INTERIM CONSOLIDATED FINANCIAL REPORT

1ST QUARTER 2019

InterCement

Building sustainable partnerships

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Deleveraging initiatives evolved pushing Net Debt to the lowest level in recent years

1. 1Q19 Performance

- Cement and clinker volumes decreased 3.9% when compared to 1Q18, penalized by Argentina and African Countries contraction. Average price increased 18.8% in local currency, reflecting management focus on pricing discipline.
- Total Sales registered 352 million euros, a reduction of 8.9% mainly driven by the Argentinian Peso depreciation (83%).
- Adjusted EBITDA amounted 64 million euros, decreasing 7.8% as per higher non-recurring effects due to one-offs from Portugal and Cape Verde asset sale. Adjusted EBITDA margin went up by 0.2 p.p. reaching 18.1%.
- Net Income turned positive, increasing by 297 million euros, especially due to the sale of the Portuguese and Cape Verde assets.
- Free Cash Flow to the company was up to 282 million euros, compared to negative 213 million euros in the first quarter of the previous year, on the back of the Portuguese and Cape Verde sale that offset 1Q seasonality effect. In a comparable basis, excluding one-off events, Free Cash Flow to the company would have generated 14 million euros.
- Net Debt totaled 1.331 million euros, 17.0% below 2018 year-end, reflecting the company focus on strengthening its capital structure.

Key Figures			
Million Euros, unless otherwise expressed	2019	2018	Var. %
Cement and Clinker Sales (thousand ton)	4,815	5,009	-3.9
Sales	352	386	-8.9
EBITDA	54	68	-20.2
Adjusted EBITDA	64	69	-7.8
Net Debt (31 Mar)	1,331	1,640	-18.8
Net Debt (31Mar and 31 Dec)	1,331	1,603	-17.0
FCF	282	-213	-

2. Profit and Loss

Income Statement	2019	2018	YoY
Sales	**352.1**	**386.5**	**-8.9%**
Net Operational Cash Costs	298.1	318.7	-6.5%
Operational Cash Flow (EBITDA)	**54.0**	**67.7**	**-20.2%**
Deprec. Amort. and Impairments	43.6	35.0	24.4%
Operating Income (EBIT)	**10.4**	**32.7**	**-68.1%**
Financial Results	-47.6	-50.9	-6.5%
Pre-tax Income	**-37.2**	**-18.2**	**103.7%**
Income Tax	2.0	7.4	-73.2%
Net Inc. from continuing Operations	-39.2	-25.6	52.8%
Net Inc. from discontinuing Operations	314.1	3.2	s.s.
Net Income	**275.0**	**-22.4**	**s.s.**
Attributable to:			
Shareholders	257.5	-28.3	s.s.
Minority Interests	17.5	5.9	197.1%

Volumes Sold decreased by 3.9%, reflecting the challenging markets conditions in Argentina and Africa while Brazil and Paraguay experienced high single digit growth (8.0% and 7.8%, respectively).

Sales, despite rising on a local currency basis (+13.0%), were down 8.9% in euros. The increase of consolidated average cement price (+18.8%) was offset by Argentinian Peso 83% depreciation and volume sold reduction.

EBITDA reduced 20.2%, registering 54 million euros. Excluding the forex impact EBITDA would have increased 8.8%. EBITDA margin was down 2.2 p.p. to 15.3% reflecting mainly cost pressure in Brazil, Egypt and South Africa and higher non-recurring costs in 1Q19.

Adjusted EBITDA[1] reached 64 million euros, 7.8% down YoY. 1Q18 registered 1 million euros of non-recurring items, while 1Q19 registered 10 million euros from non-recurring items related to Portugal and Cape Verde asset sale process and indemnities.

Depreciation and Amortizations were up 24.4% to 44 million euros, mainly due to constructions in progress that were concluded in 1Q19 and due to IFRS16 impact that became effective on Jan 1st 2019 (see more details in explanatory note 2.4).

Financial Results improved by 6.5%, 33.8% excluding forex impact. This follows the 18.8% net debt decrease vs. March 31, 2018 resulting from the execution of InterCement Deleveraging and Liability Management Plan.

Income taxes decreased 5 million euros as result of significant deferred taxes mostly in Argentina.

Net Income improved from a 22 million euros loss to 275 million euros profit, reflecting the result from the discontinuing operations.

[1] EBITDA excluding non-recurring items

3. Free Cash Flow

Free Cash Flow generation is presented in an Integral Basis, reflecting in 2018 the contribution from the Portuguese and Cape Verde operations.

2019 positive FCF benefitted mostly from the cash inflow from the Portuguese and Cape Verde assets sale, reaching 341 million euros. Excluding such impact, the Free Cash Flow in 1Q19 would be negative reflecting the usual seasonal nature of activity in the first quarters of each year, particularly in terms of working capital investments.

Cash flow from operations was negative at 97 million euros, mainly as result of working capital investments at 150 million euros, which despite posting a 10% decrease compared to 1Q18, still reflected 2018 YE cash containment efforts. In addition, adjusted EBITDA decreased 7.8% YoY.

Interests paid in 1Q19 dropped 40.5% vs 1Q18 on the merits of the Liability Management Plan execution, which aims to strengthen company's capital structure and lead to alleviate financial expenses burden.

CAPEX disciplined approach remained, showing a 23% decrease in the period. Nevertheless, Argentina CAPEX expanded due to the capacity increase project at the L'Amali plant. In addition, the CAPEX reduction on year basis was also affected by the acquisition in 1Q18 from the grinding mill in the region of Matola (Mozambique).

Cash and Cash Equivalents on an Integral Basis as at March 2019, reached 432 million euros, while Cash and Cash Equivalents for Continuing Operations reached 613 million euros (post-2017 Loma Negra IPO and the sale of hydroelectric plants)

Free Cash Flow Generation Map		
(€ million)	Jan-Mar	
	2019	2018
Adjusted EBITDA	64	88
Change in Working Capital	-150	-166
Others	-11	-4
Operating Activities	**-97**	**-82**
Interests Paid & Derivative Unwinding	-33	-55
Income taxes Paid	-1	-7
Cash Flow before investments	**-131**	**-145**
CAPEX	-55	-71
Assets Sales / Others	467	3
Free Cash Flow to the company	**282**	**-213**
Borrowings, financing and debentures	27	10
Repayment of borrowings, financ. and debent.	-216	-325
Dividends	-47	0
Other investment activities	0	38
Changes in cash and cash equivalents	46	-490
Exchange differences	1	-35
Cash and cash equivalents, End of the Period	432	613

4. Balance Sheet

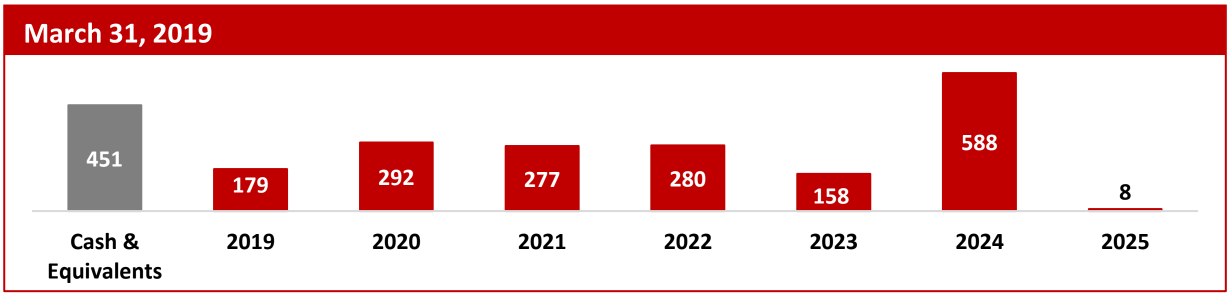
Total Assets stood at 3,831 million euros, an 8.4% reduction from December 31, 2018, mostly as result of the sale of the assets classified as "held for sale", leading to cash position increase that was partially offset by debt prepayment.

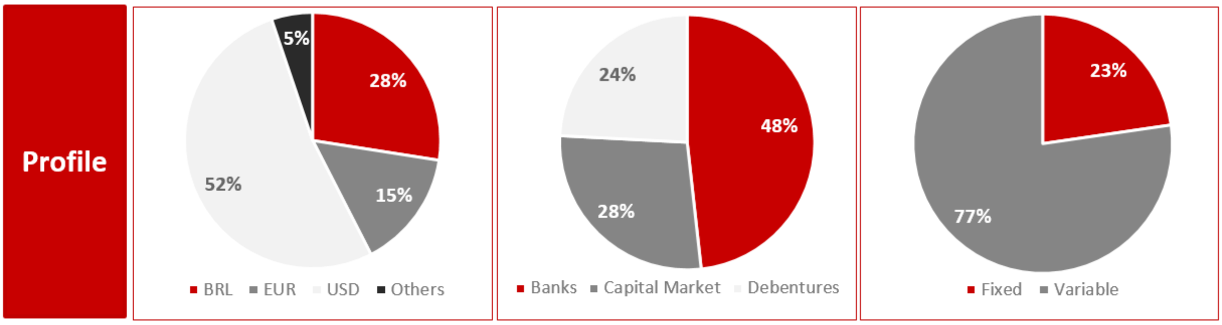
Net Debt, registered 1,331 million euros, the lowest level in the Company recent years, representing 272 million euros decrease when compared to December 31, 2018, in spite of lower FCF generation seasonality from Q1. Moreover, it reduced by 308 million euros compared to the same quarter of 2018.

The Deleveraging and Liability Management Plan initiatives progressed with the prepayment of Debt in the amount of 216 million euros up to March 31, envisaging the rebalancing of the maturity curve and expanding the average maturity. Additionally, as condition for the conclusion of the Portuguese and Cape Verde assets sale, approximately 130 million euros debt were prepaid in the transaction perimeter.

Consolidated Balance Sheet Summary			
(€ million)	Mar 31 2019	Mar 31 2018	Var. %
Assets			
Non-current Assets	2,777	2,677	3.7
Derivatives	3	3	1.5
Current Assets			
Cash and Equivalents	448	342	31.1
Derivatives	-	-	
Other Current Assets	603	415	45.2
Assets classified as held for sale	-	747	
Total Assets	**3,831**	**4,184**	**-8.4**
Shareholders' Equity attributable to:			
Equity Holders	934	882	6.0
Minority Interests	297	282	5.5
Total Shareholders' Equity	**1,232**	**1,164**	**5.9**
Current Liabilities			
Loans & Obligations under finance leases	340	491	-30.9
IFRS 16	12	-	
Derivatives	-	-	
Provisions & Employee benefits	0	0	2.6
Other Current Liabilities	441	427	3.2
Non-Current Liabilities			
Loans & Obligations under finance leases	1,443	1,447	-0.3
IFRS 16	28	-	
Derivatives	0	0	1.7
Provisions & Employee benefits	70	70	0.1
Other Liabilities	265	278	-4.6
Liabilities assoc. w/Assets classified as held for sale	-	307	
Total Liabilities	**2,600**	**3,021**	**-13.9**
Total Liabilities and Shareholders' Equity	**3,831**	**4,184**	**-8.4**

The profile of Debt as of March 31, 2019 was as follows.





5. Operations in-depth look – 1Q'19

Brazil

Despite the market slow pace recuperation, InterCement's cement and clinker sales increased by 8.0% reflecting the company reinforced market approach and region segmentation. Strong competition and industry high idle capacity context still penalize the pricing evolution, but sales in local currency were up by 5.5% between the two periods. Real depreciation reverted in a 1.4% lower sales than the first quarter of 2018. EBITDA in Q1 was down by 2.8 million euros mainly due to fuel cost increase and the benefit from tax credits registered in 2018.

Argentina & Paraguay

Argentina and Paraguay business unit increased EBITDA generation by 25.2% in local currency, sustaining EBITDA margin of 24.7%. Even so, the depreciation of the Argentinian Peso drew down the increase to 0.2%.

Argentina

The country economic context and slower market demand has resulted in lower cement and clinker volumes sold by 13.4%. Even though, Loma Negra's robust market approach allowed price adjustments to compensate inflationary pressure. Thus, EBITDA was able to expand by 43.7% in local currency in the period, leading margin to increase from 24.4% in 1Q18 to 27.5%.

Paraguay

Sales growth of 11.0% was driven both by volume of cement sales and price increase. The commercial strategy allowed a market share increase of 1.7p.p.. The commercial positive performance combined with the continuous industrial improvement reaffirmed EBITDA growth and EBITDA margin of 44.7%.

Africa

InterCement's cement and clinker volumes sold in Africa decreased 9.4%, with all geographies currently facing a challenging market scenario in 1Q19, despite the potential growth of the region.

Egypt

The aggressive competition and low market dynamics in Egypt penalized InterCement sales that decreased by 5.7%. Price evolution enabled sales growth of 11.5% but did not match the energy costs hike above 20%. Costs increase above inflation and 1Q18 positive momentum, when InterCement benefitted from lack of supply in nearby regions, led to a tough base of comparison for 1Q19.

Mozambique

Mozambique was affected by tropical cyclones Idaí in the central region and Kenneth in the north region that had severely affected the supply, therefore cement and clinker volumes sold dropped by 19.4%. Due to the Company strong position in the different markets of the country and price policy, sales reduction was limited to 3.6%.

Despite the commercial restrictions, on the cost side, the management efforts enabled an EBITDA growth of 27.1%, a figure that compares to 1Q18, that experienced higher costs due to extraordinary maintenance costs related to scheduled stoppages.

InterCement is actively supporting the local community that was affected by the tropical cyclones.

South Africa

Cement volumes dropped 9.3% comparing to a record high sales in 1Q18. The challenging political and economic context persisted in 1Q19, severely affecting sales that decreased by 10.6% and reduced EBITDA in 1.6 million euros.

Cement and Clinker Volumes Sold			
(thousand tons)	1Q19	1Q18 Restated	YoY
Brazil	1,957	1,812	8.0%
Argentina	1,372	1,583	-13.4%
Paraguay	151	140	7.8%
Egypt	768	815	-5.7%
Mozambique	243	301	-19.4%
South Africa	324	358	-9.3%
Sub-Total	**4,815**	**5,009**	**-3.9%**
Intra-Group Eliminations	-	-	-
Consolidated Total	**4,815**	**5,009**	**-3.9%**
Operations in Continuation	4,815	5,009	-3.9%
Discontinued Operations	-	784	-

Sales			
(€ million)	1Q19	1Q18 Restated	Var. %
Brazil	99	100	-1.4%
Argentina	151	173	-12.8%
Paraguay	16	14	11.0%
Egypt	31	27	11.5%
Mozambique	23	23	-3.6%
South Africa	28	32	-12.9%
Others	38	42	-9.9%
Sub-Total	**384**	**412**	**-6.8%**
Intra-Group Eliminations	-32	-25	26.0%
Consolidated Total	**352**	**386**	**-8.9%**
Operations in Continuation	352	386	-8.9%
Discontinued Operations	-	50	-

EBITDA			
(€ million)	1Q19	1Q18 Restated	Var %
Brazil	4.3	7.1	-39.5%
Argentina & Paraguay	48.5	48.4	0.2%
Africa	8.8	13.2	-33.3%
Others	-7.6	-1.0	683.8%
Consolidated Total	**54.0**	**67.7**	**-20.2%**
EBITDA margin	***0.2***	***0.2***	***-2.2 p.p.***
Operations in Continuation	54.0	67.7	-20.2
Discontinued Operations	-	18.6	-

6. Corporate and subsequent events

Deleveraging and Liability Management Plan

During May 2019, 50 million euros proceeds from the sale of the Portugal and Cape Verde operations were collected. The total proceeds received as of this date amounts 676 million euros. Such proceeds were mainly used to reduce the company's consolidated debt level, in accordance with InterCement Liability Management Plan. Up to now an amount of 480 million euros were already paid, including the debt in the sold entities. Additionally, after the above mentioned liquidity event, class B preferred shares were redeemed.

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Information for the three months period ended March 31, 2019

InterCement

Building sustainable partnerships

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Financial Position as of March 31, 2019 and December 31, 2018

(In thousands of euros - €)

ASSETS	Notes	03.31.2019	12.31.2018
CURRENT ASSETS			
Cash and cash equivalents	4	431,646	326,303
Securities	5	16,546	15,498
Trade receivables	6	107,561	73,202
Inventories		292,504	263,911
Recoverable taxes		48,352	42,547
Derivatives	19.10	-	-
Other receivables	2.4	154,163	35,220
Total current assets		1,050,772	756,681
Assets classified as held for sale	2.4	-	747,031
Total current assets		1,050,772	1,503,712
NONCURRENT ASSETS			
Securities	5	1,360	1,337
Trade receivables	6	684	745
Inventories		30,823	31,295
Recoverable taxes		63,246	62,423
Deferred income tax and social contribution		18,576	15,211
Escrow deposits		18,203	16,675
Derivatives	19.10	3,411	3,362
Other receivables		31,875	35,281
Property Investment		4,145	4,033
Investments		590	562
Right-of-use assets	2.3	41,131	-
Property, plant and equipment	7	1,424,424	1,369,918
Intangible assets:			
Goodwill	8	998,855	984,754
Other intangible assets	8	143,227	154,871
Total noncurrent assets		2,780,550	2,680,467
TOTAL ASSETS		3,831,322	4,184,179

LIABILITIES AND EQUITY	Notes	03.31.2019	12.31.2018
CURRENT LIABILITIES			
Trade payables		245,830	249,605
Debentures	10	107,358	105,822
Borrowings and financing	9	232,293	385,538
Interest payable	9 and 10	27,775	39,389
Obligations under finance leases (IFRS 16)	2.3	12,134	-
Taxes payable		66,083	57,982
Payroll and related taxes		33,974	25,116
Dividends and interest on capital		255	159
Advances from customers		10,897	12,548
Actuarial liabilities		39	38
Other payables		56,125	42,272
Total current liabilities		792,763	918,469
Liabilities directly associated with assets classified as held for sale	2.4	-	307,057
Total current liabilities		792,763	1,225,526
NONCURRENT LIABILITIES			
Trade payables		2,756	9,948
Debentures	10	807,314	792,905
Borrowings and financing	9	635,500	653,901
Obligations under finance leases (IFRS 16)	2.3	28,388	-
Provision for tax, civil and labor risks	11	54,449	53,883
Provision for environmental recovery		15,111	15,625
Taxes payable		3,984	4,060
Deferred income tax and social contribution		228,622	234,636
Actuarial liabilities		658	639
Derivatives	19.10	308	303
Other payables		29,735	29,133
Total noncurrent liabilities		1,806,825	1,795,033
TOTAL LIABILITIES		2,599,588	3,020,559
SHAREHOLDER'S EQUITY			
Capital	13	1,081,588	1,081,588
Capital reserves	13	459,978	459,978
Earnings reserves	13	413,921	460,894
Accumulated losses	13	64,045	(193,415)
Other comprehensive income	13	(1,085,156)	(927,349)
Equity attributable to the Company's owners		934,376	881,696
Non-controlling interests	13	297,358	281,924
Total equity		1,231,734	1,163,620
TOTAL LIABILITIES AND EQUITY		3,831,322	4,184,179

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Profit or Loss for the three months periods ended March 31, 2019 and 2018

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

	Notes	03.31.2019	03.31.2018 (Restated - Note 2.4)
CONTINUING OPERATIONS			
NET REVENUE	21	352,072	386,467
COST OF SALES AND SERVICES	15	(286,014)	(310,269)
GROSS PROFIT		66,058	76,198
OPERATING INCOME (EXPENSES)			
Administrative and selling expenses	15	(58,149)	(49,144)
Other income (expense)	15	2,534	5,643
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION		10,443	32,697
FINANCIAL INCOME (EXPENSES)			
Foreign exchange gains/(losses), net	16	(19,226)	(8,024)
Financial income	16	11,645	8,853
Financial expenses	16	(40,041)	(51,774)
PROFIT / (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(37,179)	(18,248)
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	14	(10,428)	(7,158)
Deferred	14	8,450	(215)
PROFIT / (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		(39,157)	(25,621)
DISCONTINUED OPERATIONS			
PROFIT / (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	2.4	314,134	3,199
PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO			
Company's owners	18	257,460	(28,320)
Non-controlling interests	13	17,517	5,898
PROFIT / (LOSS) PER SHARE FOR CONTINUING OPERATIONS			
Basic/diluted profit / (loss) per share	18	(2.30)	(1.36)
PROFIT / (LOSS) PER SHARE FOR CONTINUING OPERATIONS AND DISCONTINUED OPERATIONS			
Basic/diluted profit / (loss) per share	18	11.35	(1.25)

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Profit or Loss for the three months periods ended March 31, 2019 and 2018

(In thousands of euros - €)

	Notes	03.31.2019	03.31.2018
CONTINUING OPERATIONS			
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		(39,157)	(25,621)
Other comprehensive income:			
Items that might be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations	13	(197,821)	(263,331)
Adoption of IAS29	2.1	38,314	-
Hedging derivatives financial instruments	13	(383)	218,804
TOTAL COMPREHENSIVE LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		(199,047)	(70,148)
DISCONTINUED OPERATIONS			
INCOME / (LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS	2.4	314,134	3,199
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS		314,134	3,199
COMPREHENSIVE INCOME / (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO:			
Company's owners		(209,879)	(58,247)
Non-controlling interests		10,832	(11,901)
COMPREHENSIVE INCOME / (LOSS) FROM CONTINUING OPERATIONS AND DISCONTINUED OPERATIONS ATTRIBUTABLE TO:			
Company's owners		99,653	(55,784)
Non-controlling interests		15,434	(11,165)

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Changes in Shareholders' Equity for the three months periods ended March 31, 2019 and 2018

(In thousands of euros - €)

	Notes	Share capital	Capital Reserves	Transactions with noncontrolling interests	Earnings reserves: Legal	Earnings reserves: Investments	Other comprehensive income	Accumulated profit / (losses)	Total attributable to the Company's owners	Non-controlling interests	Total equity
BALANCE AT DECEMBER 31, 2017 (Originally presented)		1,080,949	393,034	918,110	-	-	(836,819)	(714,314)	840,960	462,501	1,303,461
Adjustment		-	-	265,114	-	-	(40,450)	-	224,664	(224,664)	-
BALANCE AT DECEMBER 31, 2017 (Restated - Note 2.5)		1,080,949	393,034	1,183,224	-	-	(877,269)	(714,314)	1,065,624	237,837	1,303,461
Profit / (Loss) for the period		-	-	-	-	-	-	(28,320)	(28,320)	5,896	(22,424)
Aquisition of noncontrolling interests		-	-	809	-	-	-	-	809	(809)	-
Dividends paid to noncontrolling interests		-	-	-	-	-	-	-	-	(256)	(256)
Other comprehensive income		-	-	-	-	-	(27,466)	-	(27,466)	(17,061)	(44,527)
BALANCE AT MARCH 31, 2018 (Restated - Note 2.5)		1,080,949	393,034	1,184,033	-	-	(904,735)	(742,634)	1,010,647	225,607	1,236,254
BALANCE AT DECEMBER 31, 2018		1,081,588	459,978	460,894	-	-	(927,349)	(193,415)	881,696	281,924	1,163,620
Profit / (Loss) for the period		-	-	-	-	-	-	257,460	257,460	17,517	274,977
Dividends to preferred shares - paid		-	-	(46,973)	-	-	-	-	(46,973)	-	(46,973)
IAS29 (Note 2.2)		-	-	-	-	-	18,350	-	18,350	19,964	38,314
Other comprehensive income		-	-	-	-	-	(176,157)	-	(176,157)	(22,047)	(198,204)
BALANCE AT MARCH 31, 2019		1,081,588	459,978	413,921	-	-	(1,085,156)	64,045	934,376	297,358	1,231,734

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

INTERCEMENT PARTICIPAÇÕES, S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows for the three months periods ended March 31, 2019 and 2018

(In thousands of euros - €)

	Notes	03.31.2019	03.31.2018
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before income tax and social contribution from continuing and discontinuing operations		276,955	(13,469)
Adjustments to reconcile income before income tax and social contribution with net cash generated by operating activities:			
Depreciation, amortization and impairment losses		43,576	47,193
Recognition (reversal) of allowance for probable losses, net		(377)	(966)
Interest, accrued charges, and exchange differences		47,622	53,150
Gain on sale of long-lived assets		(1,075)	(2,484)
Gain on sale of discontinued operations	2.4.	(314,134)	-
Equity result		-	(146)
Other noncash operating losses (gains)		587	764
Decrease (increase) in operating assets:			-
Related parties		(4,636)	(155)
Trade receivables		(42,903)	(84,629)
Inventories		(39,528)	(20,159)
Recoverable taxes		521	884
Other receivables		(1)	(53)
Increase (decrease) in operating liabilities:			-
Related parties		460	(414)
Trade payables		(32,208)	(25,355)
Payroll and vacation payable		2,710	6,168
Other payables		(31,992)	(41,317)
Taxes payable		(2,156)	(1,450)
Cash generated by operating activities		(96,579)	(82,438)
Income tax and social contribution paid		(1,150)	(7,409)
Interest paid		(32,846)	(47,000)
Net cash generated / (used) by operating activities		(130,575)	(136,847)
CASH FLOW FROM INVESTING ACTIVITIES			
Redemption of (Investments in) securities		(239)	38,351
Purchase of property, plant and equipment		(54,662)	(70,424)
Increase in intangible assets		(76)	(297)
Portugal and Cape Verde discontinued operations	2.4.	463,753	-
Sale of long-lived assets		3,801	2,907
Other		(372)	(348)
Dividends received		-	102
Net cash used in investing activities		412,205	(29,709)
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings, financing and debentures	9 and 10	26,877	9,568
Swap transactions		-	(8,187)
Repayment of borrowings, financing and debentures	9 and 10	(216,017)	(324,780)
Dividends paid		(46,973)	-
Other instruments		86	-
Net cash generated / (used) in financing activities		(236,027)	(323,399)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		45,603	(489,955)
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS		1,040	(34,875)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	385,003	1,137,502
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	431,646	612,672

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Notes to the Consolidated Interim Condensed Financial Information for the three months period ended March 31, 2019

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

1. General Information

InterCement Participações, S.A. ("Company" or "ICP") is a privately-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 operating in 8 countries ("ICP Group" or "Group"). Its ultimate parent company is Mover Participações S.A. (previously named Camargo Corrêa S.A.). The Group is primarily engaged in the manufacture and sale of cement and cement by-products, in addition to the extraction of the minerals used to manufacture these products.

The Company owns 35 cement plants, 33concrete plants, and 7 aggregates plants (located in Brazil, Argentina, Paraguay, Egypt, Mozambique and South Africa). Additionally, in Brazil it holds electric power generation equity interests and assets, as a self-generator for part of its production.

On January 17, 2019 the final closing agreement completing the sale of business operations in Portugal and Cape Verde to "Ordu Yardimlasma Kurumu" (OYAK Group) of Turkey, was signed. The sale includes 3 integrated cement plants and 2 independent milling facilities, with a total cement production capacity of 9.1 million tons, 46 concrete units, 2 dry mortar units, 18 quarries and a cement bagging plant.

With a reference price of €707 million, the final price for the transaction will be determined considering the closing net debt, the related party balances, and changes in working capital since June 30, 2018, which process remains in course. As of March 31, 2019 € 626 million were received, and used mainly to reduce Corporate indebtedness and, consequently, materially strength its capital structure. This transaction is an important component of InterCement's Liability Management program, which was publicly announce in early 2017.

The impacts of this transaction in these consolidated condensed interim financial statements are disclosed in the Note 2.4.

2. Basis of Preparation and Significant Accounting Policies

2.1. Basis of preparation

The condensed consolidated Interim Financial Information as of March 31, 2019 was prepared based on the International Standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), which allows the entities to present selected notes to the financial statements, in cases of redundant information already disclosed in the Annual Financial Statements. Accordingly, this Interim Financial Information should be read together with Company´s consolidated financial statements for the year ended December 31, 2018.

2.2. Significant accounting policies

The accounting policies adopted are consistent with those considered in the consolidated financial statements for the year ended as of December 31, 2018 and disclosed in the corresponding notes, except in respect of the standards and interpretations that come into force on January 1, 2019, namely the application of the new standard IFRS 16 – Leases. Note 2.3 contains a description of the impact of the application of IFRS 16 to these consolidated condensed interim financial statements.

Reference also to the application of hyperinflation accounting for our Argentinean subsidiaries. As referred in the Note 2.1. of the Company year-end December 31, 2018 consolidated financial statements, applying IAS 29 rules requires that the financial statements recorded in a hyperinflationary currency are adjusted by applying a general price index and expressed in the measuring unit (the hyperinflationary currency) current at the end of the reporting period.

As a result of the above, our consolidated condensed interim financial statements as of March 31, 2019, reflects an equity increase of € 38 million, with reference to the opening balance, reported in other comprehensive income, and also the impact of the quarter result presented in financial results, amounting to €4.2 million (Note 16). As of March 31, 2018, no adjustments were made because the application of the IAS 19 to the Argentinean pesos was only required for periods ended on or after 1 July 2018.

2.3. IFRS 16 Lease Assets and Lease Liabilities

On January 13, 2016, the International Accounting Standards Board (IASB) published IFRS 16, a new standard on leases to replace IAS 17, IFRIC 4, SIC-15 and SIC-27, effective for fiscal years beginning on or after January 1, 2019.

Said IFRS introduces that lease agreements are recognize in the accounting of the lease under a single model eliminating the distinction between operating and financial leases, and requires recognizing an asset for the right to use the leased asset and a liability reflecting the obligation to make future payments for the lease.

The Group applied IFRS 16 using the modified retrospective method pursuant to paragraphs C5(b) and C8(b)(ii) as of the date of initial application. Under this method, IFRS 16 is retroactively adopt with the accumulated effect of the initial application recognized as of the date of initial application and the comparative information is not restate.

For leases previously classified as operating leases, the Group has recognized assets for the right to use and liabilities for leases, except for agreements for a term of less than twelve months (short term leases), for those associated to the exploitation of natural resources and for those where the underlying asset has low value. The right to use assets were recognize for an amount equivalent to liabilities for leases. Lease liabilities were measure at present value of lease payments not paid yet, using the incremental rate for loans of the contracting entity (the lessee) to the date of initial application.

Subsequently, the right to use asset is depreciate in accordance with the contract term of the lease or the useful life of the asset, if lower. Financial liabilities considers the interest rate of the loans of the contracting entity. Lease payments are record as a decrease in the liabilities.

The impacts of the IFRS 16 implementation, gross of taxes, were as follows (in thousands of Euros):

01/01/2019		31/03/2019				
Assets	Liabilities	Assets	Liabilities	Rents	Depreciations	Interest
44.421	(44.421)	41.131	(40.522)	(3.551)	3.054	257

2.4. Portugal and Cape Verde Discontinued Operations

Following the announces on October 26, 2018 of the signing of a definitive agreement to sell its operations in Portugal and Cape Verde to Ordu Yardimlaşma Kurumu (OYAK) of Turkey ("Discontinued operations"), on January 17, 2019 the final closing agreement completing the sale were signed.

As a result, Portugal and Cape Verde segment is present in these consolidated condensed interim financial statements as "Discontinued operations" or "Assets held for sale" in the Consolidated Interim Financial Statements, as required by International Financial Reporting Standard 5 ("IFRS 5") – Non Current Assets Held for Sale and Discontinued Operating Units.

As of this date, the price adjustment is still in the process of being determined. The gain with the sale, was determined considering the reference price of €707 million, the assets and liabilities of the sold operations as of January 1, 2019, and includes also the reclassification from equity to profit of the cumulative amount of the exchange differences related to those net assets, in the amount of €170 million.

Those impacts in these consolidated condensed interim financial statements are the following:

	03.31.2019	03.31.2018
DISCONTINUED OPERATIONS		
NET REVENUE	-	49,599
COST OF SALES AND SERVICES	-	(38,331)
GROSS PROFIT	-	11,268
OPERATING INCOME (EXPENSES)		
Administrative and selling expenses	-	(15,651)
Other income (expense)	-	10,786
Equity result	-	146
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION	-	6,549
FINANCIAL INCOME (EXPENSES)		
Foreign exchange gains/(losses), net	-	187
Financial income	-	183
Financial expenses	-	(2,138)
PROFIT / (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	-	4,781
INCOME TAX AND SOCIAL CONTRIBUTION		
Current	-	(777)
Deferred	-	(805)
Gain on the sale of "Assets held for sale"	143,752	-
Reversal of accumulated exchange differences	170,382	-
PROFIT / (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	314,134	3,199
PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO		
Company's owners	309,532	2,463
Non-controlling interests	4,602	736

The details of the assets and liabilities of the discontinued operations as of December 31, 2018, are the following:

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	58,700
Trade receivables	11,226
Inventories	54,549
Recoverable taxes	3,493
Other receivables	6,544
Total current assets	134,512
NONCURRENT ASSETS	
Deferred income tax and social contribution	1,565
Other receivables	207
Investments	9,008
Property, plant and equipment	250,402
Intangible assets:	
Goodwill	304,861
Other intangible assets	46,476
Total noncurrent assets	612,519
Assets in Consolidated Statement of financial position	747,031
Inter-segment eliminations (a)	127,560
Assets from discontinued operations	874,591

LIABILITIES	
CURRENT LIABILITIES	
Trade payables	60,369
Borrowings and financing	679
Interest payable	774
Taxes payable	8,766
Payroll and related taxes	8,200
Advances from customers	462
Actuarial liabilities	730
Other payables	7,324
Total current liabilities	87,304
NONCURRENT LIABILITIES	
Trade payables	1,657
Borrowings and financing	133,830
Provision for tax, civil and labor risks	10,126
Provision for environmental recovery	13,402
Deferred income tax and social contribution	39,462
Actuarial liabilities	21,246
Other payables	30
Total noncurrent liabilities	219,753
Liabilities related with assets from discontinuing operations	307,057
Inter-segment eliminations (a)	(769)
Liabilities from discontinued operations	306,288
Net assets	568,303

As of March 31, 2019, the cash impact of this transaction was of €464 million, the difference between the €626 million received, the €59 million cash balance carved-out and intersegment payments to carved-out companies. The remaining balance of €81 million is included in Other Receivables.

2.5. Restatement of Non-Controlling Interests

As referred in the December 31, 2018 consolidated financial statements, the Company made additional analyzes on the main events occurred in the years 2017 and 2018 and concluded that, although it had no impact on its previously disclosed results, adjustments were required between the shareholders' equity accounts, adjusting the criteria used to recognize non-controlling interests.

The analysis performed included the reconciliation of the non-controlling interests calculations from two methodologies, based on:

(a) fair value of InterCement Portugal, SA (formerly Cimpor SGPS) as of transaction date, occurred in previous years; and

(b) shareholding interest in net assets of its subsidiaries - directly or indirectly;

Additionally, the events occurred in 2017 and 2018, mainly (i) the beginning of Cimpor SGPS loss of public company status procedure and (ii) the capitalization of InterCement Portugal, SA, affected the value references for the (a) methodology – above mentioned, and in order to reflect a fair and comparable basis of, the effects of non-controlling interests and controllers, the Board of Administration chose to adopt the (b) methodology, with retroactive effect to December 31, 2016.

The tables below reconcile the non-controlling interests with total attributable to the Company's owners values and the additional effects that were recorded to obtain the restated non-Controlling Interests as of December 31, 2017, without impact on total Shareholders' Equity:

	Total attributable to the Company's owners			Noncontrolling interests		
	Originally presented	Adjustment	Restated	Originally presented	Adjustment	Restated
BALANCE AT DECEMBER 31, 2016	563.669	312.286	875.955	391.469	(312.286)	79.183
Loss for the year	(363.728)	-	(363.728)	(66.950)	-	(66.950)
Sale of noncontrolling interests	703.041	-	703.041	316.152	-	316.152
Aquisition of noncontrolling interests	55.559	(47.173)	8.386	(64.400)	47.173	(17.227)
Transactions with shareholders recognized directly in equity	(2.570)	-	(2.570)	(873)	-	(873)
Dividends paid to noncontrolling interests	-	-	-	(16.964)	-	(16.964)
Other comprehensive income	(115.011)	(40.450)	(155.461)	(95.933)	40.450	(55.483)
BALANCE AT DECEMBER 31, 2017	840.960	224.664	1.065.624	462.501	(224.664)	237.837

2.6. Functional, reporting and presentation currencies

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

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

		Closing exchange rate (R$)			Average exchange rate (R$)	
Currency		03.31.2019	12.31.2018	03.31.2018	03.31.2019	03.31.2018
USD	US Dollar	3.89670	3.87480	3.32380	3.77187	3.24349
EUR	Euro	4.37600	4.43900	4.08500	4.28293	3.98812
MZN	Mozambique Metical	0.06156	0.06316	0.05427	0.06070	0.05377
CVE	Cape Verde Escudo	0.03969	0.04026	0.03705	0.03884	0.03617
EGP	Egyptian Pound	0.22550	0.21660	0.18860	0.21711	0.18429
ZAR	South African Rand	0.27010	0.26990	0.28060	0.26865	0.27433
ARS	Argentinian Peso	0.08989	0.10278	0.16495	0.09628	0.16452
PYG	Paraguayan Guaraní	0.00063	0.00065	0.00060	0.00062	0.00058

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainties

Estimates and judgments are continually evaluated and are based on historical experience and on other factors, including expectations of future events that are believed to be reasonable under the circumstances. There were no changes in relation to what was presented in note 2.3 to the Company's consolidated Financial Statements as of December 31, 2018.

Based on the results of the Group and its business units, as well as on the macroeconomic conditions of the countries and segments in which each business unit operates, there were no indications, as of March 31, 2019, that would lead us to reassess the conclusions reached in the preparation of the annual consolidated financial statements as of December 31, 2018, regarding the recoverability of tangible, intangible assets and goodwill.

4. Cash and Cash Equivalents

	03.31.2019	12.31.2018
Cash and bank accounts	238,364	143,039
Short-term investments	193,282	183,264
Total cash and cash equivalents	431,646	326,303

Short-term investments were as follows:

	03.31.2019	12.31.2018
Certificate of Bank Deposit (CDBs)	1,537	2,159
Short Term Investment in Reais (a)	18,768	27,447
Fixed-income funds (b)	136,918	77,278
Short-term investments in foreign subsidiaries:		
Investment fund in Argentinean pesos (c)	4,521	26,393
Short-term investments in US dollars	13,472	22,119
Short-term investments in euro	-	-
Short-term investments in Egyptian pound	89	930
Short-term investments in South African rand (d)	17,977	20,905
Short-term investments in Mozambique metical	-	6,033
Total short-term investments	193,282	183,264

(a) As of March 31, 2019, the short term investiments have a yield between 50% and 92% of the Interbank Deposit Certificate (CDI) (50% and 65% as at December 31, 2018).
(b) As of March 31, 2019, the fixed income fund has a yield of 102.19% of the Interbank Deposit Certificate (CDI), (101.31% as at December 31, 2018).
(c) In Argentine represents short-term investments in Argentinean pesos amounting to €4,521 (€26,393 as at December 31, 2018) at 42.4% (40.5% to 59.1% as of December 31, 2018). Additionally, short-term investments in USD amounting to €8,549 (€22,119 as at December 31, 2018) with yields from 0.1% to 2.5% (0.1% to 2.5% as at December 31, 2018).
(d) In South Africa term-bank deposit in Rands yielded interest of 6.55% to 6.75% amounting to € 17,977 (€20,905 as at December 31, 2018).

All are available for immediate withdraw.

The cash and cash equivalents of the beginning balance of the period, in the Condensed Consolidated Statements of Cash Flow, includes the cash carved-out of the Portuguese and Cape Verde assets, in the amount of €58,700.

5. Securities

Securities are classified as financial assets, as follows:

	03.31.2019	12.31.2018
Market investments	1,589	1,337
Other	16,317	15,498
Total	17,906	16,835
Total - current	16,546	15,498
Total - noncurrent	1,360	1,337

As of March 2019 and December 31, 2018, included in "Market investments" are investments of the Brazil business area, in exclusive funds related to debentures and Interbank Deposit Certificate (CDI). Other consist in a portfolio of investment funds of Cimpor Reinsurance in the total amount of €16,317.

6. Trade Receivables

	03.31.2019	12.31.2018
Domestic and foreign customers - current	130,254	95,332
(-) Impairment for doubtful accounts – current	(22,693)	(22,130)
Trade receivables - current	107,561	73,202
Domestic and foreign customers - noncurrent	1,422	1,470
(-) Impairment for doubtful accounts – noncurrent	(738)	(725)
Trade receivables - noncurrent	684	745

As of December 31, 2018, the Company has settled agreements for accounts receivable securitization with the related parties CCSA Finance, Ltda. and Camargo Corrêa Desenvolvimento Imobiliário S.A. in the amount of €21,567.

7. Property, Plant and Equipment

	03.31.2019		
	Cost	Depreciation & Impairment	Net book value
Land	120,853	(30,444)	90,409
Buildings	590,511	(348,912)	241,599
Machinery and equipment	1,639,648	(892,854)	746,794
Vehicles	101,433	(70,970)	30,463
Furniture and fixtures	32,272	(29,954)	2,318
Mines and ore reserves	123,243	(82,590)	40,653
Reservoirs, dams and feeders	64,157	(20,901)	43,256
Other	15,720	(10,459)	5,261
Spare parts	4,419	-	4,419
Advances to suppliers	21,811	-	21,811
Construction in progress	333,609	(136,168)	197,441
Total	3,047,676	(1,623,252)	1,424,424

In the Argentina and Paraguay business area and Brazil business area, for March, 31, 2019, there are assets given as guarantees in connection with loans obtained for such acquisition in the amount approximately of €53,051 and €4,717, respectively (€59,246 and €4,650 for December, 31, 2018)

In addition, in Brazil business area, two cement plants were given as guarantee in the “CADE” process, as referred in Note 11.

During the three months periods ended March 31, 2019 and 2018, the Company capitalized financial charges amounting to €35 and €26, respectively, related to loans granted to finance eligible assets.

Construction in progress and advances to suppliers as of March 31, 2019 and December 31, 2018, refers basically to investments in the expansion and construction on new units in Argentina, Brazil and Egypt, and investments in improvement of installations and equipment of the cement plants of other business units.

	12.31.2018		
	Cost	Depreciation & Impairment	Net book value
Land	89,677	(25,158)	64,519
Buildings	588,195	(341,466)	246,729
Machinery and equipment	1,648,343	(897,138)	751,205
Vehicles	86,585	(54,562)	32,023
Furniture and fixtures	28,575	(25,035)	3,540
Mines and ore reserves	156,423	(96,641)	59,782
Reservoirs, dams and feeders	63,245	(20,017)	43,228
Other	11,927	(8,269)	3,658
Spare parts	4,232	-	4,232
Advances to suppliers	21,207	-	21,207
Construction in progress	281,865	(142,068)	139,797
Total	2,980,274	(1,610,354)	1,369,918

For the three months period ended March 31, 2019 impairment losses were booked in the amount of €155.

For the year ended December 31, 2018, given the macroeconomic context in Brazil in past years, which results in reductions of cement consumption, the Group has recorded impairment losses of €53,140, which could be reversed once the market conditions allow the recovering of such operations.

Changes in property, plant and equipment were as follows:

	Land	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Mines and ore reserves	Reservoirs, dams and feeders	Spare parts	Other	Construction in progress	Advances to suppliers	Total
Balance at December 31, 2017	132,606	306,451	915,673	25,974	2,819	61,722	50,963	4,259	1,686	39,836	23,239	1,565,229
Additions	537	3,296	22,550	22	9	4,622	1	-	-	21,767	390	53,194
Write-offs	(209)	(21)	(38)	(9)	-	-	-	-	-	-	-	(277)
Depreciation	(802)	(9,773)	(26,316)	(1,241)	(213)	(5,368)	(653)	-	(489)	-	-	(44,855)
Effect of changes in exchange rates	(1,513)	(8,227)	(23,354)	(2,032)	(116)	(3,050)	(1,429)	(117)	(160)	(2,756)	(674)	(43,427)
Transfers	2,472	(9,804)	(13,918)	691	160	(12)	-	(160)	3,221	17,743	(109)	284
Balance at March 31, 2018	133,091	281,922	874,597	23,405	2,659	57,914	48,882	3,982	4,258	76,590	22,846	1,530,146
Balance at December 31, 2018	64,519	246,729	751,205	32,023	3,539	59,782	43,228	4,232	3,658	139,797	21,207	1,369,918
Adoption of IAS 29	827	13,522	16,383	3,214	97	4,511	-	-	72	8,659	-	47,285
Additions	-	-	99	-	-	408	2	-	-	72,523	187	73,219
Write-offs	(344)	(96)	(6)	(2)	(4)	-	-	-	-	-	(2)	(454)
Depreciation	(1,441)	(4,771)	(21,740)	(1,969)	(187)	(5,216)	(608)	-	(286)	-	-	(36,218)
Impairment	-	-	-	-	-	-	-	-	(155)	-	-	(155)
Effect of changes in exchange rates	355	(12,653)	(9,926)	(3,280)	(36)	(4,247)	634	58	(56)	(12,738)	419	(41,470)
Transfers	26,493	(1,132)	10,779	477	(1,091)	(14,585)	-	129	2,028	(10,800)	-	12,298
Balance at March 31, 2019	90,409	241,599	746,794	30,463	2,318	40,653	43,256	4,419	5,261	197,441	21,811	1,424,424

Additions

In the Argentinean business area there are disbursements in the total amount of €62.7 million, namely the increase of the installed capacity at its L'Amalí plant amounting to €52.6 million and €4.8 million related to quarry recovery.

8. Intangible Assets

	03.31.2019	12.31.2018
Other intangible assets:		
Mining rights	11,044	108,616
Concession-related assets	106,465	18,450
Software licenses	5,004	5,450
Project development costs	3,863	4,051
Trademarks, patents and others	16,851	18,304
	143,227	154,871
Goodwill:		
Loma Negra C.I.A. S.A.	220,654	217,523
CBC - Companhia Brasileira de Cimentos (“CBC”)	23,454	23,121
Cia. Industrial e Mercantil de Cimentos S.A. (“CIMEC”)	17,322	17,076
Intercement Portugal, S.A.	721,262	711,092
Other	16,163	15,942
	998,855	984,754
Total	1,142,082	1,139,625

Goodwill is subject to impairment tests annually and whenever there are indications of possible impairment, which are made based on the recoverable amounts of each of the corresponding business segment, which did not occur in the three months periods ended March 31, 2019.

As of March 31, 2019, the accumulated impairments registered in Goodwill related with Brazil business area (above presented as acquired under the InterCement Portugal, S.A. acquisition) are € 495,702.

Changes in intangible assets in the three months periods ended March 31, 2019 and 2018 were as follows:

	Software licenses	Concession-related assets	Mining rights	Project development costs	Trademarks, patents and others	Goodwill	Total
Balance at December 31, 2017	6,628	4,563	168,952	6,276	14,582	1,399,695	1,600,696
Additions	41	44	-	-	177	-	262
Write-offs	-	-	-	-	(1)	-	(1)
Depreciation	(697)	(252)	(519)	(317)	(263)	-	(2,048)
Effect of changes in exchange rates	(225)	(222)	(2,990)	(164)	(405)	(28,230)	(32,236)
Transfers	189	-	-	(37)	363	-	515
Balance at March 31, 2018	5,936	4,133	165,443	5,758	14,453	1,371,465	1,567,188
Balance at December 31, 2018	5,450	18,450	108,616	4,051	18,304	984,754	1,139,625
Adoption of IAS 29	209	-	-	-	366	-	575
Additions	-	50	-	-	-	-	50
Depreciation	(598)	(2,220)	(83)	(419)	(82)	-	(3,402)
Effect of changes in exchange rates	(146)	(1,705)	3,704	82	318	14,101	16,354
Transfers	89	91,890	(101,193)	149	(2,055)	-	(11,120)
Balance at March 31, 2019	5,004	106,465	11,044	3,863	16,851	998,855	1,142,082

9. Borrowings and Financing

								03.31.2019		12.31.2018	
Functional Currency	Business unit	Type of financing	Currency	Interest rates (a)	Contract date	Maturity		Current	Noncurrent	Current	Noncurrent
EUR	Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	May-12	Several		44,924	154,751	-	195,696
EUR	Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb-12	Several	(b)	-	196,215	62,039	144,009
EUR	Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb-14	Feb-22	(c)	-	-	42,261	-
EUR	Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Feb-14	Feb-22	(c)	-	-	132,899	-
EUR	Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	Feb-14	Feb-24		-	141,866	-	139,027
EUR	Holdings and Financial Vehicles (*)	Bilateral	USD	Floating rate indexed to US Libor	May-14	May-19		44,132	-	43,645	-
EUR	Holdings e Veiculos Financeiros (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb-12	Feb-24		-	-	-	35,000
EUR	Holdings e Veiculos Financeiros (*)	Bilateral	EUR	Fixed rate	Feb-19	Jun-20	(d)	10,000	5,000	2,750	19,250
EUR	Holdings and Financial Vehicles (*)	Bilateral	EUR	Fixed rate	Dec-14	Oct-21		2,750	19,250	20,445	-
EUR	Holdings and Financial Vehicles (*)	Commercial paper	EUR	Floating rate indexed to Euribor	Mar-15	Mar-20		35,000	-	44,626	11,839
ARS	U.N. Argentina Paraguay	Bilaterals	ARS	Fixed and floating rates	Several	Several		11,989	-	3,091	59,444
ARS	U.N. Argentina Paraguay	Bilaterals	USD	Floating rates indexed to US Libor	Several	Several		32,168	11,589	-	-
ARS	U.N. Argentina Paraguay	Bilaterals	USD	Fixed and floating rates	Mar-19	Mar-21		-	2,284	9,943	49,112
BRL	U.N. Brazil	Bilaterals	BRL	Fixed and floating rates	Several	Several		3,197	59,769	-	-
ARS	U.N. Argentina Paraguay	Bilaterals	USD	Fixed and floating rates	Several	Several		13,422	-	-	-
ARS	U.N. Argentina Paraguay	Bilaterals	ARS	Fixed rates	Several	Several		6,192	-	-	-
PYG	U.N. Argentina Paraguay	Bilaterals	PYG	Fixed rates	Several	Several		8,117	44,223	-	-
EGP	U.N. Egypt	Bilaterals	EGP	Fixed and floating rates	Several	Several		20,402	553	23,839	524
								232,293	635,500	385,538	653,901

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

(a) For the major funding, the variable rates contracted, both in dollars and euros, consider spreads between 2.95% and 4.4%.

(b) In the three month's period ended March 31, 2019, the terms and conditions of the financing to Caue Austria Holding GmbH has changed from what was considered in 2018, the maturity date was postponed to February 2024, and €10 million was paid.

(c) The decrease verified during the three month's period ended March 31, 2019 is due to the prepayment of the Tranche B of the Syndicated loan contracted with Cimpor BV, in the amount of €177 million.

(d) In the Holdings and Financial Vehicles business unit, Intercement Inversiones has contracted a new loan in the amount of € 15 million, with a fixed rate of 2,55 %, with a maturity beginning in February 2019 till June 2020.

As of March 31, 2019 and December 31, 2018, the incurred interest related to those financing agreements classified in current liabilities and presented as 'Interest payable' amount to €8,797 and €19,914, respectively.

Changes in Borrowings and Financing in the three months period ended March 31, 2019 were as follows:

	Borrowings and financing
Balance at December 31, 2017	1,711,654
Receipts	9,568
Payments	(312,900)
Effect of changes in Exchange rates, comissions and other	(26,200)
Balance at March 31, 2018	1,382,122
Balance at December 31, 2018	1,039,439
Receipts	26,877
Payments	(216,017)
Effect of changes in Exchange rates, comissions and other	17,494
Balance at March 31, 2019	867,793

Maturity schedule

As of March 31, 2019 and December 31, 2018, the noncurrent portions mature as follows:

Period	03.31.2019	12.31.2018
2020	25,371	157,491
2021	170,436	181,380
2022	173,792	156,425
2023	158,229	104,940
Following years	107,672	53,664
	635,500	653,901

Covenants

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

The Company and its subsidiaries 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. For December 31, 2018 the Company agreed with the financial institutions the increase of Net Debt / EBITDA ratio from 4.5 to 5.5, coming back to 4.5 in the following periods. As of that date the covenants conditions were met and such obligation will only be measured again with financial figures as of December 31, 2019.

10. Debentures

							03.31.2019		12.31.2018	
Functional Currency	Business unit	Instrument	Currency	Issue date	Interest rate (a)	Final maturity	Current	Noncurrent	Current	Noncurrent
BRL	Brazil	Debênture - Brazil	BRL	Mar-12	Floating rate indexed to CDI	Apr-22	50,317	151,103	49,590	148,918
BRL	Brazil	Debênture - Brazil	BRL	Aug-12	Floating rate indexed to CDI	Aug-22	57,041	171,293	56,232	168,863
EUR	Holdings and Financial Vehicles (*)	Senior Notes (b)	USD	Jul-14	5.75%	Jul-24	-	484,918	-	475,124
							107,358	807,314	105,822	792,905

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

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

(b) 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. As of March 31, 2019 and December 31, 2018 the Group holds bonds in the par value of USD 198,812 thousand.

As of March 31, 2019 and December 31, 2018, the incurred interest classified in current liabilities and presented as ‘Interest payable’ amount to €18,978 and €19,475, respectively.

Changes in Debentures in the three months period ended March 31, 2019 were as follows:

	Debêntures
Balance at December 31, 2017	1,001,085
Payments	(11,880)
Effect of changes in Exchange rates, comissions and other	(25,606)
Balance at March 31, 2018	963,599
Balance at December 31, 2018	898,727
Effect of changes in Exchange rates, comissions and other	15,945
Balance at March 31, 2019	914,672

Maturity schedule

As of March 31, 2019 and December 31, 2018, the debentures mature as follows:

Period	03.31.2019	12.31.2018
2020	106,272	104,726
2021	106,272	104,726
2022	106,272	104,726
Following years	488,498	478,728
	807,314	792,905

Covenants

Debentures contain certain restrictive covenants that require compliance with financial ratios calculated based on the Company's consolidated financial statements.

As at December 31, 2018 the Company agreed with the local debenture holders the increase of Net Debt / EBITDA ratio from 4.5 to 5.5, coming back to 4,5 in the following periods. As of that date the covenants conditions were met and such obligation will only be measured again with financial figures as of December 31, 2019.

In the case of the Senior Notes, the non-compliance of the covenant (ratio of 4.5) foresees that the company operates with certain restrictions, being the principal ones:

i) Limitation in USD 500 million for new debt, provided it is not for refinancing the existing one;

ii) Restrictions on certain payments, such as dividends to shareholders above the legal minimum;

iii) Dividends limitation of USD 25 million per year, cumulative, to preferred shareholders after the Senior Notes issuance (July/2014).

As at December 31, 2018, except for the above referred restrictions for the Senior Notes specifically, the Company complied with all contractual obligations and such obligation will only be measured again based on the financial figures as at December 31, 2019.

11. Provisions and Contingent assets and liabilities

Provisions

The Group is subject to tax, civil, labor and other 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 reporting period.

The provision for risks is broken down as follows:

	03.31.2019	12.31.2018
Labor and social security	8,770	8,699
Tax (a)	16,136	17,533
Civil and other (b)	32,228	30,346
	57,134	56,578
Escrow deposit (c)	(2,685)	(2,695)
Total	54,449	53,883

(a) Brazil: At March 31, 2019, refer basically to tax assessment notices and lawsuits amounting to €1,260 related to: (i) discussion of the highest collection of Corporate Income Tax (IRPJ) and Contribution for the Financing of Social Security (COFINS) in the period from 02/2003 to 04/2004 and compensation with other own debts; (ii) discussion on the collection of the additional 6% of social contributions, to finance the benefits related to special retirement due to lack of management of employee health and exposure to harmful agents during the period from 01/99 to 07/2003; (iii) discussion on the lower collection of Corporate Income Tax (IRPJ) for the calculation period of March 2005, due on April 29, 2005, on behalf of the then CIMEPAR: (iv) a discussion on the absence of ICMS tax collection, with due legal increases, on imports of goods, on the grounds that there was no inclusion of the tax in its own calculation basis, for the period from January to July 2002.

InterCement Portugal: Refer basically to the provisions for tax risks related to income tax, amounting to €5,650 in March 31, 2019 and in December 31, 2018, which are being challenged in courts.

Egypt: Is mainly justified by tax provisions related to income tax from years 2004 to 2014, which are being challenged in courts, in the amount of €7,032 (€6,659 in December 31, 2018).

(b) Includes mainly a provision related to the industrial license estimation of late payments interests in Egypt, totalling €28,293 (€26,415 on December 31, 2018).

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

	03.31.2019	12.31.2018
Labor and social security	1,849	1,865
Tax	763	788
Civil and other	73	42
Total	2,685	2,695

Changes in the provision for risks for the three months periods ended March 31, 2019 and 2018 are as follows:

	Labor and social security	Tax	Civil and other	Escrow deposit	Total
Balance at December 31, 2017	25,848	28,256	32,531	(3,023)	83,612
Recognition/deposit	127	149	815	-	1,091
Payment/deposit derecognition	(708)	(1,056)	(342)	(363)	(2,469)
Reversal	(325)	(4,358)	(249)	-	(4,932)
Transfers	-	462	-	-	462
Exchange differences	(479)	(377)	(693)	95	(1,454)
Balance at March 31, 2018	24,463	23,076	32,062	(3,291)	76,310
Balance at December 31, 2018	8,699	17,533	30,346	(2,695)	53,883
Adoption of IAS 29	118	62	83	-	263
Recognition/deposit	214	52	293	(303)	256
Payment/deposit derecognition	(227)	(911)	(263)	352	(1,049)
Reversal	(7)	(771)	(27)	-	(805)
Exchange differences	(27)	171	1,796	(39)	1,901
Balance at March 31, 2019	8,770	16,136	32,228	(2,685)	54,449

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 March 31, 2019, the Group has an exposure of €946 million (€820 million in December 31, 2018), being €10 million of contingent liabilities related to labor contingencies (€9 million in December 31, 2018), €712 million of tax contingencies (€599 million as of December 31, 2018), €223 million of civil contingencies and administrative processes of other natures (€212 million in December 31, 2018), whose likelihood of loss was considered possible, according to the opinion of our legal counsellors.

The most significant of the contingencies are:

Brazil

a) Tax

The possible tax contingencies, in the amount of €624 million mainly refers to administrative and tax processes related to: (i) credit gloss for allegedly undue deduction of the IRPJ and CSLL calculation basis, as a goodwill amortization resulting from the acquisition of other companies; (ii) collection of IRPJ and CSLL, based on the fact that the company would no longer offer to tax profits earned abroad by subsidiaries and affiliated companies; (iii) collection of alleged difference or non-payment of CFEM, a financial compensation paid to the Union for economic use of mineral resources; (iv) illegal collection of ICMS based on the value of merchandise subject to tax regime; (v) tax credits gloss taken by the company and not approved by Federal or State Revenue; and (vi) fine for unapproved tax compensation statement, in the amount of 50% of the amount not offset.

b) Administrative Council for Economic Defence (“CADE”)

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 (which corresponds to R$241,700 thousand to Intercement and R$297,820 thousand to CCB, meanwhile merged), besides the obligation to sell 20% of its concrete´s assets in Brazil, among other accessory penalties. On December 31, 2018 the fine imposed reach to, resulting from its financial actualization, €168 million (R$747 million) (which corresponds to R$334,453 thousand to Intercement and R$412,110 thousand to CCB, meanwhile merged).

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, which was rejected. The proceeding did not have any significant change in 2018. Based on the opinion of its legal advisors, the risk of loss in court is has been considered as possible, and therefore, no provision was recorded for this contingent liability as of March 31, 2019 and December 31, 2018.

Spain

As a result of tax inspections of the years 2005 to 2008, tax assessments of approximately €120 million were realized. These assessments relate essentially to net financial items resulting mainly from interpretations not adjusted to the nature of certain transactions. During the year ended December 31, 2017, we were notified of the ruling handed down by the Audiência Nacional court in Spain regarding judicial proceedings related to these tax inspections. The ruling has been almost entirely favorable to us. The tax authorities filed an appeal before the Supreme Court. On May 7, 2019 the public hearing ending the proceedings took place, and it is now pending resolution. The guarantees of approximately €120 million provided for these proceedings continue to be in force until the final decision is handed down. Management believes that from the conclusion of the legal processes resulting from the actions in progress, 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 €86 million) to remote (around €34 million).

During the second half of 2014, the Spanish tax authorities began inspecting the years 2009 to 2012. The tax authorities reports maintained the same interpretations as in the preceding years, and these corrections results in negative taxable income of approximately €28 million, setting the negative taxable income of that period in approximately €31 million. On July 2017, tax authorities report for the year 2012 resulted in a correction to negative taxable income of about €242 million. On August 2017 an appeal was filed against the Administrative Economic Court. On March 25, 2019, the Company was notified of the decision rejecting the Central Economic-Administrative Court in relation to the economic-administrative claims for the years 2009 to 2012. The Company will appeal before the Audiência Nacional.In both cases the deferred tax related to those losses are not booked.

As in previous years, the Board of Directors and its legal and tax counsellors remains convinced that from the conclusion of the legal proceedings contesting these corrections, no significant charges will occur in the Group.

12. 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.

13. Shareholder’s Equity

Share Capital

Share capital as of March 31, 2019 and December 31, 2018 share capital is represented by 27,883,213 registered shares without par value, of which 22,687,439 are common shares and 2,359,001 are preferred shares Class A and 2,836,773 are preferred shares Class B.

Capital Reserves - Preferred Shares – InterCement Participações Company

Class A

The preferred shares (Class A) grant their holders the right to receive minimum dividends, not accumulating losses, do not grant voting rights in the Company’s shareholders’ meetings, and can be redeemed by decision of the Board of Directors. Any contractual obligations are guaranteed and recorded at Company’s controller shareholder; consequently, the Company does not have any contractual obligation assumed with such holders of the preferred shares.

Class B

The preferred shares (Class B) does not 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.

Earning Reserves

The March 31, 2019 quarter movement relates to the dividend payment below referred.

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.

As of March 31, 2019, € 46.9 million of dividends were paid to preferred shares Class A.

Other comprehensive income

In the three months period ended March 31, 2019 and March 31, 2018, the movements in the Other Comprehensive Income, relates to the equity recognition of exchange differences arising on translating foreign operations, in the negative amount of €197,821 (negative of €263,331 in March 31, 2018), including the negative adjustment in accumulated exchange differences, due to the sale of Portuguese and Cape Verde assets, in the amount of €170,382 (Note 2.4), and the negative recognition of hedging operations of €383 (positive of €218,804 in March 31, 2018).

As of March 31, 2019, reference also to the positive amount of € 38,314 related with hyperinflation accounting for our Argentinean subsidiaries applying IAS 29 rules (Note 2.2).

Non-controlling interests

The main Non-controlling interests movements occurred during the quarters ended March 31, 2019, and March 31, 2018 regards mainly to the recognition of those period results, and the recognitions related to the above referred Other comprehensive income movements.

14. Income Tax and Social Contribution

For the three months periods ended March 31, 2019 and 2018 the reconciliation between the nominal and the effective income tax was as follows:

	03.31.2019	03.31.2018 Restated
Loss before income tax and social contribution	(37,179)	(18,248)
Tax rate	34%	34%
Income tax and social contribution at statutory rates	12,641	6,204
Adjustments to calculate income tax and social contribution at effective rates:		
Permanent additions / (deductions), net (a)	9,937	(2,029)
Unrecorded deferred income tax and social contribution tax (b)	(24,391)	(16,399)
Adjustments to deferred taxes	(371)	495
Other (c)	206	4,356
Income tax and social contribution expense	(1,978)	(7,373)
Income tax and social contribution expense - Current	(10,428)	(7,158)
Income tax and social contribution expense - Deferred	8,450	(215)

(a) Includes the effect of the differences in tax rates and other adjustments;

(b) In the three months ended March 31, 2019 and 2018, includes the tax effect from losses on entities not recognized since at present there are no projections that enable them to be expected to be recovered;

(c) In the three months ended March 31, 2018 include the reduction of a tax provision amounting to €4,324 (Note 11).

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.

In addition to the income tax charge, in the three months periods ended March 31, 2019 and 2018, the Group recorded deferred tax of €125 and €251, respectively, directly in costs recognized in equity.

15. 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:

	03.31.2019	03.31.2018 (Restated)
Depreciation, amortization, and impairment losses (a)	(43,576)	(35,029)
Salaries and employee benefits	(56,124)	(58,814)
Raw materials and consumables	(60,138)	(91,746)
Tax expenses	(6,263)	(7,190)
Outside services	(38,297)	(34,875)
Rental	(2,586)	(2,849)
Freight expenses	(32,914)	(37,195)
Maintenance costs	(21,311)	(21,392)
Fuel	(40,575)	(35,881)
Electricity	(32,122)	(29,132)
Reversal (recognition) of provision for risks	(580)	2,090
Gain on sale of property, plant and equipment	1,456	345
Other	(8,599)	(2,102)
Total	(341,629)	(353,770)
Cost of sales and services	(286,014)	(310,268)
Administrative and selling expenses	(58,149)	(49,144)
Other (expenses)/income (net)	2,534	5,642
Total	(341,629)	(353,770)

16. Financial Income (Expenses) and Foreign Exchanges Losses (net)

	03.31.2019	03.31.2018 (Restated)
Foreign exchange losses, net (a):		
Exchange gain	26.824	53.482
Exchange loss	(46.050)	(61.506)
Total	(19.226)	(8.024)
Financial income:		
Inflation adjustment (b)	5.829	556
Financial earnings	3.289	7.582
Interest income	223	180
Derivative financial instruments	1.923	-
Other income	381	535
Total	11.645	8.853
Financial expenses:		
Inflation adjustment	(413)	(770)
Expenses on interest and charges	(30.118)	(40.070)
Expenses on banking commissions	(5.777)	(7.148)
Fines	(10)	(177)
Derivative financial instruments	(1.812)	(1.122)
Other expenses	(1.911)	(2.487)
Total	(40.041)	(51.774)

(a) In the three months ended March 31, 2019 and 2018, the exchange differences are mainly influenced by the valuation and devaluation of functional currencies against other currencies (mainly USD and Euro).

(b) It includes the quarter result impact from the application of IAS 29 to Argentinean pesos in the amount of €4.2 million.

17. Commitments

As of March 31, 2019, no significant changes occurred in relation to the commitments referred as of December 31, 2018.

18. Earnings Per Share

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

	03.31.2019	03.31.2018
Profit / (Loss) for the period from continuing and discontinuing operations attributable to Company's owners	257,460	(28,320)
Profit / (Loss) for the period attributable to common shares	257,460	(28,320)
Weighted average number of common shares	22,687,439	22,687,439
Basic/diluted loss per common share	11.35	(1.25)
Profit / (Loss) for the period from continuing operations attributable to Company's owners	(52,072)	(30,783)
Loss for the period attributable to common shares	(52,072)	(30,783)
Weighted average number of common shares	22,687,439	22,687,439
Basic/diluted loss per common share	(2.30)	(1.36)

19. 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.

19.1. Capital risk management

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

19.2. Financial risk management

General principles

During its normal business activities, ICP Group is exposed to a variety of financial risks likely to change its net worth, which can be grouped, according to their nature, in the following categories:

- Interest rate risk;
- Exchange rate risk;

- Liquidity risk;
- Credit risk;
- Counterparty risk.

Financial risk is deemed to mean the probability of obtaining a positive or negative outcome different to that expected, and which materially and unexpectedly alters the Group's net worth.

All risk management, focused on that objective, is conducted according to two core concerns:

- Reducing, whenever possible, fluctuations in profit/loss and cash flows that are exposed to risk situations;
- Curbing deviation from forecast financials by means of meticulous financial planning based on multi-year budgets.

Furthermore, another concern of the Group is that the processes for managing these risks meet internal information needs and also external requirements (regulators, auditors, financial markets and all other stakeholders).

The Group, as a rule, does not take speculative positions and so the sole aim of all operations carried out with the purpose of managing financial risks is to control existing risks to which the Group is unavoidably exposed.

Hedging the interest-rate risk and exchange-rate risk normally means contracting financial derivatives on the over-the-counter market (for reasons of flexibility), involving a limited number of counterparties with high ratings. These operations are undertaken with financial entities with which International Swaps and Derivatives Associaton (ISDA) contracts have been concluded beforehand, in accordance with international standards.

The whole treasury department is responsible for managing financial risks, including identifying, assessing and hedging such risks. This risk management is conducted under the guidance of the Executive Committee, in particular of the director responsible for the financial risk area (whose approval is required prior to any operation).

19.3. Interest rate risk

The Group's exposure to interest-rate risk arises from the fact that its balance sheet includes financial assets and liabilities that may have been contracted at fixed interest rates or at variable interest rates. In the former case, the Group runs the risk of variation in the fair value of those assets and liabilities, whereby any change in market rates involves a (positive or negative) opportunity cost. In the latter case, such change has a direct impact on the amount of interest paid/received, resulting in cash account changes.

Interest-rate swaps are normally contracted to hedge this type of risk, in accordance with the Group's expectations concerning the development of market rates.

Exposure to interest rate risks and to floating and fixed rates

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.

As of March 31, 2019 and December 31, 2018 the Group's liability by type of interest rate, considering derivative financial instruments, between floating and fixed rate, was as follows:

	03.31.2019	12.31.2018
Floating rates	67%	71%
Fixed rates	33%	29%

19.4. Exchange rate risk

The Group's exposition to the exchange-rate risk for the currencies of different countries, particularly the following ones, due to the amounts of capital invested in each countries where functional currency is different from Group functional currency.

The exchange effects of the translation of local financial statements in the Group's consolidated financial statements can be mitigated by hedging the net investments made in those countries. These operations are not frequent, considering such operations which is generally too high considering the risks involved.

When hedging the exchange-rate risk, swaps and forward contracts and with maturities equivalent to the instrument that serves as a hedging basis, are contracted.

The Group does not carry out exchange-rate operations that do not adequately cover existing or contracted positions.

The fact that the Group operates in countries with significant interest rate differentials in relation to the consolidation currency, results in the search for natural hedge strategies. In this respect, there was a seeking to increase the debt of the Business Units in order to obtain better correspondence between assets and liabilities in the same currency, thus decreasing the Group's overall exposure.

The Company owns in the derivatives portfolio, hedging instruments, to help manage the Group's exchange exposure, namely a cross-currency swap that transforms a liability in USD to a liability contracted in Euros.

Exposure to foreign exchange risk

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

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

	03.31.2019	12.31.2018
Assets:		
Cash, cash equivalents and securities	141,159	85,243
Trade receivables	2,134	4,859
Related parties (a)	415,451	528,570
Other credits	2,768	2,633
Exposed assets	561,512	621,305
Liabilities:		
Interest, borrowings, financing and debentures	942,554	1,067,641
Foreign trade payables	99,936	106,747
Related parties (a)	557,435	425,805
Other debits	415	442
Exposed liabilities	1,600,340	1,600,635

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

The presentation of cash and cash equivalents and current securities by currencies and related foreign exchange exposures are as follows:

		mar-19		Dec-18	
Functional currency	Currency	Currency	Euros	Currency	Euros
ARS	USD	9,835	8,585	22,888	19,979
BRL	USD	259	226	104	91
PYG	USD	3,571	3,117	903	788
EGP	USD	1,270	1,108	1,196	1,044
EUR	USD	144,659	126,273	69,246	60,445
MZN	USD	199	174	160	139
ARS	BRL	9	2	8	2
PYG	BRL	1	0	1	0
ARS	EUR	14	14	12	12
PYG	EUR	5	5	9	9
EGP	EUR	185	185	211	211
MZN	EUR	1,270	1,270	1,285	1,285
EUR	EGP	2,882	141	2,730	133
ARS	PYG	4,845	1	4,918	1
MZN	ZAR	968	59	1,093	66
Amount exposed to foreign exchange risk			141,158		84,206
BRL	BRL	705,066	158,834	496,517	111,853
EUR	EUR	84,297	84,297	39,027	39,027
ARS	ARS	639,622	14,810	1,378,090	31,908
MZN	MZN	791,140	11,257	787,200	11,201
EGP	EGP	159,120	7,764	367,965	17,955
PYG	PYG	51,464,445	7,536	84,543,494	12,380
ZAR	ZAR	370,643	22,536	547,205	33,271
CVE	CVE	-	-	-	-
Amount by functional currency			307,034		257,595
			448,192		341,801

The main debt instruments (essentially related with loans and debentures) as of March 31, 2019 and December 31, 2018, and considering the effect of the existing cross currency swaps, were denominated in the following currencies:

	03.31.2019	12.31.2018
USD	52%	54%
BRL	28%	25%
EUR	15%	16%
Other	5%	5%

19.5. Liquidity risk

Liquidity risk management means maintaining an appropriate level of cash resources and contracting credit limits that not only ensure the normal pursuit of the Group's activities but also meet the needs of any extraordinary operations.

The company is continuing working with its lenders to refinance its debt profile, targeting lower amortization for the next coming years, while Brazil recovers from its recent financial crises.

19.6. Credit risk

The markets view of Group's credit risk in regards to financing operations is naturally reflected in the financial costs associated to such operations. The Group's influence in such matters is merely ancillary, embodying the prudent and balanced management of the business in order to lessen the probability of defaulting on its obligations.

The Group's degree of solvency is also reflected in its Leverage ratio (Net Debt / EBITDA). As described in Notes 9 and 10, as of December 31, 2018, the Company agreed with financial institutions the increase of such parameters from 4.5 to 5.5 (ratio Net Debt versus EBITDA), coming back to 4.5 in the following periods. As of that date the covenants conditions were met and such obligation will only be measured again with financial figures as of December 31, 2019.

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.

19.7. Counterparty risk

When the Group establishes different contractual relations with third parties, it takes on the risk of the probability of non-fulfilment or even, in an extreme scenario, default by a counterparty.

The Group endeavours to limit its exposure to this risk, when making bank deposits and other cash investments and also, when contracting derivative instruments, by carefully selecting the counterparties, based on their rating and taking into account the nature, maturity and scope of the operations.

No losses due to non-compliance are expected based on the information currently available.

19.8. Sensitivity analysis of financial instruments

Exposure to interest-rate risk results in the variability of the Group's net financial expenses. The results of a sensitivity analysis of exposure as of March 31, 2019 were as follow:

a) Sensitivity analysis - Interest rates with Euribor, US Libor and CDI index

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 period then ended (before taxes) of approximately €2 million on the euro liability indexed to the variable rate, and USD 4 million on the variable rate loan, and €5 million on the Brazilian variable rate loan, as shown in table below:

Indexing	Currency	Value	1%	2%	3%
Euribor	EUR	231,528	2,315	4,631	6,946
US Libor	USD	445,083	4,451	8,902	13,352
CDI	BRL	475,813	4,758	9,516	14,274

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 companies financial asset and liability profile (including intercompany balances) as of March 31, 2019 the more significant impact on net financial results would be as follows:

				USD depreciation			USD appreciation	
Amount in USD	Funcional currency	FX Rate (03-31-19)		-10%	-5.0%	0.0%	5.0%	10.0%
-1,030,837	EUR	1.1230	Effect in EUR	-91,793	-45,897	-	45,897	91,793
-84,046	ARS	43.35	Effect in ARS	-364,340	-182,170	-	182,170	364,340
			Effect in EUR	-8,316	-3,939	-	3,564	6,804
3,783	PYG	6,187.55	Effect in PYG	2,340,864	1,170,432	-	-1,170,432	-2,340,864
			Effect in EUR	374	177	-	-160	-306
-21,908	BRL	3.90	Effect in BRL	-8,537	-4,268	-	4,268	8,537
			Effect in EUR	-2,168	-1,027	-	929	1,773
84,744	ZAR	14.43	Effect in ZAR	122,260	61,130	-	-61,130	-122,260
			Effect in EUR	8,385	3,972	-	-3,593	-6,860
-6,952	EGP	17.28	Effect in EGP	-12,013	-6,006	-	6,006	12,013
			Effect in EUR	-688	-326	-	295	563
-121,022	MZN	63.30	Effect in MZN	-766,063	-383,031	-	383,031	766,063
			Effect in EUR	-11,974	-5,672	-	5,132	9,797

				EUR depreciation			EUR appreciation	
Amount in EUR	Funcional currency	FX Rate (03-31-19)		-10%	-5.0%	0.0%	5.0%	10.0%
-33,130	ZAR	16.20	Effect in ZAR	53,675	26,838	-	-26,838	-53,675
			Effect in EUR	3,278	1,553	-	-1,405	-2,682

				EGP depreciation			EGP appreciation	
Amount in EGP	Funcional currency	FX Rate (03-31-19)		-10%	-5.0%	0.0%	5.0%	10.0%
42,210	EUR	19.41	Effect in EUR	218	109	-	-109	-218

(Thousand)

19.9. Categories of financial instruments

	03.31.2019	12.31.2018
Current assets:		
Financial assets at amortized cost:		
Cash and bank accounts (Note 4)	238,364	143,039
Short-term investments - financial asset	193,285	183,264
Trade receivables (Note 6)	107,561	73,202
Other receivables	154,163	35,220
Financial assets at fair-value:		
Exclusive funds	16,544	15,498
Non-current assets:		
Financial assets at amortized cost:		
Long-term investments - financial asset	1,359	1,336
Trade receivables (Note 6)	684	745
Other receivables	31,875	35,281
Financial assets at fair-value:		
Long-term investments - financial asset	1	1
Derivatives	3,411	3,362
Current liabilites:		
Financial liabilities at amortized cost:		
Debentures (Note 10)	107,358	105,822
Borrowings and financing (Note 9)	232,293	385,538
Trade payables	245,830	249,605
Interest payable (Notes 9 and 10)	27,775	39,389
Obligations under finance leases (IFRS 16)	12,134	-
Other payables	56,125	42,272
Non-current liabilites:		
Financial liabilities at amortized cost:		
Debentures (Note 10)	807,314	792,905
Borrowings and financing (Note 9)	635,500	653,901
Trade payables	2,756	9,948
Obligations under finance leases (IFRS 16)	28,388	-
Other payables	29,735	29,133
Financial liabilities at fair value:		
Derivatives	308	303

19.10. Derivative transactions

As of March 31, 2019 and December 31, 2018, the fair value of derivatives is as follows:

	Assets				Liabilities			
	Current		Non-current		Current		Non-current	
	03.31.2019	12.31.2018	03.31.2019	12.31.2018	03.31.2019	12.31.2018	03.31.2019	12.31.2018
Written-put options ("Baesa", "Machadinho" and “Estreito” operations)		-	3,411	3,362		-	308	303
	-	-	3,411	3,362	-	-	308	303

19.11. 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 March 31, 2019 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 at fair value	Securities - current	16.544	-	-
Financial assets at fair value	Financial derivative instruments	-	-	3.411
Financial assets at fair value	Securities - non current	1	-	-
Liabilities:				
Financial liabilities at fair value	Financial derivative instruments	-	-	308

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 9 and 10, 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 segment, which effect of their valuation to fair value in relation to their book value being as follows:

	03.31.2019	12.31.2018
Fair value	884.478	842.763
Carrying amount	933.650	918.202

20. Supplemental Cash Flow Information

Investment and financing activities not involving cash

	03.31.2019	03.31.2018
Interest capitalization	35	26
Purchase of property, plant and equipment through trade payables	18,522	(17,256)
Purchase of intangibles through trade payables	(26)	(35)
Sales of property, plant and equipment that will be received	3,259	220

21. 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:

	03.31.2019				03.31.2018			
	Net Revenue				Net Revenue			
	Foreign sales	Intersegment sales	Total	Results	Foreign sales	Intersegment sales	Total	Results
Operating segments:								
Brazil	98,619	-	98,619	(15,179)	99,607	413	100,020	(11,851)
Argentina and Paraguay	166,624	-	166,624	33,920	187,093	-	187,093	40,345
Egypt	30,643	-	30,643	(3,403)	27,485	-	27,485	1,210
Mozambique	22,530	-	22,530	1,023	23,376	-	23,376	881
South Africa	27,141	567	27,708	1,991	31,221	593	31,814	3,510
Total	345,557	567	346,124	18,352	368,782	1,006	369,788	34,095
Unallocated (a)	6,515	31,338	37,853	(7,909)	17,685	37,531	55,216	(1,398)
Eliminations	-	(31,905)	(31,905)	-	-	(38,537)	(38,537)	-
Sub-total	352,072	-	352,072	10,443	386,467	-	386,467	32,697
Share of profit of associates				-				-
Income before financial income (expenses)				10,443				32,697
Foreign exchange gains/(losses), net				(19,226)				(8,024)
Financial income				11,645				8,853
Financial expenses				(40,041)				(51,774)
Income before income tax and social contribution				(37,179)				(18,248)
Income tax and social contribution				(1,978)				(7,373)
Profit/(Loss) for the period from continuing operations				(39,157)				(25,623)
Profit/(Loss) for the period from discontinuing operations				314,134				3,199
Profit/(Loss) for the period				274,977				(22,424)

a) This caption includes holding companies and trading companies not attributable to specific segments.

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

	Noncontrolling interests	
	03.31.2019	03.31.2018
Continuing operating segments:		
Brazil	1,491	(1,825)
Argentina and Paraguay	12,871	14,047
Egypt	(173)	(65)
Mozambique	123	(1,227)
South Africa	265	33
	14,577	10,963
Unallocated	(1,662)	(5,802)
	12,915	5,161
Discontinued operating segments	4,602	737
Profit for the period attributable to non-controlling interests	17,517	5,898

Other information:

	03.31.2019		03.31.2018	
	Capital expenditure	Depreciation, amortisation and impairment losses	Capital expenditure	Depreciation, amortisation and impairment losses
Continuing operating segments:				
Brazil	6,248	19,497	8,373	18,983
Argentina and Paraguay	63,062	14,598	13,704	8,055
Egypt	458	4,632	469	3,497
Mozambique	741	2,255	26,922	1,698
South Africa	2,360	2,282	940	2,375
	72,869	43,264	50,408	34,608
Unallocated	401	312	1,335	421
	73,270	43,576	51,743	35,029
Discontinuing operating segments	-	-	1,713	12,164
Total	73,270	43,576	53,456	47,193

The impairment losses, when it occurs, respects to impairment losses on goodwill, tangible and intangible assets.

In addition, segment assets and liabilities reconciled with the consolidated balances as of March 31, 2019 and December 31, 2018 are as follows:

	03.31.2019			12.31.2018		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Continuing operating segments:						
Brazil	1,735,317	845,312	890,005	1,558,508	799,523	758,985
Argentina and Paraguay	1,008,000	385,540	622,460	978,846	377,907	600,939
Egypt	258,158	197,382	60,776	252,366	191,950	60,416
Mozambique	225,913	148,992	76,921	221,784	145,034	76,750
South Africa	333,206	98,237	234,969	334,117	95,166	238,951
Total	3,560,594	1,675,463	1,885,131	3,345,621	1,609,580	1,736,041
Unallocated	561,825	1,215,222	(653,397)	368,366	1,498,294	(1,129,927)
Eliminations	(291,097)	(291,097)	-	(273,638)	(273,638)	-
Total continuing segments	3,831,322	2,599,588	1,231,734	3,440,349	2,834,236	606,114
Discontinuing operating segments	-	-	-	868,105	310,598	557,506
Eliminations	-	-	-	(4,310)	(4,310)	-
Total discontinuing segments	-	-	-	863,795	306,288	557,506
Inter-segment eliminations	-	-	-	(119,965)	(119,965)	-
Total	3,831,322	2,599,588	1,231,734	4,184,179	3,020,559	1,163,620

The assets and liabilities unallocated includes assets and liabilities not attributable to specific segments basically allocated to holding and trading companies.

22. Events After the Reporting Period

On May 16, 2019, the 2,836,773 preferred shares Class B, were subject to redemption, with the payment of Reais 300 million.

On May 21, 2019 an additional proceed of € 50 million from the sale of the Portugal and Cape Verde operations (Note 1) was paid, being the total received as of this date € 676 million.

23. Authorization for Completion of Financial Information

At the meeting held on June 13, 2019, the Board of Directors authorized the completion of this consolidated interim financial statements, being approved them for disclosure.