

CEMENTIR HOLDING S.p.A.
Rome, Corso di Francia 200
Tax ID no. 00725950638 – VAT no. 02158501003

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**REPORT OF THE BOARD OF AUDITORS TO THE SHAREHOLDERS' MEETING
PURSUANT TO ART. 153 OF LEGISLATIVE DECREE 58/98 AND ART. 2429(3) OF THE
CIVIL CODE**

Dear Shareholders,

During 2010 we continued to perform the supervisory functions required by the law, particularly Legislative Decree 58 of 24 February 1998, being the independent auditing function to be performed by PriceWaterhouseCoopers S.p.A., with whom we maintained constant contacts, as discussed more specifically below.

As regards our activities during the year, we report the following:

- we monitored compliance with the law and the bylaws;
- we received from the directors information on operations and on the most financially significant transactions carried out by Cementir and its subsidiaries during the year. Based on the information provided to us, we can reasonably conclude that these operations comply with the law and the bylaws and that they were not manifestly imprudent, risky, in potential conflict of interest or in contrast with the resolutions of the Shareholders' Meeting or otherwise prejudicial to the integrity of the Company's assets. Based on information reported to the Board of Directors, no director engaged in a transaction that posed a potential conflict of interest;
- we acquired information and monitored, within the scope of our duties, the adequacy of the Company's organizational structure, compliance with the principles of sound administration and the appropriateness of the instructions issued by Cementir Holding to its subsidiaries pursuant to Article 114(2) of Legislative Decree 58/98, gathering information from the relevant department heads;

- we examined and monitored the appropriateness of the internal control system, as well as the administrative and accounting system and its reliability in representing operational events accurately. For this purpose, we regularly met with the manager responsible for preparing the company's financial reports, provided for by Art. 16 of the bylaws, with the head of the Internal Auditing unit and with the manager responsible for Corporate Legal unit. No significant concerns arose during the course of these meetings;
- we examined and obtained information on organizational and procedural activities relating to Legislative Decree 231/2001. The Chairman of the Board of Auditors attended the six meetings of the Supervisory Board held in 2010, reporting on their proceedings to the other members of the Board of Auditors. The Supervisory Body was, however, invited to attend the meetings of the Board, which has verified the attendance of all the managers responsible for the controls;
- we monitored the updating of the Governance model of the company which must be approved by the Board of Directors. We report that the Internal Control Committee, which met four times, examined in detail issues of its responsibility revised after the Legislative Decree 39 of 27 January 2010. The Committee invited the Chairman of the Board of Auditors to attend all of the meetings and took account of the suggestions offered by the latter in a fruitful exchange of views.
- pursuant to Art. 150 (2) of Legislative Decree 58/98, we met regularly with the independent auditors, PriceWaterhouseCoopers S.p.A., to exchange information and opinions. No significant information or circumstances were found that would require mention in this report;
- we did not discover any atypical or unusual transactions with Group companies, third parties or related parties; for the transactions with them, the Company has an appropriate procedure approved by the Board of Directors in its meeting of 5 November 2010. In the notes to the financial statements, the directors provide information on those transactions, reporting that all transactions with subsidiaries, associates, the controlling shareholder (Caltagirone S.p.A.), whether of a financial or commercial nature, took place in the ordinary course of business under normal market terms and conditions;

- we verified that no complaints pursuant to Article 2408 of the Civil Code or reports of any kind were filed, nor did we encounter any omissions, irregularities or other censurable facts needing to be reported either to control bodies or in this report during the course of our supervisory activity;
- as regards the results reported in the financial statements for the year ended 31 December 2010, we held specific meetings with representatives of PricewaterhouseCoopers S.p.A. to review, within the scope of our respective duties, the accounting policies and the most important items contained in the document. There is nothing significant to report;
- we also verified, through meetings with the head of Administration, Finance and Control, Mr. Arrivabene, the completeness of the information contained in the Report on Operations. We reached the conclusion that the Report on Operations complies with the law and the relevant accounting standards. PricewaterhouseCoopers was also obviously involved in the discussion, particularly concerning the consistency of the Report on Operations with the related financial statements;
- in 2010 the accounting firm was engaged to perform the following:
 - auditing of the separate financial statements (EUR 19,694.72);
 - auditing of the consolidated financial statements (EUR 29,542.06).

As part of our supervisory activities, the Board of Auditors met five times, including via tele-conferencing. We attended five meetings of the Board of Directors and attended the Ordinary Shareholders' Meeting to approve the financial statements for the year ended 31 December 2009.

Based on the activity carried out during the year, we find no grounds to oppose approval of the financial statements of Cementir Holding SpA for the period ended 31 December 2010 and the accompanying Report on Operations. We also concur with the directors' proposal to cover the EUR 12,718,123 loss using retained earnings and to distribute a dividend of EUR 0.06 per share, for a total of EUR 9,547,200, again drawing on retained earnings.

We attach the list of positions held by each member of the Board of Auditors in accordance with CONSOB Resolution no. 15915 of 3 May 2007.

The Board of Auditors also examined the consolidated financial statements and acknowledges the unqualified opinion issued by PriceWaterhouseCoopers S.p.A.

We remind you, finally, that the Board of Auditors has concluded its mandate, accordingly it's needed to nominate the members for this body.

Rome, 1 April 2011

THE BOARD OF AUDITORS

CLAUDIO BIANCHI

CHAIRMAN

CARLO SCHIAVONE

STANDING AUDITOR

GIAMPIERO TASCO

STANDING AUDITOR