



2014

Financial
Statements



Building
sustainable
partnerships

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Consolidated Statements of Financial Position as of December 31, 2014 and 2013

(In thousands of euros - €)

ASSETS	Notes	12.31.2014	12.31.2013	LIABILITIES AND EQUITY	Notes	12.31.2014	12.31.2013
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalents	4	801,755	1,227,676	Trade payables		272,348	296,836
Securities	5	90,240	50,570	Debentures	11	-	179
Trade receivables	6	165,185	181,012	Borrowings and financing	10	169,869	104,682
Inventories	7	452,613	428,469	Interest payable	10 and 11	97,401	76,652
Recoverable taxes		77,583	76,248	Taxes payable		62,879	57,401
Assets classified as held for sale		1,867	237	Payroll and related taxes		55,427	54,053
Related parties	15	-	868	Dividends and interest on capital	16	51,363	39,134
Other receivables		71,815	73,218	Advances from customers		24,434	17,397
Total current assets		1,661,058	2,038,298	Related parties	15	2,234	1,131
				Actuarial liabilities	14	904	903
				Other payables		42,168	26,576
NONCURRENT ASSETS				Total current liabilities		779,026	674,944
Securities	5	2,564	1,627	NONCURRENT LIABILITIES			
Trade receivables	6	117	245	Trade payables		107,171	13,496
Inventories	7	15,031	21,778	Debentures	11	1,442,147	835,577
Recoverable taxes		23,470	21,273	Borrowings and financing	10	1,903,821	2,803,423
Deferred income tax and social contribution	17	74,734	80,337	Provision for tax, civil and labor risks	12	83,629	82,431
Escrow deposits		15,312	13,876	Provision for environmental recovery	13	43,116	42,802
Other receivables		149,253	25,489	Taxes payable		7,292	7,664
Investments		17,328	20,357	Payroll and related taxes		964	1,784
Property, plant and equipment	8	2,634,356	2,604,005	Deferred income tax and social contribution	17	431,237	442,497
Intangible assets:				Actuarial liabilities	14	17,229	16,637
Goodwill	9	2,142,663	2,135,017	Other payables		13,828	13,105
Other intangible assets	9	231,870	231,404	Total noncurrent liabilities		3,953,981	4,259,416
Total noncurrent assets		5,306,697	5,155,408	TOTAL LIABILITIES		4,733,007	4,934,360

(continued on the next page)

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Consolidated Statements of Financial Position as of December 31, 2014 and 2013

(In thousands of euros - €)

(continuation)

ASSETS	Notes	12.31.2014	12.31.2013	LIABILITIES AND EQUITY	Notes	12.31.2014	12.31.2013
				SHAREHOLDER'S EQUITY			
				Capital	16	1,080,949	1,080,949
				Capital reserves	16	467,150	436,505
				Earnings reserves	16	228,423	203,974
				Valuation adjustments to equity		(371,196)	(372,941)
				Equity attributable to the Company's owners		1,405,326	1,348,487
				Noncontrolling interests		829,422	910,859
				Total equity		2,234,748	2,259,346
TOTAL ASSETS		6,967,755	7,193,706	TOTAL LIABILITIES AND EQUITY		6,967,755	7,193,706

The accompanying notes are an integral part of this consolidated financial statements.

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Consolidated Income Statements for the years ended December 31, 2014 and 2013

(In thousands of euros - €, except per earnings per share)

	Notes	12.31.2014	12.31.2013
NET REVENUE	18	2,604,044	2,624,392
COST OF SALES AND SERVICES	19	(1,942,644)	(1,919,143)
GROSS PROFIT		661,400	705,249
OPERATING INCOME (EXPENSES)			
Administrative and selling expenses	19	(261,324)	(266,810)
Other income, net	19	29,474	49,203
Equity method gain		960	741
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION		430,511	488,383
FINANCIAL INCOME (EXPENSES)			
Foreign exchange losses, net	20	(74,881)	(82,410)
Financial income	20	81,084	77,975
Financial expenses	20	(334,631)	(296,428)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		102,082	187,520
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	17	(60,337)	(74,177)
Deferred	17	8,329	47,158
PROFIT FOR THE YEAR		50,074	160,501
PROFIT ATTRIBUTABLE TO			
Company's owners		41,003	170,876
Noncontrolling interests	27	9,071	(10,375)
EARNINGS PER SHARE			
Basic/diluted earnings per share	22	-	7.07

The accompanying notes are an integral part of this consolidated financial statements.

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income for the years ended December 31, 2014 and 2013

(In thousands of euros - €)

Notes		12.31.2014	12.31.2013
PROFIT FOR THE YEAR		50,074	160,501
Other comprehensive income:			
Items that will not be reclassified subsequently to the income statement:			
Employee benefits	14	(2,998)	1,683
Items that might be reclassified subsequently to the income statement:			
Exchange differences arising on translating foreign operations		36,265	(481,240)
Hedging derivatives financial instruments		(5,076)	1,019
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		78,265	(318,037)
COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
Company's owners		47,055	(84,213)
Noncontrolling interests		31,210	(233,824)

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity for the years ended December 31, 2014 and 2013

(In thousands of euros - €)

Notes	Share capital	Capital reserves	Earing reserves		Valuation adjustments to equity	Retained earnings	Total attributable to the Company's owners	Non-controlling interest	Total equity
			Legal	Investments					
BALANCE AT DECEMBER 31, 2012 (RESTATED)	1,002,749	-	6,805	60,030	(108,874)	-	960,710	1,297,521	2,258,231
Capital increase	78,200	393,034	-	-	-	-	471,235	-	471,235
Profit for the year	-	-	-	-	-	170,877	170,877	(10,375)	160,502
Realization of deemed cost of property, plant and equipment	-	-	-	-	(8,978)	8,978	-	-	-
Acquisition of noncontrolling interests	-	43,471	-	-	-	-	43,471	(145,676)	(102,205)
Allocation:									-
Recognition of legal reserve	-	-	8,993	-	-	(8,993)	-	-	-
Recognition of investment reserve	-	-	-	128,146	-	(128,146)	-	-	-
Proposed dividends	-	-	-	-	-	(42,716)	(42,716)	-	(42,716)
Other:									
Dividends paid to noncontrolling interests	-	-	-	-	-	-	-	(7,162)	(7,162)
Other comprehensive income	-	-	-	-	(255,089)	-	(255,089)	(223,449)	(478,538)
BALANCE AT DECEMBER 31, 2013	1,080,949	436,505	15,798	188,176	(372,941)	-	1,348,487	910,859	2,259,346
Profit for the year	-	-	-	-	-	41,003	41,003	9,071	50,074
Realization of deemed cost of property, plant and equipment	-	-	-	-	(4,307)	4,307	-	-	-
Acquisition of noncontrolling interests	15	30,645	-	-	-	-	30,645	(116,072)	(85,427)
Allocation:									
Recognition of legal reserve	16	-	2,265	-	-	(2,265)	-	-	-
Proposed dividends	16	-	-	(9,214)	-	(43,044)	(52,259)	-	(52,259)
Reversal of dividends	15 and 16	-	-	42,716	-	-	42,716	-	42,716
Interim dividends - paid	16	-	-	(11,318)	-	-	(11,318)	-	(11,318)
Transactions with shareholders, recorded directly in equity	-	-	-	-	-	-	-	5,849	5,849
Other:									
Dividends paid to noncontrolling interests	-	-	-	-	-	-	-	(2,423)	(2,423)
Other comprehensive income	-	-	-	-	6,052	-	6,052	22,139	28,191

The accompanying notes are an integral part of this consolidated financial statements.

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Consolidated Statements of Cash Flows for the years ended December 31, 2014 and 2013

(In thousands of euros - €)

Notes	12.31.2014	12.31.2013
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax and social contribution	102,082	187,520
Adjustments to reconcile income before income tax and social contribution with net cash generated by operating activities:		
Depreciation, amortization and impairment losses	203,062	199,259
Recognition (reversal) of allowance for potential losses, net	(11,855)	8756
Interest, accrued charges, and exchange differences	330,560	354,064
Gain on sale of long-lived assets	(9,917)	(42,302)
Equity method gain	(960)	(741)
Other noncash operating losses (gains)	6,556	5752
Decrease (increase) in operating assets:		
Related parties	337	(322)
Trade receivables	32,873	(17,190)
Inventories	(17,489)	(14,339)
Recoverable taxes	(2,242)	(5,180)
Other receivables	(57)	14
Increase (decrease) in operating liabilities:		
Related parties	65	(119)
Trade payables	(20728)	30,396
Payroll and vacation payable	1,040	7745
Other payables	(32,522)	(104,808)
Taxes payable	(1,454)	(14,457)
Cash generated by (used in) operating activities	579,348	594,048
Income tax and social contribution paid	(42,287)	(106,202)
Interest paid	(234,115)	(227,372)
Net cash generated by (used in) operating activities	302,947	260,474

(continued on the next page)

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Consolidated Statements of Cash Flows for the years ended December 31, 2014 and 2013

(In thousands of euros - €)

(continuation)

Notes	12.31.2014	12.31.2013
CASH FLOW FROM INVESTING ACTIVITIES		
Redemption of (investments in) securities	(22,488)	28,542
Purchase of property, plant and equipment	(195,883)	(331,058)
Increase in intangible assets	(2,992)	(6,290)
Sale of long-lived assets	8,200	21,807
Purchase of subsidiary, net of acquired cash	-	(14)
Dividends received	1,076	713
Net cash used in investing activities	(212,088)	(286,300)
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings, financing and debentures	1,411,675	473,407
Acquisition of noncontrolling interests	(85,427)	(100,071)
Capital increase	-	533,656
Repayment of borrowings, financing and debentures	(1,886,094)	(442,673)
Dividends and other capital instruments	(13741)	(17,134)
Subsidiary capital increase	4,032	-
Net cash (used in) generated by financing activities	(569,555)	447,185
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(478,695)	421,359
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS	52774	(183,853)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,227,676	990,170
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	801755	1,227,676

The accompanying notes are an integral part of this consolidated financial statements.

INTERCEMENT PARTICIPAÇÕES, S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements for the year ended December 31, 2014.

(Amounts in thousands of euros - €, unless otherwise stated)

1. GENERAL INFORMATION

InterCement Participações, S.A. ("Company") is a private held company headquartered in the City of São Paulo, State of São Paulo, Brazil, engaged in holding equity interests and investments abroad, leading a business group present in 8 countries ("ICP Group" or "Group"). Its ultimate parent company is Camargo Corrêa S.A. The Group is primarily engaged in the manufacture and sale of cement and cement by products, in addition to the extraction of the minerals used to manufacture these products.

The Company owns 40 cement plants, 131 concrete plants, and 24 aggregates plants (located in Brazil, Argentina, Paraguay, Portugal, Egypt, Mozambique and South Africa). It also owns one port terminal in Cape Verde, and seven plants producing lime, packaging and mortar. Additionally, Brazil holds electric power generation equity interests and assets, as a self-generator for some of its production.

Except for the additional stake of 4.19% in interest of Cimpor – Cimentos de Portugal, SGPS, S.A. ("Cimpor") on March 31, 2014, bought from Camargo Corrêa Cimentos Luxembourg S.à.r.l. ("CCCLux") by €85,242 thousand (Note 15), no additional material changes occurred within the consolidation or equity interest statements during the year.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of presentation

The accompanying consolidated financial statements were prepared

on a going concern basis from the books and accounting records of the Company and the companies included in the consolidation, maintained in accordance with Brazilian accounting practices, which are equivalent to International Financial Reporting Standards ("IFRS"). Such standards include the 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"). These standards and interpretations are hereinafter referred to collectively as "IFRS".

The Company's functional currency is the Brazilian real (R\$) and the financial statements are presented in euros (presentation currency), for the convenience of readers outside Brazil and, as prescribed by IAS 21, paragraph 38 - The Effects of Changes in Foreign Exchange Rates, the Company may present its financial statements in any currency.

2.2. New standards and interpretations, revisions and amendments

That came into effect during the year

The following standards, interpretations, amendments and revisions have mandatory application for the first time in the year ended December 31, 2014:

Standard/Interpretation	Applicable in the exercises started on or after	Description
Amendment to IAS 32 – Offsetting of financial assets against liabilities	1-Jan-14	This amendment clarifies certain aspects of the standard relating to the application of offsetting requirements between financial assets and liabilities.
Amendment to standard IAS 36 – Impairment (Disclosures regarding the recoverable amount of non-financial assets)	1-Jan-14	This amendment eliminates the requirements to disclose the recoverable amount of a cash generating unit with goodwill or intangibles of undefined useful life allocated to periods in which no impairment loss or impairment reversal was recorded. It introduces additional disclosure requirements regarding assets for which impairment loss or impairment reversal was recorded and their recoverable amount was determined based on their fair value less costs to sell
Amendment to standard IAS 39 – Financial instruments: Recognition and Measurement (Reformulation of derivatives and continuation of hedge accounting)	1-Jan-14	This amendment permits continuation of hedge accounting in certain circumstances when a derivative designated as a hedge instrument is reformulated.
IFRIC 21 – Payments to the State	1-Jan-14	This interpretation comes to lay down the conditions as to the timing of the recognition of a liability related to the payment to the State of a contribution on behalf of an entity as a result of a certain event (for example, participation in a given market), without the payment having counterparts on specified goods or services.

There were no significant effects in the consolidated financial statements for the year ended December 31, 2014, resulting from the adoption of the standards, interpretations, amendments and revisions above.

That will come into effect in future years

The following standards, interpretations, amendments and revisions are of mandatory application in future financial years:

Standard/Interpretation	Description
IFRS 9 – Financial instruments (2009) and subsequent amendments	This standard falls in the draft revision of IAS 39 and establishes the requirements for the classification and measurement of financial assets and liabilities and for the application of hedge accounting rules.
IFRS 15 – Revenue from contracts with customers	This standard comes to introduce a structure of revenue recognition based on principles and based on a template to be applied to all contracts concluded with customers.
Amendment to IFRS standard 11 – Joint Agreements	This amendment clarifies the IFRS 3 to be applied when an investor acquires an interest in a jointly controlled entity when it consists of a business as defined by this standard. The application of IFRS 3 is applied in the acquisition of initial interest and subsequent acquisition of interests.

(continued on the next page)

(continuation)

Standard/Interpretation	Description
Amendments to the standards IAS 16 – Property plant and equipment and IAS 38 – Intangible assets	These amendments are to clarify what methods of depreciation of property, plant and equipment and intangible assets are allowed.
Amendments to the standards IAS 16 – Property plant and equipment and IAS 40 – Agriculture	These amendments come to establish that the biological assets which fall under the definition of carrier plants should be accounted for as property, plant and equipment.
Amendment to IAS 19 – Employee benefits	This amendment clarifies the circumstances under which employees ‘ contributions for post-employment benefit plans constitute a reduction in the cost of short-term benefits.
Improvements of international financial reporting standards (2010-2012 cycles and 2011-2013)	These improvements involve the revision of several standards.

These standards have not yet been adopted (“endorsed”) by the European Union and, as such, were not applied by the group in the year ended December 31, 2014.

2.3. Critical accounting judgements/estimates

The preparation of financial statements in accordance with IFRS recognition and measurement principles requires the Board of Directors (“Management”) to make judgements, estimates and assumptions that can affect the presented amount of assets and liabilities, 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 Management in preparing these financial statements include assumptions used in estimating the following items:

➤ Impairment of non-current assets (excluding Goodwill)

The determination of a potential impairment loss can arise as result from the occurrence of several events, many of them external to the ICP Group, such as macroeconomic conditions, industry and market considerations, cost factors, financial performance or any other changes, either internal or external, to ICP 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. The recoverable

amounts of the cash-generating units to which goodwill has been allocated, is the higher between the market value, determined according with recent 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 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 year.

The determination of the assets useful lives, amortization/depreciation method to apply, its residual value and of the estimated losses resulting from the early replacement of equipment, due to technological obsolescence, is essential to determine the amount of amortization/depreciation charge to the profit and loss of each year.

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

➤ **Provisions recognition and contingent liabilities disclosure**

The 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 year 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 assumptions is performed each year in order to assess the liabilities resulting from retirement and healthcare benefits granted to Group's employees. Any change in

these assumptions will have an impact on the on the amount of the liability for retirement and health benefits, being the Group's policy to periodically review the assumptions.

➤ **Measurement of Derivative financial instruments**

The measurement of derivative financial instruments involves a number of estimates and assumptions, in particular expectations about interest rate and exchange rates, as well as estimates of the Group's credit risk and the various involved counterparties, which may differ those who will actually occur.

2.4. Consolidation principles

a. Controlled companies

Controlled companies have been consolidated in each accounting period. 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 statement of financial position and consolidated statement of comprehensive income under the caption "Non-controlling interests".

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

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

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

b. Business combinations

Business combinations, namely the acquisition of controlled 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 or deferred payments, measured in accordance with IFRS 13, are recorded in profit or loss.

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 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 provisional 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).

Non-controlling interests without control are reflected separately

in equity from the interests of the shareholders. Non-controlling interests 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 comprehensive income 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.

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 aggregated amount of the fair value of the assets received and 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 in equity as "Other comprehensive income", namely the exchange effect resulting from the translation of foreign currency financial statements as set in the Note 2.10 below, are transferred to profit and loss or 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 joint venture.

c. 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, being 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 and adjusted, whenever necessary, to reflect the Group's accounting policies.

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 acquisition cost is lower 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.

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.

d. Interest in joint ventures and operations

Investments in joint ventures are recorded using the equity method. According to this method, investments are recorded at their acquisition cost, adjusted by the amount corresponding to the Group's share of changes in equity (including net profit) of these companies, against gains or losses for the year and dividends received net of accumulated impairment losses.

The classification of financial interests in jointly controlled entities is determined based on: i) shareholders' agreements governing joint control; ii) the effective percentage of detention; iii) the voting rights held.

Investments in joint operations are joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Company records assets, liabilities and operations based on the rights and obligation determined in such arrangement.

e. Goodwill

Differences between the cost of investments in subsidiaries, plus the fair value 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 tests. Any impairment loss is immediately recorded as a cost in the consolidated statements of profit and loss and other 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.

Goodwill is stated in the functional currency of the respective cash-generating unit, being translated to the Company functional currency (Brazilian reais) 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 acquisition prior to 31 December 2008 was maintained at the former amount and denominated in reais, being subject to annual impairment tests as from that date.

Where cost is lower than the fair value of the net assets and contingent liabilities identified, the difference is recorded as a gain in the consolidated statement of profit and loss and other 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 controlled 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 and other comprehensive income 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. Property, Plant and Equipment

Property, plant and equipment 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.

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:

	Useful life in years
Buildings and other constructions	3 to 50
Machine and equipment	2 to 50
Vehicles	2 to 16
Furniture and fixtures	2 to 33
Mines and ore reserves	(*)
Reservoirs, dams and feeders	50
Furnace, mills and silos	30 to 53
Software licenses	3 to 5

(*) The depletion of mines and ore reserves is conducted: (a) based on actual output as compared to total expected yield; or (b) on a straight-line basis over the mine’s useful life.

Land relating to stone quarry operations and mineral resources is depreciated on a straight-line basis over their expected operating periods less, where applicable, their residual amount.

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.

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 acquisition or production 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 profit and loss as “Other operating income” or “Other operating expenses”.

2.7. 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. Property, plant and equipment 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 cost of assets are recorded as property, plant and equipment assets, the corresponding liability is recognised and the interest included in the lease instalments and depreciation of the assets, calculated as explained in item 2.6, 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 profit and loss over the period of the lease contracts.

In accordance with IFRIC 4 – Determination if an agreement contains a lease, if an agreement entered into contains a lease in substance, including transactions that transfer the right to use an asset or, if compliance with the agreement depends on the use of a

specific asset, the Group analyses the agreement so as to assess if it contains a lease and if the requirements of IAS 17 – Leases should be applied.

2.8. 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.

2.9. Foreign currency assets, liabilities and transactions

Transactions in currencies other than the functional currency of the respective subsidiary 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 the functional currency of the respective subsidiary 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 expenses 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”).

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 profit and loss and other comprehensive income and statement of cash-flows captions at the average exchange rates.

The exchange effect of such translations is recognized 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 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 Brazilian Reais at the exchange rate in force on the balance sheet date. Exchange differences arising from these translations are reflected in the equity caption “Currency translation adjustments”, except when they correspond to a discontinued operation, in which

case they are included in Net result of discontinued operations.

2.10. 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.

2.11. 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.

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

2.12. Inventories

Merchandise and raw, subsidiary and consumable materials are stated at average cost using the average cost as the costing method.

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 net realisable 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.

2.13. Non-current assets held for sale and discontinued operations

Non-current assets (or disposal group) 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; (ii) the asset is available for immediate sale in its present condition; (iii) the management is committed to a plan of sale; and (iv) the sale is expected to take place within a period of twelve months.

Non-current assets (or disposal group) 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, and are presented separately in the consolidated statement of financial position.

A discontinued operation is a component of an entity which was either sold or is classified as available for sale and:

- Represents a significant separate operating or geographic business line;
- Is part of a single coordinated plan to sell a significant separate business line or geography
- Is a subsidiary acquired exclusively to be resold

The amounts included in the consolidated statement of profit and loss and other comprehensive income and consolidated statement of cash flows relating to these discontinued operations are presented separately for the current period and all earlier periods that are presented in the financial statements.

Assets and liabilities relating to discontinued operations (not yet sold) are presented in separate lines for the latest year presented, without readjustment of prior years.

2.14. 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.

2.15. Balance sheet classification

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

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.

2.16. Net operating income

Net operating income includes operating income and expenses, including restructuring costs and operating income and expenses associated to tangible assets and intangible assets. Also comprise gains or losses on the sale of direct or indirect subsidiaries and joint operations. As such the operating results, the net financial expenses, the share of results of associates, other financial investments and income tax are excluded.

2.17. Provisions

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 settle 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 discloses 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.

2.18. Financial instruments

Financial assets and liabilities are recognised when the Group becomes part 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.

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, for 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.

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 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 and include, investments with a defined maturity date which the Group intends and has the capacity to hold up to that date. 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 revalued 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.

Accrued interest is recognized on an accruals basis and is presented in the consolidated statement of financial position caption "Other current liabilities – Accrued interest".

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 using 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 contracts 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 instruments

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 hedged item 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 net financial expenses 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 profit and loss 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 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.

2.19. Impairment 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 current fair value, less any impairment loss already recognised in profit and loss – is removed from reserves (other comprehensive income recognised in equity) to profit and loss for the period. Impairments losses on equity instruments are recognized in profit and loss; however, in case such financial assets increase again are not recorded through profit and loss for the period and 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.

2.20. Employee benefits - retirement

Responsibilities for the payment of retirement, pensions, disability and survivor 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 performed by 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 net interest costs, which result from updating the initial past service liability using the discount rate. Actuarial gains and losses are recorded as other comprehensive income directly in equity.

Defined contribution plans

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

2.21. 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.

2.22. 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.

2.23. Revenue recognition and accruals basis

Income resulting from sales is recognised in the profit or loss when the risks and rewards of assets ownership are transferred to the purchaser and the revenue amount 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 regardless the date of invoicing. 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 is given the right to receive them.

2.24. 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 could 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 tax jurisdiction of each Group company.

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 the statement of profit and loss, 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. At each balance sheet date a reappraisal is made of the temporary differences underlying the deferred tax assets so as to recognize or adjust them based on the current expectations of their future recovery. The compensation of deferred tax assets and liabilities is 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; iii) there is an intention to clear those balances for settlement purposes.

Deferred income taxes assets are recognized by unused tax losses when it is probable that future income subject to taxation will be available and against which they will be used in accordance with each subsidiary's tax regulations.

2.25. 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.

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

2.27. Interest on capital

Stated as allocation of profit for the year directly in equity, and interest received or receivable from investments in subsidiaries, joint ventures, and associates is recorded as investment credit, when applicable. For tax purposes, interest on capital is treated as financial income or expenses, thus reducing or increasing the income tax and social contribution tax base..

2.28. CO₂ emission licences – Emissions market

Some of the Group’s production units in Portugal 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 CO2 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.

The main exchange rates used to translate the financial information were as follows:

Currency		Closing exchange rate (R\$)		Average exchange rate (R\$)	
		12.31.2014	12.31.2013	12.31.2014	12.31.2013
USD	US Dollar	2.65620	234260	235011	2.15760
EUR	Euro	3.22700	3.22650	3.12206	2.86764
MZN	Mozambique Metical	0.08049	0.07920	0.07577	0.07259
CVE	Cape Verde Escudo	0.02927	0.02926	0.02831	0.02601
EGP	Egyptian Pound	037150	033710	033225	031378
ZAR	South African Rand	0.22970	0.22310	0.21704	0.22375
ARS	Argentinian Peso	031720	035940	0.29051	039576
PYG	Paraguayan Guarani	0.00057	0.00051	0.00053	0.00049



CONSOLIDATION

The consolidated financial statements incorporate the following direct and indirect subsidiaries and joint operations:

	31.12.2014		31.12.2014	
	Equity interest - %		Equity interest - %	
	Direct	Indirect	Direct	Indirect
SUBSIDIARIES:				
HOLDINGS AND BUSINESS AND CORPORATE SUPPORT COMPANIES SEGMENT				
InterCement Austria Holding GmbH	100.00	-	100.00	-
CIMPOR - Cimentos de Portugal, SGPS, S.A.	-	70.15	-	6595
Cimpor Trading e Inversões, S.A.	-	70.15	-	6595
InterCement Austria Equity Participation GmbH	-	70.15	-	6595
Caue Austria Holding GmbH	-	70.15	-	6595
Cimpor Financial Operations, B.V.	-	70.15	-	6595
Cimpor Reinsurance, S.A.	-	70.15	-	6595
Cimpor - Serviços de Apoio à Gestão de Empresas S.A.	-	70.15	-	6595
Cimpor Portugal, SGPS, S.A.	-	70.15	-	6595
Kandmad - Sociedade Gestora de Participações Sociais, Lda.	-	70.15	-	6595
Cimpor Eco, S.L.	-	b)	-	6595
Cimpor Trading, S.A.	-	b)	-	6595
Cimpship - Transportes Marítimos, S.A.	-	42.09	-	3957
Cecime - Cimentos, S.A.	-	70.15	-	6595
Cement Trading Activities – Comércio Internacional, S.A.	-	70.15	-	6595

(continued on the next page)

(continuation)

	31.12.2014		31.12.2014	
	Equity interest - %		Equity interest - %	
	Direct	Indirect	Direct	Indirect
SUBSIDIARIES:				
BRAZIL SEGMENT				
InterCement Brasil S.A.	-	70.15	-	6595
Cauê Finance Limited	-	70.15	-	6595
CCCimentos Participações Ltda.	-	70.02	-	65.29
Companhia Camargo Corrêa de Energia	-	70.15	-	6595
InterCement Portugal, SGPS, Lda.	-	b)	-	6595
Transviária Logística e Transportes Ltda.	-	70.15	-	6595
Neogera Investimentos em Inovação Ltda.	(a)	69.28	-	-
ARGENTINA AND PARAGUAY SEGMENT				
Holdtotal S.A.	-	70.14	-	6595
Loma Negra C.I.A. S.A.	-	67.67	-	6434
Betel S.A.	-	67.67	-	6434
Cofesur S.A.	-	66.08	-	56.40
Compañía Argentina de Cemento Portland S.A.	-	67.67	-	6434
Recycomb S.A.	-	67.67	-	6434
Compañía Argentina de Cemento La Preferida de Olavarría S.A.	-	67.67	-	6434
Yguazu Cementos S.A.	-	46.13	-	43.63

(continuation)

PORTUGAL AND CAPE VERDE SEGMENT

Cimpor - Indústria de Cimentos, S.A.	-	70.15	-	6595
Cecisa - Comércio Internacional, S.A.	-	b)	-	6595
Mossines - Cimentos de Sines, S.A.	-	70.15	-	6595
Cimentaçor - Cimentos dos Açores, Lda.	-	70.15	-	6595
Betão Liz, S.A.	-	69.10	-	6496
Agrepor Agregados - Extração De Inertes, S.A.	-	70.15	-	6595
Sogral - Sociedade de Granitos, S.A.	-	70.15	-	6595
Sanchez, S.A.	-	70.15	-	6595
Bencapor - Produção de Inertes, S.A.	-	52.61	-	49.47
Ibera - Indústria de Betão, S.A.	-	35.07	-	3298
Prediana - Sociedade de Pré-Esforçados, S.A.	-	70.15	-	6595
Geofer - Produção e Comercialização de Bens e Equipamentos, S.A.	-	70.15	-	6595
Sacopor - Sociedade de Embalagens e Sacos de Papel, S.A.	-	70.15	-	6595
Ciarga - Argamassas Secas, S.A.	-	70.15	-	6595
Alempedras - Sociedade de Britas, Lda.	-	70.15	-	6595
Cimpor Imobiliária, S.A.	-	70.15	-	6595
Mecan - Manufatura de Elementos de Casas de Construção Normalizada, Lda.	-	70.15	-	6595
Sogesso - Sociedade de Gessos de Soure, S.A.	-	70.15	-	6595
Transformal, S.A.	-	70.15	-	6595
Inversiones Filaria, S.L.	-	b)	-	6595
Lusobetimobiliária S.A.	-	70.15	-	6595
Cimpor Cabo Verde, S.A.	-	68.84	-	6472

(continued on the next page)

(continuation)

PORTUGAL AND CAPE VERDE SEGMENT

Cabo Verde Betões e Inertes, S.A.	-	68.84	-	6472
Indústria de Transformação de Pedras, Lda.	-	68.84	-	6472
Betões de Cabo Verde, S.A.	-	68.84	-	6472

EGYPT

Cimpor Egypt for Cement Company, S.A.E.	-	70.15	-	6595
Amreyah Cement Company, S.A.E.	-	6955	-	6539
Amreyah Cimpor Cement Company, S.A.E.	-	6970	-	6553
Cement Services Company, S.A.E.	-	69.88	-	6570
Cimpor Sacs Manufacture Company, S.A.E.	-	70.08	-	65.89
Amreyah Dekheila Terminal Company, S.A.E.	-	6971	-	6554
Amreyah Cimpor Ready Mix Company, S.A.E.	-	58.03	-	5456

MOZAMBIQUE SEGMENT

Cimentos de Moçambique, S.A.	-	5797	-	5450
Cimpor Betão Moçambique, S.A.	-	5797	-	545
Imopar - Imobiliária de Moçambique, S.A.	-	70.15	-	6595
Cimentos de Nacala, S.A.	-	58.03	-	5456

SOUTH AFRICA SEGMENT

Npc - Cimpor (Pty) Limited	-	5191	-	48.81
Natal Portland Cement Company (Pty) Ltd.	-	70.15	-	6595
Durban Cement Ltd.	-	70.15	-	6595
Simuma Rehabilitation Trust	-	2336	-	2196
Npc Concrete (Pty) Ltd.	-	70.15	-	6595

(continuation)

SOUTH AFRICA SEGMENT

South Coast Stone Crushers (Pty) Ltd.	-	5191	-	6595
South Coast Mining (Pty) Ltd.	-	70.15	-	6595
Eedeswold Highlands (Pty) Ltd.	-	70.15	-	6595
Sterkspruit Aggregates (Pty) Ltd.	-	5191	-	48.81
Sterkspruit Concrete (Pty) Ltd.	-	b)	-	6595
Durban Quarries (Pty) Ltd.	-	b)	-	6595

Changes in ownership from 2013 to 2014 are mainly in connection with share acquisition described in note

1. Further changes are as follow:

- (a) Company incorporated in 2014;
- (b) Excluded from the consolidation perimeter as a result of mergers with other subsidiaries and liquidations.

JOINT OPERATIONS:**BRAZIL SEGMENT**

BAESA - Energética Barra Grande S.A.	-	631	-	594
--------------------------------------	---	-----	---	-----

CONSORTIUM:**BRAZIL SEGMENT**

Consórcio Estreito Energia - OESTE	-	3.11	-	293
Consórcio Machadinho	-	370	-	3.48

3. CHANGES IN THE CONSOLIDATION PERIMETER

During the year ended 31 December 2014, there were no changes in accounting policies in relation to those considered in the preparation of the financial information for the year ended on 31 December 2013, except as regards the adoption of the revised or amended standards and interpretations, revisions and amendments mentioned in Note 2, which did not have a significant impact on financial position or comprehensive income, nor were any identified errors that should have been corrected.

4. CASH AND CASH EQUIVALENTS

	12.31.2014	12.31.2013
Cash and bank accounts	427,056	395,231
Short-term investments	374,699	832,445
Total cash and cash equivalents	801,755	1,227,676

Short-term investments were as follows:

	12.31.2014	12.31.2013
Bank certificates of deposit (CDBs)	533	1,779
Repurchase agreements	-	475,058
Exclusive funds:		
National Treasury Notes (NTNs over)	-	91,589
National Treasury Bills (LTNs)	56,233	11,600
National Treasury Bills (LTFs)	24,637	49,755
CDBs	293	6,375
Fixed-income funds	131,411	96,257
Financial letter	-	2,366
Short-term investments in foreign subsidiaries:		
Investment fund in Argentinean pesos	16,906	29,923
Short-term investments in US dollars	4,356	2,236
Short-term investments in euro	40,964	40,805
Short-term investments in Egyptian pound	73,919	2,507
Short-term investments in South African rand	24,554	22,065
Short-term investments in Mozambique metical	549	-
Other	344	130
Total short-term investments	374,699	832,445

The higher amount of cash and cash equivalents as of December 31, 2013, when comparing to December 31, 2014 reflects the capital increase undertaken in the amount of €471,234 thousand, on December 19, 2013 (note 16), the proceeds of which were primarily intended to settle financial debt, as showed in financing activities on cash flow.

5. SECURITIES

Securities are classified as financial assets, as follows:

	12.31.2014	12.31.2013
Market investments	85,216	46,099
Other	7,588	6,097
Total	92,804	52,197
Total - current	90,240	50,570
Total - noncurrent	2,564	1,627

6. TRADE RECEIVABLES

	12.31.2014	12.31.2013
Domestic and foreign customers	194,427	212,838
(-) Noncurrent	(182)	(346)
Current	194,245	212,492
(-) Impairment for doubtful accounts – current	(29,060)	(31,480)
(-) Impairment for doubtful accounts – noncurrent	(65)	(101)
Trade receivables - current	165,185	181,012
Trade receivables - noncurrent	117	245

The impairment losses for doubtful debts are set up based on the estimated or determined uncollectible amounts pursuant to the past default experience and analysis of the ability to pay of each debtor, also taking into account the collaterals provided by such debtors.

Aging list of trade receivables

	12.31.2014	12.31.2013
Current	109,204	130,270
Past-due:		
0 to 30 days	35,550	25,440
31 to 60 days	9,520	10,259
61 to 90 days	4,551	5,380
91 to 180 days	7,075	9,280
181 days or more	28,527	32,209
Total	194,427	212,838

Changes in the impairment for doubtful debts

	12.31.2014	12.31.2013
Opening balance	31,581	40,089
Recognitions	2,902	1,654
Amounts written off in the year as uncollectible	(4,998)	(8,120)
Exchange gains or losses	(360)	(2,042)
Closing balance	29,125	31,581

7. INVENTORIES

	12.31.2014	12.31.2013
Current:		
Finished products	47,432	49,390
Work in process	74,528	81,715
Raw material	131,440	160,965
Fuel	53,317	45,088
Spare parts	128,934	93,100

(continued on the next page)

(continuation)

	12.31.2014	12.31.2013
Advances to suppliers	5,985	198
Packaging and other	16,021	6,581
Allowance for losses	(5,044)	(8,568)
Total	452,613	428,469
Noncurrent:		
Raw material	-	78
Spare parts	11,054	17,493
Allowance for losses	(1,078)	(1,222)
Advances to suppliers	5,055	5,429
Total	15,031	21,778

8. PROPERTY, PLANT AND EQUIPMENT

	12.31.2014		
	Cost	Depreciation	Residual balance
Land	217,660	(7,161)	210,499
Buildings	619,303	(200,884)	418,419
Machinery and equipment	2,017,961	(565,191)	1,452,770
Vehicles	107,674	(41,877)	65,797
Furniture and fixtures	15,492	(9,558)	5,934
Mines and ore reserves	72,952	(34,508)	38,444
Reservoirs, dams and feeders	79,824	(15,797)	64,027
Other	15,770	(4,547)	11,223
Spare parts	9,331	-	9,331
Advances to suppliers	137,035	-	137,035
Construction in progress	220,877	-	220,877
Total	3,513,879	(879,523)	2,634,356

	12.31.2013		
	Cost	Depreciation	Residual balance
Land	214,369	(4,165)	210,205
Buildings	620,195	(193,010)	427,185
Machinery and equipment	1779,197	(451,872)	1,327,325
Vehicles	116,344	(36,111)	80,233
Furniture and fixtures	16,135	(9,478)	6,658
Mines and ore reserves	58,398	(20730)	37,668
Reservoirs, dams and feeders	79777	(12,823)	66,955
Other	16772	(3,665)	13,108
Spare parts	5,451	-	5,451
Advances to suppliers	80,643	-	80,643
Construction in progress	348,574	-	348,574
Total	3,335,855	(731,854)	2,604,005

During the year ended December 31, 2014, the Company capitalized financial charges amounting to €26,013 thousand (€9,304 thousand at December 31, 2013) related to loans granted to finance eligible assets.

Construction in progress and advances to suppliers as of December 31, 2014, refers basically to investments in the expansion and construction on new units in Brazil, Argentina, Egypt and Mozambique (Brazil, Paraguay, Egypt and Mozambique as of December 31, 2013), and investments in improvement of installations and equipment of the cement plants of other business units.

Changes in property, plant and equipment were as follows

Balance at December 31, 2012	2,883,437
Additions	331,502
Write-offs	(11,639)
Depreciation	(196,052)
Effect of changes in exchange rates	(416,255)
Other	13,012
Balance at December 31, 2013	2,604,005
Additions	205,709
Write-offs	(12,615)
Depreciation	(196,497)
Effect of changes in exchange rates	35,429
Other	(1,674)
Balance at December 31, 2014	2,634,356

Impairment losses

As of December 31, 2014 and 2013, impairment testing were performed for some group of assets which had indications of possible impairment losses, which generated losses recorded by Company totalling €5,000 thousand (€5,554 thousand in 2013, in Portugal segment). No other impairments were identified.

9. INTANGIBLE ASSETS

	12.31.2014	12.31.2013
Mining rights	200,292	201,810
Concession-related assets	6,537	5,809
Software licenses	5,443	5,201
Project development costs	7,257	2,898
Trademarks, patents and others	12,341	15,686
	231,870	231,404
Goodwill:		
Loma Negra C.I.A. S.A.	299,220	299,267
CBC - Companhia Brasileira de Cimentos ("CBC")	31,804	31,809
Cia. Industrial e Mercantil de Cimentos S.A. ("CIMEC")	23,490	23,494
Cimpor - Cimentos de Portugal, SGPS, S.A.	1762,879	1754,660
Other	25,270	25,787
	2,142,663	2,135,017
Total	2,374,533	2,366,421

Goodwill is subject to impairment tests annually or 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 27).

For impairment test purposes, considering the financial statement structure adopted for management purposes, goodwill is attributed generally to each operating segment (Note 27), 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 recoverable amount. For the value in use, the future cash flows, after taxes, are discounted based on the weighted average cost of capital, 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.

	Goodwill	Discount rate (*)
Brazil segment	1,316,314	10%
Argentina and Paraguay segment	303,088	21.6%
Egypt segment	47,005	20.6%
Portugal and Cape Verde segment	304,863	7%
Mozambique segment	65,841	143%
South Africa segment	105,552	11.4%
	<u>2,142,663</u>	

(*) Discount rate calculated after taxes.

Changes in intangible assets in the year ended December 31, 2014 and 2013 were as follows:

Balance at December 31, 2012	2758,297
Additions	12,380
Write-offs	(2,174)
Amortization	(7,985)
Effect of changes in exchange rates	(394,097)
Balance at December 31, 2013	<u>2,366,421</u>
Additions	9,223
Amortization	(8,837)
Effect of changes in exchange rates	7726
Balance at December 31, 2014	<u>2,374,533</u>

10. BORROWINGS AND FINANCING

Business unit	Type of financing	Currency	Interest rates ^(b)	Contract date	Maturity	12.31.2014		12.31.2013	
						Current	Noncurrent	Current	Noncurrent
Holdings and Financial Vehicles (*)	Bilateral	US\$	Floating rate indexed to US Libor	May/12	Jan/22 (e)	-	406,921	-	536,973
Holdings and Financial Vehicles (*)	Bilateral	EUR	"Floating rate indexed to Euribor	Feb/12	Feb/22 (e)	-	303,340	-	453,800
Holdings and Financial Vehicles (*)	Bilateral	US\$	Floating rate indexed to US Libor	Sep/12	wSep/17 (c)	-	-	-	214,776
Holdings and Financial Vehicles (*)	Bilateral	US\$	Floating rate indexed to US Libor	Aug/12	Oct/17 (c)	-	-	-	192,405
Holdings and Financial Vehicles (*)	Bilateral	US\$	Floating rate indexed to US Libor	Oct/12	Apr/17 (c)	-	-	-	179,386
Holdings and Financial Vehicles (*)	Bilateral	US\$	Floating rate indexed to US Libor	Sep/13	Sep/18 (c)	-	-	-	142,968
Holdings and Financial Vehicles (*)	Bilateral	EUR	"Floating rate indexed to Euribor	Nov/12	Sep/17 (e)	-	-	-	127,665
Holdings and Financial Vehicles (*)	Bilateral	EUR	"Floating rate indexed to Euribor	Sep/12	Sep/17 (e)	-	-	-	99,134
Holdings and Financial Vehicles (*)	Bilateral	US\$	Floating rate indexed to US Libor	Oct/12	Apr/15 (c)	-	-	-	86,080
Holdings and Financial Vehicles (*)	Bilateral	US\$	Floating rate indexed to US Libor	Jul/11	Jul/16 (c)	-	-	-	83,342
Holdings and Financial Vehicles (*)	Bilateral	US\$	Floating rate indexed to US Libor	Jul/11	Jul/15 (c)	-	-	-	74,420
Holdings and Financial Vehicles (*)	Bilateral	EUR	"Floating rates indexed to Euribor	Nov/12	Sep/17 (c)	-	-	-	74,224
Holdings and Financial Vehicles (*)	Bilateral	EUR	"Floating rates indexed to Euribor	Several	Several (c)	-	-	-	52,697
Holdings and Financial Vehicles (*)	Bilateral	EUR	"Floating rates indexed to Euribor	Feb/14	Aug/19 (d)	-	59,528	-	-
Holdings and Financial Vehicles (*)	Bilateral	US\$	Floating rate indexed to US Libor	Feb/14	Aug/19 (d)	-	176,614	-	-
Holdings and Financial Vehicles (*)	Bilateral	EUR	"Floating rates indexed to Euribor	Feb/14	Aug/21 (d)	-	59,528	-	-
Holdings and Financial Vehicles (*)	Several bilateral	US\$	Floating rate indexed to US Libor	Feb/14	Aug/21 (d)	-	176,614	-	-
Holdings and Financial Vehicles (*)	Several bilateral	US\$	Floating rate indexed to US Libor	Feb/14	Aug/21 (d)	-	243,606	-	-
Holdings and Financial Vehicles (*)	Several bilateral	US\$	Floating rate indexed to US Libor	May-14	May-19 (d)	-	137,711	-	-
Holdings and Financial Vehicles (*)	Several bilateral	EUR	Floating rate indexed to US Libor	Dec/14	Dec/18	-	24,000	-	-
Argentina and Paraguay	Several bilateral	ARS	Floating rates indexed to Badlar	Several	Several	76,058	60,275	46,944	81,192
Argentina and Paraguay	Several bilateral	US\$	Floating rate indexed to US Libor	Several	Several	2,171	49,478	19,993	46,568
Brazil	Several bilateral	US\$	Fixed and Floating Rates	Several	Several (a)	37,604	-	1,035	126,956
Brazil	Several bilateral	BRL	Fixed and Floating Rates	Several	Several	23,254	84,235	16,646	101,807
Argentina and Paraguay	Several bilateral	US\$	Floating rate indexed to US Libor	Several	Several (a)	18,729	76,195	7,455	73,011
South Africa	Bilateral	ZAR	Floating rate indexed to Jibar	Dec/13	Dec/18	-	42,708	-	41,488
Portugal and Cape Verde	EIB	EUR	EIB Rate	Sep/03	Sep/15	6,667	-	6,667	6,667
Portugal and Cape Verde	Bilateral	EUR	"Floating rates indexed to Euribor	Several	Several	-	-	250	175
Mozambique	Bilateral	MZN	Floating rates indexed to BTM	Aug/10	Feb/16	2,549	1,853	2,509	4,332
Egypt	Several bilateral	EGP	Floating rates indexed to Corridor	Several	Several	2,837	1,214	2,962	3,357
Portugal and Cape Verde	Overdraft	CVE	Floating Rates Indexed to TRIBESCV	Jun/13	Jun/14	-	-	221	-
						169,869	1,903,820	104,682	2,803,423

(*) Takes into consideration the set of companies included in the holding companies segment and business support, corporate, and trading entities.

- a. (Guaranteed by Company’s controlling entities.
- b. For the major funding, the variable rates contracted, both in dollars and euros, consider spreads between 25% and 45%.
- c. During the first semester ended June 30, 2014, these financing contracts were early repaid.
- d. During the first semester ended June 30, 2014, these financing contracts were contracted.
- e. During the second semester ended December 30, 2014, these financing contracts were early partially repaid.

As of December 31, 2014 and 2013, the incurred interest related to those financing agreements classified in current liabilities and presented as ‘Interest payable’ amount to €32,256 thousand and €38,382 thousand, respectively

Maturity schedule

As of December 31, 2014 and 2013, the noncurrent portions mature as follows:

Period	31.12.2014	31.12.2013
2015	-	484,002
2016	124,610	380,438
2017	83,093	712,286
2018	121763	344706
Following years	1,574.354	881,991
	1,903,820	2,803,423

The reduction in the total debt explained above and the increase in the maturity schedule level of the Company (note 10 and 11) is related with the re-financing process occurred in the year ended December 31, 2014 (see points c), d) and e) above and Note 11).

Covenants

The loan and financing agreements contain certain restrictive covenants, including change of control clauses and those requiring the maintenance of certain financial ratios within pre-established parameters.

The Company and its subsidiaries management monitor these ratios systematically and constantly to make sure the requirements are met. Such measurements are performed annually and semi-annually, which depends of conditions agreed in each contract with financial institutions. Based on the last measurement, the Company and its subsidiaries are in compliance with all restrictive conditions and covenants at December 31, 2014.

11. DEBENTURES

Business unit	Instrument	Currency	Issue date	Interest rate ^(a)	Final maturity	12.31.2014		12.31.2013	
						Current	Noncurrent	Current	Noncurrent
Brazil	Debenture - Brazil	BRL	Mar-12	Floating rate indexed to CDI	Apr-22	-	462,465	-	462,538
Brazil	Debenture - Brazil	BRL	Jan-12	Floating rate indexed to CDI	Aug-16	-	478	179	1,120
Brazil	Debenture - Brazil	BRL	Aug-12	Floating rate indexed to CDI	Aug-22	-	371,862	-	371,920
Holding and Financial Vehicles (*)	Senior Notes (a)	USD	Jul.14	575%	Jul.24	-	607,342	-	-
						-	1,442,147	179	835,577

a. The contracted floating rates have spreads up to 15% above the CDI (Interbank deposit rate in Brazil).

As of December 31, 2014 and December 31, 2013, the incurred interest classified in current liabilities and presented as 'Interest payable' amount to €65,145 thousand and €38,270 thousand, respectively.

(*) In July, 2014, the Senior Notes ("Notes") were issued by Cimpor Financial Operations, BV., with a payment maturity of 10 years. The notes were launched with coupon of 575% per annum and are listed on the Singapore Stock Exchange. The net funds of this issuance was used to refinance existing debt and for corporate use in general, allowing an increase in the average maturity of the company's debt.

Maturity schedule

As of December 31, 2014 and 2013, the noncurrent portions mature as follows:

Period	12.31.2014	12.31.2013
2016	482	-
2017	139,054	139,037
2018	139,054	139,118
Following years	1,163,557	557,422
	1,442,147	835,577

Covenants

These funding instruments contain certain restrictive covenants that require compliance with financial ratios calculated based on the Company's consolidated financial statements. Based on the last measurement, the Company and its subsidiaries are in compliance with all restrictive conditions and covenants at December 31, 2014.

12. PROVISION FOR TAX, CIVIL AND LABOR RISKS

The Group is subject to tax, civil and labor risks. Management periodically reviews known contingencies, assesses the likelihood of losses and recognizes corresponding provision based on its legal counsel's opinion and other available data at the date of the annual reporting period.

The provision for risks is broken down as follows:

	12.31.2014	12.31.2013
Labor and social security	34,450	30,878
Tax (a)	39,219	37,921
Civil and other	14,318	15,749
	87,985	84,548
Escrow deposit (b)	(4,356)	(2,117)
Total	83,629	82,431

- a. Brazil: Refer basically to tax assessment notices and lawsuits related to: (i) ICMS (state VAT) - discussion on the tax base of ICMS owed under the reverse charge system, the tax base in transfers of goods between units; (ii) COFINS (tax on revenue) - discussion on the regularity in the offset of COFINS debts against FINSOCIAL (Social Investment Fund) credits, authorized by court; (iii) SUNAB (National Supply Authority) fine - discussion on the assessment of alleged violations of Laws 7784/89, 8035/90 and 8178/91, and (iv) IRPJ (corporate income tax) - discussion on the alleged tax underpayment related to the required inflation adjustment of the compulsory loan to Eletrobrás, in 1982, base year 1981.

Portugal: Refer basically to the provisions for tax risks related to income tax, amounting to €26,000 thousand (€25,000 thousand in 2013), which are being challenged in courts.

- b. The Group have escrow deposits tied to the provision for tax, civil and labour risks as follows:

	12.31.2014	12.31.2013
Labor and social security	3,839	1,768
Tax	472	307
Civil and other	45	42
Total	4,356	2,117

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, labor cases and regulatory.

In December 31, 2014, the Group has an exposure of €663 million (€595 million in December 31, 2013), being €8 million of contingencies related to labor (€10 million in December 31, 2013), €435 million of tax contingencies (€382 million in December 31, 2013), €220 million of civil contingencies and administrative processes of other natures (€203 million in December 31, 2013), whose likelihood of loss was considered possible, according to the opinion of legal counsel.

The most significant of the contingent liabilities are:

In Brazil, Intercement Brasil, such as most companies of the sector, are parties to administrative proceedings related to Brazilian antitrust regulation, in progress at the Council for Economic Defence (CADE), for which no provision is recognized as of December 31, 2014 and 2013, since the likelihood of loss is assessed as possible, based on an assessment that takes into consideration the administrative and judicial proceedings. In May 28, 2014, the judgment of the Administrative Procedure condemned Intercement Brasil to pay the announced fine due course, R\$ 540 million, corresponding to €167 million in December 31, 2014, staying the Group with an obligation to sell 20% of its concrete's assets in Brazil, among other accessory penalties. On July 11, 2014, the Company filed an administrative appeal regards to CADE's decision which is still pending. Considering the opinion of its legal advisors, loss in judicial court is considered possible and the Company has not made any provision for such process in the financial statements.

Concerning to processes with tax nature with a possible loss risk in the Brazilian business area, in December 31, 2014, the contingent liabilities ascends to an amount of, about €328 million, (about €291 million in December 31, 2013).

In Egypt, in the context of the industrial licensing process in the industrial unit of Amreyah Cimpore Cement Company, the Industrial Development Authority (IDA), an Egyptian government entity, claims a payment in the amount of EGP 217 million (around €25 million). The Board of Directors, based on the understanding of the company's legal advisors, believes that the payment is not due, having submitted a legal petition in this respect. In 2013 there was an unfavorable legal decision, the company maintaining its conviction that it is correct and so the most appropriate means of

reaction will be taken. Under this process, a bank guarantee in favor of the Industrial Development Authority (IDA) was presented (Note 24).

Also in Egypt, as a result of tax inspections, additional tax assessments on income were realized for the years 2002 to 2004 in the amount of EGP 795 million (€92 million in December 31, 2014). In the sequence of administrative demarches realized by the Group, the mentioned assessments were reduced to around EGP 150 million (€17 million in December 31, 2014). This decision will be subject of appeal, being the conviction of Administration, supported by the opinion of tax advisers, that doesn't assist a substantial reason to the maintenance of those assessments, for that reason, at the end of the process, it is not expected any relevant impact on Group's assets.

In Spain, as a result of tax inspections of the years 2002 to 2004 and 2005 to 2008, additional tax assessments were realized, of approximately €27 million and €120 million, respectively. The additional assessments relate essentially to net financial items resulting mainly from interpretations not adjusted to the nature of certain transactions, Management believes that the conclusion of the legal processes resulting from the actions in progress, which has been already contested, will not result in significant costs for the Group. This opinion is confirmed by the understanding and opinion of its legal and tax advisors, which consider the possibility of loss of most of them as possible (around €86 million) to remote (around €61 million). Following these assessments the company submitted to the Spanish tax administration guarantees which at this time amount to approximately €147 million. Already during the second half of 2014, the Spanish tax authorities began inspecting the years 2009 to 2012, which is in progress and is therefore not possible to make an estimate of its conclusions.

In Portugal, as a result of audits performed by the tax authorities to the CIT returns for the years of 1996 to 2012, 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" (In this way, Administrative Court already decided for the years 1997, 1998 and 1999).

Some of the tributary processes related to those additional assessments are still in course, as well as some administrative processes, in order that the "Fundo de Regularização da Dívida Pública" assumes respective responsibility.



Changes in the provision for risks for the years ended December 31, 2014 and 2013 are as follows:

	Labor and social security	Tax	Civil and other	Escrow deposit	Total
Balance at December 31, 2012	19,161	86,842	27,360	(1706)	131,657
Recognition/deposit	20,014	2,588	2,553	(1,407)	23,748
Payment/deposit derecognition	(4732)	(42,350)	(3,278)	629	(49,731)
Reversal	(1751)	(6,839)	(7,866)	-	(16,456)
Exchange differences	(1,814)	(2,320)	(3,020)	367	(6,787)
Balance at December 31, 2013	30,878	37,921	15,749	(2,117)	82,431
Recognition/deposit	12,822	3,329	5,611	(3,580)	18,182
Payment/deposit derecognition	(5,579)	-	(1,094)	1,266	(5,408)
Reversal	(3,279)	(3,239)	(5,586)	-	(12,104)
Transfers	(0)	698	(698)	-	-
Exchange differences	(393)	510	335	77	527
Balance at December 31, 2014	34,449	39,219	14,317	(4,356)	83,629

13. PROVISION FOR ENVIRONMENTAL RECOVERY

Changes in the provisions for environmental recovery in the years ended December 31, 2014 and 2013 are as follows:

	Environmental recovery
Balance at December 31, 2012	48,625
Recognition	1,034
Payment	(157)
Reversal	(155)
Exchange differences	(6,545)
Balance at December 31, 2013	42,802
Recognition	1,355
Payment	(443)
Exchange differences	598
Balance at December 31, 2014	43,116

14. POSTEMPLOYMENT BENEFITS

Defined benefit plans

Some subsidiaries have 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 December 31, 2014 and 2013 were made using the “Projected Unit Credit” method and were based in the following assumptions and technical bases:

	12.31.2014	12.31.2013
Actuarial technical rate (in local currency)		
Portugal	2.6%	4.0%
South Africa	83%	8.4%
Annual pension growth rate		
Portugal	1.0%	1.8%-25%
Annual fund income rate		
Portugal	2.6%	4.0%
Annual salary growth rate		
Portugal	2.0%	2% - 3%
Mortality tables		
Portugal	TV88/90	TV88/90
South Africa	SA 85-90	SA 85-90
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	2.0%	2.0%
Growth rate of medical costs by age	N/A	N/A
South Africa	8.0%	8.2%

In accordance with the actuarial valuations the pension and healthcare benefits costs for the years ended December 31, 2014 and 2013 were as follows:

		Pension plans	
		12.31.2014	12.31.2013
Current service cost		578	603
Interest cost		2,814	2,916
Administrative costs		188	120
Expected return of the plans' assets		(2,640)	(2,661)
Total cost/(income) of the pension plans	(I)	940	977
		Healthcare plans	
		12.31.2014	12.31.2013
Current service cost		133	164
Interest cost		585	632
Plan change		(5,022)	-
Total cost/(income) of the healthcare plans	(II)	(4,304)	797
Total cost/(income) of the defined benefit plans	(I) + (II)	(3,363)	1774

Changes in the amount of the responsibilities for defined benefit plans and related market value of fund assets during the years ended December 31, 2014 and 2013 were as follows:

	Pension plans		Healthcare plans		Total	
	12.31.2014	12.31.2013	12.31.2014	12.31.2013	12.31.2014	12.31.2013
Defined benefit liability - 1 january	71,402	74715	14,223	15,897	85,625	90,612
Benefits and bonuses paid	(4,817)	(4,923)	(796)	(962)	(5,614)	(5,886)
Current service cost	578	603	133	164	711	767
Past service cost	-	(767)	(5,022)	(2,240)	(5,022)	(3,007)
Interest cost	2,814	2,916	585	632	3,399	3,548
Actuarial gains and losses	3,686	(1,141)	1,568	901	5,253	(240)
Exchange differences	-	-	25	(169)	26	(169)
Defined benefit liability - 31 december	73,663	71,402	10716	14,223	84,379	85,625

(continued on the next page)

(continuation)

	Pension plans		Healthcare plans		Total	
	12.31.2014	12.31.2013	12.31.2014	12.31.2013	12.31.2014	12.31.2013
Value of the pension funds - 1 january	68,085	68,582	-	-	68,085	68,582
Contributions	24	28	-	-	24	28
Benefits and bonuses paid	(4,829)	(4,938)	-	-	(4,829)	(4,938)
Expected income of the funds' assets	2,640	2,661	-	-	2,640	2,661
Actuarial gains and losses in income from the funds' assets	514	1,872	-	-	514	1,872
Administrative costs	(188)	(120)	-	-	(188)	(120)
Value of the pension funds - 31 december	66,246	68,085	-	-	66,246	68,085

Past service cost includes an estimate of the effect resulting from the increase in the legal retirement age in the Portuguese business area, as well as the effect of changes in the Health Plan.

The effect of the decrease of 0.25% in the discount rate on the liability for defined pension benefit plans and the health area in the Portuguese business area, which represents more than 95% of the Group's liability was estimated to amount to an increase of around €2,150 thousand in the liability.

The movements of net actuarial gains and losses during the years ended December 31, 2014 and 2013 were as follows:

	12.31.2014	12.31.2013
Changes during the year:	(5,253)	240
Related to the liabilities	514	1,872
Related to the funds assets	2,641	(613)
Corresponding deferred tax	(900)	185
Non-controlling interests (Note 33)	(2,998)	1,683

In addition, actuarial gains and losses include the following experience adjustments:

	12.31.2014	12.31.2013
Related to the liabilities	729	240
Related to the funds assets	514	1,872

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	12.31.2014	12.31.2013	12.31.2012	12.31.2011	12.31.2010
Liability	73,663	71,402	74,715	76,917	80,683
Value of the pension funds	(66,246)	(68,085)	(68,582)	(70,402)	(72,732)
Deficit	7,417	3,317	6,133	6,515	7,951
Liability for employee benefits:					
Current liability	-	-	-	3,708	3,308
Non-current liability	7,417	3,317	6,133	3,708	4,762
	7,417	3,317	6,133	7,416	8,070
Fund surplus	-	-	-	(901)	(118)
Total exposure	7,417	3,317	6,133	6,515	7,951

Healthcare plans	12.31.2014	12.31.2013	12.31.2012	12.31.2011	12.31.2010
Liability for employee benefits:					
Current liability	904	903	902	1,003	928
Non-current liability	9,812	13,320	14,995	15,148	14,309
Total exposure	10,716	14,223	15,897	16,151	15,238

The Group has not established funds for the health plans. The main assets of the funds as at 31 December 2014 and 2013 are as follows:

	12.31.2014	12.31.2013
Shares	20.8%	21.6%
Fixed rate bonds	47.2%	47.6%
Variable rate bonds	14.7%	16.6%
Real estate investment funds, hedge funds, cash and insurance	17.3%	14.2%
	100.0%	100.0%

Real estate investments include a property valued at €5,500 thousand, which is leased to the Group for an annual rental of €560 thousand.

Defined contribution plans

For the years ended December 31, 2014 and 2013, the Company incurred costs of €2,074 thousand and €2,632 thousand, on defined contribution plans, respectively.

15. RELATED PARTIES

Transactions and balances between Group companies consolidated by the full consolidation method were eliminated in the consolidation process and therefore are not disclosed here. The balances and transactions between the Group and associated companies and with other related parties fall within normal operational activities, and include advances, loan agreements, sales and purchases of products and services.

In addition to those current business operations, for the years ended December 31, 2014, it is worth of mention the acquisition from Camargo Correa Cimentos Luxembourg S.à.r.l (“CCC LUX”) an additional stake of 4.19% of Cimpor shares, by €85,242 thousand (R\$265,000 thousand) which lead to a gain of €30796 thousand recognized directly in equity.

A dividends reversal in the amount of €42716 thousand (R\$122,492 thousand) as a result of the revoke of the shareholder deliberation to pay such dividend (Note 16). In addition an interim dividend to the preference shares was made, amounting to R\$36,522 thousand (€11,318 thousand) (Note 16).

Balances as of December 31, 2014 and 2013, are as follows:

	12.31.2014						
	Current assets				Current liabilities		
	Trade receivables	Other receivables	Related parties	Trade payables	Related parties	Advances from customers	Dividends payable
Affiliates:							
Construções e Comércio Camargo Corrêa, S.A.	7	-	-	100	-	12	-
Camargo Corrêa Desenvolvimento Imobiliário, S.A.	117	-	-	-	-	29	-
Camargo Corrêa S.A.	-	88	-	0	-	-	-
Setefrete S.G.PS., S.A.	363	4	-	7	-	-	-
Others	-	1	-	-	2,234	-	803
Total as of December 31, 2014	487	93	-	107	2,234	41	803
Total as of December 31, 2013	781	96	868	25	1,131	158	39,134

Transactions conducted in the years ended December 31, 2014 and 2013 are as follows:

	12.31.2014	
	Sales	Purchases/ expenses
Affiliates:		
Construções e Comércio Camargo Corrêa S.A.	64	-
Camargo Corrêa Desenvolvimento Imobiliário S.A.	1,585	-
Setefrete - SGPS, AS	19	5,044
Total as of December 31, 2014	1,668	5,044
Total as of December 31, 2013	24793	4,663

Management compensation

Of the amount €9,617 thousand paid in the year ended December 31, 2014: (i) €9,523 thousand refers to short-term benefits, such as fees, charges, and other benefits, and (ii) €94 thousand refers to long-term postemployment benefits, in particular pension plan contributions (€10,330 thousand in the year ended December 31, 2013, of which €10,171 thousand refers to short-term benefits, and ii) €159 thousand refers to long-term postemployment benefits, in particular pension plan contributions.

16. SHAREHOLDER’S EQUITY

Share capital as of December 31, 2014 and 2013 is represented by 25,046,440 registered shares without par value, of which 22,687,439 are common shares and 2,359,001 are preferred shares.

At the Extraordinary Shareholders’ Meeting held on December 19, 2013, the Company approved a capital increase with the issuance of 2,359,001 registered preferred shares without par value, at the price of R\$657.058 (€202327) per share, totaling R\$253,956 thousand (€78,200 thousand), with the consequential allocation of R\$1,276,379 thousand (€393,034 thousand), net of transaction costs, to line item “Capital reserves”.

The preferred shares grant their holders the right to receive minimum dividends, do not grant voting rights in the Company’s shareholders’ meetings, and can be redeemed by decision of the Board of Directors.

Earnings reserves

Corresponds to the retention of earnings to be used in investment projects, according to the budget to be submitted to the approval of the Shareholders’ Meeting, pursuant to article 194 of Law 6404, of December 15, 1976.

Dividends

The holders of common shares are entitled to annual minimum mandatory dividends equivalent to 25% of profit for the year adjusted as provided for by the bylaws and the Brazilian Corporate Law. Considering the dividend proposal for the preferred shares, no dividend proposal for the common shares will be presented, as described below:

	12.31.2014
Profit for the year	41,003
Realization of deemed cost of property, plant and equipment	4,307
Recognition of legal reserve - 5%	(2,265)
	43,044
Management proposal:	
Dividends proposed to preferred shares	52,259
Dividends proposed to common shares	-
Recognition of earnings reserve	-
Dividends proposed to preferred shares (From profit of the year)	43,044
Dividends proposed to preferred shares (From earnings reserve)	9,214

In the year ended December 31, 2014 a dividends reversal was made, amounting to R\$122,492 thousand (€42716 thousand) as a result of a decision to revoke the previous decision made by the shareholder to pay such dividend, was booked. In addition an interim dividend to preferred shares was made, amounting to R\$36,522 thousand (€11,318 thousand).

17. INCOME TAX AND SOCIAL CONTRIBUTION

For the years ended December 31, 2014 and 2013 the reconciliation between the nominal and the effective income tax was as follows:

	12.31.2014	12.31.2013
Income before income tax and social contribution	102,082	187,520
Tax rate	34%	34%
Income tax and social contribution at statutory rates	(34708)	(63757)

(continued on the nex page)

(continuation)

	12.31.2014	12.31.2013
Adjustments to calculate income tax and social contribution at effective rates:		
Equity method gain	327	-
Permanent additions / (deductions), net (a)	28,497	(41,346)
Interest on capital, net	6,484	7,842
Utilization of tax loss carryforwards in the year	-	4,342
Unrecorded deferred income tax and social contribution tax	(49715)	421
Adjustments to deferred taxes	-	63,539
Other	(2,892)	1,940
Income tax and social contribution expense	(52,008)	(27,019)

a) Includes the effect of the differences in tax rates.

Deferred income tax and social contribution

Deferred income tax and social contribution were recognized on tax loss carryforwards and temporary differences in the recognition of revenues and expenses between tax and corporate books, to the extent considered realizable by the subsidiaries.

Deferred income tax and social contribution are broken down as follows:

	12.31.2014	12.31.2013
Assets:		
Tax loss carryforwards	127,336	137,595
Tax, labor and civil liability	16,523	16,129
Valuation of the useful lives of property, plant and equipment	3,441	3,820
Amortization of goodwill	-	2,095
Allowance for doubtful debts	873	1,025
Provision for environmental recovery	6,283	5,853
PIS and COFINS on financial income and other nonoperating income (taxes in installments)	7,120	6,243
Accrued profit sharing	1,524	3,190
Provision for outside services	1,674	6

(continued on the next page)

(continuation)

	12.31.2014	12.31.2013
Exchange rate changes taxed on a cash basis	-	2,318
Other temporary provisions	13,059	8,663
Total assets	177,833	186,937
Liabilities:		
Goodwill amortization (future earnings)	154,981	166,748
Exchange rate changes taxed on a cash basis	1,165	-
Deemed cost of property, plant and equipment	88,449	78,115
Useful life estimate of property, plant and equipment (a)	48,287	48,058
Measurement of assets acquired at fair value (b)	209,061	227,238
Provision for environmental recovery	17	41
Present value adjustment - Fomentar incentive	-	8,251
Present value adjustment - Banco Itaú debt - Fomentar	1,927	2,204
Other temporary provisions	30,449	18,441
Total liabilities	534,336	549,096
Total net in noncurrent assets	74,734	80,337
Total net in noncurrent liabilities	431,237	442,497

(a) For tax purposes, these taxes will continue to comply with Decree 3000/99, Income Tax Regulation (RIR).

(b) Refers to the revaluation of assets at fair value on the acquisition of subsidiary CIMPOR, in 2012.

As of December 31, 2014 and 2013, the expected realization of tax loss carryforwards is as follows:

	12.31.2014	12.31.2013
2014	-	38,433
2015	31,791	30,143
2016	22,749	7,047
2017	7,846	6,887
2018	7,439	7,362
After 2018	57,511	47,723
Total	127,336	137,595

These estimates are based on the Company’s history of profitability, projected future taxable income and estimated period for reversal of temporary differences.

Assessment of the impacts of Law 12.973/14

On May 13, 2014, Brazil published the law 12973/14, which regulates income taxes rules for entities and persons resident in Brazil mainly regards to international earnings, and other changes in the previous tax rules. Such law should be applied for the year beginning on January 1, 2015; however, there is an option for the early adoption for the year beginning on January 1, 2014. The Company has not opted such early adoption, considering requirements changes in its accounting and fiscal books, which depends of further instructions from the Brazilian IRS. Management believes based on its legal advisors, it is not expected significant impacts in the Financial Statements.

18. NET REVENUE

The breakdown of the Company’s net revenues for the years ended December 31, 2014 and 2013 is as follows:

	12.31.2014	12.31.2013
Products sold	2729,165	2713,269
Services provided	292,351	342,816
(-) Taxes on sales	(374732)	(382,983)
(-) Rebates/discounts	(42740)	(48710)
Total	2,604,044	2,624,392

Taxes on sales comprise federal, state and municipal taxes such as Federal VAT (IPI), State VAT (ICMS), Taxes on Revenues (PIS and COFINS), and Service Tax (ISS).

19. INFORMATION ON THE NATURE OF THE COSTS AND EXPENSES RECOGNIZED IN THE INCOME STATEMENT

The consolidated income statement is presented based on a classification of expenses according to their function. Information on the nature of such expenses is as follows:

	12.31.2014	12.31.2013
Depreciation, amortization, and impairment losses	(203,062)	(199,259)
Salaries and employee benefits	(292,139)	(299,647)
Raw materials and consumables	(633,865)	(606,301)
Tax expenses	(15,036)	(16,147)
Outside services	(224,428)	(191,843)
Rental	(38790)	(31,444)
Freight expenses	(236,829)	(257,520)
Maintenance costs	(111,352)	(121,858)
Fuel	(163,146)	(192,336)
Electricity	(145,392)	(121,892)
Reversal (recognition) of provision for risks	(1,357)	1,507
Gain on sale of property, plant and equipment (a)	10709	40,623
Gain on sale of carbon credits (b)	2,453	4,088
Restructuring and other nonrecurring costs (c)	(5,156)	(54,490)
Other expenses (net)	(117,104)	(90,231)
Total	(2,174,494)	(2,136,750)
Cost of sales and services	(1,942,644)	(1,919,143)
Administrative and selling expenses	(261,324)	(266,810)
Other income, net	29,474	49,203
Total	(2,174,494)	(2,136,750)

- (a) This caption includes the gain on sale of property, plant and equipment in several business areas. In particular in the year ended December 31, 2013 includes the sale of mining rights of the deposit located in Itupeva, State of São Paulo for €11,208 thousand, maturing on November 30, 2015, the gain on the sale of a property to the controlling shareholder, amounting to €10,605 thousand and the gain on the sale of credits to a public entity in Portugal, amounting to €11,000 thousand.
- (b) During the year ended December 31, 2014 and December 31, 2013, the Portugal business area estimated its CO₂ emissions at 2,950,253 tonnes (2749,209 tonnes of CO₂ in the year ended December 31, 2013). Of total allowances allocated, 400,000 tonnes were sold (883,000 in 2013), generating a gain of €2,468 thousand (€4,088 thousand in 2013).
- (c) The restructuring and other nonrecurring costs during the years ended December 30, 2013 include the payment made by the subsidiary (Loma Negra) as a result of the unfavorable court decision related to a fine imposed by the National Competition Protection Commission of Argentina for alleged violations committed in July 1981-August 1989, amounting to approximately €23,000 thousand.

20. FINANCIAL INCOME (EXPENSES) AND FOREIGN EXCHANGES LOSSES (NET)

	12.31.2014	12.31.2013
Foreign exchange losses:		
Exchange gain	135,152	286,969
Exchange loss	(210,033)	(369,379)
Total	(74,881)	(82,410)
Financial income:		
Inflation adjustment	3,088	1,866
Financial earnings	38,386	64,899
Interest income	2,967	2,315
Derivative financial instruments	31,448	5786
Other income	5,195	3,109
Total	81,084	77,975
Financial expenses:		
Inflation adjustment	(9,378)	(11,850)
Expenses on interest and charges	(244,020)	(251,656)
Expenses on banking commissions	(32,993)	(18,009)
Fines	(216)	(76)
Derivative financial instruments	(29,936)	(80)
Loss recognized in asset held for sale	(0)	(516)
Other expenses	(18,088)	(14,241)
Total	(334,631)	(296,428)

As of December 31, 2014 the Group contracted derivative financial instruments to hedge the exchange differences of the USD against the Euro. As a result, of about €100 million negative exchange differences were avoided (Note 25). In addition, from the debt restructuring made (Notes 10 and 11), of about €22 million of previously debt emission and early repayment costs were registered.

21. COMMITMENTS

(a) Lease agreements as lessee

Operating land lease agreements are effective from five to ten years. Lease payments are expected to be paid, in nominal amounts, as follows:

	12.31.2014	12.31.2013
Up to one year	6,561	5,348
From one to five years	13,863	9,067
More than five years	7745	3,046
Total	28,169	17,461

The Company recognized, for the year ended December 31, 2014, as operating lease expenses the amount of €9,197 thousand (€9,194 thousand for the year ended December 31, 2013).

(a) Purchase agreements

InterCement Brasil has a contractual agreement for purchase of raw slag effective until 2021 adjusted by the General Market Price Index (IGP-M), whose total estimated cash disbursements, in nominal amounts, are as follows:

	12.31.2014	12.31.2013
2014	-	11,472
2015	14,294	14,296
2016	14,294	14,296
2017	14,294	14,296
2018	14,294	57,185
2019	14,294	-
After 2019	28,588	-
Total	100,058	111,545

Other subsidiaries are parties to contractual agreements for the purchase of inventories and property, plant and equipment, and the operation of facilities located in third-party properties, as follows:

	12.31.2014	12.31.2013
2014	-	35,877
2015	33,913	11,217
2016	13,351	9,867
2017	12,484	8,864
2018	10,188	31,507
2019	10,161	-
After 2019	32,921	-
Total	113,018	97,332

22. EARNINGS PER SHARE

The table below shows the reconciliation of profit for each period with the amounts used to calculate basic and diluted per share:

	12.31.2014	12.31.2013
Profit for the year attributable to Company's owners	41,003	160,501
Profit for the year attributable to preference shares	(41,003)	-
Profit for the year attributable to common shares	-	160,501
Weighted average number of common shares	22,687,439	22,687,439
Basic/diluted earnings per common share	-	7.07

23. INSURANCE

Each business area, except for Argentina and Paraguay, are covered by Cimpor Reinsurance, S.A.. Cimpor Reinsurance, S.A. is a reinsurance company responsible for managing the operational risk, which directly assumes all property damage and machinery breakdown risks with indemnity limits of up to €3,000 thousand per insured event, and third-party and product risks of up to €250 thousand per insured event; in each case, the excess is covered by international insurance companies.

Argentina and Paraguay business areas' companies have the policy of obtaining coverage insurance of their property, plant and equipment and inventories subject to fire, theft, and property damage risks, according to Management's assessment.

24. GUARANTEES

The comfort letters and guarantees given in the Group, in the amount of €3.1 billion, relates to financial liabilities already reflected in the consolidated financial position. In addition, as of December 31, 2014, several Group companies had requested guarantees to third parties, mainly related with tax process, in the amount of €429 million (€445 million as of December 31, 2013).

25. FINANCIAL INSTRUMENTS

The Group conduct transactions involving financial instruments, including derivatives, all of which recorded in balance sheet accounts, which are intended to meet their operating and financial needs. The Company contracts short-term investments, borrowings and financing, as well as derivatives.

25.1. Capital risk management

The Group capital structure consists of net debt (borrowings less cash equivalents and securities) and equity (which includes issued capital, reserves, retained earnings and noncontrolling interests).

25.2. Financial risk management

The Group’s Corporate Treasury Department manages the financial risks for the wholly-owned subsidiaries by coordinating access to domestic and foreign markets, monitoring and managing transaction-related risks, through internal reports by level and materiality, such as the currency risk, the interest rate risk, the price risk, the credit risk, and the liquidity risk

25.3. Categories of financial instruments

	12.31.2014	12.31.2013
Current assets:		
Financial assets at amortized cost:		
Cash and bank accounts (Note 4)	427,056	395,231
Short-term investments - financial asset	162,146	574,504
Trade receivables (Note 6)	165,185	181,012
Related parties (Note 15)	-	868
Other receivables	71,815	73,218
Financial assets at fair-value:		
Exclusive funds	302,792	308,384
Derivatives	13,456	3,822

(continued on the next page)

(continuation)

	12.31.2014	12.31.2013
Non-current assets:		
Financial assets at amortized cost:		
Long-term investments - financial asset	2,564	1,627
Trade receivables	117	245
Financial assets at fair-value:		
Derivatives	115,175	5785
Current liabilities:		
Financial liabilities at amortized cost:		
Debentures (Note 11)	-	179
Borrowings and financing (Note 10)	169,869	104,682
Trade payables	272,348	296,836
Interest payable (Notes 10 and 11)	97,401	76,652
Other payables	42,168	26,576
Financial liabilities at fair value:		
Derivatives	2,432	529
Non-current liabilities:		
Financial liabilities at amortized cost:		
Debentures (Note 11)	1,442,147	835,577
Borrowings and financing (Note 10)	1,903,821	2,803,423
Trade payables	10717	13,496
Other payables	13,828	13,105
Financial liabilities at fair value:		
Derivatives	4,032	1,874

25.4. Foreign exchange exposure and details on derivative transactions

Foreign exchange risk

The Group have assets and liabilities in currencies other than their own functional currencies, mainly the US dollar, and their results may be materially impacted by exchange rate fluctuations.

The main account groups exposed to foreign exchange risk are as follows:

	12.31.2014	12.31.2013
Assets:		
Cash and cash equivalents	341,750	196,456
Trade receivables	5,176	1,853
Related parties (a)	271,063	-
Other credits	33,482	-
Exposed assets	651,471	198,309
Liabilities:		
Interest, borrowings, financing and debentures	590,653	2,267,048
Foreign trade payables	40,936	61,521
Related parties (a)	288,280	-
Exposed liabilities	919,869	2,328,569

- a. It relates to intercompany balances with currency exposure at least in one of the related companies, considering subsidiaries have different functional currencies, where balances (assets and liabilities) are eliminated during the consolidation; however, gain or loss impact is not totally eliminated.

Derivatives

As of December 31, 2014 and December 31, 2013, the fair value of derivatives is as follows:

	Other assets				Other liabilities			
	Current asset		Noncurrent asset		Current asset		Noncurrent asset	
	12.31.2014	12.31.2013	12.31.2014	12.31.2013	12.31.2014	12.31.2013	12.31.2014	12.31.2013
Cash flow hedges:								
Interest rate and cross currency swaps	13,456	-	90,576	-	1,838	490	4,032	91
Trading:								
Interest rate derivatives	-	-	-	-	594	-	-	1,783
Exchange and interest rate derivatives	-	-	24,599	5,785	-	-	-	-
Exchange rate forwards	-	3,783	-	-	-	-	-	-
	13,456	3,783	115,175	5,785	2,432	490	4,032	1,874

The above assets and liabilities are presented in the consolidated statements of financial position in the current and non-current captions of Other receivables and Other payables.

Some derivatives, although in compliance with the Group's risk management policies as regards the management of financial market volatility risks, do not qualify for hedge accounting, and so are classified as trading instruments.

The following schedule shows the operations at December 31, 2014 and December 31, 2013 that qualify as hedging accounting instruments:

Type of hedge	Notional	Type of Operation	Maturity	Economic purpose	Fair value	
					12.31.2014	12.31.2013
Cash-flow	EUR 35.000.000	Interest Rate Swap	Jun/15	Swich to fixed interest rate	Cancelled(a)	(581)
Cash-flow	USD 200.000.000	Cross Currency Swap to	Jun/24	Swich a USD Loan into a EUR Loan	13,657	-
Cash-flow	USD 200.000.000	Cross Currency Swap to	Jul/24	Swich a USD Loan into a EUR Loan	10,603	-
Cash-flow	USD 100.000.000	Cross Currency Swap to	Jul/24	Swich a USD Loan into a EUR Loan	5719	-
Cash-flow	USD 50.000.000	Cross Currency Swap to	Jul/24	Swich a USD Loan into a EUR Loan	3,395	-
Cash-flow	USD 150.000.000	Cross Currency Swap to	Jul/24	Swich a USD Loan into a EUR Loan	8,976	-
Cash-flow	USD 217500.000	Cross Currency Swap to	Feb/19	Swich a USD Loan into a EUR Loan	11,668	-
Cash-flow	USD 217500.000	Cross Currency Swap to	Feb/19	Swich a USD Loan into a EUR Loan	15,086	-
Cash-flow	USD 500.000.000	Cross Currency Swap to	Jan/22	Swich a USD Loan into a EUR Loan	34,927	-
Cash-flow	EUR 379.218.809	Interest Rate Swap	Jan/22	Swich to fixed interest rate	(5,869)	-
					98,162	(581)

(a) Following the early prepayment of the bilateral financing explained on Note 10, the Company cancelled such derivative with a cost similar to its fair-value.

In addition, the fair value of the portfolio of derivative financial instruments at December 31, 2014 and December 31, 2013, which do not qualify as hedging accounting is as follows:

Face value	Type of Operation	Maturity	Economic purpose	Fair value	
				12.31.2014	12.31.2013
USD 50.000.000	Cross-Currency-Swap	Sep/18	Swich a USD Loan into a BRL Loan	6,215	1,509
USD 50.000.000	Cross-Currency-Swap	Sep/18	Swich a USD Loan into a BRL Loan	5,926	1,220
USD 50.000.000	Cross-Currency-Swap	Sep/18	Swich a USD Loan into a BRL Loan	6,189	1,480
USD 50.000.000	Cross-Currency-Swap	Sep/18	Swich a USD Loan into a BRL Loan	6,270	1,576
USD 130.875922	FX Swaps	Jan-14/Feb-14	Increase the Asset exposure to USD	-	3783
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	(594)	(1783)
				24,006	7785

25.5. Market values

Estimated fair value – assets measured at fair value

The following table presents the Group’s assets and liabilities measured at fair value as of December 31, 2014 in accordance with the following fair value seniority levels:

- **Level 1:** the fair value of financial instruments is based on listings on net active markets as of the date of the financial statements;
- **Level 2:** the fair value of financial instruments is not based on listings on net active markets but rather based valuation models;
- **Level 3:** the fair value of financial instruments is not based on listings on net active markets but rather on valuation models, the principal inputs of which are not observable in the market.

Category	Item	Level 1	Level 2	Level 3
Assets:				
Financial assets available for sale	Investment fund	1,547	-	-
Financial assets at fair value	Cash and cash equivalents	79,295	-	-
Financial assets at fair value	Financial derivative instruments	-	128,630	-
Financial assets at fair value	Other investments	2,564	-	-
Liabilities:				
Financial liabilities at fair value	Financial derivative instruments	-	6,463	-

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

Measurement of fair value of derivatives financial instruments is based on criteria extracted from external database agencies, and the results obtained faced with the corresponding evaluations made by counterparties.

Except as regards non-current loans the majority of financial assets and liabilities mature in the short term and so their fair value is considered to be the same as their book values.

Regarding loans and debentures, as shown in Notes 11 and 12, in general, are contracted at variable interest rates, with margins there are estimate to be close to those that possibly could be contracted in December 31, 2014. Consequently, it is understood that the corresponding book value (amortized cost) does not differ significantly from their corresponding market value, except for the fixed interest rate loans contracted in the Brazilian, Argentinian and Paraguayan business areas, the effect of their valuation to fair value in relation to their book value being as follows:

	12.31.2014	12.31.2013
Fair value	1,535,421	988,507
Carrying amount	1,610,066	1,004,696

25.6. Exposure to interest rate risks

The Group is exposed to floating interest rates and inflation rates mainly related to changes in the IGP-M, CDI, Libor, Euribor, Broad Consumer Price Index (IPCA) and TJLP on borrowings and debentures. Interest rates on short-term investments are mostly linked to the CDI and Selic fluctuation. These positions are as follows:

	12.31.2014	12.31.2013
Assets:		
CDI	74,191	762,107
SELIC	22,309	50,682
Total assets	96,500	812,789
Passivo:		
IGP-M	9,690	6,979
CDI	921,153	907,787
EURIBOR	757,408	816,481
IPCA	72	472
LIBOR	545,134	1,143,660
TJLP	67,271	79,041
Outros	51,161	8,199
Total do passivo	2,351,889	2,962,619

25.6. Credit risk

Financial instruments that potentially subject the Company and its subsidiaries to concentrations of credit risk consist primarily of short-term investments and trade receivables. The Company and its subsidiaries maintain bank accounts and short-term investments with financial institutions approved by Management, and only carry out sale transactions according to credit approval criteria for minimizing default risks.

25.8. Sensitivity analysis of financial instruments

As of December 31, 2014, the sensitivity analysis of financial instruments of the Company and its subsidiaries, considering material assets and liabilities is as follows:

(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 at December 31, 2014 were as follows:

Considering that the EUR and USD monetary rates are at levels below 1% only scenarios relating to increase in the Euribor and Libor were simulated.

A parallel change of +/- 1% in the interest rate curve with all the other assumptions remaining constant would result in an increase in financial costs for the year then ended (before taxes) of approximately €13 million on the euro liability indexed to the variable rate and USD 5 million on the variable rate loan, as shown in table below:

Indexing	Currency	Value	1.0%	2.0%	3.0%
Euribor	EUR	757.408	7.574	15.148	22.722
US Libor	USD	545.134	5.451	10.903	16.354

In the case of rates indexed in BRL, 3 scenarios were simulated: maintenance of the year end rates (Probable Scenario), assumed as probable, and two scenarios of increase of 25% (Possible Scenario) and 50% (Remote Scenario) in the rates, being specifically considered that as there were significant amounts invested in this currency, there was a simulation of the impact that an decrease in rates would have on these applications (CDI and Selic – Assets). The results for the assets and liabilities impacts are as follows:

Indexing	Total	S. Probable	S. Possible	S. Remote
IGP-M	(9.690)	439	549	659
TJLP	(67.271)	3.363	4.205	5.045
IPCA	(72)	5	7	8
CDI - Liability	(921.153)	116.342	145.427	174.513
CDI - Asset	74.191	9.370	7.028	4.685
SELIC - Asset	22.309	2.909	2.182	1.455

b. Exchange rates

In the debt and financial derivatives components, considering the currency distributing aforementioned, the exchange rate risks result from exchange rate volatility as well as its impact on consolidated financial results.

Considering the Group's financial liability profile at December 31, 2014 the more significant impact on net financial results would be as follows:

Amount in USD	Funcional currency	FX Rate (12.31.2014)		USD depreciation		0.0%	USD appreciation	
				-10%	-5.0%		5.0%	10.0%
513,262	EUR	1.21	Efect in EUR	42,247	21,124	-	(21,124)	(42,247)
77,571	BRL	2.66	Efect in BRL	20,604	10,302	-	(10,302)	(20,604)
			Efect in EUR	6,488	3,073	-	(2,780)	(5,308)
63,488	ARS	837	Efect in ARS	53,164	26,582	-	(26,582)	(53,164)
			Efect in EUR	5,310	2,515	-	(2,276)	(4,344)
115,000	PYG	4,629.11	Efect in PYG	53,234,813	26,617,407	-	(26,617,407)	(53,234,813)
			Efect in EUR	9,618	4,556	-	(4,122)	(7,869)
58,000	MZN	33.00	Efect in MZN	191,412	95,706	-	(95,706)	(191,412)
			Efect in EUR	4,851	2,298	-	(2,079)	(3,969)

Taking into account the existence, in some companies, of large deposit amounts, in other currencies than the functional currencies, are also simulated the most relevant impacts that exchange rate volatility would have on the financial results:

Amount in USD	Funcional currency	FX Rate (12.31.2014)		USD depreciation		0.0%	USD appreciation	
				-10%	-5.0%		5.0%	10.0%
269,768	EUR	1.21	Efect in EUR	(22,205)	(11,102)	-	11,102	22,205
58,000	ZAR	1156	Efect in ZAR	(67,070)	(33,535)	-	33,535	67,070
			Efect in EUR	(4,851)	(2,298)	-	2,079	3,969
31,886	PYG	0.00	Efect in PYG	(147,603,94)	(7,380,197)	-	7,380,197	147,603,94
			Efect in EUR	(2,667)	(1,263)	-	1,143	2,182

Amount in EGP	Funcional currency	FX Rate (12.31.2014)		EGP depreciation		0.0%	EGP appreciation	
				-10%	-5.0%		5.0%	10.0%
778,133	EUR	858	Efect in EUR	(9,070)	(4,535)	-	4,535	9,070

Amount in ZAR	Funcional currency	FX Rate (12.31.2014)		ZAR depreciation		0.0%	ZAR appreciation	
				-10%	-5.0%		5.0%	10.0%
513,000	EUR	14.05	Efect in EUR	(3,652)	(1,826)	-	1,826	3,652

Amount in EUR	Funcional currency	FX Rate (12.31.2014)		EUR depreciation		0.0%	EUR appreciation	
				-10%	-5.0%		5.0%	10.0%
85,242	BRL	3.23	Efect in BRL	(27,508)	(13,754)	0	13,754	27,508
			Efect in EUR	(9,471)	(4,486)	0	4,059	7,749

26. Supplemental Cash Flow Information

a) Investment and financing activities not involving cash

	12.31.2014	12.31.2013
Interest capitalization	26,013	9,304
Purchase of property, plant and equipment through financing	3,155	2,310
Purchase of property, plant and equipment through trade payables	(19,342)	-
Purchase of intangibles through trade payables	6,231	-

27. Operating Segment

The operating segments are identified based on the internal reports on the Company's components, periodically reviewed by the Chief Executive Officer (CEO), the chief operating decision-maker, so that funds can be allocated to the segments and their performances assessed.

To manage its business taking into consideration its financial and operating activities, the Company classified its business into each geographical area where the Company operates. The profit and loss information are as follows:

	12.31.2014				12.31.2013			
	Product sales and services provided				Product sales and services provided			
	Foreign sales	Intersegment sales	Total	Profit (loss)	Foreign sales	Intersegment sales	Total	Profit (loss)
Operating segments:								
Brazil	1,168,244	203	1,168,447	243,152	1,238,695	-	1,238,695	337,958
Argentina and Paraguay	601,087	-	601,087	105,377	649,890	-	649,890	101,330
Portugal and Cape Verde	188,937	112,063	301,000	(16,620)	206,046	101,211	307,257	(22,186)
Egypt	246,898	-	246,898	55,948	180,779	-	180,779	25,748
Mozambique	148,945	-	148,945	18,786	141,878	-	141,878	25,408
South Africa	122,417	3,675	126,092	31,027	121,703	3,481	125,184	24,588
Total	2,476,528	115,941	2,592,469	437,670	2,538,991	104,692	2,643,683	492,846

(continued on the next page)

(continuation)

12.31.2014					12.31.2013			
Product sales and services provided				Profit (loss)	Product sales and services provided			Profit (loss)
	Foreign sales	Intersegment sales	Total		Foreign sales	Intersegment sales	Total	
Other	127,516	226,588	354,104	(8,119)	85,400	226,097	311,497	(5,204)
Eliminations	-	(342,529)	(342,529)	-	-	(330,788)	(330,788)	-
Sub-total	2,604,044	-	2,604,044	429,551	2,624,391	-	2,624,392	487,642
Share of profit of associates				960				741
Income before financial income (expenses)				430,511				488,383
Financial income (expenses), net				(328,429)				(300,863)
Income before income tax and social contribution				102,082				187,520
Income tax and social contribution				(52,008)				(27,019)
Profit for the year				50,074				160,501

The profit for each years above includes the full amount of the Company's segments disregarding the following amounts attributable to noncontrolling interests:

				Noncontrolling interests	
				12.31.2014	12.31.2013
Operating segments:					
Brazil				32,072	51,298
Argentina and Paraguay				8,668	5,601
Portugal and Cape Verde				(4,697)	(4,261)
Egypt				12,857	7,823
Mozambique				2,929	6,553
South Africa				7,126	9,653
				58,955	76,667
Unallocated				(49,884)	(87,041)
				9,071	(10,375)

Other information:

	12.31.2014		12.31.2013	
	Capital expenditure	Depreciation, amortisation and impairment losses	Capital expenditure	Depreciation, amortisation and impairment losses
Operating segments:				
Brazil	137,424	80766	215,381	73,261
Argentina and Paraguay	46,907	21,822	72,496	22,887
Portugal and Cape Verde	7,225	49,889	3,656	57,518
Egypt	7,462	23,476	19,950	23,565
Mozambique	12,696	9,052	24,996	6711
South Africa	1,413	9,955	1,591	11,959
	213,127	194,961	338,070	195,901
Other	1,805	8,101	2,150	3,358
Total	214,932	203,062	340,220	199,259

In addition, segment assets and liabilities reconciled with the consolidated balances as of December 31, 2014 and 2013 are as follows:

	12.31.2014			12.31.2013		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Brazil	3,350,044	1,570,618	1779,426	3,366,186	1,593,001	1773,185
Argentina and Paraguay	916,081	474762	441,318	895,447	487,628	407,819
Portugal and Cape Verde	849,544	460,275	389,270	904,532	494,175	410,357
Egypt	505,049	131,151	373,898	477,916	153,300	324,616
Mozambique	280,458	132,003	148,455	284,850	143,610	141,240
South Africa	367,275	136,904	230,370	350783	132,646	218,137
Total	6,268,451	2,905714	3,362738	6,279714	3,004,360	3,275,354
Other	1,130,436	2,219,393	(1,088,957)	1,389,046	2,413,467	(1,024,421)
Eliminations	(442,659)	(442,659)	-	(483,471)	(483,471)	-
Other investments	11,527	-	11,527	8,414	-	8,414
Total segments	6,967755	4,682,448	2,285,308	7,193706	4,934,360	2,259,346

INTERCEMENT

Av. das Nações Unidas,

12.495 - São Paulo / SP

Tel.: +55 (11) 3718-4200

www.intercement.com

investorrelations@intercement.com