



Ciments Français
Italcementi Group

Corporate governance

2010



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Corporate governance

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1.1 Directors, officers and auditors

(Composition at the General Meeting of April 13, 2011)

Board of directors

Honorary Chairman*
Bernard LAPLACE

Chairman
Yves René NANOT

Deputy Chairman
Carlo PESENTI

Giovanni FERRARIO
Permanent representative of Italcementi Finance SA

Giampiero PESENTI
Permanent representative of Italcementi S.p.A.

Victoire de MARGERIE

Comte de RIBES

Antoine BERNHEIM

Marc VIÉNOT

Dario MASSI

Italo LUCCHINI

Pierfranco BARABANI
*Permanent representative of Société Internationale
Italcementi (Luxembourg)*

Sebastiano MAZZOLENI
Permanent representative of Sicil. Fin S.p.A.

Board secretary
Graziano MOLINARI*

Executive officers

Chief Executive Officer
Giovanni FERRARIO

Chief Operating Officer
Jean-Paul MÉRIC

Executive vice-president
Fabrizio DONEGÀ

Vice-president, Human Resources
Silvestro CAPITANIO

Vice-president, Administration & Control
Carlo BIANCHINI

Chief Financial Officer
Giovanni MAGGIORA

Statutory auditors

Ernst & Young Audit
KPMG Audit, Département de KPMG SA

Deputy auditors

Auditex
SCP Jean-Claude André

* Not a director.

Main activity and other responsibilities of the corporate officers in the last 5 years

Yves René NANOT

Born: 27 March 1937; French citizen

Business address: Ciments Français - Tour Ariane - 5 place de la Pyramide - 92800 Puteaux

Position at Ciments Français: Chairman of the Board

Year of first term: 1993

End of term Meeting: 2011

Year 2010

Other responsibilities:

- Director of: Rhodia ^L (France), Italcementi S.p.A. ^{UG} (Italy), Essroc ^G (USA), Set Group Holding ^G (Turkey), Ciments du Maroc ^{UG} (Morocco), Asia Cement ^G (Thailand), Zuari Cement Company ^G (India), Suez Cement Company ^{UG} (Egypt)

Year 2009

Other responsibilities:

- Director of: Rhodia ^L (France), Provimi ^L (France), Italcementi S.p.A. ^{UG} (Italy), Essroc ^G (USA), Set Group Holding ^G (Turkey), Ciments du Maroc ^{UG} (Morocco), Asia Cement ^G (Thailand), Zuari Cement Company ^G (India), Suez Cement Company ^{UG} (Egypt)

Year 2008

Other responsibilities:

- Chairman of the Board: Rhodia ^L (France) until March 17, 2008
- Director of: Rhodia ^L (France), Italcementi S.p.A. ^{UG} (Italy), Centro Tecnico di Gruppo S.p.A. ^G (Italy) until March 27, 2008, Essroc ^G (USA), Set Group Holding ^G (Turkey), Ciments du Maroc ^{UG} (Morocco), Asia Cement ^G (Thailand), Zuari Cement Company ^G (India), Suez Cement Company ^{UG} (Egypt), Provimi ^L (France)

Year 2007

Other responsibilities:

- Chairman of the Board: Rhodia ^L (France)
- Director of Imerys ^L (France) until May 2007
- Director of: Italcementi S.p.A. ^{UG} (Italy), Centro Tecnico di Gruppo S.p.A. ^G (Italy), Essroc ^G (USA), Set Group Holding ^G (Turkey), Ciments du Maroc ^{UG} (Morocco), Asia Cement ^G (Thailand), Zuari Cement Company ^G (India), Suez Cement Company ^{UG} (Egypt), Provimi ^L (France)

Year 2006

Other responsibilities:

- Chairman of the Board: Rhodia (France)
- Director of Imerys (France)
- Director of: Italcementi S.p.A. (Italy), Centro Tecnico di Gruppo S.p.A. (Italy), Essroc (USA), Set Group Holding (Turkey), Ciments du Maroc (Morocco), Asia Cement (Thailand), Zuari Cement Company (India), Suez Cement Company (Egypt), Provimi (France)

L: listed company

G: Italcementi Group company

Carlo PESENTI

Born: 30 March 1963; Italian citizen

Business address: Italcementi S.p.A. - via Camozzi, 124 - 24121 Bergamo (Italy)

Position at Ciments Français: director

Year of first term: 1998

End of term Meeting: 2011

Deputy Chairman since 2007

Year 2010

Chief Executive Officer of Italcementi S.p.A. ^{UG} (Italy)

Other responsibilities:

- Chief Operating Officer and director of Italmobiliare S.p.A. ^{UG} (Italy)
- Director of: Mediobanca S.p.A. ^L (Italy), RCS MediaGroup S.p.A. ^L (Italy), UniCredito Italiano S.p.A. ^L (Italy), Ambienta Sgr ^L (Italy)

Year 2009

Chief Executive Officer of Italcementi S.p.A. ^{UG} (Italy)

Other responsibilities:

- Chief Operating Officer and director of Italmobiliare S.p.A. ^{UG} (Italy)
- Director of: Mediobanca S.p.A. ^L (Italy), RCS MediaGroup S.p.A. ^L (Italy), UniCredito Italiano S.p.A. ^L (Italy), Ambienta Sgr ^L (Italy)

Year 2008

Chief Executive Officer of Italcementi S.p.A. ^{UG} (Italy)

Other responsibilities:

- Chief Operating Officer and director of Italmobiliare S.p.A. ^{UG} (Italy)
- Director of: Mediobanca S.p.A. ^L (Italy), RCS MediaGroup S.p.A. ^L (Italy), UniCredito Italiano S.p.A. ^L (Italy), Ambienta Sgr ^L (Italy)

Year 2007

Chief Executive Officer of Italcementi S.p.A. ^{UG} (Italy)

Other responsibilities:

- Deputy Chairman and director of BravoSolution S.p.A. ^G (Italy)
- Chief Operating Officer and director of Italmobiliare S.p.A. ^{UG} (Italy)
- Director of: Mediobanca S.p.A. ^L (Italy), RCS MediaGroup S.p.A. ^L (Italy), UniCredito Italiano S.p.A. ^L (Italy)

Year 2006

Chief Executive Officer of Italcementi S.p.A. (Italy)

Other responsibilities:

- Deputy Chairman and director of BravoSolution S.p.A. (Italy)
- Chief Operating Officer and director of Italmobiliare S.p.A. (Italy)
- Director of: BPU Banca S.p.A. (Italy), BravoSolution España S.A. (Spain), Mediobanca S.p.A. (Italy), RCS MediaGroup S.p.A. (Italy), UniCredito Italiano S.p.A. (Italy)

L: listed company
G: Italcementi Group company

Giovanni FERRARIO

Born: 3 November 1948; Italian citizen

Business address: Italcementi S.p.A. - via Camozzi, 124 - 24121 Bergamo (Italy)

Position at Ciments Français: Chief Executive Officer

Permanent representative of Italcementi Finance SA, director since 2010

Year of first term: 2008

End of term Meeting: 2013

Year 2010**Other responsibilities:**

- Chief Operating Officer of Italcementi S.p.A. ^LG (Italy)
- Director of: Centro Tecnico di Gruppo ^G (Italy), Zuari Cement ^G (India); Asia Cement ^G (Thailand); Suez Cement Company ^LG (Egypt); Essroc Corp. ^G (USA) and BravoSolution S.p.A. ^G (Italy)
- Chairman of the Board of: Italgen S.p.A. ^G (Italy)
- Permanent representative of Sodecim ^G at Ciments du Maroc ^LG (Morocco)

Year 2009**Other responsibilities:**

- Chief Operating Officer of Italcementi S.p.A. ^LG (Italy)
- Director of: Centro Tecnico di Gruppo ^G (Italy), Zuari Cement ^G (India); Asia Cement ^G (Thailand); Suez Cement Company ^LG (Egypt); Essroc Corp. ^G (USA) and BravoSolution S.p.A. ^G (Italy)
- Chairman of the Board of: Italgen S.p.A. ^G (Italy)
- Permanent representative of Sodecim ^G at Ciments du Maroc ^LG (Morocco)

Year 2008**Other responsibilities:**

- Chief Operating Officer of Italcementi S.p.A. ^LG (Italy) since June 4, 2008
- Director of: Centro Tecnico di Gruppo ^G (Italy) since July 23, 2008, Zuari Cement ^G (India) since July 21, 2008, Asia Cement ^G (Thailand) since July 16, 2008, Suez Cement Company ^LG (Egypt) since July 15, 2008, Essroc Corp. ^G (USA) since July 24, 2008 and BravoSolution S.p.A. ^G (Italy) since July 23, 2008
- Chairman of the Board of Italgen S.p.A. ^G (Italy) since July 25, 2008
- Permanent representative of Sodecim ^G at Ciments du Maroc ^LG (Morocco) since June 18, 2008

L: listed company

G: Italcementi Group company

Jean-Paul MÉRIC

Born: 21 May 1943; French citizen

Business address: Ciments Français - Tour Ariane - 5 place de la Pyramide - 92800 Puteaux

Position at Ciments Français: Chief Operating Officer

Year of first term: 2010

End of term Meeting: 2013

Year 2010

- Chairman of: Ciments Calcia ^G (France), GSM ^G (France) and Unibéton ^G (France)
- Chairman & Chief Executive Officer of Essroc Corp. ^G (United States)
- Chief Executive Officer & director of Essroc Cement Corp. ^G (United States)
- Chief Executive Officer of Essroc Canada Inc. (Canada)

Other responsibilities:

- Chairman of the Board of Financiera y Minera ^G (Spain)
- Chairman and director of: Compagnie des Ciments Belges ^G (Belgium), Cifrinter ^G (Luxembourg)
- Deputy chairman and COO of Ciments du Maroc ^{LG} (Morocco)
- Director of: Marvex ^G (Bulgaria), Ciment Québec ^G (Canada), Groupe Ciment Québec ^G (Canada), Italmed ^G (Cyprus), CTG ^G (Italy)
- Chairman of the Board of C.F.E. N.V. ^G (Netherlands)
- Member of the Supervisory Board of Devnya Cement AD ^G (Bulgaria)

L: listed company

G: Italcementi Group company

Giampiero PESENTI

Born: 5 May 1931; Italian citizen

Business address: Italcementi S.p.A. - via Camozzi, 124 - 24121 Bergamo (Italy)

Position at Ciments Français:

Permanent representative since 2004 of Italcementi S.p.A., director since 1992

End of term Meeting: 2013

Year 2010

- Chairman and Chief Executive Officer of Italmobiliare S.p.A. ^{LG} (Italy)
- Chairman of Italcementi S.p.A. ^{LG} (Italy)

Other responsibilities:

- Deputy Chairman of: Fincomind AG ^G, Fondazione Italcementi Cav. Lav. Carlo Pesenti ^G
- Director of: Compagnie Monégasque de Banque (Monaco), Finter Bank Zurich ^G (Switzerland), Mittel S.p.A. (Italy), Pirelli S.p.A. ^L (Italy), Allianz RAS (Italy), Istituto Europeo di Oncologia, RCS Quotidiani (Italy)
- Permanent representative of Soparfi Italmobiliare SA ^G at Crédit Mobilier de Monaco ^G (Monaco)

Year 2009

- Chairman and Chief Executive Officer of Italmobiliare S.p.A. ^{LG} (Italy)
- Chairman of Italcementi S.p.A. ^{LG} (Italy)

Other responsibilities:

- Chairman of Franco Tosi S.r.l. ^G (Italy)
- Deputy Chairman of: Fincomind AG ^G, Fondazione Italcementi Cav. Lav. Carlo Pesenti ^G
- Director of: Compagnie Monégasque de Banque (Monaco), Finter Bank Zurich ^G (Switzerland), Soparfinter SA ^G (Luxembourg), Mittel S.p.A. (Italy), Pirelli S.p.A. ^L (Italy), Allianz RAS (Italy), Istituto Europeo di Oncologia
- Permanent representative of Soparfi Italmobiliare SA ^G at Crédit Mobilier de Monaco ^G (Monaco)

Year 2008

- Chairman and Chief Executive Officer of Italmobiliare S.p.A. ^{LG} (Italy)
- Chairman of Italcementi S.p.A. ^{LG} (Italy)

Other responsibilities:

- Chairman of Franco Tosi S.r.l. ^G (Italy)
- Deputy Chairman of: Fincomind AG ^G, Fondazione Italcementi Cav. Lav. Carlo Pesenti ^G
- Director of: Ciments du Maroc ^{LG} (Morocco) until March 3, 2008, Compagnie Monégasque de Banque (Monaco), Finter Bank Zurich ^G (Switzerland), Soparfinter SA ^G, Mittel S.p.A. (Italy), Pirelli S.p.A. ^L (Italy), Allianz RAS (Italy), Istituto Europeo di Oncologia
- Permanent representative of Soparfi Italmobiliare SA ^G at Crédit Mobilier de Monaco ^G (Monaco)

Year 2007

- Chairman and Chief Executive Officer of Italmobiliare S.p.A. ^{LG} (Italy)
- Chairman of Italcementi S.p.A. ^{LG} (Italy)

Other responsibilities:

- Chairman of Franco Tosi S.r.l. ^G (Italy)
- Deputy Chairman of: Fincomind AG ^G, Fondazione Italcementi Cav. Lav. Carlo Pesenti ^G
- Director of: Ciments du Maroc ^{LG} (Morocco), Compagnie Monégasque de Banque (Monaco), Finter Bank Zurich ^G (Switzerland), Soparfinter SA ^G, Mittel S.p.A. (Italy), Pirelli S.p.A. ^L (Italy), R.A.S. Riunione Adriatica di Sicurta S.p.A. (Italy), Istituto Europeo di Oncologia
- Permanent representative of Soparfi Italmobiliare SA ^G at Crédit Mobilier de Monaco ^G (Monaco)

Year 2006

- Chairman and Chief Executive Officer of Italmobiliare S.p.A. (Italy)
- Chairman of Italcementi S.p.A. (Italy)

Other responsibilities:

- Chairman of Franco Tosi S.r.l. (Italy)
- Deputy Chairman of: Fincomind AG, Fondazione Italcementi Cav. Lav. Carlo Pesenti
- Director of: Ciments du Maroc (Morocco), Compagnie Monégasque de Banque (Monaco), Finter Bank Zurich (Switzerland), Soparfinter SA, Mittel S.p.A. (Italy), Pirelli S.p.A. (Italy), R.A.S. Riunione Adriatica di Sicurta S.p.A. (Italy), Istituto Europeo di Oncologia
- Permanent representative of Soparfi Italmobiliare SA at Crédit Mobilier de Monaco (Monaco)

L: listed company
G: Italcementi Group company

Victoire de MARGERIE

Born: 6 April 1963; French citizen

Business address: Marzac Investment - 64 rue Madame - 75006 Paris

Position at Ciments Français: director

Year of first term: 2006

End of term Meeting: 2013

Year 2010

- Chairman of Marzac Investment (France)
- Chairman of Rondol Technology (UK)
- Professor of Strategy and Management, Grenoble School of Management

Other responsibilities:

- Director of: Outokumpu ^L (Finland)

Year 2009

- Chairman of Marzac Investment (France)
- Chairman of Rondol Technology (UK)
- Professor of Strategy and Management, Grenoble School of Management

Other responsibilities:

- Director of: Outokumpu ^L (Finland)

Year 2008

- Professor of Strategy and Technological Management, Grenoble School of Management

Other responsibilities:

- Director of: IPSOS ^L (France) until July 2008, Outokumpu ^L (Finland)
- Chairman of Rondol Technology (UK)

Year 2007

- Professor of Strategy and Technological Management, Grenoble School of Management

Other responsibilities:

- Director of: IPSOS ^L (France), Bourbon ^L (France) until September 2007, Outokumpu ^L (Finland)
- Deputy chairman of Rondol Technology (UK)

Year 2006

- Professor of Strategy and Technological Management, Grenoble School of Management

Other responsibilities:

- Director of: IPSOS (France), Bourbon (France), Baccarat (until June 2006)

L: listed company

Comte de RIBES

Born: 27 January 1923; French citizen

Business address: Bolloré, 31-32 quai de Dion-Bouton - 92811 Puteaux cedex

Position at Ciments Français: director

Year of first term: 1966

End of term Meeting: 2013

Year 2010

- Chairman & CEO and director of Société Bordelaise Africaine (France)
- Chairman of the Supervisory Board of Compagnie du Cambodge ^L (France)
- Honorary Chairman and director of: Société Industrielle et Financière de l'Artois ^L (France), IER (France)
- Deputy chairman and director of: Bolloré (Fance), Société Financière du Champ de Mars (Belgium)
- CEO of Société des Chemins de Fer et Tramway du Var et du Gard ^L (France)
- Permanent representative of Compagnie du Cambodge at the Board of Financière Moncey
- Member of the Supervisory Board of Banque Jean-Philippe Hottinguer et Cie (France)
- Director of: Plantations des Terres Rouges SA (Luxembourg), Nord-Sumatra Investissements SA (Belgium), S.F.A. (Luxembourg)
- Chairman of Redlands Farm Holding (United States)

Year 2009

- Chairman & CEO of Société Bordelaise Africaine (France)
- Chairman of the Supervisory Board of Compagnie du Cambodge ^L (France)
- Honorary Chairman and director of: Société Industrielle et Financière de l'Artois ^L (France), IER (France)
- Deputy chairman and director of: Bolloré (Fance), Société Financière du Champ de Mars (Belgium)
- CEO (not director) of Société des Chemins de Fer et Tramway du Var et du Gard ^L (France)
- Member of the Supervisory Board of Banque Jean-Philippe Hottinguer et Cie (France)
- Director of: Plantations des Terres Rouges SA (Luxembourg), Nord-Sumatra Investissements SA (Belgium), S.F.A. (Luxembourg)
- Chairman of Redlands Farm Holding (United States)

Year 2008

- Chairman & CEO of Société Bordelaise Africaine (France)
- Chairman of the Supervisory Board of Compagnie du Cambodge ^L (France)
- Honorary Chairman and director of: Société Industrielle et Financière de l'Artois ^L (France), IER (France)
- Deputy chairman and director of: Bolloré (Fance), Société Financière du Champ de Mars (Belgium)
- CEO (not director) of: Société des Chemins de Fer et Tramway du Var et du Gard ^L (France)
- Member of the Supervisory Board of Banque Jean-Philippe Hottinguer et Cie (France)
- Director of: Plantations des Terres Rouges SA (Luxembourg), Nord-Sumatra Investissements SA (Belgium), S.F.A. (Luxembourg)
- Chairman of Redlands Farm Holding (United States)

Year 2007

- Chairman & CEO of Société Bordelaise Africaine (France)
- Chairman of the Supervisory Board of Compagnie du Cambodge ^L (France)
- Honorary Chairman and director of Société Industrielle et Financière de l'Artois ^L (France), IER (France)
- Deputy chairman and director of: Bolloré (Fance), Société Financière du Champ de Mars (ex Socfin) (Belgium)
- CEO (not director) of Société des Chemins de Fer et Tramway du Var et du Gard ^L (France)
- Director of: Banque Jean-Philippe Hottinguer et Cie (ex H.R. Banque) (France), Plantations des Terres Rouges SA (Luxembourg), Nord-Sumatra Investissements SA (Belgium), S.F.A. (Luxembourg)
- Chairman of Redlands Farm Holding (United States)

Year 2006

- Deputy Chairman of Bolloré (France)
- Chairman of the Supervisory Board of Compagnie du Cambodge
- Deputy Chairman of I.E.R.
- Honorary chairman and director of Société Industrielle et Financière de l'Artois
- Chairman of Redlands Farm Holding
- Deputy Chairman and director of: Bolloré (France), Société Financière des Caoutchoucs (Socfin) (Belgium)
- Director of: H.R. Banque, Plantations des Terres Rouges SA (Luxembourg), Nord-Sumatra Investissements S.A. (Belgium), S.F.A.
- Chairman of the Board of Société Bordelaise Africaine

L: listed company

Antoine BERNHEIM

Born: 4 September 1924; French citizen

Business address: Leonardo & co - 73, rue d'Anjou - 75008 Paris

Position at Ciments Français: director

Year of first term: 1992

End of term Meeting: 2013

Year 2010

- Honorary chairman of Generali ^L (Italy) and Graafschap Holland (NL)
- Director and deputy chairman of LVMH ^L (France), Bolloré ^L (France)
- Deputy chairman of Alleanza Toro ^L (Italy)
- Director of: Generali France, Christian Dior SA ^L (France), Christian Dior Couture (France), Havas ^L (France), EuropaCorp ^L (France), Mediobanca ^L (Italy), Generali Deutschland Holding AG ^L (Germany), Banca della Svizzera Italiana (Switzerland), Generali Holding Vienna AG (Austria), Generali España Holding (Spain)
- Member of the Supervisory Board of: Eurazeo ^L (France), Le Monde SA (France), Société éditrice du Monde (France)

Year 2009

- Chairman of Generali ^L (Italy)

Other responsibilities:

- Deputy Chairman of: LVMH ^L (France), Alleanza Toro ^L (Italy)
- Deputy Chairman and director of Bolloré ^L (France)
- Director of: Generali France, Generali Deutschland Holding AG ^L (Germany), B.S.I. Banca della Svizzera Italiana (Switzerland), Compagnie Monégasque de Banque (Monaco), Generali Holding Vienna AG (Austria), Christian Dior SA ^L (France), Generali España Holding (Spain), Havas ^L (France), Mediobanca ^L (Italy)
- Member of the Supervisory Board of Eurazeo ^L (France)
- Deputy chairman of the Supervisory Board of Intesa Sanpaolo ^L (Italy)

Year 2008

Chairman of Generali ^L (Italy)

Other responsibilities:

- Deputy Chairman of: LVMH ^L (France), Alleanza Toro ^L (Italy)
- Deputy Chairman and director of Bolloré ^L (France)
- Director of: Generali France, Generali Deutschland Holding AG ^L (Germany), B.S.I. Banca della Svizzera Italiana (Switzerland), Compagnie Monégasque de Banque (Monaco), Generali Holding Vienna AG (Austria), Christian Dior SA ^L (France), Generali España Holding (Spain), Havas ^L (France), Mediobanca ^L (Italy)
- Member of the Supervisory Board of Eurazeo ^L (France)
- Deputy chairman of the Supervisory Board of Intesa Sanpaolo ^L (Italy)

Year 2007

Chairman of Generali ^L (Italy)

Other responsibilities:

- Deputy Chairman of: LVMH ^L (France), Alleanza Assicurazioni ^L (Italy)
- Deputy Chairman and director of Bolloré ^L (France)
- Director of: Generali France, A.M.B. Generali Holding ^L (Germany), B.S.I. Banca della Svizzera Italiana (Switzerland), Compagnie Monégasque de Banque (Monaco), Generali Holding Vienna AG (Austria), Christian Dior SA ^L (France), Generali España Holding (Spain), Havas ^L (France)
- Member of the Supervisory Board of: Eurazeo ^L (France), Mediobanca ^L (Italy)
- Deputy chairman of the Supervisory Board of Intesa Sanpaolo ^L (Italy)

Year 2006

Chairman of Generali (Italy)

Other responsibilities:

- Deputy Chairman of: LVMH ^L (France), Alleanza Assicurazioni ^L (Italy)
- Deputy Chairman and director of Bolloré ^L (France)
- Director of: Generali France, A.M.B. Generali Holding ^L (Germany), B.S.I. Banca della Svizzera Italiana (Switzerland), Compagnie Monégasque de Banque (Monaco), Generali Holding Vienna AG (Austria), Christian Dior SA ^L (France), Generali España Holding (Spain)
- Member of the Supervisory Board of: Eurazeo ^L (France), Mediobanca ^L (Italy)
- Deputy chairman of the Supervisory Board of Intesa Sanpaolo ^L (Italy)

L: listed company

Marc VIENOT

Born: 1 November 1928; French citizen

Business address: Société Générale - 17 cours Valmy - 92972 Paris La Défense cedex

Position at Ciments Français: director

Year of first term: 1999

End of term Meeting: 2013

Year 2010**Other responsibilities:**

Nil

Year 2009**Other responsibilities:**

- Honorary chairman and director of: Société Générale ^L (France)
- Director of: Société Générale Marocaine de Banques (Morocco)
- Member of the Supervisory Board of: Groupe Barrière (France)

Year 2008**Other responsibilities:**

- Honorary chairman and director of: Société Générale ^L (France)
- Director of: Alcatel ^L (France), Société Générale Marocaine de Banques (Morocco)
- Member of the Supervisory Board of: Groupe Barrière (France)

Year 2007**Other responsibilities:**

- Honorary chairman and director of: Société Générale ^L (France)
- Director of: Alcatel ^L (France), Société Générale Marocaine de Banques (Morocco)
- Member of the Supervisory Board of: Groupe Barrière (France)

Year 2006**Other responsibilities:**

- Honorary chairman and director of: Société Générale (France)
- Director of: Alcatel (France), Société Générale Marocaine de Banques (Morocco)
- Member of the Supervisory Board of: Groupe Barrière

L: listed company

Dario MASSI

Born: 26 January 1942; Italian citizen

Business address: via Camozzi, 124 - 24121 Bergamo (Italy)

Position at Ciments Français: director

Previously permanent representative of Société Internationale Italcementi France, director from 1992

Year of first term: 2010

End of term Meeting: 2013

Year 2010**Other responsibilities:**

Director of the Fondazione Italcementi Cav. Lav. Carlo Pesenti ^G (Italy)

G: Italcementi Group company

Italo LUCCHINI

Born: 28 December 1943; Italian citizen

Business address: Italcementi S.p.A. - via Camozzi, 124 - 24121 Bergamo (Italy)

Position at Ciments Français: director since April 13, 2010

Previously director from 1998 to 2007 then permanent representative of Calcestruzzi S.p.A. until 2010

End of term Meeting: 2013

Year 2010**Other responsibilities:**

- Deputy chairman and director of Italmobiliare S.p.A. ^{U/G} (Italy)
- Director of Italcementi S.p.A. ^{U/G} (Italy)
- Member of the Supervisory Board of: Union di Banche Italiane Scpa ^L (Italy)
- Chairman of the Board and director of Azienda Agricola Lodoletta Srl ^G (Italy)
- President of the "Collegio Sindicale" of BMW Italia S.p.A. and of BMW Financial Services Italia S.p.A. (Italy)

Year 2009**Other responsibilities:**

- Deputy chairman and director of Italmobiliare S.p.A. ^{U/G} (Italy)
- Director of Italcementi S.p.A. ^{U/G} (Italy)
- Member of the Supervisory Board of: Union di Banche Italiane Scpa ^L (Italy), Acbgroup S.p.A. (Italy)
- Chairman of the Board and director of Azienda Agricola Lodoletta Srl ^G (Italy)
- President of the "Collegio Sindicale" of BMW Italia S.p.A. and of BMW Financial Services Italia S.p.A. (Italy)

Year 2008**Other responsibilities:**

- Deputy chairman and director of Italmobiliare S.p.A. ^{U/G} (Italy)
- Director of Italcementi S.p.A. ^{U/G} (Italy)
- Member of the Supervisory Board of: Union di Banche Italiane Scpa ^L (Italy), Acbgroup S.p.A. (Italy)
- Chairman of the Board and director of Azienda Agricola Lodoletta Srl ^G (Italy)

Year 2007**Other responsibilities:**

- Deputy chairman and director of Italmobiliare S.p.A. ^{U/G} (Italy)
- Director of: Italcementi S.p.A. ^{U/G} (Italy)
- Member of the Supervisory Board of: Union di Banche Italiane Scpa ^L (Italy), Acbgroup S.p.A. (Italy)
- Chairman of the Board and director of: Azienda Agricola Lodoletta Srl ^G (Italy) - Odel S.p.A. (Italy), Abm Azienda Bergamasca Multiservizi S.p.A. (Italy)

L: listed company

G: Italcementi Group company

Pierfranco BARABANI

Born: 9 September 1936; Italian citizen
 Business address: via Camozzi, 124 - 24121 Bergamo (Italy)

Position at Ciments Français:
Permanent representative since 1992 of Société Internationale Italcementi (Luxembourg), director
 End of term Meeting: 2013

Year 2010**Other responsibilities:**

- Chairman of Ing. Sala S.p.A. ^G (Italy) ex Società del Gres S.p.A.
- Deputy chairman of Italcementi S.p.A. ^{LG} (Italy)

Year 2009**Other responsibilities:**

- Chairman of Ing. Sala S.p.A. ^G (Italy) ex Società del Gres S.p.A. since August 4, 2009
- Deputy chairman of Italcementi S.p.A. ^{LG} (Italy)

Year 2008**Other responsibilities:**

- Chairman of: Calcestruzzi S.p.A. ^G (Italy) until February 14, 2008, Società del Gres S.p.A. ^G (Italy)
- Deputy chairman of Italcementi S.p.A. ^{LG} (Italy)

Year 2007**Other responsibilities:**

- Chairman of: Calcestruzzi S.p.A. ^G (Italy), Società del Gres S.p.A. ^G (Italy)
- Deputy chairman of Italcementi S.p.A. ^{LG} (Italy)

Year 2006**Other responsibilities:**

- Chairman of: Calcestruzzi S.p.A. (Italy), Società del Gres S.p.A. (Italy)
- Deputy chairman of Italcementi S.p.A. (Italy)

L: listed company

G: Italcementi Group company

Sebastiano MAZZOLENI

Born: 11 May 1968; Italian citizen
 Business address: Via S. Sebastiano 6 - 24129 Bergamo (Italy)

Position at Ciments Français:
Permanent representative since 2004 of Sicil. Fin S.p.A., director since 1997
 End of term Meeting: 2013

Year 2010	Other responsibilities: - Director of Italcementi S.p.A. ^{UG} (Italy)
Year 2009	Other responsibilities: - Director of Italcementi S.p.A. ^{UG} (Italy)
Year 2008	Other responsibilities: - Director of Italcementi S.p.A. ^{UG} (Italy)
Year 2007	Other responsibilities: - Director of Italcementi S.p.A. ^{UG} (Italy)
Year 2006	Other responsibilities: - Director of Italcementi S.p.A. (Italy)

L: listed company
 G: Italcementi Group company

Family ties between the members of the Board of Directors

Giampiero Pesenti is the father of Carlo Pesenti and the uncle of Sebastiano Mazzoleni.

Review of the independence of directors

Ciments Français uses the AFEP/MEDEF code of corporate governance of listed companies dated December 2008 as reference code.

The Board of Directors of March 2, 2011 reviewed the situation of each director vis-à-vis independence requirements as defined in the above-mentioned code of corporate governance.

Yves René Nanot, corporate officer, is not an independent director.

Victoire de Margerie is an independent director.

Marc Viénot shall be considered as an independent director. Although he used to be Chairman of Société Générale, bank with which the company entertains business relationships, he has no longer been holding that position since 1997.

Antoine Bernheim and Comte de Ribes have been directors of Ciments Français for more than twelve years. The aforementioned code resolves that a director who does not meet some of the above-mentioned requirements shall nevertheless, in some cases, qualify as independent. These two directors shall be considered as independent, considering their objectivity and free will.

In view of the positions they have held or still holds at Italcementi S.p.A. and considering the shareholding structure of this company, Carlo Pesenti, Italo Lucchini, Dario Massi, the companies Italcementi S.p.A. (represented by Giampiero Pesenti), Italcementi Finance SA (represented by Giovanni Ferrario), Société Internationale Italcementi (Luxembourg) represented by Pierfranco Barabani and Sicil. Fin S.p.A. (represented by Sebastiano Mazzoleni) together with their representatives are not independent directors.

Finally, four directors out of the twelve members of the Board of Directors of Ciments Français are independent. The AFEP/MEDEF code of corporate governance of listed companies recommends the independence of at least one third of the directors in a controlled company. This recommendation is thus respected.

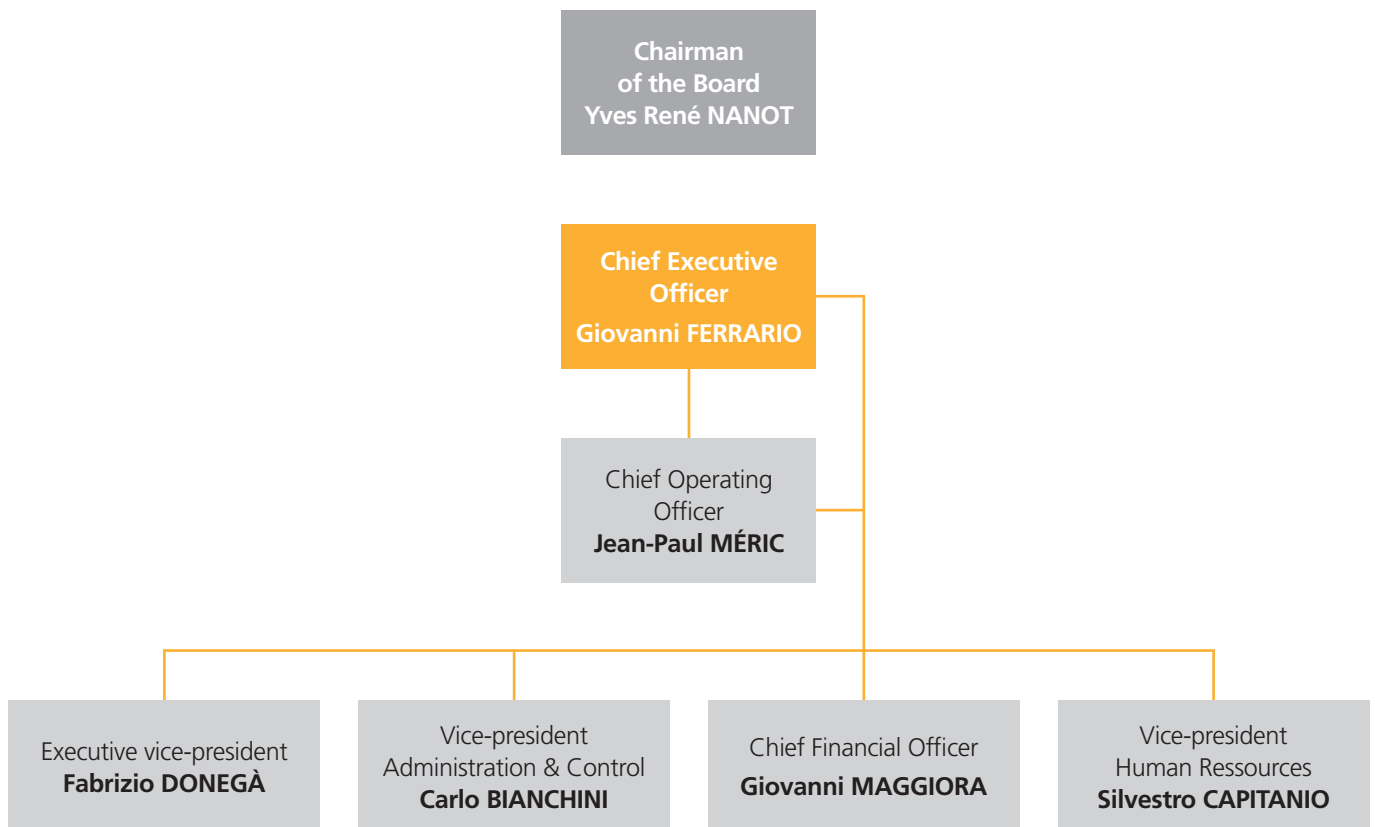
Functioning of the Board and Directors and committees

(Article L.225-37 of the French Code of commercial law)

Detailed information on the conditions of preparation and organization of the Board of Directors is given in the report prepared by the Chairman of the Board on the functioning of the Board of Directors and on internal control procedures.

This report, presented in section 5.4, gives a description of the functioning of the Board of Directors and of the specialized committees, the main lines of its internal Charter, as well as the behavioral rules applicable to each of its members.

Senior management as of December 31, 2010



Yves René NANOT (born on March 27, 1937)

Chairman of the Board

Graduate of the "Arts et Métiers" engineering school (Paris), MBA and Ph.D. from the University of California at Los Angeles (UCLA), Yves René Nanot began his career with Du Pont de Nemours in the USA and held various positions with the company in France and Europe between 1962 and 1983. He was Chairman of the Board of Management of Du Pont de Nemours France from 1980 to 1983.

Yves René Nanot joined the Total Group in 1983 and was Chairman and Chief Executive Officer of Hutchinson SA from 1983 to 1989. He was subsequently appointed Chairman and Chief Executive Officer of Total France, then Chief Executive Officer of Total Refining and Marketing and member of the Total Group Executive Committee.

In July 1993 Yves René Nanot was named Chairman and Chief Executive Officer of Ciments Français.

He is also member of the Board of Directors of Italcementi and Rhodia.

Yves René Nanot left his position as Chief Executive Officer of Ciments Français on January 1, 2010 remaining Chairman of the Board.

Giovanni FERRARIO (born on November 3, 1948)

Chief Executive Officer

Giovanni Ferrario, who holds a degree in Economics & Commerce from the Bocconi University (Milan), was appointed Chief Operating Officer of Italcementi and Ciments Français in June 2008.

His professional career started in 1973 in the Pirelli Group where he took on international responsibilities in Europe, USA and Brazil. From 1998 to 2001, as Chief Operating Officer of Pirelli Pneumatici, he was heading domestic and international operations in the tire sector and establishing Pirelli as one of the world's top five producers. In 2001, he was appointed Chairman and Chief Executive Officer of Pirelli & C.

In February 2005 he was appointed Chairman and Chief Executive Officer of Olivetti Tecnost until his new assignment in Ciments Français.

Giovanni Ferrario also served as Senior Advisor at Morgan Stanley for industry and as advisor to a number of important private equity funds.

Giovanni Ferrario became Chief Executive Officer of Ciments Français on January 1, 2010.

Jean-Paul MERIC (born on May 21, 1943)

Chief Operating Officer

A former student at "École Polytechnique" and "École Supérieure d'Electricité", Jean-Paul Méric began his career with EDF (*Électricité de France*) before moving into the cement industry, first with CERILH (*Centre d'Études et de Recherches de l'Industrie des Liants Hydrauliques*) then Ciments Français since 1985. He was appointed successively Research and Development Manager and Manager of the Cement Division for France.

Executive Vice-president of Ciments Français since 1991, he was then responsible for the Group France/Belgium activities, then the international business, working notably with the USA, Canada, Morocco, Turkey, Greece, Bulgaria and Kazakhstan.

Since July 1, 2006, Jean-Paul Méric has been responsible for Group activities in France, Belgium, Spain, Morocco and North America. He is also chairman of Cembureau.

Jean-Paul Méric is Chief Operating Officer of Ciments Français since January 1, 2010.

Fabrizio DONEGÀ (born on August 26, 1963)

Executive vice-president

A graduate in Mechanical Engineering from Genoa University and post-graduate in Corporate Finance from Bocconi University (Milan) and Management Development from Harvard Business School (USA), Fabrizio Donegà began his career with Italcementi, first as Technical Assistance Manager in 1990 then as Plant Manager.

From 1995 until 1998, he served as Diagnostic & Performance Supervisor at the Italcementi headquarters. In 1999, he was appointed General Manager for Greece and Bulgaria, with his responsibilities subsequently enlarged to Cyprus, Kazakhstan and Egypt until 2003. From 2004 to 2007, he was Deputy General Manager of Italcementi S.p.A. responsible for the Industrial Operations of Italcementi Group in Italy. Since October 2007, he has been Executive vice-president of Ciments Français, responsible for Group activities in Bulgaria, Greece, Cyprus, Kazakhstan, Turkey, Egypt and Kuwait.

Carlo BIANCHINI (born on December 20, 1955)

Vice-president, Administration & Control

Carlo Bianchini graduated in Economics and Business Sciences and in Strategic Analysis from Bocconi University in Milan, where he was assistant professor from 1979 to 1990.

He started his career with Pirelli in 1980 in the Strategy Department first, and then held several positions in the International Treasury and Finance departments in Italy and abroad. In 1998, he joined Italtel S.p.A. as Chief Operating Officer, then Siemens ICN S.p.A. as vice-president, Administration and Finance.

He joined Italcementi S.p.A. in 2000 as Finance, Administration and Control manager for the Italy zone. In 2008, he was appointed vice-president, Administration and Control of Italcementi Group and vice-president, Administration and Control of Ciments Français SA.

Giovanni MAGGIORA (born on November 18, 1960)

Chief Financial Officer

Giovanni Maggiora, who holds a degree in Business & Economics from the University of Torino and an MBA from Bocconi University in Milan, joined the FIAT group in 1987, where he held various positions in Treasury Management, Investor Relations and Mergers & Acquisitions in Italy and at international level in France, the UK and the USA.

He joined Italcementi in 2007 and worked in international development with a particular focus on Group projects in the Mediterranean rim and the Middle East.

He was appointed Chief Financial Officer of both Italcementi S.p.A. and Ciments Français SA in July 2008.

In 2010 he was appointed Chairman & Chief Executive Officer of Italcementi Finance SA, created by Italcementi S.p.A. to centralize Italcementi Group refinancing projects on international bond and banking markets.

Silvestro CAPITANIO (born on July 20, 1944)

Vice-president, Human Resources

A graduate in Philosophy and in Social Sciences, Silvestro Capitanio began his career at Italmobiliare in the Finsider Group where he was in charge of Organization and Human Resources Management.

He joined Italcementi in 1971 and was in charge of industrial relations before becoming Human Resources Manager for Italy. In July 1994 he was appointed Central Manager of Personnel and Organizational Development for Italcementi. He subsequently served as Director of Human Resources for the Group in December 1995, before joining Ciments Français in 2001, as vice-president, Human Resources.

1.2 Interest and compensation of corporate officers and senior management

(Article L.225-102-1 of the French Code of commercial law)

Directors' fees

Directors' fees paid by Ciments Français SA to directors amounted to 427 thousand euros for the year 2010. Directors' fees paid by the Group's subsidiaries to Ciments Français' directors under their terms in these subsidiaries amounted to 111 thousand euros.

Directors' fees include a fixed amount and a variable amount according to the actual attendance of the directors at Board meetings and Board committee meetings (the fees of a committee's chairman being higher than those of a simple member).

Gross directors' fees paid to each corporate officer by Ciments Français SA or by controlled companies as defined in Article L.233-16 can be detailed as follows:

Directors' fees (in euros)	2010		2009	
	Ciments Français	Subsidiaries	Ciments Français	Subsidiaries
Yves René NANOT	32,000	97,992	33,500	99,897
Carlo PESENTI ⁽¹⁾	32,000	-	32,000	-
Antoine BERNHEIM	30,500	-	27,500	-
Giovanni FERRARIO ⁽²⁾	18,000	-	-	-
Giampiero PESENTI	38,500	-	41,500	10,665
Italo LUCCHINI ⁽³⁾	32,000	-	32,000	-
Victoire de MARGERIE	38,000	-	39,500	-
Comte de RIBES	41,000	-	44,000	-
Sebastiano MAZZOLENI	32,000	-	32,000	-
Pierfranco BARABANI	32,000	-	33,500	-
Dario MASSI ⁽⁴⁾	24,000	-	-	-
Marc VIÉNOT	46,000	-	44,500	-
Jean-Michel DARROIS ⁽⁵⁾	14,000	-	32,000	-
Ettore ROSSI ⁽⁵⁾	17,000	12,997	39,500	14,540
TOTAL	427,000	110,989	431,500	125,102

(1) Fees paid back to Italmobiliare S.p.A.

(2) Giovanni Ferrario is the permanent representative of Italcementi Finance SA since April 13, 2010.

(3) Italo Lucchini was Calcestruzzi S.p.A. permanent representative until April 13, 2010. He has been director in his own name since that date. In 2010, he received 14,000 euros as Calcestruzzi director's fees.

(4) Dario Massi has been the permanent representative of Société Internationale Italcementi France (SIF), director, from April 13, 2010. He is director in his own name since November 4, 2010.

(5) Until April 13, 2010 Jean-Michel Darrois was director of Ciments Français and Ettore Rossi was permanent representative of Société Internationale Italcementi France, director.

Senior management compensation

Gross compensation paid to senior managers includes base salaries, bonuses and benefits in kind paid by Ciments Français. It amounted to 2.0 million euros for the year 2010 of which 1.3 million euros as base salaries and 0.7 million euros as variable part. Director's fees paid to them by Ciments Français or its subsidiaries amounted to 0.2 million euros.

Summary of compensation paid to each executive corporate officer

<i>(in thousands of euros)</i>	2010	2009
YVES RENÉ NANOT		
Compensation due for fiscal year ⁽¹⁾	285	1,598
Giovanni Ferrario ⁽²⁾		
Compensation due for fiscal year	1,285	1,199
Jean-Paul Méric ⁽²⁾⁽³⁾		
Compensation due for fiscal year	717	-
TOTAL	2,287	2,797

(1) Compensation for 2010 paid for organizing the work of the Board of the Directors.

(2) In their meeting of March 2, 2011 the compensation committee and the Board, considering the level of achievements vs. assigned objectives, decided to allocate a variable part of 617 thousand euros to the CEO and of 197 thousand euros to the COO for 2010.

(3) Jean-Paul Méric is Chief Operating Officer of Ciments Français since January 1, 2010.

Compensation paid to corporate officers

Compensation paid to executive corporate officers by Ciments Français SA

<i>(in thousands of euros)</i>	Amounts for 2010		Amounts for 2009	
	due	paid	due	paid
Yves René NANOT Chairman ⁽¹⁾				
Fixed	150	150	860	860
Variable	-	-	150	150
Exceptional	-	-	98	98
Retirement indemnities	-	-	352	352
Directors' fees	130	130	133	133
Benefits in kind	5	5	5	5
Sub-total	285	285	1,598	1,598
Giovanni FERRARIO CEO ⁽²⁾				
Fixed	650	650	650	650
Variable	617	520 ⁽⁴⁾	520	-
Exceptional	-	-	-	-
Directors' fees	18	18	29	29
Benefits in kind	-	-	-	-
Sub-total	1,285	1,188	1,199	679

<i>(in thousands of euros)</i>	Amounts for 2010		Amounts for 2009	
	due	paid	due	paid
Jean-Paul MÉRIC COO⁽³⁾				
Fixed	458	458	-	-
Variable	197	204 ⁽⁴⁾	-	-
Exceptional	-	-	-	-
Directors' fees	57	57	-	-
Benefits in kind	5	5	-	-
Sub-total	717	724		
TOTAL	2,287	2,230	2,797	2,277

(1) Yves René Nanot was Chairman & Chief Executive Officer until December 31, 2009. He remains Chairman of the Board after that date.

(2) Giovanni Ferrario was appointed Chief Executive Officer as from January 1, 2010.

(3) Jean-Paul Méric was appointed Chief Operating Officer as from January 1, 2010.

(4) Paid for the year 2009.

Compensation paid included gross amounts, benefits in kind determined according to tax basis, as well as bonuses paid in 2010 and 2009 by Ciments Français SA.

Compensation paid to Ciments Français corporate officers by Italcementi S.p.A.

(Article L.225-102-1 of the French code of commercial law)

These compensations are paid exclusively as part of a director's term or work on employment contract with Italcementi S.p.A. and are not re-invoiced to Ciments Français.

The amounts correspond to compensation related to office with Italcementi S.p.A. and its controlled companies, gross salaries, benefits in kind, bonuses recorded in 2010 accounts according to the "competenza" (rule of the Italian CONSOB). They do not include directors' fees paid by Ciments Français and its controlled companies.

Corporate officer	Term of office with Ciments Français	Italcementi S.p.A. compensation due for the year	
		2010	2009
<i>(in thousands of euros)</i>			
Yves René NANOT	Chairman	-	-
Giovanni FERRARIO ⁽¹⁾	Chief Executive Officer and Permanent representative of: Italcementi Finance SA	700.4	704.8
Jean-Paul MÉRIC ⁽²⁾	Chief Operating Officer	-	-
Giampiero PESENTI	Permanent representative of: Italcementi S.p.A.	3,929.0	2,394.3
Sebastiano MAZZOLENI	Permanent representative of: Sicil. Fin S.p.A.	-	1,262.1
Pierfranco BARABANI	Permanent representative of: Société internationale Italcementi (Luxembourg)	237.3	245.4
Italo LUCCHINI	Director	19.9	-
Dario MASSI ⁽³⁾	Permanent representative of: Société Internationale Italcementi France (France)	171.3	-
Ettore ROSSI ⁽⁴⁾	Permanent representative of: Société Internationale Italcementi France (France)	50.7	52.7
TOTAL		5,108.6	4,659.3

(1) Giovanni Ferrario was appointed CEO of Ciments Français as from January 1, 2010 and permanent representative of Italcementi Finance SA since May 5, 2010.

(2) Jean-Paul Méric was appointed COO of Ciments Français as from January 1, 2010.

(3) Dario Massi has been the permanent representative of Société Internationale Italcementi France (SIF), director, from April 13, 2010. He is director in his own name since November 4, 2010.

(4) Ettore Rossi was the permanent representative of Société Internationale Italcementi France until April 13, 2010.

Carlo Pesenti, director of Ciments Français, does not receive any compensation from Italcementi S.p.A.; he is paid by Italmobiliare S.p.A. and part of the expense paid by Italmobiliare S.p.A. is charged back to Italcementi S.p.A.

Regarding the fixed part of his compensation, the amount invoiced by Italmobiliare S.p.A. to Italcementi S.p.A. amounted to 1,676.6 thousand euros for 2010 and 1,676.6 thousand euros for 2009.

In its meeting of March 24, 2010 the Board of Directors of Italmobiliare S.p.A. set the variable part of the compensation of Carlo Pesenti for 2009 at 1,097.5 thousand euros. The part of his total compensation charged back by Italmobiliare S.p.A. to Italcementi S.p.A. for 2009 amounted to 850.0 thousand euros.

The Board of Directors of Italmobiliare S.p.A. will fix the variable part of the compensation of Carlo Pesenti for 2010 on March 30, 2011.

Stock option plans

Between 1987 and 2008, Ciments Français Group implemented several stock options (subscription and purchase) plans, granted to its personnel and corporate officers, or to the personnel and corporate officers of companies which are more than 10% owned, directly or indirectly, by Ciments Français. For ongoing plans as of December 31, 2010, options become exercisable three years after they have been granted, for a period of seven years. Options granted are cancelled following resignations, dismissals or once the exercise period has lapsed.

In 2008 the Board of Directors adopted a medium-term profit-sharing plan based on the value of the Italcementi S.p.A. share. Consequently, no stock option has been allotted ever since.

Within Ciments Français Group, no other stock option (subscription and purchase) plans exist.

Ongoing plans as of December 31, 2010

Date of General Meeting / Board of Directors	Category ⁽¹⁾	Number of options assigned	Of which corporate officers ⁽²⁾	Of which first allotted employees		Exercise period	Option price in euros	Options exercised at 31 December 2010	Options cancelled	Outstanding options at 31 December 2010
				Number of shares	Number of employees					
Authorization of 12.04.2001										
14.02.2002	S	152,100	44,000	41,300	10	14.02.2005 - 14.02.2012	45.90	120,690	11,850	19,560
12.02.2003	P	171,400	50,500	66,900	17	12.02.2006 - 12.02.2013	45.59	118,800	12,100	40,500
01.03.2005	S	169,400	55,000	42,900	10	14.04.2008 - 13.04.2015	70.88	1,000	9,700	158,700
01.03.2006	S	155,000	60,000	39,600	10	23.03.2009 - 22.03.2016	117.29	-	3,900	151,100
Sub-total		647,900	209,500	190,700				240,490	37,550	369,860
Authorization of 11.04.2006										
05.03.2007	S	166,400	60,000	41,200	10	23.03.2010 - 22.03.2017	140.28	-	7,700	158,700
14.04.2008	S	152,900	60,000	34,500	10	14.04.2011 - 13.04.2018	108.55	-	4,400	148,500
Sous-total		319,300	120,000	75,700				-	12,100	307,200
TOTAL		967,200	329,500	266,400				240,490	49,650	677,060⁽³⁾
of which subscription options		795,800						121,690	37,550	636,560
of which purchase options		171,400						118,800	12,100	40,500

(1) P = purchase, S = subscription.

(2) Composition at the General Meeting of April 13, 2011.

(3) Of which 263,500 can be exercised by corporate officers.

The increase in equity which would result from the exercise of the 636,560 subscription options would approximately amount to 68.3 million euros. The subscription options represent a potential dilution of 1.7% in share capital.

Purchase or subscription options exercised during fiscal 2010 by each executive corporate officer

Options exercised by executive corporate officers	Number and date of the plan	Number of options exercised in 2010	Exercise price (in euros)	Allotment year
Jean-Paul MÉRIC	No. 911 209 815 of September 1, 2000	14,000	51.75	2000

During fiscal year 2010, no subscription option for Italcementi S.p.A. shares was granted to any employee of Ciments Français.

Numbers of shares held by corporate officers as of December 31, 2010

Corporate officer	Term	Number of Ciments Français shares held	
		Natural person	Legal entity
Yves René NANOT	Chairman	89,550	-
Carlo PESENTI	Deputy Chairman and director	50	-
Giovanni FERRARIO	Chief Executive Officer Permanent representative of Italcementi Finance SA	-	50
Jean-Paul MÉRIC	Chief Operating Officer	22,000	-
Antoine BERNHEIM	Director	50	-
Giampiero PESENTI	Permanent representative of Italcementi S.p.A.	-	29,768,225
Italo LUCCHINI	Director	50	-
Victoire de MARGERIE	Director	50	-
Comte de RIBES	Director	50	-
Sebastiano MAZZOLENI	Permanent representative of Sicil. Fin S.p.A.	-	50
Pierfranco BARABANI	Permanent representative of Société Internationale Italcementi (Luxembourg)	-	50
Dario MASSI	Director	50	-
Marc VIÉNOT	Director	50	-
TOTAL		111,900	29,768,375

Transactions of the corporate officers on the company's shares in 2010

(Article 223-26 of the AMF General Regulation)

	Number of shares		Other financial instruments		Average price (in euros)
	Purchase	Sale	Purchase or subscription	Sale	
Italcementi Finance	50	-	-	-	72.19
Dario MASSI	50	-	-	-	65.20
Italo LUCCHINI	50	-	-	-	72.02

1.3 Statutory auditors' report, prepared in accordance with article L.225-235 of the French commercial code (Code de commerce) on the report prepared by the Chairman of the Board of Directors of Ciments Français

Year ended 31 December 2010

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with and construed in accordance with, French law and professional standards applicable in France.

KPMG Audit

Département de KPMG S.A.
1, cours Valmy
92923 Paris La Défense Cedex

Ernst & Young Audit

Faubourg de l'Arche
11, allée de l'Arche
92037 Paris la Défense Cedex

To the Shareholders,

In our capacity as statutory auditors of Ciments Français and in accordance with article L. 225-235 of the French Commercial Code (code de commerce), we hereby report on the report prepared by the Chairman of your company in accordance with article L. 225-37 of the French Commercial Code (code de commerce) for the year ended 31 December 2010.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-37 of the French Commercial Code (code de commerce) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information,
- confirm that the report also includes the other information required by article L. 225-37 of the French Commercial Code (code de commerce). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;

-
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
 - determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L. 225-37 of the French Commercial Code (code de commerce).

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by article L. 225-37 of the French Commercial Code (code de commerce).

Paris La Défense, 11 March 2011

The statutory auditors
French original signed by

KPMG Audit
Department of KPMG S.A.

Patrick-Hubert Petit

Philippe Grandclerc

ERNST & YOUNG Audit

Pierre-Henri Pagnon

1.4 Chairman's report on the functioning of the Board of Directors and on internal control procedures

(Article L.225-37 of the French Code of commercial law)

This report was approved by the Board of Directors on March 2, 2011.

Senior management

The Board of Directors has decided during its meeting on November 4, 2009 to dissociate the functions of Chairman of the Board and Chief Executive Officer (CEO) as from January 1, 2010. Upon proposal of the CEO, the Board of Directors appoints a Chief Operating Officer (COO) who has the same powers as the CEO.

Board of Directors' operations

Composition at the General Meeting of April 13, 2011

The Board of Directors is composed of twelve members (one woman for eleven men), one third considered independent according to the company's criteria. A director qualifies as independent when he/she has no relationship with Ciments Français, its Group or its management that could affect the exercise of his/her freedom of judgment (see the AFEP/MEDEF code of December 2008 on the corporate governance of listed companies, which is the reference code used by the company). Independence of the directors of the Board is analyzed in section 5.1.

Functioning

In accordance with the Charter, directors are appointed for a six-year renewable term of office. Since 2006, the renewal or appointment of directors' terms of office is made for a period of four years.

Each director must hold a minimum of 50 shares.

An Internal Charter of the Board of Directors was adopted on April 3, 2003. The adjustments necessary to comply with changes in the law and follow market recommendations are examined and adopted by the Board of Directors on a regular basis.

The Internal Charter can be found on the company's website at www.cimfra.com.

The Board holds powers defined by laws currently in force. Prior to its meetings, the Board studies and discusses significant operations, and particularly:

- the Group's strategic orientations;
- strategic alliance and industrial cooperation agreements;
- major investments.

The Board of Directors is informed at least twice a year of the financial and cash situation of the company together with its commitments.

Under this Charter, the Board self-assesses the running of its operations at least every three years: a new internal assessment is performed at the beginning of each year, based on a questionnaire on the composition, organization and way of functioning of the Board of Directors and specialized committees. Directors unanimously consider that the organization and functioning of the Board of Directors comply with the rules, ethics and principles of corporate governance.

The Chairman is responsible for convening the Board and conducting its debates. Should the Chairman be unable to attend, the Deputy Chairman, or if he is unavailable too, a director appointed by the other attending directors performs the same functions and has the same prerogatives.

In compliance with the law, the Chief Executive Officer and the Chief Operating Officer have the most extensive powers without any particular limitation.

Convening notices are sent by mail, Internet or facsimile by the secretary of the Board. The Chairman sets the agenda of each Board meeting.

It is the Chairman's responsibility, with the assistance of the Board's secretary, to send the relevant information to the other directors. Each director receives all information necessary to carry out his/her duties. Directors also receive any useful information relating to events significant for the company.

The Board meets at least four times a year. During 2010, it met 8 times with a 94% attendance rate.

Statutory auditors are invited to attend every meeting of the Board of Directors.

Committees

According to the Board's Internal Charter some of the Board's deliberations must be preceded by meetings of specialized committees composed of members appointed from among the directors of the Board; those committees review and prepare the Board's deliberations. They make proposals and give recommendations and/or opinions in their field of expertise.

Committee members are appointed in a personal capacity and cannot be replaced.

The term of the duties of committee members is the same as their term of office as director. The committee member's and director's terms of office can be renewed at the same time.

The Board appoints a chairman for each committee for a length of time identical to that of his/her functions and if need be a secretary.

The secretary's role is to draft the minutes of each meeting, which are then recorded by the Board's secretary in an ad hoc register.

The committee's chairman or one of its members presents a report on the work done by each committee at the next Board meeting.

Each committee can decide, if need be, to invite anybody it chooses to attend its meetings. The committee can also request the assistance of outside specialists.

The Board can, in addition to the permanent specialized committees it has created, decide to form ad hoc committees for operations which are exceptional because of their significance or specificity with a lifespan limited to the duration of the study.

Appointment and compensation committee

This committee is composed of three directors, Antoine Bernheim, Giampiero Pesenti and Comte de Ribes, two of them being independent. It is chaired by Giampiero Pesenti.

As detailed in the Internal Charter of the Board, the committee is responsible for the preparation of the Board's decisions by making recommendations in the following areas:

Appointments

- selection of candidates for director positions, proposals for the appointment of the Chairman of the Board, Chief Executive Officer, Chief Operating Officers and chairmen of committees;
- independent status of directors.

Compensation

- the compensation of the Chairman of the Board, of the Chief Executive Officer and Chief Operating Officer(s). The committee's role is to:
 - make recommendations to the Board on the level of fixed compensation every year;
 - define the criteria related to the variable share of the compensation, and apply them annually according to performance. Performance criteria essentially relate to the achievement of defined objectives based on the profitability of the consolidated entity and specific goals relating to international development;
 - examine other forms of compensation and benefits in kind (see section 5.2 for detailed information).
- the definition, if need be, of a general compensation and benefits' policy for senior management, including pension procedures and review of every senior executive's individual situation.
- future share subscription or purchase plans designed for senior executives and employees ("stock option plans"), as well as the most relevant allotment categories, while ensuring that allocation periods are set beforehand;
- future capital increases for the sole benefit of employees.

The committee meets whenever the interest of the company requires it to do so.

During fiscal 2010, the appointments and compensation committee met thrice with 100% attendance rate. It examined the independence of directors. The committee also made proposals regarding the compensation of the Chief Executive Officer and Chief Operating Officer, and renewals of directors. These proposals were followed by the Board.

The variable part of the compensation of the Chief Executive Officer has been determined according to the achievement of defined objectives based on the profitability of the consolidated entity and the implementation of structured IT tools and programs; the variable part of the compensation of the Chief Operating Officer has been mainly determined according to the achievement of defined objectives based on the profitability of the consolidated entity and of certain operating segments.

Audit committee

This committee is made up of four members, Victoire de Margerie, Marc Viénot, Comte de Ribes and Dario Massi, three of them being independent; it is chaired by Marc Viénot.

In conformity with Article L.823-19 of the Code of commercial law, the audit committee's mission is to review the:

- elaboration process of the financial information;
- efficiency of the internal control and risk management systems;
- legal auditing by the statutory auditors of the annual accounts and of the consolidated financial statements;
- independence of the statutory auditors.

Review of the elaboration process of the financial information

It relates to the:

- overall architecture of the systems used to prepare accounting and financial information, i.e. historical (interim) data, forecasts and any other information provided by a structured elaboration process;
- review of accounting and financial information, particularly the accounting translation of significant events impacting accounts;
- existence of a process for the drafting of press releases in relation with the publication of yearly and half-yearly financial statements and quarterly information.

The Board also considered appropriate:

- for the committee to examine the consistency of the financial press releases with the information included in the accounts, whenever the top management is able to provide the committee with the draft financial releases;
- to require the opinion of the audit committee regarding some parts of the "Document de Référence" like the Chairman's report on the functioning of the Board of Directors and on internal control procedures. The audit committee examines and, if need be, makes comments on the Chairman's report.

Review of the efficiency of the systems

Internal control and risk management systems are based on an internal system of reference, which is coordinated with the parent company Italcementi and consistent with the general principles of the AMF. The following risks are included in the scope of action of the audit committee: risks that are translated into the accounts, risks identified by the internal control and risk management systems as impacting the accounts, as well as any unidentified risk which could come to the committee's knowledge.

The review of the efficiency of the systems by the audit committee includes the:

- efficiency of the internal control and risk management systems;
- identified weaknesses and dysfunctions and their corrective actions.

Review of the audit performed by the statutory auditors

The audit committee:

- communicates with the statutory auditors and reviews their conclusions in order to better evaluate the elaboration process of the financial information and be aware of the main risk zones and uncertainties regarding the accounts;
- examines with the Finance Department and the statutory auditors the draft yearly, half-yearly and quarterly financial statements of both the company and the consolidated Group in order to facilitate their approval or review by the Board. It also examines the interim financial and management reports of the Group;
- ensures that the statutory auditors' fees correspond to their missions;
- ensures that the co-audit is effective;
- monitors the implementation of the statutory auditors' recommendations.

Review of the independence of the statutory auditors

The audit committee ensures that the auditors:

- abide by the provisions of their trade relating to incompatibility clauses;
- can benefit, inside their practice, from a preliminary authorization procedure to perform diligences directly related to the statutory auditors' mission and the services performed by their network.

The audit committee receives every year the annual auditors' certification of independence. The committee makes a recommendation concerning the statutory auditors proposed to the General Meeting using as the case may be a procedure of invitation to tender.

Once a year, the audit committee reviews the transactions conducted between Ciments Français and Italcementi to ensure the impartial nature of said agreements and draws up a report to the Board.

It gives an opinion on any financial operations which are of significance for the Group before submission to the Board by the Chairman.

In order to carry out its mission, the audit committee hears the Group's Chief Financial Officer, the Administration and Control vice-president and their colleagues, the Internal Audit director, as well as the statutory auditors. During the meeting of the audit committee preceding the meeting of the Board of Directors examining the accounts, the statutory auditors make a presentation on the main issues relating to the results and the accounting policies applied. The audit committee reports on its work at the next Board meeting.

The audit committee meets at least four times a year, and as often as required by the interest of the company. During 2010, it met 7 times, with 82% attendance rate. The committee members receive the appropriate documents prior to each meeting.

The committee examined the draft versions of the yearly, half-yearly and quarterly consolidated financial statements as well as the annual statutory accounts prior to their submission to the Board and made its recommendations on the accounts.

During the year, the audit committee also discussed the transactions for fiscal 2010, the launching of Italcementi Finance refinancing programs and the management of financial risks.

Participation in the General Meetings

Rules pertaining to the participation of shareholders in the General Meetings of the company are defined by legal provisions and company By-laws.

Confidentiality and prudential rules

For several years, the Board of Directors has adopted a code of ethics applicable to all the employees of the Group defining the ethical and behavioral principles governing their actions and relationships with third parties. This code more particularly defines a series of rules in terms of loyalty, impartiality, professional confidentiality, protection of the individual, of the environment and of company assets, as well as processes of control and accuracy of information. This code of ethics also details the code of practice in dealings with customers, suppliers, public institutions, political organizations and press agencies.

In addition, each director and committee member pledges to respect the following obligations:

- comply with all laws and regulations, company By-laws, internal procedures and policies and prudential rules;
- inform the Board of any even potential situation of conflict of interest and refrain from voting on the corresponding deliberation;
- strive to attend every Board meeting and any meeting of a committee of which he/she is a member. Attendance at the General Meetings of the company is recommended;

- inform the Autorité des marchés financiers or AMF (French regulatory body) of any transaction made on Ciments Français shares immediately after completion and notify the company thereof. Information relating to these transactions is published on the AMF web site;
- considering the information unavailable to the public acquired in the course of their duties, directors or committee members should consider themselves:
 - bound by an obligation of strict confidentiality,
 - “permanent insiders”, and as such refrain from trading the company’s shares during a 15-day period preceding the day of publication of the consolidated or annual accounts and, more generally, during the period between the date the information is known, information which, were it published, could have a significant influence upon the share price, and the day of publication of that information. Furthermore, directors or committee members should abide by the “*codice di comportamento*” established by Italcementi Group.

Internal control

This report on internal control is based on Ciments Français specific internal standards prepared jointly with its parent company Italcementi. It complies with the general principles of the AMF (cf. www.amf-france.org). The current text has been prepared based on work carried out in 2008 by various departments (mainly Finance and Audit) and updated in 2010.

Definition of internal control

The internal control systems implemented by the Group’s senior management are intended to ensure:

- compliance with current laws and regulations;
- application of instructions and directions set by senior management;
- proper running of the company’s internal processes, in particular those contributing to the protection of its assets;
- accuracy of financial information.

Internal control generally contributes to monitoring activity, ensuring operational effectiveness and guaranteeing efficient resource utilization.

By helping to prevent and monitor the risk of failing to achieve the objectives set by the company and the Group, the internal control system plays a vital role in the implementation and management of their various activities.

Internal control objectives

The company’s internal control procedures are intended to prevent and monitor risks resulting from its operations as well as risks of error or fraud, particularly in accounting and finance; they should be in line with the following goals:

- ensure that management decisions abide by the values, orientations and goals set by the Board of Directors and senior management and comply with current laws and regulations, thus enabling the company to guarantee the protection of its employees and assets;
- contribute to the reliability of accounting, financial and management information and give a true and fair view of the business and position of both the company and the Group.

More concisely, the internal control setup should enable the company to minimize the risks of error, fraud and non-compliance with regulations.

This process of internal control, aimed at protecting the people and assets of both the company and its subsidiaries, relies on organizational and procedural tools concerning the operating control of its subsidiaries and the accuracy of the financial statements and financial reporting of the Group. However, by its nature, such a system is not an iron-clad guarantee that all risk will be eliminated.

This process applies to companies within the Group that are consolidated using either the global or the proportionate consolidation method. It is gradually implemented in the newly-acquired subsidiaries.

Risk analysis approach

An Enterprise Risk Management structure was implemented at Italcementi Group level in May 2010 with the mission to guarantee a structured approach of risk management integrated to the Group's development strategy. It is designed to contribute to the improvement of performances through the identification, measure, management and monitoring of the main risks. This structure is included in the pursuit of the Risk & Compliance program started in 2008 at Italcementi Group level.

This program is divided into four phases:

- identification of the most important risk zones in conformity with Group strategic objectives, and development of methodologies and instruments of analysis and assessment of risk factors;
- appraisal, either at country or world level, of risks factors identified according to impact and probability, in order to acquire a global view on the risk portfolio of the Group;
- prioritization of risks and definition of strategies, Group governance rules and actions necessary to integrate and improve risk management systems; and
- implementation of mitigating strategies and measures, and development of the corporate risk management process (Enterprise Risk Management).

The first three phases of the project, designed to map the risks associated with the subsidiaries and the Group, were carried out during 2008 and 2009. Results were presented to the audit committee and Italcementi and Ciments Français supervisory bodies in the first quarter of 2010.

Actions in 2010 focused on priority risks, for which:

- adequate actions intended to reduce the risk while guaranteeing the coherence and coordination at Group level were implemented, both for the company and the subsidiaries;
- responsibilities necessary to the implementation were defined and every risk scenario was attributed a Primary Risk Owner;
- common and relevant Group guidelines consistent with identified actions were drawn out towards a coordinated protection and monitoring of the most significant risk exposure. Those principles were formalized as internal documents called Risk Management Guidelines;
- the implementation of defined strategies and actions and the alignment of Group risk management systems with specific standards deemed necessary to reduce risk exposure within established acceptable limits;
- the function of Group Chief Risk Officer was created in May 2010 in order to ensure a perennial Enterprise Risk Management process initiated as part of the Risk & Compliance program towards continuous improvement of risk management performance.

Overall, the phases described above are part of a program of variable compensation depending on the achievement of concrete objectives towards risk reduction.

Organization and structure - the internal control players

In order to implement its risk management policies, the company uses the general organization and governance guidelines detailed in the first part of this report.

Group senior management defines the strategic orientations of internal control, which is the managers' responsibility within each subsidiary or Group functional entity.

The audit committee, as part of its mission, is informed about the monitoring of risks and commitments. In April 2010 a presentation was made to the audit committee on the implementation of the Group's risk analysis program together with a presentation on financial risk management (management of liquidity and interest-rate and exchange-rate risks). Each year, the audit committee is also informed of the audit plan, the completed missions and follow-up on recommendations.

The mission of the Internal Audit Department is to assist senior management in assessing the efficiency of the risk management system, and, in particular, to assess the effectiveness of the internal audit organization implemented by the Group and its subsidiaries, to make recommendations and monitor their implementation. The Group audit function is centralized and carried out by a team of 26 auditors. The Internal Audit Department reports directly to Group senior management.

The Internal Audit Department draws up its audit plan for a three-year period. Its teams visit every operational entity according to a three-year cycle. This plan can be modified depending on priorities. Risk analysis is an ongoing process as the development of each annual audit plan includes the Group's newly acquired units and possibly new identified risks. The audit plan and follow-up on completed missions were the purpose of one general meeting of the audit committee during 2010, which was preceded and followed by regular exchanges of documents.

Key controls and procedures are defined at Group level under the responsibility of the operational and functional Group departments. Their efficiency depends on the internal audit organization implemented in each subsidiary. This organization, responsibility of each subsidiary's senior management, must abide by the Group's standards and charters.

Within the Finance Department, the Risk Management Department is responsible for defining the Group's asset insurance policy, for drafting Group procedures on asset and employee insurance and for hedging operating losses and risks relating to civil liability. It is responsible for monitoring and controlling the enforcement of procedures in subsidiaries as well as the implementation of the prevention plan for industrial risks.

The responsibility of the Finance Department is to control market and liquidity risks (cf. section 1.9), monitor financial commitments and implement and follow up on procedures for headquarters and Group subsidiaries alike. The Finance Department helps ensure the accuracy of published financial information in its field of expertise.

The Legal Affairs Department handles all claims brought against the Group, providing support and control (cf. section 2.5).

The Tax Department keeps informed on tax-related regulations, ensures that Group subsidiaries abide by local regulations and assesses the tax consequences of any transaction contemplated by the Group.

Within the Administration and Control Department, the Budget and Control Department is responsible for preparing and controlling budgets, consolidating monthly management reports and monitoring investments in cooperation with Group financial and operational management and subsidiaries' management.

The role of the Consolidation and Accounting Procedures Departments is to prepare consolidated Group financial statements, Group accounting procedures manuals and to ensure that the financial statements and notes thereto comply with current accounting standards and policies.

The Enterprise Risk Management's primary mission is to monitor Group risks by identifying, measuring and treating them.

This role of risk facilitation, coordination and control is part of the operating processes of the Group, like budget or appraisal of significant investments, as is the implementation of risk mitigating actions at world level or at the level of each country.

Existing procedures

Existing procedures are updated at Group level by the relevant departments. Risk mapping was precisely defined with the identification of 41 priority risks covering the following areas:

Hedging of operating risks

- Protection of assets and hedging of industrial risks, as part of a centralized risk management system, focusing on the following procedures:
 - industrial and financial investment and disinvestment,
 - insurance and prevention of industrial risks,
 - safety and protection of people (“Zero accidents” program),
 - licenses and permits to operate industrial facilities,
 - financial consequences.
- Environmental risks and compliance with regulations, for which a structure reporting to senior management has been created;
- Liquidity and market risks subject to management policies and prudential rules set by senior management defining decision levels and respective roles between headquarters and subsidiaries. These risks are monitored by a centralized system and governed by the following procedures:
 - risk management in terms of financing, investment, management of interest-rate, exchange-rate and treasury risks;
 - security and delegation of powers,
 - financial reporting (debt, interest-rate and exchange-rate hedging, financial commitments).
- Legal and tax risks, with the following procedures of:
 - reporting of legal and tax disputes,
 - information on major contracts,
 - follow-up on the legal structures of subsidiaries,
 - intervention in every significant financing, transfer, acquisition and merger contract,
 - review through a multi-annual plan of subsidiaries’ tax positions,
 - implementation in all the countries of a specific training program covering the regulations the Group must abide by. This training program is updated on a regular basis.
- Commitment risks covered by procedures of:
 - delegation of power,
 - commitments reporting.
- Risks related to IT systems governed by the procedures of:
 - access to systems guaranteeing the security and integrity of systems and data,
 - emergency in case of incidents designed to ensure continuity of the main operating and management processes within short delays.
- Risks of price volatility of certain raw materials, fuel and electricity with the implementation of:
 - investment programs designed to encourage the use of alternative fuels,
 - forward contracts to secure procurement.

- Risks associated with new products:
 - A program has been developed to circulate best practices within the Group and thus offer new products matching customers' needs and guaranteeing the protection of brand names and licenses.
- Image risks:
 - The Group has defined crisis management programs designed to reduce its potential impact and ensure that those impacted receive appropriate information.

Procedures related to the preparation and processing of accounting and financial information

In addition to operating controls, the internal audit organization, ensuring the accuracy of published financial statements, draws on four main axes:

- a common computerized management reporting and consolidation system for all Group subsidiaries, to prepare the Group's financial statements;
- a process defined by standardized procedures for the preparation and collection of all information published in the financial statements;
- key controls performed by the Administration and Control Department (budget and control, consolidation, procedures) and the Finance Department, as described hereafter;
- missions carried out by the Internal Audit Department.

The Group Administration and Control Department prepares and controls financial, accounting and management information.

Planning, budget process, monthly reporting and preparation of quarterly consolidated financial statements, together with controls and reconciliations at every level, all contribute to the accuracy of accounting and financial information.

The five-year strategic plan is periodically drawn up by the subsidiaries. The plan structure has been adapted to facilitate the impairment testing procedures required by IAS 36. Every year, Group subsidiaries prepare their monthly budget forecasts according to Group policies. These budget forecasts are updated twice over the course of the year. Based on monthly reporting of management performance, investments and technical data, results are analyzed and controlled by the Budget and Control Department.

Reporting procedures, definitions and accounting policies applied are formalized in the Group's procedures manual which has been updated further to the implementation of IFRS. The Group's consolidated accounts are prepared every quarter using a common consolidation software. The chart of accounts, the consolidation documents as well as the applicable accounting policies are formalized in the Group's procedures manual.

For interim and annual closings, a specific instruction note is sent to the subsidiaries summarizing key items in the closing process.

For the preparation of annual financial statements, a pre-closing procedure is implemented. This procedure also enables the Group to ensure that its standards are correctly understood by subsidiaries hence contributing through direct contact to the accuracy of the information. At each quarterly closing, potential discrepancies resulting from the reconciliation of consolidated accounts with management results are analyzed.

The Accounting Procedures Department is responsible for the regulatory watch with respect to accounting policies and financial information, together with the relationships with regulatory and professional bodies. It also ensures that their recommendations on accounting and financial information are being followed. Group procedures are updated according to the evolution of standards.

Certain closing processes have become more complex and also require the assistance of external consultants. For example, the assessment process of long-term assets has been systematically extended to all cash-generating units which include goodwill. The review of pension plans and other long-term benefits is jointly conducted with actuaries. The valuation of financial instruments together with efficiency tests enabling the use of hedge accounting are carried out by independent experts.

Additionally, specific internal expertise is used in some particular fields in the closing process, more specifically:

- assessment of the impairment testing of cash-generating units by the Group Management Control and Finance & Acquisition Departments;
- assessment of the Group's tax position in every country by the Tax Department;
- reporting on current litigation and specific clauses of major contracts (financing, disposal, acquisition) by the Legal Affairs Department;
- analysis, by the Treasury & Finance Department, of debt and financial commitments and reconciliation with Group reporting; preparation of the information contained in the notes relating to financial debt, finance income (costs) and risk management.

Consolidated financial statements and management information are reviewed by a proofreading committee.

Statutory annual accounts and Group consolidated financial statements are examined by the statutory auditors who perform a limited review of the semi-annual accounts and a full audit of the annual accounts. Statutory auditors periodically report their conclusions to the audit committee.

The management of IT systems and the security of computer data are the responsibility of the IT Systems Department. All Group subsidiaries use a common Enterprise Resource Planning (ERP) system covering in particular the following functions: sales, distribution, procurement, inventories, fixed assets, production, etc. The management and consolidation reporting systems are also common systems ensuring a homogeneous and accurate collection of information. The use of IT systems is regularly controlled as part of the specialized audit missions performed by the Internal Audit Department.

The manual describing the accounting procedures and policies used to process accounting and financial information (on the intranet since 2007) is regularly updated with the publication in particular of a procedure providing the levels of control to be implemented in every subsidiary together with the person responsible for financial information.

The manual on powers and responsibilities designed to help manage the power delegation system within the Group in compliance with the principles of corporate governance defined in our organizational, management and audit models, is regularly updated.

Outlook

The organization described above is part of a plan for continued improvement.

The fourth phase of the Risk & Compliance project will take place in 2011 and 2012. During that phase, the necessary organization and process will be developed to ensure a perennial enterprise risk management aimed at continuously improving risk management performance.