InterCement Participações and Subsidiaries

Consolidated Financial Statements for the year ended December 31, 2015 and Independent Auditors Report

Delloite Touche Tohmatsu Auditors Independentes

InterCement

Building sustainable partnerships

INDEPENDENT AUDITORS' REPORT

To the Shareholders, Directors and Management of
InterCement Participações S.A.
São Paulo - SP

We have audited the consolidated financial statements of InterCement Participações S.A. ("Company"), which comprise the balance sheet as of December 31, 2015, and the statements of operations, comprehensive income, changes in shareholder´s equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards - IFRSs, issued by the International Accounting Standards Board - IASB, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the financial statements

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of InterCement Participações S.A. as of December 31, 2015, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRSs issued by the IASB.

São Paulo, February 24, 2016

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Ismar de Moura
Engagement Partner

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Consolidated Statements of Financial Position as of December 31, 2015 and 2014

(In thousands of euros - €)

ASSETS	Notes	12.31.2015	12.31.2014
CURRENT ASSETS			
Cash and cash equivalents	4	767,971	801,755
Securities	5	23,476	90,240
Trade receivables	6	145,501	165,185
Inventories	7	376,795	452,613
Recoverable taxes		54,787	77,583
Assets classified as held for sale		-	1,867
Derivatives	25	24,770	13,456
Other receivables		67,509	58,359
Total current assets		1,460,809	1,661,058
NONCURRENT ASSETS			
Securities	5	2,361	2,564
Trade receivables	6	1,505	117
Inventories	7	13,994	15,031
Recoverable taxes		14,098	23,470
Deferred income tax and social contribution	17	74,218	74,734
Escrow deposits		13,659	15,312
Derivatives	25	238,895	115,175
Other receivables		22,785	34,078
Investments		15,735	17,328
Property, plant and equipment	8	2,144,857	2,634,356
Intangible assets:			
Goodwill	9	1,721,808	2,142,663
Other intangible assets	9	186,612	231,870
Total noncurrent assets		4,450,527	5,306,698
TOTAL ASSETS		5,911,336	6,967,756

LIABILITIES AND EQUITY	Notes	12.31.2015	12.31.2014
CURRENT LIABILITIES			
Trade payables		300,369	272,348
Borrowings and financing	10	117,117	169,869
Interest payable	10 and 11	91,853	97,401
Taxes payable		50,265	62,879
Payroll and related taxes		40,760	55,427
Dividends and interest on capital	16	389	51,363
Advances from customers		32,683	24,434
Related parties		-	2,234
Actuarial liabilities	14	899	904
Derivatives	25	2,501	2,432
Other payables	2	103,228	39,736
Total current liabilities		740,064	779,027
NONCURRENT LIABILITIES			
Trade payables		8,694	10,717
Debentures	11	1,262,123	1,442,147
Borrowings and financing	10	1,911,827	1,903,821
Provision for tax, civil and labor risks	12	83,845	83,629
Provision for environmental recovery	13	36,613	43,116
Taxes payable		5,222	7,292
Payroll and related taxes		-	964
Deferred income tax and social contribution	17	332,578	431,237
Actuarial liabilities	14	16,107	17,229
Derivatives	25	4,602	4,032
Other payables		9,177	9,796
Total noncurrent liabilities		3,670,788	3,953,981
TOTAL LIABILITIES		4,410,852	4,733,008
SHAREHOLDER'S EQUITY			
Capital	16	1,080,949	1,080,949
Capital reserves	16	498,724	467,150
Earnings reserves and accumulated losses	16	207,766	228,423
Other comprehensive income	16	(738,671)	(371,196)
Equity attributable to the Company's owners		1,048,768	1,405,326
Noncontrolling interests		451,716	829,422
Total equity		1,500,484	2,234,748
TOTAL LIABILITIES AND EQUITY		5,911,336	6,967,756

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, 2015 and 2014

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

	Notes	12.31.2015	12.31.2014
NET REVENUE	18 and 27	2,493,277	2,604,044
COST OF SALES AND SERVICES	19	(2,003,133)	(1,942,644)
GROSS PROFIT		490,144	661,400
OPERATING INCOME (EXPENSES)			
Administrative and selling expenses	19	(245,672)	(261,324)
Other income, net	19	34,969	29,474
Equity result		1,325	960
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION		280,766	430,511
FINANCIAL INCOME (EXPENSES)			
Foreign exchange losses, net	20	(93,792)	(74,881)
Financial income	20	81,071	81,084
Financial expenses	20	(313,196)	(334,631)
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(45,151)	102,082
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	17	(51,553)	(60,337)
Deferred	17	53,050	8,329
PROFIT (LOSS) FOR THE PERIOD		(43,654)	50,074
PROFIT (LOSS) ATTRIBUTABLE TO			
Company’s owners	22	(20,228)	41,003
Noncontrolling interests	27	(23,426)	9,071
EARNINGS (LOSS) PER SHARE			
Basic/diluted earnings per share	22	(0.89)	-

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, 2015 and 2014

(In thousands of euros - €)

	Notes	12.31.2015	12.31.2014
PROFIT (LOSS) FOR THE YEAR		(43,654)	50,074
Other comprehensive income:			
Items that will not be reclassified subsequently to the income statement:			
Employee benefits		(345)	(2,998)
Items that might be reclassified subsequently to the income statement:			
Exchange differences arising on translating foreign operations		(634,711)	36,265
Hedging derivatives financial instruments		14,737	(5,076)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(663,973)	78,265
COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
Company's owners		(388,310)	47,055
Noncontrolling interests		(275,663)	31,210

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity for the years ended December 31, 2015 and 2014

(In thousands of euros - €)

	Notes	Share capital	Capital reserves	Earnings reserves		Other comprehensive income	Accumulated losses	Total attributable to the Company's owners	Noncontrolling interests	Total equity
				Legal	Investments					
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 recognized 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
BALANCE AT DECEMBER 31, 2014		1,080,949	467,150	18,063	210,360	(371,196)	-	1,405,326	829,422	2,234,748
Loss for the year		-	-	-	-	-	(20,228)	(20,228)	(23,426)	(43,654)
Realization of deemed cost of property, plant and equipment		-	-	-	-	607	(607)	-	-	-
Acquisition of noncontrolling interests	15	-	14,005	-	-	-	-	14,005	(105,434)	(91,429)
Sale of noncontrolling interests	15	-	17,569					17,569	4,450	22,019
Transactions with shareholders, recorded directly in equity		-	-	-	-	-	-	-	251	251
Other:										
Dividends paid to noncontrolling interests		-	-	-	-	-	-	-	(1,311)	(1,311)
Dividends prescription		-	-	-	-	-	179	179	-	179
Other comprehensive income		-	-	-	-	(368,082)	-	(368,082)	(252,237)	(620,319)
BALANCE AT DECEMBER 31, 2015		1,080,949	498,724	18,063	210,360	(738,671)	(20,657)	1,048,768	451,716	1,500,484

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, 2015 and 2014

(In thousands of euros - €)

	Notes	12.31.2015	12.31.2014
CASH FLOW FROM OPERATING ACTIVITIES			
Income (loss) before income tax and social contribution		(45.151)	102.082
Adjustments to reconcile income before income tax and social contribution with net cash generated by operating activities:			
Depreciation, amortization and impairment losses		238.290	203.062
Recognition (reversal) of allowance for potential losses, net		(6.191)	(11.855)
Interest, accrued charges, and exchange differences		327.697	330.560
Gain on sale of long-lived assets		(27.460)	(10.709)
Equity result		(1.325)	(960)
Other noncash operating losses (gains)		869	7.348
Decrease (increase) in operating assets:			
Related parties		(935)	337
Trade receivables		(23.036)	32.873
Inventories		(12.949)	(17.489)
Recoverable taxes		2.598	(2.242)
Other receivables		955	(57)
Increase (decrease) in operating liabilities:			
Related parties		45	65
Trade payables		93.002	(20.728)
Payroll and vacation payable		(16.683)	1.040
Other payables		(36.348)	(32.522)
Taxes payable		4.744	(1.454)
Cash generated by operating activities		498.123	579.348
Income tax and social contribution paid		(46.602)	(42.287)
Interest paid		(222.135)	(234.115)
Net cash generated by operating activities		229.386	302.947
CASH FLOW FROM INVESTING ACTIVITIES			
Redemption of (investments in) securities		56.805	(22.488)
Purchase of property, plant and equipment		(105.109)	(195.883)
Increase in intangible assets		(4.177)	(2.992)
Sale of long-lived assets		38.750	8.200
Sale of noncontrolling interests		21.175	-
Dividends received		1.506	1.076
Net cash used in investing activities		8.950	(212.088)
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings, financing and debentures		236.971	1.411.675
Swap transactions		39.640	-
Acquisition of noncontrolling interests	15	(91.429)	(85.427)
Repayment of borrowings, financing and debentures		(410.901)	(1.886.094)
Dividends paid		(50.462)	-
Other instruments		52.382	(13.741)
Others		-	4.032
Net cash used in financing activities		(223.799)	(569.555)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		14.537	(478.695)
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS		(48.321)	52.774
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4	801.755	1.227.676
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4	767.971	801.755

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, 2015

(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 byproducts, 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.

On July 23, 2015 an additional stake of 4.49% in Cimpor – Cimentos de Portugal, SGPS, S.A. ("Cimpor") was bought from Camargo Corrêa Cimentos Luxembourg S.à.r.l. ("CCCLux") by €91,429 thousand (Note 15). During the year ended December 31, 2014, an additional stake of 4.19% in Cimpor – Cimentos de Portugal, SGPS, S.A. ("Cimpor") was bought from Camargo Corrêa Cimentos Luxembourg S.à.r.l. ("CCCLux") by €85,242 thousand (Note 15).

Additionally, on December 18, 2015, the subsidiary InterCement Brasil sold 15.99% of the participation of Yguazu to the minority shareholder by the amount of €32,100 thousand (R$136.717 thousand). This operation has generated a net gain, excluding tax effect, of €17,569 thousand recognized directly in equity.

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

The new standards and accounting interpretations bellow, issued until December 31, 2015 by the "International Accounting Standards Board - IASB", were not applied in advance by the Company in the financial statements for the year ended December 31, 2015. Those standards will be implemented as soon as its application becomes obligatory. The Company has not yet estimated the possible impacts of these on its financial statements.

IFRS 9	Financial Instruments[2]
IFRS 15	Revenue from Contracts with Customers[2]
Amendments to IFRS 11	Joint Arrangements[1]
Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable methods of depreciation and amortisation[1]
Amendments to IFRS 10 and IAS 28	Sales or contributions of assets between an investor and its associate/joint venture
Amendments to IFRSs	Annual improvements — 2012-2014 cycle[1]

1. Effective on or after January 1, 2016, with earlier adoption permitted.
2. Effective on or after January 1, 2018, with earlier adoption permitted.

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 2.9 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
Machinery and equipment	2 to 50
Vehicles	2 to 16
Furniture and fixtures	2 to 33
Mines and ore reserves	(*)
Reservoirs, dams and feeders	50
Furnaces, 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” or deducted from the asset cost 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 disclosures the events in question as contingent liabilities, unless the possibility of outflow of resources is remote, in which case they are not subject to disclosure.

a) Provisions for restructuring costs

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

b) Environmental recovery

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

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

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

Currency		Closing exchange rate (R$) 12.31.2015	Closing exchange rate (R$) 12.31.2014	Average exchange rate (R$) 12.31.2015	Average exchange rate (R$) 12.31.2014
USD	US Dollar	3.90480	2.65620	3.30915	2.35011
EUR	Euro	4.25040	3.22700	3.66811	3.12206
MZN	Mozambique Metical	0.08397	0.08049	0.08557	0.07577
CVE	Cape Verde Escudo	0.03855	0.02927	0.03327	0.02831
EGP	Egyptian Pound	0.49870	0.37150	0.42113	0.33225
ZAR	South African Rand	0.25100	0.22970	0.26501	0.21704
ARS	Argentinian Peso	0.29945	0.31720	0.36217	0.29051
PYG	Paraguayan Guaraní	0.00067	0.00057	0.00065	0.00053

Consolidation

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

	12.31.2015		12.31.2014	
	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.	-	74.63	-	70.15
Cimpor Trading e Inversiones, S.A.	-	74.63	-	70.15
InterCement Austria Equity Participation GmbH	-	74.63	-	70.15
Caue Austria Holding GmbH	-	74.63	-	70.15
Cimpor Financial Operations, B.V.	-	74.63	-	70.15
Cimpor Reinsurance, S.A.	-	74.63	-	70.15
Cimpor - Serviços de Apoio à Gestão de Empresas S.A.	-	74.63	-	70.15
Cimpor Portugal, SGPS, S.A.	-	74.63	-	70.15
Kandmad - Sociedade Gestora de Participações Sociais, Lda.	-	74.63	-	70.15
Cimpship - Transportes Marítimos, S.A.	-	44.78	-	42.09
Cecime - Cimentos, S.A.	-	74.63	-	70.15
Cement Trading Activities – Comércio Internacional, S.A.	-	74.63	-	70.15
BRAZIL SEGMENT				
InterCement Brasil S.A.	-	74.63	-	70.15
Cauê Finance Limited	-	74.63	-	70.15
CCCimentos Participações Ltda.	-	74.50	-	70.02
Companhia Camargo Corrêa de Energia	-	74.63	-	70.15
Transviária Logística e Transportes Ltda.	-	74.63	-	70.15
Neogera Investimentos em Inovação Ltda.	-	73.71	-	69.28
Barra Grande Participações, S.A.	(a)	74.63	-	-

ARGENTINA AND PARAGUAY SEGMENT				
Holdtotal S.A.	-	b)	-	70.14
Loma Negra C.I.A. S.A.	-	74.21	-	67.67
Betel S.A.	-	b)	-	67.67
Cofesur S.A.	-	72.47	-	66.08
Compañia Argentina de Cemento Portland S.A.	-	b)	-	67.67
Recycomb S.A.	-	74.22	-	67.67
Compañia Argentina de Cemento La Preferida de Olavarría S.A.	-	b)	-	67.67
Yguazu Cementos S.A.	-	37.92	-	46.13
PORTUGAL AND CAPE VERDE SEGMENT				
Cimpor - Indústria de Cimentos, S.A.	-	74.63	-	70.15
Mossines - Cimentos de Sines, S.A.	-	74.63	-	70.15
Cimentaçor - Cimentos dos Açores, Lda.	-	74.63	-	70.15
Betão Liz, S.A.	-	73.51	-	69.10
Agrepor Agregados - Extracção De Inertes, S.A.	-	74.63	-	70.15
Sogral - Sociedade de Granitos, S.A.	-	74.63	-	70.15
Sanchez, S.A.	-	74.63	-	70.15
Bencapor - Produção de Inertes, S.A.	-	55.97	-	52.61
Ibera - Indústria de Betão, S.A.	-	37.32	-	35.07
Prediana - Sociedade de Pré-Esforçados, S.A.	-	74.63	-	70.15
Geofer - Produção e Comercialização de Bens e Equipamentos, S.A.	-	b)	-	70.15
Sacopor - Sociedade de Embalagens e Sacos de Papel, S.A.	-	74.63	-	70.15
Ciarga - Argamassas Secas, S.A.	-	74.63	-	70.15
Alempedras - Sociedade de Britas, Lda.	-	74.63	-	70.15
Cimpor Imobiliária, S.A.	-	74.63	-	70.15
Mecan - Manufactura de Elementos de Casas de Construção Normalizada, Lda.	-	74.63	-	70.15
Sogesso - Sociedade de Gessos de Soure, S.A.	-	74.63	-	70.15
Transformal, S.A.	-	74.63	-	70.15
Lusobetimobiliária S.A.	-	b)	-	70.15
Cimpor Cabo Verde, S.A.	-	73.24	-	68.84
Cabo Verde Betões e Inertes, S.A.	-	b)	-	68.84
Indústria de Transformação de Pedras, Lda.	-	b)	-	68.84
Betões de Cabo Verde, S.A.	-	b)	-	68.84
EGYPT SEGMENT				
Cimpor Egypt for Cement Company, S.A.E.	-	74.63	-	70.15
Amreyah Cement Company, S.A.E.	-	73.99	-	69.55
Amreyah Cimpor Cement Company, S.A.E.	-	74.15	-	69.70
Cement Services Company, S.A.E.	-	74.34	-	69.88
Cimpor Sacs Manufacture Company, S.A.E.	-	74.56	-	70.08
Amreyah Dekheila Terminal Company, S.A.E.	-	74.16	-	69.71
Amreyah Cimpor Ready Mix Company, S.A.E.	-	74.07	-	69.62
MOZAMBIQUE SEGMENT				
Cimentos de Moçambique, S.A.	-	61.67	-	57.97
Cimpor Betão Moçambique, S.A.	-	61.67	-	57.97
Imopar - Imobiliária de Moçambique, S.A.	-	74.63	-	70.15
Cimentos de Nacala, S.A.	-	61.74	-	58.03

SOUTH AFRICA SEGMENT				
Npc - Cimpor (Pty) Limited	-	55.23	-	51.91
Natal Portland Cement Company (Pty) Ltd.	-	74.63	-	70.15
Durban Cement Ltd.	-	74.63	-	70.15
Simuma Rehabilitation Trust	-	24.85	-	23.36
Npc Concrete (Pty) Ltd.	-	74.63	-	70.15
South Coast Stone Crushers (Pty) Ltd.	-	55.23	-	51.91
South Coast Mining (Pty) Ltd.	-	74.63	-	70.15
Eedeswold Highlands (Pty) Ltd.	-	b)	-	70.15
Sterkspruit Aggregates (Pty) Ltd.	-	55.23	-	51.91

JOINT OPERATIONS:

BRAZIL SEGMENT				
BAESA - Energética Barra Grande S.A.	(a)	6.72	-	6.31

CONSORTIUM:

BRAZIL SEGMENT				
Consórcio Estreito Energia - OESTE	-	3.31	-	3.11
Consórcio Machadinho	-	3.94	-	3.70

Changes in ownership from 2014 to 2015 are mainly in connection with share acquisition described in Note 1. Further changes are as follow:

a) On April 22, 2015, the company Barra Grande Participações SA ("Barra Grande") was incorporated by InterCement Brasil, engaged in holding interest in other companies. On December 8, 2015, its capital was increased in R$63,828, through the conference of all shares held in the jointly operation, BAESA – Energética Barra Grande S.A. (“BAESA”), in the amount of R$62,828, in addition to the contribution of R$1,000. With the referred capital increase, the subsidiary Barra Grande held 63,829,456 shares, of which 51,701,860 ordinary shares and 12,127,596 preference shares, without voting rights, but with priority in the distribution of dividends.

   On December 29, 2015, InterCement Brasil signed a promissory contract of transferring to third parties 12,127,596 preference shares, representing 18.99% of the share capital of the subsidiary Barra Grande, by R$240,769 thousand, recorded under the caption "other payables". The obligations of the parties to conclude the foreseen in the agreement, including the transfer of shares, depends on the compliance of certain contractual conditions.

b) Excluded from the consolidation perimeter as a result of mergers with other subsidiaries and liquidations.

3. Change in accounting policies and errors

During the year ended December 31, 2015, there were no changes in accounting policies in relation to those considered in the preparation of the financial information for the year ended on December 31, 2014, 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

	12.31.2015	12.31.2014
Cash and bank accounts	336,719	427,056
Short-term investments	431,252	374,699
Total cash and cash equivalents	767,971	801,755

Short-term investments were as follows:

	12.31.2015	12.31.2014
Bank certificates of deposit (CDBs)	1,631	533
Short Term Investment in Reais (a)	85,677	-
Exclusive funds:		
National Treasury Bills (LTNs)	21,520	56,233
National Treasury Bills (LTFs)	23,896	24,637
CDBs	1,300	293
Fixed-income funds	78,423	131,411
Others	1,320	-
Short-term investments in foreign subsidiaries:		
Investment fund in Argentinean pesos	12,548	16,906
Short-term investments in US dollars	38,413	4,356
Short-term investments in euro	62,873	40,964
Short-term investments in Egyptian pound	55,568	73,919
Short-term investments in South African rand	18,019	24,554
Short-term investments in Mozambique metical	28,626	549
Short-term investments in Cape Verd escudos	1,360	-
Other	78	344
Total short-term investments	431,252	374,699

(a) As described in Note 2, “consolidation” section, InterCement Brasil received the amount of €56.646 thousand related to the promissory contract. According to contract clauses, on January 11, 2016, the amount received was transferred to a restrict account, waiting of certain contract conditions.

5. Securities

Securities are classified as financial assets, as follows:

	12.31.2015	12.31.2014
Market investments	18,177	85,216
Other	7,660	7,588
Total	25,837	92,804
Total - current	23,476	90,240
Total - noncurrent	2,361	2,564

6. Trade Receivables

	12.31.2015	12.31.2014
Domestic and foreign customers - current	173,451	194,245
(-) Impairment for doubtful accounts – current	(27,950)	(29,060)
Trade receivables - current	145,501	165,185
Domestic and foreign customers - noncurrent	1,598	182
(-) Impairment for doubtful accounts – noncurrent	(93)	(65)
Trade receivables - noncurrent	1,505	117

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

	12.31.2015	12.31.2014
Current	117,407	109,204
Past-due:		
0 to 30 days	23,364	35,550
31 to 60 days	6,498	9,520
61 to 90 days	1,857	4,551
91 to 180 days	2,351	7,075
181 days or more	23,573	28,527
Total	175,049	194,427

Changes in the impairment for doubtful debts

	12.31.2015	12.31.2014
Opening balance	29,125	31,581
Recognitions	1,848	2,902
Amounts written off in the year as uncollectible	(209)	(4,998)
Exchange gains or losses	(2,722)	(360)
Closing balance	28,043	29,125

7. Inventories

	12.31.2015	12.31.2014
Current:		
Finished products	37,289	47,432
Work in process	83,290	74,528
Raw material	106,171	131,440
Fuel	35,864	53,793
Spare parts	104,583	128,458
Advances to suppliers	881	5,985
Packaging and other	12,572	16,021
Allowance for losses	(3,855)	(5,044)
Total	376,795	452,613
Noncurrent:		
Spare parts	12,320	11,054
Allowance for losses	(150)	(1,078)
Advances to suppliers	1,824	5,055
Total	13,994	15,031

8. Property, Plant and Equipment

	12.31.2015		
	Cost	Depreciation	Net book value
Land	211,523	(16,399)	195,124
Buildings	508,471	(169,358)	339,113
Machinery and equipment	1,756,519	(578,232)	1,178,287
Vehicles	89,047	(46,377)	42,670
Furniture and fixtures	12,613	(8,041)	4,572
Mines and ore reserves	77,874	(43,801)	34,073
Reservoirs, dams and feeders	60,580	(12,939)	47,641
Other	12,778	(7,832)	4,946
Spare parts	6,208	-	6,208
Advances to suppliers	31,043	-	31,043
Construction in progress	261,180	-	261,180
Total	3,027,836	(882,979)	2,144,857

	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

During the year ended December 31, 2015, the Company capitalized financial charges amounting to €4,589 thousand (€26,013 thousand at December 31, 2014) related to loans granted to finance eligible assets.

Construction in progress and advances to suppliers as of December 31, 2015 and 2014, refers basically to investments in the expansion and construction of new units in Brazil, Argentina, Egypt and Mozambique, 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, 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
Additions	183,239
Write-offs	(10,347)
Depreciation	(231,684)
Effect of changes in exchange rates	(435,670)
Other	4,963
Balance at December 31, 2015	2,144,857

Impairment losses

As of December 31, 2015 and 2014, impairment testing were performed for some group of assets which had indications of possible impairment losses, which generated losses recorded by Company totalling €16,100 thousand (€5,000 thousand in 2014). No other impairments were identified.

9. Intangible Assets

	12.31.2015	12.31.2014
Other intangible assets:		
Mining rights	163,515	200,292
Concession-related assets	4,420	6,537
Software licenses	4,303	5,443
Project development costs	4,564	7,257
Trademarks, patents and others	9,810	12,341
	186,612	231,870
Goodwill:		
Loma Negra C.I.A. S.A.	227,175	299,220
CBC - Companhia Brasileira de Cimentos (“CBC”)	24,147	31,804
Cia. Industrial e Mercantil de Cimentos S.A. (“CIMEC”)	17,834	23,490
Cimpor - Cimentos de Portugal, SGPS, S.A.	1,433,632	1,762,879
Other	19,020	25,270
	1,721,808	2,142,663
Total	1,908,420	2,374,533

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), and it was not necessary to record impairment provision.

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.

The recoverable value of each 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	999,375	10%
Argentina and Paraguay segment	229,947	22.3%
Egypt segment	47,907	18.1%
Portugal and Cape Verde segment	304,861	6,2% - 12,1%
Mozambique segment	52,149	14.3%
South Africa segment	87,569	11.0%
	1,721,808	

(*) Discount rate calculated after taxes.

Changes in intangible assets in the year ended December 31, 2015 and 2014 were as follows:

Balance at December 31, 2013	2,366,421
Additions	9,223
Amortization	(8,837)
Effect of changes in exchange rates	7,726
Balance at December 31, 2014	2,374,533
Additions	4,197
Sales	(89)
Amortization	(8,207)
Effect of changes in exchange rates	(461,393)
Transfers	(621)
Balance at December 31, 2015	1,908,420

10. Borrowings and Financing

							12.31.2015			12.31.2014	
Business unit	Type of financing	Currency	Interest rates (b)	Contract date	Maturity		Current	Noncurrent		Current	Noncurrent
Holdings and Financial Vehicles (*)	Bilateral	US$	Floating rate indexed to US Libor	May/12	Jan/22		-	455,333		-	406,921
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb/12	Feb/22		-	303,805		-	303,340
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb/14	Aug/19		-	59,953		-	59,528
Holdings and Financial Vehicles (*)	Bilateral	US$	Floating rate indexed to US Libor	Feb/14	Aug/19		-	197,803		-	176,614
Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb/14	Aug/21		-	59,953		-	59,528
Holdings and Financial Vehicles (*)	Bilateral	US$	Floating rate indexed to US Libor	Feb/14	Aug/21		-	197,800		-	176,614
Holdings and Financial Vehicles (*)	Bilateral	US$	Floating rate indexed to US Libor	Feb/14	Aug/21		-	216,886		-	243,606
Holdings and Financial Vehicles (*)	Bilateral	US$	Floating rate indexed to US Libor	May/14	May/19	(c)	-	45,374		-	137,711
Holdings and Financial Vehicles (*)	Commercial paper	EUR	Floating rate	Mar/15	Mar/18	(d)	-	50,000		-	-
Holdings and Financial Vehicles (*)	Bilateral	EUR	Fixed rate	Dec/14	Dec/18		-	22,394		-	24,000
Holdings and Financial Vehicles (*)	Bilateral	EUR	Fixed rate	Jan/15	Dec/16		215	-		-	-
Argentina and Paraguay	Several bilateral	ARS	Floating rates indexed to Badlar	Several	Several		18,204	45,949		76,058	60,275
Argentina and Paraguay	Several bilateral	US$	Floating rates indexed to US Libor	Several	Several		57,372	2,355		2,170	49,478
Brazil	Several bilateral	US$	Fixed and floating rates	Several	Several	(a)	-	-	(a)	37,604	-
Brazil	Several bilateral	BRL	Fixed and floating rates	Several	Several	(a)	10,837	62,752	(a)	23,254	84,235
Argentina and Paraguay	Several bilateral	US$	Fixed and floating rates	Several	Several		18,723	70,675		18,729	76,195
Argentina and Paraguay	Several bilateral	PYG	Fixed rate	Oct/15	Feb/16		8,968	-		-	-
South Africa	Bilateral	ZAR	Floating rate indexed to Jibar	Dec/13	Dec/18		-	35,432		-	42,708
Portugal and Cape Verde	EIB	EUR	EIB rate	Sep/03	Sep/15		-	-		6,667	-
Portugal and Cape Verde	Several bilateral	EUR	Fixed and floating rates	Several	Several	(d)	-	75,000		-	-
Mozambique	Several bilateral	MZN	Floating rates indexed to BT 3M	Several	Several		1,467	7,055		2,549	1,853
Egypt	Several bilateral	EGP	Floating rates indexed to Corridor	Several	Several		1,331	3,310		2,837	1,214
							117,117	1,911,827		169,869	1,903,821

(*) 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 2.5% and 3.5%, respectively (2.5% and 4.5% in 2014)

(c) Partially early repayment (USD 120 million of USD 200 million contracted).

(d) Referring to a €75 million contracts in the Portugal business area, and the issuance of commercial paper in the amount of €50 million in the Holdings and financial vehicles business area.

As of December 31, 2015 and 2014, the incurred interest related to those financing agreements classified in current liabilities and presented as 'Interest payable' amount to €28,890 thousand and €32,256 thousand, respectively.

Maturity schedule

As of December 31, 2015 and 2014, the noncurrent portions mature as follows:

Period	12.31.2015	12.31.2014
2016	-	124,610
2017	121,455	83,093
2018	184,987	121,763
2019	730,235	724,826
Following years	875,150	849,529
	1,911,827	1,903,821

Covenants

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

The Company and its subsidiaries monitor these ratios systematically and constantly to make sure the requirements are met. Such measurements are performed annually, which depends of conditions agreed in each contract with financial institutions. Based on the last measurement as of December 31, 2015, the Company and its subsidiaries are in compliance with the restrictive conditions and covenants.

11. Debentures

Business unit	Instrument	Currency	Issue date	Interest rate (b)	Final maturity	12.31.2015 Noncurrent	12.31.2014 Noncurrent
Brazil	Debênture - Brazil (a)	BRL	Mar-12	Floating rate indexed to CDI	Apr-22	352,116	462,465
Brazil	Debênture - Brazil	BRL	Jan-12	Floating rate indexed to CDI	Aug-15	-	478
Brazil	Debênture - Brazil	BRL	Aug-12	Floating rate indexed to CDI	Aug-22	281,694	371,862
Holdings and Financial Vehicles (*)	Senior Notes (c)	USD	Jul.14	5.75%	Jul.24	628,312	607,342
						1,262,123	1,442,147

(*) 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) The contracted floating rates have spreads between 8% and 15% above the CDI (Interbank deposit rate in Brazil).

(c) In July, 2014, the Senior Notes ("Notes") were issued by Cimpor Financial Operations, B.V., with a payment maturity of 10 years. The notes were launched with coupon of 5.75% 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. In the year ended December 31, 2015, the Group purchased bonds in the nominal value of USD 54,290 thousand, for an average price of 74%, which results in derecognition of a liability in the amount of €49,876 thousand and in recognition of a gain in the amount of 12,863 thousand euros (Note 20).

As of December 31, 2015 and December 31, 2014, the incurred interest classified in current liabilities and presented as 'Interest payable' amount to €62,963 thousand and €65,145 thousand, respectively.

Maturity schedule

As of December 31, 2015 and 2014, the debentures mature as follows:

Period	12.31.2015	12.31.2014
2016	-	482
2017	113,620	139,054
2018	113,620	139,054
2019	113,620	139,054
Following years	921,264	1,024,503
	1,262,123	1,442,147

Covenants

Debentures contain certain restrictive covenants that require compliance with financial ratios calculated based on the Company's consolidated financial statements. Based on the last measurement as of December 31, 2015, the Company and its subsidiaries are in compliance with the restrictive conditions and covenants.

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:

	12.31.2015	12.31.2014
Labor and social security	29,175	34,449
Tax (a)	35,235	39,219
Civil and other	22,681	14,317
	87,091	87,985
Escrow deposit (b)	(3,246)	(4,356)
Total	83,845	83,629

(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 €23,000 thousand (€26,000 thousand in 2014), which are being challenged in courts.

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

	12.31.2015	12.31.2014
Labor and social security	2,824	3,839
Tax	384	472
Civil and other	38	45
Total	3,246	4,356

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.

On December 31, 2015, the Group has an exposure of €659 million (€663 million in December 31, 2014), being €8 million of contingencies related to labor (€8 million in December 31, 2014), €459 million of tax contingencies (€435 million in December 31, 2014), €192 million of civil contingencies and administrative processes of other natures (€220 million in December 31, 2014), whose likelihood of loss was considered possible, according to the opinion of legal counsellors.

The most significant of the contingencies are:

Brazil

The Group and other companies in the industry were parties to administrative proceedings related to antitrust regulation in progress at the Administrative Council for Economic Defence ("CADE"). In July, 2015, CADE's tribunal judged the administrative appeal presented by the Group under the process initiated in 2007 by the competition authorities in Brazil (as well by other involved companies), maintaining the condemnation decision as regards cartel formation and the imposition of a pecuniary fine and other accessory penalties. The fine imposed to the Group, amounted to, approximately, 127 million euros (which corresponds to 241,700 thousand BRL to Intercement and 297,820 thousand BRL to CCB, meanwhile merged), besides the obligation to sell 20% of its concrete´s assets in Brazil, among other accessory penalties. On December 31, 2015 the fine imposed reach to, resulting from its financial actualization, 131 million euros (R$557.084 thousand).

After the referred administrative CADE's decision become final, the Group appealed judicially, having obtained, on 22 October 2015, the grant of the preliminary injunction to suspend all penalties imposed by CADE, by the presentation of real guarantees (two plants), until the judgment decision. Such preliminary injunction decision was judicially appealed by CADE. Based on the opinion of its legal advisors, that the risk of loss before the court is considered as possible, no provision was recorded for this contingent liability as of December 31, 2015 and 2014.

Concerning to processes with tax nature with a possible loss risk, in December 31, 2015, the contingent liabilities amounts to €353 million, (about €328 million in December 31, 2014).

Egypt

In the context of the industrial licensing process in the industrial unit of Amreyah Cimpor Cement Company, the Industrial Development Authority (IDA), an Egyptian government entity, claims a payment in the amount of EGP 217 million (around €25,5 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. Under this process, a bank guarantee in favor of the Industrial Development Authority (IDA) was presented (Note 24).

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 (€93 million in December 31, 2015). In the sequence of administrative demarches realized by the Group, the mentioned assessments were reduced to around EGP 150 million (€17 million on December 31, 2015). This decision will be subject of appeal, being the conviction of Administration, supported by the opinion of tax advisers, that does not 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.

Following the notifications received by two of our companies from the electricity supplier company to pay a fine and to have the obligation to make investments related with electricity supply, and following the complaint made before the Electricity Regulatory Agency, on November, 12, an agreement with that Agency was signed and the right of contracting the electricity supplying to those Companies were obtained, against a payment of €8,6 million (73 million EGP) over the next two years. With the signature of these contracts, all alleged requests in those notifications will be solved.

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. Already in 2015, the Supreme Court issued a ruling that annulled the additional payments made by the tax authorities the financial years 2002 to 2004, whose value amounted to approximately €27 million. 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, with the processes of 2005 to 2008, as possible (around €34 million) to remote (around €86 million). Following these assessments the company submitted to the Spanish tax administration guarantees which at this time amount to approximately €120 million (Note 24).

During the second half of 2014, the Spanish tax authorities began inspecting the years 2009 to 2012. Based on such inspections, Spanish tax authorities started to lead corrections since 2002, resulting in a negative taxable income of about €33 million. For the year 2012, the inspection is ongoing. As in previous years, the Board of Directors and its legal and tax counsellors remains convinced that from the conclusion of the legal proceedings that may be brought contesting these corrections, no significant charges will occur in the Group.

Changes in the provision for risks for the years ended December 31, 2015 and 2014 are as follows:

	Labor and social security	Tax	Civil and other	Escrow deposit	Total
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	-	698	(698)	-	-
Exchange differences	(393)	510	335	77	527
Balance at December 31, 2014	34,449	39,219	14,317	(4,356)	83,629
Recognition/deposit	3,769	931	13,141	(906)	16,935
Payment/deposit derecognition	(5,273)	(192)	(1,593)	977	(6,081)
Reversal	(341)	(3,234)	(2,061)	-	(5,636)
Transfers	(125)	(86)	211	-	-
Exchange differences	(3,304)	(1,403)	(1,334)	1,039	(5,002)
Balance at December 31, 2015	29,175	35,235	22,681	(3,246)	83,845

In year ended on December 31, 2013, the Group alienated a compensation credit that had been previously held by a final court decision on a civil liability action arising out of tort/delict against a Municipality. In 2015, following an appeal to standardise jurisprudence (“recurso de uniformização de jurisprudência”) made by the Municipality, the Supreme Administrative Court delivered a partially unfavourable judgment to the Group, which resulted on a reduction of the credit value to €2,5 million (€3,3 million including accrued interests). Following that decision, the Group filed a complaint before the Supreme Administrative Court, which has been rejected on January 25, 2016. By the end of 2015, the Group concluded an agreement with the entity to which it had sold the credit; under that agreement, it was established the commitment of repurchasing the credit, which then actually occurred in February 2016 and amounted to €14,2 million (Note 28). Notwithstanding the fact that the Group’s legal advisers consider the abovementioned judgement to be unconstitutional, indicating that the Group is entitled to have the decision reviewed by the Constitutional Court, taking into consideration the uncertainty associated therewith, on December 31, 2015 a Provision for liabilities and charges amounting to €10,9 million, which represents the difference between the repurchase estimated value and the reduced credit value, has been recognized.

13. Provision for Environmental Recovery

Changes in the provisions for environmental recovery in the years ended December 31, 2015 and 2014 are as follows:

	Environmental recovery
Balance at December 31, 2013	42,802
Recognition	1,355
Payment	(443)
Exchange differences	(598)
Balance at December 31, 2014	43,116
Recognition	1,956
Payment	(695)
Reversal	(463)
Exchange differences	(7,301)
Balance at December 31, 2015	36,613

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 benefit plans are managed by specialised independent entities.

The valuations as of December 31, 2015 and 2014 were made using the “Projected Unit Credit” method and were based in the following assumptions and technical bases:

	12.31.2015	12.31.2014
Actuarial technical rate (in local currency)		
Portugal	2.4%	2.6%
South Africa	9.6%	8.3%
Annual pension growth rate		
Portugal	1.0%	1.0%
Annual fund income rate		
Portugal	2,4%	2,6%
Annual salary growth rate		
Portugal	2.0%	2.0%
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	2.0%	2.0%
South Africa	9.3%	8.0%

In accordance with the actuarial valuations the pension and healthcare benefits costs for the years ended December 31, 2015 and 2014 were as follows:

		Pension plans	
		12.31.2015	12.31.2014
Current service cost		538	578
Interest cost		1,838	2,814
Administrative costs		-	188
Expected return of the plans' assets		(2,990)	(2,640)
Total cost/(income) of the pension plans	(I)	(614)	940

		Healthcare plans	
		12.31.2015	12.31.2014
Current service cost		85	133
Interest cost		319	585
Plan change		(245)	(5,022)
Total cost/(income) of the healthcare plans	(II)	159	(4,304)
Total cost/(income) of the defined benefit plans	(I) + (II)	(455)	(3,363)

Changes in the amount of the responsibilities for defined benefit plans and related market value of fund assets during the years ended December 31, 2015 and 2014 were as follows:

	Pension plans		Healthcare plans		Total	
	12.31.2015	12.31.2014	12.31.2015	12.31.2014	12.31.2015	12.31.2014
Defined benefit liability - 1 january	73,663	71,402	10,716	14,223	84,378	85,625
Benefiits and bonuses paid	(4,855)	(4,817)	(787)	(796)	(5,643)	(5,614)
Current service cost	538	578	85	133	624	711
Past service cost	-	-	(245)	(5,022)	(245)	(5,022)
Interest cost	1,838	2,814	319	585	2,156	3,399
Actuarial gains and losses	(656)	3,686	145	1,567	(511)	5,253
Exchange differences	-	-	(145)	25	(145)	25
Defined benefit liability - 31 december	70,527	73,663	10,088	10,716	80,615	84,378
Value of the pension funds - 1 january	66,246	68,085	-	-	66,246	68,085
Contributions	-	24	-	-	-	24
Benefits and bonuses paid	(4,855)	(4,829)	-	-	(4,855)	(4,829)
Expected income of the funds' assets	2,990	2,640	-	-	2,990	2,640
Actuarial gains and losses in income from the funds	(311)	514	-	-	(311)	514
Administrative costs	-	(188)	-	-	-	(188)
Value of the pension funds - 31 december	64,069	66,246	-	-	64,069	66,246

Past service cost in 2014, 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 0.20% 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 €1,734 thousand in the liability, in December 31, 2015.

The movements of net actuarial gains and losses during the years ended December 31, 2015 and 2014 were as follows:

	12.31.2015	12.31.2014
Changes during the year:		
Related to the liabilities	511	(5,253)
Related to the funds assets	(311)	514
Corresponding defferred tax	(332)	2,641
Non-controlling interests	(213)	(900)
	(345)	(2,998)

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

	12.31.2015	12.31.2014
Related to the liabilities	1,027	729
Related to the funds assets	(311)	514

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	12.31.2015	12.31.2014	12.31.2013	12.31.2012	12.31.2011
Liability	70,527	73,663	71,402	74,715	76,917
Value of the pension funds	(64,069)	(66,246)	(68,085)	(68,582)	(70,402)
Deficit	6,458	7,417	3,317	6,133	6,515
Liability for employee benefits:					
Current liability	-	-	-	-	3,708
Non-current liability	6,917	7,417	3,317	6,133	3,708
	6,917	7,417	3,317	6,133	7,416
Fund surplus	460	-	-	-	(901)
Total exposure	7,377	7,417	3,317	6,133	6,515

Healthcare plans	12.31.2015	12.31.2014	12.31.2013	12.31.2012	12.31.2011
Liability for employee benefits:					
Current liability	899	904	903	902	1,003
Non-current liability	9,190	9,812	13,320	14,995	15,148
Total exposure	10,088	10,716	14,223	15,897	16,151

The Group has not established funds for the health plans. The main assets of the funds as at 31 December 2015 and 2014 are as follows:

	12.31.2015	12.31.2014
Shares	15.1%	20.8%
Fixed rate bonds	67.7%	47.2%
Variable rate bonds	1.6%	14.7%
Real estate investment funds, hedge funds, cash and insurance	15.6%	17.3%
	100.0%	100.0%

In the year ended December 31, 2015, real estate investments include a property valued at €5,900 thousand, which is leased to the Group for an annual rental of €372 thousand (€560 thousand in the year ended December 31, 2014).

Defined contribution plans

For the years ended December 31, 2015 and 2014, the Company incurred costs of €1,644 thousand and €2,074 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 2015, there was an acquisition from Camargo Correa Cimentos Luxembourg S.à.r.l ("CCC LUX") of an additional stake of 4.49% of Cimpor shares, by €91,429 thousand (R$342,208 thousand) which lead to a gain of €14,005 thousand recognized directly in equity.

For the year 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 €30,796 thousand recognized directly in equity and also a dividends reversal in the amount of €42,716 (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, 2015 and 2014, are as follows:

	12.31.2015						
	Current assets		Non current assets	Current liabilities			
	Trade receivables	Other receivables	Other receivables	Trade payables	Related parties	Advances from customers	Dividends payable
Affiliates:							
Construções e Comércio Camargo Corrêa, S.A.	974	235	1,718	98	-	29	-
Camargo Corrêa Desenvolvimento Imobiliário, S.A.	126	-	-	-	-	20	-
Camargo Corrêa S.A.	-	98	-	4	-	1	-
InterCement Brasil S.A.	-	14	-	-	-	-	-
Concret Mix S.A. (f)	-	4,593	-	-	-	-	-
CCR S.A.	10	-	-	-	-	-	-
Allpar S.E.	-	-	-	-	-	58	-
Setefrete S.G.P.S., S.A.	-	4	-	437	-	-	-
Others	1	-	-	-	-	195	389
Total as of December 31, 2015	1,110	4,944	1,718	539	-	304	389
Total as of December 31, 2014	487	93	-	107	2,234	41	803

Transactions conducted in the years ended December 31, 2015 and 2014 are as follows:

	12.31.2015	
	Sales	Purchases/ expenses
Affiliates:		
Construções e Comércio Camargo Corrêa S.A.	4,205	3,660
Camargo Corrêa Desenvolvimento Imobiliário S.A.	2,348	-
VIOL SPE S.A.	464	-
Setefrete - SGPS, AS	48	3,986
Estaleiro Atlântico Sul S.A.	1	-
Alpargatas S.A.	5	-
Instituto WCF	-	5
Instituto Camargo Correa	-	1,342
PARMV	-	1,450
Controlling shareholders:		
Camargo Corrêa S.A.	-	190
Total as of December 31, 2015	7,071	10,634
Total as of December 31, 2014	1,668	6,488

Management compensation

Of the amount €12,600 thousand paid in the year ended December 31, 2015: (i) €12,503 thousand refers to short-term benefits, such as fees, charges, and other benefits, and (ii) €97 thousand refers to long-term postemployment benefits, such as pension plan contributions (€9,617 thousand in the year ended December 31, 2014, of which (i) €9,523 thousand refers to short-term benefits, and (ii) €94 thousand refers to long-term postemployment benefits, such as pension plan contributions.

16. Shareholder’s Equity

Share capital as of December 31, 2015 and 2014 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.

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 loss of the year no dividend proposal for the common or preferred shares will be presented.

As of December 31, 2014, the consolidated statement of financial position caption “Dividends and interest on capital” includes the dividend payable to preferred shares (from profit of the year ended December 31, 2014) amounting to R$163,154 thousand (€52,259 thousand). During 2015 such dividends were paid, amounting to €50,462 thousand.

In addition, in the year ended December 31, 2014, a dividends reversal was made, amounting to R$122,492 thousand (€42,716 thousand) as a result of a decision to revoke the previous decision made by the shareholder to pay such dividend. Also 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, 2015 and 2014 the reconciliation between the nominal and the effective income tax was as follows:

	12.31.2015	12.31.2014
Income (loss) before income tax and social contribution	(45,151)	102,082
Tax rate	34%	34%
Income tax and social contribution at statutory rates	15,351	(34,708)
Adjustments to calculate income tax and social contribution at effective rates:		
Equity method gain	450	327
Permanent additions / (deductions), net (a)	(13,205)	28,497
Interest on capital, net	-	6,484
Unrecorded deferred income tax and social contribution tax	(1,099)	(49,715)
Other	-	(2,893)
Income tax and social contribution expense	1,497	(52,008)
Income tax and social contribution expense - Current	(51,553)	(60,337)
Income tax and social contribution expense - Deferred	53,050	8,329

(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:

	12.31.2015	12.31.2014
Assets:		
Tax loss carryforwards	112.009	127.336
Tax, labor and civil liability	16.062	16.523
Valuation of the useful lives of property, plant and equipment	3.734	3.441
Allowance for doubtful debts	763	873
Provision for environmental recovery	4.910	6.283
PIS and COFINS on financial income and other nonoperating income (taxes in installments)	5.875	7.120
Accrued profit sharing	663	1.524
Provision for outside services	167	1.674
Other temporary provisions	13.643	13.059
Total assets	157.826	177.833
Liabilities:		
Goodwill amortization (future earnings)	116.976	154.981
Exchange rate changes taxed on a cash basis	-	1.165
Deemed cost of property, plant and equipment	77.708	88.449
Useful life estimate of property, plant and equipment (a)	20.448	48.287
Measurement of assets acquired at fair value (b)	171.492	209.061
Provision for environmental recovery	13	17
Present value adjustment - Banco Itaú debt - Fomentar	1.261	1.927
Other temporary provisions	28.288	30.449
Total liabilities	416.186	534.336
Total net in noncurrent assets	74.218	74.734
Total net in noncurrent liabilities	332.578	431.237

(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, 2015 and 2014, the expected realization of tax loss carryforwards is as follows:

	12.31.2015	12.31.2014
2015	-	31.791
2016	7.636	22.749
2017	7.845	7.846
2018	9.652	7.439
2019	12.866	7.663
Após 2019	74.010	49.848
Total	112.009	127.336

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

18. Net Revenue

The breakdown of the Company's net revenues for the years ended December 31, 2015 and 2014 is as follows:

	12.31.2015	12.31.2014
Products sold	2,584,666	2,729,165
Services provided	240,543	292,351
(-) Taxes on sales	(280,711)	(374,732)
(-) Rebates/discounts	(51,221)	(42,740)
Total	2,493,277	2,604,044

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:

	12.31.2015	12.31.2014
Depreciation, amortization, and impairment losses	(238.290)	(203.062)
Salaries and employee benefits	(324.596)	(292.139)
Raw materials and consumables	(637.646)	(633.865)
Tax expenses	(24.369)	(18.891)
Outside services	(228.553)	(224.428)
Rental	(36.543)	(38.790)
Freight expenses	(231.065)	(236.829)
Maintenance costs	(122.216)	(111.352)
Fuel	(185.416)	(163.146)
Electricity	(154.380)	(145.392)
Reversal (recognition) of provision for risks	(3.807)	(1.357)
Gain on sale of property, plant and equipment (a)	27.460	10.709
Gain on sale of carbon credits (b)	2.528	2.453
Restructuring and other nonrecurring costs	(27.664)	(5.156)
Other expenses (net)	(29.279)	(113.249)
Total	(2.213.836)	(2.174.494)
Cost of sales and services	(2.003.133)	(1.942.644)
Administrative and selling expenses	(245.672)	(261.324)
Other income, net	34.969	29.474
Total	(2.213.836)	(2.174.494)

(a) This caption includes the gain on sale of property, plant and equipment in several business areas, and in particular in the year ended December 31, 2015, it is worthy of mention the sale of the quarries of Barueri e Guarulhos, amounting to € 20,496 thousand (R$75,183 thousand).

(b) During the year ended December, 31, 2015, this caption are positively influenced by a net gain of €2,528 thousand, as a result of the sale of 3,400,000 tonnes of CO2 emissions for about €25,180 thousand, deducted of the liability of €22,652 thousand, corresponding to 2,936,144 tonnes of CO2 emitted, resulting a net gain of €2,528 thousand. Note also that, in that period it was also contracted the purchase of 2,750,000 of CO2 emissions allowances, due to March 22, 2016, at the average price of 7.68 euros per license. In the year ended December 31, 2014, 400,000 tonnes were sold generating a gain of €2,453 thousand.

20. Financial Income (expenses) and Foreign exchanges losses (net)

	12.31.2015	12.31.2014
Foreign exchange losses, net (a):		
Exchange gain	165,268	135,152
Exchange loss	(259,060)	(210,033)
Total	(93,792)	(74,881)
Financial income:		
Inflation adjustment	4,895	3,088
Financial earnings	31,475	38,386
Interest income	2,862	2,967
Derivative financial instruments (b)	22,506	31,448
Other income (c)	19,333	5,195
Total	81,071	81,084
Financial expenses:		
Inflation adjustment	(5,615)	(9,378)
Expenses on interest and charges	(243,241)	(244,020)
Expenses on banking commissions	(24,646)	(32,993)
Fines	(297)	(216)
Derivative financial instruments (b)	(5,481)	(29,936)
Other expenses (d)	(33,916)	(18,088)
Total	(313,196)	(334,631)

(a) In the year ended December 31, 2015, the unfavourable and favourable exchange differences are mainly influenced by the effect of the valuation of USD and Euros against all functional currencies in Group in the conversion of assets and liabilities registered in those currencies. As a result of contracting interest rate hedging derivative financial instruments of EUR against the USD of the debts settled in this last currency, negative exchange differences of approximately €125,000 thousand were compensated (€100,000 thousand in the year ended December 31, 2014).

(b) These captions are composed by fair value variation of negotiable derivative financial instruments, in order to cover exchange and interest rate risks, which were not qualified for hedge accounting, amounting to €17,025 thousand in the year ended December 31, 2015 (Note 25).

(c) In the year ended December 31, 2015, in other financial income is included the gain with the bond repurchase of USD 54,290 thousand issued by Cimpor BV, in the amount of €12,863 thousand (Note 11).

(d) In the year ended December 31, 2014, in other financial expenses, from the debt restructuring made of about €22,000 thousand 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:

	12.31.2015	12.31.2014
Up to one year	14,290	6,612
From one to five years	24,497	13,858
More than five years	9,202	7,745
Total	47,989	28,215

The Company recognized, for the year ended December 31, 2015, as operating lease expenses in the amount of €25,687 thousand (€9,327 thousand for the year ended December 31, 2014).

(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:

	12.31.2015	12.31.2014
2015	-	14,294
2016	10,852	14,294
2017	10,852	14,294
2018	10,852	14,294
2019	10,852	14,294
After 2019	21,705	28,588
Total	65,113	100,058

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:

	12.31.2015	12.31.2014
2015	-	33,913
2016	30,039	13,351
2017	20,402	12,484
2018	19,517	10,188
2019	15,595	10,161
After 2019	48,123	32,921
Total	133,676	113,018

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:

	12.31.2015	12.31.2014
Profit (loss) for the year attributable to Company's owners	(20.228)	41.003
Profit (loss) for the year attributable to preferred shares	-	(41.003)
Profit (loss) for the year attributable to common shares	(20.228)	-
Weighted average number of common shares	22.687.439	22.687.439
Basic/diluted earnings (loss) per common share	(0,89)	-

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 billion, relates to financial liabilities already reflected in the consolidated financial position. In addition, as of December 31, 2015, several Group companies obtained guarantees with third parties, mainly related with tax process, in the amount of €447 million (€429 million as of December 31, 2014).

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

	12.31.2015	12.31.2014
Current assets:		
Financial assets at amortized cost:		
Cash and bank accounts (Note 4)	336,719	427,056
Short-term investments - financial asset	304,794	162,146
Trade receivables (Note 6)	145,501	165,185
Other receivables	67,509	58,359
Financial assets at fair-value:		
Exclusive funds	149,935	302,792
Derivatives	24,770	13,456
Non-current assets:		
Financial assets at amortized cost:		
Long-term investments - financial asset	2,361	2,564
Trade receivables	1,505	117
Other receivables	22,785	34,078
Financial assets at fair-value:		
Derivatives	238,895	115,175
Current liabilites:		
Financial liabilities at amortized cost:		
Borrowings and financing (Note 10)	117,117	169,869
Trade payables	300,369	272,348
Interest payable (Notes 10 and 11)	91,853	97,401
Other payables	103,228	39,736
Financial liabilities at fair value:		
Derivatives	2,501	2,432
Non-current liabilites:		
Financial liabilities at amortized cost:		
Debentures (Note 11)	1,262,123	1,442,147
Borrowings and financing (Note 10)	1,911,827	1,903,821
Trade payables	8,694	10,717
Other payables	9,177	9,796
Financial liabilities at fair value:		
Derivatives	4,602	4,032

25.4 Foreign exchange exposure and details on derivative transactions

Foreign exchange risk

The Group has 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:

	12.31.2015	12.31.2014
Assets:		
Cash and cash equivalents	257,015	341,750
Trade receivables	16,194	5,176
Related parties (a)	284,470	271,063
Other credits	17,356	33,482
Exposed assets	575,034	651,472
Liabilities:		
Interest, borrowings, financing and debentures	643,482	590,653
Foreign trade payables	65,818	40,936
Related parties (a)	289,536	288,280
Exposed liabilities	998,836	919,869

(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, 2015 and December 31, 2014, the fair value of derivatives is as follows:

	Other assets				Other liabilities			
	Current asset		Non-current assets		Current asset		Non-current assets	
	12.31.2015	12.31.2014	12.31.2015	12.31.2014	12.31.2015	12.31.2014	12.31.2015	12.31.2014
Fair value hedges:								
Cash flow hedges:								
Interest rate and cross currency swaps	24,770	13,456	238,895	90,576	2,501	1,838	4,602	4,032
Trading:								
Interest rate derivatives	-	-	-	-	-	594	-	-
Exchange and interest rate derivatives	-	-	-	24,599	-	-		-
	24,770	13,456	238,895	115,175	2,501	2,432	4,602	4,032

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, 2015 and December 31, 2014 that qualify as hedging accounting instruments:

Type of hedge	Notional	Type of Operation	Maturity	Financial purpose	Fair value 12.31.2015	Fair value 12.31.2014
Cash-flow	USD 200.000.000	Cross Currency Swap to EUR	Jul/24	Swich a USD loan into EUR loan	45,281	13,657
Cash-flow	USD 200.000.000	Cross Currency Swap to EUR	Jul/24	Swich a USD loan into EUR loan (a)	-	10,603
Cash-flow	USD 100.000.000	Cross Currency Swap to EUR	Jul/24	Swich a USD loan into EUR loan	19,566	5,719
Cash-flow	USD 50.000.000	Cross Currency Swap to EUR	Jul/24	Swich a USD loan into EUR loan	11,059	3,395
Cash-flow	USD 150.000.000	Cross Currency Swap to EUR	Jul/24	Swich a USD loan into EUR loan	32,581	8,976
Cash-flow	USD 217.500.000	Cross Currency Swap to EUR	Feb/19	Swich a USD loan into EUR loan	25,434	11,668
Cash-flow	USD 217.500.000	Cross Currency Swap to EUR	Feb/19	Swich a USD loan into EUR loan	38,045	15,086
Cash-flow	USD 500.000.000	Cross Currency Swap to EUR	Jan/22	Swich a USD loan into EUR loan	85,676	34,927
Cash-flow	EUR 379.218.809	Interest Rate Swap	Jan/22	Swich to fixed interest rate	(7,103)	(5,869)
Cash-flow	USD 49.000.000	Foreign Exchange Future	May/16	Swich a USD loan into ARS loan	6,022	-
					256,561	98,162

(a) The Company cancelled the cross currency swap with a cost similar to its fair-value.

In addition, the fair value of the portfolio of derivative financial instruments at December 31, 2015 and December 31, 2014, which do not qualify as hedging accounting is as follows:

Face Value	Type of operation	Maturity	Economic purpose	Fair value 12.31.2015	Fair value 12.31.2014
USD 50.000.000	Cross-Currency-Swap	Sep/18	Swich a USD Loan into a BRL Loan (a)	-	6,215
USD 50.000.000	Cross-Currency-Swap	Sep/18	Swich a USD Loan into a BRL Loan (a)	-	5,926
USD 50.000.000	Cross-Currency-Swap	Sep/18	Swich a USD Loan into a BRL Loan (a)	-	6,189
USD 50.000.000	Cross-Currency-Swap	Sep/18	Swich a USD Loan into a BRL Loan (a)	-	6,270
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)
				-	24,006

(b) Due to the early amortization of the underlying liability of this hedging, the derivative financial instrument at market value was settled by the amount of €39,640 thousand of which have resulted a net gain of €17,025 thousand (Note 20).

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, 2015 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	803	-	-
Financial assets at fair value	Cash and cash equivalents	18,927	-	-
Financial assets at fair value	Financial derivative instruments	-	263,665	-
Financial assets at fair value	Other investments	2,361	-	-
Liabilities:				
Financial liabilities at fair value	Financial derivative instruments	-	7,103	-

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 10 and 11, in general, are contracted at variable interest rates. Consequently, it is understood that the corresponding book value (amortized cost) does not differ significantly from their corresponding market value, except for the Senior Notes issued by Cimpor B.V. and for the fixed interest rate loans contracted in the Brazilian, Argentinian and Paraguayan business areas, which effect of their valuation to fair value in relation to their book value being as follows:

	12.31.2015	12.31.2014
Fair-Value	1,187,446	1,535,421
Accounting Value	1,399,226	1,610,066

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:

	12.31.2015	12.31.2014
Asset		
CDI	184,128	74,191
SELIC	24,214	22,309
Total Asset	208,343	96,500
Liability		
IGP-M	6,685	9,690
CDI	707,442	921,153
EURIBOR	882,338	757,408
IPCA		72
Libor	321,294	545,134
TJLP	42,465	67,271
Others	112,925	51,161
Total Liability	2,073,149	2,351,889

25.7 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, 2015, 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, 2015 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 €9 million on the euro liability indexed to the variable rate and USD 3 million on the variable rate loan, as shown in table below:

Indexing	Currency	Value	1.0%	2.0%	3.0%
Euribor	EUR	882,338	8,823	17,647	26,470
US Libor	USD	321,294	3,213	6,426	9,639

In the case of rates indexed in BRL, 3 scenarios were simulated: Scenario 1, assuming the expected rates according with the market, and two scenarios of increase of 25% (Scenario 2) and 50% (Scenario 3, Remote) 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:

	Total	Risk	Scenario 1	Scenario 2	Scenario 3
Liability					
CDI	184,128	Index Decrease	29,203	21,902	14,601
SELIC	24,214	Index Decrease	3,843	2,882	1,921
Asset					
IGP-M	6,685	Index Increase	513	641	769
CDI	707,442	Index Increase	112,200	140,251	168,301
TJLP	42,465	Index Increase	2,973	3,716	4,459

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 asset and liability profile at December 31, 2015 the more significant impact on net financial results would be as follows:

Montante em USD	Moeda Funcional	FX Rate (31-12-15)		Desvalorização USD -10%	Desvalorização USD -5.0%	0.0%	Valorização USD 5.0%	Valorização USD 10.0%
-22,171	EUR	1.0885	Efeito em EUR	-2,037	-1,018	-	1,018	2,037
-29,760	ARS	13.04	Efeito em ARS	-38,808	-19,404	-	19,404	38,808
			Efeito em EUR	-3,038	-1,439	-	1,302	2,486
-105,164	PYG	5,813.97	Efeito em PYG	-61,142,080	-30,571,040	-	30,571,040	61,142,080
			Efeito em EUR	-10,735	-5,085	-	4,601	8,783
-158,120	BRL	3.90	Efeito em BRL	-61,743	-30,872	-	30,872	61,743
			Efeito em EUR	-16,140	-7,645	-	6,917	13,206
51,000	ZAR	15.56	Efeito em ZAR	79,341	39,670	-	-39,670	-79,341
			Efeito em EUR	5,206	2,466	-	-2,231	-4,259
-114,422	MZN	46.50	Efeito em MZN	-532,090	-266,045	-	266,045	532,090
			Efeito em EUR	-11,680	-5,533	-	5,006	9,556

Montante em EUR	Moeda Funcional	FX Rate (31-12-15)		Desvalorização EUR -10%	Desvalorização EUR -5.0%	0.0%	Valorização EUR 5.0%	Valorização EUR 10.0%
-33,130	ZAR	16.93	Efeito em ZAR	56,102	28,051	-	-28,051	-56,102
			Efeito em EUR	3,382	1,602	-	-1,449	-2,767
167,914	BRL	4.25	Efeito em BRL	-71,370	-35,685	-	35,685	71,370
			Efeito em EUR	-17,140	-8,119	-	7,346	14,024

Montante em EGP	Moeda Funcional	FX Rate (31-12-15)		Desvalorização EGP -10%	Desvalorização EGP -5.0%	0.0%	Valorização EGP 5.0%	Valorização EGP 10.0%
212,222	EUR	8.523	Efeito em EUR	2,490	1,245	-	-1,245	-2,490

(Thousand)

25 Supplemental Cash Flow Information

a) Investment and financing activities not involving cash

	12.31.2015	12.31.2014
Interest capitalization	4.589	26.013
Purchase of property, plant and equipment through financing	34.604	3.155
Purchase of property, plant and equipment through trade payables	35.394	(19.342)
Purchase of intangibles through trade payables	20	6.231
Sales of property, plant and equipment that will be received futurally	19.989	8.673
Dividends prescribed	161	-
Other property plant and equipment effects	3.543	-

26 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:

	12.31.2015				12.31.2014			
	Net Revenue				Net Revenue			
	Foreign sales	Intersegment sales	Total	Results	Foreign sales	Intersegment sales	Total	Results
Operating segments:								
Brazil	814,169	-	814,169	98,494	1,168,244	203	1,168,447	243,152
Argentina and Paraguay	817,192	-	817,192	153,046	601,087	-	601,087	105,377
Portugal and Cape Verde	201,062	116,614	317,676	(23,531)	188,937	112,063	301,000	(16,620)
Egypt	217,243	-	217,243	14,146	246,898	-	246,898	55,948
Mozambique	161,439	-	161,439	16,611	148,945	-	148,945	18,786
South Africa	126,321	4,394	130,715	33,569	122,417	3,675	126,092	31,027
Total	2,337,426	121,008	2,458,434	292,335	2,476,528	115,941	2,592,469	437,670
Other (a)	155,851	191,840	347,691	(12,896)	127,516	226,588	354,104	(8,119)
Eliminations	-	(312,848)	(312,848)	-	-	(342,529)	(342,529)	-
Sub-total	2,493,277	-	2,493,277	279,440	2,604,044	-	2,604,044	429,551
Share of profit of associates				1,325				960
Income before financial income (expenses)				280,766				430,511
Financial income (expenses), net				(325,917)				(328,429)
Income before income tax and social contribution				(45,151)				102,082
Income tax and social contribution				1,497				(52,008)
Profit (loss) for the year				(43,654)				50,074

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

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	
	12.31.2015	12.31.2014
Operating segments:		
Brazil	(15,922)	32,072
Argentina and Paraguay	2,266	8,668
Portugal and Cape Verde	(4,594)	(4,697)
Egypt	2,936	12,857
Mozambique	(6,779)	2,929
South Africa	10,983	7,126
	(11,110)	58,955
Unallocated	(12,316)	(49,884)
	(23,426)	9,071

Other information:

	12.31.2015		12.31.2014	
	Capital expenditure	Depreciation, amortisation and impairment losses	Capital expenditure	Depreciation, amortisation and impairment losses
Operating segments:				
Brazil	67,534	74,751	137,426	80,766
Argentina and Paraguay	67,466	47,116	46,907	21,822
Portugal and Cape Verde	6,427	55,660	7,225	49,889
Egypt	23,740	27,659	7,462	23,476
Mozambique	13,432	8,284	12,696	9,052
South Africa	5,982	9,091	1,413	9,955
	184,581	222,561	213,127	194,961
Other	2,856	15,729	1,805	8,101
Total	187,437	238,290	214,932	203,062

In addition, segment assets and liabilities reconciled with the consolidated balances as of December 31, 2015 and 2014 are as follows:

	12.31.2015			12.31.2014		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Brazil	2,530,303	1,246,302	1,284,001	3,350,044	1,570,618	1,779,426
Argentina and Paraguay	766,382	408,275	358,106	916,081	474,762	441,318
Portugal and Cape Verde	826,241	473,964	352,277	849,544	460,275	389,270
Egypt	488,082	123,843	364,239	505,049	131,151	373,898
Mozambique	281,777	179,310	102,467	280,458	132,004	148,455
South Africa	315,606	123,514	192,092	367,275	136,904	230,370
Total	5,208,391	2,555,208	2,653,182	6,268,451	2,905,714	3,362,738
Other	1,264,602	2,429,059	(1,164,456)	1,130,437	2,269,952	(1,139,516)
Eliminations	(573,415)	(573,415)	-	(442,659)	(442,659)	-
Other investments	11,758	-	11,758	11,527	-	11,527
Total segments	5,911,336	4,410,852	1,500,484	6,967,756	4,733,008	2,234,748

The assets and liabilities not attributable to segments include:

(a) assets and liabilities not attributable to specific segments basically allocated to holding and trading companies;

(b) intragroup eliminations between segments; and

(c) other investments.

27 Events After the Reporting Period

As mentioned in Note 12, on January 25, 2016 the Supreme Administrative Court has rejected the complaint presented by the Group and, in February 2016, the Group repurchased the respective credit for €14,2 million. Under the available doctrine and case-law concerning this matter, and under the possibility of having a concrete review of constitutionality by the Constitutional Court, the Group has, on February 8, 2016, filed an appeal of the judgement before the Constitutional Court, considering that it has legal grounds to do so and, therefore, deeming that, in the end, the Group shall preserve the credit corresponding to the amount that had initially been recognized to it.

28 Authorization for Completion of Financial Statements

At the meeting held on February 24, 2016, the Board of Directors authorized the completion of this consolidated financial statements.