

Rating Action: Camargo Correa Cimentos S.A.

Moody's places Camargo Correa Cimento's ratings under review for possible downgrade; Loma Negra's corporate family rating placed under review for possible upgrade

Approximately USD 250 million in debt securities affected

Sao Paulo, October 03, 2007 -- Moody's Investors Service placed under review for possible downgrade the Ba3 global local currency corporate family rating of Camargo Correa Cimento S.A. ("CCC") and the Ba3 foreign currency rating of the USD 150 million Senior Unsecured Notes due 2015 issued by Caue Finance Limited and fully and unconditionally guaranteed by CCC. Simultaneously, Moody's also placed under review for possible downgrade the Ba3 global local currency rating and Aa2.ar national scale rating of Loma Negra's USD 100 million senior unsecured notes due 2013, which are guaranteed by CCC. Finally, Loma Negra's B2 corporate family rating was placed under review for possible upgrade.

Ratings placed under review for possible downgrade are as follows:

Issuer: Camargo Correa Cimento S.A.

- Ba3 Global Local Currency Corporate Family Rating

Issuer: Caue Finance Limited

- USD 150 million Senior Unsecured Notes due 2015 fully and unconditionally guaranteed by Camargo Correa Cimento S.A.: Ba3 foreign currency rating

Issuer: Loma Negra

- USD 100 million Senior Unsecured Notes due 2013 guaranteed by Camargo Correa Cimento S.A.: Ba3 global local currency; Aa2.ar Argentinean national scale

Rating placed under review for possible upgrade is as follows:

Issuer: Loma Negra

- B2 Global Local Currency Corporate Family Rating

The review for downgrade for CCC was prompted by the company's fragile liquidity and ongoing deterioration in its operating margins, with uncertain prospects for a significant recovery in 2008. The prolonged depression in the Brazilian cement market and intense competition in the southeast region of the country has translated into a continuous weakening of CCC's stand-alone EBITDA margin to 13% in the last 12 months as of June 30, 2007, down from 18.8% in 2006 and 26.2% in 2005, on an adjusted basis. CCC has relied primarily on dividends up-streamed from its Argentine subsidiary Loma Negra and received from minority equity investments in Usiminas and Itausa to meet its financial obligations.

The recently announced acquisition by CCC of 50% of CBC -- Companhia Brasileira de Concreto for BRL 133 million in cash was in large part funded with dividends and an inter-company loan from Loma Negra, CCC's cash-rich Argentine subsidiary.

The placement of Loma Negra's ratings under review for possible upgrade consider the company's improved debt protection metrics and liquidity position supported by strong operating margins and cash flows over the past years. The improved performance of Loma Negra reflects the strong performance of the Argentine economy following the economic crisis in 2001. Loma Negra's Total Adjusted Debt to EBITDA ratio declined to 1.5x LTM May 31, 2007 from 5.6x in fiscal-year 2003, while cash and marketable securities of ARS 329 million at May 31, 2007 equal to more than 350% of short term debt obligations. .

The review of CCC's ratings will focus primarily on its ability to meet short term financial obligations from its internal cash flow going forward, and the willingness and ability of Loma Negra and the Camargo Correa group (not rated) to support CCC. In addition, the review of Caue's guaranteed notes rating will consider the

level of structural subordination of the notes to debt at Loma Negra, considering that this subsidiary now represents more than half of CCC's consolidated cash flow.

The review of Loma Negra's ratings will focus on the sustainability of its credit metrics over time, given its exposure to potential volatility in the Argentine economy, and its expected level of retained cash flow in the future, given a likely increase in dividend payments to CCC.

Camargo Correa Cimento S.A. is Brazil's fifth largest cement manufacturer, operating five plants in the country's southeastern and midwestern regions. CCC reported net revenues of some BRL 504 million (USD 239 million) in the last twelve months ended June 30, 2007. Through its subsidiary Companhia Brasileira de Concreto, CCC also sells ready-mix concrete. Since 2005 CCC owns Loma Negra, the leading cement company in Argentina, with total revenues of ARS 1,057 million (USD 342 million) in the last twelve months ended May 31, 2007.

Camargo Correa group is one of the largest private sector conglomerates in Brazil with net revenues of about BRL 8.3 billion (approximately USD 3.9 billion) in 2006. The group's principal business segments include engineering & construction, cement, textiles, footwear, energy, and transportation, with approximately 16% of total revenues coming from the cement segment, which is regarded as a core business.

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