



**CIMPOR - Cimentos de Portugal, SGPS, S.A.**  
**informs on recommendation for**  
**the rejection of CSN´s Offer**

*(All the information herein has been filed today with CMVM for publication as part of the Updated Report of the Board of Directors of CIMPOR on the opportunity and the conditions of the Offer by CSN)*

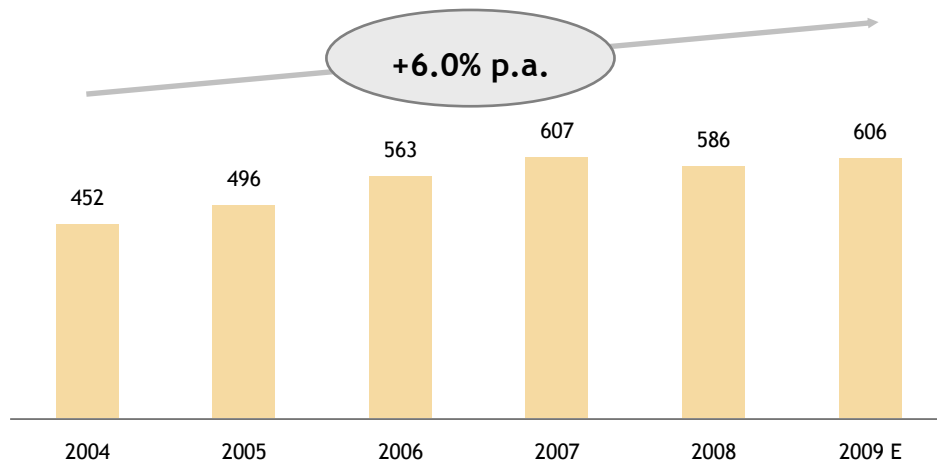
Registered office: Rua Alexandre Herculano, no. 35, Lisbon  
Share capital: € 672,000,000.00  
Legal Entity no. 500 722 900; registered with  
the Commercial Registry Office of Lisbon under the same number

## **Why should CIMPOR's Shareholders reject CSN's Offer**

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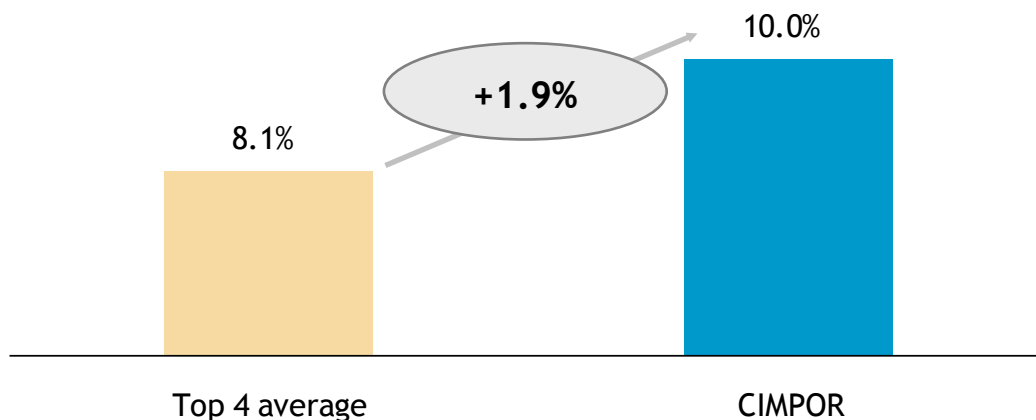
## 1. CIMPOR's business track record is outstanding ...

... it posted an average 6.0% EBITDA annual growth rate in 2004-2009E ...



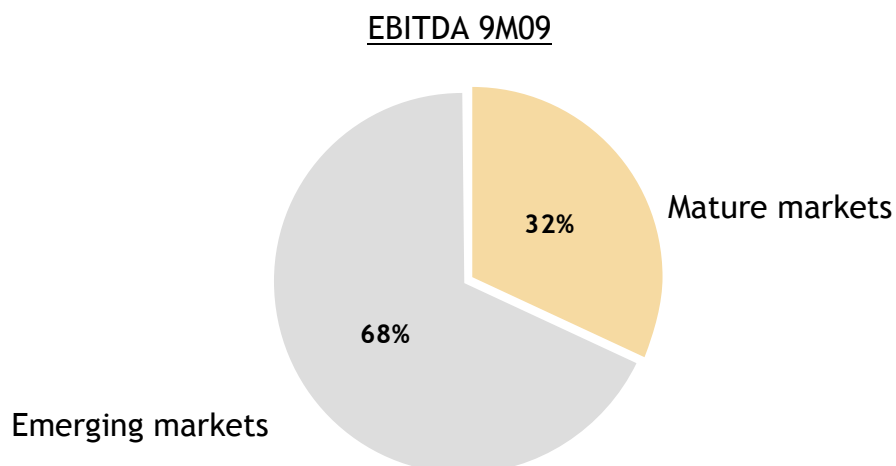
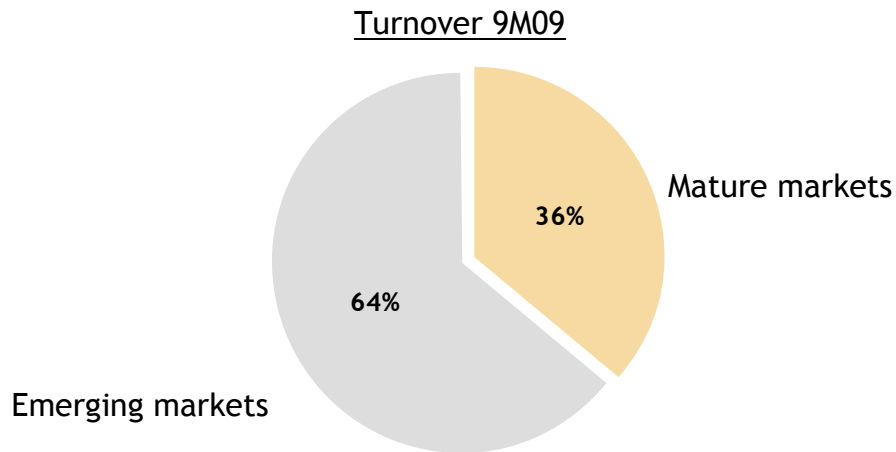
... it is more profitable than the Top 4 comparable international cement players ...

Return on capital employed (2004-2008)



Note: Top 4 includes Heidelberg Cement, Cemex, Holcim and Lafarge

... based on a balanced portfolio with high exposure to emerging markets, ...



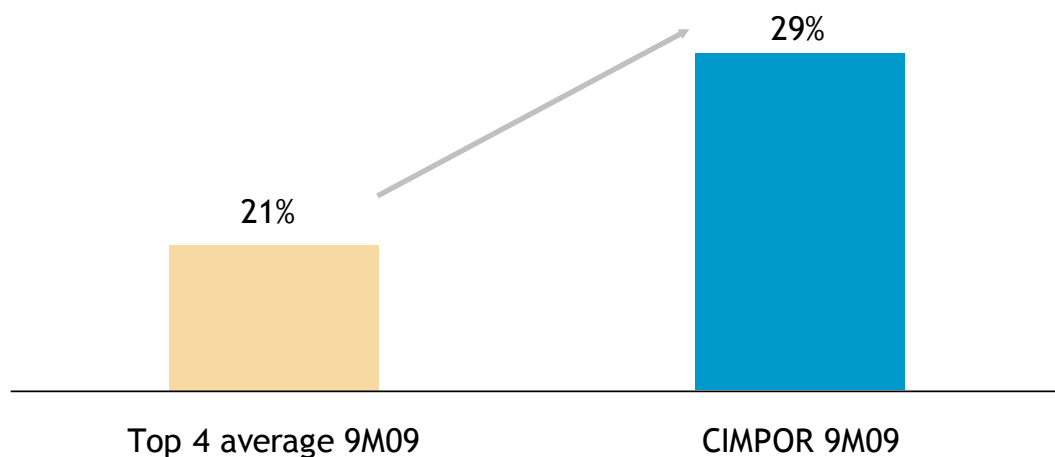
... generally with leading positions in the markets in which it operates, with a competitive cost base, ...

... with considerable growth prospects as accumulated cement consumption is expected to grow 25% between 2009 and 2012 in the emerging markets where CIMPOR is present ...

... while end-market and profit recovery are foreseen in mature markets.

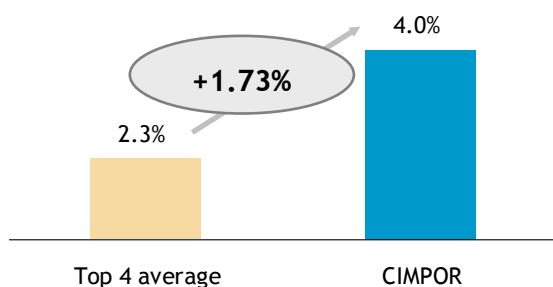
## 2. CIMPOR is one of the most profitable global cement players ...

... clearly demonstrated by higher EBITDA margins among the Top 4 comparable international cement players ...

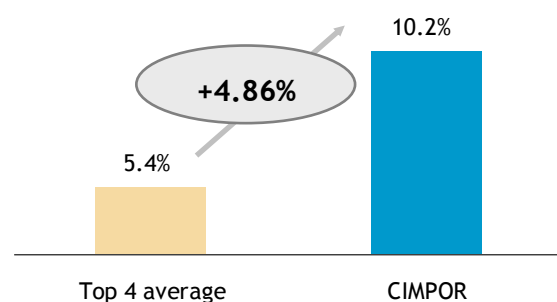


... which have materialised into the highest dividend yield and total return to Shareholders over the last years.

Dividend yield 2004-2008

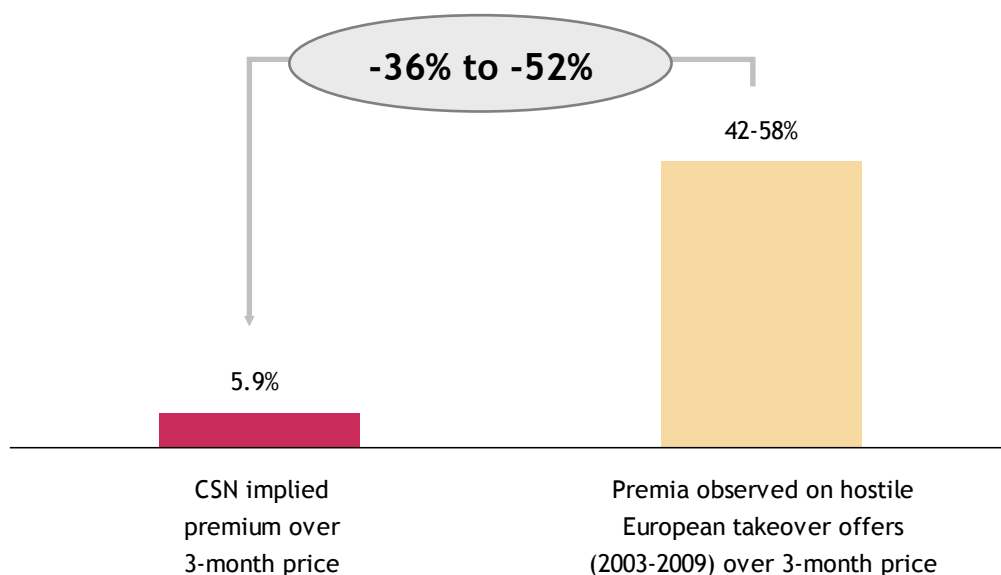


Total return 31.12.04-17.12.09

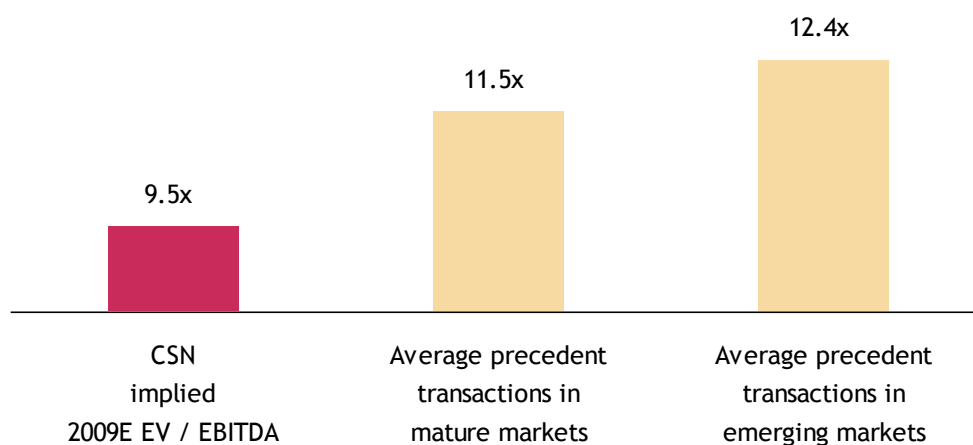


### 3. CSN's Offer significantly undervalues CIMPOR ...

... as it represents an unprecedented discount when compared to previous takeover offers in Europe ...



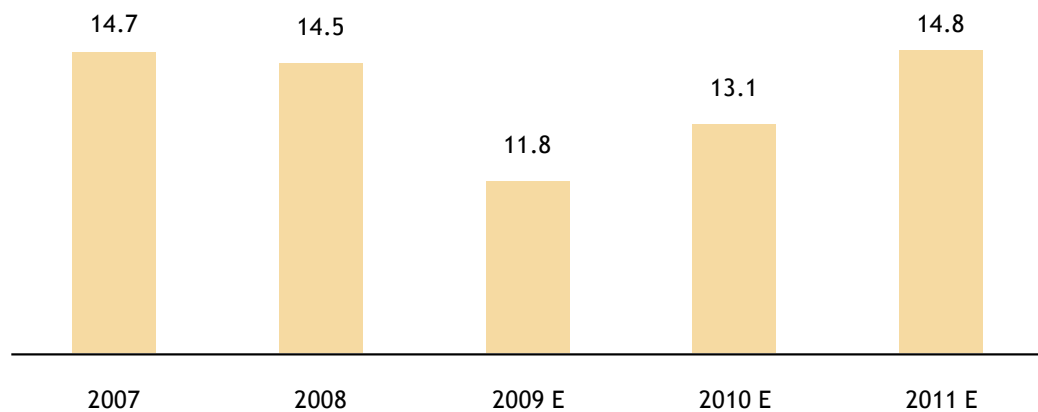
... and to precedent transaction multiples ...



... which represents, on a price per share basis, a 24% discount to transaction multiples of comparable companies in mature markets and a 32% discount to transaction multiples of cement companies in emerging markets.

Furthermore, CSN's Offer should be considered opportunistic as it was launched at a time when earnings are at a cyclical low in the sector, and it does not account for the expected strong recovery of the markets where CIMPOR operates ...

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



... all of which clearly emphasizes that CSN's Offer price is very low given CIMPOR's excellent portfolio of assets and growth prospects.

#### 4. The Offer was not conducted in the best interest of CIMPOR's Shareholders, particularly...

The Offeror launched the Offer without the legally required authorisations

The transaction is exposed to regulatory risks

The Offeror has not deposited the consideration nor presented a bank guarantee

The transaction is exposed to legal and execution risks

The Offeror does not fully disclose information on the financing

Lack of information to evaluate:  
(i) the financial structure of the operation  
(ii) its impact on CIMPOR

The Offeror did not specify its strategic plans for CIMPOR

Lack of information to assess:  
(i) its impact on CIMPOR  
(ii) how “group CSN-CIMPOR” would become the 5<sup>th</sup> largest cement company and 1<sup>st</sup> in profitability



**5. The term established for the Offer was 3 weeks, which is insufficient and shorter than the term of any other hostile offers launched in Portugal...**

... CMVM registered the Offer before CIMPOR had an opportunity to issue its opinion on the terms and conditions of the Offer, in particular on the withdrawal of launch conditions and on the Offer's term ...

... The Offer's term constrains the discussions and negotiations of alternatives that consider the best interest of CIMPOR and its Shareholders ...

... The Offer's term limits third parties from coming forward with value creating transactions for CIMPOR's Shareholders.

**The Offer process was executed in such a manner as to try to acquire control of CIMPOR at a significantly low price.**

**The Board of Directors of CIMPOR rejects the Offer and recommends to its Shareholders not to sell their shares at a “bargain price”.**

**Lisbon, February 3<sup>rd</sup>, 2010**