

## Q4 2003 Earnings Call

### Company Participants

- Leonardo Horta, IR Director
- Nadina Martini, Unknown

### Other Participants

- Daniel Weltman, Analyst
- Marcel, Analyst
- Marcello Kia, Analyst
- Paolo Disoyda, Analyst

### Presentation

#### Operator

Ladies and gentlemen thank you for standing by. We will now begin CST's 2003 results conference call. At this time, all participants are in a listen only mode. Later we will conduct a question and answer session. And instructions will be given at that time. If you should require any kind of assistance during the conference, please press the star followed by zero. As a reminder, this conference is being recorded. I now would like to turn the conference over to Miss Nadina Martini, please go ahead.

#### Nadina Martini

Good morning, ladies and gentlemen and welcome to CST's conference call to discuss the 2003 results. Before proceeding, let me mention that forward-looking statements are being made under the safe harbor of the Securities Litigation Reform Act 1996. Actual performance could differ materially from those anticipated in any forward-looking comments as a result of macroeconomic conditions, market risks and other factors.

Please be advised that there will be a playback facility for this call. For instructions on assessing the playback, please contact us in Sao Paulo at 55-11-38-97-68-57. With us today in Esp rito Santo is Mr. Leonardo Horta, the Investor Relations Director. Mr. Horta will comment on the company's 2003 results. It is now my pleasure to turn the call over to him. Mr. Horta, you may now begin.

#### Leonardo Horta {BIO 1528013 <GO>}

Thank you, very much Nadina. Thank you, to all for attending this conference call. We are here with mixed feelings. This is a very important announcement for us. It is a very important event in our calendar. It is a pleasant one as we have very good results for

2003 to be shared with you. At the same time, feeling better about the prospects for the year to come.

However, at the same time, as you know, we had a tragic accident here at the plant last Saturday where five of our best people were victimized due to accidents. With him being also the Human Resource Director, I will not comment on the personal consequence of that. I would like, as an Investor Relations Director to concentrate our comments on the business consequence of this accident. I can immediately say to you that they were absolutely irrelevant. It did not cause any major material damage. Neither would jeopardize our ability to produce at full capacity at this quarter and at this year.

However, now I will initiate my comments based on the year 2003. 2003 was a pretty good year not just because it was the best result during the whole year. This is based on the fact that our net income in US GAAP was twice as much for the year 2002. We are basically happy with the 2003 results, based on the significant decision the company took a couple of years ago and I would say that we are starting about the Hot Strip Mill

Hot Strip Mill has been accepted by all means, just not based on the volume that we had reached, neither by the success of that improved and not also because of the success of its acceptance by the Brazilian domestic market. But basically because of this business flexibility that has engaged the customers. We are learning. The performance of the Hot Strip Mill in 2003 has already proved that we are now accepted in the flexibility it gives us to better combine two products in different markets.

It is the major reason for our success in 2003 and from it we expect significantly more for 2004 and the years to come. Also the result is consequence of the good prices that we have enjoyed during the year 2003. By the end of the year, the average price for the year has reached \$237. It is exactly, we think, the range that we have shared with you during the year. At the same time, we had an appreciation of Reais vis-À-vis of the dollar, impacting our cash generation but as well the impact of our investments on the results.

So with all that added together, we have to say that the combination of all that. Based on the strong complement that the company enjoyed among the quality of the human resource, the corporation of the management process and the tax planning. And other aspect of this company, this altogether made 2003 such a good year for the company.

When we talk about 2004, the prospective is also very different. First of all, we envisage for the year 2004 a continuous growth on the price for slab. As a matter of fact, we have sold out in slab (wide) for the first semester of the year. We envision price levels for the year at this moment and in the range of \$250-\$275 for the year 2004. It is still relatively early in the game but we believe that this range is very sustainable and conservative from our company's perspective. The company is prudent in stating this at this moment.

The same we will see on the Hot Coils. We see a very strong demand for this market in Brazil. We expect that the aggregated demand in Brazil will grow by 12% this year. This is one of the key factors that sustained or estimated to produce and sell 2 million tons of coils during the year 2004. Three-quarters of this is for the domestic market and one-

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quarter, or this means 500,000 tons for export. We predict an average price of the two markets together is (inaudible) to give you guidance, separate guidance for domestic markets and international markets. They both together we see, once again, a prudent and sound guidance in saying that we expect the price in Reais to be in the range of \$310-\$330 for average price for the year. So these are the commercial prospectives.

At the same time, the company is keeping going with this expansion program. As a matter of fact, the major target for us in 2003 was to make the Hot Strip Mill a successful story. This was achieved. We still have some things to do, some things to do related to the Hot Strip Mill. But we feel very confident to say that our main target for the year 2004 is to initiate this once again in a sustainable way for growth from (500) to 5 million tons to 7.5 million tons.

So this morning, the day before yesterday we have called the consortiums that we understood with the best offer for us to now. These consortiums that have participated. (inaudible) and we are confident for the final negotiation. We still have some commercial concerns to negotiate "some technical points and some financial ones. But we believe that they are minor ones. There is a good chance to have this commercial contract signed in the next 30 days. A little bit more of this later. This company will be prepared to sign this contract during the next month.

With that means the platforms number three, the major equipment in our expansion project. We feel very confident to confirm our expectation to have the expansion starting up by the first semester of the year 2006. This is for (inaudible) from this point one but this emphasis also helps us with the second major task. That is to make feasible the expansion of the Hot Strip Mill that may happen between the years 2006/2007.

This is a project that has had the highest return for us and this will be there. (inaudible) related to the announcement that we prepared. We may say that we expect for the year 2004 and the years coming a higher EBITDA margin than we have reached in the year 2003. The year 2003 we have reached 37% of the EBITDA margins. These indeed are very comfortable ones. The operational needs meant that that has happened in October -- this margin by two percentage points. This means this would not have happened in October and the EBITDA margin would be about 39%.

We strongly believe that in 2004 and the years to come, we will see these margins move. The margins may not grow much but in this market we will beat that number with higher revenues. There is no better price and that is based on a better mix. This will represent a better cash flow that will mean a better return by any means that the company has in its power.

So these are my initial comments. From this point on I would like to return the conference to the operator for the question and answer session. Thank you.

## Questions And Answers

## Operator

Thank you. Ladies and gentlemen. we will now begin the question and answer session. If you would like to ask a question, please press the star key follow by the one key on your touchtone phone. To remove yourself from the question queue, press the pound key. Due to the number of participants on the call. And in order to allow for your questions to be polled, we kindly ask you to limit your questions to two at a time. Should you have a follow-up question, you may prompt the operator to return to the question queue.

Finally, we would like to remind all participants that this conference call is intended as a forum for investors and analysts from the financial community. We kindly request that members of the media direct their questions to CST's Media Relations Department by e-mail to [conun@tubarao.com.br](mailto:conun@tubarao.com.br).

Our first question comes from Mr. Marcello Kia with Credit Suisse First Boston.

### Q - Marcello Kia

Hi, gentlemen. I know this was somehow discussed in the Portuguese call but I just want to stress the pricing issue. So I know that CST ha already sold out for this semester. Did you already see demand for CST slabs at a price around \$300 per ton? Should we expect CST to sell in advance of around the second half of 2004 any time soon? Thank you.

### A - Leonardo Horta {BIO 1528013 <GO>}

If I understood this is (inaudible), isn't it?

### Q - Marcello Kia

Yes, yes.

### A - Leonardo Horta {BIO 1528013 <GO>}

Okay. Well first of all, thank you for your question. We sold the First Quarter of this year in the Fourth Quarter of the previous year. Like most of the time we negotiate (tonnage) and base price in the middle of the quarter before. So this was negotiated at that time.

After that there was an unexpected demand in the marketplace. This means the dry up of coke. There is no coke in the market. So this is not the case of (inaudible). But it is the case of most of the integrated steel mills in the United States, as well as in Europe. We may say here in Brazil we may have an impact of this dry up of coke on the aggregated production this year in those markets.

When this has happened we were already sold out for the quarter. So, we do not see this price for the CST sales. As a matter of fact, we expect for this First Quarter that (inaudible) get this last price to rise from \$250 to \$255 depending on the exchange rate.

This \$300 I also do not see as meaningful and neither representative of the market average price. These were some of the alternatives. Some of them are offered and not

accepted by any of the potential suppliers because everyone was sold out. So \$300 may represent our willingness to pay. But far from the market average for the First Quarter. This is CST's understanding and we say maybe it is the price by our competitors. But this is CST understands.

### Q - Marcello Kia

I know the price is around \$270 at top end of the range, for example. Is it the case that you are going to see prices around \$300 for the Second Quarter of the second semester for the year, right?

### A - Leonardo Horta {BIO 1528013 <GO>}

(inaudible) You may sell at this price, usually for the First Quarter. This would be (inaudible) and not a representative of the average. So, we can stick with some of our (prudence) but I would prefer that we concentrate our figures on sound guidance for the year.

### Q - Marcello Kia

I understand. Just another question. Regarding the income tax expense. I know it was also somehow also discussed in the Portuguese version of the call. What could be a reasonable, marginal tax rate that we can expect CST to pay in 2004 and also long-term? Adding to that, what could be the impact of the daily benefit in the marginal tax rate? When does that then expire?

### A - Leonardo Horta {BIO 1528013 <GO>}

Let me answer that from the beginning. So let me start about (Alta Bene). (Alta Bene) has a very long involvement on the financial statements. It is item 7(c). It is very well explained there. So this (inaudible) was obtained at the last quarter of 2003. It goes up to about 13%. It has been around "â€"; the impact is what I have described there.

Despite this, 2003 isn't. That will impact from 2003 onwards up to 2013. I also think (inaudible) that since 2002, we have seen the way to export our products. This also is reducing the tax impact. That result is also very well explained in number seven. Note number seven of the financial statement.

### Q - Marcello Kia

Right. CST does not have in your official guidance a number that we could work with for the tax rate in 2004.

### A - Leonardo Horta {BIO 1528013 <GO>}

We have not disclosed to the market all the (recurrence) that will result from that. Okay?

### Q - Marcello Kia

Okay. Thank you, very much.

**A - Leonardo Horta** {BIO 1528013 <GO>}

I appreciate it.

## Operator

Our next question comes from Mr. Paolo Disoyda with Sarros Pecan.

**Q - Paolo Disoyda**

Hello Leonardo. I would like some more color on your cost side base. I realize that your cash cost per ton has increased 13% in the US base order. I know that you mentioned that there was some problems in your statements and this is not recurrent. Considering this will \$159 per ton cash cost over the Fourth Quarter, what would be a normalized cash cost per ton that we could expect going forward given that we are going to face 20% increase or more? Probably 25% increase in coal, the pressure on freight overall. And so forth.

**A - Leonardo Horta** {BIO 1528013 <GO>}

Okay Paolo. Thank you for your comments. I also would like to start from the end. First of all, I would like to say that I share with you the percentage that you have supplied for us by analogue. In relation to coal, I would not validate your percentage. Like you, the business would see some profit.

I think that it is reasonable to expect a price increase around the analogue one. It will be lower. Indeed higher. So I prefer not to accept without comment your prediction. However, I have just got to remind all of you that the coal market is quite different from the iron ore market. Iron ore is strictly devoted to the fuel industry. When we talk about coal, the aggregate demand from this fuel is 20% of the overall aggregated demand.

So this does not really mean that by the end of the day the percentage of increase will be equal, lower or higher. I would just like to remind you that it is quite different situation.

Relating to freight. Yes, right now is in a very difficult moment. We see freight pressure quite as much, giving three times as much as a year ago. We do believe that this is a simple stand spot related to the traffic jam on the Chinese port. This is reducing even more the ability of the (inaudible). So we have to wait a little bit to see. But this is a positive market will go. So I don't add much value to what you all can relate to this freight market. We are under cost pressure, no doubt about at that. We also should say that even just the cost, the Reais denominated, are also under pressure when we know they denominate them in US dollars. This, for several reasons. One being the strong devaluation of the dollar itself. The dollar is (inaudible). You may agree that this is the end. Along with some currencies, the dollar is quite much depreciated. There are a few times we have seen that before. So this has to be considered when you talk about the impact on the cost. All that together, I fully agree with your conclusion that we do not see yet fee cost, cash cost, at the same levels as the 2002 dynamics appointed to us a year ago.

That being said, we do not see our cost position being changed vis-à-vis for our competitors. We do not see any loss of competent business, cost wise, vis-à-vis our

competitors. What we will see. And I would like to reinforce that, is a higher probability of higher EBITDA margins on higher revenues, for this company in the years to come.

### Q - Paolo Disoyda

Okay. Further, do you have any smart figure that you could send us and do your cash costs in this quarter as I mentioned, according to my calculation, \$159 dollars per ton. Was this non-recurring incident in your equipment? Could you extract the negative impact from your regularized cash cost per ton, or to give us a guidance for 2004 going forward?

### A - Leonardo Horta {BIO 1528013 <GO>}

I told the operator that this would be a new guy. The reason for that, once again as I keep saying every year, I don't see the Fourth Quarter results as representative of this trend Likewise with the other quarters. The First Quarter had an impact of some entries that may not make it representative relative to the First Quarter.

I cannot tell you that the impact of the incident in our platform number one, has an impact of R\$83 million on the fixed EBITDA of 1.375 basis. It is increasing, of course, higher than that.

### Q - Paolo Disoyda

That is impact, okay.

### A - Leonardo Horta {BIO 1528013 <GO>}

It represents 2percentage points in EBITDA margin like I have said before. (inaudible) if we did not have the incident. The total amount is that.

### Q - Paolo Disoyda

And now?

### A - Leonardo Horta {BIO 1528013 <GO>}

Everything included. Lower fixed cost, higher maintenance cost, everything that has had consequence, the (inaudible) effect.

### Q - Paolo Disoyda

Okay. That has helped a lot. The second question is---

### A - Leonardo Horta {BIO 1528013 <GO>}

I would just like to if I may, related to the trend, I would think that deliberate to consider the whole dynamic numbers for April, then apply on them the cost increase that will may judge as the accountable one.

### Q - Paolo Disoyda

That is in indeed what we have had time to figure out. The second one is, Leonardo what do you have officially regarding the sale venture position of Vega do Sul. Is it a project that you are in fact analyzing and what is the rationale?

**A - Leonardo Horta** {BIO 1528013 <GO>}

Anything that we may comment on that is not a decision basis. So I would prefer not to comment on that at the moment.

**Q - Paolo Disoyda**

Okay. But it is something that the company is analyzing?

**A - Leonardo Horta** {BIO 1528013 <GO>}

It would not be analyzing, Paolo. Sorry, I will give you an answer that today from the critical side we have likewise prepared to have to do. We will also analyze some mergers that have been discussed in the press. We have an obligation as a management team (inaudible) but the vast majority of them are not (inaudible) but we have analyzed this. This is one that we have the obligation analyze. However, this does not say much.

**Q - Paolo Disoyda**

No problem. Okay. Thanks a lot.

**Operator**

Ladies and gentlemen. if you would like to pose a question, please press the star key followed by the one key on your touchtone phone now. Our next question comes from Mr. Daniel Weltman of Bear Stearns.

**Q - Daniel Weltman**

Hi, it is Daniel, Bear Stearns. First of all, I would like to extend my condolences to the company and to the families involved from the accident.

Second of all, just wanted to know if you could talk to us a little bit about your volume assumptions for 2004 in light of the outages that you had in October, then the current, the average you had over the weekend if that is going to have any impact on your '04 numbers?

My second question is again on the pricing. It is a little bit overwhelming to read some of the industry reports that are coming out. One today talked about slab going from \$250 to \$380 just over the last month. The \$380 is underpinned by hot roll prices which are apparently at \$450-480 in some of the key export markets, like the US and China. So how should we interpret -- I know you have already given color to the First Quarter. But how should we interpret talk about \$380 for these slab prices? Is that just a mistake or is that a possibility in the second or Third Quarter? Thanks.



## A - Leonardo Horta {BIO 1528013 <GO>}

Daniel, first of all, it is not just a personal thing. But on behalf of all the workers, I would like to thank you for your kind comments. Thank you, very much.

But related to the business, I will make a statement today to the fact that it begins. Let me answer your first question. We do expect to produce (inaudible) less this year. In fact let me rephrase what I have said. We tend to sell premium slabs this year. And 2 million tons of slab this year and 2 million tons of coal this year.

Despite the incident that we had in October, the one-off that our trade has seen more guidance. At the beginning of the year we have said that the expected tonnage for the year 2003 would be 4.8 million and that is slightly lower. But a very precise guidance that the company has shared with the market. So, this is the reason that I have to say that I have resisted to accept unexpected (inaudible) because this was exactly our guidance to the market.

So this has the respect that perform produced as well the ability. However, your question gives us a chance to comment on the October incident and this Saturday's accident on a business perspective. The incident team will focus on the slab (inaudible) and I would like to bring to your attention that the slab (inaudible) number one is under the research part of the business. So I somewhat feel that you may have forget but I kindly invite you to visit our website. There it has additional proof. I mean basically one that can show exactly where is the platform number one. Where is the converter and what is operating our linkage and the strategy they may have?

So, the incident, that of course was number one in October was a result from a very operational and normal intervention. So there was an operational incident we may say, an operational mistake that was due to be corrected. It is based on diagnostics of the platform, making corrections very (inaudible). Or the ones that need more time, longer time. But they still need to take note that these still need time to work. But this was done. Once again, the damage was very minimal. Most of the spending in Reais are related to no other sort of procedural cost and they in a second place maintenance cost which were necessary for repair. But was not. This was extrapolated in November and on evidence, strong evidence of that was is the performance in the month of December.

So we've had to restructure it. Performance produced as well as the ability (inaudible) that it had in (inaudible). Totally different thing happened in slab service. It was a relative year -- personal accident that we had. To give you an example, the worse thing, we never had this before. The last accident with personal injuries in the steel shop was three year ago. It was not really an employee of the company. The people that were involved was very well experienced, trained and responsible people. So this is the reason that we cannot say the cause here. But on a business prospect, I can guarantee to you all the that first of all the materials (inaudible) is very much lower. These do not impact the operational risks. It will be stopped for a week, one week, to allow a very precise analysis about the cause of the accident. Otherwise, it could have resumed its operation almost immediately. This will not damage the tonnage that will be produced in the First Quarter and the remainder of the

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year because the unit is immediately as before. It is exactly the platform one. It is normally standard the coke liquid to the blast furnace, to the converter. This can also be (inaudible).

So what we are doing now is to taking the production from the platform and expect to send liquid into the converter. We are importing. So it goes to our (inaudible) plant and can be used after. It will represent a slightly higher cost but for the ones that buy coke, it is not that much different. This will be the consequence of this accident. It is basically a cost implication on those afterwards.

We could take the example of the Third Quarter last year. We have produced 1.3 million tons of liquid steel. This was possible, it is something we use very extensively. So it means that it shows in the (inaudible) that the Steel Shop has the capacity to compensate that in the short future. So I hope that I have answered your question.

### **Q - Daniel Weltman**

Yes. Thank you. I guess the other one would be on some of the industry reports.

### **A - Leonardo Horta {BIO 1528013 <GO>}**

Okay, I'm sorry. I have already explained that we have saw, like we do most of the time, the First Quarter the increase than the previous one.

So we were not able to enjoy some of the opportunities that were announced in the market of \$330-\$340. But as far as we know, no-one enjoyed that, because everyone sold out.

I strongly believe that this is misguiding of this giving those reference costs of the day's high price. That being said, this quarter was based on the rationale of the industry up to the end of the year.

As a matter of fact no-one was expecting so high iron ore price increases. But most especially no-one was expecting the shortage of coke. So the shortage of coke has changed the way that the industry has been conducted.

The one that follows the North American market for example, those markets have implemented some new belief. They have implemented something new that they call surcharge. They go back to the customers that they have already closed the deal and say that the cost has increased above their expectations. They are then able to negotiate a surcharge.

So all of the guidance that we are sharing with you does not contemplate successful activities like this one that the market has introduced are applied.

The price then is very high because also the dollar is also very weak. We don't know if the dollar will be so weak, vis-À-vis pre-empting an (environment) like it is right now.

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So all of that has responded into incidents that makes our life very difficult to predict a price. This is also the major reason that by prudence the Company is sharing with you the guidance that we have done before.

### Q - Daniel Weltman

Okay. Just a quick follow-up. Did I see "€"; I thought it said in the media that you may have put out a forecast for the year for slab prices. Is that right?

### A - Leonardo Horta {BIO 1528013 <GO>}

In the past we have shared with you that on the previous ones that every time the price reaches above R\$250 we will be inclined to hedge this position.

Certain risk parameters for our slab business is not R\$250 any longer. It is higher.

So this all will depend on the offer that we make with businesses, which we make in the offer that issue to the Company significant returns, will be seriously considered.

We are not a (inaudible) Company like all of you that follow us know. We are very much based on the sales and, it is the solid customers. They offer a price that would be attractive, significantly attractive to us. The Company has a policy to be considered very seriously.

### Q - Daniel Weltman

Okay, thanks again. Again my condolences.

### A - Leonardo Horta {BIO 1528013 <GO>}

Thank you, very much.

### Operator

Our next question comes from (inaudible) with Merrill Lynch.

### Q - Marcel {BIO 16438460 <GO>}

Just to put more color on the fiscal benefits. I have already read all the details you have written down in the financials for 2003. But as this is significant in terms of income tax payments ahead, I would like to get more color on this. Let me understand one thing. What you have written, the Government right now is questioning that you had the right to use this benefit. This is since the beginning of 2004. My question is are you going to continue to accrue this in the financials, even with the Government contesting? Or what is the position of the Company through 2004 in terms of this benefit?

### A - Leonardo Horta {BIO 1528013 <GO>}

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Marcel thank you for putting some light on this issue. This is a very important issue that differentiates CST from other players. This has a very significant value for the shareholders, for the equity holders I would say. I am very happy that they are putting light on this very important valuation issue.

We have made a very detailed disclosure. We cannot say much more than that. What we can promise is that one of the authorities involved in this process has revoked its decision. These decisions can be questioned in the relevant forum. This is the first point.

There is another authority involved in this process that did not change his position. So we have got questions to be expected.

The end decision about the continuation of this accrual will be based on the evolution of these issues on the administrative arena. This does not have an immediate cash impact. We already have tax credits for that.

Both authorities revoking of course their decision. We still have the legal force to question this decision. We also have mentioned in this disclosure that we kept the proof, or the answer for this year exactly, because we believe very strongly in our position. This position is a result of fairly expensive finance from very knowledgeable lawyers.

**Q - Marcel** {BIO 16438460 <GO>}

Leonardo, just let me see if I am getting this right. In the last year you got a benefit not to pay like R\$97 million because of this fact. So you're not going to use this until you get the right answer from the court. Is that correct?

**A - Leonardo Horta** {BIO 1528013 <GO>}

Likewise money does not have expenses. Tax credits also do not have expenses. So say that we didn't want us to reimburse for income tax in the year 2003.

We did it because we had favorable cash balance that was decreased based on this decision by R\$97m. This is the outstanding balance that will be used in the future. Right now we are convinced that this will be reduced further, as it is described in the financial statement.

These are the facts at this point. And we will keep you posted.

**Q - Marcel** {BIO 16438460 <GO>}

Thank you.

**Operator**

At this time this concludes our question and answer session. Mr. Horta I will turn the call back over to you for closing remarks. Thank you.

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## A - Leonardo Horta {BIO 1528013 <GO>}

Once again I would like to thank you all. I would like to just re-emphasize the simple message that I would like to leave with you today. First is that the Company had a very good 2003 year. This was based on three major reasons. The first the strategic decision to invest in the Hot Steel Mill on the good price that we bought in the year 2003 and the appreciation of the Reais against the dollar, at this year, when we talk about the impact on the Brazilian Reais.

Based on the US GAAP the result was to add balance. The decreases of the year are related once again to the Hot Steel Mill decision and the impact, the better price and the effects of the planning achievements that we brought into 2003.

We see our business surviving and improving in the year 2004 and onwards. So this is what we think are the major reasons why we to consider that 2003 as a very positive one and consider perspectives achieving them.

Our costs are under real pressure right now as we have this test to come. But by the end of the day we are very comfortable assuming that through our efficiencies that the EBITDA margin will increase giving further (inaudible) in the year 2004 and that the margin will increase with a much higher revenue amount.

This makes the Company's situation more comfortable to push through its growth. Growth is our first priority from now onwards. And this is certified by the almost final conclusion of the negotiations for the supply of the platform number three.

We are also happy with the performance of the investor relations team. My (enthusiasm) is based on the guidance that they gave to the market that has proven very precise, even when they have said that the price for the Fourth Quarter will be \$10 lower than the Third Quarter, not because the Fourth Quarter will be worse. But because of the normal growth chance that we have in the Third Quarter.

I would also like to say that we are progressing on the transparency this year. We are not just a company that is released in the US GAAP. For those of you that follow us under US GAAP I have to say that early tomorrow morning you will have the full financial results available on the website.

I am also very happy to say that CST is the first Brazilian Company that is also releasing its results based on the high-end IFRS "International Financial Reporting Standards" that came to replace the former IAS "International Accounting Standards".

So this is one further move that the Company has done in the direction of improving (inaudible) on the direction of improving our transparency and on the direction of our deeper respect to the minority shareholders of this Company. I hope that you understand that as a plus.

With these words I would like to thank you again, especially to Daniel I would like to personally thank you for the kindness of your condolences. Thank you. So much.

## Operator

Ladies and gentlemen that does conclude our conference for today. Thank you for your participation. You may now disconnect.

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