

## Sales for the third quarter 2010



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- ▼ This presentation may contain forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets
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- ▼ Further information about Vicat is available from its website ([www.vicat.fr](http://www.vicat.fr))

## Third quarter 2010 outstanding points

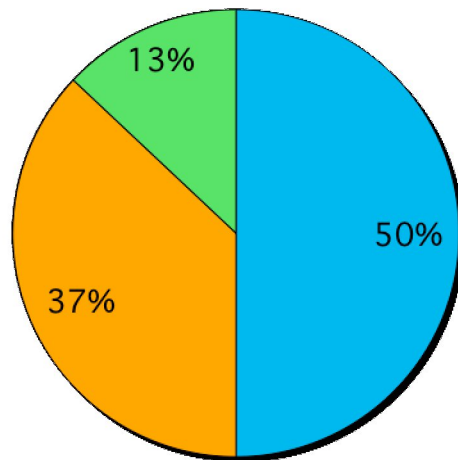
- ▼ **Sales: solid performance**
  - ▼ **Consolidated sales at €1,528 million, up +5.9% or +0.5% at constant scope and exchange rates for the nine months 2010**
  
- ▼ **Signs of recovery in volumes confirmed in the third quarter of 2010**
  
- ▼ **Profitability levels expected to improve in the second half relative to the first half of 2010**
  
- ▼ **Very solid financial position and continuing very healthy balance sheet after the acquisition of Bharathi Cement in India on May 1<sup>st</sup> 2010**



# Breakdown of consolidated sales by business

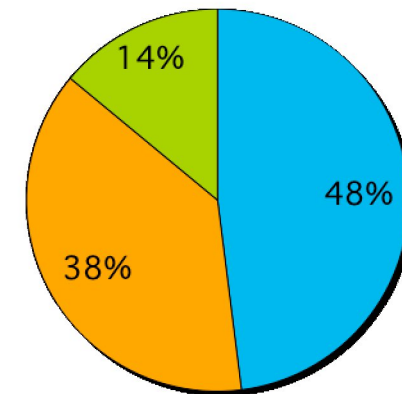
Contribution by business:

09/30/2010



Contribution by business:

09/30/2009



▼ Consolidated sales (% at constant scope and exchange rate)

- ▼ Cement: €784 million, up 1.6%
- ▼ Concrete & Aggregates: €544 million, up 0.1%
- ▼ Other Products and Services: €200 million, down 2.4%

# Geographical breakdown of sales

## France

<i>(millions of euros)</i>	09/30/2010	09/30/2009	Variation (%)	
			Published	At constant scope
Consolidated sales	635	641	-0.9%	-0.9%

- ▼ Performance in Q3 confirms the gradual recovery observed since Q2
  - ▼ Sales up 4.9% in Q3
  
- ▼ Cement
  - ▼ Sales fell by 1.2%
    - ▼ 4.1% increase in volumes
    - ▼ Slight selling prices decrease, mainly due to unfavorable mix and competitive pressure in Q1
  - ▼ Q3 confirmed return to volumes growth seen in Q2
  
- ▼ Concrete & Aggregates
  - ▼ Stable sales, with return to volumes growth within the first nine months
  - ▼ Sales recovery: up 4.0% in Q3 (vs. down 9.0% in Q1 and up 3.4% in Q2)

# Geographical breakdown of sales

## Europe (ex France)

<i>(millions of euros)</i>	09/30/2010	09/30/2009	Variation (%)	
			Published	At constant scope and exchange rates
Consolidated sales	239	225	+6.5%	-3.3%

- ▼ **Switzerland:** sales rose by 3.2% despite winter conditions in Q1
  - ▼ Cement: sales strong increase of 15.9%
    - ▼ Continuing dynamism of the local market over the first nine months of 2010
    - ▼ Selling prices down slightly because of a more unfavourable geographical mix
    - ▼ Less dynamic Q3 with sales up 4.8%
  - ▼ Concrete & Aggregates: sales down by 1.5%
    - ▼ Decline in volumes of both Concrete and Aggregates
    - ▼ In Q3, Aggregates selling prices rose sharply and Concrete prices dropped further
  - ▼ Precast: consolidated sales down by 1.9% mainly due to unfavourable product mix and slight decline in volume in Q3
  
- ▼ **Italy:** sales fell by 48%
  - ▼ Sharp decline in volumes due to the macro-economic environment, trend confirmed in Q3
  - ▼ Vicat Group focused on maintaining its margins

# Geographical breakdown of sales United States

<i>(millions of euros)</i>	09/30/2010	09/30/2009	Variation (%)	
			Published	At constant scope and exchange rates
Consolidated sales	131	150	-12.8%	-15.9%

- ▼ Sales still severely affected by the challenging economic conditions
  - ▼ California remains difficult whereas the South-East region delivered a more positive but still fragile performance
  
- ▼ Cement
  - ▼ Sales down 16.3% affected by a decline in volumes
    - ▼ Further sharp fall in California
    - ▼ South-East: growth in volumes over nine months
  - ▼ Selling prices are lower due to competition and unfavourable comparison base
  
- ▼ Concrete
  - ▼ Consolidated sales fell by 15.7%, South-East region's volumes growth being unable to compensate for continuing deterioration in California
  - ▼ Average selling prices remained affected by economic conditions and severe competitive pressure, particularly in California

# Geographical breakdown of sales Turkey, India and Kazakhstan

<i>(millions of euros)</i>	09/30/2010	09/30/2009	Variation (%)	
			Published	At constant scope and exchange rates
Consolidated sales	189	117	+61.1%	+22.1%

## ▼ Turkey

- ▼ Consolidated sales up by 22.1% over the first nine months and 16.0% in Q3
  - ▼ Significant volume increase over the first nine months and in Q3
- ▼ Cement: sales up 14.6 %
  - ▼ Volumes up 8.7% for the first nine months and over 10% in Q3 with very dynamic domestic market
- ▼ Concrete & Aggregates : sales growth of 33.2%
  - ▼ 29.1% increase in volumes over the first nine months and 14.2% in the third quarter which largely compensated for the slight decline in prices

## ▼ India

- ▼ Sales of €35 million (consolidation of Bharathi Cement on May 1<sup>st</sup> 2010)
- ▼ Sales volumes of over 702,000 tonnes, a notable performance
- ▼ Selling prices have been impacted in Q3 by the strong moonson
  - ▼ Since the end of this season, prices have increased significantly





# Geographical breakdown of sales Africa and Middle-East

<i>(millions of euros)</i>	09/30/2010	09/30/2009	Variation (%)	
			Published	At constant scope and exchange rates
Consolidated sales	334	310	7.6%	6.0%

## ▼ Egypt

- ▼ Sales rose by 8.5%
- ▼ Return to robust growth, with volumes up 7.3% over the period
  - ▼ Q3 sales growth up close to 16% supported by volume growth of almost 19%
- ▼ Pricing trends remained favourable overall, despite a slight inflexion during the Ramadan period

## ▼ West Africa

- ▼ Sales rose by 3.8%
- ▼ Solid growth of over 6% in Cement volumes which largely compensated for the decline in average selling prices due to an unfavourable geographical mix
- ▼ In Q3 sales rose by 4.7% despite the Ramadan period and a particularly unfavourable rainy season, especially in Senegal

# Financial situation in Q3 2010

## Balance Sheet

- ▼ Slight increase of the Group's gearing to 40.6% at 30 September 2010 compared with 35.3% at 30 September 2009, primarily due to the acquisition of Bharathi Cement in India on 1<sup>st</sup> May 2010
  
- ▼ Given the low level of the Group's net debt, the existence of covenants does not represent a risk for the Group's financial standing and balance sheet liquidity
  - ▼ Vicat keeps well within the ratio limits set by the covenants in its loan contracts
  
- ▼ After the acquisition of 51% of the capital of Bharathi Cement Company Limited, the Vicat group's balance sheet remains very healthy

# Financial situation in Q3 2010

## Operating profitability

- ▼ Reassessment of the total amount of capital expenditure expected in 2010 which should be within a range of €360 million to €380 million, taking account of:
  - ▼ Consolidation as of 1<sup>st</sup> May 2010 of expenditure relating to the construction of Bharathi Cement's second kiln, due to begin operation at the start of 2010
  - ▼ Additional expenditure relating to the finalisation of the greenfield plant in Kazakhstan due to enter production in the next few days
  - ▼ Acceleration in investment after finalising project finance for the Vicat Sagar greenfield plant in India
  
- ▼ Vicat is maintaining its efforts to improve productivity and control of fixed costs. It should benefit fully from the combined effect of its "Performance" plans, in particular:
  - ▼ The improved performance generated by its new industrial facilities
  - ▼ Lower fuel prices and increase in use of alternative fuels
  - ▼ The end of external purchases of clinker and cement in Switzerland and Senegal following capacity increases that were finalised in 2009



## 2010 outlook

- ▼ The Group confirms the expected trends as communicated with the publication of its 2009 full year results and during its AGM
  - ▼ 2010 should be a transitional year
  - ▼ Emerging-market countries should continue to show solid momentum, whereas the environment is likely to remain difficult in certain mature markets despite encouraging signs of recovery
  - ▼ The development of selling prices will continue to contrast significantly depending on the region
  - ▼ The second half should see gradual improvement in certain mature markets, notably France
  - ▼ The Group is continuing efforts to boost productivity and control fixed costs. It should benefit in full from the combined effects of the "Performance" plans