or any company with which it is in a control or group relationship, requires the prior opinion of the Audit Board.

Whenever Cimpor intends to undertake any transaction of special financial significance for any of the parties involved or in conditions that may be construed as deviating from normal market conditions for similar operations and executed as part of Cimpor's regular business activity, the

[46] Article 20

Board of Directors submits the proposed transaction to the prior opinion of the Audit Board. It shall accompany its proposal with the reasons for such as well as the technical and statistical information adequate for assessment.

The Audit Board examines the evidence provided, requesting additional information or studies if necessary, including support from the external auditor, and verifying compliance with the rules in the areas of conflict of interest, fair treatment, non-discrimination, equal relationship with suppliers and service providers and preserving the interests of the Company.

III.14. Statistical data concerning business requiring the prior intervention of the supervisory body

The only business requiring the Audit Board's opinion during 2011 are those described above in sections III.11 and III.12.

No.	Business subject to prior intervention of the Audit Board	Legislation, rules and applicable recommendations	Value (euros)
1	Compensation agreement with Director, due to elimination of possibility of receiving supplementary retirement pension	Article 397(2) of the Companies Code	3,000,000 (maximum)
2	Agreement with Directors for the early exercise of stock options awarded until 2010, deferring part of the cash benefits.	Article 397(2) of the Companies Code	107,127 (average of the three contracts)
3	Hiring assurance services from the external auditor	Corporate Governance Code of the CMVM, 2010 (recommendations) III.1.5	Until 20% of the value of the services provided by the external auditor in the Cimpor Group (maximum value)

III.15. Publication on the company's website of the annual reports concerning the work of the Audit Board

The annual Report and Accounts of the Company, as established in Regulation No. 5/2008 of the CMVM[47], include the opinion of the Audit Board on the financial statements, is published on the Company's website, www.cimpor.com, in conjunction with the annual report of the Audit Board (which will report any constraints with this body has encountered).

[47] Article 8

III.16. Investor Relations Department

The duties of the “Investor Relations Office” envisaged in law are of the responsibility of the Investor Relations Department, which is responsible for keeping the financial community informed of the evolution of the Group's business and supports current and potential shareholders of CIMPOR in their relations with the Company, in full compliance with the principle of equal treatment of shareholders.

This office’s contact with private and institutional investors, fund managers and other collective investment bodies, analysts and other stock market operators is maintained through presentations, meetings and replies to requests for information by telephone, e-mail or regular mail.

Investor Relations Office contacts:

Personal Contacts:

Filipa Mendes (Investor Relations Officer)

Francisco Sequeira

Address:

Investor Relations Department

Cimpor – Cimentos de Portugal, SGPS, S.A.

Rua Alexandre Herculano, 35

1250-009 Lisboa

PORTUGAL

Telephone	Fax	E-Mail	Internet
21 311 81 00			
21 311 88 89	21 311 88 39	investorrelations@cimpor.com	

www.cimpor.com

The Cimpor site (www.cimpor.com) provides, in addition to information that might influence the share price, which is provided through the website of the CMVM (www.cmvm.pt) and of Euronext (www.euronext.com) and also the compulsory information provided for in CMVM Regulation No. 1/2010[48], the following content in Portuguese and English:

In the “Investors” area:

- Corporate Governance:
    - Governing bodies and organisation structure of the company;

[48] Article 5

  - Articles of association, code of ethics and rules of procedure of the Board of Directors and Audit Board;
  - Corporate Governance reports and other notices of meetings, mechanisms for attending meetings and information relating to General Meetings, since 2006.
- Corporate Organization (brief description of the structure of the Group):
- Evolution of the Cimpor share price;
- The shareholder structure;
- Reports and AccountsAnnual Report and other periodic publications;
- Description of strategy;
- Previous presentations to the market;
- Since 2012, a range of information in MS Excel for easy processing by interested parties.

In other areas of the website:

- Cimpor's Sustainability Report;
- Information on Cimpor's environmental and R&D policies;
- Other information of interest related to the business of Cimpor.

The same site also enables any interested party to immediately receive information published by Cimpor via a mailing list created for the purpose.

The representative for relations with the securities' market and the CMVM, pursuant to and for the purposes of the Portuguese Securities Code, is, since 1 October 2004, Filipa Mendes.

III.17. Indication of the annual remuneration paid to the auditor and other natural or legal persons belonging to the same network supported by the company and/or by legal persons in a control or group relationship

In 2011, the total cost of services rendered to the Cimpor Group by its external auditor (Deloitte & Associados, SROC, S.A.), including all natural or legal persons belonging to its "network" (as set forth in European Commission Recommendation no. C (2002) 1873 of 16 May), amounted to 1,633,000 euros, broken down in the following percentages:

a) legal certification of accounts	82.2%
b) other assurance services	4.7%
c) tax consultancy services	6.0%
e) services other than legal certification of accounts	7.0%

The services other than those of statutory audit were contracted under the special authorisation granted by the Audit Board at the request of the management, based on the comparative advantage of the services provided, namely through the gains arising from knowledge already in place on the Group's companies, structures and operations due to the duties as auditor.

To safeguard the independence of these entities, the acquisition from them of any type of service that may jeopardize such independence is expressly forbidden, Specifically:

- Accounting and administrative services, such as book-keeping, the preparation of financial statements and reports, the processing of salaries and the preparation of tax returns;
- Conception, design and implementation of management information systems;
- Assessment of assets or liabilities that may be included in Cimpor’s financial statements;
- Internal auditing services;
- Legal consultancy services requiring the entities in question to represent any of the Group’s companies to resolve litigation and disputes with third parties;
- Recruitment and selection of senior staff.

In addition, the acquisition of services from the external auditor or entities belonging to its “network”, both in Portugal and in the countries where Cimpor operates, must comply with a set of rules established by the holding company and communicated to all Group companies. And so, besides prohibiting the contracting of the aforementioned services, the following must be emphasized:

The entities in question must, without fail, demonstrate the ability, credentials, resources and comparative advantages in relation to third parties, with respect to the provision of the services in question;

Proposals to render services submitted by those entities are analyzed and assessed, and compared (whenever possible) to the market, by the person in charge of the area (or company) requiring the service, and subsequently, depending on the amount of the proposal, by the Director of the respective area of responsibility or the Executive Committee responsible for deciding whether or not to award the contract.

III.18. Reference to the Period of Rotation of the External Auditor

Deloitte & Associados, SROC, S.A. has been providing external audit services to Cimpor since 2001, under services contracts with duration of four years. In 2007, six years since the beginning of the provision of those services, a new partner was appointed to oversee or directly implement those services.

The draft resolution of the General Meeting to keep the external auditor for a period exceeding three terms of office is accompanied with specific opinion of the Audit Board specifically appraising the independence conditions of the auditor and the advantages and costs of its replacement.

ANNEX I

Members of the Management and Supervisory Bodies

(Termination of period in office: 2012)

Board of Directors

António José de Castro Guerra (Chairman of the Board of Directors – since 29 April 2010)

Date of birth	4 February 1953
Nationality	Portuguese
Date of 1st appointment	29 April 2010
End of the term-of-office	2012

Education:

Doctor Habilitatus by ISEG/UTL Instituto Superior de Economia e Gestão / Universidade Técnica de Lisboa.

Professional activities in last 5 years:

State Secretary to the Minister for Industry and Innovation in the 17th Constitutional Government, from March 2005 to October 2009;
Associate Doctor Habilitatus in ISEG/UTL – Instituto Superior de Economia e Gestão / Universidade Técnica de Lisboa, from October 2009 to March 2010;
Those listed below.

Positions in entities outside the Group, at 31 december 2011:

Associação de Empresas Emitentes de Valores Cotados em Mercado: Member of the General Board, since 15 December 2010;
Associação Portuguesa para a Qualidade: Chairman of the General Meeting, since 19 October 2010;
Instituto Português de Corporate Governance: Member of the General Board, since 21 June 2010;
Fundação Portugal África: Director since1 June 2010;
Fundação de Fundação de Serralves: Member of the Founders Board, since 1 June 2010;
Advisor to Grupo MRG – Engenharia e Construção, S.A.- since April 2010;
Manager of Caixa Geral de Depósitos, S.A.- since March 2010.

Number of shares of Cimpor held at 31 December 2011:

10,000.

José Manuel Baptista Fino (Member of the Board of Directors – since April 2005)

Date of birth	10 January 1954
Nationality	Portuguese
Date of 1st appointment	27 April 2005
End of the term-of-office	2012

Education:

1971: Supplementary High School Course.

1972-74: Attended North East London Polytechnic (Business Studies), in London.

Professional activities in last 5 years and posts held in entities outside the Group, at 31 December 2011:

Chairman of the Board of Directors:
- Ramada Holdings, SGPS, S.A.;
- Ramada Energias Renováveis, S.A.;
- Área Infinitas – Design de Interiores, S.A.;
- Dignatis – Investimentos Imobiliários, S.A.;
- Ethnica – SGPS, S.A..

Member of the Board of Directors:
- Grupo Soares da Costa, SGPS, S.A.;
- Investifino – Investimento e Participações, SGPS, S.A.;
- Manuel Fino, SGPS, S.A.;
- Specialty Minerals Portugal – Especialidades Minerais, S.A..

Manager of Dorfino – Imobiliária, Lda.

Number of shares of Cimpor held at 31 December 2011:

1,050.

Jorge Humberto Correia Tomé (Member of the Board of Directors – appointed on 13 May 2009 resigned in February 2012)

Date of birth	7 November 1954
Nationality	Portuguese
Date of 1st appointment	13 May 2009
End of the term-of-office	2012

Education:

Graduated in Business Management and Organisation from ISCTE. Master's Degree in Applied Economics (Faculty of Economics of Universidade Nova de Lisboa).

Professional activities in last 5 years:

Chairman of the Executive Committee of Caixa – Banco de Investimento, S.A. (2002 – 2008);
Those listed below.

Positions in entities outside the Group, at 31 December 2011:

Chairman of the Board of Directors:
- Caixa – Banco de Investimentos, S.A.;
- Gerbanca, SGPS, S.A.;
- Credip – Instituição Financeira de Crédito, S.A.;
- Trem – Aluguer de Material Circulante, A.C.E.;
- Trem II – Aluguer de Material Circulante, A.C.E..

Vice-Chairman of the Board of Directors of Banco Caixa Geral – Brasil, S.A.
Member of the Board of Directors:
- Caixa Geral de Depósitos, S.A.;
- Portugal Telecom, SGPS, S.A.;
- Banco Comercial e de Investimentos, S.A. (Mozambique).

Member of the Strategy and Monitoring Committee of Fomentinvest, SGPS, S.A.

No shares of Cimpor were held at 31 December 2011.

Albrecht Curt Reuter Domenech (Member of the Board of Directors – since April 2010)

Date of birth	25 June 1947
Nationality	Puerto Rican
Date of 1st appointment	29 April 2010
End of the term-of-office	2012

Education:

Master's Degree in Civil Engineering from University of Porto Rico and Master's Degree in Business Management from Wharton School, University of Pennsylvania.

Professional activities in last 5 years:

Member of the Board of Directors of Duratex, S.A. (2008-2009);

Those listed below.

Positions in entities outside the Group, at 31 December 2011:

Vice-Chairman of the Board of Directors
- Camargo Corrêa Engenharia e Construção, S.A.;
- Camargo Corrêa Cimentos, S.A.;
- Camargo Corrêa Desenvolvimento Imobiliário, S.A..

Member of the Board of Directors
- Loma Negra CIASA.

Member of the Board of Directors of TAVEX (Textile industry).

No shares of Cimpor were held at 31 December 2011.

João José Belard da Fonseca Lopes Raimundo (Member of the Board of Directors – since April 2010)

Date of birth	26 June 1960
Nationality	Portuguese
Date of 1st appointment	29 April 2010
End of the term-of-office	2012

Education:

1982: Graduated in Business Studies from Universidade Católica Portuguesa.

1986-87: MBA from INSEAD (Fontainebleau).

1988: Corporate Finance Programme (Londres), Advanced Capital Markets Course (Londres) and Risk Management Programme (London).

1989: "Creating Shareholder Value" Programme – ALCAR Group (London), sponsored by Manufacturers Hanover Trust Company.

1997: "Negotiation Dynamics" Prof. Ingemar Dierickx Guest Professor at Universidade Nova de Lisboa).

1998: Programa of INSEAD BCP/Atlântico (Fontainebleau, France).

Professional activities in last 5 years:

Chairman of the Board of Directors of Millennium BCP Bank N.A. (2009-2010);
Member of the Board of Directors of Banco Millennium BCP Investimento, S.A. (2006-2009);
General Manager of Private Banking of Banco Comercial Português, and member of the Supervisory Board of Banque BCP S.A.S. (France), Vice-Chairman of the Board of Directors of Banque Privée BCP (Switzerland), and Chairman of the Board of Directors of BCP Bank & Trust Ltd (2003-2006);
Those listed below.

Positions in entities outside the Group, at 31 December 2011:

Chairman of the Board of Directors of BCP Holdings (USA) Inc.; General Manager of Millenniumbcp;
Member of the Board of Directors of EDP Renováveis, S.A. .

No shares of Cimpor were held at 31 December 2011.

José Édison Barros Franco (Member of the Board of Directors – since April 2010)

Date of birth	4 March 1950
Nationality	Brazilian
Date of 1st appointment	29 April 2010
End of the term-of-office	2012

Education:

1974: Bachelor's Degree in Mechanical Engineering from Escola Politécnica of Universidade de São Paulo.

1978: Postgraduate diploma in Management from Fundação Getúlio Vargas.

1998: Advanced Management Program from Harvard University (USA).

Professional activities in last 5 years:

General Manager (2006 – 2007) and Advisor (2004 – 2007) of Camargo Corrêa, S.A., Holding of the Camargo Corrêa Group.
Chairman of the Board of Directors:
- Camargo Corrêa Metais (2004 – 2007);
- Camargo Corrêa Energia (2004 – 2007);
- Camargo Corrêa Transportes (2004 – 2007);
- Ferrosur Roca (2005 – 2011 - Argentina);
- São Paulo Alpargatas S.A. (2008 – 2011 - Brazil and Argentina).

Member of the Board of Directors:
- Santista Têxtil S.A. (2003 – 2007);
- São Paulo Alpargatas S.A. (2004 – 2008);
- CPFL Energia S.A. (2005 - 2008);
- CCR Companhia de Concessões Rodoviárias S.A. (2005 - 2008).

Member of the Financial Committees of Alpargatas, Santista and CCSA; the Human Resources Committees of Alpargatas, CCSA and Cimpor; the Audit Committees of Alpargatas and CCSA; the Corporate Governance Committee of CCR and Cimpor.

Positions in entities outside the Group, at 31 December 2011:

Chairman of the Board of Directors:
- InterCement Brasil S.A. (2004 – present day / Brazil);
- Loma Negra CIASA (2005 – present day / Argentina);
- InterCement Portugal, SGPS, S.A. (2010 – present day / Portugal);
- InterCement Participações S.A. (2011 – present day / Brazil).

Member of the Executive Committee of the Camargo Corrêa Group (2007 – present day / Brazil);
Manager of Camargo Corrêa Escom Cement B.V. (2008 – present day / Holland);
Manager of Camargo Corrêa Cimentos Luxembourg, S.à.R.L. (2010 – present day / Luxembourg);
Member of the Boards of Instituto Camargo Corrêa and Fundação Loma Negra (Brazil and Argentina) operating in the Social Investment field.

No shares of Cimpor were held at 31 December 2011.

Walter Schalka (Member of the Board of Directors – since April 2010)

Date of birth	4 de December 1960
Nationality	Brazilian
Date of 1st appointment	29 April 2010
End of the term-of-office	2012

Education:

Bachelor's Degree in Aeronautical Engineering from ITA – Instituto Tecnológico da Aeronáutica (S. José dos Campos, São Paulo, Brazil), Postgraduate diploma in Business Management from Fundação Getúlio Vargas (1978), Graduate of the Executive Improvement Course of IMD (Switzerland) and the AMP/Harvard University (USA).

Professional activities in last 5 years and posts held in entities outside the Group, on 31 December 2011:

CEO of Votorantim Cimentos, S.A. (2005 – present day).

No shares of Cimpor were held at 31 December 2011.

Manuel Luís Barata de Faria Blanc (Member of the Board of Directors – since August 2001)

Date of birth	24 February 1955
Nationality	Portuguese
Date of 1st appointment	31 July de 2001
End of the term-of-office	2012

Education:

1977: Bachelor's Degree in Business Management and Administration from the Faculty of Human Sciences of Universidade Católica Portuguesa.

Professional activities in last 5 years:

Member of the Executive Committee of Cimpor and member of the Board of Directors of various Group companies, in Portugal and abroad (2001 – 2010).

Those listed below.

Positions in entities outside the Group, at 31 December 2011:

Head of the Board of Ponto de Apoio à Vida - Associação de Solidariedade Social;
Chairman of the General Meeting of Patronato de Cristo-Rei.

Number of shares of Cimpor held at 31 December 2011:

125,795.

António Sarmento Gomes Mota (Member of the Board of Directors – since 13 May 2009)

Date of birth	10 June 1958
Nationality	Portuguese
Date of 1st appointment	13 May 2009
End of the term-of-office	2012

Education:

Bachelor's Degree in Management from Instituto Superior de Ciências do Trabalho e da Empresa (ISCTE), MBA (Universidade Nova de Lisboa) and Ph.D in Management (ISCTE).

Professional activities in last 5 years:

Those listed below.

Positions in entities outside the Group, at 31 December 2011:

Professor at ISCTE;
Chairman of ISCTE Business School;
Managing Director of INDEG/ISCTE;
Chairman of the General Board of the Mutual Counter-Guarantee Fund;
Member of the General and Supervisory Board of EDP – Energias de Portugal, S.A.;
Member of the Management Board of Instituto Português de Corporate Governance

No shares of Cimpor were held at 31 December 2011.

José Neves Adelino (Member of the Board of Directors – since April 2010)

Date of birth	19 March 1954
Nationality	Portuguese
Date of the 1st appointment	29 April 2010
End of the term-of-office	2012

Education

1976: Bachelor's Degree in Finance from the ISE – Universidade Técnica de Lisboa.

1981: Ph.D in Finance from Kent State University.

Professional activities in last 5 years and posts held in entities outside the Group, on 31 December 2011:

Member of the Board of Directors and Audit Committee of Sonae, SGPS, S.A.;
Member of the Audit Board of BPI – Banco Português de Investimento;
Professor of Finance, Faculty of Economics, Universidade Nova de Lisboa;
Guest Professor, Bentley College, USA;
Member of the Investment Committee of Portuguese Venture Capital Initiative – Fundo Europeu de Investimentos;
Member of the Consultative Working Group da CSER – Corporate Finance Standing Committee;
Independent consultant to various private companies and public entities.

No shares of Cimpor were held at 31 December 2011.

Paulo Henrique de Oliveira Santos (Member of the Board of Directors – since April 2011)

Date of birth	4 November 1958
Nationality	Brasilian
Date of 1st appointment	18 April 2011
End of the term-of-office	2012

Education:

Bachelor's degree in Engineering by the Faculty of Industrial Engineering (Brazil), Specialisation Course in Finance and Marketing, Fundação Getúlio Vargas; Owner/President Management Program, Harvard Business School.

Professional activities in last 5 years:

Financial Manager of Brasilpar Lda., one of Brazil's first private equity funds;
Financial Manager of Votorantim Metais and Executive Manager of Banco Votorantim, besides performing duties in other banks in São Paulo and New York in the treasury and Corporate Finance areas;
Involved in various M&A processes and privatisations, including that of CPFL, in which he led the transition team;
In charge of setting up and structuring Votorantim Novos Negócios, the private equity and venture capital division of the Votorantim Group (2000).

Positions in entities outside the Group, at 31 December 2011:

Member of the Board of Directors of Tivit - Terceirização de Processos, Serviços e Tecnologia, S.A.;
Chairman of the Board of Directors of Anfreixo, S.A.;
Managing Director of Votorantim Novos Negócios, Lda.;
Corporate Manager of Business Development of Votorantim Industrial, S.A..

No shares of Cimpor were held at 31 December 2011.

Francisco José Queiroz de Barros de Lacerda (Member of the Board of Directors and Chairman of the Executive Committee – since April 2010)

Date of birth	24 September 1960
Nationality	Portuguese
Date of 1st appointment	29 April 2010
End of the term-of-office	2012

Education:

Bachelor's Degree in Business Management and Administration from Universidade Católica Portuguesa.

Professional activities in last 5 years:

Director of Mague, SGPS, S.A. (2008-2010);
Executive Director of Banco Comercial Português (2000-2008) and member of the Board of Directors of various companies of the Millennium bcp Group during that period;
Those listed below.

Positions in other companies of the Cimpor Group, at 31 December 2011:

Chairman of the Board of Directors of Cimpor Inversiones, S.A. (Spain);
Chairman of the Board of Directors of Sociedade de Investimento Cimpor Macau, S.A. (Macau).

Positions in entities outside the Group, at 31 December 2011:

Member of the WBCSD Council (World Business Council for Sustainable Development);
Member of the Management of BCSD Portugal;
Member of the Board of Directors of EDP Renováveis, S.A.;
Manager of Deal Winds – Soc. Unipessoal Lda;
Member of the remuneration Committee of Portugal Telecom, S.A.;
Member of the Advisory Committee of the Master in Finance of Universidade Católica Portuguesa;
Member of the Advisory Committee of Nova School of Business & Economics;
Member of the General Board of Cascais Sailing Club;
Chairman of the Audit Board of Dragopor, Associação da Classe Internacional Dragão de Portugal.

Number of shares of Cimpor held at 31 December 2011:

25,000.

Luís Filipe Sequeira Martins (Member of the Board of Directors and the Executive Committee of Cimpor – Cimentos de Portugal, SGPS, S.A. – since January 1997. Between February 1987 and January 1997 he was also a director of the companies which, after a series of transformations, resulted in the present day Cimpor)

Date of birth	4 June 1947
Nationality	Portuguese
Date of 1st appointment	12 February 1987
End of the term-of-office	2012

Education:

Bachelor's Degree in Chemical Engineering from Instituto Superior Técnico of the Universidade Técnica de Lisboa.

Professional activities in last 5 years:

Executive Director of CIMPOR and member of the Board of Directors of several Group companies, in Portugal and abroad;
Vice-Chairman of the Liaison Committee of CEMBUREAU – European Cement Association;
Member of the Advisory Committee of the Luso Carbon Fund;
Member of the Management Board of BSCD Portugal;
Member of the Executive Committee of ATIC-Associação Técnica da Indústria do Cimento.

Positions in other companies of the Cimpor Group, at 31 December 2011:

Chairman of the Board of Directors:

- Cimpor Portugal, SGPS, S.A. (Portugal);
- Cimpor – Indústria de Cimentos, S.A. (Portugal);
- Cimpor Tec – Engenharia e Serviços Técnicos de Apoio ao Grupo, S.A. (Portugal);
- Amreyah Cement Company, S.A.E. (Egypt);
- Amreyah Cimpor Cement Company, S.A.E. (Egypt);
- Amreyah Dekheila Terminal Company, S.A.E. (Egypt);
- Cement Services Company, S.A.E. (Egypt);
- Cimpor Sacs Manufacture Company, S.A.E. (Egypt);
- Cimpor Trading, S.A., Sociedade Unipessoal (Spain);
- Cimpor Eco, S.L. (Spain).

Chairman of the Executive Committee of Corporación Noroeste, S.A. (Spain).

Member of the Board of Directors:

- Cimpor - Serviços de Apoio à Gestão de Empresas, S.A. (Portugal);
- Cimpor Inversiones, S.A.U. (Spain);
- Asment de Témara, S.A. (Morocco);
- Asment du Centre, S.A. (Morocco);
- CJO – Sociéte Les Ciments de Jbel Oust, S.A. (Tunisia);
- Natal Portland Cement Company (Pty) Limited (South Africa);
- NPC – Cimpor (Pty) Limited (South Africa);
- Cimpor Yibitas Çimento Sanayi ve Ticaret, A.S. (Turkey);
- Yibitas Yozgat Isçi Birligi Insaat Malzemeleri Ticaret ve Sanayi, A.S. (Turkey);
- Shree Digvijay Cement Company Limited (India);
- Sociedade de Investimento Cimpor Macau, S.A. (Macau).

Manager of Kandmad, SGPS, Lda. (Portugal).

Positions in entities outside the CIMPOR Group, at 31 December 2011:

Member of the Board of CEMBUREAU – European Cement Association;
Chairman of ATIC – Associação Técnica da Indústria do Cimento.

Number of shares of Cimpor held at 31 December 2011:

71,090.

António Carlos Custódio de Morais Varela (Member of the Board of Directors - since 13 May 2009, and Member of the Executive Committee - since 27 May 2009)

Date of birth	3 June 1956
Nationality	Portuguese
Date of 1st appointment	13 May 2009
End of the term-of-office	2012

Education:

Bachelor's Degree in Business Management and Organisation from Instituto Superior de Economia of the Universidade Técnica de Lisboa. Master of Sciences in Industrial Relations and Personnel Management from the London School of Economics and Political Science of London University.

Professional activities in last 5 years:

Managing Director of UBS AG, performing duties in its office in Portugal; Executive Director of CIMPOR – Chief Financial Officer (CFO) – and member of the Board of Directors of various Group companies, in Portugal and abroad.

Positions in other companies of the Cimpor Group, at 31 December 2011:

Chairman of the Board of Directors:
- Cimpor – Serviços de Apoio à Gestão de Empresas, S.A. (Portugal);
- Cimpor Reinsurance, S.A. (Luxembourg);
- Cimpor Egypt for Cement Company – S.A.E. (Egypt).

Member of the Board of Directors:
- Cimpor Inversiones, S.A. (Spain);
- Asment de Temara, S.A. (Morocco);
- Cimpor Yibitas Çimento Sanayi Ve Ticaret A.S. (Turkey).

Positions in entities outside the Group, at 31 December 2011:

Member of the Board of Directors of C+PA – Cimento e Produtos Associados, S.A. (Cimpor minority owned).

Number of shares of Cimpor held at 31 December 2011:

51,320.

Luís Miguel da Silveira Ribeiro Vaz (Member of the Board of Directors - since 13 May 2009, and Member of the Executive Committee - since 27 May 2009)

Date of birth	4 August 1965
Nationality	Portuguese
Date of 1st appointment	13 May 2009
End of the term-of-office	2012

Education:

Bachelor's Degree in Economics from Universidade Nova de Lisboa. MBA (INSEAD France).

Professional activities in last 5 years:

Executive Director:
- TAP, S.A.;
- TAP, SGPS, S.A..

Non-Executive Director of SPdH – Serviços Portugueses de Handling, S.A.

Advisor to the State Secretary to the Minister of Public Works and Communications;

Executive Director of Cimpor and member of the Board of Directors of various Group companies, in Portugal and abroad.

Positions in other companies of the Cimpor Group, at 31 December 2011:

Chairman of the Board of Directors:
- Asment du Centre, S.A. (Morocco);
- Asment de Temara, S.A. (Morocco);
- Société Les Ciments de Jbel Oust (Tunisia);
- Cimpor Yibitas Çimento Sanayi ve Ticaret A.S. (Turkey);
- Yibitas Yozgat Isci Birligi Insaat Malzemeleri Ticaret ve Sanayi A.S. (Turkey);
- Cimpor Yibitas Nakliyecilik Ticaret ve Sanayi A.S. (Turkey);
- Natal Portland Cement Company (PTY) Ltd. (South Africa);
- NPC – Cimpor (PTY) Ltd. (South Africa);
- CECIME – Cimentos, S.A. (Portugal);
- Cimpship – Transportes Marítimos, S.A. (Portugal);
- Cement Trading Activities – Comércio Internacional, S.A. (Portugal).
- IMOPAR – Imobiliária de Moçambique, S.A. (Mozambique).

Member of the Board of Directors:
- Cimpor Portugal, SGPS, S.A. (Portugal);
- Cimpor – Serviços de Apoio à Gestão de Empresas, S.A. (Portugal);
- Cimpor Inversiones, S.A. (Spain);
- Corporación Noroeste, S.A. (Spain);
- Cimpor Trading, S.A., Sociedade Unipessoal (Spain);
- Amreyah Cimpor Cement Company, S.A.E. (Egypt);
- Amreyah Cement Company, S.A.E. (Egypt);
- Cimpor Sacs Manufacture Company (Cimpsac Company) S.A.E. (Egypt).

Number of shares of Cimpor held at 31 December 2011:

23,320.

Professional qualifications and professional activities of the members of the Audit Board

Ricardo José Minotti da Cruz-Filipe (Chairman of the Audit Board - since March 1992, already holding since February 1987 the post of Chairman of the Supervisory Committee of CIMPOR – Cimentos de Portugal E.P.)

Date of birth	19 February 1934
Nationality	Portuguese
Date of 1st appointment	31 March 1992
End of the term-of-office	2012

Education:

Bachelor's Degree in Civil Engineering from Instituto Superior Técnico (IST).

Professional activities in last 5 years and posts held in entities outside the Cimpor Group, on 31 December 2011:

Chairman of the Special Group for Reprivatisation, of the Ministry of Finance;
Independent Member of the General and Supervisory Board of EDP – Energias de Portugal, S.A..

No shares of Cimpor were held at 31 December 2011.

Luís Black Freire d'Andrade (Member of the Audit Board – since May 2007)

Date of birth	4 October 1954
Nationality	Portuguese
Date of 1st appointment	11 May 2007
End of the term-of-office	2012

Education:

1977: Bachelor's Degree in Business Management and Administration from the Faculty of Human Sciences of Universidade Católica Portuguesa.

Professional activities in last 5 years:

Chairman of the Board of Directors of A. Black – Comércio e Indústria, S.A.;
Those listed below.

Positions in entities outside the Cimpor Group, at 31 December 2011:

Managing Partner of Plenty Adventure, Lda.;
Member of the Audit Board of Efacec Capital, SGPS, S.A..

No shares of Cimpor were held at 31 December 2011.

J. Bastos, C. Sousa Góis & Associados, SROC, Lda. represented by **Jaime de Macedo Santos Bastos** [1] (Member of the Audit Board - since 13 May 2009. Jaime de Macedo Santos Bastos was, in an individual capacity, substitute member of the Audit Board between May 2007 and January 2008 and full member from January 2008 to May 2009).

Date of birth	26 November 1956
Nationality	Portuguese
Data da 1ª designação	11 May 2007
End of the term-of-office	2012

Education:

1980: Bachelor's Degree in Business Administration and Management from the Faculty of Human Sciences of Universidade Católica Portuguesa.

1987: Statutory Auditor .

Professional activities in last 5 years and posts held in entities outside the Group, on 31 December 2011:

Statutory Auditor of various companies, representing the J. Bastos, C. Sousa Góis & Associados, SROC, Lda firm. (the firm is registered with the Portuguese Society of Statutory Auditors as number 104)

Neither the firm or its representative held any shares of Cimpor at 31 December 2011.

(1) On February 2012, Jaime de Macedo Santos Bastos resigned as representative of the entity above, being replaced by Ana Maria Celestino Alberto dos Santos.

ANNEX II

Declaration of the Remuneration Committee

2011

Under Law 28/2009[49], the Remuneration Committee presents the Declaration on the policy for remuneration of the members of the management and supervisory bodies, to be submitted to the Cimpor’s General Meeting.

In doing so, the Committee is performing a legal obligation, but is also acting in accordance with its duty to contribute to the adoption of the best corporate governance practices, in light of new recommendations on the issue, in particular, rules laid down by the CMVM to be applied to listed companies. This means that, in addition to the law already mentioned, this Declaration takes into account the applicable rules from the Portuguese Commercial Companies Code, the Portuguese Securities Code, CMVM Regulation no. 1/2010[50] and the Articles of Association of Cimpor, approved at the 2010 General Meeting.

1. Background

CIMPOR’s Articles of Association establish that “the remuneration policy, the amounts and methods for fixed and/or variable remunerations and the amounts to be paid to the members of the corporate bodies as compensation or indemnity for the termination of the respective legal contracts, will be fixed after hearing the Board of Directors or any special committee set up for this purpose if it exists, by the General Meeting or by a Remuneration Committee appointed by the former for periods of three years”, and CIMPOR’s shareholders have opted to confer the legal attributes provided for in relation to this issue upon “the Remuneration Committee”.

The current Remuneration Committee was elected at the General Meeting that took place on May 13th, 2009.

[49] Articles 2 and 3 of Law No. 28/2009 of 19 June
[50] 7 January 2010

2. The year 2010

The year 2010 was one of hard work for the Remuneration Committee, with a view to performing the obligations that fall upon it under Cimpor's Articles of Association[51]. In this way, the Committee carried on the work started in 2009 to conclude the definition of the remuneration policy for the respective corporate bodies.

For this purpose, the Remuneration Committee met once with the Appointments and Assessment Committee and several times with its Chairman, in order to keep up to date with the evolution of the work carried out in that Committee, which had the objective of defining the criteria for evaluation of performance of the members of the Executive Committee, as well as the areas of intervention of the two Committees which were established as follows:

a. Powers of the Remuneration Committee:

The powers are those attributed by the applicable legislation and by the Cimpor's Articles of Association, specifically article 16.

In this context, it falls to the Remuneration Committee to decide, in particular, on: (a) fixed remuneration of the management and supervisory bodies; (b) variable remuneration to be attributed to the members of the Executive Committee (annual and over more than one year); (c) contributions to retirement plans; and (d) financial benefits from plans for acquisition of shares and/or options, that are approved by the General Meeting upon the basis of a proposal from the Board of Directors.

In respect of variable remuneration, the Remuneration Committee decides in respect of the limit established in article 16 (6) of the Articles of Association, paying attention to the indications communicated by the shareholders, namely as to the following overall parameters: the upper limit for remuneration of the management and supervisory bodies as a percentage of the personnel costs of the company; the annual variation in the remuneration of the management and supervisory bodies; the proportion of the variable remuneration in respect of the total remuneration; and, distribution of the variable remuneration between the annual components and components relating to more than one year.

In these terms, as to variable remuneration, the Remuneration Committee will decide in light of the evaluation of the performance of the members of the Executive Committee carried out by the Nomination and Evaluation Committee and by the CEO, based on criteria that are as objective and as transparent as possible, so as to allow a comparison to be made with the leading non-financial companies on the PSI-20 and, usually with a group of cement companies with a size and geographical distribution comparable to that of CIMPOR.

[51] Article 16

b. Intervention of the Nomination and Evaluation Committee:

In respect of remuneration of the management and supervisory bodies, the intervention of the Nomination and Evaluation Committee is limited to evaluation of the performance of the members of Executive Committee, which will be taken into account in determining the variable component of the Total Annual Remuneration. The Remuneration Committee will be made aware of the performance evaluation criteria considered by the Nomination and Evaluation Committee, as well as the respective results, in sufficient time to allow due consideration and to make a subsequent decision.

c. Relationship between the Remuneration Committee and the majority shareholders and the Nomination and Evaluation Committee:

For the purposes of the proper performance of its duties – in particular, contributing to making the overall remuneration "package" of the Board of Directors more challenging, in order to achieve progressively more demanding business objectives – the Remuneration Committee shall receive the relevant guidelines in due time.

For the purpose of taking decisions, the Remuneration Committee and the Nomination and Evaluation Committee will preferably meet in the month following the General Meeting that votes on the total variable remuneration to be attributed to the Executive Committee, for information on the evaluation of the performance of the executive directors, on the basis of the approved ratings and criteria.

3. Direction Guideline for 2011

CMVM Regulation no. 1/2010 – Governance of Listed Companies - "establishes the information to be disclosed in respect of the remuneration of the management and supervisory bodies of issuing companies (…), following the publication of Law 28/2009, of June 19th".

In light of this regulatory framework, the Remuneration Committee will continue to make a contribution towards perfecting remuneration policy for CIMPOR's corporate bodies. Without prejudice to this guiding principle, this Committee considers that the adoption of best practices should be done in the context of an evolving process that enables the establishment, for each financial year, of progressively more demanding objectives, so that CIMPOR can establish itself as a reference for good business performance in the context of the cement industry.

Under these guidelines, the Remuneration Committee recommends the following to the CIMPOR shareholders and corporate bodies:

1. That the Corporate Governance Report should include all the issues set out in Chapter II, Section IV, of Annex I of CMVM Regulation no. 1/2010 with a particular focus on the designation of the body with power to carry out the evaluation of the performance of the executive directors and the definition of the pre-determined criteria on the basis of which the evaluation of this performance will be carried out;

2. That, in putting the recommendation set out in the previous number into effect, and in light of objectives of transparency and information to the market, the Corporate Governance Report should contain objective information on the following issues:

(a) Upper limit on the remuneration of the management and supervisory bodies as a percentage of the set of costs for personnel of the business;

(b) Assumption of the principle that the total annual remuneration covers the fixed remuneration, the variable remuneration and monetary benefits, such as pension plans and plans for acquisition of shares or options, but excluding costs relating to the use of automobiles and mobile phones;

(c) The percentage of the variable component of the remuneration, in the total annual remuneration of the directors who carry out executive duties;

(d) The part of the variable remuneration in respect of which payment is deferred, as well as the period of the deferral;

(e) Conditions to which the payment of the amounts of the variable remuneration with deferred payment are subject;

(f) The part of the variable component of the remuneration to be paid in financial instruments issued by the company, the valuation of which depends on the medium and long term performance of the company;

(g) Complementary pension plans approved from year to year on the basis of the positive performance of the company and of the director;

(h) The rules applicable to the directors without executive functions;

(i) Specific remuneration for the non-executive members of the Board of Directors who are members of the special committees that operate with dependence on the Board of Directors, or are appointed by the General Meeting.

3. That the fixed remuneration of the members of the Board of Directors, to take effect in 2011, be established on the basis of the following parameters:

Director that substitutes the President of the Executive Committee (CEO) in his absence and inability: 75 to 85% of the President of the Executive Committee (CEO);

Chief Financial Officer (CFO): 75 to 85% of the President of the Executive Committee (CEO)

Members of the Executive Committee: 70 to 80% of the President of the Executive Committee (CEO);

President of the Board of Directors: 65 to 75% of the President of the Executive Committee (CEO);

Non-executive members who chair the special committees: 20 to 30% of the President of the Executive Committee (CEO);

Non-executive members who are members of the special committees: 15 to 25% of the President of the Executive Committee (CEO);

Other non-executive directors who are not members of the special committees: 10 to 20% of the President of the Executive Committee (CEO);

In accordance with the principles defined above, there is an Annex to this Declaration setting out criteria for the evaluation of the performance of the members of the Executive Committee, proposed by the Nomination and Evaluation Committee and the parameters of reference for the remuneration policy.

4. Transition Adjustment

The Remuneration Committee understands that it is its duty to inform the shareholders that, on the issues of remuneration policy for the management and supervisory bodies, CIMPOR is following a process of adoption of recommendations of the CMVM, on the basis of the following principles:

a. Adjustment, all at once, and for the remaining part of the current term of office, of the relationship between the fixed and variable components, in the total annual remuneration, by reduction in the weight of the variable remuneration, with the corresponding increase in the fixed remuneration;

b. Future adoption of the rule for approval of fixed remuneration for the whole of the term of office, varying the total annual remuneration of the executive directors, of the evaluation of the performance of the company and of the individual performance in each financial year;

c. Non-reduction of the total annual remuneration, when the result of evaluation of the performance of the executive directors reaches the level of "Satisfactory", or greater, which will determine an appreciable increase in the fixed remuneration of the executive directors, already in of 2011, so as to accommodate the reduction in the variable remuneration;

d. Elimination of the monetary benefits with a relevant influence on the total annual remuneration, ensuring greater transparency in the distribution between: fixed remuneration; variable remuneration; pension plans (when approved by the General Meeting); and plans for acquisition of shares or options (also, when approved by the General Meeting).

March 18th, 2011

The Remuneration Committee

(Illegible signature)"

ANNEX

(to the Remuneration Committee Statement)

REFERENCE PARAMETERS FOR THE REMUNERATION POLICY

AND

EVALUATION OF THE PERFORMANCE OF THE EXECUTIVE DIRECTORS

1. Concept of total remuneration

The total annual remuneration covers the fixed remuneration, the variable remuneration and monetary benefits such as pension plans and plans for the acquisition of shares or options, excluding the costs related to the use of automobiles and mobile phones.

2. Structuring of the remuneration of the executive directors

The remuneration of the executive directors is made up of a fixed and a variable part.

The weight of the fixed remuneration (FR) and the variable remuneration (VR) may oscillate between a minimum for FR/VR of 100/0 and a maximum of 30/70, in the first case corresponding to a performance that does not reach the minimum acceptable level of performance and, in the second, where there is exceptional performance.

The distribution between these two remuneration components has as its starting point an appropriate balance between both, expressed as a 50/50 ratio in a scenario where 100% of the objectives associated with the criteria for variable remuneration are achieved. The is an emphasis on an aggressive progression of the variable component to induce performance and achievement, but this has an upper limit so as to de-incentivize the adoption of short term strategies that may create risks and imbalance for the Company.

3. Variable remuneration of the Executive Directors

The variable remuneration will be determined annually in accordance with the criteria referred to in 5.

50% of the payment of the variable remuneration in cash that is awarded annually is deferred for a period of three years from the date it is awarded, which will be in the month following the General Meeting that approved the accounts relating to the financial year to which the remuneration relates.

There may be variable remuneration in options, and the period for the exercise of these options will be a minimum of three years from the date they are allocated, with an exercise price that is equal to the quotation value of the share at the moment it is allocated.

The payment of the deferred variable remuneration (in cash and in options) is subject to the continuation of the positive performance of the company and is defined annually by the Remuneration Committee, taking into account the appropriate indicators, an evaluation of the economic and financial context of the company, the economy and the sector, and also exceptional factors that are outside the control of the management and that may influence the Company's performance.

4. Remuneration of the non-executive Directors

The remuneration of the non-executive directors is exclusively fixed and paid in cash.

5. Criteria for evaluation of the variable remuneration

The criteria for evaluation of the performance of the executive directors are divided into four broad groups:

- Individual criteria and collective criteria: In this context it is intended that there should be greater value given to the collective criteria to the detriment of the individual criteria, taking into consideration the number of executive directors of CIMPOR and the duties distributed;

- Stock market performance criteria: These criteria relate to the creation of value for the shareholders (through Total Shareholder Return) and, as supported by best practices, they favour an element of comparability, whether on the level of the domestic market (preferably with reference to the PSI – 20), or in the cement sector (by defining a Sector Peer Group with reference to companies of a size and geographical distribution comparable to those of CIMPOR);

- Company's profitability criteria: For this area, growth indicators are taken into account (growth of the EBITDA in relation to the budget) and comparison within the comparability by sector (creation of value and the relative performance of the profitability of the assets, by comparison with the Sector Peer Group);

- Qualitative management criteria: These criteria relate to the degree to which the investment plans are brought to fruition and to an individual evaluation of the Executive Directors by the Nomination and Evaluation Committee.

The combination of these four sets of criteria ensures alignment with the interests of the shareholders, an appropriate incentive to management performance, the continuation of real growth of the company, the creation of wealth for the shareholders, as well as the long term sustainability of the Company.

ANNEX III

Declaration of the Remuneration Committee

2012

"Under Articles 2 and 3 of Law no. 28/2009, of 19th June, the Remuneration Committee shall present the Statement on the remuneration policy for the members of the management and supervisory bodies, to be submitted to CIMPOR's General Meeting.

In doing so, the Committee is performing a legal obligation, but is also acting in accordance with its duty to contribute to the adoption of the best corporate governance practices, in the light of new recommendations on the issue, in particular those laid down by the CMVM to be applied to listed companies. This means that, in addition to the law already mentioned, this Statement takes into account the applicable rules from the Portuguese Commercial Companies Code, the Portuguese Securities Code, CMVM Regulation no. 1/2010, of 7th January 2010, and CIMPOR's Articles of Association.

1. The year 2011

As a result of the intense work carried out – in 2010 and during the first months of 2011 – during which the Remunerations Committee had the opportunity to contribute on its own initiative, as well as through all the requests made by the shareholders represented in the management bodies, it was possible to approve a new remuneration policy for the management bodies that introduced deep changes relative to the practices traditionally adopted by the company. Briefly summarised, the new policy is grounded on the following pillars:

(a) Conformity with what is established by law on this matter;
(b) Relevant guidelines and recommendations released by CMVM, particularly in its Company Governance Code;
(c) Alignment with the practices of the main listed companies in Portugal;
(d) Adjustment to the company's specific markets, in harmony with the expressed wishes of the shareholders represented in the management bodies.

The new policy was thoroughly described in Chapter III – Company Governance Report of CIMPOR's Report and Accounts, approved at the General Meeting on 18th April 2011. In number II of that report, relative to the management and supervisory bodies, one can find, among other items that comply with legal obligations, the following independent matters which translate the remunerations policy followed by the company and to which the Remuneration Committee draws the attention of the shareholders:

Item II.29. Company Remuneration Policy;

Item II.30. Description of the remuneration policy for the management and supervisory bodies mentioned in Article 2 of Law no. 28/2009, of 19th June;

Item II.32. Alignment of the interests of the members of the management bodies with the company's long-term interests, as well as on the basis for the performance evaluation and how it discourages assuming excessive risk;

Item II.33. Relative to the remuneration of the executive directors:

(a) Reference to the fact that the remuneration of the executive directors includes a variable component and information on how this component depends on the performance evaluation;
(b) Indication of the company bodies competent to carry out the performance evaluation on the executive directors;
(c) Indication of pre-determined criteria to evaluate the performance of the executive directors;
(d) Relative importance of the variable and fixed components of the director's remunerations, as well as indication as to each component's top limits;
(e) Deferment of the payment of the remuneration's variable component;
(f) Explanation on how the payment of the variable remuneration is subject to the continuing positive performance by the company throughout the deferment period;
(g) Sufficient information on the criteria on which the allocation of the variable remuneration in shares is based, as well as on how the executive directors may maintain the company's shares to which they had access, on the possible signing of contracts relative to those shares, namely hedging or risk transfer contracts, respective limit, and its ratio, compared to the total annual remuneration;
(h) Enough information on the criteria on which the allocation of the variable remuneration in options is based, and indication of the deferment period and price;
(i) Identification of the main parameters and grounds of any annual bonus system and any other non-monetary benefits;
(j) Remuneration paid as profit sharing and/or payment of bonuses, and the reasons for granting these bonuses and/or profit sharing;
(k) Indemnities paid or due to former executive directors for the termination of the respective legal contracts during the financial year;
(l) Reference to the contractual limitation foreseen for compensation to be paid for discharging a director without just cause, and its ratio compared to the remuneration's variable component;
(m) Amounts of any type paid by other controlling or group companies;
(n) Description of the main features of complementary pension or early retirement schemes for directors, indicating whether or not they were subject to discussion at the general meeting;
(o) Forecast of the amount of non-monetary benefits considered as remuneration not covered in the previous situations:
(p) Mechanisms that prevent executive directors from signing contracts that may put into question the reason for the variable remuneration.

Item II.34. Reference to the fact that the remuneration of the management bodies' non-executive directors does not include variable components.

These pertinent topics are re-analysed in Chapter III of CIMPOR’s Report and Accounts, to highlight the crucial aspects of the remunerations policy for the company’s management and supervisory bodies, which might otherwise go unnoticed by the shareholders, authorities or other persons interested in how CIMPOR conducts its activity. It also serves to expressly and formally recognise the fact that all the objectives set forth in the Statement made by this Committee, and respective annex, included in Item 4 on the Agenda of the Annual General Meeting, which took place on 18 April 2011, were fulfilled. The Remunerations Committee considers that, by acting in this way, CIMPOR is providing all the useful information on the remunerations policy followed for its management and supervisory bodies to the market.

2. Guidelines for 2012

The Remuneration Committee understands that, after the progress made, CIMPOR favourably fulfils the most demanding standards of compliance of the legal obligations, recommendations and guidelines in force on this matter. It is now necessary to allow enough time for the new evaluation performance model to demonstrate all its potential, which, during this first year of enforcement, has only now begun to be perceived.

On the other hand, this Committee does not ignore that the company’s management bodies are fulfilling their term-of-office relative to 2009/2012. Considering both these facts, we believe it is prudent not to make any changes to the system implemented during this last year of office, unless stipulated by specific legislation.

Finally, the option made by the management bodies of including a specific chapter for disclosing the remunerations individually earned by the company’s management and supervisory bodies – broken down into fixed and variable components (Item II.31 of the 2010 Report and Accounts) – in the Report and Accounts, provides the market and all the interested parties with enough information to analyse not only the policy followed but also the corresponding results.

In view of the aforesaid, the Remuneration Committee recommends that the same remunerations policy and performance evaluation system, as reflected in Chapter III of CIMPOR’s 2010 Report and Accounts, be maintained throughout the financial year 2012.

22nd March 2012”

The Remuneration Committee

(Illegible signature)”

List of Shareholders possessing Qualifying Holdings[1]

Shareholders	Nº of Shares	% of Share Capital [2]	% of Voting Rights
Camargo Corrêa Group	**221,360,153**	**32.94%**	**32.94%**
Rosana Camargo de Arruda Botelho,Renata de Camargo Nascimento and Regina de Camargo Pires Oliveira Dias who, jointly, directly control the company RRRPN - Empreendimentos e Participações, S.A. and individually, respectively, the companies (a) RCABON Empreendimentos e Participações, S.A. and RCABPN Empreendimentos e Participações, S.A.; (b) RCNON Empreendimentos e Participações, S.A. and RCNPN Empreendimentos e Participações, S.A.; and (c) RCPODON Empreendimentos e Participações, S.A. and RCPODPN Empreendimentos e Participações, S.A..	221,360,153	32.94%	32.94%
Through the companies RRRPN Empreendimentos e Participações, S.A., RCABON Empreendimentos e Participações, S.A., RCABPN Empreendimentos e Participações, S.A., RCNON Empreendimentos e Participações, S.A., RCNPN Empreendimentos e Participações, S.A., RCPODON Empreendimentos e Participações, S.A. and RCPODPN Empreendimentos e Participações, S.A..	221,360,153	32.94%	32.94%
Through the jointly and directly controlled company, Participações Morro Vermelho, S.A.	221,360,153	32.94%	32.94%
Through the company Camargo Corrêa, S.A. which it fully controls.	221,360,153	32.94%	32.94%
Through the company Camargo Corrêa Cimentos Luxembourg, S.à.r.l.	221,360,153	32.94%	32.94%
Votorantim Group	**142,492,130**	**21.20%**	**30.84%**
António Ermírio de Moraes, who directly controls the company AEM Participações S.A., Ermírio Pereira de Moraes, who directly controls the company ERMAN Participações S.A., Maria Helena Moraes Scripilliti who directly controls the company MRC Participações, S.A., and José Ermírio Moraes Neto, José Roberto Ermírio de Moares and Neide Helena de Moraes, who jointly and directly control the company JEMF Participações, S.A.	142,492,130	21.20%	30.84%
Through the companies AEM Participações, S.A., ERMAN Participações, S.A., MRC Participações, S.A. and JEMF Participações, S.A.	142,492,130	21.20%	30.84%
Through the jointly and directly controlled company, Hejoassu Administração, S.A.	142,492,130	21.20%	30.84%
Through the company Votorantim Participações, S.A. which it controls	142,492,130	21.20%	30.84%
Directly and through the company Votorantim Industrial, S.A., which it controls	142,492,130	21.20%	30.84%
Through the company Votorantim Cimentos, S.A. [5]	142,492,130	21.20%	**30.84%**
Manuel Fino, SGPS, S.A.	**71,735,860**	**10.67%**	**20.27%**
Through its fully and directly controlled companies Limar, Limited e Jevon, Limited.	71,735,860	10.67%	20.27%
Through the company Investifino - Investimentos e Participações, SGPS, S.A. [3][7], controlled by Limar, Limited and participated by Jevon, Limited.	71,735,860	10.67%	20.27%
On its own account	71,734,000	10.67%	20.27%
Through members of its board of directors and audit committee	1,460	0.00%	0.00%
Through its fully and directly controlled companies:			
Fino Participações SGPS, S.A.	100	0.00%	0.00%
Predifino – Sociedade Imobiliária, S.A.	100	0.00%	0.00%
Quinta da Ramada Imobiliário, S.A.	100	0.00%	0.00%
Quinta da Ramada – Sociedade Agrícola, SA.	100	0.00%	**0.00%**
Banco Comercial Português, S.A. (BCP) and BCP Pension Fund	**67,474,186**	**10.04%**	**10.04%**
Banco Comercial Português, S.A. and entities related to it [4]	274,186	0.04%	0.04%
Banco Comercial Português, S.A.	500	0.00%	0.00%
Banco Millennium BCP Investimento, S.A.	261,586	0.04%	0.04%
Fundação Banco Comercial Português	12,100	0.00%	0.00%
Fundo de Pensões do Banco Comercial Português, S.A.	67,200,000	10.00%	10.00%
Caixa Geral de Depósitos, S.A. (CGD) [6]	**64,776,365**	**9.64%**	**30.84%**
On its own account	64,473,258	9.59%	30.80%
Through Caixa Seguros e Saúde, SGPS, S.A., which it fully owns	92,101	0.01%	0.01%
Through Fidelidade Mundial, S.A., which it fully owns	83,564	0.01%	0.01%
Through Império Bonança – Companhia de Seguros, S.A., which it fully owns	8,537	0.00%	0.00%
Through Parcaixa, SGPS, S.A., which it controls	54,653	0.01%	0.01%
Through Fundo de Pensões da Caixa Geral de Depósitos, S.A.	156,353	0.02%	0.02%

[1] As per official qualifying shareholdings announcements and other information received by the company

[2] With voting rights

[3] The company is fully controlled by Manuel Fino, SGPS, S.A.

[4] As foreseen in article 20 of the Portuguese Securities Code

[5] Attribution of voting rights according to the Shareholders' Agreement signed with Caixa Geral de Depósitos, S.A., under article 20 of the Portuguese Securities Code.

[6] Attribution of voting rights according to the Shareholders' Agreement signed with Votorantim Cimentos, S.A., under article 20 of the Portuguese Securities Code.

[7] Call option over 64.406.000 shares (9,6% of the share capital) held by Caixa Geral de Depósitos, S.A. on its behalf. As announced, this call option matured without exercice on February 2012

INFORMATION REQUIRED BY LAW

In accordance with the provisions of Article 447 of the Companies’ Code and CMVM Regulation No. 5/2008, there follows the information on Cimpor share and bond movements during 2011, belonging to members of the management and supervisory bodies, managers (Persons discharging managerial responsibilities) and entities closely related thereto:

Shares

Members of Board of Directors and Audit Committee

Shareholders	No. of Shares 31-12-2010	No. of Shares 31-12-2011	2011 Trading Acquisitions	2011 Trading Disposals	2011 Trading Price €	2011 Trading Date
António José de Castro Guerra	10,000	10,000				
Francisco José Queiroz de Barros de Lacerda	25,000	25,000				
José Manuel Baptista Fino	1,050	1,050				
Luís Filipe Sequeira Martins	71,090	71,090				
Manuel Luis Barata de Faria Blanc	75,795					
			25,000		2.850	31/Mar
			25,000		4.250	31/Mar
		125,795				
António Carlos Custódio Morais Varela	51,320	51,320				
Luís Miguel da Silveira Ribeiro Vaz	23,320	23,320				

Persons discharging managerial responsibilities

Shareholders	No. of Shares 31-12-2010	No. of Shares 31-12-2011	2011 Trading Acquisitions	Disposals	Price €	Date
Alexandre Roncon Garcez de Lencastre	26,880					
			4,200		4.250	25/Mar
			6,200		2.850	25/Mar
			5,100		4.250	25/Mar
			2,808		4.077	30/May
		45,188				
Álvaro João Serra Nazaré	12,730					
			3,400		4.250	25/Mar
			3,700		2.850	25/Mar
			2,400		4.250	25/Mar
			2,538		4.077	30/May
		24,768				
Álvaro Nunes Gomes	9,080					
			2,400		2.850	25/Mar
		11,480				
Angel Longarela Pena	4,640					
			2,500		2.850	25/Mar
		7,140				
Duarte Nuno Ferreira Marques da Silva	10,330					
			1,700		4.250	25/Mar
			2,500		2.850	25/Mar
			1,800		4.250	25/Mar
			2,800		4.077	30/May
		19,130				
Fernando Santos Plaza	9,240					
			2,300		4.250	25/Mar
			3,200		2.850	25/Mar
			2,300		4.250	25/Mar
			2,501		4.077	30/May
		19,541				
João Sande e Castro Salgado	11,330					
			2,500		4.250	25/Mar
			3,300		2.850	25/Mar
		17,130				
Jorge Manuel Afonso Esteves dos Reis	12,480					
			2,800		4.250	25/Mar
			3,600		2.850	25/Mar
			2,700		4.250	25/Mar
			2,246		4.077	30/May
		23,826				
Sara Marques Steiger Garção Esteves dos Reis [1]	270					
		270				

Jorge Manuel Pereira Saraiva	6,474 (2)					
			1,631		4.077	30/May
		8,105				
José Augusto Bras Chaves	25,500					
			5,200		4.250	25/Mar
			6,800		2.850	25/Mar
			5,200		4.250	25/Mar
			3,274		4.077	30/May
		45,974				
Pedro Manuel de Freitas Pires Marques	8,620					
				155	5.080	21/Mar
				2,975	5.080	21/Mar
				216	5.080	21/Mar
				499	5.080	21/Mar
				205	5.080	21/Mar
				320	5.080	21/Mar
				131	5.080	21/Mar
				499	5.080	21/Mar
			2,000		4.250	25/Mar
			2,700		2.850	25/Mar
			2,000		4.250	25/Mar
			2,089		4.077	30/May
		12,409				
Pieter Karl Strauss	0 (2)					
			2,452		4.077	30/May
		2,452				
Sérgio José Alves de Almeida	9,260					
			1,800		4.250	25/Mar
			2,400		2.850	25/Mar
			1,800		4.250	25/Mar
			1,905		4.077	30/May
		17,165				
Valter Garbinatto de Albuquerque	4,370					
				383	4.857	11/Feb
				617	4.856	11/Feb
				1,000	4.955	14/Apr
		2,370				
Victor Manuel de Barros Albuquerque	6,520					
			2,800		4.250	25/Mar
			3,000		2.850	25/Mar
			2,079		4.077	30/May
		14,399				
Vitor Miguel Martins Jorge da Silva	3,100 (2)					
			1,449		4.077	30/May
		4,549				

(1) Person closely related to Jorge Manuel Afonso Esteves dos Reis, manager of the Group

(2) At the time of inclusion on the list of managers, provided for in Article 15 of CMVM Regulation No. 5/2008 (11/05/2011). Statements of subscription to the ODS plan signed by 30 June with retroactive effect to 18 April 2011.

Stock Options:

Members of Board of Directors and Audit Committes

Shareholders	Series	Sale Price	Options due in: 2012	2013	Between 2014 and 2017	Attribution Date
Francisco José Queiroz de Barros de Lacerda	ODS 2011	€ 4.986			150,000	18/Apr/11
Luís Filipe Sequeira Martins	P'04 2009	€ 2.850	25,000	-	-	1/Jun/09
			(25,000)	-	-	31-May-11(1)
	P'04 2010	€ 4.250	22,000	22,000	-	21/May/10
			(22,000)	(22,000)	-	31-May-11(1)
	ODS 2011	€ 4.986			171,000	18/Apr/11
António Carlos Custódio Morais Varela	P'04 2010	€ 4.250	22,000	22,000	-	21/May/10
			(22,000)	(22,000)		31-May-11(1)
	ODS 2011	€ 4.986			154,333	18/Apr/11
Luís Miguel da Silveira Ribeiro Vaz	P'04 2010	€ 4.250	21,000	21,000	-	21/May/10
			(21,000)	(21,000)	-	31-May-11(1)
	ODS 2011	€ 4.986			138,000	18/Apr/11
Manuel Luis Barata de Faria Blanc	P'04 2009	€ 2.850	25,000	-	-	1/Jun/09

(1) Exercise by financial settlement, with payment partially deferred and tied to the positive performance of the Company, to ensure compliance with the new philosophy of aligning interests of employees with Cimpor.

Persons discharging managerial responsibilities

Shareholders	Series	Sale Price	Options due in: 2012	2013	Between 2014 and 2017	Attribution Date
Alexandre Roncon Garcez de Lencastre	P'04 2009	€ 2.850	6,200	-	-	01/Jun/09
	P'04 2010	€ 4.250	5,100	5,100	-	21/May/10
	ODS 2011	€ 4.986			25,400	18/Apr/11
Álvaro João Serra Nazaré	P'04 2009	€ 2.850	3,700	-	-	01/Jun/09
	P'04 2010	€ 4.250	3,400	3,400	-	21/May/10
	ODS 2011	€ 4.986			14,000	18/Apr/11
Álvaro Nunes Gomes	P'04 2009	€ 2.850	2,400	-	-	01/Jun/09
	P'04 2010	€ 4.250	1,700	1,700	-	21/May/10
Angel Longarela Pena	P'04 2009	€ 2.850	2,500	-	-	01/Jun/09
	P'04 2010	€ 4.250	-	-	-	21/May/10
	ODS 2011	€ 4.986			6,700	18/Apr/11
Duarte Nuno Ferreira Marques da Silva	P'04 2009	€ 2.850	2,500	-	-	01/Jun/09
	P'04 2010	€ 4.250	1,700	1,700	-	21/May/10
	ODS 2011	€ 4.986			6,400	18/Apr/11
Fernando Santos Plaza	P'04 2009	€ 2.850	3,200	-	-	01/Jun/09
	P'04 2010	€ 4.250	2,300	2,300	-	21/May/10
	ODS 2011	€ 4.986			9,200	18/Apr/11
João Sande e Castro Salgado	P'04 2009	€ 2.850	3,300	-	-	01/Jun/09
	P'04 2010	€ 4.250	2,500	2,500	-	21/May/10
	ODS 2011	€ 4.986			12,600	18/Apr/11
Jorge Manuel Afonso Esteves dos Reis	P'04 2009	€ 2.850	3,600	-	-	01/Jun/09
	P'04 2010	€ 4.250	2,800	2,800	-	21/May/10
	ODS 2011	€ 4.986			10,500	18/Apr/11
Jorge Manuel Pereira Saraiva	P'04 2009	€ 2.850	1,300		-	01/Jun/09
	P'04 2010	€ 4.250	1,000	1,000	-	21/May/10
	ODS 2011	€ 4.986			9,300	18/Apr/11
José Augusto Bras Chaves	P'04 2009	€ 2.850	6,800	-	-	01/Jun/09
	P'04 2010	€ 4.250	5,200	5,200	-	21/May/10
	ODS 2011	€ 4.986			20,200	18/Apr/11
Pedro Manuel de Freitas Pires Marques	P'04 2009	€ 2.850	2,700	-	-	01/Jun/09
	P'04 2010	€ 4.250	2,000	2,000	-	21/May/10
	ODS 2011	€ 4.986			7,700	18/Apr/11
Pieter Karl Strauss	ODS 2011	€ 4.986			5,200	18/Apr/11
Sérgio José Alves de Almeida	P'04 2009	€ 2.850	2,400	-	-	01/Jun/09
	P'04 2010	€ 4.250	1,800	1,800	-	21/May/10
	ODS 2011	€ 4.986			7,900	18/Apr/11

Valter Garbinatto de Albuquerque	P04 2009	€ 2.850	2,000	-	-	01/Jun/09
	P04 2010	€ 4.250	1,000	1,000	-	21/May/10
	ODS 2011	€ 4.986			8,300	18/Apr/11
Victor Manuel de Barros Albuquerque	P04 2009	€ 2.850	3,000	-	-	01/Jun/09
	P04 2010	€ 4.250	2,800	2,800	-	21/May/10
	ODS 2011	€ 4.986			10,500	18/Apr/11
Vitor Miguel Martins Jorge da Silva	P04 2009	€ 2.850	1,800		-	01/Jun/09
	P04 2010	€ 4.250	1,300	1,300	-	21/May/10
	ODS 2011	€ 4.986			7,900	18/Apr/11

Bonds

Issued by CIMPOR Financial Operations, BV[1] (CIMPPL 4,5 27/05/2011) with a Face Value of € 1,000

Name	No. of Bonds 31-12-2010	No. of Bonds 31-12-2011	2011 Trading Matured	2011 Trading Date
Francisco José Queiroz de Barros de Lacerda	13,000	-	13,000	27/May/11
Luís Miguel da Silveira Ribeiro Vaz	500	-	500	27/May/11
Caixa-Banco de Investimento, S.A.[2]	5,923	-	5,923	27/May/11

[1] Company 100% owned by Cimpor - Cimentos de Portugal, SGPS, S.A.

[2] Presented here by the fact that Jorge Humberto Correia Tomé, member of the Board of Directors of Cimpor (resigned from the post in February 2012), is a member of the Board of Directors of Caixa-Banco de Investimento, S.A.

Companies closely related to Board Members

Shareholders	No. of Shares 31-12-2010	No. of Shares 31-12-2011	2011 Trading Acquisitions	2011 Trading Disposals	2011 Trading Unit Price €	2011 Trading Date
Camargo Corrêa Cimentos Luxembourg, S.à.r.l [1]	221,360,153	221,360,153				
Votorantim Cimentos S.A.[2]	142,492,130	142,492,130				
Investifino – Investimentos e Participações, SGPS, S.A.[3]	71,734,000	71,734,000				
Caixa Geral de Depósitos, S.A.[4]	64,477,124		208,458		4.865[5]	Between January 4 and December 1
				212,324	4.942[5]	
		64,473,258				
Parcaixa, SGPS, S.A.[4]	57,653		139,531		4.946[5]	Between January 14 and October 20
				142,531	5.151[5]	
		54,653				
Companhia de Seguros Fidelidade-Mundial, S.A.[4]	20,700		64,089		5.083[5]	March 15 and December 29
				1,225	5.230[5]	
		83,564				
Império Bonança - Companhia de Seguros, S.A.[4]	1,390		8,537		5.041[5]	Between March 15 and May 23
				1,390	5.230[5]	
		8,537				

[1] As José Édison Barros Franco, related thereto, is also a member of the Board of Directors of Cimpor.
[2] As Walter Schalka, related thereto, is also a member of the Board of Directors of Cimpor.
[3] As José Manuel Baptista Fino, related thereto, is also a member of the Board of Directors of Cimpor.
[4] As Jorge Humberto Correia Tomé, related thereto, is also a member of the Board of Directors of Cimpor. (Resigned from the post in February 2012).
[5] Average Prices. Detailed information regarding these transactions is disclosed in annex to this report.

Shares encumbrance:

Shareholders	No. of Shares 31-12-2010	No. of Shares 31-12-2011	2011 Trading Encumbrance	Unencumbrance	Date
Investifino – Investimentos e Participações, S.G.P.S [1]	71.734.000				
		71.734.000			

[1] As José Manuel Baptista Fino, related thereto, is also a member of the Board of Directors of Cimpor.

Shares Options:

Beneficiary	Number of Shares	Type of Option	Current Shares Holder	Term of Option
Investifino – Investimentos e Participações, S.G.P.S[1] [2]	64,406,000	Call	Caixa Geral de Depósitos, S.A.	February 16th, 2012

[1] As officially disclosed in a Qualifying Holding announcement of 16 February 2009 following the disposal of this shareholding of Investifino - Investimentos e Participacoes, SGPS to Caixa Geral de Depósitos, S.A., at the price of €4.75 per share.

[2] In accordance with disclosure to the market that this option matured without being exercised in February 2012.

Annex:

Treasury Stock:
(Disposals)

Date	Unit Price	Quantity
25-Mar	2.850	165,650
25-Mar	4.250	91,560
25-Mar	4.250	100,562
31-Mar	2.850	25,000
31-Mar	4.250	25,000
30-May	4.077	238,770
3-Jun	4.077	233
30-Jun	4.077	3,924

Caixa Geral de Depósitos, S.A.
(Acquisitions)

Date	Unit Price	Quantity
11-Jan	4.937	603
11-Jan	4.937	1,100
11-Jan	4.937	1,696
11-Jan	4.937	4,634
11-Jan	4.950	2,237
11-Jan	4.950	2,125
11-Jan	4.950	1,241
26-Jan	5.005	2,400
26-Jan	5.005	831
26-Jan	5.005	1,798
26-Jan	5.006	934
26-Jan	5.006	4,894
26-Jan	5.006	51
27-Jan	4.960	15,000
31-Jan	4.910	1,100
31-Jan	4.910	874
31-Jan	4.910	400
31-Jan	4.910	500
31-Jan	4.910	92
31-Jan	4.916	879
31-Jan	4.916	818
31-Jan	4.916	246
31-Jan	4.916	1,762
1-Feb	4.970	10,000
2-Feb	4.910	16,750
3-Feb	4.855	10,000
4-Feb	4.875	55
4-Feb	4.876	303
4-Feb	4.876	90
4-Feb	4.879	4,016
4-Feb	4.879	1,045
4-Feb	4.869	25,000
10-Feb	4.853	356
10-Feb	4.853	735
10-Feb	4.868	1,091

Caixa Geral de Depósitos, S.A.
(Acquisitions)

Date	Unit Price	Quantity
10-Feb	4.871	761
10-Feb	4.871	330
10-Feb	4.884	66
10-Feb	4.884	1,570
21-Feb	4.830	25,000
6-Apr	5.020	1,699
6-Apr	5.020	608
6-Apr	5.020	419
28-Apr	4.642	25,000
3-May	4.571	12,469
4-May	4.700	12,531
6-Jul	5.381	1,140
6-Jul	5.381	860
6-Jul	5.381	1,140
6-Jul	5.381	860
11-Jul	5.282	831
11-Jul	5.282	831
11-Jul	5.282	68
11-Jul	5.282	68
11-Jul	5.282	695
11-Jul	5.282	1,637
11-Jul	5.282	27
27-Jul	5.170	18
2-Aug	5.257	184
2-Aug	5.258	478
2-Aug	5.258	271
2-Aug	5.258	265
2-Aug	5.260	306
2-Aug	5.260	300
2-Aug	5.260	1,400
2-Aug	5.260	433
2-Aug	5.260	537

Caixa Geral de Depósitos, S.A.
(Disposals)

Date	Unit Price	Quantity
4-Jan	5.093	850
4-Jan	5.093	116
4-Jan	5.120	227
4-Jan	5.120	2,188
4-Jan	5.126	1,322
4-Jan	5.132	484
4-Jan	5.141	5
4-Jan	5.141	559
4-Jan	5.141	32
4-Jan	5.141	213
4-Jan	5.141	157
5-Jan	5.062	323
5-Jan	5.062	1,247
5-Jan	5.062	1,898
5-Jan	5.062	1,646
5-Jan	5.071	595
5-Jan	5.071	1,000
7-Jan	5.121	278
7-Jan	5.121	222
7-Jan	5.121	682
7-Jan	5.121	84
7-Jan	5.121	500
24-Jan	4.925	405
24-Jan	4.925	3,149
24-Jan	4.925	1,213
24-Jan	4.930	5,361
24-Jan	4.930	230
24-Jan	4.930	550
2-Feb	4.915	1,100
2-Feb	4.915	472
2-Feb	4.915	1,080
2-Feb	4.916	502
2-Feb	4.917	200
2-Feb	4.917	300
2-Feb	4.920	266

Caixa Geral de Depósitos, S.A.
(Disposals)

Date	Unit Price	Quantity
2-Feb	4.920	1,500
7-Feb	4.854	531
7-Feb	4.855	2,000
7-Feb	4.856	1,844
7-Feb	4.860	1,232
7-Feb	4.860	797
7-Feb	4.860	906
7-Feb	4.860	875
7-Feb	4.860	2,145
7-Feb	4.860	387
7-Feb	4.860	797
7-Feb	4.860	958
7-Feb	4.871	1,074
7-Feb	4.871	1,711
7-Feb	4.871	26
8-Feb	4.892	518
8-Feb	4.892	27
8-Feb	4.907	545
8-Feb	4.907	545
8-Feb	4.908	55
9-Feb	4.906	1,091
14-Feb	4.950	545
14-Feb	4.969	1,091
15-Feb	4.970	547
15-Feb	4.993	368
15-Feb	4.993	747
15-Feb	5.000	1,067
15-Feb	5.024	545
23-Feb	4.890	25,000
24-Feb	4.936	10,309
25-Feb	4.936	14,691
1-Mar	4.980	20
1-Mar	4.980	235
1-Mar	4.980	253
1-Mar	4.980	9
1-Mar	4.980	253
1-Mar	4.980	275
1-Mar	4.980	239
1-Mar	4.981	18
1-Mar	4.983	275
1-Mar	4.983	2
1-Mar	4.984	237
1-Mar	4.987	245
1-Apr	5.091	364
1-Apr	5.093	336
1-Apr	5.093	61
1-Apr	5.100	346
1-Apr	5.100	353
1-Apr	5.100	242
1-Apr	5.103	51

Caixa Geral de Depósitos, S.A.
(Disposals)

Date	Unit Price	Quantity
1-Apr	5.103	304
1-Apr	5.103	349
1-Apr	5.103	394
1-Apr	5.106	27
7-Apr	5.063	547
7-Apr	5.064	130
7-Apr	5.064	280
7-Apr	5.064	1,426
7-Apr	5.064	343
2-May	4.770	25,000
3-May	4.570	3,173
3-May	4.570	500
5-May	4.715	25,000
6-May	4.795	108
6-May	4.795	300
6-May	4.795	856
6-May	4.795	836
6-May	4.795	200
6-May	4.795	200
6-May	4.795	913
6-May	4.795	260
8-Jun	5.299	1,177
1-Jul	5.300	1,485
1-Jul	5.318	612
1-Jul	5.298	531
1-Jul	5.320	519
1-Jul	5.318	510
1-Jul	5.312	500
1-Jul	5.320	53
1-Jul	5.332	39
1-Jul	5.311	39
5-Jul	5.461	860
5-Jul	5.461	857
5-Jul	5.461	857
5-Jul	5.461	857
5-Jul	5.461	857
8-Jul	5.468	658
8-Jul	5.468	575
8-Jul	5.468	499
8-Jul	5.468	293
8-Jul	5.468	282
8-Jul	5.468	265
8-Jul	5.468	219
8-Jul	5.468	193
8-Jul	5.468	166
8-Jul	5.468	120
8-Jul	5.468	108
8-Jul	5.468	101
8-Jul	5.468	75
8-Jul	5.468	65

Caixa Geral de Depósitos, S.A.
(Disposals)

Date	Unit Price	Quantity
8-Jul	5.468	39
8-Jul	5.468	37
8-Jul	5.468	36
8-Jul	5.468	34
8-Jul	5.468	34
8-Jul	5.468	24
8-Jul	5.468	18
8-Jul	5.468	2
22-Jul	5.260	1,412
22-Jul	5.260	1,171
22-Jul	5.260	500
22-Jul	5.260	448
22-Jul	5.260	304
22-Jul	5.260	183
22-Jul	5.260	139
1-Aug	5.387	767
1-Aug	5.387	191
19-Aug	4.976	804
19-Aug	4.976	515
19-Aug	4.976	500
19-Aug	4.975	500
19-Aug	4.975	500
19-Aug	4.975	500
19-Aug	4.975	452
19-Aug	4.904	355
19-Aug	4.975	48
1-Sep	5.310	3,683
1-Sep	5.335	1,144
1-Sep	5.320	295
3-Oct	4.922	3,328
3-Oct	4.930	1,000
3-Oct	4.922	306
3-Oct	4.930	108
3-Oct	4.930	100
3-Oct	4.922	100
3-Oct	4.920	80
3-Oct	4.920	80
3-Oct	4.922	31
1-Nov	5.200	3,611
1-Nov	5.200	1,532
1-Dec	5.041	3,886
1-Dec	5.050	675
1-Dec	5.041	590

Companhia de Seguros Fidelidade-Mundial, S.A. (Acquisitions)

Date	Unit Price	Quantity
15-Mar	5.060	8,593
22-Mar	5.011	85
22-Mar	5.011	19
22-Mar	5.011	711
22-Mar	5.014	2,000
22-Mar	5.014	50
22-Mar	5.014	2,000
22-Mar	5.014	1,141
22-Mar	5.024	917
22-Mar	5.025	1,000
22-Mar	5.025	670
29-Mar	5.020	70
29-Mar	5.020	889
29-Mar	5.020	50
29-Mar	5.020	994
29-Mar	5.020	402
29-Mar	5.024	916
29-Mar	5.025	150
29-Mar	5.025	863
29-Mar	5.025	187
29-Mar	5.025	1,200
29-Mar	5.025	1,200
29-Mar	5.025	1,200
29-Mar	5.025	473
1-Apr	5.091	881
1-Apr	5.091	119
1-Apr	5.091	235
1-Apr	5.091	35
1-Apr	5.091	64
1-Apr	5.091	58
1-Apr	5.091	325
1-Apr	5.099	202
1-Apr	5.099	994
1-Apr	5.100	1,729
1-Apr	5.100	4
1-Apr	5.105	4
1-Apr	5.105	2,228
1-Apr	5.106	180
1-Apr	5.106	412
1-Apr	5.106	33
1-Apr	5.106	233
1-Apr	5.122	858
6-Apr	5.020	1,000
6-Apr	5.020	4,000
6-Apr	5.020	65
6-Apr	5.020	7,803
6-Apr	5.022	1,000
6-Apr	5.022	3,326
23-May	5.221	2,222

Companhia de Seguros Fidelidade-Mundial, S.A. (Acquisitions)

Date	Unit Price	Quantity
23-May	5.221	304
23-May	5.221	21
23-May	5.221	21
23-May	5.229	556
23-May	5.229	51
23-May	5.229	51
23-May	5.270	2,001
23-May	5.270	2,500
23-May	5.270	153
23-May	5.270	553
23-May	5.270	198
23-May	5.270	449
23-May	5.270	265
23-May	5.270	921
23-May	5.270	69
23-May	5.270	210
23-May	5.270	1,193
23-May	5.270	7
23-May	5.270	477
17-Nov	5.059	60
29-Dec	5.187	239

Companhia de Seguros Fidelidade-Mundial, S.A. (Disposals)

Date	Unit Price	Quantity
23-May	5.230	340
23-May	5.230	885

Império Bonança - Companhia de Seguros, S.A. (Acquisitions)

Date	Unit Price	Quantity
15-Mar	5.060	63
15-Mar	5.060	527
15-Mar	5.060	253
15-Mar	5.060	49
15-Mar	5.060	318
15-Mar	5.060	212
22-Mar	5.011	1
22-Mar	5.011	54
22-Mar	5.011	38
22-Mar	5.011	2
22-Mar	5.011	40
22-Mar	5.014	859
22-Mar	5.024	151
22-Mar	5.025	277
29-Mar	5.020	111
29-Mar	5.020	130
29-Mar	5.020	153
29-Mar	5.020	3
29-Mar	5.024	102
29-Mar	5.024	50
29-Mar	5.025	873
1-Apr	5.091	283
1-Apr	5.099	198
1-Apr	5.100	287
1-Apr	5.105	4
1-Apr	5.105	4
1-Apr	5.105	52
1-Apr	5.105	41
1-Apr	5.105	159
1-Apr	5.105	110
1-Apr	5.106	142
1-Apr	5.122	142
6-Apr	5.020	2,132
6-Apr	5.022	717

Império Bonança - Companhia de Seguros, S.A. (Acquisitions)

Date	Unit Price	Quantity
23-May	5.230	1,390

Parcaixa, SGPS, S.A. (Acquisitions)

Date	Unit Price	Quantity
14-Jan	5.045	21
14-Jan	5.045	28
14-Jan	5.045	1
14-Jan	5.045	576
14-Jan	5.045	29
14-Jan	5.045	345
14-Jan	5.045	501
14-Jan	5.045	94
14-Jan	5.045	405
14-Jan	5.045	296
14-Jan	5.045	704
14-Jan	5.050	123
14-Jan	5.050	205
14-Jan	5.050	576
14-Jan	5.050	1,126
14-Jan	5.050	85
14-Jan	5.050	4
14-Jan	5.050	357
14-Jan	5.050	1
14-Jan	5.050	17
14-Jan	5.050	1
14-Jan	5.050	505
21-Jan	4.990	3,000
21-Jan	4.990	1,980
21-Jan	4.990	1,020
21-Jan	4.990	19
21-Jan	4.990	804
21-Jan	4.990	411
21-Jan	4.990	1,785
21-Jan	4.990	981
21-Jan	4.996	100
21-Jan	5.000	362
21-Jan	5.000	100
21-Jan	5.000	500
21-Jan	5.000	5,000
21-Jan	5.000	205
21-Jan	5.000	124
21-Jan	5.000	1,494
21-Jan	5.000	1,000
21-Jan	5.000	1,115
16-Feb	4.949	818
16-Feb	4.949	818
16-Feb	4.949	7,200
16-Feb	4.949	818
16-Feb	4.949	346
16-Feb	4.950	2,655
16-Feb	4.950	34
16-Feb	4.950	118
16-Feb	4.950	7,193
16-Feb	4.950	313

Parcaixa, SGPS, S.A.
(Acquisitions)

Date	Unit Price	Quantity
16-Feb	4.950	1,008
16-Feb	4.950	3,788
16-Feb	4.950	4,891
9-Mar	4.953	2,500
9-Mar	4.953	933
9-Mar	4.955	201
9-Mar	4.955	144
9-Mar	4.955	155
9-Mar	4.955	472
9-Mar	4.955	528
9-Mar	4.955	99
9-Mar	4.955	11
9-Mar	4.955	19
9-Mar	4.955	396
9-Mar	4.955	54
9-Mar	4.955	2
9-Mar	4.955	44
9-Mar	4.955	12
9-Mar	4.957	1,000
9-Mar	4.957	871
9-Mar	4.960	2,218
9-Mar	4.960	282
9-Mar	4.960	100
9-Mar	4.960	500
9-Mar	4.960	33
9-Mar	4.960	467
9-Mar	4.960	1,500
9-Mar	4.960	18
9-Mar	4.960	41
9-Mar	4.965	250
9-Mar	4.965	492
9-Mar	4.966	1,758
9-Mar	4.968	2,500
9-Mar	4.969	860
9-Mar	4.969	640
9-Mar	4.970	578
9-Mar	4.970	52
9-Mar	4.970	270
27-Apr	4.614	663
27-Apr	4.614	937
27-Apr	4.620	2,609
27-Apr	4.620	800
27-Apr	4.620	391
27-Apr	4.622	196
27-Apr	4.622	1,204
27-Apr	4.635	914
27-Apr	4.635	1,917
27-Apr	4.635	169
28-Apr	4.560	9
28-Apr	4.560	742

Parcaixa, SGPS, S.A.
(Acquisitions)

Date	Unit Price	Quantity
28-Apr	4.560	37
28-Apr	4.560	2
28-Apr	4.560	2
28-Apr	4.560	1,208
28-Apr	4.570	776
28-Apr	4.570	194
28-Apr	4.570	10
28-Apr	4.570	1
28-Apr	4.570	806
28-Apr	4.570	40
28-Apr	4.570	2
28-Apr	4.570	805
28-Apr	4.570	40
28-Apr	4.570	2
28-Apr	4.570	1,324
28-Apr	4.586	1,570
28-Apr	4.586	298
28-Apr	4.586	925
28-Apr	4.586	1,207
7-Sep	5.180	1,000
7-Sep	5.180	1,000
7-Sep	5.180	527
7-Sep	5.180	102
7-Sep	5.180	371
7-Sep	5.180	289
7-Sep	5.180	137
7-Sep	5.180	711
7-Sep	5.180	107
7-Sep	5.180	45
7-Sep	5.180	148
7-Sep	5.180	74
7-Sep	5.180	468
7-Sep	5.180	21
7-Sep	5.180	500
7-Sep	5.180	500
7-Sep	5.180	500
7-Sep	5.180	405
7-Sep	5.180	95
7-Sep	5.180	22
7-Sep	5.180	95
7-Sep	5.180	1,905
7-Sep	5.180	383
7-Sep	5.180	500
7-Sep	5.180	95
7-Sep	5.178	1
7-Sep	5.178	1,499
7-Sep	5.178	3,500
7-Sep	5.173	2,000
7-Sep	5.179	3,000
8-Sep	5.180	2,000

Parcaixa, SGPS, S.A.
(Acquisitions)

Date	Unit Price	Quantity
8-Sep	5.180	353
8-Sep	5.180	337
8-Sep	5.180	1,310
8-Sep	5.180	2
8-Sep	5.180	998
8-Sep	5.179	1
8-Sep	5.177	200
8-Sep	5.177	10
8-Sep	5.177	1
8-Sep	5.177	301
8-Sep	5.177	289
8-Sep	5.177	199
8-Sep	5.177	117
8-Sep	5.177	383
8-Sep	5.177	309
8-Sep	5.177	190
13-Sep	4.883	500
13-Sep	4.883	4,200
13-Sep	4.883	500
13-Sep	4.883	558
13-Sep	4.883	500
13-Sep	4.883	500
13-Sep	4.883	242
14-Sep	4.855	500
14-Sep	4.855	500
14-Sep	4.855	500
14-Sep	4.855	500
14-Sep	4.855	500
14-Sep	4.855	500
14-Sep	4.855	500
14-Sep	4.855	78
14-Sep	4.855	422
14-Sep	4.855	211
14-Sep	4.855	258
14-Sep	4.855	60
14-Sep	4.855	182
14-Sep	4.855	19
14-Sep	4.855	1
19-Sep	4.835	5,000

Parcaixa, SGPS, S.A.
(Disposals)

Date	Unit Price	Quantity
18-Mar	5.100	3,000
18-Mar	5.100	794
18-Mar	5.100	692
18-Mar	5.100	1,359
18-Mar	5.100	155
18-Mar	5.110	859
18-Mar	5.110	1,278
18-Mar	5.110	2,505
18-Mar	5.110	358
18-Mar	5.110	582
18-Mar	5.110	3,000
18-Mar	5.110	1,418
18-Mar	5.110	378
18-Mar	5.110	4,622
18-Mar	5.110	2,712
18-Mar	5.110	2,288
18-Mar	5.126	6,000
18-Mar	5.126	319
18-Mar	5.126	1,855
18-Mar	5.126	2,353
18-Mar	5.126	1,293
18-Mar	5.126	180
18-Mar	5.126	1,167
18-Mar	5.126	3,529
18-Mar	5.126	2,471
18-Mar	5.126	833
17-May	5.055	150
17-May	5.055	850
17-May	5.055	1,000
17-May	5.059	583
17-May	5.060	1,000
17-May	5.065	156
17-May	5.065	48
17-May	5.065	1,000
17-May	5.065	1,000
17-May	5.070	213
17-May	5.070	1,000
17-May	5.070	2,000
17-May	5.070	1,000
17-May	5.079	1,000
17-May	5.080	1,000
17-May	5.080	497
17-May	5.080	196
17-May	5.080	307
17-May	5.080	3,000
17-May	5.080	390
17-May	5.080	110
17-May	5.080	500
17-May	5.080	500
17-May	5.080	500

Parcaixa, SGPS, S.A.
(Disposals)

Date	Unit Price	Quantity
17-May	5.081	278
17-May	5.081	722
17-May	5.082	1,000
17-May	5.082	145
17-May	5.082	855
17-May	5.082	498
17-May	5.082	502
17-May	5.082	1,000
17-May	5.083	1,000
17-May	5.083	48
17-May	5.083	812
17-May	5.083	140
17-May	5.083	346
17-May	5.083	654
17-May	5.083	1,000
17-May	5.083	410
17-May	5.083	1,590
17-May	5.083	1,000
17-May	5.083	1,000
17-May	5.083	279
17-May	5.084	1,000
17-May	5.084	698
17-May	5.084	153
17-May	5.084	949
17-May	5.084	1,000
17-May	5.084	231
17-May	5.084	769
17-May	5.084	1,000
17-May	5.084	1,000
17-May	5.084	980
17-May	5.084	1,020
17-May	5.084	576
17-May	5.085	21
17-May	5.085	500
17-May	5.085	1,000
17-May	5.085	1,000
17-May	5.085	263
17-May	5.085	737
17-May	5.085	424
17-May	5.086	1,000
17-May	5.086	1,000
17-May	5.086	1,000
17-May	5.087	200
17-May	5.111	2,000
17-May	5.150	2,000
18-May	5.250	8,000
25-May	5.360	500
25-May	5.360	1,500
25-May	5.360	500
25-May	5.360	2,000

Parcaixa, SGPS, S.A.
(Disposals)

Date	Unit Price	Quantity
25-May	5.360	500
25-May	5.370	1,176
25-May	5.370	824
8-Jun	5.370	2,500
8-Jun	5.370	500
9-Jun	5.425	5,000
4-Jul	5.490	2,000
4-Jul	5.490	688
4-Jul	5.490	1,312
4-Jul	5.490	1,000
13-Sep	4.886	400
13-Sep	4.886	92
13-Sep	4.886	508
13-Sep	4.891	16
13-Sep	4.891	16
13-Sep	4.891	484
13-Sep	4.891	26
13-Sep	4.891	1
13-Sep	4.891	473
13-Sep	4.891	500
13-Sep	4.887	180
13-Sep	4.887	39
13-Sep	4.887	265
13-Sep	4.882	304
13-Sep	4.880	696
13-Sep	4.883	1,000
13-Sep	4.885	1,000
13-Sep	4.885	268
13-Sep	4.885	700
13-Sep	4.885	32
20-Oct	5.200	1,292
20-Oct	5.200	3,708
20-Oct	5.304	432
20-Oct	5.304	4,299

Information Disclosed and Sources of Information

In its capacity as an issuer of securities admitted to trading on the market, Cimpor - Cimentos de Portugal, SGPS, SA (Cimpor) published the following information during the 2011 financial year on the site of the Group and the specific sites of its various subsidiaries. According to law or regulations, these announcements were also published on the site of the CMVM and Euronext, and also the Justice site when specifically required.

4 February 2011	Acquisition of 28,292 shares in the market by parties related with a manager.
23 February 2011	Summary of opinions of the Economic Monitoring Office (Ministry of Finance – Brazil) relative to the market concentration involving the operations of Cimpor in Brazil.
1 March 2011	2010 Consolidated Results
1 March 2011	Disposal of 1,000 shares in the stock market by a manager.
23 March 2011	Resignation of Álvaro Luís Veloso from the Board of Directors.
24 March 2011	Notice of Meeting and other preparatory documents for the General Meeting of Shareholders of 18 April 2011 (General Meeting) - including the Annual Report and Accounts, Corporate Governance Report and Annual Summary of Disclosed Information of 2010.
24 March 2011	Justice Portal: Notice of Meeting and other preparatory documents for the General Meeting.
25 March 2011	Completion of the acquisition of 51% of the share capital of CINAC - Cimentos de Nacala, S.A. from Camargo Corrêa Cimentos, S.A..
28 March 2011	Disposal of 5,000 shares in the stock market by a manager.
30 March 2011	New Notice of Meeting and other preparatory documents for the General Meeting.
31 March 2011	Justice Portal: New Notice of Meeting and other preparatory documents for the General Meeting.
1 April 2011	Acquisition of 144,300 shares off market by thirteen managers.
18 April 2011	Resolutions of the General Meeting, namely the approval of all proposals submitted, including: - the election of Paulo Henrique de Oliveira Santos as a new member of the Board of Directors and his authorisation to work in competitors; - the remuneration policy and share plans under the new philosophy of aligning the interests of employees with Cimpor;

	- the removal of the requirement to block shares to attend and vote at the General Meeting;
	- the elimination of lifetime pension rights for members of the Board of Directors.
26 April 2011	Information concerning the payment of the dividend of 2010.
10 May 2011	1st Quarter 2010 Results and respective Consolidated Interim Financial Report.
10 May 2011	Construction from zero of an integrated clinker and cement production plant at Cerrado Grande, Paraná, Brazil
10 May 2011	Public offering of the allocation of Cimpor shares under the 2011 3C Plan – aimed at employees.
13 May 2011	Disposal of 1,000 shares in the stock market by a manager.
30 May 2011	Announcement of the results of the public offering of Cimpor shares under the 2011 3C Plan. Off-market disposal of a total of 238,770 shares to 291 employees at the average price of 4,077 euros per share.
6 June 2011	Acquisition of 24,972 shares off-market by eleven managers (under the 3C Plan).
7 June 2011	Justice Portal: Resignation of Álvaro Luís Veloso as member of the Board of Directors.
7 June 2011	Justice Portal: amendments to articles 7 and 16 of the articles of association and approved by the General Meeting and election of Paulo Henrique de Oliveira Santos as a new member of the Board of Directors.
7 June 2011	Justice Portal: correction of administrative data input to the computer system of this portal.
14 June 2011	Acquisition of 2,800 shares off-market by one manager (under the 3C Plan) – and other corrections to the communication of 6 June 2011.
22 July 2011	Acquisition of 70,754 shares in the market by parties related with a manager.
25 July 2011	Update of the EMTN - Euro Medium Term Note Programme.
27 July 2011	Reply by Camargo Corrêa S.A., to press reports – states that there is no decision to launch a takeover bid of Cimpor.
17 August 2011	1st Half 2011 Results and respective Consolidated Interim Financial Report.
1 September 2011	Decision of *Standard & Poor’s* to confirm the *rating* of Cimpor and lowers its exposure to the risk of Portugal.

1 October 2011	Justice Portal: filing of the individual and consolidated financial statements and accounting documents for the 2010 financial year.
8 November 2011	3rd Quarter 2011 Results and respective Consolidated Interim Financial Report.

IV. SUPERVISION AND AUDIT DOCUMENTS

REPORT AND OPINION OF THE AUDIT BOARD ON THE CONSOLIDATED AND INDIVIDUAL ACCOUNTS FOR 2011

Dear Shareholders,

As required by current laws and in compliance with the articles of association of CIMPOR – Cimentos de Portugal, SGPS, S.A. and with our mandate, the Audit Board hereby submits its report on the activities carried out and issues its opinion on the information and consolidated and individual financial statements for 2011, which were submitted to it for analysis by the Board of Directors.

1. Work of the Audit Board

The Audit Board, as usual, accompanied the activities and business of the Company and its main subsidiaries, specifically by analysing the accounting documents and records, reading minutes of meetings of the Board of Directors and Executive Committee and viewing and analysing other related documents in order to assess compliance with the law and articles of association. The Audit Board also carried out tests and other validation and verification procedures, to the extent that it deemed appropriate in the circumstances.

As part of its work the Audit Board kept in regular contact with the members of the Executive Committee and the Board of Directors, as well as with the Company's various departments, and with the Company's departments, particularly the Internal Audit department. It analysed the positive development of activities, having obtained the additional information and clarifications it considered necessary. In particular, it analysed the report for 2011 by the Internal Audit Office, noting that it includes a desired greater level of pro-activity for fulfilling its mission. Thus the decision to make the methodology used in the twelve countries in which Cimpor does business uniform is appreciated.

At the end of December the Cimpor Group's new Regulations on Reporting Irregularities was launched and it is the responsibility of the Audit Board to receive, supervise the handling of those reports, and to reach conclusions, with the direct support of the Internal Auditor. Conclusions will be sent to the Chairman of the Board of Directors, or to the Chairman of the Executive Committee, depending on the involvement required.

This year, once it has been entirely concluded and it is systematically operational, the Group's Risk Control and Management is due to be implemented, which is so important for making reasoned decisions, and which will also, because of its implications for the Internal Audit department, become one of the future responsibilities of the Audit Board.

In compliance with the articles of association, the Audit Board met on a monthly basis and also on other occasions, whenever circumstances required it. This was in conjunction with the work of each of the members of the Audit Board to analyse documents provided and accompany the progress of the Company and its subsidiaries, as well as in relation to its financial situation, and the progress of operations by geographical region and business area, and the analysis of the new approved organisational model, and comparing management forecasting instruments with the performance achieved.

Throughout the year it maintained elucidative dialogue with the Statutory Auditor, which simultaneously performed the role of External Auditor. In 2011, the Audit Board, in line with current legislation and regulations, was also involved, as is its responsibility, in hiring the External Auditor, as well as being called on to give its opinion on the amount and type of non-audit services that could be provided to the Cimpor Group by that Auditor. As well as this, it issued favourable reports on a number of operations: Remuneration agreement with the Chief Executive, due to the decision to cancel the possibility of receiving pension supplements, agreements for the end of derivatives transactions of the company’s shares for three board members; and, specifically, hiring a number of services beyond auditing from the External Auditor.

The individual accounts for the 2011 financial year were analysed, along with corresponding annexes, which the company drew up in line with IFRS.

The Audit Board also naturally accompanied the process of preparing the consolidated financial statements, and checked the consolidation perimeter. In relation to the companies within the consolidation perimeter located in Portugal, the audit Board examined their respective reports and opinions issued by their supervisory boards in line with applicable legal requirements and those of the articles of association. In relation to companies with headquarters outside Portugal, the reports issued by their auditors were examined, which described how their respective audits were carried out, and what the conclusions of these were.

2. Management Report

In a complete and developed report as is customary and, in this financial year a particularly well organised report, the Board of Directors of Cimpor gives details of the group’s progress in 2011. It was a year in which it had to face a worsening of the crisis in the financial markets and an overall slowdown of economic growth. This slowdown was not universal however, and the so-called emerging or developing markets, in some of which Cimpor – in a fortunate anticipation strategy – decided to invest, made it possible to offset the economic and financial consequences of the crises and slowdown.

The Company’s strategic pillars, set out in 2010 continued and will continue to guide Cimpor’s progress and development, but the company will have to boost its efficiency, organisation, and management methodology criteria in order, in the long term, to overcome this settled-in crisis without affecting it objectives.

In this regard:

− the proven effectiveness of the BEST cost programme,
− the restructuring in China and Turkey, which led to substantial improvements in results,
− implementation of centralised Procurement and co-processing areas,
− a new model for human resources organisation;
− a focus on growth in Brazil and in Mozambique due to the domestic dynamism of those countries,

and so many other small and larger moves, which the Report describes, bear witness to the intelligent and effective way in which Cimpor has been able and will continue to react to the adverse conditions the World is experiencing.

It is thus important to note that, in the particularly unfavourable climate of the Euro Zone countries (particularly the peripheral ones), Cimpor continues to have an investment grade rating, which has been dissociated from that of the Portuguese Republic. As well as this, in turbulent capital markets, Cimpor’s shares in 2011 posted an annual rise of almost 5%, in spite of the instability of the “Arab Spring” and the austerity commitments of Portugal and Spain.

Consolidated turnover was, despite the abovementioned limitations, the highest ever – 2.275 billion euros – with growth of 1.6% against the previous year, although physical sales of cement and clinker fell by 2.7%. These fell particularly in Portugal, Spain and Egypt, due to the aforementioned factors, but rose considerably in Brazil, Turkey, Morocco, Mozambique and South Africa. And, in terms of turnover growth in Brazil (now the main contributor to Cimpor’s revenues) should be noted, as it should in Turkey, in China and even in Mozambique. We should note that for cement and clinker sales, which is Cimpor's main business, the weight of so-called emerging markets now accounts for 82% of the total.

However, the adverse economic climate led to a fall in operating cashflow, as well as in Net Income, which totalled just 0.295 euros per share, which was 18% less than in the previous year. Keeping to a similar proportion to last year’s, between Dividend and Net Income, and if the Board of Director’s proposal is approved, the distributed Dividend will be of 0.166 euros per share. If this proposal is approved at the Shareholder’s Meeting, the Dividend/Share ratio on 31 December will be the same as it was in 2009. We would also like to point out that PER rose from 14 to 18.

Provisions increased significantly, due to imparities of tangible fixed assets in Spain and because of a boost to the amount related to processes of a fiscal nature in Brazil.

The drop in Financial Results is fundamentally the result of increased spreads, some of which were the result of increased operating investments totalling 295 million euros (or rather, 80% more than investment in the previous year) mainly focused on increasing production capacity in Mozambique and Brazil in order to keep up with the growth in demand expected in these markets.

Despite this increase in investment, Cimpor’s string capacity to generate cashflow made it possible to maintain its debt levels in 2011. It is important to note that of the Financial Liabilities set out at the end of 2011 for the 2012/2013 period, just 16% of this amount had yet to be re-financed. This amount, in fact has been guaranteed by operations at the beginning of 2012.

It is also important to pick out of the Report from the Board of Directors the detailed description of Corporate Governance, which gives a transparent picture of the way in which Cimpor operates and gives a general outline of the risks that the Company has to cover. We would like to note the continuation of active policies of sustainable development, social responsibility and health and safety in the workplace for its staff.

To conclude, we would like to point out that 2011 was a year in which the shareholder structure remained stable, and the shareholders’ agreement between Votorantin and Caixa Geral de Depósitos remained in place.

3. Individual Financial Statements

The Audit Board duly analysed the individual financial statements for the year ending 31st December, 2011, which include the balance sheet, the results statements, by nature and by function, cashflow statements and corresponding annexe, drawn up by the Board of Directors, this year in line with IFRS, as previously noted.

The proposal of application of results presented by the Board of Directors is in accordance with applicable legal provisions and the requirements of the articles of association.

4. Consolidated Financial Statements

The Audit Board analysed the consolidated financial statements – consolidated by global integration in the controlled companies, by the equity method in associated companies and proportional consolidation when there are other shareholders - which include the consolidated balance sheet at 31st December, 2011, consolidated financial results statement, consolidated financial income statement and recognised expenses, consolidated cashflow statement and corresponding annexes, drawn up by the Board of Directors. The accounting principles used in the preparation and presentation were in line with International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as compliance with the law and articles of association.

5. Conclusions

The Audit Board has viewed the Statutory Audit Certificate and the Audit Report on the consolidated and individual accounts issued by the Statutory Auditor and External Auditor, with which it agrees without reservation, or emphasis.

In the performance of our duties we detected no infringement of the law or articles of association, or any matters that materially affect the true and appropriate picture of the financial situation of the results and cashflow both on an individual and consolidated basis.

The work carried out by the Statutory Auditor and the External Auditor receives a positive evaluation and its relationship with the Audit Board remains increasingly consistent.

Finally, the Audit Board wishes to thank the Board of Directors, particularly the Executive Committee, and the various managers and other staff at the Company with whom it has been in contact.

In view of the above, the Audit Board issues the following:

6. Opinion

The Consolidated Annual Report, the consolidated and individual balance sheet, for 2011, are in accordance with the applicable accounting standards and legal requirements and of the articles of association, as is the proposal for application of results, and therefore meet the conditions for approval by the General Shareholder Meeting.

Lisbon, 23th March, 2012

Ricardo José Minotti da Cruz-Filipe
Chairman

Luís Black Freire d'Andrade
Member

J. Bastos, C. Sousa Góis & Associados,
SROC, Lda., represented by,
Ana Maria Celestino Alberto dos Santos
Member

DECLARATION

(pursuant to 245 (1) c) of the Portuguese Securities Code)

As far as we are aware: The information outlined in article 245(1) a) of the Portuguese Securities Code was drawn up in conformity with applicable accounting standards, providing a true and accurate picture of assets and liabilities, the financial situation and the results of CIMPOR – Cimentos de Portugal, SGPS, S.A., and the companies included in the consolidation perimeter (CIMPOR Group); and the management report is a faithful account of the development of the business, the performance and position of the CIMPOR Group and contains a description of the main risks and uncertainties that it faces.

Lisbon, 23th March, 2012

The Audit Board

Ricardo José Minotti da Cruz-Filipe
Chairman

Luís Black Freire d’Andrade
Member

J. Bastos, C. Sousa Góis & Associados,
SROC, Lda., represented by,
Ana Maria Celestino Alberto dos Santos
Member

LEGAL CERTIFICATION OF ACCOUNTS AND AUDITORS’ REPORT

(Translation of a report originally issued in Portuguese)

Introduction

1. In compliance with the applicable legislation we hereby present our Legal Certification of Accounts and Auditors’ Report on the consolidated and individual financial information contained in the Board of Directors’ Report and the accompanying consolidated and individual financial statements of Cimpor – Cimentos de Portugal, SGPS, S.A. (“the Company”) for the year ended 31 December 2011, which comprise the consolidated and individual statement of financial position as of 31 December 2011 (that presents a total of 5,237,038 thousand Euros and 1,357,410 thousand Euros, respectively and consolidated and individual shareholders’ equity of 2,084,341 thousand Euros and 1,276,751 thousand Euros, respectively, including a consolidated net profit attributable to the shareholders of the Company of 198,132 thousand Euros and an individual net profit of 110,233 thousand Euros), the consolidated and individual statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended and the corresponding notes.

Responsibilities

2. The Company’s Board of Directors is responsible for: (i) the preparation of consolidated and individual financial statements which present a true and fair view of the financial position of the Company and of the companies included in the consolidation, the consolidated and individual results and comprehensive income of their operations, the changes in their consolidated and individual shareholders’ equity and their consolidated and individual cash flows; (ii) the preparation of historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union (“IAS/IFRS”) and that is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of appropriate systems of internal control; and (iv) the disclosure of any significant facts that have influenced the operations of the Company and of the companies included in the consolidation, their financial position or the results and comprehensive income of their operations.

3. Our responsibility is to audit the consolidated and individual financial information contained in the accounting documents referred to above, including verifying that, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code, and to issue a professional and independent report based on our audit.

Scope

4. Our audit was performed in accordance with the Auditing Standards ("*Normas Técnicas e Directrizes de Revisão/Auditoria*") issued by the Portuguese Institute of Statutory Auditors ("*Ordem dos Revisores Oficiais de Contas*"), which require the audit to be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated and individual financial statements are free of material misstatement. The audit included verifying, on a test basis, evidence supporting the amounts and disclosures in the consolidated and individual financial statements and assessing the significant estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation. The audit also included verifying the consolidation procedures, the application of the equity method and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting policies used, their uniform application and their disclosure, taking into consideration the circumstances, verifying of the applicability of the going concern assumption, assessing the adequacy of the overall presentation of the consolidated and individual financial statements and assessing, in all material respects, if the financial information is complete, true, timely, clear, objective and licit. Our audit also included verifying that the consolidated and individual financial information included in the Board of Directors' Report is consistent with the consolidated and individual financial statements as well as performing the procedures set forth in numbers 4 and 5 of the article 451 of the Portuguese Commercial Code. We believe that our audit provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated and individual financial statements referred to in paragraph 1 above, present fairly, in all material respects, the consolidated and individual financial position of Cimpor – Cimentos de Portugal, SGPS, S.A. as of 31 December 2011 and the consolidated and individual results and comprehensive income of its operations, the changes on its consolidated and individual shareholders' equity and its consolidated and individual cash flows for the year then ended, in accordance with International Financial Reporting Standards as endorsed by the European Union and that the information included therein is, under the terms of the definitions contained in the auditing standards referred to in paragraph 4 above, complete, true, timely, clear, objective and licit.

Reporting on other legal requirements

7. It is also our opinion that the consolidated and individual financial information included in the Board of Directors' Report is consistent with the annual consolidated and individual financial statements and the Corporate Governance Report includes the information required by article 245 - A of the Portuguese Securities Market Code.

Lisbon, 23 March 2012

Deloitte & Associados, SROC S.A.
Represented by João Luís Falua Costa da Silva

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CIMPOR – Cimentos de Portugal, SGPS, S.A.

Public Company

Share Capital: 672,000,000 Euros

Tax and Lisbon Companies Registry and Registration number: 500 722 900

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