

CEMENTIR - Cementerie del Tirreno S.p.A.
Registered Office in Rome - Corso di Francia, No. 200
Company's Register of Rome No. 2311/2313/51
Share Capital Euro 159,120,000 fully paid-in



Report of the only matter on the Agenda of the Extraordinary Shareholders' Meeting of June 21st 2007 in accordance with article 3 of Ministerial Decree No. 437 of November 5th 1998 and article 92, paragraph 1, letter a, of the "Regolamento Emittenti"

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REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

The Extraordinary Shareholders' Meetings was called in first convocation on June 21st 2007, 11 a.m. and in second convocation on June 22nd 2007, at 4 p.m., to resolve on the following agenda:

- 1) Amendments to the By-laws in order also to comply with the provisions of Law 262/2005 and Legislative Decree No. 303 of 29th December 2006.

Dear Shareholders,

as noted, Law No. 262 of 28th December 2005 (so-called "Legge sul Risparmio"), as amended by Legislative Decree No. 303 of 2006 (so-called "Decreto Correttivo") introduced new provisions for the protection of savings and the governance of financial markets and, in particular, in relation to the appointment of the members of the board of directors and board of statutory auditors of listed companies.

For this purpose, in fact, the new version of article 5, which is proposed for your approval, governs the procedures for the election of the members of the Board of Directors through the voting of slates, enabling a Director to be elected from the minority slate obtaining the largest number of votes and which is not related in any manner, even indirectly, with the slate which obtained the majority of the votes.

The procedures for the presentation of the candidates are prepared in accordance with Consob Regulations.

In relation to the procedures for the election of the Board of Statutory Auditors - for which the current By-laws already provides for the voting of slates- pursuant to Consob Regulations, the procedures and terms for the presentation of candidates and distribution of seats are amended in order to ensure the election as Chairman of the Board of Statutory Auditors of the standing auditor presented by the minority slate obtaining the largest number of votes, provided that such person is not related in any manner to the majority shareholders.

It is also necessary to propose the introduction of a new "Chapter" and a new article to the BY-laws, concerning the requirements and the procedures for the appointment of the "Dirigente Preposto", in charge of the preparation of accounting documents, in order to select a person with adequate experience and professional attributes.

The Board also considered it appropriate to propose for your approval an amendment to article 2, which disciplines the business purpose of the company, in order to adapt it to the rapid international expansion of the

Group business in recent years. The Board of Directors considers that the amendment proposed does not consist of a significant change in the business purpose of the company and therefore does not entitle shareholders to the right of withdrawal.

It is also proposed to amend the current article 17 (article 18 of the new proposed version) to permit, at the discretion of the Board of Directors, the allocation of 1.5% of the net profit for the year to social, cultural and artistic activities as well as research and development, with the aim of aligning profits distribution policies within the Group.

Taking into consideration that stated above, we propose for your approval the amendments to the by-laws summarised in the attached prospectus “A”, which includes the current version and the proposed version for each article.

In accordance with the above matters outlined, therefore, if you are in agreement with the proposal, the Board invites you to approve the following resolution:

“The Extraordinary Shareholders’ Meeting of Cementir S.p.A., having heard and approved the Report of the Board of Directors,

resolves

1. to approve the changes to the company by-laws proposed by the Board of Directors as illustrated in the Report made available to the public;
2. to confer to the Board of Directors and, on its behalf, to the Chairman and the Chief Executive Officer, including separately, all powers necessary to:
 - a. comply with the requirements of law, including in relation to notices, related to be implementation of the changes to the Company By-laws;
 - b. the re-numbering of the articles of the by-laws;
 - c. introduce into the resolutions made any changes of a formal and not substantial nature which are required by the relevant Authorities, Notary or by the Register of Companies for the registration, or which are necessary or appropriate to comply with applicable regulations.

Further ratification is not necessary”

Rome, 9th May 2007

**FOR THE BOARD OF DIRECTORS
THE CHAIRMAN
FRANCESCO CALTAGIRONE JR.**

(CURRENT VERSION)

ARTICLE 2

The business purpose of the Company, even under the form of business rental, is the construction of plant for the production of cement and industrial plant – in particular complementary, accessory, auxiliary and related industries, including the exercise of mining and quarry activities and any activities that utilise their products or by-products or relating to raw materials or materials for its production – as well as all forms of transport and commerce in general of the products from the above-mentioned industries and related, as well as any kind of product or by-product in the metal mechanic industry.

The Company can also carry out all industrial, real estate, commercial, banking and financial operations connected to the corporate scope, including the holding and concession of participations or interests, under any form, in other Companies or Entities in Italy and abroad having the same or related purpose or connected either directly or indirectly. The Company can also assume mandates, under any form, manage and administrate Companies and Entities, performing the activities included in the business purpose in relation to all of the activities in the mandates or single activities contained therein.

(PROPOSED VERSION)

ARTICLE 2

The business purpose of the Company, **directly and/or indirectly, through the holding of investments in companies of any nature, bodies, consortiums or enterprises, in Italy or abroad, is the production and distribution of cement, lime and construction material in general, as well as aggregates, accessory and ancillary products including quarry and mineral excavation, and the commercialisation of the products from the above mentioned industries and related thereto, of raw materials, of semi-finished and finished products which are related or ancillary for the development of the business purpose and/or of its holdings, and the undertaking of the relative transport in any form.**

The Company can also undertake directly, or indirectly through the holding of investments or interests of any kind, in order to support the development of its activities, any activities in the energy resources sector and therefore, as an example only, the activities of production, collection, transport, transformation and commercialisation and all activities related, including those of cogeneration and the activities of managing environmental services with a view to sustainable development and also for the protection of the environment.

The Company may undertake investments or interests, under any form, in other Italian or overseas Companies or Entities having the same business purpose or related to its own business purpose or in any case related either directly or indirectly, **and provide loans and guarantees to affiliated companies.**

Accepting monetary deposits from the public and providing investment services as defined by legislative decree n. 58 of 24th February 1998, as well as the activities referred to in section 106 of legislative decree n. 385 of 1st September 1993 insofar as they are also exercised vis-à-vis the public, is excluded.

The Company may undertake all operations of an industrial, real estate, commercial, banking and financial nature, related to the Company’s business **or useful for the achievement thereof, or where considered appropriate to optimise the management of the liquidity not invested in the core business activities.**

The Company can also assume mandates, under any

**SECTION III
BOARD OF DIRECTORS
ARTICLE 5**

The Company shall be administered by a Board of Directors made up of between five and fifteen members appointed by the shareholders' meeting. The Directors are appointed for a period of three years which expires on the date of the shareholders' meeting called for the approval of the financial statements relating to the final year in office. The directors may be re-elected in accordance with article 2383 of the Civil Code.

form, manage and administrate Companies and Entities, performing the activities included in the business purpose in relation to all of the activities in the mandates or single activities contained therein.

**SECTION III
BOARD OF DIRECTORS
ARTICLE 5**

The Company shall be administered by a Board of Directors made up of between five and fifteen members appointed by the shareholders' meeting. The Directors are appointed for a period of three years which expires on the date of the shareholders' meeting called for the approval of the financial statements relating to the final year in office. The directors may be re-elected in accordance with article 2383 of the Civil Code.

The election of the members of the Board of Directors is made on the basis of slates presented by shareholders that hold at least 2% of the share capital or any other threshold in accordance with current regulations. The slates must be deposited at the registered office fifteen days before the date fixed for the shareholders' meeting in first convocation.

The slates indicate the candidates who are independent in accordance with the requirements of law and are presented together with the curriculum vitae of the candidates which illustrates their professional and personal characteristics and their acceptance of the candidature.

Each shareholder shall present or participate in presenting only one slate containing a maximum number of 15 candidates indicated in progressive order; each candidate shall be presented on only one slate, at the risk of ineligibility. The persons presenting the slates must file, together with the slate, the documentation certifying the number of shares necessary for the presentation of the slate.

The first candidate on the minority slate which obtains the largest number of votes and which is not related in any manner, even indirectly, with the slate which has the highest number of votes, is elected Director; the other members of the Board of Directors are taken in a progressive order from the slate which obtained the highest number of votes.

In the event of the presentation of only one slate or in the case where only one slate receives votes, all the candidates will be taken from the same slate.

**SECTION V
THE STATUTORY AUDITORS
ARTICLE 15**

The Board of Statutory Auditors consists of three Standing Auditors and three Alternate Auditors whose remuneration is determined by the Shareholders' Meeting.

The appointment of the Board of Statutory Auditors is made on the basis of slates presented by shareholders who hold at least 2% of the share capital. The slates must be deposited at the registered office ten days before the date fixed for the shareholders' meeting in first convocation.

The persons presenting the slates must deposit the written consent of the candidature, the inexistence of reasons for ineligibility and the documents certifying the possession of the requisites required by law. As an alternative to the certificate, a declaration may be deposited in which the candidate affirms, under their own responsibility, to be in possession of the requisites requested.

The slates for the appointment of the Board of Directors must be divided into two sections, respectively 3 candidates (progressively numbered) for the office of standing auditor and 3 candidates (progressively numbered) for the office of alternate auditor.

Each shareholder shall present and vote only one slate and each candidate shall be presented on only one slate, at the risk of ineligibility.

The persons presenting the slates must deposit, together with the list, the certificate for participation at the shareholders' meeting.

The standing auditors elected are:
the Chairman is the first candidate indicated in the section "Standing Auditors" in the slate that obtained the most number of votes;
the Standing Auditors are the second candidate in the slate that obtained the most number of votes and the first candidate in the slate that obtained the second most number of votes, both in the section

For the inclusion of the Directors to be elected, consideration is not taken of the slates which have not obtained at least half of the votes of those present.

For the appointment of directors other than the renewal of the entire Board of Directors, the shareholders' meeting deliberates with the majority of law and without taking into consideration the procedures outlined above.

Should one or more directors resign during the year, they shall be replaced in accordance with article 2386 of the Civil Code.

**SECTION V
THE STATUTORY AUDITORS
ARTICLE 15**

The Board of Statutory Auditors consists of three Standing Auditors and three Alternate Auditors whose remuneration is determined by the Shareholders' Meeting.

The **election** of the members of the Board of Statutory Auditors is made on the basis of slates presented by shareholders that hold at least 2% of the share capital **or any other threshold in accordance with current regulations**. The slates must be deposited at the registered office **fifteen** days before the date fixed for the shareholders' meeting in first convocation.

The persons presenting the slates must file, together with the slate, the documentation certifying the number of shares necessary for the presentation of the slate.

In the event where at the end of the period for the presentation of the slates only one slate has been presented, or only slates presented by shareholders belonging to the same group or belonging to a shareholder agreement, slates may be presented up to the fifth day after this date, provided that the notices are made in accordance with current regulations. In this case, the percentage threshold established for the presentation of the slate is reduced by half.

The slates must be provided with the information relating to the shareholders presenting the slates, with an indication of the shareholding held, of the Curriculum Vitae of each person on the slate as well as a declaration by the candidates, under their own responsibilities, that they possess the requisites required by law and the acceptance of their candidature.

The slates for the election of the members of the Board of Statutory Auditors must include the names of one or more candidates, not above the number of statutory auditors to be elected,

“Standing Auditors”;
the Alternate Auditors are the first and second candidates of the section “Alternate Auditors” in the slate that obtained the most number of votes and the first candidate in the slate that obtained the second most number of votes.

In the case of presentation of only one slate or in the case where only one slate receives votes, the candidates will be taken from the same slate.

In the case of non acceptance or resignation of a standing auditor, the Alternate auditor is taken from the same slate as the auditor replaced.

The Shareholders’ Meeting called to reintegrate the Board in compliance with law will do so in compliance with the principle for the representation of the minority shareholders.

Candidates cannot be inserted in the slates if they already cover the role of Statutory Auditor in three other quoted companies, with exclusion of Group companies or if they are not in possession of honour and professionalism requisites as established by applicable regulations.

The statutory auditors are appointed for a period of three years which expires on the date of the shareholders’ meeting called for the approval of the financial statements relating to the final year in office. The outgoing statutory auditors may be re-elected. Meetings of the Board of Auditors may be validly held in video or audio conferencing, provided that the participants can be properly identified by the Chairman and the other attendees and, further, that they may follow the discussion and take the floor in real time, and address all the topics under discussion, and that they can both examine and receive documentation relating to those topics, and that all this is specifically included in the relevant minutes. If all the above-mentioned conditions are complied with, the meeting shall be deemed to have been held in the place where the Chairman is present.

indicated by progressive order; the slates can be divided into two sections, each with a maximum of three candidates (progressive numbering) for the office of standing auditor and alternate auditor.

No shareholder may present or vote, even as proxy, on more than one slate and each candidate shall be presented on only one **slate**, at the risk of ineligibility.

The first two candidates of the slate which obtains the largest number of votes are elected as **standing auditors (“the Majority Slate”)** and **the first candidate of the slate presented and voted by the shareholders which are not related, even indirectly, to the majority shareholders, which is second in terms of number of votes (the “Minority Slate”), is elected Chairman of the Board of Statutory Auditors.**

Also elected are:

- **two alternate auditors among the candidates indicated in the section “Alternate Auditors” of the Majority Slate in progressive order;**
- **one alternate auditors among the candidates indicated in the section “Alternate Auditors” of the Minority Slate in progressive order.**

In the event of the presentation of only one slate or in the case where only one slate receives votes, all the candidates will be taken from **the same slate**.

In the case of non acceptance or resignation of a standing auditor, the Alternate auditor is taken from the same slate as the auditor replaced.

The Shareholders’ Meeting called to reintegrate the Board in compliance with law will do so in compliance with the principle for the representation of the minority shareholders.

Candidates cannot be inserted in the slates if they already cover the role of Statutory Auditor in three other quoted companies, with exclusion of Group companies. The statutory auditors are appointed for a period of three years which expires on the date of the shareholders’ meeting called for the approval of the financial statements relating to the final year in office.

The outgoing statutory auditors may be re-elected. Meetings of the Board of Statutory Auditors may be validly held in video or audio conferencing, provided that the participants may be properly identified by the Chairman and the other attendees and, further, that they may follow the discussion and take the floor in real time, and on all the topics under discussion, and that they can both examine and receive documentation relating to those topics, and that all this is specifically included in the relevant minutes.

If all the above-mentioned conditions are complied with, the meeting shall be deemed to have been held in the place where the Chairman is present.

**SECTION VI ¹THE “DIRIGENTE
PREPOSTO”
ARTICLE 16**

The Board of Directors appoints the executive officer in charge of the preparation of the accounting documents, with prior consultation with the Board of Statutory Auditors. This person will be chosen among persons with adequate experience in administration, finance and control at significantly large companies and are of such reputation as that required for the office of director.

The loss of the reputability requirements during the term of office results in the loss of the office; in this event, a timely replacement is made of the executive officer which has retired.

The term of appointment of the executive officer expires on the expiry of the mandate of the Board of Directors appointing him.

ARTICLE 17

At the end of each accounting period, the Board of Directors shall draw up the Company's financial statements in conformity with law.

During the year and based on the economic performance, the Board, with the favourable vote of at least two thirds of its members and with the consent of the Board of Statutory Auditors may deliberate a dividend.

The net profit for the year is divided as follows:

5% will be allocated to the legal reserve until the total reaches one fifth of the share capital;

the residual is available to the Shareholders' Meeting for the allocation of the dividend to the shareholders, except for any resolutions for the allocation of the net profit, all or in part, to extraordinary reserves, special depreciation reserves and extraordinary payments or carried forward.

The payment of the dividend will be made at the bank designated by the Board of Directors on the day that is annually fixed by the Board.

Dividends not collected within five years from the day they become payable shall be forfeited to the Company.

ARTICLE 18²

At the end of each accounting period, the Board of Directors shall draw up the Company's financial statements in conformity with law.

During the year and based on the economic performance, the Board, with the favourable vote of at least two thirds of its members and with the consent of the Board of Statutory Auditors may deliberate a dividend.

The net profit for the year is divided as follows:

5% will be allocated to the legal reserve until the total reaches one fifth of the share capital;

- 1.5% available to the Board of Directors;

the residual is available to the Shareholders' Meeting for the allocation of the dividend to the shareholders, except for any resolutions for the allocation of the net profit, all or in part, to extraordinary reserves, special depreciation reserves and extraordinary payments or carried forward.

The payment of the dividend will be made at the bank designated by the Board of Directors on the day that is annually fixed by the Board.

Dividends not collected within five years from the day they become payable shall be forfeited to the Company.

¹ New Section and Article

² New numbering of Article 17