REGISTRATION DOCUMENT & FINANCIAL ANNUAL REPORT 2009

VICAT

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

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The original document was filed with the Autorité des marchés financiers (AMF), the French market regulator, on 15 March 2010 under No. D.10-0111, in accordance with article 212-13-II of the AMF's General Regulations.

INTRODUCTION

Vicat, a French *société anonyme*, with a share capital of €179,600,000 whose registered office is Tour Manhattan, 6 place de l'Iris, 92095 Paris-La Défense, registered with the Registry of Companies and Commerce of Nanterre under number 057 505 539, is referred to as the "Company" in this Registration Document. Unless expressly stated otherwise, the "Group" refers to the Company and its subsidiaries and holdings as set forth in the organisation chart in section 7. "Organisation chart" of this Registration Document. Unless otherwise indicated, the figures used in this Registration Document, in particular in Section 6. "Business Overview" of this Registration Document, are extracted from the Group's consolidated financial statements, prepared in accordance with IFRS. As the figures have been rounded, the amounts indicated as being totals and the various sections of this Registration Document may not equal the arithmetic sum of these figures and numbers.

This Registration Document contains indications on the Group's prospects and development policies. These indications are sometimes identified by the use of the future and the conditional tenses, and forward-looking terms such as "consider", "intend", "think", "with the aim of", "expect", "plan", "should", "want", "estimate", "believe", "wish", "could" or, if necessary, the negative form of these terms, or any other alternative or similar terminology. This information is not historical data and must not be interpreted as an assurance that the facts and data stated will occur. This information is founded on data, assumptions and estimates considered as reasonable by the Group. They are likely to change or be modified due to uncertainties, related in particular to the economic, financial, competitive and regulatory environment. Moreover, the materialisation of certain risks described in Section 4. "Risks factors" of this Registration Document is likely to have an impact on the Group's activities, situation, financial results and on its capacity to achieve its objectives.

Forward-looking statements contained in this Registration Document also encompasses the known and unknown risks, uncertainties and other factors which could, if they materialise, affect the Group's future results, performances and achievements. These factors can in particular include changes to the economic and commercial situation as well as the risk factors set out in Section 4. "Risk factors" of this RegistrationDocument. Investors are invited to consider carefully the risk factors described in Section 4. "Risk factors" of this Registration Document before making their investment decision. The materialisation of all or some of these risks is likely to have an adverse effect on the Group's activities, financial position or financial results. Moreover, other risks, not yet identified or considered by the Group as not significant could have the same negative effect and investors could lose all or part of their investment.

This Registration Document contains information relating to the markets on which the Group operates. This information comes, in particular, from studies carried out by third parties. Given the changes which may affect the industry in which the Group operates in France and worldwide, this information may prove to be incorrect or no longer up to date. The Group's activities could consequently evolve differently from what is described in this Registration Document and the declarations or information contained herein could prove to be incorrect. This Registration Document takes place of financial annual report and includes information required pursuant to article 222-3 of the General regulations of the AMF. In order to facilitate the lecture of the financial annual report, a table of concordance is included in Appendix 4. of this Registration Document.

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▼ Elements constituting the Annual Financial Report

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PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

1.1. PERSON RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE REGISTRATION DOCUMENT

Mr Guy Sidos, Chief Executive Officer ("CEO").

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STATUTORY AUDITORS

2.1. INCUMBENT AUDITORS

KPMG Audit

Immeuble Le Palatin, 3, cours du Triangle,
92939 Paris-La Défense Cedex

Represented by Sir Jean-Marc Decléty.

Member of the Regional Company of Auditors of Versailles.

Date first appointed:
Ordinary General Meeting held on November 25, 1983.

Expiry of the current term on the date of the Ordinary General Meeting approving the financial statements for the year ended on December 31, 2013.

Wolff & Associés SAS

Centre Beaulieu, 19, boulevard Berthelot, 63400 Chamalières

Represented by Sir Grégory Wolff.

Member of the Regional Company of Auditors of Riom.

Date first appointed:
Ordinary General Meeting held on May 16, 2007.

Expiry of the current term on the date of the Ordinary General Meeting approving the financial statements for the year ended on December 31, 2012.

2.2. DEPUTY STATUTORY AUDITORS

Constantin Associés

114, rue Marius Aufan, 92300 Levallois-Perret

Represented by Sir Jean-Marc Bastier.

Member of the Regional Company of Auditors of Paris.

Date first appointed:
Ordinary General Meeting held on June 20, 1995.

Expiry of the current term on the date of the Ordinary General Meeting approving the financial statements for the year ended on December 31, 2012.

Exponens Conseil et Expertise

11, avenue d'Éprémesnil, 78401 Chatou

Represented by Sir Frédéric Lafay.

Member of the Regional Company of Auditors of Versailles.

Date first appointed:
Combined General Meeting approving the financial statements for the year ended on December 31, 2007.

Expiry of the current term on the date of the Ordinary General Meeting approving the financial statements for the year ended on December 31, 2013.

2.3. INFORMATION ON THOSE AUDITORS HAVING RESIGNED, HAVING BEEN DISMISSED OR NOT HAVING BEEN RENEWED

None.

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SELECTED FINANCIAL INFORMATION

Investors are strongly invited to read the following selected financial information together with Section 9. "Examination of the financial situation and income statement", Section 10. "Cash flow and capital", the audited annual consolidated financial statements for the three years covered by this Registration Document and the notes relating thereto in Section 20. "Financial information" of this Registration Document, as well as any other financial information contained herein.

3.1. OVERVIEW OF THE GROUP

Over a period of more than 150 years, the Group has developed considerable expertise in the Cement, Ready-mixed concrete and Aggregates businesses enabling it to maintain a leading regional position in the majority of the markets in which it operates. Cement is its "core business", on which it focuses its development and which accounted for over 50% of its consolidated sales in 2009. Wherever the market situation justifies it, the Group pursues a policy of vertical integration into Ready-mixed concrete and Aggregates, which accounted for 37% of consolidated sales in 2009. The Group also benefits from synergies with complementary activities (prefabrication of concrete products, construction chemicals, transport, paper and sack businesses), undertaken in certain markets, to consolidate its range of products and services and to strengthen its regional position.

In 2009, the Group's total shipments in the three main businesses amounted to 14.5 million tonnes of cement, 7.1 million m^3 of concrete and 18.7 million tonnes of aggregates.

With a presence covering eleven countries across

Europe, North America, Asia, Africa and the Middle East, the Group has a diversified base which allows it to pursue an international development strategy, while reducing its present and future exposure to economic fluctuations that may affect the markets in which it operates.

	Cement	Concrete & Aggregates	Other Products & Services
France	▼	▼	▼
United States	▼	▼	
Switzerland	▼	▼	▼
Turkey	▼	▼	
Senegal	▼	▼	
Egypt	▼		
Italy	▼		
Kazakhstan (construction in progress)	▼		
Mali	▼		
India (construction project)	▼		
Mauritania	▼	▼	

The weighting of Europe in general and France in particular in the Group's consolidated sales decreased in 2009, while that of Africa and the Middle East increased. Sales in France represented 44.5% of consolidated net sales in 2009.

In 2009, EBITDA ratios on sales and consolidated net profit on sales were 24.9% and 12.3% respectively.

The Group's financial structure is characterized by significant equity (2,082 million euros) and a low level of net debt to equity (31.4%), which gives the Group a good flexibility and the means to to finance its growth.

The Group intends to continue its development by combining growth and profitability. Over the years, it has demonstrated its ability to benefit from its strong regional positions, the quality of its production facilities and the expertise of its employees to achieve high levels of profitability.

The Group gives priority to two growth strategies:

- organic growth, by significantly increasing its production capacity and by developing the means to respond to demand in the markets where it operates. In 2006, the Group committed to an industrial investment plan extending over several years, the "Performance 2010" plan, intended both to increase its cement production capacity by 50% by the end of 2010, with the start up of one new kiln each year during this period in order to reduce its production costs and to strengthen its competitive position. This "Performance 2010" plan was completed with the opening of a new cement kiln in Senegal in October 2009. It has enabled the Group to increase its cement sales in a difficult macroeconomic context.

- the Group also intends to continue its selective external growth policy through acquisitions or greenfield plants that will enable it to take a position as a key player on new regional markets, or which will complement its existing production capacity or its range of products and services. As part of this policy, the Group is preparing to bring on stream a new factory in Kazakhstan and has embarked on the construction of a new cement plant in the State of Karnataka in India.

To achieve its goals, the Group can rely on its industrial and commercial expertise in its core businesses and on the stability of its strategic model, backed by its shareholders and a family management present in the Company since its foundation and having in-depth experience of these businesses.

3.2. SELECTED FINANCIAL INFORMATION

The selected financial information has been extracted from the Group's consolidated financial statements, prepared in accordance with IFRS for the three years ended December 2007, 2008 and 2009.

The Group's consolidated financial statements, for each of the three years covered by this Registration Document, were audited by KPMG Audit and Wolff & Associés SAS, statutory and independent auditors whose reports are included in Section 20. "Financial information" of this Registration Document.

The Group's key figures

(in millions of euros)	2009	2008	2007
Consolidated net sales	1,896	2,057	2,136
EBITDA[(1)]	473	528	593
Consolidated net income	234	273	331
Total equity	2,082	1,954	1,717
Net debt/equity (in %)	31.4%	34.7%	30.0%
Net income per share (euros/share)	4.26	5.46	6.40
Dividend per share (euros/share)	1.50 [(2)]	1.50	1.50

(1) **Earnings Before Interest, Taxes, Depreciation and Amortization**: gross operating earnings less other ordinary income (expense). EBITDA is not an aggregate defined by accounting principles. Since EBITDA is calculated differently from one company to another, the data provided in this Registration Document and related to the Group's EBITDA might not be comparable to EBITDA data from other companies.

(2) Proposal of the Board of directors to the General Meeting of the Shareholders to be held on May 17, 2010.

Income statement

(in millions of euros)	2009	2008	Variation 2009/2008 (in %)	2007	Variation 2008/2007 (in %)
Consolidated net sales	1,896	2,057	-7.8	2,136	- 3.7
EBITDA	473	528	-10.5	593	-10.9
EBIT[(1)]	322	392	-17.9	480	-18.3
Financial income (expense)	(24)	(26)	+7.5	(18)	-40.8
Consolidated net income	234	273	-14.4	331	-17.4
Group share of net income	191	245	-22.0	299	-18.1
SFC[(2)]	387	402	-3.6	477	-15.7

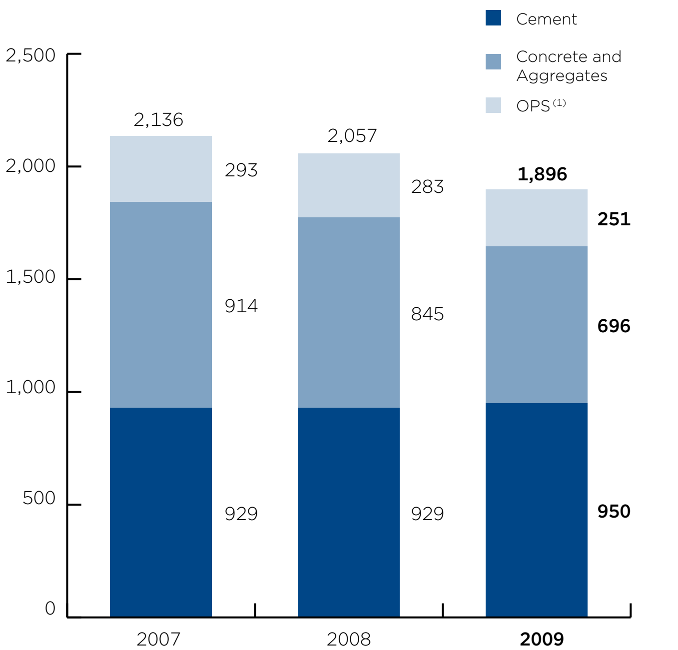
(1) **Earnings Before Interest and Taxes**: EBITDA less depreciation, amortization and operating provisions. EBITDA is not an aggregate defined by accounting principles. Since EBITDA is calculated differently from one company to another, the data provided in this Registration Document and related to the Group's EBITDA might not be comparable to EBITDA data published by other companies.

(2) **SFC**: self-financing capacity.

Change in the breakdown of sales and EBITDA by business

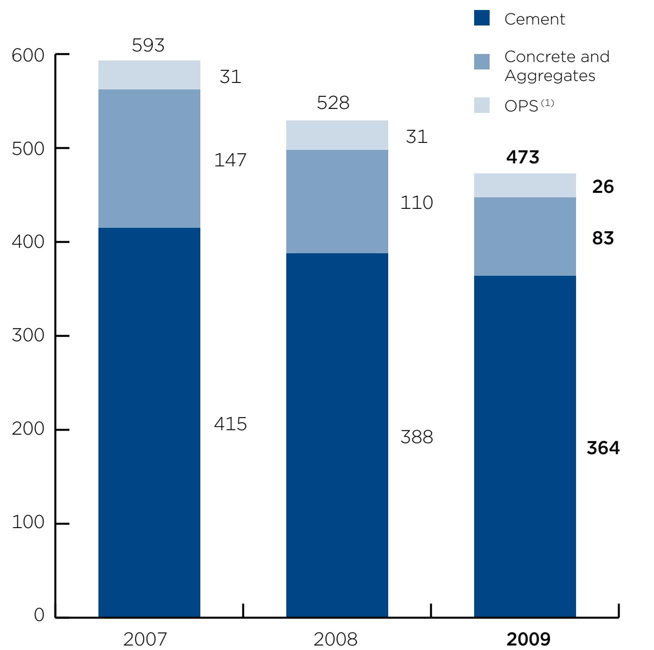
Consolidated sales by business [2]

(in millions of euros)



EBITDA by business [3]

(in millions of euros)

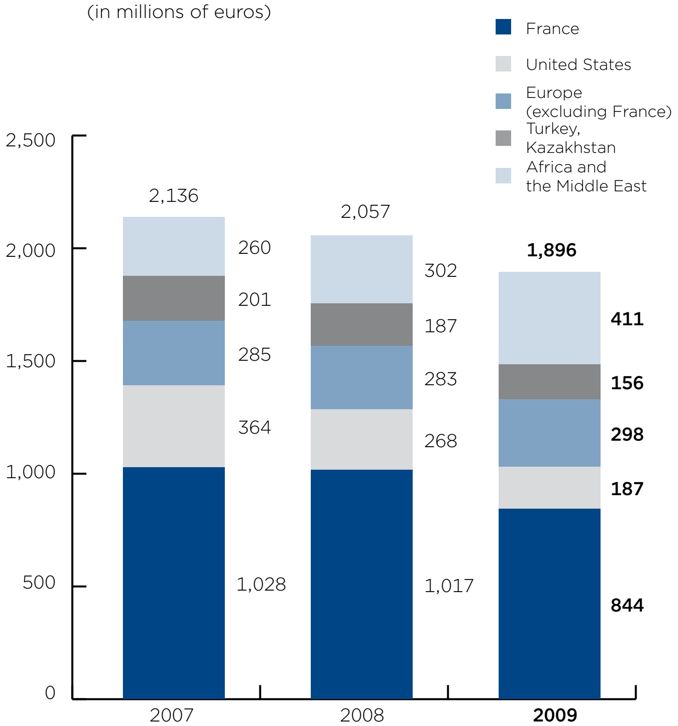


[1] **OPS**: Other Products & Services.
[2] Unless stated otherwise, the figures are given after intra-group eliminations.
[3] **Earnings Before Interest, Taxes, Depreciation and Amortization**: gross operating earnings less other ordinary income (expense). EBITDA is not an aggregate defined by accounting principles. Since EBITDA is calculated differently from one company to another, the data provided in this Registration Document and related to the Group's EBITDA might not be comparable to EBITDA data from other companies.

Change in the breakdown of sales and EBITDA by geographic area

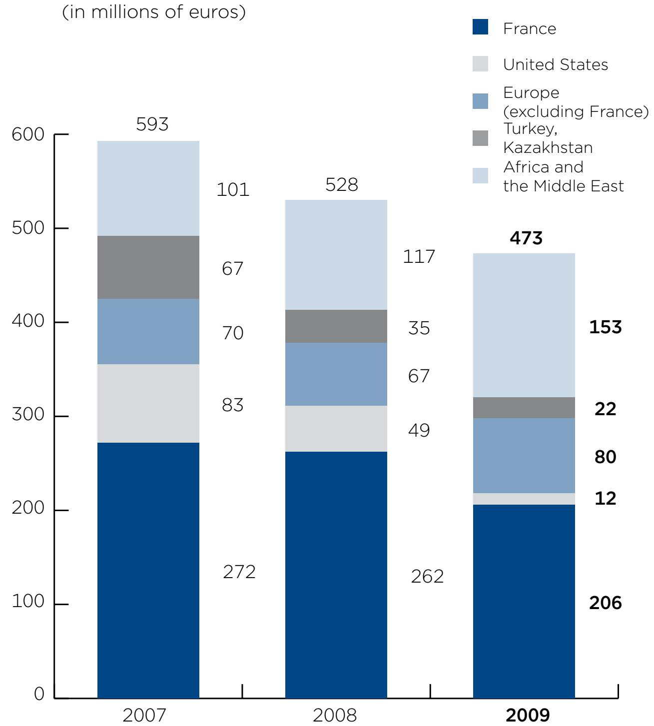
Consolidated sales by geographic area

(in millions of euros)



EBITDA by geographic area

(in millions of euros)

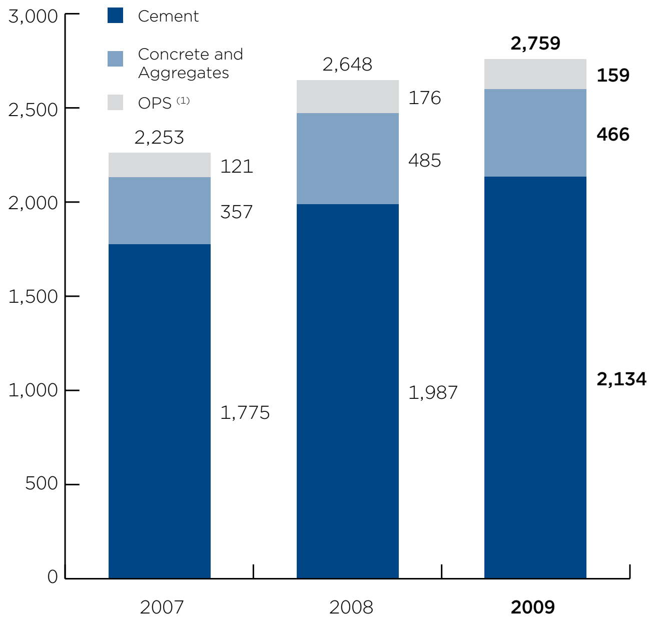


Consolidated balance sheet

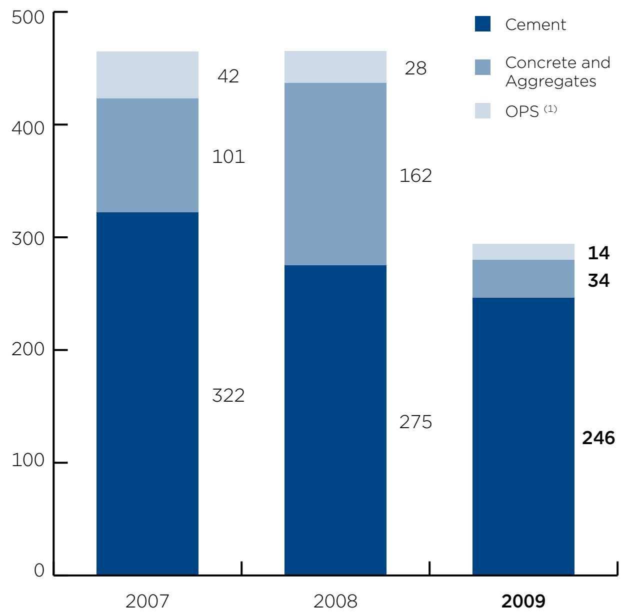
(in millions of euros)	2009	2008	2007
ASSETS			
Non-current assets	2,655	2,539	2,191
Current assets	959	888	868
Total assets	**3,614**	**3,427**	**3,059**
LIABILITIES			
Group share of the equity	1,882	1,775	1,563
Minority interests	199	179	154
Total equity	2,082	1,954	1,717
Non-current liabilities	964	1,005	889
Current liabilities	568	468	453
Total liabilities	**3,614**	**3,427**	**3,059**

Change in the breakdown of the assets employed and investments by business

Assets employed by business
(in millions of euros)



Total investments by business
(in millions of euros)



(1) **OPS**: Other Products & Services.

Simplified changes in consolidated shareholders' equity (including minority interests)

(in millions of euros)	2009	2008	2007
Equity as at January 1	1,954	1,717	1,700
Income of the year	234	273	331
Dividends	(89)	(71)	(67)
Effect of currency fluctuations	(36)	-	(30)
Change in consolidation scope (minority interests)	8	2	11
Other changes[1]	11	33	(228)
Shareholders' equity as at December 31	2,082	1,954	1,717

[2] Relating principally in 2007 to the purchase of shares and to changes in the fair value of the financial assets and liabilities.

Consolidated financial ratios

(in millions of euros)	2009	2008	2007
Net debt/total equity (in %)	31.4	34.7	30.0
Net debt/EBITDA[1]	1.38	1.28	0.87
Net debt/SFC[2]	1.68	1.68	1.08
Hedging of financial expenses	-	-	-
by EBITDA	19.7	17.6	27.6
by EBIT	13.4	13.0	22.3

[1] **Earnings Before Interest, Taxes, Depreciation and Amortization** : gross operating earnings less other ordinary income (expense). EBITDA is not an aggregate defined by accounting principles. Since EBITDA is calculated differently from one company to another, the data provided in this Registration Document and related to the Group's EBITDA might not be comparable to EBITDA data from other companies.

[2] **SFC:** self-financing capacity.

4

RISK FACTORS

Before taking the decision to invest in the Company, prospective investors should examine all the information contained in this Registration Document, including the risks described below. These risks are those which, as of the date of registration of this Registration Document, are liable, if they materialize, to have an adverse effect on the Group, its business, its financial condition and results of operations, and which are material to any decision on whether or not to invest. However, the attention of prospective investors is drawn to the fact that the list of risks set out in this Section 4. "Risk factors" is not exhaustive and that there may be other risks either, unknown or which at the date of this Registration Document, were not considered as likely to have an adverse effect on the Group, its business, its financial condition, or its results, but could in fact adversely affect its activities, its financial condition, its results, its prospects or its ability to achieve its objectives.

4.1. RISKS RELATING TO THE GROUP'S BUSINESS

4.1.1. Risks related to the competitive environment

The Group operates its various businesses in competitive markets. In relation to the Group's main businesses — Cement, Ready-mixed concrete and Aggregates — competition is principally on a regional scale, due to the relative magnitude of transport charges, especially in the case of road transport. The competitive intensity of each regional market depends on present and available production capabilities. The Group's capacity to maintain its sales and its margin on each market therefore depends on its capacity to respond to market demand with its local production facilities. The presence of other producers with available or surplus capacities on a regional market or one in the vicinity, or the presence of one or more producers having or being capable of setting up material import infrastructures (in the case of cement and aggregates) on the regional market under satisfactory economic conditions (for example, through port or rail access) may lead to increased competition.

Intense competition in one or more of the markets in which the Group operates may have a material adverse effect on its business, its financial condition, its results, its prospects or its capacity to achieve its objectives, in particular in the context of a worldwide economic crisis and considerable financial instability. This is particularly the case in the cement manufacturing business, given the highly capital intensive nature of this business and the significant effect of a volume differential on its results (see Section 6.2. "Group strengths and strategy" and Sections 6.3.1.5. and 6.3.2.5. "Competitive position" of this Registration Document).

4.1.2. Sensitivity to energy supply and costs

The Group's production activities and, in particular, the cement manufacturing business, consume large amounts of thermal and electrical energy, which represent a significant part of production costs.

The Group's electricity is supplied by local producers in each country and the Group does not always have an alternative supply source. This situation exposes the Group to interruptions in electricity supply or price increases. Where the Group has considered this risk to be significant, it has established independent electricity generators.

Except as otherwise discussed above and in Section 4.1.4.5. "Availability of certain raw materials" of this Registration Document, the Group believes that it is not dependent on its suppliers.

For its supplies of thermal energy, the Group buys fossil fuel on the international markets and is thus exposed to variations in the price of such fuel. In order to limit its exposure, the Group has on the one hand adapted its production facilities to use, to the extent possible, a variety of fuels, and, on the other hand is continuing with hedging in future markets in order to smooth out the effects of fuels price variations. It has also developed a policy intended to foster the use of alternative fuels such as used oil, used tires and other recycled materials or industrial waste.

However, increases or significant variations in the price of electricity or fuel may have a material adverse effect on the Group's business, its financial condition, its results of operations, its prospects or its capacity to achieve its objectives.

4.1.3. Country risks

An integral part of the Group's growth strategy is to seize development opportunities in growing markets. In 2009, approximately 30% of the Group's sales were made on these markets, qualified as "emerging markets". This exposes the Group to risks such as political, economic and financial or social instability, staff safety, difficulties in recovering customer debts, exchange rate fluctuations, high inflation rates, the existence of exchange control procedures, export controls, taxation and differences in regulatory environments that may affect the markets on which the Group operates, and even nationalizations and expropriations of private property that could affect companies operating in these markets.

Although the Group carefully selects the countries in which it operates, the materialization of some of these risks could affect the continuity of its businesses in the countries concerned and have a material adverse effect on its business, its financial condition, its results of operations, its prospects or its capacity to achieve its objectives.

4.1.4. Industrial and environmental risks

4.1.4.1. Risks related to production facilities

The Group's factories were built in compliance with applicable standards and were designed so as to afford a significant degree of resistance to natural risks such as wind, snow and earthquakes. The choice of sites for the factories also considers natural flooding risks.

The Group's production facilities are equipped with monitoring and control systems incorporating automatic devices and software, whose dysfunction could affect the factories' daily operations.

Heavy production facilities are protected against risks of breakage and machine failure by permanent maintenance programs and by reserves of spare parts (such as engines, reducers and bearings etc.) for the most important systems and those with long lead times. Due to their remoteness, which lengthens lead times, the Group ensures that its factories located in emerging markets rigorously apply this policy of maintaining reserves of spare parts.

However, the Group cannot exclude the occurrence of such events, which could have a material adverse effect on its business, its financial condition, its results, its prospects or its capacity to achieve its objectives.

4.1.4.2. Risks related to industrial investments

The Group's development relies, in particular, on industrial investments intended to modernize its existing equipment and increase production capacity or develop new production capacity ("greenfield" plants in Kazakhstan and in India). Regardless of the quality of the service providers used, any delay or difficulty in meeting the required performances may have a material adverse effect on the Group's business, its financial condition, its results of operations, its prospects or its capacity to achieve its objectives.

4.1.4.3. Environmental risks

The Group's principal environmental risks are the result of its activities which are governed by laws and regulations imposing a large number of obligations, restrictions and rigorous protective measures. The Group is constantly taking measures to address and limit these risks, paying particular attention to the following areas: inserting quarries in their environment, optimizing choices of energy sources, with an increasing share of alternative fuels and waste, controlling greenhouse gas emissions, managing and recycling water needed for production. These measures are developed in Section 8.2. "Environmental policy" of this Registration Document.

4.1.4.4. Risks related to product defects

Products manufactured by the Group are monitored throughout the production process. The Group also verifies the compliance of its products with the standards applicable in the markets where they are sold. However, despite these controls, it cannot exclude the possibility that malfunctions or accidents may result in product quality defects.

Such defects could have a material adverse effect on the Group's reputation, its activities, its financial condition, its results, its prospects or its capacity to achieve its objectives.

4.1.4.5. Availability of certain raw materials

The Group has its own reserves of limestone, clay and aggregates, which are used for its industrial activities. It also buys some of these raw materials on certain markets from third-party suppliers, as well as additives such as blast furnace slag (from steel works), fly ash (a by-product of coal combustion in power stations) and synthetic gypsum. If the quarries operated directly by the Group or its suppliers suddenly ceased trading or were forced to cease or reduce production of these raw materials, the Group may be required to obtain its supplies at a higher cost and may not be able to recover such increased costs through price increases, or seek replacement raw materials, which could have a material adverse effect on its business, its financial condition, its results, its prospects or its capacity to achieve its objectives.

4.2. RISKS RELATED TO THE INDUSTRY IN WHICH THE GROUP OPERATES

4.2.1. Risks of dependency on the construction (cyclical nature of the construction market), real estate (residential and non-residential), industry, public works and urban development markets

The products and services sold by the Group, and in particular cement, concrete and aggregates, are used for construction of individual or multiple occupancy housing, for industrial or commercial buildings and for infrastructure (roads, bridges, tunnels, highways). The demand for the products and services sold by the Group depends both on structural elements specific to each market and their evolution and on general economic conditions.

Structural factors that determine demand for construction materials on each market are mainly demography, the rate of urbanisation and economic growth (represented for example by the gross national product per capita) and the respective growth rates of these parameters, as well as more cultural elements such as the construction practices of each market (timber, steel, concrete). A frequently used indicator of the intensity of consumption is cement consumption per capita.

Aside from these structural factors, the economic situation influences construction markets through the economic climate, and particularly in the current context of world-wide economic crisis and considerable financial instability. This is because global economic parameters determine the capacity of the public and private sectors to finance construction projects by access to credit, and to implement them.

To reduce the risk of the cyclical nature of a given market, the Group has adopted a geographical development strategy (detailed in section 6.2.3.) aiming to combine investments in developed countries with investments in emerging countries, that thereby contribute to a diversification of its geographical exposure.

However, significant fluctuations of any of these parameters in a market important to the Group are likely to have a material adverse effect on its activities, its financial condition, its results of operations, its prospects or its capacity to achieve its objectives.

4.2.2. Risks related to regulation

The Group operates in a highly regulated environment. It must comply with many legislative and regulatory provisions, which differ in each of the countries in which it operates. In particular, the Group is subject to strict international, national and local regulations relating to the operation of quarries or cement factories (see Section 6.5. "Legislative and regulatory environment" of this Registration Document). The continuation of any operation depends on compliance with these legislative and regulatory requirements. In this respect, the Group has developed a permanent dialogue with the local authorities and residents' and environmental protection associations, in all its operating areas, and instituted measures intended to reduce the harmful effects related to quarrying operations to limit the risks of conflict. However, should the Group be unable to comply with the applicable regulations in the future, it could face withdrawals of operating licenses, incur liabilities or be sentenced to pay fines.

More generally, the Group cannot give assurances that rapid or significant modifications of the legislation and regulations in force will not occur in the future, whether at the initiative of the relevant authorities or following an action brought by a third party or local associations opposed to the development by the Group of its activities. Changes in applicable regulation or its implementation could lead to the imposition of new conditions for carrying on its business, which may increase the Group's investment costs (related, for example, to adapting the methods of operating its quarries or cement factories), or its operating costs (in particular by the institution of procedures or controls and additional monitoring), or may constitute an impediment to the development of its business.

The Group cannot exclude that such developments may have a material adverse effect on its activities, its financial condition, its results of operations, its prospects or its capacity to achieve its objectives.

4.2.3. Climate risk

The construction materials business operated by the Group in various markets experiences seasonal fluctuations, which depend both on climate conditions and on the practices of each market. Beyond the usual incidence of such seasonal variations, which is described in Section 9. "Examination of the financial condition and the result" of this Registration Document, the Group's business could be affected by climate risks that could have an impact on its most significant markets. The demand for construction materials is directly affected by exceptional climatic conditions (such as very cold temperatures, or abundant rain or snow) which may affect the normal use of materials on building sites, particularly during periods of intense activity in the construction sector.

The occurrence of such conditions in a market important to the Group could have a material adverse effect on its activities, its financial condition, its results of operations, its prospects or its capacity to achieve its objectives.

4.3. LEGAL RISKS

The Group's companies are, or are likely to be, involved in a certain number of legal, administrative or arbitration proceedings in the normal course of their business. For example, changes to laws and regulations, as well as the increasing activity of local associations opposed to development of the cement industry may generate administrative proceedings and potential disputes. Damages are, or can be, claimed against the Group under some of these proceedings (see Section 6.5. "Legislative and Regulatory Environment" and Section 20.6. "Legal proceedings and arbitration" of this Registration Document). The policy of allocating provisions is set out below in Note 1.16 of Section 20.2.2. "Appendix to the 2009 consolidated financial statements" of this Registration Document.

4.4. MARKET RISKS

The Group operates within an international framework through locally-established subsidiaries, some of which account for their operations in non-euro currencies. The Group is therefore exposed to exchange rate and conversion risks.

4.4.1. Exchange rate risks

The subsidiaries' business essentially involves producing and selling locally, in their operating currency, so the Group feels that its current and future exposure to exchange rate risks is very low overall in this respect.

These companies' imports and exports denominated in currencies other than their own local currency are generally hedged by forward currency purchases and sales.

The Group's financial indebtedness is essentially borne by the Company and is denominated in euros after the conversion of US dollar denominated debts through financial hedging instruments (cross currency swap or forex). Intragroup financings are hedged by subsidiaries if the loan currency is not the same as the subsidiary's functional currency.

The Group is still exposed in some countries where there is no hedging market (currency not convertible) or the market is not sufficiently liquid.

The table below sets forth the breakdown of the total amount of the Group's assets and liabilities denominated in currencies as at December 31, 2009, when the transaction currency is different from the subsidiary's functional currency. The main risk involves the US dollar as this table shows:

(in millions)	US Dollar	Euro	Swiss Franc
Assets	128.6	13.3	28.0
Liabilities and confirmed orders	-658.4	-20.2	-
Net position before management	**-529.8**	**-6.9**	**28.0**
Hedging instruments	386.9	5.2	-28.0
Net position after risk management	**-142.9**	**-1.7**	**-**

The euro position does not include a loan of 20 million euros to Sococim Industries in which the functional currency is the CFA Franc, which has fixed parity with the euro.

The net position after risk management in US dollars includes 125 million dollars loan to our Kazakhstan'subsidiary for which there is no hedging market.

The hypothetical loss on the net currency position arising from an unfavorable and uniform change of one centime of the operating currency against the US dollar would amount to €1.1 million euros (including €0.9 million for the Kazakhstan loan).

However, the Group cannot exclude the fact that an unfavorable change in exchange rates could have a material adverse effect on its activities, its financial condition, its results of operations, its prospects or on its capacity to achieve its objectives.

4.4.2. Conversion risks

The financial statements of the Group's foreign subsidiaries (other than in the Euro zone) as expressed in their operating currencies are converted into euros, the "presentation currency", in preparing the Group's consolidated financial statements. Fluctuation of the exchange rate of these currencies against the euro results in a positive or negative variation in the euro value of the subsidiaries' income statements and balance sheets in the consolidated financial statements. The effect of fluctuating exchange rates on the conversion of the financial statements of the Group's foreign subsidiaries (other than in the Euro zone) on the consolidated balance sheet and the income statement is discussed in Sections 9. "Examination of the financial condition and results" and 10. "Cash flow and equity" of this Registration Document.

4.4.3. Interest rate risks

The Group is exposed to an interest rate risk on its financial assets and liabilities and its cash. This exposure to interest rate risk corresponds to two categories of risk.

4.4.3.1. Exchange rate risks for items in the financial assets and liabilities at a fixed rate

When the Group incurs a debt at a fixed rate, it is exposed to an opportunity cost in the event of a fall in interest rates. Interest rate variations have an impact on the market value of fixed rate assets and liabilities, while the corresponding financial income or financial expense remains unchanged.

4.4.3.2. Cash flow risks related to items in the assets and liabilities at variable rates

The interest rate risk is generated primarily by variable interest rate items in the assets and liabilities.

Interest rate variations have little impact on the market value of variable rate assets and liabilities, but directly affect the Group's future income flows and expenditure. Exposure to interest rate risks is managed by combining fixed and variable rate debts on the one hand and on the other hand by limiting the risk of fluctuation of variable rates by recourse to hedging instruments (caps and rate ceilings) and by short term cash surpluses remunerated at a variable rate. The Group refrains from speculative transactions in financial instruments. Financial instruments are exclusively used for financial hedging purposes.

The table below shows the break-down of the fixed and variable rates by currency of the Group's net exposure to the interest rate risk after hedging as of December 31, 2009.

(in thousands of euros)	Euros	US Dollars	Other currencies	Total
Total gross debt	642,591	122,978	121,777	**887,346**
Debt at fixed rate	186,698	-	43,333	**230,031**
Debt at variable rate	455,893	122,978	78,444	**657,315**
Cash and cash equivalent	-42,662	-50,199	-141,847	**-234,708**
Net position	413,231	72,779	-63,403	**422,607**
Hedging instruments	360,000	48,591	-	**408,591**
Net position after hedging	**53,231**	**24,188**	**-63,403**	**14,016**

The net residual positions not hedged are not significant and so the Group estimates that a uniform rise in interest rates of 100 basis points would have an insignificant impact on its results, or on the Group's net situation as the table below illustrates.

(in thousands of euros)	Impact on the result before taxes	Impact on equity (excluding impact on the result) before taxes
Impact of a variation of +100bps on the interest rate	-34	945
Impact of a variation of -100bps on the interest rate	510	-1,043

4.4.4. Equity and securities risks

The Group does not have a securities portfolio, other than holdings of treasury shares, purchased principally in June 2007 in the context of the sale by HeidelbergCement of its shares in the Company. The situation of this portfolio of treasury shares as at December 31, 2009 is as follows:

- Number of Vicat shares held in the portfolio 1,083,443
- Percentage of share capital held by the Company 2.41%
- Carrying cost of the portfolio by the historical cost method (purchase price) €86,284 thousand
- Market value of the portfolio €63,706 thousand
- Net carrying cost of the portfolio €62,273 thousand

Variations in the Vicat share value below the historical value of the purchase may lead to a variation in the Company's income, which was subject to a provision for €24,011 thousand in share depreciation before tax as at December 31, 2009.

Under its cash flow management plan, the Group invests only in short term cash instruments (having a maturity of less than three months) exhibiting no risk of variation in the value of the principal invested. These investments were made with a diverse group of leading banks. These surpluses are denominated in Swiss francs, US dollars and euros.

Certain defined benefit pension plans, in the United States and in Switzerland, are hedged in full or in part by dedicated financial assets consisting, in part, of equity securities.

Furthermore, as the sensitivity of the value of hedging assets at the end of 2009 corresponding to a variation of + / - 100 basis points in the rate of return of financial assets is respectively €2.7 and (2.7) million. The hedging assets are largely made up of other types of financial assets than shares, so the equity and securities risk is considered to be insignificant.

A negative trend in financial markets could result, in certain cases, in a need to supplement the financing or the provisioning for these plans in order to meet the obligations of the relevant Group companies. A significant increase in contributions by the Group or an increase in provision in accordance with IAS 19 may have a material adverse effect on the Group's activity, its financial condition, its results of operations, its prospects or its capacity to achieve its objectives.

4.4.5. Risks relating to liquidity

Today, the Group is exposed to limited liquidity risks, as discussed in Section 10.3.1 "Group Financial Policy" of this Registration Document and in note 17 "Financial instruments" in the appendix to the consolidated accounts.

The timetable for the debt as of 31 December 2009 is shown below.

		N+1		N+2	N+3	N+4	N+5 et +
(in thousands of euros)		Nominal	Interest	Nominal	Nominal	Nominal	Nominal
Private placement US	353,204	141,311	9,376	-	-	105,956	105,937
Compulsory loans	-	-	-	-	-	-	-
Bank loans	436,683	5,989	8,919	97,829	35,431	18,538	278,896
Financial leasing debts	7,873	3,699	394	2,571	1,094	418	91
Miscellaneous debts	15,855	4,955	1,204	6,097	3,509	332	962
Credit banks	72,741	72,741	3,663	-	-	-	-
Derivative instruments	990	-1,437	376	1,099	-	403	925
Total financial liabilities	**887,346**	**227,258**	**23,932**	**107,596**	**40,034**	**125,647**	**386,811**

* The interest on the N+1 debt is calculated on the basis of the known due date of the debt as of 31 December 2009 and the interest rates at that date. The Group does not publish forecasted resultas or cash flows, so no calculation is made on following years.

The risk of liquidity is therefore covered by surpluses in the cash flow as well as by the availability of unused confirmed credit lines for the Company, over 3 and 5 years periods.

The existence of covenants contained in some of these credit lines agreements, considering the small number of companies concerned, essentially Vicat SA, the parent company of the Group, the low level of gearing (31.4%) and leverage (138%) and the liquidity of the Group's balance sheet, the existence of these covenants does not constitute a risk for the Group's financial position. At December 31, 2009, the Group is compliant with all ratios required by covenants in contained financing contracts.

4.5. RISKS RELATED TO THE COMPANY

4.5.1. Risks related to dependence on managers and key employees

The Group's future success relies, in particular, on the complete involvement of its senior managers. The management team has been marked by stability over a long period (service with the Group in most cases of over fifteen years) and benefits from significant experience of the markets in which the Group operates.

In addition, the Group's continuing growth will require the recruitment of a qualified and internationally mobile supervisory staff. Should the Group suddenly lose several of its managers or be unable to attract these key employees, it could encounter difficulties affecting its competitiveness and its profitability. These difficulties could have a material adverse effect on the Group's activities, its financial condition, its results of operations and prospects or on its capacity to achieve its objectives.

4.5.2. Risks relating to the financial organisation of the Group

Some of the Group's subsidiaries are located in countries that can be subject to constraints as regards taxation or exchange controls restricting or making more expensive the distribution of dividends outside of these countries. Although the Group considers that this risk is limited, it cannot exclude the possibility that this may happen in the future, which could have a material adverse effect on its activities, its financial condition, results of operations, prospects or on its capacity to achieve its objectives.

4.5.3. Risks related to dependence on customers

To date, the Group carries out its three businesses in nine countries with a varied customer base. Indeed, customers of the Cement, Concrete & Aggregates businesses and of the Other Products & Services are distinct economic players in each of the markets where the Group operates: primarily distributors and concrete mixers for the Cement business, construction and public works contractors for the Concrete & Aggregates business, and others depending on the sectors comprising Other Products & Services. The Group does not have global customers present across a number of these markets.

Nevertheless, some of the Group's best customers are also important counterparties, in particular, in the Cement business, whose loss would be damaging to the Group's positions in the relevant markets. Although the Group considers that such a risk is limited, it cannot exclude the possibility that such a loss might occur in one or more of its markets, which could have a material adverse effect on its activities in the country concerned, its financial condition, its results of operations, its prospects or on its capacity to achieve its objectives.

4.6. RISK MANAGEMENT

The risk hedging policy is defined by the Group's CEO and is implemented under the supervision of the deputy CEOs of the Group, with the assistance of the legal department. This policy aims to identify potential risks, and define and implement measures to limit these risks through prevention and hedging policies, in order to promote controlled risk management. For each risk, detailed above in Sections 4.1 to 4.5, the measures taken to hedge the risk are specified where applicable. In addition, the Group's policy on internal audit is described in Appendix 1 "Report by the President on the corporate governance and internal audit" of this Registration Document.

4.6.1. Risk prevention policy

The risk prevention policy is an integral part of the Group's industrial policy. It is the responsibility of each operational manager, by country or type of business, and is based, in particular, on the choice of first-rank suppliers for industrial investments, on the constitution of buffer stocks, on the institution of follow-up and risk prevention procedures and on a training policy.

4.6.2. Risk hedging and insurance policy

The Group has subscribed to "Group policies" with leading insurers. These policies are intended to cover foreign subsidiaries, subject to compliance with local legislation.

To improve the protection of its assets, the Group has made, with the assistance of insurers and experts, an analysis of the risks and means of prevention. The Group undertakes an identical policy for risks related to its civil liability.

4.6.2.1. Property damage

The Group's assets are insured against fire risks, explosion, natural events and machine breakages. A policy covering risks related to operating losses has been suscribed for the cement and paper businesses.

The Group's large industrial sites are inspected regularly by safety engineers. The implementation of their recommendations is covered in a schedule relating to, for example, the standardisation and storage of strategic equipment fire detection and prevention, as well as integrated prevention at the design stage for the new sites.

The subscription of a guarantee of €150 million per disaster, including operating losses, results from a study of possible disasters.

The entire Group also benefit from conventional insurance policies for its motor vehicle fleets and for private or public transport by road, sea or river of its goods or other property.

4.6.2.2. Civil liability

Except in the United States, the cap of the guarantee under the civil liability insurance policy was €75 million. All foreign subsidiaries (except in the United States) are insured by the "Group policy" after the expiry of the warranty and caps of the compulsory local policies.

In the United States, given the specific nature of the risks, in particular, in terms of accidents at work, automobile civil liability, general civil liability and product liability, the Group's subsidiaries have an insurance cover amounting to US$200 million.

The guaranteed payouts under the civil liability and product liability insurance policies are subscribed, both in France and abroad, in amounts consistent with local activities and economic considerations.

The risk of environmental civil liability is taken into account in each country.

The Group's managers and corporate officers, as well as beneficiaries of powers of attorney are insured under a "corporate officers" civil liability insurance policy, the purpose of which is to deal with the pecuniary consequences of claims made by third parties for defaults engaging their personal civil liability, either individually or collectively.

5

INFORMATION ABOUT THE COMPANY

5.1. HISTORY AND DEVELOPMENT OF THE COMPANY

5.1.1. Corporate name

The Company's name is Vicat S.A.

5.1.2. Place of registration and registration number

The Company is registered at the Trade and Companies Register of Nanterre under the number 057 505 539.

5.1.3. Date of incorporation and duration of the Company

The Company was incorporated in 1853 and registered in the Trade and Companies Register, on January 1, 1919 for a term of 99 years, which has subsequently been extended by a further 80 years to December 31, 2098 by the Combined General Meeting of shareholders of May 15, 2009.

5.1.4. Registered office

The Company's registered office is located at Tour Manhattan, 6, place de l'Iris, 92095 Paris-La Défense Cedex (telephone: +33 (0) 1 58 86 86 86).

5.1.5. Legal form and applicable legislation

The Company is a société anonyme with a Board of directors, governed by the provisions of Volume II and articles R. 210-1 et seq. of the French Commercial Code.

5.1.6. Accounting period

The Company's accounting period begins on January 1 and ends on December 31 of each year.

5.1.7. History

- **1817:** Invention of artificial cement by Louis Vicat.
- **1853:** Foundation of the Company and construction of the first cement factory (Genevrey-de-Vif by Joseph Vicat, son of Louis Vicat); implementation in this factory of the "double firing" manufacturing method, allowing the manufacture of very homogeneous and very consistent cement.
- **1875:** Construction of the Perelle factory in France, manufacturing quick-setting cement.
- **1922-1929:** Construction of the French cement factories at Montalieu and La Grave-de-Peille by Joseph Merceron-Vicat, grandson of Joseph Vicat.
- **1950:** André Merceron-Vicat embarks on a program to modernize and increase production capacity at Vicat's factories.
- **1960-1972:** Consolidation of the French cement industry. Construction of the Créchy factory and acquisition of other factories in France (Saint-Égrève, Chambéry, Voreppe, Bouvesse, Pont-à-Vendin).
- **1974:** First investment by the Group abroad, with the acquisition of the Ragland cement factory in Alabama (United States).
- **1984:** Jacques Merceron-Vicat is appointed as President and Chief Executive Officer of the Group. The Group commits from this date to vertical integration of its business in France by acquisition of numerous Ready-mixed Concrete and Aggregates companies, thus gradually building up a network in the Île-de-France, Centre, Rhône-Alpes and Provence-Alpes-Côte d'Azur (PACA) regions, and by the acquisition of SATM (transport) and VPI (bringing together two companies specializing in renders, mortars, adhesives and mastics).
- **1987:** The Group continues its development in the United States with the acquisition of the Lebec cement factory in California.
- **1991-1994:** Jacques Merceron-Vicat continues the development of the Group internationally with the acquisition of Konya Cimento and Bastas Baskent, in Turkey.
- **1999:** Acquisition of Sococim Industries in Senegal and United Ready Mix in California.
- **2001:** Acquisition of the Vigier group in Switzerland, which produces cement, concrete, aggregates and prefabricated products.
- **2003-2006:** Acquisition of Cementi Centro Sud, on the west coast of Sardinia and take over of control of the Sinai Cement Company in Egypt through the successive acquisitions of blocks of shares (with the Company holding 48.25% of the capital of the Sinai Cement Company at the end of 2006).
- **2007:** Sale by HeidelbergCement of its 35% shareholding in the Group. Launch of the "Performance 2010" plan intended to increase cement production capacities by 50% and to reduce costs by 2010 by, in particular, increasing significantly the Group's use of substitute fuels. Acquisition of 60% of the capital in Anys Invest LLP in Kazakhstan allowing the Group to be involved in the construction of a cement plant in Mynaral with a production capacity of 1.1 million tonnes, which is expected to be completed in 2010.
- **2008:** Guy Sidos is appointed as Chief Executive Officer of the Group on March 7, 2008, replacing Jacques Merceron-Vicat, who remains President of the Board of directors. Acquisition of the Walker group in the United States, a specialist in ready-mixed concrete. Creation in India of a joint venture company, Vicat Sagar Cement, 51% owned by the Group; this company intends to build a cement factory with a 5.5 million tonnes capacity in the State of Karnataka in two phases; the first firing line is expected to be finished in 2012. In Mauritania, acquisition of 65% of the capital of BSA Ciment SA, a company that exploits a cement grinding centre. In addition to the "Performance 2010" plan, launch of the "Performance +" plan to optimize cost structure in response to the downturn in the current macro-economic environment.
- **2009:** The Group completed the Performance 2010 plan by increasing the capacity of the kiln at Reuchenette (Switzerland) in the first half of the year, and by opening the new kiln line at Sococim (Senegal) in October. In addition, the "Performance +" plan, initiated as a complementary measure to the "Performance 2010" plan, generated savings of 61 million euros. The greenfield projects in Kazakhstan and India are progressing on schedule.

5.2. INVESTMENTS

The cement-manufacturing industry is a highly capital-intensive industry, requiring significant investments. The construction of a cement factory generally requires capital expenditure of more than 100 million euros. The Group has always taken care to maintain its industrial production facilities at a high level of performance and reliability. Accordingly, it invests continuously in new equipment, which enables it to benefit from the latest tested and recognized technologies.

The Group embarked in 2006 on an industrial investment plan extending over several years and designed to increase cement production capacity by approximately 50% by the end of 2010, by bringing one new kiln a year into service during this period. The schedule for implementing this plan was adapted during 2008 and 2009 to take into account the situation in certain markets. As a result, the construction of the new kiln at the Ragland plant in the United States was postponed until 2012 at the earliest, whereas the increase in capacity at the Recheunette plant in Switzerland was brought forward to 2009.

In addition, the Group continues its policy of external growth, in particular by concluding partnerships in Kazakhstan and in India with a view to building greenfield plants in these countries. As indicated in Section 10.3.1 "Group financial policy" of this Registration Document, the finance required for industrial investments is met from the Group's own resources. The choice of new equipment to be acquired under this investment program embodies the Group's objective of continuing to improve the energy efficiency of its installations and increasing substantially the proportion of alternative fuels used. The following sections present the main investments made in recent years and the major projects in progress or planned for the future.

5.2.1. Investments made

The table below sets out, by business, the main investments made by the Group over the last three years:

(in millions of euros)	2009	2008	2007
Cement	246	275	322
Concrete & Aggregates	34	162	101
Other Products & Services	14	28	42
Total	**294**	**465**	**465**
Of which financial investments	20	83	153

5.2.1.1. Investments made in 2009

The total amount of industrial investments made in 2009 was 274 million euros. These are shown below for each of the Group's main businesses. Financial investments amounted almost to 20 million euros in 2009 and include the buy-back of shares held by minority shareholders.

(a) Cement: capital expenditure amounting to a total of 246 million euros, of which 232 million euros in industrial capital expenditure

- **France**: The main investments made in 2009 were focused on improving production costs, the environment and safety. The capacities of alternative fuel plants were increased at the Montalieu, Peille and Créchy factories.

- **Senegal**: Construction of a new kiln line was completed on schedule in 2009. This kiln, which employs the very latest technology, brings the Group's cement production capacity in Senegal to 3.5 million tonnes a year. The plant enables the Group to take full advantage of the growth potential in West Africa with a modern production facility. It also brings to an end the external purchases of clinker and increases noticeably the proportion of alternative fuels used.

- **Switzerland**: The capacity of the kiln at the Reuchenette cement plant was increased to 2,400 tonnes of clinker per day, in order to meet increasing market demand. Work was completed in the 1st half of the year, bringing to an end the external purchases of clinker and increasing the capacity to use alternative fuels.

- **Turkey**: Alternative fuel preparation and feed systems were completed and brought on stream in May 2009. This installation substantially increases the capacity of the Bastas plant to use alternative fuels.

- **Egypt**: Work on the construction of a 4th cement mill began during the year, with start up scheduled for 2010.

- **Kazakhstan**: Construction of the greenfield plant is continuing as planned. The facilities will be operational, as originally scheduled, at the end of 2010.

(b) Concrete & Aggregates: capital expenditure amounting to a total of 34 million euros, of which 32 million euros in industrial capital expenditure

- **France**: The principal concrete investments were related to the renovation of four concrete batching plants. With regard to aggregates, the Group acquired a new suction dredger and undertook the improvement of an existing dredger. In addition to this, two new processing units came into operation.

- **Switzerland**: Investments were made on facilities for recycling certain materials recovered from construction sites, including timber, in order to supply the Reuchenette plant with biogenic materials.

- **Senegal**: Investments mainly concerned the replacement of a crusher at the Diack quarry.

(c) Other Products & Services

Capital expenditure amounted 14 million euros, including 10 million euros in industrial investments, relating mainly to construction chemicals in France and to the concrete precasting business in Switzerland.

5.2.1.2. Investments made in 2008

The total amount of industrial investments made in 2008 was 383 million euros. These are shown below for each of the Group's main businesses. Financial investments totaled almost 83 million euros in 2008 and relate in particular to the acquisition of 65% of the shares in the BSA Ciment in Mauritania, a price supplement paid in 2008 in relation to the project in Kazakhstan completed in 2007 and several smaller transactions, in particular in the Ready-mixed concrete business in France.

(a) Cement: capital expenditure amounting to a total of 275 million euros, of which 209 million euros in industrial capital expenditure

- **France**: In Montalieu, the investments started in previous years were complete, with in particular the start up of the new vertical cement mill in August 2008, enabling the cement capacity of the plant to be increased and greater energy efficiency to be achieved.

- **Egypt**: The construction of the second firing line at the El Arish plant proceeded on schedule, with start up of the kiln in June 2008, enabling clinker production capacity to be doubled to 10,000 tonnes per day. This was followed in August 2008 by the start up of the cement mill, which produced over 350,000 tonnes of cement in the final months of the year, enabling the Sinai Cement Company to respond to the strong growth in demand on the local market.

- **Senegal**: Work carried out in 2006 and 2007 (new bagging unit, new cement filler storage and dosing facility, construction of a vertical cement mill) were completed during the year, enabling an increase in milling and shipping capacity with effect from October 2008. In addition, the construction of a new kiln line continued on schedule in 2008.

- **Switzerland**: Infrastructure work at the Reuchenette plant to increase cement capacity, initially scheduled for 2010, was started in response to growing market demand.

- **Turkey**: Completion of payments in relation to the program to increase capacity at Bastas and Konya, on stream at the end of 2007.

- **Kazakhstan**: Start of construction of the greenfield plant. The amount entered in the 2008 accounts relates to infrastructure work carried out (rail link, water and electricity supply), advance payments on equipment and the start of civil engineering work.

(b) Concrete & Aggregates: capital expenditure amounting to a total of 162 million euros, of which 150 million euros in industrial capital expenditure

- **France**: In addition to the construction of two new cement batching plants in Ile-de-France, maintenance work was carried out on the batching plants and investments were made in vehicles.

- **Switzerland**: The renovation of the Saint Ours cement batching plant was completed. Modernization work continued at the Emme Kies und Beon site and the new ready-mixed concrete plant at Loveresse came on stream in the third quarter of 2008.

- **United States**: The Group acquired the Walker group, based in the Atlanta region. The Walker group specializes in the production of ready-mixed concrete and has 14 concrete batching plants. This transaction is included in the industrial investments as the Group acquired the Walker group's industrial assets.

(c) Other Products & Services

Capital expenditure amounted to 28 million euros, including 24 million euros in industrial investments, relating to the transport business in France and the concrete precasting business in Switzerland.

5.2.1.3. Investments made in 2007

The total amount of industrial investments made in 2007 was 311 million euros. These are shown below for each of the Group's main businesses. Financial investments totaled almost 153 million euros in 2007 and correspond in particular to the acquisition of 60% of the shares in Anys Invest LLP in Kazakhstan, the acquisition of the Swiss companies Desmeules Frères and Astrada and the increase of its shareholding in companies already consolidated in France and abroad, in particular Sinai Cement Company in Egypt.

(a) Cement: capital expenditure amounting to a total of 322 million euros, of which 241 million euros in industrial capital expenditure

- **France:** In Montalieu, the investments begun in 2005 and 2006 continued, with in particular the start up of a new vertical cement mill for milling raw meal and the new clay homogenisation and storage hall, enabling a daily capacity of 4,000 tonnes per day to be achieved at the end of 2007, while the replacement more than 40% of fossil fuels with alternative fuels continued.

- **Egypt:** The construction of the second firing line continued. The upstream sector of the plant, the crusher and reclaimer are in the technical acceptance phase and the construction of the firing line is in line with the planned timetable, with civil engineering finished and 60% of the mechanical construction completed.

- **Senegal:** In addition to the start up of the new electricity generation plant and new dust extraction equipment, a new 10,000 tonne cement silo was commissioned at the end of 2007 enabling a doubling of the plant's storage capacity. In addition, the work started in 2006 (new bagging unit, new cement filler storage and dosing facility, construction of a vertical cement mill and a new firing line) continued in 2007.

- **Switzerland:** The electrical renovation program for the plant continued and the new waste water storage unit was commissioned, allowing its "combustion" in the kiln.

- **Turkey:** Two major investment projects were carried out in Turkey in 2007.

In Bastas, the new firing line with a new coal mill was commissioned, while in Konya the cement milling capacity of the plant was increased with the start up of the new Horomill cement mill, which will enable a reduction in electricity consumption.

- **United States:** Two powder and liquid alternative fuel handling units were built and commissioned in Ragland. The opening of new quarries on both sites has continued.

(b) Concrete & Aggregates: capital expenditure amounting to a total of 101 million euros, of which 49 million euros in industrial capital expenditure

The investments were mainly made in renovation and installation of batching plants and aggregate plants in France and Switzerland.

(c) Other Products & Services

The capital expenditure amounted 42 million euros, including 22 million euros in industrial investments, relating to the bagging and construction chemicals businesses in France and to the prefabrication business in Switzerland.

5.2.2. Principal investments in progress and in planning

In the current depressed economic environment, the Group is determined to pursue its growth strategy prudently by building on the benefits of the "Performance 2010" plan. The greenfield projects in Kazakhstan and India are continuing. In this context, the total amount of capital expenditure expected for 2010 is around 220 million euros. The main projects are as follows:

- **France**: The investments planned in 2010 mainly concern the environment and safety.

- **Turkey:** The investments scheduled are focused on reducing costs through greater use of alternative fuels, a reduction in internal handling and energy recovery, as well as safety and environmental improvements.

- **Switzerland:** A further investment is in progress upstream of the kiln in order to optimize capacity, particularly during winter periods. Cement storage capacity will be increased to increase shipments.

- **Egypt:** Further to the increase of the plant capacity in 2008, the construction of a new cement mill was launched in April 2009. The project is progressing in accordance with the initial schedule for start up in the first half of 2010. This will bring the capacity of the plant to 4 million tonnes of cement a year.

- **Senegal:** 2010 will see the completion of the factory extension project with a clinker storage shed being brought into service.

- **Mali:** Start of the construction of a cement mill with a capacity of 400,000 tonnes of cement a year in the Bamako region.

- **Kazakhstan:** The Group is completing the construction of a greenfield plant in Mynaral, near Lake Balkash. This plant, which will have a 1.1 million tonnes cement capacity, is being built by China Triumph Engineering under a turnkey agreement concluded in August 2007. It will use recent and proven cement manufacturing techniques (vertical raw meal mill, 5 stage pre-heating tower, bag filters, covered clinker storage, etc.). Plant construction will continue during the year for start up in the second half of 2010.

- **India:** Through the joint venture company "Vicat Sagar Cement" established in June 2008 with its Indian partner Sagar Cements, the Group plans the construction of a greenfield plant with an annual cement capacity of 5.5 million tonnes in the State of Karnataka, subject to obtaining the required authorizations. The studies carried out in 2009 and the purchasing negotiations for the principal items of equipment will enable the Group to start work on the first production line, with associated infrastructure, in 2010, aiming at operational start up in 2012 (See also Sections 6.3.1.7.(j) "Description of the businesses and introduction to the markets", and 12.2.3. "Industrial investments").

6

BUSINESS OVERVIEW

The Group's three businesses are :

- Cement ;
- Ready-mixed concrete and Aggregates ;
- Other Products & Services.

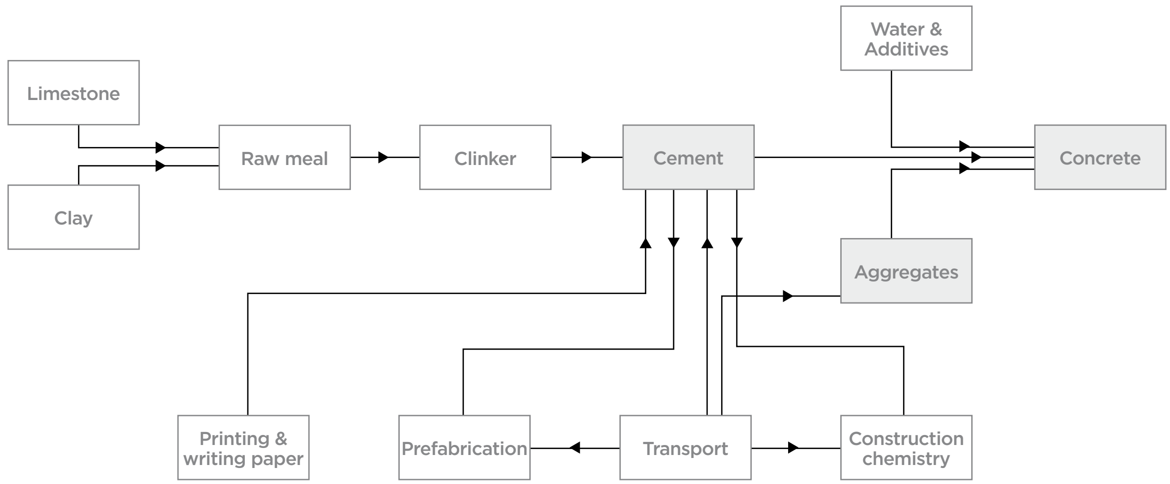
The Group has developed around the manufacture and sale of cement, a business it undertakes in all the countries where it operates. The Group then integrates vertically downstream in the cement industry in businesses such as Ready-mixed concrete and Aggregates. Together, these three activities comprise the Group's core business, on which it focuses its development.

In addition, the Group operates complementary activities in certain countries, such as transport, construction chemicals, paper production and pre-casted concrete products.

The Group is based in eleven countries across Europe, North America, Asia, Africa and the Middle East.

6.1. OVERVIEW OF THE GROUP'S BUSINESSES

The following diagram shows the physical flow of production and the integration of the Group's activities.



Cement — The Group's main businesses [Cement, Concrete & Aggregates]

Printing & writing paper — The Group's complementary businesses [Other Products & Services]

Cement : cement is a hydraulic binder which forms a part of the composition of concrete; its raw materials are limestone and clay. In contact with water, the cement silicates and aluminates reorganize and form a crystalline structure, which gives the strength to concrete.

Ready-mixed concrete : concrete is obtained by mixing cement, aggregates, water and additives. Depending on the work for which it is intended and the environment to which it will be exposed, concrete is mixed, dosed and used specifically to meet precise quality and performance criteria.

Aggregates : aggregates are sands and natural gravels used in the construction of civil engineering works, public works and buildings. A significant quantity of these aggregates is used in the manufacture of concrete, with the remainder being intended for highway construction.

Other Products & Services : the Group also operates in activities complementary to its three main businesses, which enables it to develop synergies, optimize costs and improve customer service. These activities are transport, construction chemicals, production of paper and paper bags and prefabricated concrete products.

As at December 31, 2009, the Group employed 6,669 people worldwide, and recorded nearly 55.5% of its sales outside France.

Consolidated sales allocated by business

	2009		Change	2008		2007	
	millions of euros	%	2009/2008	millions of euros	%	millions of euros	%
Cement	950	50.1	+ 2.3 %	929	45.2	929	43.5
Concrete & Aggregates	696	36.7	- 17.7 %	845	41.1	914	42.8
Other Products & Services	250	13.2	- 11.5 %	283	13.7	293	13.7
Total	**1,896**	**100**	**- 7.8 %**	**2,057**	**100**	**2,136**	**100**

The share of the Group's core businesses that Cement, Concrete and Aggregates represent remained stable in 2009 at more than 86% of consolidated sales, with the cement business taking an increasing share to account for over 50% of consolidated sales.

Consolidated sales allocated by geographic area

	2009		Change	2008		2007	
	millions of euros	%	2009/2008	millions of euros	%	millions of euros	%
France	809	42.7	- 17.0 %	974	47.3	988	46.2
Europe (except France)	328	17.3	+ 3.2 %	318	15.5	314	14.7
United States	187	9.8	- 30.3 %	268	13.0	364	17.1
Turkey	141	7.4	- 13.1 %	162	7.9	194	9.1
Africa, Middle East, Others	432	22.8	+ 28.8 %	335	16.3	276	12.9
Total	**1 896**	**100.0**	**- 7.8 %**	**2 057**	**100.0**	**2 136**	**100.0**

The share of consolidated sales made in France fell noticeably, in a depressed macro-economic environment, affecting in particular apartment block construction, and particularly unfavorable climatic conditions in the first and fourth quarters. Business in the United States remained seriously affected by the macro-economic climate, once again reducing the share of consolidated sales realized there.

The share of the Africa/Middle East and Others area is increasing strongly, moving from 16.3% in 2008 to 22.7% in 2009 due to strong growth in these markets and to a full year of operation of new production capacity in the Sinai Cement plant in Egypt, new Sococim facilities coming on stream in Senegal and consolidation of operations in Mauritania over 12 months in 2009, as opposed to 3 months in 2008.

6.2. GROUP STRENGTHS AND STRATEGY

Over a period of more than 150 years, the Group has developed an expertise in the Cement, Concrete and Aggregates businesses which have allowed the Group to establish its position as a regional leader in most markets in which it operates. The Group occupies, alongside other larger multinational companies, a specific position among multi-regional leading players.

The Group focuses on its core business, Cement, in which it has an acknowledged historical expertise, and expands into the ready-mixed concrete and aggregates markets by vertical integration, in order to ensure its access to the cement consumption markets. It also benefits from synergies with complementary activities, carried out in certain markets, to consolidate its product range and reinforce its regional positioning (for example the prefabrication business in Switzerland or transport in France).

The Group favors controlled development in its various businesses, balancing a dynamic internal growth, sustained by industrial investment to meet market demand, with a selective external growth policy to approach new markets having an attractive growth potential or to accelerate its vertical integration.

6.2.1. The Group's strengths

Over the years, the Group has developed an acknowledged expertise in its main businesses, with a multi-location approach which has led it to build strong regional positions and to distribute its activities in a balanced way.

The Group's principal strengths can be summarized as follows :

- industrial and commercial expertise in the Group's core businesses;
- long-term strategy, ensured by family shareholding and management, the family having managed the Group over the past 150 years and having in-depth experience of the businesses;
- diversified geographical presence with strong regional positions;
- stable industrial policy prioritizing long-term management of geological reserves as well as maintaining a modern, high-performance industrial base;
- a solid financial structure with high levels of profitability in recent years, enabling the Group, as has been the practice in the past, to finance its growth

objectives from its own resources, thereby supporting the creation of value for shareholders.

These strengths allow the Group to respond to strong competitive pressure in certain of its markets and to position itself effectively on markets experiencing sustained growth by rapidly increasing its industrial production capacities or by acquisitions while at the same time pursuing its dual objective of improving its operating margins and actively managing the environmental aspects of its operations.

6.2.2. Development strategy by business

6.2.2.1. Cement

Cement is the Group's main business, forming the base of its development and profitability. Growth in this business rests on three pillars :

- dynamic internal growth ;
- external growth targeting markets with high development potential and construction of greenfield sites.

(a) Internal growth sustained by industrial investment

In the markets where it operates, the Group maintains a constant industrial investment effort intended to do the following :

- first, to modernize its production facilities to improve efficiency and economic performance of its factories and thus have the industrial capacity to respond to intense competition ;
- second, to increase its production capacity to keep in step with its markets and to consolidate or increase its positions as regional leader.

The Group embarked in 2006 on investments which enabled it to increase its production capacity by 50% while improving the productivity of its industrial equipment (the Group's investments are shown in detail in Section 5.2. "Investments" of this Registration Document) :

- in **France**, increasing the capacity of the Montalieu factory between 2005 and 2008 ;
- in **Turkey**, construction of a new kiln for the Bastas factory, close to Ankara, which was commissioned at year end 2007, to meet demand growth in the Turkish market ;
- in **Egypt**, during the second half of 2008, doubling the production capacity of the factory to allow Sinai Cement to respond to the strong growth of the domestic market ;
- in **Senegal**, large investment project from 2006 to 2009 intended both to reduce production costs for Sococim Industries and to increase its capacity to meet the needs of West African markets. A new firing line was brought on stream in October 2009 ;
- in **Switzerland**, accelerating investments to meet strong demand because of clinker under-capacity at the Reuchenette cement factory. Therefore, the increase in capacity of 200,000 tonnes of cement per year, which was initially planned for year-end 2010, was brought forward to the end of the first half of 2009 ;
- in the **United States**, delaying the investments planned for the South East region to take the current depressed market situation into account.

The Group also wants to continue the industrial development of its businesses in general, and of its Cement business in particular, while also actively managing environmental aspects.

(b) External growth

- **Acquisitions targeting new markets with considerable potential**

The Group's strategy is to continue the industrial development of its businesses in general, and of its Cement business in particular, while also actively managing environmental aspects :

- location near a significant market having attractive growth potential ;
- long-term management of geological reserves (objective of 100 years for cement) and securing its operating licenses ;
- net contribution by the project to the Group's results in the short term.

The Group's record of growth over the past 30 years illustrates the success of this policy to date.

- **Construction of "greenfield sites"**

As was achieved in Kazakhstan in 2007, the Group may also seize opportunities to enter new developing markets by constructing new factories on so-called "greenfield sites". Such projects are examined very selectively and must comply with the Group's above mentioned external growth criteria.

In this connection, the Group is engaged in the construction of a factory at the Mynaral site in Kazakhstan, scheduled to come on stream at the end of 2010, and is building a plant in the State of Karnataka, India, where start-up is scheduled for 2012.

6.2.2.2. Ready-mixed concrete

The Group is developing its Ready-mixed concrete business to reinforce its cement manufacturing business. This development strategy is in line with the maturity of the relevant markets and their integration in the Group's concrete production.

The Group's objective is to create a network of Ready-mixed concrete batching plants around cement factories and close to its consumption markets, whether by constructing new plants or acquiring existing producers.

The Group's objective in investing in this business is vertical integration while prioritizing the flexibility and mobility of its industrial equipment and ensuring the profitability of the business.

The Group's development in France, Switzerland, Turkey and the United States illustrates this strategy. In other markets such as Egypt or Senegal, the Group's strategy is to follow the evolution of these markets so as to develop its activities once demand for Ready-mixed concrete is sufficiently high.

6.2.2.3. Aggregates

The Group's presence in the Aggregates business is intended to provide a total response to its clients' demand for construction materials and to secure the aggregates resources necessary to develop the Ready-mixed concrete activity. Development in this business relies on industrial acquisitions and investments intended to increase the capacity of existing installations and to open new quarries and installations.

Investments in this business takes into account the following criteria :

- proximity to the final markets and the Group's concrete batching plants ;
- management of significant geological reserves (objective of more than 30 years) ;
- profitability specific to this business.

This development plan has been implemented successfully in France, Switzerland, Turkey and Senegal.

6.2.3. Geographical development strategy

The Group is established in eleven countries and currently operates in nine countries. It records 44.5% of its sales in France, 15.7% in Europe (excluding France), 9.8% in the United States and 30% in emerging markets (mainly Egypt, Mali, Mauritania, Senegal and Turkey).

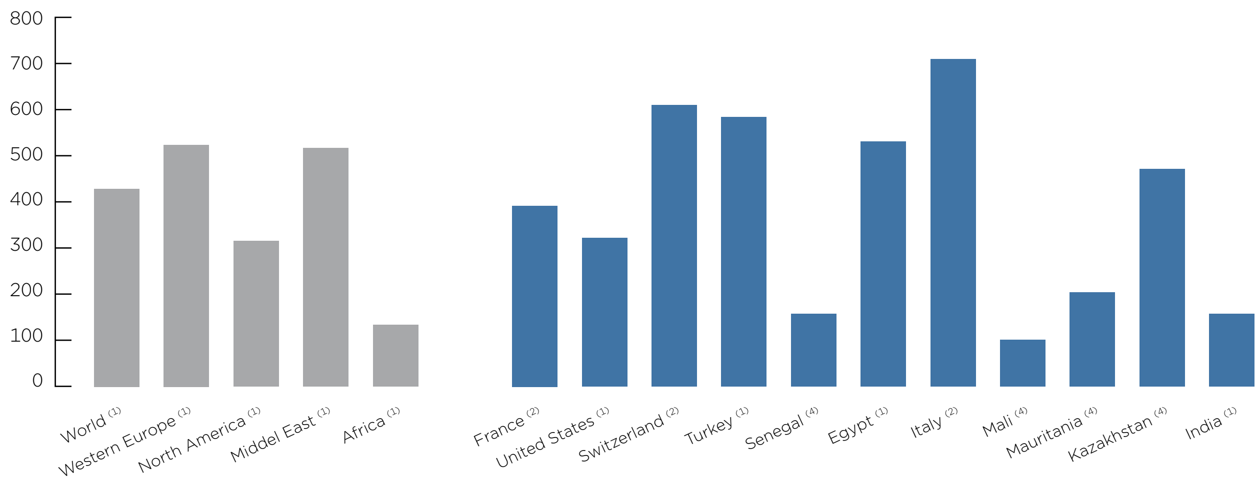
The Group's strategy is to combine investments in developed countries, which generate more regular cash flows, with investments in emerging markets offering significant growth opportunities in the longer term, but which remain subject to more significant market fluctuations, and thereby contribute to a diversification of its geographical exposure. In this context, the Group has a particular interest in development projects in emerging market countries. 2009 was marked by further progress in establishing the Group in India, in accordance with the geographic development strategy in place.

In the markets where it operates, the Group aims to develop strong regional positions around its industrial Cement production facilities, while also consolidating its position through its Ready-mixed concrete and Aggregates businesses. Where the Group has entered a market through acquisition of a local producer, it lends its financial strength and its industrial and commercial expertise to optimize the economic performance of the acquired entity while capitalizing on the local identity of the acquired brands.

6.3. DESCRIPTION OF THE BUSINESSES AND INTRODUCTION TO THE MARKETS

Generally, the dynamism of the construction materials industry in a given market depends primarily on the demographic development of the population, economic growth and evolution of its urban development rate. In addition, the architectural culture and local construction practices have a great influence on the choice of construction materials, which mainly include concrete, wood and steel. This choice is also guided by the availability and the price of each of these materials locally.

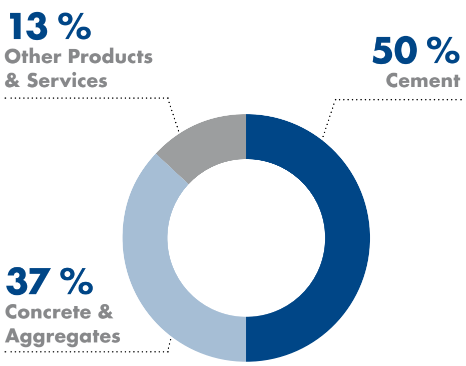
Annual cement consumption per capita in 2008 in kg



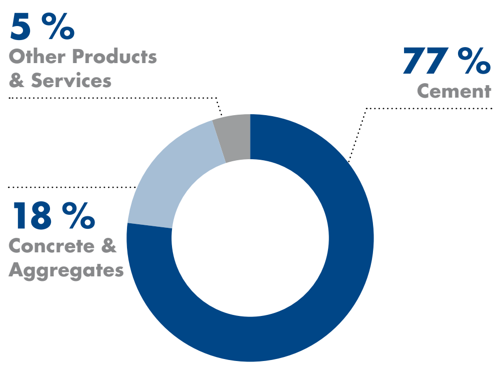
The selling price of cement, which is the Group's principal product, is determined primarily by availability and ease of extraction of its component raw materials, by the cost of thermal and electrical energy, and by the availability of qualified personnel to maintain the production facilities. The existence of surplus production capacity increases competitive intensity and influences prices.

The distributions of the Group's consolidated sales and EBITDA[5] by business in 2009 were as follows :

Consolidated sales by business in 2009



EBITDA by business in 2009



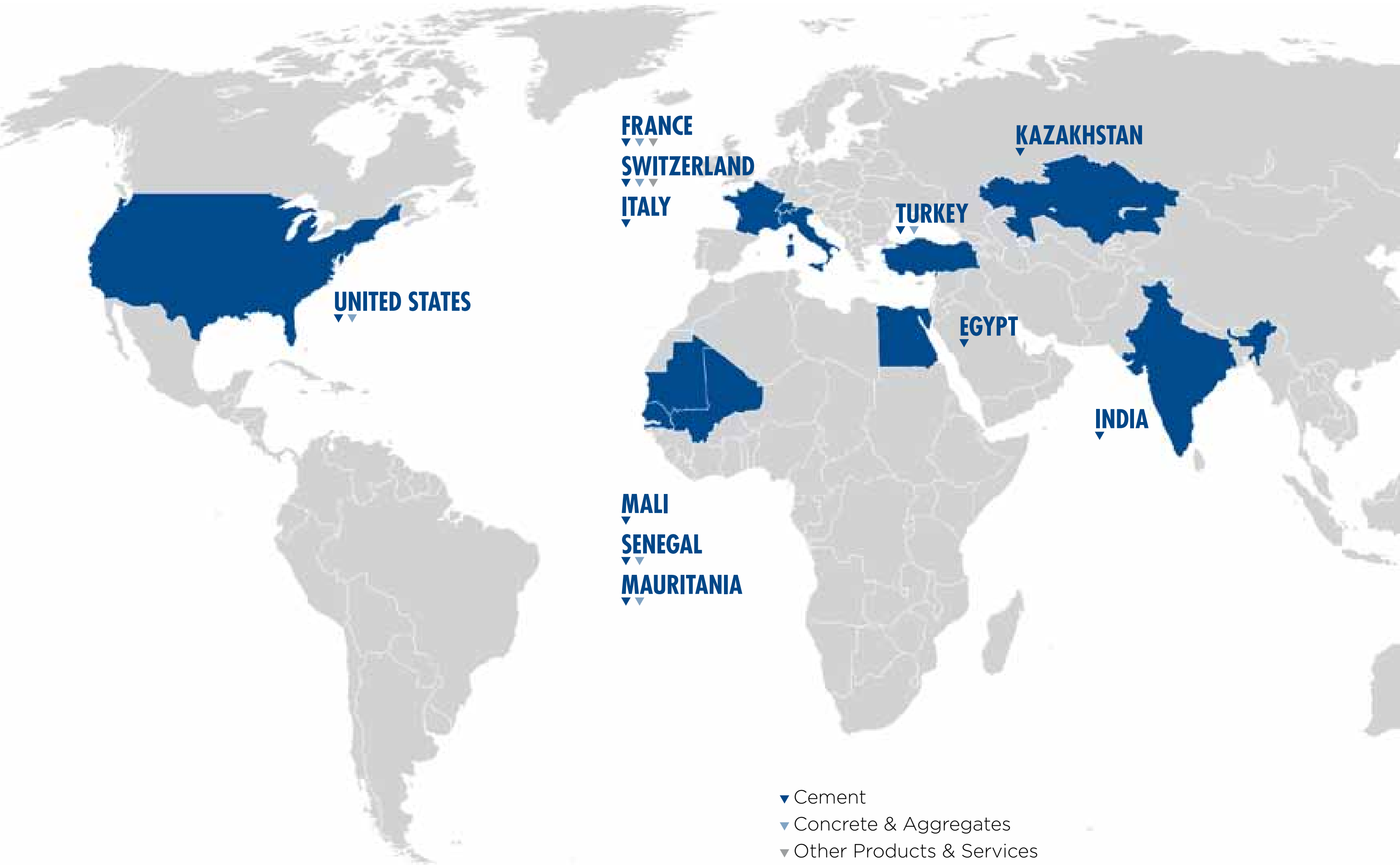
(1) Sources: "Building Materials" J.P. Morgan, September 2009; CIA, The World Factbook.
(2) Source: Cembureau, 2009.
(3) Source: USGS, 2009.
(4) Internal source.
(5) Earnings Before Interest, Taxes, Depreciation and Amortization is calculated by adding the gross operating margin and other operating expenses and income. EBITDA is not an aggregate defined by accounting principles. Since EBITDA is calculated differently from one company to another, the data provided in this Registration Document relating to the Group's EBITDA might not be comparable to EBITDA data from other companies.

The Group organizes its teams by business segment in order to manage each of its activities more effectively. This organization was driven by the fact that the Cement business, on the one hand, and the Concrete & Aggregates businesses, on the other hand, are based on different economic models and serve different customers. Accordingly, the Group manages its activities and allocates its resources by business segment in all the markets where it operates. Nonetheless, the capital-intensive nature of this industry often leads the Group to coordinate its businesses by market, in order to improve the overall efficiency of its organization.

6.3.1. Cement

Cement manufacture has been the Group's core business since the Company's foundation in 1853. Cement is a fine mineral powder and is the principal component of concrete, to which it confers a certain number of properties, in particular, its strength. It is a high quality and economic construction material used in construction projects worldwide.

As at December 31, 2009, the Group's worldwide Cement business comprised 12 cement factories and four clinker grinding plants. In France, the Group also operates two factories specializing in natural fast-setting cement. The Group's cement sales volumes in 2009 (before intra-group eliminations) amounted to approximately 14.5 million tonnes. In 2009, this



segment accounted for over 50% of the Group's consolidated sales (45.2% in 2008, 43.4% in 2007 and 41.5% in 2006), and approximately 77% of the Group's EBITDA (73.5% in 2008, 69.9% in 2007 and 66.8% in 2006).

6.3.1.1. Products

The Group manufactures and markets various categories of cement, which are classified according to the chemical composition of their constituting raw materials, the addition of supplementary ingredients at the grinding stage and the smoothness of the product. Each cement range is appropriate for specific applications such as housing construction, civil engineering works, underground works or the production of concretes subject to corrosive conditions.

The distribution between each type of application on a given market depends on the maturity and the construction practices of the country. The Group's cement factories manufacture conventional cements as well as cements for specific applications. In both cases, these cements are certified as compliant with the standards currently in force in the various countries in which the Group operates, both in terms of composition and of designation. The principal cement categories produced by the Group are set out and classified below according to French standards :

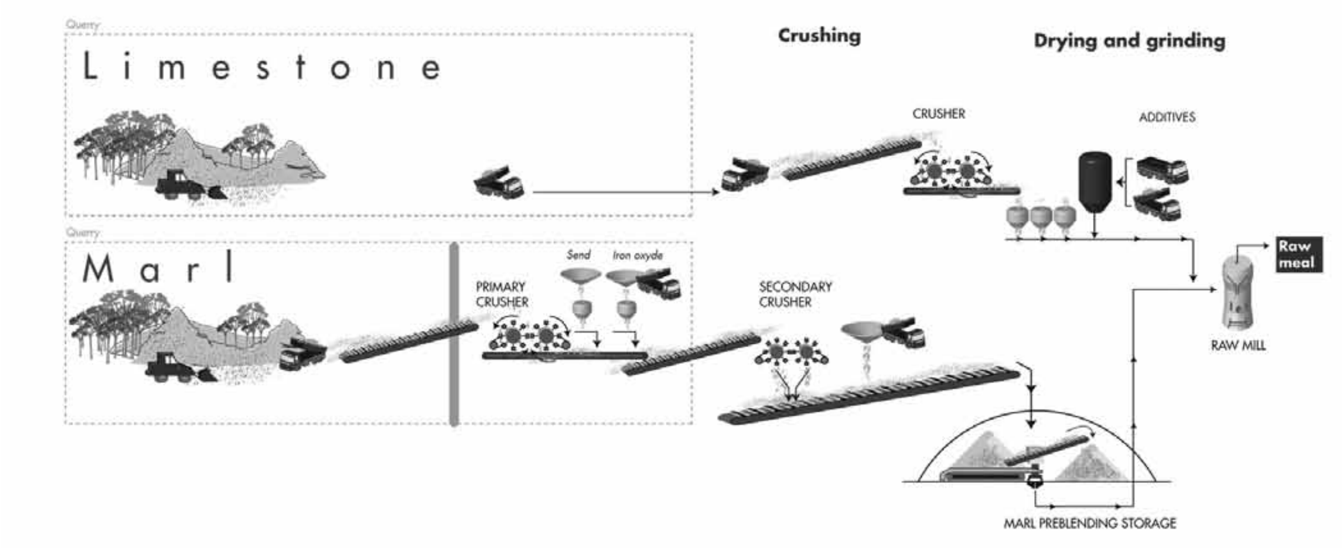
- CEM I (Portland cements) and CEM II (composite Portland cements) : cements most commonly used in the housing construction industry, to produce conventional reinforced concrete works ;
- CEM III (blast furnace cements) and CEM V (slag cements) : conventional cements, with few heat releasing properties during hydration and with low sulfate content, used in underground work in corrosive conditions or in work by marine environments ;
- CEM IV (pozzolanic cements) : conventional cements using mineral products of volcanic origin with hydraulic properties. The Group manufactures and sells this type of cement only in Italy ;
- natural quick-setting cement : special quick-hardening cement, whose strength, immediately superior, increases gradually as time passes. For 150 years, the Group has produced its quick-setting cement from a natural alpine stone, with an exceptional performance offering an immediate and high strength as well as little shrinkage. This cement is used for sealing blocks or waterways, and for façade renovations.

All these cements are checked regularly and thoroughly at each stage of the manufacturing process, thus guaranteeing compliance of the finished product with current standards. In addition, the Group conducts research and development programs on its products and their applications, advancing the knowledge of these products and optimizing their use (see Section 11. "Research and development, patents and licenses" of this Registration Document).

6.3.1.2. Manufacturing methods

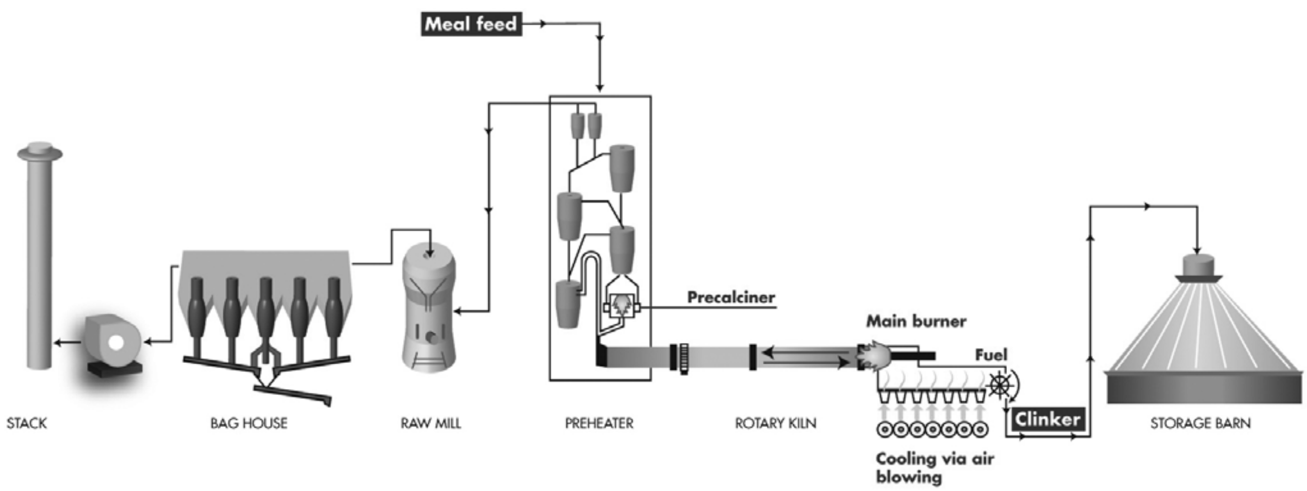
Cement manufacture proceeds mainly in four stages :

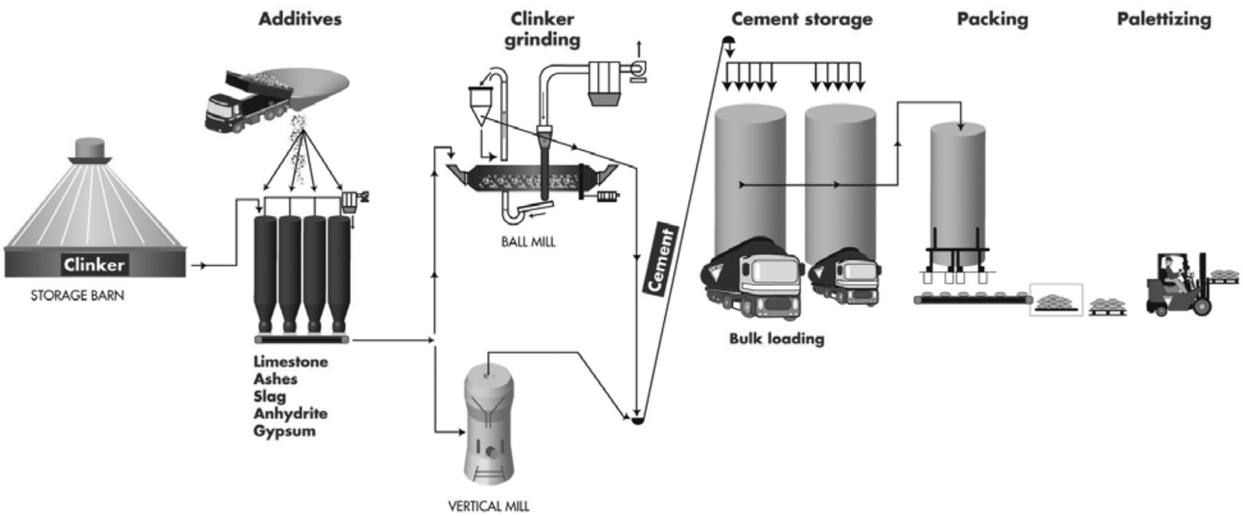
- **Extraction of the raw materials** : limestone and clay are extracted from quarries generally located near the cement factory. The rock is blasted out with explosives. The rocks and blocks obtained are then transported to crushers, in order to reduce their size and obtain stones less than 6 cm in diameter.
- **Preparing the raw meal** : the materials extracted from the quarries (limestone and clay) are finely crushed until rock flours are obtained. These flours are then mixed in fixed proportions (approximately 80% limestone and 20% clay) before being fed into the kiln. The chemical composition and the homogeneity of the material on entry to the kiln, and its regularity in time, are fundamental elements in controlling the production process.



• **The kiln system** includes a heat exchanger cyclone tower, where the raw meal is introduced after being heated by the exhaust fumes of the revolving kiln (precalcination phase). The raw meal undergoes complex chemical reactions during this firing: first, limestone is decarbonated under the action of heat at a temperature bordering 900°C and is converted into lime, while clays are broken down into silicates and aluminates. The unit then recombines these at a temperature of approximately 1,450°C into lime silicates and aluminates. This chemical process creates a semi-finished product called clinker, which has the properties of a hydraulic binder. This firing takes place in tilted revolving kilns lined with refractory bricks.

There is a large global trade in clinker, the semi-finished product. As this product is easier to transport and store, clinker transfers from areas with excess capacity to areas with under-capacity or to areas not having the mineral resources necessary for cement manufacture have been developing over the past few years. This reduces the volume of the transported product compared to cement thereby lowering logistics costs. Once it has reached the consumption market, clinker is delivered to grinding plants, which complete the cement manufacturing process up to packaging and distribution. This method is used in Italy in particular, as discussed below.





- At the final stage, clinker is ground very finely and limestone filler and gypsum are then added to obtain artificial cement which can be sold in bags or in bulk. Gypsum and limestone filler are added in order to control the cement setting time. Furthermore, in countries subject to European regulations, the Group is reducing the Chrome VI content of clinker by adding iron sulfate, and has implemented a quality-control procedure to ensure the conformity of delivered products to these regulations. Depending on the quality of the cement .

There are three types of cement manufacturing processes, each characterized by the specific treatment of the raw materials before their firing, namely: the dry, semi-dry/semi-wet and wet processes. The technology used depends on the source of the raw materials. The source and nature of the clay or limestone, together with the water content, are particularly important. In recent decades, the European cement industry has invested heavily in the planned transfer from the wet to the dry process, which consumes less energy, when raw material resources permit this. Of the Group's 17 kilns currently in service, 16 are dry process kilns. In addition, the two kilns on order or being installed are also dry process.

The cement-manufacturing process is very energy-intensive, both electrically and thermally. Electricity is used for transporting the materials inside the factories for the crushing and grinding operations, while thermal energy is consumed mainly when firing the clinker. The cost of energy accounts for approximately 40% of the average ex-works cement cost price for the industry[1] and is the primary expense item (this percentage being lower for the Group). In 2008, fuels therefore represented an expense of approximately 95 million euros, and electricity 90 million euros for the entire Group. The Group allocates a significant part of its industrial investments to the improvement of its energy productivity.

The Group optimizes its energy requirements by using waste as fuels to replace fossil fuels (coal, gas and oil). Their combustion in a clinker kiln makes it possible to recover and recycle released energy. All the Group's French factories have obtained agreement from the inspecting authorities to use non-hazardous industrial waste or eco-centre waste (tires, animal flours, industrial oils, etc.) as fuel. The Group gives priority to multi-fuel factories capable of switching between different kinds of fuels according to fuel price. In 2009, the share of alternative fuels in the Group's cement manufacturing business was on average 13.6%, with significant disparities (from 0% to 70%) depending on the availability of fuels in the operating countries.

The Group also uses clinker replacement materials produced by other industrial processes, such as fly ash (coming from the burning of coal in power plants) or blast furnace slags (which are a by-product from steel works). Their use in defined proportions can improve certain properties of the cement and reduce the amount of clinker and thus the amount of fossil fuel needed for its manufacture.

[1] Source: Cembureau

6.3.1.3. Production equipment

The Group's cement factories, their industrial equipment and the fixed quarries are owned on a freehold basis. The marl and limestone quarries used by the Group for its cement manufacturing business are generally located on land owned by the Group. Where this is not the case, the Group has entered into mining rights agreements, whereby the Group is entitled to use the quarries on a long-term basis (generally over several decades). The table below shows the Group's industrial and logistics system for its cement-manufacturing business:

(in units)	Cement factories	Grinding plants	Kilns	New kilns*	Cement terminals
France	5	2	5	-	4
United States	2	-	2	-	5
Switzerland	1	-	1	-	-
Turkey	2	-	4	-	-
Senegal	1	-	3	-	4
Egypt	1	-	2	-	-
Italy	-	1	-	-	2
Mali	-	-	-	-	1
Kazakhstan	1*	-	-	1*	-
India	1*	-	-	1*	-
Mauritania	-	1	-	-	-
Total	**14**	**4**	**17**	**2**	**16**

*Kilns under construction or ordered.

A description of the industrial equipment and the Group's industrial policy are detailed below in Section 8. "Real estate, factories and equipment" of this Registration Document.

6.3.1.4. Establishments

The Group manufactures cement in the eleven countries where it is present. The Group is the third largest cement manufacturer in France [1], with strong positions in the eastern half of France and particularly in the south-eastern quarter.

Starting in 1974, the Group approached its international development selectively, by choosing its new geographical establishments alternatively on mature and emerging markets. The Group has thus established operations on four continents and developed its positions to become a key regional player in each country.

The Group has developed strong positions in the United States in the States of Alabama and California, in Switzerland in the western half of the country, in Central Anatolia in Turkey and in Egypt in the Sinai region and in Cairo. The Group also estimates that it has a leading position in Senegal and the countries bordering it. The Group also has a grinding plant and shipping terminals in Italy. Finally, establishing facilities recently in Kazakhstan, in India in the State of Karnataka and in Mauritania confirms the Group's geographic diversification, its international dimension as well as its integration strategy.

6.3.1.5. Competitive position

The cement being a heavy product, expensive to transport, the operating range of most cement factories does not generally exceed 300 kilometers by road. Competition thus plays out mainly with cement manufacturers having factories in the Group's marketing zones. However, cement can be shipped at low cost over long distances by boat or in some countries by rail, which increases considerably the operating range of cement factories which enjoy a sea or river access. In particular, this is the case with the Group's Egyptian factory, located close to the port of El Arish, which would allow it to export to other countries in the Middle East and to Europe.

Worldwide, the cement manufacturing industry remains very fragmented. In 2008, the world leader held approximately a 5.4% market share on a global scale [2]. The Group is thus in competition both

(1) Source: "Building Materials", J.P. Morgan, September 2009.

(2) Source: "Building Materials", J.P. Morgan, September 2009.

with national cement manufacturers such as Oyak in Turkey or Ciments du Sahel in Senegal and with multinational cement manufacturers such as Lafarge (France), Cemex (Mexico), Holcim (Switzerland), HeidelbergCement (Germany) or Italcementi (Italy), which operate in a number of the Group's markets.

6.3.1.6. Customers

The profiles of customers are similar in most areas in the world where the Group is established. The Group sells either to general contractors, such as concrete mixers, manufacturers of prefabricated concrete elements, contractors in the construction and public works sector, local authorities, residential property developers or master masons, or to intermediaries such as construction material wholesalers or supermarket chains. The relative weight of one type of customer, however, can vary significantly from one country of operation to another according to the maturity of the market and local construction practices.

In addition, cement is marketed either in bulk or in bags. According to the level of development of each operating country, the packaging mix (bulk/bag) and the mix of customer types can vary significantly. Accordingly, as the ready-mixed concrete system is strongly developed in the United States, the Group primarily sells its cement in bulk and mostly to concrete mixers. Conversely, Senegal does not yet have a ready-mixed concrete network and the Group sells its cement primarily in bags to wholesalers and to retailers.

6.3.1.7. Overview of the cement markets

The Group has 12 cement factories spread over six countries, as well as four cement grinding plants established in three countries. The table below summarizes the cement volumes sold by country :

(in millions of tonnes)*	2009	2008	2007
France	3,218	3,771	3,904
United States	1,271	1,766	2,127
Switzerland	754	715	724
Turkey	3,087	3,160	2,969
Senegal/Mali/ Mauritania	2,260	1,969	1,939
Egypt	3,493	2,370	1,983
Italy	424	474	509
Total	**14,507**	**14,225**	**14,155**

*Volumes of cement, clinker and masonry cement.

Intra-group cement sales accounted for 16% of the Group's activity, with a significant disparity ranging from 0% to 33% depending on each operating country.

The various cement markets are discussed below, together with their size and their development over the last five years. Price changes are covered in Section 9. "Examination of the financial situation and results" of this Registration Document.

(a) France

The new build sector is down by 21.8% due to the decline in new housing and non-residential building construction[1]. The public works sector declined by 7.5%, with this fall leveling off in the final months of the year. Orders received in the final months were up by comparison with the same period in 2008, signaling the first effects of the government's economic stimulus plan.

Historic birthplace of the Group, the French cement market is mature, with consumption of 20.4 million tonnes in 2009[2]. Consumption reached approximately 386 kg of cement per capita in 2008[3].

Since 2004, owing to the drop in consumption over the last two years, sales volumes have fallen by approximately 7% over five years[4], or an average annual decrease of 1.5% over the period. Between 2007 and 2009, French cement consumption showed an average annual decrease of 5.1%, owing to the decline in cement consumption which began in 2008 (-2.8%), accelerated in 2009 to end at -15.5%, against a difficult economic situation for the economy as a whole. Cement consumption is expected to fall further in 2010 by around 3 to 5%, taking into account the government's economic stimulus plan.

(1) Source: Commissariat Général au Développement Durable.
(2) Source: SFIC, 2009.
(3) Source: Cembureau (organization representing the European cement industry, comprising 26 members).
(4) Source: SFIC, 2009.

Cement is marketed in France in bulk or in bags :

- bulk, which represents approximately 78%[1] of consumption, is used by the manufacturers of ready-mixed concrete (55%) and of prefabricated concrete parts (17%) and by the public construction companies, which only account for 6% as direct supplies[2];
- bags, which account for approximately 22% of consumption in France, are distributed mainly via the trade and to a lesser extent through DIY stores to users, craftsmen, firms and private individuals[3].

The French cement industry is concentrated. Four groups account for approximately 97% of the market[4]: Lafarge, Ciments Français (Italcementi group), Vicat and Holcim. The Group is the third largest French cement manufacturer, with approximately 16% of the market share and cement production of 3.2 million tonnes in 2009.

The Group operates five artificial cement factories and two other factories where various products containing natural quick-setting cement are manufactured. Because of the geographical positioning of its sites, the Group is market leader in the south-east (three factories: Montalieu, Saint-Égrève and La Grave-de-Peille, and three depots: Lyon port Édouard-Herriot, Décines and Chambéry). Its two other factories in Auvergne (Créchy) and in Lorraine (Xeuilley) and the Chelles depot in Île-de-France allow the Group to supply the rest of the country. The Group's factories also have the advantage of being located near large cities: Nancy, Lyon, Grenoble, Clermont-Ferrand and Nice.

The Group also exports part of its artificial cement production:

(in thousands of tonnes)	2009	2008	Difference (%)
Domestic	2,824	3,414	- 17.3
Export	268	266	+ 0.8
Total	**3,093**	**3,680**	**- 16.0**

Export sales remained stable in 2009, in line with the pattern of development of the sector. The commercial department for France, based in L'Isle-d'Abeau, combines administration of sales, marketing, logistics and the advertising/specification department responsible for promoting innovative construction applications with the housing segment and the public works sector. Some fifty staff, spread across six regional departments, network the sales territory that is economically accessible from the Group's factories. Technical staff from the regional sales departments are responsible for answering questions from customers and prospective customers.

One of the strengths of the Group's cement business in France is its industrial equipment. This is because the Group maintains its production facilities at a high performance level by investing regularly in its industrial equipment. For example, modernization of the Montalieu factory in the preceding years has resulted in competitive production costs.

Production costs have been maintained at a satisfactory level by :

- giving priority to the most economic production facilities, with the poorest performing parts of the plant being temporarily mothballed;
- constant switching between energy sources depending on their overall financial impact ;
- strict control of operating costs.

(b) United States

Contraction in the construction business, which started in the housing market in 2007, spread to all construction markets in 2008 due to the increasing repercussions of the financial crisis, with the non-housing sector which had previously held its position, suffering in its turn a fall of some 19% over the course of 2009. The Federal economic stimulus plan has not, at this point, had any noticeable effect on the building and public works sector.

The American cement market, which reached more than 127 million tonnes in 2005 and 2006, has experienced average annual fall of approximately -11% since 2004 and -18.6% since 2006[5]. Domestic consumption is estimated at 71 million tonnes in 2009[6]. Annual consumption per capita fell to approximately 317 kg[7] per capita in 2008.

[1] [2] [3] Source: SFIC, 2008.
[4] Source: J.P. Morgan “Building Materials” study, September 2009.

[5] [6] Source: USGS, 2009.
[7] Source: J.P. Morgan “Building Materials” study, September 2009.

The following table sets forth cement consumption in the two regions of the United States where the Group is present[(1)]:

(in millions of tonnes)	2009	2008	Difference (%)
South-East	8.0	11.9	- 33.0
California	6.7	9.7	- 30.3
Total United States	**70.7**	**96.5**	**- 26.7**

With cement production in 2009 of around 70 million tonnes, the American cement industry supplies approximately 97% of national consumption, up significantly owing to the almost complete disappearance of imports[(2)].

In 2009, the cement consumption in the United States fell by 26.7% (after a drop of –15.5% in 2008 and -9.7% in 2007). While the reduction in imports absorbed the majority of the 2008 fall in consumption, the 2009 reduction mainly affected domestic production capacity.

The South-East, where the crisis was not felt until later in 2007, has suffered a bigger decline than the national average since 2008. Consumption in California also continues to fall at a sustained rate, though less rapidly than in the South-East.

Cement is very largely marketed in bulk on the American market :

- bulk accounts for approximately 95% of consumption: the first destination is the public sector, followed by the housing sector and finally by the non-residential private sector[(3)];
- bags account for the remaining 5% of consumption: this small percentage reveals the significant development of the ready-mixed concrete network in the United States[(4)].

The Group has operated in the United States since 1974 and carries out its cement manufacturing business through its subsidiary, National Cement Company (NCC), in two different regions :

- South-eastern region: the Ragland cement factory, located in Alabama, close to Birmingham, serves the south-east market of the United States: Alabama, Georgia, North Carolina, South Carolina, Tennessee and Mississippi;
- California: the Lebec cement factory, located north of Los Angeles, serves the central and southern Californian markets.

With an aggregate output from its two factories of 1.27 million tonnes of cement in 2009 (that is 0.61 million tonnes for Ragland and 0.66 million tonnes for Lebec), NCC is the eleventh largest American producer[(5)]. However, as these factories are more than 3,000 km apart, they operate on two independent markets.

The first five producing states were, in descending order, Texas, California, Missouri Pennsylvania and Michigan[(6)]. Together, these five states accounted for approximately 42% of the cement production in the United States. Similarly, the principal consuming states are Texas, California, Florida, Illinois and New York State. The Group's competitors in its two established markets in the United States are HeidelbergCement, Holcim, Lafarge, Cemex and Buzzi Unicem in the south-east region and Cemex, HeidelbergCement, CPC, Mitsubishi and TXI in California.

The sales figures for the Group in 2009 showed a drop of 28% compared to 2008. This drop, which concerns the two regions where the Group is established, is, however, less pronounced than the drop of the business activity in the respective markets.

The commercial structure includes a manager for each cement factory. This organization allows direct contact with local customers, as well as taking into account regional differences (between California and the South-East region) in terms of customer needs and consumption cycles. To increase its distribution capacities, NCC has a network of distribution points in the South-East served by rail, which enables it to access the Atlanta market and to widen its market radius to the Georgia and South Carolina markets by limiting transport costs.

In line with its industrial policy, the Group has invested regularly in its two American factories to improve their performance. As a result, the Lebec factory has benefited from large investments in recent years, which have allowed it to reduce its production costs significantly.

(1) (2) Source: USGS, 2009.
(3) (4) Internal source.
(5) Source: PCA, 2007.
(6) Source: USGS, 2009.

(c) Switzerland

Despite the global financial crisis, the construction sector remained dynamic in 2009, largely stimulated by SMEs in the house building sector. The public works sector also performed well, sustained by long-term infrastructure programs, such as the Bienne by-pass or the TransJura motorway.

The Swiss cement market has experienced average annual growth of approximately 1.1% since 2004 and relatively stability at a high level since 2006[(1)]. In 2009, Swiss cement consumption was estimated at 4.6 million tonnes[(2)]. The annual consumption per capita reached approximately 601 kg in 2008[(3)], a high level that is explained as much by the wealth of the country as by its large requirements for civil engineering works due to its alpine topography.

The Swiss cement market is primarily a bulk market (at 95%)[(4)]. This is explained both by the significant share of civil engineering works in the national consumption and by a very mature ready-mixed concrete network.

The principal producers on this market are Holcim, which has approximately two thirds of the Swiss market, JuraCim (CRH group) and Vigier, a Group subsidiary[(5)]. Holcim has a significant presence in the east of the country, whereas JuraCim and Vigier operate in the western part of the country.

In 2001, the Group acquired Vigier Holding AG, the holding company for 36 companies working in Cement, Ready-mixed concrete, Aggregates and Prefabrication of concrete products in Switzerland.

Through its subsidiary, Vigier, the Group is the third largest cement manufacturer in Switzerland[(6)] with approximately 16% of the market share in 2009[(7)] and a production of 0.75 million tonnes per year (up 5.5% compared to 2008). 2009 was marked by a difficult first half, owing to a severe winter, followed by a strong recovery in the second half, resulting for the year as a whole in a record level of business in a market which is growing slightly.

Vigier has a cement factory established in Reuchenette, near Bienne. Its natural market is thus the region of the plateaux with the axis Bienne-Solothurn, the region from Freiburg to Lausanne, Bern-Egenkingen and more to the south, the Bernese Oberland.

The Swiss authorities are committed to a number of major infrastructure projects, to which Vigier has brought its expertise. In this way, during the development of the new Swiss alpine railway line, Vigier provided cement, aggregates and concrete to the Lötschberg tunnel (34.6 km) site from 2003 to 2006. Vigier also provided materials for the Gothard tunnel construction and equipment.

The Group has a limited commercial structure for its Cement business in Switzerland as there is a distribution system through an intermediary. This type of distribution is specific to the Swiss market.

The Reuchenette cement factory has abundant reserves in quarries. This factory operates mainly with alternative fuels, which grants it a significant competitive advantage in terms of production cost.

(d) Turkey

For twenty years, the urbanization of Turkey, its demographic growth and the large migration of the rural population have sustained demand for housing and industrial construction, as well as infrastructure development. The construction and construction materials sectors are both in line with gross domestic product growth, which was 7.5% in 2005, 5.7% in 2006, 4.7% in 2007, 2% in 2008 and down 6.5% in 2009.

The construction sector, affected by the recession and faced with a sizeable stock of empty housing, contracted by more than 18% over the course of the year.

The Turkish cement market, which saw strong sustained growth up to 2007, declined in 2009 for the second successive year. Growth since 2004 has amounted to almost 25%, that is an annual average increase of 4.5%. In contrast, the last three years have seen an annual decline of 2.8% on average. Annual consumption is estimated at 38.3 million tonnes in 2009[(8)] (a decrease of over 5% compared to 2008). Cement consumption per capita was approximately 575 kg of cement per year in 2008[(9)]. These developments are highly differentiated depending upon the region, with the Marmara and Aegean regions falling sharply while the Mediterranean area remains stable.

[(1)] [(2)] Source: CEMSUISSE, 2009.
[(3)] Source: CEMBUREAU, 2008.
[(4)] Source: CEMSUISSE, 2008.
[(5)] [(6)] [(7)] [(8)] Internal source.
[(9)] Source: CEMBUREAU, 2008.

If the Turkish cement manufacturing sector remains largely fragmented, there seems, however, to be an incipient concentration with the emergence of multinational players (such as Vicat, HeidelbergCement, Italcementi and Cementir (Italy) and from Turkish groups of national stature (such as Oyak, Sabanci and Nuh). The principal cement consumption areas in Turkey are the urban areas of Marmara (Istanbul) and Central Anatolia (Ankara) and the tourist areas of the Mediterranean (Antalya) and the Aegean Sea. Between 2007 and 2009, approximately 15 million tonnes of new clinker production capacity were brought on stream. This increase in supply combined with the turnaround in the consumption trend created a highly competitive market situation. As a consequence, Turkish producers are very active on the export market, which increased by almost 35% to reach 12 million tonnes in the first 10 months of 2009.

The proportion of cement sold in bulk, which had increased strongly in recent years to reach 67% of national sales in 2007, fell slightly to 60.5% in 2009, taking into account the significant volumes exported in bags. The earthquake of 1999 led the Turkish authorities to strengthen building regulations, which has supported the development of the Ready-mixed concrete network and, consequently, cement sales in bulk.

The Group has been operating in Turkey since 1991 with the acquisition of Konya Cimento and, particularly with the acquisition of Bastas Baskent Cimento in 1994, has become a significant player with cement sales of more than 3.0 million tonnes in 2009, down 2.2% compared to 2008. The Group has two cement factories located respectively at Bastas (close to Ankara) and at Konya (seventh largest city in the country). The factory at Bastas serves the Ankara and Central Anatolia markets whereas the Konya plant serves southern Anatolia and the Mediterranean coast.

Both these cement factories have individual sales forces dedicated to their marketing area in order to be in direct contact with regional customers. In addition the Group took advantage of export development opportunities, in particular to Iraq, Syria and Libya.

The performance of the Group's cement business in Turkey has been boosted by significant production cost reductions and by significant investments in both cement factories. For example, a second Polysius kiln was installed in Konya in 2002. Similarly, the Bastas site benefited in 2007 from the start-up of a second Polysius kiln with a clinker capacity of 4,500 tonnes/day.

(e) Senegal and Mali

In the absence of official statistics, the Group estimates that the cement market in Senegal has shown an average annual growth of approximately 4.3% since 2004. The size of the market has doubled over the last ten years to reach an annual consumption of approximately 2.1 million tonnes in 2009 (1). Consumption per capita was nonetheless limited to approximately 155 kg of cement per year in 2008.

The market benefited from infrastructure projects financed by the Senegalese government and by international organizations and by foreign aid, such as the construction of a motorway between Dakar and Thiès, an urban transport plan for the city of Dakar, the construction of Ndiass airport and development projects for the port of Dakar. Market growth has also been sustained by the rise in the rate of urbanization and private construction, financed mainly by the repatriation of funds by Senegalese expatriates.

The Senegalese cement manufacturing industry, which benefits from access to rare resources of limestone in West Africa, also supplies the adjoining countries which do not have a domestic cement producer, forming the following sub-region: Mauritania, Guinea-Bissau, Guinea Conakry, and in particular, Mali and The Gambia (the Sub-Region). These exports are made by road, rail and sea. The most important destination is Mali, whose domestic consumption is estimated at nearly 1.45 million tonnes/year. Exports to Mali accounted for approximately 0.7 million tonnes in 2008 (2).

Cement is generally sold in bags on the Senegalese market (nearly 97%) (3), the country not yet having a Ready-mixed concrete network. The Group estimates that approximately 82% of cement sales are made through wholesalers and retailers, while the remaining 18% go to public construction firms for the construction of large road construction and in-

(1) Internal source.
(2) Internal source.
(3) Internal source.

frastructure projects, as well as, exceptionally, for the institutional investors who finance these major works.

The Group has operated in Senegal since 1999. It estimates its market share to be above 76% in 2009 and it exports to the Sub-Region. Its Senegalese subsidiary, Sococim Industries (Sococim), operates a factory at Rufisque, near Dakar, which was the first cement factory in the Sub-Region. Its sales amounted to nearly 2.2 million tonnes in 2009 (up 11% compared to 2008), of which 546,000 tonnes were for export. Despite the arrival of a competitor on this market in 2002, Sococim continues to represent more than two thirds of the market share since this date.

Sococim has opened five depots to provide better coverage of country and to develop a close relationship with its customers. The sales organization is structured by geographic area, with one department dedicated to export and another to the domestic market. The sales force has divided the territory into six distinct areas.

In 2006, the Group's subsidiary in Mali, Ciment et Matériaux du Mali (CMM), also opened a depot and a bagging plant in Bamako. This depot is supplied with cement from the Rufisque factory by rail and road. This new establishment allows the Group to penetrate the market in Mali more effectively. This market is in full expansion, with the realization of large infrastructure projects and public housing construction. Cement consumption in Mali is approximately 1.45 million tonnes, an increase of almost 5% compared to 2008, and the Group's total sales there represented more than 460,000 tonnes in 2009, an increase of 82% compared to 2008, of which 40,000 tonnes were produced by CMM.

Following the Group's industrial policy, Sococim has invested in new equipment intended to reduce its production costs and to increase the overall capacity utilization of the factory. Accordingly, a coal mill was brought into service in 2004 and a new power generation plant started up at the beginning of 2007. This new power plant ensures independence of the cement factory from the Senegalese electricity utility. This policy continued in 2008 with a new vertical cement mill and associated bagging stations being put into service, allowing an increase in the plant's cement production capacity while improving energy performance. Finally, the start up of a new firing line brought the Group's cement production capacity in Senegal to over 3.5 million tonnes, enabling it to take advantage of the growth potential in West Africa based on its competitive production costs.

(f) Egypt

The Egyptian cement market has experienced annual average growth of approximately 14.4% since 2004 and 16.9% since 2006 [(1)]. This market was affected by the war in Iraq in 2003 and 2004, and then experienced sustained growth from 2005 onwards. In 2009, cement consumption in Egypt was approximately 48 million tonnes [(2)], i.e. growth of approximately 24.8% compared to 2008. The per capita consumption reached approximately 609 kg of cement per year in 2009 [(3)].

Egypt currently has 13 active cement producers established throughout the country, although most are concentrated around the capital. These producers posted domestic production estimated at approximately 47 million tonnes in 2009 [(4)]. Exports fell to approximately 0.3 million tonnes [(5)] (compared to 1.3 million tonnes in 2008), penalized by a ministerial decree that prohibited cement exports between April 2009 and October 2010. The Egyptian cement manufacturing industry has the advantage of low production costs, and of a geographical position allowing it to export any production surpluses by sea to various areas of the world. With its ports on the Mediterranean, it has access routes mainly to the Spanish, Italian and Syrian markets, but also to those in the south of the United States; whilst the Red Sea ports can also access the Gulf countries and certain African countries such as Somalia, Djibouti, Eritrea and Sudan.

Arabian Cement Company, a subsidiary of the Spanish group La Unión, commissioned its line producing 2 million tonnes of clinker [(6)] at the end of the first half of 2008 but has not yet commissioned cement mills, which should only be operational in 2010. South Valley Cement, for its part, brought on stream a new cement mill in December 2008, and should be starting up the associated firing line in 2010. Moreover, despite the fact that many new operating licenses were granted in October 2007, energy increases and global situation at the end of 2008 slowed down and even halted the construction of new firing lines.

(1) Source: Egyptian Equipment Ministry, 2009.
(2) Source: Egyptian Equipment Ministry, 2009.
(3) Internal source for 2009.
(4) Internal source.
(5) Source: Egyptian Equipment Ministry, 2009.
(6) Internal source.

In 2003, the Group made a strategic investment of 25% in the Sinai Cement Company (SCC), so as to position itself in this emerging market. This holding was increased with effect from 2005, allowing the Group to take control of this company.

According to the Group's estimates, SCC is the fourth largest Egyptian producer [1] with a share of the domestic market amounting to around 7.3% at the end of 2009 and a production of some 3.5 wmillion tonnes of cement in 2009, up almost 47.4% compared to 2008, thanks to a full year of operation of the second kiln line (brought on stream in June 2008). Following the export ban imposed by the Egyptian government, SCC increased its penetration of the markets in Cairo and the Nile Delta and maintained its leading position in the Sinai Peninsula. SCC occupies a privileged geographic position: the proximity of a port would enable it to be the base for cement export to several countries, in particular for the Group's Italian businesses. SCC also benefits from abundant high quality limestone reserves. Finally, the operation of the second kiln line for a full year in 2009, along with the plant's efficient operation, allowed SDD to achieve growth in volume of over 54% on the local market.

The cement factory having been established in 2001, SCC benefits from modern production equipment. Since 2005, operating the kiln for the first firing line solely on gas has produced energy efficiencies and limited CO_2 emissions. The Group committed, in 2006, to a plan to double the capacity of the factory. The second firing line started up in June 2008. SCC was the only cement factory to put a complete new line into service in 2008, therefore allowing it to respond to strong growth in the local market and to consolidate its position on this market in 2009. It will also provide additional capacity, once producers are permitted export, to meet market demand, in particular in Palestine, which is an important potential export market located close to the factory.

(g) Italy

The building construction and public works market in Italy fell b y 9.4% in 2009. This fall was evenly spread between the housing sector and the infrastructure sector, with the country being affected by a high level of public sector debt which limited the government's ability to intervene against the background of the financial crisis.

The cement market in Italy remained at between 46 and 47 million tonnes from 2004 to 2007. Consumption is estimated at around 35 million tonnes in 2009 [2], a decline of over 15% compared with the previous year and over 24% compared with 2006 [3]. However, per capita consumption remains one of the highest in Europe at nearly 700 kg of cement per year [4], comparable with other Southern European countries based on construction and renovation practices in the market and the ongoing infrastructure construction program.

In 2009, clinker imports to the Italian market benefited from very competitive prices, particularly from Turkey.

In May 2003, in order to reinforce its presence in Europe and to continue the natural geographical progression of its investments, the Group acquired 100% of Cementi Centro Sud (CCS), a company owning a cement grinding plant in the port of Oristano, on the western coast of Sardinia, as well as a cement terminal in the port of Taranto. CCS also operates a second terminal in the port of Imperia. CCS sold over 0.4 million tonnes of cement in 2009, accounting for some 1.2% of the Italian market. Deliveries in 2009 decreased by 10.4% compared to 2008, declining a little less than the market average, owing to the Group's niche position in the Sardinian market. By contrast, the pressure on prices, particularly in central Italy, meant that the Group was unable to retain its market share in this region.

Its operation in Italy constitutes a strategic position for the Group, insofar as the country has a cement manufacturing industry which is still fragmented, with approximately twenty producers present in the market.

The above mentioned three sites allow low cost manufacture and handling of cement. These sites also allow clinker to be imported at a low cost from several countries in the Mediterranean basin.

(h) Kazakhstan

After a major slow-down in 2008 resulting from the impact of the global financial crisis on the local bank-

[1] Source: Egyptian Equipment Ministry, 2009.
[2] Source: “Building Materials”, J.P. Morgan, September 2009
[3] Source: CEMBUREAU 2008
[4] Source: CEMBUREAU 2008

ing system, the construction sector stabilized in 2009. Cement consumption recovered slightly by 2 % in 2009 compared with the previous year, but did not return to 2007 levels. The fall in the selling price favored local production at the expense of imports, coming mainly from Russia and, to a lesser extent Kyrgyzstan.

Beyond the economic slow-down created by the impact of the international financial crisis on the local banking system, the increase in cement consumption should continue, sustained by growth in the urban population and by continuous increase in per capita income related to significant income from the raw material sector. Projected consumption should be somewhere between 9 and 10 million tonnes in the medium term.

After the Group took control of the project company in December 2007, the legal structure of operations in Kazakhstan is as follows :

- Mynaral TAS, a joint venture company 60 % owned by Vigier, a subsidiary of the Group, holds the mining securities and the land rights relating to them ;
- Jambyl Cement Production Company, a 100 % subsidiary of Mynaral Tas, is to become the cement production and marketing company.

The financing, which amounts to 160 million US dollars, was set up with the Société Financière Internationale (SFI), a subsidiary of the World Bank. Alongside this financing, SFI took a 10 % stake in Mynaral Tas in December 2008 ; the Group's Kazakh partner, Homebroker, holds 30 %.

The Group is building a greenfield plant that will be located near Lake Balkach, about 400 kilometers from Almaty and 900 kilometers from Astana. This plant, which has a 1.2 million tonnes cement capacity, is being built by China Triumph Engineering under a turnkey agreement concluded in August 2007. It will implement recent and proven cement techniques (vertical raw meal mill, 5 stage pre-heating tower, bag filters, covered clinker storage, etc.). Located along the Almaty/Karaganda/Astana road and rail-way, the plant will supply the region of Almaty and its surroundings, the southern region (Taraz, Chymkent), the center and the Astana region primarily by rail.

The factory construction work started in 2008 continues and start-up is on schedule for the second half of 2010. A program to recruit a target workforce of 150 was launched at the beginning of 2010.

(i) Mauritania

During the second half of 2008, the Group consolidated its position in West Africa by acquiring 65% of BSA Ciment, which operates a cement grinder in Nouakchott, the capital of Mauritania, since the beginning of 2008. This acquisition enabled the Group to :

- obtain a foothold in the Mauritanian market and to be in a position to ascertain its growth ;
- consolidate its strategic position in Mali by positioning itself on the access roads to the north-west of the country ;
- have an outlet for Sococim's surplus clinker capacity in Senegal, following the start up of the new kiln in October 2009.

BSA Ciment owns a cement grinding center, a concrete batching plant and a prefabrication producing unit. The Polysius grinder has an annual capacity of 450,000 tonnes. These installations are located near the country's main port area.

In 2009, the normalization of the political situation in Mauritania enabled a gradual recovery in the construction sector. Cement consumption increased by around 5% compared with 2008, to 630,000 tonnes, benefiting local production.

In this context, BSA has grown its business substantially to become the third largest player in the Mauritanian market with sales in excess of 100,000 tonnes, despite the problems in the third quarter. In order to overcome the problem of the numerous public supply power cuts, which seriously disrupted production in the third quarter of 2009 and to guarantee its future energy independence, BSA has invested in an alternative electricity generation facility.

(j) India

During the last ten years, India has experienced an average annual growth of more than 7% in its GDP. Its growth in 2008 is estimated to be at 7.3%, and the country is taking advantage of an abundance of skilled labor, which has allowed it to develop in the service sector in particular.

Since 2004, the Indian cement market has developed steadily, with a growth of over 60% in 5 years. The Indian cement market has thus seen continuous average annual growth of almost 10% since 2004. Annual consumption was estimated at 198 million tonnes in 2009, which makes India the second largest market in the world for cement. However, cement consumption per capita has remained weak, at approximately 155 kg per person.

The population of India has reached 1.16 billion, 29% of whom live in towns and cities, and India should become the most populous country on the planet by around 2030. Although the global economic crisis is beginning to affect Indian growth, growth in annual cement consumption should be maintained, fuelled by population growth (estimated at 1.45% in 2009) and its switch to nuclear power together with major planned infrastructure programs (roads, railways, dams, irrigation, ports and airports, etc.), should be maintained.

On June 28, 2008, the Group announced the creation of a joint venture with the Indian cement manufacturer Sagar Cements, established in the State of Andhra Pradesh, which has been present in the Indian market for 25 years and has a capacity of 2.5 million tonnes with its new line which came on stream in July 2008.

The objective of Vicat Sagar Cement is to build a greenfield cement factory in the south of India, 700 kilometers from Mumbai and 170 kilometers from Hyderabad. The new plant will be located in the Gulbarga cluster in the State of Karnataka. The plant will ultimately have a cement production capacity of 5.5 million tonnes, with two clinker lines producing 6,000 tonnes per day. Construction of the first of the two production lines will begin in 2010 with start up scheduled for 2012 (see also Sections 5.2.2. “Principal investments in progress and planned” and 12.2.3. “Industrial investments”).

The new plant will implement recent and proven cement mill techniques (raw meal roller mill, 6 stage preheating tower, bag filters, covered clinker storage, etc.) and will have its own power generation plant. It will be connected to the railway network and be able to supply the States of Karnataka, Maharashtra and Andhra Pradesh and the main metropolitan centres of Mumbai, Pune, Bangalore and Hyderabad.

6.3.2. Ready-mixed concrete and Aggregates

The Ready-mixed concrete and Aggregates businesses accounted for 36.7% of Group sales, that is almost 696 million euros of consolidated sales in 2009 (845 million euros in 2008 and 914 million euros in 2007), and 17.5% of the Group’s EBITDA for this same period (20.7% in 2008 and 24.7% in 2007).

The Ready-mixed concrete and Aggregates businesses are managed within the same segment, because of the similarity of their customers and the Group’s vertical integration policy.

Concrete and aggregates constitute, just as cement, the essential components of construction projects throughout the world. The Ready-mixed concrete and Aggregates businesses were integrated in each of these countries by the acquisition and creation of many companies. At the end of 2009, the Group operated 75 aggregates quarries and 241 concrete batching plants, distributed over five countries, and had sold 18.7 million tonnes of aggregates and 7.1 million m^3 of concrete.

The Group initially developed its activity in Ready-mixed concrete and Aggregates in France through investments during the 1980s. The Group then pursued its goal of vertical integration by selective acquisitions, firstly in the market areas of its Cement business, and secondly by the development of its industrial equipment in its existing locations.

6.3.2.1. Products

(a) Ready-mixed concrete

Concrete is a mixture of cement, aggregates, additives and water, which hardens to form a construction material whose principal qualities are its strength under tension and under pressure, durability, quick setting times, ease of pouring and ease of handling under various climatic and construction conditions. The qualities and performance of a concrete can be obtained and guaranteed only if the physico-chemical formulation of the concrete and its production cycle are rigorously respected. In order for concrete to be formulated perfectly, the various components must be precisely proportioned in a given order and at a given rate. Mixing must then be continuous and homogeneous. These production constraints explain why concrete manufactured in a batching plant is of a superior quality and uniformity to any concrete mixed manually or in a concrete mixer. It is the fundamental reason for the growth of ready-mixed concrete, which guarantees compliance with the standards laid down in construction work specifications.

The Group offers a broad range of concretes, ranging from standard concrete to special concrete, developed for specific applications by its research and development laboratory, thus meeting its customers' needs and constraints :

- standard concrete, for which the producer guarantees the type of cement as well as the compressive strength at the end of 28 days (strength ranging from 20 to 40 mPa);
- high performance concrete, whose composition is made to measure, in particular with respect to the cement content (strength ranging from 60 to 100 mPa);
- fiber concrete, for the production of finer structures, having the best resistance to cracking. Vicat Composite Concrete falls into this category;
- special concretes, developed and improved in the Group's laboratories to meet the individual customer's exact requirements.

The Group's research and development laboratories designs innovative concrete for new applications or ease of use. See Section 11. "Research and development, patents and licenses" of this Registration Document for further details.

(b) Aggregates

Principal raw material consumed in the world after water, aggregates (sands and gravel) are natural materials used in the manufacture of concrete, masonry and asphalt. They are also the basic materials for building roads, embankments and constructions. Most of these aggregates come from crushed rocks (usually limestone or granite), or from natural gravel and sand extraction. To a certain extent, and according to the market, they can come from asphalt and recycled concretes. There are several types of aggregates, which differ in physical and chemical composition, in particular granulometry and hardness. Local geology determines the types of aggregates available in a given market.

In 2009, the Group produced and sold nearly 18.7 million tonnes of aggregates in four countries (France, Switzerland, Turkey and Senegal).

6.3.2.2. Manufacturing methods

(a) Ready-mixed concrete

Concrete is obtained by mixing aggregates, cement, chemical additives and water in various proportions in concrete batching plants. The mixture obtained is then loaded into mixer trucks, where it is generally mixed again before being delivered to customers. The majority of the raw materials constituting the concrete (in particular cement and aggregates) are supplied by the Group. Concrete production is not a capital-intensive activity, requiring primarily storage and equipment areas where the raw materials are mixed in the desired proportions and where the mixture, now concrete, is loaded into mixer trucks. The majority of the concrete batching plants are fixed, although the Group also uses a certain number of mobile systems that are installed on its customers' construction sites (generally the largest), according to customers' needs.

The proportions of cement and aggregates can vary, chemical additives (such as concrete retardants or accelerants) can be added, and a part of the cement can be replaced by derivatives such as fly ash or slag, in order to obtain the concrete properties sought by the customer. Significant technical expertise and demanding quality control is therefore essential to handle the many construction aspects with which the Group's customers are faced, such as setting time, suitability for pumping, pouring the concrete, climatic conditions, shrinkage and structural strength.

In addition, delivery logistics constitute an essential parameter when manufacturing concrete due to the setting time of the concrete, which is limited.

Raw material prices vary considerably according to the national markets in which the Group operates. In general, raw materials account for approximately 70% of the total production and delivery costs of concrete. Cement represents, overall, more than half of this cost. Delivery is the second largest component of the cost, at approximately 20% of the total.

(b) Aggregates

Aggregates can come from solid or alluvial rock :

- solid rock: the rock is blasted out with explosive before being crushed, sifted and then washed. These aggregates are mainly intended for earthworks, for the manufacture of bituminous mix, blocks or breeze blocks, and increasingly for manufacturing concrete;
- alluvial rocks: these rocks come from the sedimentation of river or glacial deposits. They can be extracted out of water, in steps from 5 to 8 meters in height, or in water by using dredgers. These aggregates require less grinding but must be sifted in order to obtain the desired size.

6.3.2.3. Production equipment

(a) Ready-mixed concrete

At December 31, 2009, the Group was operating, in all the countries where it is present, 241 concrete batching plants. These batching plants are located near the places where the concrete is used insofar as, given setting times, concrete prepared in a batching plant must be delivered to the pouring site within one and a half hours at the most. The operating range of a batching plant is generally between 20 km and 30 km, depending also on traffic conditions in the area.

A ready-mixed concrete batching plant consists of silos (for cement, sands and fine gravels), storage tanks for the various additives (such as plasticizers) and a concrete preparation tank. The components of the concrete, which are cement, sand and the fine gravels, are introduced into the preparation tank by gravity. The qualities and performances of a concrete can be guaranteed only if the formulation is very precise and its production cycle rigorously respected. The proportioning of water, in particular, must be precise and mixing must be continuous and homogeneous. To meet all these constraints, the Group's concrete batching plants were extensively automated, in order to ensure the precision of the process.

Finally, the concrete prepared in the batching plant is loaded under gravity into a mixer truck, which delivers the concrete to the building site. The Group operates a fleet of mixer trucks, while also having recourse to subcontractors, to whom it sub-contracts ready-mixed concrete deliveries.

(b) Aggregates

The production of aggregates requires heavy equipment in a quarry, for handling both solid rock and alluvial rock. The quarrying and grinding of solid rock requires the use of loaders, transport equipment and crushers. Alluvial rocks are extracted using dredgers. In both cases, aggregates on the processing site are generally transported using conveyor belts.

Extractions are made from sites owned by the Group or over which it has long-term operating rights, and for which it has obtained the necessary licenses. The Group maintains the level of its reserves by acquiring, obtaining and renewing extraction licenses.

6.3.2.4. Establishments

The Group has vertically integrated its operations in France, Switzerland and Turkey and thus operates in these countries its three core businesses, which are Cement, Ready-mixed concrete and Aggregates.

In the United States, the Group has developed a network of concrete batching plants in each of the two geographic areas where it is established. The American subsidiary is supplied with aggregates from suppliers outside the Group.

In Senegal, the Group has invested in an Aggregates business through two acquisitions in 2001 and 2004. Beyond the use of these materials for road building, the Group is positioned upstream of the ready-mixed concrete market in order to anticipate its emergence.

The Group invested in a cement milling plant and a prefabricated products plant in Mauritania in 2008, enabling it to strengthen its network in West Africa.

6.3.2.5. Competitive position

In 2009, the Group produced over 7.1 million m^3 of concrete, 39.9% of which was in France, 20.2% in the United States, 32.9% in Turkey and 7% in Switzerland. The Group's 241 concrete batching plants are located near its principal cement production sites, forming a network over the territories in order to supply the regional building sites and the urban centers.

The table below shows concrete sales over the past three years:

(volumes sold in thousands of m^3)	2009	2008	2007
France	2,838	3,673	3,728
United States	1,439	2,148	2,609
Turkey	2,341	2,030	1,897
Switzerland	502	522	612
Mauritania	1	-	-
Total	**7,121**	**8,373**	**8,846**

Since barriers to entry are not high, the ready-mixed concrete market is very fragmented, with a number of large players, from cement manufacturers and international industrial groups, to independent operators.

The Group's Aggregates business operates 48 quarries in France, 19 in Switzerland, 6 in Turkey and 2 in Senegal, with a production of 18.7 million tonnes of aggregates in 2009. The aggregates produced by the Group's French sites represents approximately 53% of its total aggregates production.

The table below shows aggregates sales over the past three years:

(volumes sold in thousands of m³)	2009	2008	2007
France	9,991	12,757	13,735
Turkey	4,022	3,901	3,934
Switzerland	2,638	2,651	3,001
Senegal	2,024	2,270	1,893
Total	**18,675**	**21,579**	**22,562**

The aggregates market is generally fragmented into many local markets. The various participants are regional or national quarry operators, firms in the public construction sector which are vertically integrated, together with international industrial groups supplying construction materials.

The Group gives priority to operating quarries located near the consumption markets, so as to optimize its production costs. This approach facilitates access to customers, reduces transport costs and enables distribution that is sufficiently flexible to satisfy various types of orders, whether for delivery of a few tonnes of sand or thousands of tonnes intended to fill a large motorway site, or to provide individual dwellings.

6.3.2.6. Customers

Aggregates, mainly transported by road, are sold principally on local markets, owing to the high transport costs. However, quarries sometimes enjoy access to river or railroads, which makes it possible to ship aggregates over long distances, for distribution to more remote local markets.

The Group sells its aggregates mainly to ready-mixed concrete producers and to the Group's concrete batching plants, to manufacturers of precasted products (breeze blocks, paving stones, etc.), asphalt producers, public works contractors, masons and construction firms of all sizes. On certain markets, it sells substantial volumes of aggregates intended for various industrial processes such as steel manufacture.

Ready-mixed concrete is sold mainly to public construction contractors, from major international construction groups to house building companies, farmers or private individuals. The batching plants fulfil scheduled work contract orders and immediate delivery requests.

(1) Syndicat National du Béton Prêt à l'Emploi (France), 2009.
(2) Source : SNBPE, 2009.

6.3.2.7. Markets

(a) France

The drop in business associated with the slowdown in residential construction seen since the second half of 2008 went on into 2009 with the international financial crisis, affecting the whole of the public construction sector.

The cement market in France has experienced annual average reduction of approximately 0.3% since 2004 and 5.1% since 2006 according to the SNBPE statistics[1]. In 2009, the ready-mixed concrete market accounted for more than 37 million m³ of concrete (a fall of 16.1% compared to 2008), manufactured by some 1,780 concrete batching plants distributed throughout France[2].

(thousands of m³)	Production 2009	Production 2008	Difference (%)
Auvergne	706	816	-13.5%
Bourgogne – Franche-Comté	1,466	1,841	-20.4%
Centre	1,348	1,609	-16.2%
Île-de-France	4,910	5,596	-12.3%
Lorraine	1,087	1,314	-17.3%
Midi-Pyrénées	2,308	2,730	-15.5%
Nord	1,734	2,082	-16.7%
Provence	3,709	4,193	-11.5%
Rhône-Alpes	4,161	5,128	-18.9%
Total France	**36,961**	**44,064**	**-16.1%**

The Group operates 138 concrete batching plants in France, which produced more than 2.8 million m³ of concrete in 2009, down by 22.7% compared with the previous year. The Group has an 7.7% market share nationally[3].

The Group has a very well developed network of concrete batching plants in the Rhône-Alpes region, which allows it to track all its customers' building sites and places it in the position of regional leader[4].

The Group also operates in the Provence-Alpes-Côte d'Azur, Midi-Pyrénées, Centre-Auvergne, Nord-Pas-de-Calais, Île-de-France and in the north-east of France. The Group operates a fleet of approximately 540 mixer trucks to carry out site deliveries, including 24 mixer trucks in its own fleet. In France, the Group

(3) Source : SNBPE, 2009.
(4) Internal source.

provides most of the cement and approximately one third of the aggregates consumed by its ready-mixed concrete business, which illustrates the high degree of vertical integration of its activities.

In France, the technical sales team of the Group's ready-mixed concrete division benefits from the collaboration from Sigma Béton, a key unit of the Louis Vicat Technical Centre, specialising in the ready-mixed concrete, aggregates and road products sectors, certified to ISO 9002 for the formulation, analysis and audit of aggregates, cement and concrete. Sigma Béton also runs a training business, research and development and analysis services for concretes delivered to producers, to manufacturers in the concrete products sector and to construction and public works contractors.

The French aggregates market represented 348 million tonnes in 2009 [1] (excluding recycled materials) down by 13% compared to 2008, from the operation of approximately 3,500 quarries. The Group has 63 production sites, including 48 quarries, which enabled it to produce and market 10 million tonnes of aggregates in 2009, i.e. approximately 2.8% of the national market[2]. The Group is one of the top ten aggregate producers in France, it being specified that, according to the Group's estimates, the first eight producers produce more than 50% of national production.

The Group's strategy for its Aggregates business in France is to concentrate on the areas where it already has a presence in the Ready-mixed concrete business. In order to reinforce its Aggregates business, in January 2003 the Group acquired the company Rudigoz, owner of two concrete batching plants and two quarries in the Rhône-Alpes area and in 2004 the company Matériaux SA, based in eastern France.

In 2009, the Group's Aggregates business in France fell by 21.8% (compared with a production of nearly 12.8 million tonnes in 2008) with a drop that affected all regions.

(b) United States

The American market for ready-mixed concrete was estimated at approximately 203 million m^3 for 2009 [3]. Ready-mixed concrete is widely used in the United States. The drop in this market accelerated in 2009 due to the more marked residential market crisis and the beginning of a slowdown in the private non-residential market. Consequently, 2009 suffered a 24% decline at national level, after a drop of 15% in 2008. As a result, the market has remained highly competitive with both large and strongly integrated players, such as Cemex or Lafarge being present, but many small independent producers still being active at the local level as well.

The Group operates 47 concrete batching plants in the United States, in the two areas where it is established. These produced an overall output of slightly more than 1.4 million m^3 in 2009 (of which 73% in California and 27% in Alabama) retreating by 33% by comparison with global production in 2008 (2.1 million m^3). Development of the Group's sales volumes varies on the basis of regions and is determined by the residential market. Given the size of the American market, only the two regional markets on which the Group is established are discussed below.

In May 2008, the Group acquired a major ready-mixed concrete facility near Atlanta, thereby strengthening its vertical integration in the South-East, in particular with a view to build the new Ragland kiln. The Walker group facility is located in an important market, south of Atlanta, that is driven in the long term by strong growth in this city's population. The facility purchased has 14 concrete batching plants spread over nine sites that have a production capacity in the range of 700,000 m^3 and represent 200,000 tonnes of cement consumption potential.

The ready-mixed concrete market in which the Group is active in the South-East, i.e. Alabama and Georgia, accounted for a production of almost 8.3 million m^3 in 2009, which represents a decline of 37% compared to 2008 [4].

The ready-mixed concrete market in California accounted for a production of 18.2 million m^3 in 2009, a steep fall of 30.8% compared with the previous year because of a considerable fall in residential construction [5].

(c) Switzerland

The ready-mixed concrete market in Switzerland has experienced 4.3% annual average growth since 2004 and stability since 2006, according to the latest estimates from the ERMCO [6]. Consumption declined in 2002 and 2003, before increasing in 2004 with build-

(1) Source : National Union of Quarries and Materials (Unicem), 2009
(2) Source : Unicem, 2009

(3) (4) (5) Source : National Ready Mix Concrete Association, 2009
(6) European Ready Mixed Concrete Organization (Bruxelles), 2009

ing sites for major projects. According to the ERMCO, ready-mixed concrete production in Switzerland was 12 million m^3 in 2007 and 2008. According to the Group's estimates, the market remained stable in 2009. The ready-mixed concrete market is very developed and served by a dense network.

Through its Vigier subsidiary, the Group owns 18 concrete batching plants distributed over the western half of Switzerland in four regions. These concrete batching plants produced 0.5 million m^3 in 2009, showing a decrease of around 4% compared with the previous year (production having been 0.52 million m^3 in 2008).

Vigier operates 19 aggregates sites, located near the concrete batching plants. These quarries are generally smaller than in France and are primarily intended to meet the needs of the concrete batching plants. Vigier's aggregates production remained stable compared to the previous year, rising to 2.6 million tonnes in 2009.

In addition, Vigier's organisation in the Bienne-Soleure region was rationalised in 2006, with the legal separation of Ready-mixed concrete/Aggregates activities and Prefabrication activities.

(d) Turkey

The ready-mixed concrete market in Turkey has experienced annual average growth of 16.4% since 2004 and 1.5% since 2006 [1]. Ready-mixed concrete appeared at the beginning of the 1980s in Turkey and very quickly developed from the beginning of the 1990s. Following the earthquake of 1999, the Turkish government imposed new standards intended to improve building quality, which has been to the benefit of the ready-mixed concrete business as a whole over these last five years, to the detriment of manually mixed concrete. The Turkish ready-mixed concrete market is estimated at more than 67 million m^3 in 2009, in decline by approximately 3% compared with the previous year. In addition, the number of installations in the territory increased by approximately 3% in the same period, strengthening competition and leading to price reductions in ready-mixed concrete.

The Group has been present in Turkey since 1991 and has developed a Ready-mixed concrete business in the Central Anatolian region around the cities of Ankara and Konya. At the end of 2009, the Group was operating 37 concrete batching plants, of which 17 in the area of Ankara and 20 in the area of Konya, their production having reached the level of 2.3 million m^3, corresponding to a 15.3% increase from the previous year. This increase was largely seen in the Ankara region, thanks in particular to the use of mobile power stations positioned on major sites.

The ready-mixed concrete business in Turkey must adapt both to the rigorous climatic conditions in the central part of the country and to the constraints related to the country's tourist trade. Thus, the Group alternates its ready-mixed concrete business: from spring until autumn, it supplies mainly the Ankara and Konya regions and, during the winter and the low season for tourism, the construction sites on the Mediterranean and Black Sea coasts.

The market for aggregates in Turkey is estimated at approximately 240 million tonnes in 2009 [2], down by nearly 8% compared to 2008. The Group operates six quarries in Turkey and their total aggregates production was 4 million tonnes in 2009 (increasing by 3% compared to 2008): four quarries are located close to Ankara, one quarry is located close to Konya and a last quarry is located near the Mediterranean coast. These are solid rock quarries, except for the one located on the Mediterranean coast, which is an alluvial rock quarry. The Group's position in Turkey in this Aggregates business is focused on covering the marketing area of its Ready-mixed concrete business.

(e) Senegal

The unfavourable outlook for the public construction sector observed since the last quarter of 2008 continued throughout 2009, in housing construction as well as in large infrastructure.

The Group operates in the aggregates market serving Senegal and its adjoining countries. Despite the lack of official statistics, the Group estimated this market at approximately 2.8 million tonnes in 2009, i.e. a drop of around 20% compared to 2008. This market has been characterised since 1994 by a demand higher than the cumulative production capacities of the country's various quarry operators. This trend was reversed in 2009 with the arrival of new players and a sometimes significant increase in the production capacity of our competitors. Produced in the western part of Senegal (Dakar and Thiès), the crushed aggregates are used in the 11 regions of the country and in neighbouring Gambia.

[1] Internal source.

[2] Internal source.

In 2009, the Group produced 2 million tonnes of aggregates, a 10.8% decrease compared with 2008. These aggregates come from the operation of two quarries by two companies in the Group: Sodevit (acquired in 2001) and Gécamines (acquired in 2004 and held at 70%).

Sodevit operates a limestone mine and has a network of points of sale which supply the various building sites. It covers, on its own, approximately 50% of the demand of the aggregates market intended for hydraulic concretes. Gécamines produces and sells crushed basalt aggregates, of which approximately 70% of sales in the market is intended for the construction of road infrastructures.

6.3.3. Other Products & Services (OPS)

In France and Switzerland, the Group has activities complementary to its main businesses, acquired following various restructurings or acquisitions. Every time that it was able to develop synergies with its main businesses, the Group kept and developed these complementary activities. Thus, acquisition in 1984 of the Papeteries de Vizille brought to the Group a capacity to produce the paper bags used in the cement sector. Similarly, the Group has developed since the acquisition of Vigier in 2001, a Prefabrication business which enjoys a strong position in Francophone Switzerland, thus consolidating the Vigier cement business. On the other hand, acquired activities which do not meet its integration or synergies criteria are sold, which was the case, for example, with the Vigier group's Trading business or, more recently, Trading and Piping activities in France.

The Other Products & Services business covers the transport, construction chemistry, paper and concrete products prefabrication businesses. It accounted in 2009 for 13% of the Group's consolidated sales, i.e. €250 million (€283 million in 2008 and €293 million in 2007) and close to 5.6% of the Group's EBITDA for the same period, i.e. €26 million (5.9% in 2008 and 5.3% in 2007).

The following table sets forth the breakdown of sales by business

(in millions of euros)	Products and Services	2009	2009 (outside of the Group)	2008	2007
France	Transport and Major Projects	79.9	45.5	115.3	121.7
	Vicat Industrial Products	66.5	66.2	67.6	65.9
	Paper	36.9	34.8	39.7	38.9
Switzerland	Prefabrication	94.8	94.7	93.5	96.6

6.3.3.1. Transport and Major Projects business (France)

Société Auxiliaire de Transport et de Matériel (SATM) was set up in 1958 and became a specialist in the transport of materials related to large building sites such as dams, motorways, ski resorts, airports, railway lines and harbour systems. SATM, through its 15 branches in France, uses three means of transport: bucket, tank and platform trucks.

Road transport was supported by the French state in recent years following the adoption of measures intended to support this sector in difficulty, mainly through the indexation of fuel prices.

SATM generates approximately 84% of its transport sales as a shipping agent and is a first-rate actor in the field of bulk, bucket and tank transport, which confers great flexibility and adaptability on the market. SATM operates a fleet of approximately 1,000 vehicles, of which the majority belong to sub-contractors working regularly with the Group. SATM's marketing policy consists of reinforcing its position in the specialist logistics services sector with an industrial customer base.

Approximately 49% of sales by the SATM's transport business are made with the Group's companies especially since, in France, SATM transports much of the cement and aggregates to the Group's ready-mixed concrete batching plants. The complementary nature of this transport activity with the Group's businesses allows it to optimise the quality of service provided to its customers. Sales in this SATM business sector fell by almost 29% in 2009, mainly due to a drop in the volume of business and to some extent the consequences of the drop in fuel prices.

SATM's Major Projects business is generated mainly from bids for large infrastructure construction sites such as TGV railway lines, motorway projects and power station construction programmes. SATM operates on these sites to deliver ready-mixed concrete by means of mobile concrete mixing and batching stations intended for major projects. SATM is a true partner in the major projects field, in France and abroad. It provides material transportation, production and supply services and thus enables the Group to offer a complete logistics solution to its customers' needs.

6.3.3.2. Vicat Produits Industriels (France)

Vicat Produits Industriels (VPI) is a key player in the industrial mortar market for construction and civil engineering. Its quality policy was rewarded by ISO 9001, ISO 14001 and OHSAS 18001 certification, obtained simultaneously for all the sites and the businesses and in particular for its four production plants.

With VPI, the Group has a closer outlook on the construction materials market and therefore a better understanding of end user needs.

VPI offers a broad range including approximately 200 products that meet many needs: façade coatings, mortar and traditional concretes, products used to repair floors and walls, tiling adhesives, thermal insulation products. The evolution and development of these products and their adaptation to the customer's requirements are handled by the research laboratory team at L'Isle-d'Abeau.

VPI's sales outside the Group decreased by approximately 1.8% in 2009 to €66.2 million, largely due to the considerable pressures around prices.

VPI includes the following three activity sections, structured by type of customer:

- Construction section: deals in general or multi-specialist materials. This section accounts for approximately 66% of VPI's sales, customers are consortia, integrated or independent traders.
- DIY section: sells to major DIY outlets. This section accounts for approximately 27% of VPI's sales.
- Civil engineering section: deals with specialist civil engineering companies. This section accounts for approximately 7% of VPI's sales.

Significant investments were made in 2006 and 2007 on the Auneau plant, in order to increase production capacity and thus be able to face the commercial development of its front coatings and tiling adhesive manufacturing business.

6.3.3.3. Paper and Bag business (France)

Located in the Grenoble area, the Papeteries de Vizille operate in two segments :

a) Printing and writing paper production

Sales in Papeteries de Vizille reached 26,037 tonnes of paper in 2009, a reduction of 5.2% compared to 2008, despite the increase in export sales; French production in this sector experienced decrease of nearly 16%[1]. The small size of this company and the flexibility of its production equipment led the Group to concentrate on a niche market strategy aiming to provide its customers with a diversified range of products of high added value: bulking papers, check papers, secure papers and filigree papers.

After many restructuring operations, in the paper industry during recent years, 2009 was a difficult year due to a new decline in the market. This drop in business lead to an increase in the number of times production was halted and more site closures.

Despite its modest size, with around 1% of French production, Vizille is the partner of famous publishers, major French banks, and is continuing its development in various countries around the world where its know-how and the quality of its products and its service are recognised.

[1] Source: Confédération française de l'industrie des papiers, cartons et celluloses (Copacel), 2009.

b) Production of high capacity paper bags

The European market and the French market experienced a 10% fall in 2009 [1] in the wake of the decline in construction markets.

The bag business provides high capacity paper bags to the agro-alimentary, chemical and construction sectors. This unit can produce technical bags with sealed valves as well as smaller bags. The factory has an annual production capacity of approximately 75 million bags, which represents approximately 12% of the national market [2]. In addition, 33% of the bags produced by the Papeteries de Vizille are intended for the Group, although Papeteries de Vizille is not the exclusive supplier to the Group.

Sales of sacks by Papeteries de Vizille dropped by 17.1% in 2009.

The following table sets forth changes in volume sales of Papeteries de Vizille [3]:

	2009	2008	difference (%)
Writing and printing paper (in tonnes)	26,037	27,476	-5.2 %
Bags (in thousands of units)	58,539	70,655	-17.1 %
Sales (in millions of euros)	36.9	39.7	-7.1 %

6.3.3.4. Concrete products prefabrication business (Switzerland)

Créabéton Matériaux, a Swiss subsidiary of Vigier, unites the four prefabrication plants. The four factories are supplied with cement and aggregates by other companies within the Group. Créabéton Matériaux manufactures and sells a complete range of concrete products, in particular products for gardens (flagstones, paving stones), products for infrastructures (Deltablocs, gutters) and made-to-measure products (architectural items). Vigier also manufactures and sells railroad sleepers and concrete platform kerbs under the Tribeton brand, and has recently acquired a supplier of technical solutions which has licenses for the “Low Vibration Tracks” slab track systems.

(1) Fédération européenne des fabricants de sacs papier à grande contenance (eurosac), 2009.
(2) Fédération européenne des fabricants de sacs papier (eurosac), 2009.
(3) Internal source.

In 2009, the four Swiss factories produced a total of 367,962 tonnes of prefabricated concrete products. This production decreased by more than 8% compared to 2008, although business remained at a fairly high level. 2009 was characterised by a more moderate demand for catalogue products, and a sustained demand in the railroad sleeper market. In 2009, this sector won the order to supply sleepers for the Gothard tunnel for around 40 million Swiss Francs.

6.4. DEPENDENCY FACTORS

Information concerning the Group’s dependency factors appears in Section 4. “Risk factors” of this Registration Document.

6.5. LEGISLATIVE AND REGULATORY ENVIRONMENT

The Group, like other major industrial groups, is subject to a significant number of laws and regulations relating to environmental protection in each country where it operates. These laws and regulations impose increasingly restrictive standards, in particular in relation to atmospheric emissions, noise, pollution, waste water, industrial waste discharge, health and safety, use and handling of waste or hazardous materials, waste disposal methods and product decontamination and safety.

The cement manufacturing business in France has been subjected since 2005 to greenhouse gas emission allowances. In 2003, the European Union adopted directive 2003/87 implementing the Kyoto Protocol on climate change, intended to establish a scheme for greenhouse gas emission allowance trading in order to encourage producers to control and reduce their CO_2 emissions into the atmosphere. Each year, the Member States of the European Union therefore allocate allowances to each operator under national allocation plans, which are negotiated after discussion with the relevant professional organisations. These national allocation plans are determined mainly on the basis of historical emissions, the anticipated growth of the business sector and by taking into account the reduction ratio fixed by the European Union, in order to achieve the objectives under the Kyoto Protocol. Any overrun of its allowance by a producer must be offset by the purchase of allowances on the market or by using allowances for the following year.

All of the Group's cement factories in the European Union are subject to the directive establishing a scheme for greenhouse gas emission allowance trading. The allowances that are allocated to the Group's sites in France represent approximately 2.8 million tonnes of CO_2 per year for the 2008-2012 period.

2008 was marked by negotiations regarding the modification of the European Directive on greenhouse gas emissions for the period after 2012. Under the French presidency of the European Union, the Directive published in January 2008 was modified to take into account its predictable impact on the competitiveness of European industries recognised as highly consumers in energy. The Directive adopted on December 16, 2008 allocates free CO_2 quotas to industries that will be recognised as significant consumers of energy and subject to international competition. The criteria defined in the directive are used to classify the cement industry in this category. The amount of the free quotas allocated will be based on the average of specific emissions from cement factories that have the lowest CO_2 emission factors and that represent 10% of the clinker production.

Some details in the Directive are still to be specified by the European Commission. What stands out in the current text is that the CO_2 emission reducing efforts will be necessary, but these efforts should be compatible with maintaining the European cement industry's competitiveness.

In addition, REACH (Registration, Evaluation and Authorisation of Chemicals) regulation No. 1907/2006 adopted on December 18, 2006 came into force on June 1, 2007. It specifically imposes on each enterprise which manufactures or imports more than one tonne of a chemical substance per year to register it with the European Chemicals Agency.

Clinker is exempt from the registration procedures, but falls within the scope of the REACH regulation as regards classification, labelling and information requirements. Cement being a preparation, it is not subject to registration but falls within the scope of the regulation as regards information, marketing restrictions and given the presence of certain dangerous substances (in relation to Chromium VI).

Most extraction materials used by the Group as raw materials, as well as the clinker, are exempt form recording procedures in the context of appendix V of the REACH regulation.

As far as other substances that the Group produces or imports from outside the community (i.e. synthetic gypsum, kiln or by-pass dust that the Group produces or is the isolated intermediary as well as the blast furnace slag, pet coke and tiethanolamine) are concerned, pre-registration was initiated. These substances enter into cement preparation. In fact, the Group participates in registration consortiums for these substances.

Under the regulations applicable to classified installations, the Group's businesses, in particular the operating of cement factories and quarries, are covered by authorisations or operating declarations and are subject to the regulations enacted by the administrative authorities.

All classified installations take into account the following environmental aspects : air pollution, water pollution, waste, nature conservancy (fauna, flora, landscapes, archaeology, forests, natural areas, agriculture), noise pollution, rational use of energy, town planning were carried out. Developments agreed with the neighbouring populations and with environmental players and protectors.

The administrative authorities and the independent laboratories conduct regular inspections on the cement factories, in addition to the internal audits carried out by the Group.

The Group complies with the applicable environmental laws and regulations and holds the authorisations, permits and licenses necessary to allow it to carry out its business. The laws and regulations impose increasingly rigorous standards of environmental protection for industrial activities such as those carried on by the Group, in particular in the European Union and in the United States, and are interpreted more and more restrictively by the authorities. The Group expects this tendency to continue, which exposes the Group to an increased risk of claims and significant expenditure resulting from environmental issues.

The Group is working actively on the development and installation of measures intended to protect the environment. The development and adaptation of production technologies is a key element for the Group's environmental management policy. The Group's environmental policy is detailed in Section 8.2. "Environmental policy" of this Registration Document.

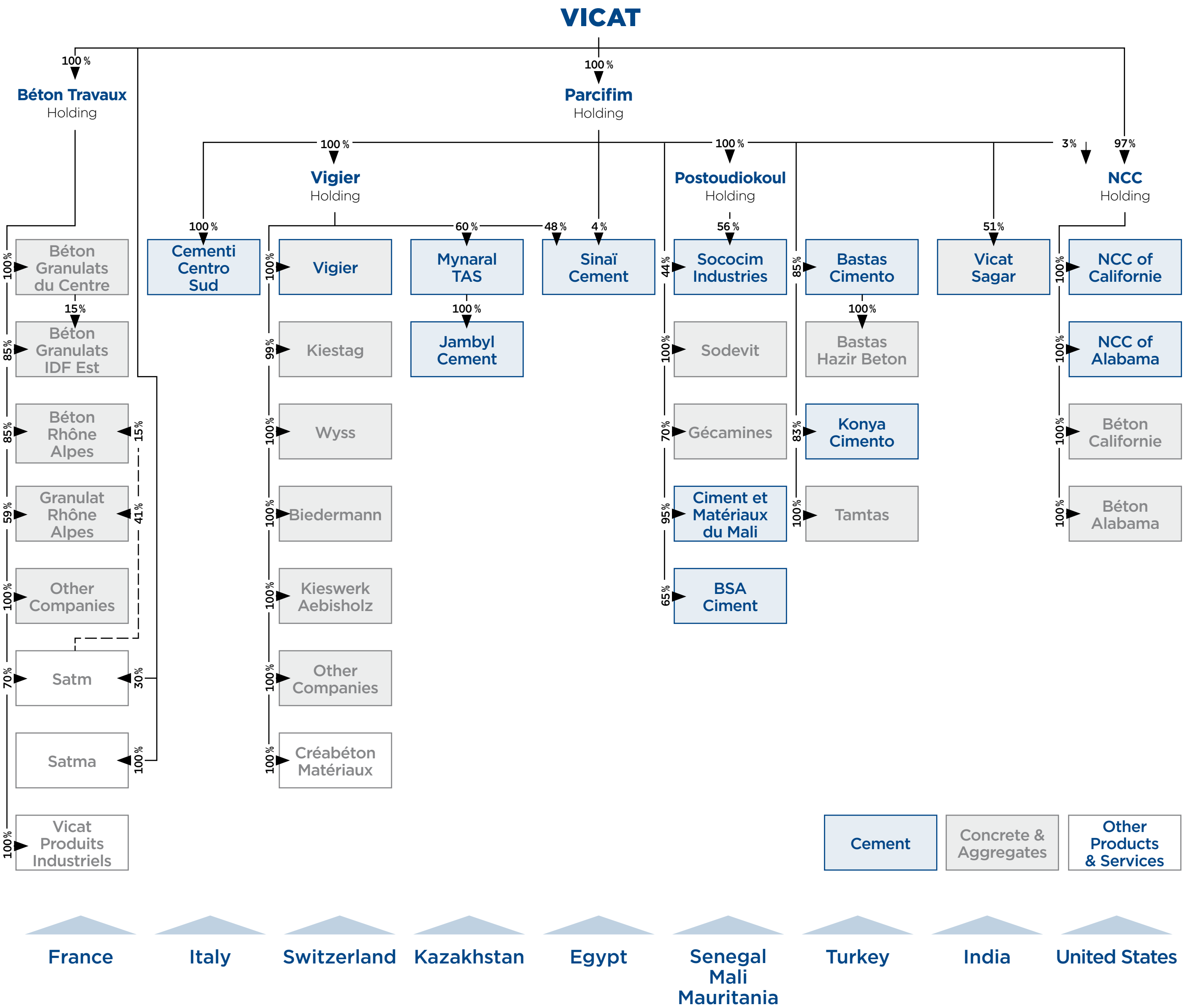
7

ORGANISATION CHART

7.1. SIMPLIFIED LEGAL ORGANISATION CHART FOR THE GROUP AS AT DECEMBER 31, 2009

Some of the subsidiaries controlled by the Group have minority shareholders who may be industrial or financial partners, or historical shareholders in the company in question before it was acquired by the Group. The presence of these minority shareholders may lead to the signing of shareholder agreements containing provision regarding the corporate governance, the information provided to the shareholders or the evolution of the shareholdings. Nonetheless, and excluding the below-mentioned exception, these shareholders agreements do not provide for put or call options, modifications to the cash distribution, or more generally measures that could have a material impact on the Group's financial structure.

A shareholders agreement was entered into between Vigier Holding, Home Broker JSC (formerly known as KazKommerts Invest) and Société Financière Internationale to organise their relations as shareholders of the company Mynaral Tas, which contains a put option granted by the Group to Société Financière Internationale for its 10% shareholding in Mynaral Tas. This option, which can be exercised in December 2014 at the earliest, and its price will be determined by an expert. Given this deadline and the current state of advancement of the greenfield project developed by Mynaral Tas, it is not possible as of today to evaluate the Group's obligations on the basis of Société Financière Internationale's put option (see Note 9 of Section 20.2.2. "Appendix to the 2009 consolidated financial statements" of this Registration Document).



* The organisation chart above summarises the principal links between the Group's companies. The percentages mentioned correspond to the share of the capital held. For the purposes of simplification, some intragroup holdings have been combined.

7.2. INFORMATION ON SUBSIDIARIES AND SHAREHOLDINGS

The Group's principal subsidiaries were determined on the basis of their contribution to financial indicators (sales by entity, share in the consolidated EBITDA, value of the intangible and tangible assets for each entity, consolidated equity—Group share) such that the aggregate of the indicators retained for these subsidiaries represents 90% of the Group's consolidated total. The Group's main holding companies were added to this list.

The Group's consolidated subsidiaries are distributed across various countries as follows:

Country	Number of subsidiaries
France	51
United States	17
Switzerland	36
Turkey	7
Senegal	4
Egypt	13
Italy	1
Mali	1
Mauritania	2
India	1
Kazakhstan	2
Total	**135**

These main subsidiaries are described below.

Parficim

Incorporated on June 7, 1974, Parficim is a French *société par actions simplifiée* with a share capital of € 52,368,368 whose registered office is located at Tour Manhattan—6, place de l'Iris—92095 Paris-La Défense Cedex, registered with the Trade and Companies Register of Nanterre under number 30 482 8379. Parficim's corporate purpose is the acquisition and management of transferable securities, shares in interests, and tangible and intangible assets.

As at December 31, 2009, the Company held 100% of Parficim's share capital.

Béton Travaux

Incorporated on March 27, 1965, Béton Travaux is a French *société anonyme* with a share capital of € 27,996,544, whose registered office is located at Paris-La Défense (92095)—Tour Manhattan—6, place de l'Iris, registered with the Registery of Companies and Commerce of Nanterre under number 070 503 198. Béton Travaux's corporate purpose is the shareholding and management of manufacturing, transport and ready-mixed concrete companies and of all materials or equipment relating to their manufacture.

As at December 31, 2009, the Company held 99.98% of Béton Travaux' share capital (others: 0.02%).

National Cement Company, Inc.

Incorporated on April 17, 1974, National Cement Company, Inc is a corporation under American law with a share capital of US$190,520,000, whose registered office is located at 15821 Ventura Blvd, Suite 475—Encino, CA 91436-4778 (United States), registered in the State of Delaware under the number 63-0664316. National Cement Company's corporate purpose is the acquisition, administration and financing of holdings in companies, in particular in the cement and ready-mixed concrete sectors.

As at December 31, 2009, the Company held 96.36% of the share capital of National Cement Company, Inc. and Parficim held 3.64%.

Vigier Holding

Incorporated on August 25, 1884, Vigier Holding is a Swiss *société anonyme*, with a share capital of CHF 1,452,000, whose registered office is located at Wylihof 1, Deitingen, 4542 Luterbach, Switzerland, registered in Solothurn under the number CH-251.3.000.003. Vigier Holding's corporate purpose is the acquisition, administration and financing of holdings in firms, commercial acts and sectors of industrial services of all types, in particular in the cement and ready-mixed concrete branch. The company may acquire shareholdings in other companies and acquire, buy and sell land.

As at December 31, 2009, Parficim held 100% of Vigier Holding's share capital.

Bétons Granulats du Centre – B.G.C.

Incorporated on December 30, 1982, B.G.C. is a French *société par actions simplifiée* with a share capital of € 2,123,856, whose registered office is located at Les Martres-d'Artières (63430)—Chemin des Martailles, registered with the Trade and Companies Register of Clermont-Ferrand under number 327 336 343. The company's corporate purpose is the production, transport and marketing of ready-mixed concrete and all materials and equipment used in its manufacture.

As at December 31, 2009, Béton Travaux held 99% of the share capital of B.G.C. (others: 1.00%).

Béton Granulats Île-de-France/Est – B.G.I.E.

Incorporated on December 15, 1988, B.G.I.E. is a French *société par actions simplifiée* with a share capital of € 3,849,584, whose registered office is located at Lagny-sur-Marne (77400)—52-56, rue Jacquard, registered with the Trade and Companies Register of Meaux under number 344 933 338. B.G.I.E.'s corporate purpose is the production, treatment, storage, transport and trading of aggregates and all construction materials, as well as the operation of all quarries.

As at December 31, 2009, Béton Travaux held 79.62% of the share capital of B.G.I.E., Bétons Granulats du Centre—B.G.C. held 15.16% and the company Béton Rhône-Alpes held 5.22%.

Béton Rhône-Alpes

Incorporated on January 7, 1977, Béton Rhône-Alpes is a French *société anonyme* with a share capital of € 2,327,280 whose registered office is located at L'Isle-d'Abeau (38080)—Les Trois Vallons—4, rue Aristide-Bergès, registered with the Registry of Companies and Commerce of Vienne under number 309 918 464. Béton Rhône-Alpes' corporate purpose is the production, transport and marketing of ready-mixed concrete and all materials or all equipment relating to its manufacture.

As at December 31, 2009, Béton Travaux held 81.07% of the share capital of Béton Rhône-Alpes, SATM held 15.48%, and Granulats Rhône-Alpes held 2.94% (others: 0.51%).

Granulats Rhône-Alpes

Incorporated on January 1, 1942, Béton Rhône-Alpes is a French *société anonyme* with a share capital of € 3,407,088 whose registered office is located at L'Isle-d'Abeau (38080)—Les Trois Vallons—4, rue Aristide-Bergès, registered with Trade and Companies Register of Vienne under number 768200255. Granulats Rhône-Alpes' corporate purpose is the operation of all businesses relating to the sale of construction material, the public transport of goods and the hiring of vehicles by land, air, sea or river.

As at December 31, 2009, Béton Travaux held 51.93% of the share capital of Granulats Rhône-Alpes, SATM held 40.42%, Béton Rhône-Alpes held 1.21%, Boué held 5.37% and Mariotto Béton held 1.07%.

Société Auxiliaire de Transport et de Matériel (SATM)

Incorporated on February 1, 1958, SATM is a French *société par actions simplifiée* with a share capital of € 1,600,000 whose registered office is located at Chambéry (73000)—1327, avenue de la Houille-Blanche, registered with the Trade and Company Register of Chambéry under number 745 820 126. SATM's corporate purpose is the purchase, sale, use, leasing and operation of any equipment used for transport or any other uses and all transport and transport commission operations in particular: road transport, public transport services, goods in all areas and all countries, grouping of goods, freighting of trucks, and all commercial or financial transactions, movable or real estate, being able to be attached directly or indirectly to the purposes above or being able to facilitate the extension or its development.

As at December 31, 2009, Béton Travaux held 70.12% of the share capital of SATM, the Company held 22.02% and Parficim held 7.86%.

Vicat Produits Industriels – VPI

Incorporated on May 1, 1957, Béton Rhône-Alpes is a French *société par actions simplifiée* with a share capital of € 3,221,776 whose registered office is located at L'Isle-d'Abeau (38080)—Les Trois Vallons—4, rue Aristide-Bergès, registered with Trade and Companies Register of Vienne under number 655 780 559. The corporate purpose of V.P.I. is to manufacture and install all covering, sealant and insulating products and articles and all additives etc. as well as any operations as an agent or brokerage connected with these products or this work.

As at December 31, 2009, Béton Travaux held 100% of VPI's share capital.

Bastas Baskent Cimento Sanayi Ve Ticaret A.S.

Incorporated on July 26, 1967, Bastas Baskent Cimento Sanayi Ve Ticaret A.S. is a Turkish corporation with a share capital of YTL1,494,990, whose registered office is located in Ankara Samsun Yolu 35.km—06780 Elmadag—Ankara (Turkey), registered with the Register of Businesses of Ankara under number 16577 and whose corporate purpose is the production and sale of cement and lime.

As at December 31, 2009, Parficim held 82% of the share capital of Bastas Baskent Cimento Sanayi Ve Ticaret A.S., Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S. held 3.7% (others: 14.3%).

Konya Cimento Sanayii A.S. (Konya)

Incorporated on December 11, 1954, Konya is a Turkish company with a share capital of YTL4,873,440, whose registered office is located in Ankara Yolu Üzeri N°355, 42005 Selçuklu—Konya (Turkey), registered with the Register of Businesses of Konya under number 2317 and whose corporate purpose is the production and marketing of various types of cements and concretes. The company's shares are listed on the Istanbul Stock Exchange (IMBK).

As at December 31, 2009, Parficim held 77.92% of Konya's share capital, Béton Travaux held 0.99%, SATM held 0.99%, SATMA held 0.99%, Noramco held 0.99% and Konya Cimento Ticaret held 1.46%. The remaining shares, representing 16.66%, of the share capital are held by approximately 2,500 shareholders, with no shareholder holding more than 1% of the company's share capital.

Bastas Hazir BÉTON San. Ve Tic. A.S.

Incorporated on December 20, 1990, Bastas Hazir San Concrete. Ve Tic. A.S. is a Turkish company with a share capital of YTL3,885,000, whose registered office is located in Ankara-Samsun Yolu 35.km, 06780 Elmadag—Ankara (Turkey), registered with the Register of Businesses in Elmadag under number 488 and whose corporate purpose is the production and marketing of ready-mixed concrete.

As at December 31, 2009, Bastas Baskent Cimento Sanayi Ve Ticaret A.S. held 99.99% of the share capital of Bastas Hazir Beton San. Ve Tic. A.S. (others: 0.01%).

Sococim Industries

Incorporated on August 7, 1978, Sococim Industries is a Senegalese company with a share capital of FCFA 4,666,552,110, whose registered office is located at 33 km, Ancienne route de Thiès—Dakar (Senegal), registered in Dakar under number 78 B 104 and whose corporate purpose is the manufacture, import, marketing, export of limes, cements and sometimes hydraulic products and generally, of all products, materials, goods, articles and services related to construction.

As at December 31, 2009, Postoudiokoul held 55.56% of the share capital of Sococim Industries and Parficim held 44.32% of the share capital of Sococim Industries and 100% of Postoudiokoul (others: 0.12%).

Sinaï Cement Company

Incorporated on December 27, 1997, the Sinai Cement Company is an Egyptian company with a share capital of EGP700 million, whose registered office is located at 29A Sama Tower—ring road Katania, Cairo (Egypt), registered in Giza under number 118456 and whose corporate purpose is the manufacture, import, marketing and export of bags of cement and construction materials.

As at December 31, 2009, Vigier Holding and Parficim held 48.69% and 3.80% respectively of the Sinai Cement Company (others: 47.51%).

Cementi Centro Sud

Incorporated on September 5, 2001, Cementi Central Southern S.p.a., is an Italian company with a share capital of € 3,434,013, whose registered office is located at Via XX Settembre, No. 6/8, Genoa (Italy), registered in Genoa under the number 02154090985 and whose corporate purpose is the management of harbour terminals and the production, import and export of construction materials.

As at December 31, 2009, Parficim held 100% of the share capital of Cementi Centro Sud S.p.a.

8

REAL ESTATE, FACTORIES AND EQUIPMENT

8.1. REAL ESTATE AND EQUIPMENT

The table below shows the Group's main real estate holdings and equipment as at December 31, 2009 for its cement, ready-mixed concrete and aggregates businesses:

	Cement				Ready-mixed concrete	Aggregates
Country	**Cement factories**	**Grinding plants**	**Cement terminals**	**Capacity [1] (millions of tons)**	**Concrete batching plants**	**Quarries**
France	5	2	4	4.6	138	48
United States	2	-	5	2.6	47	-
Turkey	2	-	-	4.6	37	6
Senegal	1	-	4	3.5	-	2
Mali	-	-	1	-	-	-
Switzerland	1	-	-	0.9	18	19
Egypt	1	-	-	3.6	-	-
Italy	-	1	2	0.5	-	-
Mauritania	-	1	-	0.5	1	-
Total	**12**	**4**	**16**	**20.8**	**241**	**75**

[1] Equivalent cement capacity to the clinker capacity of each factory.

8.1.1. Cement

The cement-manufacturing industry is a highly capital-intensive industry, requiring significant investments. The cost of building a cement factory generally amounts between €100 and €150 million, depending on the type of work and the country location. The Group takes care to maintain its production facilities at a high level of performance and reliability. Accordingly, it has continuously invested in new equipment, which enables it to benefit from the latest recognized technologies, and has in particular enabled it to benefit from a steady improvement of the energy balance of the installations. The choice of leading international suppliers is also in line with the Group's policy of industrial excellence intended to give priority to quality, durability and performance of the equipment.

The table below sets forth the Group's various cement producing sites in France and abroad.

Cement factory	Country	Key dates
Montalieu	France	Group's main cement factory in France, its construction dates from 1922.
La Grave-de-Peille	France	Built in 1929, this was the Group's second cement factory in France.
Créchy	France	Built in 1968, this was the cement factory is located close to Vichy.
Xeuilley	France	Acquired in 1969, during the cement industry's restructuring period.
Saint-Égrève	France	Acquired in 1970, this factory is located in the south-east, in the Rhône-Alpes region.
Ragland	United States	In 1974, the acquisition of this cement factory in Ragland, Alabama, was the Group's flagship investment internationally.
Lebec	United States	In 1987, the Group reinforced its presence in the United States with the acquisition of this factory in Lebec, California, located near Los Angeles.

Konya	Turkey	This cement factory, acquired in 1991, is located in Konya, in the south of the Anatolian plain.
Bastas	Turkey	This cement factory, acquired in 1994, is located in Bastas, in the centre of Turkey, close to Ankara, the capital.
Rufisque	Senegal	In 1999, the Group took over Sococim Industries which operates a cement factory near the capital, Dakar.
Reuchenette	Switzerland	The acquisition of Vigier in 2001, made it possible for the Group to supplement its activities with this cement factory of Reuchenette.
El Arish	Egypt	At the beginning of 2003, the Group took a strategic holding in the Sinai Cement Company, owner of a cement factory built in 2001, situated 40 km from El Arish harbour.
Oristano (grinding station)	Italy	Acquired in May 2003, Cementi Centro Sud is the owner of a grinding station in Sardinia and has two shipping terminals in Tarente (south of the Italian peninsula) and Imperia (close to Genoa).
Bamako	Mali	Inauguration in March 2006 of a railway terminal and a bagging unit, operated by the subsidiary Ciments et Matériaux du Mali.
Mynaral	Kazakhstan	Construction of a 1.1 million tons capacity cement factory in Mynaral, 400 km from Almaty. The project company was acquired in December 2007. The plant should be in-service by autumn 2010.
Nouakchott	Mauritania	In October 2008, the Group took control of 65% of the equity of BSA Ciment SA, which operates a cement mill near the capital.
Chatrasala	India	Vicat Sagar Cement, a joint venture set up by the Group with its Indian partner, is currently in the initial stages of the project for a greenfield plant in Karnataka, i.e. selection of suppliers, purchase of land, and setting up financing.

In most cases, the Group owns the land on which its cement factories are built. The Lebec cement factory has a lease granted in 1966 for a term of 99 years, of which 55 years remain. In addition, except for some rolling items (such as loaders and trucks), the production equipment is fully-owned.

The Group manages the clay and limestone quarries and owns the land it exploits, either through renewable mining rights agreements for terms of between 10 to 30 years according to country, or through concessions granted by the state, which offer both use of the land and the right to exploit it. These concessions are also renewable periodically.

From the outset of its quarry operations, the Group takes into account the constraints of restoring its sites. See Section 8.2. “Environmental policy” of this Registration Document.

8.1.2. Ready-mixed concrete

The ready-mixed concrete business included 241 concrete batching plants as at December 31, 2009. These concrete batching plants consist of raw materials storage facilities and concrete preparation tanks. This equipment is heavily automated in order to ensure consistency in the quality of the concrete manufactured. With the exception of four batching plants rented in Turkey, the Group owns its concrete batching plants.

In addition, this ready-mixed concrete business operates a fleet of mixer trucks and pumping trucks to deliver the concrete to building sites. The Group directly operates part of this fleet, either as owner of the trucks or under financing leasing agreements. For the remainder it sub-contracts delivery of the concrete to lessors who have their own equipment.

8.1.3. Aggregates

Extractions are made on land which the Group owns or over which it has long-term operating rights, and for which it has obtained the necessary licenses. In addition, the Group maintains the level of its reserves through acquisitions and by obtaining new extraction licenses. Finally, management of the quarries integrates the necessity of restoring the sites, as discussed in Section 8.2. "Environmental policy" of this Registration Document.

The industrial plant comprises heavy equipment such as loaders, haulage machines, crushers and other materials such as draglines. With the exception of some plants held under financing leasing agreements, the Group generally owns this equipment.

8.2. ENVIRONMENTAL POLICY

The pillars of the Group's environmental policy are in line with its commitment to sustainable development; they reflect a genuine desire to respect the environment, conserve natural resources and develop human relations. Investments amounted to a total of 8 million euros in 2009, 9.2 million euros in 2008 and 22.1 million euros in 2007. This commitment results in particular in the following:

8.2.1. Integrating quarries into their environment

Environmental considerations are incorporated into all stages of the life cycle of the operation of the quarries, operation being necessary to supply the cement factories or for production of aggregates. The flora, fauna and country side are taken into consideration at every stage of their operation.

There are three main pillars to the Group's environmental policy for the operation of its quarries:

Redevelopment of quarries: 84% of the Group's quarries have a redevelopment plan. In 2009, almost 900,000 m^2 were redeveloped under such programs, which take various forms depending on the specific context and local needs; in particular, they include meadows, tree planting and lakes. For example, the planting program at the Konya and Elmadaq quarries in Turkey continued in 2009 with over 13,000 trees planted, and in Senegal the reinstatement of the woods around the Bandia aggregates quarry also continued.

Measures to compensate for extraction: As part of its projects, the Group is committed to setting up compensatory measures in conjunction with local NGOs and the authorities, involving programs targeted at a specific objective, or broader programs relating to biotopes as whole. For example, on December 5, 2009, the Group signed a sponsorship agreement with the "Tichodrome" association in the Isère, which protects and cares for injured wild animals, and the Fédération Rhône Alpes de Protection de la Nature ("FRAPNA") (Federation for the Protection of Nature in the Rhône Alpes Region). This partnership involves making former quarries available for the installation of cages to allow wild birds to recover, providing a former house on loan to accommodate a new treatment center and a charitable donation.

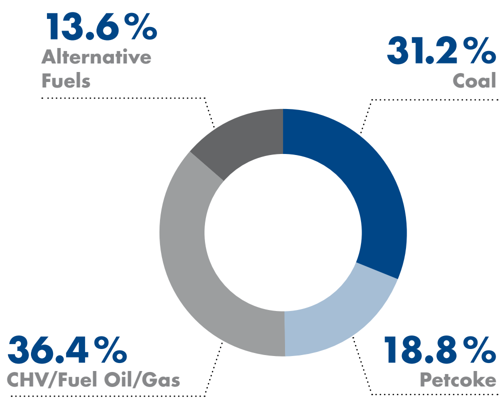
Reduction of environmental impact: The control of pollution and the impact of our quarries on biodiversity are essential elements in our operating policy. In 2009, this concern was reflected in particular in the completion of the River Veyle diversion at the aggregates quarry at St Denis Lès Bourg (Ain) and the filling of the new channel with water. Under a partnership between the Vicat aggregates subsidiary and the Veyle Vivante joint management, the river running through the St Denis Lès Bourg gravel pit was diverted to enable extraction to continue and the river once again to flow normally. The project was designed by a firm of specialist environmental engineering consultants. It comprises various sections with different features, which will allow the water to follow a minor bed in a natural manner, with meanders, sediment, rapids, etc. The project was awarded the top prize in the redevelopment category of the sustainable development competition organized by the Union Nationale des Producteurs de Granulats (UNPG) (National Association of Aggregates Producers).

The amounts for which provision is made under this heading in the Group's consolidated financial statements are shown in Notes 1.16. and 15. of Section 20.2. "Financial information" of this Registration Document.

8.2.2. Optimized mix of energy sources with an increasing share going to alternative fuels and waste

Environmental considerations always feature in the choice of fuels used in the Group's cement factories, whether this is reflected in the choice of fuels that emit less CO2, such as natural gas, or in the use of alternative fuels, as soon as a waste collection contract makes this feasible from an industrial and financial point of view (subject to agreement from the relevant monitoring authorities). The fuel mix remained stable over the Group as a whole in 2009; the proportion of alternative fuels, however, increased from 13.3% in 2008, to 13.6% of thermal energy in 2009.

This overall increase does not fully reflect the reality of what has been achieved owing to other factors in the production mix, namely the increase in clinker production with the increase in capacity in Egypt, where alternative fuels have not yet been used. The proportion of alternative fuels increased by 1% in France and Turkey, almost 8% in Switzerland, 4% in the United States and 5% in Senegal. In total the proportion of alternative fuels, excluding Egypt, was 19.5% in 2009, compared with 16.2% in 2008.



In Egypt, tests have been conducted on the incineration of household waste and Sinai Cement is carrying out research into other types of alternative fuel which may be financially viable.

Several ongoing projects in the context of the "Performance 2010" and "Performance +" plans will continue to increase the use of these alternative fuels:

- In Turkey, a joint venture subsidiary created with Chimirec has obtained the necessary authorizations and has begun to supply the Bastas plant with waste in a program which is expected to grow over the coming years.
- In Senegal, the year saw the start of a program to use of a range of fuels (peanut shells, Jatrophas berries, used oils); use of such fuels can now be increased with the start up of Kiln 5.
- In Switzerland, the factory has begun to use milled wood from construction site materials recovered by the Concrete and Aggregates business.

8.2.3. Pollution control

In addition to the above measures in relation to quarries, the Group is reducing environmental pollution caused by industrial operations. Emissions and discharges into the air relate primarily to the cement factories. These are measured on a regular basis and are strictly regulated and monitored, in particular with regard to dust, SO_x and NO_x.

Emissions of pollutants are measured on a regular basis and action plans put in place to reduce these. The following table shows the aggregate emission measurements for the Group:

	2009 clinker production% covered by the study	Total emissions (tonnes)		Emissions (g/tonne of clinker)	
		2008 (1)	2009	2008 (1)	2009
Dust	100%	476	451	42	42
SO_x	50%	2,861	2,942	552	552
NO_x	69%	11,840	8,605	1,469	1,164

(1) Excluding data related to Rufisque plant emissions considered to be non-representative. These affected the average in 2006 but improved in 2008 owing to investments put in place.

The Group's significant investment efforts in recent years, with the installation of filter bags in several plants (Konya in Turkey, Montalieu and Créchy in France and Rufisque in Senegal) has produced results and these are reflected in a further reduction in dust emissions, which put the Group among the most efficient in the industry in this area.

In addition to the work on emissions from the cement factory chimneys, efforts have also been made to control the emissions of diffuse dust: these include in Senegal the installation of a number of filter bags in the Rufisque cement factory and the use of conveyor belts to prevent material being picked up from the ground, and a new clinker storage shed with full dust extraction is currently under construction. Likewise, in the Oristano plant in Italy, the new clinker elevator and other measures have almost completely eliminated dust emissions from the factory.

8.2.4. Control of greenhouse gas emissions

In all the countries where the Group is present, it implemented measures as part of the collective action by the Kyoto Protocol signatory countries to reduce greenhouse gas emissions. The cement business is primarily affected by emissions of CO_2 from, on one hand, the decarbonization of limestone and, on the other, the fuels used in its kilns.

Even before the first period in which emission quotas applied (2005-2007), the Group worked actively on reducing its CO_2 emissions into the atmosphere, by endeavoring to decrease fossil fuel consumption, improve the thermal efficiency of its kilns and increase the use of alternative fuels, which emit less CO_2, and of biomass fuels where the CO_2 balance is neutral for the environment. Looking to the medium-term, the Group is also developing cements with additives in countries where the standards allow it (limestone or pozzolanic fillers, blast furnace slag, fly ash). The Group is also studying other alternatives (such as new technologies, repatriation of CO_2 within the framework of Clean Development Mechanisms. new products, etc.).

The cement industry in France has been subject to greenhouse gas emission quotas since 2005, when a quota mechanism was introduced by the European Union in order to encourage industry to control and reduce CO_2 emissions into the atmosphere. Each year, therefore, the Member States of the European Union allot emission quotas to each operator under national allocation plans, which are negotiated by Member States after dialogue with professional organizations. These emission quota allocations are determined on the basis of past emissions, the expected growth of the industry sector and taking into account of the reduction factor set by the European Union in order to move towards the Kyoto Protocol objectives. Any exceeding of the quotas allocated per producer must be offset by purchasing emission rights on the market or by using quotas allocated for the following year.

With regard to the second phase of allocation these quotas for the years 2008-2012 (PNAQ II), the Group estimates that given the efforts made to reduce its emissions, its sales forecasts over this period, the revised version of the national allocation plan accepted by the European Commission and new allocations granted from the reserve for new entrants (total: 2.8 million tonnes), it should not need to purchase additional emission rights on the market.

After the European Council vote in December 2008 on the revised European Directive on CO_2 Emission Trading Systems (the ETS Directive), 2009 was the year of negotiations on the measures to be taken to implement this directive. The key element in these negotiations was the determination of the CO_2 emissions "benchmark" for the European cement industry. The Directive had specified that in the case of each industry sector in question, a CO_2 emissions level (a benchmark) should be determined per unit of product by calculating the average emissions of the plants in the top decile (average of the 10% best performing plants). Clinker was to be taken as the benchmark product for our industry. At the same time, a major survey was undertaken among all the clinker manufacturing plants to determine this benchmark level, which is still to be validated officially by the European Commission, but is currently set at 780 kg of CO_2 per tonne of clinker.

This level will be used post-2012 to allocate to each plant producing clinker free quotas calculated by multiplying the benchmark by the average production of such plant over the period 2006-2007. Plants receiving quotas which exceed their requirements will be able to sell these, while those with insufficient allocation will have to purchase the shortfall.

As far as the Group's business in France is concerned, owing to the thermal efficiency of the kilns and the high proportion of biomass used, the CO_2 emission factor per tonne of clinker is very close to the benchmark. The program to introduce new alternative fuels containing biomass should enable an emissions factor equal to or below the benchmark to be achieved in 2012.

In France, 2009 was the second year in the implementation of phase II of the national quota allocation plan (PNAQ II), under which the Group was allocated 2,802 thousand tonnes in emission quotas. Given the slowdown in the market, the continued increase in alternative fuels, in particular, from biomass, and the good control over the thermal performance of the plants, actual emissions were estimated at 2,024 thousand tonnes of CO_2. The cumulative surplus (885,thousand tonnes) was kept by the company for future use in Phase III. In addition, the National Quotas Allocation Plan (PNAQ II) offers the Group the option to fulfill part of its obligation through Emission Reduction Certificates (CER); the Group was therefore able to exchange quotas against CERs to the tune of 600 thousand tonnes and the balancing cash adjustment received was then recognized in the income for the period.

In 2009, the total emissions for the Group's Cement business were 8,752,898 tonnes of CO_2. In absolute terms, these emissions have shown a net decrease, 5.6%. With the reduction in clinker production, emission per tonne fell by 1% to 815 kg of CO_2 /tonne of clinker, due essentially to the mix of production from the factories and the growing proportion of biomass fuels.

The amounts posted under this heading in the Group's consolidated financial statements are shown in Note 1.7. of Section 20.2.2. "Appendix to the 2009 Consolidated Financial Statements" of this Registration Document.

8.2.5. Managing and recycling the water required for production

Water management and recycling is a feature of the Group's three core businesses:

- In the case of cement manufacture, water is used only for cooling and the Group is developing an approach intended to minimize extraction from the environment by giving priority to recycling systems and by collecting rainwater.
- In the case of ready-mixed concrete, water is used both for incorporation into the product and for washing the installations and vehicles. In France, the Ready-mixed concrete business continued implementation of the water management program begun in 2007. In 2009, the process water recycling facilities at 25% of the Béton France sites were upgraded.
- In the case of the aggregates business, the large amounts of water extracted for washing materials are offset by water recycling systems, as for example at the Sablières de Grésivaudan site, which operates in closed loop. The proportion of water recycled increases every year, reaching 72% in 2009.

9

EXAMINATION OF THE FINANCIAL CONDITION AND RESULTS

The following presentation and analysis shall be read in conjunction with the entire Registration Document, in particular the Group's consolidated financial statements for the years ended on December 31, 2007, 2008 and 2009, prepared in accordance with International Financial Reporting Standards or "IFRS" (see Section 20.1. "Accounting policies" of this Registration Document), on which this analysis was based.

9.1. INTRODUCTION

As of the date of this Registration Document, the Group is present in eleven countries and is active in nine with its main businesses being Cement, Ready-mixed concrete and Aggregates. The Group has organized its teams by business line in order to manage its activities. This choice is explained by the fact that the Cement business on one hand and the Ready-mixed concrete and Aggregates businesses on the other hand are based on different economic models and affect different customers. Accordingly, the Group manages its activities and allocates its resources by business line in all the markets where it operates. Nonetheless, the capital-intensive nature of this industry often leads the Group to coordinate its businesses by market, in order to improve the overall efficiency of its organization.

Country	Cement	Concrete & Aggregates	Other Products & Services
France	▼	▼	▼
United States	▼	▼	
Switzerland	▼	▼	▼
Turkey	▼	▼	
Senegal	▼	▼	
Egypt	▼		
Italy	▼		
Mali	▼		
Kazakhstan	▼		
India	▼		
Mauritania	▼	▼	

In 2009, the Group's total shipments in these main businesses amounted to 14.5 million tons of cement, 7.1 million m^3 of concrete and 18.7 million tons of aggregates.

In France and Switzerland, the Group also operates in activities complementary to the main businesses.

9.1.1. Summary of the Group's 2009 results

During the financial year 2009, the Group's consolidated sales were €1,896 million, showing a decrease of 7.8% compared to 2008 and of 9.1% at constant scope and exchange rates.

In a degraded economic context, the Group's business fell in France (-17.0%), in the United States (-35.8%) in Turkey (-5.4%) and in Europe (-0.5%) at constant scope and exchange rates. On the other hand, in Africa and the Middle East (+31.1%), the consolidated net sales of the Group at constant scope and exchange rates increased compared to 2008.

Variation of 2009/2008 sales by business and geographical region:

	France		Outside France		Total	
	In millions of euros	%	In millions of euros	%	In millions of euros	%
Cement	(40)	(12.2)	61	10.3	21	2.3
Concrete & Aggregates	(99)	(20.0)	(50)	(14.5)	(149)	(17.7)
Other Products & Services	(34)	(17.7)	1	1.7	(33)	(11.5)
Total	**(173)**	**(17.0)**	**12**	**1.2**	**(161)**	**(7.8)**

The Group's levels of operating profitability fell in some countries compared with 2008, influenced by:

- the very significant decrease in business in the United States throughout the financial year;
- the degradation in business in the French and Turkish markets;
- the significant decrease in prices in Turkey and in the United States, linked to strong competitive pressure.

These factors were partially compensated by commercial dynamism in Africa and the Middle East, as well as the consistent performance of activities in Switzerland.

The Group's operating profitability was also affected by the increase in the energy costs partly compensated for by the improvement in the technical performance of the industrial equipment and by the increased use of alternative fuels, as well as the effects of the "Performance+" plan implemented at the end of 2008. As a result, the Group's consolidated EBITDA showed a 10.5% decrease compared with 2008 to €473 million and an 11.6% decrease at constant scope and exchange rates. In spite of the difficult economic and financial environment, the Group's EBITDA margin only decreased by 0.8 of a point, remaining at a high level, and was 24.9% compared with 25.7% in 2008.

The net consolidated income was €234 million, down by 14.4% compared to 2008 (€273 million), including a Group share of €191 million, down by 22.0% compared to 2008 (€245 million).

The consolidated self-financing capacity has gone down slightly to €387 million compared with €402 million in 2008. The cash generated by activities (€383 million) has mainly financed the €274 million of industrial investments made over the year and has generated an amount of €119 million of free cash flow. With a net indebtedness of €653 million, the Group displays, as at December 31, 2009, a sound financial structure, with gearing as at this date of 31.4% compared with 34.7% at the end of 2008.

9.1.2. Elements having an impact on result of operations

As at the date of registration of this Registration Document, the Group considers that the principal factors having a significant impact on its financial performance are as follows.

9.1.2.1. Elements having an impact on sales

(a) Economic conditions in the countries where the Group operates

The materials produced by the Group —cement, concrete and aggregates— are major components of construction and infrastructure in general.

Demand for these products depends on the economic conditions specific to each country and market, which are in turn determined by the rate of demographic growth, the level of economic growth and the level of urbanisation. These factors condition the level of local public and private investments in residential housing and infrastructure, and therefore the sales achieved by the Group in each market where it operates.

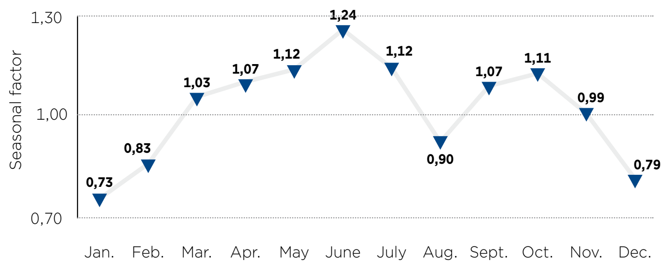
The price levels applicable to each market are determined by the production costs of existing operators and the competitive intensity of the product markets.

(b) Seasonal factors

Demand in the Cement, Ready-mixed concrete and Aggregates businesses is seasonal and tends to decrease in winter in temperate countries and during the rainy season in tropical countries. The Group therefore generally records a fall in sales in the first and fourth quarters, during the winter season in the principal markets of Western Europe and Nort≤h America. In the second and third quarters, on the other hand, sales are higher, as the summer season is favourable to the construction industry.

The following graph shows the changes in the monthly standard coefficient of seasonal factors during the year, calculated from sales recorded during the last five years. Thus, for a monthly average equal to 1, the seasonal factor varies from 0.73 on average in January to almost 1.24 on average in June.

Seasonal factors of Vicat's sales



The seasonal factors observed vary depending on the country. Thus, the Group's activities in Senegal, despite reduced activity from August to October because of wintering, as well as in the United States, suffered from fewer marked seasonal factors than those noted in Western Europe. Turkey similarly did not see a fall in its activity in August, unlike France and Italy.

9.1.2.2. Elements having an impact on production costs

The principal components of production costs are energy, raw materials, maintenance, provisions for depreciation of production facilities, transport costs and personnel costs.

The cost of energy is the most important in the Cement business; it represents globally more than one third of the cost price of cement. The cost of energy includes, on one hand, electricity, whose price depends in particular on the production capacity available on each market and, on the other, on fuels, whose prices depend on the overall market conditions for each material. The effect of changes in fuel prices varies in particular according to the mix of fuels used, the energy efficiency of each factory, and the capacity to use alternative fuels. The impact of energy prices variations has a delayed and reduced impact on the income statements, considering the inventory and the existing term supply agreements.

As the Group's products are heavy, the share of costs relating to transport can prove to be high. The locations of factories and their proximity to the markets are thus determinant for the competitive position and have a direct effect on the selling prices net of transport received by the companies (see also the Section 9.1.4. "Elements of the income statement" of this Registration Document).

9.1.2.3. Elements having an impact on the financial result

The consolidated financial results depend mainly on the Group's indebtedness, as well as on the interest rates used and fluctuations in the exchange rates of the currencies in which the Group incurs debts or has a cash surplus. The sensitivity to these variations of rates and exchange is limited by the hedging instruments used.

The Group's activities are run by entities which operate primarily in their own country and their own currency, both for sales and for purchases. The Group's exposure to exchange rates is thus limited.

Nevertheless, import and export transactions by the companies in currencies different from their accounting currency are generally hedged by forward buying and selling currency operations. Intragroup financings are usually the subject of exchange rate hedging by the companies where the loan currency differs from the operating currency.

9.1.2.4. Elements having an impact on the Group's taxes

The Group's tax burden depends on the tax laws in force in each country where the Group operates and on exemption agreements from which some subsidiaries (Senegal and Egypt) benefit.

In Senegal, the State signed a mining agreement with Sococim Industries in February 2006, with retroactive effect to January 1, 2006, granting it tax exempt status because of its major investment plan, of which the main benefits are exemption from corporation tax, a capping of the occupational and land taxes for a period of 15 years and an exemption of import duties over the investment period of four years.

In Egypt, at the time of its creation, Sinai Cement benefited from an exemption scheme in favour of investment, under which the company is exempt from income tax for a period of 10 years as from 2001.

In Kazakhstan, Jambyl Cement benefited from an income tax exemption agreement at the end of 2008, for a 10-year period starting when the plant will enter into operation.

9.1.3. Critical accounting policies

In accordance with European Regulation no. 1606/2002 of the European Parliament of July 19, 2002 with respect to the application of international accounting standards, the Group's consolidated financial statements are prepared, since January 1, 2005, in accordance with IFRS referential, as adopted within the European Union. Standards retained as reference accounting principles are those in force as of the closing date. None of the standards and interpretations published but not in force as at December 31, 2009 were applied ahead of their effective date.

The following options were adopted under the first application of IFRS:

- no adjustment for business combinations completed before the transition date;
- no use of market value or an earlier revaluation as the new historical cost;
- setting to zero of the actuarial differences related to personnel benefits not yet recognised by allocation to equity;
- setting to zero of conversion differences accumulated by allocation to the consolidated reserves.

The financial statements are presented:

- by type for the income statement;
- according to current/non-current classification for the balance sheet;
- according to the indirect method for the cash flow table.

Note 1 of the appendix to the consolidated financial statements details the accounting policies and the valuation methods applied by the Group, and appears in Section 20.2.2. "Appendix to the 2009 consolidated accounts" of this Registration Document.

9.1.4. Elements of the income statement

In the Group's consolidated financial statements prepared in accordance with IFRS standards, the principal items of the income statement, which are further discussed below, are the followings:

- sales, which are mainly composed of billings for products delivered and services rendered during the period, in particular on rebilled transport sales;
- goods and services purchased, which mainly comprise purchases and variations in stocks of raw materials and fuels, electricity supplies and other services received (in particular maintenance costs and transport charges);
- personnel costs, which incorporate the cost of salaries and social contributions related to personnel employed directly by the Group, as well as participation and profit-sharing for companies in which these schemes exist and charges related to post-employment benefits;
- taxes and duties which represent taxes other than those based on the profit.

Beyond the accounting aggregates presented in the income statement, the principal indicators used by the Group for measurement of financial and industrial performance are EBITDA and EBIT, which are shown at the foot of the income statement as published. These aggregates are defined in Note 1.20. of the appendix to the consolidated financial statements and the rationalization between Gross operating earnings, EBITDA, EBIT and Operating profit is presented in Note 23. (see also Section 3. "Selected financial information" of this Registration Document).

9.1.5. Effect of modifications to the scope and exchange rate variations

Modifications to the scope

Modifications to the scope of consolidation include acquisitions (within the scope), disinvestments (beyond the scope) and the changes in the method of consolidation of the Group's subsidiaries (complementary acquisitions or partial disinvestment).

During the 2009 financial year, additional share holdings which did not lead to significant variations to the consolidation scope were acquired. Furthermore, in 2009 the Group went on to consolidate the company Sinai White Cement using the equity method.

As for the 2008 financial year, in its pursuit of external growth, the Group acquired, in the second quarter, the assets of the Walker group, which is established in the United States in the region of Atlanta (Georgia) and is specialised in producing ready-mixed concrete. The Walker group includes 14 concrete batching plants with a capacity of more than 700,000 m^3.

In October 2008, in Mauritania, the Group also acquired 65% of BSA Ciment SA, which owns a cement grinding centre with an annual capacity of 450,000 tons, a concrete batching plant and a precasting unit. These installations are ideally located near the capital and the country's main port area.

In addition, in June 2008, the Group announced the creation of a joint venture with the Indian cement manufacturer, Sagar Cements, established in the state of Andhra Pradesh. The objective of this operation is to build a greenfield cement factory in Gulbarga in the state of Karnataka. Production is to start in 2012 at the latest. This operation is still subject to the satisfaction of pending conditions in the course of 2010.

Following the acquisition on January 1, 2007 of the concrete and aggregates Swiss company Astrada, the Group acquired some assets which were not fully in line with its commercial and industrial organization, and it was decided that these should be sold. This sale occurred on January 1, 2008.

Exchange rate variation

The Group's international establishment exposes its results to fluctuations of the currencies of each country where the Group is established relative to the euro (i), as well as fluctuation of the currencies used by its subsidiaries for their business activities relative to their operating currencies (ii).

i. On the closing of each year's accounts, the income statements of the subsidiaries are converted into euros at the average exchange rate for the period. The variations from one period to another between the different currencies in which the Group operates relative to the euro result in variations in sales and, more generally, income and expense in euros, even though such variations do not reflect changes in the Group's performance.

   For the purposes of comparison, the Group presents, in Note 19. of the appendix to the consolidated financial statements for 2009, sales recomputed at constant scope and exchange rates compared to 2008.

In addition, the balance sheets of the subsidiaries are converted at the year end exchange rates. Variations of these currencies result in conversion adjustments allocated to equity (see Note 1.5. of the appendix to the consolidated financial statements).

ii. Profits or losses recorded by the Group's subsidiaries when carrying out transactions in currencies different from their operating currencies are recorded in the financial result as exchange differences in the financial result.

9.2. COMPARISON OF RESULTS FOR 2009 AND 2008

9.2.1. Change in consolidated sales

Consolidated sales for 2009 reached €1,896 million, down by 7.8% compared to the previous year, resulting from the following:

- a -9.1% organic change in activity representing a decrease of nearly €187 million and resulting mainly from the decrease in sales in the United States and in France, resilience in Switzerland and marked growth in West Africa and Egypt;
- a 0.4% rise representing an increase of €8 million, attributable to favorable exchange rates variation compared to 2008, in particular for the US dollar (+€9.7 million), the Swiss Franc (+€12.8 million) and the Egyptian pound (+€7.4 million), partially offset by the fall of the Turkish lira (-€20.8 million) and;
- a 0.8% rise representing an increase of €17 million, connected to variations in consolidation scope, mainly with the inclusion of the sites of the Walker company in the United States in May 2008, and of BSA Ciment in Mauritania as of October 1, 2008.

The change in consolidated sales for the financial year 2009 by activity, compared to 2008 is as follows:

(in millions of euros except%)	2009	2008	Variation	Variation (%)	Of which Exchange rate effect	Variation in scope	Internal growth
Cement	950	929	21	2.3	1	9	11
Concrete & Aggregates	695	845	(150)	(17.7)	3	8	(161)
Other Products & Services	251	283	(32)	(11.5)	4	-	(37)
Total	**1,896**	**2,057**	**(161)**	**(7.8)**	**8**	**17**	**(187)**

As indicated above, the Group's net consolidated sales are down, due mainly to the slowdown in business at constant scope and exchange rate.

The overall analysis of the various components of this evolution is presented below:

	Change 2009/2008 (%)
Volume effect	-11.3
Price and mix effect	+2.3
Changes in consolidation scope	+0.8
Translation gains/losses and other	+0.4
Total	**-7.8**

In geographical terms, the decrease in volumes mainly concerns the United States and France. The decrease mainly affects the Concrete and Aggregates business which has a greater presence in the mature countries which have been more affected by the economic crisis. The change in sales prices is in contrast with the activities and markets with significant decrease in the United States and Turkey because the market environment has been particularly difficult in these two countries, and because of stable or positive trends in the Group's other sales regions.

The growth in volumes (calculated proportionally to the percentage of integration) in the Group's main businesses is as follows:

	2009	2008	Evolution (%)
Cement (in thousand tons)	14,507	14,225	2.0
Concrete (in thousand m³)	7,121	8,373	(15.0)
Aggregates (in thousand tons)	18,675	21,579	(13.5)

The distribution of the Group's operational sales by activity (before inter-sector eliminations) is as follows:

(as a percentage)	2009	2008
Cement	52.1	47.9
Concrete & Aggregates	33.4	37.0
Other Products & Services	14.5	15.1
Total	**100.0**	**100.0**

The share of the Group's core businesses, that Cement, Concrete and Aggregates represent, remained stable at nearly 85% of operating consolidated sales before elimination, although the contribution of Cement was higher due to the favorable global dynamics of this activity.

Breakdown of consolidated sales by geographic zone of sale is as follows:

(in millions of euros)	2009	%	2008	%
France	809	42.7	974	47.3
United States	187	9.8	268	13.0
Turkey	141	7.4	162	7.9
Africa, Middle East and others	431	22.8	335	16.3
Europe (except France)	328	17.3	318	15.5
Total	**1,896**	**100**	**2,057**	**100**

By geographic sales area, the share of consolidated sales made in France is falling as it is in the United States due to a sharp decline in these markets caused by a fall in the construction market.

The share of the Africa/Middle East area is increasing strongly, from 16.3% in 2008 to 22.8% in 2009 due to sustained growth in these markets and the effect of the increase in capacity of Sinai Cement throughout the year.

The breakdown of operational sales for 2009 by country and by business is as follows:

Country	Cement	Concrete & Aggregates	Other Products & Services	Inter-sector eliminations	Consolidated sales
France	394.2	407.3	218.8	(176.3)	**843.9**
United States	87.5	127.3		(28.2)	**186.6**
Turkey	115.4	74.9	2.6	(36.7)	**156.2**
Africa, Middle East	398.1	13.7		(0.4)	**411.4**
Europe (except France)	133.9	101.3	92.3	(29.7)	**297.9**
Sector operational sales (before inter-sector eliminations)	1,129.1	724.5	313.6	(271.2)	**1,896.0**
Inter-sectors eliminations	(179.2)	(29.0)	(63.0)	271.2	
Consolidated sales	**949.9**	**695.5**	**250.6**	**-**	**1,896.0**

9.2.2. Change in operating profit

In a strongly deteriorating macro-economic context during 2009, the Group delivered a solid performance, characterized by a clear capacity for resilience of the operational profitability. EBITDA has decreased by 10.5% (11.6% at constant scope and exchange rates) mainly due to the significant fall in business throughout the year and strong competitive pressure in Turkey and the United States.

With energy costs still high throughout the year resulting from persistence of hedging policies, these elements could not be fully compensated by the proactive economic measures taken under the "Performance+" plan and by the growth in business in Egypt and Senegal.

(in millions of euros)	2009	2008	Evolution (%)
Net sales	1,896.0	2,057.0	(7.8)
EBITDA	473.0	528.3	(10.5)
EBIT	321.9	392.2	(17.9)
Operating profit [(1)]	304.2	381.9	(20.4)

Beyond the operational performance of the various businesses which is detailed below, the operating result in 2009 incorporates in particular a net charge of €16.6 million in connection with the incident occurred in the Maurienne valley (€11.2 million for the previous period).

Overall, all non-recurrent elements included in the operating results, which represented a net charge of €1.7 million for 2008, represent a net charge of €18.5 million euros in 2009.

9.2.2.1. Change in the operating profit by business

The following paragraphs show the breakdown of operating results by business, as well as an analysis of their development between 2008 and 2009.

9.2.2.1.1. Change in operating profit in the Cement business

(in millions of euros)	2009	2008	Evolution (%)
Operating sales	1,129	1,142	(1.2)
Inter-sectors eliminations	(179)	(213)	(16.1)
Contribution to consolidated sales	950	929	2.3
EBITDA	364	388	(6.1)
EBITDA/operating sales (%)	*32.2%*	*33.9%*	*-1.7 pts*
Operating income	267	303	(12.1)

The operational profitability of the Cement business has fallen for both the operating income and EBITDA. At constant scope and exchange rates, EBITDA of the Cement business has fallen by 7.1% to €364 million that reflect a 1.7 point decrease in the EBITDA margin to 32.2% of operating sales. This change is

(1) Operating profit is calculated by adding up EBIT and other non operating income (expenses) and non-operating depreciation, amortization and provisions.

mainly the result of the deterioration of market conditions in France, the United States and in Turkey despite good performance in the other markets.

Consolidated sales in the cement business increased by 2.3%, and 1.2% at constant scope and exchange rates. Volumes were slightly up with a marked drop in the United States and France, and strong growth in the Africa/Middle East region. Prices continue to increase in all markets except in the United States and Turkey where they are dropping because of the difficult competitive conditions.

Personnel costs have increased by 1.8% and taxes and duties have gone up by 75.5% compared to the previous year, to approximately €37 million, due to the fact that the tax on cement paid for in Egypt, for nearly €16 million, was recorded in this line in 2009 and in another line in the 2008 accounts for approximately €8 million.

By country, changes in the operating profit of the Cement business raise the following observations:

- In **France**, the Group sales decline to 12.2% at constant scope, due to a 14.7% reduction in volumes, slightly compensated by selling prices which held up well. On these basis, the EBITDA margin on operating sales remains solid, although it is slightly down compared to 2008. The impact of the drop in volumes and the increase in energy costs was only partially offset by the rise in sales prices and the effects of the additional "Performance Plus" plan to reduce costs.
- In the **United States**, consolidated sales went down by 34.9% at constant scope and exchange rates, affected by a considerable drop in the volumes sold, particularly in the South East. The sales price dropped considerably over the year which was particularly impacted by a consistently difficult competitive environment in California. Despite the significant effort made, involving reducing costs as decided as part of the additional "Performance Plus" plan, the EBITDA registered a very significant decrease.
- In **Switzerland**, consolidated sales at constant scope and exchange rate saw a rise of nearly 9%. This positive performance is the result of a major increase in volumes sold during the second half of the year (+5%) in a favorable pricing environment. The successful restart of the Reuchenette kiln, implemented in the summer as part of the "Performance 2010" plan, stopped the external purchases of clinker and played a key role in the steady improvement of the EBITDA margin.
- In **Italy**, sales have decreased by 12.7%, largely explained by a 10.4% decrease in volumes due to the difficult macro-economic environment and a fiercely competitive context. However, the EBITDA margin improved very significantly, essentially benefiting from the marked reduction in cement and clinker purchases.
- In **Turkey**, sales volumes have decreased by more than 2% for the whole year. This drop was gradually evened out during the year, the Group registered a growth in volumes sold in the second semester, and specifically during the last quarter with a rise of nearly 12%. Lastly, while sales prices still saw a reduction of around 7% for the whole year, they did register a slight rise in the last quarter compared to the same quarter in 2008. Operating sales decreased by 22.4% in euros and 12.1% at constant scope and exchange rate.
- In **West Africa**, consolidated sales are up by 17.2%, 12.5% at constant scope and exchange rate, taking into account the increasing volumes and well-directed prices. The EBITDA margin rate is however down for the whole year because of the higher fuel prices and the increase in external purchases of clinker during the 1st half of the year in Senegal and the disruption to the power supply in Mauritania in the second half of the year.
- In **Egypt**, consolidated sales for the whole year reached €196 million, a rise of 66.7% at constant scope and exchange rate. The doubling of the capacity of the Sinai Cement plant in the 2nd half of 2008, allowed Vicat to capture volumes from the dynamic Egyptian market. In a year which was significantly affected by unfavourable government measures (a rise in gas prices and the "clay tax"), the Group took advantage of a positive change in sales volumes and the rise in the sales price to considerably increase its EBITDA whilst restricting the decrease of its margin. This excellent performance is the result of ongoing efforts to improve productivity and industrial efficiency which have been implemented as part of the "Performance 2010" plan.

9.2.2.1.2. Change in operating profit of the Ready-mixed concrete and Aggregates business

(in millions of euros)	2009	2008	Evolution (%)
Operating sales	724	882	(17.9)
Inter-sectors eliminations	(29)	(37)	22.0
Contribution to consolidated sales	695	845	(17.7)
EBITDA	83	109	(24.5)
EBITDA/operating sales (%)	*11.4%*	*12.4%*	*-1 pt*
Operating income	24	58	(58.7)

Sales in the Concrete & Aggregates business is down by 17.9% and by 19% at constant scope and exchange rate. This decline reflects contrasting market situations with business that is still resisting the trend in Switzerland, a revival in activities in Turkey, and a fall in business in the United States and in France. Operational profitability, measured in terms of EBITDA, has fallen by 26.4% at constant scope and exchange rate, i.e. a decline in the EBITDA margin which was limited to 1 point, reflecting the strong recovery of the business in terms of cutting costs, to reduce the effects of the significant drop in volumes and prices in Turkey and the United States. Personnel costs went down by 2.5% in euros and 4.8% at constant scope and exchange rates because of the positive impact of costs reduction.

After having recorded in France a net charge of €16.6 million related to the "Maurienne valley" dispute, the operating profit is decreasing by 58.7%.

- Operating sales in **France** in the Ready-mixed concrete and Aggregates businesses have decreased by 19.8% at constant scope. This change reflects a decrease in concrete volumes (-22.7%), and in aggregate volumes (-21.8%) and good performance in sales prices. In this context, the EBITDA margin has declined slightly over the year, increase in prices and the costs cutting plan as part of the additional "Performance +" plan helped to contain most of the drop in volumes.

- In the **United States**, operating sales declined by 36.2% at constant scope and exchange rate, given a marked decline in volumes in the South-East (excluding the effect of acquiring the Walker group) and in California. In this context, sales prices have fallen in California as well as in the South East. The EBITDA margin has contracted sharply although the fall was mitigated by the effects of the cost-cutting measures.

- In **Turkey**, operating sales in the Concrete & Aggregates business is down by 11.2% in euros but has increased slightly by +0.6% at constant scope and exchange rate. This change reflects a clear increase in concrete volumes in particular in the Ankara area, which compensates a significant reduction in prices.

- In **Switzerland**, operational sales have risen by 10.7% but only by 1.5% at constant scope and exchange rate. Volumes have fallen slightly both for concrete and aggregate, a trend which has slowed down over the year. The EBITDA margin has risen significantly, largely because of growth in the waste disposal business.

- In **Senegal**, sales volumes and prices have significantly declined in a context of heightened competition. This has resulted in a downturn in the EBITDA margin.

9.2.2.1.3. Change in operating profit in the Other Products & Services business

in millions of euros)	2009	2008	Evolution (%)
Operating sales	314	361	(13.0)
Inter-sectors eliminations	(63)	(78)	18.7
Contribution to consolidated sales	251	283	(11.5)
EBITDA	26	31	(15.1)
EBITDA/operating sales (%)	*8.4%*	*8.6%*	*-0.2pt*
Operating income	14	21	(34.1)

Operational sales have decreased by 13% at current scope and by 14.2% at constant scope and exchange rates with a more significant decrease in the Transport business in France and the steady resilience of the precasting business in Switzerland.

The operating profit for the Other Products & Services business has reached €14 million, down by 34.1% compared to 2008. This change is mainly due to the decline in the transport business.

9.2.2.2. Change in the operating profit by geographic areas

9.2.2.2.1. Income statement France

(in millions of euros)	2009	2008	Variation (%) Published	Variation (%) At constant scope and exchange rate
Consolidated sales	844	1,017	(17.0)	(17.0)
EBITDA	206	262	(21.1)	(20.7)
EBIT	153	209	(26.6)	(26.1)

Consolidated sales in France show a 17.0% decline at constant scope. EBITDA is down by nearly 21% at €206 million. The EBITDA margin has measured decrease and has settled at 24.2%, compared to 25.5% in 2008. This fall has been partially offset by the positive effects of the "Performance 2010" plan and by the additional cost-cutting "Performance+" plan which was fully beneficial in the second part of the year. This variation reflects trends that are differentiated according to business:

- decline in operational profitability of the Cement business resulting from a decrease in volumes and partially compensated by an increase in sales prices and the impact of the "Performance 2010" and "Performance +" plans;
- decline in the margin in the Concrete & Aggregates business, increases in sales prices not fully compensating the marked decrease in volumes;
- stagnation in the margin of the Other Products & Services business mainly due to a considerable decrease in the Transport business.

9.2.2.2.2. Income statement Europe (excl. France)

(in millions of euros)	2009	2008	Variation (%) Published	Variation (%) At constant scope and exchange rate
Consolidated sales	298	283	5.3	(0.5)
EBITDA	80	67	19.7	13.2
EBIT	55	49	11.0	6.3

Consolidated sales in Europe, excluding France, show an increase of 5.3%. at current scope and exchange rate effects, business is slightly decreasing, by 0.5%.
EBITDA has gone up by 13.2% at constant scope and exchange rate, i.e. at 26.8%, a 3.2 point rise in the EBITDA margin. This change comes mainly from the effects of the "Performance 2010" plan on the Cement business in Switzerland, as well as a strong growth in the EBITDA in Italy, given lower cement and clinker purchasing prices.

9.2.2.2.3. Income statement United States

(in millions of euros)	2009	2008	Variation (%) Published	Variation (%) At constant scope and exchange rate
Consolidated sales	187	268	(30.4)	(35.8)
EBITDA	12	49	(75.7)	(76.4)
EBIT	(17)	23	(173.2)	(164.6)

Consolidated sales in the United States declined by 30.4%, and 35.8% at constant scope and exchange rate, with the full year effect of the integration of the Walker group in May 2008. EBITDA shows a 75.7% drop, 76.4% at constant scope and exchange rate.

Despite considerable efforts to reduce costs, which were decided upon as part of the additional "Performance Plus" plan, the EBITDA margin on the operational sales contracted sharply due to the combined effect of the significant drop in volumes and the very strong pricing pressures in the South East, and even more so in California.

9.2.2.2.4. Income statement Turkey, Kazakhstan and India

			Variation (%)	
(in millions of euros)	2009	2008	Published	At constant scope and exchange rate
Consolidated sales	156	187	(16.5)	(5.4)
EBITDA	22	35	(38.0)	(28.7)
EBIT	8	17	(55.4)	(46.7)

Consolidated sales in Turkey declined by 16.5%, and 5.4% at constant exchange rate, given depreciation of the Turkish lira. EBITDA shows a 28.7% drop at constant exchange rate. Overall, the EBITDA margin in Turkey (excluding Kazakhstan and India) has declined strongly, from 19.8% in 2008 to 14.9% in 2009. The margin improved through the year, reflecting the gradually more favorable economic environment, the growth in sales volumes which, combined with the effects of the costs cutting measures, boosted the EBITDA margin in the 2nd half of the year.

This change is the result of a difficult market situation caused by the combination of the continuing decline in consumption and the arrival on the market of new capacities. In the Cement business, the increase in sales volumes in the last quarter did not fully compensate the effect of the decline in the first 9 months, while prices remained under pressure throughout this period. This two-fold change was combined with the continuing rise in the cost of fuels.

In the Concrete & Aggregates business, the EBITDA margin recovered slightly compared with 2008, thanks to the significant increase in volumes, in particular in the Ankara area, and in spite of a pronounced drop in sales prices.

Furthermore, the geographical region's EBITDA includes the running costs of projects in Kazakhstan and India.

9.2.2.2.5. Income statement Africa and Middle East

			Variation (%)	
(in millions of euros)	2009	2008	Published	At constant scope and exchange rate
Consolidated sales	411	302	36.3	31.1
EBITDA	153	117	31.5	26.8
EBIT	123	94	30.9	26.5

Consolidated sales for Africa and the Middle East region have grown strongly by 31.1% at constant scope and exchange rate. The EBITDA margin has dropped slightly from 38.6% in 2008 to 37.2% in 2009.

In West Africa, business has grown by 9.7% at constant scope and exchange rate and EBITDA is stable, with the increase in volumes and prices compensating for the continuing rise in energy costs and the increase in clinker purchases prior to the commissioning of the new Sococim Industries kiln.

In Egypt, sales have increased by 66.7% at constant scope and exchange rate. The fact that the Sinai Cement's capacity was doubled in the second half of 2008 meant that the company could fully benefit from the dynamism of the Egyptian market. The EBITDA margin has declined, the significant increase in volumes and sales price, partly offsetting the effects the considerable rise in gas and electricity prices and the new tax on cement production introduced by the Egyptian government in 2008.

9.2.3. Change in financial result

(in millions of euros)	2009	2008	Evolution (%)
Cost of the net financial indebtedness	(24.0)	(30.1)	(20.3)
Other financial income and expenses	0.1	4.2	(99.0)
Net financial income (expense)	**(23.9)**	**(25.9)**	**(7.5)**

The fall in the cost of net financial indebtedness is the result of the combined effects of an increase in the Group's average amount outstanding of gross indebtedness (gross average indebtedness reached €829 million at the end of 2009 as opposed to €696 million at the end of 2008) and the fall in interest rates.

The reduction of other financial income and expenses is essentially the result of the fall in exchange results in 2009 compared to 2008.

9.2.4. Change in taxes

(in millions of euros)	2009	2008	Evolution (%)
Current taxes	(53.6)	(69.1)	(22.4)
Deferred tax (income)	5.9	(14.2)	(142.1)
Total taxes	**(47.7)**	**(83.3)**	**(42.8)**

The Group recorded a profit before tax of €281.2 million in 2009, down by 21.1% compared to €356.3 million in 2008.

The decrease in apparent tax rate, which has gone from 25.1% in 2007 to 23.4% in 2008 and 17.0% in 2009 is the result of the increase in income from cement subsidiaries in Egypt and in Senegal, which benefit from special tax rate given the significant investments made in these two countries.

9.2.5. Change in net profit

The net consolidated income was €233.6 million, down by 14.4% compared to 2008 (€273.0 million), including a Group share of €191.4 million, down by 22.0% compared to 2008 (€245.3 million).

Portion attributable to minority result was €42.2 million at December 31, 2009, a rise of 52% compared to 2008 (€27.8 million) due essentially to the rise in income from the Sinai Cement Company in Egypt.

Net result per share was €4.26 in 2009, a decrease of 22.0% compared to 2008 (€5.46 per share) due to the change in the attributable Group's income

9.3. COMPARISON OF THE RESULTS OF 2008 AND 2007

The comparative analysis of the results of 2008 and 2007 is given in the 2008 registration document, section 9.2. pages 70. to 77., and is included for reference in this registration document.

10

CASH FLOW AND EQUITY

10.1. EQUITY

At the date of registration of this Registration Document, the Company's share capital was €179,600,000, divided into 44,900,000 shares, each with a nominal value of €4, fully subscribed and paid up.

Consolidated shareholders' equity was €2082 million as at December 31, 2009 including a Group share of €1882 million and minority interests of €199 million, which relate mainly to the cement manufacturing subsidiaries in Turkey, in Egypt and in Kazakhstan.

Shareholders' equity – Group share – includes as at December 31, 2009:

- the Company's share capital of €180 million;
- premia linked to the capital of €11 million;
- conversion reserves of -€93 million;
- consolidated reserves amounting to €1593 million euros, net of treasury shares for €90 million;
- the result—Group share—for 2009, of €191 million.

For a detailed description of shareholders' equity in the Company, please refer to the statement of changes in consolidated shareholders equity and to Note 13 to the consolidated financial statements in Section 20.2.2. "Notes to the 2009 consolidated financial statements" of this Registration Document.

10.2. CASH FLOWS

Cash flows are analysed for each financial year by type:

- operational activity;
- investment activity;
- financing activity.

Cash flows relating to operational activities are primarily generated by results for the period (other than income and charges not affecting cash flow or not related to the activity), as well as by the variation of the working capital requirements.

Cash flows relating to investment activity result mainly from withdrawals made for the acquisition of intangible and tangible assets and other long-term assets, as well as for the acquisition of equity instruments from other entities and participations in joint ventures. They also include loans granted to third parties. Payments related to divestments and/or redemptions of these assets are deducted from these withdrawals.

Cash flows related to the financing activity result from payments and withdrawals having an impact on the amount of the capital and borrowed capital.

Net cash, the change in which is presented in the statement of cash flows, consists of cash and cash equivalents less any bank overdrafts.

Cash flow history:

(in millions of euros)	2009	2008	2007
Operating Cash-Flows	387	402	477
Change (excluding exchange and scope effects) of WCR [1]	(4)	(17)	(79)
Net operationing flows	383	385	398
Net investment flows	(280)	(464)	(355)
Net financing flows	19	104	(209)
Incidence of exchange variations on cash flow	(4)	-	(1)
Cash flow variation	**118**	**25**	**(167)**

[1] Working Capital Requirements.

Analysis of the variation in free cash flow and gross and net indebtness:

(in millions of euros)	2009	2008	2007
Cash from operating flows	383	385	398
Industrial investments net of disposals	(264)	(380)	(281)
Free cash flow	**119**	**5**	**117**

In 2009, the Group generated a large free cash flow (€ 119 million against € 5 millions en 2008). The operating cash flows net of WCR, in spite of the continuing high level of industrial investments resulting from completion of the Performance 2010 plan, thus reduced the Group's net debt by € 25 million in 2009, after an increase of € 163 million in 2008 and of € 259 million in 2007 (essentially due to the company buying back its own shares). The € 653 million of net indebtness represent 31.4 % of consolidated shareholders' equity at 31 December 2009 and less than 1.4 times consolidated EBITDA in 2009.

10.2.1. Net cash flows generated by operating activities

Net cash flows related to operating operations conducted by the Group in 2009 were € 383 million against € 385 million in 2008.

This stability of cash flows generated by operating activities between 2008 and 2009 results from a reduction in operating cash flows of € 15 million, offset by an improvement in the variation in working capital requirement of € 13 million.

The analysis of the working capital requirements by type is as follows:

(in millions of euros)	WCR as at December 31 2007	Variation of the WCR 2008	Other variations (1)	WCR as at December 31, 2008	Variation of the WCR 2009	Other variations (1)	WCR as at December 31, 2009
Inventories	249	64	(1)	312	(15)	(2)	295
Customers	407	(39)	1	369	(51)	3	321
Suppliers	(208)	-	(9)	(217)	41	(1)	(177)
Other receivables & liabilities	(12)	(8)	(23)	(43)	29	(11)	(25)
WCR	**436**	**17**	**(32)**	**421**	**4**	**(11)**	**414**

(1) Exchange, scope and miscellaneous.

10.2.2. Net cash flows related to investment operations

Cash flows related to investment operations are analysed as follows:

(in millions of euros)	2009	2008
Investment in intangible and tangible assets	**(270)**	(395)
Disinvestment in intangible and tangible assets	**6**	15
Net investments in consolidated securities	**(4)**	(66)
Other net financial investments	**(12)**	(18)
Total cash flows related to investment operations	**(280)**	**(464)**

Net cash flows related to investment operations carried out in 2009 by the Group amounted to -€ 280 million, for -€ 464 million in 2008.

10.2.2.1. Investment and disinvestment in intangible and tangible assets

These reflect payments made for industrial investments – for further details, see Section 5.2. “Investments” of this Registration Document (€ 270 million in 2009 and € 395 million in 2008) mainly corresponding to the following:

- in 2009, completion of the Performance 2010 plan, particularly in France, Senegal, Switzerland and Egypt, and the carrying out ongoing investments in Kazakhstan.
- in 2008, to the continuation of the “Performance 2010” plan, in particular in France, Turkey, Egypt and Senegal, as well as the acquisition of the assets of the Walker group in the United States in May 2008. The investments planned in the South East of the United States in the framework of this plan were delayed to take the economic context into account.

85 % of the investments made in 2009 were in the Cement business (55 % in 2008), 12 % in the Concrete & Aggregates business (39 % in 2008) and the remaining 4 % in the Other Products & Services business (6 % in 2008).

Sales of tangible and intangible assets generated total cash receipts of € 6 million in 2009 (€ 15 million in 2008).

10.2.2.2. Net investments in consolidated securities

The Group’s main cash flows in this respect in 2009 (net cash outflow of € 4 million) correspond mainly to the acquisition of Swiss companies, particularly in the concrete & granulates and concrete precasting sectors, and the Group’s acquisition of further shareholdings in companies already consolidated.

There were no disposals of consolidated securities in 2009.

The financial investments of this nature in 2008 (net outflow of € 66 million) corresponded to the payment of the balance due for the acquisition at the end of 2007 of 60 % of the capital of a Kazakh cement production and marketing company, the amount paid to acquire 65 % of the capital of the Mauritanian company BSA Ciment SA, and the acquisition of several companies, particularly in the concrete and aggregates sector in France and Switzerland.

The inflows received by the Group in 2008 corresponded mainly to the disposal of certain Astrada sites in Switzerland.

10.2.2.3. Other net financial investments

Other net financial investments (net withdrawal of €12 million in 2009 and €18 million in 2008) consist mainly of complementary loans and long-term credits provided to third parties, and of the acquisition of minority interests.

10.2.3. Net cash flows relating to financing activities

Net cash flows relating to the Group's financing operations in 2009 were €19 million, against €104 million in 2008.

Net cash flows relating to financing operations include:

- withdrawals carried out to pay dividends to the Company's shareholders and to minority interests in the integrated companies (€89 million in 2009 for €71 million in 2008);
- drawing, net of refunds, of lines of credit or loans incurred by the Group for an amount of €92 million in 2009 (€161 million in 2008), including payments of annual instalments relating to financial leases;
- cash receipts for the net disposals by the Company of its own shares (€11 million in 2009 €7 million in 2008).

10.3. INDEBTEDNESS

10.3.1. Group financial policy

The Group's financial policy is set by the general management.

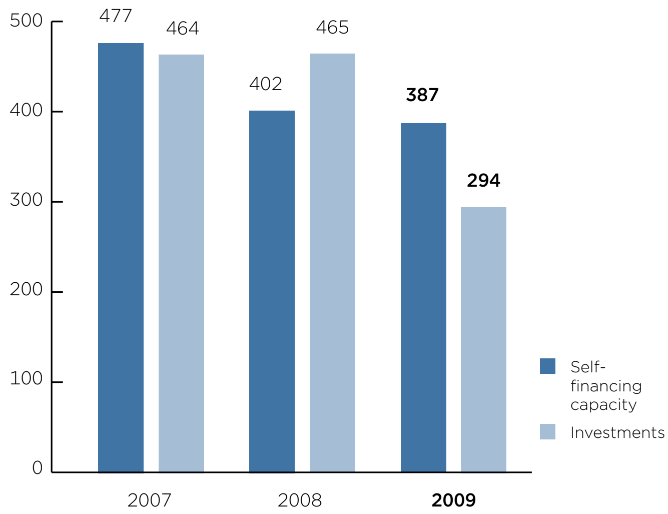
This policy aims at maintaining a balanced financial structure characterised by the following:

- controlled gearing (see Section 10.3.4. "Net indebtedness" of this Registration Document);
- satisfactory liquidity of the balance sheet characterised by the provision of cash surpluses and confirmed and available medium term and available lines of financing.

This policy aims at financing industrial investments through self-financing capacity, available surplus financial resources being used by the Group to reduce its indebtedness and financing in whole or in part external growth operations.

Development of the Group's self-financing capacity and the Group's investments between 2007 and 2009

(in millions of euros)



To secure resources in excess of its self-financing capacity, the Group has set up confirmed medium-term financing facilities and medium and long-term loans.

These financings guarantee the Group, in addition to the liquidity of its balance sheet, the means immediately necessary for the realisation of larger operations such as exceptional industrial investments, significant external growth operations or acquisition of Vicat securities, even in the event of disturbed market situations.

These facilities are essentially carried by the Company (75%), but some of the Group's foreign subsidiaries also have medium term lines of credit or loans, whether drawn or not, to finance their investment programme. This is the case in particular in Senegal, Mali, the United States, Egypt, Turkey, Switzerland and Kazakhstan.

As at December 31, 2009, the Group has the following confirmed financing facilities, used and/or available:

Type of line	Borrower	Year set up	Currency	Authorisation in millions of currencies	€	Use (M€)	Due date	Fixed rate (FR)/ Variable rate (VR)
Private placement US	**VICAT S.A.**	**2003**	**$**	**400**	**353**	**353**	**2010 to 2015**	**VR/FR**
Syndicated loan	VICAT S.A.	2009	€	445	445	(1)	2012	VR
Banking bilateral lines	VICAT S.A.	2009	€	240	240	(1)	2014	VR
	VICAT S.A.	Without	€	11	11	(1)	Without	VR
Total banking bilateral lines	**VICAT S.A.**		**€**	**696**	**696**	**236**	**2012 and 2014**	**VR**
	Sococim	2006	FCFA	20,000	30	30	2011	FR
	Sococim	2007	€	20	20	20	2010 to 2013	VR
	Sococim	2009	FCFA	37,000	56	26	2011	VR
	CMM	2007	FCFA	300	0	0	2010 to 2012	FR
	Gécamines	2009	FCFA	1000	2	0	2011	VR
	Sodevit	2009	FCFA	250	0	0	2011	VR
(Club Deal)	SCC	2007	EGP	300	38	0	2012	VR
	NCC	2008	$	105	73	35	2011 and 2012	VR
	Vigier	2009	CHF	25	17	0	2010 to 2019	FR
	Cozum	2009	TRY	5	2	2	2010	FR
	Jambyl	2008	$	50	35	27	2012 to 2018	VR
	Jambyl	2008	$	110	76	60	2011 to 2015	VR
Total loans or bilateral lines					**349**	**200**		
Fair value of the derivatives						1		
Total medium-term					**1,398**	**790**		
Other debts						98		
Gross total debt					**1,398**	**888**		

(1) "Total banking bilateral lines" corresponds to all confirmed lines of credit that the Company benefits, essentially for a duration of three or five years at the outset, where the authorised total amount is €696 million. These lines of credit are used on the basis of the Company's financing requirements by drawdown and hedging the liquidity risk of the commercial paper programme, bearing in mind that the total amount of drawdowns and paper issued may not exceed the authorised total. At December 31, 2009, the bilateral banking lines have not been drawn. The syndicated loan has been used up to the extent of €20 million. These lines are used to hedge commercial paper to the extent of €136 million, as well as €80 million euros of spot credits. Given the ability to substitute these lines of credit between one another, and the possible re-allotment of drawdowns for the longest line, this information is presented as an overall amount.

10.3.1.1. Private placement US

This loan, amounting to 400 million US dollars was subscribed by American investors under a private placement (PPUS). It consists of three tranches in US dollars at a fixed rate (one tranche of 160 million US dollars for 7 years and two tranches of 120 million US dollars for 10 years and 12 years respectively). To eliminate the exchange rate risk on the principal and the interest, this was transformed into an overall debt in euros by a cross currency swap at a fixed rate for half of its amount i.e. €177 million and at a variable rate for the other half (Euribor 3 month base rate).

10.3.1.2. Vicat SA banking lines

Syndicated loan

This line of credit with a 3 year term, at a variable rate, was placed with a syndicate of 12 international banks maturing for repayment in July 2012. This line can be drawn down in euros or other currencies and interest is payable at the rate for the drawdown period for the currency concerned. As at December 31, 2009, it was drawn for the amount of €20 million.

Banking Bilateral Lines

Vicat S.A.'s bilateral lines of credit for an amount of €240 million and a term of 5 years were taken out by the Company in 2009 with six banks. Interest is payable at the rate for the drawdown period. As at December 31, 2009, they were not drawn and were used partially (€216 million) for hedging the liquidity risk of commercial paper and spot bank positions.

Commercial papers

The Company has a commercial paper issuance program amounting to €152 million. As at December 31, 2009, the commercial papers issue amounted to €136 million. Commercial papers which constitute short term credit instruments are backed on the lines of credit confirmed for the issued amount and are trated as such in the medium term debts row of the consolidated balance sheet.

10.3.1.3. Subsidiary Banking Bilateral Lines

Senegal

The medium term bilateral lines taken out by Sococim Industries were on the one hand in the form of a bank loan in CFA Francs at a fixed rate payable annually at year end, with a term of 5 years and repayable in fine, and on the other hand, in the form of a loan in Euros at a Euribor variable rate and with a term of 6 years, repayable in 7 equal tranches starting in 2010.

Sococim Industries also has three confirmed lines of credit (two for FCFA 15 billion each, and one for FCFA 7 billion line with a validity period of 18 months. As at December 31, 2009, they were drawn for the amount of FCFA 17 billion. The interest rate that applies to each drawdown is jointly determined with the bank up to a maximum cap determined for the validity period of the line.

At the end of 2009, Sodevit and Gecamines obtained two lines of credit for FCFA 250 million and one billion respectively. As at December 31, 2009, they were not used.

Mali

Ciment et Matériaux du Mali subscribed in 2007 to a bilateral line of credit at a fixed rate redeemable over 5 years as from 2008. At the end of 2009, this had been drawn to the extent of FCFA 300 million.

Egypt

Sinai Cement Company subscribed to a banking line of financing in the framework of a club deal for EGP550 million including a loan of EGP250 million for a period of 6 years at a fixed rate of interest, the drawdown period of which expired at December 6, 2008, and a 5-year line of revolving credit at variable rate amounting to EGP300 million. As at December 31, 2008, because the loan had not been used, the authorised amount outstanding was brought back to the amount of the line of credit, i.e. EGP300 million. As at December 31, 2009, the line of credit was not drawn.

USA

In 2009, NCC renewed its bilateral 5-year lines of credit over 2 and 3 years at variable rates based on the dollar Libor and taken out with four banks for the total amount of USD 105 million. As at December 31, 2009, they were drawn up to USD 50 million and used to cover issuing letters of credit.

Kazakhstan

In 2008, Jambyl Cement took out two lines of credit with International Finance Corporation, a subsidiary of the World Bank group, at a dollar floating rate, for respectively USD 50 million redeemable over 7 years as from 2012 and USD110 million redeemable over 5 years as from 2011. At 31 December 2009, it was used to the extent of USD 125 million.

Turkey

Cozum has a confirmed line of bank credit of 5 million Turkish lira with maturity in 2010 and totally drawn at the end of December 2009.

Switzerland

At the end of 2009, Vigier subscribed to a fixed-rate credit line of 25 million Swiss Francs, repayable over 10 years from 2010. It was not used at 31 December 2009.

10.3.1.4. Credit risk hedging

In total, the Group had at December 31, 2009 €609 million in unused confirmed lines.

The Group is exposed generally to a credit risk in the event of the failure of one or more of its counterparties. The risk related to the financing operations themselves, however, is limited by their dispersion and their distribution over several banking or financial institutions either within the framework of a syndication or a private placement or by setting up several bilateral lines. This risk, moreover, is reduced by rigorous selection of the counterparties, who are always banks or financial establishments of international standing, selected according to their country of establishment, their rating, the nature and the due date for the operations carried out.

As of December 31, 2009, beyond the cross default clauses provided for in the majority of credit agreements, the PPUS, the syndicated loan and certain credit lines which the subsidiaries benefit from contain covenants, which may lead to acceleration of the borrower's obligations in the event of non-compliance with financial ratios. These covenants concern ratios related to the profitability and the financial structure of the Group or the concerned subsidiary. Given the reduced number of companies concerned, essentially Vicat and the Group's low level of net indebtedness, the existence of these covenants does not constitute a risk to the liquidity of the balance sheet and the Group's financial condition (See also Note 17. of section 20.2.2. "Appendix to the 2009 consolidated accounts" of the present Reference Document).

At December 31, 2009, the Group was in compliance with the financial ratios set out in the covenants contained in its credit agreements. Even if all the lines of credit were entirely drawn, the Group would still be in compliance with such covenants.

10.3.2. Gross indebtedness

As at December 31, 2009, gross indebtedness of the Group was €888 million against €787 million at December 31, 2008. It is broken down by type as follows:

(in millions of euros)	December 31, 2009	December 31, 2008	Change %
Loans from lending institutions	791	722	10
Residual debt on financing leasing agreement	8	9	-11
Other loans and financial debts	16	26	-38
Current banking facilities and bank overdrafts	73	30	143
Gross indebtedness	**888**	**787**	**13**

Long term indebtedness (more than one year) amounts to €661 million and short term indebtedness (less than one year) to €227 million, corresponding essentially to the short term cash flow lines of credit (€710 million and €77 million respectively as at December 31, 2008).

40% of the gross financial debt consists of the PPUS, issued in US dollars and at a fixed rate. After converting this dollar loan into a summary loan in euros, the gross financial indebtedness is denominated almost 72% in euros.

The structure of the Group's gross indebtedness as at December 31, 2009, by type of rate and due date is as follows:

Rate

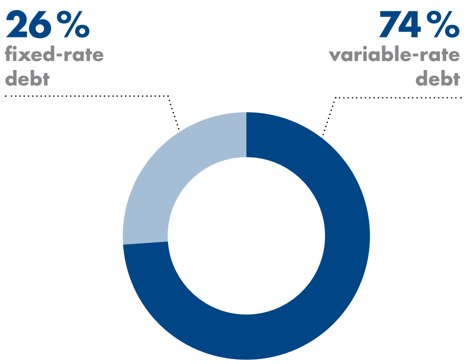
As shown in Section 4.4.3. "Interest rate risk" of this Registration Document, the gross financial indebtedness at variable rates accounts for, at December 31, 2009, €657 million, i.e. 74% of the total, after conversion of the fixed rate for the PPUS into a variable rate for 50% of its amount.

The indebtedness at variable rates is partly covered either by cash surpluses denominated in the same currency or by interest rate derivative instruments.

The interest rate risk related to the variable rate of Vicat S.A. PPUS was limited by setting up cap agreements for a total amount of €100 million.

The interest rate risk related to the variable rate of Vicat S.A. banking lines was limited by setting up cap agreements for a total amount of €260 million over a 5-year term (140 million payable at en 2013 and 120 million at the beginning of 2014).
The interest rate risk on the variable rate debt of the National Cement Company was limited by setting up in 2008 3-year hedging agreements for a total amount of €60 million equally distributed between caps and swaps. An additional cap agreement for 10 million dollars was concluded in 2009 for a period of 2 years.

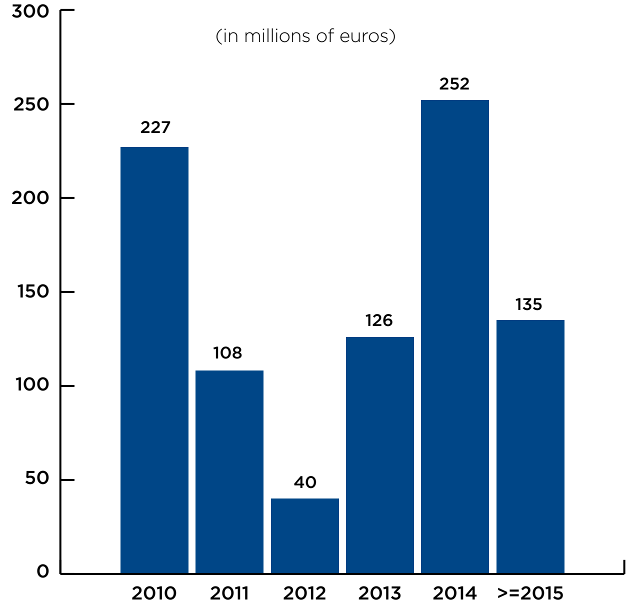
Fixed Rate/Variable Rate Indebtedness as at December 31, 2009



Due date

Average maturity is slightly more than 3 years. The 2010 due date essentially corresponds to final maturity of the first tranche of the Vicat PPUS (€141 million), and to maturity of a short-term credit line at Bastas in Turkey (109 million Turkish Lira, equivalent to €51 million). Those after 2013 correspond to two repayment terms of the PPUS (2013 and 2015) and to the Vicat SA bilateral lines (2014) used to hedge the liquidity risk of commercial paper and spots (€216 million at 31 December, 2009).

Due date for the gross indebtedness as at December 31, 2009



10.3.3. Cash surpluses

Cash and cash equivalents include cash at bank (€57 million as at December 31, 2009) and short-term investments having a due date of less than 3 months and not presenting a risk of variation of value of the principal (€178 million as at December 31, 2009).

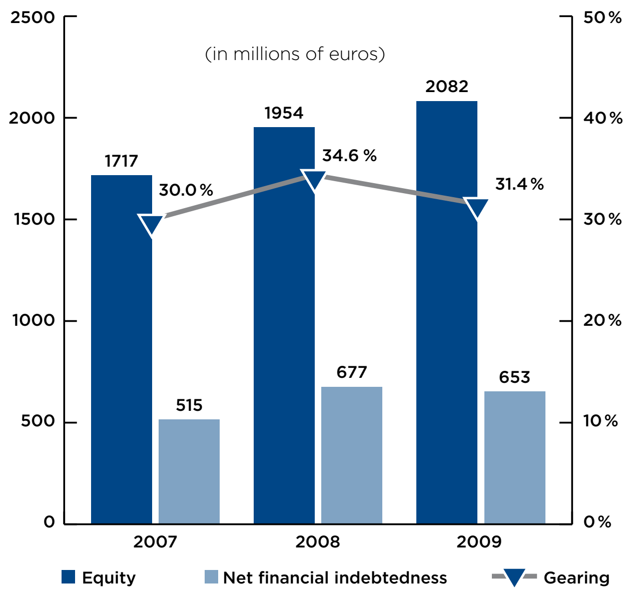
Cash is managed country by country, under the control of the Group's financial management, with cash pooling systems in France, the United States and Switzerland. Any surplus is either invested locally or replaced if necessary into the Group. When the cash surplus is intended to be used within a limited period for financing needs in the country concerned, this surplus is placed locally.

10.3.4. Net indebtedness

The Group's net indebtedness is analysed as follows:

(in millions of euros)	12/31/09	12/31/08	Change %
Gross indebtedness	888	787	13
Cash and cash equivalents	235	110	114
Net indebtedness	**653**	**677**	**-4**

The gearing was 31.4% at the end of 2009, compared with 34.6% at December 31, 2008.



The ratio of Net financial indebtedness/EBITDA was 1.38 at the end of 2009 compared with 1.28 at the end of 2008.

In total, the Group has a total amount of €844 million corresponding to unused lines of financing (€609 million) and available cash (€235 million) to finance its growth beyond its self-financing capacity.

The Group considers the gearing and leverage ratios achieved at December 31, 2009 to be low, in this way giving the Group a solid financial structure and satisfactory flexibility.

From 1999 to 2003, an active acquisition period for the Group, the gearing ratio was between 50% and 70% inclusive and its average was 27.1% over the last 5 years. Consequently, 2009 continues the defined strategic line.

This ratio could increase in future depending on opportunities for external growth. In addition, if an important acquisition opportunity of major strategic interest for the Group presented itself, the Group could accept a significant increase in this ratio, while setting an objective subsequently to reduce it to levels close to those noted over the period previously cited. Given current liquidity and financing costs, quite specific attention will be paid to the use of the Group's cash flow and to the impact on its level of indebtedness.

10.4. ANALYSIS OF CERTAIN OFF-BALANCE SHEET LIABILITIES

Off-balance sheet liabilities consist primarily of contractual engagements concerning the acquisition of tangible fixed and intangible assets.

The table below shows commitments made by the Group as at December 31, 2009 and 2008:

(in millions of euros)	12/31/09	12/31/08
Contractual commitments for the acquisition of fixed assets	69.9	150.5
Guarantees and bonds given	1.5	0.2
Total	**71.4**	**150.7**

As at December 31, 2009, the off-balance sheet liabilities of the Group were €71.4 million, almost exclusively relating to contractual obligations relating to industrial investments. These commitments mainly concern increasing investments in Kazakhstan, and to a lesser degree in India. They also included investments undertaken in France, Egypt and Switzerland.

As at December 31, 2008, the Group's off-balance sheet commitments amounted to €150,7 million and mainly involved contractual obligations in connection with industrial investments. These mainly concerned investment projects undertaken in the framework of the Performance 2010 plan, with work to increase the capacity of factories at Rufisque in Senegal (new cement mill, new kiln and scraper) and at Vigier in Switzerland, as well as investment projects undertaken in connection with starting the construction of a cement plant in Kazakhstan.

11

RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

The Group's research resources for product design, development and quality control are centralised at L'Isle-d'Abeau, close to Lyon, in the Louis Vicat Technical Centre (CTLV). Organised around three skill domains—hydraulic binders, concrete aggregates and construction chemistry—the CTLV has a dedicated team of approximately fifty researchers and technicians equipped with modern equipment. Partnerships have also been established with research centres or engineering schools, such as the Institut Polytechnique in Grenoble (INPG) or major industrial groups.

Research and development activities have mainly aimed at anticipating or responding to requests from the Group's customers regarding products that are easier to use or enabling them to devise innovative technical solutions overcoming the constraints met on their building sites. The products developed in recent years in the Group's laboratories are: Polycim, a special binder for masonry, Vicalpes, a rapid-setting binder developing high initial strength for works which must be brought into service very quickly and finally BCV (Vicat Composite Concrete), a fibre-bound ultra high performance concrete, which makes it possible to produce structural elements without reinforcements.

More recently, new research lines have appeared. They relate to the development of new clinkers and new cements which, with equivalent mechanical properties, are expected to lead to reduce CO_2 emissions. This issue, fundamental for the future of the industry and which fits into the Group's objective of participating in the collective effort in favour of the environment, mobilises significant manpower in the fields of crystallography, thermics and additives. To carry out this research, state of the art equipment is mobilised at the research laboratory at L'Isle-d'Abeau, in particular, diffractometer, X-ray fluorescence, field effect electron microscope. New products resulting from this fundamental research are then tested in close cooperation with the concrete research and development teams which are also present on the L'Isle-d'Abeau site. Partnerships have been signed with industrial groups who provide technology or potential users for these future products.

The Group's research policy in relation to concrete is directed towards developing products allowing for the improvement of working conditions and profitability on building sites by facilitating their use. The results obtained to date allow the Group to supply concretes with adapted plasticity, or self-laying concrete.

Similarly, development of the Vicat screed in partnership with EDF is a significant development focus which provides tillers and screeders with significant productivity gains while bringing a solution adapted to the new heating requirements combining convenience and saving energy. New families of screeds are under development in our laboratories and should soon be offered to our customers.

Development guidelines also address sustainable development and improvement of the energy behaviour of future concretes that will be offered to our customers and the construction systems for building that have very low consumption of electricity.

In the framework of its research and development activities, the Group registers patents in order to protect the development of products resulting from them.

12

INFORMATION ON TRENDS

12.1. RECENT EVENTS

No event having an actual or potential material impact on the Group's results and/or financial situation occurred after the closure of the 2009 accounts.

12.2. TRENDS AND OBJECTIVES

The trends shown below are based on data, assumptions and estimates considered reasonable in the opinion of the Group's management. These data, assumptions and estimates could evolve or change due to uncertainties, mainly related to the strong volatility of the economic, financial and competitive environment as well as to possible changes in regulatory measures in each country in which the Group operates.

In addition, the occurrence of certain risks, as described in Section 4. "Risk factors" of this Registration Document, could have a material impact on the Group's business, financial situation and results. The Group does not undertake any commitments nor provide any assurances that it will achieve the objectives mentioned below.

12.2.1. Trends 2010

For 2010, the Group considers that the lack of visibility due to developments in the global macro-economic and financial environment on the one hand, and the impossibility, on the other hand, of assessing the impact, that the various economic stimulus plans could have in some countries in which the Group is present, do not at this stage allow it to develop specific and documented perspectives on the financial performance that it is likely to register for the entire year in progress.

12.2.1.1. The Group's business prospects in its markets

The Group summarizes the salient facts for its various markets that were reported when the 2009 results were published.

- **In France**, the Group expects very gradual stabilisation in volumes in 2010, particularly cement, with price conditions that could remain, at best, very slightly positive. The initial effects of the stimulus plan announced by the French government should have a very gradual impact on the construction industry in general, particularly infrastructures, while residential new builds should benefit from the tax incentives introduced in 2009. Meanwhile, non-residential construction is likely to see a further decline over the full year. The Group should benefit from more favourable purchasing prices for fuels and the continuation of its policy of using more alternative fuels.

- **In Switzerland**, conditions should remain favourable on the whole, with the Group capitalising on the continuation of major infrastructure projects. The increase in the Reuchenette plant's kiln capacity at the end of the first half of 2009 marked the definitive end to purchasing of clinker from external sources and enables the Group to increase its use of alternative fuels. Lastly, the Group will benefit from more favourable purchasing prices for fuels and continues with its policy of using more alternative fuels.

- **In Italy**, the Group expects market conditions to remain difficult in 2010 both in terms of volumes and pricing. Against this backdrop, Vicat will capitalise on its niche position and should benefit from purchasing conditions for clinker and freight, which are expected to remain favourable.

- **In the United States**, the lack of visibility on both economic conditions and potential investment on the part of States prevents the Group from formulating any forecasts for 2010, which is nevertheless expected to remain very difficult. While the implementation of the stimulus plan on a national level could have a substantial effect on the Group's markets, the location, type and timing of investment are still uncertain.

- **In Turkey**, conditions are expected to stabilise very gradually, particularly in terms of volumes. However, continuing fierce competition could have an unfavourable impact on the development of selling prices. Despite this, the modernisation of the Group's production facilities as part of the "Performance 2010" plan gives it the possibility of producing at low cost. The Group should also be able to increase its use of alternative fuels significantly.

- **In Egypt**, local market conditions should remain favourable in terms of both volumes and prices. However, the comparison base for volumes will be much less favourable than in 2009, with the increased capacity of the Sinai Cement plant already fully factored in for the year. Vicat therefore expects sales to develop in line with the market.

- **In West Africa**, market conditions are expected to remain generally favourable but still closely linked to public authority investment in major infrastructure projects and the development of money transfers from the diaspora. The Group should also benefit from certain drivers. First of all, Vicat will be able to benefit fully from its increased capacity, finalised as part of the "Performance 2010" plan, allowing it to meet local and export demand without having to purchase clinker from external sources. It should also benefit from more favourable purchasing prices for fuels. Lastly, the Group should be in a position to increase significantly the proportion of alternative fuels used.

12.2.1.2. Group objectives

In this environment, the Group is determined to carry on prudently with its development strategy, by relying on:

- A solid financial structure with gearing and leverage levels that are among the lowest in the sector.

- The effects of the "Performance 2010" investment plan, related in particular to reducing production costs through modernization of its industrial plant and strengthening of the Group's industrial and commercial positions. In 2010, the Group should benefit fully from investments made in the context of this plan, in particular in Switzerland and Senegal.

- Finally, in continuation of the "Performance 2010" plan, pursuit of the benefits of implementing the complementary "Performance +" plan. This "Performance +" plan, put in place in 2009, was designed to reduce costs, by adapting their structure to the various levels of business while increasing industrial efficiency, and to improve the Group's free cash flow, in particular by deferring investments that are considered to be non-strategic. A significant proportion of the cost reductions generated under this complementary “Performance +” plan are structural. On the basis of these, a vast majority should be maintained in 2010.

12.2.2. Trends up to 2011

The interruption in economic trends over the course of 2008 and continued in 2009 has not allowed the Group to confirm the previously reported trends. Nevertheless, on the basis of the plans "Performance 2010" and "Performance +", the Group is ready to take part in the economic upturn, as soon as it begins.

The Group continues to pursue its cost reduction efforts following completion of the “Performance 2010” plan initiated in 2006 and will continue with the complementary efforts put in place in the context of the “Performance +” plan. The purpose of these plans is to allow the Group to take advantage of additional production capacities and of a reduction in production costs, subject to the impact of future changes in energy costs. Due to the changes in the macroeconomic climate, the Group recalls that in 2008 the “Performance 2010” plan was adapted to conditions in some markets. Consequently, the investments initially planned in the United States in 2010 were postponed to a later date, which remains to be fixed depending on developments in the markets in which the Group operates in this geographical region.

In the context of continuing the “Performance 2010” plan and against the background of strong volatility in energy costs, the Group will maintain its objective of increasing the share of alternative fuels in the total amount of thermal energy used.

The Group is also continuing its policy of increasing sales prices, designed to offset the rise in energy costs, within the limits of the commercial constraints imposed by the situation in some markets.

12.2.3. Industrial investments

As explained in Section 5.2. “Investments” of this Registration Document as well as in the previous paragraph, the Group has completed its industrial investment program under the “Performance 2010” plan, in particular by postponing to a later date the start up of new production capacities in the United States. The additional capacity at the end of the program is, therefore, around 6 million tons.

The majority of the capacity increases were in emerging countries, bringing the capacity in these countries to over 12 million tons out of a total of almost 21 million tons. Consequently, between 2006 and 2009, the “Performance 2010” plan enabled the Group to refocus its center of gravity towards the emerging countries, which now represent 59% of the Group’s global capacity, compared with 44% previously.

This trend will continue with, as indicated in Section 5.2.2. “Main investments in progress and planned” of this Registration Document, the conclusion by the Group of two majority shareholder partnerships with local companies in Kazakhstan and in India, with a view to building two greenfield plants:

- A 1.1 million tons capacity greenfield plant in Kazakhstan that should be operational in 2010 for a total amount including land, infrastructure, rail transport facilities etc. of approximately 230 million US dollars.

- A 5.5 million tons capacity cement plant in India comprising two production lines for a total investment in the area of 650 million US dollars. The Group will start during 2010 after organizing financing on the construction of the first line, which should be operational in mid 2012. (Also see Sections 5.2.2. “Main investments in progress and planned”, 6.3.1.7. (j) “Overview of the cement market” and 9.1.5. “Effect of modifications to the consolidation scope and exchange rate variations”).

After completion of the “Performance 2010” plan, the overall amount of industrial investment should decrease noticeably, amounting in 2010 to approximately 220 million euros, including around 80 million euros in India and Kazakhstan.

In accordance with the financial policy implemented by the Group (see Section 10.3.1. “Financial Policy”, of this Registration Document), investments are financed from the Group’s own resources. The construction of greenfield plants gives rise to dedicated financing provided by local subsidiaries. The financing for the Kazakhstan project was set up in 2008, and that for the project in India should be finalized during the 1st half of 2010.

The objectives shown above should not be considered as estimates or forecasts but merely as targets included in the Group’s business plans, in particular the investment program described above, and bearing in mind the expected short-term trends.

It is impossible to provide profit forecasts from the information provided, due to the fact that the Group operates its business in different sectors.

13
PROFIT FORECASTS OR ESTIMATES

The Company does not intend to estimate or forecast future profits.

14

ADMINISTRATION AND GENERAL MANAGEMENT BODIES

14.1. COMPOSITION OF THE BOARD OF DIRECTORS, PRESIDENCY AND GENERAL MANAGEMENT

14.1.1. Board of directors

The Company is managed by a Board of directors composed of at least five and no more than twelve members, appointed by the General Meeting of shareholders for a term of three or six years. As at the date of registration of this Registration Document, the Company has ten directors, including six independent directors. A director's term of office is extended de jure to the General Meeting which follows the normal end of his term of office and leaving members may be re-elected. A director appointed to replace another director remains in office only until the end of his predecessor's term.

The renewal of the mandate of one director, and the replacement of one director whose mandate is to expire, will be proposed at the General Meeting of May 17, 2010.

14.1.2. Presidency of the Board of directors and general management

In accordance with the Company's by-laws, the Board of directors shall elect from among its members a President and fix his term of office, which cannot exceed the term of his mandate as a director. Sir Jacques Merceron-Vicat was appointed as President of the board by the Board of directors on March 27, 1984 and was re-appointed by resolutions of the Board of directors on June 19, 1986, June 11, 1992, June 12, 1998, and June 4, 2004.

The Board of directors, by a directors' decision of March 7, 2008, decided to separate the functions of President of the board and Chief Executive Officer. At the same date, the Board of directors confirmed SIr Jacques Merceron-Vicat as President of the Board of directors and appointed Mr Guy Sidos as Chief Executive Officer for the term of the mandate of the President of the board.

The renewal of the mandates of Sir Jacques Merceron-Vicat as President of the Board of directors and of Sir Guy Sidos as Chief Executive Officer will be proposed at the Board Meeting to be held after the Ordinary General Meeting of May 17, 2010. Under the Company's by-laws, the Board of directors can, at the CEO's proposal, appoint five deputy CEO's to assist the CEO.

14.1.3. Members of the Board of directors

As at the date of registration of this Registration Document, the Board of directors consists of the following individuals:

Name	Age of the director or, if necessary, his permanent representative	Date of first nomination	Date of beginning of current appointment	Other appointments filled or having been filled in the Group during the past five years[1]	Other appointments filled or having been filled by the director or, if relevant, by his permanent representative, outside the Group during the past five years[1]
PRESIDENT OF THE BOARD OF DIRECTORS AND DIRECTOR					
Jacques Merceron-Vicat	72	02/03/1968	06/04/2004 as director 03/07/2008: separation of the functions of Chairman and Chief Executive Officer	- President of the Board of directors of Béton Travaux* - Permanent representative of Béton Travaux, director of SATM - President of the Board of directors of National Cement Company* - Director of Vigier Holding - Director of Vigier Management - Director of Aktas* - Director of Bastas Baskent Cimento* - Director of Konya Cimento* - Director of Bastas Hazir Beton* - Director of Tamtas* - Permanent representative of Parficim - Director of Sococim Industries* - Vice President of Sinai Cement Company* - President of the Board of directors of Vicat Egypt for Cement Industry* - Member of the supervisory board of the Mynaral Tas Company LLP* - Member of the supervisory board of the Jambyl Cement Production Company LLP* - Director of Vicat Sagar Cement Private Limited* - Director of BSA Ciment SA*	

[1] Current appointments are followed by an asterisk.

Name	Age of the director or, if necessary, his permanent representative	Date of first nomination	Date of beginning of current appointment	Other appointments filled or having been filled in the Group during the past five years[1]	Other appointments filled or having been filled by the director or, if relevant, by his permanent representative, outside the Group during the past five years[1]
DIRECTOR AND CEO					
Guy Sidos	46	06/11/1999	05/15/2009 as director 03/07/2008 as Chief Executive Officer	- CEO of Béton Travaux* - President of Papeteries de Vizille* - President of Parficim* - Director of Vigier Holding - CEO of National Cement Company* - Director of Sococim Industries* - Permanent Representative of Parficim, - Director of Sococim Industries* - Vice President and director of Sinai Cement Company* - Vice President and Director of Vicat Egypt for Cement Industry* - Director of Cementi Centro Sud* - Director of Aktas* - Director of Bastas Baskent Cimento* - Director of Konya Cimento* - Director of Bastas Hazir Beton* - Director of Tamtas* - Permanent representative of Vicat, director of BCCA - Member of the supervisory board of Mynaral Tas Company LLP* - Member of the supervisory board of Jambyl Cement Production Company LLP* - Director of Vicat Sagar Cement Private Limited* - Director of BSA Ciment SA* - Sole directory of Ravlied Holding AG*	

[1] Current appointments are followed by an asterisk.

Name	Age of the director or, if necessary, his permanent representative	Date of first nomination	Date of beginning of current appointment	Other appointments filled or having been filled in the Group during the past five years[(1)]	Other appointments filled or having been filled by the director or, if relevant, by his permanent representative, outside the Group during the past five years[(1)]
DIRECTORS					
René Fegueux	79	07/25/1977	05/16/2007	Not applicable	Director of Dumont Investissements
Raynald Dreyfus	73	06/05/1985	05/15/2009	Not applicable	Not applicable
Pierre Breuil	68	05/15/2009	05/15/2009	Not applicable	Director of Groupe EMERA *
Bruno Salmon	60	05/15/2009	05/15/2009	Not applicable	- Permanent representative of LEVAL 3 on the Board of COFIDIS (Groupe 3 Suisses)* - Permanent Representative of CETELEM on the Board of UCB* - Chairman of the Board of BNP Paribas Personal Finance* - Director of LASER COFINOGA (Groupe Galeries Lafayette)* - Permanent represen-tative of LEVAL 3 in MONABANQ (Groupe 3 Suisses)* - Director of CETELEM Brasil SA (Brazil)* - Director of Banco Cetelem (Spain)* - Director of Findomestic Banca SPA (Italy)* - Member of the Supervisory Board of Cetelem Bak Spolka Akcyina (Poland)* - Director of Banco Cetelem (Portugal)* - Director of Cetelem IFN SA (Romania)* - Member of the Supervisory Board of BNP Paribas Personal Finance (Bulgaria)* - Director of UCB Suisse (Switzerland)* - Vice President of the Association des Sociétés Financières (ASF) (France)*

(1) Current appointments are followed by an asterisk.

Name	Age of the director or, if necessary, his permanent representative	Date of first nomination	Date of beginning of current appointment	Other appointments filled or having been filled in the Group during the past five years[1]	Other appointments filled or having been filled by the director or, if relevant, by his permanent representative, outside the Group during the past five years[1]
ADMINISTRATEURS					
Louis Merceron-Vicat	40	06/11/1999	06/02/2005	- Permanent representative of Vicat S.A., director of Béton Travaux* - President and CEO of BCCA* - Permanent representative of Vicat S.A. - Director of SATM* - Director of Aktas* - Director of Konya Cimento* - Director of Bastas Baskent Cimento* - Director of Bastas Hazir Beton* - Director of Tamtas* - Director of Sococim Industries* - Director of Sinai Cement Company*	Not applicable
Sophie Sidos	41	08/29/2007	05/15/2009	Not applicable	Not applicable
P&E Management Represented by Paul Vanfrachem	66	06/02/2005	06/02/2005	Not applicable	- Manager of P&E Management* - President of Cembureau - Honorary President of S.A. Cimenteries CBR* - Director of Indaver NV*
Jacques Le Mercier	65	08/29/2007	08/29/2007	Not applicable	- President of the Banque Rhône-Alpes Foundation* - Adviser of the Banque Rhône-Alpes Foundation* - Member of the supervisory board of the ASPEN-France Institute* - Director of the Rhône-Alpes Futur Foundation - President of the Board of directors of Banque Rhône-Alpes

(1) Current appointments are followed by an asterisk.

The Board of directors decided on March 5, 2010 to propose to the Ordinary General Meeting of shareholders which will convene on May 17, 2010 the following:

- to renew for a duration of six years the mandate of Mr Jacques Merceron-Vicat as Director;
- to appoint Mr Xavier Chalandon as Director to replace Mr René Fequeux whose mandate is about to expire.

Family ties between directors and management

Sir Jacques Merceron-Vicat, Chairman of the Board of directors, is the father of Madam Sophie Sidos, director, the father of Sir Louis Merceron-Vicat, director, and the father-in-law of Sir Guy Sidos, director and Chief Executive Officer of the Company.

14.2. DETAILED INFORMATION ON THE MANAGEMENT EXPERTISE AND EXPERIENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Board of directors consists of individuals who have industry knowledge, specific knowledge of the Group's businesses, technical experience, and/or experience in management and the financial sector.

Each member of the Board of directors is selected according to his availability and his integrity.

Name	Age	Brief biography
Jacques Merceron-Vicat	72	Mr Merceron-Vicat is a graduate of the École supérieure de travaux publics. He joined the Group in 1962.
Guy Sidos	46	Mr Sidos is a graduate of the École navale. He served in the French Navy before joining the Group in 1999.
René Fegueux	79	Mr Fegueux is a graduate of the École des Mines of Saint-Étienne. He was a Deputy CEO of the Company until his retirement in 1994.
Raynald Dreyfus	73	Mr Dreyfus is the holder of a CES in banking and a graduate of Harvard University. He was a senior manager with Société Générale until his retirement in 1996.
Louis Merceron-Vicat	40	Mr Louis Merceron-Vicat is a graduate of the École des cadres and of the EM Lyon. He joined the Group in 1996.
Sophie Sidos	41	Mrs Sophie Sidos held various functions within the Group until 1997.
Paul Vanfrachem (representative of P&E Management)	66	Mr Vanfrachem is a civil engineer specialising in chemistry and a graduate of the university of Brussels. He joined CBR in 1985 and chaired it until 2004. He also has been the Chairman of Cembureau from 2006 until June 2008.
Jacques Le Mercier	65	Mr Jacques Le Mercier is a graduate of the faculty of Paris in Economic Science and holder of a diploma from the Institute of Business Administration of Paris-Dauphine University. He has held management and chairing positions within financial institutions. He was President of the Board of directors of Banque Rhône-Alpes from 1996 to 2006.

Name	Age	Brief biography
Bruno Salmon	60	Mr. Bruno Salmon is a graduate of the Ecole Supérieure de Commerce de Paris. He held the position of General Secretary, deputy CEO and Director of CETELEM. After holding the position of deputy CEO and Director of BNP Paribas Personal Finance, he was appointed Chairman since September 2008.
Pierre Breuil	68	Mr. Pierre Breuil has a law degree and is a graduate of the Institut d'Etudes Politiques de Paris. He is a former student of E.N.A. (Turgot entry). He was Prefect of Alpes-Maritimes from 2002 to 2006 and General Inspector of Administration from 2006 to 2007.

Members whose nomination will be proposed at the Ordinary General Meeting of shareholders which will convene on May 17, 2010:

Name	Age	Brief biography
Xavier Chalandon	60	Mr. Xavier Chalandon is a graduate of the Institut d'Etudes Politiques de Lyon and has a Master in law. He held management positions with various financial institutions. He was deputy CEO of Banque Martin Maurel from 1995 to 2003 and deputy CEO of Financière Martin Maurel until 2009. He is a member of the Strategy Committee and Ethics Committee of Groupe Siparex.

14.3. PERSONAL INFORMATION CONCERNING THE MEMBERS OF THE BOARD OF DIRECTORS

As at the date of registration of this Registration Document, no member of the Board of directors has during the last five years:

- been sentenced for fraud;
- been associated with a bankruptcy, or been put under sequestration or liquidation;
- been incriminated or sentenced officially by a legal or administrative authority; or
- been prevented by a court from acting as a member of an administrative, management or supervisory body or from acting in the management or control of the businesses of an issuer.

14.4. CONFLICTS OF INTERESTS IN THE ADMINISTRATION AND GENERAL MANAGEMENT BODIES

To the knowledge of the Company, there is not, as at the date of registration of this Registration Document, any conflict of interest between the duties of the members of the Board of directors, the chairman of the Board of directors and the Chief Executive Officer, with regard to the Company and their private interests and/or other duties.

No arrangement or agreement has been concluded with the main shareholders, customers, suppliers or others pursuant to which any of the members of the Board of directors, the CEO or the Deputy CEO's were selected as a director.

15

REMUNERATION AND BENEFITS

15.1. REMUNERATION AND BENEFITS IN KIND

15.1.1 Remuneration paid to executive directors

Overview of remuneration and stock options attributed to each executive director:

Jacques Merceron-Vicat

Chairman of the Board of directors	2008	2009
Remuneration during period	722,506	**762,702**
Assessment of options allocated during period	n/a	**n/a**
Assessment of performance-related bonus shares allocated during period	n/a	**n/a**
TOTAL	**722,506**	**762,702**

Guy Sidos

Chief Executive Officer	2008	2009
Remuneration during period	618,136	**731,633**
Assessment of options allocated during period	n/a	**n/a**
Assessment of performance-related bonus shares allocated during period	n/a	**n/a**
Total	**618,136**	**731,633**

The tables below detail the remuneration paid and benefits in kind granted by the Company, its subsidiaries or companies controlling the Company to the executive company officers, i.e the Chairman of the board and the CEO, in 2008 and 2009.

Jacques Merceron-Vicat

Chairman of the Board of directors	2008		2009	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
Fixed remuneration	-	639,168	**-**	**667,799**
Variable remuneration	n/a	n/a	**n/a**	**n/a**
Exceptional remuneration	n/a	n/a	**n/a**	**n/a**
Attendance fees	-	38,180	**-**	**41,183**
Benefits in kind	-	45,158	**-**	**53,720**
TOTAL	**-**	**722,506**	**-**	**762,702**

Guy Sidos

Chief Executive Officer	2008		2009	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
Fixed remuneration	-	592,785	**-**	**667,789**
Variable remuneration	n/a	n/a	**n/a**	**n/a**
Exceptional remuneration	n/a	n/a	**n/a**	**n/a**
Attendance fees	-	19,090	**-**	**22,091**
Benefits in kind	-	6,261	**-**	**41,753**
TOTAL	**-**	**618,136**	**-**	**731,633**

The benefits in kind granted to the executive company officers are standard benefits for this type of functions (company car, etc). Besides, their remuneration does not include a variable part. No executive manager who is a company officer is bound to the Company by an employment contract.

15.1.2. Attendance fees and other remuneration received by non-executive company officers

	Amounts paid in 2008	**Amounts paid in 2009**
Pierre Breuil		
Director		
Attendance fees	-	**19,091**
Other remuneration (on the basis of positions held within the Group)	-	**-**
Louis Merceron-Vicat		
Director		
Attendance fees	19,090	**19,091**
Other remuneration (on the basis of positions held within the Group)	163,200	**211,383**

	Amounts paid in 2008	Amounts paid in 2009
René Fégueux		
Director		
Attendance fees	19,090	**19,091**
Other remuneration	10,500	**10,500**
Bruno Salmon		
Director		
Attendance fees	-	**19,091**
Other remuneration	-	**-**
Raynald Dreyfus		
Director		
Attendance fees	19,090	**19,091**
Other remuneration	10,500	**10,500**
P&E Management (represented by Paul Vanfrachem)		
Director		
Attendance fees	19,090	**19,091**
Other remuneration	3,500	**3,500**
Sophie Sidos		
Director		
Attendance fees	19,090	**19,091**
Other remuneration	-	**-**
Jacques le Mercier		
Director		
Attendance fees	19,090	**19,091**
Other remuneration	7,000	**7,000**
TOTAL	**309,240**	**395,611**

The Company's directors receive attendance fees every year. The total of such attendance fees was €210,000 for each of the years 2008 and 2009, distributed equally among the directors (or €19,091) except with regard to the President of the Board of directors, who receives twice the remuneration received by each other member of the Board of directors (or €38,183).

In addition, the additional remuneration allocated to each member of the Board of directors committees for 2009 reached 7,000 euros for the members of the auditing committee, and 3,500 euros for the members of the remuneration committee.

The Company's officers do not benefit from any additional contractual benefits in case of termination of their activities and do not receive any remuneration or benefits other than those set out in the table above.

15.2. PENSION, RETIREMENT AND OTHER BENEFITS

The Company has not implemented a plan to award performance-based bonus stock or stock subscription or stock purchase options for the benefit of the executive company officers or company officers, and no award of securities has been granted to the aforementioned company officers on this account. The Group's salaried officers nonetheless enjoy legal or agreed collective schemes for participation and profit-sharing. (See section 17.3. "Employee profit-sharing" of this Registration Document).

In addition, the Group has implemented a pension scheme for its officers and other managers of the Group that is additional to the legal and supplementary schemes. The benefits of this top-up plan is granted to managing executives whose gross remuneration is up to four times greater than the social security ceiling on the basis of a decision of general management. In addition, to collect these benefits, the relevant person must have served at least 20 years with the Group and have attained 65 years of age at the time they acquire the pension rights. The additional pension amount is calculated as a function of years of service at the date of retirement and salary over the best ten years. This additional amount may not result in the benefi-ciary receiving, under all pension benefits, an amount exceeding 60% of the reference salary.

The table below presents certain items relating to the advantages granted to the executive company officers:

Executive director	Employment contract		Extra pension plan		Retirement indemnities or advantages due or likely to be due on account of termination or change of function		Indemnities relating to a non-competition covenant	
	Yes	No	Yes	No	Yes	No	Yes	No
Jacques Merceron-Vicat Chairman of the Board of directors Beginning of the current appointment, (i) as director 04/06/2004; (ii) separation of the functions of Chairman and Chief Executive Officer 03/07/2008 End of current appointment: Shareholders general meeting approving the financial statements for the year ending on December 31, 2009		▼	▼			▼		▼
Guy Sidos Chief Executive Officer Beginning of the current appointment, as director 06/06/2003; (ii) as Chairman and Chief Executive 03/07/2008 End of current appointment: Shareholders general meeting approving the financial statements for the year ending on December 31, 2009		▼	▼			▼		▼

16

OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

16.1. OPERATION OF THE BOARD OF DIRECTORS

16.1.1. Missions and attributions of the board of directors

The Board of directors determines the policy for the Company's business and supervises its implementation. Subject to the powers expressly granted by shareholders at General Meetings and within the limits of the Company's corporate purpose, it will address any question concerning the satisfactory running of the Company and decide by its deliberations on any matters which relate to it.

Its strategy and actions are within the scope of sustainable development of the Company. The Board of directors has in particular the role of examining and approving all decisions relating to the Company's and the Group's major strategic, economic, social, financial or technological policies and the supervision of their implementation.

16.1.2. Board meetings

The Board of directors shall meet when convened by its President as often as required by the interest of the Company, at the registered office or in any other place indicated in the convening letter. However, directors constituting at least one third of the members of the Board of directors may convene the board if it has not met for more than two months.

The deliberations of the Board of directors are minuted, signed and preserved in accordance with regulations.

The Board of directors is quorate if at least half of its members are present. Decisions are taken by a majority vote of the members present or represented. If there is a tied vote, the President shall have the casting vote.

Over the last three years, the Board of directors met twice a year. During those meetings, the following points were always examined: situation of the industry, examination of the Company and of the consolidated financial statements. Attendance at meetings of the Board of directors was 100%. Delegates from the works council also attended all meetings. All resolutions proposed during those three years were adopted unanimously.

16.1.3. Remuneration of the members of the board of directors

The Board of directors receives in remuneration for its activity an annual fixed sum, by way of attendance fees, whose amount is determined by the shareholders at General Meetings and remains at that level unless otherwise decided. The Board of directors then freely distributes the attendance fees among its members.

16.1.4. Rules of procedure for the Board of directors

To date, the Board of directors has not instituted internal rules of procedure.

16.1.5. Committees

The Board of directors is supported by an auditing committee and a remuneration committee. The committees are made up of three members selected from the independent directors appointed by the Board of directors on the proposal of the President and chosen on the basis of their competence. Each committee is presided by a chairman designated by a majority decision of the committee members. Since 7 March, 2008, the committees have been composed of the following members:

- **auditing committee:**
- Mr Raynald Dreyfus, Chairman of the committee;
- Mr René Fegueux;
- Mr Jacques Le Mercier.

- **remuneration committee:**
- Mr Paul Vanfrachem, Chairman of the committee;
- Mr René Fegueux;
- Mr Raynald Dreyfus.

The committees have the following duties:

- **auditing committee:**

The auditing committee is responsible for monitoring the financial information development process, for assessing the internal audit system and risk management efficiency.

The duties of the auditing committee also consist of:

- examining the annual and half-yearly accounts, both consolidated and statutory, it pays particular attention to the consistency and the relevance of the accounting methods used;
- becoming knowledgeable of the internal procedures for gathering and verifying the financial information that guarantees the consolidated financial information.

- **remuneration committee:**

The remuneration committee has the responsibility of:

- examining the remuneration of managers and employees (fixed part, variable part, bonuses...) and in particular their amounts and allocation;
- studying the subscription option or share purchase plans and in particular, as far as the beneficiaries are concerned, the number of options that could be granted to them as well as the duration of the options and the subscription price conditions as well as any other form of access to capital in the Company benefiting to managers and employees;
- studying particular advantages, such as the pension scheme, health and welfare benefit plan, incapacity insurance, death insurance, education allowance, civil liability insurance for representatives and executive managers of the Group, etc.

16.2. OPERATION OF THE MANAGEMENT BODIES

The President represents the Board of directors. He organises and directs the board's work and reports on it at the General Meeting.
The CEO is responsible for the general management of the Company.
He is has the power to act in all circumstances in the name of the Company, within the limitations of the corporate purpose and subject to the powers which

the law expressly reserves to the General Meetings of the shareholders. He represents the Company in its relationships with third parties.
The CEO is assisted by four deputies who intervene, when so delegated, in the following operational areas:

- Cement in France and Switzerland: Mr Raoul de Parisot;
- Concrete - Aggregates and Transport France: Mr Bernard Titz;
- International development and Kazakhstan: Mr Jean-Michel Allard;
- Africa, Middle East and India: Mr Éric Holard.

Name	Age	Brief biography
Jean-Michel Allard	64	Mr Allard is a graduate of the École de chimie in Lyon and holder of a management degree from the Institut d'administration des entreprises. He joined the Group in 1971.
Bernard Titz	58	Mr Titz has a doctorate in law. He joined the Group in 1982.
Raoul de Parisot	61	Mr de Parisot is a graduate of the École des Mines in Nancy and holder of a degree in economic sciences and a master's degree in sciences from the University of Stanford (United States). Before joining the Group in 1982, Mr de Parisot worked at British Petroleum.
Éric Holard	50	Mr Holard is a graduate of the École nationale supérieure des arts et métiers and holder of a MBA from HEC. He joined the Group in 1991 after having worked for Arc International.

The deputy CEOs, in their capacity as operational managers, have responsibility for managing activities and the results.

16.3. LIMITATION OF POWERS

No limitation has been set concerning the powers of the President of the board or those of the Chief Executive Officer.

16.4. INTERNAL AUDIT

The President's report on corporate governance and the internal audit, as well as the Company's auditors' report on the President's report are appended to this Registration Document. These reports describe the internal audit plan implemented by the Company and the Group.

The Group draws a particular attention to questions of internal control and sustainable development in the countries in which it is present.

Accordingly, with respect to internal control, it implements procedures at the level of each operating subsidiary in order to address the specifics of the market on which it is present. These procedures are subject to periodic reviews by the statutory auditors of the companies of the Group.

In addition, the financial controllers are seconded by the Company's management to each operating subsidiary so as to reinforce the financial reporting system and enable the Group's management to control the development of its operations.

The Group currently relies on these procedures to ensure a satisfactory level of anticorruption controls.

The subject of durable development is regularly addressed by general management and, when appropriate, diffused to management of the operating subsidiaries.

Over the past years, the Group has developed a policy integrating environment respect and sustainable development issues, both in terms of investment and of operation of industrial sites.

16.5. DATE OF EXPIRY OF THE TERM OF OFFICE OF THE DIRECTORS

Name	Date of first nomination	Date of start of current mandate	Date of expiry of current mandate (General Meeting)
President of the Board of directors and director			
Jacques Merceron-Vicat	02/03/1968	06/04/2004	General Meeting approving the financial statements for the year ending December 31, 2009
CEO and director			
Guy Sidos	06/11/1999	05/15/2009 in his capacity as director. 03/07/2008 in his capacity as CEO	General Meeting approving the financial statements for the year ending December 31, 2014 in capacity of director. General Meeting approving the financial statements for the year ending December 31, 2009 in capacity of CEO
Directors			
René Fégueux	07/25/1977	05/16/2007	General Meeting approving the financial statements for the year ending December 31, 2009
Raynald Dreyfus	06/05/1985	05/15/2009	General Meeting approving the financial statements for the year ending December 31, 2011
Louis Merceron-Vicat	06/11/1999	06/02/2005	General Meeting approving the financial statements for the year ending December 31, 2010
Sophie Sidos	08/29/2007	05/15/2009	General Meeting approving the financial statements for the year ending December 31, 2014
P&E Management (represented by Paul Vanfrachem)	06/02/2005	06/02/2005	General Meeting approving the financial statements for the year ending December 31, 2010
Jacques Le Mercier	08/29/2007	08/29/2007	General Meeting approving the financial statements for the year ending December 31, 2010
Pierre Breuil	05/15/2009	05/15/2009	General Meeting approving the financial statements for the year ending December 31, 2014
Bruno Salmon	05/15/2009	05/15/2009	General Meeting approving the financial statements for the year ending December 31, 2014

The Board of directors decided on March 5, 2010 to propose the following to the Ordinary General Meeting of shareholders convened on May 17, 2010:

- renewing Mr Jacques Merceron-Vicat's term of office for a period of six years, until the ordinary General Meeting approving the financial statements for the year ending December 31, 2015;
- replacing as Director Mr René Fequeux, whose mandate will shortly expire, by Mr Xavier Chalandon, for a term of six years i.e. until the ordinary General Meeting approving the financial statements for the year ending December 31, 2015.

16.6. INFORMATION ON THE SERVICE AGREEMENTS BINDING THE MEMBERS OF THE COMPANY'S ADMINISTRATION AND MANAGEMENT BODIES

To the knowledge of the Company, there are no service agreements binding the members of the Board of directors, the President of the Board of directors or the CEO or the deputy CEOs to the Company or to any of its subsidiaries and granting benefits to such persons.

16.7. DECLARATION RELATING TO CORPORATE GOVERNANCE

As at the date of registration of this Registration Document, the Board of directors has among its members six independent directors : Mr René Fegueux, Mr Raynald Dreyfus, P&E Management (represented by Mr Paul Vanfrachem), Mr Jacques Le Mercier Mr Pierre Breuil and Mr Bruno Salmon. Directors not maintaining any direct or indirect relationship or not having any link of particular interest with the Company, its subsidiaries, its shareholders or its management are regarded as independent directors. Moreover, the Company considers as an independent director, a person who is not bound to the Company or to the Group by an employment contract, a contract for the provision of services or by a situation of subordination or dependency with respect to the Company, the Group, its management or major shareholders or by a family tie with the majority shareholder.

The Company subscribes to a policy of transparency and improvement of information disseminated, in particular concerning its activities and in relation to financial matters according to the recommendations prescribed in particular by the AFEP and the MEDEF with respect to the principles of good governance.

The Board of directors has thus decided to propose to the Ordinary General Assembly on May 17 2010 the appointment of Mr Xavier Chalandon as an independant director.

The Board of directors of the Company constantly analyses its operating rules and their adequation with the recommendations of the AFEP MEDEF. This analysis will also be carried out with a view to setting up board of director's internal rules of procedure the purpose of which being in particular to organise the details of the board's self-assessment and internal debates, or even to plan how the directors will exercise their communication right and the requirements incumbent on them with respect to professional ethics and confidentiality.

Likewise, the Company adapts the mission and operation of the board's committees, in particular the audit committee, in accordance with the provisions of the regulation of December 8, 2008.

Nonetheless, the Company does not intend to apply the recommendation of the AFEP MEDEF affecting the limitation of the term of office of the directors. Given its shareholding, which is for the most part a family shareholding, and its long term vision, the Company wants the directors' functions to be long term, which is a guarantee of permanence. This is why the Company planned directors' terms of 3 or 6 years.

17 EMPLOYEES

17.1. OVERVIEW

The average total workforce of the Group in 2009 decreased by 1.82% compared to 2008, despite the increase in the size of the projects in Kazakhstan and India.

This fall in employee numbers reflects the impact of the financial crisis on the size of teams in certain countries. This was the case everywhere apart from West Africa and Switzerland, where business remained steady, and Kazakhstan and India where projects are under development. It was possible to contain the social impact on the Group's employees and no redundancy plans were required. Natural wastage and a reduction in temporary staff (-45% in France for example, i.e. 120 full-time jobs equivalent) made it possible to reduce total labor costs.

The fall in business, which was more noticeable in the Concrete and Aggregates business led to a decrease in the workforce in this sector, while employee numbers in the Cement business remained stable, with the Group's cement sales volumes showing a slight increase in 2009 compared with 2008.

The rise in average staff numbers in certain countries where the Group operates reflects the economic dynamism of these regions. Africa is generally going through a period of strong growth (9.61%), while there has been a marked downturn in the United States (-13.85%) and a softer decrease in France (-3.06%) in 2009 compared to 2008.

17.1.1. Breakdown of the Group's average workforce by business

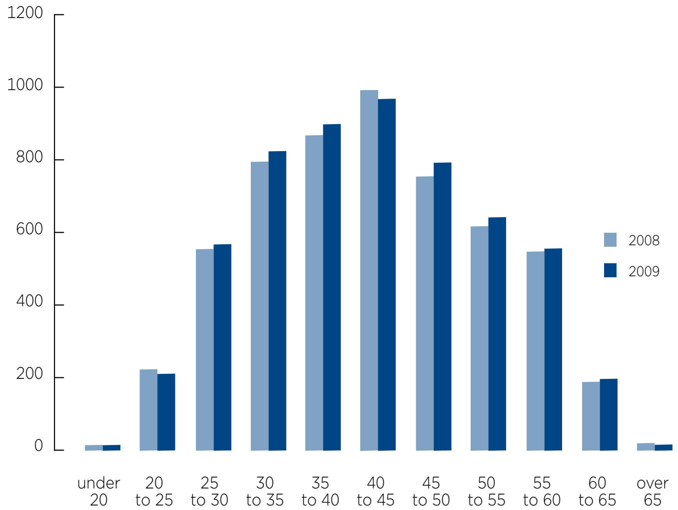
(number of employees)	2009	2008
Cement	2,444	2,504
Concrete & Aggregates	2,851	2,996
Other Products & Services	1,417	1,336
Total	**6,712**	**6,836**

17.1.2. Breakdown of the Group's average workforce by geographical area

(number of employees)	2009	2008	Change (%)
France	2,569	2,650	-3.06
Switzerland/Italy	1,061	1,023	+3.71
United States	1,150	1,335	-13.85
Turkey/Kazakhstan /India	906	892	+1.57
Senegal/Mali/Mauritania/Egypt	1,026	936	+9.62
Total	**6,712**	**6,836**	**-1.81**

17.1.3. Breakdown of the Group's average workforce by age

Number of employees by age group



In 2009, the Group had a more balanced age pyramid than in 2008, with a slight rise in the population of those aged between 25 and 40 and between 45 and 60. The number in the 40 to 45 age group, which was the largest, has decreased slightly. The distribution is similar in each country where the Group operates.

Workforce by gender

(% of workforce)	2009	2008
Management	12.4	12.0
White-collar workers	24.9	24.5
Blue-collar workers	1.8	2.0
Group total	**10.9**	**10.8**
Of which France:		
Management	16.5	15.9
White-collar workers	27.5	27.5
Blue-collar workers	1.6	1.7
Total France	**16.7**	**16.3**

The low proportion of women in the salaried workforce is due to the type of activity and employment offered by the Group. The biggest rise in 2009 compared to 2008 is in female in management roles.

The proportion of women employed by the Group rose in 2009 for the third consecutive year.

17.1.4. Year-end changes in the workforce according to movement type

	Workforce
Workforce as at December 31, 2008	**6,892**
Normal attrition (resignation, end of contracts, deaths)	- 456
Departures due to retirement, early retirement, dismissals, other reasons	- 412
Changes in consolidation scope	20
Recruitment	625
Workforce as at December 31, 2009	**6,669**

The level of recruitment fell by a third in 2009 compared to 2008, from 625 new recruits compared with 936 in the previous year. This development is to be seen in the context of the fall in numbers leaving the Company, with the financial crisis having a stabilising effect on the teams. In addition, the number of those joining and leaving includes a significant number of seasonal jobs in France and Turkey (particularly in the case of drivers).

17.1.5. Changes in years of service with the Group

	Average age		Average years of service	
	2009	2008	2009	2008
Total for the Group	**42.6**	**41.2**	**9.8**	**8.9**
France	42.1	41.6	11.9	11.5

Average age and years of service increased slightly compared to the preceding year.

17.1.6. Human Resources Policy

The Group's values

Adoption of the Group's values by its employees is the key factor in the success that it has achieved throughout the hundred and fifty years of its existence. There are four main values, which have forged a strong company culture:

- the ability of management to react and reach decisions quickly, which has proved particularly valuable in achieving success in external growth transactions;
- the enthusiasm for innovation, research, development and progress, inspired by the discoveries of Louis Vicat, who invented cement in the 19th century;
- the tenacity that has enabled the Group to overcome the challenges encountered since its foundation;
- the common feeling of belonging to the Group, providing the energy and strong capacity for action necessary to achieve its objectives.

Human Resources Policy

The objective of the human resources policy is to ensure that the individual skills of employees or team units are in line with the Group's development strategy on a short, medium and long-term basis, against a background of adherence to and promotion of the values on which its culture is based. It aims to maintain and develop the Group's attractiveness for its employees, as well as securing their loyalty. On this basis, internal promotion is favored where possible.

It should offer everyone career development prospects that maximise their potential and their ambitions. Mobility, both operational and geographical, is one of the conditions of this progression.

Training

Development of its employees' skills is a major priority for the Group and the reason that every year it invests a significant part of its wages and salaries bill in training.

Against a background of major industrial investments and the increasing complexity of processes due to technological innovation, the priority is to train engineers and technicians in using the tools and methods required to ensure that industrial facilities operate efficiently. As will be the case every year from now on, two process seminars and a maintenance seminar were organised in 2009 for engineers and technical managers from all the Group's cement plants.

In 2009, the focus was on training in fuel usage and the use of alternative fuels, including a dedicated seminar for those responsible for this area in the Group's subsidiaries. In addition, sales staff from the Concrete business in France were trained in the use of their new marketing tool.

This technical training is supplemented by internal or external training enabling employees to acquire the additional skills (training in management, project management, languages, etc.) required by the Group.

Involvement of the Company in its social environment

The Group supports educational projects for the benefit of the communities of the countries where it operates. This is the case, in particular, in Senegal with the Maurice-Gueye media library in Rufisque, in Turkey with the fine art college in Konya and in Egypt with the University of the Sinai in El Arish. This support takes the form of financial aid for the construction of buildings, the award of scholarships to the most disadvantaged students and the purchase of books. In 2009, the Group became involved in France in a program to help young people in vulnerable urban areas of Nice, by joining a scheme entitled "100 opportunities for 100 jobs" ("100 chances pour 100 emplois"), run by businesses in partnership with the local authority assistance service for young people.
In Savoie, the Group has been involved since September 2009 in the "Alizé" program which helps SMEs develop.

This program, which brings together local communities and major businesses in the Savoie region, decided to focus in 2009/2010 particularly on businesses in the Maurienne valley. Help is provided in the form of free advice given by managers and engineers from partner companies. It can also take the form of interest-free or preferential-rate loans using the funds which the scheme has built up.

Safety

In 2009, an increase in measures to raise awareness of risks and prevent their occurrence resulted in an overall improvement in safety performance.

The number of accidents leading to time off work fell for the third consecutive year. Accident frequency rates and seriousness also improved slightly overall.

	Cement business		Total for the Group	
	2009	2008	2009	2008
Number of accidents with work stoppage	51	57	157	190
Number of working days lost	1,603	1,424	6,207	7,490
Frequency rate	9.5	11.3	13.6	15.7
Seriousness rate	0.30	0.28	0.54	0.62

After obtaining ISO 9000 : 2001 certification for the Concrete & Aggregates business in France in 2008, the general management of the Group decided to launch an OHSAS 18001 procedure for these businesses in 2009, identical to that already introduced at the cement factories of La Grave de Peille in France and of Bastas and Konya in Turkey.

17.2. SHARE SUBSCRIPTION AND PURCHASE OPTIONS

As of the date of registration of this Registration Document, there is no plan to award subscription options to employees, or to members or former members of the Board of directors (see Section 21.1.5. “Share subscription and purchase options” of this Registration Document).

17.3. EMPLOYEE PROFIT-SHARING

The Company and its French subsidiaries apply the statutory scheme for employee profit sharing or, in some cases, operate under an exemption. Sums received are invested in VICAT shares under the Group Savings Plan (Plan d'épargne Groupe - "PEG").

In addition, the Company has put in place a profit-sharing agreement. Money paid into this arrangement can, at the employee’s discretion, be invested in the Company’s shares under the Group Savings Plan or in other savings plans offered by a leading financial institution.

Almost all shares held by employees are under the Group Savings Plan.

17.4. SHAREHOLDING OF THE COMPANY'S OFFICERS AND TRANSACTIONS CONDUCTED BY MEMBERS OF THE BOARD OF DIRECTORS IN THE COMPANY'S SHARES

17.4.1. Holdings by the Company's officers in the Company's shares as at December 31, 2009

Shareholder	Number of shares	Percentage of capital	Number of voting rights	Percentage of voting rights
Jacques Merceron-Vicat	41,483	0.09	67,880	0.10
Soparfi (company of which Jacques Merceron-Vicat is President and CEO)	11,797,627	26.28	22,046,089	31.58
Parfininco (company of which Jacques Merceron-Vicat is President and CEO)	13,282,802	29.58	25,160,921	36.04
Guy Sidos	3,529	0.01	6,186	0.01
Louis Merceron-Vicat	6,094	0.01	10,121	0.01
René Fégueux	966	-	1,932	-
Raynald Dreyfus	900	-	1,800	-
P&E Management (company of which Paul Vanfrachem is managing director)	30	-	60	-
Sophie Sidos	1,913	-	3,826	0.01
Jacques Le Mercier	10	-	10	-
Bruno Salmon	62,667	0.14	118,344	0.17
Pierre Breuil	20	-	20	-

17.4.2. Transactions by members of the Board of directors in the Company's shares for the 2008 and 2009 financial years

	Transactions in 2009	Transactions in 2008
Soparfi (company of which Jacques Merceron-Vicat is President and CEO)	Purchase of 2,360 shares	Purchase of 7,200 shares
Parfininco (company of which Jacques Merceron-Vicat is President and CEO)	Purchase of 1,667 shares	Purchase of 46,023 shares
Mr Guy Sidos		Purchase of 120 shares

As at December 31, 2009, 5,296,014 Company shares, registered in issuer registered accounts, are subject to financial instrument account pledges.

In addition, a certain number of retention undertakings were made in the context of the "Dutreil Law" by certain Company officers.

17.4.3. Retention undertakings in relation to the Company's shares

Five retention undertakings, relating to a maximum of 22.51% of the share capital of the Company, were made in 2006 and 2007, and up until the date of registration of this Registration Document, in order to take advantage of the provisions of article 885-0 bis of the General Tax Code (Code général des impôts, CGI) allowing the signatories partial exemption from the Solidarity Tax on Wealth (Impôt de solidarité sur la fortune), as indicated in the table below.

Date of signature of the undertaking	Duration	Renewal procedures	Director signatories pursuant to 885-0 bis of the CGI or holding more than 5% of the Company's capital and/or voting rights
11/22/2006	6 years starting on 11/28/2006	Extension by 12-month periods	Mr Jacques Merceron-Vicat Mr Guy Sidos Mrs Sophie Sidos Mr Louis Merceron-Vicat Soparfi
12/08/2006	6 years starting on 12/13/2006	Extension by 12-month periods	Mr Jacques Merceron-Vicat Mr Guy Sidos Mrs Sophie Sidos Mr Louis Merceron-Vicat Soparfi
12/08/2006	6 years starting on 12/13/2006	Extension by 12-month periods	Mr Jacques Merceron-Vicat Mr Guy Sidos Mrs Sophie Sidos Mr Louis Merceron-Vicat Soparfi Parfininco
12/20/2006	6 years starting on 12/21/2006	Extension by 12-month periods	Mr Jacques Merceron-Vicat Mr Guy Sidos Mrs Sophie Sidos Mr Louis Merceron-Vicat Soparfi Parfininco
12/11/2007	6 years starting on 12/13/2007	Extension by 12-month periods	Mr Jacques Merceron-Vicat Mr Guy Sidos Mrs Sophie Sidos Mr Louis Merceron-Vicat Soparfi Parfininco

Six retention undertakings, relating to a maximum of 22.51% of the share capital of the Company, were made in 2006 and 2007, and up until the date of registration of this Registration Document in order to take advantage of the provisions of 787-B of the Code général des impôts, allowing the signatories partial exemption from capital transfer taxes, as indicated in the table below.

Date of signature of the undertaking	Duration	Renewal procedures	Director signatories pursuant to 787-B of the CGI or holding more than 5% of the Company's capital and/or voting rights
07/25/2005	2 years starting on 07/29/2005	Extension by 3-month periods	Mr Jacques Merceron-Vicat Mr Guy Sidos Mrs Sophie Sidos Mr Louis Merceron-Vicat Soparfi
07/25/2005	2 years starting on 08/01/2005	Extension by 3-month periods	Mr Jacques Merceron-Vicat Mr Guy Sidos Mrs Sophie Sidos Mr Louis Merceron-Vicat Soparfi
11/22/2006	2 years starting on 11/28/2006	Extension by 3-month periods	Mr Jacques Merceron-Vicat Mr Guy Sidos Mrs Sophie Sidos Mr Louis Merceron-Vicat Soparfi
12/08/2006	2 years starting on 12/13/2006	Extension by 3-month periods	Mr Jacques Merceron-Vicat Mr Guy Sidos Mrs Sophie Sidos Mr Louis Merceron-Vicat Soparfi Parfininco
12/08/2006	2 years starting on 12/13/2006	Extension by 3-month periods	Mr Jacques Merceron-Vicat Mr Guy Sidos Mrs Sophie Sidos Mr Louis Merceron-Vicat Soparfi Parfininco
12/11/2007	2 years starting on 12/13/2007	Extension by 3-month periods	Mr Jacques Merceron-Vicat Mr Guy Sidos Mrs Sophie Sidos Mr Louis Merceron-Vicat Soparfi Parfininco

18

PRINCIPAL SHAREHOLDERS

18.1. DISTRIBUTION OF THE SHARE CAPITAL AND VOTING RIGHTS

The share capital of the Company as at December 31, 2009 was €179,600,000, divided into 44,900,000 shares of €4 each, fully paid up; shares are in nominee or bearer form at the shareholder's discretion.

The evolution of the distribution of the share capital of the Company over the past three financial years, has been the following:

Shareholders	On December 31, 2007 Number of shares	Number of shares (as%)	On December 31, 2008 Number of shares	Number of shares (as%)	On December 31, 2009 Number of shares	Number of shares (as%)
Family + family holdings	27,136,058	58.02	27,185,702	60.55	**27,196,390**	**60.57**
Employees and former employees	2,026,088	4.33	2,098,624	4.67	**2,163,307**	**4.82**
Public	14,304,807	30.59	14,247,695	31.73	**14,456,860**	**32.20**
Treasury shares	3,304,247	7.06	1,367,979	3.05	**1,083,443**	**2.41**
Total	**46,771,200**	**100**	**44,900,000**	**100**	**44,900,000**	**100**

The evolution of the distribution of the voting rights of the Company over the past three financial years, after exclusion of the voting rights attached to treasury shares, as been the following:

Shareholders	On December 31, 2007 Number of voting rights	Number of voting rights (as%)	On December 31, 2008 Number of voting rights	Number of voting rights (as%)	On December 31, 2009 Number of voting rights	Number of voting rights (as%)
Family + Soparfi [1] + Parfininco	50,485,124	73.14	50,730,779	73.22	**50,939,794**	**72.96**
Employees and public [2]	18,543,739	26.86	18,556,764	26.78	**18,877,851**	**27.04**
Treasury shares [3]	-	-	-	-	**-**	**-**
Total	**69,028,863**	**100**	**69,287,543**	**100**	**69,817,645**	**100**

(1) Soparfi is controlled by Parfininco, which is itself controlled by the Merceron-Vicat family.
(2) As regards the monitoring of voting rights, there is no segragation between employees and the general public.
(3) Shares held by the Company carry no voting rights.

18.2. VOTING RIGHTS

Subject to the double voting rights described below, the voting rights attached to capital shares or rights are proportional to the share of the capital which they represent and each share gives a right to one vote.

Double voting rights are allotted to all paid-up shares for which the holder can prove that it has held such shares for at least four years.

Conversion to bearer form of a share or the transfer of its ownership causes the loss of the abovementioned double voting rights.

In the event of dismemberment of the ownership of a share, the voting right belongs to the legal owner, except for decisions concerning attribution of results, in which case the voting right remains with the usufructuary.

18.3. CONTROL OF THE COMPANY

The Company is directly and indirectly, through the holding companies Parfininco and Soparfi, controlled by the Merceron-Vicat family, which holds the majority of the share capital and the voting rights.

The presence on the Board of directors of half of the independent directors (six independent directors for a total of ten directors) in accordance with the AFEP-MEDEF recommendations relating to company governance means that control can be exercised over the Company in accordance with Commission's (EC) regulation no. 809/2004 dated April 29th 2004.

18.4. AGREEMENTS CAPABLE OF LEADING TO A CHANGE OF CONTROL

To the knowledge of the Company, there is no agreement whose implementation could at a date subsequent to the registration of this Registration Document, lead to a change of control.

19

OPERATIONS WITH RELATED PARTIES

19.1. CONTRACTS AND OPERATIONS WITH RELATED PARTIES

Parties related to the Group include mainly the Company's shareholders, its unconsolidated subsidiaries, companies under joint control (consolidated companies in proportional integration), associated companies (companies accounted for by the equity method), and entities on which the Group's various managers have a significant influence.

Transactions with companies that are unconsolidated or accounted for by the equity method are not significant during the years in question, and were carried out under normal market conditions.

All these operations were registered in compliance with the transactions identified in the IAS 24 standard and their incidence on the consolidated accounts of the Group for years 2009 and 2008 is as indicated below according to type of related party:

	2009				2008			
(in millions of euros)	Sales	Purchases	Receivables	Payables	Sales	Purchases	Receivables	Payables
Associated companies	774	1,122	5,857	-	467	-	4,419	-
Joint ventures	978	674	93	881	1,591	967	216	841
Other related parties	43	2,147	11	497	42	1,539	30	198
Total	**1,795**	**3,942**	**5,961**	**1,378**	**2,100**	**2,506**	**4,665**	**1,039**

19.2. INTRA-GROUP OPERATIONS

The Group's financial policy leads to a concentration of the financing lines on the mother company.

In addition, the intra-group flows and internal margins have been eliminated in the Group consolidation operations.

On the basis of the 2009 financial year, the intra-group transfers of cement rose to € 178 million, transfers of aggregates to € 57 million, transport services to € 51 million, transfers related to additional services (analyses, pumping, operation of quarries, etc.) to € 38 million and transfers related to various pooled products and services to € 70 million. For the same period, intra-group financial products rose to € 6 million.

19.3. STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

Pursuant to article 28-1 paragraph 5 of the Regulations (EC) No. 809/2004 of the European Commission of April 29, 2004, special reports by the statutory auditors on regulated agreements and commitments for the financial years ending on December 31, 2008 and December 31, 2007, which appear respectively on page 132 of the Registration Document registered with the AMF on April 9, 2009 under number R.09-015, and page 126 of the Registration Document registered with the AMF on April 29, 2008 under number R.08-043, are incorporated by reference in this Registration Document.

Year ended December 31, 2009

To the shareholders,

In our capacity as statutory auditors of your Company, we hereby present to you our report on the regulated agreements and commitments.

We are not required to ascertain whether any agreements or commitments exist but to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements and commitments of which we were notified. It is not our role to determine whether they are beneficial or appropriate. It is your responsibility, under the terms of article R.225-31 of the French Commercial Code ("Code de commerce"), to evaluate the benefits arising from these agreements and commitments prior to their approval.

Agreements and commitments entered into by the Company in 2009

We inform you that we have not been advised of any agreements or commitments entered into in 2009 and mentioned in article L.225-38 of the French Commercial Code.

Continuing agreements and commitments which were entered into in prior years

Moreover, in accordance with the French Commercial Code, we have been informed of the following agreements and commitments, which were approved during previous years and which were applicable during the period.

- **Undertakings relating to additional pension benefits**

Purpose: Supplemental pension plan as defined in Article 39 of the French General Tax Code (CGI).

Terms and conditions: The undertakings with Cardif concern the executive directors as well as managers whose salary exceeds 4 times the ceiling of tranche A.

We performed the procedures we considered necessary in accordance with professional guidance issued by the national institute of auditors ("Compagnie nationale des commissaires aux comptes"), relating to this engagement. Our work consisted in verifying that the information provided to us is in agreement with the underlying documentation from which it was extracted.

Paris La Défense, Chamalières, March 5, 2010
KPMG Audit
Department of KPMG S.A.
Jean-Marc Decléty
Partner

Chamalières, March 5, 2010
Wolff & Associés S.A.S.
Grégory Wolff
Partner

20

FINANCIAL INFORMATION

ON THE ASSETS AND LIABILITIES, FINANCIAL SITUATION AND INCOME STATEMENTS OF THE ISSUER

20.1. ACCOUNTING POLICIES

Accounting principles are described in Note 1. "Accounting principles and methods of evaluation" to section 20.2.2. "Notes to the 2009 consolidated financial statements" of this Registration Document.

20.2. HISTORICAL FINANCIAL INFORMATION

Pursuant to article 28-1 paragraph 5 of the Regulations (EC) No. 809/2004 of the European Commission of April 29, 2004, the consolidated financial statements of the Group for the financial year ending on December 31, 2008 and December 31, 2007 (prepared in accordance with IFRS and including comparative data with respect to financial years 2007 and 2006) as well as the respective reports prepared by the statutory auditors, which appear on pages 139 to 175 of the Registration Document registered with the AMF on April 9, 2009 under number R. 09-015 and on pages 132 to 165 of the Registration Document registered with the AMF on April 29, 2008 under number R. 08-04, are included by reference in this Registration Document.

20.2.1. Consolidated financial statements at 31 December 2009

CONSOLIDATED STATEMENT OF FINANCIAL SITUATION

ASSETS (in thousands of euros)	Notes	2009	2008
NON-CURRENT ASSETS			
Goodwill	3	671,224	670,901
Other intangible assets	4	74,484	43,600
Property, plant and equipment	5	1,782,307	1,697,650
Investment properties	7	19,206	20,024
Investments in associated companies (equity method)	8	36,579	10,059
Deferred tax assets	25	2,682	2,124
Receivables and other non-current financial assets	9	68,387	94,597
Total non-current assets		**2,654,869**	**2,538,955**
CURRENT ASSETS			
Inventories and work-in-progress	10	295,140	312,456
Trade and other accounts receivable	11	320,538	368,662
Current tax assets		6,050	3,345
Other receivables	11	103,285	94,044
Cash and cash equivalents	12	234,708	109,558
Total current assets		**959,721**	**888,065**
TOTAL ASSETS		**3,614,590**	**3,427,020**

LIABILITIES AND SHAREHOLDERS' EQUITY (in thousands of euros)	Notes	2009	2008
SHAREHOLDERS' EQUITY			
Share capital	13	179,600	179,600
Additional paid-in capital		11,207	11,207
Consolidated reserves		1,691,382	1,583,705
Shareholders' equity		**1,882,189**	**1,774,512**
Minority interests		**199,384**	**179,256**
Shareholders' equity and minority interests		**2,081,573**	**1,953,768**
NON-CURRENT LIABILITIES			
Provisions for pensions and other post-employment benefits	14	44,090	42,228
Other provisions	15	87,498	84,590
Financial liabilities	16	660,090	710,472
Deferred tax	25	146,016	150,609
Other non-current liabilities		26,231	16,727
Total non-current liabilities		**963,925**	**1,004,626**
CURRENT LIABILITIES			
Provisions	15	8,169	7,162
Financial liabilities	16	227,256	76,900
Trade and other accounts payable		189,820	227,473
Current taxes payable		6,962	8,052
Other liabilities	18	136,885	149,039
Total current liabilities		**569,092**	**468,626**
Total liabilities		**1,533,017**	**1,473,252**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**3,614,590**	**3,427,020**

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2009	2008
NET SALES	19	1,896,013	2,057,043
Goods and services purchased		(1,076,892)	(1,199,064)
ADDED VALUE	1.20	**819,121**	**857,979**
Personnel costs	20	(309,446)	(312,454)
Taxes		(55,532)	(40,447)
GROSS OPERATING EARNINGS	1.20 & 23	**454,143**	**505,078**
Depreciation, amortization and provisions	21	(158,340)	(126,302)
Other income (expense)	22	8,348	3,092
OPERATING INCOME	23	**304,151**	**381,868**
Cost of net borrowings and financial liabilities	24	(23,977)	(30,087)
Other revenues	24	8,779	11,219
Other costs	24	(8,736)	(7,011)
NET FINANCIAL INCOME (EXPENSE)	24	**(23,934)**	**(25,879)**
Earnings from associated companies	8	1,021	338
EARNINGS BEFORE INCOME TAX		**281,238**	**356,327**
Income taxes	25	(47,669)	(83,316)
NET INCOME		**233,569**	**273,011**
Portion attributable to minority interests		42,171	27,755
PORTION ATTRIBUTABLE TO GROUP SHARE		**191,398**	**245,256**
EBITDA	1.20 & 23	**473,011**	**528,297**
EBIT	1.20 & 23	**321,923**	**392,195**
CASH FLOW FROM OPERATIONS		**387,368**	**401,909**
Earnings per share (in euros)			
Basic and diluted earnings per share	13	**4.26**	5.46

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	2009	2008
NET CONSOLIDATED INCOME	**233,569**	**273,011**
Net income from change in translation differences	(35,658)	402
Cash flow hedge instruments	(7,752)	2,902
Income tax on other comprehensive income	2,669	(999)
OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX)	**(40,741)**	**2,305**
TOTAL COMPREHENSIVE INCOME	**192,828**	**275,316**
Portion attributable to minority interests	35,884	21,997
PORTION ATTRIBUTABLE TO GROUP SHARE	**156,944**	**253,319**

The amount of income tax relating to each component of other comprehensive income is analyzed as follows:

	2009			2008		
	Before income tax	**Income tax**	**After income tax**	**Before income tax**	**Income tax**	**After income tax**
Net income from change in translation differences	(35,658)	-	(35,658)	402	-	402
Cash flow hedge instruments	(7,752)	2,669	(5,083)	2,902	(999)	1,903
OTHER COMPREHENSIVE INCOME (net of income tax)	**(43,410)**	**2,669**	**(40,741)**	**3,304**	**(999)**	**2,305**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	Notes	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		**233,569**	**273,011**
Earnings from associated companies		(1,021)	(338)
Dividends received from associated companies		135	936
Elimination of non-cash and non-operating items:			
- depreciation, amortization and provisions		164,658	122,915
- deferred taxes		(5,962)	14,170
- net (gain) loss from disposal of assets		(1,312)	(9,262)
- unrealized fair value gains and losses		(2,671)	740
- other		(28)	(263)
Cash flows from operating activities		**387,368**	**401,909**
Change in working capital from operating activities - net		(4,260)	(17,411)
Net cash flows from operating activities [(1)]	*27*	**383,108**	**384,498**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of fixed assets:			
- property, plant and equipment and intangible assets		(270,221)	(395,187)
- financial investments		(14,455)	(28,922)
Disposals of fixed assets:			
- property, plant and equipment and intangible assets		6,082	15,871
- financial investments		2,325	10,571
Impact of changes in consolidation scope		(3,463)	(65,990)
Net cash flows from investing activities	*28*	**(279,732)**	**(463,657)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(88,945)	(70,699)
Increases in capital		5,504	6,236
Increases in borrowings		148,372	261,628
Redemptions of borrowings		(56,724)	(100,189)
Acquisitions of treasury shares		(9,029)	(17,461)
Disposals of treasury shares		20,172	24,847
Net cash flows from financing activities		**19,350**	**104,362**
Impact of changes in foreign exchange rates		(4,753)	200
Change in cash position		**117,973**	**25,403**
Net cash – opening balance	*29*	95,038	69,635
Net cash – closing balance	*29*	213,011	95,038

(1) including cash flows from income taxes: (51,898) thousand euros in 2009 and (50,310) thousand euros in 2008.
including cash flows from interests paid and received: (15,556) thousand euros in 2009 and (22,934) thousand euros in 2008.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)	Capital	Additional paid-in capital	Treasury shares	Consolidated reserves	Translation reserves	Shareholders' equity	Minority interests	Total shareholders' equity and minority interests
At January 1, 2008	**187,085**	**11,207**	**(262,838)**	**1,697,267**	**(70,159)**	**1,562,562**	**154,078**	**1,716,640**
Net consolidated income				245,256		245,256	27,755	**273,011**
Other comprehensive income				1,903	6,160	8,063	(5,758)	**2,305**
Total comprehensive income				*247,159*	*6,160*	*253,319*	*21,997*	*275,316*
Dividends paid				(65,393)		(65,393)	(5,490)	**(70,883)**
Net change in treasury shares			2,665	748		3,413		**3,413**
Cancellation of treasury shares (1)	(7,485)		160,923	(153,438)		-		-
Changes in consolidation scope						-	1,758	**1,758**
Increases in share capital						-	7,344	**7,344**
Other changes (1)				20,611		20,611	(431)	**20,180**
At December 31, 2008	**179,600**	**11,207**	**(99,250)**	**1,746,954**	**(63,999)**	**1,774,512**	**179,256**	**1,953,768**
Net consolidated income				191,398		191,398	42,171	**233,569**
Other comprehensive income				(5,083)	(29,371)	(34,454)	(6,287)	**(40,741)**
Total comprehensive income				*186,315*	*(29,371)*	*156,944*	*35,884*	*192,828*
Dividends paid				(65,637)		(65,637)	(23,561)	**(89,198)**
Net change in treasury shares			9,634	989		10,623		**10,623**
Changes in consolidation scope				5,736		5,736	2,289	**8,025**
Increases in share capital						-	5,618	**5,618**
Other changes				11		11	(102)	**(91)**
At December 31, 2009	**179,600**	**11,207**	**(89,616)**	**1,874,368**	**(93,370)**	**1,882,189**	**199,384**	**2,081,573**

(1) The Extraordinary General Meeting of May 16, 2008 approved a share capital reduction by way of cancellation of 1,871,200 company treasury shares. Since this transaction affects the shareholders'equity, recovery of deferred taxes related to these cancelled shares was directly recognised in the Group shareholders' equity for an amount of 16.6 million euros.

Translation differences at December 31, 2009 are broken down by currency as follows (in thousands) of

U.S. dollar:	(36,355)	Kazakh tengue:	(18,043)
Swiss franc:	24,745	Mauritanian ouguiya:	(1,033)
Turkish new lira:	(49,328)	Indian rupee:	(223)
Egyptian pound:	(13,133)		(93,370)

20.2.2. Notes to the 2009 consolidated financial statements

NOTE 1 ACCOUNTING PRINCIPLES AND METHODS OF EVALUATION

1.1. Statement of compliance

In compliance with European Regulation (EC) 1606 / 2002 issued by the European Parliament on July 19, 2002 on the enforcement of International Accounting Standards, Vicat's consolidated financial statements have been prepared, since January 1, 2005, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Vicat has adopted those standards that are in force on December 31, 2009 for its benchmark accounting principles.

The standards, interpretations and amendments published by the IASB but not yet in effect as of December 31, 2009 were not applied ahead of schedule in the Group's consolidated financial statements at the closing date.

The consolidated financial statements at December 31 present comparative data for the previous year prepared under these same IFRS. The accounting methods and policies applied in the consolidated statements as of 31 December 2009 are consistent with those applied by the Group as of December 31, 2008, except for the new standards whose application is effective for the period beginning on or after January 1, 2009.

These new standards, which relate in particular to the framework, terminology and content of information presented, principally concern:

- the presentation of financial statements (IAS 1 Revised – Presentation of financial statements) with the introduction of a consolidated statement of comprehensive income. In accordance with of the option offered by IAS 1 Revised, the Group has opted to present total comprehensive income in two statements: the consolidated income statement and the consolidated statement of comprehensive income, including the specific information required ;
- the sector information (IFRS 8 – Operating segments), the application of which is described in Note 1.19.;
- accounting for borrowing costs. Application of IAS 23 Revised had no impact on the Vicat Group consolidated accounts, since the option of capitalizing borrowing costs was already applied in the Vicat Group;
- improvement of information communicated with respect to financial instruments in accordance with IFRS 7 amendments.

These financial statements have been definitively prepared and approved by the Board of directors on March 5, 2010 and will be presented to the General Meeting of shareholders on May 17, 2010 for approval.

1.2. Basis of preparation of financial statements

The financial statements are presented in thousands of euros.

The balance sheet is presented by type in two statements: the consolidated income statement and the consolidated statement of comprehensive income.
The consolidated statement of comprehensive income segregates current and non-current asset and liability accounts and splits them according to their maturity (divided, generally speaking, into maturities of less than and more than one year).
The statement of cash flows is presented according to the indirect method.

The financial statements were prepared using the historical cost method, except for the following assets and liabilities, which are recognized at fair value: derivatives, assets held for trading, assets available for sale, and the portion of assets and liabilities covered by an hedging transaction.

The accounting principles and valuation methods described hereafter have been applied on a permanent basis to all of the fiscal years presented in the consolidated financial statements.

The establishment of consolidated financial statements under IFRS requires the Group's management to make a number of estimates and assumptions, which have a direct impact on the financial statements. These estimates are based on the going concern principle and are established on the basis of the information available at the date they are carried out. They concern mainly the assumptions used to:

- evaluate provisions (notes 1.16. and 15), in particular those for pensions and other post-employment benefits (notes 1.15. and 14),
- evaluate financial instruments at their fair value (notes 1.14. and 17),
- perform valuations used to carry out impairment tests (notes 1.4., 1.11. and 3)
- define the accounting treatment to be applied in the absence of a definitive standard (note 1.7. concerning emission quotas).

The estimates and assumptions are reviewed regularly, whenever justified by the circumstances, at least at the end of each year, and the pertinent items in the financial statement are updated accordingly.

1.3. Consolidation principles

When a company is acquired, the fair value of its assets and liabilities is evaluated at the acquisition date.

The earnings of the companies acquired or disposed of during the year are recorded in the consolidated income statement for the period subsequent or previous to, depending on the case, the date of the acquisition or disposal.

The annual financial statements of the companies at December 31 are consolidated, and any necessary adjusting entries are made to restate them in accordance with the Group accounting principles. All material intercompany balances and transactions are eliminated during the preparation of the consolidated financial statements.

Subsidiaries:
Companies that are controlled exclusively by Vicat, directly or indirectly, are fully consolidated.

Joint ventures:
Joint ventures, which are jointly controlled and operated by a limited number of shareholders, are proportionally consolidated.

Associated companies:
Investments in associated companies over which Vicat exercises notable control are accounted for by the equity method. Any goodwill generated on the acquisition of these investments is presented on the line "Investments in associated companies (equity method)."
The list of the principal companies included in the consolidation scope at December 31, 2009 is provided in Note 34.

1.4. Business combinations – goodwill

Goodwill corresponds to the difference between the price paid for the acquired company and the fair value of all identified assets, liabilities and contingent liabilities at the acquisition date. Goodwill on business combinations carried out after January 1, 2004 is reported in the currency of the company acquired. Applying the option offered by IFRS 1, business combinations completed before the transition date of January 1, 2004 have not been restated, and the goodwill arising from them has been maintained at its net value on the balance sheet according to the principles of French GAAP as of December 31, 2003.

In the event that the pro-rata share of interests in the fair value of net assets, liabilities and contingent liabilities acquired exceeds their cost ("negative goodwill"), the full amount of this negative goodwill is recognized in the result of the fiscal year in which the acquisition was made, except for acquisitions of minority interests in a fully consolidated company, in which case this amount is recognized in the consolidated shareholders' equity.

The values of assets and liabilities acquired through a business combination must be definitively determined within 12 months after the acquisition date. These values may thus be adjusted at any closing date within that time frame.

Minority interests are valued on the basis of their pro-rata share in the fair value of the net assets acquired.

If the business combination takes place through successive purchases, each material transaction is treated separately, and the assets and liabilities acquired are so valued and goodwill thus determined.

In compliance with IFRS 3 and IAS 36 (see §1.11), at the end of each year, and in the event of any evidence of impairment, goodwill is subjected to an impairment test, consisting of a comparison of its net carrying cost with its value in use as calculated on a discounted projected cash flow basis. When the latter is below carrying cost, an impairment loss is recognized for the corresponding loss of value.

1.5. Foreign currencies

Transactions in foreign currencies:
Transactions in foreign currencies are translated into the functional currency at the exchange rates in effect on the transaction dates. At the end of the year, all monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the year-end exchange rates, and the resulting exchange rate differences are recorded in the income statement.

Translation of financial statements of foreign companies:
All assets and liabilities of Group companies that are not hedged are translated into euros at the year-end

exchange rates, while income, expense and cash flow statement items are translated at average exchange rates for the year. The ensuing translation differences are recorded directly in shareholders' equity.
In the event of a later sale, the cumulative amount of translation differences relating to the net investment sold and denominated in foreign currency is recorded in income statement. Applying the option offered by IFRS 1, translation differences accumulated before the transition date were zeroed out by allocating them to consolidated reserves at that date. They will not be recorded in income statement in the event of a later sale of these investments denominated in foreign currency.

The following foreign exchange rates were used:

	Closing rate		Average rate	
	2009	2008	**2009**	2008
USD	**1.4406**	1.3917	**1.3933**	1.4697
CHF	**1.4836**	1.4850	**1.5099**	1.5871
EGP	**7.9113**	7.7723	**7.7180**	8.0190
TRL	**2.1547**	2.1488	**2.1623**	1.9080
KZT	**213.91**	170.25	**206.18**	177.06
MRO	**379.02**	369.46	**369.67**	354.20

1.6. Other intangible assets

Intangible assets (mainly patents, rights and software) are recorded in the balance sheet at historical cost less accumulated amortization and any impairment losses. This cost includes acquisition or production costs and all other directly attributable costs incurred for the acquisition or production of the asset and for its commissioning. Assets with finite lives are amortized on a straight-line basis over their useful life (generally not exceeding 15 years).
Research costs are recognized as expenses in the period in which they are incurred. Long-term development costs meeting the criteria defined by IAS 38 are capitalized.

1.7. Emission quotas

In the absence of a definitive IASB standard concerning greenhouse gas emission quotas, the following accounting treatment has been applied:

- Quotas allocated by the French government in the framework of the National Plan for the Allocation of Quotas (PNAQ II) are not recorded, either as assets or liabilities. For 2009, they amount to 2,802 thousand tonnes of greenhouse gas emissions (14,011 thousand tonnes for the period 2008-2012).
- Only the quotas held at year-end in excess of the cumulative actual emissions of 4,719 thousand tonnes were recorded in the assets, for 10,909 thousand euros, corresponding to 885 thousand tonnes.
- Recording of surpluses, quota sales and quota swaps (EUA) against Emission Reduction Certificates (ERCs) were recognized in the year result for 12,564 thousand euros (8,069 thousand euros at December 31, 2008).

1.8. Property, plant and equipment

Property, plant and equipment are reported in the balance sheet at historical cost less accumulated depreciation and any impairment losses, using the component approach provided for in IAS 16. When an article of property, plant and equipment comprises several significant components with different useful lives, each component is amortized on a straight-line basis over its respective useful life, starting at commissioning.

Main amortization durations are presented below depending on the assets category:

	Cement assets	Concrete & aggregates assets
Civil engineering	15 to 30 years	15 years
Major installations	15 to 30 years	10 to 15 years
Other industrial equipment	8 years	5 to 10 years
Electricity	15 years	5 to 10 years
Controls and instruments	5 years	5 years

Quarries are amortized on the basis of tonnage extracted during the year in comparison with total estimated reserves.
Certain parcels of land acquired prior to December 31, 1976 were revalued, and the adjusted value was recognized in the financial statements, but without a significant impact on the lines concerned.

Interest expenses on borrowings incurred to finance the construction of facilities during the period prior to their commissioning are capitalized. Exchange differences arising from foreign currency borrowings are also capitalized inasmuch as they are treated as an adjustment to interest costs and within the limit of the interest charge which would have been paid on borrowings in local currency. 10,884 thousand euros were capitalized in 2009 (5,947 thousand euros in 2008), determined on the basis of local interest rates ranging from 2.61% to 5.42% depending on the country.

1.9. Leases

In compliance with IAS 17, leases on which nearly all of the risks and benefits inherent to ownership are transferred by the lessor to the lessee are classified as finance leases. All other contracts are classified as operating leases.
Assets held under finance leases are recorded in tangible assets at the lower amount between their fair value and the current value of the minimum lease payments at the starting date of the lease and amortized over their useful life, with the corresponding debt recorded as a liability.

1.10. Investment properties

The Group recognizes its investment properties at historical cost less accumulated depreciation and any impairment losses. They are depreciated on a straight-line basis over their useful life (10 to 25 years). The fair value of its investment properties is calculated by the Group's qualified departments. It is based primarily on valuations made by capitalizing rental income and taking into account market prices observed on transactions involving comparable properties, and is presented in the notes at each year-end.

1.11. Impairment

In accordance with IAS 36, the book values of assets with indefinite lives are reviewed at each year-end, and during the year, whenever there is an indication that the asset may be impaired. Those with finite lives are only reviewed if indicators show that a loss is likely.

An impairment loss has to be recorded as an expense on the income statement when the carrying cost of the asset is higher than its recoverable value. The latter is the highest of the fair value decreased by expenses related to the sale and the value in use. The value in use is calculated primarily on a discounted projected cash flow basis over 10 years. This time period corresponds to the Group's capital-intensive nature and the longevity of its industrial equipment.

The projected cash flows are calculated on the basis of the following components that have been inflated and then discounted:

- the EBITDA from the Long Term Plan over the first 5 years, then projected to year 10,
- the sustaining capital expenditure,
- and the change in working capital requirement.

Projected cash flows are discounted at the weighted average capital cost (WACC) before tax, in accordance with IAS 36 requirements. This calculation is made per country, taking account of the cost of risk-free long term money, market risk weighted by a sector volatility factor, and a country premium reflecting the specific risks of the market in which the concerned cash generating unit operates.

If it is not possible to estimate the fair value of an isolated asset, it is assessed at the level of the cash generating unit that the asset is part of insofar as the industrial installations, products and markets form a coherent whole. The analysis was thus carried out for each geographical area/country/activity, and the cash generating units were determined depending on the existence or not of vertical integration between the Group's activities in the area concerned.

The value of the assets tested, at least annually using this method for each cash generating unit includes intangible and tangible non-current assets and the Working Capital Requirement.

These impairment tests are sensitive to the assumptions held for each cash generating unit, mainly in terms of:

- discount rate as previously defined,
- inflation rate, which must reflect sales prices and expected future costs.

Tests are conducted at each year-end on the sensitivity to an increase or decrease of one point in the discount rate applied, in order to assess the effect on the value of goodwill and other intangible and tangible assets included in the Group's consolidated financial statements.

Recognized impairments can be reversed and are recovered in the event of a decrease, except for those corresponding to goodwill, which are definitive.

1.12. Inventories

Inventories are valued using the weighted average unit cost method, at the lower of purchase price or production cost, or net market value (sales price reduced by completion and sales costs).

The gross value of merchandise acquired for resale and of supplies includes both the purchase price and all related costs.

Manufactured goods are valued at production cost, including the cost of goods sold, direct and indirect production costs and the depreciation on all consolidated fixed assets used in the production process.

In the case of inventories of manufactured products and work in progress, the cost includes an appropriate share of fixed costs based on the standard conditions of use of the production tools.

Inventory depreciations are recorded when necessary to take into account any probable losses that could arise at year-end.

1.13. Cash and cash equivalents

Cash and cash equivalents include both cash and short-term investments of less than 3 months that do not present any risk of loss of value. The latter are marked to market at the end of the period. Net cash, the change in which is presented in the statement of cash flows, consists of cash and cash equivalents less any bank overdrafts.

1.14. Financial instruments

Financial assets:
The Group classifies its non-derivative financial assets, when they are first entered in the financial statements, in one of the following four categories of financial instruments in accordance with IAS 39, depending on the reasons for which they were originally acquired:

- long-term loans and receivables, financial assets not quoted on an active market, the payment of which is determined or can be determined; these are evaluated at their net book value and can be subject to a write-down if a loss in value is identified;
- investments in non consolidated affiliates are analyzed as assets available for sale and are consequently measured at the lowest of their carrying value and their fair value less cost of sale at the end of the period;
- financial assets valued at their fair value by the profit and loss, since they are held for transaction purposes (acquired and held with a view to being resold in the short term);
- investments held to term, including securities quoted on an active market associated with defined payments at fixed dates; the Group does not own such assets on year-end of the presented financial accounts.

All acquisitions and disposals of financial assets are booked at the transaction date. Financial assets are reviewed at the end of each year in order to identify any evidence of impairment.

Financial liabilities:
Non-derivative financial liabilities mainly comprise borrowings and other financial liabilities (other financings, bank overdrafts, etc.); they are entered at historical cost.

Treasury shares:
In compliance with IAS 32, Vicat's treasury shares are recognized net of shareholders' equity.

Derivatives and hedging:
The Group uses hedging instruments to reduce its exposure to changes in interest and foreign currency exchange rates resulting from its business, financing and investment operations. These hedging operations use financial derivatives. The Group uses interest rate swaps and caps to manage its exposure to interest rate risks. Forward FX contracts and currency swaps are used to hedge exchange rate risks. The Group uses derivatives solely for financial hedging purposes and no instrument is held for speculative ends. Under IAS 39, however, certain derivatives used are not, not yet or no longer, eligible for hedge accounting at the closing date.

Financial derivatives are valued at their fair value in the balance sheet. Except for the cases detailed below, the change in fair value of derivatives is recorded as an offset in the income statement of the financial statement ("Change in fair value of financial assets and liabilities"). The fair values of derivatives are estimated by means of commonly-used valuation models taking into account the data produced by active markets.

Derivative instruments may be designated as hedging instruments, depending on the type of hedging relationship:

- Fair value hedging is hedging against exposure to changes in the fair value of a booked asset or liability, or of an identified part of that asset or liability, attributable to a particular risk, in particular interest and exchange rate risks, which would affect the net profit or loss presented;

- Cash flow hedging is hedging against exposure to changes in cash flow attributable to a particular risk, associated with a booked asset or liability or with a planned transaction (e.g. expected sale or purchase or "highly probable" future operation), which would affect the net profit or loss presented.

Hedge accounting for hedged asset / liability / firm commitment or cash flow is applicable if:

- The hedging relationship is formally designated and documented at its date of inception;
- The effectiveness of the hedging relationship is demonstrated at the inception and assessed on an ongoing basis in achieving offsetting changes in fair value of the hedging instrument and the hedged item. The ineffective portion of the hedging instrument shall be recognized in profit or loss.

The application of hedge accounting has the following consequences:

- in the event of a documented fair value hedging relationship, the change in the fair value of the hedging derivative is recognized through profit or loss as an offset to the change in the fair value of the underlying financial instrument hedged. Income is affected solely by the ineffective portion of the hedging instrument,
- in the event of a documented cash flow hedging relationship, the change in the fair value of the effective portion of the hedging derivative is recorded initially in shareholders' equity, and that of the ineffective portion is recognized directly through profit or loss. The accumulated changes in the fair value of the hedging instrument previously recorded in shareholders' equity are recognized through profit or loss at the same rate as the cash flows that were hedged.

1.15. Employee benefits

The regulations, customs and contracts in force in the countries in which the consolidated Group companies are present provide for post-employment benefits, such as retirement indemnities, supplemental pension benefits, supplemental pensions for senior management, and other long-term post-employment benefits, such as medical cover, etc.

Defined contribution plan contributions are recognized as expenses when they are incurred. As these do not represent a future liability for the Group, these plans do not require any provisions to be set aside.

Defined benefit plans include all post-employment benefit programs other than those under defined contribution plans, and represent a future liability for the Group. The corresponding liabilities are calculated on an actuarial basis (wage inflation, mortality, employee turnover, etc.) using the projected unit credit method, in accordance with the clauses provided for in the collective bargaining agreements and with custom.

Dedicated financial assets, which are mainly equities and bonds, are used to cover all or a part of these liabilities, particularly in the United–States and Switzerland. These liabilities are thus recognized in the balance sheet net of the fair value of any such invested assets. Any surplus of asset is capitalized only to the extent that it represents a future economic advantage that will be effectively available to the Group, within the limit of the IAS 19 cap.

Actuarial variances arise due to changes in actuarial assumptions and/or variances observed between these assumptions and the actual figures. The Group has chosen to apply the IFRS 1 option and to zero the actuarial variances linked to employee benefits not yet recognized on the transition balance sheet by allocating them to shareholders' equity. All actuarial gains and losses of more than 10% of the greater of the discounted value of the liability under the defined benefit plan or the fair value of the plan's assets are recognized through profit or loss. The corridor method is used to spread any residual actuarial variances over the expected average remaining active lives of the staff covered by each plan, with the exception of variances concerning other post-employment benefits.

1.16. Provisions

A provision is recognised when the Group has a current commitment, whether statutory or implicit, resulting from a significant event which would lead to an uncompensated use of cash, which can be reliably estimated.
These include, notably, provisions for site restoration, which are set aside progressively as quarries are used and include the projected costs related to the Group's obligation to restore such sites to their original condition.
IAS 37 requires provisions whose maturities are longer than one year to be discounted when the impact is significant. The effects of this discounting are recorded under net financial income.

1.17. Taxes

The finance act for 2010, voted on December 30, 2009, made French fiscal entities no longer liable for Professional Tax from 2010, replacing it by a Territorial Financial Contribution (CET) which includes two new contributions:

- A Company Property Contribution (CFE) based on the property rental values of the present Professional Tax
- A Company Added-Value Contribution (CVAE) based on the added value resulting from the statutory accounts

The Group booked the professional tax as an operating cost at December 31, 2009, with no change relative to previous years and is currently studying the different offered options before adopting a definitive position in 2010 on the treatment of these contributions.

1.18. Income taxes

Deferred taxes are calculated at the tax rates passed or nearly passed at the year-end and in force when assets are sold or liabilities are settled.
Deferred taxes are calculated, based on an analysis of the balance sheet, on timing differences identified in the Group's subsidiaries and joint ventures between the values recognized on the consolidated balance sheet and the values of assets and liabilities for tax purposes.
Deferred taxes are calculated for all timing differences, including those on restatement of finance leases, except when the timing difference results from goodwill.
Deferred tax assets and liabilities are netted out at the level of each company. When the net amount represents a receivable, a deferred tax asset is recognized if it is probable that the company will generate future taxable income against which to allocate the unused tax losses.

1.19. Segment information

In accordance with IFRS 8 "Operating segments" (applied by the Group since the January 1, 2009 in the place of the IAS 14 Standard), segment information provided in Note 26 is based on information taken from the internal reporting, both for the operating segments and the indicators disclosed. This information is used internally by the Group Management responsible for implementing the strategy defined by the President of the Board for measuring the Group's operating performance and for allocating the capital expenditure and the resources to the business sectors and geographical areas.

Application of IFRS 8 has had no significant impact on the Group's segment information, since the segments determined in accordance with IFRS 8 correspond to those of the primary level previously identified under IAS 14. They comprise the 3 segments in which the Vicat Group operates: Cement, Concrete & Aggregates and Other Products and Services.
The indicators disclosed were adapted in order to be consistent with those used by the management, while complying with IFRS 8 information requirements: operating and consolidated net sales, EBITDA and EBIT (cf. § 1.20), total non-current assets, Capital employed (cf. § 26), industrial investments, Net depreciation and amortization charges and average number of employees.

The information concerning geographical areas required by IFRS 8 is communicated according to the same geographical segmentation as for the geographical sectors under IAS14 for the secondary level.

The management data used to assess operating segment performance is prepared in accordance with the IFRS principles applied by the Group in its consolidated financial statements.

1.20. Financial indicators

The following financial performance indicators are used by the Group, as by other industrial players and notably in the building materials segment, and presented with the income statement:

Added value: the value of production less the cost of goods and services purchased.
Gross operating earnings: added value less expenses of personnel, taxes and duties (except income taxes and deferred taxes), plus grants and subsidies.
EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization): adding up gross operating earnings and other ordinary income (expense).
EBIT: (Earnings Before Interest and Tax): adding up EBITDA and depreciation, amortization and operating provisions.

1.21. Seasonality

Demand is seasonal in the Cement, Ready-Mixed Concrete and Aggregates sectors, tending to decrease in winter in temperate countries and during the rainy season in tropical countries. The Group therefore generally records lower sales in the first and fourth quarters i.e. the winter season in the principal Western European and North American markets. In the second and third quarters, in contrast, sales are higher, due to the summer season being more favorable for construction work.

NOTE 2 CHANGES IN SCOPE AND OTHER SIGNIFICANT EVENTS

The 2009 financial year was characterized by a particularly difficult global macroeconomic and financial situation. In this context, the Vicat Group achieved a strong performance in 2009, demonstrating its financial sustainability. During the year, the Group completed the refinancing of a significant part of its bilateral and syndicated credit lines under favorable terms given the circumstances, extending the average maturity of its debts and at the same time strengthening its balance sheet liquidity and financial flexibility.

NOTE 3 GOODWILL

The change in the net goodwill by business sector is analyzed in the table below:

	Cement	Concrete and aggregates	Other products and services	Total
At December 31, 2007	**415,129**	**118,490**	**14,672**	**548,291**
Acquisitions / Additions [1]	36,038	71,016		107,054
Disposals / Decreases		(75)		(75)
Change in foreign exchange rates and other	5,913	8,586	1,132	15,631
At December 31, 2008	**457,080**	**198,017**	**15,804**	**670,901**
Acquisitions / Additions [2]	11,156	907	4	12,067
Disposals / Decreases		(68)	(17)	(85)
Change in foreign exchange rates and other	(5,667)	(6,005)	13	(11,659)
At December 31, 2009	**462,569**	**192,851**	**15,804**	**671,224**

[1] the increase in goodwill during 2008 resulted mainly from:
- for the cement sector, the acquisition of 65% of the Mauritanian company BSA Ciment,
- for the Concrete and Aggregates sector, the acquisition of the Walker group in the United States.

[2] the increase in goodwill during 2009 resulted mainly from additional investments made in 2009 in application of the shareholders' agreement concluded in connection with the formation of a joint venture with the Indian cement company Sagar Cements, the objective of which is the construction of a greenfield cement plant in India.

Impairment test on goodwill:

In accordance with IFRS 3 and IAS 36, at the end of each year and in the event of any evidence of impairment, goodwill is subject to an impairment test using the method described in notes 1.4. and 1.11.

The discount rates adopted for these tests are as follows:

(%)	France	Europe (excluding France)	U.S.A.	Turkey	West Africa and the Middle East
2009	7.48	8.88 to 8.95	9.41	10.51	10.51
2008	7.00	7.00	7.00	7.75	8.25

The impairment tests carried out in 2009 and 2008 did not result in the recognition of any impairment with respect to goodwill.

At December 31, 2009, impairment tests were the subject of sensitivity tests based on a discount rate increased by 1%. A rise of 1% would have the effect of generating recoverable values lower than the net book value for certain cash generating units. The corresponding amount is 63 million euros.

NOTE 4 OTHER INTANGIBLE ASSETS

Other intangible assets are broken down by type as follows:

(in thousands of euros)	December 31, 2009	December 31, 2008
Concessions, patents and similar rights	48,161	20,832
Software	4,395	2,365
Other intangible assets	21,912	20,392
Intangible assets in progress	16	11
Other intangible assets	**74,484**	**43,600**

Net other intangible assets amounted to 74,484 thousand euros at December 31, 2009 compared with 43,600 thousand euros one year earlier. The change during 2009 was due primarily to (4,754) thousand euros in amortization expense, 17,654 thousand euros on acquisitions and 5,318 euros in changes in consolidation scope, and the balance resulting from reclassifications, changes in foreign exchange rates and disposals.

At December 31, 2008, net other intangible assets amounted to 43,600 thousand euros compared with 29,262 at December 31, 2007. The change during 2008 was due primarily to (3,801) thousand euros in amortization expense, 16,337 thousand euros on acquisitions, changes in consolidation scope of 12 thousand euros, and the balance resulting from reclassifications, changes in foreign exchange rates and disposals.

Research and Development costs recorded as expenditure in 2009 amount to 1,757 thousand euros (2,113 in 2008).

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Other intangible assets break down by type as follows:

Gross values (in thousands of euros)	Land & buildings	Industrial equipment	Other property, plant and equipment	Fixed assets work- in-progress and advances/down payments	Total
At December 31, 2007	**662,905**	**1,827,413**	**124,324**	**171,338**	**2,785,980**
Acquisitions	46,275	76,139	21,654	162,072	306,140
Disposals	(5,499)	(20,670)	(9,803)	(909)	(36,881)
Changes in consolidation scope	721	15,214	2,741	15,471	34,147
Change in foreign exchange rates	2,843	(31,123)	3,548	6,895	(17,837)
Other movements	18,351	55,855	1,456	(76,438)	(776)
At December 31, 2008	**725,596**	**1,922,828**	**143,920**	**278,429**	**3,070,773**
Acquisitions	24,490	56,196	8,934	165,865	255,485
Disposals	(5,632)	(29,568)	(8,972)	(221)	(44,393)
Changes in consolidation scope	2,150	1,057	18	1,482	4,707
Change in foreign exchange rates	(7,377)	(19,227)	(1,079)	(9,971)	(37,654)
Other movements	59,391	210,321	1,677	(270,814)	575
At December 31, 2009	**798,618**	**2,141,607**	**144,498**	**164,770**	**3,249,493**

Depreciation and impairment (in thousands of euros)	Land & buildings	Industrial equipment	Other property, plant and equipment	Fixed assets work- in-progress and advances/down payments	Total
At December 31, 2007	**(255,864)**	**(942,412)**	**(87,598)**	**(45)**	**(1,285,919)**
Increase	(22,866)	(95,556)	(12,722)	(8)	(131,152)
Decrease	2,226	18,190	8,941	46	29,401
Changes in consolidation scope	(249)	(661)	(395)		(1,305)
Change in foreign exchange rates	(1,239)	17,789	(1,896)	(1)	14,654
Other movements	261	1,269	(332)		1,198
At December 31, 2008	**(277,731)**	**(1,001,381)**	**(94,002)**	**(8)**	**(1,373,123)**
Increase	(25,783)	(105,318)	(13,358)		(144,459)
Decrease	4,790	27,810	8,221		40,821
Changes in consolidation scope	(523)	(383)	(16)		(922)
Change in foreign exchange rates	1,767	8,722	2		10,491
Other movements	87	(117)	27	8	5
At December 31, 2009	**(297,393)**	**(1,070,667)**	**(99,126)**		**(1,467,186)**
Net book value at December 31, 2008	447,865	921,447	49,918	278,421	1,697,650
Net book value at December 31, 2009	**501,225**	**1,070,940**	**45,372**	**164,770**	**1,782,307**

Fixed assets work-in-progress amounted to 136 millions euros at December 31, 2009 (202 million euros at December 31, 2008) and advances /down payments on plant, property and equipment represented 29 million euros at December 31, 2009 (77 million euros at December 31, 2008). For the record, the overall increase of more than 107 million euros in these items from 2007 to 2008 was related to the continuation in 2008 of the "Performance 2010" industrial investment program, particularly in France, Turkey, Senegal and Egypt. These programs were intended primarily to increase production capacities, particularly in France, Turkey, Egypt, Senegal and the United States.

Contractual commitments to acquire tangible and intangible assets amounted to 70 million euros at December 31, 2009 (151 million euros at December 31, 2008).

NOTE 6 FINANCE AND OPERATING LEASES

Net book value by category of asset:		
(in thousands of euros)	2009	2008
Industrial equipment	5,822	5,717
Other plant, property and equipment	1,721	2,887
Tangible assets	**7,543**	**8,604**
Minimum payment schedule:		
Less than 1 year	4,258	4,679
1 to 5 years	4,087	4,674
More than 5 years	-	-
Total	**8,345**	**9,353**

NOTE 7 INVESTMENT PROPERTIES

(in thousands of euros)	Gross values	Depreciation & Impairment	Net values
At December 31, 2007	**33,278**	**(14,369)**	**18,909**
Acquisitions	213		213
Disposals	(314)	92	(222)
Depreciation		(150)	(150)
Changes in foreign exchange rates	1,596	(322)	1,274
Changes in consolidation scope and other	22	(22)	-
At December 31, 2008	**34,795**	**(14,771)**	**20,024**
Acquisitions	85		85
Disposals	(1,106)		(1,106)
Depreciation		(249)	(249)
Changes in foreign exchange rates	(3)	(5)	(8)
Changes in consolidation scope and other	480	(20)	460
At December 31, 2009	**34,251**	**(15,045)**	**19,206**

Fair value of investment properties at December 31, 2008	58,168
Fair value of investment properties at December 31, 2009	**58,216**

Rental income from investment properties amounted to 2.6 million euros at December 31, 2009 (3.2 million euros at December 31, 2008).

NOTE 8 INVESTMENTS IN ASSOCIATED COMPANIES

(in thousands of euros)

Change in investments in associated companies:	2009	2008
At January 1	**10,059**	**8,680**
Earnings from associated companies	1,021	338
Dividends received from investments in associated companies	(135)	(936)
Changes in consolidation scope [(1)]	26,060	1,033
Changes in foreign exchange rates and other	(426)	944
At December 31	**36,579**	**10,059**

[(1)] Changes in consolidation scope in 2009 are related to the inclusion of Sodicapéi and Sinai White Cement.

NOTE 9 RECEIVABLES AND OTHER NON-CURRENT ASSETS

(in thousands of euros)	Gross values	Impairment	Net values
At December 31, 2007	**84,804**	**(1,773)**	**83,031**
Acquisitions / Increases	28,609	(1,122)	27,487
Disposals / Decreases	(20,730)	65	(20,665)
Changes in consolidation scope	4,141		4,141
Changes in foreign exchange rates	2,775	80	2,855
Other	(2,252)		(2,252)
At December 31, 2008	**97,347**	**(2,750)**	**94,597**
Acquisitions / Increases	14,338	(306)	14,032
Disposals / Decreases	(4,193)	552	(3,641)
Changes in consolidation scope	(29,992)		(29,992)
Changes in foreign exchange rates	(290)		(290)
Other	(6,319)		(6,319)
At December 31, 2009	**70,891**	**(2,504)**	**68,387**
including:			
- investments in affiliated companies	17,033	(677)	16,356
- long term investments	1,766	(411)	1,355
- loans and receivables [(1)]	45,244	(1,416)	43,828
- assets of employee post-employment benefits plans	6,848		6,848
At December 31, 2009	**70,891**	**(2,504)**	**68,387**

[(1)] including 4,873 thousand euros in a money market fund backed by a liquidity contract entered into by Vicat with Crédit Agricole Cheuvreux, and 4 million euros in payments due from insurers in relation to the damage occurred in 2006 as described in Note 15.

Regarding the Kazakh company, Mynaral, a put option has been granted by the Group to IFC for 10% of the company's capital. This option, which can be exercised in 4 years at the earliest, will be assessed, at that time, based on an expert valuation. As of December 31, 2009, this commitment cannot be evaluated, given the above time period and the fact that the greenfield project has not been yet completed, and therefore, is not recorded in the year-end financial statements.

NOTE 10 INVENTORIES AND WORK-IN-PROGRESS

(in thousands of euros)	2009 Gross	2009 Provisions	2009 Net	2008 Gross	2008 Provisions	2008 Net
Raw materials and consumables	211,089	(5,970)	205,119	219,803	(4,640)	215,163
Work-in-progress, finished goods and goods for sale	91,181	(1,160)	90,021	98,580	(1,287)	97,293
Total	**302,270**	**(7,130)**	**295,140**	**318,383**	**(5,927)**	**312,456**

NOTE 11 RECEIVABLES

(in thousands of euros)	Trade and other receivables	Provisions for Trade and other receivables	Net trade and other receivables	Other tax receivables	Social security-related receivables	Other receivables	Provisions for Other receivables	Net total Other receivables
At December 31, 2007	418,139	(11,631)	**406,508**	34,383	5,230	49,809	(2,974)	**86,448**
Increases		(6,458)	**(6,458)**				(49)	**(49)**
Uses		2,223	**2 223**				165	**165**
Reversal of unused provision			**-**					**-**
Changes in foreign exchange rates	(2,296)	478	**(1,818)**	(946)	214	615		**(117)**
Changes in consolidation scope	3,939	(507)	**3,432**	2,602	50	439		**3,092**
Other movements	(35,223)	(2)	**(35,225)**	976	1,630	1,952	(53)	**4,505**
At December 31, 2008	384,559	(15,897)	**368,662**	37,016	7,124	52,816	(2,911)	**94,044**
Increases		(6,787)	**(6,787)**				(149)	**(149)**
Uses		5,286	**5,286**				212	**212**
Changes in foreign exchange rates	(911)	169	**(742)**	(818)	26	(107)		**(899)**
Changes in consolidation scope	3,133	(29)	**3,104**	186		1,144		**1,330**
Other movements	(49,109)	124	**(48,985)**	6,025	(3,549)	6 271		**8,747**
At December 31, 2009	337,672	(17,134)	**320,538**	42,409	3,601	60,124	(2,848)	**103,285**
including matured at December 31, 2009								
- for less than 3 months	44,041	(3,182)	40,859	13,813	580	28,311	(1,190)	**41,514**
- for more than 3 months	27,304	(13,627)	13,677	12,112	1	370	(7)	**12,476**
including not matured at December 31, 2009								
- less than one year	263,487	(156)	263,331	13,380	1,903	20,455	(1,066)	**34,672**
- more than one year	2,840	(169)	2,671	3,104	1,117	10,988	(585)	**14,623**

NOTE 12 CASH AND CASH EQUIVALENTS

(in thousands of euros)	2009	2008
Cash	56,648	89,276
Marketable securities	178,060	20,282
Cash and cash equivalents	**234,708**	**109,558**

NOTE 13 COMMON STOCK

Vicat share capital is composed of 44,900,000 fully paid-up ordinary shares of 4 euros, including 1,083,443 treasury shares at December 31, 2009 (1,367,979 at December 31, 2008) acquired under the share buy-back programs approved by the Ordinary General Meetings, and through Heidelberg Cement's disposal of its 35% stake in Vicat in 2007.

These are registered shares or bearer shares, at the shareholder's option. Voting rights attached to shares are proportional to the share of the capital which they represent and each share gives the right to one vote, except in the case of fully paid-up shares registered for at least 4 years in the name of the same shareholder, to which two votes are assigned.

The dividend paid in 2009 in respect of 2008 amounted to 1.50 euro per share, amounting to a total amount of 67,350 thousand euros, compared with 1.50 euro per share paid in 2008 in respect of 2007 and amounting to a total amount of 70,157 thousand euros. The dividend proposed by the Board of directors to the Ordinary General Meeting for 2009 amounts to 1.50 euro per share, totaling 67,350 thousand euros.

In the absence of any dilutive instrument, diluted earnings per share are identical to basic earnings per share, and are obtained by dividing the Group's net income by the weighted average number of Vicat ordinary shares outstanding during the year.

NOTE 14 EMPLOYEE BENEFITS

Analysis of provisions by type of commitment

(in thousands of euros)	2009	2008
Pension plans and termination benefits (TB)	23,898	21,086
Other post-employment benefits	20,192	21,142
Total	**44,090**	**42,228**

Assets and liabilities recognized in the balance sheet

	2009			2008		
(in thousands of euros)	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Present value of funded liabilities	260,206	29,582	289,788	259,119	25,833	284,952
Fair value of plan assets	(244,991)		(244,991)	(225,457)		(225,457)
Net value	**15,215**	**29,582**	**44,797**	**33,662**	**25,833**	**59,495**
Net unrecognized actuarial variances	(9,517)	(8,372)	(17,889)	(37,794)	(4,660)	(42,454)
Unrecognized past service costs	(15)	16	1	(35)	(9)	(44)
Net recognized assets	10,333		10,333	18,370		18,370
Net liabilities	**16,016**	**21,226**	**37,242**	**14,204**	**21,163**	**35,367**

Analysis of net annual expense

(in thousands of euros)	2009 Pension plans and TB	2009 Other benefits	2009 Total	2008 Pension plans and TB	2008 Other benefits	2008 Total
Current service costs	(6,732)	(559)	(7,291)	(6,172)	(561)	(6,733)
Financial cost	(12,620)	(1,577)	(14,197)	(12,601)	(1,300)	(13,901)
Expected return on plan assets	11,433		11,433	12,401		12,401
Recognized actuarial variations in the year	(1,399)	(256)	(1,655)	(60)	(223)	(283)
Recognized past service costs	(21)	(26)	(47)	(511)	(24)	(535)
Expense for the period	**(9,339)**	**(2,418)**	**(11,757)**	**(6,943)**	**(2,108)**	**(9,051)**

Change in financial assets used to hedge the plan

(in thousands of euros)	2009 Pension plans and TB	2009 Other benefits	2009 Total	2008 Pension plans and TB	2008 Other benefits	2008 Total
Fair value of assets at January 1	**225,457**	**-**	**225,457**	**234,095**	**-**	**234,095**
Expected return on assets	11,433		11,433	12,400		12,400
Contributions paid in	9,459		9,459	9,548		9,548
Translation differences	(395)		(395)	22,640		22,640
Benefits paid	(13,822)		(13,822)	(7,655)		(7,655)
Changes in consolidation scope and other	-		-	(850)		(850)
Actuarial gain (losses)	12,859		12,859	(44,721)		(44,721)
Fair value of assets at December 31	**244,991**	**-**	**244,991**	**225,457**	**-**	**225,457**

Change in net liabilities

(in thousands of euros)	2009 Pension plans and TB	2009 Other benefits	2009 Total	2008 Pension plans and TB	2008 Other benefits	2008 Total
Net liability at January 1	**14,222**	**21,145**	**35,367**	16,873	19,143	**36,016**
Expense for the period	9,339	2,418	11,757	6,943	2,108	9,051
Contributions paid in	(5,859)		(5,859)	(6,133)		(6,133)
Translation differences	(56)	(726)	(782)	(1,448)	1,154	(294)
Benefits paid by the employer	(1,668)	(1 611)	(3,279)	(1,997)	(1,260)	(3,257)
Change in consolidation scope			-	24		24
Other	38		38	(40)		(40)
Net liability at December 31	**16,016**	**21,226**	**37,242**	**14,222**	**21,145**	**35,367**

Principal actuarial assumptions

		France	Europe (excluding France)	U.S.A.	Turkey, Kazakhstan and India	West Africa and the Middle East
Discount rate						
	2009	**5.3%**	**3.3% to 5.3%**	**6.0%**	**12.0%**	**5.0% to 9.0%**
	2008	5.7%	3.4% to 5.8%	6.3%	11.0%	5.5% to 11.0%
Rate of return on financial assets						
	2009	**4.0%**	**4.4%**	**8.5%**		
	2008	4.8%	4.7%	8.5%		
Wage inflation						
	2009	**2.5% to 4.0%**	**1.5% to 3.0%**	**0.0% to 3.0%**	**5.5%**	**4.0% to 8.0%**
	2008	2.5% to 3.5%	1.5% to 3.0%	0.0% to 3.5%	5.0%	4.0% to 8.0%
Rate of increase in medical costs						
	2009			**4.5% to 7.0%**		
	2008			4.5% to 6.5%		

The weight of the various asset categories in the portfolio of plan asset at December 31, 2009 is analyzed as follows:

(in %)	**December 31, 2009**
Stocks	27
Bonds	28
Real estate	18
Money market	7
Other	20
Total	**100**

The sensitivity of the defined benefit obligation at December 31, 2009 corresponding to a variation of ± 25 basis points in the discount rate is (7.6) and 7.9 million euros respectively.

In addition, the sensitivity of the value of hedging assets at December 31, 2009 corresponding to a variation of ± 100 basis points in the rate of return of financial assets is 2.7 and (2.7) million euros respectively.

The estimated rate of change in medical costs used in calculating commitments related to post-employment benefits has a direct impact on the evaluation of some of these commitments. The effect of a one-percentage-point variation in this rate of change in medical costs would be as follows:

(in thousands of euros)	**1% increase**	**1% decrease**
Increase (decrease) in the present value of the liabilities at December 31, 2009	3,518	(2,928)
Increase (decrease) in the service cost and in the financial cost	279	(350)

The amounts for 2009 and the four previous years of the present value of the defined benefit obligation, the fair value of the plan assets, the surplus or deficit in the plan and the experience adjustments are the following:

(in thousands of euros)	Dec. 2009	Dec. 2008	Dec. 2007	Dec. 2006	Dec. 2005
Defined benefit obligation	(289,788)	(284,952)	(250,415)	(254,895)	(256,247)
Fair value of the plan assets	244,991	225,457	234,095	227,518	219,207
Surplus (deficit) in the plan	**(44,797)**	**(59,495)**	**(16,320)**	**(27,377)**	**(37,040)**
Adjustments related to the experience of measuring commitment	(2,999)	(1,875)	(4,999)	3,289	901
Adjustments related to the experience of measuring plan assets	3,553	(45,511)	(3,491)	7,322	1,767

NOTE 15 OTHER PROVISIONS

(in thousands of euros)	Restoration of sites	Demolitions	Other risks	Other costs	Total
At December 31, 2007	**25,871**	**1,945**	**78,283**	**6,962**	**113,061**
Increases	4,032	5	9,585	1,173	14,795
Uses	(2,203)	(760)	(17,605)	(1,715)	(22,283)
Reversal of unused provisions	(488)	(506)	(3,632)	(452)	(5,078)
Changes in foreign exchange rates	1,560	136	576	285	2,557
Changes in consolidation scope			6	21	27
Other movements	12	-	(11,382)	43	(11,327)
At December 31, 2008	**28,784**	**820**	**(1) 55,831**	**6,317**	**91,752**
Increases	2,799	19	16,969	7,400	27,187
Uses	(2,702)	(66)	(7,400)	(2,017)	(12,185)
Reversal of unused provisions		(81)	(1,792)		(1,873)
Changes in foreign exchange rates	40	(2)	(262)	(34)	(258)
Changes in consolidation scope					-
Other movements	2,020		(9,678)	(1,298)	(8,956)
At December 31, 2009	**30,941**	**690**	**(1) 53,668**	**10,368**	**95,667**
of which less than one year			*6,918*	*1,251*	*8,169*
of which more than one year	*30,941*	*690*	*46,750*	*9,117*	*87,498*

Impact (net of charges incurred) on 2009 income statement:	**Increases**	**Write-backs without use**
Operating income	12,676	(1,801)
Non operating income (expense)	14,511	(72)

(1) At December 31, 2009, other risks included:
- an amount of 29.1 million euros (31.2 million euros at December 31, 2008) corresponding to the current estimate of gross expected costs for repair of damage that occurred in 2006 following deliveries of concrete mixtures and concrete made in 2004 whose sulfate content exceeded applicable standards. This amount corresponds to the current estimate of the Group's pro rata share of liability for repair of identified damages before the residual insurance indemnity of 4 million euros recognized in non-current assets on the balance sheet – note 9 (13.7 million euros at December 31, 2008 – Note 9).
- an amount of 4.5 million euros, identical to that at December 31, 2008, to face the decision of the French Office of Fair Trade "O.F.T."(Conseil de la Concurrence) sanctioning the Group for a presumed collusion in Corsica, after reduction of the penalty following the decision of the Court of Appeal. The company appealed this judgment before the highest court of appeal which partially rejected it in July 2009.
- an amount of 6.7 million euros (6.5 million euros at December 31, 2008) corresponding to the estimated amount of the deductible at year-end relating to claims in the United States in the context of work accidents and which will be covered by the Group.
- The remaining amount of other provisions amounting to about 13.4 million euros at December 31, 2009 (13.6 million euros at December 31, 2008) corresponds to the sum of other provisions that, taken individually, are not material.

NOTE 16 FINANCIAL LIABILITIES

Analysis of debt by category and maturity

2009 (in thousands of euros)	**Total**	**2 010**	**2 011**	**2 012**	**2 013**	**2 014**	**More than 5 years**
Bank borrowings and financial liabilities	790,877	145,861	98,930	35,431	124,897	251,681	134,077
Other borrowings and financial liabilities	15,855	4,955	6,097	3,509	332	459	503
Financial liability on fixed assets under finance leases	7,873	3,699	2,571	1,094	418	91	
Current bank lines and overdrafts	72,741	72,741					
Financial liabilities	**887,346**	**227,256**	**107,598**	**40,034**	**125,647**	**252,231**	**134,580**
of which commercial paper	**136,000**					**136,000**	

Financial liabilities at less than one year are mainly comprised of bank overdrafts and the first repayment of the PPUS.

2008 (in thousands of euros)	**Total**	**2 009**	**2 010**	**2 011**	**2 012**	**2 013**	**More than 5 years**
Bank borrowings and financial liabilities	722,427	38,045	396,487	42,421	11,480	113,335	120,659
Other borrowings and financial liabilities	26,327	4,716	18,910	240	253	520	1,688
Financial liability on fixed assets under finance leases	8,556	4,077	2,547	1,290	511	131	
Current bank lines and overdrafts	30,062	30,062					
Financial liabilities	**787,372**	**76,900**	**417,944**	**43,951**	**12,244**	**113,986**	**122,347**
of which commercial paper	**58,000**		**58,000**				

Analysis of debt by currency and type of interest rate

By currency (net of currency swaps)

	2 009	**2 008**
Euros	642,591	609,963
U.S. dollars	122,978	87,571
Turkish new liras	53,141	4,120
CFA francs	59,040	62,969
Swiss francs	1,615	5,021
Mauritanian Ouguiya	7,981	17,728
Total	**887,346**	**787,372**

By interest rate	**2 009**	2 008
Fixed rate	230,031	249,839
Floating rate	657,315	537,533
Total	**887,346**	**787,372**

The average interest rate for gross financial liabilities at December 31, 2009 was 3.73%. It was 5.3% at December 31, 2008.

NOTE 17 FINANCIAL INSTRUMENTS

Foreign exchange risk

The Group's activities are carried out by subsidiaries operating almost entirely in their own country and local currency. This limits the Group's exposure to foreign exchange risk. These companies' imports and exports denominated in currencies other than their own local currency are generally hedged by forward currency purchases and sales. The foreign exchange risk on intercompany loans is hedged by the companies when the borrowing is denominated in a currency other than their currency of account.

The table below sets out the breakdown of the total amount of Group's assets and liabilities denominated in foreign currencies, primarily in U.S. dollars, as at December 31, 2009 :

(millions)	USD	Euros	Swiss franc
Assets	128.6	13.3	28.0
Liabilities and off-balance sheet commitments	(658.4)	(20.2)	
Net position before risk management	**(529.8)**	**(6.9)**	**28.0**
Hedging instruments	386.9	5.2	(28.0)
Net position after risk management	**(142.9)**	**(1.7)**	

The Euros position does not include a loan of 20 million euros granted to Sococim Industries in which the functional currency is the CFA Franc, which has fixed parity with the euro.

The net position after risk management includes a 125 million dollars loan to Kazakhstan, for which there is no hedge market.
The hypothetical loss on the net currency position arising from an unfavorable and uniform change of one centime of the operating currency against the U.S. dollar, would amount to a loss of 1.1 million euros (including 0.9 million euros for the Kazakhstan loan).

Moreover, the principal and interest due on a loan originally issued by the Group in U.S. dollars (400 million US Dollars) were converted into euros through a series of cross currency swaps, included in the portfolio presented below.

Interest rate risk

All floating rate debt is hedged through the use of caps on original maturities of 2, 3, 5, 10 and 12 years and of swaps on original maturities of 3 years.
The Group is exposed to interest rate risk on its financial assets and liabilities and its short-term investments. This exposure corresponds to price risk for fixed-rate assets and liabilities, and cash flow risk related to floating-rate assets and liabilities.

The Group estimates that a uniform increase or decrease of 100 basis points in interest rates would have a non significant impact on its financial result and on the group net equity.

Liquidity risk

At December 31, 2009, the Group had 609 million euros in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (603 million euros at December 31, 2008).

The Group also has a 152 million euro commercial paper issue program. At December 31, 2009, 136 million euros in commercial paper had been issued. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

Unused confirmed lines of credit are used to cover the risk of the Group finding itself unable to issue its commercial paper through market transactions. At December 31, 2009, these lines matched the short term notes they covered, at 136 million euros.

Some middle-term or long-term loan agreements contain specific covenants especially as regards compliance with financial ratios, reported each semester, which can lead to an anticipated repayment (acceleration clause) in the event of non-compliance. These covenants are based on a profitability ratio (leverage : net debt/consolidated EBITDA) and on capital structure ratio (gearing : net debt/consolidated shareholders' equity) of the Group or its subsidiaries concerned. Furthermore, the margin applied to some financing operations depends on the level reached on one of these ratios.

Considering the small number of companies concerned, essentially Vicat SA, the parent company of the Group, the low level of gearing (31.4%) and leverage (138%) and the liquidity of the Group's balance sheet, the existence of these covenants does not constitute a risk for the Group's financial situation. At December 31, 2009, the Group is compliant with all ratios required by covenants in financing contracts.

Analysis of the portfolio of derivatives at December 31, 2009:

(in thousands of currency units)	Nominal value (currency)	Nominal value (euro)	Market value (euros)	Current maturity < 1 year (euro)	Current maturity 1 - 5 years (euro)	Current maturity > 5 years (euro)
Fair value hedges						
Composite instruments						
- U.S. dollar cross currency swap fixed / floating	200,000 ($)	138,831	(1) (30,514)	(14,025)	(8,408)	(8,081)
Cash flow hedges						
Composite instruments						
- U.S. dollar cross currency swap fixed / fixed	200,000 ($)	138,831	(2) (38,678)	(15,138)	(11,564)	(11,976)
Other derivatives						
Interest rate instruments						
- Euro Caps	360,000 (€)	360,000	(1,055)		(387)	(668)
- Dollar Caps	40,000 ($)	27,766	32		32	
- Dollar Swaps	30,000 ($)	20,825	(1,099)		(1,099)	
Exchange instruments						
- Hedging for Vicat loan to Vigier (VAT Vicat)	28,000 (chf)	18,873	(31)	(31)		
- Hedging for Vicat loan to NCC (VAT Vicat)	45,000 ($)	31,237	(57)	(57)		
- Hedging for Parcifim loan to Ravlied (AAT Ravlied)	4,700 (€)	4,700	(37)	(37)		
- Hedging on acquisitions of raw materials	6,052 ($)	4,201	(18)	(18)		
			(71,457)			

In accordance with of IFRS 7, the breakdown of financial instruments valued at fair value by hierarchical level of fair value in the consolidated statement of financial situation is as follows as of December 31, 2009:

(in millions of euros)	December 31, 2009	
Level 1: instruments quoted on an active market	178.1	Note 12
Level 2: valuation based on observable market information	(71.5)	see above
Level 3: valuation based on non-observable market information	16.4	Note 9

(1) Offset by a 32.23 million euros improvement in debt
(2) Offset by a 37.76 million euros improvement in debt

NOTE 18 OTHER LIABILITIES

(in thousands of euros)	2009	2008
Employee liabilities	51,740	52,995
Tax liabilities	17,627	18,953
Other liabilities and accruals	67,518	77,091
Total	**136,885**	**149,039**

NOTE 19 NET SALES

In compliance with IAS 18, net sales are recognized as the fair value of the consideration received or to be received, after deduction of possible sales discounts or rebates, at the date of the transfer of risks and rewards inherent in title to the goods and services.

(in thousands of euros)	2009	2008
Sales of goods	1,782,808	1,937,014
Sales of services	113,205	120,029
Net sales	**1,896,013**	**2,057,043**

Change in net sales on a like-for-like basis

(in thousands of euros)	December 31, 2009	Changes in consolidation scope	Changes in foreign exchange rates	December 31, 2009 on a like-for-like basis	December 31, 2008
Net sales	**1,896,013**	17,073	8,523	**1,870,417**	2,057,043

NOTE 20 PERSONNEL COSTS AND NUMBER OF EMPLOYEES

(in thousands of euros)	2009	2008
Salaries and wages	217,451	216,978
Payroll taxes	85,726	87,976
Employee profit-sharing (French companies)	6,269	7,500
Personnel costs	**309,446**	**312,454**
Average number of employees of the consolidated companies	6,712	6,836

Profit-sharing is granted to French employees in the form of Vicat shares. The allocation price is determined on the basis of the average of the last 20 closing prices for the defined period preceding its payment.

NOTE 21 DEPRECIATION, AMORTIZATION AND PROVISIONS

(in thousands of euros)	2009	2008
Net charges to amortization of fixed assets	(149,182)	(135,002)
Net provisions	827	3,510
Net charges to other asset depreciation	(2,733)	(4,610)
Net operating charges to depreciation, amortization and provisions	**(151,088)**	**(136,102)**
Other net charges to non-operating depreciation, amortization and provisions [1]	**(7,252)**	**9,800**
Net charges to depreciation, amortization and provisions	**(158,340)**	**(126,302)**

[1] including at December 31, 2009 a provision of 7.6 million euros to cover the Group's prorata share of responsibility, over and above compensation from the insurers, in the incident which occurred in 2006 and is described in Note 15. This provision was written back on December 31, 2008 by an amount of 6.1 million euros. A write back of 3.5 million euros was recorded at December 31, 2008 following the decision of the Court of Appeal to reduce the penalty sentenced by the French Office of Fair Trade ("O.F.T.") concerning a presumed collusion in Corsica. Vicat appealed against the judgment.

NOTE 22 OTHER INCOME (EXPENSES)

(in thousands of euros)	2009	2008
Net income from disposal of assets	1,316	8,631
Income from investment properties	2,638	3,187
Other	14,914	11,401
Other operating income (expense)	**18,868**	**23,219**
Other non-operating income (expense) [1]	**(10,520)**	**(20,127)**
Total	**8,348**	**3,092**

[1] Including at December 31, 2009 an expense of 8.9 million euros recorded by the Group, in connection with the incident in 2006 as described in Note 15. A net expense of 17.3 million euros in this regard was recorded at December 31, 2008.

NOTE 23 FINANCIAL PERFORMANCE INDICATORS

The rationalization of the passage between Gross Operating Earnings, EBITDA, EBIT and Operating Income is as follows:

(in thousands of euros)	2009	2008
Gross Operating Earnings	**454,143**	**505,078**
Other operating income (expense)	18,868	23,219
EBITDA	**473,011**	**528,297**
Net operating charges to depreciation, amortization and provisions	(151,088)	(136,102)
EBIT	**321,923**	**392,195**
Other non-operating income (expense)	(10,520)	(20,127)
Net charges to non-operating depreciation, amortization and provisions	(7,252)	9,800
Operating Income	**304,151**	**381,868**

NOTE 24 NET FINANCIAL INCOME (EXPENSE)

(in thousands of euros)	2009	2008
Net interest income from financing and cash management activities	10,629	12,148
Net interest expense from financing and cash management activities	(34,607)	(42,239)
Net income from disposal of cash management assets	1	4
Cost of net borrowings and financial liabilities	**(23,977)**	**(30,087)**
Dividends	1,536	1,854
Foreign exchange gains	3,727	8,668
Fair value adjustments to financial assets and liabilities	2,671	
Net income from disposal of non-consolidated financial assets		632
Write-back of impairment of financial assets	845	65
Other financial income	**8,779**	**11,219**
Foreign exchange losses	(3,953)	(3,312)
Fair value adjustments to financial assets and liabilities		(740)
Impairment on financial assets	(348)	(331)
Net income from disposal of non-consolidated financial assets	(3)	
Discounting expenses	(4,374)	(2,529)
Other expenses	(58)	(99)
Other financial expenses	**(8,736)**	**(7,011)**
Net financial income	**(23,934)**	**(25,879)**

NOTE 25 INCOME TAX

Income tax expense

Analysis of income tax expense

(in thousands of euros)	2009	2008
Current taxes	53,631	69,146
Deferred tax (income)	(5,962)	14,170
Total	**47,669**	**83,316**

Reconciliation between the computed and the effective tax charge

The difference between the amount of income tax theoretically due at the standard rate and the actual amount due may be analyzed as follows:

(in thousands of euros)	2009	2008
Net earnings from consolidated companies	232,548	272,673
Income tax	47,669	83,316
Net income before tax	280,217	355,989
Standard tax rate	34.43%	34.43%
Theoretical income tax at the parent company rate	**(96,479)**	**(122,568)**
Reconciliation:		
Differences between French and foreign rates	53,691	41,084
Transactions taxed at lower rates	(3,700)	(15)
Changes in tax rates		729
Permanent differences	(2,357)	(3,889)
Investment tax credits	1,254	1,109
Other	(78)	234
Actual income tax expense	**(47,669)**	**(83,316)**

Deferred tax

Change in deferred tax assets and liabilities (in thousands of euros)	Deferred tax assets		Deferred tax liabilities	
	2009	2008	2009	2008
Deferred taxes at January 1	**2,124**	**2,458**	**150,609**	**150,554**
Expense / income for the year	596	(991)	(5,366)	13,179
Deferred taxes allocated to shareholders' equity [1]			(2,326)	(15,394)
Translation and other changes	(39)	4	1,474	2,270
Changes in consolidation scope	1	653	1,625	
Deferred taxes at December 31	**2,682**	**2,124**	**146,016**	**150,609**

[1] Changes in deferred taxes mainly due to the change in the fair value of the hedging instrument, the effective portion of which is recognized in shareholders' equity (in documented cases of cash flow hedges), and changes in deferred taxes due to a change in tax rates for that portion pertaining to items previously recognized in shareholders' equity.
In addition, because of the Extraordinary General Meeting of May 16, 2008 decided to reduce capital by cancellation 1,871,200 treasury shares, reinstatement of deferred taxes related to impairment of these cancelled shares was directly recognized in the Group shareholders' equity for 16.6 million euros.

Analysis of net deferred tax (expense) /income by principal category of timing difference

(in thousands of euros)	2009	2008
Fixed assets and finance leases	2,489	3,787
Financial instruments	(929)	320
Pensions and other post-employment benefits	1,229	(200)
Accelerated depreciation, regulated provisions and other	840	(19,480)
Other timing differences, tax loss carry-forwards and miscellaneous	2,333	1,403
Net deferred tax expense	**5,962**	**(14,170)**

Source of deferred tax assets and liabilities

(in thousands of euros)	2009	2008
Fixed assets and finance leases	104,628	108,932
Financial instruments	(102)	1,180
Pensions	(8,037)	(18,408)
Other provisions for contingencies and charges (discounting)	16,911	30,699
Accelerated depreciation and regulated provisions	36,456	28,262
Other timing differences, tax loss carry-forwards and miscellaneous	(6,522)	(2,180)
Net deferred tax assets and liabilities	**143,334**	**148,485**
Deferred tax assets	(2,682)	(2,124)
Deferred tax liabilities	146,016	150,609
Net balance	**143,334**	**148,485**

NOTE 26 SEGMENT INFORMATION

a) Business segments

2009 (in thousand euros except number of employees)	Cement	Concrete and Aggregates	Other products and services	Total
Income statement				
Net operating sales (after intra-sector eliminations)	1,129,077	724,453	313,614	2,167,144
Inter-sector eliminations	(179,190)	(28,914)	(63,027)	(271,131)
Consolidated net sales	**949,887**	**695,539**	**250,587**	**1,896,013**
EBITDA (cf. 1.20 and 23)	363,848	82,828	26,335	473,011
EBIT (cf. 1.20 and 23)	269,025	39,822	13,076	321,923
Balance sheet				
Total non-current assets	2,002,416	506,036	146,417	2,654,869
Capital employed [1]	2,133,711	466,457	159,980	2,760,148
Other information				
Acquisitions of intangible and tangible assets	232,231	31,844	10,043	274,118
Net depreciation and amortization charges	92,054	43,396	13,732	149,182
Average number of employees	2,444	2,851	1,417	6,712

2008 (in thousand euros except number of employees)	Cement	Concrete and aggregates	Other products and services	Total
Income statement				
Net operating sales (after intra-sector eliminations)	1,142,453	882,137	360,674	2,385,264
Inter-sector eliminations	(213,640)	(37,056)	(77,525)	(328,221)
Consolidated net sales	**928,813**	**845,081**	**283,149**	**2,057,043**
EBITDA (cf. 1.20 and 23)	387,641	109,650	31,006	528,297
EBIT (cf. 1.20 and 23)	303,899	69,684	18,612	392,195
Balance sheet				
Total non-current assets	1,860,103	531,228	147,624	2,538,955
Capital employed [1]	1,986,906	484,984	176,020	2,647,910
Other information				
Acquisitions of intangible and tangible assets	208,946	150,102	23,785	382,833
Net depreciation and amortization charges	82,175	39,425	13,402	135,002
Average number of employees	2,504	2,996	1,336	6,836

[1] Capital employed corresponds to the sum of non-current assets, assets and liabilities held for sale, and networking capital requirement, after deduction of provisions and deferred taxes.

b) Geographical sectors

Information on geographical sectors is presented according to the geographical location of the entities concerned.

2009 (in thousand euros except number of employees)	France	Europe (excluding France)	U.S.A.	Turkey, Kazakhstan and India	West Africa and the Middle East	Total
Income statement						
Net operating sales	853,373	298,166	186,577	156,172	415,500	1,909,788
Inter-sector eliminations	(9,440)	(277)			(4,058)	(13,775)
Consolidated net sales	**843,933**	**297,889**	**186,577**	**156,172**	**411,442**	**1,896,013**
EBITDA (cf. 1.20 and 23)	206,417	79,885	11,800	21,664	153,245	473,011
EBIT (cf. 1.20 and 23)	153,150	54,875	(16,780)	7,716	122,962	321,923
Balance sheet						
Total non-current assets	601,168	474,321	396,507	484,679	698,194	2,654,869
Capital employed [(1)]	660,540	458,815	390,250	499,547	750,996	2,760,148
Other information						
Acquisitions of intangible and tangible assets	69,919	37,708	5,346	81,334	79,811	274,118
Net depreciation and amortization charges	53,617	24,478	28,796	14,047	28,244	149,182
Average number of employees	2,569	1,061	1,150	906	1,026	6,712

2008 (in thousand euros except number of employees)	France	Europe (excluding France)	U.S.A.	Turkey, Kazakhstan and India	West Africa and the Middle East	Total
Income statement						
Net operating sales	1,026,099	283,249	268,017	187,065	301,973	2,066,403
Inter-sector eliminations	(9,075)	(285)				(9,360)
Consolidated net sales	**1,017,024**	**282,964**	**268,017**	**187,065**	**301,973**	**2,057,043**
EBITDA (cf. 1.20 and 23)	261,572	66,714	48,530	34,961	116,520	528,297
EBIT (cf. 1.20 and 23)	208,585	49,439	22,925	17,295	93,951	392,195
Balance sheet						
Total non-current assets	600,954	454,276	434,707	404,844	644,174	2,538,955
Capital employed [(1)]	646,803	442,304	432,591	438,695	687,517	2,647,910
Other information						
Acquisitions of intangible and tangible assets	68,219	34,146	124,565	62,975	92,928	382,833
Net depreciation and amortization charges	52,320	20,475	25,902	15,162	21,143	135,002
Average number of employees	2,650	1,023	1,335	892	936	6,836

(1) Capital employed corresponds to the sum of non-current assets, assets and liabilities held for sale, and networking capital requirement, after deduction of provisions and deferred taxes.

c) Information about major customers

The Group has no reliance on any major customers.

NOTE 27 NET CASH FLOWS GENERATED FROM OPERATIONS

Net cash flows from operating transactions conducted by the Group in 2009 amounted to 383 million euros, compared with 385 million euros in 2008.

This stability in cash flows generated by operating activities between 2008 and 2009 results from a (15) million euros decrease of the cash flow offset by a 13 million euros improvement in the change of the working capital requirement.

The working capital requirement (WCR) broken down by type is as follows:

(in thousands of euros)	WCR at December 31, 2007	Change in WCR in 2008	Other changes [1]	WCR at December 31, 2008	Change in WCR in 2009	Other changes [1]	WCR at December 31, 2009
Inventories	249,164	64,224	(932)	312,456	(15,407)	(1,909)	295,140
Other WCR components	186,753	(46,813)	(31,012)	108,928	19,667	(10,063)	118,532
WCR	**435,917**	**17,411**	**(31,944)**	**421,384**	**4,260**	**(11,972)**	**413,672**

[1] Exchange rates, consolidation scope and miscellaneous.

NOTE 28 NET CASH FLOWS FROM INVESTMENT ACTIVITIES

Net cash flows linked to Group transactions in 2009 amounted to (280) million euros, compared with (464) million euros in 2008.

Acquisitions of intangible and tangible assets

These include outflows corresponding to industrial investments, which amounted to (270) million euros, compared with (395) million euros in 2008.

The main intangible and tangible investments in 2009
mainly correspond to the continuation of the investments realised under the “Performance 2010” plan, principally in France, Senegal and Switzerland, and the increase of the investment in Kazakhstan.

The main intangible and tangible investments in 2008 reflect the investments completed under the “Performance 2010” plan, in particular in France, Turkey, Egypt and Senegal, and to the acquisition of the assets of the Walker Group in the USA in May 2008. Planned investments under this plan in the South and East of the USA were delayed considering the economic environment.

Acquisition / disposal of shares of consolidated companies

Consolidated company share acquisitions during 2009 resulted in a total outflow of (4) million euros, corresponding to the net impact in the year in the absence of disposals.

The principal outflows from the Group during the year mainly correspond to the acquisition of Swiss companies, in particular in the Concrete & Aggregates and Concrete Precasting sectors, and to the acquisition of additional shares in companies already consolidated.

In 2008, operations linked to changes in the consolidation scope had resulted in:

- an overall inflow of 19.7 millions euros, corresponding mainly to the disposal of certain Astrada sites in Switzerland,
- an overall outflow of (85.7) millions euros, corresponding mainly to the balance of the payment in connection with the acquisition at the end of 2007 of a 60% stake in a Kazakh company that manufactures and sells cement, to the amount paid for the acquisition of 65% of the capital of the Mauritanian company BSA Ciment SA, as well as to the acquisition of various concrete and aggregate companies in France and Switzerland.

for a total net flow of (66,0) million euros.

NOTE 29 ANALYSIS OF NET CASH BALANCES

(in thousands of euros)	At December 31, 2009 Net	At December 31, 2008 Net
Cash and cash equivalents (see note 12)	234,708	109,558
Bank overdrafts	(21,697)	(14,520)
Net cash balances	**213,011**	**95,038**

NOTE 30 EXECUTIVE MANAGEMENT COMPENSATION

Pursuant to Article 225.102-1 of the French Code of Commerce, and in accordance with IAS 24, we hereby inform you of the total gross compensation paid to each executive director during fiscal year 2009:

J.Merceron-Vicat:	721,519 €
G.Sidos:	709,542 €
L.Merceron-Vicat:	211,383 €

These amounts do not include any variable components and represent the total compensation paid by Vicat SA and any companies it controls, or is controlled by, as defined by Article L233-16 of the Code of Commerce.

Furthermore, no stock or stock options have been granted to the above executive directors with the exception of any income received under legal or contractual employee profit-sharing or incentive bonus plans.

Lastly, the aforementioned executive directors also benefit from a supplemental pension plan as defined in Article 39 of the French General Tax Code (CGI). The corresponding commitments were all reserved in the financial statements, in the same manner as all of the Group's post-employment benefits, in the amount of 5,054 thousand euros at December 31, 2009 (note 1.15).

NOTE 31 TRANSACTIONS WITH RELATED COMPANIES

In addition to information required for related parties regarding key executives, described in note 30, related parties with whom transactions are carried out include affiliated companies and joint ventures in which Vicat directly or indirectly holds a stake, and entities that hold a stake in Vicat.

Transactions conducted with non-consolidated companies or associated companies did not have a material impact in 2009, and are carried out at arm's length.

In compliance with transactions stipulated by standard IAS 24, these operations have all been listed, along with their impacts on the Group's consolidated financial statements. The effect of these transactions on the Group's consolidated financial statements for 2009 and 2008 is as follows, broken down by type and by related party:

	2009				2008			
(in thousands of euros)	Sales	Purchases	Receivables	Debts	Sales	Purchases	Receivables	Debts
Affiliated companies	774	1,122	5,857		467		4,419	
Joint ventures	978	674	93	881	1,591	967	216	841
Other related parties	43	2,147	11	497	42	1,539	30	198
Total	**1,795**	**3,942**	**5,961**	**1,378**	**2,100**	**2,506**	**4,665**	**1,039**

NOTE 32 FEES PAID TO THE STATUTORY AUDITORS

Fees paid to statutory auditors and other professionals in their networks as recognized in the financial statements of Vicat S.A. and its fully consolidated subsidiaries for 2009 and 2008 are as follows:

	KPMG				Wolff				Others			
	Amount (ex. VAT)		%		Amount (ex. VAT)		%		Amount (ex. VAT)		%	
(in thousands of euros)	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
AUDIT												
Statutory auditors, certification, examination of individual and consolidated accounts	808	715	44	39	378	369	20	20	664	750	36	41
- VICAT SA	189	188	10	10	184	160	10	9				
- Companies which are fully or proportionally consolidated	619	527	34	29	194	209	11	11	664	750	36	41
Other forms of investigation and directly related services		4		100					43		100	
- VICAT SA												
- Companies which are fully or proportionally consolidated		4		100					43		100	
Total Audit fees	**808**	**719**	**43**	**39**	**378**	**369**	**20**	**20**	**707**	**750**	**37**	**41**
OTHER SERVICES												
Legal, tax and employee-related services		7		100								
Others	4		100									
Total other services	4	7	100	100								
Total	**812**	**726**	**43**	**39**	**378**	**369**	**20**	**20**	**707**	**750**	**37**	**41**

NOTE 33 POST BALANCE SHEET EVENTS

No post balance sheet event has had a material impact on the consolidated financial statements at December 31.

NOTE 34 LIST OF SIGNIFICANT CONSOLIDATED COMPANIES AT DECEMBER 31, 2009

Fully consolidated: France

COMPANY	ADDRESS	SIREN NO.	% CONTROLE	
			Dec. 2009	Dec. 2008
VICAT	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	057 505 539	----	----
ALPES INFORMATIQUE	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	073 502 510	98.96	98.96
ANNECY BÉTON CARRIÈRES	14 chemin des grèves 74960 CRAN GEVRIER	326 020 062	50.00	50.00

Fully consolidated: FRANCE (continued)

COMPANY	ADDRESS	SIREN NO.	% CONTROLE	
			Dec. 2009	Dec. 2008
ATELIER DU GRANIER	Lieu-dit Chapareillan 38530 PONTCHARRA	305 662 504	100.00	100.0
BÉTON CONTRÔLE CÔTE D'AZUR	217 Route de Grenoble 06200 NICE	071 503 569	96.10	96.10
BÉTON DE L'OISANS	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	438 348 047	60.00	60.00
BÉTONS GRANULATS DU CENTRE	Les Genevriers 63430 LES MARTRES D'ARTIERE	327 336 343	100.00	100.00
BÉTON RHÔNE ALPES	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	309 918 464	99.53	99.53
BÉROUD	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	398 044 222	- [(1)]	100.00
BÉTON TRAVAUX	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	070 503 198	99.98	99.98
BÉTON YSSINGELAIS	Villeneuve 43200 YSSINGEAUX	328 308 556	- [(1)]	100.00
B.G.I.E. BÉTON GRANULATS IDF/EST	52-56 rue Jacquard Z.I. 77400 LAGNY SUR MARNE	344 933 338	100.00	100.00
BOUE	Lieu-dit Bourjaguet 31390 CARBONNE	620 800 359	100.00	100.00
BRA	2 Chemin du Roulet 69100 VILLEURBANNE	310 307 392	100.00	100.00
CONDENSIL	1327 Av. de la Houille Blanche 73000 CHAMBÉRY	342 646 957	60.00	60.00
DELTA POMPAGE	1327 Av. de la Houille Blanche 73000 CHAMBÉRY	316 854 363	100.00	100.00
FOURNIER	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	586 550 147	100.00	100.00
GRANULATS RHÔNE-ALPES	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	768 200 255	100.00	100.00
GRAVIÈRES DE BASSET	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	586 550 022	100.00	100.00
KRISTO	10 rue de la Corne d'Abondance Village d'entreprises 74100 VILLE LA GRAND	388 592 735	- [(1)]	100.00
MARIOTTO BÉTON	Route de Paris 31150 FENOUILLET	720 803 121	100.00	100.00
MATERIAUX SA	7 bis Boulevard Serot 57000 METZ	378 298 392	99.99	99.99
MONACO BÉTON	24 Avenue de Fontvielle 98000 MONACO	326 MC 161	79.60	79.60
PARFICIM	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	304 828 379	100.00	100.00
RUDIGOZ	Les communaux Route de St Maurice de Gourclans 01800 PÉROUGES	765 200 183	100.00	100.00

(1) Company merged in 2009 in a fully consolidated entity.

Fully consolidated: FRANCE (continued)

COMPANY	ADDRESS	SIREN NO.	% CONTROLE	
			Dec. 2009	Dec. 2008
SABLIÈRES DU GRESIVAUDAN	La Gache 38530 BARRAUX	065 502 627	- [1]	100.00
SATMA	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	304 154 651	99.99	99.99
SATM	1327 Av. de la Houille Blanche 73000 CHAMBÉRY	745 820 126	100.00	99.99
SIGMA BÉTON	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	343 019 428	100.00	100.00
SOCIETE AZURÉENNE DE GRANULATS	217 Route de Grenoble 06200 NICE	968 801 274	100.00	100.00
PAPETERIES DE VIZILLE	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	319 212 726	100.00	100.00
BÉTON 83	ZI Camp Laurent 83500 LA SEYNE SUR MER	436 780 555	- [1]	100.00
VICAT INTERNATIONAL TRADING	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	347 581 266	100.00	100.00
VICAT PRODUITS INDUSTRIELS	52-56 rue Jacquard Z.I 77400 LAGNY SUR MARNE	655 780 559	100.00	99.99

Fully consolidated: REST OF WORLD

COMPANY	COUNTRY	STATE/CITY	% CONTROL	
			Dec. 2009	Dec. 2008
SINAI CEMENT COMPANY	EGYPT	LE CAIRE	52.62	52.18
MYNARAL	KAZAKHSTAN	ALMATY	60.00	60.00
BUILDERS CONCRETE	U.S.A.	CALIFORNIA	100.00	100.00
KIRKPATRICK	U.S.A.	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	U.S.A.	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	U.S.A.	DELAWARE	100.00	100.00
NATIONAL CEMENT COMPANY OF CALIFORNIA	U.S.A.	DELAWARE	100.00	100.00
NATIONAL READY MIXED	U.S.A.	CALIFORNIA	100.00	100.00
UNITED READY MIXED	U.S.A.	CALIFORNIA	100.00	100.00
VIKING READY MIXED	U.S.A.	CALIFORNIA	100.00	100.00
SONNEVILLE INTERNATIONAL CORP	U.S.A.	ALEXANDRIA	100.00	-
CEMENTI CENTRO SUD Spa	ITALY	GENOVA	100.00	100.00
CIMENTS & MATERIAUX DU MALI	MALI	BAMAKO	95.00	95.00
GECAMINES	SENEGAL	THIES	70.00	70.00
POSTOUDIOKOUL	SENEGAL	RUFISQUE (DAKAR)	100.00	100.00

[1] Company merged in 2009 in a fully consolidated entity.

Fully consolidated: REST OF WORLD (continued)

COMPANY	COUNTRY	STATE/CITY	% CONTROL Dec. 2009	% CONTROL Dec. 2008
SOCOCIM INDUSTRIES	SENEGAL	RUFISQUE (DAKAR)	99.91	99.91
SODEVIT	SENEGAL	BANDIA	100.00	100.00
ALTOTA AG	SWITZERLAND	OLTEN (SOLTHURN)	100.00	100.00
DEPONIE RÜMBERGACKER	SWITZERLAND	GUNZGEN (SOLEURE)	- (1)	99.64
KIESWERK AEBISHOLZ AG (ex AS-TRADA KIES AG)	SWITZERLAND	AEBISHOLZ (SOLEURE)	99.64	99.64
BÉTON AG INTERLAKEN	SWITZERLAND	MATTEN BEI INTERLAKEN (BERN)	98.55	98.55
BÉTON FRAIS MOUTIER SA	SWITZERLAND	BELPRAHON (BERN)	90.00	90.00
BÉTON GRAND TRAVAUX SA	SWITZERLAND	ASUEL (JURA)	75.00	75.00
BÉTONPUMPEN OBERLAND AG	SWITZERLAND	WIMMIS (BERN)	72.22	72.22
BIEDERMANN SAND UND KIES TRANSPORT AG	SWITZERLAND	SAFNERN (BERN)	100.00	100.00
CEMENTWERK DÄRLIGEN AG	SWITZERLAND	DÄRLIGEN (BERN)	98.55	98.55
COVIT SA	SWITZERLAND	SAINT-BLAISE (NEUCHATEL)	100.00	100.00
CREABÉTON MATERIAUX SA	SWITZERLAND	LYSS (BERN)	100.00	100.00
EMME KIES + BÉTON AG	SWITZERLAND	LÜTZELFLÜH (BERN)	66.66	66.66
FBF FRISCHBÉTON AG FRUTIGEN	SWITZERLAND	FRUTIGEN (BERN)	98.55	98.55
FRISCHBÉTON AG ZUCHWIL	SWITZERLAND	ZUCHWIL (SOLOTHURN)	88.94	88.94
FRISCHBÉTON LANGENTHAL AG	SWITZERLAND	LANGENTHAL (BERN)	81.17	81.17
GRANDY AG	SWITZERLAND	LANGENDORF (SOLEURE)	100.00	100.00
KIES- UND BÉTONWERK REULISBACH AG	SWITZERLAND	ST STEPHAN (BERN)	98.55	98.55
KIESTAG STEINIGAND AG	SWITZERLAND	WIMMIS (BERN)	98.55	98.55
MATERIALBEWIRTTSCHFTUNG MITHOLZ AG	SWITZERLAND	KANDERGRUND (BERN)	98.55	98.55
MICHEL & CO AG	SWITZERLAND	BÖNIGEN (BERN)	98.55	98.55
SABLES + GRAVIERS TUFFIERE SA	SWITZERLAND	HAUTERIVE (FRIBOURG)	50.00	P.C.
SHB STEINBRUCH + HARTSCHOTTER BLAUSEE MITHOLZ AG	SWITZERLAND	FRUTIGEN (BERN)	98.55	98.55
STEINBRUCH VORBERG AG	SWITZERLAND	BIEL (BERN)	60.00	60.00

(1) Company merged in 2009 in a fully consolidated entity.

Fully consolidated: REST OF WORLD (continued)

COMPANY	COUNTRY	STATE/CITY	% CONTROL	
			Dec. 2009	Dec. 2008
VIBÉTON FRIBOURG SA	SWITZERLAND	ST . URSEN (FRIBOURG)	100.00	100.00
VIBÉTON KIES AG	SWITZERLAND	LYSS (BERN)	100.00	100.00
VIBÉTON SAFNERN AG	SWITZERLAND	SAFNERN (BERN)	90.47	90.47
VIGIER CEMENT AG	SWITZERLAND	PERY (BERN)	100.00	100.00
VIGIER HOLDING AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIGIER MANAGEMENT AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIRO AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VITRANS AG	SWITZERLAND	PERY (BERN)	100.00	100.00
WYSS KIESWERK AG	SWITZERLAND	FELDBRUNNEN (SOLOTHURN)	100.00	100.00
AKTAS	TURKEY	ANKARA	100.00	100.00
BASTAS BASKENT CIMENTO	TURKEY	ANKARA	85.68	85.48
BASTAS HAZIR BÉTON	TURKEY	ANKARA	85.68	85.48
KONYA CIMENTO	TURKEY	KONYA	83.34	80.98
TAMTAS	TURKEY	ANKARA	100.00	100.00
BSA CIMENT SA	MAURITANIA	NOUAKCHOTT	64.91	64.91
VICAT SAGAR	INDIA	HYDERABAD	51.00	51.00

Proportionate consolidation: FRANCE

COMPANY	ADDRESS	Siren No.	% CONTROL	
			Dec. 2009	Dec. 2008
CARRIÈRES BRESSE BOURGOGNE	Port Fluvial Sud de Châlon 71380 EPERVANS	655 850 055	49.95	49.95
DRAGAGES ET CARRIÈRES	Port Fluvial sud de Chalon 71380 EPERVANS	341 711 125	50.00	50.00
SABLIÈRES DU CENTRE	Les Genévriers Sud 63430 LES MARTRES D'ARTIERE	480 107 457	50.00	50.00

Proportionate consolidation: REST OF WORLD

COMPANY	COUNTRY	STATE/CITY	% CONTROL	
			Dec. 2009	Dec. 2008
FRISHBÉTON TAFERS AG	SWITZERLAND	TAFERS (FRIBOURG)	49.50	49.50
KIESWERK NEUENDORF	SWITZERLAND	NEUENDORF (SOLEURE)	50.00	50.00
SABLES + GRAVIERS TUFFIERE SA	SWITZERLAND	HAUTERIVE (FRIBOURG)	F.C.	43.83

Equity method: FRANCE

COMPANY	ADDRESS	Siren No.	% CONTROL	
			Dec. 2009	Dec. 2008
SOCAVA	74490 ST JEOIRE EN FAUCIGNY	606 320 752	40.00	39.90
SODICAPEI	Mines des Usclades 34560 VEYRAC	339 718 967	48.00	-

Equity method: REST OF WORLD

COMPANY	COUNTRY	STATE/CITY	% CONTROL	
			Dec. 2009	Dec. 2008
HYDROELECTRA	SWITZERLAND	AU (ST. GALLEN)	49.00	49.00
SILO TRANSPORT AG	SWITZERLAND	BERN (BERN)	50.00	50.00
SINAI WHITE CEMENT	EGYPT	LE CAIRE	25.40	-

20.2.3. Statutory auditors' report on the consolidated financial statements

Year ended 31 December, 2009

To the Shareholders,

In compliance with the assignment entrusted to us by the shareholders in general meeting, we hereby present our report to you, for the year ended 31 December 2009, on:

- the audit of the accompanying consolidated financial statements of Vicat S.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that the audit evidence we have obtained is sufficient and provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the assets, liabilities, and financial position of the consolidated group of entities as at 31 December 2009 and of the results of its operations for the year then ended.

2. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- At each reporting date, the company tests for impairment any goodwill acquired in a business combination and the assets with indefinite useful lives, and also assesses whether there is any indication that non-current assets may be impaired, using the methodology disclosed in notes 1.4.1.11. and 3 of the financial statements. The accounting estimates made for the purpose of impairment testing as of 31 December 2009 were prepared at a time when there is a lack of visibility in respect of future economic conditions. It is in such a context that we have examined the procedures for the performance of the impairment testing, and the expected future cash flows and related assumptions. We have also verified that the related disclosures in notes 1.4.1.11. and 3 provide appropriate information.
- Notes 1-15 and 14 specify the methods of evaluation of post-employment benefits and other long-term employee benefits. These obligations have been evaluated by independent actuaries. The work we performed consisted of examining underlying data used in the calculations, assessing the assumptions, and verifying that the disclosures contained in notes 1-15 and 14 provide appropriate information.

These assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

3. Specific verification

As required by law, and in accordance with professional standards applicable in France, we have also verified the information relating to the group which is given in the management report. We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

Paris La Défense, March 5, 2010
KPMG Audit
A division of KPMG SA
Jean-Marc Decléty
Partner

Chamalières, March 5, 2010
Wolff & Associés S.A.S.
Grégory Wolff
Partner

20.3. FINANCIAL STATEMENTS AT DECEMBER 31, 2009

20.3.1. Balance sheet at December 31, 2009

ASSETS	2009			2008
(in thousands of euros)	Gross amount	Amortization and depreciation	Net	Net
NON-CURRENT ASSETS				
Intangible assets				
Concessions, patents and similar rights	27,417	8,756	18,661	6,785
Goodwill	1,163	1,163		
Other intangible assets	674	422	252	289
Property, plant and equipment				
Land	88,218	15,017	73,201	68,889
Buildings	159,878	106,708	53,170	56,222
Plant, machinery and equipment	499,617	375,853	123,764	124,441
Other tangible assets	26,338	20,721	5,617	4,784
Tangible assets under construction	6,359		6,359	9,183
Advances and payments on account	33		33	74
Financial investments				
Equity in affiliated companies	1,219,861	609	1,219,252	1,093,289
Other long-term investments	85	64	21	21
Loans	67		67	67
Other financial assets	77,568	22,500	55,068	37,464
Total non-current assets	**2,107,278**	**551,813**	**1,555,465**	**1,401,508**
CURRENT ASSETS				
Inventories and work-in-progress				
Raw materials and other supplies	55,649		55,649	53,935
Work-in-progress	9,229		9,229	9,762
Semi-finished and finished products	10,286		10,286	10,689
Goods for sale	158		158	114
Advances and payments on account on orders	1,380		1,380	1,080
Receivables				
Trade receivables and related accounts	123,235	147	123,088	132,452
Other receivables	127,752	445	127,307	88,577
Short-term financial investments:				
- treasury shares	15,900	1,511	14,389	14,838
- marketable securities	12,062		12,062	4,502
Cash	4,055		4,055	4,126
Accrued expenses	1,609		1,609	1,151
Total current assets	**361,315**	**2,103**	**359,212**	**321,226**
Expenses to be allocated	3,790		3,790	630
Translation adjustments – assets	14		14	17
TOTAL	**2,472,397**	**553,916**	**1,918,481**	**1,723,381**

LIABILITIES AND SHAREHOLDERS' EQUITY

(in thousands of euros)	2009	2008
SHAREHOLDERS' EQUITY		
Share capital*	179,600	179,600
Additional paid-capital and merger premiums.	11,207	11,207
Revaluation adjustments	11,228	11,228
Reserve	18,708	18,708
Regulated reserves	112	112
Other reserves	511,094	510,266
Retained earnings	82,714	45,764
Income for the year	**124,862**	**103,415**
Regulated provisions	95,492	72,106
Total shareholders' equity	**1,035,017**	**952,406**
PROVISIONS		
Provisions for liabilities (risks)	5,182	5,138
Provisions for liabilities (expenses)	12,817	7,510
Total	**17,999**	**12,648**
LIABILITIES		
Bank borrowings and financial liabilities**	598,233	593,857
Other borrowings and financial liabilities	671	763
Trade payables and related accounts	30,474	41,248
Tax and employee-related liabilities	23,703	23,122
Payables to fixed assets suppliers and related accounts	9,596	13,945
Other liabilities	202,788	85,337
Accrued income		3
Total	**865,465**	**758,275**
Translation adjustments – liabilities		52
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,918,481**	**1,723,381**
* Revaluation adjustments incorporated into capital	14,855	14,855
** Of which current bank facilities and credit balances (including commercial paper)	6,114	4,282

20.3.2. Income statement for the year ended on December 31, 2009

(in thousands of euros)	2009	2008
OPERATING REVENUE		
Sales of goods	3,425	4,108
Sales of finished products and services	445,284	507,734
Net sales	**448,709**	**511,842**
Change in inventories of goods	-936	-796
Production of assets capitalized	1,015	548
Operating subsidies	46	16
Reversals on depreciation, amortization and provisions, transferred expenses	6,473	1,063
Other revenues	25,007	13,806
Total operating revenue	**480,314**	**526,479**
OPERATING EXPENSES		
Purchases of goods	2,580	2,570
Change in inventories of goods	- 44	5
Purchases of raw materials and supplies	79,315	94,725
Change in inventories of raw materials and other supplies	- 1,714	- 5,798
Other purchases and external expenses	159,957	178,945
Taxes, duties and assimilated transfers	17,861	18,127
Salaries	41,425	39,560
Social security contribution and similar charges	19,044	18,192
Amortization and depreciation:		
- on non-current assets: amortization	21,704	18,928
- on current assets: depreciation	153	104
For contingencies and losses: charges to provisions	710	654
Other expenses	10,405	3,620
Total operating expenses	**351,396**	**369,632**
Earnings before interest and taxes	**128,918**	**156,847**
FINANCIAL INCOME		
From affiliated companies	57,188	58,638
From other marketable securities and long-term loans	8	7
Other interest and assimilated income	354	980
Reversal on depreciation and provisions, transferred expenses	22,977	61
Positive exchange rate differences	350	444
Total investment income	**80,877**	**60,130**
FINANCIAL EXPENSES		
Amortization, depreciation and provisions	14	37,434
Interest and assimilated expenses	21,734	35,137
Negative exchange rate differences	295	882
Total financial expenses	**22,043**	**73,453**
Net financial income (expense)	**58,834**	**-13,323**
NET PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX	**187,752**	**143,524**

(in thousands of euros)	2009	2008
EXCEPTIONAL INCOME		
From non-capital transactions	433	107
From capital transactions	2,977	5,438
Reversals on depreciation and provisions, transferred expenses	2,314	6,384
TOTAL EXCEPTIONAL INCOME	**5,724**	**11,929**
EXCEPTIONAL EXPENSES		
From non-capital transactions	2,196	439
From capital transactions	1,821	3,767
Amortization, depreciation and provisions	30,843	19,877
TOTAL EXCEPTIONAL EXPENSES	**34,860**	**24,083**
NET NON-OPERATING INCOME (EXPENSE)	**- 29,136**	**-12,154**
Employee profit-sharing	4,850	5,333
Income tax	28,904	22,622
TOTAL INCOME	**566,915**	**598,538**
TOTAL EXPENSES	**442,053**	**495,123**
NET EARNINGS	**124,862**	**103,415**

20.3.3. Notes to VICAT S.A. financial statements 2009

ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with the laws and regulations applicable in France.

Significant accounting policies used in preparation of the accompanying financial statements are as follows:

Intangible assets are recorded at historical cost after deduction of amortization. Goodwill, fully amortized, corresponds to business assets received prior to the 1986 fiscal year. Greenhouse gas emission quotas are entered in accordance with the arrangements explained in note A1.

Research and development costs are entered as expenses.

Plant, property and equipment are recorded at acquisition or production cost. Property, plant and equipment acquired before December 31, 1976 have been restated.

Amortization is calculated on a straight-line basis over the useful life of assets. Amortization calculated on a tax rate method is reported in the balance sheet under “regulated provisions”.

Mineral reserves and related development costs are amortized using the units of production method.

Investments are recorded at cost and adjusted to market value when a significant and permanent decline in value occurs. Investments acquired before December 31, 1976 have been restated.

Inventories are valued using the method of weighted average unit cost.

Cost includes both the purchase price and all related costs.

Manufactured goods are recorded at production cost and include labor, material, manufacturing overheads and other direct costs of production. Receivables and payables are recorded at cost.

Depreciations are made to recognize losses on doubtful receivables and inventories that may arise at year-end.

Receivables and payables denominated in foreign currencies are recorded using the exchange rates prevailing at the date of the transaction. At year-end, these receivables and payables are valued in the balance sheet at exchange rates in effect at year-end.

Issue expenses for borrowings are spread over the term of the borrowings.

Differences arising from revaluation of these receivables and payables are reported in the balance sheet under "Translation differentials". Additional provisions are made for unrealized currency losses that do not offset.

Short-term financial investments are valued at cost or at market value if lower.

SIGNIFICANT EVENTS OF THE PERIOD

During the year, the company participated in the increase in capital of its PARCIFIM subsidiary for an amount of 125,886 k€.

SALES ANALYSIS

Net sales by geographical area and activity break down as follows for the year ended December 31, 2009:

(in thousands of euros)	France	Other countries	TOTAL
CEMENT	383,590	29,499	413,089
PAPER	24,531	11,089	35,620
TOTAL	**408,121**	**40,588**	**448,709**

ANALYSIS OF THE FINANCIAL STATEMENTS

A - Non-current assets

1) Intangible and tangible assets:

(in thousands of euros)	Gross value at beginning of year	Acquisitions	Disposals	Gross value at end of year
Concessions, patents, goodwill and other intangible assets	16,670	12,584	-	29,254
Land and improvements	83,273	5,272	327	88,218
Buildings and improvements	160,373	1,244	1,739	159,878
Plant, machinery and equipment	497,576	12,651	10,610	499,617
Other tangible assets	24,774	2,308	744	26,338
Tangible assets in progress	9,183	15,631	18,455	6,359
Advances and payments on account	74	1,528	1,569	33
TOTAL	**791,923**	**51,218**	**33,444**	**809,697**

(in thousands of euros)	Accumulated depreciation at beginning of year	Increase	Decrease	Accumulated depreciation at end of year
Concessions, patents, goodwill and other intangible assets	9,596	745	-	10,341
Land and improvements	13,326	874	241	13,959
Buildings and improvements	104,151	4,288	1,731	106,708
Plant, machinery and equipment	373,135	12,481	9,763	375,853
Other tangible assets	19,990	1,466	735	20,721
TOTAL	**520,198**	**19,854**	**12,470**	**527,582**

Quotas allocated by the French government in the framework of the National Quota Allocation Plan (PNAQ II) are not recorded, either as assets or liabilities. For 2009, they amount to 2,802 thousand tonnes of greenhouse gas emissions (14,011 thousand tonnes for the 2008-2012 period).

Only the quotas held at the end of the period exceeding the cumulative actual emissions by 4,719 thousand tonnes are recorded in the assets, for 10,909 thousand euros, corresponding to 885 thousand tonnes.

Recording of surpluses, quota sales and quota swaps (EUA) against Emission Reduction Certificates (ERCs) are recognized in the income for the year at an amount of 12,564 thousand euros (8,069 thousand euros at December 31, 2008).

Tangible assets in progress are mainly comprised of industrial installations in the construction phase.

Property, plant and equipment are depreciated as follows:

- Construction and civil engineering for industrial installations: 15 to 30 years
- Industrial installations: 5 to 15 years
- Vehicles: 5 to 8 years
- Sundry equipment: 5 years
- Computer equipment: 3 years

2) Financial investments:

Financial investments increased by 125,196 thousand euros, mainly as a result of:

- increases in investments in companies amounting to: 125,897
- change in other Financial investments: - 701

125,196

In accordance with a liquidity agreement entered into with an investment services provider - CA Cheuvreux, at year-end:

- 10,000 Vicat shares representing a gross value of 561 thousand euros were allocated to this liquidity agreement.
- 4,873 thousand euros in cash invested in a money market fund were allocated to this liquidity agreement.

Loans and other long-term investments break down as follows: (in thousands of euros)

- within one year -
- over one year 77,635

77,635

B - Shareholders' equity

Share capital amounts to 179,600,000 euros and is divided into 44,900,000 shares of 4 euros each.
The share ownership breaks down as follows:

- Employees 4.82%
  including salaried shareholders (*) 2.45%
- Family, Parfininco and Soparfi 60.57%
- Vicat 2.41%

(*) in accordance with Article L 225-102 of the French Commercial Code

CHANGE IN SHAREHOLDERS' EQUITY

(in thousands of euros)	2009	2008
Shareholders' equity at the beginning of year	952,406	1,009,434
Shareholders' equity at the end of year	1,035,017	952,406
Change	82,611	- 57,028
ANALYSIS OF CHANGE		
Capital reduction		- 112,646
Income for the year	124,862	103,414
Dividends paid [1]	- 65,637	- 65,393
Revaluation change		- 33
Regulated provision	23,386	17,630
	82,611	- 57,028

[1] less dividends on treasury shares

Regulated provisions break down as follows:

(in thousands of euros)	Value	Recovered at 1 year maximum	Recovered after more than 1 year
Price increase provision	11,378	227	11,151
Special tax depreciation	74,845	2,552	72,293
Special revaluation provision	2,465	-	2,465
Investment provision	6,804	519	6,285
TOTAL	**95,492**	**3,298**	**92,194**

C - Provisions for risks and other charges

(in thousands of euros)	Amount at the beginning of year	Increase	Decrease (with use)	Decrease (unused provision)	Amount at the end of year
Provisions for restoration of sites	5,774	456	410		5,820
Provisions for disputes	4,571	59	71	-	4,559
Other charges	2,303	5,335	18	-	7,620
TOTAL	**12,648**	**5,850**	**499**	**-**	**17,999**

Provisions for risk and other charges amount to 18 million euros and cover in particular the forecast charges linked to the French regulated quarry depletion provision for an amount of 5.8 million euros. These provisions are made for each of the quarries based on actual tonnages extracted times an estimated per tonne cost of the work to be performed at the end of operations.

Provisions for disputes include a provision of 4.5 million euros, corresponding to the residual amount of the penalty imposed by the Office of Fair Trade ("O.F.T." - Conseil de la Concurrence) concerning a presumed collusion in Corsica after the initial amount of this decision was reduced by the Paris Court of Appeal. The company appealed against this decision at the Court of Cassation (French Supreme Court of Appeal), which partially quashed the ruling of the Paris Appeal Court in July 2009.

Other charges include an amount of 6.1 million euros corresponding to tax due to the subsidiaries in the framework of the tax sharing agreement.

D - Borrowings and financial liabilities

During 2009, long-term debt and other bank borrowings increased by 4,284 thousand euros.

STATEMENT OF MATURITIES

(in thousands of euros)	Gross amount	1 year or less	1 - 5 years	more than 5 years
Bank borrowings and financial liabilities (1)	589,204	141,311	341,956	105,937
Miscellaneous borrowings and financial liabilities	671	84	339	248
Short-term bank borrowings and bank overdrafts	9,029	9,029	-	-
(1) Including commercial paper	136,000		136,000	

Other information

At December 31, 2009 the Company has 460 million euros in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (438 million euros at December 31, 2008).

The Company also has a program for issuing commercial paper amounting to 152 million euros. As at December 31, 2009, the amount of the notes issued was 136 million euros. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

The medium and long-term loan agreements contain specific covenants, especially as regards compliance with financial ratios. The existence of these covenants does not represent a risk to the company's financial position.

Financial instruments

Foreign exchange risk
The principal and interest due on a borrowing originally issued by the Group in US dollars were converted to euros through a series of *cross currency swaps.*

Interest rate risk
The floating rate debt is hedged through the use of financial instruments (caps) on the original maturities of 5 to 12 years for an amount of 360 million euros at December 31, 2009.

Liquidity risk
Unused confirmed lines of credit are used to cover the risk of the company finding itself unable to issue its commercial paper through market transactions.

At December 31, 2009, these lines matched the short term notes they covered at 136 million euros.

E - Statement of maturities for trade receivables and payables

All trade receiveables and payables have a term of one year or less.

F - Other balance sheet and income statement information

The gain from allotment of shares for the purpose of employee profit-sharing amounts to 232 thousand euros.

Other items are as follows:

Items concerning several balance sheet accounts (in thousands of euros)	**Associated companies**	**Payables or receivables represented by commercial paper**
Long-term investments	1,215,942	
Trade receivables and related accounts	35,210	30,938
Other receivables and related accounts	106,920	
Trade payables and related accounts	8,599	6,554
Other liabilities	180,829	
Income statement items		
Financial expenses	778	
Financial income excluding dividends	971	

Accrued liabilities (in thousands of euros)	**Amount**
Bank borrowings and financial liabilities	2,915
Trade payables and related accounts	11,264
Tax and employee-related payables	12,666
Other liabilities	470
TOTAL	**27,315**

Accrued expenses (in thousands of euros)	**Amount**
Operating expenses	1,463
Financial expenses	146
TOTAL	**1,609**

Short-term financial investments
Short-term financial investment break down as follows: 250,276 Vicat shares for a net amount of 14,388 thousand euros acquired for the purpose of share allotment to employees. Their market value as of December 31, 2009, amounts to 14,716 thousand euros. Marketable securities for an amount of 12,062 thousand euros are added to these amounts.

Net financial income

Net financial income included a reversalof provisions for depreciation of treasury shares for an amount of 22,894 thousand euros.

ANALYSIS OF CORPORATE INCOME TAX AND ADDITIONAL CONTRIBUTIONS

Headings (in thousands of euros)	**Profit (loss) before tax**	**Corporate income tax**	**Social security contributions**	**Profit (loss) after tax**
Current profit (loss)	187,752	- 42,576	- 1,706	143,470
Net non-operating income (expense) and profit-sharing	- 33,986	14,786	592	- 18,608
Book profit (loss)	153,766	- 27,790	- 1,114	124,862

OFF-BALANCE SHEET COMMITMENTS

Commitments given (in thousands of euros)	**Value**
Accrued retirement indemnities [1]	10,256
Guarantees granted to subsidiaries	137,260
TOTAL	**147,516**

[1] including an amount of 4,028 thousand euros relating to supplemental pension scheme for officers and other managers of the Company under Article 39 of the French General Tax Code (CGI).

Commitments received (in thousands of euros)	**Value**
Confirmed credit lines [1]	696,000
Other commitments received	31,642
TOTAL	**727,642**

[1] including 152,000 thousand euros allocated to coverage of the program of the commercial paper issue.

Retirement indemnities are accrued in accordance with the terms of in the collective labor agreements. The corresponding liabilities are calculated using the projected unit credit method, which includes assumptions on employee turnover, mortality and wage inflation. Commitments are valued, including social security charges, pro rata to employees' years of service.

Principal actuarial assumptions are as follows:

Discount rate	5.25%
Wage inflation	from 2.5% à 4%
Inflation rate :	2%

IMPACT OF THE SPECIAL TAX EVALUATIONS

Headings (in thousands of euros)	**Allowances**	**Reinstatements**	**Amounts**
Income for the year			124,862
Income taxes			27,790
Social security contributions			1,114
Earnings before income tax			**153,766**
Change in special tax depreciation of assets	20,266	1,776	18,490
Change in investment provision	2,269	526	1,743
Variation in special revaluation provision	-	-	-
Variation in the price increase provision	3,164	12	3,152
Subtotal	**25,699**	**2,314**	**23,385**
Income excluding the special tax valuations (before tax)			**177,151**

Vicat, together with 17 subsidiaries, entered into a tax sharing agreement whereby they have elected to file a consolidated tax return. According to the tax sharing agreement, the effective tax expenses accounted for by the subsidiaries are calculated as if there were no tax sharing. The tax saving resulting from the tax sharing agreement is awarded to the parent company, notwithstanding the tax due to the tax loss subsidiaries, for which a provision is established. For 2009, this saving amounts to 5,794 thousand euros.

Non tax-deductible expenses amount to 403 thousand euros for 2009.

DEFERRED TAX

Headings (in thousands of euros)	**Amount**
Tax due on:	
Price increases provisions	3,917
Special tax depreciation	25,769
Total increases	**29 686**

Headings (in thousands of euros)		**Amount**
Tax paid in advance on temporarily non-deductible expenses		3,485
of which profit-sharing expenses	1,670	
Total reductions		**3,485**
Net deferred tax		**26,201**

Executive management compensation (in thousands of euros)	**Amount**
Compensation allocated to:	
- senior managers	210
- members of the Board	2,227

Employee numbers	**Average**	**At December 31, 2009**
Management	198	203
Supervisors, technicians, administrative employees	382	381
Blue-collar workers	271	264
Total Company	**851**	**848**
of which Paper Division	149	142

VICAT S.A.
SUBSIDIARIES AND AFFILIATES

(in thousands of currency units: euros, USD, CFA Francs)

COMPANY OR GROUP OF COMPANIES 2009 FINANCIAL PERIOD	CAPITAL	RESERVES and retained earnings before appropriation of income	OWNERSHIP interests (%)	BOOK VALUE of shares owned Gross	Net	LOANS & ADVANCES granted by the company and not yet repaid	GUARANTEES granted by the company	SALES ex. VAT for the financial year ended	PROFIT OR LOSS (-) for the financial year ended	DIVIDENDS received by Vicat during the year	COMMENTS
SUBSIDIARIES AND AFFILIATES WHOSE THE GROSS VALUE EXCEEDS 1% OF THE VICAT'S CAPITAL											
1) SUBSIDIARIES (at least 50% of the capital held by the company)											
BÉTON TRAVAUX 92095 PARIS LA DEFENSE	27,997	189,271	99.97	88,869	88,869	56,779		18,387	37,266	26,240	
NATIONAL CEMENT COMPANY LOS ANGELES USA	280,521 (1)	196,069 (1)	97.85	229,581	229,581	31,206		259,958 (1)	-16,628 (1)		
PARFICIM 92095 PARIS LA DEFENSE	52,368	983,678	99.99	863,624	863,624				40,383	24,170	
SATMA 38081 L'ISLE D'ABEAU CEDEX	3,841	2,591	100.00	7,613	7,613			17,164	346	2,640	
2) PARTICIPATIONS (10 to 50% of the capital held by the company)											
SOCIÉTÉ DES CIMENTS D'ABIDJAN IVORY COAST	2,000,000 (2)	9,391,586 (2)	17.14	1,596	1,596			50,183,700 (2)	1,230,948 (2)	461	Figures for 2008
SATM 38081 L'ISLE D'ABEAU	1,600	35,747	22.00	15,765	15,765			79,947	7,926	1,980	
OTHER SUBSIDIARIES AND AFFILIATES											
French subsidiaries (total)				10,065	9,437	223				726	
Foreign subsidiaries (total)				2,833	2,787						
TOTAL				**1,219,946**	**1,219,272**	**88,208**				**56,217**	

(1) Figures shown in USD
(2) Figures shown in CFA Francs

20.3.4. Statutory auditors' report on the financial statements

Year ended December 31, 2009

To the Shareholders,

In compliance with the assignment entrusted to us by the shareholders in general meeting, we hereby present our report to you, for the year ended 31 December 2009, on:

- the audit of the accompanying financial statements of Vicat S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

The financial statements have been approved by the Board of directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the appropriateness of the accounting principles used and the reasonableness of significant accounting estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that the audit evidence we have obtained is sufficient and provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities as of 31 December 2009, and of the results of its operations for the year then ended in accordance with French accounting rules and principles.

2. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

Significant accounting rules and methods used in the preparation of the financial statements are disclosed in note 1.

As part of our assessment of the accounting rules and principles applied by your company, we have assessed the appropriateness of the above-mentioned accounting methods and related disclosures.

These assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

3. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by law.

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

We have verified the consistency of the information provided in accordance with article L. 225-102-1 of the French Commercial Code with respect to remuneration and benefits paid to company officers, and to any commitments given to them, with the financial statements or with the underlying information used in their preparation, and, as applicable, with information obtained by your Company from companies which either control it or are controlled by it. On the basis of our work, we certify that the information provided is accurate and fairly presented.

As required by law, we have ascertained that the necessary information relating to the acquisition of shareholdings and controlling interests, and the identity of shareholders, was given in the management report of the Board of directors.

Paris La Défense, March 5, 2010
KPMG Audit
A division of KPMG SA
Jean-Marc Decléty
Partner

Chamalières, March 5, 2010
Wolff & Associés S.A.S.
Grégory Wolff
Partner

20.4. AUDITORS' FEES

The auditors' fees paid by the Company and the Group to KPMG Audit and to Cabinet Wolff & Associés for the years 2008 and 2009 are presented in Note 32 of Section 20.2.2. "Notes to the 2009 consolidated financial statements" of this Registration Document.

20.5. DIVIDEND POLICY

The Company can decide to distribute dividends for a given year on a proposal from the Board of directors and approval of the General Meeting of the shareholders.

For the three preceding years, the dividends distributed by the Company and the earnings per share were as follows:

	2009 (dividend proposed to the General Meeting	2008	2007
Dividend per share (in euros/share)	1.50	1.50	1.50
Consolidated earnings per share (in euros/share)	4.26	5.46	6.40
Rate of distribution	35%	27%	23%

The Company's objective for future years is to distribute in cash to shareholders a level of dividend in line with that proposed by the Board of directors for previous financial periods.

Nevertheless, the factors on which the distribution and the amount of distributed dividend depend are the results, the financial condition, the financial needs related to industrial and financial development, the prospects for the Group and all other determinative factors such as the general economic environment.

Regardless of the objective which the Company intends to prioritize, it cannot guarantee that in the future dividends will be distributed nor the amount of any future dividend.

20.6. LEGAL PROCEEDINGS AND ARBITRATION

The Group is involved in certain disputes, legal, administrative or arbitration proceedings in the ordinary course of its business. The Group constitutes a provision each time a given risk presents a substantial probability of materializing before the end of the financial year and when an estimate of the financial consequences related to such risk is possible.

The principal disputes and administrative, legal or arbitration proceedings in progress in which the Group is involved are detailed below.

20.6.1. "Maurienne" dispute

2006 was marked by the discovery of significant damages linked to the production of aggregates on the site of Saint-Martin-la-Porte in the Maurienne valley in 2004.

From February to the end of August 2004, a quarry and two concrete batching plants belonging to "Béton Rhône-Alpes" (BRA), a subsidiary of the Group, located in the Maurienne valley, sold 22,000 tonnes of aggregates and 15,000 m^3 of concretes, potentially contaminated with gypsum.

These materials, containing heterogeneous sulfate, did not come from a quarry owned by the Group but from materials recycled at the request of Lyon-Turin Ferroviaire (LTF), a public sector client responsible for constructing the high speed railway line from Lyon to Turin. The materials resulting from boring the exploratory headings were intended to be recycled near their place of extraction, pursuant to principles of sustainable development.

An accidental mixture of limestone and gypsum, which occurred at the time of handling after sorting, contributed to the occurrence of defects which appeared more than two years after use of the contaminated materials.

The appraisals by court order that have been concluded or that are in progress have found BRA liable, notwithstanding the use of materials as well as certain internal or project construction checks by some firms that frequently did not comply with standards and best technical practice, which could have triggered, accelerated or amplified the defects.

BRA is using these implementation or verification faults as a basis to negotiate shared liability. Protocols covered by a confidentiality obligation are being developed between BRA and certain firms. Likewise, to put a halt to claims, whether unjustified or clearly exaggerated, construction industry economists assisted by experts certified with the Cour de cassation (French Supreme Court of Appeal) are examining all the documents alleging material or consequential damages.

This examination and a critical analysis of the period under investigation led BRA to recognize as at December 31, 2009 a net expense of 16.6 million euros, owing to either an increase in the costs expected to cover the damages, the changes in BRA's estimated share of responsibility, or the emergence of new claims.

Usually, these two concrete batching plants at Maurienne, like all the Group's plants, use materials extracted from quarries with properly identified deposits, that are checked regularly and rigorously so as to avoid this type of risk.

Reinforced quality control measures have been implemented in order to prevent the recurrence of such events and these have resulted in the Concrete & Aggregates business in France being awarded ISO 9001-2000 certification at the beginning of 2009.

20.6.2. Competition litigation in Corsica

By the ruling of March 12, 2007, the French Competition Commission fined the Company 8 million euros, as well as imposing fines on another French cement manufacturer and the Corsican cement dealers' network. According to the Commission, the practices in respect of which the fine was imposed were intended to restrict the supply of cement to the island to the two cement manufacturers and to block imports, in particular from Italy and Greece.

Under a judgment of May 6, 2008, the Paris Court of Appeal overturned the deferred decision of the Competition Commission, but only in respect of the amount of the sanctions imposed, and in particular reduced the amount of the fine imposed on the Company to 4.5 million euros.

Under a judgment of July 7, 2009, the Commercial Division of the Cour de Cassation (Supreme Court of Appeal) ruled that the Court of Appeal had not justified its judgment in law "since it had not investigated if, in the absence of agreements concluded with their customers, the companies Lafarge and Vicat, would have been able to act on the market in question to a significant extent independently of their competitors, their customers and the consumers". Consequently, the Cour de Cassation quashed and partially annulled the judgment of May 6, 2008, and sent the parties back to the Paris Court of Appeal, differently constituted.

The Company regrets the fact that the Competition Commission and the Court of Appeal have, from its point of view, misunderstood the general context of the supply and distribution of cement in Corsica, as well as the very particular circumstances having led to the conclusion, in a fully transparent manner, of various agreements today under sanction and the beneficial effects resulting from the same for Corsican consumers.

The plan was instituted many years ago under pressure from the public authorities without either the customers or the competitors allegedly discriminated against petitioning the Competition authorities.

In 1991, the Chamber of Commerce and Industry of Upper Corsica requested Vicat and Lafarge to finance a refurbished silo facility at the port of Bastia, capable of receiving cement meeting French standards in bulk, and required the two suppliers to entrust the exclusive operation to the GIE Groupement Logistique Ciments Haute-Corse, an exclusivity now disputed by the Commission.

Until 1998, the State subsidized the transport of cement in bulk by 2.3 million euros per year under the principle of continuity of supply to the area. When this subsidy was withdrawn, Vicat S.A., Lafarge Ciments and the dealers' association on the island sought a means to rationalize the conditions of supply of cement to the island. They had to make significant efforts to maintain continuous and regular supplies of cement meeting French standards to Corsica, without a rise in the cost of transport for the dealers, thus allowing unchanged cement selling prices despite the withdrawal of a significant State subsidy.

During the period in question, foreign imports to Corsica grew by almost 50 %. Consequently, the

Company considers that the Commission did not establish that this scheme prevented dealers from being supplied with cement from abroad, which does not, in any case, offer the guarantees of continuity of supply and compliance with the standards required in the majority of construction works contracts.

The Company is thus surprised to be fined in consideration of a legal argument which it also considers runs counter to the work undertaken by the European Commission as regards reform of competition law in recent years.

On the basis of the decision of the Court of Appeal, the 8 million euro provision made in 2007 was reduced to 4.5 million euros in the financial statements for the year ended December 31, 2008 and retained at this level in the financial statements for the year ended December 31, 2009.

20.6.3. Disputes relating to operating licenses

Some environmental protection associations regularly file contentious civil actions with a view to obtaining the cancellation of permits or operating licenses granted by the prefecture. The Company, in all cases, organizes its defense and files new applications for operating licenses or permits to ensure normal supply to its factories.

Other than the disputes described above, there are no government, judicial or arbitration proceedings of which the Group is aware, which are in abeyance or with which it, or any proportionally consolidated subsidiary, is threatened, which may have or have had in the past 12 months a material adverse effect on its activity, its financial situation or its earnings.[1]

20.7. SIGNIFICANT CHANGES TO THE FINANCIAL OR COMMERCIAL SITUATION

To the knowledge of the Company, there has been no significant change to the Company's financial or commercial situation since December 31, 2009.

[1] Excluding any subsidiaries consolidated by the equity method.

21 ADDITIONAL INFORMATION

21.1. SHARE CAPITAL

21.1.1. Issued share capital and number of shares for each class

The amount of the share capital as at December 31, 2009 is € 179,600,000 divided into 44,900,000 shares of € 4 each. The Company's shares are fully subscribed, paid up and all of the same class.

21.1.2. Authorised but unissued share capital

Not applicable.

21.1.3. Shares held by the Company or for its account

At the end of the financial year 2009, after distributing 166,064 shares to employees, the Company held 1,083,443 of its own shares, or 2.41 % of the authorised share capital.

Description of the 2009 share purchase programme

In accordance with the authorisation given by the Combined General Meeting of May 15, 2009, the Company purchased (excluding liquidity agreements), based on the current authorised capital, 2177.8 (i.e. 960 shares + 12,178 tenth parts of shares) of its own shares on the stock exchange in 2009 for a nominal price of € 4 at a mean price of € 51.23 per share.

Distribution of transferable securities by purpose

Acquisitions in view of the allocation of shares to personnel within the framework of participation and profit-sharing : 2177.8 shares representing an acquisition price of € 111,561.09.

Acquisitions in order to promote the market for the securities and their liquidity through a liquidity agreement in conformity with the ethical charter of the Association française des marchés financiers (AMAFI), as recognised by the AMF : acquisition of 191,249 shares and sale of 311,899 shares during the year and partial buy-back of 30,000 shares on 28 January 2009, representing 10,000 shares as at December 31, 2009.

Volume of shares used by objectives

Shares allocated to personnel within the framework of the participation and profit-sharing : 250,276 shares.

Promotion of a market of the securities and their liquidity through a liquidity agreement conforming to the ethical charter of the AMAFI as recognised by the AMF : 10,000 shares.

No shares purchased have been allocated to other purposes and the Company did not use derivatives to achieve its share purchase programme.

Description of the planned share purchase programme for 2010

The fifth resolution to be submitted to a vote by the Ordinary General Meeting on May 17, 2010 is intended to allow the Company to purchase or otherwise engage in operations in relation to its own shares.

The Company may acquire, sell, transfer or swap, by any means, all or part of the shares thus acquired in compliance with current legislative and regulatory provisions and in compliance with changes to the substantive law and by respecting the limits below :

- The unit purchase price must not exceed € 100 per share (excluding acquisition expenses) ;
- The total shares held shall not exceed 10 % of the Company's share capital, this threshold of 10 % having to be calculated on the actual date when the purchases will be made. This limit is reduced to 5 % of the share capital in the situation mentioned in paragraph (c) below. On January 1, 2010, this limit corresponds, given shares already owned by the Company, to a maximum number of 3,406,557 shares, each with a nominal value of € 4, equal to a maximum amount of € 340,655,700.

The shares may be purchased at a single time or in instalments, and by all means including by mutual agreement, in order (without order of priority) :

a. To allot shares to employees and in particular within the framework of participation and profit-sharing.
b. To promote the market for the securities and their liquidity through a liquidity agreement complying with the ethical charter of the AMAFI as recognised by the AMF.
c. To deliver the shares as payment or exchange within the framework of external growth operations in compliance with market practice as permitted by the AMF. It is specified that the maximum number of shares acquired by the Company for their retention and later delivery in payment or exchange within the framework of a merger, scission or contribution operation may not exceed 5% of its authorised share capital.
d. To cancel shares, subject in this last case to a vote by an Extraordinary General Meeting on a specific resolution.

Share purchase, as well as the retention, divestment or transfer of shares thus bought may occur, according to the circumstances, on one or more occasions, at any time that the Board of directors deems necessary, if necessary in a public offer period, by all means on the market or over the counter, in particular by way of acquisition or divestment of blocks, or by recourse to derivative financial instruments (other than options to sell) and to warrants, in compliance with current regulations.

The fifth resolution which will be submitted to the vote of the General Meeting on May 17, 2010 may be used at any time and for a period of 18 months as from this meeting including in a public offer period for purchase or exchange within the limits and subject to the periods of abstention provided for by the law and the AMF's General Rules. This authorisation supersedes that granted by the Combined General Meeting of May 16, 2008.

In accordance with article 241-3-III of the AMF's General Rules, this description exempts the Company from publication as foreseen in article 241-2 of the AMF's General Rules.

21.1.4. Other securities giving access to the capital

Not applicable.

21.1.5. Share subscription and purchase options

Not applicable.

21.1.6. Changes to the share capital during the last three years

The table below shows changes to the Company's share capital since January 1, 2007 until the date of registration of this Registration Document.

Date of operation	Operation	Number of shares issued/ cancelled	Nominal value of the shares (in euros)	Nominal amount of the capital variation (in euros)	Issue of shares, contribution or merger premium (in euros)	Cumulative amount of share capital (in euros)	Accumulated number
May 16, 2008	Capital reduction by cancellation of shares held directly	1,871,200	4	7,484,800	-	179,600,000	44,900,000

In June 2007, HeidelbergCement sold its 35% stake in the Company's share capital, representing 16,384,320 shares, in the context of a public offer at open price in France and an international private placement in Europe. This operation allowed the Group to significantly increase its floating share capital (from 5.1% to 30.4%) and the Company to intensify its treasury stock (from 1.4% to 7.1%), through the acquisition of 2,664,367 of its own shares.

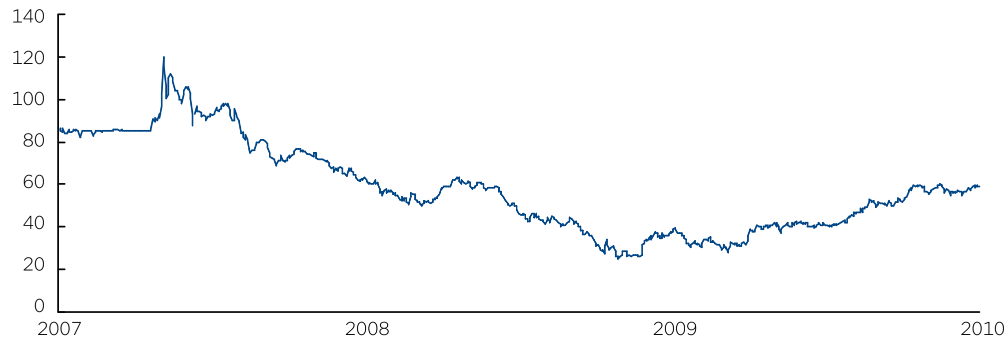
The Extraordinary General Meeting of shareholders of May 16, 2008, on a proposal from the Board of directors, decided to reduce the Company's share capital by cancellation of 1,871,200 shares held directly by the Company and to modify accordingly article 6 of the by-laws. After the realisation of the capital reduction, the Company's share capital amounted to €179,600,000, divided into 44,900,000 shares each with a nominal value of €4.

21.1.7. Securities not representative of the capital

Not applicable.

21.1.8. Changes to the share price

The Company's shares are listed on the Eurolist of Euronext Paris, compartment A. The Company was included in the SBF 250 index and has been eligible for deferred payment (SRD : service de règlement différé) since February 2008. The graph below shows the change in price at the end of the month of the Company's shares since January 1, 2007 until December 31, 2009.



The table below shows the change to the Company's share price in 2009, 2008 and 2007 (on the basis of the closing price) :

(in euros)	2009	2008	2007
Average annual price	44.55	46.52	83.34
High	60.36	64.50	120.11
Low	28.20	24.76	61.74
Price as at December 31	58.80	37.40	63.54

21.2. CONSTITUTIONAL DOCUMENTS AND BY-LAWS

21.2.1. Corporate purpose

The Company's corporate purpose is :

- the operation of the quarries currently belonging to the Company and all those which it may subsequently own or to which it may subsequently hold rights ;
- the manufacture, purchase and sale of limes, cements and all products of interest to the construction business ;
- the manufacture, purchase and sale of bags or packaging for hydraulic binders in any material and, more generally, any activity being carried on in the plastic and paper industries sector ;
- the production and distribution of aggregates and sand ;
- the transport of goods by public road and the leasing of all vehicles ;
- in general, all industrial, commercial and financial operations associated with this industry, both in France and abroad.

The Company may also invest in any French or foreign company or firm, whose business or industry is similar to or likely to support and develop its own business or its own industry ; to merge with them, to engage in all industries which would be likely to provide it with outlets and to enter into all commercial industrial, financial, movable property or fixed asset transactions that could in whole or part be assimilated, directly or indirectly, to its corporate purpose or likely to support development of the Company.

21.2.2. Provisions concerning members of the Company's administration and management bodies

21.2.2.1. Composition of the Board of directors (article 15 of the by-laws)

The Company is managed by a Board of directors consisting of at least five and no more than twelve members, drawn from the shareholders and appointed by the General Meeting, except where this number is exceeded for legal reasons.

21.2.2.2. Term of office of the directors – Age limit – Renewal – Co-opting, (article 16 of the by-laws)

1) The Directors are appointed for a term of 3 or 6 years. They can be re-elected. If one or more seats is unfilled, the Board can, under the conditions set by the law, co-opt interim appointments, subject to ratification at the next Meeting.

2) Subject to the provisions of in paragraphs 3 and 4 below, terms of office end at the end of the Ordinary General Meeting which has voted on the financial statements for the financial year during which the term of 3 or 6 years ended.

3) When a Director's mandate is conferred on an individual who will reach 75 years of age before expiry of the three or six year period fixed above, the duration of this mandate is limited, in any event, to the time to run from his nomination to the Ordinary General Meeting approving the financial statements of the financial year during which such Director reaches the age of 75 years.

4) However, the Ordinary General Meeting, at the end of which the term of office of said Director ends can, on a proposal from the Board of directors, re-elect him for a new period of 3 or 6 years, it being specified however that at no time may the Board of directors have more than one third of its members aged over 75.

5) Any Director must be the owner of at least ten shares before expiry of the period fixed by the law and remain so throughout his term of office.

21.2.2.3. Presidency and secretariat of the Board of directors (article 17 of the by-laws)

The Board of directors shall elect from its members a President and, if it considers it useful, a Vice-President. It fixes their term of office, which may not exceed either that of their term as director, or the time to run from their appointment as President or Vice-President until the end of the Ordinary General Meeting approving the financial statements for the financial year during which they will reach the age of 75.

Subject to these provisions, the President of the Board of directors or the Vice-President can always be re-elected.

The President represents the Board of directors. He organises and directs the work of the latter, on which he reports to the General Meeting and carries out its decisions. He supervises correct operation of the bodies of the Company and makes sure that directors are able to fulfil their mandates.

The Board of directors can appoint a secretary for each meeting who can be selected from outside the shareholders.

21.2.2.4. Meeting – Convening – Deliberation –Attendance register (article 18 of the by-laws)

The Board of directors meets at the President's behest as often as the interests of the Company require it, either at the registered office, or in any other place indicated in the convening letter.

Moreover, the CEO and directors constituting at least one third of the members of the Board of directors can, by presenting an agenda of the meeting, convene it if it has not met for more than two months; otherwise, the agenda is set by the President and may only be fixed at the time of the meeting.

Meetings are chaired by the President or the Vice-President and, failing this, by a director appointed at the start of the meeting.

Decisions are taken pursuant to the quorum and majority conditions prescribed by the law. If there is a tied vote, the President shall have the casting vote.

The minutes are drawn up and copies or extracts are delivered and certified in accordance with the law.

21.2.2.5. Powers of the Board of directors (article 19 of the by-laws)

The powers of the Board of directors are those which are conferred on it by law. The Board shall exercise these powers within the limit of the corporate purpose and subject to those which are expressly allotted by law to shareholders' meetings.

21.2.2.6. Remuneration of the Board of directors (article 20 of the by-laws)

The Board of directors receives in remuneration of its activity an annual fixed sum, by way of attendance fees, which amount determined by the General Meeting is maintained until a decision to the contrary.

The Board of directors freely allocates the attendance fees among its members.

21.2.2.7. General management (article 21 of the by-laws)

Principles of the exercise of general management

In accordance with the provisions of article L. 225-51-1 of the Commercial Code, the general management of the Company is assumed, either by the President of the Board of directors, or by another individual appointed by the Board of directors and who takes the title of CEO.

This option of how the general management is to be exercised is taken by the Board of directors for the duration that it determines. The Board of directors passes a resolution based on the majority of the directors present or represented.

The choice of the Board of directors is communicated to shareholders and third parties in accordance with applicable regulations.

The Board of directors can decide at any time to change the way general management is exercised.

General management

Depending on the option chosen by the Board of directors, in accordance with the provisions above, the general management of the Company is undertaken either by the President of the Board, or by a CEO, an individual appointed by the Board of directors. In the event that the functions of President of the Board and of CEO are separated, the resolution of the Board of directors which appoints the CEO must set his term of office, determine his remuneration and, if necessary, limit his powers.

Subject to the legal limitations, the CEO, whether he is President of the Board or not, is invested with the widest powers to act in any circumstance in the name of the Company. However, by way of rules of procedure, and without this limitation being opposable by third parties, the Board of directors will be able to limit the extent of his powers.

The age limit for the appointment of a CEO is fixed at 75; the term of office of a CEO shall end at the end of the first annual Ordinary General Meeting following the date of his 75th birthday.

The CEO may be dismissed at any time by the Board of directors.

At the proposal of the CEO, the Board of directors can appoint one or more individuals, up to five in number, tasked to assist the CEO and who will assume the title of Deputy CEO.

The age limit for the appointment of a Deputy CEO is fixed at 75; the term of office of a Deputy CEO shall end at the end of the first annual Ordinary General Meeting following the date of his 75th birthday.

21.2.3. Rights, privileges and restrictions attached to the shares

21.2.3.1. Rights and obligations attached to the shares (article 9 of the by-laws)

Each share gives a right to a share proportional to the capital that it represents in the income and the corporate assets.

If applicable, and subject to the obligatory legal prescriptions, all tax exemptions or charges or any taxation that the Company may bear will be applied to the total number of shares without distinction before making any reimbursement within the duration of the company or at its liquidation, so that all shares of the same category existing at that time receive the same net sum whatever their origin and their date of creation.

Every time there is a requirement to own a certain number of shares in order to exercise a right, it is the responsibility of the owners who do not have this number of shares to deal with putting the required number of shares together.

Shares cannot be divided up with respect to the Company.

When a share is burdened with usufruct, the rights and obligations of the beneficial owner and the bare owner are governed by the law.

The rights and obligations attached to the share follow the ownership, no matter who acquires it.

21.2.3.2. Voting rights (article 26 of the by-laws)

Each member of the meeting has as many votes as he has or represents shares.

The voting rights attached to shares in capital or rights are proportionate to the share of the capital that they represent and each share confers a right to one vote.

However, voting rights double those conferred on bearer shares are allotted to all paid up shares for which a personal registration has been proved for at least four years in the name of the same shareholder, at the end of the calendar year preceding the date on which the meeting in question is held.

In the event of a capital increase by incorporation of reserves, profits or issue premiums, double voting rights will be conferred, as of their issue, on registered shares allotted for free to a shareholder pursuant to old shares in respect of which he enjoys this right.

These double voting rights will automatically cease to be attached to any share having been converted to a bearer share or on a transfer of title. Nonetheless, the transfer by inheritance, by liquidation of common property held by spouses or by gift inter vivos to the benefit of a spouse or a relation ranking as entitled to inherit does not result in the loss of acquired rights.

The list of registered shares benefiting from double voting rights is maintained by the officers of the Meeting.

In the event of property stripping of a share, the voting right belongs to the bare owner except for decisions concerning attribution of results, in which case the voting right is reserved to the beneficial owner.

21.2.4. Procedures for modifying the rights of the shareholders

Modification of rights attached to the shares is subject to the legal regulations. The by-laws not stipulating specific provisions, only an Extraordinary General Meeting is qualified to modify the rights of the shareholders, in accordance with the legal provisions.

21.2.5. General Meetings

21.2.5.1. Nature of General Meetings (article 23 of the by-laws)

The General Meeting, regularly constituted, represents all the shareholders; its decisions taken in accordance with the law and with the by-laws bind all shareholders.

An annual Ordinary General Meeting must be held each year within six months of the end of the financial year; General Meetings, or ordinary General Meetings held extraordinarily, or extraordinary General Meetings, can also be held at any time of the year.

21.2.5.2. Form and periods of notice (article 24 of the by-laws)

Ordinary and extraordinary General Meetings are convened and conducted in accordance with conditions set by law. Meetings take place on the day and at the time and place indicated on the convening notice.

21.2.5.3. Attendance and representation at Meetings (article 25 of the by-laws)

Any shareholder may participate in the Meetings in person or by proxy on proof of ownership of his/her shares in the form either of registration of registered shares or the deposit of bearer shares the locations identified in the notice convening the Meeting; this formality must be completed no later than five days before the date of the Meeting.

Participation in the ordinary General Meetings is subject to proof of ownership of at least one share.

21.2.5.4. Officers of the Meetings – Attendance register – Agenda (article 27 of the by-laws)

General Meetings of the shareholders are chaired by the President of the Board of directors, the Vice-President or, in their absence, by a director especially delegated for this purpose by the board. Alternatively, the meeting itself shall elect a President, the two shareholders having the greatest shareholdings present at the opening of the meeting, and accepting, shall act as tellers. The secretary is appointed by the officers.

An attendance register is maintained under the conditions stipulated by law.

The agenda for the Meetings is drawn up by the author of the convening notice; however, one or more shareholders meeting the legal conditions can under the conditions stipulated by law require draft resolutions to be included in the agenda.

21.2.5.5. Minutes (article 28 of the by-laws)

The deliberations of the General Meeting are noted in minutes drafted under the conditions prescribed by the applicable regulations; copies or extracts of these minutes are certified according to such regulations.

21.2.5.6. Quorum and majority – Competence (article 29 of the by-laws)

Ordinary and Extraordinary General Meetings taking decisions quorate and under the majority conditions prescribed by the provisions governing them respectively shall exercise the powers that are allotted to them by law.

21.2.6. Provisions having the effect of delaying, deferring or preventing a change of control

Not applicable.

21.2.7. Exceeding the ownership threshold

Aside from the legal and regulatory measures relating to exceeding the ownership threshold, the following measures apply (article 7 of the by-laws):

With a view to identifying bearer shares, the Company has the right, at any time, under the conditions and according to the details foreseen by the legal and regulatory provisions, to ask the central custodian of financial instruments for the name or trade name, nationality, year of birth or year of constitution and address of the holders of securities giving immediate or future voting rights in its shareholder meetings, as well as the number of shares held by each of them and if applicable, the restrictions that may apply to the shares.

After following the above procedure and on the basis of the list provided by the custodian, the Company may ask, either by the intermediary of the central custodian or directly from the persons who appear on this list and who the Company considers could be registered on behalf of a third party, the same information concerning the owners of the shares. The information is provided directly to the financial intermediary authorised to hold the account, who provides it to the Company or to the aforementioned central custodian depending on the situation.

In the case of are registered shares giving access to capital immediately or in the future, the intermediary who is registered on behalf of an owner who is not a resident of France, must reveal under the terms of the law and regulations the identity of the owners of these shares as well as the quantity of shares held by each of them, on request from the Company or its agent, which can be made at any time.

For as long as the Company considers that some shareholders of bearer or registered shares, whose identity has been made known to it, hold shares on behalf of third party shareholders, the Company is entitled to ask these shareholders to reveal the identity of the owners of these shares as well as the quantity of shares held by each of them under the conditions set out above.

Subsequent to this request, the Company may ask any legal entity who owns its shares and has a shareholding of more than 1.5% of its capital or voting rights to reveal the identity of the persons holding directly or indirectly more than one third of the share capital or voting rights of this legal entity that are exercised in its General Meetings.

When the person subject to a request made in accordance with the above provisions has not provided the information thereby requested within the legal and regulatory period or has provided information that is incomplete or incorrect with respect to its quality or to the owners of the shares or to the quantity of shares held by each of them, the shares that give immediate or future access to the capital and for which this person was registered are deprived of voting rights for any meeting of shareholders that takes place until their identification is regularised, and the payment of the corresponding dividend is deferred until this date.

Moreover, in the event that the registered person intentionally ignores the above provisions, the court in whose jurisdiction the Company has its registered office may, on request from the Company or from one or more shareholders holding at least 5% of the capital, decide the total or partial deprivation, for a time period not exceeding five years, of the voting rights attached to the shares that have been subject to the request for information and if need be, for the same period, of the corresponding dividend.

Besides the thresholds foreseen by the legal and regulatory provisions in force, any natural or legal person acting alone or in concert who directly or indirectly holds or ceases to hold a fraction — of the capital, of voting rights or shares giving future access to the capital of the Company — equal to or greater than 1.5% or a multiple of this fraction, must notify the Company by registered letter with acknowledgement of receipt within a fifteen day period from the date this threshold is exceeded, specifying their identity as well as that of the persons acting in concert with them, and the total number of shares, voting rights and shares that give future access to the capital, that they own alone, directly or indirectly or in concert.

Failure to comply with the preceding provisions is penalized by the deprivation of voting rights for shares exceeding the fraction which should have been declared, for any Meeting of the shareholders taking place up to the expiry of a two year period following the regularisation date of the notification specified above, if the application of this penalty is requested by one or more shareholders holding at least 1.5% of the share capital or voting rights of the Company. This request is recorded in the minutes of the General Meeting.

The intermediary who is registered as the shareholder in accordance with the third paragraph of article L. 228-1 of the Commercial Code must make the declarations specified in this article for all shares for which he is registered, without prejudice to the obligations of shareholders.

Failure to comply with this requirement shall be penalized in accordance with article L. 228-3-3 of the Commercial Code.

As at August 4, 2009, the company Franklin Resources Inc. has declared to the Company that it has exceeded the 1.50% threshold and that as at May 31, 2009 it held shares in the capital and voting rights respectively equal to 1.9145% of the Company's share capital and 1.2097% of its voting rights.

21.2.8. Conditions governing changes to the share capital

The share capital can be increased, reduced or amortised in accordance with the laws and regulations in force.

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SIGNIFICANT CONTRACTS

Given its activity, the Group has not signed as at the date of registration of this Registration Document any significant contracts other than contracts signed in its ordinary course of business.

23 INFORMATION COMING FROM THIRD PARTIES, EXPERT DECLARATIONS AND DECLARATIONS OF INTERESTS

Not applicable.

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DOCUMENTS AVAILABLE TO THE PUBLIC

Official statements by the Company and annual reports, in particular including historical financial information on the Company are accessible from the Company's website at the following address: www.vicat.fr and copies can be obtained at the Company's registered office.

The Company's by-laws and the minutes of General Meetings, the Company and consolidated financial statements, auditors' reports and all other company documents can be consulted in hard copy at the Company's registered office.

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INFORMATION ON HOLDINGS

Information concerning companies in which the Group holds a share of the capital likely to have a significant effect on the appreciation of its assets, its financial condition or its results are described in section 7.2. "Information on subsidiaries and holdings" of this Registration Document and in note 34. to the consolidated financial statements of December 31, 2009 appearing in section 20. "Financial information" of this Registration Document.

APPENDIX 1

Dear Shareholders,

In application of the provisions of article L. 225-37, paragraph 6, of the French Commercial Code, I report herein on:

- The composition and the conditions for preparation and organization of the work of your Board of directors during the financial year ended on December 31, 2009;
- the internal audit and risk management procedures established by the Company;
- the policy for remuneration of the Company's officers;
- the scope of powers of the President and of the CEO.

1. PREPARATION AND ORGANIZATION OF WORK OF THE BOARD OF DIRECTORS

Your Board of directors met twice in the last financial year. The dates and the agendas of the board meetings were as follows:

Meeting of February 27, 2009:

- Presentation of the business report;
- Approval of the unconsolidated financial statements for the year ended December 31, 2008;
- Approval of the consolidated financial statements for the year ended December 31, 2008;
- Review of the Board of directors committee reports;
- Approval of the President's report on corporate

governance and internal audit;
- Presentation of the 2009 budget;
- Share buy-back program;
- Delegation of powers as stipulated by the share buy-back program;
- Extension of the Company's duration and related modification of the by-laws;
- Modifications of the by-laws (article 25 of the by-laws);
- Resignation of a Director;
- Renewal of Directors' mandates;
- Appointment of Directors;
- Allocation of earnings;
- Authorization to provide guarantees;
- Confirmation by the Board of directors of its observance of AFEP-MEDEF (French Private Companies Association and French Business Confederation) recommendations relating to remuneration;
- Regulated agreements;
- Convening of the Combined General Meeting and setting of the agenda;
- Sundry items.

All the members of the board attended this meeting, as well as company's auditors and the four delegates from the Works Council.

The resolutions tabled during this meeting were all adopted unanimously.

Meeting of August 3, 2009:

- Economic and social matters,
- Situation of the Group at June 30, 2009, and outlook for 2009,
- Sundry items.

All the members of the board attended this meeting, as well as Wolff et Associés SAS, the incumbent auditor and the four delegates from the Works Council. KPMG was excused.

Each director had been sent with the notice convening the Board meetings, all the documents and information necessary to fulfil his function. The minutes of the Board meetings were drafted at the end of each meeting.

• Composition of the Board of directors:

The Company is managed by a Board of directors composed of at least five and no more than twelve members, appointed by the General Meeting of shareholders for a term of three or six years.

As at December 31, 2009, the Board of directors consisted of 10 members listed in an appendix to this report, which also shows the list of appointments filled by each director in other companies in the Group.

The Board of directors consists of individuals who have industry knowledge, specific knowledge of the Group's businesses, technical experience, and/or experience in management and the financial sector.

As at December 31, 2009, the Board of directors included among its members six independent directors: Mr René Fégueux, Mr Raynald Dreyfus, P&E Management (company owned by Mr Paul Vanfrachem), Mr Jacques Le Mercier, Mr Pierre Breuil and Mr Bruno Salmon. Directors not maintaining any direct or indirect relationship or not having any link of particular interest with the Company, its subsidiaries, its shareholders or its management are regarded as independent directors. Moreover, the Company considers as an independent director, a person who is not bound to the Company or to the Group by an employment contract, a contract for the provision of services or by a situation of subordination or dependency with respect to the Company, the Group, its management or major shareholders or by a family tie with the majority shareholder.

• Committee composition:

The Board of directors has an audit committee and a remuneration committee.

The committees are made up of three members, all independent Directors appointed by the Board of directors on the President's proposal and chosen on the basis of their competencies. Committee members are nominated for the duration of their term as Director. They can be re-elected. The committee members can be removed at any time by the Board of directors, which does not have to justify its decision. A committee member may renounce his/her functions without having to provide reasons for his/her decision.

Each committee is chaired by a chairman appointed by a majority decision of the committee members. The chairman of the committee sees to its proper operation, in particular concerning convening orders, holding of meetings and the provision of information to the Board of directors.

Each committee appoints a secretary from among the three members or from outside the committee and Board of directors.

Since the Board of directors meeting of March 7, 2008, the committee composition is as follows:

Audit committee:

. Mr Raynald Dreyfus, Chairman of the committee;
. Mr René Fégueux;
. Mr Jacques Le Mercier.

Remuneration committee:

. Mr Paul Vanfrachem, Chairman of the committee;
. Mr René Fégueux;
. Mr Raynald Dreyfus.

• Operating details:

Meetings:

Audit committee: twice a year and more often at the request of the Board of directors.

Remuneration committee: once a year and more often at the request of the Board of directors.

The proposals before the committees are adopted by simple majority of the members present, each member having one vote. The members may not be represented by proxies in committee sessions.

The deliberations of the committees are recorded in minutes entered in a special register. Each committee reports to the Board of directors on its work.

The Board of directors may allocate a remuneration or attendance fees to committee members.

• Audit committee role:

Audit committee role:

- examining the annual and half-yearly financial statements, both consolidated and unconsolidated (with particular attention to the consistency and the relevance of the accounting principles used);
- monitoring the process for preparation of the financial information;
- understanding the internal procedures for gathering and verifying the financial information that ensure the accuracy of the consolidated information;
- monitoring the effectiveness of the internal audit and risk management systems;
- examining the applications of the Auditors whose nomination will be put forward to the General Meeting of shareholders;
- examining the fees for the Auditors on an annual basis, as well as their independence.

The audit committee met twice in 2009, with a 100% attendance rate. It looked at the following issues:

Meeting of February 23, 2009:

- General presentation of the Group's development and its environment;
- 2008 business and financial statements;
- Work of the statutory auditors and internal audits;
- Risk management in relation to client solvency, liquidity, exchange rates;
- Sundry items.

Meeting of July 31, 2009:

- Presentation of the results as of the end of June 2009;
- Financial communication of the results;
- Refinancing of the Group;
- Presentation of internal audits;
- Sundry items.

• Remuneration committee role:

The remuneration committee is responsible for:

- examining the remuneration of managers and employees (fixed part, variable part, bonuses, etc.) and in particular their amounts and their distribution;
- studying the share subscription or purchase option plans and in particular as far as the beneficiaries are concerned, the number of options that could be granted to them, as well as the term of the options and the subscription price conditions and any other form of access to the company's share capital in favor of directors and employees;
- studying certain benefits in particular relating to the pension plan, health and welfare benefit plan, invalidity insurance, life insurance, education allowance, civil liability insurance for directors and executive managers of the Group, etc.

The remuneration committee met once in 2009 with a 100% attendance rate. It looked at the following issues:

- Remuneration policy for 2008;
- Examination of the report drawn up by an external consultant on the benchmarks for the remuneration of managers and senior executives;
- Examination of the Company's position in terms of the AFEP-MEDEF recommendations on remuneration.

2. INTERNAL AUDIT AND RISK MANAGEMENT PROCEDURES

• Definition and objectives of internal audit

According to the AMF reference framework, which the Company has chosen to apply, internal audit is a measure used to ensure:

- Compliance with laws and regulations;
- Application of the instructions and directions set by General Management;
- Proper operation of Group internal processes, in particular those combining to protect assets;
- Reliability of financial information.

This measure consists in a set of resources, behaviors, procedures and actions adapted to the Group's characteristics that contribute to controlling its activities, to the effectiveness of its operations and to the efficient use of its resources.

It should also allow the Group to take into account significant risks, whether operational, financial or compliance risks. Nonetheless, like any management control system, it cannot provide an absolute guarantee that these risks have been completely eliminated.

• Application scope

The scope selected for internal audit is the parent company and all the subsidiaries that it controls exclusively or jointly.

• Description of internal audit components

The internal audit process is based on an internal organization that is adapted to each of the Group's activities and is characterized by the extensive senior management responsibility for operational control.

The Group specified procedures and operating principles modes for its subsidiaries, particularly in relation to the development and treatment of accounting and financial information, and taking into account the risks inherent in each of the businesses and markets in which the Group operates, in compliance with the directives and common rules defined by the Group's management.

As far as tools are concerned, the Group steers and monitors the course of its industrial (in particular, supply, production and maintenance), and commercial (sales, shipping and customer credit) activities, and converts this information into accounting information using either integrated software packages recognized as standard on the market, or specific applications developed by the Group's Information Systems department. In this context, the Group undertook a progressive overhaul of the information systems and technical platforms, with a view to standardizing the tools used, developing areas of shared expertise, improving the security of data and transactions and facilitating the integration of new organizations. This overhaul involves the software, technical infrastructure and transaction processes.

The Company has set up a system for transmitting information up to General Management and to the management units concerned, allowing for informed and quick decisions. This system comprises:

- reviews of weekly activity by the management unit (country or subsidiary);
- monthly operational and financial reviews (factory performance, industrial and commercial performance indicators) analyzed by the Group's financial controllers with reference to the budget and to the previous financial year;
- monthly reports presenting the consolidated results broken down by country and sector of activity, and reconciled with the budget;
- monthly consolidated cash flow and indebtedness reports broken down by country and sector of activity;
- regular visits by General Management to all subsidiaries, during which the results and the progress of commercial and industrial operations are presented, allowing them to assess the implementation of directives and to facilitate exchanges and decision-making.

With a view to improving the coherence and consistency of financial reporting, simplifying report production, automating consolidation and facilitating the use of consolidated information, a project to set up an overall system for uniform reporting and budgeting was initiated in 2008, and will be put into operation at the beginning of 2010.

• Risk analysis and management

Risk management is included in the responsibilities of the various levels of operational management. If applicable, the various reports on activities described above include items on risk.

Major risks are then analyzed and, if applicable, managed in conjunction with General Management.

An overview of the main risks that the Group is exposed to is presented every year in Section 4. of the Registration Document published by the company; in particular, this addresses:

- industrial risks including those related to industrial equipment and to product quality defects, and those related to the environment;
- market risks: in particular, exchange rate risks, conversion risks, risks relating to liquidity and to interest rates.

Internal Audit has undertaken a process of risk identification and analysis. After an identification phase involving interviews with the Group's key operational and functional managers, this will make it possible to map the Group's risks at the end of a period of analysis and assessment and review by the General Management.

The Internal Audit department is attached to the Group's General Management and can intervene in all the Group's activities and subsidiaries. It was strengthened in 2009 with the arrival of an experienced new recruit. He is working on the basis of an annual audit plan aimed at covering the main risks identified in the company, in particular those relating to accounting and financial information.

The audits are the subject of reports presented to management, General Management and the Audit Committee. They comprise overviews specifically targeted at Directors, and detailed reports used among other things to make the operational staff concerned aware of any findings and recommendations proposed.

The implementation of action plans is the subject of formal monitoring by the Internal Audit department in a specific performance report.

3. CORPORATE GOVERNANCE

Pursuant to the law of July 3, 2008, which implements community directive 2006/46/EC of June 14, 2006, the Company has decided to apply the AFEP-MEDEF code of corporate governance on "Corporate Governance of Listed Companies" of October 23, 2003, which is available on the website www.medef.fr.

4. REMUNERATION OF THE COMPANY'S OFFICERS

- **Policy on remuneration of the Company's officers sociaux**

The Company's directors have studied the AFEP-MEDEF recommendations of October 6, 2008 relating to the remuneration executive officers of listed companies.

These recommendations comply with principles of good governance to which the Company has always subscribed. Consequently, the Company has decided to apply these recommendations.

The Company's position with respect to the five AFEP-MEDEF recommendations published on October 6, 2008 is as follows:

- measures have been taken such that Company executive officers are not bound to the Company by an employment contract;
- no severance pay is provided for Company executive officers;
- the additional pension plans applicable in the Company that Company executive officers and some non-executive officers enjoy are subject to strict rules. The amount of the additional pension benefits may, in particular, not result in the beneficiaries receiving, under all pension benefits, an amount exceeding 60% of the reference salary;
- the Company has not instituted a share purchase or share subscription policy or a performance share award scheme;
- in accordance with the recommendations on transparency for all items in the remuneration package, the Company will adopt the standardized presentation defined by AFEP and MEDEF and will notably publish this information in its Registration Document.

- **Policy for determining the remuneration of the non-executive directors**

The President of the Board of directors has, in accordance with the recommendations of the MEDEF on corporate governance, monitored compliance with the following principles:

A) Exhaustiveness

The remuneration of non-executive directors was determined and evaluated overall for each of them.

It comprises:

- a fixed remuneration;
- attendance fees;
- a top-up pension plan;
- benefits in kind.

It should be remembered that no director receives a variable remuneration, or share options, or a free share allotment, or severance payments.

B) Benchmarking
The remuneration of the non-executive directors was compared with the remuneration published by French companies and groups in the same sector, and with reference to industrial companies comparable in terms of earnings or sales. This revealed that current the remunerations are lower than average remunerations..

C) Consistency
The consistency of remunerations between the various non-executive directors could be checked on the basis the following criteria:
- professional experience and training;
- seniority;
- level of responsibility.

D) Simplicity and stability of the rules
The absence of variable remuneration and allocation of share options or free allocation of shares allows for simplicity and stability in the rules for setting remunerations.

E) Measurement
The remuneration of the non-executive directors, taking into account the amount and the fact that it is largely of a fixed nature, are compatible with the general interests of the Company and are consistent with market practices in this sector of industry.

- **Policy of allocating share options and free allocations of shares**

The Company has not instituted a share options policy or a free share award scheme.

5. PARTICIPATION OF SHAREHOLDERS IN THE GENERAL MEETING

The participation of shareholders in the General Meeting is not subject to specific details or procedures and is governed by the law and by article 25 of the Company by-laws reproduced below:

ARTICLE 25 — ATTENDANCE AND REPRESENTATION AT MEETINGS

Any shareholder may participate in the Meetings in person or by proxy on proof of ownership of his/her shares in the form either of the registration of registered shares or the deposit of bearer shares at the locations identified in the notice convening the meeting; this formality must be completed no later than three days before the date of the Meeting.

Participation in the Ordinary General Meetings is subject to proof of at least one share.

6. POWERS OF THE PRESIDENT AND OF THE CEO

In accordance with article 21 of the Company by-laws, the Board of directors decided by a decision of March 7, 2008 to opt for a separation of the functions of President of the Board of directors and Chief Executive Officer.

The same Board meeting confirmed Mr Jacques Merceron-Vicat as President of the Board of directors for the remainder of his term of office as director, i.e. until the General Meeting of 2010, which will be called upon to approve the financial statements for the year ending on December 31, 2009.

This Board meeting appointed Mr Guy Sidos as CEO; he will exercise his functions for the duration of the term of office of the President of the Board of directors, i.e. until the General Meeting of 2010, which will be called upon to approve the financial statements for the year ending on December 31, 2009.

No limitation was placed on the powers of the President of the Board of directors or those of the CEO.

EXECUTED in Paris
On February 22, 2010

The President of the Board of directors

LIST OF OFFICES AND FUNCTIONS EXERCISED WITHIN THE GROUP AS AT DECEMBER 31, 2009

(article L. 225-102-1 of the Commercial Code)

Mr. Jacques MERCERON-VICAT	
Vicat	President of the Board of directors
Béton Travaux	President of the Board of directors
SATM	Permanent representative of Béton Travaux, Director
National Cement Company	President of the Board of directors
Aktas	Director
Bastas Baskent Cimento	Director
Konya Cimento	Director
Bastas Hazir Béton	Director
Tamtas	Director
Sococim Industries	Director
Sinaï Cement Company	Permanent representative of Parficim, director
Vicat Egypt for Cement Industry	Director
Mynaral Tas Company LLP	President of the Board of directors
Jambyl Cement Production Company LLP	Member of the Supervisory Board
Vicat Sagar Cement Private Limited	Member of the Supervisory Board
BSA Ciment SA	Director
Mr. Guy SIDOS	
Vicat	Chief Executive Officer, director
Béton Travaux	Chief Executive Officer
Parcifim	President
Papeteries de Vizille	President
National Cement Company	President
Vigier Holding	Chief Executive Officer
Sococim Industries	Director
Bastas Hazir BÉTON	Director, Permanent representative of Parficim, director
Aktas	Director
Konya Cimento	Director
Bastas Baskent Ciment	Director
Tamtas	Director
Sinaï Cement Company	Director
Vicat Egypt for Cement Industry	Vice-President, director
Cementi Centro Sud	Director
BCCA	Permanent representative of Vicat, director
Mynaral Tas Company LLP	Member of the Supervisory Board
Jambyl Cement Production Company LLP	Member of the Supervisory Board
Vicat Sagar Cement Private Limited	Director
BSA Ciment SA	Director
Ravlied Holding AG	Sole director

Mr. Raynald DREYFUS	
Vicat	Director
Mr. René FÉGUEUX	
Vicat	Director
Mr. Jacques LE MERCIER	
Vicat	Director
Mr. Louis MERCERON-VICAT	
Vicat	Director
Béton travaux	Permanent representative of Vicat, director
BCCA	President and Chief Executive Officer
SATM	Permanent representative of Vicat, director
Aktas	Director
Bastas Baskent Cimento	Director
Konya Cimento	Director
Bastas Hazir BÉTON	Director
Tamtas	Director
Sococim Industries	Director
Sinaï Cement Company	Director
Mrs Sophie SIDOS	
Vicat	Director
Mr. Paul VANFRACHEM (P & E Management)	
Vicat	Director
Mr. Pierre Breuil	
Vicat	Director
Mr. Bruno Salmon	
Vicat	Director

APPENDIX 2

STATUTORY AUDITORS' REPORT

PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF VICAT S.A.

Year ended December 31, 2009

To the Shareholders,

As statutory auditors of Vicat S.A., and in accordance with article L. 225-235 of the French Commercial Code, we hereby present our report on the report of the Chairman of your Company prepared in accordance with the terms of article L. 225-37 of the French Commercial Code, for the year ended 31 December 2009.

It is the responsibility of the Chairman to prepare a report, for approval by the Board of directors, on the internal control and risk management procedures in place at the Company, and which also includes the disclosures required under article L. 225-37 of the French Commercial Code which relate in particular to the Company's system of corporate governance.

It is our responsibility:

- to inform you of our observations concerning the information contained in the Chairman's report with respect to the internal control procedures for the preparation and processing of financial and accounting information,

  and

- to certify that the Chairman's report includes the disclosures required under article L. 225-37 of the French Commercial Code, without our having any responsibility for the verification of the fair presentation of such disclosures.

We have performed our work in accordance with professional guidelines applicable in France.

Disclosures in respect of internal control procedures for the preparation and processing of financial and accounting information

Professional guidelines require us to perform procedures to assess the fairness of information contained in the Chairman's report with respect to internal control procedures for the preparation and processing of financial and accounting information. These procedures included:

- obtaining an understanding of the internal control procedures for the preparation and processing of financial and accounting information underlying the information presented in the Chairman's report, and the available documentation;

- reviewing the preparation and documentation of the information contained in the report;

- considering whether any significant deficiencies in internal control procedures for the preparation and processing of financial and accounting information which we may have identified during our audit have been satisfactorily disclosed in the Chairman's report.

On the basis of the work carried out, we have no matters to report as to the information with respect to the internal control and risk management procedures of the Company for the preparation and processing of financial and accounting information, as presented in the report of the Chairman of the Board of directors, prepared in accordance with article L. 225 37 of the French Commercial Code.

Other disclosures

We certify that the report of the Chairman of the Board of directors includes the other disclosures required under article L. 225-37 of the French Commercial Code.

Paris La Défense, March 5, 2010
KPMG Audit
A division of KPMG SA
Jean-Marc Decléty
Partner

Chamalières, March 5, 2010
Wolff & Associés S.A.S.
Grégory Wolff
Partner

APPENDIX 3

ANNUAL INFORMATION

(ARTICLE 222-7 OF THE GENERAL REGULATIONS OF THE AMF)

LIST OF INFORMATION PUBLISHED OR MADE PUBLIC DURING THE LAST TWELVE MONTHS AND CONNECTED TO THE LISTING OF THE SHARES ON EURONEXT PARIS

1. References

Date	Title
04/09/2009	2008 Registration Document—filed with the AMF April 9 2009—No. R.09-015

Documents available in electronic form on the websites of the AMF (www.amf-france.org) and of the Company (www.vicat.fr) and free of charge as a printout on paper on request sent to the registered office of the Company.

2. Communiqués published and available on the website of the AMF (www.amf-france.org) and/or the website of the Company (www.vicat.fr)

Date	Title
03/09/2010	2009 results
01/28/2010	Sales as of 31 December 2009
01/18/2010	2009 annual sales conference call invitation
01/11/2010	Timetable for financial communication for 2010
01/04/2010	Suspension and implementation of the Vicat liquidity agreement
11/03/2009	Sales as of 30 September 2009
10/16/2009	Withdrawal of the liquidity agreement
10/06/2009	Commissioning of the new kiln at the Rufisque factory in Senegal
08/04/2009	Results for the 1st half of 2009
07/27/2009	2009 half-year sales conference call invitation
07/21/2009	Half-yearly balance sheet of the liquidity agreement
05/05/2009	Sales as of 31 March 2009
04/20/2009	2008 registration document available
03/27/2009	Les Papeteries de Vizille are granted PEFC certification
03/27/2009	An exclusive innovation for Vicat: the “off-the-peg” cement bag
03/02/2009	2008 results

3. Communiqués available on the website of the AMF (www.amf-france.org) and/or the website of the Company (www.vicat.fr)

Not applicable

4. Press Releases

Date		Title
03/11/2010	Le Figaro	2009 results
03/10/2010	Les Échos	2009 results
08/08/2009	Investir	2009 1st half results
08/06/2009	Le Figaro	2009 1st half results
08/05/2009	Les Échos	2009 1st half results
05/23/2009	Investir	Notice of the Combined General Meeting, 15 May 2009
05/19/2009	Les Échos	Notice of the Combined General Meeting, 15 May 2009
04/25/2009	Investir	Notice of the Combined General Meeting, 15 May 2009
04/24/2009	Le Figaro	Notice of the Combined General Meeting, 15 May 2009
04/24/2009	Les Échos	Notice of the Combined General Meeting, 15 May 2009
03/07/2009	Investir	Annual results , 2008
03/03/2009	Le Figaro	Annual results , 2008
03/03/2009	Les Échos	Annual results , 2008

5. Declaration of the managers' operations on the Company's shares available on the site of the AMF (www.amf-france.org) and/or on the Company's website (www.vicat.fr)

Published online on the website of the AMF on the following dates: 22 January 2010; 28, 21, 18, 3 December 2009; 24 November 2009;28 October 2009; 27, 23 April 2009; 9 March 2009.

6. Declarations of the transactions on the Company's shares available on the website of the AMF (www.amf-france.org) and/or on the Company's website (www.vicat.fr)

Published online on the website of the AMF on the following dates: 3 March 2010; 5 February 2010; 6 January 2010; 8 December 2009; 4 November 2009; 5 October 2009; 9 September 2009; 3 August 2009; 2 July 2009; 4 June 2009; 7 May 2009; 2 April 2009; 4 March 2009; 6 February 2009.

7. Information published in the Bulletin des annonces légales obligatoires (BALO) available on the following Internet site: www.journal-officiel.gouv.fr

Date	Type of information
06/24/2009	Approval of the accounts for 2008
05/29/2009	Voting rights in the Combined General Meeting of May 15, 2009
04/03/2009	Notice of the Combined General Meeting of May 15, 2009

8. Information submitted to the Registry of the Commercial Court of Nanterre, available from the Registry of the Commercial Court of Nanterre and indexed on www.infogreffe.fr

Company: Vicat, identified in the RCS of Nanterre by the number 057 505 539.

Date of the act	Type of information
06/11/2009	Submisison of the 2008 unconsolidated and consolidated accounts
05/15/2009	Minutes of the Combined General Meeting: co-optation of two directors, and change in by-laws

APPENDIX 4

ELEMENTS CONSTITUTING THE ANNUAL FINANCIAL REPORT 2009

To facilitate its consultation, the following table of concordence identifies the main information that must appear in the financial report.

Headings in the annual financial report	Section
Attestation of the person responsible	Section 1.
Financial statements	Section 20.3.
Statutory auditors' report on the financial statements	Section 20.3.4.
Consolidated financial statements	Section 20.2.
Statutory auditors' report on the consolidated financial statements	Section 20.2.3.
Management report:	
• Analysis of business, financial situation and results	Sections 9. et 10.
• Description of the main risks and uncertainties	Section 4.
• Information on questions related to the environment	Section 8.2.
• Information on employment-related questions	Section 17.
• Information on the share purchase programs	Section 21.1.3.
• Company Shareholding	Section 21.1.
• Employee holdings in the company's shares	Section 20.3.3.
• Information on exceeding of thresholds and distribution of share capital	Section 18.
Statutory auditors' fees	Section 20.4.
Report from the President of the Board on the preparation and organization of work of the Board and the internal control procedures set up by the Company	Appendix 1.
Report of the statutory auditors on the President of the Board's report	Appendix 2.
List of all information published by the Company or made public during the last 12 months	Appendix 3.

GLOSSARY

Additive	Chemical incorporated in low doses (less than 5% of the mass of cement) in concrete or mortar in order to modify some of its properties. It is incorporated either before or during mixing, or during an additional mixing operation.
Aggregate	Component of the concrete. Grouping of mineral grains that one indicates, according to their dimension which is between 0 and 125 mm (the dimension is the length on the side of the square mesh of the sieve through which the grain can pass): fillers, fine sands, sands or fine gravels. There are natural aggregates resulting from movable or massive rocks when they do not undergo any treatment other than mechanical and artificial aggregates when they come from the thermal or mechanical transformation from rocks or ores. Natural aggregates can be rolled, of round form of alluvial origin or be crushed, of angular form resulting from quarry rocks. The nature of the links between the aggregates and the cement paste strongly influences the strength of the concrete.
Auto-levelling or auto-levellable	This means fluid mortars or concretes which, without being really self-smoothing, are extended by simple passage of a hawk or mason's rule to give a very plane surface.
Auto-smoothing	Qualifies the coatings of finishing or smoothing of the grounds, characteristics of which are that they can be distributed easily, in a smoothing machine (some even with a brush), before they tighten and themselves correct, by creep, inequalities left by the spreading-out tool.
Bag filter	Used to vacuum-clean gases, the bag filter consists of several hundreds of fabric sleeves placed in several rooms laid out in parallel. At their crossings, the gases give up their dust in the pockets which are emptied periodically and alternatively by mechanical striking or blowing air against the flow.
Bagging machine	Automated bagging system. In a cement factory, its capacity can reach 5,000 bags/hour. The rotating assembly is provided with nozzles (8 to 16) and is fed with empty bags by arms or by projection from one or two peripheral stations. The central silo feeds the nozzles assembled on the weighing rockers. The automatic extraction is carried out during rotation; the bags are recovered by belt which feeds the palletisation device.
Ball mill	Consists of a grinding tube rotating about a horizontal axis. Rotation drives the balls which fall on the material which crosses the cylinder causing its grinding more and more finely thus. The interior wall of the cylinder is protected from wear by shielding.
BHP	Abbreviation for "high performance concrete" in French. This concrete—rendered particularly compact by its formulation, therefore of low porosity—has a mechanical strength (from 60 to 120 MPa) and durability much higher than those of the current concretes.
Binder	Material having the property to pass - under certain conditions (in the presence of mixing water for the hydraulic binders)—from the plastic state to a solid state; it is thus used to assemble between them inert materials. Component of the concrete which, following the setting process, ensures consistency of the aggregates.
Burner	Combustion device placed in the axis of the revolving kiln supplied with fuel, coal, gases or alternative fuels burners can burn several types of fuels simultaneously. Flows can reach 15 to 20 tonnes/hour in the largest kilns. Air blown into the burner under pressure ensures the start of the formation and the modelling of the flame (air termed "primary"). The remaining air for combustion comes from recovering the hot air obtained during cooling of the clinker.
Calcination	Conversion of a limestone into lime by firing at high temperature.

Calorie	Thermal energy measuring unit: a calorie is the quantity of energy necessary to increase the temperature of one gram of water by 1°C. Currently, the official unit of the International System is the joule (J): one joule = 0.239 cal. The watt-hour is also used in practice (Wh: 1 Wh = 3,600 J) and the kilowatt-hour (1 kWh = 860,000 cal = 3.6×106 J); more rarely, megacal (HT), or megacalorie (1 th = one million cal).
Carbonation	Chemical reaction of combination of free lime of the concrete with the carbon dioxide of the air.
CEM	This designation characterises cement in conformity with the European standard IN 197-1. CEM cements consist of various materials and are of statistically homogeneous composition.
CEM I (formerly CPA-CEM I)	This designation according to the standard NF IN 197-1 characterises the type of cement "Portland cement", i.e. cement consisting of at least 95% clinker.
CEM II (formerly CPJ-CEM II)	This designation according to the standard NF IN 197-1 characterises cements of which the most common are "composite Portland cement" (the letter "M" then supplements the designation of the cement), "Portland cement with Limestone" (the letter "L" supplements the designation of cement then), "Portland cement with Slag" (the letter "S" then supplements the designation of cement) or "Portland cement with silica fume" (the letter "V" then supplements the designation of the cement). A CEM II cement has a clinker content: • either from 80 to 94%; this cement is then designated "CEM II/A"; • or from 65 to 79%; this cement is then designated "CEM II /B".
CEM III (formerly CHF-CEM III)	This designation according to the standard NF IN 197-1 characterises the type of cement "Blast furnace cement" made up of clinker and blast furnace slag, in the following alternative proportions: • 35 to 64% clinker and 36 to 65% slag; this cement is then designated CEM III/A; • 20 to 34% clinker and 66 to 80% slag; this cement is then designated CEM III/B; • 5 to 19% clinker and 81 to 95% slag; this cement is then designated CEM III/C.
CEM IV (formerly CPZ-CEM IV)	Designates "pozzolanic cement" which is not marketed in France.
CEM V (formerly CLC-CEM V)	Designates "Composite cement" little used in France.
Cement	Hydraulic binder, i.e. a fine powder which, mixed with water, forms a paste which sets and then hardens following reactions with the water. After hardening, this paste preserves its strength and its stability even under water.
Certification	Informative identification of the specific characteristics and recognised qualities of a product, established after tests by an approved organisation by the administrative authorities; certification commits the manufacturer to follow-up and permanent checks for compliance of the product with the certification endorsements.
Clay	Compact and impermeable sediment, becoming plastic, malleable and more or less thixotropic in the presence of water. According to its smoothness, it shows variable physicochemical characteristics. With its composition based on silico-aluminates, clay is present in the raw materials for manufacturing cements and hydraulic lime (30 to 40%). It is present in more or less great quantity in the marls. Clays are generally rich in impurities (mica, quartz, granite). Refer to: marl.
Clinker	Basic component of cement, composed of four major biogenic salts: limestone, silica, alumina and iron oxide. It is obtained by firing at a high temperature in a cement kiln.

Clinkerisation	Conversion of raw materials (limestone, silica, alumina and iron oxide) into clinker, taking place at a temperature of 1,450°C.
Coal	Fuel of vegetable origin, transformed over millennia into more or less pure carbon, by carbonisation. Despite the competition of oil, gas and electricity, coal remains an important fuel, especially in industry, the power stations and the boiler rooms of multiple occupancy housing and major units. Coals are classified according to their oxygen and water content (anthracites, thin and ¼ fats, semi-fat, fatty, blazing, lignites) and their dimension (braisette, nut, brick, large, etc).
Coating	Surface coating (approximately 2 cm for traditional coatings) made up of a cement mortar and/or hydraulic lime, intended to cover a wall, in order to homogenise its surface and to waterproof it. There are traditional coatings (which require three layers), double-layered ones, finally single layer ones (based on industrial mortars and applied in two passes).
Composite Portland cement	Cement containing clinker, a setting regulator and a proportion of fly ash, limestone or slag.
Concrete	Building material formed by a mixture of cement, aggregates and of water, possibly supplemented by additives and additions. This mixture, which is created on the building site or in factory at the plastic state, can adopt very diverse forms because it is castable; it hardens gradually to form a monolith finally. According to its formulation, its use and its surface treatment, its performances and its appearance can vary considerably.
Concrete accelerator	Mortar or concrete additive introduced into mixing water in order to decrease the setting time by accelerating the hydration of the cement.
Concrete batching plant	Fixed equipment for industrial production of ready-mixed concrete.
Concrete mixer	Machine used to manufacture concrete on a building site. It includes a tank, turning on a horizontal or slightly inclined axis, where the components of the concrete are mixed. The mixture thus obtained is then poured into the formwork.
Conditioning tower	Tower laid out at the exit of the fume from the pre-heating tower in order to cool it and humidify it in order to optimise the output of the electrostatic precipitator located downstream. Refer to: electrostatic precipitator.
Constituents of cement	Grouping of materials defined by the standard NF P 15-301 entering into the composition of cement in a proportion varying according to the type of cement. The various components are Portland clinker, granulated blast furnace slag, natural pozzolanas, fly ash, calcined schists, limestones, silica fume.
Cooler	Apparatus located at exit of a clinker kiln intended to cool clinker at 1,400°C to ambient temperature. Coolers with small balloons consist of cylinders provided with chains, joined outside in periphery of the ring of the rotary kiln. The clinker is cooled during its crossing of the cylinders by the air aspired by the kiln for combustion. The grid coolers and perforated plates are more widespread; they consist of a series of mobile rows of plates which pushes the clinker towards the output end (layout as a bed of material from 60 to 90 cm in thickness). Air blown upwards through the plates provides cooling: at the output from the clinker bed, some of the hottest air goes up in the kiln to feed combustion, excess air rises at the back of the apparatus.
Crushed aggregate	Aggregate resulting from crushing rocks.
Crusher	Crushing machine, used especially in a quarry. Crushers can be: • with jaws (with reciprocating motion, nut-cracker principle); • with hammers, for more tender materials; • gyratory, by crushing between reversed vertical cones (fine gravels).
Crushing	Fractioning rocks into small pieces by crushing or hammering.

Decarbonation	Reaction releasing CO2 contained in raw limestone materials under the action of heat (850 to 950°C). The remaining lime (CaO) then combines with silicates and aluminates to form the clinker. This reaction absorbs much heat, it constitutes the principal item in the heat consumption of the kiln.
Dolomite	Carbonated sedimentary rock, containing at least 50% of carbonate, of which much is in the form of dolomite. Dolomite: carbonated mineral, dolomite crystal, which can be white (when it is pure).
Electrostatic filter	Electrostatic filter, very widespread in cement works for extracting dust from the kiln gases or the mill chimney. Suspended particles in gases, negatively charged by wire under tension between the plates, are attracted by the plates because of the very strong potential difference applied (50 to 100 kilovolts). The layer of dust collected is collected by striking on the receiving plates. After crossing several rooms, the gases are vacuum-cleaned with an efficiency capable of reaching a few milligrams of dust per cubic meter. The gases must be conditioned beforehand in a conditioning tower. See conditioning tower.
Exhauster	Device for sucking gases or fume out of an appliance under vacuum. Exhausters are used in particular to aspire fume from the clinker kilns or the mill ventilation air. Vacua can reach 1,000 mm of water column.
Energy valorisation	Introduction into the production process of by-products, waste or fuels a priori useless in order to use the calorific content for the production of heat. These products will replace in whole or in part primary fuels such as coal, fuel or gas. Their use makes it possible to save primary energy resources in energy, to avoid their polluting destruction and their discharge into the natural environment. For example, in a cement works, tires or waste solvents are fuels for the kiln.
Fine gravel	Aggregate of diameter ranging between 1 and 31.5 mm.
Fines	(a) Set of grains (size range 0/63 µm) passing the 63 µm sieve whatever the component to which it belongs (sands, cement, additions, fillers). (b) The finest particles of the material. Used to designate fine material flow at the output from the separators (as opposed to hulled grains or refusal). Refer to: separator.
Fly ash	By-product of the combustion of coal in power stations, used as a source of silica and alumina in the manufacture of clinker, or to replace part of this in the manufacture of composite Portland cement.
Formulation	Operation consisting of defining proportioning—by weight rather than by volume—various components of a concrete, in order to satisfy the requirements of desired strength and aspect.
Fresh concrete	Concrete in the phase which follows mixing and precedes setting, i.e. in a plastic state which allows its transport and its installation. The workability of a concrete is assessed during this phase of its manufacture, by subjecting a sample to a slump test on the Abrams cone.
Fuel	Solid, liquid or gaseous matter which, in the presence of oxygen in air, burns with a strong release of heat, usable for heating. See calorific value.
Fuel valorisation	Introduction into the production process of by-products, waste or fuels a priori useless in order to use the calorific content for the production of heat. These products will replace in whole or in part primary fuels such as coal, fuel or gas. Their use makes it possible to save primary energy resources in energy, to avoid their polluting destruction and their discharge into the natural environment. For example, in a cement factory, tires or waste solvents are fuels for the kiln.

Granulometry	(a) Measurement of the granularity of an aggregate, i.e. spreading out of the particle sizes which it contains, by passage of this one through a series of sieve with square meshes whose dimensions are standardised. (b) Granulometry or granulometric analysis : this is the measurement of the proportion of the various granular sizes of the grains of a powder of a sand or aggregates.
Grinding	Second major stage of cement manufacture, which consists of crushing and reducing to powder clinker with the other components of cement.
Grinding	Reduction to powder or very fine pieces. Grinding can be by grinding (minerals), by rubbing (dyes, cement) or by crumbling (refuse). In a cement factory, the grinding shops very generally consist of a grinding device, a separator which makes it possible to turn over to the mill too large materials and a ventilation and dust extraction system.
Grinding agent	Called more familiarly "assistance with grinding". These are products intended to facilitate the grinding process to the extent of a few hundred grams per tonne of produced cement.
Gypsum	Natural calcium sulphate or by-product resulting from industries manufacturing phosphoric acid or citric acid. It is added to cement as a setting regulator.
Handiness	State defining the capability of a mortar or a concrete to be transported, handled and used ; it is characterised by the consistency and the plasticity of material. Refer to : workability.
Hardening	Stage in the changing of mortars and concretes : after setting, the material passes from the plastic state to a solid state and acquires its strength.
Heat consumption	Expression of the measurement of the calorific exchanges between a closed medium and outside. More specifically for cement kilns, the heat consumption evaluates the heat contributions and compares them with the needs related to the physicochemical conversions and thermal losses.
Homogenisation	Operation practiced in cement works to obtain a homogeneous mixture of the components of the raw meal before firing. It can be carried out discontinuously by batch or uninterrupted. Mechanical and/or pneumatic mixing means can be used.
Hopper	Storage device at the height of materials in bulk (sands, aggregates, cement, etc.) made from steel or concrete, truncated in the lower part, a hopper terminate in a device for feeding materials by gravity.
Hydration (of cements)	Chemical phenomenon by which cement fixes mixing water and triggers the processes of setting and then hardening. This reaction is accompanied by a more or less large release of heat according to the type of cement.
Kiln shell	Name given to the cylinder of the revolving kiln.
Lime	Binder obtained by more or less siliceous limestone calcination. There are air limes, which harden under the action of carbon dioxide in the air, and hydraulic limes, which set by mixing with water.
Limestone	Sedimentary rock containing primarily calcium carbonate ($CaCO_3$). Calcite is the most stable and most frequent crystalline form. Dolomites constitute a distinct class : they are mixed carbonates (calcium and magnesium). Limestone is one of the basic components of clinker ; it contributes the lime necessary to the formation of silicates and aluminates. The magnesia content of limestones used must remain limited to a few per cent in order to avoid on firing the formation of non-combined magnesia likely to cause concrete expansion in the short or the long term.

Marl	Mix of clay and limestone in the natural state in various proportions. If the limestone rate is lower than 10%, the marl is known as argillaceous. For higher rates the marl is described as marly limestone. It is generally characterised by its carbonate content (lime and magnesia in a lesser proportion). It is one of the raw materials essential for the manufacture of cement; it brings the argillaceous fraction rich in iron and aluminosilicates. Refer to: content of carbonates.
Megapascal (mPa)	Unit of pressure measurement used to evaluate the mechanical strength of mortars and concretes. 1 megapascal = 1 newton/mm2 (formerly 10 bars).
Mill	Grinding appliance. In a cement factory it can be either with balls, or with rollers, or with rolls.
Mixer	Apparatus used to mix the components of the concrete. Two types according to the part which is moving: • concrete-mixer: the tank turns along a horizontal or slightly tilted axis (gravity is the principal force acting on the mixture); • mixer: comprises a tank (or trough) and animated pallets of relative movements.
Mixing	Action of mixing the components of the concrete until a homogeneous mixture is obtained.
Mixer truck	Truck equipped with a tilted rotary tank in which the freshly-mixed concrete is kept in motion during its transport to the building site.
Mortar	Mix of cement, sand and water, possibly supplemented by additives and additions. It is distinguished from concrete by its absence of fine gravels. Prepared on the building site—starting from predosed dry industrial mortar or by proportioning and mixing all the components—or delivered on site from a concrete mixing and batching station, mortars are used for producing joints, coatings, screeds and for various sealing, recovery and stopping works.
PCI	Abbreviation of “Lower Calorific Value” in French: quantity of heat released by the complete combustion of 1 kg of fuel, water coming from combustion being in the vapor state. It results from the GCV of fuel by subtraction of the heat absorbed by the vaporisation of this water. For most fuels, PCS (in kcal/kg) = PCI - 5,400*%H where H represents the hydrogen content of the fuel. Example: heavy fuel PCS = PCI - 200 in kcal/kg. The PCI is evaluated in kilocalories per kilogram (or megacals per tonne) and also in kilojoules/kilogram.
PCS	Abbreviation of “Higher Calorific value” in French: quantity of heat released by the complete combustion of 1 kg of fuel, water coming from combustion being condensed. It is measured experimentally by the combustion of a given quantity in a calorimetric bomb (almost adiabatic). The PCS is evaluated in kilogram calories per kilogram (or megacals per tonne) and also in kilojoules/kilogram. Example: PCS = 9,800 kcal/kg or 41,018 kilojoules/kg.
Portland cement	Basic cement, manufactured containing clinker and a setting regulator.
Pozzolana	Product of volcanic origin composed of silica, alumina and iron oxide which, in the form of fine powder is suitable for combining with lime to form stable compounds having hydraulic properties (hardening under water). By extension indicates natural or artificial materials having the same property. Pozzolanas are components of certain types of cements.
Precalcination	System capable of starting combustion before entry into the kiln and thus reducing the quantity of energy necessary in the kiln.

Precalcinator	Combustion chamber laid out in the base of the pre-heating tower, fed with fuels of all types and hot air for combustion (750 to 900°C) coming from the cooling clinker. The precalcinator can contribute up to 55% of the heat necessary for satisfactory running of the kiln. Refer to: preheater.
Prefabrication	Production of construction components away from their final site, in a factory or on a site near the work. Many concrete components can be prefabricated—posts, beams, panels carrying or envelope panels exterior wall, boardings as well as standardised elements blocks, beams, flags, honeycomb flags, tiles and finally parts of roadway systems, drainage systems or urban furniture.
Prehomogenisation	Operation practiced in cement factory to obtain a premixing of the raw materials broken up before grinding. It can be carried out discontinuously by batch (constitution of a heap during a few days whereas second is in recovery) or uninterrupted in circular halls (simultaneous eccentric rotation and unloading on the heap and of the recovery).
Proportioning	Quantity of the various components of the concrete (in kg/m^3). Example: proportioned concrete with 350 kg/m^3.
Pumping	Process of routing the concrete, forced from a feed hopper to the pouring site, through tubes. It makes it possible to traverse horizontal distances which may reach 400 m (even 1.5 km) and vertical distances from 100 m (even 300 m).
Raw material	Name given to the raw material dosed before entry into the cement kiln.
Raw Meal	Name given to the raw material from the raw mill after grinding (the size of the grains corresponds to that of a baker's flour).
Ready-mixed concrete	Concrete manufactured in an installation away from the construction site or on the construction site, mixed in a fixed mixer, delivered by the producer to the user, in a fresh condition and ready for use.
Refractory (concrete)	Concrete which can resist very high temperatures (up to 1,800°C). Its formulation calls for refractory cements and aggregates. It is used for example to make the inside walls of kilns or chimneys.
Reinforced (concrete)	Concrete in which steel reinforcements - wire, rounds, bars, welded lattices, etc., judiciously laid out, absorb the tractive forces.
Retarder	Additive. Introduced into mixing water, it increases the start and end times for setting of cement in a concrete, a mortar or a purée.
Rolled aggregate	Aggregate of alluvial origin made up of grains of round form.
Roller mill or vertical mill	An assembly of 2, 4 or 8 rollers (grinding stones) with floating suspension strongly supported by jacks, on a circular plate in rotation. The material to be crushed is deposited on the plate. Under the effect of the centrifugal force the material passes under the rollers where it is crushed. Driven by a strong air current, it supplies a separator which turns over on the table the largest particles. Refer to: separator.
Sand	Aggregate 0/D of diameter <6.3 mm.
Screed	Cement mortar construction, poured in low thickness (3 to 5 cm) on a concrete floor in order to ensure its flatness.
Self-laying (concrete) (BAP)	Concrete which does not need vibration to be set up, because of its great workability. It is also named auto-compacting, or auto-levelling concrete (BAN).
Separator	In a cement works, apparatus laid out in the crushing shops to sort the material at the output from the mill into fine and large particles. Large particles are returned to the mill to be refined. Fines constitute the production. An adjusting device makes it possible to vary the cut of separation in the size of the grains. Refer to: fines.

Setting	Start of the development of the strength of the concrete, mortar or the cement paste. It is characterised by the setting test (NF P 15-431, NF IN 196-3).
Setting regulator	Component of cement intended to slow down the hydration reactions. It is most frequently gypsum and calcium sulphate.
Setting time (measurement)	The setting time for cements is determined by observing the penetration of a needle into a cement paste of standardised consistency ("normal paste) and this up to a specified depth (NF IN 196-3). The device known as "Vicat apparatus" makes it possible to increase the time which separates the beginning from the setting in contact of water and cement and the beginning of the catch (depression of the Vicat needle until 4 mm of the bottom) as well as the end of catch (depression quasi no one). Refer to: water demand.
Shrinkage	Contraction of the concrete, due to hydraulic phenomena—evaporation or absorption of mixing water before and during setting—and/or thermic—because of cooling after the rise in temperature which accompanies hydration of cement, or in climatic variations.
Silica fume	Silica fume is a by-product of the industry of silicon and its alloys. It is obtained by condensation of SiO gas or by oxidation of Si metal on the surface of the electrometallurgy furnaces whose fume is collected and filtered. These microsilices are generally densified in order to facilitate storage and handling operations. Silica fume appears as spherical elementary amorphous silica balls (SiO_2) whose diameter varies between 0.1 and 0.5 micron. Their silica content varies from 70 to 98% according to the manufacturing unit and the alloy produced. In concretes, silica fume acts according to two mechanisms: • by a granular effect related to the form and the extreme smoothness of the powder; • by pozzolanic reaction due to the high amorphous silica content.
Silo	High capacity tank, generally cylindrical intended for dry materials (sands, cements, etc.). Steel or concrete, loaded from above and unloaded from below, it is equipped with various types of extraction device. Refer to: hopper.
Slag	By-product of the manufacture of cast iron from metallurgical industry blast furnaces. It has hydraulic characteristics similar to that of clinker, and enters for this reason the composition of certain cements (metallurgical cements).
Standard	Document which specifies a set of technical or different specifications, drafted in collaboration with the parties concerned (representatives of the manufacturers, users, consumers, authorities, and specialist organisations such as the CSTB). They are made compulsory only by ministerial decrees. There are various types: test, performance, safety and terminology standards. An ISO standard is a standard drafted and/or adopted by the International Standardisation Organisation. An EN standard is a standard adopted by the European Committee for Standardisation. A referenced standard NF IN ISO + No. completely reproduces the European standard, which itself reproduces the international standard with the same number.
Stone	Aggregate of diameter ranging between 20 and 125 mm.
Strength of a concrete	All the behavioural characteristics under the stresses of compression, traction and flexing. In France, it is conventionally checked for concrete works twenty-eight days after their installation. In the United States, this time is fifty six days.
Thermy (Th)	Unit of quantity of heat. 1 thermy = 1,000 kilocalories = 1,000,000 calories. This unit is replaced by the unit of energy the joule: 1thermy = 4,1855 megajoules (4,185,500 joules). The specific consumption of the cement kiln is evaluated: • either in thermies per tonne of clinker (former units); • or in gigajoules per tonne of clinker (new units). Example: a kiln consumes 850 thermies per tonne of clinker is the equivalent of 3,558 megajoules per produced tonne.

Type of cement	Element of a classification standardised according to the nature of the components of cement. There are five types: Portland cement, composite Portland cement, blast furnace, pozzolanic, with slag and ash. The marking of a cement bag also specifies its strength class.
Vibration	Operation of tamping the freshly-mixed concrete after its installation, in order to improve its compactness. Vibration can be internal or external to the concrete.
Workability	Property characterising the more or less great ease of installing a concrete or a mortar. Workability is related to plasticity and fluidity. It varies according to the nature of the work and the conditions of installation. It is evaluated by measurements of spreading out or depression. Synonym: handiness.
X-ray fluorescence (analyses by)	An X-ray beam output by a powerful tube makes it possible to excite the elements constituting the sample. By X-ray fluorescence, the excited atoms re-emit characteristic wavelengths; the measurement of their intensity makes it possible to obtain the concentration from it. This technique is used to determine the chemical composition of cements or raw materials. At the time of the analysis being held in a few minutes only, the samples in the form of compacted powder (or diluted in a glass bead) are subjected to the X-ray beam. It allows a rapid and very precise check of the various stages of the manufacture of the cement.

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