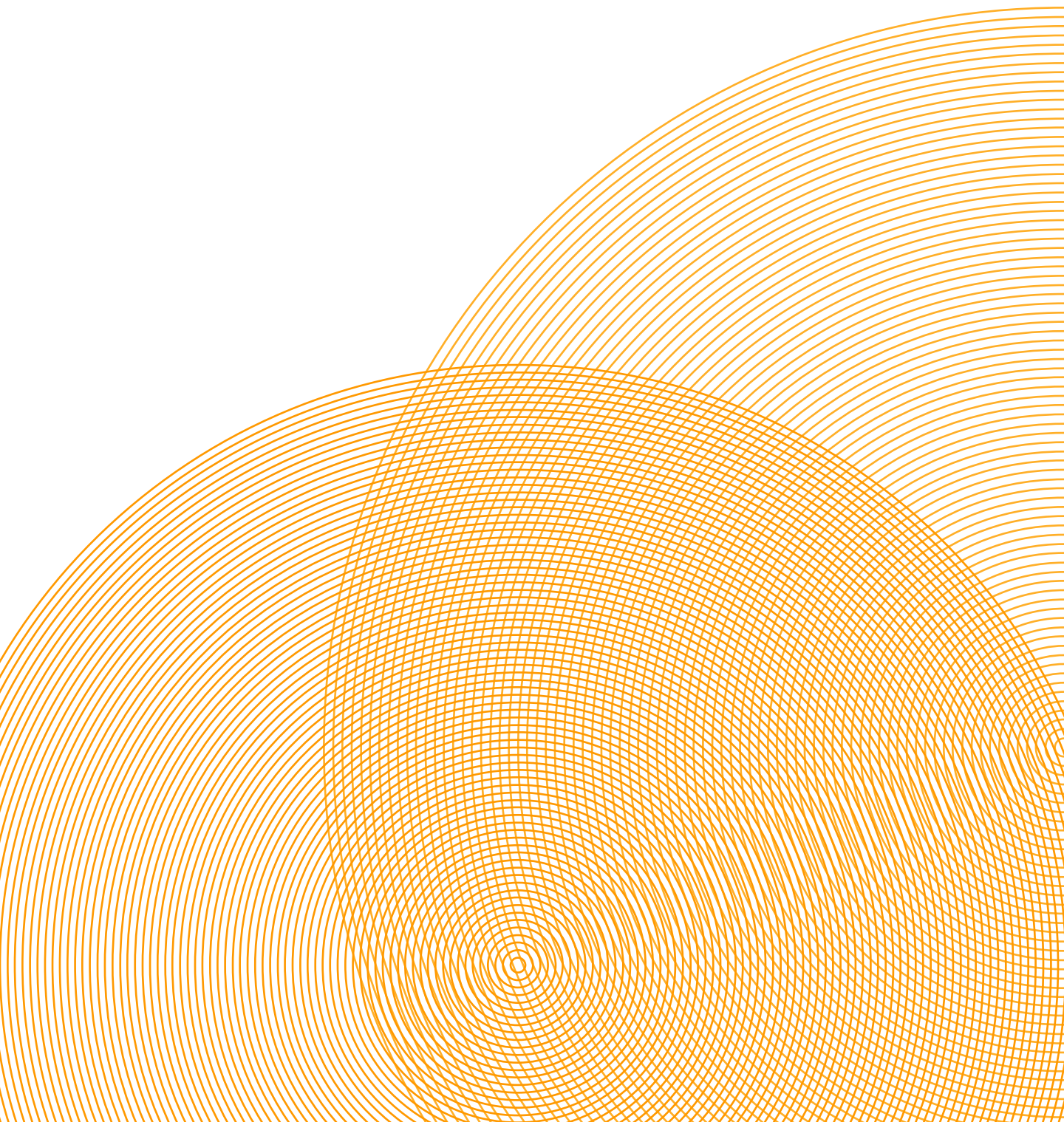




Ciments Français
Italcementi Group

Combined General Meeting

23 December 2010 at 11 am



**NOTICE OF COMBINEND GENERAL MEETING
Ordinary and Extraordinary**

23 December 2010 at 11 am

at

**Centre de Conférences – Cœur Défense –
110 Esplanade du Général de Gaulle
La Défense 4
92050 PARIS LA DEFENSE**

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ENTITLEMENT TO PARTICIPATE IN THE GENERAL MEETING OF SHAREHOLDERS

Any shareholder, irrespective of the number of shares owned, is entitled to participate in the General Meeting in person, or to be represented by a spouse or another shareholder or by postal vote.

Pursuant to the provisions of Article R.225-85 of the French Commercial Code (*Code de Commerce*), shareholders entitled to participate in the General Meeting shall be those shareholders able to provide evidence of shares registered to their name or to the name of the financial intermediary holding such shares on their account, no later than three working days prior to the meeting, i.e. by midnight on December 20, 2010, Paris time ("D-3"), either in named share registers or in the bearer share accounts held on their behalf by their approved financial intermediaries.

For holders of registered shares, registration of such shares in the share register at D-3 is sufficient entitlement to attend the General Meeting.

In the case of shareholders owning bearer shares, the approved financial intermediaries holding such shares on account shall justify their clients' status as shareholders directly to the Meeting's centralizing office by producing a certificate of entitlement to be attached to the single postal vote/proxy vote/admission card application form made out in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary. However, any holders of bearer shares wishing to attend the Meeting in person and who have not received an admission card by December 20, 2010 should apply to their financial intermediary for the issue of a certificate of entitlement evidencing their status as shareholders at D-3, in order to gain admission to the Meeting.

Shareholders wishing to assist in person to the Meeting can:

- for registered shareholders: go directly on the day of the Meeting with an ID card or request an admission card at Société Générale, Service des Assemblées, BP 81236, 32 rue du Champ de Tir, 44312 Nantes Cedex 03;
- for holders of bearer shares: ask your financial intermediary in charge of your account to apply for an admission card to be sent to you.

Shareholders not attending this Meeting in person and wishing to be represented or vote by mail may:

- for registered shareholders: return the single voting form or proxy by post, which will be sent with the invitation to the following address: Société Générale Service des Assemblées, B.P. 81236, 32 rue du Champ-de-Tir, 44312 Nantes cedex 03
- for owners of bearer shares: request the form in a letter sent or delivered to the registered office or sent to Société Générale, Service des Assemblées (address above) or to the intermediary with which the securities are listed at the date of convening the meeting. This letter must be received by the Service des Assemblées de la Société Générale, or head office no later than six days before the date of the Meeting. The single postal vote/proxy form must be sent to Société Générale, Service des Assemblées (address above).

Postal votes must actually be received by Ciments Français, Tour Ariane, 5 place de la Pyramide, 92800 Puteaux no later than three days prior to the date of meeting. For this Meeting, it is not intended to vote by electronic means of communication and, therefore, no web site as referred to in Article R. 225-61 of the French Commercial Code will be created for this purpose.

According to the provisions of Article R. 225-85 of the French Commercial Code, if the shareholder has already voted by mail, requested an admission card or a certificate of entitlement to attend the General Meeting, he can no longer choose another method of participation in the Meeting.

In accordance with Article R.225-79 of the French Commercial Code, the notification of the appointment and removal of a proxy may be made electronically, as follows:

- *If your shares are registered shares: you must send an email to InvestorRelations@cimfra.com giving your full name, address and access code with Société Générale (can be found on the top left section of their account statement) as well as the full name of the appointed or removed proxy. You must then confirm your request on the website www.nominet.socgen.com by logging in with your usual access code/password (your access code is available at the bottom of your statement – you received your password by mail when you opened your account). If you have lost your password, follow the instructions on the first screen of the Nominet website, go to the "new message" section then to the "General Assembly" tab and to the "Other" sub-tab and re-enter the full name of the appointed or removed proxy.*
- *If your shares are bearer shares or intermediary registered shares: you must send an email to InvestorRelations@cimfra.com giving your full name, address and complete bank details as well as the full name of your appointed or removed proxy. You must then ask the financial intermediary who manages your securities account to send a confirmation to the Service Assemblées de la Société Générale for which he knows the fax number.*

To be taken into account, confirmation of appointment or removal of proxies must be received no later than December 20, 2010. Please note that the above email address will only deal with appointment or removal of proxies, any other request will not be taken into account.

AGENDA

Extraordinary business:

- Board of Directors report regarding the merger by way of absorption of Ste Internationale Italcementi France (« **SIIF** ») by Ciments Français;
- Merger auditors (*commissaires à la fusion*) report on the merger by way of absorption of SIIF by Ciments Français;
- Review and approval of the merger by way of absorption of SIIF by Ciments Français and of the dissolution without liquidation of SIIF, subject to the fulfilment of certain conditions precedent.

Ordinary business:

- Ratification of the appointment by co-optation of M. Dario Massi as a director, in replacement of SIIF;
- Powers for formalities.

BOARD OF DIRECTORS REPORT

To the shareholders,

Since 1992 with the arrival of Italcementi Group in the share capital of Ciments Français, the stake of Italcementi has been held by a French holding company « Société Internationale Italcementi France » (SIIF). The existence of SIIF, whose sole activity is to hold this stake, was justified at the time. However, for many years now, this structure has proved to be no longer of any use. Rather it has become a complicated financial and administrative element, which it is today proposed to terminate.

We have requested this General Meeting in order to submit to your approval a proposed merger by way of absorption by Ciments Français of SIIF, resulting in SIIF free liquidation and in the attribution of the same amount of shares and voting rights that SIIF was holding in Ciments Français to Italcementi S.p.A., and in the correlative cancellation of the shares currently owned by SIIF in the capital of Ciments Français, without any further change in the share capital of your company.

The implementation of this merger will result for Ciments Français in a symbolic increase of four hundred and three thousand euros in its equity, which will in any case exceed the fees resulting from the transaction. It will also enable a clearer view on the Ciments Français/Italcementi structure, while allowing some financial simplification and administrative saving.

The merger auditors appointed by the Commercial Court (*Tribunal de Commerce*) of Nanterre will report to you on their mission and give you lecture of their reports.

The registration statement filed with the Autorité des marchés financiers on November 19, 2010 is included in this report.

During the Board of Directors meeting convened to approve this merger project, SIIF has presented its resignation as director and the Board has co-opted Dario Massi, previously permanent representative of SIIF, to replace it. This provisional appointment will be submitted to you for ratification.

The Board of Directors

SUMMARY OF THE REGISTRATION STATEMENT

filed with the AMF under no. 10-075 on November 19, 2010

(available on the AMF website or on Ciments Français website at www.cimfra.com)

This summary shall be read as an introduction to the registration statement. Any decision to invest in the shares of Ciments Français shall be based upon a thorough review of the statement. Whenever a legal action pertaining to the information contained in the statement is brought to court, the investor complainant may, in accordance with the national laws of EU state-members or contracting parties to the EEA Agreement, have to bear the translation fees of the statement prior to any legal proceedings. The persons who have presented this summary, including when applicable its translation, and asked for its notification as per Article 212-41 of the AMF General regulation, are legally responsible only if the content of the summary is misleading, inexact or contradicts the other parts of the statement.

- Absorbing company: Ciments Français, joint stock company with a share capital of EUR 145,445,120 with registered office located Tour Ariane - Quartier Villon, 5 place de la Pyramide, 92800 Puteaux, registered with the *Registre du Commerce et des Sociétés* of Nanterre under no. 599 800 885.
- Absorbed company: Société Internationale Italcementi France ("SIIF"), simplified corporation (SAS), with a capital of EUR 1,686,650,000 with registered office located 40 avenue Hoche, 75008 Paris, registered with the *Registre du Commerce et des Sociétés* of Paris under no. 380 128 900.
- Capital structure: On the date of this document, SIIF is the direct holder of 29,768,125 Ciments Français of 4 euro nominal value each, representing 81.82% of Ciments Français share capital based on a total number of 36,381,122 shares and 59,375,125 voting rights representing 89.85% of Ciments Français voting rights based on a total number of 66,080,755 voting rights (as of October 30, 2010). SIIF has pledged neither to buy nor to sell any additional Ciments Français shares between the date of signature of this merger contract and the effective completion date of the merger.¹ Ciments Français holds no SIIF share.
- Aims of this transaction: The merger of SIIF by and into Ciments Français aims at simplifying the legal structure of the Italcementi / Ciments Français group in order to optimize its organization and functioning. It has no relation with the merger project between Italcementi and Ciments Français contemplated in 2009. With this simplification, the costs attached to the existence of a company between Italcementi S.p.A. and Ciments Français will be cancelled.

¹ Italmobiliare S.p.A. (indirectly controlled at 47.265% by Efiparing BV) has been holding, since October 8, 2010, directly and indirectly through SIIF and other companies under its control, 29,938,773 shares representing 59,546,023 voting rights, i.e. 82.29% of the capital and 90.11% of the voting rights of Ciments Français.

Contributions' value:	In accordance with CRC (<i>Comité de la Réglementation Comptable</i>) regulation no. 2004-01, modified, relating to the accounting treatment of mergers and similar transactions, assets and liabilities are brought, via absorption of SIIF by Ciments Français, at their book value as of December 31, 2009, as presented in the annual accounts of SIIF as of December 31, 2009, less the amount of additional dividends paid in 2010 for the fiscal year 2009. Net asset brought by SIIF to Ciments Français: EUR 1,752,668,933.49
Shares to be issued:	29,768,125 Ciments Français shares Date of effect: 1 January 2010
Stock exchange listing:	Shares will be listed on the NYSE Euronext Paris regulated market (Compartment A) upon effective completion of the merger.
Amount of the Ciments Français capital increase:	Before cancellation of the shares brought in: EUR 119,072,500 After cancellation of the shares brought in: EUR 0
Merger premium/change in treasury shares:	Net increase in equity after change in merger premium: + EUR 403,016.81 (see section 2.3.4).
Exchange ratio:	Based on the number of Ciments Français shares owned by SIIF on the date of the registration statement, the exchange ratio is about 1 SIIF share for 0.27 Ciments Français share.
Post-merger share capital:	Ciments Français will issue the same number of shares than that owned by SIIF in the share capital of Ciments Français. Consequently, and after cancellation of the Ciments Français shares currently held by SIIF, the share capital of Ciments Français will remain unchanged.
Completion date	Ciments Français General Meeting and SIIF sole associate are convened to approve the merger on December 23, 2010.
Merger effective date:	Retroactive date as of January 1, 2010.
Cancellation of treasury shares:	Cancellation by Ciments Français of the 29,768,125 treasury shares received from SIIF as part of the merger.
Merger auditors:	Mr Olivier Peronnet, 111 rue Cardinet, 75017 Paris and Mr Didier Fauray, 140 boulevard Haussmann, 75008 Paris.
Provisional calendar: 4 November 2010	<ul style="list-style-type: none"> • Meeting of the Board of Directors of Ciments Français to lay down the terms of the merger contract and convene the General Meeting. • Decision of SIIF sole associate to lay down the terms of the merger contract. • Signature of the proposed merger contract.

15 November 2010	<ul style="list-style-type: none"> • Ciments Français General Meeting notice together with the merger information notice are published on BALO. • Publication of the merger information notice in the Journal des annonces légales (JAL). • Filing of the proposed merger contract with the Clerk's Office of the Commercial court of Ciments Français and SIIF registered offices.
19 November 2010	Filing of the registration statement with the AMF.
22 November 2010	Availability of the documents required by the French Commercial Code (including the merger auditors' reports) at Ciments Français and SIIF registered offices.
8 December 2010	<ul style="list-style-type: none"> • Publication on BALO of the convening notice to the Ciments Français General Meeting. • Publication in JAL of the convening notice.
23 December 2010 (Completion date)	<ul style="list-style-type: none"> • Decision of SIIF sole associate on (i) the merger and (ii) the dissolution without liquidation of the company. • Ciments Français General Meeting on (i) the merger, (ii) the share capital increase thereof and (iii) the cancellation of the shares held by SIIF and the corresponding capital reduction. • Publication of a press release by Ciments Français announcing the completion of the merger.
24 December 2010	Admission notice published by NYSE Euronext in Paris.
28 December 2010	Admission of the new shares on the NYSE Euronext Paris regulated market.

PRESENTATION OF THE RESOLUTIONS

The resolutions proposed are within the competence of the General Extraordinary Meeting for resolution 1 and within the competence of the General Ordinary Meeting as regards resolutions 2 and 3.

Approval of the merger by way of absorption of SIIF by Ciments Français

The General Meeting is required to approve, with effective retroactive date at January 1, 2010, the acquisition of all assets and liabilities of SIIF by Ciments Français, the valuation of the said contribution, its compensation by the allocation to Italcementi S.p.A., sole shareholder in SIIF, of the same amount of shares in Ciments Français that SIIF was holding as of today and which are cancelled. The General Meeting is also required to authorize the Board of Directors to recognize all merger-related costs as part of the merger premium and take all necessary measures to finalize the transaction.

Ratification of the co-optation of a director

SIIF having resigned from its term as director of the board and Dario Massi, its permanent representative, having been co-opted to replace it, the Meeting is required to ratify this provisional appointment, for the remaining duration of the term of its predecessor.

- **Dario Massi**
Born on 26 January 1942
A graduate in Economics and Business Sciences from Bocconi University in Milan, Dario Massi began his career at Chemical Montedison Group (1967-1975), in Audit, Accounting and Management Control.
He joined Italcementi S.p.A. in November 1975, where he contributed to create the Budget and Control Department which he subsequently headed. He then became Central Finance, Administration and Control Director of Italcementi.
In January 2000, he was appointed Administration and Control Director of the Italcementi Group and joined Ciments Français as Vice President, Administration and Control until his retirement in May 2008.
He is currently director of the Fondazione Italcementi Cac. Lav. Carlo Pesenti.

Powers for formalities

To undertake any procedures following today's Meeting.

DRAFT RESOLUTIONS

EXTRAORDINARY MEETING

First Resolution (Approval of the merger by way of absorption of Société Internationale Italcementi France and compensation of contributions)

The General Meeting, acting in accordance with the quorum and majority conditions applicable to extraordinary general meetings, having reviewed:

- The report of the Board of Directors and the merger document recorded by the AMF, which is appended to the report;
- The report by MM. Olivier Peronnet and Didier Faury, the merger auditors appointed by order of President of the Commercial Court of Nanterre on October 25, 2010;
- The proposed merger by way of absorption of SIIF by Ciments Français established by private deed dated November 4, 2010, containing the contribution to the merger by way of absorption by SIIF - a joint stock company with a capital of EUR 1,686,650,000, whose registered office is located at 40 Avenue Hoche, 75008 Paris, registered with the *Registre du Commerce et des Sociétés* of Paris under Siren number 380 128 900 - of all its property, rights and obligations to the company Ciments Français (the "**Merger**");
- The accounts of SIIF and Ciments Français as of December 31, 2009 and approved on April 13, 2010 by the sole member of SIIF on one hand, and by the General Meeting of Ciments Français on the other:

1 - Approves all the provisions of the proposed merger by way of absorption of SIIF by Ciments Français, by virtue of which SIIF will transfer to Ciments Français the entirety of the assets and liabilities comprising its business, subject to the completion of the conditions precedent set forth in Article 3.1 of that merger, and approves, inter alia:

- (i) the estimate based on net book values as established on the balance sheet at December 31, 2009 of SIIF items transferred of EUR 1,776,994,339.11 (one billion seven hundred seventy six million nine hundred ninety four thousand three hundred thirty nine euro and eleven cents) and liabilities assumed amounting to EUR 43,175.62 (forty three thousand hundred seventy five euro and sixty two cents), or net assets brought of EUR 1,776,951,163.49 (one billion seven hundred seventy six million nine hundred and fifty one thousand hundred sixty-three euro and forty nine cents), from which should be deducted the amount of EUR 24,282,230 (twenty four million two hundred eighty two thousand and two hundred and thirty euro) distributed by SIIF to its sole associate by decision of April 13, 2010 corresponding to the additional dividend for the year ended December 31, 2009, which results in an adjusted net assets contributed of EUR 1,752,668,933.49 (one billion seven hundred fifty two million six hundred sixty eight thousand nine hundred and thirty three euro and forty nine cents);
- (ii) the compensation of the contributions made in connection with the merger, calculated based on an exchange ratio determined transparently on the number of Ciments Français shares held by SIIF at the date of completion of the merger;
- (iii) the award to the sole member of SIIF, in consideration of such net inflow of 29,768,125 (twenty nine million seven hundred sixty eight thousand one hundred twenty five) new shares at four (4) euro nominal value each fully paid issued by Ciments Français as a capital increase of EUR 119,072,500 (one hundred nineteen million seventy two thousand five hundred euro), and
- (iv) setting the effective retroactive date for accounting and tax purposes regarding this merger at January 1, 2010 so that the results of all operations carried out by SIIF between January 1, 2010 and the date of the SIIF-Ciments Français Merger shall be deemed made as appropriate, for the benefit or the burden of Ciments Français and deemed made by Ciments Français since January 1, 2010.

2 - Recognizes that Ciments Français, having found in the assets transferred by SIIF 29,768,125 (twenty nine million seven hundred sixty eight thousand one hundred twenty five) of its own shares, will cancel the said shares and therefore reduce its capital by 119,072,500 (one hundred nineteen million seventy two thousand five hundred) euro, corresponding to the nominal value of those shares, so that after the merger by way of absorption of SIIF, the capital of Ciments Français remains unchanged;

The 29,768,125 new Ciments Français shares issued for the needs of the Merger will confer current rights and will entitle their holder to any distribution of dividend, interim dividend or reserves (or similar sums) decided upon after their issue.

3 - Decides that the mere fact of the final completion of the Merger, confirms the immediate dissolution of SIIF without liquidation.

4 - Authorizes the Board of Directors to charge to the merger premium all the expenses, duties and taxes resulting from the SIIF-Ciments Français Merger, and to deduct from the said merger premium the amounts required to fully fund the legal reserve.

5 - Gives all powers to the Board of Directors of Ciments Français , with the faculty to delegate to observe the effect of (i) the conditions precedent set forth in Article 3.1 of the proposed merger by way of absorption of SIIF by Ciments Français and (ii) consequently, the final completion of the merger by way of absorption of SIIF by Ciments Français and to proceed to all observations, communications and formalities as may be necessary to achieve the absorption of SIIF by Ciments Français and the subsequent dissolution of SIIF.

ORDINARY MEETING

Second resolution - The General Meeting ratifies the decision of the Board of Directors of November 4, 2010 to co-opt Mr. Dario Massi, as director, replacing SIIF, that resigned, until the end of the term of office of his predecessor, that is, until the General Meeting approving the financial statements for the fiscal year 2013.

Third resolution - The General Meeting confers to the holder of an original, copy or extract of the minutes of this General Meeting all necessary powers to carry out any filing, advertising or other formalities.

MERGER AUDITORS (*COMMISSAIRES A LA FUSION*) REPORT ON THE VALUE OF CONTRIBUTIONS TO BE MADE TO CIMENTS FRANÇAIS

To the shareholders,

In accordance with the mission we have been entrusted with by order of President of the Commercial court (*Tribunal de Commerce*) de Nanterre dated 25 October 2010 regarding the merger by way of absorption of SOCIÉTÉ INTERNATIONALE ITALCEMENTI FRANCE by CIMENTS FRANÇAIS, we have prepared the following report in conformity with Article L.225-147 of the French Commercial Code, our comments on compensation (Article L.236-10 of same code) being presented in a separate report.

The net assets brought were defined in the proposed merger contract signed by the representatives of the companies involved on 4 November 2010. Our role is to conclude on the fact that the contributions' value is not overestimated. To that effect, we have made a due diligence in conformity with the rules of the French company of statutory auditors (*Compagnie nationale des commissaires aux comptes*) on such a mission. The said rules require the use of a diligence designed to estimate the value of contributions, to ensure that such contributions are not overestimated and to check that they are at least equal to the nominal amount of the shares to be issued by the absorbing company, merger premium included.

Our report is presented as follows:

1. Presentation of the transaction and description of the contributions
2. Completed diligence and valuation of the contributions
3. Conclusion.

1. Presentation of the transaction and description of the contributions

1.1 Description of the parties

1.1.1. Absorbing company

CIMENTS FRANÇAIS is a joint stock company with shares listed on Euronext Paris - Compartment A. In conformity with the company's By-laws updated on 29 July 2010, its share capital amounts to €145,445,120 divided into 36,361,280 shares of €4 nominal value each, entirely subscribed, fully paid and all of the same category.

Further to the exercise of share subscription options, the share capital as of September 30, 2010 (date of the last publication of information on the company's capital) amounted to €145,524,488 divided into 36,381,122 shares of €4 each. In view of the double voting rights attached to shares held for a minimum of two years at the end of the year preceding the considered General Meeting, the total number of voting rights amounted to 66,080,755 as of 30 September 2010.

CIMENTS FRANÇAIS registered office is located 5 Place de la Pyramide - Tour Ariane à Puteaux (92800). It is registered with the *Registre du Commerce et des Sociétés* of Nanterre under no. 599 800 885.

Second French cement and construction material producer, CIMENTS FRANÇAIS is a subsidiary of Italcementi Group, which is the fifth largest cement producer in the world.

Its purpose is:

- The running, foundation, acquisition or transfer of cement factories, using lime or other hydraulic binding substances and construction materials in France, in French overseas regions and any other country, and generally all that relates to the manufacture, trade, industry and applications of any binding substance and construction material as well as all products which are used in their manufacturing process or any derivatives therefrom;
- All surveys, research, experiments, tests relating to these applications;
- The research into all invention patents, franchise to use such patents, filing of any trademarks and franchises in relation to the use of such trademarks;
- The making of investment in all civil, commercial, industrial, movable, property or real estate company, either by subscribing or purchasing shares, creating new companies, contributions, or by association, alliance, partnership or granting advances or credit facilities;
- More generally, all commercial, industrial, financial or real estate transactions relating directly or indirectly to the activities listed above or likely to promote the development of the company.

1.1.2. Absorbed company

SOCIÉTÉ INTERNATIONALE ITALCEMENTI FRANCE, hereafter referred to as SIIF, is a simplified corporation (SAS), with a capital of €1,686,650,000 divided into 110,600,000 shares of €15.25 nominal value each, entirely subscribed, fully paid and all of the same category.

Its registered office is located 40, avenue Hoche à Paris (75008). It is registered with the *Registre du Commerce et des Sociétés* of Paris under no. 380 128 900.

Its purpose is to conclude, in any country, any type of financing transaction, to set up, alone or with third parties, any company, group, organization or business, and to acquire a stake in them or to manage them directly or through the intermediary of third parties. To that effect, it may undertake any financial, commercial, industrial, security or property transaction.

SIIF sole associate is the Italian company ITALCEMENTI S.p.A. Its only business purpose is to be the majority stakeholder in the share capital of CIMENTS FRANÇAIS.

1.1.3. Shareholding structure between the companies

Both the absorbing and the absorbed companies belong to the ITALCEMENTI / CIMENTS FRANÇAIS Group.

SIIF holds 29,768,125 shares of CIMENTS FRANÇAIS, i.e. 81.82% of the share capital and 89.85% of the voting rights, based on figures published as of 30 September 2010.

SIIF pledges to keep those 29,768,125 shares in CIMENTS FRANÇAIS until the closing date of the merger.

1.2. Merger's context

The current merger transaction is part of the internal reorganization of the ITALCEMENTI / CIMENTS FRANÇAIS Group.

It is explained in the proposed merger contract that the transaction aims at optimizing the organization and functioning of the group.

It should be noted that SIIF received a dividend of €89,304,375 from CIMENTS FRANÇAIS on 13 April 2010 and decided to pay an additional dividend of €24,282,230 for 2009 on 13 April 2010, as well as an interim dividend of €65,254,000 for 2010 on 15 June 2010.

1.3. Compensation of contributions

SIIF main asset being its stake in CIMENTS FRANÇAIS, the exchange ratio has been determined transparently between the two companies based on the number of CIMENTS FRANÇAIS shares held by SIIF, i.e. 29,768,125 shares:

As balancing entries against contributions estimated at €1,752,668,933.49

CIMENTS FRANÇAIS will issue 29,768,125 new shares

of €4 nominal value, i.e. a capital increase of €119,072,500.00

and recognize a merger premium of €1,633,596,433.49

CIMENTS FRANÇAIS receiving as contributions 29,768,125 of its own shares will cancel them and reduce its share capital accordingly by €119,072,500, so that its share capital remains unchanged upon completion of the transaction.

The difference between the nominal value of the cancelled CIMENTS FRANÇAIS shares, i.e. €119,072,500 and their contribution value, i.e. €1,776,316,291.68, amounts to €1,657,243,791.68; such difference will be charged to the merger premium, which will therefore be lowered to a negative amount of €23,647,358.19. This negative amount will be recognized as "Share premium reserve" of CIMENTS FRANÇAIS, which was close to 945 million euros as of December 31, 2009.

1.4 Legal and tax terms

The accounts used for the transaction are those of each the companies as of December 31, 2009, and the merger will have a retroactive effect as of January 1, 2010 for accounting and tax issues.

From a tax perspective, this transaction will be ruled by the preferred tax system described in Article 210 A of the general tax code (*Code Général des Impôts*) relating to company income tax in conformity with the provisions of Article 816 of the same code on registration fees.

Completion of the merger will be subject to the fulfilment of the following conditions precedent before December 31, 2010:

- Registration by the *Autorité des marchés financiers* (AMF) of the appendix to the report of CIMENTS FRANÇAIS Board of Directors prepared for the General Meeting of said company convened to approve the merger;
- Approval of the merger and dissolution without liquidation of the absorbed company by the sole associate of the absorbed company;
- Approval by the Extraordinary Meeting of the absorbing company of the merger, of the contributions, capital increase thereof as described in the proposed merger contract, as well as of the reduction of capital mentioned in the said contract.

1.5. Description and valuation of the contributions

Further to the proposed merger contract, net asset brought to CIMENTS FRANÇAIS as of December 31, 2009 can be detailed as follows:

in €	Gross value	Depreciation / provision	Net value
Ciments Français shares	1,776,316,291.68		1,776,316,291.68
Other receivables	154,943.00		154,943.00
Securities	505,000.98		505,000.98
Cash and cash equivalents	18,103.45		18,103.45
Assets brought	1,776,994,339.11	0.00	1,776,994,339.11
Trade payables			43,175.62
Liabilities assumed			43,175.62
Net book value of assets			1,776,951,163.49
Dividends paid during interim period			24,282,230.00
Net asset brought			1,752,668,933.49

The contributions will be recognized at book value based on SIIF balance sheet as of December 31, 2009, and after deduction of balancing dividends for 2009 paid during the interim period by SIIF, i.e. €24,282,230 as of May 7, 2010.

2. Completed diligence and valuation of the contributions

2.1 Completed diligence

We have implemented the diligence that we deemed necessary, in conformity with the rules of the *Compagnie Nationale des Commissaires aux Comptes* pertaining to this mission to:

- control the reality of the contributions;
- analyze the estimation proposed in the proposed merger contract;
- check the value of the contributions considered in their entirety;
- monitor, until the date of publication of this report, the absence of facts or events, which could potentially alter the value of the contributions.

We have more particularly realized the following diligence:

- we have had discussions with the persons in charge of the merger within the CIMENTS FRANÇAIS group, not only to understand the proposed transaction and its background, but also to analyze the contemplated accounting, legal and tax terms;
- we have reviewed the legal, accounting and tax documentation relating to the absorbed company and the absorbing company, and in particular the proposed merger contract;

- we have examined the valuation method presented in the proposed merger contract in order to ensure that it is in its nature appropriate to the contemplated transaction;
- we have checked the book value of the items brought in CIMENTS FRANÇAIS books as of December 31, 2009;
- in order to ensure the accuracy of the financial statements and accounting information that were given to us, we have obtained the report from SIIF statutory auditors on the 2009 annual accounts;
- we have compared the book value of the CIMENTS FRANÇAIS shares brought by SIIF with their stock market value;
- we have reviewed the accounting situation of SIIF as of September 30, 2010 in order to monitor, until the date of completion, the absence of facts or events, which could potentially alter the value of the contributions.

2.2 Valuation of the contributions

Regarding the valuation method selected

Because it is an internal restructuring transaction within the ITALCEMENTI / CIMENTS FRANÇAIS group between SIIF and its subsidiary CIMENTS FRANÇAIS, contributions have been recognized at their book value in conformity with the provisions of regulation no. 2004-01 of the *Comité de la Réglementation Comptable (CRC)*.

Regarding the contributions' value

The contributions' value corresponds to their net book value determined in the balance sheet of SIIF as of December 31, 2009, less the amount of the dividends paid by CIMENTS FRANÇAIS during the interim period, as provided for in the CRC regulation no. 2004-01. SIIF accounts as of December 31, 2009 have been certified with no reserve by the statutory auditors.

Contributions consisting mainly of 29,768,125 CIMENTS FRANÇAIS shares, we have estimated the value of those shares based on their market value. We note that the value of the shares is below the value based on such criteria, no matter the trading period referred to.

Lastly, we have asked confirmation of the absence of event, which could potentially alter the value of the contributions over the interim period, considering that SIIF income statement as of September 30, 2010, resulting in a limited audit report by the statutory auditors, shows a profit of €23,963,797.46, after deduction of an interim dividend of €65,254,000 approved on June 15, 2010.

3. Conclusion

To conclude on our work, we agree that the contributions' value amounting to €1,752,668,933.49 is not overestimated and consequently, that the net asset brought is at least equal to the amount of the capital increase of the absorbing company, merger premium included.

Signed in Paris on November 10, 2010

Didier FAURY

Olivier PERONNET

Statutory auditors

Members of the Compagnie Régionale de Paris

MERGER AUDITORS REPORT ON THE CONTRIBUTIONS' COMPENSATION TO BE MADE TO CIMENTS FRANÇAIS

To the shareholders,

In accordance with the mission we have been entrusted with by order of President of the Commercial court (*Tribunal de Commerce*) de Nanterre dated 25 October 2010 regarding the merger by way of absorption of SOCIÉTÉ INTERNATIONALE ITALCEMENTI FRANCE by CIMENTS FRANÇAIS, we have prepared the following report on the compensation of the contributions as provided for in Article L.236-10 of the French Commercial Code, our comments on the contributions' valuation (Article L.225-147 of same Code) being presented in a separate report.

The compensation of the contributions results from an exchange ratio which was accepted in the proposed merger contract signed on November 4, 2010 by the representatives of the companies involved.

Our role is to give our opinion on the fair nature of the exchange ratio. To that effect, we have made our diligence in conformity with the rules of the French company of statutory auditors (*Compagnie nationale des commissaires aux comptes*) on such a mission. The said rules require the use of a diligence designed to ensure that the estimated relative values of the absorbed company and of the absorbing company are relevant, but also to analyze the positioning of the compensation proposed for the contributions compared with the estimated relative values deemed relevant.

Our report is presented as follows:

1. Presentation of the transaction
2. Control of the relevance of the estimated relative values of the shares of the companies involved in the transaction
3. Opinion on the fair nature of the proposed exchange ratio
4. Conclusion.

1. Presentation of the transaction

1.1 Description of the parties

1.1.1. Absorbing company

CIMENTS FRANÇAIS is a joint stock company with shares listed on Euronext Paris - Compartment A. In conformity with the company's By-laws updated on 29 July 2010, its share capital amounts to €145,445,120 divided into 36,361,280 shares of €4 nominal value each, entirely subscribed, fully paid and all of the same category.

Further to the exercise of share subscription options, the share capital amounted to €145,524,488 divided into 36,381,122 shares of €4 each as of 30 September 2010 (date of the last publication of information on the company's capital). In view of the double voting rights attached to shares held for a minimum of two years at the end of the year preceding the considered General Meeting, the total number of voting rights amounted to 66,080,755 as of 30 September 2010.

CIMENTS FRANÇAIS registered office is located 5 Place de la Pyramide - Tour Ariane à Puteaux (92800). It is registered with the *Registre du Commerce et des Sociétés* of Nanterre under no. 599 800 885.

Second French cement and construction material producer, CIMENTS FRANÇAIS is a subsidiary of Italcementi Group, which is the fifth largest cement producer in the world.

Its purpose is:

- The running, foundation, acquisition or transfer of cement factories, using lime or other hydraulic binding substances and construction materials in France, in French overseas regions and any other country, and generally all that relates to the manufacture, trade, industry and applications of any binding substance and construction material as well as all products which are used in their manufacturing process or any derivatives therefrom;
- All surveys, research, experiments, tests relating to these applications;
- The research into all invention patents, franchise to use such patents, filing of any trademarks and franchises in relation to the use of such trademarks;
- The making of investment in all civil, commercial, industrial, movable, property or real estate company, either by subscribing or purchasing shares, creating new companies, contributions, or by association, alliance, partnership or granting advances or credit facilities;
- More generally, all commercial, industrial, financial or real estate transactions relating directly or indirectly to the activities listed above or likely to promote the development of the company.

1.1.2. Absorbed company

SOCIÉTÉ INTERNATIONALE ITALCEMENTI FRANCE, hereafter referred to as SIIF, is a simplified corporation (SAS), with a capital of €1,686,650,000 divided into 110,600,000 shares of €15.25 nominal value each, entirely subscribed, fully paid and all of the same category.

Its registered office is located 40, avenue Hoche à Paris (75008). It is registered with the *Registre du Commerce et des Sociétés* of Paris under no. 380 128 900.

Its purpose is to conclude, in any country, any type of financing transaction, to set up, alone or with third parties, any company, group, organization or business, and to acquire a stake in them or to manage them directly or through the intermediary of third parties. To that effect, it may undertake any financial, commercial, industrial, security or property transaction.

SIIF sole associate is the Italian company ITALCEMENTI S.p.A. Its only business purpose is to be the majority stakeholder in the share capital of CIMENTS FRANÇAIS.

1.1.3. Shareholding structure between the companies

Both the absorbing and the absorbed companies belong to the ITALCEMENTI / CIMENTS FRANÇAIS Group.

SIIF holds 29,768,125 shares of CIMENTS FRANÇAIS, i.e. 81.82% of the share capital and 89.85% of the voting rights, based on figures published as of 30 September 2010.

SIIF pledges to keep those 29,768,125 shares in CIMENTS FRANÇAIS until the date of completion of the merger.

1.2. Merger's context

The current merger transaction is part of the internal reorganization of the ITALCEMENTI / CIMENTS FRANÇAIS Group.

It is explained in the proposed merger contract that the transaction aims at optimizing the organization and functioning of the group.

It should be noted that SIIF received a dividend of €89,304,375 from CIMENTS FRANÇAIS on 13 April 2010 and decided to pay an additional dividend of €24,282,230 for 2009 on 13 April 2010, as well as an interim dividend of €65,254,000 for 2010 on 15 June 2010.

1.3 Contributions' value

According to the proposed merger contract, net asset brought to CIMENTS FRANÇAIS as of December 31, 2009 can be summarized as follows:

in M€	Gross value	Depreciation / provision	Net value
Assets brought	1,776,994,339.11	0.00	1,776,994,339.11
Liabilities assumed			43,175.62
Dividends paid during interim period			24,282,230.00
Net asset brought			1,752,668,933.49

Contributions mainly consist of 29,768,125 CIMENTS FRANÇAIS shares valued at €1,776,316,291.68.

Contributions will be recognized at book value based on SIIF balance sheet as of December 31, 2009 and after deduction of outstanding dividends for 2009 paid by SIIF during the interim period, i.e. €24,282,230 on May 7, 2010.

1.4 Conditions of contributions' compensation

SIIF main asset being its stake in CIMENTS FRANÇAIS, the exchange ratio has been determined transparently between the two companies based on the number of CIMENTS FRANÇAIS shares held by SIIF.

As a compensation for contributions amounting to €1,752,668,933.49 CIMENTS FRANÇAIS will issue 29,768,125 new shares of €4 nominal value each, fully paid, i.e. a capital increase of €119,072,500.

The difference between the contributions' value and the amount of the capital increase totals €1,633,596,433.49 which will be the merger premium.

CIMENTS FRANÇAIS receiving as contributions 29,768,125 of its own shares will cancel them and reduce its share capital accordingly by €119,072,500, so that its share capital remains unchanged.

The difference between the nominal value of the cancelled CIMENTS FRANÇAIS shares, i.e. €119,072,500 and their contribution value, i.e. €1,776,316,291.68, amounts to €1,657,243,791.68; such difference will be charged to the merger premium, which will therefore be lowered to a negative amount of €23,647,358.19. This negative amount will be recognized as "Share premium reserve" of CIMENTS FRANÇAIS, which amounted to about 945 million euros as of December 31, 2009.

1.5 Legal and tax terms

The accounts used for the transaction are those of each of the companies as of December 31, 2009, and the merger will have a retroactive effect as of January 1, 2010 for accounting and tax issues.

From a tax perspective, this transaction will be ruled by the preferred tax system described in Article 210 A of the general tax code (*Code Général des Impôts*) relating to company income tax in conformity with the provisions of Article 816 of the same code on registration fees.

Completion of the merger will be subject to the fulfilment of the following conditions precedent before December 31, 2010:

- Registration by the *Autorité des marchés financiers* (AMF) of the appendix to the report of CIMENTS FRANÇAIS Board of Directors prepared for the General Meeting of said company convened to approve the merger;
- Approval of the merger and dissolution without liquidation of the absorbed company by the sole associate of the absorbed company;
- Approval by the Extraordinary Meeting of the absorbing company of the merger, of the contributions, capital increase thereof as described in the proposed merger contract, as well as of the reduction of capital mentioned in the said contract.

2. Control of the relevance of the estimated relative values of the shares of the companies involved in the transaction

2.1 Completed diligence

We have implemented the diligence that we deemed necessary, in conformity with the rules of the *Compagnie Nationale des Commissaires aux Comptes* pertaining to this mission to:

- control the relative estimated values of the absorbing company and of the absorbed company ;

We have more particularly realized the following diligence:

- we have had discussions with the persons in charge of the merger within the CIMENTS FRANÇAIS group, not only to understand the proposed transaction and its background, but also to analyze the contemplated accounting, legal and tax terms;
- we have reviewed the legal, accounting and tax documentation relating to the absorbed company and the absorbing company, and in particular the proposed merger contract;
- we have examined the valuation method presented in the proposed merger contract in order to ensure that it is in its nature appropriate to the contemplated transaction;

- in order to ensure the accuracy of the financial statements and accounting information that were given to us, we have obtained the report from SIIF and CIMENTS FRANÇAIS statutory auditors on the 2009 annual accounts;
- we have reviewed the accounting situation of SIIF as of September 30, 2010, the interim accounts of Ciments Français as of June 30, 2010 and the 2010 CIMENTS FRANÇAIS budget in order to monitor, until completion date, the absence of facts or events, which could potentially alter the value of the contributions and their compensation.
- we have realized a specific diligence on the control of the contributions, which we detail in our report on contributions' value.

2.2 *Opinion on the relative estimated values of the shares of both companies*

The main asset of the absorbed company consists in the stake of 81.82%, which it holds in the share capital of the absorbing company.

Consequently, and considering the immaterial nature of the other assets and liabilities (mainly cash and cash equivalents) compared with the value of the CIMENTS FRANÇAIS shares held by SIIF, it has been considered that the actual value of the absorbed company corresponded to the actual value of the CIMENTS FRANÇAIS shares it owns, i.e. 81.82% of the actual value of the absorbing company.

The transaction ultimately aims at issuing the same amount of CIMENTS FRANÇAIS shares than those brought in without any compensation for the other assets brought. The estimated relative value of the absorbed company is therefore determined transparently using the value of the absorbing company.

We have verified the immaterial nature of the other items of assets and liabilities recognized in the balance sheet of the absorbed company, in view of its stake in CIMENTS FRANÇAIS.

Considering this immaterial nature, we have checked that a change, even significant, of the value of the CIMENTS FRANÇAIS share would bear no impact on the exchange ratio.

In the absence of any other significant assets and liabilities in the accounts of the absorbed company, we find such a method appropriate. Furthermore, we have ensured that the dividends paid in 2010 by both companies do not challenge this method.

Lastly, we have received confirmation of the absence of any event, which could potentially alter the actual values of the companies involved over the interim period, considering that SIIF financial statements as of September 30, 2010, which were the subject of a limited audit by the statutory auditors, showed a profit of €23,963,797.46 after deduction of the 2010 interim dividend of €65,254,000 accepted on June 15, 2010.

3. Review of the fair nature of the proposed exchange ratio

3.1 *Completed diligence*

We have implemented the following diligence:

- We have analyzed the positioning of the exchange ratio vis-à-vis the estimated relative values deemed appropriate;
- We have also considered the impact of the exchange ratio on the future situation of the various categories of shareholders.

3.2 Analysis of the proposed exchange ratio

Considering the values approved for the companies involved, the exchange ratio is computed as the number of CEMENTS FRANÇAIS shares held by SIIF (29,768,125 shares) divided by the number of shares in the capital of SIIF (110,600,000 shares), i.e. an exchange ratio of 0.27 CEMENTS FRANÇAIS share for 1 SIIF share.

We have ensured with the use of sensitivity tests that this exchange ratio was not affected by the value allocated to the CEMENTS FRANÇAIS shares.

Furthermore, it should be noted that the issuance of 29,768,125 CEMENTS FRANÇAIS shares will be immediately offset by the cancellation of the 29,768,125 CEMENTS FRANÇAIS shares received as contributions, by way of a reduction in capital.

Consequently, following this capital reduction, the number of shares in CEMENTS FRANÇAIS share capital will remain unchanged and the transaction will therefore have no dilutive effect on CEMENTS FRANÇAIS earnings per share.

4. Conclusion

Our concluding opinion is that the exchange rate of 0.27 CEMENTS FRANÇAIS share for 1 SIIF share is fair.

Signed in Paris on November 10, 2010

Didier FAURY

Olivier PERONNET

Statutory auditors

Members of the Compagnie Régionale de Paris

BUSINESS ACTIVITY

You will find below a description of the company's business activity in the first nine-month period of 2010 as published by your Board of Directors after the consolidated financial statements as of September 30, 2010 were approved (*the full press release is available on the company's website at www.cimfra.com*).

The rise in volumes reported in the second quarter did not continue into the third quarter, except for ready mix concrete. Restriction policies on public budgets, particularly in industrialized countries, did not permit a market recovery, resulting in lower prices in some countries.

Sales volumes in the third quarter were down 6.1% in **cement and clinker** at 11.3 million tonnes; they improved in France/Belgium and India but temporarily declined in Egypt. **Aggregates** volumes also dropped by 1.8% at 9.5 million tonnes. **Ready mix concrete** volumes at 2.9 million cubic meters remained globally steady (+2.9%) but with decreases in Spain and Morocco. Overall, revenues in the third quarter remained stable compared with the year-earlier period, while operating results were penalized by lower sales prices in most countries and higher fuel costs. During the first 9 months, sales volumes were down 2.3% for cement and clinker (34.3 million tonnes), down 3.3% for aggregates (28.7 million tonnes) and up 1.9% for ready mix concrete (8.6 million cubic meters).

As of September 30, 2010 Group **consolidated revenues** totaled 3,195 million euros, down 1.3% (-3.8% at comparable consolidation scope and exchange rates). Revenues declined significantly in Spain but improved in Thailand.

Operating results, already impacted by tension on prices, were further penalized by a strong increase in variable costs (particularly energy). These effects were partially mitigated by programs to control operating costs and by the sale of CO₂ emission rights for a net amount of 30.3 million euros as of September 30, 2010.

As of September 30, 2010 **recurring EBITDA** was 662.7 million euros (-8.1%). The deterioration affected Western Europe, Egypt and particularly India, while North America showed signs of improvement. **EBIT** totaled 381.6 million euros, down 12.4% due to an increase of 7.8% in amortization and depreciation, especially in North America.

After **net finance costs** of 51.5 million euros, down 12.8%, arising from the decrease in interest rates and average net financial debt, the share of results of associates (+14.2 million euros) and 90.8 million euros in income tax expense (-4.7%), the **Group** reported a **consolidated net profit** of 253.4 million euros, down 13.6%.

The **share attributable to equity holders of the parent** totaled 167.3 million euros (-21.3%).

As of September 30, 2010 Group **investments in industrial and intangible assets** amounted to 282.3 million euros, down 39.1% compared with the end of September 2009, because of the completion of major strategic projects.

The net financial position improved thanks to a tight monitoring of finance flows and more specifically of the working capital requirement.

Net financial debt as of September 30, 2010 decreased by 100.7 million euros at 1,461.6 million euros as against 1,562.3 million euros as of December 31, 2009. Total equity was 4,168.4 million euros (3,896.5 as of December 31, 2009). The **gearing ratio** was 35.1% vs. 40.1% as of December 31, 2009.

OUTLOOK

Group trend for the last quarter of 2010 still depends on very volatile market conditions. Against this uncertain background, slightly lower operating results can be expected compared with 2009. The decrease in EBITDA should remain in line with the lowering reported over the first nine-month period.

FIVE-YEAR FINANCIAL SUMMARY

<i>(in thousands of euros)</i>	2009	2008	2007	2006	2005
I - CLOSING FINANCIAL POSITION					
a) Share capital	145,435.3	147,040.7	150,738.5	153,421.2	153,837.9
b) Number of shares issued	36,358,822	36,760,182	37,684,634	38,355,306	38,459,469
II - RESULTS					
a) Revenues	12,723.0	12,191.8	12,333.8	12,147.1	11,152.6
b) Profit before income tax, depreciation and provisions	74,583.7	177,182.1	104,502.2	255,838.8	46,146.6
c) Income tax ⁽¹⁾	34,491.9	47,021.6	33,074.3	16,538.8	6,323.2
d) Profit (loss) after income tax, depreciation and provisions	128,397.8	171,382.0	138,458.6	337,196.8	227,925.9
e) Dividend distribution ⁽²⁾	108,646.5	108,851.9	92,272.2	86,598.1	72,294.7
III - EARNINGS PER SHARE <i>(in euros)</i>					
a) Net profit after income tax, but before depreciation and provisions	3.00	6.10	3.65	7.08	1.33
b) Profit (loss) after income tax, depreciation and provisions	3.53	4.66	3.67	8.79	5.92
c) Dividend distribution	3.00	3.00	2.50	2.28	1.90
IV - PERSONNEL					
a) Number of employees	139	142	139	131	127
b) Total annual payroll	18,309.7	23,179.0	17,889.6	12,369.0	14,125.4
c) Employee benefits	8,384.4	8,667.9	7,094.4	6,325.4	6,123.1

(1) Tax savings.

(2) Provisional for shares; will be adjusted according to the shares existing on April 13, 2010, date of the General Meeting, after deduction of treasury shares and subject to the approval by the Meeting.

APPLICATION FOR DOCUMENTS

Pursuant to article R.225-88 of the French Commercial Code, with effect from the issue of the notice of meeting and up to the fifth day prior to the meeting, any shareholder owning registered shares or able to provide evidence of ownership of bearer shares may submit this application form to obtain the documents and information referred to in articles R.225-81 and R.225-83 of the French Commercial Code.

**Applications should be submitted to Société Générale,
Service des Assemblées - 32 rue du Champ de Tir - BP 81.236 - 44312 NANTES CEDEX 3.**

Mr/Mrs/Ms

Full address

.....

Holder of:

..... shares in the form of

- Registered shares, registered to account no.

- Bearer shares held on account at (*)

(* authorized financial intermediary managing your share account)

hereby requests that the documents or information referred to in articles R.225-81 and R.225-83 of the French Commercial Code, be sent to the above address.

Signed in date

NOTE – By virtue of paragraph 3 of article R.225-88 of the French Commercial Code, holders of registered shares may make a single application to obtain the aforesaid documents from the company on the occasion of each subsequent General Meeting of Shareholders.

Limited Liability Company with a share capital of €145,445,120
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Tel. 01.42.91.75.00
599.800.885 RCS Nanterre – N° Siret 599800885 00478
Website: www.cimfra.com