



C E M E N T E R I E D E L T I R R E N O

SOCIETÀ PER AZIONI – SHARE CAPITAL: € 159,120,000 FULLY PAID-UP

PRESS RELEASE

*pursuant to Article 66 of Consob Regulation 11971
of 14 May 1999, as amended*

***DISCLOSURE ON THE STOCK INCENTIVE PLAN (THE “PLAN”) FOR
DIRECTORS WITH SPECIFIC DUTIES AND MANAGERS WITH STRATEGIC
RESPONSIBILITIES, PREPARED IN ACCORDANCE WITH ARTICLE 84-BIS
OF CONSOB REGULATION 11971 OF 14 MAY 1999,
AS AMENDED***

Rome, 21 December 2007

Cementir – Cementerie del Tirreno S.p.A. (the “**Company**”) hereby discloses the information concerning the stock incentive plan to be submitted for approval to the Ordinary Shareholders’ Meeting of the Company, prepared in accordance with Article 84-bis of Consob Regulation 11971 of 14 May 1999, as amended (the “**Issuers Regulation**”)

Introduction

On 21 December 2007, the Board of Directors of the Company approved the general terms and conditions and, therefore, to submit to the shareholders’ meeting called for 15 and 16 January 2008 (the “**Shareholders’ Meeting**”) at first and second calling, respectively, a stock incentive plan (the “**Plan**”) for directors with specific duties and managers with strategic responsibilities within the Company and/or its subsidiaries under the terms and conditions described below.

The Plan is considered to be of major significance pursuant to Article 114-*bis*, paragraph 3, of Legislative Decree 58/1998 and Article 84-*bis*, paragraph 2, of the Issuers Regulation.

This disclosure, including the section numbering, was prepared in accordance with the instructions contained in Schedule 7 of Annex 3A of the Issuers Regulation.

Definitions

The following terms are used in this document:

“**Shareholders’ Meeting**” shall mean the shareholders’ meeting called for 15 and 16 January 2008;

“**Capital Increase**” shall mean the paid increase of share capital in exchange of one or more stock incentive plans, which the Company’s Shareholders’ Meeting shall authorize, up to the amount of €162,302,400, through the issuance of up to 3,182,400 ordinary shares with voting rights, without pre-emption rights, pursuant to Article 2441, paragraph 8, of the Italian Civil Code;

“**Shares**” shall mean the ordinary shares of the Company;

“**Beneficiaries**” shall mean the directors with specific duties and the managers with strategic responsibilities within the Company and/or its subsidiaries, who are the intended beneficiaries of the Plan;

“**Compensation Committee**” shall mean the Compensation Committee formed within the Board of Directors;

“**Board of Directors**” shall mean the board of directors of the Company;

“**Grant Date**” shall mean each date on which the Board of Directors of the Company grants the Options to the Beneficiaries, specifying the quantity to be awarded to each of them;

“**Vesting Date**” shall mean the end of the three-year period following the Grant Date;

“**Options**” shall mean the options granted under the Plan, each of which entitles its Beneficiaries to receive one share under the terms and conditions established in the Rules, which shall be approved by the Board of Directors upon delegation of the Shareholders’ Meeting;

“**Plan**” shall mean the stock incentive plan for directors with specific duties and managers with strategic responsibilities within the Company and/or its subsidiaries;

“**Rules**” shall mean the Plan rules;

“**Issuers Regulation**” shall mean Consob Regulation no. 11971 of 14 May 1999, as amended;

“**Company**” or “**Cementir**” shall mean Cementir – Cementerie del Tirreno S.p.A.;

“**Consolidated Law**” shall mean Legislative Decree 58 of 24 February 1998 (the Consolidated Law on Financial Intermediation).

1. Plan beneficiaries

1.1 The Plan Beneficiaries include the following members of the Board of Directors of Cementir who, as of the date of this document, also perform specific duties at Cementir’s subsidiaries, specifically:

| Name | Position with the Issuer | Term of the position held with the issuer | Major positions in other Group companies |
|--------------------------|------------------------------------|---|---|
| Francesco Caltagrone Jr. | Chairman of the Board of Directors | Until the date of approval of the financial statements for the year ending 31 December 2008 | Deputy Chairman of the Boards of Directors of Aalborg Portland A/S, Cimentas A.S., Unicon A/S and Cimbeton A.S. |
| Mario Ciliberto | Member of the Board of Directors | Until the date of approval of the financial statements for the year ending 31 December 2008 | Chairman of the Boards of Directors of Aalborg Portland A/S, and Unicon A/S. |
| Walter | Member of the Board | Until the date of | Chairman of the |

| | | | |
|-------------------|----------------------------------|---|---|
| Montevecchi | of Directors | approval of the financial statements for the year ending 31 December 2008 | Boards of Directors of Cimentas A.S., and Cimbeton A.S. |
| Riccardo Nicolini | Member of the Board of Directors | Until the date of approval of the financial statements for the year ending 31 December 2008 | Chairman of the Boards of Directors of Cementir Italia S.r.l. and Betontir S.p.A. |

The above directors may be replaced by other persons or other persons added over the course of the Plan as a result of turnover or assignment of specific duties at Cementir or its subsidiaries.

- 1.2 The Plan is also intended for managers with strategic responsibilities within the Company and/or its subsidiaries.
- 1.3 In addition to the persons mentioned in section 1.1. above, Plan Beneficiaries with management functions who have regular access to inside information and are authorised to take management decisions that can influence the development and prospects of the Company, are currently expected to include the Chief Financial Officer, Mr. Oprandino Arrivabene.
- 1.4 The Chief Financial Officer is currently expected to be among the Plan Beneficiaries with management functions who have regular access to inside information and are authorised to take management decisions that can influence the development and prospects of the Company.

The Plan does not establish different characteristics for other categories of employees or collaborators and the criteria for calculating the exercise price of the Options, described in section 4.19 below, are the same for all Plan Beneficiaries.

2. Reasons for adopting the Plan

- 2.1 In the view of the Board of Directors, the Plan, also in light of the international position reached by the Group over last years, is an appropriate tool for creating and increasing value for the Company and, as a result, for the shareholders. The Plan is one of the primary tools for aligning the interests of the directors with specific duties and managers with strategic responsibilities with those of the shareholders. Moreover, the Plan was also approved in order to provide the Company with a strong incentive and loyalty-generating tool for persons who have strategic responsibilities within the Company. Influencing the performance of those who, due to the positions held or duties performed within the Company and/or its subsidiaries, are most able to affect the Company's results by tying a portion of their compensation to increasing value for the company is considered to be a key to the success of the Company. The Plan has a term of five years. A five-year period was deemed to be the most suitable for achieving the Plan's

objectives, in consideration of the plans and development prospects of the Company.

- 2.2 At the time of the exercise of the Options, the Beneficiaries must be employees or directors of the Company and/or its subsidiaries. As mentioned in section 2.1, the Options have been granted to those who, due to the positions held or the duties performed within the Company and/or its subsidiaries, are most able to influence the results of the Company, i.e. directors with specific duties or managers with strategic responsibilities.
- 2.3 The Board of Directors shall determine the number of Options to be granted to each Beneficiary by evaluating the strategic responsibilities performed, assessing the contribution that each can make to expanding the Company's business, taking into account the experience, expertise and position held within the organisation, as well as the corresponding need to enhance loyalty.
- 2.4 Not applicable as the Plan regards financial instruments issued by the Company.
- 2.5 The definition of the Plan was not materially influenced by tax or accounting considerations.
- 2.6 The Plan does not receive any support from the Special Fund for encouraging employees to invest in companies envisaged under Article 4, paragraph 112, of Law 350 of 24 December 2003.

3. Approval process and timing of Option grants

- 3.1 The Shareholders' Meeting of the Company called to approve the Plan shall be requested to grant all the powers necessary or instrumental for implementing the Plan to the Board of Directors. Specifically, and by way of example only, the Board of Directors will have the power, with the right to sub-delegate such power, to: (i) specify the Beneficiary managers and directors and grant the Options, determining the amount to be granted upon each Beneficiary; (ii) establish the performance conditions to which the exercise of the Options is subject; (iii) establish any other terms and conditions for implementing the Plan, including the differential treatment of Beneficiaries; (iv) prepare and approve one or more rules for implementing the Plan, as well as to amend such rules, with the option of establishing different rules for different categories or segments of Beneficiaries.
- 3.2 The Board of Directors shall be responsible for taking decisions concerning the Plan, after having obtained the opinion of the Compensation Committee.

- 3.3 Except as provided for in section 4.23, there are no procedures for revising the Plan in relation to changes in the basic objectives.
- 3.4 The Options granted without consideration to Beneficiaries give the right to subscribe new shares issued as part of the Capital Increase.
- 3.5 The Board of Directors, after having obtained the opinion of the Compensation Committee, voted to submit the Plan for approval to the Shareholders' Meeting at its meeting held on 21 December 2007. On that occasion, the directors who are Plan Beneficiaries informed the other directors and the members of the Statutory Auditors' Committee in attendance of their interest in the transaction as Plan Beneficiaries, pursuant to Article 2391 of the Italian Civil Code.
- 3.6 See section 3.5.
- 3.7 The Options will be granted by the Board of Directors pursuant to the authorisations granted by the Shareholders' Meeting (see section 3.1). The Grant Date of the Options will be disclosed pursuant to Article 84-bis, paragraph 5(a), of the Issuers Regulation.
- 3.8 The official price of the Shares reported on the Mercato Telematico Azionario organised and operated by Borsa Italiana S.p.A. on 21 December 2007 was equal to € 5.90. The official price reported on the Grant Date for the Options will be notified pursuant to Article 84-bis, paragraph 5(a), of the Issuers Regulation.
- 3.9 The Board of Directors will approve the granting of the Options to the Beneficiaries, in one or more instalments, simultaneously with the approval(s) of the Capital Increase(s) in exchange of such grants, setting the exercise price of the Options at the same time. In this regard, it is deemed that the method for calculating the exercise price has been designed so as to prevent the price from being significantly affected by any material information disclosed pursuant to Article 114, paragraph 1 of the Consolidated Law.

4. Characteristics of the instruments granted

- 4.1 The Plan envisages the granting without consideration of Options that entitle the Beneficiaries, on the conditions specified, to subsequently subscribe newly issued shares, with physical settlement (stock options).
- 4.2 The Options will be granted upon Beneficiaries in one or more instalments and will vest, in one or more instalments, no earlier than three years from the Grant Date and in any case within the time period provided for in section 4.18.
- 4.3 In any case, the Plan shall expire by the end of the fifth year from the date of approval by the Shareholders' Meeting.

4.4 Directors who are Plan Beneficiaries will be granted up to 2,010,000 Options. Managers who are Plan Beneficiaries will be granted up to - 1,172,400 Options. The Plan provides for the granting of a maximum of 1,000,000 Options to directors and a maximum of 600,000 Options to managers in each financial year. This number may vary on the basis of the achievement of the Plan's objectives, as referred to in section 2 above.

4.5 As stated in section 2.2, the Beneficiaries may exercise the Options provided that they are employees or directors of the Company and/or its subsidiaries at the time of exercise. Options not exercised shall lapse in the event of the termination of the appointment and/or employment with the Company. Specifically:

A) (i) managers who are Plan Beneficiaries, where the employment relationship is terminated for good cause and (ii) directors who are Plan Beneficiaries, in the event of resignation or removal for good cause, shall lose all rights and, as a result, all the Options granted under the Plan that are not yet exercisable or have not yet been exercised shall lapse immediately, without being the Beneficiary entitled to any indemnity of any form whatsoever;

B) (i) managers who are Plan Beneficiaries, in the event of retirement for age or seniority or the consensual termination of the employment relationship, and (ii) directors who are Plan Beneficiaries, where their term of office ends or, in any event, the relationship is terminated for reasons other than those stated in the preceding sub-paragraph, shall lose all rights and, as a result, all the Options granted under the Plan that are not yet exercisable or have not yet been exercised shall lapse immediately, without being the Beneficiary entitled to any indemnity of any form whatsoever. However, in the cases described in sub-paragraphs (i) and (ii) above, the Board of Directors may permit the exercise, in whole or in part, of the Options granted but not exercised under the Plan and shall set a specific deadline by which this shall occur, after having provided adequate grounds for this decision.

The employment relationship with each manager who is a Beneficiary shall not be considered terminated if a new employment relationship is entered into with the Company or its parent companies and/or subsidiaries or if said manager is appointed to the Board of Directors of the Company. Appointment as a member of the Board of Directors of the Company shall not be considered terminated if such director is reappointed at the end of the term of office or if the terminated director is appointed to another position with the parent companies and/or subsidiaries.

4.6 The Options will be granted to each Beneficiary without consideration. They are personal and may not be transferred either *inter vivos* or *mortis causa* (except as specified below), nor may they be pledged as security or otherwise encumbered.

In the case of the death or permanent disability of a Beneficiary, the Options granted to such Beneficiary - but not yet exercised at the time of death or the event triggering the permanent disability - may be exercised by the Beneficiary's legal heirs, being it understood that in no circumstances such Options may be exercised before the Vesting Date. Any Options granted subsequently shall lapse.

- 4.7 No triggering events shall cause termination of the rights under this Plan in the event the Beneficiaries enter into hedging transactions on their own behalf and in their interest.
- 4.8 See sections 4.5 and 4.6 above. In the cases indicated in sections 4.5 and 4.6, the Board of Directors of the Company may, at its discretion, permit the Beneficiary to exercise all or part of the Options granted in a less restrictive manner than that envisaged in those sections or to grant the lapsed Options to one or more other Beneficiaries, being it understood that in no circumstances such Options may be exercised before the Vesting Date. In addition, unless otherwise decided by the Board of Directors, the transfer of a Beneficiary from the Company to one of its parent companies (while continuing to perform duties for the Company) or subsidiaries or vice-versa, as well as the transfer of the Beneficiary from one to another subsidiary of the Company (maintaining a management position) shall not be cause for the lapse of the Options.
- 4.9 Where the control relationship between the Company and its subsidiary (at which the Beneficiary is a manager) should cease, the Beneficiary shall be entitled to exercise only such Options that may be exercisable at the moment control ceases within a time limit that shall be established by the Board of Directors. All other Options shall lapse. No other causes for the cancellation of the Plan are envisaged.
- 4.10 No provision is made for the Company to redeem the Shares of the Plan.
- 4.11 No provision is made for the granting of loans or other facilitations for the purchase of the Shares pursuant to Article 2358, paragraph 3, of the Italian Civil Code.
- 4.12 The expected cost of the Plan for the Company is equal to the dilutive effect on Share Capital specified in section 4.13 below.
The cost referred to above does not reflect expenses incurred in managing the Plan or the gains arising for the Company upon subscription of the Options.
- 4.13 The dilutive effect of the Plan, calculated assuming that the maximum number of Options specified in section 4.4 above are granted and that all such Options are exercised, would be equal to about 2% of the Share Capital that Cementir shall have as of the date of the Shareholders' Meeting.
- 4.14 Not applicable as the Plan regards options.

- 4.15 Not applicable as the Plan regards options.
- 4.16 Each Option entitles the holder to subscribe one Share on the terms and conditions envisaged in the Plan.
- 4.17 The Options will be exercisable in one or more instalments pursuant to the deadline specified in section 4.18 below.
- 4.18 The Options may be exercised by the Beneficiaries in one or more instalments but in any case in an amount for each instalment of no less than a specified percentage or specified number of Options. In any event, the Options granted may not be exercised before the Vesting Date and shall be exercised within two years of such Vesting Date. The exercise of the Options will be suspended in the periods that will be established in the Rules.
- 4.19 Pursuant to the provisions of Article 2441, paragraph 4, second paragraph, of the Italian Civil Code, the Board of Directors shall determine the issue price of the Shares (and therefore the exercise price of the Options). This exercise price shall not be lower than the market value of the shares corresponding to the average market price of the Company's shares over a significant period of time, and in any case being this value not lower than the arithmetic average of the official prices recorded by the Shares on the Mercato Telematico Azionario organised and operated by Borsa Italiana S.p.A. in the month preceding the granting of the Options by the Board of Directors (where the preceding month means the period between the Grant Date of the Options and the same date of the previous month, taking account only of trading days on which an official price was actually recorded for the Shares in calculating the arithmetic mean).
- 4.20 The arithmetic average of the official prices recorded by the Shares on the Mercato Telematico Azionario organised and operated by Borsa Italiana S.p.A. in the month preceding the granting of the Options by the Board of Directors is their fair market value (see section 4.19 above). Should the issuance price of the Shares be higher than the fair market value, the Board of Directors shall adequately motivate this difference.
- 4.21 The criteria used to determine the exercise price are the same for all Beneficiaries, although in practice such price may differ as result of possible differences in the Grant Date of the Options, since grants may also be made in more than one instalment.
- 4.22 Not applicable as the Shares underlying the Options are traded on the Mercato Telematico Azionario organised and operated by Borsa Italiana S.p.A..

- 4.23 In the event of bonus or paid capital increases, stock splits or reverse splits, distributions of reserves, mergers, demergers, de-listing of the Shares of the Company from the Mercato Telematico Azionario (or other regulated market), changes in the controlling entity of the Company, public tender or exchange offers over the Shares, legislative or regulatory amendments (including changes regarding applicable pension and tax regulations) or other events capable of affecting the Options, the Shares, the achievement of the objectives or, more generally, the Plan, the Board of Directors of the Company will be entitled to make all necessary or appropriate amendments to the Plan in order to preserve its essential content to the greatest possible extent.
- 4.24 Section 1 of Part 2 of the table attached to Schedule 7 of Annex 3A of the Issuers Regulation will be published by the time limit established by the provisions of Consob Resolution no. 15915 of 3 May 2007. Section 2 of Part 2 of the table will be notified pursuant to the provisions of Article 84- bis, paragraph 5, point a), of the Issuers Regulation.

Media Relations

Chiara Raiola

Tel. +39 06 45412211

Fax +39 06 45412250

Investor Relations

Tel. +39 06 45412213

Fax +39 06 45412288

invrel@cementir.it