CIMPOR – CIMENTOS DE PORTUGAL, SGPS, S.A.

Report of the Board of Directors of CIMPOR

on the opportunity and the conditions of the Offer by CSN

January 7th, 2010

This document is a translation of the Portuguese version of this report which, for all intents and purposes, should be considered as the prevailing one.

Registered office: Rua Alexandre Herculano, no. 35, Lisbon
Share capital: € 672,000,000.00
Legal Entity no. 500 722 900; registered with
the Commercial Registry Office of Lisbon under the same number

Message to the shareholders of CIMPOR

Last December 18th, CSN announced a takeover offer over CIMPOR whose drafts of prospectus and of offer announcement were received on December 30th, 2009.

Having carefully reviewed those documents, the Board of Directors believes that the Offer significantly undervalues the company and is not in the best interest of its shareholders.

The Offer announced by CSN was not solicited by CIMPOR nor previously discussed or even communicated to CIMPOR. The Board of Directors considers the Offer as hostile since it is opportunistic, irrelevant and disturber of the Company activity.

Thus, in the meeting held today the Board of Directors of CIMPOR has unanimously resolved to reject the Offer and to recommend to its shareholders not to sell their shares.

In the same meeting, all the members of the Board of Directors who hold shares in the Company, have stated that they do not intend to sell their shares in the Offer.

Considering that the ultimate decision on the merits of the Offer rests with the shareholders, this report provides the arguments based on which the Board of Directors has assessed the Offer and recommends the shareholders not to accept it, since:

- The Offer significantly undervalues CIMPOR;
- CSN does not offer a premium to the shareholders of CIMPOR;
- CIMPOR has a proven track record of business success and is strongly committed to deliver its strategy towards creating shareholder value; and
- The success of this Offer would jeopardize CIMPOR’s future development.

The report further identifies the significant deficiencies of the drafts of prospectus and of offer announcement received, to the extent that they are incomplete and inaccurate, omit information legally required, do not comply with the legal requirements on the quality of information, are unclear on all financial matters and, consequently, prevent the Board of Directors from taking an elucidative position about certain terms of the Offer.

Recommendation:

The Board of Directors of CIMPOR rejects the Offer and recommends to its shareholders not to sell their shares in the Offer.

Report of the Board of Directors of

CIMPOR – Cimentos de Portugal, SGPS, S.A. on the opportunity and the conditions of the Takeover Offer for its shares preliminarily announced by Companhia Siderúrgica Nacional

Pursuant to and for the purposes of paragraph 1 of article 181 of the Portuguese Securities Code (the "Securities Code"), the Board of Directors (the "Board") of CIMPOR – Cimentos de Portugal, SGPS, S.A., public company, with registered office at Rua Alexandre Herculano, no. 35, Lisbon, legal entity no. 500.722.900, registered at the Commercial Registry Office of Lisbon under the same number, with the share capital of € 672,000,000.00 ("CIMPOR" or the "Company"), after a careful analysis of the draft offer announcement and the draft prospectus (the "Offer Documents") relating to the takeover offer for the acquisition of all the shares representing the share capital of CIMPOR (the "Offer" or the "CSN's Offer"), preliminarily announced on December 18th, 2009 by Companhia Siderúrgica Nacional, company incorporated under the laws of Brazil, with registered office at Rua São José, no. 20, Grupo 1602, Centro, Rio de Janeiro, RJ, Brazil ("CSN") and to be launched by Seavon – Holding S.à.r.l., company incorporated under the laws of Luxembourg, with registered office at 6A, Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg City, Grand Duchy of Luxembourg, wholly and indirectly owned by CSN (the "Offeror"), hereby submits its report on the opportunity and the conditions of the Offer (the "Report"), as follows:

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1. Preliminary remarks

In this Report the Board pursues two key objectives: ensuring that the decision on the merits of the Offer rests with the Company's shareholders (the "Shareholders") and allowing them to make an informed decision in that respect.

For the purpose of achieving those objectives, in the Offer process, the Board is strongly committed to act in accordance with the following:

1.1. The Board role in the Offer process

1.1.1. General duties of the Board.

- The members of the Board will act with due care and skill when assessing the merits of the Offer.
- This assessment is made in accordance with the interests of the Company, the Shareholders' long-term interests and also with the interests of relevant third parties for the Company's sustainability, such as employees, clients and creditors.

1.1.2. Special duties of the Board during the Offer.

- As from the preliminary announcement of the Offer made public by CSN last December 18th ("Preliminary Announcement"), the members of the Board became under the duty to act in good faith and with loyalty, in particular ensuring the accuracy of information.
- Accordingly, in this Report, the Board aims to ensure the fair treatment of the Offeror and the equal treatment of all Shareholders.

1.1.3. Board Report.

- This Report includes the contents required under art. 181 of the Securities Code and all the information provided herein is complete, accurate, true, updated, objective and lawful.
- However, this Report is to a large extent constrained by the deficiencies of the Offer Documents (as better detailed in section 2 below) and has been construed based on the Board's best knowledge and belief on the information available at the time of its preparation.

1.2. Management powers during the Offer process

1.2.1. Limitations to the management powers under the passivity rule.

- Under art. 182 of the Securities Code, as from the moment it becomes aware of the decision to launch a takeover offer and without prejudice of exceptional cases, the management of the target is forbidden to carry out acts that may materially change the company's financial condition (not falling within its normal course of business) and that may significantly affect the objectives announced by the offeror.

1.2.2. The exception triggered in this Offer under the reciprocity rule.

- Pursuant to paragraph 6 of art. 182 of the Securities Code, the abovementioned passivity rule "*is not applicable to offers launched by offerors not subject to the same rules* <u>*or*</u> *controlled by a company not subject to the same rules*".

- On the basis of the information available and considering this reciprocity rule, the Board of CIMPOR considers with strong grounds that it is not subject to the limitations provided for in art. 182 of the Securities Code.

2. Offer Documents

The Offer Documents are incomplete and unclear on key matters for the Board to decide on the opportunity and the conditions of the Offer.

Considering the requirements on contents and quality of information set forth in articles 7, 115, 135, 138, 175 and 183-A of the Securities Code and in Appendix II of Regulation no. 3/2006 of the Portuguese Securities Exchange Commission ("CMVM"), the Offer Documents have the following deficiencies:

- The Offeror does not list the administrative authorizations conditioning the launching of the Offer nor the Offer term.
- The Offeror omits key information on the financing of the Offer and on its impact on CIMPOR's financial condition.
- The Offeror does not detail its strategic plans for CIMPOR.
- The Offeror does not identify those who are related with it under art. 20 of the Securities Code.
- The Offeror does not clarify that the limitations to the target's management set out in art. 182 of the Securities Code are not applicable to the Offer.
- The Offeror presents a set of unreasonable assumptions as potential grounds for the revision or withdrawal of the Offer.

2.1. The Offeror does not list the administrative authorizations conditioning the launching of the Offer nor the Offer term

2.1.1. Incompleteness of the Offer Documents and of the registration procedure.

- In the Preliminary Announcement, CSN has established as a condition precedent to the launching of the Offer: "*obtaining the administrative approvals and authorizations imposed by Portuguese law or by any other foreign applicable legislation, namely, the clearance by competition authorities*".
- Nevertheless, these administrative approvals/authorizations are not identified in the Offer Documents, with the exception of the clearance of the European Commission, in accordance with EU competition provisions.
- Therefore, until now, the Offeror has neither clearly and exhaustively mentioned the authorizations/approvals corresponding to a condition precedent to the Offer, nor, as far as we are aware, has delivered to CMVM

copies of the filings of the proposed transaction with the relevant authorities (see arts. 115 and 179(a) of the Securities Code).

- Thus, it must be inquired whether CSN and the Offeror have fully complied with their obligations to endeavor their best efforts in order to satisfy those launching conditions (see art. 175(2)(b) of the Securities Code).

- On the other hand, the Offeror does not state in the Offer Documents its term (as per arts. 138(1) and 183-A(1)(f) of the Securities Code).

2.1.2. Impact on the calendar and on the Offer term.

- On the basis of the information available about CSN and about the Offer Documents, the Board is not able to anticipate the administrative approvals/authorizations conditioning the Offer's launching.

- In addition, under art. 183 of the Securities Code, the Offer term, omitted by the Offeror in the Offer Document, may vary between two and ten weeks.

- The lack of this information is pivotal from several perspectives, in particular:

    - CIMPOR is limited in its capacity and may not comply with its duties of intervening or even notifying the transaction in the relevant administrative procedures;

    - This data is crucial for the assessment of the impact of the Offer over CIMPOR, both at a regulatory and competition levels;

    - The Board can not exclude the risk of the Offeror being obliged to sell down assets to comply with the impositions arising within potential administrative procedures;

    - Such data is also critical to determine an estimated calendar for the Offer, without which the Board can not fully assess the economic implications of the Offer;

    - The Board is prevented from taking a view on the adequacy of the Offer term.

2.2. The Offeror omits key information on the financing of the Offer and on its impact on CIMPOR's financial condition

2.2.1. The incompleteness of the Offer Documents and of the registration proceeding.

The Offeror does not provide the addressees of the Offer Documents with information on the availability of funds for the payment of the consideration (as per art. 138(1)(h) of the Securities Code and section 2.8 of Appendix II of Regulation 3/2006), only mentioning that the Offer will be "*partially financed through external indebtedness*".

- Considering that the Offeror may be exempted by CMVM from the obligation to promptly deposit the consideration (required under 179(b) of the Securities Code), clarifying the conditions of the financing referred in the Offer Documents is imperative.

- At this stage, pivotal information is missing, as follows:

    - What portion of the consideration will be paid *via* financing?

    - Which financial institution granted or will grant the financing and under which conditions?

    - Has any financing agreement or any other payment undertaking already been formally agreed?

    - What evidence was presented before the CMVM on the financial capacity of the Offeror to deposit the consideration?

2.2.2. Impact on CIMPOR's financial condition.

- According to the Offer Documents, the referred financing will "*naturally* [lead to] *an obvious increase in the leverage of the Offeror and of the CSN Group*".

- There is no information on the soundness of the lender, on the conditions of the financing or on the nature of its commitments before the Offeror.

- Thus, the Board is prevented from fully assessing the implications of such financing on CIMPOR's financial condition should the Offer be successful.

- Nonetheless, in section 6.2. of this Report, we analys~~z~~e the impact of the terms of the Offer over CIMPOR, namely in case of success of the Offer. This analysis is constrained by the limited information made available by the Offeror.

2.3. The Offeror does not detail its strategic plans for CIMPOR

2.3.1. The incompleteness of the Offer Documents.

- The Offer Documents include three general and vague guidelines on the Offeror's strategic plans for CIMPOR:

  - To create one of the "*5 major cement producers worldwide and the first in profitability*";

  - To maintain "*the management and growth of activities*" performed by CIMPOR, contributing the assets of CSN group and supporting the company in the development of new assets and on the investment in new markets;

  - To reinforce the "*competitive position"* of CIMPOR in Brazil.

- The Board of CIMPOR finds that those general guidelines are not sufficiently detailed in the Offer Documents (as per art. 138(1)(g) of the Securities Code and section 2.8 of Appendix II of Regulation 3/2006).

2.3.2. Impact on the assessment of the Offeror's strategy for CIMPOR.

- Despite of its statement on the maintenance of the business activity of CIMPOR, the Offeror makes reference to the abovementioned general goals without specifying the means to achieve them.

- The Board does not have concrete information for a correct assessment of the Offeror's strategy and of the Offer's repercussions, since, in addition to vague reference of intending to strengthen CIMPOR's competitive position in Brazil through the integration with CSN's assets, no additional information is provided in the Offer Documents on the following:

  - Which are the new investments envisaged by the Offeror?

  - In which new assets or markets is CIMPOR intended to participate?

  - How will the Offeror finance such projects and to which extent will that impact on CIMPOR's indebtedness level?

  - Which are the strategic plans allowing CSN group to become the most profitable producer in the cement segment worldwide?

- As a result, the Board was not provided with sufficient information to undertake a final position in this regard.

2.4. The Offeror does not identify those who are related with it under art. 20 of the Securities Code

2.4.1. The incompleteness of the Offer Documents.

- In the Offer Documents CSN is mentioned as "*the parent company of the CSN Group*" and only the companies participated by CSN and subject to proportional or full consolidation as well as other companies wholly controlled by CSN are mentioned therein.

- Nevertheless, information on the control chain above CSN and its shareholders under arts. 20 and 21 of the Securities Code is missing (as per art. 138(1)(c) and (e) of the Securities Code and sections 3.2 and 3.3 of Appendix II of Regulation 3/2006);

- Furthermore, those documents lack essential information for the identification of those who are related with the Offeror under any of the situations foreseen in art. 20 of the Securities Code;

- Consequently, this way, the Offeror may omit possible holdings and voting rights corresponding to CIMPOR's share capital held by those individuals/entities.

2.4.2. Impact on the eventual control structure of CIMPOR after the Offer.

On the basis of the available information[1], we consider that the Offeror is under the obligation to explain, in a complete and updated manner, to which extent it is within a control relationship under art. 21 of the Securities Code, with the following companies:

- Its shareholder Vicunha Siderurgia S.A., holder of 46.20% of the share capital of CSN[2];

- The companies holding shares and/or to which are attributed voting rights in Vicunha Siderurgia S.A.; and

- Ultimately, the company Rio Purus Participações, which share capital seems to be directly held by members of the Steinbruch Family.

[1] Sources: Brazilian Securities Commision's website (www.cvm.gov.br) and information disclosed on Bloomberg on the third quarter results of 2009 of the company Vicunha Siderurgia S.A..

[2] Considering that according to the Offer Documents the remaining share capital of CSN is held by the following shareholders: (i) Caixa Beneficiente dos Empregados da CSN CBS (4.70%); (ii) BNDESPAR (3.83%); (iii) ADRs – New York Stock Exchange (21.42%); (iv) Shares in BOVESPA held by approximately 40,000 shareholders (20.39%); and (v) Treasury shares (3.47%).

- Without these clarifications the Board is not in a position to determine the possible control structure of CIMPOR in a scenario of Offer success and, consequently, to state its opinion in this regard.

- The assessment by the Board of the potential regulatory, tax or other consequences of said control structure is therefore also impaired.

- Finally, the non-identification of those who are related with the Offeror under art. 20 of the Securities Code improperly restricts the scope of the provisions referring to that rule. For instance, should this issue not be clarified:

  - The equitable consideration could be set forth at a lower amount should the price paid by any of those individuals/entities in the acquisition of CIMPOR shares not be considered; and

  - The launching of a competing offer by any of those individuals/entities could be admitted, in breach of the regime provided for those offers.

2.5. The Offeror does not clarify that the limitations to the target's management set out in art. 182 of the Securities Code are not applicable to the Offer

2.5.1. The incompleteness of the Offer Documents.

- The limitations to the management of the target are dealt with in an incomplete and inaccurate manner in the Offer Documents, since the Offeror has chosen to:

  - Mention that neither the Offeror nor CSN are "*subject to the application of articles 182 and 182-A of the Securities Code, since CSN is a company governed by Brazilian law*"; and

  - Quote "*the rules on fiduciary duties and responsibilities of directors*" foreseen in Brazilian law, which are "*<u>deemed by scholars</u> to be so demanding that the board of the target company shall seek for evidence of the fulfillment of such duties by means of the shareholders' opinion expressed in a general meeting*".

- Therefore, the answer to the following questions is not clearly and accurately given in the Offer Documents (as per arts. 7 and 135 of the Securities Code):

- Which legal and regulatory rules are applicable in the Luxembourgish jurisdiction, where the Offeror was incorporated and has its registered office, on the limitations to target companies and whether such regime may be deemed equivalent to the one provided in art. 182 of the Securities Code?

- Which is the controlling company of the Offeror for the purposes of paragraph 6 of art. 182 of the Securities Code?

- Which legal and regulatory rules are applicable in the jurisdiction of the Offeror's controlling company on the limitations to the target companies and again whether these rules are equivalent to those foreseen in the above mentioned art. 182?

2.5.2. Impact on CIMPOR's management powers.

- According to the available information regarding CSN's shareholders structure and the companies/individuals which are direct or indirect shareholders of said company[3], this matter is not accurately dealt with in the Offer Documents.

- The Offeror shall clarify in the Preliminary Announcement and in the Offer Documents that, in the Offeror's jurisdictions and/or of its controlling company(ies), there are no legal or regulatory rules equivalent to those foreseen in art. 182 of the Securities Code; for such reason, the Board of CIMPOR considers with strong grounds that it is not subject to the passivity rule foreseen in said provision.

- What is prescribed in the Brazilian law or in scholars interpretations has no relevance in what concerns the duties and responsibilities of the management of CIMPOR, since the members of the Board are only bound by the relevant Portuguese law provisions in this regard, as better detailed in section 1.1. above of this Report.

2.6. The Offeror foresees a set of unreasonable assumptions as potential grounds for the revision or withdrawal of the Offer

2.6.1. The inaccurateness of the Offer Documents.

- The Offeror foresees a set of assumptions in paragraphs 12 to 15 of the Preliminary Announcement and in the Offer Documents for the purposes of

[3] *Vide* footnote 2 *supra*.

the exercise of the right to revise or withdraw the Offer under art. 128 of the Securities Code.

- However, some of those assumptions hinder a clear understanding of this matter by the Shareholders and the investors in general (as per arts. 7 e 135 of the Securities Code), since they refer to scenarios that can not reasonably fall under art. 128 of the Securities Code and which reveal a lack of knowledge on CIMPOR and on the markets where it operates.

- For example, in paragraph 12 of the Preliminary Announcement, certain decisions taken on the normal course of business (for any holding company with the size of CIMPOR) are deemed as potential grounds for the revision or withdrawal of the Offer, such as:

  - Dissolution, transformation, merger or demerger of companies in a control or group relationship amounting to more than € 50,000,000;

  - The transactions amounting to more than € 50,000,000 or than € 25,000,000 referred to in sections of (i), (vii) and (viii) of paragraph 12a);

  - Any by-laws' amendments, such as a simple change of the registered office or of the corporate name.

- In paragraph 13 of the Preliminary Announcement, the Offeror does not take into account the market practice by stating that the decision of launching the Offer is based on the assumption that neither CIMPOR nor the companies in a control or group relationship with it are bound by any agreements foreseeing negative consequences for them in a case of a change of control.

- Another example of the unreasonableness of said assumptions is contained in paragraph 12d) of the Preliminary Announcement regarding the global increase of the remuneration of the "*members of each one of the corporate bodies*" of CIMPOR; such assumption does not consider that in the Shareholders General Meeting held on May 13th, 2009, 15 directors have been appointed (exceeding the 11 directors in office until that date).

- On the other hand, from the analysis of paragraph 12e) of the Preliminary Announcement, a Shareholder or investor could wrongly conclude that:

  - CIMPOR's Board would be bound to the "*passivity rule*" set forth in art. 182 of the Securities Code;

  - The alleged breach of such rule would constitute the grounds for the Offer's revision or withdrawal.

2.6.2. Impact on the assessment of the Offer's assumptions.

- Despite of the revision or withdrawal rights being subject to CMVM's authorization, certain unreasonable assumptions (under the tests provided for in art. 128 of the Securities Code) foreseen in the Preliminary Announcement and in the Offer Documents are misleading.

- Pursuant to said art. 128, the revision or withdrawal of the Offer is only possible in case of a material unexpected change of the circumstances which have grounded the decision to launch the Offer exceeding its inherent risks.

- Therefore, the Preliminary Announcement and the Offer Documents should only set out assumptions in line with said legal requirements, the market practice and the actual situation of CIMPOR.

- The extension of the assumptions of the Offer beyond those terms has the following consequences:

    - Creating a misleading impression that the Board's competences are constrained by those assumptions; and

    - Expanding the range of situations in which the Offeror may argue, even if with no grounds, a right to withdraw or revise the Offer.

The Board prepared this Report based on its best knowledge and belief and on the information available on the date of its preparation as well as considering the above mentioned deficiencies of the Offer Documents.

The Board's opinion regarding the matters described in this section as well as on the opportunity and on the conditions of the Offer should be further complemented once there is a revision of the Offer Documents.

3. Reasons for rejecting CSN’s Offer:

(I) A low price

The Board of Directors of CIMPOR considers that the current Shareholders of CIMPOR should reject CSN's Offer. Although the Offer includes several conditions deemed inadequate or unreasonable, as previously stated, the fundamental reason for the Board's recommendation is the very low price offered by CSN for the shares of CIMPOR. As stated along the following sections, other reasons for rejecting the Offer are the strength of CIMPOR's investment case, unparalleled in the sector in which it operates; the remarkable past performance of CIMPOR; and the impact of CSN's profile in the Offer and in CIMPOR, described in more detail in the following sections.

The subsections below describe in more detail the analysis performed by the Board of CIMPOR on the price offered by CSN.

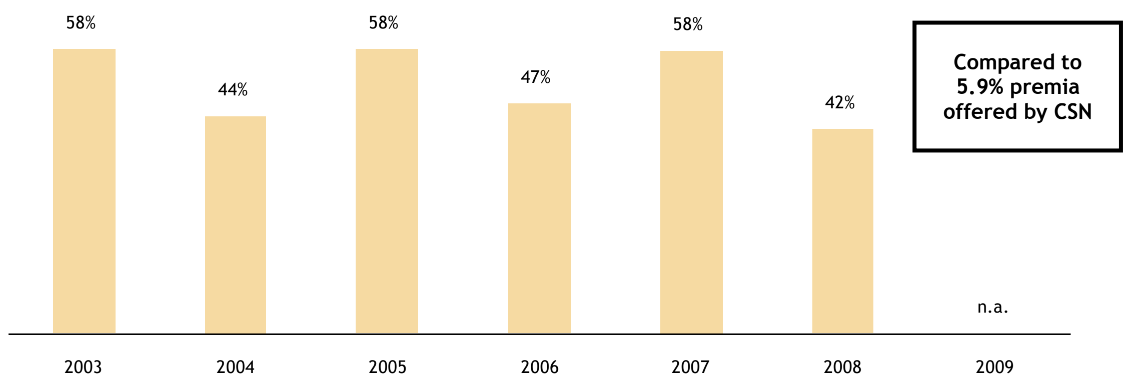
3.1. An offer without premium

An almost negligible premium showing an unprecedented discount comparatively to previous takeover offers in Europe…

CSN is offering a 5.9% premium over the weighted average price in the last 3 months (weighted by negotiated volume).

Most significant offers in Europe over the last 5 years have shown premia ranging on average from 42% to 58%.

Average premia observed in non-solicited Takeover offers over the period 2003-2009



Source: Company filings

3.2. A price too low for CIMPOR

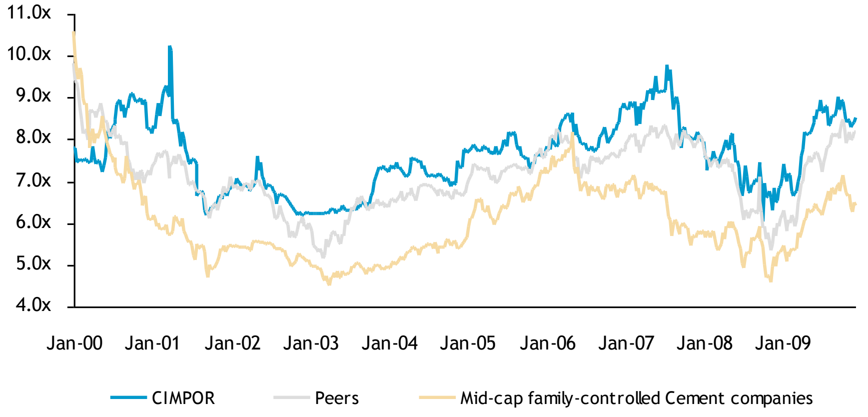
CIMPOR has a geographic business diversification in line with the four largest companies in the cement industry, which are Lafarge, Holcim, Cemex and Heidelberg Cement (referred to as the "Top 4" cement companies).

* CIMPOR's portfolio is even more attractive than those of the Top 4, with a more significant focus on emerging markets, where most of the cement industry growth potential stands.

* This superior business model, with a growth oriented international cement platform, has allowed CIMPOR to achieve EBITDA increase in Q3 2009, despite the crisis, when the Top 4 and most of the other cement companies have recorded decreases in their EBITDA.

CIMPOR's strong geographic business diversification has been reflected historically in its market valuation. The analysis of the Company's historical forward trading multiples since 2000 (see the exhibit below) indicates that the market has been attributing an <u>average premium of approximately 7% over the TOP 4 multiples</u> and clearly contrasting with those of mid-cap family-controlled cement companies.

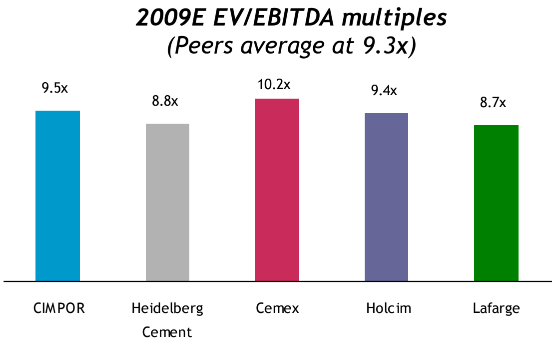
Historical analysis of CIMPOR's forward EV/EBITDA multiples versus the Top 4 and mid-cap family-controlled cement players

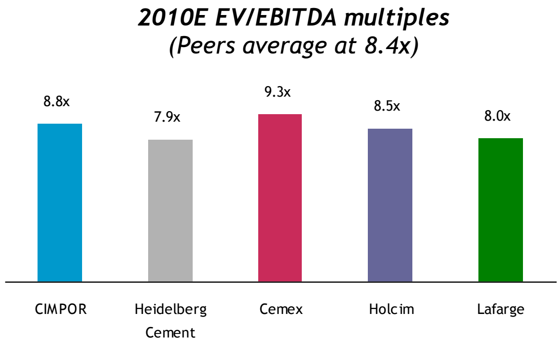


Source: Brokers consensus, Company filings, Datastream
Note: Peers (Top4) include HeidelbergCement, Cemex, Holcim and Lafarge; Mid-Cap family-controlled Cement companies include Italcementi, Buzzi Unicem and Titan Cement.

With the €5.75 per share offer, CSN is valuing CIMPOR at 9.5x 2009E EBITDA and 8.8x 2010E EBITDA. These implicit multiples in CSN offered price represent only 2% to 5% over peer multiples - which stand at 9.3x for 2009E EBITDA and 8.4x for 2010E EBITDA -, revealing an insignificant and much lower than the historical average premium, as abovementioned.

Implied EV/EBITDA multiples of CSN's Offer vs. Peers' EV/EBITDA multiples





Source: Company Filings, Brokers Consensus, Datastream

3.3. A transaction at discount

As stated previously, CIMPOR's business is mainly focused on markets with a strong growth potential, which accounted for 63% of sales over the first nine months of 2009. In addition Portugal, its core market, has proven to be resilient to the adverse macroeconomic context, presenting strong profitability levels.

For these reasons, when looking at other transactions in the cement industry one has to consider that the companies most comparable to CIMPOR are not those with portfolios exclusively or mainly focused on business in mature countries, but mainly those with a strong presence in emerging markets.

The table below shows the multiples recorded on a LTM (Last Twelve Months) basis for the most significant transactions in the industry.

CSN's Offer, equivalent to 9.5x 2009E EBITDA, implies a significant discount on the average multiple paid in mature countries, and an even higher discount when compared to the average multiple paid in emerging markets.

Relevant transactions in the Cement & RMX/Aggregates industry					
Date	Target	Country	Acquiror	EV (€bn)	LTM EBITDA multiple
Cement & RMX/Aggregates transactions in mature countries					
Jun-05	HeidelbergCement	Germany	Spohn Cement	12,9	8,4x
Mai-07	Hanson	UK	HeidelbergCement	10,0	11,9x
Out-06	Rinker	Australia	Cemex	8,8	10,5x
Jan-01	Blue Circle	UK	Lafarge	8,7	9,1x
Fev-07	Florida Rock	US	Vulcan	3,2	11,1x
Jun-06	Corporación Uniland	Spain	Cementos Portland	2,7	13,0x
Dez-05	Cementos Lemona	Spain	Cementos Portland	0,5	11,6x
Nov-08	Lafarge Italy	Italy	Sacci	0,4	16,1x
Average multiples for mature countries					**11,5x**
Assets in emerging markets					
Dez-07	Orascom Cement	Egypt	Lafarge	14,7	18,7x
Jan-06	Ambuja Cements	India	Holcim	2,7	15,2x
Abr-07	Holcim South Africa	South Africa	BEE consortium	2,2	10,4x
Mai-08	Lafarge Titan	Egypt	Titan Cement	1,0	10,6x
Abr-05	Loma Negra	Argentina	Camargo Correa	1,0	8,7x
Dez-06	YLOAÇ	Turkey	Cimpor	0,7	10,4x
Jul-09	Lafarge Chile	Chile	Brescia	0,6	7,4x
Jan-00	Soc. des Cimts. de Gabes	Tunisia	Secil	0,3	19,8x
Mai-09	Lafarge Turkey	Turkey	OYAK Cement	0,2	10,0x
Average multiples for emerging markets					**12,4x**

Source: Company filings and press releases

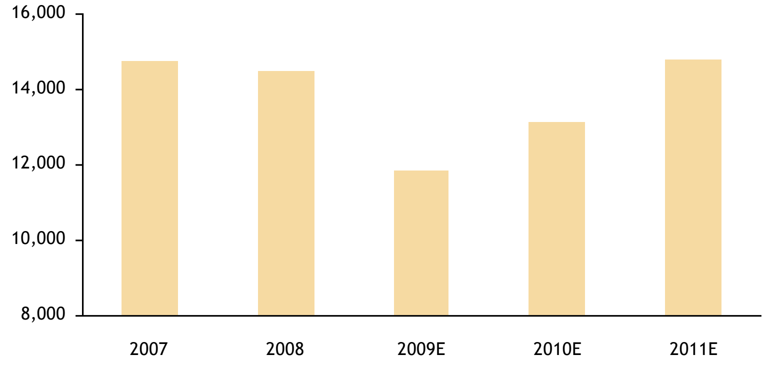
3.4. An offer in the downturn of the market and sector cycles

Given the long-term investment profile of a large majority of CIMPOR's Shareholders, these should consider whether to accept or not an offer announced in the current market conditions and sector downturn.

The building materials sector has been severely impacted by the economic downturn in the last few years. The poor global business performance, starting in 2008 and across 2009, and the deterioration in the economic outlook were the main reasons behind the significant profits reduction in the sector.

The cumulated EBITDA recorded by CIMPOR and the Top 4 listed cement companies is expected to have decreased 20% from 2007 until 2009E. The magnitude of such reduction has been unprecedented in the sector.

Combined EBITDA of CIMPOR, Heidelberg Cement, Holcim, Cemex and Lafarge (€M) 2007 – 2011E

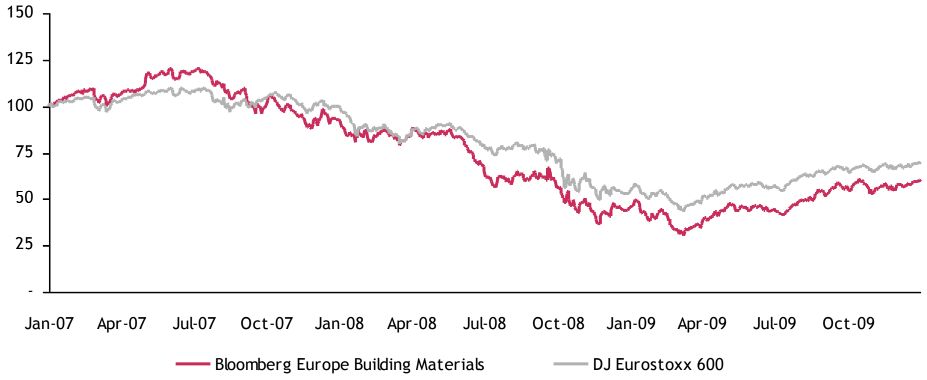


In Europe, markets like Spain, Portugal and Ireland have particularly suffered a cumulated cement demand decline, between 2007 and 2009E, that may have been of respectively 56%, 19% and 60% (Source: Euroconstruct). These markets are expected to remain weak in 2010, before benefiting from the cyclical and expected recovery. Some of the emerging markets have suffered a temporary activity slow-down in 2009 but are now expected to return to a positive growth, although from a lower base.

More positive macroeconomic projections in recent months are now beginning to be reflected in the estimates for the building materials sector. Housing building and prices are experiencing a positive evolution in a number of key markets, Government incentive programs are beginning to boost demand, and companies are starting to benefit from lower energy costs and from cost rationalisation initiatives undertaken in the course of 2008 and 2009. For these reasons, expectations for 2010 onwards are globally positive, with an estimated growth for 2010 above the level recorded in 2009 (Source: Bloomberg Consensus Estimates). A sharper recovery, is expected in 2011 and beyond although being only partially quantified in the analysts consensus.

As to the equity market performance, share prices in the sector have globally increased by an average of 96% since their minimum recorded in mid-March 2009, outperforming the overall market indices by 36%. However, they are still, on average, 50% below their July 2007 peak levels, and have underperformed the market by 6% since mid-November 2009.

Europe Building Materials index vs. DJ Eurostoxx 600 index 01.01.07 – 31.12.09



The share price recovery is an indicator of improved forecasts for the economic development, to be materialised in the forthcoming years, as demand and end-markets fully recover in mature economies and emerging market economies fully achieve their growth potential.

However, such recovery expectation is only partially reflected in current share prices as investors and equity analysts are expecting a sector recovering but remain cautious and prudent. As experienced in previous cycles, the focus on cost rationalisation during the downturn will be a key element to propel earnings uplift along the economy recovery phase, with the operating leverage effect. As the downturn has been unexpected and significant in its impact, the recovery may surprise the market with an upswing, driven by demand recovery and operating leverage.

In CIMPOR's case, the large decline in Iberian contribution to EBITDA has been more than offset by EBITDA growth in other countries, demonstrating the resilience of CIMPOR's business model. The recovery of such economies in the medium term, coupled with the superior growth and high margins in emerging markets, are expected to support an operational performance of CIMPOR significantly superior to that expected by equity analysts.

From this perspective, CSN's Offer is made at a time when earnings are at a cyclical low. A multiple paid on current or 2010E earnings is likely to undervalue the Company, as the level of normalised earnings that the Company is able to generate will be significantly higher in the medium term, due to the cyclical recovery of mature markets and the continuous and significant growth in emerging economies.

4. Reasons for rejecting CSN's Offer:

(II) Being a CIMPOR's Shareholder is investing in a superior strategy

The Board of Directors of CIMPOR believes that the Company has an unparalleled investment case in the sector in which it operates. CIMPOR is one of the world players with a higher focus on the cement sector, showing a strong track record of value delivery to its Shareholders based on sustainable growth and on geographic diversification of its portfolio. Its portfolio composition has provided consistent growth, even in unfavourable environments, as well as very high standards of operating profitability. More than being one of the largest players in the industry, which could imply having to diversify into other less profitable segments in the building materials sector, CIMPOR aims to be a top performer in the sector in terms of profitability.

The following subsections describe in more detail CIMPOR's Board of Directors vision about the Company's investment case and the reasons why the current Shareholders of the Company should maintain their shares.

4.1. CIMPOR's development strategy

CIMPOR is one of the international industry players more focused on the cement business, with a clear and transparent strategy that relies on the following main pillars:

- Focus on cement, which is one of the most profitable products in the building materials sector. CIMPOR does not aim to diversify a lot its product offer into other building materials segments, as it is the case with other industry players, except for the cases in which such diversification adds value to its cement production and sales activities. A good example of this is its presence in the ready-mix concrete and aggregates segments, in some markets, as a way to add value to the cement operations.
- Balanced geographic diversification, complementing its presence in certain mature markets with the presence in emergent and high potential economic growth countries. CIMPOR is one of the few vehicles for investing in the cement industry with a significant exposure to emerging economies.
- Preservation of a conservative capital structure that balances the Company indebtedness with a strong capital base, and focusing on attractive opportunities that are able to consistently add value on a long term basis, i.e. with investments that remunerate the invested capital clearly above its respective cost.
- A cost efficiency culture widespread within the Company, which is a strong feature of the way CIMPOR manages its activities globally.
- Prudent and effective balance sheet management, not only ensuring a balanced capital structure, but also by means of a prudent risk management approach, without assuming speculative positions. In this respect, CIMPOR clearly privileges an effective risk management that preserves its risk profile as a pure cement player in a multinational environment, reflecting also the long-term nature of its holdings.

With this strategy, CIMPOR has been able to obtain significant growth from its operations:

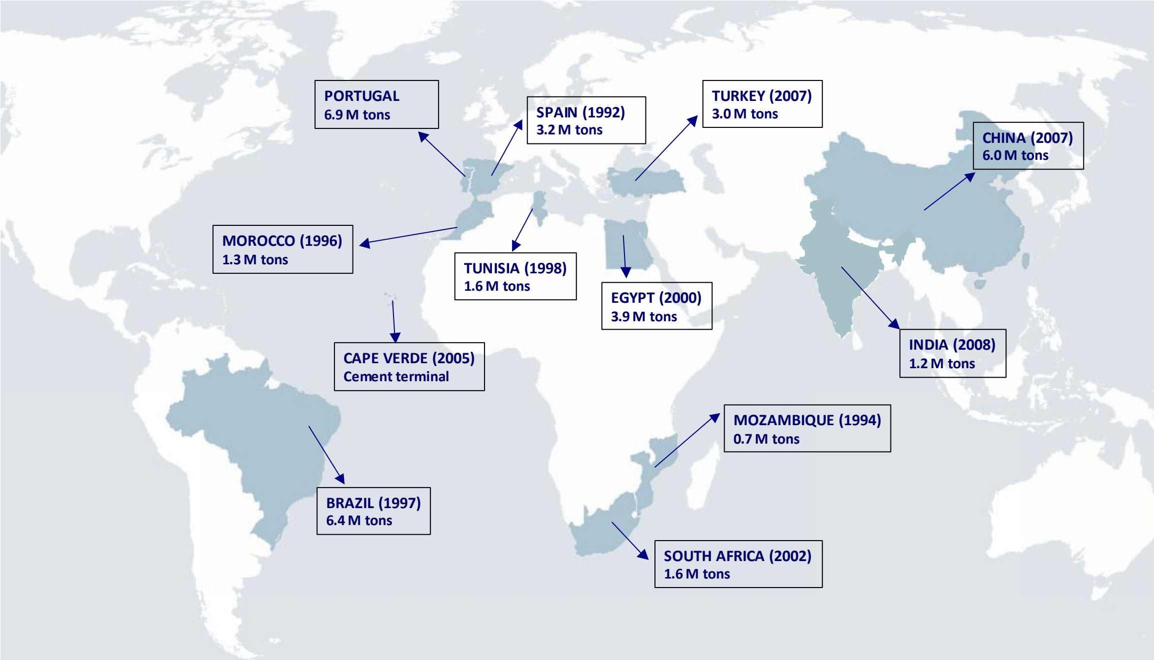
- Benefiting from its portfolio strategy, that combines high growth geographies, even in an unfavourable global economic environment, with more mature markets,
- Continuously implementing additional cost reduction and efficiency optimization plans that have been contributing to enhance operating margins,
- Benefiting from decreased fuel prices, which will have stronger impacts during the second half of 2009 and in 2010,
- Having its medium-term financing needs covered, with a very favourable average cost of debt, in the context of the current market conditions, as well as extended maturities in some of the main credit facilities.

The Board of Directors of CIMPOR considers that the Company will continue to deliver significant growth and to increase operational profitability in the medium and long term:

- Benefiting from the gradual improvement in the global macroeconomic conditions that has already been observed in the last few months and is expected to continue during the next years,
- Taking advantage of the significant investments in infrastructures expected in the geographies where CIMPOR operates,
- Consolidating CIMPOR's current position through organic growth and greater penetration in its current markets,
- Making selective acquisitions in targeted markets, seeking to ensure the balance between operations in emerging markets and the presence in consolidated and mature markets, where the lower growth potential is compensated by a lower risk,
- Optimising operations by taking advantage of synergies, implementing cost cutting programmes, increasing productivity and investing in research and development,
- Developing trading operations between CIMPOR's group companies so as to balance peaks in demand in certain markets with excess of supply in others, which can be a significant contribution for a further enhancement in the Company's operating margins.

4.2. The strong market position of CIMPOR

CIMPOR ranks among the ten largest international cement producers in the world, operating 44 million tons of cement production capacity, of which 36 million tonnes are with its own produced clinker. CIMPOR operates its businesses across 4 continents and 12 countries with the following annual cement production capacity with own clinker:



CIMPOR is the second largest producer of cement in Iberia, as well as the leading producer in Portugal, the third largest producer of cement in Andalusia and regional leader in Galicia and in the Canary Islands. Additionally, it is the leading producer in Mozambique and Cape Verde, the regional leading producer in Morocco (Rabat), Tunisia (Tunis), Egypt (Alexandria) and South Africa (Kwazulu Natal) and the third largest cement producer in Brazil:

- CIMPOR is the leading cement producer in Portugal with 55% market share. The weight of clinker and cement sales in the country consolidated sales – ICV[4] – is around 70%.
- In Spain, CIMPOR holds a strong position in Galicia, Andalusia and the Canary Islands, with a share of more than 10% of the total Spanish market. In this country, the ICV reaches 70%. In 2008, the Company acquired a set of assets in the Canary Islands and increased the clinker production capacity in two of the Andalusia units.

[4] ICV = sum of the turnover resulting from the internal and external clinker and cement sales, divided by the consolidated turnover of the country multiplied by 100

- CIMPOR has a market share of nearly 9% in Morocco and is the market leader in the region of Rabat with a local market share of 75%. In this country the ICV is around 88%. In 2009 CIMPOR invested in a new cement mill.
- CIMPOR is the second largest cement producer in Tunisia, with an ICV of 100% since the operation is exclusively dedicated to cement production. The Company holds a national market share of approximately 25% and a local market share in the region of Tunis of around 40%.
- In Egypt, CIMPOR is the fifth largest cement producer with a market share of approximately 9%, as well as the market leader in the region of Alexandria with a 55% market share. In this country CIMPOR is exclusively focused on cement production, therefore presenting an ICV of 100%. In 2008, the most relevant investment was the revamping of a clinker production line.
- In Turkey, CIMPOR holds a 5% market share in the cement industry, with an internal cement and clinker weight – ICV – of 84%. The investment highlight was the new Hasanoglan factory, with a capacity of circa one million tonnes.
- In the Brazilian cement market, which is the fifth largest in the world, CIMPOR holds a market share of 9% and it is the third largest cement producer in the country. Brazil is the most important international market for CIMPOR, being present throughout the entire country. In this market cement sales contribute to 80% (ICV) of CIMPOR revenues. The most relevant investments registered during the last two years consisted in increases in clinker production capacity in several factories.
- CIMPOR holds an 80% share in the Mozambique cement market, focusing essentially in cement production and sales, being the only integrated cement producer in the country. CIMPOR will conclude in 2010 the installation of a new grinding mill unit at Matola factory and has announced the construction of a new clinker production line and a new grinding facility in the Dondo plant (Beira).
- CIMPOR has a market share of approximately 12% in South Africa and is the market leader in the Kwazulu Natal region with a 70% market share. The cement market is responsible for most Company revenues in this market, with an ICV of 91%. CIMPOR concluded in 2007 a new cement mill and in 2008 a new clinker production line, both in the Simuma plant.
- In China CIMPOR activity consists of cement and clinker production. Supported by its expansion strategy, the Company acquired, in the end of 2008, the totality of the share capital of Liyang Oriental Cement Co, with a clinker production line with a capacity of 900 thousand tonnes/year. Additionally, CIMPOR started the construction of a new plant for integrated cement production in Shanting, which should be completed in the beginning of 2010 (with a 2.4 million tonnes/year of cement capacity), and has completed in 2009 the construction of a grinding unit in Huaian (with a capacity of 1.2 million tonnes/year of cement). The Group has also invested in a project of heat recovery for electric energy production purposes, at Shandong.
- In India, the world's second largest cement market, CIMPOR has an integrated cement production plant (with a 1.2 million ton/year capacity).

- In Cape Verde, CIMPOR is the leader in cement sales with a market share of approximately 72%. In this country CIMPOR owns a terminal for distribution and sale of cement imported from Portugal.

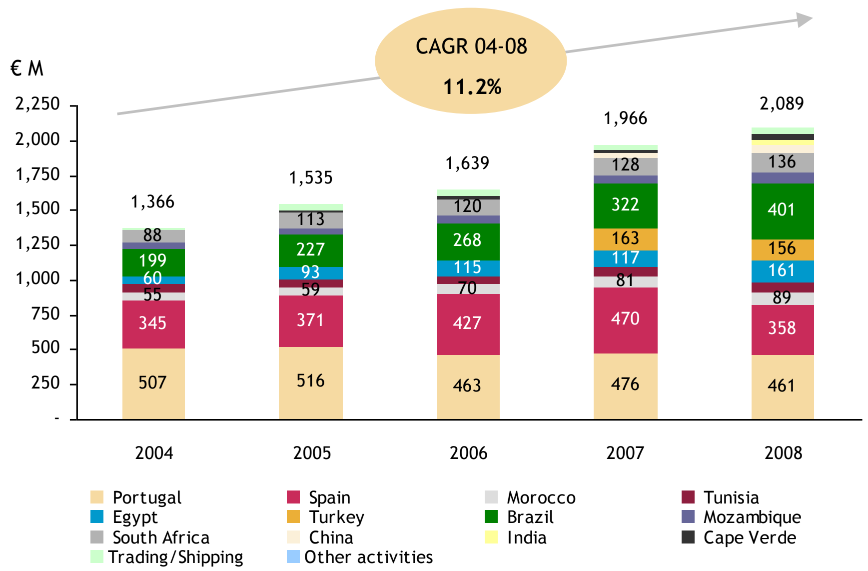
4.3. The remarkable operating performance of CIMPOR

Revenues

CIMPOR's revenues registered an average annual growth rate of 11.2% between 2004 and 2008, with a like-for-like growth of 7.1% (excluding the operations of Cape Verde, Turkey, China and India, which began after 2004).

These growth figures are the result of strong organic growth investments as well as selective acquisitions in markets with high potential. The international expansion strategy has led to a decrease of Portugal contribution to consolidated sales, from 37% in 2004 to 22% in 2008.

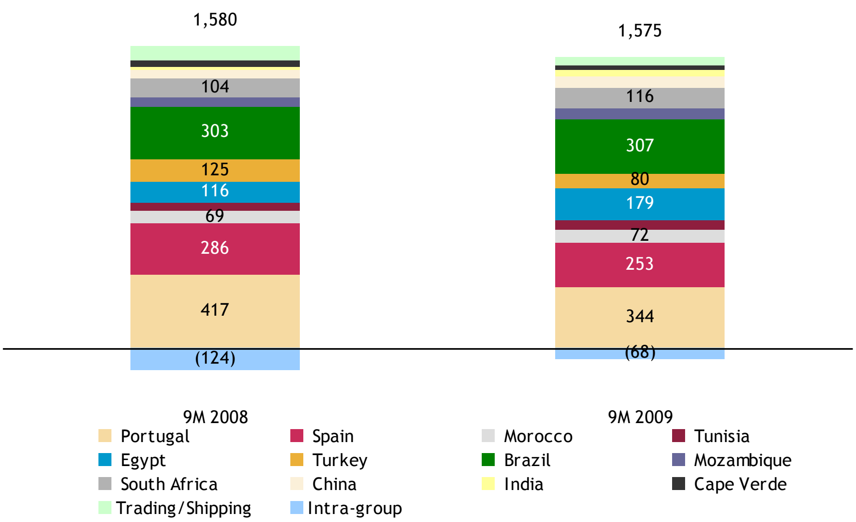
CIMPOR Revenues 2004-08 (€ M)



Note: excludes intra-group transactions; CAGR stands for Compounded Annual Growth Rate

Another aspect worth mentioning is the resilience of CIMPOR revenues in adverse market conditions, such as those faced during the last quarter of 2008 and the first nine months of 2009, in some of the geographies. The revenue figures by September 2009 showed only a slight decrease of 0.3%, thanks especially to positive contributions of some of the emerging markets - namely Egypt, Tunisia and Mozambique – and the most recent operations in CIMPOR portfolio - namely India and China.

CIMPOR Revenues 9M 2008 and 9M 2009 (€ M)



Portugal

The revenues of the Portuguese operation showed an average annual decrease of 2.3% between 2004 and 2008. This performance is explained by the correction of the 2001 consumption peak, and by the adverse impact on the construction sector of the macroeconomic conditions that have prevailed during the last years.

Cement sales in Portugal reflect interesting consumption per capita levels, when compared to the European average.

CIMPOR has been able to consistently maintain its leading market position in Portugal as well as ensure the efficient use of its local production capacity with clinker and cement, exporting to other operational areas of the Company or to third parties.

Growth perspectives in the Portuguese cement market are naturally dependent on the evolution of the macroeconomic conditions and, particularly, on the achievement of the announced infrastructure programs.

Spain

After a period of years with intense growth in cement consumption, which translated into volumes per capita atypical for a European country, Spain consumption registered a decrease of 28 million tonnes during the last two years, i.e. a decrease of 50%.

In this context, CIMPOR revenues were naturally affected by these significant decreases, with the reduction being especially significant in the Andalusia region. Nonetheless, these negative impacts were partially offset by Galicia’s performance and by the start of operations on the Canary Islands market.

The reversion of this trend is mainly dependent on the evolution of the real estate market in Spain, and especially in Andalusia.

Morocco

This market has been performing particularly well, leveraged on the investments in social housing, basic infrastructures, tourism projects and industry. CIMPOR has benefited from this positive evolution registering significant revenue increases.

The positive perspectives for this market are based on the sustained growth of the residential market, as well as on the implementation of the abovementioned infrastructure program.

Tunisia

Cement consumption in Tunisia has been relatively stable, allowing CIMPOR to consistently ensure the placement of its available production capacity.

Growth perspectives for this market are mostly dependent on projects in the tourism sector and in infrastructure development.

Egypt

In 2009 this market achieved a strong growth in cement consumption, sustained by a large housing and infrastructure construction program.

CIMPOR has benefited significantly from this increase in consumption, with the ability of full production capacity utilization, namely of the additional capacity added by the new production line installed in 2004.

Although still an interesting cement market, it is not foreseeable that the exceptional conditions of consumption growth faced in 2009 will be maintained during the coming years. Additionally, the perspectives for the installation of new production capacity already announced will inevitably imply an increase in competition.

Turkey

Turkey is a very fragmented and competitive market that, nonetheless, shows an interesting development potential, not only because of its the economic perspectives, but also due to its geographic location.

The international financial and economic crisis has limited the traditional cement export capacity of this country, which has led to a significant increase in local competition.

The recent entry of CIMPOR in this market was naturally impacted by this situation as well as by the fact that Turkey's internal consumption actually faced reductions around 8%.

The new cement production line in Hasanoglan, completed in June 2009, will provide CIMPOR with improved competitiveness and, as a result, will create better resistance to the current adverse conditions this market is facing.

Brazil

The Brazilian market is an important strategic pillar for CIMPOR, which has been strongly contributing to the global development of the Company.

Brazil is a market with significant growth and with very encouraging future perspectives.

CIMPOR has been benefiting from its generalized market coverage, as well as from sustained achievement of production capacity increase investments.

The positive development perspectives of this market are based to a great extent on both the national infrastructure program and the residential market incentives, which will allow CIMPOR to take significant advantage of its current market position.

Mozambique

The cement market in Mozambique has a relatively small dimension, although with an interesting growth potential.

CIMPOR, as the only integrated player in this country, has the adequate conditions to benefit from this development.

South Africa

South Africa is a market with large cement consumption growth rates, mostly related with the infrastructure program in the context of the football FIFA World Cup 2010.

The new clinker production line, completed during 2008, has allowed CIMPOR to take advantage of these developments, not only in terms of capacity, but also in competitiveness.

With the continuous need for housing and infrastructure construction, the future growth perspectives remain positive, which will allow CIMPOR to benefit from its presence in the Kwazulu Natal province.

China

China is a market that represents about half of the world cement consumption. It is a very fragmented market with a business philosophy based on large volumes.

CIMPOR's recent entry in this market has been oriented to the acquisition of companies that own factories with integrated clinker and cement production or cement grinding mill units only, complemented with green-field investments.

India

Being the second largest cement market in the world, India has a high growth potential given the current low levels of consumption per capita.

The start of CIMPOR operations in this country, in mid-2008, represents a first approach to this market with the goal of creating the necessary conditions for taking advantage of potential future market developments.

Cape Verde

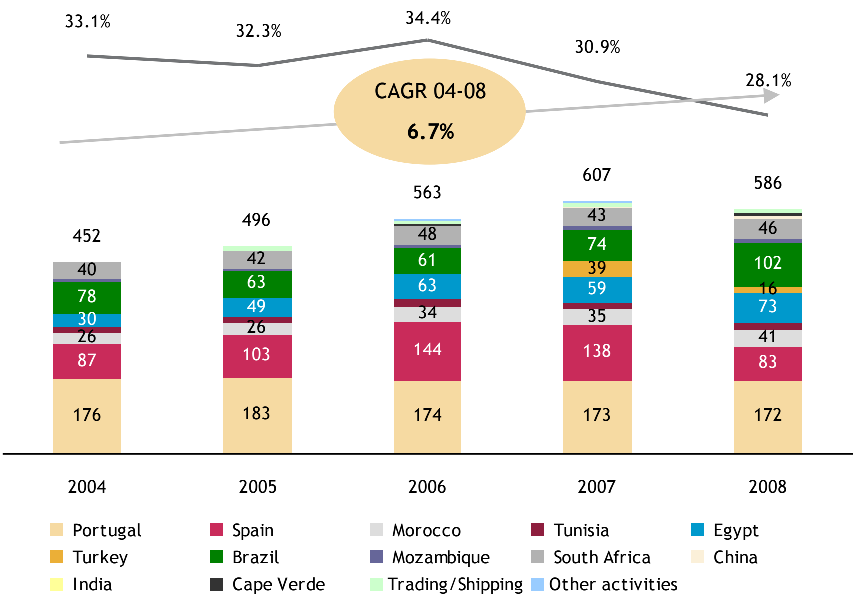
CIMPOR operates a cement distribution terminal in Cape Verde, which is supplied from Portugal, allowing CIMPOR to leverage on available production capacity in Portugal.

It is a small but relatively stable market, in which CIMPOR has a dominant position.

Operational Profitability (EBITDA)

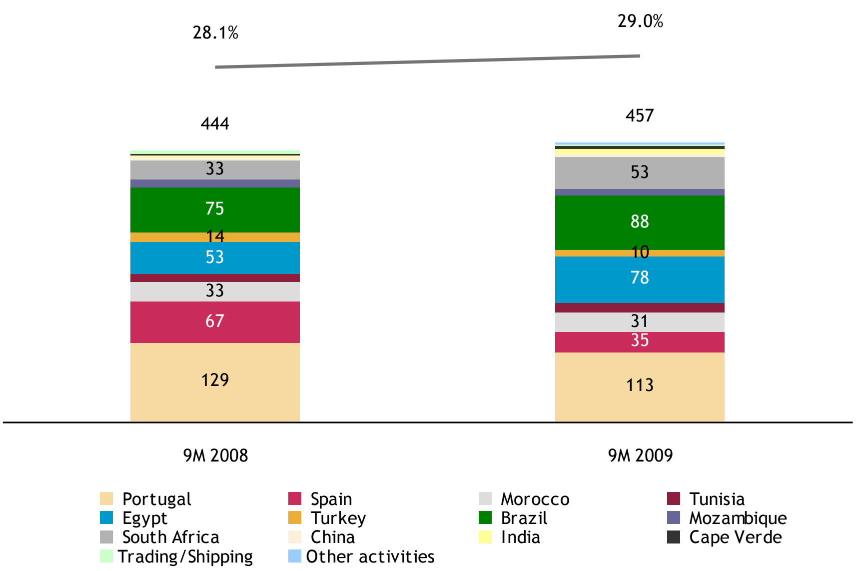
CIMPOR's EBITDA showed an average annual growth of 6.7% between 2004 and 2008. This was achieved in a particularly difficult market context, especially during 2008, when energy costs increased significantly and the negative effects of the financial crisis were strongly felt in the economy and in the construction sector. The performance of CIMPOR's EBITDA margins illustrates, on one side, the impact of the cost reduction and operational optimization initiatives carried out by CIMPOR in the markets most affected by this context and, on the other side, the positive impact of its exposure to emerging markets, which registered in most cases very significant EBITDA growth rates.

CIMPOR EBITDA (€ M) and EBITDA margin (%) 2004-08



It is also worth mentioning the positive evolution observed during the first three quarters of 2009, which in aggregate terms hinted to a resurgence of the sustained EBITDA growth trend felt up to 2008, then interrupted due to the deterioration of the economic and construction sector environments. Notwithstanding the stagnation of CIMPOR's revenues during the same period (a slight decrease of 0.3% as abovementioned), the consolidated EBITDA registered a growth of 2.9%, which represented an increase in the EBITDA margin from 28.1% to 29.0% when compared with the first nine months of 2008. Excluding the costs borne during 2009 with the restructuring of the concrete and aggregates areas (circa €7.3M), the EBITDA growth and EBITDA margin would have achieved higher values, reaching 4.5% and 29.5%, respectively.

CIMPOR EBITDA (€ M) and EBITDA margin (%) 9M 2008 and 9M 2009



The evolution of CIMPOR's operational profitability, during the abovementioned periods, demonstrates the Company management capacity on different market environments. This can also be illustrated through the analysis per country that follows.

Portugal

The EBITDA has shown a consecutive decrease over the last years, mainly as a consequence of the decrease in revenues, given that the EBITDA margin has not shown significant changes. Nonetheless, the EBITDA margin has constantly been above 30%.

CIMPOR has focused its efforts on cost reductions, operational efficiency improvements and in the definition of a price policy that reflects the increase in energy costs. CIMPOR performance in the Portuguese market during the first three quarters of 2009 is also illustrative of this trend, since the Company has been able to increase its EBITDA margin to 32.7%, when compared to the homologous period, in a context of a turnover decrease of 17.3%.

Spain

The EBITDA in the Spanish operation has shown a significant decrease in 2009, as a result of the strong decrease in revenues as well as the decrease in sale prices. These factors have materialized on an EBITDA margin of 13.7% by the end of the third quarter of 2009, which compares with margins above 20% in the same period of 2008.

Morroco

Morroco's EBITDA margin reached 43.4% at the end of the third quarter of 2009. The EBITDA has been registering consecutive annual increases, mostly as a result of the increase in turnover, since the EBITDA margin has not changed significantly.

Tunisia

By the end of the third quarter of 2009 Tunisia registered an EBITDA margin of 27.8%, which represents a recovery when compared to 2008.

The limitation created by the administrative control on sale prices in this country has not allowed compensating the increases in energy costs and the occasional needs of clinker imports. This context has been on the origin of the EBITDA and EBITDA margin variations registered.

Egypt

During the last five years the EBITDA has registered a very significant average annual growth, achieving a 43.5% margin by the end of the third quarter of 2009.

This extremely favorable situation is a consequence of the continuous growth in cement consumption and of the possibility of reflecting cost increases on sale prices, and in CIMPOR's case is also a result of the recent productivity improvement investments.

Turkey

CIMPOR's performance during the first nine months of 2009 reflects decreasing trends of the cement consumption and of sale prices. This performance has led to an EBITDA margin of 12.6% by the end of this period, which is significantly below the traditional levels of this market.

Brazil

The constant cement consumption growth, together with a recovery of the sale prices, has allowed the generation of more reasonable levels of EBITDA and a margin of 28.6% by the end of the third quarter of 2009. These figures reflect a considerable improvement in relation to the levels observed during the previous years.

Mozambique

Given the small market dimension, the EBITDA levels are relatively low, having registered an EBITDA margin of 16.9% by the end of the third quarter of 2009. These figures are a result of the high level of the country-specific costs, despite the fact that the sale prices are among the highest in CIMPOR Group.

South Africa

As a result of the registered revenues increase and the improvement in operational efficiency - due to the beginning of operations of the new production line - the EBITDA of this operation has showed consecutive increases during the last years, revealing an EBITDA margin at 46.0% by the end of the third quarter of 2009.

China

Due to its specific market characteristic, mainly a volume based business, rather than price driven, the EBITDA margins of this operation tend to be low, having registered a value of 6.5% by the end of the third quarter of 2009.

India

The year of 2009 was the first full year of operations for CIMPOR activity in this market. The EBITDA margin presented a value of circa 24.0% as of September 2009.

Cape Verde

As a unit of cement marketing, the Cape Verde operation generates relatively low margins, with the EBITDA margin at 14.2% by the end of the third quarter of 2009.

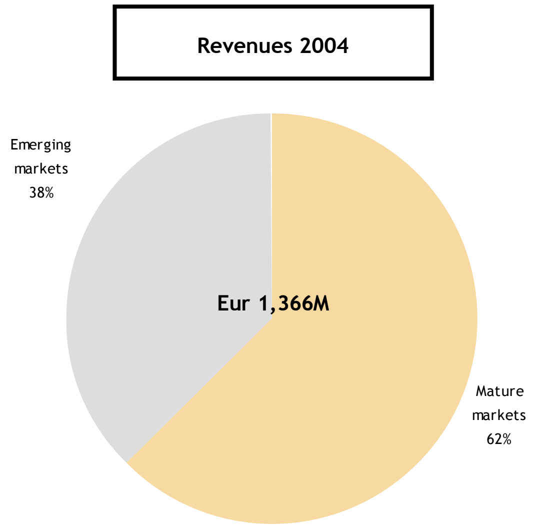
4.4. The international portfolio of CIMPOR

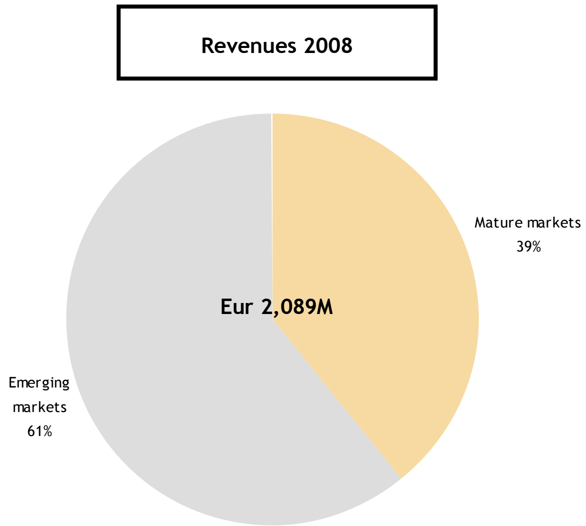
The information presented in the previous section shows that the recent consolidated evolution of CIMPOR can be explained by the performance of three categories of geographies where the company operates:

- The mature markets of Portugal and Spain which, although with distinctive behaviours, if taken together have grown at a moderate level between 2004 and 2007, and which have been negatively influenced by the unfavourable context in the following period, particularly in 2009;
- A second category consisting of emerging markets, namely Morocco, Tunisia, Egypt, Brazil, Mozambique and South Africa (and to a less extent Cape Verde), that have contributed to the growth of CIMPOR, both in terms of revenues and EBITDA, throughout the entire period in analysis, benefiting from superior economic growth.
- A third class of geographies, also under the emerging markets category, that include countries where CIMPOR has entered more recently, namely Turkey, China and India.

At this stage, these operations do not have a significant contribution to the Company's growth or profitability but have a significant potential to leverage CIMPOR's growth during the next cycle.

Analysing the way CIMPOR has managed its international portfolio, one can conclude that there has been a significant increase in the weight of the emerging markets, as illustrated by the following charts:





The active management of the portfolio by CIMPOR was the main factor that justified the positive historical consolidated performance of the Company, namely by:

- Consolidating its position in mature markets (Portugal and Spain), which have a lower growth potential but encompass less risk; focusing its management effort on the efficiency factor; defending its operating margins in the recent unfavourable market conditions and selective investment such as the acquisition of some assets in the Canary Islands that significantly mitigated the downturn of the Spanish market.
- Increasing its exposure to the second category of geographies (initial CIMPOR investments in emerging markets), with some capacity increase investments which allow to benefit from the superior growth of those markets.
- Entering more recently into new emerging markets that also have a significant growth potential and that may have slightly affected CIMPOR's performance in the entry phase (e.g. the unfavourable performance of the Turkish market) but have a significant potential to foster a consistent growth of CIMPOR in the future.

These factors demonstrate a clear long-term strategy with a focus on geographic diversification, as a way to reduce CIMPOR's exposure to the cyclicality of the sector.

In a context adverse for the sector, as in both 2008 and 2009, CIMPOR registered a sustainable growth of its revenues on a comparable basis. In a like-for-like basis, i.e. excluding the contribution of Indian operations which have started only on April 2008, CIMPOR showed a 4.6% growth, while in the reported financial statements the growth rate stood at 6.2%. In the third quarter of 2009, the year-on-year decrease was only 1.5% on a like-for-like basis (excluding India), while in the reported financial statements, it registered an even lower decrease of 0.3%. It is noteworthy the performance of the emerging markets, which have globally sustained the decreases felt in the mature markets.

As a consequence of the Company's strategy, CIMPOR has currently an outstanding international portfolio in mature and emerging markets that will foster future growth, in a more favourable environment than recently faced.

The Company's medium and long term future growth will be driven by:

- The growth of mature markets, following the recent improvement of the economic environment and also with the significant infrastructure programs to be implemented in Portugal and Spain by the their Governments.
- The expansion of the longer present in CIMPOR portfolio emerging economies, which jointly represent a significant percentage of CIMPOR's consolidated EBITDA (61% in the first three quarters of 2009).
- The increasing contribution of the more recently present in the Company portfolio emerging economies, namely Turkey, China and India, which represented 5.2% of CIMPOR's consolidated EBITDA during the first three quarters of 2009 but have a significant potential to increase their contribution given the significant expected economic growth and the normalisation of the current cement market structure (namely in China and Turkey).
- The active portfolio management that CIMPOR has been consistently implementing over the past, as previously demonstrated, taking the appropriate measures in each market where it is present, in order to continuously accommodate the respective market evolution, and to expand its asset base, as a way to further diversify its exposure to a cyclical sector.

5. Reasons for rejecting CSN's Offer:

(III) Being a CIMPOR's Shareholder is investing in the most profitable of the international cement players

CIMPOR clearly outperforms its peers

The remarkable past performance of CIMPOR and its outstanding international portfolio have been the main drivers of the Company, presenting benchmarks that are clearly above its listed peers.

A superior Investment Case

The analysis of the evolution of CIMPOR and peers' share price indicates that the market has been recognizing the superior quality of CIMPOR's investment case:

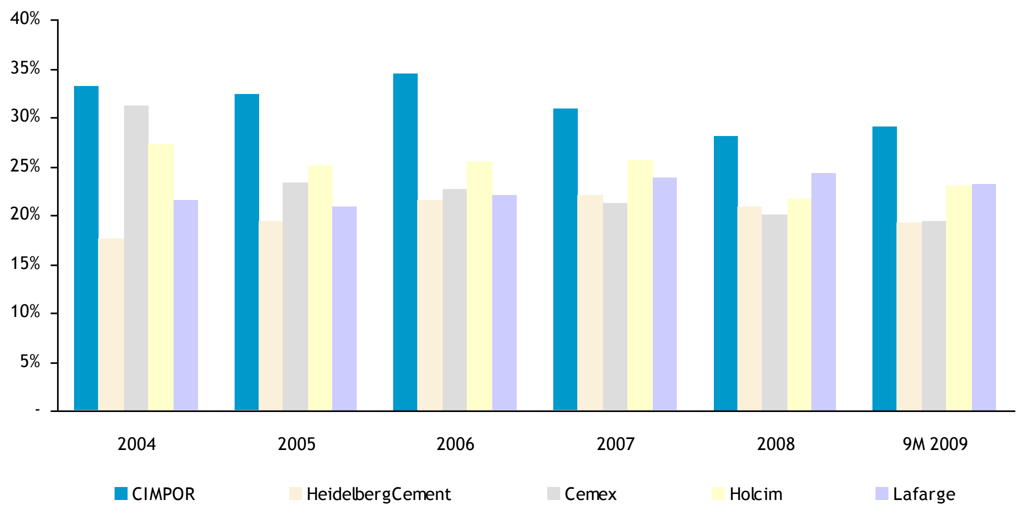
- Its very positive past operating performance, even in the recent unfavourable macroeconomic environment;
- The outstanding international portfolio of CIMPOR and its management capacity have originated growing profitabilities in its operations;
- CIMPOR's top position in the operating profitability industry benchmarks;
- Although CIMPOR has made significant investments during the last few years, both organic and non-organic, the Company has been managed under prudent financial policies preserving a balanced capital structure, which is aligned with market practices for this sector.

In order to illustrate the superior investment case of CIMPOR, the current subsection presents a detailed comparison of CIMPOR with 4 industry players which are considered the most comparable to the Company (HeidelbergCement, Cemex, Holcim and Lafarge).

Compared EBITDA Margin

CIMPOR has systematically presented higher EBITDA margins than its peers, showing a remarkable resilience during downturns as it can be observed by the light recovery during the first nine months of 2009.

CIMPOR vs. peers 2004 – 9M 2009 EBITDA margin (%)

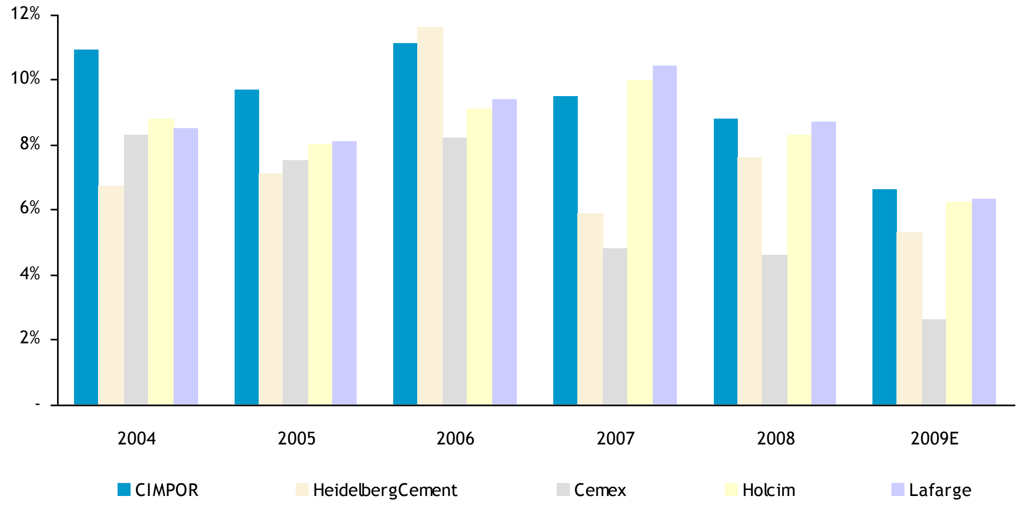


Compared ROCE (Return on capital employed)

Between 2004 and 2008, CIMPOR's ROCE has been consistently in the upper range of its peer group, presenting a higher resilience than its peers throughout the economic downturn.

In 2009, according to analyst consensus, CIMPOR is expected to be the top ROCE performer of its peer group.

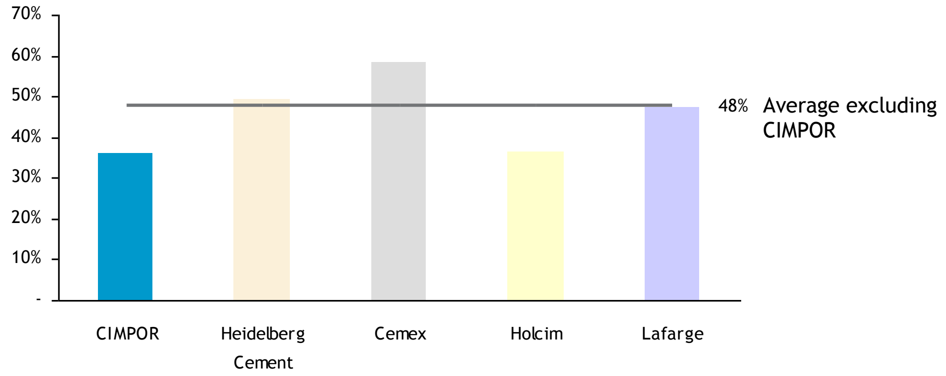
CIMPOR vs. peers 2004 - 2009E ROCE (%)



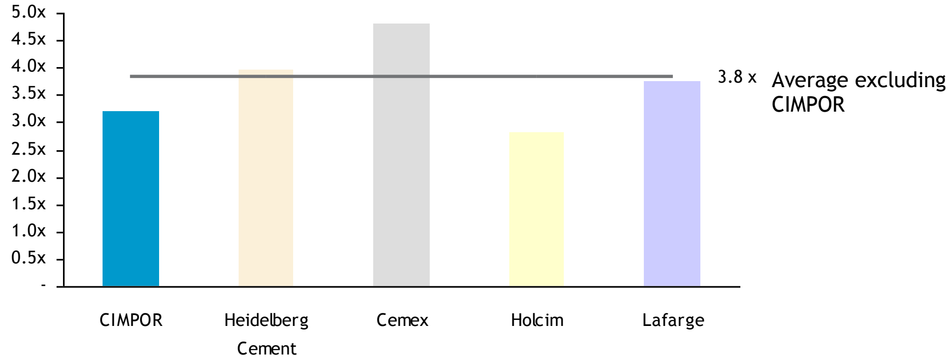
Compared Capital Structure

CIMPOR presents a Net debt/EV ratio of 36% and a Net Debt/EBTIDA of 3.2x, as of Dec-08, which compares to an average ratio among its peers of 48% and 3.8x, respectively. The expansion plan implemented by CIMPOR in the last years has clearly preserved a solid balance sheet, which evidences CIMPOR's commitment to simultaneously grow and maintain a prudent capital structure.

CIMPOR vs. peers Dec-08 Net debt/EV (%)



CIMPOR vs. peers Dec-08 Net debt / EBITDA (x)



Compared Share Price Performance

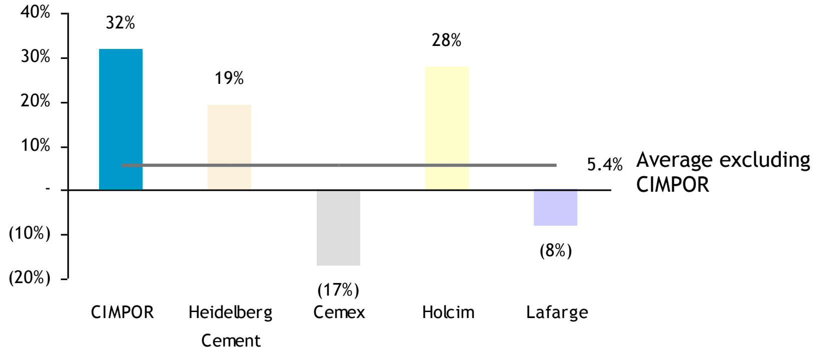
CIMPOR outperformed its peers in the stock market in all the analysed periods, namely during the last 5 years, the last 10 years and since its initial listing in the Stock Exchange:

- between 31/12/2004 and December 17th, 2009 (the day prior to the Preliminary Announcement disclosed by CSN) ;
- between 31/12/1999 and December 17th, 2009 (the day prior to the Preliminary Announcement disclosed by CSN) ; and
- between 15/07/1994 and December 17th, 2009 (the day prior to the Preliminary Announcement disclosed by CSN) .

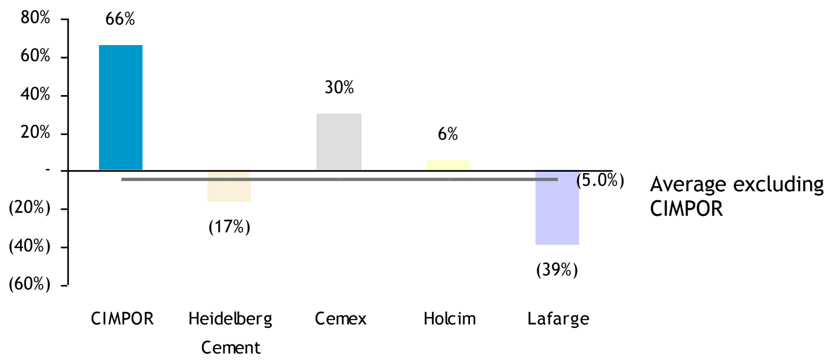
The following data demonstrates that:

- the share price of CIMPOR had an accumulated appreciation of 32% between 31/12/2004 and 17/12/2009, which compares with an average of 5.4% of its peers;
- the share price of CIMPOR had an accumulated appreciation of 66% between 31/12/1999 and 17/12/2009, which compares with an average depreciation of 5.0% of its peers;
- the share price of CIMPOR had an accumulated appreciation of 265% between 15/07/1994 and 17/12/2009, which compares with an average of 134% of its peers.

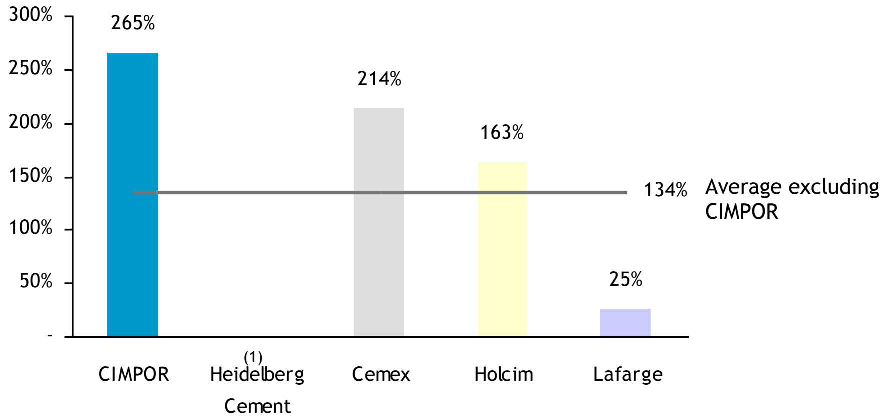
Stock performance of CIMPOR vs. peers 31.12.04 – 17.12.09 (% increase/decrease)



Stock performance of CIMPOR vs. peers 31.12.99 – 17.12.09 (% increase/decrease)



Stock performance of CIMPOR vs. peers 15.07.94 – 17.12.09 (% increase/decrease)



(1) Heidelberg Cement was not listed on 15.07.94

Compared Dividend Yield

The very positive results of CIMPOR's strategy have allowed a very attractive and consistent dividend policy for its Shareholders. CIMPOR recorded the most attractive dividend yield between peers over the last 5 years: average gross dividend yield amounted to 4.0%.

CIMPOR vs. peers 2005 – 2009 Gross dividend yield (%)

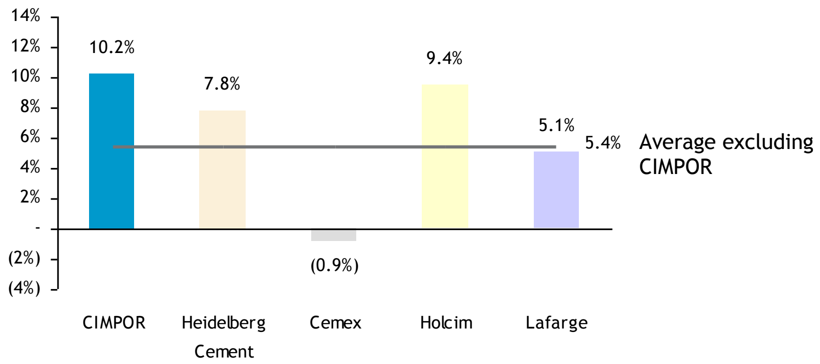
	CIMPOR	Heidelberg Cement	Cemex	Holcim	Lafarge
2004	4.3%	1.6%	4.6%	1.9%	3.4%
2005	4.3%	2.2%	4.0%	2.1%	3.4%
2006	4.0%	1.4%	2.7%	2.0%	3.1%
2007	3.5%	1.3%	-	2.6%	3.4%
2008	3.9%	0.2%	-	3.3%	2.3%
Average	**4.0%**	**1.3%**	**2.3%**	**2.4%**	**3.1%**

Note: Gross dividend yield = Ratio of dividends generated in the year and the average stock price

Compared Total Return to Shareholder

CIMPOR has also recorded the best total return to shareholders during the last 5 years, with a 10.2% average annual return (between 31/12/04 and 17/12/09), clearly outperforming its peers, which during the same period delivered an average 5.4% annual return.

Total annual gross return to shareholders CIMPOR vs. peers 31.12.04 – 17.12.09 (% return)



Note: Total annual gross return = Annual rate of return calculated on a monthly basis taking into consideration (i) share price variation between 31.12.04 and 17.12.09; (ii) annually distributed dividends (considered in May) and (iii) the dilution effect of share capital increases (considering the full exercise of shareholder rights)

6. Reason's for rejecting CSN's Offer:

(IV) The impact of CSN's profile on the Offer and on CIMPOR

6.1. Absence of strategic fit

CSN has no competitive advantage in the global cement business and there is no clear additional value that could be generated through this transaction. CSN has opted not to disclose the synergistic potential or any additional value that could be originated through the transaction, thus suggesting reduced benefits.

CSN’s stated strategy for CIMPOR mentions ambitious goals, namely aiming at making CSN’s cement business the 5th largest producer of cement in the world and the number one in terms of profitability. However, CSN does not specify how this strategy will be executed which leads us to anticipate that the current several CIMPOR’s operations may be significantly at risk.

Similarly, CSN has not disclosed any information regarding its plans for CIMPOR in terms of the implications of the transaction on the negative effects of any potential consolidation of operations and optimisation of processes.

In addition, CSN has no previous significant experience in the cement industry in Brazil, or as an international cement company nor has it previously managed a cement business of CIMPOR’s magnitude. As of now CSN has not provided a clear or detailed strategy for CIMPOR or specified growth and profitability targets. CSN’s undefined strategy for the future development of CIMPOR suggests that the expansion and diversification that this transaction would provide to CSN could be made at the expense of CIMPOR’s growth and profitability.

The lack of disclosure of CSN’s strategic plans prevents the Board of Directors to accurately and definitively assess the merits of such plans.

6.2. Impact of CSN’s profile in the future development of CIMPOR

The lack of substance of CSN’s Offer in what concerns its financing considerations generates uncertainty related to the proposed transaction execution risk and seriously weakens the credibility of the announced Offer.

Notwithstanding the absence of detailed description on the financing sources, including the amount of funds already secured or the description of the standpoint of the negotiations with an eventual bank consortium, it seems the Offer is largely debt financed.

The acquisition of CIMPOR by CSN on the back of a highly leveraged structure could endanger CIMPOR’s future ability to: (i) invest in the organic growth of its business; (ii) undertake capital expenditures to support production efficiency and the development of its operations; and (iii) undertake strategic acquisitions in emerging markets. In such case, cash flows that otherwise would have been used to create value in the Company’s operations would be used to repay debt.

Since the disclosure of the Preliminary Announcement by CSN, the rating agencies started to incorporate the risk of this transaction being completed and CIMPOR was placed under CreditWatch with negative implications by Standard & Poor's, mainly because a potential acquisition by a company with a lower rating, as CSN, implies a downgrade of CIMPOR, with the inherent significant financing restrictions CIMPOR would face. A downgrade of CIMPOR's rating may also imply by itself a significant increase on its cost of debt – e.g. an increase of 150 bps on the debt spread, applied to €2.1bn of gross debt would represent an additional €30M of annual costs.

The rating agencies have also put CSN itself under CreditWatch also with negative implications due to the significant size of the acquisition and considering CSN's balance sheet and resources.

CIMPOR has credit facilities with change of control clauses. Considering that this type of clause is general market practice, it is not understandable that CSN has stated that its decision to launch the Offer is based on the assumption that CIMPOR does not have any contracts with this clause (paragraph 13 of the Preliminary Announcement). In addition, under current market conditions, CIMPOR would face a significant refinance risk with a potential increased cost should the Offer be successful.

6.3. Impact of CSN's profile in CIMPOR's remaining stakeholders

The lack of information provided by CSN on matters related to the envisioned geographic strategy and to the preservation of the Portuguese identity of CIMPOR going forward raises significant questions related to the impact of such transaction on CIMPOR not only in Portugal but abroad, including its employees, management, clients, associated industries and communities in which it operates.

These matters are not sufficiently detailed or even mentioned in the Offer Documents provided by CSN. These concerns of the Board are increased by the potential delisting (referred in the Preliminary Announcement) and by the risk of break up of CIMPOR in an acquisition scenario.

CIMPOR is a relevant multinational player in the global cement sector, with its headquarters in Portugal and is a reference Portuguese company. One of CIMPOR's primary concerns is to ensure the compliance with the laws and regulations of the markets where it is present and to conduct its business bounded by the principles of integrity through frank and open communication with employees and remaining stakeholders, consistent with its reference position in the Portuguese Economy.

As stated before, CSN has not provided sufficient information for the Board of CIMPOR to have a precise and definitive opinion on the impact of the Offer for the remaining stakeholders of CIMPOR. With the currently available information, the Board of CIMPOR identifies the following preliminary potential consequences or risks for the Company's remaining stakeholders:

- Employees – in the draft prospectus, CSN states that it does not foresee changes to the Company's current general policy regarding the employees of CIMPOR. However, CSN also states its commitment to "develop CIMPOR's activity, maintaining or reinforcing the optimization of productive processes and respective organization, aiming at the improvement of profitability". This second statement may contradict the previous one as the organizational optimization may lead to the relocation of common platforms to Brazil. CSN's reference to the optimization of productive processes is also unclear and raises concerns over CSN's intentions for the employees that work in the industrial areas of CIMPOR particularly in Brazil, as this is the only market where CSN is also present in the cement industry.
- Clients – in the draft prospectus, CSN states that the acquisition of CIMPOR will allow CSN's access to both mature markets and markets with significant growth potential. This statement is very unclear on how CSN expects to benefit in its operations, which do not include the production of cement, from CIMPOR's international presence. However, the aforementioned statement raises concerns on the extent that CIMPOR's commercial sales force may be used to launch CSN's products in such new markets, with potential damages for CIMPOR's current client base.
- Suppliers – CIMPOR maintains privileged relationships with its suppliers in all foreign markets and also in Portugal, where its headquarters are based. The previously raised issue over a potential integration of the common platforms between the two groups may be relevant for the suppliers of CIMPOR. The eventual centralisation of significant common platforms in Brazil may also imply relevant changes in the structure of CIMPOR's current suppliers. Accordingly, it is worth mentioning the suppliers of services with high added value, such as consultants, IT companies as well as some key equipment suppliers who, as of today, are largely represented by Portuguese companies.
- Other interested parties of CIMPOR – should the Offer be successful and as previously stated, rating agencies may downgrade the current credit rating of CIMPOR, which would significantly affect the current lenders of the Company.

Finally, the terms of the Offer include a possible delisting of CIMPOR, namely should the Offeror acquire as a result of the Offer more than 90% of CIMPOR's voting rights calculated in accordance with article 20 of the Securities Code. CIMPOR is a national reference in the Portuguese stock market, not only because it is the only listed company operating exclusively on the building materials sector but also due to its size. Thus the delisting of CIMPOR would fragilise the Portuguese Stock Market and limit the diversification options available to investors in Portugal.

7. Intentions of the Members of the Board of CIMPOR on the acceptance of the Offer

The following table shows the current shareholding positions of each member of the Board of Directors of CIMPOR:

Member of Board holding shares in CIMPOR	No. of Shares (*)
Ricardo Manuel Simões Bayão Horta	106,550
Luís Eduardo da Silva Barbosa	3,820
Vicente Árias Mosquera	2,200
José Manuel Baptista Fino	1,050
José Enrique Freire Arteta	1,130
Luís Filipe Sequeira Martins	197,860
António Carlos Custódio de Morais Varela	25,000
Manuel Luís Barata de Faria Blanc	216,860

(*) On January 7th, 2010.

Each of the abovementioned members of the Board, who holds shares in CIMPOR, has stated, in the meeting of the Board held on January 7th, 2010, that he does not intend to sell his shares in this Offer and therefore to keep all the shares currently held.

Legal disclaimers

This Report includes forecasts (“Forecasts”) and forward-looking statements (“Statements”). Those Forecasts and Statements include matters that are not historical facts, including *inter alia*: (i) statements regarding the intentions of the Board or of CIMPOR; (ii) beliefs or current expectations concerning, namely, CIMPOR’s operational results of operations, financial conditions, liquidity, costs, prospects, growth, strategy, plans, operating efficiencies, competitive position, management objectives, the industry in which CIMPOR operates and other matters; (iii) information or declarations regarding possible disadvantages of the Offer; and (iv) statements preceded, followed by or including the terms "believes", “considers”, “understands”, "expects", "foresees", "intents", “is confident”, "plans", "estimates", "can", "will", "could", or by the use of the negative form of these terms or similar expressions.

In addition, by their nature, the Forecasts and Statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Thus, the Board advises investors in general and CIMPOR’s Shareholders in particular that, despite of having been construed based on the Board’s best knowledge and belief, as well as on the information available on the moment of their preparation, the Forecasts and Statements are not guarantees of performance and the actual results may materially differ from those made or suggested in this Report. Furthermore, even if said results are consistent with the Forecasts and the Statements contained in this Report, those results or developments may not be indicative of results or developments in future periods.

CIMPOR undertakes no obligation to update or release any reviews to the Forecasts and Statements contained in this Report in order to reflect any events or circumstances effective after the date of this Report.

This Report does not envisage providing investors with a complete picture of CIMPOR. Thus being, investors in general and CIMPOR’s Shareholders in particular shall refer to previous press releases, publications and financial statements released by CIMPOR which are available at www.cimpor.com.

Any of the following important factors may, *inter alia*, cause CIMPOR’s results to differ from those anticipated, expected or estimated in any Forecasts or Statements:

- Material adverse changes in economic conditions in the relevant markets;
- Risks and uncertainties related to national or supranational regulation;
- Development and marketing of new products and market acceptance of such products, as well as the development of the industry and markets in which CIMPOR operates; and
- Adverse determination of disputes under litigation.

Certain statements contained in the Report reflect the views or opinions of the Board rather than verifiable facts. Portuguese law shall apply on and throughout this Report.

APPENDIX

Basis of calculation and Sources of information

Appendix - Basis of Calculation and Sources of Information

1. General

Unless otherwise stated in this document:

1.1. the share price data is sourced from Bloomberg

1.2. the financial information concerning CIMPOR, included in this document, is based on the respective Consolidated Annual Reports for the relevant period and other information made public by the Company

1.3. the financial information concerning Heidelberg Cement, Cemex, Holcim and Lafarge included in this document is sourced from Exane BNP Paribas

1.4. all information regarding CIMPOR's strategic background, operational activity and market position is based on the Consolidated Annual Reports and other information made public by the Company, internal information and information available in the market about the cement sector.

1.5. information regarding CSN's Offer is based on the Preliminary Announcement and in the drafts of the Offer Announcement and Prospectus

1.6. Enterprise Value is defined as:

- The Market Capitalisation;
- Adding the (i) last reported net financial debt (potentially restated for last subsequent events); (ii) pension liabilities; (iii) and minority interests;
- Deducting the financial assets (such as associates, non consolidated stakes and other financial assets).

2. Chapter references

Chapter 3.1.

<u>Average premia observed in non-solicited Takeover offers over the period 2003-2009</u>

The average premia observed in non-solicited offers has been determined based on a sample of successful offer s launched since 2002 with a size over €500M. For each transaction, it has been retained the premium over the last 3-month average share price as disclosed in the offer prospect *(Source: Exane BNP Paribas)*.

The list of the offers considered in the sample is presented in the table below:

Target	Acquiror	Date
Centerpulse	Zimmer Holdings	20-May-03
Pechiney	Alcan	07-Jul-03
Aventis	Sanofi-Synthelabo	26-Jan-04
Canary Wharf	Songbird (Funds)	16-Apr-04
Novar	Honeywell Int'l	13-Dec-04
Kidde	United Techno.	16-Dec-04
BPB	Saint Gobain	21-Jul-05
Antonveneta	ABN AMRO	26-Sep-05
P&O	DP World	29-Nov-05
Arcelor	Mittal Steel	27-Jan-06
Pilkington	Nippon Sheet Glass	27-Feb-06
Schering	Bayer	22-Mar-06
Virgin Mobile	NTL	04-Apr-06
BAA	Ferrovial (consortium)	07-Apr-06
McCarthy & Stone	Funds	01-Aug-06
John Laing	Henderson Infrastructure	14-Sep-06
Corus Group	Tata Group	05-Oct-06
SIG Holding	Rank Group	19-Dec-06
REpower Systems	Suzlon Energy / Martifer Construções	09-Feb-07
Converium Holding	SCOR	18-Feb-07
Endesa	ENEL / Acciona	18-May-07
ABN Amro Holding	RBS / Fortis / BSCH	16-Jul-07
Resolution	Pearl Group	16-Nov-07
Stork NV	London Acquisition	28-Nov-07
Scottish & Newcastle	Heineken / Carlsberg	25-Jan-08
Expro International	Umbrella Stream	17-Apr-08
Taylor Nelson Sofres	WPP	09-Jul-08
Continental AG	Schaeffler KG	15-Jul-08

Chapter 3.2.

Historical analysis of CIMPOR's forward EV/EBITDA multiples versus the Top 4 and versus mid-cap family-controlled cement players

CIMPOR and peers forward multiples have been computed on a weekly basis over the last 10 years. EV has been calculated accordingly to the methodology described below for CIMPOR. EBITDA retained to compute the multiple is a 12-month forward EBITDA as provided by IBES consensus *(Source: Datastream)*.

Comparable companies (Top 4) comprise Heidelberg Cement, Cemex, Holcim and Lafarge.

Mid-Cap cement companies include Italcementi, Titan Cement and Buzzi Unicem.

Implied EV/EBITDA multiples of CSN's Offer vs. Peers' EV/EBITDA multiples

For CIMPOR, 2009E and 2010E EV/EBITDA multiples have been computed by dividing the Enterprise Value (see definition below) by the average EBITDA estimated by market analysts.

Enterprise Value is defined as:

- The Market Capitalisation (€3,818m) of the Company, derived from CSN's Offer price (€5.75), and from the number of outstanding shares (672 million) excluding treasury shares (8 million);
- Adding the (i) last reported net financial debt; (ii) pension liabilities net of tax; (iii) and minority interests;

- Deducting from financial assets (such as associates, non consolidated stakes and other financial assets).

Details of the computation of the EV implicit in CSN's offer is provided in the table below:

Enterprise Value @ 5.75	**5,754**	
Market capitalisation @ €5.75	3,818	€5.75 * 664,000,000 shares
Net debt 30/09/2009	1,810	Cimpor Q3 09 report page 5
Pension liabilities net of tax	22	Cimpor Q3 09 report page 11, assuming 26.5% tax rate
Minority interests	198	Consensus of brokers
Associates	(36)	Book value as of Q3 09
Other investiments	(11)	Book value as of Q3 09
Assets held for sale (C+PA)	(47)	Book value as of Q3 09

This approach leads to an Enterprise Value for CIMPOR, implicit in CSN's Offer, of €5,754m.

Detail of the broker consensus retained to determine the value of Minority interests is provided below:

- Exane BNP Paribas (21/12/2009)
- BPI (18/12/2009)
- Caixa (14/12/2009)
- Millennium (26/11/2009)

2009E and 2010E EBITDA was determined using a consensus of brokers who have published research reports after the announcement of Q3 results:

Broker	Date	EBITDA estimate	
		2009E	2010E
Exane BNP Paribas	21/Dec/09	604	639
Santander	21/Dec/09	614	688
Millennium BCP	18/Dec/09	589	625
BPI	18/Dec/09	621	678
Banif	16/Dec/09	607	644
Caixa BI	14/Dec/09	602	647
ESI	17/Nov/09	611	671
Average		**607**	**656**

This approach leads to an implied 2009E EBITDA multiple of 9.5x and an implied 2010E EBITDA multiple of 8.8x.

Peers retained are the 4 largest listed cement players, namely Lafarge, Holcim, Cemex and Heidelberg Cement. Their enterprise value has been determined using the same approach as described above for CIMPOR, based on respective share prices at January 4th, 2009.

Peers' 2009E and 2010E EBITDA is based on a consensus using the following brokers:

- Lafarge: Exane BNP Paribas (23/11/2009), Davy (23/11/2009), UBS (10/11/2009), Natixis (09/11/2009), J.P.Morgan (06/11/2009), Citi (06/11/2009), Bank of America Merrill Lynch (06/11/2009), Credit Suisse (06/11/2009) and HSBC (06/11/2009);

- Holcim: Exane BNP Paribas (08/12/2009), Bank of America Merrill Lynch (11/11/2009), Credit Suisse (11/11/2009), Natixis (11/11/2009), J.P.Morgan (11/11/2009) and Deutsche Bank (11/11/2009);
- Cemex: Exane BNP Paribas (08/12/2009), UBS (04/11/2009), J.P.Morgan (28/10/2009), Citi (27/10/2009), Credit Suisse (27/10/2009) and Bank of America Merrill Lynch (27/10/2009);
- Heidelberg Cement: Davy (03/12/2009), Bank of America Merrill Lynch (03/12/2009), Credit Suisse (26/11/2009), Morgan Stanley (13/11/2009), Exane BNP Paribas (10/11/2009), Natixis (06/11/2009), UniCredit (05/11/2009) and Citi (04/11/2009).

Chapter 3.3.

Relevant transactions in the Cement & RMX/Aggregates industry

Multiples on the sample of relevant transactions have been computed using the same approach as described above for Enterprise Value.

The reference EBITDA is the last twelve month EBITDA of the target, when available, or the last full year reported EBITDA.

Chapter 3.4.

Combined EBITDA of CIMPOR, Heidelberg Cement, Holcim, Cemex and Lafarge (€M) 2007 – 2011E

In 2007 and 2008, it results from the sum of the reported EBITDA by the respective companies. From 2009 onwards, it results from the sum of the EBITDA estimated by Exane BNP Paribas. (Source: Exane BNP Paribas)

The Cemex Exane BNP Paribas estimates are expressed in USD. The exchange rates considered were based on the following assumptions: 1.37 (2007); 1.47 (2008); 1.39 (from 2009 onwards).

The Holcim Exane BNP Paribas estimates are expressed in CHF. The exchange rates considered were based on the following assumptions: 1.64 (2007); 1.59 (2008); 1.51 (from 2009 onwards).

The assumed exchange rates correspond to the average exchange rate provided by Bloomberg for years 2007, 2008, and 2009. In 2010E and 2011E, the exchange rate considered was based on the average of 2009.

Europe Building Materials index vs. DJ Eurostoxx 600 index 01.01.07 – 31.12.09

Europe Building Materials and DJ Eurostoxx 600 Indices are sourced from Bloomberg. The correspondent tickers are, respectively, BEBULDM Index and SXXP Index.

Chapter 4.4.

Mature markets and emerging markets

The reference to mature markets, in the context of CIMPOR, comprises the following countries: Portugal and Spain

The reference to emerging markets, in the context of CIMPOR, comprises the following countries: Morocco, Tunisia, Egypt, Turkey, Brazil, Mozambique, South Africa, China, India and Cape Verde

Chapter 5.1.

Compared EBITDA margin

EBITDA margin results from the quotient between EBITDA and Turnover. With the exception of CIMPOR, reference EBITDA is recalculated based on the criteria defined by Exane BNP Paribas for EBITDA standardization. (Source: Exane BNP Paribas)

Compared ROCE

(Source: Exane BNP Paribas)

ROCE = EBIT (restated by Exane BNP Paribas) after tax (assuming a standard income tax rate) divided by the year's capital employed

Capital employed is the book value of the company's assets that generate operating cash flow. It is defined as net tangible assets + net intangible assets excluding goodwill + gross goodwill + Working Capital at year-end. It is restated for acquisitions not consolidated over the full year so as to not distort the calculation of ROCE

ROCE includes gross goodwill to reflect the company's profitability in industrial activities and acquisitions

Compared capital structure

Net debt / EV results from the quotient between Net Debt and Enterprise Value. With the exception of CIMPOR, reference Net debt is recalculated accordingly with the criteria defined by Exane BNP Paribas for Net debt standardization. (Source: Exane BNP Paribas).

Net debt / EBITDA results from the quotient between Net debt and EBITDA. With the exception of CIMPOR, both Net debt and EBITDA are recalculated based on Exane BNP Paribas defined criteria for financial items standardization. (Source: Exane BNP Paribas).

Compared Dividend yield

Regarding CIMPOR, the dividend yield results from the quotient between the gross dividend generated in the year and the average share price during the period

In the other cases, the dividend yield results from the quotient between the Net dividend (excluding tax credit) generated in the year and the average share price during the period. (Source: Exane BNP Paribas)

Compared total return to shareholders

Gross annual total return = Annual internal rate of return calculated on a monthly basis, taking into consideration (i) share price variation between 31.12.04 and 17.12.09; (ii) annually distributed dividends (considered in May) and (iii) the dilution effect of share capital increases (considering the full exercise of shareholder rights).

The dilution effect considered is based on information provided by Bloomberg.

Glossary

Bloomberg and Datastream – financial databases

Market Capitalization – value of a company's shareholdings obtained from the multiplication of the number of shares issued by the share price

Turnover – value of sales plus services rendered

EBITDA – Earnings Before Interest, Tax, Depreciation and Amortizations

EBIT – Earnings Before Interest and Tax

EV – Enterprise Value – market value of the operating assets of a company

ROCE – Return on Capital Employed