

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13E3/A

Schedule filed to report going private transactions(Issuer Self-Tender Offer) [amend]

Filing Date: **1994-01-14**
SEC Accession No. **0000950117-94-000008**

([HTML Version](#) on [secdatabase.com](#))

SUBJECT COMPANY

HOLNAM INC

CIK: **860602** | IRS No.: **382943735** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **SC 13E3/A** | Act: **34** | File No.: **005-40940** | Film No.: **94501565**
SIC: **3241** Cement, hydraulic

Business Address
*6211 N ANN ARBOR RD
P O BOX 122
DUNDEE MI 48131
3135294314*

FILED BY

HOLDERNAM INC

CIK: **917269** | IRS No.: **980063606** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **SC 13E3/A**

Mailing Address	Business Address
<i>WHITMAN BREED ABBOTT & MORGAN 200 PARK AVE 27TH FLOOR NEW YORK NY 10161</i>	<i>6211 NORTH ANN ARBOR ROAD DUNDEE MI 48131 3135292411</i>

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Schedule 13E-3

Rule 13e-3 Transaction Statement
(Pursuant to Section 13(e) of the
Securities Exchange Act of 1934)
(Amendment No. 1)

HOLNAM INC.

(NAME OF THE ISSUER)

'HOLDERBANK' FINANCIERE GLARIS, LTD.,
HOLDERNAM INC. AND HOLCEM INC.

(NAME OF PERSON(S) FILING STATEMENT)

COMMON STOCK, PAR VALUE \$.01 PER SHARE
(TITLE OF CLASS OF SECURITIES)

436429 10 4

(CUSIP NUMBER OF CLASS OF SECURITIES)

JOSEPH W. SCHMIDT, ESQ.

WHITMAN BREED ABBOTT & MORGAN

200 PARK AVENUE

NEW YORK, NEW YORK 10166

(212) 351-3210

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS

ON BEHALF OF PERSON(S) FILING STATEMENT)

THIS STATEMENT IS FILED IN CONNECTION WITH (CHECK THE APPROPRIATE BOX):

- A. THE FILING OF SOLICITATION MATERIALS OR AN INFORMATION STATEMENT SUBJECT TO REGULATION 14A [17 CFR 240.14a-1 TO 240.14b-1], REGULATION 14C [17 CFR 240.14c-1 TO 240.14c 101] OR RULE 13E-3(c) [SECTIONS 240.13e-3 (c)] UNDER THE SECURITIES EXCHANGE ACT OF 1934.
- B. THE FILING OF A REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933.
- C. A TENDER OFFER.
- D. NONE OF THE ABOVE.

CHECK THE FOLLOWING BOX IF THE SOLICITING MATERIALS OR INFORMATION STATEMENT REFERRED TO IN CHECKING BOX (A) ARE PRELIMINARY COPIES:

PAGE 1 OF PAGES
EXHIBIT INDEX ON PAGE 5

CALCULATION OF FILING FEE

<TABLE>
<CAPTION>

TRANSACTION VALUATION*	AMOUNT OF FILING FEE
------------------------	----------------------

<S>	<C>
\$57,284,363, based on 7,488,152 shares of Holnam Inc. Common Stock times \$7.65 per share	\$11,457.00**

*Set forth the amount on which the filing fee is calculated and state how it was determined.

**Previously paid.

Check box if any part of the fee is offset as provided in Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: _____

Form or Registration No: _____

Filing Party: _____

Date Filed: _____

ITEM 17. MATERIAL TO BE FILED AS EXHIBITS

The Exhibit Index set forth on page 5 of this Transaction Statement is incorporated herein by reference.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

<TABLE>
<S>

Dated: January 12, 1994

<C>
'HOLDERBANK' FINANCIERE GLARIS LTD.
By /s/ Thomas Schmidheiny

Name: Thomas Schmidheiny
Title: Chairman

By /s/ Pierre Haesler

Name: Pierre Haesler
Title: Secretary

Dated: January 12, 1994

HOLDERNAM INC.
By /s/ Peter Byland

Name: Peter Byland
Title: President

Dated: January 12, 1994

HOLCEM INC.
By /s/ Peter Byland

Name: Peter Byland
Title: President

</TABLE>

APPENDIX
GRAPHIC AND IMAGE MATERIAL

IN EXHIBIT 17(b) (2):
page 5

This page of the paper format version of the document contains a Holnam ownership structure chart showing 'Holderbank' Financiere Glaris, Ltd. (Holderbank) as the owner of 100% of Holdernam, Inc. which in turn is the owner of 95.2% of Holnam, Inc. which in turn is the owner of 75% of Holnam Texas Limited Partnership and 59.5% of St. Lawrence Cement, Inc. Public Shareholders are shown to own 4.8% of Holnam, Inc. (NYSE Listing) and 40.5% of St. Lawrence Cement, Inc. (Toronto/Montreal Listing).

page 17

This page of the paper format version of the document contains two charts:
the first the monthly indexed common stock price history of Holnam Inc. from March 31, 1990 to September 30, 1993 as compared to an industry composite (consisting of Lafarge Corp., Medusa Corp., Southdown Inc. and St. Lawrence Cement), the S&P400 Industrials and Lafarge Corp.

the second shows the monthly common stock price and trading volume history of Holnam Inc. from March 31, 1990 to September 30, 1993.

page 24

This page of the paper format version of the document contains a chart showing the daily common stock price history of Lafarge Corporation from 10/1/92 to 9/30/93.

page 43

This page of the paper format version of the document contains a world map.

page 50

This page of the paper format version of the document contains four charts:
the first shows the leading managers of common stock offerings for January 1,

1993 -- June 30, 1993 with Goldman Sachs leading at 19.7%.

the second shows the leading managers of common stock offerings for 1988 -- 1992 with Goldman Sachs leading at 24.9%.

the third shows the leading managers of initial public offerings for January 1, 1993 -- June 30, 1993 with Goldman Sachs leading at 17.5%.

the fourth shows the leading managers of IPOs for 1988 -- 1992 with Goldman Sachs leading at 28.6%.

IN EXHIBIT 17(b)(3):

Exhibit 17(b)(3) - Presentation Material from Merrill Lynch dated November 15, 1993

page 5

This page of the paper format version of the document contains a chart which shows historical and projected earnings for St. Lawrence as approximately negative \$31 million for 1992, negative \$9 million for 1993, \$0 million for 1994, \$15 million for 1995, \$31 million for 1996 and \$38 million for 1997. The expected average year-on-year earnings increase (1995-1997) is stated to be approximately 59%. This page states that the sources of the information in the chart are Holnam and St. Lawrence Management and Annual Reports and notes that a CAD/USD exchange rate of 1.30 is assumed.

page 6

This page of the paper format version of the document contains a chart which graphically represents equity market valuation principles for cyclical companies such as St. Lawrence. It states that international investors primarily value equities on future earnings expectations and that cyclical companies experience cyclical expansion and contraction of P/E multiples. Net income is compared to time.

page 7

This page of the paper format version of the document contains a chart which is a reproduction of the chart on page 5.

page 8

This page of the paper format version of the document contains a chart which shows projected market values for St. Lawrence as approximately \$300 million in 1994, \$462 million in 1995 and \$500 million in 1996 based on projected P/E multiples of 19.5x for 1994, 15.0x for 1995 and 13.0x for 1996. Investor total return of investment (calculated as the compounded rate of return of projected market values) in St. Lawrence (1994-1996) is stated to be approximately 29% per annum. This page notes that a CAD/USD exchange rate of 1.30 is assumed.

page 9

This page of the paper format version of the document contains a chart which shows total cumulative free cash flows for St. Lawrence (assuming 100% ownership) as approximately \$10 million in 1994, \$18 million in 1995, \$23 million in 1996 and \$63 million in 1997. This page states that the sources of the information in the chart are Holnam and St. Lawrence Management and notes that a CAD/USD exchange rate of 1.30 is assumed.

page 10

This page of the paper format version of the document

contains a chart which shows historical and projected earnings for Holnam Operations (which represents all of the operations of Holnam except for Holnam's Texas Limited Partnership and St. Lawrence) as approximately negative \$29 million for 1992, negative \$64 million for 1993, \$29 million for 1994, \$45 million for 1995, \$65 million for 1996 and \$80 million for 1997. The expected average year-on-year earnings increase (1994-1997) is stated to be approximately 20%. This page states that the sources of the information in the chart are Holnam and St. Lawrence Management and Annual Reports.

page 11

This page of the paper format version of the document contains a chart which shows projected market values for Holnam consolidated (which represents all of the operations of Holnam including Holnam's Texas Limited Partnership and St. Lawrence) of approximately \$920 million in 1994, \$1,292 million in 1995 and \$1,455 million in 1996 based on projected P/E multiples of 15.0x for 1994, 14.0x for 1995 and 13.0x for 1996. Investor total return of investment (calculated as the compounded rate of return of projected market values) in Holnam (1994-1996) is stated to be approximately 26% per annum. This page states that the information in the chart assumes a 59.5% stake in St. Lawrence and a 75% stake in the Texas Limited Partnership.

page 12

This page of the paper format version of the document contains a chart which shows total cumulative free cash flows for Holnam (assuming 100% ownership) of approximately \$47 million in 1994, \$120 million in 1995, \$200 million in 1996 and \$316 million in 1997. This page states that the sources of the information in the chart are Holnam and St. Lawrence Management and notes that the numbers in the chart include Holnam's 59.5% stake in St. Lawrence and its 75% stake in the Texas Limited Partnership.

page 13

This page of the paper format version of the document contains a chart which compares the internal rate of return ("IRR") for Holderbank based on five strategic alternatives. Alternative I assumes a 79.8% stake in Holnam and status quo ownership for St. Lawrence resulting in an IRR of 20.0% for Holderbank. Alternative II assumes a 68% stake in Holnam and a 100.0% stake in St. Lawrence resulting in an IRR of 17.78% for Holderbank. Alternative III assumes status quo ownership for both Holnam and St. Lawrence resulting in an IRR of 25.8% for Holderbank. Alternative IV assumes a 100.0% stake in both Holnam and St. Lawrence resulting in an IRR of 30.4% for Holderbank. Alternative V assumes a 100.0% stake in Holnam and status quo ownership for St. Lawrence resulting in an IRR of 27.5%.

page 18

This page of the paper format version of the document contains a chart which shows the relative share price performance from August 24, 1993 to November 5, 1993 among Lafarge Coppee, Lafarge Corporation and Holderbank. It is noted that the Lafarge Corp. roadshow coincided with the Lafarge Coppee share price divergence and that investors' interest for the cement sector did not benefit Lafarge Coppee.

page 19

This page of the paper format version of the document contains a chart which shows the relative US\$ trading volume from August 24, 1993 to November 5, 1993 among Lafarge

Coppee, Lafarge Corporation and Holderbank. It is noted that there was no visible afterdeal buying for Lafarge Coppee and that Holderbank's relative volume was consistently above Lafarge Coppee's.

page 21

This page of the paper format version of the document contains a chart which shows relative valuations between Holderbank and Lafarge Coppee. In comparison to Lafarge Coppee, Holderbank's market value to estimated 1994 earnings was negative 15%, market value to estimated 1994 cash flow was negative 27%, market capitalization to current capacity was negative 37% and market capitalization to the latest fiscal year output was negative 36%.

IN EXHIBIT 17(b)(4):
Exhibit 17(b)(4) - Presentation Material from Merrill Lynch dated January 7, 1994

page 2

This page of the paper format version of the document contains two charts. The first chart on this page shows US historical cement volumes in millions of tons from 1973 through 1992. The second chart on this page shows US historical nominal and real cement prices from 1974 through 1992. Nominal and real prices have been indexed to 1992 dollars. This page states that the sources of the information used in the charts are the Commerce Department and P.C.A.

page 3

This page of the paper format version of the document contains two charts. The first chart on this page shows the stock prices for Holnam Inc. in absolute terms and relative to the Standard & Poors 500 composite price index from January 1, 1993 through January 4, 1994. The second chart on this page shows the stock prices for St. Lawrence Cement in absolute terms and relative to the Toronto SE (300) composite price index from January 1, 1993 through January 4, 1994. This page states that the source of the information used in the charts is Datastream.

page 4

This page of the paper format version of the document contains two charts. The first chart on the page shows stock prices and trading volumes for Holnam Inc. from January 1, 1993 through January 4, 1994. The second chart on the page shows stock prices and trading volumes for St. Lawrence from January 1, 1993 through January 4, 1994. This page states that the source of the information used in the charts is Datastream.

page 5

This page of the paper format version of the document contains two charts. The first chart on this page shows the projected cement volumes and prices for Holnam Operations from 1991 through 2002 that are detailed on pages 31 and 32. The second chart on this page shows the projected cement volumes and prices for St. Lawrence Cement from 1991 through 2002 that are detailed on page 41.

page 6

This page of the paper format version of the document contains two charts. The first chart on this page shows historical and projected sales from 1991 through 2002 for

Holnam Operations and St. Lawrence Cement. This information is detailed on pages 33 and 44. The second chart on this page shows historical and projected EBIT from 1991 through 2002 for Holnam Operations and St. Lawrence Cement. This information is detailed on pages 33 and 44.

page 7

This page of the paper format version of the document contains two charts. The first chart on this page shows historical and projected capital expenditures from 1991 through 2002 for Holnam Operations and St. Lawrence Cement. This information is detailed on pages 34 and 46. The second chart on this page shows historical and projected free cash flow from 1991 through 2002 for Holnam Operations and St. Lawrence Cement. This information is detailed on pages 34 and 46.

page 8

This page of the paper format version of the document contains two charts which summarize the trading multiple valuation detailed on pages 23 and 24. The first chart shows aggregate equity valuation ranges for Holnam Inc. of (i) \$904,360 thousand to \$1,061,091 thousand utilizing share price/1994 EPS trading multiples, (ii) \$542,853 thousand to \$1,151,374 thousand utilizing market capitalization/EBIT trading multiples and (iii) \$608,998 thousand to \$1,224,775 thousand utilizing market capitalization/1994 EBITDA trading multiples. The second chart shows per share valuation ranges for Holnam Inc. of (i) \$6.30 to \$7.39 utilizing share price/1994 EPS trading multiples, (ii) \$3.78 to \$8.02 utilizing market capitalization/EBIT trading multiples and (iii) \$4.24 to \$8.53 utilizing market capitalization/1994 EBITDA trading multiples.

page 9

This page of the paper format version of the document contains two charts which summarize the discounted cash flow valuation of Holnam Inc. detailed on pages 23, 25 and 27. The first chart shows aggregate equity valuation ranges for Holnam Inc. based on three scenarios: (i) \$479,189 thousand to \$649,321 thousand utilizing a valuation of St. Lawrence as a going concern, (ii) \$588,000 thousand to \$802,723 thousand utilizing a discounted cash flow valuation of St. Lawrence and (iii) \$648,963 thousand to \$819,095 thousand utilizing the market value of St. Lawrence as of January 5, 1994. The second chart shows per share valuation ranges for Holnam Inc. based on three scenarios: (i) \$3.34 to \$4.52 utilizing a valuation of St. Lawrence as a going concern, (ii) \$4.09 to \$5.59 utilizing a discounted cash flow valuation of St. Lawrence and (iii) \$4.52 to \$5.70 utilizing the market value of St. Lawrence as of January 5, 1994.

page 10

This page of the paper format version of the document contains two charts which summarize the acquisition multiple valuation of Holnam Inc. detailed on pages 23, 26 and 27. The first chart shows aggregate equity valuation ranges for Holnam Inc. based on three scenarios: (i) \$396,084 thousand to \$924,175 thousand utilizing a valuation of St. Lawrence as a going concern, (ii) \$504,895 thousand to \$1,032,986 thousand utilizing a discounted cash flow valuation of St. Lawrence and (iii) \$565,858 thousand to \$1,093,949 thousand utilizing the market value of St. Lawrence as of January 5, 1994. The second chart shows per share valuation ranges for Holnam Inc. based on three scenarios: (i) \$2.76 to \$6.43 utilizing a valuation of St. Lawrence as a going concern, (ii) \$3.52 to \$7.19 utilizing a discounted cash flow valuation of St. Lawrence and (iii) \$3.94 to \$7.62 utilizing

This page of the paper format version of the document contains two charts which summarize the valuation methodologies utilized by Merrill Lynch that are detailed on pages 23 to 29. The first chart shows aggregate equity valuation ranges (i) of \$413,771 thousand to \$1,060,076 thousand calculated from Holnam Inc.'s 52-week low and high stock market values detailed on page 23, (ii) \$542,853 thousand to \$1,224,775 thousand calculated from the trading multiples analysis detailed on pages 23 and 24, (iii) \$479,189 thousand to \$819,095 thousand calculated from the discounted cash flow analysis detailed on pages 23, 25 and 27 and (iv) \$396,084 thousand to \$1,093,949 thousand calculated from the acquisition multiple analysis detailed on pages 23, 26 and 27. The second chart shows equity valuation ranges per share (i) of \$2.88 to \$6.75 calculated from Holnam Inc.'s 52-week low and high stock market values detailed on pages 22 and 23, (ii) \$3.78 to \$8.53 calculated from the trading multiple analysis detailed on pages 23 and 24, (iii) \$3.34 to \$5.70 calculated from the discounted cash flow analysis detailed on pages 23, 25 and 27 and (iv) \$2.76 to \$7.62 calculated from the acquisition multiple analysis detailed on pages 23, 25 and 26.

EXHIBIT INDEX

<TABLE>	<CAPTION>	DESCRIPTION	PAGE NO.
<S>	EXHIBIT	DESCRIPTION	PAGE NO.
<S>	<C>		<C>
17(b) (1)		Opinion of Merrill Lynch, Pierce Fenner & Smith Incorporated, dated January 7, 1994, incorporated by reference from Annex B to the Disclosure Statement and Notice filed as Exhibit 17(d) hereto.....	*
17(b) (2)		Presentation Material from Goldman Sachs dated October 11, 1993.....	
17(b) (3)		Presentation Material from Merrill Lynch dated November 15, 1993.....	
17(b) (4)		Presentation Material from Merrill Lynch dated January 7, 1994.....	
17(d)		Preliminary Copy of Disclosure Statement and Notice.....	*
17(e)		The description of appraisal rights set forth under the caption 'The Merger -- Appraisal Rights' and the copy of Section 262 of the Delaware General Corporation Law attached as Annex C to the Disclosure Statement and Notice are incorporated herein by reference.....	--

</TABLE>

 * Previously filed.

PRESENTATION TO
HOLNAM INC.
REGARDING A U.S. EQUITY OFFERING

Prepared by
Goldman, Sachs & Co.
October 11, 1993

TABLE OF EXHIBITS

EXHIBIT

<TABLE>		
<S>	<C>	<C>
I.	HOLNAM'S POTENTIAL OBJECTIVES IN AN EQUITY OFFERING.....	1
II.	KEY ISSUES TO CONSIDER.....	2
III.	EQUITY MARKET OVERVIEW.....	3
	Equity Market Outlook New Issue Environment	
IV.	FINANCIAL CONSIDERATIONS.....	4
	Holnam Capitalization	
	Historical and Projected Financial Statements	
V.	VALUATION CONSIDERATIONS.....	5
	Stock Price Performance	
	Public Market Valuation Parameters	
	Operating Margin Comparison of Comparable Companies	
	Pro Forma Analysis	
	Case Study of Lafarge	
VI.	POSITIONING THE COMPANY.....	6
	Positioning the Holnam 'Story'	
	Factors Affecting the Offering	
	SUMMARY WALL STREET ANALYST COMMENTARY	
VII.	Structuring and Marketing the Equity Offering.....	7
	Successful Execution; Stages of an IPO	
VIII.	GOLDMAN SACHS' CAPABILITIES.....	8
</TABLE>		

EXHIBIT I

HOLNAM'S POTENTIAL OBJECTIVES IN A EQUITY OFFERING

The decision to issue equity and become a truly 'public' company is a fundamental strategic decision for both Holnam and Holderbank

<TABLE>	
<CAPTION>	
<S>	<C>
Capital Requirements.....	New source of funding for: attractive capital projects acquisitions Deleveraging
Financial Risk.....	Reduce leverage in capital structure Reduce dependence on Holderbank Diversify away from banks Rating agency considerations and cost of debt
Shareholder Returns.....	Positive earnings outlook Cyclical upturn for industry Holderbank dilution
Structural Issues.....	Increase liquidity of common stock Broaden ownership base and create research following Ownership level of Holderbank going forward
Market Issues.....	Success of Lafarge offering Currently strong market for cyclicals IPO-like offering approach
</TABLE>	

KEY ISSUES TO CONSIDER

<TABLE>	
<S>	<C>
Holderbank	Long term ownership objectives Ongoing financial support Alternative investment opportunities
St. Lawrence	Outlook for Canadian/Middle Atlantic markets Long term strategic objectives Financial exposure vs. operational control Eventual consolidation of minority shareholdings
Structural	Reverse stock split (4:1) Timing Use of proceeds Co-ordination with possible parent ADR program
</TABLE>	

[a Holnam ownership structure chart appears here showing 'Holderbank' Financiere Glaris, Ltd. (Holderbank) as the owner of 100% of Holdernam, Inc. which in turn is the owner of 95.2% of Holnam, Inc. which in turn is the owner of 75% of Holnam Texas Limited Partnership and 59.5% of St. Lawrence Cement, Inc. Public Shareholders are shown to own 4.8% of Holnam, Inc. (NYSE Listing) and 40.5% of St. Lawrence Cement, Inc. (Toronto/Montreal Listing).]

EQUITY MARKET OUTLOOK
RECENT PERFORMANCE OF U.S. EQUITY MARKET

<TABLE>			
<CAPTION>			
	COMPOSITE	1/2/92- 12/31/92	1/4/93- 10/05/93
	-----	-----	-----
<S>		<C>	<C>
DJIA.....		4.1%	8.4%
S&P 500.....		4.3	5.9
NASDAQ			
Composite.....		15.4	13.8
</TABLE>			

Our renewed bullishness for equities is linked to four key factors:

The U.S. economy continues on its path of gradual and fitful recovery.

Equities are notably undervalued relative to inflation and interest rates.

There is continued demand for equities as individuals shift their financial asset portfolios.

We are encouraged by the competitiveness of U.S. corporations relative to others in the G-7 with regard to labor costs, capital costs, and capital availability.

We have revised the asset allocation guidelines for our several model portfolios. We recommend that balanced portfolios hold 65% equities (previously 55%), 30% bonds (previously 40%) and 5% cash (unchanged). The increased equity weighing is a result of three key factors:

Consensus economic forecasts for the major industrial economies have declined to levels that are comparable to our own expectations.

President Clinton's policy initiatives no longer represent the source of uncertainty they did earlier in the year.

The President has begun to define the parameters of his upcoming healthcare reform package.

Importantly, the superior performance of bonds during the past several months has created an opportunity for equities to enjoy better performance in the months to come.

THE NEW ISSUE ENVIRONMENT

New issue volume reached record levels during 1992 and has continued with the same fervor during 1993.

\$72 billion of equity was issued during 1992 versus \$63 billion for 1991 and \$33 billion for 1989 and 1990 combined.

Initial public offerings in 1992 accounted for 44% of all new issues versus 30% in all of 1991.

\$81.9 billion of equity was issued for the first nine months of 1993 versus \$61.7 billion in the same period last year.

We anticipate very heavy issuance for the remainder of 1993.

The new issue market is currently very healthy.

Demand for equities is liquidity driven.

Investors are hungry for yield.

Despite record supply, IPO's have performed well

ANALYSIS OF IPO'S
THROUGH SEPTEMBER 25, 1993

<TABLE>
<CAPTION>

MONTH	#OF IPO'S PRICED	RELATIVE PRICING			CURRENT PRICE RELATIVE TO OFFER PRICE	
		BELOW RANGE	WITHIN RANGE	ABOVE RANGE	BELOW	ABOVE
<S>	<C>	<C>	<C>	<C>	<C>	<C>
January.....	19	3	7	9	8	11
February.....	30	3	19	8	10	20
March.....	49	4	32	13	17	32
April.....	24	5	16	3	9	15
May.....	39	8	19	12	11	28
June.....	45	13	17	15	14	31
July.....	46	9	25	12	10	36
August.....	68	19	44	5	30	38
September.....	38	5	21	12	18	20
Totals.....	358	69	200	89	127	231
Percentages.....		19.3%	55.9%	24.9%	35.5%	64.3%
First Quarter.....	98	10	58	30	35	63
Percentages.....		10.2%	59.2%	30.6%	35.7%	64.3%
Second Quarter.....	108	26	52	30	34	74
Percentages.....		24.1%	48.1%	27.8%	31.5%	68.5%
Third Quarter As of 9/25/93.....	152	33	90	29	58	94
Percentage.....		21.7%	59.2%	19.1%	38.2%	61.8%

</TABLE>

Exhibit 4

HOLNAM CONSOLIDATED CAPITALIZATION

Location of Debt

<TABLE>
<CAPTION>

	<C>	St.		<C>
		Holnam	Lawrence	
<S>	<C>	<C>	<C>	<C>
Senior Notes,	\$361.8m	X	X	Bank Revolving Credits (Estimated)
Term Notes and	30.0	X		Holderbank Senior Revolving Credit
Loans	20.9	X		1993 - 1997 Prudential Notes
	70.0	X		9.85% Term Loan due in 2001
	30.0	X		8.03% Term due in 1998
	5.6	X		Other notes and loans
Industrial	18.0		X	5% IRB due in 2000 (per refinancing)
Revenue	53.3	X		6.8% due between 1999 and 2009
Bonds	1.6	X		5.8% Pollution Control Bonds due 1993
	26.7	X		Limited Partnership IRB
	4.6	X		Other
Subordinated	9.0	X		8% senior subordinated notes
Notes	50.0	X		Currently non-interest bearing
	16.1	X		subordinated notes (Held by Holderbank)
	5.0	X		9.6% subordinated notes due in 1998
Other	12.3	X		16% subordinated notes due in 1998
	2.8		X	Sinking Fund Debentures
	(17.8)	X	X	Capital Lease Obligations
Preferred	30.0			Less current Maturities
135.3 million shares outstanding				0% Preferred Stock (Hold by Holderbank)
				Ownership: 95.2% Holderbank

Market Value = \$677 million
 (assuming \$5.00 per share)
 </TABLE>

1.0% Institutional
 3.8% Other

HOLNAM CONSOLIDATED CAPITALIZATION

(Dollars in millions)

<TABLE>

<CAPTION>

		As of June 30, 1993	
		-----	-----
<S>	<C>	<C>	<C>
SHORT TERM DEBT:	Miscellaneous Short Term Borrowings	\$ 3.0	
	Current Maturities of Long Term Debt	17.8	
	Total Short Term Debt	20.8	1.7 %
LONG TERM DEBT:			
	Total Revolving Credit Lines (Est.) (a)	361.8	
Senior Notes, and Loans	9.85% Term Loan due in 2001	70.0	
	8.03% Term Loan due 1998	30.0	
	Holderbank Senior Revolving Credit	30.0	
	1993-1997 Prudential Notes	20.9	
	Other notes and loans	5.5	
Internal Revenue Bonds	5% IRB due in 2000	18.0	
	6.8% due between 1999 and 2009	53.3	
	5.8% Pollution Control Revenue Bonds due 1993	1.6	
	Limited Partnership IRB	26.7	
	Other	4.6	
Subordinated Notes	8% senior subordinated notes payable semiannually through 1997	9.0	
	Currently non-interest bearing subordinated notes (Holderbank)	50.0	
	9.6% subordinated notes due in 1998	16.1	
	16% subordinated notes due in 1998	5.0	
	9.25% of Sinking Fund Debentures	12.3	
	Capital Lease Obligations	2.8	
	Less Current Maturities	(17.8)	
	Total Long Term Debt	700.8	57.4 %
	Total Debt	721.6	59.1 %
SHAREHOLDERS' EQUITY:	Minority Interest	115.3	
	Preferred Stock (Holderbank)	30.0	
	Common Equity	353.5	
	Total Shareholders' Equity	498.8	40.9 %
TOTAL CAPITALIZATION:		\$1,220.4	100.0 %

</TABLE>

(a) \$225M due 1995, unsecured, interest not to exceed LIBOR plus 5.625%.
 Canadian \$200M due 1994, convertible to a term loan over 6 year period.
 \$35M Credit Agreement due 1994, converts to term loan. Interest at 8%. \$25M
 Floating unsecured long term revolving credit.

HOLNAM CONSOLIDATED
 HISTORICAL AND PROJECTED INCOME STATEMENTS

(DOLLARS IN THOUSANDS)

<TABLE>

<CAPTION>

SIX MONTHS ENDED	YEARS ENDED DECEMBER 31,				YEARS ENDED DECEMBER 31,		
	1990 ACTUAL	1991 ACTUAL	1992 ACTUAL	JUNE 30, 1993	1993E	1994E	1995E
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Sales	\$1,074,579	\$ 979,297	\$ 946,176	\$400,121			
Cost of Sales	912,771	857,520	836,066	353,888			
Gross Margin	161,808	121,777	110,110	46,233			
Selling, General and Administrative Expenses	116,392	119,997	109,789	52,146			
Unusual Charges	--	61,672	11,037	--			
Interest Expense	58,942	56,534	51,808	23,085			
Other Income (Loss)	3,103	4,416	(4,469)	(3,958)			
Income before Income Taxes and							

Minority Equity in Net Income	(10,423)	(112,010)	(66,993)	(25,040)			
Income Tax Provision	6,168	(13,794)	(23,657)	(4,864)			
Minority Equity in Net Income (Loss)	(8,525)	3,162	(14,764)	(3,839)			
Net Income (Loss) before change in accounting principles	(25,116)	(95,054)	(28,572)	(16,337)	\$ 1,404		
Cumulative effect of change in accounting principle	--	--	--	(65,700)	(65,700)		
Net Income (Loss)	\$ (25,116)	\$ (95,054)	\$ (28,572)	\$ (82,037)	\$ (64,296)	\$ 36,576	\$ 58,875
Average shares outstanding (000's)	115,670	134,782	134,883	135,291	135,300	135,300	135,300
Net Income (loss) per share before change in accounting principle	(0.22)	(0.71)	(0.21)	(0.12)	0.01	0.27	0.44
EPS	\$ (0.22)	\$ (0.71)	\$ (0.21)	\$ (0.61)	\$ (0.48)	\$ 0.27	\$ 0.44

</TABLE>

(1) Assumes St. Lawrence has net income of (C\$10m) in 1993, C\$0 in 1994, and C\$15m in 1995 (exchange rate of 1:1.34)

(2) Assumes Holnam Texas Limited Partnership has net income of \$8.0m in 1993, \$10m in 1994, and \$10m in 1995.

HOLNAM CONSOLIDATED

HISTORICAL BALANCE SHEETS

(DOLLARS IN THOUSANDS)

<TABLE>

<CAPTION>

	AS OF DECEMBER 31				AS OF		
	1990	ACTUAL	1991	ACTUAL	1992	ACTUAL	1993
<S>	<C>		<C>		<C>		<C>
ASSETS							
Current Assets:							
Cash	\$	7,589	\$	12,155	\$	7,527	\$ 4,211
Accounts Receivable		200,276		182,828		178,540	235,748
Inventories and Supplies		188,227		199,524		177,875	195,019
Prepayments		10,307		11,702		5,271	5,688
Total Current Assets		416,399		406,209		369,213	440,666
Property, Plant & Equipment, Net		958,868		929,114		855,882	914,441
OTHER ASSETS:							
Cost in Excess of Net Fixed Assets		59,232		58,761		62,008	61,078
Other		58,670		62,505		66,029	75,206
Total Other Assets		117,902		121,266		128,037	136,284
LIABILITIES							
Current Liabilities:							
Accounts Payable & Accrued Liabilities	\$	117,143	\$	125,800	\$	126,354	\$ 123,452
Current Maturities of Long Term Debt & Notes		8,005		12,909		16,013	20,846
Total Current Liabilities		125,148		138,709		142,367	144,298
Long Term Debt		541,114		606,605		584,452	700,765
Deferred Income Taxes		94,575		74,210		58,253	58,228
Deferred Credits & Liabilities		23,949		27,795		21,484	89,366
Minority Equity		134,335		128,692		111,100	115,281
STOCKHOLDER'S EQUITY							
Common Stock		1,348		1,349		1,350	1,353
Paid-in Capital		456,424		456,810		457,156	458,305
Retained Earnings		100,236		5,182		(23,390)	(105,427)
Currency Translation Adjustment		17,040		17,867		360	(778)
Total Stockholder's Equity		575,048		481,208		435,476	383,453
Total Liabilities & Stockholder's Equity	\$	1,494,169	\$	1,456,589	\$	1,353,132	\$1,491,391

</TABLE>

HOLNAM CONSOLIDATED
STATEMENT OF CASH FLOW

<TABLE>

	YEARS ENDED DECEMBER 31,			SIX MONTHS	ENDED
	1990 ACTUAL	1991 ACTUAL	1992 ACTUAL	JUNE 30, 1993	
	(DOLLARS IN THOUSANDS)				
<S>	<C>	<C>	<C>	<C>	
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income (loss).....	\$ 25,116	\$ (95,054)	\$ (28,572)	\$ (82,037)	
Noncash charges (credits)					
Depreciation, depletion and amortization of goodwill....	76,792	82,157	79,918		
Net (gain) loss on disposition of fixed assets.....	(1,003)	(917)	(2,256)		
Deferred income taxes.....	(659)	(19,554)	(11,945)		
Minority interest in net income, net of dividends paid....	(2,081)	(8,154)	(16,598)		
Unusual items.....		61,672	11,037	65,700	
CHANGES IN ASSETS AND LIABILITIES					
(Increase) decrease in receivables.....	9,251	17,754	(3,433)		
(Increase) decrease in inventories and supplies.....	(19,033)	(1,955)	13,356		
(Increase) decrease in prepayments.....	3,752	613	3,666		
(Increase) decrease in accounts payable and liabilities.....	(17,113)	(2,943)	(2,503)		
(Increase) decrease in other operating activities....	10,901	3,828	12,110)		
Cash provided by operating activities.....	15,207	37,447	30,560	(61,260)	
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of assets.....	3,385	4,005	15,529	6,266	
Capital expenditures.....	(94,410)	(54,178)	(47,753)	(25,924)	
Investment in affiliates.....	(114,038)	(45,090)	(5,688)	(56,393)	
Advances to Box-Crow.....	(4,500)	(8,026)	--	--	
Other investing activities.....	(7,463)	(986)	244	419	
Cash used for investing activities.....	(210,920)	(104,275)	37,668	75,632	
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings.....	(347,656)	(263,026)	(221,993)	(2,529)	
Proceeds from borrowings.....	411,547	332,097	217,158	97,539	
Issuance of common stock.....	100,147	387	347	1,152	
Issuance of subordinated debt.....	--	--	--	--	
Issuance of PIK preferred stock.....	--	--	--	30,000	
Other.....	1,146	1,936	3,968	946	
Cash (used for) provided by financing activities.....	165,184	71,394	2,480	127,108	
Net increase (decrease) in cash and cash equivalents.....	(21,529)	4,566	(4,628)	(9,784)	
Cash and Cash Equivalents, beginning of year.....	29,118	7,589	12,155	7,527	
Cash and Cash Equivalents, end of year.....	\$ 7,589	\$ 12,155	\$ 7,527	\$ 4,211	

</TABLE>

HOLNAM CONSOLIDATED
INCOME STATEMENTS

<TABLE>

<CAPTION>

	YEARS ENDING DECEMBER 31,				
	1991A	1992A	1993E	1994E	1995 (A)
	(DOLLARS IN THOUSANDS)				
<S>	<C>	<C>	<C>	<C>	<C>
REVENUE.....	\$525,290	\$560,342	\$547,298	\$595,471	\$639,039
Cost of Sales.....	470,141	480,908	454,476	470,229	496,292
Gross Margin.....	55,149	79,434	92,822	125,242	142,747
Selling Expense.....	27,318	28,214	29,617	30,599	31,398
General and Administrative Expense.....	32,362	28,742	30,150	30,786	31,528
Other (Income) Expense.....	(3,540)	(1,634)	(2,250)	(1,719)	(1,638)
Total Expense.....	56,140	55,322	57,517	59,666	61,288
Earnings Before Interest and Taxes.....	(911)	24,112	35,305	65,576	81,459
Interest Expense (d).....	39,186	35,583	33,000	34,000	32,000
Income (Loss) before income taxes, unusual expenses and cumulative effect of an accounting change.....	(40,177)	(11,471)	2,305	31,576	49,459
Unusual expenses.....	60,364	--	--	--	--

Income (Loss) before income taxes and cumulative effect of accounting change.....	(100,541)	(11,471)	2,305	31,576	49,459
Provision (Credit) for income taxes.....	(10,385)	109	2,415	2,500	4,800
Income (loss) before cumulative effect of accounting change.....	(90,156)	(11,580)	(110)	29,076	44,659
Holnam Texas Limited Partnership.....	--	--	5,922	7,500	7,500
Cumulative effect of accounting change -- net of taxes (b).....	--	--	64,000	--	--
Net Income (Loss).....	\$ (90,156)	\$ (11,580)	\$ (58,188)	\$ 36,576	\$52,159
Gross Margin %.....	10.5%	14.2%	17.0%	21.0%	22.3%
Operating Margin % (c).....	0.0%	4.9%	6.9%	11.5%	13.2%

</TABLE>

(a) 1995 sales volume includes approximately 450,000 T of purchased cement at a margin of \$3.25/T.

(b) One time charge for transition obligation related to FAS 106 (Post-Retirement benefits Other Than Pensions).

(c) Definition; Operating Margin = (EBIT - Other Income)/Revenue.

(d) Tijeras lease expense subtracted and put into Cost of Sales.

Note: In order to be consistent with the 1993 plan, certain reclassifications have been made to the 1991 and 1992 figures. Additionally, 1993, 1994 and 1995 EBIT reflects annual retiree medical benefit costs based on FAS 106 of \$6.0M, \$6.4M and \$6.7M, respectively. These annual costs would have been in the range of \$3.5M - \$4.0M under the previous accounting standard.

HOLNAM CONSOLIDATED
(EQUITY BASIS) BALANCE SHEET

<TABLE>
<CAPTION>

	AS OF DECEMBER 31,				
	1991A	1992A	1993E	1993E	1993E
	(DOLLARS IN THOUSANDS)				
<S>	<C>	<C>	<C>	<C>	<C>
ASSETS					
Cash.....	\$ 12,155	\$ 7,527	\$ 6,372	\$ 1,603	\$ 1,841
Accounts Receivable.....	76,584	72,287	67,311	82,923	90,511
Inventories and Supplies.....	118,499	104,685	113,970	100,893	90,271
Prepayments.....	7,112	2,999	1,542	2,999	2,999
Total Current Assets.....	214,350	187,498	189,195	188,418	185,622
Property, Plant & Equipment, net.....	558,950	531,124	529,471	531,887	529,651
Other Assets:					
Cost in Excess of Net Fixed Assets.....	39,892	38,534	36,653	34,934	33,134
Investment in St. Lawrence.....	197,691	162,718	156,411	172,390	188,768
Other.....	15,874	15,256	58,339	15,256	15,256
Total Other Assets.....	253,457	216,508	251,403	222,580	237,158
Total Assets.....	\$1,026,757	\$935,130	\$970,069	\$942,885	\$952,431
Liabilities and Net Worth					
Current Liabilities:					
Accounts Payable & Accrued Liabilities.....	\$ 74,897	\$ 69,950	\$ 68,220	\$ 75,395	\$ 81,998
Current Maturities of Long Term Debt & Notes.....	15,327	10,252	6,906	7,129	15,424
Total Current Liabilities.....	90,224	80,202	75,126	82,524	97,422
Long Term Debt.....	409,611	379,823	386,418	348,607	275,391
Deferred Income Taxes.....	17,966	18,145	17,025	15,785	16,445
Deferred Credits & Liabilities.....	27,748	21,484	89,366	88,381	88,381
Stockholders' Equity					
Common Stock.....	1,349	1,350	31,353	1,350	1,350
Paid in Capital.....	456,810	457,156	458,305	457,156	457,156
Retained Earnings.....	5,182	(23,390)	(86,746)	(51,278)	15,926
Currency Translation Adjustment.....	17,867	360	(778)	360	360
Total Stockholders' Equity.....	481,208	435,476	402,134	407,588	474,792
Total Liabilities & Stockholders' Equity.....	\$1,026,757	\$935,130	\$970,069	\$942,885	\$952,431

</TABLE>

Note: (i) Equity basis balance sheet reflects Holnam's investment in St. Lawrence on the equity method. Holnam's share of St. Lawrence results in a loss of approximately \$5M, \$17M, and \$5M for 1991, 1992, and 1993 respectively and an income of \$16M and \$23M for 1994 and 1995 respectively. Additionally, deferred credits and liabilities in 1993, 1994 and 1995 includes a balance related to FAS 106 of \$72.5M, \$75.0M and \$77.4M respectively.

(ii) 1994 and 1995 estimates have not been altered to reflect Holnam Texas Limited Partnership.

HOLNAM OPERATIONS
STATEMENTS OF CASH FLOW

<TABLE>

<CAPTION>

	YEARS ENDED DECEMBER 31,				
	1991A	1992A	1993E	1994E	1995E
	(DOLLARS IN THOUSANDS)				
	<C>	<C>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income (loss).....	\$ (90,156)	\$ (11,580)	\$ (58,188)	\$ 29,076	\$ 44,659
NONCASH CHARGES (CREDITS):					
Depreciation, depletion and amortization of goodwill.....	50,351	48,407	48,384	50,187	51,724
Net (gain) loss on disposition of fixed assets.....	(78)	(2,186)	(194)	--	--
Deferred income taxes.....	(13,577)	179	1,880	640	680
Unusual items.....	60,634	--	64,000	--	--
CHANGES IN ASSETS AND LIABILITIES:					
(Increase) decrease in receivables.....	6,034	3,083	4,039	(6,763)	(7,588)
(Increase) decrease in inventories and supplies.....	(9,637)	12,853	(9,487)	9,201	10,622
(Increase) decrease in prepayments.....	1,304	3,963	1,454	--	--
(Increase) decrease in accounts payable and liabilities.....	5,079	(5,289)	(4,516)	2,557	6,603
(Increase) decrease in other operating activities.....	7,136	(4,127)	(868)	--	--
Cash provided by operating activities.....	16,820	45,303	46,504	84,898	106,680
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of assets.....	1,062	12,724	3,218	--	--
Capital expenditures.....	(29,348)	(31,800)	(44,456)	(53,208)	(47,688)
Investment in affiliates.....	(10,207)	(1,551)	(37,034)	--	--
Advances to Box-Crow.....	(8,026)	--	--	--	--
Dividends received from St. Lawrence.....	8,841	1,968	--	--	6,167
Other investing activities.....	(1,937)	2,374	(711)	1,506	124
Cash used for investing activities.....	(39,615)	(16,285)	(78,983)	(51,702)	(41,397)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Issuance of Preferred Stock.....	--	--	30,000	--	--
Net proceeds (repayment) -- revolver.....	(90,000)	(20,000)	(12,000)	(31,000)	(59,000)
Proceeds from short term borrowings.....	--	3,000	55,500	--	--
Repayment of short term borrowings.....	--	--	(58,500)	--	--
Repayment of other borrowings.....	(68,026)	(66,993)	(14,829)	(6,180)	(6,045)
Proceeds from other borrowings.....	185,000	50,000	30,000	--	--
Issuance of common stock.....	387	347	1,153	--	--
Cash (used for) provided by financing activities.....	27,361	(33,646)	31,324	(37,180)	(65,045)
Net increase (decrease) in cash and cash equivalents.....	4,566	(4,628)	(1,155)	(3,984)	238
Cash and Cash Equivalents, beginning of year.....	7,589	12,155	7,527	6,372	2,388
Cash and Cash Equivalents, end of year.....	\$ 12,155	\$ 7,527	\$ 6,372	\$ 2,388	\$ 2,626

</TABLE>

Note: 1994 and 1995 estimates have not been altered to reflect Holnam Texas Limited Partnership.

EXHIBIT 5

[Two charts appear here.]

The first shows the monthly indexed common stock price history of Holnam Inc. from March 31, 1990 to September 30, 1993 as compared to an industry composite (consisting of Lafarge Corp., Medusa Corp., Southdown Inc. and St. Lawrence Cement), the S&P400 Industrials and Lafarge Corp.

The second shows the monthly common stock price and trading volume history of Holnam Inc. from March 31, 1990 to September 30, 1993.]

PUBLIC MARKET VALUATION PARAMETERS

<TABLE>
<CAPTION>

	TICKER SYMBOL	STOCK PRICE 10/8/93	% OF 52-WEEK HIGH	EQUITY CAP. \$M	DEBT \$M	LEVERAGED MARKET CAP. \$M
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Holnam Inc.....	HLN	\$5.00	88.9%	\$ 677	\$718	\$1,395
Comparables:						
Lafarge Corp...	LAF	19.63	98.7	1,299	540	1,839
Medusa Corp....	MSA	37.13	99.3	409	104	513
Southdown Inc.....	SDW	23.88	92.3	405	304	709
St. Lawrence (b).....	ST.A	5.37	72.5	230	211	441
Mean of Comparables.....			90.7%	--	--	--

<CAPTION>

	DEBT TO TOTAL CAP.	% DIVIDEND YIELD	LTM SALES MULTIPLE	LTM EBITDA \$M	LTM EBITDA MULTIPLE
<S>	<<C>	<C>	<C>	<C>	<C>
Holnam Inc.....	59.0%	0.0%	1.4x	\$89.3	15.6x
Comparables:					
Lafarge Corp...	42.7	1.5	1.3	161.3	11.4
Medusa Corp....	73.5	1.1	2.4	32.5	15.7
Southdown Inc.....	50.9	0.0	1.5	71.0	10.0
St. Lawrence (b).....	44.6	0.0	1.2	(2.2)	N.A.
Mean of Comparables.....	55.6%	0.7%	1.6		13.2

</TABLE>

(a) Source: IBES, except Holnam and St. Lawrence, which have been derived from management estimates.

(b) Converted to US \$ at exchange rate 1:1.34

<TABLE>
<CAPTION>

	LTM			P/E MULTIPLES (A)				HISTORICAL PEAK
	GROSS MARGIN	OPERATING MARGIN	NET MARGIN	1993E \$M	1993P/E	1994E \$M	1994P/E	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Holnam Inc.....	12.3%	1.0%	(1.2)%	\$ 1.4	483.6x	\$36.6	18.5x	12.5x
Comparables:								
Lafarge Corp....	14.7	2.6	(1.7)	9.4	138.8	49.1	26.4	8.2
Medusa Corp....	18.4	9.9	5.6	16.0	25.6	22.0	18.6	15.3
Southdown Corp.....	17.1	4.4	3.7	1.4	298.4	14.0	28.8	6.4
St. Lawrence....	19.6	(8.2)	(7.1)	(7.5)	NM	0.0	NM	6.4
Mean of Comparables.....	16.4	1.9	(0.7)		236.6x		23.1x	9.8x

</TABLE>

iii

OPERATING MARGIN COMPARISON

<TABLE>
<CAPTION>

HOLNAM OPERATIONS	YEARS ENDED DECEMBER 31,			6 MONTHS ENDED JUNE 30TH		
	1990	1991	1992	1992	1993	1993 ESTIMATED
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net Sales.....	516.8	525.3	560.3	256.1	242.3	547.3

(DOLLARS IN MILLIONS)

Cost of Sales.....	459.6	465.3	476.1	224.0	208.4	449.7
Gross Profit.....	57.1	59.9	84.2	32.1	33.9	97.6
Operating Profit.....	(3.8)	0.3	27.3	4.5	4.0	37.9
Net Income.....	(37.6)	(90.2)	(11.6)	(16.1)	(10.0)	5.8
Gross Margin.....	11.1%	11.4%	15.0%	12.5%	14.0%	17.8
Operating Margin.....	(0.7)	0.1	4.9	1.8	1.7	6.9
Net Margin.....	(7.3)	(17.2)	(2.1)	(6.3)	(4.1)	1.1

<TABLE>
<CAPTION>

HOLNAM CONSOLIDATED	YEARS ENDED DECEMBER 31,			6 MONTHS ENDED JUNE 30TH		
	1990	1991	1992	1992	1993	LTM
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net Sales.....	\$1,074.6	\$979.3	\$946.2	\$401.9	\$400.1	\$944.4
Cost of Sales.....	912.8	857.5	836.0	362.0	353.9	827.9
Gross Profit.....	161.8	121.8	110.2	39.9	46.2	116.5
Operating Profit(a).....	45.4	1.8	0.3	(14.9)	(5.9)	9.3
Net Income(a)(b).....	(25.1)	(54.3)	(21.3)	(26.2)	(16.3)	(11.4)
Gross Margin.....	15.1%	12.4%	11.6%	9.9%	11.5%	12.3%
Operating Margin.....	4.2	0.2	0.0	(3.7)	(1.5)	1.0
Net Margin.....	(2.3)	(5.5)	(2.3)	(6.5)	(4.1)	(1.2)

Notes:

(a) Excludes Unusual charges of \$11m in 1992 and \$61.7m in 1991.

(b) Before \$65.7m 1993 Accounting principles change.

<TABLE>
<CAPTION>

LAFARGE CORP	YEARS ENDED DECEMBER 31,			6 MONTHS ENDED JUNE 30TH		
	1990	1991	1992	1992	1993	LTM
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net Sales.....	\$1,769.6	\$1,568.8	\$1,511.2	\$625.6	\$586.2	\$1,471.8
Cost of Sales.....	1,451.2	1,344.5	1,289.4	581.2	547.4	1,255.6
Gross Profit.....	318.4	224.3	221.8	44.4	38.8	216.2
Operating Profit.....	158.8	9.6	18.9	(53.0)	(33.2)	38.7
Net Income.....	42.9	(50.4)	(37.1)	(63.0)	(50.6)	(24.7)
Gross Margin.....	18.0%	14.3%	14.7%	7.1%	6.6%	14.7%
Operating Margin.....	9.0	0.6	1.3	(8.5)	(5.7)	2.6
Net Margin.....	2.4	(3.2)	(2.5)	(10.1)	(8.6)	(1.7)

Definition: Operating Profit = Earnings before Interest and Tax -- Other Income

<TABLE>
<CAPTION>

MEDUSA CORP.	YEARS ENDED DECEMBER 31,			6 MONTHS ENDED JUNE 30TH		
	1990	1991	1992	1992	1993	LTM
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net Sales.....	\$191.8	\$173.4	\$181.8	\$ 77.5	\$ 93.7	\$1,989.0
Cost of Sales.....	149.5	142.1	149.2	65.8	78.1	161.5
Gross Profit.....	42.3	31.3	32.6	11.7	15.6	36.5
Operating Profit.....	28.0	16.8	16.9	3.3	6.0	19.6
Net Income.....	14.7	8.1	9.1	0.8	2.7	11.0
Gross Margin.....	22.1%	18.1%	17.9%	15.1%	16.6%	18.4%
Operating Margin.....	14.6	9.7	9.3	4.3	6.4	9.9
Net Margin.....	7.7	4.7	5.0	1.0	2.9	5.6

<TABLE>
<CAPTION>

SOUTHDOWN CORP.	YEARS ENDED DECEMBER 31,			6 MONTHS ENDED JUNE 30TH		
	1990	1991	1992	1992	1993	LTM
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net Sales.....	\$565.9	\$506.9	\$507.4	\$244.1	\$250.5	\$513.8
Cost of Sales.....	449.2	44.9	438.5	212.2	199.6	425.9
Gross Profit.....	116.7	62.0	68.9	31.9	50.9	87.9
Operating Profit(a).....	47.6	(15.7)	4.8	(0.1)	17.5	22.4
Net Income(a) (b).....	7.6	(49.7)	(31.5)	(14.4)	(1.8)	(18.9)
Gross Margin.....	20.6%	12.2%	13.6%	13.1%	20.3%	17.1%
Operating Margin.....	8.4	(3.1)	0.9	(0.0)	7.0	4.4
Net Margin.....	1.3	(9.8)	(6.2)	(5.9)	(0.7)	(3.7)

Notes:

(a) Excludes \$21.4m 1992 write down of environmental services assets

(b) Before \$48.5m 1993 Accounting principles change

<TABLE>
<CAPTION>

ST. LAWRENCE (CANADIAN \$)	YEARS ENDED DECEMBER 31,			6 MONTHS ENDED JUNE 30TH		
	1990	1991	1992	1992	1993	LTM
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net Sales.....	\$629.9	\$504.5	\$467.1	\$179.7	\$189.0	\$476.4
Cost of Sales.....	490	381.4	378.1	143.7	148.7	383.1
Gross Profit.....	139.9	123.1	89.0	36.0	40.3	93.3
Operating Profit.....	41.3	(8.5)	(46.6)	(29.3)	(21.6)	(38.9)
Net Income.....	24.2	(5.7)	(39.9)	(19.7)	(13.8)	(34.0)
Gross Margin.....	22.2%	24.4%	19.1%	20.0%	21.3%	19.6%
Operating Margin.....	6.6	(1.7)	(10.0)	(16.3)	(11.4)	(8.2)
Net Margin.....	3.8	(1.1)	(8.5)	(11.0)	(7.3)	(7.1)

ii

PRO FORMA IMPACT OF ISSUANCE OF COMMON STOCK (A) HOLNAM INC.
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	PRO FORMA FOR THE ISSUANCE OF:							
	JUNE 30, 1993		\$150M COMMON STOCK		\$200M COMMON STOCK		\$200M COMMON STOCK	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Cash and Equivalents.....	\$4,211		\$4,211		\$4,221		\$4,211	
Capitalization								
Short Term Debt.....	\$20,846	1.7%	\$20,846	1.7%	\$20,846	1.7%	\$20,846	1.7%
Long Term Debt.....	700,765	57.4	550,765	45.1	500,765	41.0	450,765	36.9
Total Debt.....	721,611	57.7	571,611	46.8	521,611	42.7	471,611	38.6
Shareholders' Equity								
Minority Interests.....	115,281	9.4	115,281	9.4	115,281	9.4	115,281	9.4
Preferred Stock.....	30,000	2.5	30,000	2.5	30,000	2.5	30,000	2.5
Common Equity.....	353,453	29.0	503,453	41.3	553,453	45.4	603,453	49.4
Total Shareholders' Equity.....	498,734	40.9	648,734	53.2	698,734	57.3	748,734	61.4

Total Capitalization...	\$1,220,345	100.0%	\$1,220,345	100.0%	\$1,220,345	100.0%	\$1,220,345	100.0%
EBITDA/Interest Coverage (b) (c) -								
LTM.....		1.9x		2.3x		2.5x		2.7x
Debt to Total Capitalization %.....								
		59.1%		46.8%		42.7%		38.6%
Common Shares Outstanding:								
Existing.....	135,300		135,300		135,300		135,300	
New Shares.....			30,000		40,000		50,000	
Total Shares Outstanding.....								
	135,300		165,300		175,300		185,300	
% of Shares Held by Holderbank.....								
	95.2		77.9		73.5		69.5	

iii

<TABLE>
<CAPTION>

	FULL YEAR NET INCOME	FULL YEAR NET INCOME	% PICKUP	FULL YEAR NET INCOME	% PICKUP	FULL YEAR NET INCOME	% PICKUP
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net Income/%Pick-up (d) (e) (f)							
-- 1993E.....	1,404	10,404	640.8	13,404	854.5	16,404	1,068.1
-- 1994E.....	36,576	45,576	24.6	48,576	32.8	51,576	41.0
-- 1995E.....	58,875	67,875	15.3	70,875	20.4	73,875	25.5
EPS/% Pickup (Dilution) (d) (e) (f)							
-- 1993E.....	0.01	0.06	506.4	0.08	636.7	0.09	752.9
-- 1994E.....	0.27	0.28	2.0	0.28	2.5	0.28	3.0
-- 1995E.....	0.44	0.41	(5.6)	0.40	(7.1)	0.40	(8.4)

(a) Assumptions:

- (1) 100% proceeds used for extant debt repayment.
- (2) Rate on extent debt (pre-tax) 6%.
- (3) 0% Tax Rate.
- (4) Shares Issued at \$5.00 as 10/8/93.
- (5) US\$ vs. C\$ exchange rate 1:1.34.

(b) Depreciation and Amortization estimated at \$80m for LTM.

(c) Excludes \$11.0m unusual charge for 1992.

(d) Assumes that St. Lawrence Cement has Net Income in 1993 of (C\$10m), in 1994 \$0m, and C\$15m in 1995.

(e) Before one time charge for accounting changes under FAS 106 in 1993.

(f) Assumes Holnam Texas L.P. has Net Income of \$8.0m in 1993, \$10.0m in 1994, \$10.0m in 1995.

[A chart appears here showing the daily common stock price history of Lafarge Corporation from 10/1/92 to 9/30/93.]

iv

PRO FORMA IMPACT OF ISSUANCE OF COMMON STOCK (A)
LAFARGE CORP (@\$18.25 PER SHARE AND .88C SPREAD)

<TABLE>
<CAPTION>

PRO FORMA FOR THE
ISSUANCE OF:

	JUNE 30, 1993		6.75M COMMON STOCK	
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)			
<S>	<C>	<C>	<C>	<C>
Cash and Equivalents.....	\$ 35,700		\$ 35,700	
Capitalization				
Short Term Debt.....	\$ 64,287	5.1%	\$ 64,287	5.1%
Long Term Debt.....	562,905	44.5	476,055	37.5
Total Debt.....	627,192	49.6	540,242	42.7
Shareholders' Equity				
Preferred Stock.....		0.0	0	0.0
Common Equity.....	637,375	50.4	724,225	57.3
Total Shareholders' Equity.....	637,375	50.4	724,225	57.3
Total Capitalization.....	\$1,264,567	100.0%	\$1,264,567	100.0%
EBITDA/Interest Coverage LTM.....		3.5x		4.0x
Debt to Total Capitalization %.....		49.6%		42.7%
Common Shares Outstanding:				
Existing.....		59,451		59,451
New Shares.....				6,750
Total Shares Outstanding.....		59,451		66,201

</TABLE>

<TABLE>
<CAPTION>

	FULL YEAR NET INCOME	FULL YEAR NET INCOME	% PICKUP
<S>	<C>	<C>	<C>
Net Income/%Pick-up			
-- 1993E.....	9,360	13,581	45.1
-- 1994E.....	49,140	53,361	8.6
EPS/%Pickup (Dilution)	EPS	EPS	%PICKUP
-- 1993E.....	0.16	0.21	30.3
-- 1994E.....	0.83	0.81	(2.5)

</TABLE>

(a) Assumptions:

- (1) 100% proceeds used for extant debt repayment.
- (2) Rate on extant debt (pre-tax) 6%.
- (3) 40% Tax Rate.
- (4) Shares Issued @ \$18.25 with 88c Spread.

EXHIBIT 6

POSITIONING THE HOLNAM 'STORY'

POSITIVE SELLING POINTS

<S>	<C>
Market Leader	Leading North American manufacturer of cement and construction materials -largest cement producer in U.S. -good geographic exposure (Midwest, Southeast, Texas)
Low Cost Producer	Cost reduction efforts have resulted in low cost position Restructuring now essentially complete -smart acquisitions -closed underperforming plants
Low Transportation Costs	Extensive networking of plant facilities
Favorable Industry Trends	Low interest rates should contribute to more construction recovery Public spending on infrastructure should increase as well Pricing should improve with high capacity utilization and low imports 'Anti-dumping' quotas in place to restrict cheap imports
Technology	Benefits from technology sharing with Holderbank

	High quality facilities
Market Timing	Well positioned for cyclical upturn Positive earnings momentum
Improving Financial Results	Positive 1993 quarterly trend Box-Crow acquisition is paying off Profitable 1994 (consolidated) expected St. Lawrence turnaround could further enhance earnings NOL shield will leverage earnings recovery

POTENTIAL INVESTOR CONCERNS

<TABLE>	<C>
<S>	<C>
Imports	Longer term exposure Impact of NAFTA?
Recent Financial Performance	Substantial recent operating losses Canada still in recession Ability of the company to pay a dividend
Leverage	Overleveraged balance sheet Limited financial flexibility
Pricing	Timing and sustainability of recovery Import protection over long term
Competitive Position	Certain plants exposed competitively - Tijeras -Seattle Waste fuels permitting outlook Completion of Denver Airport project
Relationship with Holderbank	Perception of 'bailing out'

FACTORS AFFECTING THE OFFERING

<TABLE>	<C>	<C>
<S>	<C>	<C>
Ownership Considerations	Holderbank current holdings Maximum offering size to maintain 80% ownership assuming no new purchase:	128.8 million 25.7 million

<TABLE>	<C>	<C>
<S>	<C>	<C>
Trading Characteristics	Average Monthly Trading Volume Last Month: Last 3 Months: Last Year:	201,600 shs 160,600 228,900

<TABLE>
<CAPTION>

Institutional Ownership	NUMBER OF INSTITUTIONS	PERCENT INSTITUTIONAL OWNERSHIP	AGGREGATE SHARES (MILLION)
<S>	<C>	<C>	<C>
Holnam			
June 30, 1992	20	1%	1.7
June 30, 1993	20	1	1.4
Comparable Group			
June 30, 1993			
Lafarge	47	17%	10.0
Medusa	52	51	5.6
Southdown	65	64	11.0
	--	--	-----

</TABLE>

HOLNAM INC
COMMON STOCK OWNERSHIP ANALYSIS

<TABLE>
<CAPTION>

MKT VALUE AS SHARES HELD %

INSTITUTION OF FUND	OF 10/04/93	ON 06/93	HOLDING
<S>	<C>	<C>	<C>
Wells Fargo Ins Tr Na.....	\$1,540,026	324,216	0.2%
Mellon Bank Corporation.....	1,431,270	301,320	0.2%
California State Teachers Retirement Sys.....	646,964	136,203	0.1%
Fidelity Mgmt & Res Corp.....	592,515	124,740	0.1%
Chase Manhattan Corporation.....	402,054	84,643	0.1%
Hancock John Mutual Life.....	340,190	71,619	0.1%
Travelers Corporation.....	237,500	50,000	0.0%
Vanguard Index-Extnd Mkt.....	217,883	45,870	0.0%
Invista Capital Mgmt Inc.....	201,595	42,441	0.0%
Nothwestern Mutual Life Insurance Co.....	201,595	42,441	0.0%
Dimensional Funds Advs.....	172,425	36,300	0.0%
Prudential Insurance Company of America.....	168,886	35,555	0.0%
Vanguard Total Stk Mkt.....	95,950	20,200	0.0%
Boston Company.....	89,300	18,800	0.0%
Vanguard Small Cap Stock.....	54,150	11,400	0.0%
First of America Bank.....	47,500	10,000	0.0%
Schwab Charles Invt Mgmt.....	44,175	9,300	0.0%
Norwest Colorado Inc.....	5,173	1,089	0.0%
Paine Webber Group.....	5,026	1,058	0.0%
Total shares, Institutional Investors.....		1,367,418	1.0%
Shares outstanding (millions).....		135.3	
Market value (millions).....		\$625	
Number of institutions.....		20	

</TABLE>

29

MEDUSA CORP

INSTITUTION OF FUND	MKT VALUE AS OF 10/04/93	SHARES HELD ON 06/93	% HOLDING
<S>	<C>	<C>	<C>
Fidelity Mgmt & Res Corp.....	\$51,430,613	1,413,900	12.9%
Capital Growth Mgmt.....	19,969,875	549,000	5.0%
College Retirement Equities Fund.....	14,073,306	386,895	3.5%
Ubs Asset Mgmt (Ny) Inc.....	10,581,488	290,900	2.6%
Babson David L & Co.....	8,722,725	239,800	2.2%
Rcm Capital Management.....	8,268,038	227,300	2.1%
Wells Fargo Inst. Tr Na.....	8,092,928	222,486	2.0%
Dimensional Fund Advs.....	7,769,700	213,600	1.9%
Lazard Freres & Co.....	7,147,688	196,500	1.8%
Pacific Mutual Life Ins.....	7,107,675	195,400	1.8%
Federated Investors Incorporated.....	6,241,950	171,600	1.6%
National City Bk/Cleveland.....	5,274,375	145,000	1.3%
Dalton Greiner Hartman.....	5,256,188	144,500	1.3%
Bankers Trust Company.....	5,093,300	140,022	1.3%
First Pacific Advisors.....	3,819,375	105,000	1.0%
Harris Associates, L.P.....	3,590,213	98,700	0.9%
Zweig Advisors Inc.....	3,357,413	92,300	0.8%
Wilshire Associates, Inc.....	2,636,787	72,489	0.7%
Frontier Capital Mgmt Co.....	2,218,875	61,000	0.6%
Mellon Bank Corporation.....	1,933,350	54,800	0.5%
Total shares, Institutional Investors.....		5,636,154	51.2%
Shares outstanding (millions).....		10.8	
Market value (millions).....		\$287	
Number of institutions.....		52	

</TABLE>

30

LAFARGE CORP

INSTITUTION OF FUND	MKT VALUE AS OF 10/04/93	SHARES HELD ON 06/93	% HOLDING
<S>	<C>	<C>	<C>
Fidelity Mgmt & Res Corp.....	\$49,265,875	2,699,500	4.5%
Scudder Stevens and Clark.....	19,075,265	1,045,220	1.8%
IG Investment Mgmt Ltd.....	15,578,200	853,600	1.4%
Mackenzie Financial Corp.....	13,083,954	716,929	1.2%
Nm Capital Mgmt Inc.....	11,056,945	605,860	1.0%
Merrill Lynch Asset Management.....	7,701,500	422,000	0.7%
Wells Fargo Inst. Tr Na.....	7,148,306	391,688	0.7%
Fisher Investments Inc.....	7,090,764	388,535	0.7%

First Bank System.....	6,215,950	340,600	0.6%
Usaa Investment Mgmt.....	5,018,750	275,000	0.5%
Wilshire Associates, Inc.....	4,254,075	233,100	0.4%
First Pacific Advisors.....	3,286,825	180,100	0.3%
Florida State Board of Administration.....	3,206,525	175,700	0.3%
Weiss Peck & Greer.....	2,974,750	163,000	0.3%
California State Teachers Retirement Sys.....	2,609,659	142,995	0.2%
Mellon Bank Corporation.....	2,600,443	142,490	0.2%
Tempest Isenhart Chafee.....	2,389,381	130,925	0.2%
State Street Resr & Mgmt.....	2,175,400	119,200	0.2%
Capital Research & Management.....	2,098,750	115,000	0.2%
Fondis.....	1,825,000	100,000	0.2%
Total shares, Institutional Investors.....		10,039,519	16.9%
Shares outstanding (millions).....		59.5	
Market value (millions).....		\$952	
Number of institutions.....		47	

</TABLE>

31

SOUTHDOWN INC

<TABLE>
<CAPTION>

INSTITUTION OF FUND	MKT VALUE AS OF 10/04/93	SHARES HELD ON 06/93	% HOLDING
<S>	<C>	<C>	<C>
Blum, Richard C & Assocs.....	\$57,317,300	2,363,600	13.9%
Newsouth Capital Mgmt.....	48,173,353	1,986,530	11.7%
Fidelity Mgmt & Res Corp.....	23,862,000	984,000	5.8%
Gamco Investors.....	13,394,900	552,367	3.2%
Wells Fargo Inst. Tr Na.....	12,159,096	501,406	2.9%
Dimensional Fund Advs.....	11,660,855	480,860	2.8%
College Retirement Equities Fund.....	8,377,745	345,474	2.0%
Connor Clark & Co. Ltd.....	7,946,725	327,700	1.9%
Scudder Stevens and Clark.....	7,726,050	318,600	1.9%
Beutel Goodman Cap Ltd.....	6,068,750	251,000	1.5%
Babson David L & Co.....	5,778,775	238,300	1.4%
Calif Public Employee Retirement.....	4,597,800	189,600	1.1%
California State Teachers Retirement Sys.....	4,119,251	169,866	1.0%
Gruman Corp. Pension Fd.....	4,081,275	168,300	1.0%
Harris Bankcorporation.....	3,938,200	162,400	1.0%
Kahn Brothers & Co Inc.....	3,304,063	136,250	0.8%
Bankers Trust Company.....	3,200,709	131,988	0.8%
Prudential Corp Plc.....	2,985,175	123,100	0.7%
Fisher Investments Inc.....	2,779,050	114,600	0.7%
State Street Boston Corporation.....	2,136,425	88,100	0.5%
Total Shares, Institutional Investors.....		10,984,866	64.6%
Shares outstanding (millions).....		\$116.9	
Market value (millions).....		\$272	
Number of institutions.....		65	

</TABLE>

32

SUMMARY OF WALL STREET ANALYSTS' VIEWS
ON THE CEMENT INDUSTRY

MARCH 9TH, 1993, ANALYST; J. GOLDFARB, MERRILL LYNCH ON 'THE CEMENT INDUSTRY'
I BELIEVED MARKET WAS ABOUT TO ENTER UPTURN; BUT THAT IT WAS TOO EARLY TO
RECOMMEND PURCHASE OF STOCK, DUE TO UNCERTAINTIES OVER PRICE INCREASES AND
TIMING OF DEMAND INCREASES.

II INDUSTRY FUNDAMENTALS STRONG IN THE MID 1990'S AS:

(i) Tightening of supply and demand; Demand on an upward sloping trendline
but capacity on a slow secular decline.

(ii) Anti-dumping ruling from the International Trade Commission, should
prevent a repeat of the 1980's, where imports held prices down.

(iii) U.S. cement prices to increase to world market levels.

(iv) Companies with substantial operating leverages, coupled with higher
prices and volumes, should lead to dramatic increased in earnings and returns.

JUNE 2ND 1993, ANALYST; H. CASTILLO, MORGAN STANLEY ON LAFARGE CORPORATION
I PREDICTS CYCLICAL UPTURN IN INDUSTRY:

(i) Industry capacity utilization at 91%, a 21 year high, and almost no new

capacity being built; supply and demand imbalance.

(ii) Prices have started to rise in first two quarters, and seem to have stuck.

(iii) Imports from exceptionally low cost countries have been effectively blocked by anti-dumping actions, while cement prices in neighbouring Mexico and Canada are already higher.

(iv) Growth in housing starts predicted.

33

SUMMARY OF WALL STREET ANALYSTS'
VIEWS ON THE CEMENT INDUSTRY

II LAFARGE WELL POSITIONED (PLACED ON MORGAN STANLEY'S RECOMMENDED LIST)

(i) Low transportation costs; Lafarge benefits from a network of plants and waterway distribution facilities across the Great Lakes region and the central U.S.

(ii) Excess capacity through its Canadian operations, coupled with a good distribution network, should allow it to gain market share as others are unable to raise production to meet demand.

(iii) Lower cost producer in the industry; the company has increased its use of waste fuels to cut energy costs, shed isolated or unprofitable assets, and increased productivity.

AUGUST 8TH 1993, ANALYST; J. SHIRY, MCDONALD & COMPANY ON MEDUSA CORP.

I BELIEVED STOCK WAS FULLY VALUED AFTER ITS RECENT RUN-UP IN PRICE. DOWNGRADED THE COMPANY FROM A LONG-TERM BUY TO HOLD.

II INDUSTRY FUNDAMENTALS GOOD WITH PREDICTED SUPPLY AND DEMAND IMBALANCES.

34

EXHIBIT 7

Successful Execution:
Stages of a Public Offering

- Structuring the Offering
- Creating the Investment Story
- Targeting the Appropriate Investors
- Marketing the Offering
- Pricing and Allocation
- Aftermarket Support: Research and Trading

35

STRUCTURING THE OFFERING

A wide array of issues must be carefully addressed when structuring the offering:

- Use of proceeds
- Mix of primary v. secondary shares
- Dividend policy
- Size of offering
- Green shoe (over-allotment option)
- Lock-up agreements
- Employee benefit plans, charter amendments, etc.
- Stock option and employee awards

36

CREATING THE INVESTMENT STORY

Develop key selling points highlighting business strengths and future opportunities

Prepare Prospectus to serve as marketing platform

Prepare Roadshow presentation including formal remarks, audio-visual materials and responses to likely questions

Position Holnam to communicate the strengths of the Company and the unique

investment opportunity that Holnam offers

Create expectations for future performance that are realistic and sustainable

Begin a positive and constructive dialogue between Holnam management and prospective investors

37

TARGETING THE APPROPRIATE INVESTORS

Target a broad range of high quality long-term investors

Specifically identify major institutional investors who can provide leadership and momentum for the transaction

Focus in particular upon one-on-one meetings to provide core orders

Utilize different distribution channels to access distinct types of investors

-Domestic institutional demand through managers' institutional sales force(s)

-International demand through separate overseas syndicate

-Retail (including high net worth individual investors) through sales forces of both managers and syndicate members

Develop on-going aftermarket demand for Holnam shares by reaching a broad group of potential investors and creating 'scarcity value' for the shares

38

MARKETING THE OFFERING

Marketing process begins with internal conference calls and presentations to managers' sales forces

Internal sales memos highlight and reinforce key selling points

Research analyst plans key role in 'warming-up' potential investors to promote their attendance at roadshow meetings

Roadshow presentation is the key event in the marketing process

Most important institutional orders will be generated through one-on-one meetings and conference calls with management

Lead Manager must determine real size and quality of each order in order to ensure allocation of shares to the best quality orders

39

PRICING AND ALLOCATION

Pricing is determined by assessing the strength and quality of investor demand and investors' return objectives and valuation criteria.

It is critical to price shares at a level which allows them to trade up in the immediate aftermarket.

Developing demand well in excess of the offering size is required to ensure a good aftermarket.

The Lead Manager must determine the real size and quality of each order to ensure the allocation of shares to the best investors.

Among institutional investors, key allocation criteria will include attendance at roadshow meetings (especially one-on-ones), ownership of comparable companies, commitment to Holnam and size of investment position required.

The Lead Manager is also responsible for determining allocations between the domestic and international tranches and to each syndicate member in each tranche.

40

Goldman Sachs will plan an active role in the after market support of Holnam.

A well executed offering will build the foundation for a strong aftermarket.

The Lead Manager must ensure liquidity for Holnam shares by maintaining a strong trading presence.

A goal of the offering would be to promote active research coverage of Holnam.

The Lead Manager should work in concert with management in the development of an investor relations program.

The offering will be the beginning of a long-term relationship between Holnam and its investors.

EXHIBIT 8

GOLDMAN SACHS' EQUITY SALES AND DISTRIBUTION CAPABILITIES

<TABLE>	
<S>	<C>
Broad Penetration	Approximately 103,000 institutional and private client accounts
	Approximately one third of sales volume occurs in transactions with private client base
Productive Sales Force	Over 450 institutional and private client salespeople
	Our salespeople are nearly four times as productive as the industry average
	75% have advanced degrees
Strong Distribution	Sold over 50% of shares of lead-managed equity issues sized \$100 million or greater during the last three years
	Sold over 75% of shares of sole-managed equity offerings of \$100 million or greater during the last three years
Worldwide Breadth	Over 120 international sales professionals
	Offices in New York, London, Frankfurt, Zurich, Tokyo, Hong Kong and Singapore
Worldwide Trading Presence	One of only 10 U.S. members of Tokyo Stock Exchange, also member of London and Frankfurt Stock Exchanges
	11 international specialist traders
	Market maker in over 2,000 equity and equity related securities
</TABLE>	

GOLDMAN SACHS' DISTRIBUTION NETWORK

Total Worldwide Sales Force: 216 Institutional Sales, 261 Private Client Services

<TABLE>	
<S>	<C>
Chicago	22 Institutional Sales 29 Private Client Services
Memphis	15 Private Client Services
San Francisco	6 Institutional Sales 23 Private Client Services
Los Angeles	6 Institutional Sales 23 Private Client Services
Dallas	15 Private Client Services
Houston	17 Private Client Services
Miami	16 Private Client Services
New York	55 Institutional Sales 47 Private Client Services
Boston	8 Institutional Sales 16 Private Client Services
Philadelphia	18 Private Client Services
Zurich	3 Institutional Sales 7 Private Client Services
Singapore	6 Private Client Services
Hong Kong	3 Institutional Sales 6 Private Client Services
Tokyo	42 Institutional Sales
Frankfurt	5 Institutional Sales 5 Private Client Services

</TABLE>

[A world map is also included on this page]

GOLDMAN SACHS PRIVATE CLIENT SALESFORCE

In addition to a preeminent institutional salesforce, Goldman Sachs has a unique and powerful private client salesforce.

Philosophy of asset allocation with a long-term view

Typical role of sole broker and 'financial headquarters' for private clients, allowing for unmatched control in placement of equity offerings

Approximately 260 salespeople in 10 domestic and 5 foreign offices, 75% holding advanced degrees

Client base consisting of individuals with average assets of \$20-25 million and small institutions

Broad geographic coverage

'Productivity' per salesperson over 4 times Security Industry Association average (as measured by total gross credits)

Average order on underwritings approximately 5,000 shares, versus 'Street' retail average of approximately 500 shares

Average of 25% of lead managed equity offerings placed with our private clients

1993 INSTITUTIONAL INVESTORS
SURVEY RANKING

Institutional Investors clearly consider Goldman Sachs their best equity service provider

BEST
EQUITY MARKET SERVICE

<TABLE>
<CAPTION>

	FIRM	POINTS
<S>	<C>	<C>
1.	Goldman Sachs.....	156
2.	Merrill Lynch.....	129
3.	Morgan Stanley.....	61
4.	Smith Barney, Harris Upham.....	51
5.	Donaldson Lufkin & Jenrette.....	45

</TABLE>

BEST
EQUITY RESEARCH

<TABLE>
<CAPTION>

	FIRM	POINTS
<S>	<C>	<C>
1.	Goldman Sachs.....	129
2.	Merrill Lynch.....	109
3.	Morgan Stanley.....	60
4.	Donaldson Lufkin & Jenrette.....	56
5.	PaineWebber.....	45

</TABLE>

BEST
IPOS AND SERVICES

<TABLE>
<CAPTION>

	FIRM	POINTS
<S>	<C>	<C>
1.	Merrill Lynch.....	100
2.	Goldman Sachs.....	83
3.	Alex Brown & Sons.....	51
4.	Morgan Stanley.....	44

MOST EFFECTIVE
 EXECUTION AND BLOCK TRADES

<TABLE>
 <CAPTION>

FIRM		POINTS
<S>	<C>	<C>
1.	Goldman Sachs.....	171
2.	Merrill Lynch.....	110
3.	Morgan Stanley.....	66
4.	Salomon Brothers.....	49
5.	Bear Stearns.....	38

</TABLE>

BEST
 SERVICE OVERALL

<TABLE>
 <CAPTION>

FIRM		POINTS
<S>	<C>	<C>
1.	Goldman Sachs.....	168
2.	Merrill Lynch.....	162
3.	Morgan Stanley.....	60
4.	Shearson Lehman Brothers.....	56
5.	Smith Barney, Harris Upham.....	54

</TABLE>

Source: Financial World magazine, March 16, 1993, survey of 150 Chief Investment Officers.

1993 CFO SURVEY RANKINGS

Goldman Sachs is the clear favorite of corporate CFOs, placing first in 11 of 22 categories overall, and second in 7

BEST SERVICE IN
 EQUITY UNDERWRITING

<TABLE>
 <CAPTION>

FIRM		POINTS
<S>	<C>	<C>
1.	Goldman Sachs.....	190
2.	Merrill Lynch.....	156
3.	Morgan Stanley.....	68
4.	First Boston.....	36
5.	Shearson Lehman Brothers.....	30

</TABLE>

BEST
 EQUITY RESEARCH

<TABLE>
 <CAPTION>

FIRM		POINTS
<S>	<C>	<C>
1.	Goldman Sachs.....	150
2.	Merrill Lynch.....	121
3.	Morgan Stanley.....	48
4.	First Boston.....	47
5.	Salomon Brothers.....	40

</TABLE>

BEST
 EQUITY MARKET SERVICE

<TABLE>
 <CAPTION>

FIRM		POINTS
<S>	<C>	<C>
1.	Goldman Sachs.....	97
2.	Merrill Lynch.....	77
3.	J.P. Morgan.....	32
4.	First Boston.....	28

Source: Financial World magazine, March 16, 1993, survey of 150 Chief Financial Officers.

BEST
 SERVICE OVERALL

<TABLE>
 <CAPTION>

FIRM		POINTS
<S>	<C>	<C>
1.	Goldman Sachs.....	185
2.	Merrill Lynch.....	129
3.	First Boston (tie).....	59
	J.P Morgan (tie).....	59
4.	Morgan Stanley.....	55

</TABLE>

BEST SERVICE IN UNDERWRING
 INVESTMENT-GRADE DEBT

<TABLE>
 <CAPTION>

FIRM		POINTS
<S>	<C>	<C>
1.	Goldman Sachs.....	150
2.	Merrill Lynch.....	127
3.	Salomon Brothers.....	100
4.	Morgan Stanley.....	63
5.	First Boston.....	48

</TABLE>

BEST SERVICE IN
 MERGERS AND ACQUISITIONS

<TABLE>
 <CAPTION>

FIRM		POINTS
<S>	<C>	<C>
1.	Goldman Sachs.....	139
2.	Morgan Stanley.....	74
3.	First Boston.....	53
4.	Merrill Lynch.....	50
5.	J.P. Morgan.....	37

</TABLE>

Source: Financial World magazine, March 16, 1993, survey of 150 Chief Financial Officers.

EUROMONEY INTERNATIONAL CAPITAL MARKETS RATINGS

'It is hard to find an area of the international capital markets in which Goldman is not a major player. It is the top ranked international equity house.'

<TABLE>
 <CAPTION>

BANK	RATING	TREND
<S>	<C>	<C>
Goldman Sachs.....	*****	
Merrill Lynch.....	*****	
Lehman Brothers.....	****	
CS First Boston.....	****	
Morgan Stanley.....	****	
Salomon Brothers.....	*** 1/2	

</TABLE>

- ***** A leading house in all markets
- **** A major player, but with significant areas of weaknesses
- *** Medium-ranking player in major markets with strong niches
- ** A weaker house with some strengths in particular niches
- * A participant in some markets but with no areas of leadership

Source: January 1993 Euromoney

[Four charts appear here.

The first shows the leading managers of common stock offerings for January 1, 1993 -- June 30, 1993 with Goldman Sachs leading at 19.7%.

The second shows the leading managers of common stock offerings for 1988 -- 1992 with Goldman Sachs leading at 24.9%.

The third shows the leading managers of initial public offerings for January 1, 1993 -- June 30, 1993 with Goldman Sachs leading at 17.5%.

The fourth shows the leading managers of IPOs for 1988 -- 1992 with Goldman Sachs leading at 28.6%.]

Presentation to
'Holderbank'

Equity Strategy Advisory Assignment

November 15, 1993

[LOGO] Merrill Lynch 'HolderBank'
1

Executive Summary

Background to Merrill Lynch Financial Advisory Assignment

Holderbank's Considerations

- [] Benefits of Holman 'IPO'
[] Buy-out of St. Lawrence
minorities with Holnam shares

Merrill Lynch's Credentials

- [] Global cement research capability
[] Experience with Holderbank
[] World leader in equity activities

Specific Merrill Lynch Assignment

- [] Analyze Holnam 'IPO' proposal
[] Consider Holnam alternatives
[] Consider St. Lawrence alternatives

[LOGO] Merrill Lynch 'HolderBank'
2

Executive Summary

Assignment Overview

<TABLE>
<S> <C>

Holderbank's	[] Maximize Holderbank's share valuation					
Long-term	[] Maximize financing efficiency -- Minimize costs					
Objectives	-- Optimize access to cash flows					
	[] Optimize management's control of subsidiaries					
Merrill Lynch's	[] Advise Holderbank in adopting the appropriate equity strategy to ensure					
Assignment	Holderbank's long-term objectives					
Objectives						
US/Canadian	Holnam	I	II	III	IV	V
Alternatives	St. Lawrence	'IPO'	'IPO'	Status Quo	Squeeze-out	Squeeze-out
		Status Quo	Buy-out	Status Quo	Buy-out	Status Quo
			with shares		with cash	

</TABLE>

[LOGO] Merrill Lynch 'HolderBank'
3

Analysis Procedures

Summary

Expert Participants

- [] Holderbank/Holnam
[] Merrill Lynch (US/Europe/Canada)
Corporate Finance
Mergers and Acquisitions
Research
[] Shearman & Sterling
[] Dewe Rogerson

Information Review

[] Internal
 Holnam 1993-1995 Strategic Plan
 St. Lawrence 1993 Budget
 US 'IPO' Presentation and Memo

[] External
 Merrill Lynch Research
 Competitor Data

 [LOGO] Merrill Lynch 'HolderBank'
 4

Analysis Presentation

 Summary

<TABLE>
 <S> <C>
 Subsidiary [] St. Lawrence
 Analysis [] Holnam
 Alternatives [] Holderbank
 Analysis
 Competitor [] Lafarge Coppee Case Study
 Analysis [] Holderbank Relative Equity Valuation
 [] Merrill Lynch Recommendations
 </TABLE>

 [LOGO] Merrill Lynch 'HolderBank'
 5

Holderbank Alternatives

 Free Cash Flow Analysis

<TABLE>
 <CAPTION>
 <S> <C> <C> <C> Alternative <C> <C> <C>
 I II III IV V
 Holderbank US\$71mm+ US\$71mm+ US\$71mm+ US\$290 mm US\$ 268mm +
 Economics Cumulative Holnam Holnam Holnam St. Lawrence
 1994-1997 Free Cash Flow Dividends Dividends Dividends US\$290 mm Dividends
 Cumulative Net US\$71mm+ US\$71mm+ US\$221 mm+
 Free Cash Flow Holnam Holnam St. Lawrence
 Dividends Dividends Dividends US\$79 mm Dividends
 Holderbank Free Cash Flow Holnam Holnam Holnam Annual Free Annual Free
 Economics Beyond 1997 Dividends Dividends Dividends Cash Flow Cash Flow
 1997: 1997:
 US\$119 mm US\$90 mm
 </TABLE>

(1) Assumes repayment of acquisition debts (Holnam:US\$47mm and St. Lawrence: US\$164mm).

(2) Assumes repayment of acquisition debtr (Holnam: US\$47 mm).

 [LOGO] Merrill Lynch 'HolderBank'
 6

Holderbank Alternatives

 Qualitative Analysis of Most Efficient Alternative-Alternative IV

<TABLE> <C>
 <S>
 Principal Advantages [] Ensure complete management control in US and Canada
 [] Eliminate ongoing shareholder litigation concerns
 [] Confirm to all investors that Holderbank is the 'flagship'
 [] Confirm to all investors that Holderbank is an industrial group and not a portfolio holding company

[] Position Holderbank to US investors as the principal worldwide cement play

Principal Disadvantages

[] Could limit entrepreneurship of subsidiary management
 [] Eliminate stock market feedback of subsidiaries
 [] Temporary increase in leverage

</TABLE>

[LOGO] Merrill Lynch

7

'HolderBank'

Holderbank Alternatives

Portfolio Company Discount Concerns

<TABLE>

<CAPTION>

<S>

Company/Group

<C>

Discount

[] Compagnie Financiere de Suez	-33%
[] SPEP	-24%
[] Industrivarden	-30%
[] US Closed-End Funds	-5%

</TABLE>

[LOGO] Merrill Lynch

8

'HolderBank'

Lafarge Coppee Case Study

Overview

<TABLE>

<S>

<C>

Background	[] Lafarge Coppee has bought out minorities where possible
	[] Lafarge Corp. minority (pre-float): US\$ 480 million (45%)
	[] Lafarge Corp. needed funds for operations and acquisitions
Actions	[] Issue US\$ 105 million of Lafarge Corp. primary shares
	[] Lafarge Coppee subscribed for US\$ 19.25 million in additional Lafarge Corp. shares
Results	[] Lafarge Corp. offering extremely well received
	[] Lafarge Coppee has underperformed significantly both Lafarge Corp. and Holderbank

</TABLE>

[LOGO] Merrill Lynch

9

'HolderBank'

Lafarge Coppee Case Study

Holnam 'IPO' Considerations

<TABLE>

<S>

<C>

Holnam Perspective	[] 'IPO' would be very well received
	[] Use of proceeds will be a concern
	[] Increased public shareholder responsibility
Holderbank Perspective	[] Weaken Holderbank's position as a global cement play
	[] Would draw investors out of Holderbank by providing alternatives to play the 'hot' US story
	[] Would dilute Holderbank's perception as a management/operating company
	[] Very difficult to reverse

</TABLE>

Holderbank Equity Valuation

Principal Reasons for Holderbank Discount to Lafarge Coppee

<TABLE> <CAPTION> <S>	<C>
Investor Issues	[] Lack of interim reporting [] Less developed investor relations program [] Less diverse international shareholder base
Structural Issues	[] No control premium

</TABLE>

Holderbank Equity Valuation

Recommended Actions

<TABLE> <S>	<C>
Investor Relations	[] Implement interim reporting [] Discontinue provisions of estimates and preliminary results [] Provide information packages on significant actions [] Expand mailing lists [] Increase annual events [] Increase IR resources
Shareholder Base	[] Diversify to new investors (US/Europe)
Structural	[] Optimize control of subsidiaries

</TABLE>

Merrill Lynch Recommendations

Summary

<TABLE> <S>	<C>
Actions	[] Squeeze out Holnam minority [] Buy out St. Lawrence minority [] Increase resources for Holderbank investor relations
Principal Results	[] Enhance Holderbank's overall share valuation [] Ensure full access to US and Canadian cash flows [] Focus investors on Holderbank as core global cement investment [] Preserve Holderbank's operating/management company image

</TABLE>

Procedural Issues

Holnam Squeeze-Out

<TABLE> <S>	<C>
Recommended Approach Necessary	[] Short form merger (Delaware law) [] 100% certainty of completion [] No shareholder approval necessary [] Corporate Steps resolution and announcement [] Disclosure/fiduciary obligations [] Independent fairness opinion

Timing
</TABLE>

- Shareholder's rights for fair value
- 10-12 weeks from preliminary decision date

[LOGO] Merrill Lynch

14

'HolderBank'

PRESENTATION TO THE EXECUTIVE COMMITTEE OF
[LOGO]HOLDERBANK

[LOGO]MERRILL LYNCH

PRESENTATION TO THE EXECUTIVE COMMITTEE OF
[LOGO]HOLDERBANK

JANUARY 1994

[LOGO]MERRILL LYNCH

PROJECT CROSSROADS

TABLE OF CONTENTS

A. LIST OF MATERIALS REVIEWED

B. EXECUTIVE SUMMARY

C. COMPANY PROFILES AND VALUATION CONSIDERATIONS

Holnam, Inc

Holnam Operations

Valuation Considerations: Holnam Operations

St. Lawrence Cement

Valuation Considerations: St. Lawrence Cement

US and Canadian Cement Industry Characteristics

D. VALUATION ANALYSIS

Valuation Summary

Valuation Holnam Operations

Valuation St. Lawrence

Valuation Net Operating Losses

E. HISTORICAL AND PROJECTED FINANCIAL STATEMENTS, PROJECTION ASSUMPTIONS AND
FINANCIAL ANALYSIS

Holnam Operations

St. Lawrence

F. CASE STUDIES: RECENT ACQUISITIONS IN THE CEMENT INDUSTRY

G. GLOSSARY

[LOGO]MERRILL LYNCH

[LOGO]HOLDERBANK

A

PROJECT CROSSROADS

LIST OF MATERIALS REVIEWED

GENERAL INDUSTRY INFORMATION

Merrill Lynch Research Reports ('The Cement Industry' -- September 1, 1993)

'The Monitor' -- a monthly analysis of trends in the Construction and
Cement Industry by the Portland Cement Association -- U.S. and Canada
editions (October 1993)

HOLNAM, INC.

Stock Price data and trading volumes

10K: Dec - 92, Dec - 91

10Q: March 1991 (September 1993)

Annual Reports: 1990 - 1992
Proxy Statement and Prospectus for the Merger
between 'Ideal Basic Industries Inc.' and 'Holnam, Inc.'

Holnam Operations 1993 - 1995 Strategic Plan (April 1993)

Holnam Operations 1994 Preliminary Draft Profit Plan (December 20, 1993)

ST. LAWRENCE CEMENT INC.

Stock Price data and trading volumes

Annual Reports: 1983 - 1992
St. Lawrence Five-Year Plan
1994 - 1998 - (December 29, 1993)

St. Lawrence 1993 Budget - (January 1993)

[LOGO]MERRILL LYNCH

[LOGO]HOLDERBANK

B

C

PROJECT CROSSROADS

COMPANY PROFILE -- HOLNAM, INC.

Holnam, Inc. ('Holnam') through Holdernam Inc., is a 95.2% owned subsidiary of Holderbank Financiere Glaris AG.

Holnam is listed on the New York Stock Exchange and 4.8% of its shares are widely held.

Holnam directly operates 14 cement manufacturing plants in the United States ('Holnam Operations') and owns 59.5% of the outstanding shares of St. Lawrence Cement, a Montreal-based cement and building materials company which is listed on the Toronto and Montreal Stock Exchanges.

Holnam Operations and St. Lawrence Cement are two distinct operating units with separate management and separate internal reporting systems. Both units are fully consolidated under Holnam, Inc. for financial reporting purposes.

As a result of a series of mergers, acquisitions and disposals and several years of operating losses, Holnam has accumulated net operating loss carry forwards ('NOLs') in the amount of \$484 million.

[LOGO]MERRILL LYNCH

[LOGO]HOLDERBANK

PROJECT CROSSROADS

PROFILE -- HOLNAM OPERATIONS

Holnam Operations is the leading cement manufacturer in the United States with an estimated overall market share of 12.5% in 1993.

The unit's total manufacturing capacity at the end of 1993 amounted to 11,225 million short tons (s.t.) divided among 14 plants located throughout the United States with the exception of the North East.

In 1993, cement accounted for 95% of Holnam Operations' total sales, the balance consisted of other building material and waste management activities.

Holnam Operations' marketing efforts are organized into three geographic divisions: South East, Central and West, accounting for 26%, 34% and 40% of volume sales, respectively.

The West Division was strengthened by the acquisition of a modern cement plant in Texas in May, 1993. The plant has a cement manufacturing capacity of 1 million s.t. per year.

Holnam Operations also operates 78 cement distribution terminals.

[LOGO]MERRILL LYNCH

[LOGO]HOLDERBANK

PROJECT CROSSROADS

PROFILE -- HOLNAM OPERATIONS

<TABLE>
<CAPTION>

CAPACITY

SUBSTANTIALLY

PLANT	STATE	('000 S.T.)	PROCESS	BUILT	REFURBISHED/ EXTENDED	OWNED	LEASED
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
ADA	Oklahoma	610	Wet	1959	--	[x]	
Artesia	Mississippi	525	Wet	1934	--	[x]	
Clarkesville	Missouri	1,400	Wet	1967	--	[x]	
Devil's Slide	Utah	350	Wet	1948	--	[x]	
Dundee	Michigan	1,070	Wet	1959	--	[x]	
F. Collins	Colorado	460	Dry	1981	1990	[x]	
Holly Hill	South Carolina	1,200	Wet	1966	1973	[x]	
Mason City	Iowa	900	Dry	1966	1975	[x]	
Midlothian	Texas	1,000	Dry	1986	--	[x]	
Portland	Colorado	885	Wet	1947	1974	[x]	
Seattle	Washington	490	Wet	1967	--	[x]	
Theodore	Alabama	1,500	Dry	1981	--	[x]	
Tijeras	New Mexico	505	Dry	1959	1980		[x]
Trident	Montana	330	Wet	1973	--	[x]	

[LOGO]MERRILL LYNCH

[LOGO]HOLDERBANK

PROJECT CROSSROADS

VALUATION CONSIDERATIONS: CHARACTERISTICS OF HOLNAM OPERATIONS

Holnam Operations expects to produce near its maximum capacity of approx. 11.225 million s. t. per year from 1994 to 1997 in line with the industry trend.

Management expects that Holnam Operations will be able to increase its prices through 1997 at least in line with the industry trend. Holnam Operations has no long term delivery commitments at below-market prices and has achieved a recent improvement in its customer mix towards more higher price accounts.

Due to capacity constraints Holnam will have to acquire additional cement quantities in the market place which will be resold to Holnam customers. However, it is expected that Holnam Operations will not generate significant profits or losses from this additional business.

In 1991 Holnam Operations began a cost reduction program aiming to achieve \$50 million of cost savings on a volume and inflation-adjusted basis by 1994. Approximately \$30 million of savings have already been achieved by 1993. The average costs of sales per ton of cement have decreased from \$47.07 in 1991 to \$45.55 in 1993 and are expected to fall to \$44.93 in 1994.

Holnam Operations' fixed asset base is comparatively old: out of 14 plants, 4 were built or substantially refurbished in the past 15 years, the balance dates back to between 1947 and 1975.

Approximately 40% of Holnam Operations' current cement production is based on the more efficient dry manufacturing process as compared to a US industry average of 69%.

[LOGO]MERRILL LYNCH

[LOGO]HOLDERBANK

PROJECT CROSSROADS

VALUATION CONSIDERATIONS: CHARACTERISTICS OF HOLNAM OPERATIONS (CONT'D)

Three out of fourteen plants have permits to use waste-derived fuels, two further plants have applications for waste fuel permits pending.

Holnam Operations' management expects that the company will either have to make substantial investments in its fixed assets or suffer a reduction in margins as the company becomes less competitive.

For purposes of this valuation it has been assumed that Holnam Operations will have to invest \$50 million per year (in addition to its usual maintenance investments of \$50 million) as of 1997 to remain profitable over the period of the forthcoming cycle through 2002.

[LOGO]MERRILL LYNCH

[LOGO]HOLDERBANK

PROJECT CROSSROADS

PROFILE -- ST. LAWRENCE CEMENT

St. Lawrence Cement ('St. Lawrence') is a vertically integrated manufacturer of building products including cement, aggregates and concrete and, in addition, has two construction companies.

Cement represents the largest division within St. Lawrence accounting for

42% of sales in 1993, the Aggregate, Concrete and Construction/Other Divisions accounted for 10%, 25% and 23% respectively.

St. Lawrence operates three cement plants in Canada with a total capacity of 3 million metric tons (m.t.) and two cement plants in the North Eastern United States with a total capacity of 1.15 million s.t., as well as 14 cement distribution terminals in Canada and 13 cement distribution terminals in the United States.

St. Lawrence's cement marketing activities are divided into three geographic divisions, Ontario, Quebec/Maritimes and USA accounting for 20%, 20% and 49% of volume sales, respectively. The remaining 11% are sold in other markets and to special projects.

The company is a cement market leader in Ontario with a 30% market share and in Quebec with a 40% market share and has a strong position in the relevant regional market in the United States with a 14% market share.

St. Lawrence also operates 56 ready-mix plants, 665 ready-mix trucks, 20 quarries and sandpits and two construction operations with facilities in Montreal, Quebec and Oakville, Ontario.

[LOGO]MERRILL LYNCH [LOGO]HOLDERBANK

PROJECT CROSSROADS

PROFILE -- ST. LAWRENCE CEMENT

<TABLE>
<CAPTION>

PLANT	PROVINCE/STATE	CAPACITY ('000 TONS)	PROCESS	OWNED
<S>	<C>	<C>	<C>	<C>
Mississauga	Ontario	1,300 (m.t.)	Dry	[x]
Joliette	Quebec	1,100 (m.t.)	Dry	[x]
Beauport	Quebec	600 (m.t.)	Wet	[x]
Catskill	New York	600 (s.t.)	Wet	[x]
Hagerstown	Maryland	550 (s.t.)	Dry	[x]

[LOGO]MERRILL LYNCH [LOGO]HOLDERBANK

PROJECT CROSSROADS

VALUATION CONSIDERATIONS -- CHARACTERISTICS OF ST LAWRENCE CEMENT

St Lawrence is currently experiencing improvements in its major markets and, with the US market, is expected to produce at up to 90% of capacity in 1994, up from 60% in 1993.

The company expects to fully participate in industry price increases over the next few years. Substantial cement volumes are sold to a few major projects under long term contracts which have price adjustment clauses.

St Lawrence's largest cement plant in Mississauga, Ontario, requires substantial capital expenditure (potentially Can \$75 million) over the next three years to improve environmental standards and improve cost efficiency.

The cement plant in Catskill, New York had been scheduled to close down in 1995. However, a new management team has achieved a turnaround and the plant benefits from the closure of a neighbouring competitors' plant. It is now scheduled to continue operating for at least 4-5 years.

The remaining cement plants are highly cost competitive and compare favourably with industry standards.

In 1992, St Lawrence entered a major restructuring programme which is scheduled to result in cost savings of Can \$40-50 million by 1995 on a volume and inflation -- adjusted basis. Approximately Can \$20 million are expected to be gained from non-core asset sales by 1994.

[LOGO]MERRILL LYNCH [LOGO]HOLDERBANK

PROJECT CROSSROADS

VALUATION CONSIDERATIONS: INDUSTRY CHARACTERISTICS (U.S.A.)

The US Cement Industry is a cyclical industry (approx. 10-year cycle) closely correlated to Housing Starts as a leading indicator.

The cyclical low point of the Cement Industry was reached in 1991 and the industry is now moving towards an expected peak in 1996/1997.

The last downward cycle led to a major industry consolidation eliminating many small cement companies in the market place.

The industry consolidation has eliminated overcapacity and domestic cement demand is expected to exceed domestic production capacity for several years to come.

Cement production is highly capital intensive. The addition of new domestic production capacity is unlikely at current cement price levels which do not justify the necessary capital expenditure of \$150-200 per ton of newly built capacity.

[LOGO]MERRILL LYNCH

[LOGO]HOLDERBANK

PROJECT CROSSROADS

VALUATION CONSIDERATIONS: INDUSTRY CHARACTERISTICS (U.S.A. CONT'D)

US Cement prices are expected to increase in the short-term during the up-cycle through 1996/1997. However, cement prices have declined on an inflation-adjusted basis over the past 20 years and this trend is expected to continue in the medium to long-term.

The last cyclical peak in the US cement industry attracted substantial imports keeping US price levels down. The current cycle is expected to be less affected by importers:

Overcapacity in overseas markets has been substantially reduced

Freight costs have increased

Cement price levels are substantially higher in many overseas markets

Domestic manufacturers are comparatively more efficient than during the last cycle and likely to resist competition from imports

US authorities have imposed tariffs to avoid dumping from low cost importers based in Mexico and Venezuela

Environmental legislation is critical to the cost structure of the Cement Industry in the US:

Kiln dust and SO₂ emissions from current plants are subject to stringent regulations leading to substantial capital expenditure requirements.

Enhanced cost efficiency depends largely on manufacturers' ability to utilise waste-derived fuels in the manufacturing process which is subject to increasingly strict permit procedures.

[LOGO]MERRILL LYNCH

[LOGO]HOLDERBANK

PROJECT CROSSROADS

VALUATION CONSIDERATIONS: INDUSTRY CHARACTERISTICS (CANADA)

The Canadian Cement Industry tends to be substantially more vertically integrated than the US Cement Industry. All major cement manufacturers in Canada are also involved in the concrete and aggregate businesses.

The business cycle in Canada tends to lag the United States by one year, the next peak for the cement industry is expected by 1998.

Canada traditionally exports over 1/3 of its Cement production volume into the US market but there continues to be overcapacity particularly in Quebec.

The expectations for the current up-cycle in the Canadian Cement Industry are lower than in the US due to the large Canadian federal and province budgets deficit and the lack of funds available for public spending on infrastructure projects.

[LOGO]MERRILL LYNCH

[LOGO]HOLDERBANK

HOLNAM, INC.
VALUATION SUMMARY (1)

<TABLE>
<CAPTION>

	AGGREGATE VALUE OF EQUITY			VALUE PER HOLNAM INC. SHARE		
	LAST PRICE 4/1/94	52-WEEK HIGH	52-WEEK LOW	LAST PRICE 4/1/94	52-WEEK HIGH	52-WEEK LOW
	'000 US\$ EXCEPT PER SHARE					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Stock Market Trading Values.....	970,312	1,060,076	413,771	\$ 6.75	\$ 7.38	\$ 2.88
TRADING MULTIPLE ANALYSIS HOLNAM INC.	STOCK PRICE/ 1994 E.P.S.	MARKET CAP./ 1994 EBIT	MARKET CAP./ 1994 EBITDA	STOCK PRICE/ 1994 E.P.S.	MARKET CAP./ 1994 EBIT	MARKET CAP./ 1994 EBITDA
<S>	<C>	<C>	<C>	<C>	<C>	<C>
High.....	1,061,091	1,151,374	1,224,775	\$ 7.39	\$ 8.02	\$ 8.53
Mean.....	968,896	863,472	941,850	\$ 6.75	\$ 6.01	\$ 6.56
Low.....	904,360	542,853	608,998	\$ 6.30	\$ 3.78	\$ 4.24
DISCOUNTED CASHFLOW ANALYSIS (9)	ST. LAWRENCE GOING CONCERN (2)	ST. LAWRENCE DCF VALUE (3)	ST. LAWRENCE MARKET VALUE (4)	ST. LAWRENCE GOING CONCERN (2)	ST. LAWRENCE DCF VALUE (3)	ST. LAWRENCE MARKET VALUE (4)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Base Case.....	479,189	588,000	648,963	\$ 3.34	\$ 4.09	\$ 4.52
Upside Case 1 (8)....	564,255	687,929	734,029	\$ 3.93	\$ 4.79	\$ 5.11
Upside Case 2 (8)....	649,321	802,723	819,095	\$ 4.52	\$ 5.59	\$ 5.70
ACQUISITION MULTIPLE ANALYSIS	ST. LAWRENCE GOING CONCERN (5)	ST. LAWRENCE DCF VALUE (6)	ST. LAWRENCE MARKET VALUE (7)	ST. LAWRENCE GOING CONCERN (5)	ST. LAWRENCE DCF VALUE (6)	ST. LAWRENCE MARKET VALUE (7)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
High.....	924,175	1,032,986	1,093,949	\$ 6.43	\$ 7.19	\$ 7.62
Mean.....	686,185	794,996	855,958	\$ 4.78	\$ 5.54	\$ 5.96
Low.....	396,084	504,895	565,858	\$ 2.76	\$ 3.52	\$ 3.94

</TABLE>

- - - - -

(1) Based on the assumption of conversion of Preferred PIKs and exercise of In-The-Money Options: Total number of shares outstanding: 143,623,439

(2) DCF Value of Holnam Operations using WACC (10.92%) and PV of Terminal Value applying EBIT multiple of 14.8x to 1994-2002 average EBIT+ NPV of St. Lawrence Dividends + Value of NOLs

(3) DCF Value of Holnam Operations using WACC (10.92%) and PV of Terminal Value applying EBIT multiple of 14.8x to 1994-2002 average EBIT+ 59.5% of DCF Value of St. Lawrence + Value of NOLs

(4) DCF Value of Holnam Operations using WACC (10.92%) and PV of Terminal Value applying EBIT multiple of 14.8x to 1994-2002 average EBIT+ 59.5% of Market Value of St. Lawrence (based on stockprice 5/1/94) +

(5) Imputed Equity Value of Holnam Operations based on Acquisition Comparable Analysis+ NPV of St. Lawrence Dividends + Value of NOLs

(6) Imputed Equity Value of Holnam Operations based on Acquisition Comparable Analysis+ 59.5% of DCF Value of St. Lawrence + Value of NOLs

(7) Imputed Equity Value of Holnam Operations based on Acquisition Comparables + Market Value of St. Lawrence (based on stock price 5/1/94) + Value of NOLs

(8) Upside Cases assume average cement prices to be higher than projected by Holnam Management: \$1.00/s.t. for Upside Case 1, \$3.00/s.t. for Upside Case 2

23

HOLNAM, INC.
TRADING MULTIPLE VALUATION ANALYSIS

<TABLE>
<CAPTION>

	STOCK PRICE/ 1994 E.P.S.	MARKET CAP./ 1994 EBIT	MARKET CAP./ 1994 EBITDA
	US\$ IN MILLIONS EXCEPT PER SHARE		
<S>	<C>	<C>	<C>
TRADING MULTIPLE SUMMARY			

LAFARGE CORP. (1).....	23.0x	15.7x	8.3
MEDUSA CORP. (2).....	20.4	13.1	9.7
SOUTHDOWN, INC. (3).....	19.6	9.5	6.0
ST. LAWRENCE CEMENT, INC. (4).....	103.5*	20.2*	8.5
MULTIPLE ANALYSIS			
High.....	23.0	15.7	9.7
Mean.....	21.0	12.8	8.0
Low.....	19.6	9.5	6.0
IMPUTED AGGREGATE EQUITY VALUE OF HOLNAM, INC.			
High.....	1,061.1	1,151.4	1,224.8
Mean.....	968.9	863.5	941.9
Low.....	904.4	542.9	609.0
IMPUTED VALUE PER SHARE OF HOLNAM, INC. (5)			
High.....	\$ 7.39	\$ 8.02	\$ 8.53
Mean.....	\$ 6.75	\$ 6.01	\$ 6.56
Low.....	\$ 6.30	\$ 3.78	\$ 4.24

</TABLE>

* Excluded from Multiple Analysis

- (1) Source for company data underlying multiples: Merrill Lynch & Co. equity research report dated September 2, 1993
- (2) Source for company data underlying multiples: Merrill Lynch & Co. equity research report dated October 28, 1993
- (3) Source for company data underlying multiples: Merrill Lynch & Co. equity research report dated November 2, 1993
- (4) Source for company data underlying multiples: Draft Budget of St. Lawrence dated December 29, 1993
- (5) Based on Holnam Inc. proforma EPS, EBIT and EBITDA data taking minority interests in St. Lawrence and TLP, effect of NOLs and contribution from exercise of in-the-money options into account

24

HOLNAM OPERATIONS
DISCOUNTED CASHFLOW ANALYSIS

<TABLE>

<CAPTION>

	1994	1995	1996	1997	1998
	-----	-----	-----	-----	-----
	(US\$ IN '000)				
<S>	<C>	<C>	<C>	<C>	<C>
EBIT.....	89,161	100,206	107,293	133,025	130,699
Less Taxes @ 40.0%.....	35,664	40,082	42,917	53,210	52,280
After Tax EBIT	53,497	60,123	64,376	79,815	78,419
+ Depreciation & Amortisation (2).....	27,279	42,934	49,903	52,220	56,737
+ Change in Provisions.....	6,737	6,984	7,174	7,863	7,801
- -Changes in Net Working Capital.....	(1,885)	38,167	4,065	2,475	28
- -Capital Expenditures.....	61,900	58,685	46,239	100,000	100,000
Unlevered Free Cash Flow.....	27,498	13,189	71,149	37,423	42,928

<CAPTION>

	1999	2000	2001	2002
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
EBIT.....	82,350	54,766	50,171	80,148
Less Taxes @ 40.0%.....	32,940	21,907	20,068	32,059
After Tax EBIT	49,410	32,860	30,102	48,089
+ Depreciation & Amortisation (2).....	51,085	65,326	68,322	70,122
+ Change in Provisions.....	6,506	5,767	5,644	6,447
- -Changes in Net Working Capital.....	(7,727)	(4,671)	206	6,401
- -Capital Expenditures.....	100,000	100,000	100,000	100,000
Unlevered Free Cash Flow.....	14,727	8,624	3,863	18,257

</TABLE>

PRESENT VALUE CALCULATION:

<TABLE>

<CAPTION>

	PLUS (B)	LESS (C)	= (D)
(A)	PRESENT VALUE OF TERMINAL DISCOUNTED UNLEVERED	VALUE NET DEBT	NET PRESENT VALUE OF EQUITY BASED ON AVERAGE EBIT
	BASED ON AVERAGE EBIT		

	CASH FLOWS			MULTIPLES (1)			POSITION	MULTIPLES (4)		
	DISCOUNT RATE	1994-2002	12.0	14.8	19.6		12.0	14.8	19.6	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
WACC minus 2.00%.....	8.92	% 170,007	511,692	631,087	835,763	385,350	296,349	415,744	620,421	
WACC minus 1.00%.....	9.92	% 164,311	471,287	581,254	769,769	385,350	250,248	360,215	548,730	
WACC.....	10.92	% 158,905	434,397	535,756	709,515	385,350	207,952	309,311	483,070	
WACC plus 1.00%.....	11.92	% 153,770	400,687	494,180	654,455	385,350	169,107	262,600	422,875	
WACC plus 2.00%.....	12.92	% 148,889	369,859	456,159	604,102	385,350	133,397	219,698	367,641	

SENSITIVITY ANALYSIS TO WEIGHTED AVERAGE CEMENT PRICES:

(3) MANAGEMENT PROJECTIONS FOR WEIGHTED AVERAGE CEMENT PRICES		DISCOUNT RATE (WACC)	NET PRESENT VALUE OF EQUITY BASED ON AVERAGE EBIT MULTIPLES (4)		
			12.0	14.8	19.6
<S>	<C>	<C>	<C>	<C>	<C>
plus \$0.00.....		@ 10.9%	207,952	309,311	483,070
plus \$1.00.....		@ 10.9%	282,610	394,377	585,977
plus \$2.00.....		@ 10.9%	357,269	479,443	688,885
plus \$3.00.....		@ 10.9%	431,928	564,509	791,793
plus \$4.00.....		@ 10.9%	506,586	649,576	894,700

(1) Due to cyclicity of the industry, the average EBIT over the period of the projected cycle was used as the basis for determining Terminal Value. Multiples used are average historical EBIT multiples of comparable companies over a ten-year period (Lafarge, Southdown, Medusa, 1983-1993)

(2) Tax depreciation which differs substantially from book depreciation: After years of accelerated depreciation, book depreciation is higher now higher than tax depreciation.

(3) Sensitivity Analysis assumes that cement prices are increased for each year of the projection period by the amounts shown

(4) Shaded boxes show data used in Valuation Summary

25

HOLNAM OPERATIONS
COMPARABLE TRANSACTIONS ANALYSIS

SUMMARY OF COMPARABLE TRANSACTIONS

DATE	ACQUIROR	TARGET	TRANSACTION VALUE (US\$ '000) (1)	CEMENT CAPACITY (S.T. '000)	PRICE PER UNIT (US\$/S.T.) (2)
US\$ IN '000					
<S>	<C>	<C>	<C>	<C>	<C>
May-93..	Holnam Inc.	Midlothian	91,400	1,000	\$ 91.40
Feb-93..	Medusa	Lafarge Plant	45,600	850	\$ 53.65
Feb-91..	Ssangyong	Riverside	173,000	1,700	\$ 101.76
Feb-91..	Beazer	Gifford-Hill	60,700	690	\$ 87.97
Dec-90..	Lafarge	Missouri/Davenport	147,700	2,600	\$ 56.81
Sep-89..	Cem. Mexicanos	Pacific Coast (Lone Star)	80,000	900	\$ 88.89

IMPUTED EQUITY VALUE OF HOLNAM OPERATIONS

PRICE/TON OF CAPACITY	X	CAPACITY	=	IMPUTED VALUE HOLNAM OP. CEMENT ASSETS	+
<S>	<C>	<C>	<C>	<C>	<C>
High	\$ 101.76	10,975 (3)		High	1,116,868
Mean	\$ 80.08	10,975		Mean	878,877
Low	\$ 53.65	10,975		Low	588,776

EST. VALUE OF NON-CEMENT ASSETS	-	NET DEBT	=	IMPUTED EQUITY VALUE HOLNAM OPERATIONS

<C>	<C>	<C>	<C>	<C>	<C>
22,780 (4)		385,350		High	754,298
22,780		385,350		Mean	516,307
22,780		385,350		Low	226,206
</TABLE>					

-
- (1) Transaction Value = Cash Purchase Price + Debt assumed
 - (2) Price per unit of Cement production capacity including necessary distribution facilities, working capital etc.
 - (3) Total capacity is 11.225 million tons, but due to minority interest in TLP only 10.975 million tons actually belong to Holnam Operations.
 - (4) No detailed financial data available except sales: Valued at 1994 sales multiple of 1.30x based on cement industry average multiple.

26

ST. LAWRENCE CEMENT
VALUATION TO HOLNAM SHAREHOLDERS

1. GOING CONCERN VALUE: DISCOUNTED DIVIDEND ANALYSIS

<TABLE>
<CAPTION>

PROJECTED ST. LAWRENCE DIVIDEND STREAM TO HOLNAM (5)									
	1994	1995	1996	1997	1998	1999	2000	2001	2002
	(000 US\$)								
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Average Dividend 1994 to 2002.....	9,044								
Discount rate: (2).....	16.4%								
NPV of Dividends 1994 to 2002:.....	35,457	417	1,512	9,571	12,795	12,948	12,745	13,999	9,987
NPV of Terminal Value (1).....	18,723								7,421
Discounted Dividend Value:.....	54,180								

</TABLE>

2. LIQUIDATION VALUE: DISCOUNTED CASHFLOW ANALYSIS-VALUATION OF HOLNAM STAKE

<TABLE>
<CAPTION>

	DCF VALUE OF EQUITY (3) (CAN\$ '000)	DCF VALUE OF EQUITY (4) (US\$ '000)	DCF VALUE OF HOLNAM STAKE (5)
<S>	<C>	<C>	<C>
Base Case.....	342,418	273,935	162,991
Upside Case 1 (7).....	373,644	298,915	177,854
Upside Case 2 (7).....	436,096	348,877	207,582

</TABLE>

3. LIQUIDATION VALUE: MARKET VALUE OF HOLNAM STAKE

<TABLE>
<CAPTION>

	(CAN\$ '000)	(US\$ '000)	HOLNAM STAKE (5)
<S>	<C>	<C>	<C>
Market Value at Closing Price 5/1/94:.....	\$10.63	470,491	376,393
Market Value at 52-week high:.....	\$11.75	520,308	416,247
Market Value at 52-week low:.....	\$ 5.00	221,408	177,126

</TABLE>

<TABLE>
<S>

(1) Terminal Value is based on perpetual dividend stream using the average 1994 to 2002 dividend and perpetual growth rate of	4.0%
(2) Dividends are discounted using St. Lawrence's cost of equity @	16.4%
(3) DCF of unlevered Cashflows @ St. Lawrence WACC of 11.35% and Terminal Value based on average EBIT multiple to average EBIT over the projection period @	14.8x
(4) Can\$/US\$ FX rate:	1.2500
(5) Reflects Percentage Ownership in St. Lawrence of:	59.5%
(6) Number of shares outstanding: (in '000)	44,282
(7) Upside Cases assume average cement prices to be higher than projected by St. Lawrence Management: \$1.00/s.t. for Upside Case 1, \$3.00/s.t. for Upside Case 2	

</TABLE>

ST. LAWRENCE CEMENT
DISCOUNTED CASHFLOW ANALYSIS

<TABLE>
<CAPTION>

	1994	1995	1996	1997	1998
	(CAN\$ IN '000)				
<S>	<C>	<C>	<C>	<C>	<C>
EBIT.....	26,110	68,065	86,842	90,790	91,459
Less Taxes @ 34.5%.....	9,008	23,482	29,960	31,323	31,553
After Tax EBIT.....	17,102	44,583	56,882	59,467	59,906
+ Depreciation.....	35,791	39,321	40,117	40,828	42,466
+ Change in Provisions.....	611	1,938	2,445	3,255	2,654
- Changes in Net Working Capital.....	10,212	18,255	6,228	9,506	11,386
- Capital Expenditures.....	45,000	45,000	45,000	45,000	45,000
Unlevered Free Cash Flow.....	(1,708)	22,587	48,215	49,044	48,640

<CAPTION>

	1999	2000	2001	2002
<S>	<C>	<C>	<C>	<C>
EBIT.....	92,587	68,468	52,741	41,524
Less Taxes @ 34.5%.....	31,943	23,621	18,196	14,326
After Tax EBIT.....	60,645	44,846	34,545	27,198
+ Depreciation.....	39,919	40,493	41,013	41,486
+ Change in Provisions.....	2,654	2,654	2,654	2,654
- Changes in Net Working Capital.....	(17,605)	(3,088)	(1,810)	621
- Capital Expenditures.....	45,000	45,000	45,000	45,000
Unlevered Free Cash Flow.....	75,822	46,080	35,023	25,717

</TABLE>

PRESENT VALUE CALCULATION:

<TABLE>
<CAPTION>

	DISCOUNT RATE	PLUS (B) PRESENT VALUE OF TERMINAL VALUE BASED ON AVERAGE EBIT MULTIPLES (1)			LESS (C) NET DEBT POSITION	= (D) NET PRESENT VALUE OF EQUITY BASED ON AVERAGE EBIT MULTIPLES (3)			
		DISCOUNT FLOWS	12.0	14.8		19.6	12.0	14.8	19.6
		1994-2002							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
WACC minus 1.00%.....	9.35 %	217,211	368,847	454,911	602,450	242,000	344,058	430,123	577,661
WACC minus 0.50%.....	10.35 %	207,295	339,833	419,127	555,060	242,000	305,128	384,422	520,356
WACC.....	11.35 %	197,975	313,333	386,444	511,777	242,000	269,307	342,418	467,751
WACC plus 0.50%.....	12.35 %	189,207	289,109	356,567	472,211	242,000	236,315	303,774	419,417
WACC plus 1.00%.....	13.35 %	180,952	266,948	329,235	436,014	242,000	205,900	268,187	374,966

</TABLE>

SENSITIVITY ANALYSIS TO WEIGHTED AVERAGE CEMENT PRICES:

<TABLE>
<CAPTION>

(2) MANAGEMENT PROJECTIONS FOR WEIGHTED AVERAGE CEMENT PRICES	DISCOUNT RATE (WACC)	NET PRESENT VALUE OF EQUITY BASED ON AVERAGE EBIT MULTIPLES (3)		
		12.0	14.8	19.6
<S>	<C>	<C>	<C>	<C>
plus \$0.00.....	@ 11.4%	269,307	342,418	467,751
plus \$1.00.....	@ 11.4%	296,921	373,644	505,169
plus \$2.00.....	@ 11.4%	324,534	404,870	542,588
plus \$3.00.....	@ 11.4%	352,149	436,096	580,007
plus \$4.00.....	@ 11.4%	379,763	467,323	617,426

</TABLE>

- - - - -

(1) Due to cyclicality of the industry, the average EBIT over the period of the projected cycle was used as the basis for determining Terminal Value. Multiples used are average historical EBIT multiples of comparable companies over a ten-year period (Lafarge, Southdown, Medusa, 1983-1993)

(2) Sensitivity Analysis assumes that cement prices are increased for each year

(3) Shaded boxes show data used in Valuation Summary

HOLNAM, INC.
NOL VALUATION

<TABLE>
<CAPTION>

	1994	1995	1996	1997	1998
			(US\$ IN '000)		
<S>	<C>	<C>	<C>	<C>	<C>
Holnam Operations Pretax Profit.....	48,336	76,870	89,537	118,548	121,101
Adjustment to Taxable Income (1).....	24,800	14,846	12,702	12,844	11,117
Est. Holnam, Inc. Taxable Income.....	73,136	91,715	102,239	131,391	132,218
Tax Payable.....	1,463	1,834	2,045	2,628	7,442
NOL Beginning of Year (1).....	484,200	412,527	322,646	222,451	93,688
Taxable Income.....	73,136	91,715	102,239	131,391	132,218
Income Tax Saving @ 40%.....	29,254	36,686	40,896	52,557	45,445
Alternative Minimum Tax @ 2% (2).....	1,463	1,834	2,045	2,628	0
Effective Tax Saving.....	27,792	34,852	38,851	49,929	45,445
NOL End of Year.....	412,527	322,646	222,451	93,688	0
Tax Credit on AMT (3).....	1,463	3,297	5,342	7,970	0
DCF Value of Tax Savings @ Holnam's WACC (10.92%)			114,844		

<CAPTION>

	1999	2000	2001	2002
<S>	<C>	<C>	<C>	<C>
Holnam Operations Pretax Profit.....	75,402	48,366	44,146	74,935
Adjustment to Taxable Income (1).....	19,863	8,995	9,630	11,697
Est. Holnam, Inc. Taxable Income.....	95,265	57,361	53,776	86,632
Tax Payable.....	38,106	22,945	21,510	34,653
NOL Beginning of Year (1).....	0	0	0	0
Taxable Income.....	95,265	57,361	53,776	86,632
Income Tax Saving @ 40%.....	0	0	0	0
Alternative Minimum Tax @ 2% (2).....	0	0	0	0
Effective Tax Saving.....	0	0	0	0
NOL End of Year.....	0	0	0	0
Tax Credit on AMT (3).....	0	0	0	0

</TABLE>

(1) Estimated aggregate amount of available NOLs at 1/1/94 as provided by Holnam' Counsel

(2) Alternative Minimum Tax rate of 20% less credit for NOLs (90% of 20%): effective rate = 2%

(3) Alternative Minimum Tax is creditable and may be deducted from Taxes Payable after NOL's are used up

HOLNAM OPERATIONS
VOLUME STATISTICS

<TABLE>
<CAPTION>

S.T. IN '000	HISTORICAL		FORECAST	BUDGET
	1991	1992	1993	1994
<S>	<C>	<C>	<C>	<C>
SOUTH EAST DIVISION				
Santee Region.....	1,345	963	1,027	1,020
Florida/Georgia Region.....	--	815	827	665
Southern Region.....	742	902	955	1,113
Rainbow Products.....	23	36	--	--
Mid-South Region.....	293	--	--	--
Sub Total.....	2,403	2,716	2,809	2,798
CENTRAL DIVISION				

South Central Region.....	687	792	800	926
North Central Region.....	943	1,021	960	980
Midwest Region.....	711	845	775	924
Northern Region.....	882	1,021	820	941
Sub Total.....	3,223	3,679	3,355	3,771
WEST DIVISION				
Texas/Gulf(1).....	--	--	876	1,212
Montana Northwest.....	--	--	--	308
Oklahoma/Arkansas Region.....	393	468	644	481
Houston Region.....	234	247	--	--
Colorado Region.....	875	1,161	1,146	1,091
New Mexico Region.....	652	313	343	395
Utah Region.....	--	394	400	446
Pacific Region.....	1,001	911	688	487
Oil Well Region.....	186	134	125	--
SUB TOTAL.....	3,341	3,628	4,222	4,420
Effect of Investment Program.....	0	0	0	0
TOTAL CEMENT SOLD.....	8,967	10,023	10,386	10,989
Growth Rates(2)(3)				
SOUTH EAST DIVISION.....	NA	13.0%	3.4%	-0.4%
CENTRAL DIVISION.....	NA	14.1%	-8.8%	12.4%
WEST DIVISION.....	NA	8.6%	16.4%	4.7%
TOTAL CEMENT SOLD.....	NA	11.8%	3.6%	5.8%
Total US Cement Consumption (PCA).....	76,228	80,948	82,240	88,191
% Growth.....	NA	6.2%	1.6%	7.2%
Holnam Market Share.....	11.8%	12.4%	12.6%	12.5%

<CAPTION>

PROJECTIONS

S.T. IN '000	1995	1996	1997	1998	1999	2000	2001	2002
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
SOUTH EAST DIVISION								
Santee Region.....	1,021	1,021	1,021	975	928	882	882	928
Florida/Georgia Region.....	666	666	666	635	605	575	575	605
Southern Region.....	1,114	1,114	1,114	1,063	1,013	962	962	1,013
Rainbow Products.....	--	--	--	--	--	--	--	--
Mid-South Region.....	--	--	--	--	--	--	--	--
Sub Total.....	2,801	2,801	2,801	2,673	2,546	2,419	2,419	2,546
CENTRAL DIVISION								
South Central Region.....	927	927	927	885	843	801	801	843
North Central Region.....	981	981	981	936	892	847	847	892
Midwest Region.....	925	925	925	883	841	799	799	841
Northern Region.....	942	942	942	899	856	813	813	856
Sub Total.....	3,775	3,775	3,775	3,603	3,432	3,260	3,260	3,432
WEST DIVISION								
Texas/Gulf(1).....	1,213	1,213	1,213	1,158	1,103	1,048	1,048	1,103
Montana Northwest.....	308	308	308	294	280	266	266	280
Oklahoma/Arkansas Region.....	481	481	481	460	438	416	416	438
Houston Region.....	--	--	--	--	--	--	--	--
Colorado Region.....	1,092	1,092	1,092	1,042	993	943	943	993
New Mexico Region.....	395	395	395	377	359	341	341	359
Utah Region.....	446	446	446	426	406	386	386	406
Pacific Region.....	487	487	487	465	443	421	421	443
Oil Well Region.....	--	--	--	--	--	--	--	--
SUB TOTAL.....	4,424	4,424	4,424	4,223	4,022	3,821	3,821	4,022
Effect of Investment Program.....	0	0	0	500	500	500	500	500
TOTAL CEMENT SOLD.....	11,000	11,000	11,000	11,000	10,500	10,000	10,000	10,500
Growth Rates(2)(3)								
UTH EAST DIVISION.....	0.1%	0.0%	0.0%	-4.5%	-4.8%	-5.0%	0.0%	5.3%
CENTRAL DIVISION.....	0.1%	0.0%	0.0%	-4.5%	-4.8%	-5.0%	0.0%	5.3%
WEST DIVISION.....	0.1%	0.0%	0.0%	-4.5%	-4.8%	-5.0%	0.0%	5.3%
TOTAL CEMENT SOLD.....	0.1%	0.0%	0.0%	-4.5%	-4.8%	-5.0%	0.0%	5.3%

Total US Cement Consumption (PCA).....	92,146	93,957	93,168	94,782
% Growth.....	4.5%	2.0%	-0.8%	1.7%
Holnam Market Share.....	11.9%	11.7%	11.8%	11.6%

30

HOLNAM OPERATIONS
PRICE STATISTICS
<TABLE>
<CAPTION>

US\$/S.T.	HISTORICAL		FORECAST	BUDGET
	1991	1992	1993	1994
<S>	<C>	<C>	<C>	<C>
SOUTH EAST DIVISION				
Santee Region.....	50.25	49.55	54.09	58.54
Florida/Georgia Region.....	--	40.59	48.11	56.99
Southern Region.....	50.48	50.49	53.15	57.57
Rainbow Products.....	120.34	119.25	--	--
Mid-South Region.....	47.44	--	--	--
Weighted Average.....	50.65	48.09	52.01	57.79
CENTRAL DIVISION				
South Central Region.....	46.18	45.11	47.74	51.86
North Central Region.....	51.95	51.33	55.36	58.13
Midwest Region.....	47.61	46.47	51.71	54.91
Northern Region.....	54.22	54.45	59.95	62.85
Weighted Average.....	50.38	49.73	53.83	56.98
WEST DIVISION				
Texas/Gulf (1).....	--	--	--	50.53
Montana Northwest.....	--	--	--	73.08
Oklahoma/Arkansas Region.....	46.40	46.69	53.56	54.07
Houston Region.....	51.75	54.15	--	--
Colorado Region.....	51.93	56.42	57.29	58.67
New Mexico Region.....	58.60	52.53	52.63	57.12
Utah Region.....	59.93	63.61	65.50	68.31
Pacific Region.....	66.58	67.11	70.07	65.93
Oil Well Region.....	59.84	58.81	63.10	--
Weighted Average.....	57.70	58.22	59.92	58.58
Total Weighted Average.....	53.20	52.36	55.43	57.82
Growth Rates (US\$)				
SOUTH EAST DIVISION.....		(2.56)	3.92	5.78
CENTRAL DIVISION.....		(0.65)	4.10	3.15
WEST DIVISION.....		0.52	1.70	(1.34)
Overall Weighted Average.....		0.84	3.07	2.39
Price Increase.....		-1.6%	5.9%	4.3%
US Inflation.....		4.0%	2.6%	3.0%
Real Price Adjustment.....		NA	NA	(0.73)

<CAPTION>

US\$/S.T.	PROJECTIONS							
	1995	1996	1997	1998	1999	2000	2001	2002
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
SOUTH EAST DIVISION								
Santee Region.....	61.04	63.04	65.04	65.04	63.04	63.04	63.04	64.04
Florida/Georgia Region.....	59.49	61.49	63.49	63.49	61.49	61.49	61.49	62.49
Southern Region.....	60.07	62.07	64.07	64.07	62.07	62.07	62.07	63.07
Rainbow Products.....	--	--	--	--	--	--	--	--
Mid-South Region.....	--	--	--	--	--	--	--	--
Weighted Average.....	60.29	62.29	64.29	64.29	62.29	62.29	62.29	63.29
CENTRAL DIVISION								
South Central Region.....	54.36	56.36	58.36	58.36	56.36	56.36	56.36	57.36
North Central Region.....	60.63	62.63	64.63	64.63	62.63	62.63	62.63	63.63

Midwest Region.....	57.41	59.41	61.41	61.41	59.41	59.41	59.41	60.41
Northern Region.....	65.35	67.35	69.35	69.35	67.35	67.35	67.35	68.35
Weighted Average.....	59.48	61.48	63.48	63.48	61.48	61.48	61.48	62.48
WEST DIVISION								
Texas/Gulf(1).....	53.03	55.03	57.03	57.03	55.03	55.03	55.03	56.03
Montana Northwest.....	75.58	77.58	79.58	79.58	77.58	77.58	77.58	78.58
Oklahoma/Arkansas Region.....	56.57	58.57	60.57	60.57	58.57	58.57	58.57	59.57
Houston Region.....	--	--	--	--	--	--	--	--
Colorado Region.....	61.17	63.17	65.17	65.17	63.17	63.17	63.17	64.17
New Mexico Region.....	59.62	61.62	63.62	63.62	61.62	61.62	61.62	62.62
Utah Region.....	70.81	72.81	74.81	74.81	72.81	72.81	72.81	73.81
Pacific Region.....	68.43	70.43	72.43	72.43	70.43	70.43	70.43	71.43
Oil Well Region.....	--	--	--	--	--	--	--	--
Weighted Average.....	61.08	63.08	65.08	65.08	63.08	63.08	63.08	64.08
Total Weighted Average.....	60.32	62.32	64.32	64.32	62.32	62.32	62.32	63.32
Growth Rates (US\$)								
SOUTH EAST DIVISION.....	2.50	2.00	2.00	0.00	(2.00)	0.00	0.00	1.00
CENTRAL DIVISION.....	2.50	2.00	2.00	0.00	(2.00)	0.00	0.00	1.00
WEST DIVISION.....	2.50	2.00	2.00	0.00	(2.00)	0.00	0.00	1.00
Overall Weighted Average.....	2.50	2.00	2.00	0.00	(2.00)	0.00	0.00	1.00
Price Increase.....	4.3%	3.3%	3.2%	0.0%	-3.1%	0.0%	0.0%	1.6%
US Inflation.....	3.2%	3.8%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Real Price Adjustment.....	(1.38)	(1.08)	(0.59)	1.98	6.55	9.05	11.54	13.03

</TABLE>

31

HOLNAM OPERATIONS
COST OF SALES ANALYSIS 1991 TO 2002

<TABLE>
<CAPTION>

	HISTORICAL		FORECAST 1993	BUDGET 1994
	1991	1992		
<S>	<C>	<C>	<C>	<C>
Cement Sold(1).....	8,967	10,023	9,510	10,989
Manufacturing Cost Analysis ('000 US\$):				
Depreciation.....	NA	47,049	41,874	48,519
Other Fixed Costs.....	NA	69,013	77,614	72,477
Total Fixed Costs.....	NA	116,062	119,488	120,996
Variable Costs.....	NA	169,071	146,401	192,270
Maintenance Costs.....	NA	79,729	86,208	89,522
Total Manufacturing Costs.....	342,031	364,862	352,097	402,788
Intra-Company Freight.....	42,952	46,255	37,076	43,394
Traffic and Terminals.....	27,359	24,159	32,584	35,057
Plant Accounting.....	4,420	4,150	3,620	3,396
Manufacturing Administration.....	5,400	6,388	7,818	9,214
Regular Cost of Cement Sales.....	422,162	445,814	433,195	493,849
Effect of Investment Program (1).....	0	0	0	0
Total Cost of Cement Sales.....	422,162	445,814	433,195	493,849
Manufacturing Cost Analysis (US\$/s.t.):				
Depreciation.....	NA	4.69	4.40	4.42
Other Fixed Costs.....	NA	6.89	8.16	6.60
Total Fixed Costs.....	NA	11.58	12.56	11.01
Variable Costs.....	NA	16.87	15.39	17.50
Maintenance Cost.....	NA	7.95	9.06	8.15
Total Manufacturing Costs.....	38.14	36.40	37.02	36.65
Intra-Company Freight.....	4.79	4.61	3.90	3.95
Traffic and Terminals.....	3.05	2.41	3.43	3.19
Plant Accounting.....	0.49	0.41	0.38	0.31
Manufacturing Administration.....	0.60	0.64	0.82	0.84
Total Cost of Cement Sales.....	47.08	44.48	45.55	44.94
Effect of Investment Program (1).....	0	0	0	0
Total Cost of Cement Sales.....	47.08	44.48	45.55	44.94
Gross Margin / s.t.....	6.12	7.88	9.88	12.88
Other Costs of Sales.....	43,179	30,294	16,482	11,314

Total Costs of Sales.....	465,341	476,108	449,677	505,163
Volume Growth.....	NA	11.8%	-5.1%	15.6%
US Inflation.....	4.0%	2.6%	3.0%	3.2%
Cost Increase.....	4.0%	2.6%	3.0%	3.2%

<CAPTION>

PROJECTIONS

	1995	1996	1997	1998	1999	2000	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Cement Sold (1).....	11,000	11,000	11,000	11,000	10,500	10,000	10,000
Manufacturing Cost Analysis ('000 US\$):							
Depreciation.....	54,220	59,045	61,504	64,294	67,388	70,761	74,392
Other Fixed Costs.....	73,564	74,668	75,788	76,924	78,078	79,249	80,438
Total Fixed Costs.....	127,784	133,713	137,291	141,218	145,466	150,011	154,830
Variable Costs.....	195,349	198,280	201,254	204,273	197,912	191,315	194,185
Maintenance Costs.....	90,865	92,228	93,611	95,015	96,441	97,887	99,356
Total Manufacturing Costs.....	413,998	424,220	432,157	440,506	439,819	439,213	448,371
Intra-Company Freight.....	44,696	46,037	47,418	48,840	50,306	51,815	53,369
Traffic and Terminals.....	36,109	37,192	38,308	39,457	40,641	41,860	43,116
Plant Accounting.....	3,498	3,603	3,711	3,822	3,937	4,055	4,177
Manufacturing Administration.....	9,490	9,775	10,068	10,370	10,682	11,002	11,332
Regular Cost of Cement Sales.....	507,791	520,827	531,661	542,996	545,383	547,945	560,364
Effect of Investment Program(1).....	0	0	(16,500)	(27,500)	(36,750)	(45,000)	(55,000)
Total Cost of Cement Sales.....	507,791	520,827	515,161	515,496	508,633	502,945	505,364
Manufacturing Cost Analysis (US\$/s.t.):							
Depreciation.....	4.93	5.37	5.59	5.84	6.42	7.08	7.44
Other Fixed Costs.....	6.69	6.79	6.89	6.99	7.44	7.92	8.04
Total Fixed Costs.....	11.62	12.16	12.48	12.84	13.85	15.00	15.48
Variable Costs.....	17.76	18.03	18.30	18.57	18.85	19.13	19.42
Maintenance Cost.....	8.26	8.38	8.51	8.64	9.18	9.79	9.94
Total Manufacturing Costs.....	37.64	38.57	39.29	40.05	41.89	43.92	44.84
Intra-Company Freight.....	4.06	4.19	4.31	4.44	4.79	5.18	5.34
Traffic and Terminals.....	3.28	3.38	3.48	3.59	3.87	4.19	4.31
Plant Accounting.....	0.32	0.33	0.34	0.35	0.37	0.41	0.42
Manufacturing Administration.....	0.86	0.89	0.92	0.94	1.02	1.10	1.13
Total Cost of Cement Sales.....	46.16	47.35	48.33	49.36	51.94	54.79	56.04
Effect of Investment Program(1).....	0	0	(1.50)	(2.50)	(3.50)	(4.50)	(5.50)
Total Cost of Cement Sales.....	46.16	47.35	46.83	46.86	48.44	50.29	50.54
Gross Margin/s.t.....	14.16	14.97	17.49	17.46	13.88	12.03	11.78
Other Costs of Sales.....	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Total Costs of Sales.....	519,791	532,827	527,161	527,496	520,633	514,945	517,364
Volume Growth.....	0.1%	0.0%	0.0%	0.0%	-4.5%	-4.8%	0.0%
US Inflation.....	3.8%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Cost Increase.....	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

<CAPTION>

	2002
<S>	<C>
Cement Sold (1).....	10,500
Manufacturing Cost Analysis ('000 US\$):	
Depreciation.....	78,259
Other Fixed Costs.....	81,645
Total Fixed Costs.....	159,904
Variable Costs.....	206,953
Maintenance Costs.....	100,846
Total Manufacturing Costs.....	467,702
Intra-Company Freight.....	54,970
Traffic and Terminals.....	44,409
Plant Accounting.....	4,302
Manufacturing Administration.....	11,672
Regular Cost of Cement Sales.....	583,056
Effect of Investment Program(1).....	(68,250)
Total Cost of Cement Sales.....	514,806
Manufacturing Cost Analysis (US\$/s.t.):	
Depreciation.....	7.45
Other Fixed Costs.....	7.78

Total Fixed Costs.....	15.23
Variable Costs.....	19.71
Maintenance Cost.....	9.60

Total Manufacturing Costs.....	44.54
Intra-Company Freight.....	5.24
Traffic and Terminals.....	4.23
Plant Accounting.....	0.41
Manufacturing Administration.....	1.11

Total Cost of Cement Sales.....	55.53
Effect of Investment Program (1).....	(6.50)

Total Cost of Cement Sales.....	49.03
Gross Margin/s.t.	14.29
Other Costs of Sales.....	12,000

Total Costs of Sales.....	526,806
Volume Growth.....	5.0%
US Inflation.....	4.0%
Cost Increase.....	3.0%

</TABLE>

HOLNAM OPERATIONS
INCOME STATEMENT 1991 - 2002

<TABLE>
<CAPTION>

(US\$ IN '000)	HISTORICAL		FORECAST	BUDGET
	1991	1992	1993	1994
<S>	<C>	<C>	<C>	<C>
Cement Sales.....	477,044	524,820	521,976	635,384
Other Sales.....	48,246	35,522	25,322	17,523

Total Sales.....	525,290	560,342	547,298	652,907
Total Costs of Sales.....	465,341	476,108	449,677	505,163

Gross Margin (as reported) (1).....	59,949	84,234	97,621	147,744
(Addback: Depreciation) (1).....	50,351	48,407	48,384	52,079

Gross Margin (as restated).....	110,300	132,641	146,005	199,823
Selling Expense.....	27,318	28,214	29,617	30,579
Administrative Expense.....	32,362	28,742	30,150	30,051
Other (Income)/Expense.....	(3,540)	(1,634)	(2,250)	(2,047)
Contribution TLP.....	--	--	5,922	--

EBITDA.....	54,160	77,319	94,410	141,240
Depreciation.....	50,351	47,049	41,874	48,519
Amortisation.....	0	1,358	6,510	3,560

EBIT.....	3,809	28,912	46,026	89,161
Interest Expenses:				
(Interest Income) @ 2.50%.....	--	--	--	--
Revolving Line of Credit @ 4.44%.....	--	--	--	--
Revolving Line of Credit @ 3.94%.....	--	--	--	--
TLP Revolving Credit @ 4.06%.....	--	--	--	--
Senior @ 9.85%.....	--	--	--	--
Senior @ 8.03%.....	--	--	--	--
Senior @ 9.50%.....	--	--	--	--
Senior @ 8.00%.....	--	--	--	--
Industrial Revenue Bonds @ 6.80%.....	--	--	--	--
Subordinated Notes @ 8.00%.....	--	--	--	--
Subordinated Notes @ 9.60%.....	--	--	--	--
Subordinated Notes @ 16.00%.....	--	--	--	--

Total Net Interest Expense.....	43,986	40,383	37,800	40,825
Extraordinary Expenses.....	60,364	--	64,000	--

Pretax Profit.....	(100,541)	(11,471)	(55,774)	48,336
Tax (Credit) Provision @ 40.00%.....	(10,385)	109	2,415	7,300
Minority Interest.....	--	--	--	3,184

Net Income (Loss).....	(90,156)	(11,580)	(58,189)	37,852

<CAPTION>

(US\$ IN '000)	PROJECTIONS						
	1995	1996	1997	1998	1999	2000	2001
<S>	<C>						
Cement Sales.....	663,520	685,520	707,520	707,520	654,360	623,200	623,200

Other Sales.....	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Total Sales.....	680,520	702,520	724,520	724,520	671,360	640,200	640,200
Total Costs of Sales.....	519,791	532,827	527,161	527,496	520,633	514,945	517,364
Gross Margin (as reported) (1).....	160,729	169,693	197,359	197,024	150,727	125,255	122,836
(Addback: Depreciation) (1).....	57,780	62,605	65,064	67,854	70,948	74,321	77,952
Gross Margin (as restated).....	218,509	232,298	262,423	264,878	221,674	199,576	200,788
Selling Expense.....	31,558	32,504	33,479	34,484	35,518	36,584	37,681
Administrative Expense.....	31,013	31,943	32,901	33,888	34,905	35,952	37,031
Other (Income)/Expense.....	(2,047)	(2,047)	(2,047)	(2,047)	(2,047)	(2,047)	(2,047)
Contribution TLP.....	--	--	--	--	--	--	--
EBITDA.....	157,986	169,898	198,089	198,552	153,298	129,087	128,123
Depreciation.....	54,220	59,045	61,504	64,294	67,388	70,761	74,392
Amortisation.....	3,560	3,560	3,560	3,560	3,560	3,560	3,560
EBIT.....	100,206	107,293	133,025	130,699	82,350	54,766	50,171
Interest Expenses:							
(Interest Income) @ 2.50%.....	(113)	(113)	(113)	(113)	(113)	(113)	(113)
Revolving Line of Credit @ 4.44%.....	1,669	1,047	796	1,373	1,329	781	405
Revolving Line of Credit @ 3.94%.....	1,181	1,181	1,181	1,181	1,181	1,181	1,181
TLP Revolving Credit @ 4.06%.....	366	0	0	0	0	0	0
Senior @ 9.85%.....	6,895	3,448	2,266	2,266	0	0	0
Senior @ 8.03%.....	2,409	2,409	2,409	0	0	0	0
Senior @ 9.50%.....	570	285	0	0	0	0	0
Senior @ 8.00%.....	2,800	2,100	700	0	0	0	0
Industrial Revenue Bonds @ 6.80%.....	4,891	4,891	4,891	4,891	4,551	4,551	4,551
Subordinated Notes @ 8.00%.....	320	160	0	0	0	0	0
Subordinated Notes @ 9.60%.....	1,548	1,548	1,548	0	0	0	0
Subordinated Notes @ 16.00%.....	800	800	800	0	0	0	0
Total Net Interest Expense.....	23,336	17,755	14,477	9,598	6,948	6,400	6,025
Extraordinary Expenses.....	--	--	--	--	--	--	--
Pretax Profit.....	76,870	89,537	118,548	121,101	75,402	48,366	44,146
Tax (Credit) Provision @ 40.00%.....	32,172	37,239	48,843	49,864	31,585	20,771	19,082
Minority Interest.....	3,578	3,831	4,750	4,667	2,941	1,956	1,792
Net Income (Loss).....	44,698	52,298	69,705	71,237	43,817	27,596	25,064

<CAPTION>

(US\$ IN '000)	2002
<S>	<C>
Cement Sales.....	664,860
Other Sales.....	17,000
Total Sales.....	681,860
Total Costs of Sales.....	526,806
Gross Margin (as reported) (1).....	155,054
(Addback: Depreciation) (1).....	81,819
Gross Margin (as restated).....	236,873
Selling Expense.....	38,812
Administrative Expense.....	38,142
Other (Income)/Expense.....	(2,047)
Contribution TLP.....	--
EBITDA.....	161,967
Depreciation.....	78,259
Amortisation.....	3,560
EBIT.....	80,148
Interest Expenses:	
(Interest Income) @ 2.50%.....	(520)
Revolving Line of Credit @ 4.44%.....	0
Revolving Line of Credit @ 3.94%.....	1,181
TLP Revolving Credit @ 4.06%.....	0
Senior @ 9.85%.....	0
Senior @ 8.03%.....	0
Senior @ 9.50%.....	0
Senior @ 8.00%.....	0
Industrial Revenue Bonds @ 6.80%.....	4,551
Subordinated Notes @ 8.00%.....	0
Subordinated Notes @ 9.60%.....	0
Subordinated Notes @ 16.00%.....	0
Total Net Interest Expense.....	5,213
Extraordinary Expenses.....	--

Pretax Profit.....	74,935
Tax (Credit) Provision @ 40.00%.....	31,398
Minority Interest.....	2,862

Net Income (Loss).....	43,537

</TABLE>

- - - - -

(1) Holnam recognises Depreciation as part of its Cost of Sales. For purposes of presentation in the Income Statements, Depreciation was separated in order to determine EBITDA.

33

HOLNAM OPERATIONS

CASH FLOWS STATEMENT 1991 - 2002

<TABLE>

<CAPTION>

('000 US\$)	HISTORICAL		FORECAST 1993	BUDGET 1994
	1991	1992		
<S>	<C>	<C>	<C>	<C>
Net Income (Loss).....	(90,156)	(11,580)	(58,189)	37,852
Noncash Charges (Credits)				
Depreciation of PP&E.....	50,351	47,049	41,874	48,519
Amortisation of Goodwill.....	0	1,358	6,510	3,560
Net (Gain) Loss on Sale of Fixed Assets.....	(78)	(2,186)	(194)	0
Deferred Income Taxes.....	(13,577)	179	1,880	2,300
Postretirement benefit Obligation.....	0	0	0	2,000
Minority Interest (net of capital returned).....	0	0	0	2,437
Extraordinary Items.....	60,364	--	64,000	--
Changes in Assets and Liabilities				
(Increase) Decrease in Receivables.....	6,034	3,083	4,039	(3,863)
(Increase) Decrease in Inventories.....	(9,637)	12,853	(9,487)	610
(Increase) Decrease in Prepayments.....	1,304	3,963	(12,516)	0
(Decrease) Increase in Accounts Payable.....	5,079	(5,289)	1,454	5,138
(Increase) Decrease in Other Working Capital.....	7,136	(4,127)	(868)	0
Cash provided by Operations.....	16,820	45,303	38,503	98,553
Cash Flow Before Investments.....	16,820	45,303	38,503	98,553
Proceeds from Sale of Assets.....	1,062	12,724	0	0
Capital Expenditures.....	(29,348)	(31,800)	(44,456)	(61,900)
Investments in Affiliates.....	(10,207)	(1,551)	(37,034)	(72)
Advances to Box -- Crow.....	(8,026)	0	0	0
Dividends Received from St. Lawrence....	8,841	1,968	0	0
Other Investing Activities.....	(1,937)	2,374	2,507	0
Cash used for Investments.....	(39,615)	(16,285)	(78,983)	(61,972)
Cash Flow Before Financing.....	(22,795)	29,018	(40,480)	36,581
Net Proceeds (Repayment) -- Revolver....	(90,000)	(20,000)	(4,372)	(27,050)
Proceeds from Short-Term Borrowings....	0	3,000	55,500	0
Repayment of Short-Term Borrowings.....	0	0	(58,500)	0
Repayment of Other Borrowings.....	(68,026)	(66,993)	(14,829)	(11,000)
Proceeds from Other Borrowings.....	185,000	50,000	30,000	0
Issuance of Common Stock.....	387	347	1,153	0
Issuance of Preferred Stock.....	0	0	30,000	0
Cash (Used for) Provided by Financing...	27,361	(33,646)	38,952	(38,050)
Net Increase (Decrease) in Cash.....	4,566	(4,628)	(1,528)	(1,469)
Cash Balance -- Beginning of Year.....	7,589	12,155	7,527	5,999
Cash Balance -- End of Year.....	12,155	7,527	5,999	4,530

<CAPTION>

PROJECTIONS

('000 US\$)	1995	1996	1997	1998	1999	2000	2001
-------------	------	------	------	------	------	------	------

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net Income (Loss).....	44,698	52,298	69,705	71,237	43,817	27,596	25,064
Noncash Charges (Credits)							
Depreciation of PP&E.....	54,220	59,045	61,504	64,294	67,388	70,761	74,392
Amortisation of Goodwill.....	3,560	3,560	3,560	3,560	3,560	3,560	3,560
Net (Gain) Loss on Sale of Fixed Assets.....	0	0	0	0	0	0	0
Deferred Income Taxes.....	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Postretirement benefit Obligation.....	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Minority Interest (net of capital returned).....	2,684	2,874	3,563	3,501	2,206	1,467	1,344
Extraordinary Items.....	--	--	--	--	--	--	--
Changes in Assets and Liabilities							
(Increase) Decrease in Receivables.....	(11,003)	(2,956)	(2,956)	(0)	7,143	4,187	0
(Increase) Decrease in Inventories.....	(23,890)	(3,136)	1,363	(80)	1,651	1,369	(582)
(Increase) Decrease in Prepayments.....	0	0	0	0	0	0	0
(Decrease) Increase in Accounts Payable.....	(3,274)	2,028	(881)	52	(1,068)	(885)	376
(Increase) Decrease in Other Working Capital.....	0	0	0	0	0	0	0
Cash provided by Operations.....	71,295	118,013	140,157	146,862	128,997	112,355	108,454
Cash Flow Before Investments.....	71,295	118,013	140,157	146,862	128,997	112,355	108,454
Proceeds from Sale of Assets.....	0	0	0	0	0	0	0
Capital Expenditures.....	(58,685)	(46,239)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Investments in Affiliates.....	0	0	0	0	0	0	0
Advances to Box -- Crow.....	0	0	0	0	0	0	0
Dividends Received from St. Lawrence....	0	0	0	0	0	0	0
Other Investing Activities.....	0	0	0	0	0	0	0
Cash used for Investments.....	(58,685)	(46,239)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Cash Flow Before Financing.....	12,610	71,774	40,157	46,862	28,997	12,355	8,454
Net Proceeds (Repayment) -- Revolver....	28,190	(14,024)	(5,657)	13,014	(997)	(12,355)	(8,454)
Proceeds from Short-Term Borrowings.....	0	0	0	0	0	0	0
Repayment of Short-Term Borrowings.....	0	0	0	0	0	0	0
Repayment of Other Borrowings.....	(40,800)	(57,750)	(34,500)	(59,876)	(28,000)	0	0
Proceeds from Other Borrowings.....	0	0	0	0	0	0	0
Issuance of Common Stock.....	0	0	0	0	0	0	0
Issuance of Preferred Stock.....	0	0	0	0	0	0	0
Cash (Used for) Provided by Financing...	(12,610)	(71,774)	(40,157)	(46,862)	(28,997)	(12,355)	(8,454)
Net Increase (Decrease) in Cash.....	0	0	0	0	0	0	0
Cash Balance -- Beginning of Year.....	4,530	4,530	4,530	4,530	4,530	4,530	4,530
Cash Balance -- End of Year.....	4,530	4,530	4,530	4,530	4,530	4,530	4,530

<CAPTION>

('000 US\$)	2002
<S>	<C>
Net Income (Loss).....	43,537
Noncash Charges (Credits)	
Depreciation of PP&E.....	78,259
Amortisation of Goodwill.....	3,560
Net (Gain) Loss on Sale of Fixed Assets.....	0
Deferred Income Taxes.....	2,300
Postretirement benefit Obligation.....	2,000
Minority Interest (net of capital returned).....	2,147
Extraordinary Items.....	--
Changes in Assets and Liabilities	
(Increase) Decrease in Receivables.....	(5,598)
(Increase) Decrease in Inventories.....	(2,271)
(Increase) Decrease in Prepayments.....	0
(Decrease) Increase in Accounts Payable.....	1,469
(Increase) Decrease in Other Working Capital.....	0
Cash provided by Operations.....	125,402

Cash Flow Before Investments.....	125,402

Proceeds from Sale of Assets.....	0
Capital Expenditures.....	(100,000)
Investments in Affiliates.....	0
Advances to Box -- Crow.....	0
Dividends Received from St. Lawrence...	0
Other Investing Activities.....	0

Cash used for Investments.....	(100,000)

Cash Flow Before Financing.....	25,402

Net Proceeds (Repayment) -- Revolver....	(9,137)
Proceeds from Short-Term Borrowings....	0
Repayment of Short-Term Borrowings.....	0
Repayment of Other Borrowings.....	0
Proceeds from Other Borrowings.....	0
Issuance of Common Stock.....	0
Issuance of Preferred Stock.....	0

Cash (Used for) Provided by Financing...	(9,137)

Net Increase (Decrease) in Cash.....	16,265

Cash Balance -- Beginning of Year.....	4,530

Cash Balance -- End of Year.....	20,795

</TABLE>

HOLNAM OPERATIONS
EQUITY BASIS BALANCE SHEET 1991 -- 2002
<TABLE>
<CAPTION>

('000 US\$)	HISTORICAL		FORECAST	BUDGET
	1991	1992	1993	1994
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
ASSETS				
Current Assets				
Cash.....	12,155	7,527	6,000	4,531
Accounts Receivable.....	76,584	72,287	76,580	80,443
Inventories & Supplies.....	118,499	104,685	101,770	101,160
Prepayments.....	7,112	2,999	2,779	2,779
-----	-----	-----	-----	-----
Total Current Assets.....	214,350	187,498	187,129	188,913
-----	-----	-----	-----	-----
Property, Plant & Equipment -- Net.....	558,950	531,124	599,491	611,247
-----	-----	-----	-----	-----
Other Assets				
Cost in Excess of Net Fixed Assets...	39,892	38,534	32,024	28,464
Investment in St. Lawrence.....	197,691	162,718	149,311	149,311
Other Assets.....	15,874	15,256	18,006	18,078
-----	-----	-----	-----	-----
Total Other Assets.....	253,457	216,508	199,341	195,853
Total Assets.....	1,026,757	935,130	985,961	996,013
-----	-----	-----	-----	-----
Liabilities & Net Worth				
Current Liabilities				
Accounts Payable & Accrued				
Liabilities.....	74,897	69,950	78,993	84,131
Current Maturity of Long-Term Debt...	15,327	10,252	11,000	11,000
-----	-----	-----	-----	-----
Total Current Liabilities.....	90,224	80,202	89,993	95,131
-----	-----	-----	-----	-----
Long-Term Debt.....	409,611	379,823	380,350	342,975
-----	-----	-----	-----	-----
Deferred Taxes.....	17,966	18,145	16,767	16,767
-----	-----	-----	-----	-----
Deferred Credits & Liabilities.....	27,748	21,484	91,075	93,075
-----	-----	-----	-----	-----
Shareholders' Equity				
Common Stock.....	1,349	1,350	32,394	32,394
Paid in Capital.....	456,810	457,156	457,264	457,264
Retained Earnings.....	5,182	(23,390)	(86,522)	(48,670)
Minority Interest TLP.....	0	0	11,889	14,326
Currency Translation Adjustments.....	17,867	360	(7,249)	(7,249)
-----	-----	-----	-----	-----

Total Shareholders' Equity.....	481,208	435,476	407,776	448,065
Total Liabilities & Shareholders' Equity.....	1,026,757	935,130	985,961	996,013

<CAPTION>

('000 US\$)	PROJECTIONS					
	1995	1996	1997	1998	1999	2000
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS						
Current Assets						
Cash.....	4,530	4,530	4,530	4,530	4,530	4,530
Accounts Receivable.....	91,446	94,402	97,359	97,359	90,215	86,028
Inventories & Supplies.....	125,050	128,186	126,823	126,903	125,252	123,884
Prepayments.....	2,779	2,779	2,779	2,779	2,779	2,779
Total Current Assets.....	223,805	229,898	231,491	231,571	222,777	217,221
Property, Plant & Equipment -- Net.....	615,712	602,906	641,402	677,108	709,721	738,960
Other Assets						
Cost in Excess of Net Fixed Assets...	24,904	21,344	17,784	14,224	10,664	7,104
Investment in St. Lawrence.....	149,311	149,311	149,311	149,311	149,311	149,311
Other Assets.....	18,079	18,079	18,079	18,079	18,079	18,079
Total Other Assets.....	192,294	188,734	185,174	181,614	178,054	174,494
Total Assets.....	1,031,811	1,021,537	1,058,066	1,090,293	1,110,551	1,130,674
Liabilities & Net Worth						
Current Liabilities						
Accounts Payable & Accrued Liabilities.....	80,857	82,884	82,003	82,055	80,988	80,103
Current Maturity of Long-Term Debt...	40,800	57,750	34,500	59,876	28,000	0
Total Current Liabilities.....	121,657	140,634	116,503	141,931	108,988	80,103
Long-Term Debt.....	300,565	211,842	194,935	122,697	125,576	141,221
Deferred Taxes.....	19,067	21,367	23,667	25,967	28,267	30,567
Deferred Credits & Liabilities.....	95,075	97,075	99,075	101,075	103,075	105,075
Shareholders' Equity						
Common Stock.....	32,394	32,394	32,394	32,394	32,394	32,394
Paid in Capital.....	457,264	457,264	457,264	457,264	457,264	457,264
Retained Earnings.....	(3,972)	48,326	118,031	189,267	233,085	260,681
Minority Interest TLP.....	17,010	19,883	23,446	26,947	29,152	30,619
Currency Translation Adjustments.....	(7,249)	(7,249)	(7,249)	(7,249)	(7,249)	(7,249)
Total Shareholders' Equity.....	495,447	550,619	623,886	698,623	744,646	773,709
Total Liabilities & Shareholders' Equity.....	1,031,811	1,021,537	1,058,066	1,090,293	1,110,551	1,130,674

<CAPTION>

('000 US\$)	2001	2002
<S>	<C>	<C>
ASSETS		
Current Assets		
Cash.....	4,530	20,795
Accounts Receivable.....	86,028	91,626
Inventories & Supplies.....	124,466	126,737
Prepayments.....	2,779	2,779
Total Current Assets.....	217,803	241,938
Property, Plant & Equipment -- Net.....	764,568	786,309
Other Assets		
Cost in Excess of Net Fixed Assets...	3,544	(16)
Investment in St. Lawrence.....	149,311	149,311
Other Assets.....	18,079	18,079
Total Other Assets.....	170,934	167,374
Total Assets.....	1,153,304	1,195,620

Liabilities & Net Worth		
Current Liabilities		
Accounts Payable & Accrued		
Liabilities.....	80,479	81,948
Current Maturity of Long-Term Debt...	0	0
Total Current Liabilities.....	80,479	81,948
Long-Term Debt.....	132,767	123,630
Deferred Taxes.....	32,867	35,167
Deferred Credits & Liabilities.....	107,075	109,075
Shareholders' Equity		
Common Stock.....	32,394	32,394
Paid in Capital.....	457,264	457,264
Retained Earnings.....	285,744	329,281
Minority Interest TLP.....	31,963	34,109
Currency Translation Adjustments.....	(7,249)	(7,249)
Total Shareholders' Equity.....	800,116	845,800
Total Liabilities & Shareholders' Equity.....	1,153,304	1,195,620

</TABLE>

35

HOLNAM OPERATIONS
PP&E ANALYSIS 1991 to 2002

<TABLE>

<CAPTION>

('000 US\$)	HISTORICAL		FORECAST	BUDGET
	1991	1992	1993	1994
<S>	<C>	<C>	<C>	<C>
Existing Net PP&E.....	558,950	531,124	599,491	611,247
Depreciation on exist. Net PP&E (t-1)....	50,351	47,049	41,874	48,519
Dep/Net PP&E.....	NA	8.4%	7.9%	8.1%
	Year	CAPEX	Rate	
1995....	58,685		8.09%	
1996....	46,239		8.09%	
1997....	100,000		6.55%	
1998....	100,000		6.55%	
1999....	100,000		6.55%	
2000....	100,000		6.55%	
2001....	100,000		6.55%	
2002....	100,000		6.55%	
	New Depreciation			
	Total Depreciation			
Balance Net PP&E Beginning of Year.....				599,491
Capital Expenditure.....				61,900
Total Depreciation.....				48,519
Other Adjustment to Net PP&E.....				1,625
Balance Net PP&E End of Year.....				611,247

<CAPTION>

('000 US\$)	PROJECTIONS						
	1995	1996	1997	1998	1999	2000	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Existing Net PP&E.....	624,628	574,075	527,613	484,911	445,665	409,596	376,446
Depreciation on exist. Net PP&E (t-1)...	49,470	50,553	46,462	42,702	39,246	36,069	33,150
Dep/Net PP&E.....	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%
	4,750	4,750	4,750	4,750	4,750	4,750	4,750
		3,742	3,742	3,742	3,742	3,742	3,742
			6,550	6,550	6,550	6,550	6,550
				6,550	6,550	6,550	6,550
					6,550	6,550	6,550
						6,550	6,550
							6,550
	4,750	8,492	15,042	21,592	28,142	34,692	41,242

	54,220	59,045	61,504	64,294	67,388	70,761	74,392
Balance Net PP&E Beginning of Year.....	611,247	615,712	602,906	641,402	677,108	709,721	738,960
Capital Expenditure.....	58,685	46,239	100,000	100,000	100,000	100,000	100,000
Total Depreciation.....	54,220	59,045	61,504	64,294	67,388	70,761	74,392
Other Adjustment to Net PP&E.....	0	0	0	0	0	0	0
Balance Net PP&E End of Year.....	615,712	602,906	641,402	677,108	709,721	738,960	764,568

<CAPTION>

('000 US\$)	2002
<S>	<C>
Existing Net PP&E.....	345,979
Depreciation on exist. Net PP&E (t-1)...	30,467
Dep/Net PP&E.....	8.1%
	4,750
	3,742
	6,550
	6,550
	6,550
	6,550
	6,550
	6,550
	47,792
	78,259
Balance Net PP&E Beginning of Year.....	764,568
Capital Expenditure.....	100,000
Total Depreciation.....	78,259
Other Adjustment to Net PP&E.....	0
Balance Net PP&E End of Year.....	786,309

</TABLE>

(1) Regular Expenditure is depreciated at historical 8.1%, incremental investment in new plant is for long-life assets at 5% resulting in a blended rate of 6.55%

36

HOLNAM OPERATIONS

DEBT SCHEDULE 1991 - 2002

<TABLE>

<CAPTION>

('000 US\$)	HISTORICAL		FORECAST	BUDGET	PROJECTIONS							
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revolving Line of Credit 1....	100,000	80,000	35,000	9,419	37,609	23,586	17,929	30,943	29,946	17,591	9,137	0
Revolving Line of Credit 2 (HOFI).....	0	0	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Revolving Line of Credit 3....	50,000	0	0	0	0	0	0	0	0	0	0	0
TLP Revolving Credit Line.....	0	0	9,000	9,000	9,000	0	0	0	0	0	0	0
Senior 1.....	70,000	70,000	70,000	70,000	70,000	35,000	23,000	23,000	0	0	0	0
Senior 2.....	30,000	30,000	30,000	30,000	30,000	30,000	30,000	0	0	0	0	0
Senior 3.....	5,750	2,875	0	0	0	0	0	0	0	0	0	0
Senior 4.....	4,000	3,000	2,000	1,000	0	0	0	0	0	0	0	0
Senior 5.....	35,000	35,000	35,000	35,000	35,000	26,250	8,750	0	0	0	0	0
Senior 6.....	17,000	15,000	12,000	9,000	6,000	3,000	0	0	0	0	0	0
Industrial Revenue Bonds.....	61,409	59,519	71,930	71,930	71,930	71,930	71,930	71,930	66,930	66,930	66,930	66,930
Subordinated Notes 1.....	12,000	10,000	8,000	6,000	4,000	2,000	0	0	0	0	0	0
Subordinated Notes 2.....	0	50,000	50,000	13,000	0	0	0	0	0	0	0	0
Subordinated Notes 3.....	16,106	16,126	16,126	16,126	16,126	16,126	16,126	0	0	0	0	0
Subordinated Notes 4.....	5,000	5,000	5,000	5,000	5,000	5,000	5,000	0	0	0	0	0
Subordinated Notes 5.....	20,620	15,163	0	0	0	0	0	0	0	0	0	0
TLP Subordinated Notes.....	0	0	26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700
Other.....	(1,947)	(1,608)	(9,406)	21,800	0	0	0	0	0	0	0	0
Total Debt.....	424,938	390,075	391,350	353,975	341,365	269,592	229,435	182,573	153,576	141,221	132,767	123,630
Current Portion of LTD.....	15,327	10,252	11,000	11,000	40,800	57,750	34,500	59,876	28,000	0	0	0
Total LTD.....	409,611	379,823	380,350	342,975	300,565	211,842	194,935	122,697	125,576	141,221	132,767	123,630

Repayment of Revolving Line of

Credit 1.....	NA	(20,000)	(45,000)	(25,581)	0	(14,024)	(5,657)	0	(997)	(12,355)	(8,454)	(9,137)
Borrowing with Revolving Line of Credit 1.....				0	28,190	0	0	13,014	0	0	0	0
Revolving Line of Credit 2....	NA	0	30,000	0	0	0	0	0	0	0	0	0
Revolving Line of Credit 3....	NA	(50,000)	0	0	0	0	0	0	0	0	0	0
TLP Revolving Credit Line.....	NA	0	9,000	0	0	(9,000)	0	0	0	0	0	0
Senior 1.....	NA	0	0	0	0	(35,000)	(12,000)	0	(23,000)	0	0	0
Senior 2.....	NA	0	0	0	0	0	0	(30,000)	0	0	0	0
Senior 3.....	NA	(2,875)	(2,875)	0	0	0	0	0	0	0	0	0
Senior 4.....	NA	(1,000)	(1,000)	(1,000)	(1,000)	0	0	0	0	0	0	0
Senior 5.....	NA	0	0	0	0	(8,750)	(17,500)	(8,750)	0	0	0	0
Senior 6.....	NA	(2,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	0	0	0	0	0
Industrial Revenue Bonds.....	NA	(1,890)	12,411	0	0	0	0	0	(5,000)	0	0	0
Subordinated Notes 1.....	NA	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	0	0	0	0	0
Subordinated Notes 2.....	NA	50,000	0	(37,000)	(13,000)	0	0	0	0	0	0	0
Subordinated Notes 3.....	NA	20	0	0	0	0	0	(16,126)	0	0	0	0
Subordinated Notes 4.....	NA	0	0	0	0	0	0	(5,000)	0	0	0	0
Subordinated Notes 5.....	NA	(5,457)	(15,163)	0	0	0	0	0	0	0	0	0
TLP Subordinated Notes.....	NA	0	26,700	0	0	0	0	0	0	0	0	0
Other.....	NA	339	(7,798)	31,206	(21,800)	0	0	0	0	0	0	0
Total Debt.....	NA	(34,863)	1,275	(37,375)	(12,610)	(71,774)	(40,157)	46,862	(28,997)	(12,355)	(8,454)	(9,137)

</TABLE>

37

<TABLE>

HOLNAM OPERATIONS

GROWTH RATES -- FINANCIAL RATIOS -- ASSUMPTIONS

<CAPTION>

	HISTORICAL		FORECAST BUDGET					PROJECTIONS				
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Income Statement Items:												
Cement Sales Growth												
Rates.....	NA	10.0%	-0.5%	21.7%	4.4%	3.3%	3.2%	0.0%	-7.5%	-4.8%	0.0%	6.7%
Other Sales Growth												
Rates.....	NA	-26.4%	-28.7%	-30.8%	-3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Sales Growth												
Rates.....	NA	6.7%	-2.3%	19.3%	4.2%	3.2%	3.1%	0.0%	-7.3%	-4.6%	0.0%	6.5%
Overall Gross Margin												
(1).....	21.0%	23.7%	26.7%	30.6%	32.1%	33.1%	36.2%	36.6%	33.0%	31.2%	31.4%	34.7%
EBITDA Margin.....	10.3%	13.8%	17.3%	21.6%	23.2%	24.2%	27.3%	27.4%	22.8%	20.2%	20.0%	23.8%
EBIT Margin.....	0.7%	5.2%	8.4%	13.7%	14.7%	15.3%	18.4%	18.0%	12.3%	8.6%	7.8%	11.8%
Pretax Margin.....	-19.1%	-2.0%	-10.2%	7.4%	11.3%	12.7%	16.4%	16.7%	11.2%	7.6%	6.9%	11.0%
Net Margin.....	-17.2%	-2.1%	-10.6%	5.8%	6.6%	7.4%	9.6%	9.8%	6.5%	4.3%	3.9%	6.4%
Selling Expenses Growth												
(%).....	NA	3.3%	5.0%	3.2%	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
General & Admin. Expenses												
Growth (%).....	NA	-11.2%	4.9%	-0.3%	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
EBIT Growth (%) (2).....	NA	659.0%	59.2%	93.7%	12.4%	7.1%	24.0%	-1.7%	-37.0%	-33.5%	-8.4%	59.8%
Dividend Payout Ratio to												
TLP Minority.....	0.0%	0.0%	23.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Balance Sheet Items:												
Accounts Receivable												
Days.....	N/A	49.9	48.2	49.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0
Accounts Payable &												
Accrued Liabilities												
Days.....	N/A	57.4	56.8	56.8	56.8	56.8	56.8	56.8	56.8	56.8	56.8	56.8
Debt/Equity.....	88.3%	89.6%	96.0%	79.0%	68.9%	49.0%	36.8%	26.1%	20.6%	18.3%	16.6%	14.6%
Debt/Total Capital.....	46.9%	47.3%	49.0%	44.1%	40.8%	32.9%	26.9%	20.7%	17.1%	15.4%	14.2%	12.8%
Equity/Total Capital.....	53.1%	52.7%	51.0%	55.9%	59.2%	67.1%	73.1%	79.3%	82.9%	84.6%	85.8%	87.2%
Return on Equity.....	NA	-2.4%	-13.4%	9.3%	10.0%	10.6%	12.7%	11.4%	6.3%	3.7%	3.2%	5.4%
Return on Net Operating												
Assets (RONOA).....	NA	4.2%	7.2%	12.7%	14.1%	14.2%	17.8%	16.6%	10.0%	6.5%	5.8%	8.9%
Cash Flow Statement Items:												
Capital Expenditure (US\$												
'000).....	29,348	31,800	44,456	61,900	58,685	46,239	100,000	100,000	100,000	100,000	100,000	100,000
Depreciation (US\$'000)...	NA	47,049	41,874	48,519	54,220	59,045	61,504	64,294	67,388	70,761	74,392	78,259
Amortisation (US\$												
'000).....	NA	1,358	6,510	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560

</TABLE>

(1) Gross Margin adjusted for Depreciation

[CAPTION]

HOLNAM OPERATIONS
WEIGHTED AVERAGE COST OF CAPITAL CALCULATION

<TABLE> <S>	<C>
Risk-Free Interest Rate--10 yrs. Treasury Bond(1).....	5.79%
Market Risk Premium(2).....	7.60%
Tax Rate.....	40.00%
Cost of Debt(3).....	9.81%
Levered Beta(4).....	1.31%
After-Tax Cost of Debt(5).....	5.89%
Debt/Total Capital.....	49.0%
Equity/Total Capital.....	51.0%
Cost of Equity(6).....	15.75%
WACC(7).....	10.92%

</TABLE>

- - - - -

(1) Source: Financial Times December 18, 1993

(2) Historical U.S. Equity Market Risk Premium (Approx.)

(3) Holnam's Effective Interest Rate 1993

(4) Source: Datastream (as of Dec 17, 1993)

(5) (Cost of Debt) * (1--Tax Rate)

(6) (Risk-Free Interest Rate) + (Levered Beta) * (Market Risk Premium)

(7) (Debt/Total Capital) * (Cost of Debt) * (1--Tax Rate) + (Equity/Total Capital) * (Cost of Equity)

ST. LAWRENCE CEMENT
CEMENT VOLUMES AND PRICES 1991 TO 2002

<TABLE> <CAPTION>	HISTORICAL		FORECAST BUDGET					PROJECTIONS				
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
CEMENT VOLUMES												
St. Lawrence Sales Volume:(a)												
Domestic-Ontario.....	726	639	653	672	737	778	771	771	759	743	728	728
Domestic-Quebec & Maritime....	767	647	653	738	739	766	789	789	770	753	736	736
Domestic-USA.....	1,644	1,473	1,625	1,445	1,640	1,661	1,625	1,640	1,623	1,608	1,593	1,593
Others.....	238	202	375	363	295	310	276	285	285	285	285	285
Sub Total.....	3,375	2,961	3,306	3,218	3,411	3,515	3,461	3,486	3,437	3,389	3,341	3,341
Total Cement Consumption ('000m.t.) (b)												
Ontario.....	2,316	2,105	2,011	2,161	2,381	2,512	2,491	2,491	2,450	2,400	2,350	2,350
Quebec + Maritimes.....	2,236	2,014	1,928	2,100	2,215	2,246	2,307	2,307	2,250	2,200	2,150	2,150
North East USA.....	9,517	9,608	9,825	10,530	11,038	11,159	10,701	10,814	10,700	10,600	10,500	10,500
Total Cement Consumption (% Growth)												
Ontario.....	NA	-9.1%	-4.5%	7.5%	10.2%	5.5%	-0.8%	0.0%	-1.6%	-2.0%	-2.1%	0.0%
Quebec + Maritimes.....	NA	-9.9%	-4.3%	8.9%	5.5%	1.4%	2.7%	0.0%	-2.5%	-2.2%	-2.3%	0.0%
North East USA.....	NA	1.0%	2.3%	7.2%	4.8%	1.1%	-4.1%	1.1%	-1.1%	-0.9%	-0.9%	0.0%
St. Lawrence Market Share												
Ontario.....	31.3%	30.4%	32.5%	31.1%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%
Quebec + Maritimes.....	34.3%	32.1%	33.9%	35.1%	33.4%	34.1%	34.2%	34.2%	34.2%	34.2%	34.2%	34.2%
North East USA.....	17.3%	15.3%	16.5%	13.7%	14.9%	14.9%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%
CEMENT PRICES												
Prices (Can\$/m.t.):												
Domestic-Ontario.....	84.84	81.75	77.59	80.30	82.25	84.47	86.84	89.62	87.62	86.62	86.62	86.62
Domestic-Quebec & Maritime....	65.31	65.21	68.98	74.54	79.42	81.52	83.92	86.60	84.60	83.60	83.60	83.60
Domestic-USA.....	57.76	54.55	61.02	68.25	69.55	72.59	75.52	77.37	75.37	74.37	74.37	74.37
Others.....	65.57	60.79	46.17	43.07	47.00	48.65	51.54	53.80	51.80	50.80	50.80	50.80
Weighted Average.....	65.85	63.18	64.18	69.37	72.49	75.05	78.05	80.24	78.24	77.24	77.24	77.24

Price Changes:

Domestic-Ontario.....	NA	-3.09	-4.16	2.71	1.95	2.22	2.37	2.78	-2.00	-1.00	0.00	0.00
Domestic-Quebec & Maritime.....	NA	-0.10	3.77	5.56	4.88	2.10	2.40	2.68	-2.00	-1.00	0.00	0.00
Domestic-USA.....	NA	-3.21	6.47	7.23	1.30	3.04	2.93	1.85	-2.00	-1.00	0.00	0.00
Others.....	NA	-4.78	-14.62	-3.10	3.93	1.65	2.89	2.26	-2.00	-1.00	0.00	0.00
Weighted Average.....	NA	-2.67	1.00	5.19	3.12	2.56	3.00	2.19	-2.00	-1.00	0.00	0.00
Canadian Inflation.....	5.6%	1.7%	1.8%	1.9%	2.2%	2.7%	2.8%	3.2%	NA	NA	NA	NA

</TABLE>

(a) Forecast for 1994 to 1998 are in line with PCA projections

40

ST. LAWRENCE CEMENT
AGGREGATES AND CONCRETE: VOLUMES AND PRICES 1991 TO 2002

	HISTORICAL		FORECAST		BUDGET		PROJECTIONS					
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
AGGREGATES Volumes ('000m.t.)												
Dufferin Aggregates.....	5,375	4,967	5,710	5,265	5,801	6,120	6,069	6,069	5,983	5,900	5,817	5,817
Demix Aggregates.....	3,258	3,134	2,761	3,087	3,335	3,451	3,573	3,573	3,523	3,474	3,425	3,425
BQG Aggregates.....	624	570	423	420	454	470	486	486	479	473	466	466
Sub Total.....	9,257	8,671	8,894	8,772	9,590	10,041	10,129	10,129	9,985	9,846	9,708	9,708
Volume Growth Rates(a)...	NA	-6.3%	2.6%	-1.4%	9.3%	4.7%	0.9%	0.0%	-1.4%	-1.4%	-1.4%	0.0%
AGGREGATES Prices (Can\$/m.t.)												
Dufferin Aggregates.....	6.00	6.38	6.07	6.23	6.37	6.54	6.72	6.94	6.77	6.68	6.68	6.68
Demix Aggregates.....	5.04	4.92	5.16	5.90	6.03	6.19	6.36	6.57	6.41	6.32	6.32	6.32
BQG Aggregates.....	5.53	5.18	5.27	5.77	5.90	6.06	6.23	6.42	6.26	6.18	6.18	6.18
Weighted Average.....	5.63	5.77	5.75	6.09	6.23	6.40	6.57	6.78	6.61	6.53	6.53	6.53
Price Growth Rates(b)....	NA	2.6%	-0.4%	6.0%	2.2%	2.7%	2.7%	3.2%	-2.5%	-1.3%	0.0%	0.0%
CONCRETE Volumes ('000c.m.)												
Dufferin Concrete.....	1,107	871	1,027	1,060	1,168	1,232	1,222	1,222	1,205	1,188	1,171	1,171
Boehmers Concrete.....	206	185	115	124	137	144	143	143	141	139	137	137
Demix Beton.....	246	168	191	210	227	235	243	243	240	236	233	233
Beton Quebec.....	179	151	144	150	161	168	173	173	171	169	166	166
Sub Total.....	1,738	1,375	1,477	1,544	1,693	1,779	1,781	1,781	1,756	1,732	1,707	1,707
Volume Growth Rates(a)...	NA	-20.9%	7.4%	4.6%	9.7%	5.0%	0.2%	-0.0%	-1.4%	-1.4%	-1.4%	0.0%
CONCRETE Prices (Can\$/c.m)												
Dufferin Concrete.....	79.29	83.15	84.98	83.67	85.51	87.82	90.28	93.17	90.85	89.69	89.69	89.69
Boehmers Concrete.....	79.27	86.04	87.08	88.47	90.42	92.86	95.46	98.51	96.05	94.83	94.83	94.83
Demix Beton.....	75.18	77.14	73.89	81.58	83.37	85.63	88.02	90.84	88.58	87.44	87.44	87.44
Beton Quebec.....	97.21	94.49	87.25	91.75	93.77	96.30	99.00	102.16	99.61	98.34	98.34	98.34
Weighted Average.....	80.55	84.05	83.95	84.56	86.41	88.74	91.24	94.16	91.81	90.64	90.64	90.64
Price Growth Rates(b)...	NA	4.3%	-0.1%	0.7%	2.2%	2.7%	2.8%	3.2%	-2.5%	-1.3%	0.0%	0.0%

</TABLE>

(a) Management expects aggregate and concrete volumes to develop in line with PCA Cement Consumption growth rates until 1997 and then follow the projected downward trend of cement volumes

(b) Management expects aggregate and concrete prices to develop with inflation from 1995 to 1998 and then follow the projected downward trend in cement prices

41

ST. LAWRENCE CEMENT
CONSOLIDATED SALES ANALYSIS 1991 TO 2002

	HISTORICAL		FORECAST		BUDGET		PROJECTIONS					
--	------------	--	----------	--	--------	--	-------------	--	--	--	--	--

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
CEMENT												
Total Sales Volume ('000 m.t.)	3,375	2,961	3,306	3,218	3,411	3,515	3,461	3,486	3,437	3,389	3,341	3,341
Average Price (Can\$/m.t.)	65.85	63.18	64.18	69.37	72.49	75.05	78.05	80.24	78.24	77.24	77.24	77.24
Total Sales (Can\$)	222,244	187,076	212,179	223,224	247,281	263,826	270,131	279,729	268,884	261,759	258,070	258,070
AGGREGATES												
Total Sales Volume ('000 m.t.)	9,257	8,671	8,894	8,772	9,590	10,041	10,129	10,129	9,985	9,846	9,708	9,708
Average Price (Can\$/m.t.)	5.63	5.77	5.75	6.09	6.23	6.40	6.57	6.78	6.61	6.53	6.53	6.53
Total Sales (Can\$)	52,105	50,061	51,137	53,437	59,721	64,236	66,571	68,702	66,039	64,288	63,382	63,382
CONCRETE												
Total Sales Volume ('000 c.m.)	1,738	1,375	1,477	1,544	1,693	1,779	1,781	1,781	1,756	1,732	1,707	1,707
Average Price (Can\$/c.m.)	80.55	84.05	83.95	84.56	86.41	88.74	91.24	94.16	91.81	90.64	90.64	90.64
Total Sales (Can\$)	139,963	115,580	123,967	130,555	146,333	157,846	162,540	167,741	161,238	156,965	154,753	154,753
OTHER												
Construction	110,498	118,696	119,390	123,000	135,883	151,638	169,266	166,945	164,575	162,288	160,001	160,001
Concrete Products	2,120	1,716	428	0	0	0	0	0	0	0	0	0
Building Products	24,460	22,376	23,259	12,690	12,969	13,319	13,692	14,130	13,929	13,736	13,542	13,542
Others	17,475	16,595	14,132	25,691	26,243	27,730	28,582	29,561	29,141	28,736	28,331	28,331
Total Other Sales (a)	154,553	159,383	157,209	161,381	175,095	192,687	211,540	210,636	207,646	204,760	201,874	201,874
TOTAL SALES	568,865	512,100	544,492	568,597	628,430	678,595	710,782	726,808	703,807	687,772	678,080	678,080
INTRA-COMPANY SALES (b)	(64,386)	(45,015)	(64,319)	(68,018)	(61,479)	(56,751)	(50,157)	(20,589)	(20,589)	(20,589)	(20,589)	(20,589)
CONSOLIDATED NET SALES	504,479	467,085	480,173	500,579	566,951	621,844	660,625	706,219	683,218	667,183	657,491	657,491

(a) 'Other Sales' have been projected by management through 1998 and develop in line with cement volumes through 2002

(b) Intra-Company Sales have been projected by management through 1998. Intra-Company Sales 1999 to 2002 are based on average 1991 to 1998 data

42

ST. LAWRENCE CEMENT
COST OF SALES ANALYSIS 1991 TO 2002

<S>	HISTORICAL				PROJECTIONS							
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
CEMENT												
Cement Production												
Volume ('000 m.t.)												
Domestic-Ontario	1,125	982	873	975	1,037	1,103	1,111	1,126	1,110	1,095	1,079	1,079
Domestic-Quebec & Maritime	1,201	1,002	1,087	1,212	1,239	1,241	1,224	1,224	1,207	1,190	1,173	1,173
Domestic-USA	939	840	965	938	1,046	1,071	1,023	1,029	1,014	1,000	986	986
Sub Total	3,265	2,824	2,925	3,125	3,322	3,415	3,358	3,379	3,331	3,285	3,238	3,238
Production Cost:												
(Can\$/m.t.)												
Domestic-Ontario	42.22	44.38	44.07	42.91	42.75	42.75	43.73	44.82	46.07	47.32	48.36	49.28
Domestic-Quebec & Maritime	39.23	39.53	36.16	35.39	35.83	36.78	38.01	39.22	40.32	41.41	42.32	43.12
Domestic-USA	40.98	48.82	47.38	49.13	50.72	52.87	55.52	57.32	58.92	60.52	61.85	63.02
Weighted Average	40.93	43.98	43.11	43.23	42.69	43.82	45.24	46.59	47.89	49.19	50.27	51.22
Total Costs (Can\$ '000)												
Inventories & Adjustments	133,653	124,219	126,113	135,114	141,804	149,654	151,932	157,426	159,536	161,567	162,794	165,887
COST OF CEMENT SALES	153,618	138,370	153,140	146,820	157,257	166,417	169,270	175,262	177,066	179,097	180,324	183,417
VOLUME GROWTH	NA	-13.5%	3.6%	6.8%	6.3%	2.8%	-1.7%	0.6%	-1.4%	-1.4%	-1.4%	0.0%
INFLATION	5.6%	1.7%	1.8%	1.9%	2.2%	2.7%	2.8%	3.2%	2.8%	2.7%	2.2%	1.9%

AGGREGATES

Production Volume ('000 m.t.).....	9,257	8,671	8,894	8,772	9,590	10,041	10,129	10,129	9,985	9,846	9,708	9,708
Production Cost (Can\$/m.t.).....	3.66	3.89	3.53	3.65	3.73	3.83	3.94	4.07	4.18	4.30	4.39	4.47
Total Costs (Can\$ '000).....	33,904	33,736	31,429	32,060	35,798	38,473	39,947	41,225	41,778	42,309	42,631	43,441
Inventories & Adjustments.....	2,206	3,081	1,294	831	1,971	2,065	2,191	2,230	1,984	1,984	1,984	1,984
COST OF AGGREGATE SALES.....	36,110	36,817	32,723	32,891	37,769	40,538	42,138	43,455	43,761	44,293	44,614	45,424
CONCRETE												
Production Volume ('000 c.m.).....	1,738	1,375	1,477	1,544	1,693	1,779	1,781	1,781	1,756	1,732	1,707	1,707
Production Cost (Can\$/c.m.).....	74.27	76.37	71.94	77.89	78.57	80.19	82.33	84.97	87.35	89.71	91.68	93.42
Total Costs (Can\$ '000).....	129,051	105,015	106,226	120,251	133,059	142,643	146,674	151,368	153,397	155,350	156,530	159,504
Inventories & Adjustments.....	0	0	0	0	0	0	0	0	0	0	0	0
COST OF CONCRETE SALES.....	129,051	105,015	106,226	120,251	133,059	142,643	146,674	151,368	153,397	155,350	156,530	159,504
OTHER PRODUCTS												
Variable Costs.....	49,403	47,111	44,017	36,374	36,653	37,226	38,370	39,448	39,977	40,486	40,793	41,568
Fixed Costs.....	97,374	99,395	101,439	109,582	121,522	136,265	152,680	150,832	155,055	159,242	162,745	165,837
Total Other Cost of Sales.....	146,777	146,506	145,456	145,956	158,175	173,491	191,050	190,280	195,032	199,727	203,538	207,406
TOTAL												
Gross Total Cost of Sales.....	465,556	426,708	437,545	445,918	486,260	523,089	549,132	560,365	569,257	578,467	585,007	595,751
Intra-Company Adjustments.....	(84,134)	(48,560)	(67,399)	(80,969)	(80,471)	(76,687)	(70,842)	(42,280)	(68,918)	(68,918)	(68,918)	(68,918)
TOTAL COST OF SALES.....	381,422	378,148	370,146	364,949	405,789	446,402	478,290	518,085	500,339	509,549	516,089	526,833

</TABLE>

43

ST. LAWRENCE CEMENT
INCOME STATEMENT 1991-2002

(CAN\$ IN '000)	HISTORICAL		FORECAST BUDGET		PROJECTIONS							
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
SALES.....	504,479	467,085	480,173	500,579	566,951	621,844	660,625	706,219	683,218	667,183	657,491	657,491
Total Costs of Sales....	381,422	378,148	370,146	364,949	405,789	446,402	478,290	518,085	500,339	509,549	516,089	526,833
Gross Margin.....	123,057	88,937	110,027	135,630	161,162	175,442	182,335	188,134	182,879	157,634	141,402	130,657
Selling & Administrative.....	75,334	78,092	68,802	69,429	70,176	69,483	72,517	74,809	72,373	70,674	69,647	69,647
Corporate Reserve/Cost Adjustment (a).....	0	0	0	4,300	(16,400)	(21,000)	(21,800)	(20,600)	(22,000)	(22,000)	(22,000)	(22,000)
EBITDA.....	47,723	10,845	41,225	61,901	107,386	126,959	131,618	133,925	132,506	108,960	93,754	83,010
Depreciation.....	35,428	36,726	34,860	34,634	38,164	38,960	39,671	41,309	38,762	39,336	39,856	40,329
Amortisation.....	920	1,165	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157
EBIT.....	11,375	(27,046)	5,208	26,110	68,065	86,842	90,790	91,459	92,587	68,468	52,741	41,524
Net Interest Expense....	(19,892)	(19,600)	(18,000)	(15,500)	(15,226)	(15,226)	(18,624)	(20,429)	(14,568)	(12,807)	(11,382)	(10,411)
Extraordinary Expenses.....	--	(13,333)	(642)	(-500)	--	--	--	--	--	--	--	--
Pretax Profit.....	(8,517)	(59,979)	(13,434)	10,110	52,839	71,616	72,166	71,030	78,020	55,660	41,359	31,113
Tax (Credit) Provision @.....	(2,789)	(20,110)	(3,115)	5,511	19,550	26,498	26,701	26,281	28,867	20,594	15,303	11,512
Net Income (Loss).....	(5,728)	(39,869)	(10,319)	4,599	33,289	45,118	45,465	44,749	49,152	35,066	26,056	19,601

(a) Corporate Reserve/Cost Adjustment reflects top management's views on certain items which were not otherwise taken into account in the five-year plan.

Ajstment consists of: - Savings under EXCEL and BCM Cost reduction

- programs
- Fees to Holderbank Financiere (Management and R&D Fees)
- Reserve on ability to increase prices as projected

44

ST. LAWRENCE CEMENT
BALANCE SHEET 1991-2002

<TABLE>
<CAPTION>

(CAN\$ IN '000)	HISTORICAL				PROJECTIONS							
	1991	1992	FORECAST 1993	BUDGET 1994	1995	1996	1997	1998	1999	2000	2001	2002
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS:												
Current Assets:												
Accounts												
Receivable.....	130,686	138,917	135,804	135,212	149,608	150,674	159,438	169,741	154,245	150,625	148,437	148,437
Inventories & Supplies.....	93,627	93,058	82,627	80,095	93,108	103,367	108,712	115,206	104,988	106,921	108,293	110,548
Total Current Assets....	224,313	231,975	218,431	215,307	242,716	254,041	268,150	284,947	259,233	257,546	256,730	258,985
Property, Plant & Equipment -- Net.....												
	427,738	412,915	398,117	399,684	406,520	412,560	417,888	421,579	427,817	433,482	438,626	443,296
Total Other Assets.....	60,938	85,064	82,786	70,788	74,058	81,544	92,771	78,106	76,949	75,792	74,635	73,478
Total Assets.....	712,989	729,955	699,335	685,779	723,294	748,145	778,809	784,633	764,000	766,820	769,991	775,759
Liabilities & Net Worth												
Current Liabilities												
Accounts Payable & Accrued												
Liabilities.....	55,480	72,178	73,243	59,907	69,061	74,158	78,761	84,172	76,063	77,463	78,458	80,091
Short Term Debt.....	2,984	3,510	1,711	16,558	44,998	51,509	22,528	13,883	13,883	13,883	13,883	13,883
Taxes Deferred or Payable.....	5,226	5,585	5,585	5,585	5,585	5,585	5,585	5,585	5,585	5,585	5,585	5,585
Total Current Liabilities.....	63,690	81,273	80,539	82,050	119,645	131,252	106,874	103,640	95,531	96,931	97,926	99,559
Long-Term Debt.....	221,856	260,176	240,289	215,913	179,849	158,615	183,443	163,734	117,698	101,800	88,926	80,153
Deferred Taxes.....	71,781	65,376	63,756	65,566	67,504	69,949	73,204	75,859	78,513	81,167	83,821	86,475
Shareholders' Equity												
Common Stock.....	110,605	134,724	137,364	140,964	144,264	147,264	150,264	153,389	156,514	159,639	162,764	165,889
Retained Earnings...	245,057	188,406	177,387	181,286	212,033	241,065	265,024	288,011	315,744	327,283	336,554	343,683
Total Shareholders' Equity.....	355,662	323,130	314,751	322,250	356,297	388,329	415,288	441,400	472,258	486,922	499,318	509,572
Total Liabilities & Shareholders' Equity.....	712,989	729,955	699,335	685,779	723,294	748,145	778,809	784,633	764,000	766,820	769,991	775,759

</TABLE>

45

ST. LAWRENCE CEMENT
CASH FLOW STATEMENT 1991-2002

<TABLE>
<CAPTION>

(CAN\$ IN '000)	HISTORICAL				PROJECTIONS							
	1991	1992	FORECAST 1993	BUDGET 1994	1995	1996	1997	1998	1999	2000	2001	2002
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net Income												
(Loss).....	(5,728)	(39,869)	(10,319)	4,599	33,289	45,118	45,465	44,749	49,152	35,066	26,056	19,601
Noncash Charges (Credits)												
Depreciation of PP&E.....												
	35,428	36,726	34,860	34,634	38,164	38,960	39,671	41,309	38,762	39,336	39,856	40,329

Amortisation of Goodwill....	920	1,165	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157
Deferred Income Taxes.....	(552)	(6,405)	(1,621)	1,811	1,938	2,445	3,255	2,654	2,654	2,654	2,654	2,654
Other Non-Cash Items.....	(962)	(31)	(1,200)	(1,200)	--	--	--	--	--	--	--	--
(Increase) Decrease in Receivables....	--	--	--	592	(14,396)	(1,066)	(8,764)	(10,303)	15,496	3,620	2,188	0
(Increase) Decrease in Inventories....	--	--	--	2,532	(13,013)	(10,259)	(5,345)	(6,494)	10,218	(1,933)	(1,372)	(2,255)
(Decrease) Increase in Accounts Payable.....	--	--	--	(13,336)	9,154	5,097	4,603	5,411	(8,109)	1,400	994	1,633
Changes in Working Capital.....	2,096	9,434	14,648	(10,212)	(18,255)	(6,228)	(9,506)	(11,386)	17,605	3,088	1,810	(621)
CASH PROVIDED BY OPERATIONS..	31,202	1,020	37,525	30,789	56,293	81,452	80,042	78,483	109,330	81,300	71,534	63,120
CASH FLOW BEFORE INVESTMENTS....	31,202	1,020	37,525	30,789	56,293	81,452	80,042	78,483	109,330	81,300	71,534	63,120
Proceeds from Sale of Assets.....	3,375	3,388	10,000	10,000	0	0	0	0	0	0	0	0
Capital Expenditures...	(24,606)	(19,271)	(28,862)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)
Acquisitions.....	(6,644)	(13,864)	0	0	0	0	0	0	0	0	0	0
Investments in Affiliates/Minority Interests.....	(33,355)	(1,136)	(85)	0	(6,500)	0	0	0	0	0	0	0
Hudson-Catskill Project.....	(4,624)	0	0	0	0	0	0	0	0	0	0	0
Increase in Long-term receivables....	(1,749)	(9,732)	840	7,987	2,336	2,098	(3)	0	0	0	0	0
Deferred Exchange on US Debt.....	0	(6,671)	(1,275)	816	0	(13,100)	(19,650)	9,355	0	0	0	0
Loans to Employees.....	0	(836)	0	0	0	0	0	0	0	0	0	0
Other Investing Activities.....	(130)	919	1,605	2,038	(262)	2,358	7,270	4,152	0	0	0	0
CASH USED FOR INVESTMENTS....	(67,733)	(47,203)	(17,777)	(24,159)	(49,426)	(53,644)	(57,383)	(31,493)	(45,000)	(45,000)	(45,000)	(45,000)
CASH FLOW BEFORE FINANCING.....	(36,531)	(46,183)	19,748	6,630	6,867	27,808	22,659	46,990	64,330	36,300	26,534	18,120
Variation in Debt.....	2,647	777	37,374	(3,945)	(1,096)	(44,556)	(937)	(20,960)	0	0	0	0
Capital Issued...	19,563	24,119	2,640	3,600	3,300	3,000	3,000	3,125	3,125	3,125	3,125	3,125
Stock Dividends paid.....	(17,343)	(11,897)	0	0	0	0	0	0	0	0	0	0
Cash Dividends...	(13,960)	(4,885)	(700)	(700)	(2,542)	(16,086)	(21,505)	(21,762)	(21,419)	(23,527)	(16,785)	(12,472)
	(9,093)	8,114	39,314	(1,045)	(338)	(57,642)	(19,442)	(39,597)	(18,294)	(20,402)	(13,660)	(9,347)
NET DECREASE (INCREASE) IN REVOLVER.....	(45,624)	(38,069)	59,062	5,585	6,529	(29,834)	3,217	7,393	46,036	15,898	12,874	8,773

</TABLE>

46

ST. LAWRENCE CEMENT
GROWTH RATES-FINANCIAL RATIOS-ASSUMPTIONS

<TABLE>
<CAPTION>

HISTORICAL		FORECAST BUDGET		PROJECTIONS							
1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Income Statement Ratios:												
Sales Growth Rate.....	NA	-7.4%	2.8%	4.2%	13.3%	9.7%	6.2%	6.9%	-3.3%	-2.3%	-1.5%	0.0%
Gross Margin.....	24.4%	19.0%	22.9%	27.1%	28.4%	28.2%	27.6%	26.6%	26.8%	23.6%	21.5%	19.9%
EBITDA Margin.....	9.5%	2.3%	8.6%	12.4%	18.9%	20.4%	19.9%	19.0%	19.4%	16.3%	14.3%	12.6%
EBIT Margin.....	2.3%	-5.8%	1.1%	5.2%	12.0%	14.0%	13.7%	13.0%	13.6%	10.3%	8.0%	6.3%
Pretax Margin.....	-1.7%	-12.8%	-2.8%	2.0%	9.3%	11.5%	10.9%	10.1%	11.4%	8.3%	6.3%	4.7%
Net Margin.....	-1.1%	-8.5%	-2.1%	0.9%	5.9%	7.3%	6.9%	6.3%	7.2%	5.3%	4.0%	3.0%
Cost of Sales/Sales.....	75.6%	81.0%	77.1%	72.9%	71.6%	71.8%	72.4%	73.4%	74.5%	74.5%	74.5%	74.5%
S,G&A/Sales.....	14.9%	16.7%	14.3%	13.9%	12.4%	11.2%	11.0%	10.6%	10.6%	10.6%	10.6%	10.6%
Effective Interest Rate.....	8.8%	7.4%	7.5%	6.6%	6.3%	6.7%	8.5%	11.1%	11.1%	11.1%	11.1%	11.1%
Effective Tax Rate.....	32.7%	33.5%	23.2%	34.5%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%
Canadian Inflation.....	5.6%	1.7%	1.8%	1.9%	2.2%	2.7%	2.8%	3.2%	3.2%	3.2%	3.2%	3.2%
Balance Sheet Ratios:												
Accounts Receivable Days.....	N/A	102.1	105.6	99.0	87.0	87.8	83.2	82.4	82.4	82.4	82.4	82.4
Inventories & Supplies Turns.....	N/A	4.0	4.0	4.4	5.1	4.8	4.6	4.8	4.8	4.8	4.8	4.8
Accounts Payable & Accrued												
Liabilities Days.....	N/A	53.6	71.2	73.3	53.9	56.5	56.6	55.5	55.5	55.5	55.5	55.5
Debt/Equity.....	63.2%	81.6%	76.9%	72.1%	63.1%	54.1%	49.6%	40.2%	27.9%	23.8%	20.6%	18.5%
Debt/Total Capital.....	38.7%	44.9%	43.5%	41.9%	38.7%	35.1%	33.2%	28.7%	21.8%	19.2%	17.1%	15.6%
Equity/Total Capital.....	61.3%	55.1%	56.5%	58.1%	61.3%	64.9%	66.8%	71.3%	78.2%	80.8%	82.9%	84.4%
Dividend/Net Income (t-1).....	NA	-85.3%	-1.8%	-6.8%	55.3%	48.3%	47.7%	47.9%	47.9%	47.9%	47.9%	47.9%
RONOA.....	1.9%	-4.8%	1.0%	4.9%	12.9%	16.2%	15.7%	15.2%	15.7%	11.5%	8.8%	6.9%
Cash Flow Statement Ratios												
Capital Expenditure (US\$ '000).....	24,606	19,271	28,862	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Capital Expenditure/Net PP&E												
(t-1).....	NA	4.5%	7.0%	11.3%	11.3%	11.1%	10.9%	10.8%	10.7%	10.5%	10.4%	10.3%
Depreciation, Amortisation (CAN\$												
'000).....	35,428	36,726	34,860	34,634	38,164	38,960	39,671	41,309	38,762	39,336	39,856	40,329
as % of Net PP&E (t-1).....	NA	8.59%	8.44%	8.70%	9.55%	9.58%	9.62%	9.89%	9.19%	9.19%	9.19%	9.19%
of which 'Depreciation'												
(CAN\$'000).....	34,508	35,561	33,703	33,477	37,007	37,803	38,514	40,152	37,605	38,179	38,699	39,172
of which 'Amortisation'												
(CAN\$'000).....	920	1,165	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157

47

ST. LAWRENCE CEMENT INC.
WEIGHTED AVERAGE COST OF CAPITAL CALCULATION

DRAFT

<S>	<C>
Risk-Free Interest Rate -- 10 yrs. Treasury Bond (1).....	6.78%
Market Risk Premium (2).....	7.60%
Tax Rate.....	34.50%
Cost of Debt(3).....	7.4%
Levered Beta(4).....	1.26
After-Tax Cost of Debt(5).....	4.85%
Debt/Total Capital.....	43.47%
Equity/Total Capital.....	56.53%
Cost of Equity(6).....	16.36%
WACC (7).....	11.35%

(1) Source: Datastream December 17, 1993

(2) Historical US Equity Market Risk Premium (Approx.)

(3) St. Lawrence's effective cost of debt

(4) Source: Bloomberg Dec 17, 1993

(5) (Cost of Debt) * (1 -- Tax Rate)

(6) (Risk-Free Interest Rate) + (Levered Beta) * (Market Risk Premium)

(7) (Debt/Total Capital) * (Cost of Debt) * (1-Tax Rate) + (Equity/Total Capital) * (Cost of Equity)

48

F

PROJECT CROSSROADS
CASE STUDY I: BOXCROW CEMENT CO LP - TEXAS CEMENT PLANT

<S>	<C>	<C>
Date:	06 May 1993	

Acquiror:	Holnam Inc.
Transaction Description:	Acquired the Midlothian, Texas cement plant, a debtor in Chapter 11 bankruptcy. The transaction had received approval by a Dallas bankruptcy court. Funding for the transaction consisted of \$27 million in tax-exempt revenue bonds assumed by the Partnership, \$24 million in Partnership bank loans, and \$40 million in equity. The L.P is 75% and 25% owned by Holnam and Trammell Crow, respectively.
Target Description:	Cement plant is a highly efficient and modern facility located at Midlothian, Texas and has a production capacity of 1.0 million tons per year. The Partnership also acquired terminals in Oklamoma City, Oklahoma, and Lubbock, Texas. The kiln was built in 1987 and utilizes a dry process.
Transaction Summary:	Transaction Value: \$91.4 million Production Capacity acquired: 1.0 million tons Price/s.t of production capacity: \$91.4

</TABLE>

[Logo]Merrill Lynch 'Holderbank'

PROJECT CROSSROADS
CASE STUDY II: CERTAIN ASSETS OF LAFARGE CORPORATION

<TABLE>	<C>	<C>
<S>		
Date:	01 February 1993	
Acquiror:	Medusa Corporation	
Transaction Description:	Acquired a cement plant and nine distribution terminals from Lafarge Corporation for about \$45.6 million in cash. In connection with the closing of the acquisition, Medusa and Lafarge entered into a Cement Supply Contract and a Non competition Agreement (Medusa paid Lafarge \$4.5 million at the closing of the acquisition). The former agreement provides that Medusa sell to Lafarge at least 50,000 tons of gray portland cement produced at the Dempolis plant during each year of the initial five-year term of the contract.	
Target Description:	Assets acquired include Lafarge's seventeen-year old, 850,000 ton capacity single-kiln cement plant (primarily gray portland and masonry cement) in Dempolis, Alabama, two working quarries and two mineral reserve properties in the surrounding area, terminals located in Montgomery, Alabama, Atlanta and Bainbridge, Georgia and Chattanooga, Tennessee and related personal property. Medusa also assumed Lafarge's leases on terminals in Dacatur and Mobile, Alabama, Doraville, Georgia and Tallahassee, Florida. The plant utilizes a dry process.	
Transaction Summary:	Transaction Value: \$45.6 million Production Capacity acquired: 850,000 tons Price/s.t. of production capacity: \$53.65	

</TABLE>

[Logo]Merrill Lynch 'Holderbank'

PROJECT CROSSROADS
CASE STUDY III: RIVERSIDE CEMENT CO. - BEAZER PLC

<TABLE>	<C>	<C>
<S>		
Date:	05 May 1991	
Acquiror:	Ssangyong Cement Industrial Co Ltd.	
Transaction Description:	Acquired a 50% interest in Riverside Cement from Beazer West, a unit of Beazer, for \$173 million. Riverside will be operated as a joint venture between Beazer and Ssangyong.	
Target Description:	Riverside operates two plants producing 1.7 million tons of cement a year at Oro Grande (maintains seven kilns) and Crestmore in California (1.6 million tons of cement and .1 million tons of white cement). The kilns were built during 1948 - 1959; utilize a dry process.	
Transaction Summary:	Transaction Value: 173 million Production Capacity acquired: 1.7 million tons Price/s.t. of production capacity: \$101.76	

</TABLE>

[Logo]Merrill Lynch 'Holderbank'

PROJECT CROSSROADS
CASE STUDY IV: BEAZER PLC - GIFFORD HILL CEMENT PLANT

<TABLE>	<C>	<C>
<S>		
Date:	04 Feb 1991	
Acquiror:	Blue Circle Industries Plc	
Transaction Description:	Acquired the Gifford-Hill cement plant from Beazer for \$60.7 million in cash. The sale was a further step in Beazer's program to reduce its debt.	
Target Description:	The Gifford-Hill plant located at Harleyville, South Carolina was commissioned in 1974 and can produce 690,000 tons of cement per year; utilize a dry process.	
Transaction Summary:	Transaction Value: \$60.7 million Production Capacity acquired: 690,000 tons Price/s.t. of production capacity: \$87.97	

</TABLE>

PROJECT CROSSROADS
CASE STUDY V: MISSOURI PORTLAND CEMENT AND DAVENPORT CEMENT

<TABLE>		
<S>	<C>	<C>
Date:	17 December 1990	
Acquiror:	Lafarge Corporation	
Transaction Description:	Acquired certain cement production and distribution, construction materials and admixture businesses in the United States from Cementia Holdings, which is 60% owned by Lafarge Copee (France), parent of Lafarge, Asland S.A. and certain of their affiliates for about \$160.6 million.	
Target Description:	Operates three cement plants in Grand Chain, IL (two kilns built in 1963 and 1975 -- dry process), Sugar Creek, MO (two kilns built in 1953 and 1957 -- dry process), and Buffalo, IA (one kiln built in 1981 -- dry process), with a total capacity of 2.6 million tons and 16 distribution terminals along the Mississippi. Also maintains about 30 related ready-mix and aggregate operations as well as Prochem Technology, Inc., a chemical admixtures business. The plants are dry-process cement operations.	
Transaction Summary:	Transaction Value:	\$147.7 million
	Production Capacity acquired:	2.6 million tons
	Price/s.t. of production capacity:	\$56.81

</TABLE>

PROJECT CROSSROADS
CASE STUDY VI: PACIFIC COAST CEMENT CO. (LONE STAR INDUSTRIES INC)

<TABLE>		
<S>	<C>	<C>
Date:	07 June 90	
Acquiror:	Cementos Mexicanos SA	
Transaction Description:	Cemex acquired a 50% stake in Pacific Coast Cement from Lone Star Industries for \$40 million. The transaction has been subject to compliance with regulatory requirements.	
Target Description:	Capacity estimated at approximately .9 million tons of cement per year. The kiln was commissioned in 1981 and utilizes a dry process.	
Transaction Summary:	Transaction Value:	\$80 million
	Production Capacity acquired:	900,000 tons
	Price/s.t. of production capacity:	\$88.89

</TABLE>

G

PROJECT CROSSROADS
GLOSSARY

<TABLE>	
<S>	<C>
'NOLs'	Net Operating Loss carry forwards
'DCF'	Discounted Cash Flow
'Free Cash Flow'	Cash Flow before Financing Activities
'NPV'	Net Present Value
'WACC'	Weighted Average Cost of Capital
'EBIT'	Earnings before Interests and Taxes
'EBITDA'	Earnings before Interests, Taxes, Depreciation and Amortisation
'PP&E'	Property, Plant & Equipment
'EPS'	Earnings per Share
'Market Cap.'	Market Capitalisation = Market Value + Preferred Equity at Liquidation Value (Incl. Redeemable) + Net Debt + Minority Interest
'TLP'	Texas Limited Partnership
'PCA'	Portland Cement Association
's.t.'	short tons
'm.t.'	metric tons

</TABLE>