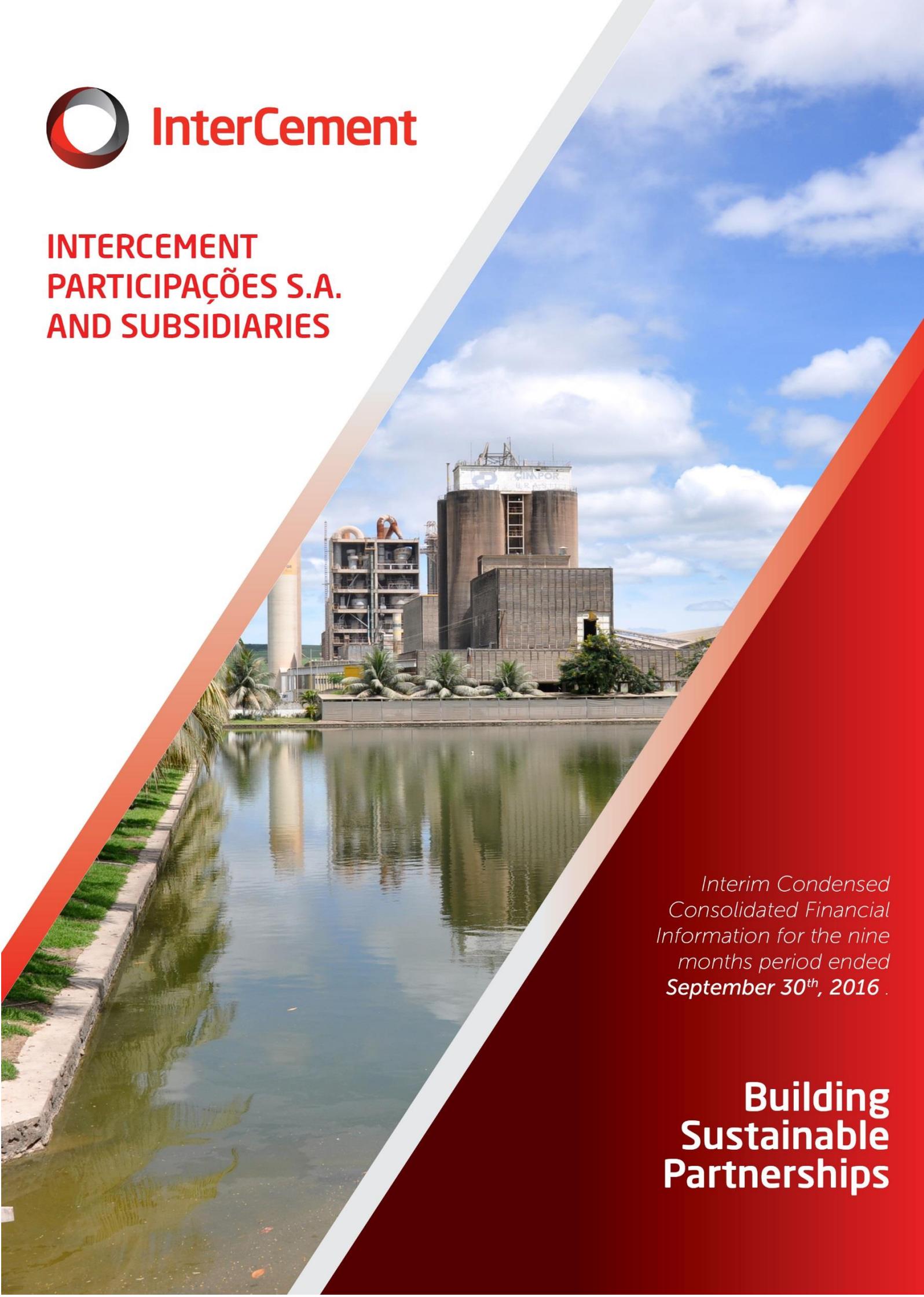




InterCement

**INTERCEMENT
PARTICIPAÇÕES S.A.
AND SUBSIDIARIES**



*Interim Condensed
Consolidated Financial
Information for the nine
months period ended
September 30th, 2016 .*

**Building
Sustainable
Partnerships**

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Financial Position as of September 30, 2016 and December 31, 2015

(Unaudited. In thousands of euros - €)

ASSETS	Notes	09.30.2016	12.31.2015	LIABILITIES AND EQUITY	Notes	09.30.2016	12.31.2015
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalents	4	525,585	767,971	Trade payables		248,727	300,369
Securities	5	30,346	23,476	Debentures	10	122,940	-
Trade receivables	6	145,173	145,501	Borrowings and financing	9	144,336	117,117
Inventories		395,161	376,795	Interest payable	9 and 10	60,900	91,853
Recoverable taxes		58,929	54,787	Taxes payable		61,137	50,265
Assets classified as held for sale		-	-	Payroll and related taxes		41,619	40,760
Derivatives	19	23,390	24,770	Dividends and interest on capital	13	686	389
Other receivables		75,814	67,509	Advances from customers		20,043	32,683
Total current assets		<u>1,254,398</u>	<u>1,460,809</u>	Actuarial liabilities		901	899
				Derivatives	19	6,042	2,501
				Other payables		94,181	103,228
				Total current liabilities		<u>801,512</u>	<u>740,064</u>
NONCURRENT ASSETS				NONCURRENT LIABILITIES			
Securities	5	2,759	2,361	Trade payables		7,213	8,694
Trade receivables	6	1,714	1,505	Debentures	10	1,128,182	1,262,123
Inventories		13,405	13,994	Borrowings and financing	9	1,994,635	1,911,827
Recoverable taxes		13,963	14,098	Provision for tax, civil and labor risks	11	69,032	83,845
Deferred income tax and social contribution		90,702	74,218	Provision for environmental recovery		37,430	36,613
Escrow deposits		19,181	13,659	Taxes payable		14,596	5,222
Derivatives	19	181,237	238,895	Deferred income tax and social contribution		278,243	332,578
Other receivables		32,154	22,785	Actuarial liabilities		18,794	16,107
Investments		13,005	15,735	Derivatives	19	9,775	4,602
Property, plant and equipment	7	2,108,656	2,144,857	Other payables		9,301	9,177
Intangible assets:				Total noncurrent liabilities		<u>3,567,201</u>	<u>3,670,788</u>
Goodwill	8	1,629,628	1,721,808	TOTAL LIABILITIES		<u>4,368,713</u>	<u>4,410,852</u>
Other intangible assets	8	202,139	186,612				
Total noncurrent assets		<u>4,308,543</u>	<u>4,450,527</u>				
				SHAREHOLDER'S EQUITY			
				Capital	13	1,080,949	1,080,949
				Capital reserves	13	498,724	498,724
				Earnings reserves and accumulated losses	13	(150,502)	207,766
				Other comprehensive income	13	(652,472)	(738,671)
				Equity attributable to the Company's owners		776,699	1,048,768
				Noncontrolling interests		417,529	451,716
				Total equity		<u>1,194,228</u>	<u>1,500,484</u>
TOTAL ASSETS		<u>5,562,941</u>	<u>5,911,336</u>	TOTAL LIABILITIES AND EQUITY		<u>5,562,941</u>	<u>5,911,336</u>

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES**Condensed Consolidated Income Statements for the nine months periods ended September 30, 2016 and 2015**

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

	Notes	09.30.2016	09.30.2015
NET REVENUE	21	1,379,384	1,928,149
COST OF SALES AND SERVICES	15	(1,142,145)	(1,538,795)
GROSS PROFIT		237,239	389,354
OPERATING INCOME (EXPENSES)			
Administrative and selling expenses	15	(151,748)	(187,862)
Other income, net	15	(234,660)	26,683
Equity result		618	1,030
PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION		(148,551)	229,205
FINANCIAL INCOME (EXPENSES)			
Foreign exchange losses, net	16	(112,740)	(15,411)
Financial income	16	50,118	60,898
Financial expenses	16	(241,784)	(231,024)
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(452,957)	43,668
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	14	(40,251)	(39,383)
Deferred	14	83,869	24,630
PROFIT (LOSS) FOR THE PERIOD		(409,339)	28,915
PROFIT (LOSS) ATTRIBUTABLE TO			
Company's owners	18	(305,787)	49,282
Noncontrolling interests	21	(103,552)	(20,367)
EARNINGS (LOSS) PER SHARE			
Basic/diluted earnings per share	18	(13.48)	-

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES**Condensed Consolidated Statements of Comprehensive Income for the nine months periods ended September 30, 2016 and 2015**

(Unaudited. In thousands of euros - €)

	Notes	09.30.2016	09.30.2015
PROFIT (LOSS) FOR THE PERIOD		(409,339)	28,915
Other comprehensive income:			
Items that will not be reclassified subsequently to the income statement:			
Employee benefits		(1,351)	1,178
Items that might be reclassified subsequently to the income statement:			
Exchange differences arising on translating foreign operations		173,853	(666,044)
Hedging derivatives financial instruments		(11,494)	17,275
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(248,331)	(618,676)
COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
Company's owners		(218,265)	(336,208)
Noncontrolling interests		(30,066)	(282,468)

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES
Condensed Consolidated Statements of Changes in Equity for the nine months periods ended September 30, 2016 and 2015

(Unaudited. In thousands of euros €)

	Notes	Share capital	Capital reserves	Earnings reserves			Accumulated losses	Total attributable to the Company's owners	Noncontrolling interests	Total equity
				Legal	Investments	Other comprehensive income				
BALANCE AT DECEMBER 31, 2014		1,080,949	467,150	18,063	210,360	(371,196)	-	1,405,326	829,422	2,234,748
Profit (Loss) for the period		-	-	-	-	-	49,282	49,282	(20,367)	28,915
Realization of deemed cost of property, plant and equipment		-	-	-	-	109	(109)	-	-	-
Acquisition of noncontrolling interests	12	-	14,005	-	-	-	-	14,005	(105,434)	(91,429)
Transactions with shareholders recognized directly in equity		-	-	-	-	-	-	-	251	251
Other:										
Dividends paid to noncontrolling interests		-	-	-	-	-	-	-	(1,154)	(1,154)
Dividends prescription		-	-	-	-	-	173	173	-	173
Other comprehensive income		-	-	-	-	(385,490)	-	(385,490)	(262,101)	(647,591)
BALANCE AT SEPTEMBER 30, 2015		1,080,949	481,155	18,063	210,360	(756,577)	49,346	1,083,296	440,617	1,523,913
BALANCE AT DECEMBER 31, 2015		1,080,949	498,724	18,063	210,360	(738,671)	(20,657)	1,048,768	451,716	1,500,484
Loss for the period		-	-	-	-	-	(305,787)	(305,787)	(103,552)	(409,339)
Realization of deemed cost of property, plant and equipment		-	-	-	-	(1,323)	1,323	-	-	-
Dividends to ordinary and preferred shares - paid	13	-	-	-	(53,804)	-	-	(53,804)	-	(53,804)
Other		-	-	-	-	-	-	-	(3,542)	(3,542)
Dividends paid to noncontrolling interests		-	-	-	-	-	-	-	(579)	(579)
Other comprehensive income		-	-	-	-	87,522	-	87,522	73,486	161,008
BALANCE AT SEPTEMBER 30, 2016		1,080,949	498,724	18,063	156,556	(652,472)	(325,121)	776,699	417,529	1,194,228

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

INTERCEMENT PARTICIPAÇÕES, S.A. AND SUBSIDIARIES**Condensed Consolidated Statements of Cash Flows for the nine months periods ended September 30, 2016 and 2015**

(Unaudited. In thousands of euros €)

	Notes	09.30.2016	09.30.2015
CASH FLOW FROM OPERATING ACTIVITIES			
Income (loss) before income tax and social contribution		(452,957)	43,668
Adjustments to reconcile income before income tax and social contribution with net cash generated by operating activities:			
Depreciation, amortization and impairment losses		406,498	161,224
Recognition (reversal) of allowance for potential losses, net		(17,191)	(6,221)
Interest, accrued charges, and exchange differences		305,102	187,419
Gain on sale of long-lived assets		(6,390)	(2,243)
Equity result		(618)	(1,030)
Other noncash operating losses (gains)		6,435	5,017
Decrease (increase) in operating assets:			
Trade receivables		(17,617)	(36,571)
Inventories		(34,759)	(18,830)
Recoverable taxes		(4,275)	(6,158)
Other receivables		61	(16)
Increase (decrease) in operating liabilities:			
Trade payables		9,118	48,278
Payroll and vacation payable		1,843	(16,134)
Other payables		(108,272)	(30,674)
Taxes payable		<u>7,897</u>	<u>4,572</u>
Cash generated (used) by operating activities		94,875	332,301
Income tax and social contribution paid		(28,643)	(31,235)
Interest paid		<u>(216,919)</u>	<u>(213,253)</u>
Net cash generated (used) by operating activities		<u>(150,687)</u>	<u>87,813</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Redemption of (investments in) securities		1,745	65,065
Purchase of property, plant and equipment		(87,757)	(104,856)
Increase in intangible assets		(1,049)	(4,207)
Sale of long-lived assets		4,049	10,105
Sale of non-current asset for sale		7,245	-
Dividends received		<u>869</u>	<u>1,506</u>
Net cash used in investing activities		<u>(74,898)</u>	<u>(32,387)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings, financing and debentures		205,789	206,823
Swap transactions		-	39,640
Acquisition of noncontrolling interests	12	-	(91,429)
Repayment of borrowings, financing and debentures		(141,430)	(316,137)
Dividends paid		(53,804)	(50,462)
Other instruments		<u>(5,234)</u>	<u>(2,713)</u>
Net cash generated (used) in financing activities		<u>5,321</u>	<u>(214,278)</u>
DECREASE IN CASH AND CASH EQUIVALENTS		<u>(220,264)</u>	<u>(158,852)</u>
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS		(22,122)	(37,588)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	767,971	801,755
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	<u>525,585</u>	<u>605,315</u>

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES**Notes to the Interim Condensed Consolidated Financial Information for the nine months period ended September 30, 2016**

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

1. General Information

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

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

2. Basis of Preparation and Significant Accounting Policies**2.1. Basis of preparation**

The condensed consolidated Interim Financial Information as of June 30, 2016 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, 2015.

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, 2015 and disclosed in the corresponding notes, except in respect of the standards and interpretations entering into force on or after January 1, 2016, the adoption of which had not a significant impact on the Group’s profits or financial position.

2.3. 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:

Currency	Closing exchange rate (R\$)			Average exchange rate (R\$)	
	09.30.2016	12.31.2015	09.30.2015	09.30.2016	09.30.2015
USD US Dollar	3.24620	3.90480	3.10260	3.53438	2.96780
EUR Euro	3.64840	4.25040	3.46030	3.94228	3.30841
MZN Mozambique Metical	0.04163	0.08397	0.08165	0.06018	0.08520
CVE Cape Verde Escudo	0.03309	0.03855	0.03138	0.03575	0.03000
EGP Egyptian Pound	0.36560	0.49870	0.40660	0.40288	0.39186
ZAR South African Rand	0.23670	0.25100	0.25550	0.23622	0.24898
ARS Argentinian Peso	0.21203	0.29945	0.34132	0.24334	0.33608
PYG Paraguayan Guaraní	0.00058	0.00067	0.00060	0.00062	0.00060

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 3 to the Company's consolidated Financial Statements as of December 31, 2015.

4. Cash and Cash Equivalents

	09.30.2016	12.31.2015
Cash and bank accounts	350,094	336,719
Short-term investments	175,491	431,252
Total cash and cash equivalents	<u>525,585</u>	<u>767,971</u>

Short-term investments were as follows:

	09.30.2016	12.31.2015
Bank certificates of deposit (CDBs)	430	1,631
Repurchase agreements	3,599	85,677
Exclusive funds:		
National Treasury Bills (LTNs)	12,317	21,520
National Treasury Bills (LTFs)	13,871	23,896
CDBs	153	1,300
Fixed-income funds	34,819	78,423
Others	-	1,320
Short-term investments in foreign subsidiaries:		
Investment fund in Argentinean pesos	-	12,548
Short-term investments in US dollars	42,676	38,413
Short-term investments in euro	21,572	62,873
Short-term investments in Egyptian pound	3,263	55,568
Short-term investments in South African rand	12,544	18,019
Short-term investments in Mozambique metical	27,526	28,626
Short-term investments in Cape Verd escudos	2,721	1,360
Other	-	78
Total short-term investments	175,491	431,252

5. Securities

Securities are classified as financial assets, as follows:

	09.30.2016	12.31.2015
Market investments	24,935	18,177
Other	8,170	7,660
Total	33,105	25,837
Total - current	30,346	23,476
Total - noncurrent	2,759	2,361

6. Trade Receivables

	09.30.2016	12.31.2015
Domestic and foreign customers - current	172,786	173,451
(-) Impairment for doubtful accounts – current	(27,613)	(27,950)
Trade receivables - current	<u>145,173</u>	<u>145,501</u>
Domestic and foreign customers - noncurrent	2,036	1,598
(-) Impairment for doubtful accounts – noncurrent	(322)	(93)
Trade receivables - noncurrent	<u>1,714</u>	<u>1,505</u>

7. Property, Plant and Equipment

	09.30.2016		
	Cost	Depreciation	Net book value
Land	209,358	(17,399)	191,959
Buildings	520,636	(184,732)	335,904
Machinery and equipment	1,793,498	(675,205)	1,118,293
Vehicles	44,198	(23,182)	21,016
Furniture and fixtures	10,870	(7,236)	3,634
Mines and ore reserves	92,880	(61,407)	31,473
Reservoirs, dams and feeders	75,979	(17,026)	58,953
Other	13,411	(8,687)	4,724
Spare parts	4,180	-	4,180
Advances to suppliers	30,241	-	30,241
Construction in progress	308,280	-	308,280
Total	<u>3,103,531</u>	<u>(994,874)</u>	<u>2,108,656</u>

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

During the nine months periods ended September 30, 2016 and 2015, the Company capitalized financial charges amounting to €1,889 thousand and €8,499 thousand, respectively, related to loans granted to finance eligible assets.

Construction in progress and advances to suppliers as of September 30, 2016, refers basically to investments in the expansion and construction on new units in Brazil, Argentina and Portugal (Brazil, Argentina, Egypt and Mozambique as of December 31, 2015), and investments in improvement of installations and equipment of the cement plants of other business units.

Changes in property, plant and equipment were as follows:

Balance at December 31, 2014	2,634,356
Additions	126,876
Write-offs	(3,042)
Depreciation	(154,252)
Effect of changes in exchange rates	(356,355)
Other	15,000
Balance at September 30, 2015	<u>2,262,583</u>
Balance at December 31, 2015	2,144,857
Additions	97,510
Write-offs	(2,713)
Depreciation	(146,975)
Effect of changes in exchange rates	27,250
Other	(11,273)
Balance at September 30, 2016	<u>2,108,656</u>

At September 30, 2016, in the caption “Other” is included the reclassification occurred in the first semester of the ships owned by Cimpship – Transportes Marítimos, S.A. to the caption “Assets classified as held for sale” in the net amount of €7,873 thousand. Additionally, were recognised impairment losses related to those assets of about €4,300 thousand (Note 21). This company was alienated on the 3rd quarter of 2016 by the amount of €7,245 thousand.

8. Intangible Assets

	09.30.2016	12.31.2015
Other intangible assets:		
Mining rights	179,502	163,515
Concession-related assets	3,895	4,420
Software licenses	4,905	4,303
Project development costs	5,167	4,564
Trademarks, patents and others	8,670	9,810
	<u>202,139</u>	<u>186,612</u>
Goodwill:		
Loma Negra C.I.A. S.A.	264,660	227,175
CBC - Companhia Brasileira de Cimentos ("CBC")	28,131	24,147
Cia. Industrial e Mercantil de Cimentos S.A. ("CIMEC")	20,777	17,834
Cimpor - Cimentos de Portugal, SGPS, S.A.	1,294,844	1,433,632
Other	21,216	19,020
	<u>1,629,628</u>	<u>1,721,808</u>
Total	<u>1,831,767</u>	<u>1,908,420</u>

Impairment on assets

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 segments.

Attending to business model and considering the financial statement structure adopted for management purposes, goodwill is attributed generally to each operating segment, due to the existence of synergies between the units of each segment in a perspective of vertical integration of business.

The recoverable value of each group of cash-generating units is compared, in the tests performed, with the respective recognized value of assets and liabilities ("book value"). An impairment loss is only recognized when the book value exceeds the higher of the value in use and transaction value, based on cash flow projections under medium and long term business plans approved by the Board of Directors, plus perpetuity.

Changes in scenario which led to the recognition of impairments in Brazil

In the semester ended June 30, 2016, it was performed an impairment test only in the Brazilian business area, due to the deterioration of the economic and political scene of the country, as a result, impairments were recorded in the amount of €274 million (BRL 998,556 thousand), entirely affected to Goodwill.

According to the International Monetary Fund (IMF), although in 2015 already having registered a strong recession, the Brazilian economy must closed the year 2016 with the second worst performance in the world. For this year the projection points to a "shrink" of 3.5% in Gross Domestic Product (GDP) of the country – only better than the contraction of 6% expected for Venezuela.

In May, rating agency Fitch returned to drop credit rating in Brazil, following the trend already pointed by other two major rating agencies (Moody's and Standard & Poor's). The rating, reduced from BB+ to BB, suffered the second reduction by the same agency within six months. Staying two steps below investment grade, the agency also maintained a negative perspective, indicating that new reductions can be made.

In this macroeconomic context of the country, the cement market follows a downward trend as compared to 2015, with reduction rates of 15% per annum in the first-half. The situation is made even worse by the increase of industry's idleness, due to the entry into operation of new plants, which in a competitive environment led to reductions in average prices of 10%, when compared to the same period of 2015.

Cash Flow projections

Based on the context described above, the Group has revised assumptions underlying to the determination of recoverable amount of liquid assets in the Brazilian business area, considering the estimate of cash flows for a period of five years, on the basis of an operational plan approved by the Board of Directors. That basis includes, among other, a set of estimates related to market growth, market share, investments and costs.

In general, the plan was projected by applying growth rates for the market, considering that the demand for building materials decreased due to the financial and economic crisis, reinforced by political instability.

It is assumed a recovery in demand, as a result of the recovery of the political and economic crisis, however to levels still below pre-crisis levels.

The projected sales volumes are based on the assumption of the capacity usage and market shares according to historical levels.

Concerning to variable costs, it was assumed an evolution in line with the sales development, being expected an improvement in gross margin, leading to a partial improvement in operating margins through savings achieved by cost reduction programs and initiatives for price recovery.

Determination of discount rate

Discount rates are calculated for each cash generating unit based on relevant local risk-free rate adjusted by the country risk premium, among other parameters. For impairment test in the Brazilian business area, performed in the first-half of 2016, the group has reviewed the discount rates applied, raising the measure of country risk, in line with the reduction of the Brazilian credit rating attributed by the international rating agencies, despite the conviction in the economic recovery of the country in the medium term.

The determination of the value in use was based on discounted cash flows calculated in local currency, using the corresponding WACC and perpetuities rates, as follows:

Segments	Currency	09.30.2016		06.30.2016		12.31.2015		
		Goodwill	Goodwill	"WACC" rate	Long term growth rate	Goodwill	"WACC" rate	Long term growth rate
Brazil	EUR	890,579	917,487	11.3%	0.0%	999,375	10.4%	0.0%

As of June 30, 2016, the Group examined the impact of a 50 basis points change in update rates and in the EBITDA margin which resulted in the following impacts:

	+50 BP	-50 BP
"WACC" rate	(155,595)	180,438
EBITDA margin	80,132	(78,969)

Changes in intangible assets in the nine months periods ended September 30, 2016 and 2015 were as follows:

2015	
Balance at December 31, 2014	2,374,533
Additions	2,691
Write-offs	(67)
Amortization	(6,288)
Effect of changes in exchange rates	(502,505)
Transfers	(639)
Balance at September 30, 2015	<u>1,867,725</u>
2016	
Balance at December 31, 2015	1,908,420
Additions	701
Write-offs	(3)
Amortization	(5,704)
Impairment	(253,294)
Effect of changes in exchange rates	178,285
Transfers	3,362
Balance at September 30, 2016	<u>1,831,767</u>

9. Borrowings and Financing

Functional Currency	Business unit	Type of financing	Currency	Interest rates (b)	Contract date	Maturity	09.30.2016		12.31.2015	
							Current	Noncurrent	Current	Noncurrent
EUR	Holdings and Financial Vehicles (*)	Bilateral	US\$	Floating rate indexed to US Libor	May/12	Jan/22	-	444,880	-	455,333
EUR	Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb/12	Feb/22	-	300,640	-	303,805
EUR	Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb/14	Aug/19	-	60,064	-	59,953
EUR	Holdings and Financial Vehicles (*)	Bilateral	US\$	Floating rate indexed to US Libor	Feb/14	Aug/19	-	191,937	-	197,803
EUR	Holdings and Financial Vehicles (*)	Bilateral	EUR	Floating rate indexed to Euribor	Feb/14	Aug/21	-	60,064	-	59,953
EUR	Holdings and Financial Vehicles (*)	Bilateral	US\$	Floating rate indexed to US Libor	Feb/14	Aug/21	-	191,935	-	197,800
EUR	Holdings and Financial Vehicles (*)	Bilateral	US\$	Floating rate indexed to US Libor	Feb/14	Aug/21	-	210,606	-	216,886
EUR	Holdings and Financial Vehicles (*)	Bilateral	US\$	Floating rate indexed to US Libor	May/14	May/19	-	44,059	-	45,374
EUR	Holdings and Financial Vehicles (*)	Commercial paper	EUR	Floating rate	Mar/15	Mar/18	-	50,000	-	50,000
EUR	Holdings and Financial Vehicles (*)	Bilateral	EUR	Fixed rate	Dec/14	Dec/18	-	22,871	-	22,394
EUR	Holdings and Financial Vehicles (*)	Bilateral	EUR	Fixed rate	Jan/15	Dec/16	55	-	215	-
ARS	Argentina and Paraguay	Several bilateral	ARS	Floating rates indexed to Badlar	Several	Several	32,259	36,309	18,204	45,949
ARS	Argentina and Paraguay	Several bilateral	US\$	Floating rates indexed to US Libor	Several	Several	25,137	67,845	57,372	2,355
BRL	Brazil	Several bilateral	BRL	Fixed and floating rates	Several	Several	(a) 12,093	145,554 (a)	10,837	62,752
PYG	Argentina and Paraguay	Several bilateral	US\$	Fixed and floating rates	Several	Several	19,925	58,938	18,723	70,675
PYG	Argentina and Paraguay	Several bilateral	PYG	Fixed rates	Oct/15	Feb/16	13,717	-	8,968	-
ZAR	South Africa	Bilateral	ZAR	Floating rate indexed to Jibar	Dec/13	Dec/18	12,976	25,951	-	35,432
EUR	Portugal and Cape Verde	Several bilateral	EUR	Fixed and floating rates	Several	Several	-	75,000	-	75,000
MZN	Mozambique	Several bilateral	MZN	Floating rates indexed to BT 3M	Several	Several	1,322	5,290	1,467	7,055
EGP	Egypt	Several bilateral	EGP	Floating rates indexed to Corridor	Several	Several	26,852	2,691	1,331	3,310
							<u>144,336</u>	<u>1,994,635</u>	<u>117,117</u>	<u>1,911,827</u>

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

- (a) Guaranteed by Company's controlling entities, amounting to €39,918 thousand in the nine months ended September 30, 2016. Changes in Brazil refers, essentially, to a financing contract with HSBC in the amount of BRL 300 million, with maturity till June, 2018;
- (b) For the major funding, the variable rates contracted, both in dollars and euros, consider spreads between 2.5% and 3.5%.

As of September 30, 2016 and December 31, 2015, the incurred interest related to those financing agreements classified in current liabilities and presented as 'Interest payable' amount to €18,965 and €28,890, respectively.

Maturity schedule

As of September 30, 2016, the noncurrent portions mature as follows:

Period	09.30.2016	12.31.2015
2017 (3 months)	121,083	121,455
2018	279,380	184,987
2019	744,312	730,235
2020	213,688	241,957
Following years	636,172	633,193
	<u>1,994,635</u>	<u>1,911,827</u>

Covenants

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

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

10. Debentures

Functional Currency	Business unit	Instrument	Currency	Issue date	Interest rate (b)	Final maturity	09.30.2016		12.31.2015
							Current	Noncurrent	Noncurrent
BRL	Brazil	Debenture - Brazil (a)	BRL	Mar-12	Floating rate indexed to CDI	Apr-22	68,300	342,099	352,116
BRL	Brazil	Debenture - Brazil	BRL	Aug-12	Floating rate indexed to CDI	Aug-22	54,640	273,678	281,694
EUR	Holdings and Financial Vehicles (*)	Senior Notes (c)	USD	Jul-14	5.75%	Jul-24	-	512,406	628,312
							<u>122,940</u>	<u>1,128,182</u>	<u>1,262,123</u>

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

(a) Guaranteed by Company's controlling entities.

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

(c) In July, 2014, the Senior Notes ("Notes") were issued by Cimpor Financial Operations, B.V., with a payment maturity of 10 years. The notes were launched with coupon of 5.75% per annum and are listed on the Singapore Stock Exchange. The net funds of this issuance was used to refinance existing debt and for corporate use in general, allowing an increase in the average maturity of the company's debt. In the nine months period ended September 30, 2016, the Group purchased bonds in the nominal value of USD 108,378 thousand, for an average price of 78%, which results in recognition of a gain in the amount of €21,204 thousand (Note 20). In the nine months period ended September 30, 2016, the Group holds bonds in the nominal value of USD 162,668 thousand (€144,735 thousand).

As of September 30, 2016 and December 31, 2015, the incurred interest classified in current liabilities and presented as 'Interest payable' amount to €41,935 and €62,963, respectively.

Maturity schedule

As of September 30, 2016 and December 31, 2015, the debentures mature as follows:

Period	09.30.2016	12.31.2015
2017 (3 months)	-	113,620
2018	121,701	113,620
2019	121,701	113,620
2020	121,701	113,620
Following years	<u>763,078</u>	<u>807,644</u>
	<u>1,128,182</u>	<u>1,262,123</u>

Covenants

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

11. Provisions and Contingent 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:

	09.30.2016	12.31.2015
Labor and social security	27,242	29,175
Tax	34,772	35,235
Civil and other	10,526	22,681
	<u>72,540</u>	<u>87,091</u>
Escrow deposit (a)	(3,508)	(3,246)
Total	<u>69,032</u>	<u>83,845</u>

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

	09.30.2016	12.31.2015
Labor and social security	2,967	2,824
Tax	493	384
Civil and other	48	38
Total	<u>3,508</u>	<u>3,246</u>

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 for environmental, labor and regulatory cases. Facing to those natures, valuation and recorded provisions, there is an existing expectation that there are no relevant effects on the developed activity, equity and operating results.

On September 30, 2016, the Group has an exposure to contingent liabilities of €848 million (€659 million in December 31, 2015), being €9 million of contingent liabilities related to labor (€8 million in December 31, 2015), €610 million of tax contingent liabilities (€459 million as of December 31, 2015), €229 million of civil contingent liabilities and administrative processes of other natures (€192 million in December 31, 2015), whose likelihood of loss was considered possible, according to the opinion of our legal counsellors.

When compared to what was reported on December 31, 2015, and the facts occurred in the nine months period, to highlight:

In Brazil, under the process brought by the Administrative Council for Economic Defence ("CADE"), the preliminary injunction requested by CADE was appealed, in order to invalidate the validity of the

suspensions of all penalties initially imposed to the Group, declared judicially on October 22, 2015, until merits of the case judgement. Therefore, the real guarantees presented by the Group remain valid.

Still regarding Brazil, concerning to tax contingencies, to be noted, their increase in about €80,602 thousand, as a result of several tax inspections under PIS/COFINS and ICMS taxes.

In Egypt, as a result of a tax inspection, one of our company was subject to an additional tax assessment on income for the year 2008 in the amount of 104 million EGP (€10.4 million). Adding to this assessment interests and penalties of 88 million EGP (€9 million).

In Spain, tax authorities have notified the company in relation to settlement agreements for the years 2009 to 2011, remaining ongoing the inspection for the year 2012, with no relevant developments from what was previously reported.

Contingent assets

In the year ended December 31, 2015, it was mentioned a contingent liability for a tax dispute related to tax assessments that were made to a company in Egypt, referring to the years 2000 to 2004, which were subject to a judicial appeal. At the end of the third quarter of 2016, to avoid penalties, a staged payment agreement until 2021 of those taxes was signed with the competent tax authorities. Because the conditions of such agreement do not meet the conditions for such payments being recognized as an asset of the company, until the court decision becomes effective, in this semester a tax charge corresponding to the total responsibility inherent to the agreement, amounting to around €12 million (Note 14) has been already recognized.

Changes in the provision for risks for the nine months periods ended September 30, 2016 and 2015 are as follows:

	Labor and social security	Tax	Civil and other	Escrow deposit	Total
Balance at December 31, 2014	34,449	39,219	14,317	(4,356)	83,629
Recognition/deposit	2,366	901	2,084	-	5,351
Payment/deposit derecognition	(3,731)	(14)	(1,446)	88	(5,103)
Reversal	(509)	-	(1,541)	-	(2,050)
Transfers	(127)	(87)	214	-	-
Exchange differences	(3,101)	(1,566)	(947)	1,166	(4,448)
Balance at September 30, 2015	29,347	38,453	12,681	(3,102)	77,379
Balance at December 31, 2015	29,175	35,235	22,681	(3,246)	83,845
Recognition/deposit	631	1,830	1,445	(1,473)	2,433
Payment/deposit derecognition	(3,140)	(709)	(11,811)	1,726	(13,934)
Reversal	(623)	(1,149)	(1,093)	-	(2,865)
Exchange differences	1,199	(435)	(696)	(515)	(447)
Balance at September 30, 2016	27,242	34,772	10,526	(3,508)	69,032

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.

For the nine months period ended September 30, 2015, it is worth of mention the acquisition from Camargo Correa Cimentos Luxembourg S.à.r.l (“CCC LUX”) an additional stake of 4.49% of Cimpor shares, by €91,429 thousand (R\$342,208 thousand) which lead to a gain of €14,005 thousand recognized directly in equity.

13. Shareholder's Equity

Share capital as of September 30, 2016 and December 31, 2015 is represented by 25,046,440 registered shares without par value, of which 22,687,439 are common shares and 2,359,001 are preferred shares.

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

Earnings reserves

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

Dividends

The holders of common shares are entitled to annual minimum mandatory dividends equivalent to 25% of profit for the year adjusted as provided for by the bylaws and the Brazilian Corporate Law.

On April 27, 2016, the Company has approved dividends to preferred and ordinary shares amounting to R\$212,717 and R\$2,310 thousands, respectively (€53,226 and €578), which has already been paid during the first semester of 2016. Dividends are calculated and paid disproportional in accordance with shareholders' agreements and rights for each class of shares.

14. Income Tax and Social Contribution

For the nine months periods ended September 30, 2016 and 2015 the reconciliation between the nominal and the effective income tax was as follows:

	09.30.2016	09.30.2015
Income (Loss) before income tax and social contribution	(452,957)	43,668
Tax rate	34%	34%
Income tax and social contribution at statutory rates	154,005	(14,847)
Adjustments to calculate income tax and social contribution at effective rates:		
Equity method gain	210	350
Permanent additions / (deductions), net (a)	(2,836)	(8,064)
Impairment losses on goodwill	(86,120)	-
Unrecorded deferred income tax and social contribution tax	(9,175)	7,808
Other	(12,466)	-
Income tax and social contribution expense	43,618	(14,753)
Income tax and social contribution expense - Current	(40,251)	(39,383)
Income tax and social contribution expense - Deferred	83,869	24,630

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

The caption Other includes the registration of a tax income charge of around €12 million, related to additional tax assessments made by tax authority to one of our companies in Egypt, referring to the years 2000 to 2004. The Board of Directors has judicially appealed and, supported by the counsellors opinion, understands that the tax authorities have no grounds regarding the maintenance of the substantial of those assessments.

However, the alternative found to avoid penalties, was to formalize a staged payment agreement until 2021, which does not imply the recognition of the reasons that led to such assessments, not even prevent the maintenance of the judicial proceedings to enforce that the reason is on the side of the company, and which expressly provides for the compensation of those values, now agreed to be paid, after the judicial decision in favour of the company, moment that the settled amounts will then be recognized in the assets of that company (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 nine months periods ended September 30, 2016 and 2015, the Group recorded deferred tax of €3,180 thousand and €4,210 thousand, respectively, directly in income and 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:

	09.30.2016	09.30.2015
Depreciation, amortization, and impairment losses (a)	(406,498)	(161,224)
Salaries and employee benefits	(202,686)	(254,941)
Raw materials and consumables	(301,935)	(487,930)
Tax expenses	(12,941)	(16,053)
Outside services	(145,847)	(176,114)
Rental	(18,633)	(29,879)
Freight expenses	(122,434)	(181,719)
Maintenance costs	(76,320)	(97,188)
Fuel	(100,449)	(131,130)
Electricity	(101,688)	(120,337)
Reversal (recognition) of provision for risks	(1,924)	(1,132)
Gain on sale of property, plant and equipment	6,390	2,243
Gain on sale of carbon credits (Note 21)	7,453	7,839
Restructuring and other nonrecurring costs	(8,388)	(7,129)
Other expenses (net)	(42,653)	(45,280)
Total	(1,528,553)	(1,699,974)
Cost of sales and services	(1,142,145)	(1,538,795)
Administrative and selling expenses	(151,748)	(187,862)
Other income, net	(234,660)	26,683
Total	(1,528,553)	(1,699,974)

(a) In the nine months periods ended September 30, 2016 includes the impairment in the goodwill amounting to 998,556 thousand BRL (€253,294 thousand) (Note 8).

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

	09.30.2016	09.30.2015
Foreign exchange losses, net (a):		
Exchange gain	61,902	170,645
Exchange loss	(174,642)	(186,056)
Total	(112,740)	(15,411)
Financial income:		
Inflation adjustment	4,241	3,732
Financial earnings	18,451	18,810
Interest income	1,329	2,183
Derivative financial instruments (b)	-	23,262
Other income (c)	26,097	12,911
Total	50,118	60,898
Financial expenses:		
Inflation adjustment	(10,234)	(4,585)
Expenses on interest and charges	(190,740)	(188,891)
Expenses on banking commissions	(15,691)	(16,277)
Fines	(215)	(262)
Derivative financial instruments (b)	-	(5,877)
Other expenses	(24,904)	(15,132)
Total	(241,784)	(231,024)

(a) In the nine months periods ended September 30, 2016, the exchange differences are mainly influenced by the effect of the devaluation and valuation of functional currencies in Group against USD and Euro in the conversion of liabilities and assets registered in those currencies.

In the nine months periods ended September 30, 2015, the unfavourable and favourable exchange differences were influenced by the effect of the valuation of USD against Euro in assets and liabilities registered in that currency.

(b) These captions are composed by fair value variation of trading derivative financial instruments, contracted to cover exchange and interest rate risks.

(c) In the nine months periods ended September 30, 2016 and 2015, this caption is also influenced by the repurchase of bonds issued by Cimpor Financial Operations, B.V. with a nominal value of USD 108,378 thousand and USD 20,650 thousand, respectively, which generated a financial income in the amount of €21,204 thousand and €3,100 thousand, respectively (Note 9).

17. Commitments

(a) Lease agreements as lessee

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

	09.30.2016	12.31.2015
Up to one year	18,381	14,290
From one to five years	23,771	24,497
More than five years	3,826	9,202
Total	45,978	47,989

The Company recognized, for the nine months periods ended September 30, 2016 and 2015, as operating lease expenses the amount of €12,388 thousand and €20,507 thousand respectively.

(b) Purchase agreements

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

	09.30.2016	12.31.2015
2016	2,689	10,852
2017	10,754	10,852
2018	10,754	10,852
2019	10,754	10,852
2020	10,754	21,705
After 2020	896	-
Total	46,601	65,113

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

	09.30.2016	12.31.2015
2016	26,380	30,039
2017	19,189	20,402
2018	18,392	19,517
2019	14,567	15,595
2020	14,567	48,123
After 2020	31,091	-
Total	124,186	133,676

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:

	09.30.2016	09.30.2015
Profit (loss) for the period attributable to Company's owners	(305,787)	49,282
Profit (loss) for the period attributable to preferred shares	-	(49,282)
Profit (loss) for the period attributable to common shares	(305,787)	-
Weighted average number of common shares	22,687,439	22,687,439
Basic/diluted earnings (loss) per common share	(13.48)	-

As a result of the net loss for the nine months periods ended September 30, 2016 the loss per share calculation does not include profit allocation to preferred shares.

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

19.2. Financial risk management

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

19.3. Categories of financial instruments

	09.30.2016	12.31.2015
Current assets:		
Financial assets at amortized cost:		
Cash and bank accounts (Note 4)	350,094	336,719
Short-term investments - financial asset	114,821	304,794
Trade receivables (Note 6)	145,173	145,501
Other receivables	75,814	67,509
Financial assets at fair-value:		
Exclusive funds	91,016	149,935
Derivatives	23,390	24,770
Non-current assets:		
Financial assets at amortized cost:		
Long-term investments - financial asset	2,759	2,361
Trade receivables	1,714	1,505
Other receivables	32,154	22,785
Financial assets at fair-value:		
Derivatives	181,237	238,895
Current liabilities:		
Financial liabilities at amortized cost:		
Debentures (Note 10)	122,940	-
Borrowings and financing (Note 9)	144,336	117,117
Trade payables	248,727	300,369
Interest payable (Notes 9 and 10)	60,900	91,853
Other payables	94,181	103,228
Financial liabilities at fair value:		
Derivatives	6,042	2,501
Non-current liabilities:		
Financial liabilities at amortized cost:		
Debentures (Note 10)	1,128,182	1,262,123
Borrowings and financing (Note 9)	1,994,635	1,911,827
Trade payables	7,213	8,694
Other payables	9,301	9,177
Financial liabilities at fair value:		
Derivatives	9,775	4,602

19.4. Derivative transactions

Derivatives

As of September 30, 2016 and December 31, 2015, the fair value of derivatives is as follows:

	Assets				Liabilities			
	Current asset		Non-current assets		Current asset		Non-current assets	
	09.30.2016	12.31.2015	09.30.2016	12.31.2015	09.30.2016	12.31.2015	09.30.2016	12.31.2015
Fair value:								
Exchange rate forwards	-	-	-	-	3,032	-	-	-
Cash flow:								
Interest rate and cross currency swaps	23,390	24,770	181,237	238,895	3,010	2,501	9,775	4,602
	23,390	24,770	181,237	238,895	6,042	2,501	9,775	4,602

The following schedule shows the derivatives contracted as of September 30, 2016 and December 31, 2015:

Type of hedge	Notional	Type of Operation	Maturity	Financial purpose	Fair value	
					09.30.2016	12.31.2015
Fair value	USD 50,000,000	NDF	Jan/17	Exchange risk hedging	(3,032)	-
Cash-flow	USD 200,000,000	Cross Currency Swap	Jul/24	Switch a USD loan into EUR loan	33,611	45,281
Cash-flow	USD 100,000,000	Cross Currency Swap	Jul/24	Switch a USD loan into EUR loan	15,081	19,566
Cash-flow	USD 50,000,000	Cross Currency Swap	Jul/24	Switch a USD loan into EUR loan	8,348	11,059
Cash-flow	USD 150,000,000	Cross Currency Swap	Jul/24	Switch a USD loan into EUR loan	23,854	32,581
Cash-flow	USD 217,500,000	Cross Currency Swap	Feb/19	Switch a USD loan into EUR loan	21,031	25,434
Cash-flow	USD 217,500,000	Cross Currency Swap	Feb/19	Switch a USD loan into EUR loan	31,184	38,045
Cash-flow	USD 500,000,000	Cross Currency Swap	Jan/22	Switch a USD loan into EUR loan	71,520	85,676
Cash-flow	EUR 379,218,809	Interest Rate Swap	Jan/22	Switch to fixed interest rate	(12,785)	(7,103)
Cash-flow	USD 49,000,000	Foreign Exchange Future	May/16	Switch a USD loan into ARS loan	-	6,022
					188,811	256,561

19.5. Market values

Estimated fair value – assets measured at fair value

The following table presents the Group's assets and liabilities measured at fair value as of September 30, 2016 in accordance with the following fair value seniority levels:

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

Category	Item	Level 1	Level 2	Level 3
Assets:				
Financial assets available for sale	Investment fund	715	-	-
Financial assets at fair value	Cash and cash equivalents	91,016	-	-
Financial assets at fair value	Financial derivative instruments	-	204,628	-
Financial assets at fair value	Other investments	2,759	-	-
Liabilities:				
Financial liabilities at fair value	Financial derivative instruments	-	15,817	-

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, Argentinian and Paraguayan business areas, which effect of their valuation to fair value in relation to their book value being as follows:

	09.30.2016	12.31.2015
Fair-Value	1,216,013	1,187,446
Accounting Value	1,286,254	1,399,226

20. Supplemental Cash Flow Information

a) Investment and financing activities not involving cash

	09.30.2016	09.30.2015
Interest capitalization	1,889	8,499
Non-cash acquisition of property, plant and equipment	-	6,129
Purchase of property, plant and equipment through trade payables	7,864	5,858
Purchase of intangibles through trade payables	(348)	(1,516)
Sales of property, plant and equipment that will be received in the future	916	-
Dividends prescribed	-	173
Property plant and equipment casualty	-	1,534

b) Cash and cash equivalents and current securities are expressed in the following currencies:

Currency	September 2016		September 2015	
	Currency	Euros	Currency	Euros
USD	335,837	298,814	247,502	221,719
BRL	343,574	94,171	403,077	90,887
EUR	85,393	85,393	137,794	137,794
ARS	100,166	5,821	93,408	8,881
MZN	2,744,154	31,312	988,905	21,092
EGP	109,315	10,954	863,027	98,740
PYG	16,181,006	2,589	13,071,171	2,076
ZAR	335,001	21,734	609,234	39,495
CVE	567,013	5,142	449,511	4,077
		<u>555,931</u>		<u>624,760</u>

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:

	09.30.2016				09.30.2015			
	Net Revenue			Results	Net Revenue			Results
	Foreign sales	Intersegment sales	Total		Foreign sales	Intersegment sales	Total	
Operating segments:								
Brazil	396,305	929	397,234	(256,921)	680,677	-	680,677	66,110
Argentina and Paraguay	465,949	-	465,949	81,341	604,178	-	604,178	108,592
Portugal and Cape Verde	149,229	43,919	193,148	(511)	151,762	85,889	237,651	5,804
Egypt	143,417	-	143,417	6,255	166,124	-	166,124	13,526
Mozambique	96,078	-	96,078	12,454	120,231	-	120,231	10,242
South Africa	76,412	2,182	78,594	16,680	95,016	3,169	98,185	23,195
Total	<u>1,327,390</u>	<u>47,030</u>	<u>1,374,420</u>	<u>(140,702)</u>	<u>1,817,988</u>	<u>89,058</u>	<u>1,907,046</u>	<u>227,469</u>
Other	51,994	96,353	148,347	(8,467)	110,161	153,138	263,299	706
Eliminations	-	(143,383)	(143,383)	-	-	(242,196)	(242,196)	-
Sub-total	<u>1,379,384</u>	<u>-</u>	<u>1,379,384</u>	<u>(149,169)</u>	<u>1,928,149</u>	<u>-</u>	<u>1,928,149</u>	<u>228,175</u>
Share of profit of associates				618				1,030
Income before financial income (expenses)				(148,551)				229,205
Financial income (expenses), net				(304,406)				(185,537)
Income before income tax and social contribution				(452,957)				43,668
Income tax and social contribution				43,618				(14,753)
Profit for the period				<u>(409,339)</u>				<u>28,915</u>

At September 30, 2016, operating results in the segment "Portugal and Cape Verde" are positively influenced by a net gain of €7,453 thousand (€7,839 thousand at September 30, 2015), as a result of the sale of 2,250,000 tonnes of CO₂ emissions (3,400,000 tonnes of CO₂ emissions thousand at September 30, 2015) deducted of the liability of €2,299 thousand (€17,341 thousand at September 30, 2015), corresponding to 480,208 tonnes of CO₂, above the portfolio licenses, in a total of 1,564,061 tonnes of CO₂ (2,257,918 tonnes of CO₂ emitted in the 3rd quarter 2015).

Note also that, in the nine months period ended the purchase of 2,940,000 of CO2 emissions allowances was also contracted, by the amount of €22,296 thousand (of which, 2,750,000 were contracted in 2015 by the amount of €21,156€). In April 2016, 2,927,472 licenses were returned, relating to emissions in the year 2015.

It should also be notice that, as a result of restructuring processes in progress in Group, in particular in the Argentinian, Brazilian and Portuguese business areas, in the nine months periods ended September 30, 2016, nonrecurring costs with indemnities and others amounted to around €8,400 thousand (around €7,129 thousand in the nine months periods ended September 30, 2015).

The profit (loss) for the nine months periods ended above includes the full amount of the Company's segments disregarding the following amounts attributable to noncontrolling interests:

	Noncontrolling interests	
	09.30.2016	09.30.2015
Operating segments:		
Brazil	(82,304)	(7,348)
Argentina and Paraguay	6,747	(935)
Portugal and Cape Verde	(627)	1,913
Egypt	(2,270)	2,448
Mozambique	(17,558)	(5,392)
South Africa	1,126	6,623
	(94,886)	(2,691)
Unallocated	(8,666)	(17,676)
	(103,552)	(20,367)

Other information:

	09.30.2016		09.30.2015	
	Capital expenditure	Depreciation, amortisation and impairment losses	Capital expenditure	Depreciation, amortisation and impairment losses
Operating segments:				
Brazil	23,712	308,734	56,703	58,022
Argentina and Paraguay	37,914	29,337	45,001	32,102
Portugal and Cape Verde	4,277	34,700	2,934	35,149
Egypt	22,747	18,129	9,269	20,344
Mozambique	5,561	4,566	9,727	6,156
South Africa	2,596	4,856	3,986	7,129
	96,807	400,322	127,620	158,902
Other	1,404	6,176	1,946	2,322
Total	98,211	406,498	129,566	161,224

The impairment losses, when it occurs, respects to impairment losses on goodwill, tangible and intangible assets. In the nine months period ended September 30, 2016 impairment losses were recorded, in goodwill in the amount of 998,556 thousand BRL (€253,294 thousand), and in tangible assets unallocated to operating segments, in the amount of about €4,300 thousand (Note 7 and 8).

In addition, segment assets and liabilities reconciled with the consolidated balances as of September 30, 2016 and December 31, 2015 are as follows:

	09.30.2016			12.31.2015		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Brazil	2,626,173	1,424,601	1,201,572	2,530,303	1,246,302	1,284,001
Argentina and Paraguay	775,562	427,547	348,015	766,382	408,275	358,107
Portugal and Cape Verde	751,770	399,303	352,467	826,241	473,964	352,277
Egypt	436,930	158,521	278,409	488,082	123,843	364,239
Mozambique	203,182	177,472	25,710	281,777	179,310	102,467
South Africa	333,576	127,767	205,809	315,606	123,514	192,092
Total	5,127,193	2,715,211	2,411,982	5,208,391	2,555,208	2,653,183
Other	853,578	2,080,888	(1,227,310)	1,264,602	2,429,059	(1,164,457)
Eliminations	(427,386)	(427,386)	-	(573,415)	(573,415)	-
Other investments	9,556	-	9,556	11,758	-	11,758
Total segments	5,562,941	4,368,713	1,194,228	5,911,336	4,410,852	1,500,484

The assets and liabilities not attributable to segments include:

- (a) assets and liabilities not attributable to specific segments basically allocated to holding and trading companies;
- (b) intragroup eliminations between segments; and
- (c) other investments.

22. Events After the Reporting Period

Nothing to report.

23. Authorization for Completion of Financial Information

At the meeting held on November 16, 2016, the Board of Directors authorized the completion of this consolidated interim financial statements, being approved them for disclosure.