Annual statements **2012**

Contents

1.1.1. Consolidated accounts at December 31, 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	Notes	2012	2011
ASSETS			
NON-CURRENT ASSETS			
Goodwill	3	995,320	1,000,195
Other intangible assets	4	100,417	100,789
Property, plant and equipment	5	2,271,210	2,218,465
Investment properties	7	19,557	19,089
Investments in associated companies	8	37,731	37,900
Deferred tax assets	25	88,980	2,104
Receivables and other non-current financial assets	9	108,652	116,928
Total non-current assets		**3,621,867**	**3,495,470**
CURRENT ASSETS			
Inventories and work-in-progress	10	381,893	360,104
Trade and other accounts receivable	11	354,877	349,994
Current tax assets		29,455	16,685
Other receivables	11	146,458	144,930
Cash and cash equivalents	12	237,344	359,404
Total current assets		**1,150,027**	**1,231,117**
TOTAL ASSETS		**4,771,894**	**4,726,587**

	Notes	2012	2011
LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	13	179,600	179,600
Additional paid-in capital		11,207	11,207
Consolidated reserves		1,939,991	1,920,957
Shareholders' equity		**2,130,798**	**2,111,764**
Minority interests		**334,146**	**349,054**
Shareholders' equity and minority interests		**2,464,944**	**2,460,818**
NON-CURRENT LIABILITIES			
Provisions for pensions and other post-employment benefits	14	55,039	52,631
Other provisions	15	84,334	78,370
Financial debts and put options	16	1,197,703	1,384,444
Deferred tax liabilities	25	240,133	171,429
Other non-current liabilities		26,557	21,762
Total non-current liabilities		**1,603,766**	**1,708,636**
CURRENT LIABILITIES			
Provisions	15	9,967	10,911
Financial debts and put options at less than one year	16	232,352	106,165
Trade and other accounts payable		260,189	241,862
Current taxes payable		27,751	16,088
Other liabilities	18	172,925	182,107
Total current liabilities		**703,184**	**557,133**
Total liabilities		**2,306,950**	**2,265,769**
Total liabilities and shareholders' equity		**4,771,894**	**4,726,587**

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2012	2011
NET SALES	*19*	2,292,219	2,265,472
Goods and services purchased		(1,461,292)	(1,395,552)
ADDED VALUE	*1.22*	**830,927**	**869,920**
Personnel costs	*20*	(366,653)	(353,022)
Taxes		(43,866)	(45,679)
GROSS OPERATING EARNINGS	*1.22 & 23*	**420,408**	**471,219**
Depreciation, amortization and provisions	*21*	(191,587)	(167,142)
Other income (expense)	*22*	16,162	(2,329)
OPERATING INCOME	*23*	**244,983**	**301,748**
Cost of net borrowings and financial liabilities	*24*	(34,443)	(40,419)
Other financial income	*24*	7,869	9,480
Other financial expenses	*24*	(13,873)	(12,956)
NET FINANCIAL INCOME (EXPENSE)	*24*	**(40,447)**	**(43,895)**
Earnings from associated companies	*8*	3,050	1,572
EARNINGS BEFORE INCOME TAX		**207,586**	**259,425**
Income taxes	*25*	(59,621)	(66,297)
CONSOLIDATED NET INCOME		**147,965**	**193,128**
Portion attributable to minority interests		18,878	29,521
PORTION ATTRIBUTABLE TO GROUP SHARE		**129,087**	**163,607**

EBITDA	*1.22 & 23*	**437,382**	**490,938**
EBIT	*1.22 & 23*	**245,228**	**309,490**
CASH FLOW FROM OPERATIONS		**328,871**	**363,030**

Earnings per share (in euros)			
Basic and diluted Group share of net earnings per share	*13*	**2.87**	3.64

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	2012	2011
CONSOLIDATED NET INCOME	**147,965**	**193,128**
Net income from change in translation differences	(48,185)	(123,653)
Cash flow hedge instruments	(22,972)	8,892
Income tax on other comprehensive income	8,897	(4,191)
OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX)	**(62,260)**	**(118,952)**
TOTAL COMPREHENSIVE INCOME	**85,705**	**74,176**
Portion attributable to minority interests	3,737	(3,410)
PORTION ATTRIBUTABLE TO GROUP SHARE	**81,968**	**77,586**

The amount of income tax relating to each component of other comprehensive income is analyzed as follows:

	2012			2011		
(in thousands of euros)	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Net income from change in translation differences	(48,185)	-	(48,185)	(123,653)	-	(123,653)
Cash flow hedge instruments	(22,972)	8,897	(14,075)	8,892	(4,191)	4,701
OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX)	**(71,157)**	**8,897**	**(62,260)**	**(114,761)**	**(4,191)**	**(118,952)**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	Notes	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income		**147,965**	**193,128**
Earnings from associated companies		(3,051)	(1,572)
Dividends received from associated companies		1,582	2,586
Elimination of non-cash and non-operating items:			
- depreciation, amortization and provisions		199,689	173,457
- deferred taxes		(12,743)	(1,296)
- net (gain) loss from disposal of assets		(2,918)	(1,980)
- unrealized fair value gains and losses		(1,619)	(1,116)
- other		(34)	(177)
Cash flows from operating activities		**328,871**	**363,030**
Change in working capital requirement		(21,412)	(11,186)
Net cash flows from operating activities (1)	*27*	**307,459**	**351,844**
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows linked to acquisitions of fixed assets:			
- property, plant and equipment and intangible assets		(268,963)	(280,878)
- financial investments		(4,203)	(10,695)
Inflows linked to disposals of fixed assets:			
- property, plant and equipment and intangible assets		7,625	11,703
- financial investments		3,429	2,954
Impact of changes in consolidation scope		(10,646)	(23,725)
Net cash flows from investing activities	*28*	**(272,758)**	**(300,641)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(87,993)	(122,031)
Increases in capital		3,870	6,556
Increases in borrowings		108,334	212,860
Redemptions of borrowings		(177,197)	(64,089)
Acquisitions of treasury shares		(10,472)	(17,307)
Disposals - allocations of treasury shares		14,165	17,348
Net cash flows from financing activities		**(149,293)**	**33,337**
Impact of changes in foreign exchange rates		(4,342)	(27,233)
Change in cash position		**(118,934)**	**57,307**
Net cash and cash equivalents – opening balance	*29*	344,013	286,706
Net cash and cash equivalents – closing balance	*29*	225,079	344,013

(1) Including cash flows from income taxes €(59,982) thousand in 2012 and €(64,837) thousand in 2011.
Including cash flows from interests paid and received €(30,343) thousand in 2012 and €(33,510) thousand in 2011.

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 December 31, 2010	**179,600**	**11,207**	**(85,297)**	**2,019,257**	**16,212**	**2,140,979**	**416,123**	**2,557,102**
Consolidated net income				163,607		163,607	29,521	193,128
Other comprehensive income				6,243	(92,264)	(86,021)	(32,931)	(118,952)
Total comprehensive income				*169,850*	*(92,264)*	*77,586*	*(3,410)*	*74,176*
Dividends paid				(65,946)		(65,946)	(56,323)	(122,269)
Net change in treasury shares			1,407	(896)		511		511
Changes in consolidation scope				(24,182)		(24,182)	(9,040)	(33,222)
Increases in share capital				(6,560)		(6,560)	11,774	5,214
Other changes				(10,624)		(10,624)	(10,070)	(20,694)
At December 31, 2011	**179,600**	**11,207**	**(83,890)**	**2,080,899**	**(76,052)**	**2,111,764**	**349,054**	**2,460,818**
Consolidated net income				129,087		129,087	18,878	147,965
Other comprehensive income				(14,798)	(32,321)	(47,119)	(15,141)	(62,260)
Total comprehensive income				*114,289*	*(32,321)*	*81,968*	*3,737*	*85,705*
Dividends paid				(66,039)		(66,039)	(22,124)	(88,163)
Net change in treasury shares			5,209	(994)		4,215		4,215
Changes in consolidation scope				(749)		(749)	(154)	(903)
Increases in share capital				(666)		(666)	4,239	3,573
Other changes				305		305	(606)	(301)
At December 31, 2012	**179,600**	**11,207**	**(78,681)**	**2,127,045**	**(108,373)**	**2,130,798**	**334,146**	**2,464,944**

Group translation differences at December 31, 2012 are broken down by currency as follows (in thousands of euros):

US Dollar	(5,117)
Swiss franc	135,37
Turkish new lira	(77,173)
Egyptian pound	(39,427)
Kazakh tengue	(31,741)
Mauritanian ouguiya	(4,333)
Indian rupee	(85,952)
	(108,373)

1.1.2. Notes to the 2012 consolidated financial statements

Note 1 ▼ Accounting policies and valuation methods

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. The Vicat Group has adopted those standards that are in force on December 31, 2012 for its benchmark accounting policies.

The standards, interpretations and amendments published by the IASB but not yet in effect as of December 31, 2012 were not applied ahead of schedule in the Group's consolidated financial statements at the closing date. This relates mainly to IAS 19 amendments concerning employee benefits and IAS 1 amendments concerning the presentation of other comprehensive income.

The impact and practical consequences of applying these standards are currently being analyzed. With regard to the IAS 19 amendments, the main expected impacts relate to the abolition of the corridor approach, immediate recognition of the past services costs and the estimate of the return on plan assets on the basis of the discount rate applied to the obligation.

The new provisions introduced by IAS 19 (revised) shall be applied retrospectively at January 1, 2013. At this stage, the main impacts on the 2012 consolidated balance sheet and income statement are estimated, pro forma, as follows (before income tax):

- The impact of transition to be recognized in a reduction in the consolidated reserves, i.e. recognition in the balance sheet of components not recognized at January 1, 2012, essentially actuarial gains and losses, is assessed at €(48.1) million;
- The impact on the income statement for the 2012 financial year, corresponding to actuarial losses under the corridor approach not being recognized in income, less the impact of financial income from plan assets recalculated using the discount rate, would be an income of €1.2 million;
- And the corresponding impact on actuarial gains and losses generated in the 2012 financial year to be recognized in other comprehensive income is estimated at €(28.1) million.

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 at 31 December 2012 are consistent with those applied by the Group as at December 31, 2011, except for the new standards whose application is mandatory for the period beginning on or after January 1, 2012 without significant impact on the 2012 consolidated financial statements. The main amendments in question are those to IFRS 7 "Information disclosures in relation to the transfer of financial assets".

These financial statements were finalized and approved by the Board of Directors on February 24, 2013 and will be presented to the General Meeting of shareholders on April 26, 2013 for approval.

1.2. Basis of preparation of financial statements

The financial statements are presented in thousands of euros.

The statement of comprehensive income is presented by type in two statements: the consolidated income statement and the consolidated statement of other comprehensive income.

The consolidated statement of financial position 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 policies and valuation methods described hereinafter have been applied on a permanent basis to all of the financial 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:

- value the provisions (notes 1.17 and 15), in particular those for pensions and other post-employment benefits (notes 1.15 and 14),
- value the put options granted to third parties on shares in consolidated subsidiaries (notes 1.16 and 16),
- value financial instruments at their fair value (notes 1.14 and 17),
- perform the valuations adopted for impairment tests (notes 1.4, 1.11 and 3),
- define the accounting principle to be applied in the absence of a definitive standard (notes 1.7 and 4 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 statements 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 statutory 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 policies. 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 reported using 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 significant companies included in the consolidation scope at December 31, 2012 is provided in note 34.

1.4. Business combinations – goodwill

With effect from January 1, 2010, business combinations are reported in accordance with IFRS 3 "Business Combinations" (revised) and IAS 27 "Consolidated and Separate Financial Statements" (revised). As these revised standards apply prospectively, they do not affect business combinations carried out before January 1, 2010.

Business combinations carried out before January 1, 2010:
These are reported using the acquisition method. Goodwill corresponds to the difference between the acquisition cost of the shares in the acquired company and purchaser's pro-rata share in 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 in the balance sheet prepared according to French GAAP as at 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 income statement of the reporting period in which the acquisition was made, except for acquisitions of minority interests in a company already fully consolidated, 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 of 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.

Business combinations carried out on or after January 1, 2010:
IFRS 3 "Business Combinations" (revised), which is mandatory for business combinations carried out on or after January 1, 2010, introduced the following main changes compared with the previous IFRS 3 (before revision):
- goodwill is determined once, on takeover of control.

The Group then has the option, in the case of each business combination, on takeover of control, to value the minority interests:
- either at their pro-rata share in the identifiable net assets of the company acquired ("partial" goodwill option);
- or at their fair value ("full" goodwill option).

Valuation of the minority interests at fair value has the effect of increasing the goodwill by the amount attributable to such minority interests, resulting in the recognition of a "full" goodwill.
- any adjustment in the acquisition price at fair value from the date of acquisition is to be reported, with any subsequent adjustment occurring after the 12-month appropriation period from the date of acquisition to be recorded in the income statement.
- the costs associated with the business combination are to be recognized in the expenses for the period in which they were incurred.
- in the case of combinations carried out in stages, on takeover of control, the previous holding in the company acquired is to be revalued at fair value on the date of acquisition and any gain or loss which results is to be recorded in the income statement.

In compliance with IAS 36 (see note 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 operating 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 operating 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 denominated in foreign currencies that are not hedged are translated into Euros at the year-end exchange rates, while income and 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 the 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 the 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	
	2012	2011	2012	2011
USD	1.3194	1.2939	1.2856	1.3917
CHF	1.2072	1.2156	1.2053	1.234
EGP	8.3928	7.819	7.8159	8.2503
TRL	2.3551	2.4432	2.3145	2.3351
KZT	199.22	192.49	191.87	204.188
MRO	400.3785	374.644	385.57	395.669
INR	72.56	68.713	68.6295	64.8669

1.6. Other intangible assets

Intangible assets (mainly patents, rights and software) are recorded in the consolidated statement of financial position 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. 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:
- The quotas allocated by the French government within the framework of the National Plan for the Allocation of Quotas (PNAQ II) are not recorded, either as assets or liabilities. (14,011 thousand tonnes for the period 2008-2012).
- Only the quotas held in excess of the cumulative actual emissions are recorded in the intangible assets at year-end.
- Surpluses, quota sales and quota swaps (EUA) against Certified Emission Reductions (CERs) are recognized in the income statement for the year.

1.8. Property, plant and equipment

Property, plant and equipment are reported in the consolidated statement of financial position 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 owned by French companies 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 rate 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.

1.9. Leases

In compliance with IAS 17, leases on which nearly all of the risks and benefits inherent in 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 of their fair value and the current value of the minimum rent payments at the starting date of the lease and amortized over the shortest duration of the lease and its 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 or 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 impairment 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 higher of the fair value less the costs of sale and the value in use. The value in use is calculated primarily on a discounted projected cash flow basis over 10 years, plus the terminal value calculated on the basis of a projection to infinity of the cash flow from operations in the last year. This time period corresponds to the Group's capital-intensive nature and the longevity of its industrial plant.

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 maintenance capital expenditure,
- and the change in working capital requirement.

The assumptions used in calculating the depreciation tests are derived from forecasts made by operational staff reflecting as closely as possible their knowledge of the market, the commercial position of the businesses and the performance of the industrial plant. Such forecasts include the impact of foreseeable developments in cement consumption based on macro-economic and industry sector data, changes likely to affect the competitive position, technical improvements in the manufacturing process and expected developments in the cost of the main production factors contributing to the cost price of the products.

In the case of countries subject to social tensions and security concerns, the assumptions used also include the potential improvement resulting from the progressive and partial easing of some of these tensions and concerns, based on recent data and an examination of the effect of these tensions on current business conditions.

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 into account 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 in question 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/market/business, 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 thus tested, at least annually using this method for each cash generating unit comprises the 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,
- growth rate to infinity

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. Moreover, the discount rate includes a country risk premium and an industry sector risk premium reflecting the cyclical nature of certain factors inherent in the business sector, enabling an understanding of the volatility of certain elements of production costs, which are sensitive in particular to energy costs.

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, and net market value (sales price less 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 plant.

Inventory depreciations are recorded when necessary to take into account any probable losses identified 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 a change in 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 valued at their amortized cost;
- assets available for sale which include in particular, in accordance with the standard, investments in non-consolidated affiliates; these are valued at the lower of their carrying value and their fair value less the cost of sale as at the end of the period;
- financial assets valued at their fair value by the income, 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 at the year-end of the reporting periods in question..

All acquisitions and disposals of financial assets are reported at the transaction date. Financial assets are reviewed at the end of each year in order to identify any evidence of impairment.

Financial liabilities:
The Group classifies its non-derivative financial assets, when they are first entered in the financial statements, as financial liabilities valued at amortized cost. These comprise mainly borrowings, other financings, bank overdrafts, etc. The Group does not have financial liabilities at fair value through the income statement.

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 the following valuation models:

- the market value of interest rate swaps, exchange rate swaps and term purchase/sale transactions is calculated by discounting the future cash flows on the basis of the "zero coupon" interest rate curves applicable at the end of the preceding reporting periods, restated if applicable according to interest incurred and not yet payable;
- interest rate options are revalued on the basis of the Black and Scholes model incorporating the market parameters as at year-end.

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 income 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 income presented.

Hedge accounting for an 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 then by the regular assessment and correlation between the changes in the market value of the hedging instrument and that of the hedged item. The ineffective portion of the hedging instrument is always recognized in the income statement.

The application of hedge accounting results as follows:

- in the event of a documented fair value hedging relationship, the change in the fair value of the hedging derivative is recognized in the income statement 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 in the income statement. The accumulated changes in the fair value of the hedging instrument previously recorded in shareholders' equity are transferred to the income statement at the same rate as the hedged cash flows.

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, etc.) and other long-term benefits (such as medical cover, etc.).

Defined contribution plan, in which contributions are recognized as expenses when they are incurred, does 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 and practice.

Dedicated financial assets, which are mainly equities and bonds, are used to cover all or a part of these liabilities, principally in the United–States and Switzerland. These liabilities are thus recognized in the statement of financial position net of the fair value of such invested assets, if applicable. Any surplus of asset is only capitalized in the statement of financial position to the extent that it represents a future economic benefit 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 in the income statement. 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 long-term benefits.

1.16. Put options granted on shares in consolidated subsidiaries

Under IAS 27 and IAS 32, the put options granted to minority third parties in fully consolidated subsidiaries are reported in the financial liabilities at the present value of their estimated price with an offset in the form of a reduction in the corresponding minority interests.

The difference between the value of the option and the amount of the minority interests is recognized:
- in goodwill, in the case of options issued before January 1, 2010,
- in a reduction in the Group shareholders' equity (options issued after January 1, 2010).

The liability is estimated based on the contract information available (price, formula, etc.) and any other factor relevant to its valuation. Its value is reviewed at each year-end and the subsequent changes in the liability are recognized:
- either as an offset to goodwill (options granted before January 1, 2010);
- or as an offset to the Group shareholders' equity (options issued after January 1, 2010).

No impact is reported in the income statement other than the impact of the annual discounting of the liability recognized in the financial income; the income share of the Group is calculated on the basis of the percentage held in the subsidiaries in question, without taking into account the percentage holding attached to the put options.

1.17. Provisions

A provision is recognized when the Group has a current commitment, whether statutory or implicit, resulting from a significant event prior to the closing date which would lead to a use of resources without offset, which can be reliably estimated.

These include, notably, provisions for site reinstatement, which are set aside progressively as quarries are used and include the projected costs related to the Group's obligation to reinstate such sites.

In accordance with IAS 37, provisions whose maturities are longer than one year are discounted when the impact is significant. The effects of this discounting are recorded under net financial income.

1.18. Sales

In accordance with IAS 18, sales are reported at fair value of the consideration received or due, net of commercial discounts and rebates and after deduction of excise duties collected by the Group under its business operations. Sales figures include transport and handling costs invoiced to customers.

Sales are recorded at the time of transfer of the risk and significant benefits associated with ownership to the purchaser, which generally corresponds to the date of transfer of ownership of the product or performance of the service.

1.19. Income taxes

Deferred taxes are calculated at the tax rates passed or virtually passed at the year-end and expected to apply to the period 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 in the consolidated statement of financial position and the values of assets and liabilities for tax purposes.

Deferred taxes are recognized 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 deferred tax assets.

1.20. Segment information

In accordance with IFRS 8 "Operating segments" the segment information provided in note 26 is based on information taken from the internal reporting. This information is used internally by the Group Management responsible for implementing the strategy defined by the President of the Board of Directors for measuring the Group's operating performance and for allocating capital expenditure and resources to the business segments and geographical areas.

The operating segments defined pursuant to IFRS 8 comprise the 3 segments in which the Vicat Group operates: Cement, Concrete & Aggregates and Other Products & Services.

The indicators disclosed were adapted in order to be consistent with those used by the Group Management, while complying with IFRS 8 information requirements: operating and consolidated sales, EBITDA and EBIT (cf. note 1.21), total non-current assets, net capital employed (cf. note 26), industrial investments, net depreciation and amortization charges and number of employees.

The management indicators used for internal reporting are identical to the operating segments and geographical sectors defined above and determined in accordance with the IFRS principles applied by the Group in its consolidated financial statements.

1.21. Financial indicators

The following financial performance indicators are used by the Group, as by other industrial players and notably in the building materials sector, 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): the result of adding Gross Operating Earnings and other ordinary income (expense);

EBIT (Earnings Before Interest and Tax): the result of adding EBITDA and net depreciation, amortization and operating provisions.

1.22. 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 consolidation scope and other significant events

A macro-economic environment of contrasts

Vicat's overall performance in the 2012 financial year was affected by a a continuing contrasted economic environment and weather conditions significantly less favorable than those in 2011. The downturn in activity in France and in Africa and the Middle East was largely offset by a recovery in business in the United States, the continued increase in the Group's output in India and Kazakhstan and a solid second half performance in Turkey and Switzerland. In fact, it is noteworthy that weather conditions particularly affected the Group's performance at the start of the year and the return of milder temperatures and the more favorable macro-economic conditions in Switzerland and Turkey enabled the Group to return to growth in these two regions.

Against this overall background, the Group recorded a downturn in business during the year in two regions:

- **In France,** the difficult macro-economic situation experienced throughout the year, combined with weather conditions significantly less favorable than in 2011, served to depress the construction sector.
- **In the Middle East,** following the political events in Egypt in 2011, the operational performance in that region in 2012 remained very seriously affected by fuel supply problems in the first three quarters of the year and a particularly difficult security situation throughout the year, especially in the Sinai region where the Group operates.

Increase in capital of Mynaral Tas

During the first half of the year, the Group subscribed KZT 6,682.5 million to an increase in the capital of Mynaral Tas Company LLP issued at KZT 7,425 million. At the end of this transaction, the Group held 86.24% of the company's shares.

Start-up of clinker production at Vicat Sagar Cement

Various production units at the Vicat Sagar cement greenfield plant, including the clinker production line, started up progressively during the 4th quarter of 2012. The plant began commercial operations during the 1st quarter of 2013.

Note 3 ▼ GOODWILL

The change in the net goodwill by business sector is analyzed in the table below:

(in thousands of euros)	Cement	Concrete and aggregates	Other products and services	Total
At December 31, 2010	**778,444**	**230,940**	**21,805**	**1,031,189**
Acquisitions / Additions		1,810		1,810
Disposals / Decreases				
Change in foreign exchange rates and other	(37,497)	4,213	480	(32,804)
At December 31, 2011	**740,947**	**236,963**	**22,285**	**1,00,195**
Acquisitions / Additions		13,079		13,079
Disposals / Decreases		(54)	(3)	(57)
Change in foreign exchange rates and other	(15,503)	(2,137)	(257)	(17,897)
At December 31, 2012	**725,444**	**247,851**	**22,025**	**995,320**

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.

Goodwill is distributed as follows by cash generating unit (CGU):

CGU	Goodwill (in thousands of euros)		Discount rate used for the impairment tests (%)		Impairment which would result from a change of +1% in the discount rate	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
India CGU	256,690	270,370	8.31	7.49	-	-
West Africa Cement CGU	151,005	150,776	9.57	8.66	-	-
France-Italy CGU	163,178	150,267	6.95	7.27	-	-
Switzerland CGU	133,915	133,482	7.63	6.45	-	-
Other CGUs total	290,532	295,300	7.89 à 10.40	6.91 à 8.66	622	-
Total	**995,320**	**1,000,195**			**622**	**0**

The impairment tests carried out in 2012 and 2011 did not result in the recognition of any impairment with respect to goodwill.

A 1% increase in the discount rate would have the effect of generating a recoverable value for a CGU very slightly lower than the net book value. The corresponding amount is not material (less than €1 million).

Note 4 ▼ Other intangible assets

Other intangible assets are broken down by type as follows:

(in thousands of euros)	December 31, 2012	December 31, 2011
Concessions, patents and similar rights	66,321	66,220
Software	5,004	4,558
Other intangible assets	28,026	28,922
Intangible assets in progress	1,066	1,089
Other intangible assets	**100,417**	**100,789**

Net other intangible assets amounted to €100,417 thousand as at December 31, 2012, compared with €100,789 thousand at the end of 2011. The change during 2012 was due primarily to an amortization provision of €9,810 thousand, with acquisitions accounting for an increase of €11,471 thousand, changes in consolidation scope for €2 thousand and negative changes in foreign exchange rates, reclassifications and disposals accounting for the balance.

As at December 31, 2011, net other intangible assets amounted to €100,789 thousand compared with €101,496 thousand as at December 31, 2010. The change during 2011 was due primarily to an amortization provision of €9,438 thousand, with acquisitions accounting for an increase of €9,294 thousand, changes in consolidation scope for €58 thousand and negative changes in foreign exchange rates, reclassifications and disposals accounting for the balance.

No development costs were recognized as fixed assets in 2012 and 2011.

Research and development costs recognized as expenses in 2012 amounted to €7,037 thousand (€5,884 thousand in 2011).

With regard to greenhouse gas emission quotas, only the quotas held at year-end in excess of the cumulative actual emissions were recorded in other intangible assets at €11,290 thousand (€6,680 thousand as at December 31, 2011), corresponding to 1,503 thousand tonnes (749 thousand tonnes as at December 31, 2011). Recording of surpluses and quota swaps (EUA) against Certified Emission Reductions (CERs) were recognized in the income statement for the year at €5,661 thousand (€6,142 thousand as at December 31, 2011).

Note 5 ▼ Property, plant and equipment

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, 2010	**957,213**	**2,505,139**	**172,356**	**206,148**	**3,840,856**
Acquisitions	36,283	50,999	19,720	157,934	264,936
Disposals	(7,117)	(20,066)	(7,838)	(478)	(35,499)
Changes in consolidation scope		7,259		(29)	7,230
Change in foreign exchange rates	(11,445)	(41,546)	1,101	(19,180)	(71,070)
Other movements	8,589	106,336	7,691	(124,024)	(1,408)
At December 31, 2011	**983,523**	**2,608,121**	**193,030**	**220,371**	**4,005,045**
Acquisitions	34,097	36,004	8,748	193,412	272,261
Disposals	(6,264)	(29,264)	(21,687)	(14)	(57,229)
Changes in consolidation scope	1,305	3,085	958	187	5,535
Change in foreign exchange rates	(7,944)	(22,964)	(817)	(13,706)	(45,431)
Other movements	20,387	60,651	4,006	(87,139)	(2,095)
At December 31, 2012	**1,025,104**	**2,655,633**	**184,238**	**313,111**	**4,178,086**

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, 2010	**(334,736)**	**(1,214,637)**	**(111,646)**	**0**	**(1,661,019)**
Increase	(29,337)	(128,855)	(12,458)		(170,649)
Decrease	5,555	18,288	5,855		29,698
Changes in consolidation scope	22	(993)			(971)
Change in foreign exchange rates	163	15,318	(290)		15,191
Other movements	1,077	1,074	(981)		1,170
At December 31, 2011	**(357,255)**	**(1,309,805)**	**(119,520)**	**0**	**(1,786,580)**
Increase	(30,096)	(138,846)	(11,716)		(180,658)
Decrease	6,039	28,634	18,937		53,610
Changes in consolidation scope	(300)	(311)	(436)		(1,047)
Change in foreign exchange rates	1,328	5,357	(195)		6,490
Other movements	(402)	(4,052)	5,763		1,309
At December 31, 2012	**(380,686)**	**(1,419,023)**	**(107,167)**	**0**	**(1,906,876)**
Net book value at December 31, 2011	626,268	1,298,316	73,510	220,371	2,218,465
Net book value at December 31, 2012	**644,418**	**1,236,610**	**77,071**	**313,111**	**2,271,210**

Fixed assets work-in-progress amounted to €296 million as at December 31, 2012 (€181 million as at December 31, 2011) and advances/down payments on plant, property and equipment represented €17 million as at December 31, 2012 (€40 million as at December 31, 2011).

Contractual commitments to acquire tangible and intangible assets amounted to €67 million as at December 31, 2012 (€126 million as at December 31, 2011).

The total amount of interest capitalized in 2012 was €17,734 thousand (€6,779 thousand in 2011), determined on the basis of local interests rates ranging from 1.7% to 8.7%, depending on the country in question.

Note 6 ▼ Finance and operating leases

Net book value by category of asset:

(in thousands of euros)	2012	2011
Industrial equipment	8,251	7,728
Other plant, property and equipment	927	1,186
Tangible assets	**9,178**	**8,914**

Minimum payment schedule:

(in thousands of euros)	2012	2011
Less than 1 year	3,383	2,919
1 to 5 years	5,314	4,014
More than 5 years	40	-
Total	**8,737**	**6,933**

Note 7 ▼ Investment properties

(in thousands of euros)	Gross values	Depreciation & Impairment	Net values
At December 31, 2010	**33,985**	**(15,899)**	**18,086**
Acquisitions	1,482		1,482
Disposals	(301)	121	(180)
Depreciation		(781)	(781)
Changes in foreign exchange rates	340	(119)	221
Changes in consolidation scope and other	106	155	261
At December 31, 2011	**35,612**	**(16,523)**	**19,089**
Acquisitions	229		229
Disposals	(1,363)	1,363	0
Depreciation		(441)	(441)
Changes in foreign exchange rates	86	(32)	54
Changes in consolidation scope and other	626		626
At December 31, 2012	**35,190**	**(15,633)**	**19,557**

Fair value of investment properties at December 31, 2011	56,769
Fair value of investment properties at December 31, 2012	**56,944**

Rental income from investment properties amounted to €3.1 million as at December 31, 2012 (€3.0 million as at December 31, 2011).

Note 8 ▼ Investments in associated companies

Change in investments in associated companies:

(in thousands of euros)	2012	2011
At January 1	**37,900**	**38,536**
Earnings from associated companies	3,050	1,572
Dividends received from investments in associated companies	(1,582)	(2,586)
Changes in consolidation scope		
Changes in foreign exchange rates and other	(1,637)	378
At December 31	**37,731**	**37,900**

Note 9 ▼ Receivables and other non-current assets

(in thousands of euros)	Gross values	Impairment	Net values
At December 31, 2010	**87,142**	**(2,961)**	**84,181**
Acquisitions / Increases	48,295	(159)	48,136
Disposals / Decreases	(2,092)	328	(1,764)
Changes in consolidation scope	(13,474)		(13,474)
Changes in foreign exchange rates	205	134	339
Other	(490)		(490)
At December 31, 2011	**119,586**	**(2,658)**	**116,928**
Acquisitions / Increases	3,684	(421)	3,263
Disposals / Decreases	(4,651)	334	(4,317)
Changes in consolidation scope	69		69
Changes in foreign exchange rates	(2,549)	(39)	(2,588)
Other	(4,703)		(4,703)
At December 31, 2012	**111,436**	**(2,784)**	**108,652**
including:			
- investments in affiliated companies	24,581	(928)	23,653
- long term investments	1,890	(455)	1,435
- loans and receivables	47,957	(1,401)	46,556
- assets of employee post-employment benefits plans	8,321	-	8,321
- financial instruments[1]	28,687	-	28,687
At December 31, 2012	**111,436**	**(2,784)**	**108,652**

(1) As at December 31, 2012, financial instrument assets are shown in non-current assets in the case of the portion at more than 1 year (€28.7 million).
As at December 31, 2011, financial instrument assets > 1 year were shown in the financial statements as a deduction from financial liabilities (€34.1 million). For comparison purposes, they have been reclassified in the assets on the balance sheet at €34.1 million at more than one year (non-current assets).

Note 10 ▼ Inventories and work-in-progress

	2012			2011		
(in thousands of euros)	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials and consumables	270,765	(10,362)	260,403	259,912	(8,665)	251,247
Work-in-progress, finished goods and goods for sale	124,673	(3,183)	121,490	110,121	(1,264)	108,857
Total	**395,438**	**(13,545)**	**381,893**	**370,033**	**(9,929)**	**360,104**

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, 2010	319,050	(16,249)	**302,801**	61,354	3,784	82,279	(1,995)	**145,422**
Increases		(5,572)	**(5,572)**				(581)	**(581)**
Uses		4,635	**4,635**				1,508	**1,508**
Changes in foreign exchange rates	(5,117)	396	**(4,721)**	(1,963)	14	(2,784)		**(4,733)**
Changes in consolidation scope	4,275	(107)	**4,168**	1	115	2,210		**2,326**
Other movements	48,683		**48,683**	7,454	(1,153)	(5,386)		**915**
At December 31, 2011	366,891	(16,897)	**349,994**	66,846	2,760	76,319	(1,068)	**144,857**
Increases		(3,453)	**(3,453)**				(685)	**(685)**
Uses		3,911	**3,911**				31	**31**
Changes in foreign exchange rates	(369)	(29)	**(398)**	(1,903)	(27)	(1,351)		**(3,281)**
Changes in consolidation scope	3,238	(171)	**3,067**	211		448		**659**
Other movements	1,777	(21)	**1,756**	2,559	957	1,361		**4,877**
At December 31, 2012	**371,537**	**(16,660)**	**354,877**	**67,713**	**3,690**	**76,777**	**(1,722)**	**146,458**
Including matured at December 31, 2012								
- for less than 3 months	*50,652*	*(2,012)*	***48,640***	*12,789*	*919*	*5,303*	*(130)*	***18,881***
- for more than 3 months	*24,005*	*(8,827)*	***15,178***	*5,247*	*4*	*538*	*(4)*	***5,785***
Including not matured at December 31, 2011								
- less than one year	*293,229*	*(4,132)*	***289,097***	*44,984*	*2,754*	*58,494*	*(165)*	***106,067***
- more than one year	*3,651*	*(1,689)*	***1,962***	*4,693*	*13*	*12,442*	*(1,423)*	***15,725***

Note 12 ▼ Cash and cash equivalents

(in thousands of euros)	2012	2011
Cash	46,413	106,184
Marketable securities	190,931	253,220
Cash and cash equivalents	**237,344**	**359,404**

Note 13 ▼ Share capital

Vicat share capital is composed of 44,900,000 fully paid-up ordinary shares of €4, including 937,060 treasury shares as at December 31, 2012 (1,009,426 as at December 31, 2011) 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 2012 in respect of 2011 amounted to €1.50 per share, amounting to a total of €67,350 thousand, compared with €1.50 per share paid in 2011 in respect of 2010 and amounting to a total of €67,350 thousand. The dividend proposed by the Board of Directors to the Ordinary General Meeting for 2012 amounts to €1.50 per share, totaling €67,350 thousand.

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.

Since January 4, 2010, for a period of 12 months renewable by tacit agreement, Vicat has engaged Natixis Securities to implement a liquidity agreement in accordance with the AMAFI (French financial markets professional association) Code of Ethics of September 20, 2008.

The following amounts were allocated to the liquidity agreement for its implementation: 20,000 Vicat shares and €3 million.

As at December 31, 2012, the liquidity account is composed of 51,655 Vicat shares and cash of €1,130 thousand.

Note 14 ▼ Employee benefits

(in thousands of euros)	2012	2011
Pension plans and termination benefits (TB)	25,685	25,212
Other post-employment benefits	29,354	27,419
Total pension and other post-employment benefit provisions	**55,039**	**52,631**
Plans Assets (note 9)	(8,321)	(8,263)
Net liabilities	**46,718**	**44,368**

The assets in employee benefit plans, shown separately from the obligation in non-current assets (cf. note 9) at €8.3 million as at December 31, 2012 (€8.3 million as at December 31, 2011), correspond to defined benefit schemes in respect of which the dedicated plan assets exceed the commitment. As at December 31, 2012, these net plan assets related exclusively to certain retirement plans operated by the Group's Swiss companies.

Assets and liabilities recognized in the balance sheet

	2012			2011		
(in thousands of euros)	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Present value of funded liabilities	380,488	52,916	433,404	354,266	46,396	400,662
Fair value of plan assets	(312,457)		(312,457)	(308,128)		(308,128)
Net value	**68,031**	**52,916**	**120,947**	**46,138**	**46,396**	**92,534**
Net unrecognized actuarial gains (losses)	(50,636)	(24,576)	(75,212)	(29,154)	(20,105)	(49,259)
Unrecognized past service costs	(31)	1,014	983	(35)	1,128	1,093
Net liabilities	**17,364**	**29,354**	**46,718**	**16,949**	**27,419**	**44,368**

Analysis of net annual expense

(in thousands of euros)	2012 Pension plans and TB	2012 Other benefits	2012 Total	2011 Pension plans and TB	2011 Other benefits	2011 Total
Current service costs	(8,416)	(1,056)	(9,472)	(8,557)	(847)	(9,404)
Financial cost	(14,314)	(2,175)	(16,489)	(12,907)	(1,896)	(14,803)
Expected return on plan assets	13,287		13,287	12,118		12,118
Recognized actuarial gains (losses) in the year	(1,214)	(1,234)	(2,448)	(684)	(833)	(1,517)
Recognized past service costs	39	95	134	(534)	(8)	(542)
Expense for the period	**(10,617)**	**(4,371)**	**(14,988)**	**(10,564)**	**(3,584)**	**(14,148)**

Change in financial assets used to hedge the plan

(in thousands of euros)	2012 Pension plans and TB	2012 Other benefits	2012 Total	2011 Pension plans and TB	2011 Other benefits	2011 Total
Fair value of assets at January 1	**308,128**	**0**	**308,128**	**295,182**	**0**	**295,182**
Expected return on assets	13,287		13,287	12,118		12,118
Contributions paid in	13,988		13,988	13,847		13,847
Translation differences	1,214		1,214	8,495		8,495
Benefits paid	(10,679)		(10,679)	(12,810)		(12,810)
Changes in consolidation scope and other	(25)		(25)	118		118
Actuarial gains (losses)	(13,456)		(13,456)	(8,822)		(8,822)
Fair value of assets at December 31	**312,457**	**0**	**312,457**	**308,128**	**0**	**308,128**

The plan assets as well as the expected return's, are analyzed by type and country as at December 31, 2012 as follows:

Analysis of plan assets	France	Switzerland	United States	India	Total
Shares	15 %	25 %	60 %		28 %
Bonds	74 %	30 %	40 %		32 %
Real estate	6 %	22 %			20 %
Monetary	3 %	7 %			6 %
Other	2 %	16 %		100 %	14 %
Total	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**
Plan assets (in thousands of euros)	**6,700**	**272,594**	**33,077**	**86**	**312,457**

Change in net liabilities

(in thousands of euros)	2012 Pension plans and TB	2012 Other benefits	2012 Total	2011 Pension plans and TB	2011 Other benefits	2011 Total
Net liability at January 1	**16,949**	**27,419**	**44,368**	**17,273**	**24,368**	**41,641**
Expense for the period	10,617	4,371	14,988	10,564	3,584	14,148
Contributions paid in	(8,997)		(8,997)	(9,228)		(9,228)
Translation differences		(595)	(595)	(1,525)	1,649	124
Benefits paid by the employer	(1,667)	(1,840)	(3,507)	(1,221)	(1,531)	(2,752)
Change in consolidation scope	448		448	435		435
Other	13		13	651	(651)	0
Net liability at December 31	**17,364**	**29,354**	**46,718**	**16,949**	**27,419**	**44,368**

Principal actuarial assumptions

		France	Europe (excluding France)	United States	Turkey and India	West Africa and the Middle East
Discount rate						
	2012	**3.0 %**	**2.0 % to 3.0 %**	**4.0 %**	**8.3 % to 8.5 %**	**5.0 % to 11.0 %**
	2011	4.7 %	2.3 % to 4.7 %	4.8 %	8.7 % to 10.0 %	5.0 % to 11.0 %
Rate of return on financial assets						
	2012	**3.0 %**	**2.0 %**	**4.0 %**	**8.3 %**	
	2011	3.5 %	3.8 %	8.5 %	9.0 %	
Wage inflation						
	2012	**2.5 % to 4.0 %**	**1.0 % to 3.0 %**	**2.5 %**	**5.0 % to 8.0 %**	**3.0 % to 10.0 %**
	2011	2.5 % to 4.0 %	1.5 % to 3.0 %	2.5 %	5.1 % to 7.5 %	3.5 % to 10.0 %
Rate of increase in medical costs						
	2012			**6.5 %**		
	2011			4.5 % to 7.0 %		

The sensitivity of the defined benefit obligation at December 31, 2012 corresponding to a variation of ±50 basis points in the discount rate is €(27.1) and 30.2 million respectively.

In addition, the sensitivity of the value of plan assets at December 31, 2012 corresponding to a variation of ± 100 basis points in the expected rate of return on the assets is €3.1 and (3.1) million respectively.

The estimated rate of change in medical costs used in calculating commitments related to post-employment benefits has a direct impact on the valuation 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, 2012	7,213	(5,861)
Increase (decrease) in the service cost and in the financial cost	549	(573)

The amounts for 2012 and the four previous years of the present value of the defined benefit obligation, the fair value of the plan assets and the adjustments based on experience are the following:

(in thousands of euros)	Décembre 2012	Décembre 2011	Décembre 2010	Décembre 2009	Décembre 2008
Present value of defined benefit obligation	(433,404)	(400,662)	(385,367)	(289,788)	(284,952)
Fair value of the plan assets	312,457	308,128	295,182	244,991	225,457
Surplus (deficit) in the plan	**(120,947)**	**(92,534)**	**(90,185)**	**(44,797)**	**(59,495)**
Adjustments related to the experience of valuing commitments	(2,848)	(8,563)	(4,062)	(2,999)	(1,875)
Adjustments related to the experience of valuing plan assets	13,456	8,821	(6,234)	3,553	(45,511)

Note 15 ▼ Other provisions

(in thousands of euros)	Restoration of sites	Demolitions	Other risks	Other costs	Total
At December 31, 2010	**34,650**	**977**	**(1) 46,595**	**15,049**	**97,271**
Increases	6,837	83	8,579	2,997	18,495
Uses	(3,259)	-	(20,761)	(2,869)	(26,889)
Reversal of unused provisions	(47)	-	(624)	(231)	(902)
Changes in foreign exchange rates	636	29	348	(50)	963
Changes in consolidation scope	-	-	-	295	295
Other movements	80	-	(33)	-	47
At December 31, 2011	**38,897**	**1,089**	**(1) 34,104**	**15,192**	**89,281**
Increases	4,414	9	7,842	5,434	17,699
Uses	(2,066)		(6,985)	(1,922)	(10,973)
Reversal of unused provisions			(700)	(126)	(826)
Changes in foreign exchange rates	142	8	(398)		(248)
Changes in consolidation scope			6		6
Other movements	(497)		(1)	(142)	(639)
At December 31, 2012	**40,890**	**1,106**	**(1) 33,869**	**18,436**	**94,301**
of which less than one year	*9*		*9,175*	*783*	*9,967*
of which more than one year	*40,881*	*1,106*	*24,694*	*17,653*	*84,334*

Impact (net of charges incurred) on 2012 income statement	Increases	Reversal of unused provisions
Operating income	11,472	(756)
Non-operating income (expense)	6,227	(70)

(1) At December 31, 2012, other risks included:
- an amount of €9.8 million (€10.2 million as at December 31, 2011) 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 recognized in non-current assets on the balance sheet as at December 31, 2012 (€4 million as at December 31, 2011 – note 9);
- an amount of €9.1 million (€9.6 million as at December 31, 2011) 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 €15.0 million as at December 31, 2012 (€14.3 million as at December 31, 2011) corresponds to the sum of other provisions that, taken individually, are not material.

In addition, other risks at December 31, 2010 included an amount of €4.5 million corresponding to the residual amount of the Conseil de la Concurrence (the French Office of Fair Trade) penalty for a presumed collusion in Corsica, after reduction of the penalty by the Cour d'appel de Paris (the Paris Court of Appeal). The provision was written back after payment following rejection of the appeal lodged by the Group before the Cour de cassation (the French Supreme Court of Appeal).

Note 16 ▼ Debts and put options

The financial liabilities as at December 31, 2012 are analyzed as follows:

(in thousands of euros)	December 31, 2012	December 31, 2011
Debts at more than 1 year	1,186,327	1,364,079
Put options at more than 1 year	11,376	20,365
Debts and put options at more than 1 year	**1,197,703**	**1,384,444**
Financial instrument assets at more than 1 year (1)	(28,688)	(34,029)
Total financial liabilities net of financial instrument assets at more than 1 year	**1,169,015**	**1,350,415**
Debts at less than 1 year	224,015	106,165
Put options at less than 1 year	8,337	-
Debts and put options at less than 1 year	**232,352**	**106,165**
Financial instrument assets at less than 1 year (1)	(39)	(73)
Total financial liabilities net of financial instrument assets at less than 1 year	**232,313**	**106,092**
Total debts net of financial instrument assets (1)	1,381,615	1,436,142
Total put options	19,713	20,365
Total financial liabilities net of financial instrument assets	**1,401,328**	**1,456,507**

(1) As at December 31, 2012, financial instrument assets are shown in non-current assets cf. note 9) in the case of the portion at more than 1 year (€28.7 million).
As at December 31, 2011, financial instrument assets were shown in the financial statements as a deduction from financial liabilities (€34.1 million). For comparison purposes, they have been reclassified in the assets on the balance sheet at €34.1 million at more than one year (non-current assets) and €0.1 million at less than one year (current assets).

16.1 Debts

Analysis of debts by category and maturity

December 31, 2012

(in thousands of euros)	Total	2013	2014	2015	2016	2017	More than 5 years
Bank borrowings and debts	1,328,973	184,038	73,825	157,112	377,231	171,004	365,763
of which financial instrument assets	*(28,727)*	*(39)*				*(468)*	*(28,220)*
of which financial instrument liabilities	*32,972*	*15,462*	*387*	*10,713*	*6,410*		
Other borrowings and debts	20,410	13,437	5,706	638	84	121	424
Debts on fixed assets under finance leases	8,837	3,108	2,794	1,643	959	267	66
Current bank lines and overdrafts	23,395	23,395					
Debts	**1,381,615**	**223,978**	**82,325**	**159,393**	**378,274**	**171,392**	**366,253**
of which commercial paper	*283,000*					*283,000*	

Debts at less than one year are mainly comprised of bank overdrafts, as well as the repayments due on the first USPP, Sococim Industries bilateral credit lines and a tranche of the Jambyl Cement and Vigier Holding loan.

December 31, 2011

(in thousands of euros)	Total	2012	2013	2014	2015	2016	More than 5 years
Bank borrowings and financial liabilities	1,373,065	58,450	142,237	62,675	148,774	484,513	476,416
of which financial instrument assets	*(34,104)*	*(73)*				*(123)*	*(33,906)*
of which financial instrument liabilities	*19,280*	*171*	*11,628*	*455*	*7,026*		
Other borrowings and debts	21,181	10,969	4,785	697	433	95	4,202
Debts on fixed assets under finance leases	8,141	2,919	2,430	1,641	744	318	89
Current bank lines and overdrafts	33,755	33,755					
Debts	**1,436,142**	**106,093**	**149,452**	**65,013**	**149,951**	**484,926**	**480,707**
of which commercial paper	*208,000*					*208,000*	

Analysis of loans and debts (currency and interest rate)

By currency (net of currency swaps)

	December 31, 2012	December 31, 2011
Euro	854,697	978,199
US Dollar	203,735	221,970
Turkish new lira	1,373	2,097
CFA franc	60,334	41,493
Swiss franc	47,321	44,571
Mauritanian Ouguiya	6	3,275
Indian rupee	214,149	144,537
Total	**1,381,615**	**1,436,142**

By interest rate	December 31, 2012	December 31, 2011
Fixed rate	974,629	906,434
Floating rate	406,986	529,708
Total	**1,381,615**	**1,436,142**

The average interest rate for gross debt at December 31, 2012 was 4.44%. It was 4.29% at December 31, 2011..

16.2. Put options granted to the minority shareholders on the shares in consolidated subsidiaries

Agreements have been concluded in the past between Vicat, Vigier Holding, the International Finance Corporation and Home Broker JSC (formerly KazKommerts Invest), in order to arrange their relationship within the company Mynaral Tas, under which the Group granted put options to its partners on their stakes in Mynaral Tas.

The put option granted to the International Finance Corporation is exercisable at the earliest in December 2013. In the case of Home Broker ISC, the Group concluded an agreement with its partner at the beginning of 2013 for early buy-back of its residual holding in 2013, on completion of which transaction the Group will hold 90% of Mynaral Tas.

Reporting these options resulted in recognition of a liability of €20 million as at December 31, 2012, €8.3 million of which is at less than one year (€20.4 million as at December 31, 2011). This liability corresponds on the one hand to the present value of the exercise price of the option granted to the International Finance Corporation and on the other hand to the acquisition price negotiated for the option granted to Home Broker ISC.

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, where possible, by the companies when the borrowing is denominated in a currency other than their operating currency.

The table below sets out the breakdown of the total amount of Group's assets and liabilities denominated in foreign currencies as at December 31, 2012:

(in millions)	USD	EUR	CHF
Assets	246.3	6.2	0.0
Liabilities and off-balance sheet commitments	(1,006.0)	(190.1)	(8.0)
Net position before risk management	**(759.7)**	**(183.9)**	**(8.0)**
Hedging instruments	615.1	177.7	8.0
Net position after risk management	**(144.6)**	**(6.2)**	**0.0**

The net position after risk management in US Dollars corresponds mainly to the debts of the Kazakhstan subsidiaries to financing institutions and the Group, not swapped in the operating currency, in the absence of a sufficiently structured and liquid hedge market (US$146.7 million).

The risk of a foreign exchange loss on the net currency position arising from a hypothetical unfavorable and uniform change of one percent of the operating currencies against the US Dollar, would amount, in Euro equivalent, to a loss of €1.08 million (including €1.11 million for the Kazakhstan loan).

Moreover, the principal and interest due on loans originally issued by the Group in US Dollars (US$240 and 450 million for Vicat and US$70 million for Vicat Sagar Cement Private Limited) and in Euros (€138.8 million for Vicat Sagar Cement Private Limited) were converted into Euros (for Vicat) and into Indian Rupees (for Vicat Sagar Cement Private Limited) through a series of cross currency swaps, included in the portfolio presented below (cf. a).

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 and 5 years.

The Group is exposed to interest rate risk on its financial assets and liabilities and its short-term investments. This exposure corresponds to the price risk for fixed-rate assets and liabilities, and cash flow risk related to floating-rate assets and liabilities.

Liquidity risk

As at December 31, 2012, the Group had €416 million in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (€381 million as at December 31, 2011).

The Group also has a €300 million commercial paper issue program. As at December 31, 2012, €283 million 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. As at December 31, 2012, these lines matched the short term notes they covered, at €283 million.

Some medium-term or long-term loan agreements contain specific covenants especially as regards compliance with financial ratios, reported each half year, 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. For the purposes of calculating these covenants, the net debt is determined excluding put options granted to minority shareholders. 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 (46.4%) and leverage (2.62 x) 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. As at December 31, 2012, the Group is compliant with all ratios required by covenants in financing contracts.

Analysis of the portfolio of derivatives as at December 31, 2012:

(in thousands of currency units)	Nominal value (currency)	Nominal value (euro)	Market value (euros)	Current maturity < 1 year (euro)	1 - 5 years (euro)	> 5 years (euro)
Fair value hedges (a)						
Composite instruments						
- Cross currency swap $ fixed / € floating	120,000 ($)	90,950	(9,095) (1)	(6,439)	(2,656)	
Cash flow hedges (a)						
Composite instruments						
- Cross currency swap $ fixed / € fixed	120,000 ($)	90,950	(15,494) (1)	(7,586)	(7,908)	
- Cross currency swap $ fixed / € fixed	450,000 ($)	341,064	1,524 (1)		468	1,056
- Interest rate swap € floating / € fixed	150,000 (€)	150,000	(6,409) (1)		(6,409)	
- Cross currency swap $ floating / INR fixed	70,000 ($)	53,054	8,756 (1)			8,756
- Cross currency swap € floating / INR fixed	138,765 (€)	138,765	18,408 (1)			18,408
Other derivatives						
Interest rate instruments						
- Euro Caps	360,000 (€)	360,000	(1,241)	(894)	(347)	
- Dollar US Caps	35,000 ($)	26,527	(84)	(19)	(65)	
- Dollar US Swaps	15,000 ($)	11,368	(125)		(125)	
Foreign exchange instruments						
- Hedging for foreign exchange risk on intra-Group loans						
- VAT $	159,000 ($)	120,509	38 (1)	38		
- AAT CHF	8,000 (CHF)	6,627	(14) (1)	(14)		
- AAT €	32,458 (€)	32,458	(510) (1)	(510)		
Total			**(4,246)**			

(1) In parallel, the change in the value of loans and debts is reduced by €4.6 million.

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 position is as follows as of December 31, 2012:

(in millions of euros)	December 31, 2012	
Level 1: instruments quoted on an active market	190.9	*note 12*
Level 2: valuation based on observable market information	(4.2)	*see above*
Level 3: valuation based on non-observable market information	23.7	*note 9*

Note 18 ▼ Other liabilities

(in thousands of euros)	2012	2011
Employee liabilities	60,043	59,068
Tax liabilities	34,137	31,895
Other liabilities and accruals	78,745	91,144
Total	**172,925**	**182,107**

Note 19 ▼ Sales

(in thousands of euros)	2012	2011
Sales of goods	1,974,425	1,960,145
Sales of services	317,794	305,327
Sales	**2,292,219**	**2,265,472**

Change in sales on a like-for-like basis:

(in thousands of euros)	December 31, 2012	Changes in consolidation scope	Changes in foreign exchange rates	December 31, 2012 on a like-for-like basis	December 31, 2011
Sales	2,292,219	(4,287)	(27,234)	2,260,698	2,265,472

Note 20 ▼ Personnel costs and number of employees

(in thousands of euros)	2012	2011
Salaries and wages	262,548	252,522
Payroll taxes	97,605	94,553
Employee profit-sharing (French companies)	6,500	5,947
Personnel costs	**366,653**	**353,022**
Average number of employees of the consolidated companies	7,529	7,387

Profit sharing is granted to employees of the Group's French companies in the form of either cash or shares, at the employee's option. 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 ▼ Net depreciation, amortization and provisions

(in thousands of euros)	2012	2011
Net charges to amortization of fixed assets	(190,916)	(180,665)
Net provisions	(269)	977
Net charges to other assets depreciation	(969)	(1,760)
Net charges to operating depreciation, amortization and provisions	**(192,154)**	**(181,448)**
Other net charges to non-operating depreciation, amortization and provisions (1)	567	14,306
Net charges to depreciation, amortization and provisions	**(191,587)**	**(167,142)**

(1) including as at December 31, 2012 a write-back of €0.4 million (write-back of €9.8 million as at December 31, 2011) related to the update of the Group responsability pro-rata share over compensation by the insurers in the incident occured in 2006 and described in note 15.

Note 22 ▼ Other income (expenses)

(in thousands of euros)	2012	2011
Net income from disposals of assets	3,061	2,015
Income from investment properties	3,106	3,017
Other	10,807	14,687
Other operating income (expense)	**16,974**	**19,719**
Other non-operating income (expense) (1)	**(812)**	**(22,048)**
Total	**16,162**	**(2,329)**

(1) including as at December 31, 2012 an expense of €0.5 million (expense of €11.9 million as at December 31, 2011) reported by the Group corresponding to the files recognized as expenses in 2012 in connection with the incident in 2006 as described in note 15.

Note 23 ▼ Financial performance indicators

The rationalization of the transition between Gross Operating Earnings, EBITDA, EBIT and Operating Income is as follows:

(in thousands of euros)	2012	2011
Gross Operating Earnings	**420,408**	**471,219**
Other operating income (expense)	16,974	19,719
EBITDA	**437,382**	**490,938**
Net operating charges to depreciation, amortization and provisions	(192,154)	(181,448)
EBIT	**245,228**	**309,490**
Other non-operating income (expense)	(812)	(22,048)
Net charges to non-operating depreciation, amortization and provisions	(567)	14,306
Operating Income	**244,983**	**301,748**

Note 24 ▼ Financial income (expense)

(in thousands of euros)	2012	2011
Interest income from financing and cash management activities	18,504	20,456
Interest expense from financing and cash management activities	(52,947)	(60,875)
Cost of net borrowings and financial liabilities	**(34,443)**	**(40,419)**
Dividends	2,213	3,234
Foreign exchange gains	3,702	4,801
Fair value adjustments to financial assets and liabilities	1,619	1,116
Net income from disposal of financial assets	-	-
Write-back of impairment of financial assets	335	329
Other income	-	-
Other financial income	**7,869**	**9 480**
Foreign exchange losses	(6,836)	(4,683)
Fair value adjustments to financial assets and liabilities	-	-
Impairment on financial assets	(2,207)	(4,523)
Net income from disposal of financial assets	(142)	(36)
Discounting expenses	(4,649)	(3,499)
Other expenses	(39)	(215)
Other financial expenses	**(13,873)**	**(12,956)**
Net financial income (expense)	**(40,447)**	**(43,895)**

Note 25 ▼ Income tax

Income tax expense

Analysis of income tax expense

(in thousands of euros)	2012	2011
Current taxes	72,364	67,593
Deferred tax (income)	(12,743)	(1,296)
Total (1)	**59,621**	**66,297**

(1) Including in 2011 a present value expense of €5.3 million in current tax and an expense of €1.0 million in deferred tax recorded under the tax amnesty for the years 2006 to 2009 to which the Group's Turkish companies signed up.

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 is analyzed as follows:

(in thousands of euros)	2012	2011
Net earnings from consolidated companies	144,915	191,556
Income tax	59,621	66,297
Net income before tax	204,536	257,853
Standard tax rate	36,10%	36.10%
Theoretical income tax at the parent company rate	**(73,838)**	**(93,085)**
Reconciliation:		
Differences between French and foreign tax rates	25,929	28,639
Transactions taxed at lower rates	(3,888)	(2,854)
Changes in tax rates	(580)	(274)
Permanent differences	(5,686)	226
Tax credits	3,009	1,838
Other	(4,567)	(787)
Actual income tax expense	**(59,621)**	**(66,297)**

Deferred tax

Change in deferred tax assets and liabilities:

	Deferred tax assets		Deferred tax liabilities	
(in thousands of euros)	2012	2011	2012	2011
Deferred taxes at January 1	**2,104**	**2,553**	**171,429**	**146,458**
Expense / income for the year	16,100	(353)	3,357	(1,649)
Deferred taxes allocated to shareholders' equity			(8,859)	24,851
Translation and other changes (1)	70,773	(126)	74,206	1,505
Changes in consolidation scope	3	30		264
Deferred taxes at December 31	**88,980**	**2,104**	**240,133**	**171,429**

(1) The deferred taxes of the Group's American companies as at December 31, 2011 ceased to be offset as at January 1, 2012 (€72,443 thousand), such as to show the deferred tax assets and liabilities separately.

Analysis of net deferred tax (expense) /income by principal category of timing difference

(in thousands of euros)	2012	2011
Fixed assets and finance leases	3,367	(4,835)
Financial instruments	(350)	(528)
Pensions and other post-employment benefits	1,486	(791)
Accelerated depreciation, regulated provisions and other	(3,674)	(6,562)
Other timing differences, tax loss carry-forwards and miscellaneous	11,914	14,012
Net deferred tax (expense) / income	**12,743**	**1,296**

Source of deferred tax assets and liabilities

(in thousands of euros)	2012	2011
Fixed assets and finance leases	141,924	156,817
Financial instruments	(1,764)	5,543
Pensions	(14,382)	(14,311)
Other provisions for contingencies and charges	13,356	13,447
Accelerated depreciation and regulated provisions	60,721	40,589
Other timing differences, tax loss carry-forwards and miscellaneous	(48,702)	(32,760)
Net deferred tax assets and liabilities	**151,153**	**169,325**
Deferred tax assets (1)	(88,980)	(2,104)
Deferred tax liabilities	240,133	171,429
Net balance	**151,153**	**169,325**

(1) The deferred tax assets mainly originate from the carried forward losses of subsidiaries based in the United States, the period of limitation of which ranges from 2024 to 2032. The deferred taxes of the Group's American companies as at December 31, 2011 ceased to be offset as at January 1, 2012 (€72,443 thousand), such as to show the deferred tax assets and liabilities separately.

Deferred taxes not recognized in the financial statements

Deferred tax assets not recognized in the financial statements as at December 31, 2012, owing to the probability of their not being recovered, amounted to €8.3 million (€7.3 million as at December 31, 2011). These relate essentially to a company benefiting from a tax exemption scheme for a period of 10 years with effect from January 1, 2011.

Note 26 ▼ Segment information

a) Informations par secteur

2012 (In thousand euros except number of employees)	Cement	Concrete and Aggregates	Other products and services	Total
Income statement				
Operating sales	1,377,135	855,131	400,720	2,632,986
Inter-sector eliminations	(221,443)	(29,081)	(90,243)	(340,767)
Consolidated net sales	**1,155,692**	**826,050**	**310,477**	**2,292,219**
EBITDA (cf. 1.22 and 23)	335,834	67,563	33,,985	437,382
EBIT (cf. 1.22 and 23)	204,036	20,156	21,036	245,228
Balance sheet				
Total non-current assets	2,812,816	639,537	169,514	3,621,867
Net capital employed (1)	2,854,876	614,215	185,947	3,655,038
Other information				
Acquisitions of intangible and tangible assets	217,168	52,550	17,349	287,067
Net depreciation and amortization charges	130,973	46,297	13,646	190,916
Average number of employees	3,202	2,925	1,402	7,529

2011 (In thousand euros except number of employees)	Cement	Concrete and Aggregates	Other products and services	Total
Income statement				
Operating sales	1,355,738	854,007	391,016	2,600,761
Inter-sector eliminations	(218,147)	(36,051)	(81,091)	(335,289)
Consolidated net sales	**1,137,591**	**817,956**	**309,925**	**2,265,472**
EBITDA (cf. 1.22 and 23)	379,541	78,026	33,371	490,938
EBIT (cf. 1.22 and 23)	260,956	30,274	18,260	309,490
Balance sheet				
Total non-current assets	2,703,326	595,880	162,235	3,461,441
Net capital employed (1)	2,809,652	585,122	181,087	3,575,861
Other information				
Acquisitions of intangible and tangible assets	211,058	52,330	12,324	275,712
Net depreciation and amortization charges	119,269	46,024	15,372	180,665
Average number of employees	3,143	2,887	1,357	7,387

(1) Net capital employed corresponds to the sum of non-current assets, assets and liabilities held for sale, and working 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.

2012 (In thousand euros except number of employees)	France	Europe (excluding France)	United States	Turkey, Kazakhstan and India	West Africa and the Middle East	Total
Income statement						
Operating sales	906,043	410,871	196,143	442,542	368,986	2,324,585
Inter-country eliminations	(26,914)	(352)		(416)	(4,684)	(32,366)
Consolidated net sales	**879,129**	**410,519**	**196,143**	**442,126**	**364,302**	**2,292,219**
EBITDA (cf. 1.22 and 23)	162,994	104,650	(5,485)	91,865	83,358	437,382
EBIT (cf. 1.22 and 23)	103,574	75,879	(33,725)	53,831	45,669	245,228
Balance sheet						
Total non-current assets	646,717	559,278	443,916	1,268,866	703,090	3,621,867
Net capital employed (1)	680,372	530,750	373,418	1,315,552	754,946	3,655,038
Other information						
Acquisitions of intangible and tangible assets	79,454	25,794	7,431	154,898	19,490	287,067
Net depreciation and amortization charges	59,814	29,337	29,063	37,265	35,437	190,916
Average number of employees	2,566	1,098	996	1,732	1,137	7,529

2011 (In thousand euros except number of employees)	France	Europe (excluding France)	United States	Turkey, Kazakhstan and India	West Africa and the Middle East	Total
Income statement						
Operating sales	963,361	402,900	165,281	348,320	418,783	2,298,645
Inter-country eliminations	(24,722)	(292)		(241)	(7,918)	(33,173)
Consolidated net sales	**938,639**	**402,608**	**165,281**	**348,079**	**410,865**	**2,265,472**
EBITDA (cf. 1.22 and 23)	201,529	102,229	(9,401)	74,142	122,439	490,938
EBIT (cf. 1.22 and 23)	146,857	71,869	(38,816)	43,913	85,667	309,490
Balance sheet						
Total non-current assets	613,884	560,585	387,004	1,165,651	734,317	3,461,441
Net capital employed (1)	713,664	529,156	396,504	1,157,081	779,456	3,575,861
Other information						
Acquisitions of intangible and tangible assets	63,287	25,085	4,098	162,830	20,412	275,712
Net depreciation and amortization charges	56,363	30,918	29,689	29,598	34,097	180,665
Average number of employees	2,579	1,089	1,012	1,614	1,093	7,387

(1) Net capital employed corresponds to the sum of non-current assets, assets and liabilities held for sale, and working capital requirement, after deduction of provisions and deferred taxes.

c) Information about major customers

The Group has no reliance on any major customers, none of which accounts for more than 10 % of sales.

Note 27 ▼ Net cash flows generated from operations

Net cash flows from operating transactions conducted by the Group in 2012 amounted to €307 million, compared with € 352 million in 2011.

This decrease in cash flows generated by operating activities between 2011 and 2012 results from a €34 million decrease in cash flow from operations and a €11 million increase in the change in the working capital requirement (increase of €21.4 million in 2012 and of €11.2 million in 2011).

The working capital requirement (WCR) broken down by type is as follows:

(in thousands of euros)	WCR at December 31, 2010	Change in WCR in 2011	Other changes (1)	WCR at December 31, 2011	Change in WCR in 2012	Other changes (1)	WCR at December 31, 2012
Inventories	356,521	8,763	(5,180)	360,104	24,617	(2,828)	381,893
Other WCR components	81,937	2,423	16,081	100,441	(3,205)	(2,974)	94,262
WCR	**438,458**	**11,186**	**10,901**	**460,545**	**21,412**	**(5,802)**	**476,155**

(1) Exchange rates, consolidation scope and miscellaneous.

Note 28 ▼ Net cash flows from investment activities

Net cash flows linked to Group investment transactions in 2012 amounted to €(273) million, compared with €(301) million in 2011.

Acquisitions of intangible and tangible assets

These include outflows for industrial investments (€269 million in 2012 and €281 million in 2011) corresponding essentially:
- in 2012 to the continuation of investments in India as part of the Vicat Sagar Cement greenfield project and to a lesser extent investments in maintenance and improvement spread across all countries.
- in 2011 to the increase in output from investments made in India, in particular in relation to construction of the Vicat Sagar Cement factory, and to a lesser extent those made in France, Switzerland and Kazakhstan. .

Acquisition/disposal of shares in consolidated companiess

Consolidated company share acquisitions and disposals during 2012 resulted in an overall outflow of €(11) million.

The main outflows from the Group during the year were for the acquisition of additional holdings in companies already consolidated and of new companies in France, in the concrete and aggregates sectors.

Consolidated company share acquisitions and disposals during 2011 resulted in an overall outflow of €(24) million. The main outflow from the Group during the year was for the acquisition from our Kazakhstan partner of an additional 21% of the shares of Mynaral Tas Company LLP.

Note 29 ▼ Analysis of net cash balances

(in thousands of euros)	At December 31, 2012 Net	At December 31, 2011 Net
Cash and cash equivalents (see note 12)	237,344	359,404
Bank overdrafts	(12,265)	(15,391)
Net cash balances	**225,079**	**344,013**

Note 30 ▼ Executive management compensation

Pursuant to Article 225.102-1 of the French Commercial Code, and in accordance with IAS 24, we hereby inform you that the total gross compensation paid to each executive director during the financial year 2012 was as follows:

J. Merceron-Vicat	€776,275
G. Sidos	€761,846
L. Merceron-Vicat	€221,143
S. Sidos	€33,888
R. de Parisot	€502,713

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 L. 233-16 of the French Commercial Code. 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, four of 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 (€5,426 thousand) were all recognized in provisions in the financial statements, in the same manner as all of the Group's post-employment benefits as at December 31, 2012 (note 1.15).

Note 31 ▼ Transactions with related companies

In addition to information required for related parties regarding the senior 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.

Such transactions were not significant in 2012 and were conducted under normal market terms and conditions.

These operations have all been recorded in compliance with the transactions stipulated in IAS 24 and their impact on the Group's consolidated financial statements for 2012 and 2011 is as follows, broken down by type and by related party:

	2012 Financial Year				2011 Financial Year			
(in thousands of euros)	Sales	Purchases	Receivables	Debts	Sales	Purchases	Receivables	Debts
Affiliated companies	525	1,227	7,080	999	401	1,333	7,273	131
Joint ventures	942	771	101	575	1,141	941	140	551
Other related parties	69	2,503	37	240	44	2,304	-	174
Total	**1,536**	**4,501**	**7,218**	**1,814**	**1,586**	**4,578**	**7,413**	**856**

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 integrated consolidated subsidiaries for 2012 and 2011 are as follows:

	KPMG Audit				Wolff & associés				Others			
	Amount (ex. VAT)		%		Amount (ex. VAT)		%		Amount (ex. VAT)		%	
(in thousands of euros)	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
AUDIT												
Statutory auditors, certification, examination of individual and consolidated accounts	955	958	47	52	407	431	20	23	663	471	33	25
- *VICAT SA*	*220*	*190*	*11*	*10*	*190*	*181*	*9*	*10*	-	-		
- *Companies which are fully or proportionally consolidated*	*735*	*768*	*36*	*41*	*217*	*250*	*11*	*13*	*663*	*471*	*33*	*25*
Other forms of investigation and directly related services	-	6	-	16	-	-	-	-	31	32	100	84
- *VICAT SA*												
- *Companies which are fully or proportionally consolidated*	-	*6*	-	*16*	-	-	-	-	*31*	*32*	*100*	*84*
Total Audit fees	**955**	**964**	**46**	**51**	**407**	**431**	**20**	**23**	**694**	**503**	**34**	**26**
OTHER SERVICES												
Legal, tax and employee-related services others	2	2	100	100	-	-	-	-	-	-	-	-
Total other services	**2**	**2**	**100**	**100**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**957**	**966**	**47**	**51**	**407**	**431**	**20**	**23**	**694**	**503**	**34**	**26**

Note 33 ▼ Post balance sheet events

No post balance sheet event has had a material impact on the consolidated financial statements as at December 31.

Note 34 ▼ List of significant consolidated companies as at december 31, 2012

Fully consolidated: FRANCE

COMPANY	ADDRESS	SIREN NO.	% control December 31, 2012	% control December 31, 2011
VICAT	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DEFENSE	057 505 539	----	----
ALPES INFORMATIQUE	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	073 502 510	99.84	99.84
ANNECY BETON CARRIERES	14 chemin des grèves 74960 CRAN GEVRIER	326 020 062	50.00	50.00
LES ATELIERS DU GRANIER	Lieu-dit Chapareillan 38530 PONTCHARRA	305 662 504	100.0	100.0
BETON CHATILLONAIS	Champ de l'Allée – ZI Nord 01400 CHATILLON SUR CHALARONNE	485 069 819	100.00	-
BETON CONTROLE COTE D'AZUR	217 Route de Grenoble 06200 NICE	071 503 569	97.12	96.10
BETON DE L'OISANS	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	438 348 047	60.00	60.00
LES BETONS DU GOLFE	Quartier les Plaines 83480 PUGET SUR ARGENS	501 192 785	100.00	-
BETONS GRANULATS DU CENTRE	Les Genevriers 63430 LES MARTRES D'ARTIERE	327 336 343	(1)	100.00
LES BETONS DU RHONE	La petite Craz 69720 SAINT LAURENT DE MURE	503 728 164	100.00	-
BETON VICAT	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	309 918 464	99.92	99.92
BETON TRAVAUX	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DEFENSE	070 503 198	99.98	99.98
B.G.I.E. BETON GRANULATS IDF/EST	52-56 rue Jacquard Z.I. 77400 LAGNY SUR MARNE	344 933 338	100.00	100.00
CONDENSIL	1327 Av. de la Houille Blanche 73000 CHAMBERY	342 646 957	60.00	60.00
DELTA POMPAGE	1327 Av. de la Houille Blanche 73000 CHAMBERY	316 854 363	100.00	100.00
ETABLISSEMENT ANTOINE FOURNIER	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	586 550 147	100.00	100.00
GRANULATS VICAT	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	768 200 255	99.87	99.82
GRAVIERES DE BASSET	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	586 550 022	(1)	100.00
MARIOTTO BETON	Route de Paris 31150 FENOUILLET	720 803 121	(1)	100.00
MATERIAUX SA	7 bis Boulevard Serot 57000 METZ	378 298 392	(1)	99.99

(1) Companies merged with a fully consolidated company in 2012.

Fully consolidated: FRANCE (continued)

COMPANY	ADDRESS	SIREN NO.	% control December 31, 2012	% control December 31, 2011
MONACO BETON	Le Palais Saint James 5, avenue Princesse Alice 98000 MONACO	326 MC 161	99.58	99.58
PARFICIM	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DEFENSE	304 828 379	100.00	100.00
SATMA	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	304 154 651	100.00	100.00
SATM	1327 Av. de la Houille Blanche 73000 CHAMBERY	745 820 126	100.00	100.00
SIGMA BETON	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	343 019 428	100.00	100.00
SOCIETE L. THIRIET ET COMPAGNIE	Lieudit Chaufontaine 54300 LUNEVILLE	762 800 977	99.98	99.98
PAPETERIES DE VIZILLE	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DEFENSE	319 212 726	100.00	100.00
VICAT INTERNATIONAL TRADING	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DEFENSE	347 581 266	100.00	100.00
VICAT PRODUITS INDUSTRIELS	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	655 780 559	100.00	100.00

Fully consolidated: REST OF WORLD

COMPANY	COUNTRY	STATE/CITY	% control December 31, 2012	% control December 31, 2011
SINAI CEMENT COMPANY	EGYPT	CAIRO	52.62	52.62
MYNARAL TAS COMPANY LLP	KAZAKHSTAN	ALMATY	86.24	84.07
JAMBYL CEMENT PRODUCTION COMPANY LLP	KAZAKHSTAN	ALMATY	86.24	84.07
BUILDERS CONCRETE	UNITED STATES	CALIFORNIA	100.00	100.00
KIRKPATRICK	UNITED STATES	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	UNITED STATES	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	UNITED STATES	DELAWARE	100.00	100.00
NATIONAL CEMENT COMPANY OF CALIFORNIA	UNITED STATES	DELAWARE	100.00	100.00
NATIONAL READY MIXED	UNITED STATES	CALIFORNIA	100.00	100.00
UNITED READY MIXED	UNITED STATES	CALIFORNIA	100.00	100.00
VIKING READY MIXED	UNITED STATES	CALIFORNIA	100.00	100.00
SONNEVILLE INTERNATIONAL CORP	UNITED STATES	ALEXANDRIA	(2)	100.00
CEMENTI CENTRO SUD Spa	ITALY	GENOVA	100.00	100.00
CIMENTS & MATERIAUX DU MALI	MALI	BAMAKO	94.89	95.00

(2) Company sold in 2012.

Fully consolidated: REST OF WORLD (continued)

COMPANY	COUNTRY	STATE/CITY	% control December 31, 2012	% control December 31, 2011
GECAMINES	SENEGAL	THIES	70.00	70.00
POSTOUDIOKOUL	SENEGAL	RUFISQUE (DAKAR)	100.00	100.00
SOCOCIM INDUSTRIES	SENEGAL	RUFISQUE (DAKAR)	99.91	99.91
SODEVIT	SENEGAL	BANDIA	100.00	100.00
ALTOTA AG	SWITZERLAND	OLTEN (SOLOTHURN)	100.00	100.00
KIESWERK AEBISHOLZ AG (ex ASTRADA KIES AG)	SWITZERLAND	AEBISHOLZ (SOLEURE)	99.64	99.64
BETON AG BASEL	SWITZERLAND	BALE (BALE)	100.00	100.00
BETON AG INTERLAKEN	SWITZERLAND	MATTEN BEI INTERLAKEN (BERN)	75.42	75.42
BETON GRAND TRAVAUX SA	SWITZERLAND	ASUEL (JURA)	75.00	75.00
BETONPUMPEN OBERLAND AG	SWITZERLAND	WIMMIS (BERN)	93.33	93.33
CEWAG	SWITZERLAND	DUTINGEN (FRIBOURG)	100.00	100.00
COVIT SA	SWITZERLAND	SAINT-BLAISE (NEUCHATEL)	100.00	100.00
CREABETON MATERIAUX SA	SWITZERLAND	LYSS (BERN)	100.00	100.00
EMME KIES + BETON AG	SWITZERLAND	LÜTZELFLÜH (BERN)	66.66	66.66
FRISCHBETON AG ZUCHWIL	SWITZERLAND	ZUCHWIL (SOLOTHURN)	88.94	88.94
FRISCHBETON LANGENTHAL AG	SWITZERLAND	LANGENTHAL (BERN)	78.67	77.83
FRISCHBETON THUN	SWITZERLAND	THOUNE (BERN)	54.26	53.87
GRANDY AG	SWITZERLAND	LANGENDORF (SOLEURE)	100.00	100.00
KIESTAG STEINIGAND AG	SWITZERLAND	WIMMIS (BERN)	98.55	98.55
MATERIALBEWIRTTSCHFTUNG MITHOLZ AG	SWITZERLAND	KANDERGRUND (BERN)	98.55	98.55
KIESWERK NEUENDORF	SWITZERLAND	NEUENDORF (SOLEURE)	99.64	99.64
SABLES + GRAVIERS TUFFIERE SA	SWITZERLAND	HAUTERIVE (FRIBOURG)	50.00	50.00
SHB STEINBRUCH + HARTSCHOTTER BLAUSEE MITHOLZ AG	SWITZERLAND	FRUTIGEN (BERN)	98.55	98.55
STEINBRUCH VORBERG AG	SWITZERLAND	BIEL (BERN)	60.00	60.00
VIGIER BETON JURA SA (ex BETON FRAIS MOUTIER SA)	SWITZERLAND	BELPRAHON (BERN)	90.00	90.00
VIGIER BETON KIES SEELAND AG (ex VIBETON KIES AG)	SWITZERLAND	LYSS (BERN)	100.00	100.00
VIGIER BETON MITTELLAND AG (ex WYSS KIESWERK AG)	SWITZERLAND	FELDBRUNNEN (SOLOTHURN)	100.00	100.00
VIGIER BETON ROMANDIE SA (ex VIBETON FRIBOURG SA)	SWITZERLAND	ST . URSEN (FRIBOURG)	100.00	100.00
VIGIER BETON SEELAND JURA AG (ex VIBETON SAFNERN AG)	SWITZERLAND	SAFNERN (BERN)	90.47	90.47

Fully consolidated: REST OF WORLD (continued)

COMPANY	COUNTRY	STATE/CITY	% control December 31, 2012	% control December 31, 2011
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
AKTAS	TURKEY	ANKARA	100.00	100.00
BASTAS BASKENT CIMENTO	TURKEY	ANKARA	91.58	91.58
BASTAS HAZIR BETON	TURKEY	ANKARA	91.58	91.58
KONYA CIMENTO	TURKEY	KONYA	83.08	83.08
TAMTAS	TURKEY	ANKARA	100.00	100.00
BSA Ciment SA	MAURITANIA	NOUAKCHOTT	64.91	64.91
BHARATHI CEMENT	INDIA	HYDERABAD	51.00	51.00
VICAT SAGAR	INDIA	HYDERABAD	53.00	53.00

Proportionate consolidation: FRANCE

COMPANY	ADDRESS	SIREN NO.	% control December 31, 2012	% control December 31, 2011
CARRIÈRES BRESSE BOURGOGNE	Port Fluvial Sud de Chalon 71380 EPERVANS	655 850 055	49.95	49.95
DRAGAGES ET CARRIERES	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 December 31, 2012	% control December 31, 2011
FRISHBETON TAFERS AG	SWITZERLAND	TAFERS (FRIBOURG)	49.50	49.50

Equity method: REST OF WORLD

COMPANY	COUNTRY	STATE/CITY	% control December 31, 2012	% control December 31, 2011
HYDROELECTRA	SWITZERLAND	AU (ST. GALLEN)	50.00	50.00
SILO TRANSPORT AG	SWITZERLAND	BERN (BERN)	50.00	50.00
SINAI WHITE CEMENT	EGYPT	CAIRO	25.40	25.40

1.1.3. Statutory auditors' report on the consolidated financial statements

Year ended 31 December 2012

To the Shareholders,

In compliance with the assignment entrusted to us by the shareholders in General Meeting, we hereby report to you, for the year ended December 31, 2012, 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.

I - 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 IFRS as adopted by the EU, of the assets, liabilities, and financial position of the consolidated group of entities as at December 31, 2012 and of the results of its operations for the year then ended.

II - Justification of our assessment

In accordance with the requirements of article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- At each reporting date, the company systematically performs impairment tests of assets with indefinite useful lives and, whether there is any sign of impairment, assesses the value of assets with definite useful lives, using the methodology disclosed in the note 1.11 of the consolidated financial statements. We have examined the procedures for the performance of the impairment testing, and the expected future cash flows and related assumptions and we also verified that the notes of the consolidated financial statements relating to the assets, including note 3 "Goodwill", note 4 "Other intangible assets" and note 5 "Tangible assets", provide appropriate information These estimates are based on assumptions which have by nature an uncertain characteristic; realizations can be sometimes significantly different than initial forecasts. We verified that such estimates were reasonable.
- Your Company recorded provisions related post-employment benefits and other long-term employee benefits in the consolidated financial statements in accordance with IAS 19's requirements. The 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 the notes 1-15 and 14 of the consolidated financial statements provide appropriate information.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information relative to the group, given in the parent company's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense, February 27, 2013
KPMG Audit - Département de KPMG S.A.
Bertrand Desbarrières - *Associé*

Chamalières, February 27, 2013
Wolff & Associés S.A.S.
Grégory Wolff - *Associé*

1.2.1. Balance sheet at December 31, 2012

BALANCE SHEET AT DECEMBER 31, 2012

(in thousands of euros)	2012	2011
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Gross value	33,081	25,653
Amortization and depreciation	(12,532)	(12,390)
Net value	**20,549**	**13,263**
Property, plant and equipment		
Gross value	819,426	815,909
Amortization and depreciation	(553,223)	(556,821)
Net value	**266,203**	**259,088**
Financial investments		
Investments in associated companies	1,742,380	1,742,479
Loans and other	96,355	39,085
	1,838,735	**1,781,564**
CURRENT ASSETS		
Inventories	93,867	86,271
Trade and other receivables	242,762	298,131
Short-term financial investments	5,311	6,325
Cash	3,160,	2,467
Accrued expenses	1,731	1,254
	346,831	**394,448**
Expenses to be allocated	3,339	4,188
Translation adjustments - assets	2	5
TOTAL ASSETS	**2,475,659**	**2,452,556**
LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY		
Share capital	179,600	179,600
Reserves, premiums and provisions	782,023	741,536
Revaluation adjustments	11,143	11,147
Retained earnings	151,312	103,404
Income	173,726	152,357
	1,297,804	**1,188,044**
PROVISIONS		
For liabilities (risks)	944	892
For liabilities (expenses)	20,070	16,198
	21,014	**17,090**
LIABILITIES		
Loans	946,485	1,069,605
Short-term bank borrowings and bank overdrafts	4,829	4,689,
Trade and other payables	205,510	173,127
Accrued income	8	
	1,156,832	**1,247,421**
Translation adjustments - liabilities	9	1
TOTAL LIABILITIES	**2,475,659**	**2,452,556**

INCOME STATEMENT

(in thousands of euros)	2012	2011
NET SALES	**443,119**	**484,697**
Production in the year	449,799	484,734
Consumption in the year	(257,249)	(268,979)
ADDED VALUE	**192,550**	**215,755**
Personnel costs	(63,457)	(64,462)
Taxes, duties and similar payments	(17,462)	(16,142)
Transfer of expenses and subsidies	320	312
GROSS OPERATING PROFIT	**111,951**	**135,463**
Other income and expenses	3,075	4,424
Net amortization and provisions	(23,010)	(21,921)
INCOME FROM OPERATIONS	**92,016**	**117,966**
Financial income and expenses	108,054	61,561
CURRENT PROFIT	**200,070**	**179,527**
Exceptional income and expenses	(6,169)	(7,854)
Employee profit-sharing	(4,906)	(4,030)
Income tax	(15,269)	(15,286)
NET EARNINGS FOR THE YEAR	**173,726**	**152,357**
CASH GENERATED FROM OPERATIONS	**199,257**	**190,021**

1.2.2. Notes to the 2012 financial statements

Note 1 ▼ Accounting policies and valuation methods

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 5.1.1.

Research and development costs are entered as expenses.

Plant, property and equipment are recorded at acquisition or production cost, by applying the component approach pursuant to regulation CRC 2002-10. The cost of goods sold excludes all financing expenses. 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 are amortized based on the tonnages extracted during the year, compared with the estimated total reserves.

Investments are recorded at acquisition cost, subject to the deduction of any depreciation considered necessary, taking into account the percentage holding, profitability prospects and share prices if significant or market prices. Investments acquired before December 31, 1976 have been restated.

Treasury shares are recognized at acquisition cost and recorded in other financial assets. Those intended for allotment to employees under profit-sharing and performance-related bonus schemes are recognized in short-term financial investments. Income from sales of treasury shares contributes to the earnings for the year. At year end, treasury shares are valued on the basis of the average price in the last month of the financial year. Changes in the share price below the historic purchase price can effect a change in the earnings.

Inventories are valued using the method of weighted average unit cost.
The gross value of goods and supplies includes both the purchase price and all related costs.

Manufactured goods are recorded at production cost and include consumables, direct and indirect production costs and amortizations of production equipment.

In the case of inventories of finished products and work-in-progress, the cost includes an appropriate share of fixed costs based on standard conditions of use of the production facilities.

Receivables and payables are recorded at nominal value.

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 foreign currency receivables and payables are reported in the balance sheet under "Translation adjustments". 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..

Note 2 ▼ Significant events during the period

There were no significant events in 2012.

Note 3 ▼ Post balance sheet events

No post balance sheet event has had a material impact on the financial statements as at December 31, 2012.

Note 4 ▼ Sales analysis

Net sales by geographical area and activity break down as follows:

(in thousands of euros)	France	Other countries	Total
Cement	369,482	37,449	406,931
Paper	25,991	10,197	36,188
Total	**395,473**	**47,646**	**443,119**

Note 5 ▼ Analysis of the financial statements

5.1. NON-CURRENT 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	25,653	8,928	1,500	33,081
Land and improvements	89,972	2,506	115	92,363
Buildings and improvements	162,203	1,244	573	162,874
Plant, machinery and equipment	526,026	12,205	13,570	524,661
Other tangible assets	28,105	897	11,727	17,275
Tangible assets in progress	9,593	25,636	12,988	22,241
Advances and payments on account	10	2	-	12
Total	**841,562**	**51,418**	**40,473**	**852,507**

The increase in intangible assets in progress includes in particular the implementation of SAP software during 2013.

The main investments in tangible assets in progress at year-end are:
- Installation of a biomass boiler at VIZILLE at a cost of €4,450 thousand
- Equipment of the MEPIEU quarry (crushers, conveyors, limestone workshop) at a cost of € 5,941 thousand
- Installation of silos and lignite supply conveyors at our XEUILLY factory at a cost of €2,410 thousand.

(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	12,390	1,044	902	12,532
Land and improvements	15,799	1,863	115	17,547
Buildings and improvements	113,930	3,661	573	117,018
Plant, machinery and equipment	402,772	14,175	13,137	403,810
Other tangible assets	23,262	1,496	10,968	13,790
Total	**568,153**	**22,239**	**25,695**	**564,697**

5.1.1. Intangible assets

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 2012, they amounted to 2,802 thousand tonnes of greenhouse gas emissions (14,011 thousand tonnes for the 2008-2012 period).

Recording of quota swaps (EUA) against Certified Emission Reductions (CERs) is recognized in the income for the year at an amount of €1,051 thousand. In 2011, income from quota sales and quota swaps was €2,491 thousand.

The quotas held at the end of the period in excess of the cumulative actual emissions are recorded in the assets and in the liabilities, on the basis of the market value at each year-end. At the end of 2012, the quotas held amounted to €11,290 thousand, corresponding to 1,503 thousand tonnes. No income is recorded in respect of the quotas held.

Research and development costs recorded in expenses amounted to €5,112 thousand. These comprise €3,363 thousand for internal costs (amortization, personnel and operating costs) and €1,749 thousand for work commissioned form external organizations.

5.1.2. Tangible assets

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

5.1.3. Financial investments:

Financial investments increased by €53,855 thousand, mainly as a result of:

- decreases in investments in companies amounting to:	- 373
- change in other financial investments:	- 750
- reclassification of the loan granted to our subsidiary VIGIER as equity financing:	54,978
	53,855

Under the liquidity agreement with NATIXIS, the following amounts were recognized in the liquidity account at year-end:
- 51,655 Vicat shares representing a net value of €2,201 thousand;
- €1,130 thousand in cash.

Under this contract, 227,793 shares were purchased during the year for €9,839 thousand and 241,802 shares sold for €10,607 thousand.

Financial investments also included 813,167 treasury shares at a net book value of €37,300 thousand.
Loans and other long-term investments break down as:
(in thousands of euros)

- within one year	-
- over one year	127,990
	127,990

5.2. SHAREHOLDERS' EQUITY

5.2.1. Share capital

Share capital amounts to €179,600,000 and is divided into 44,900,000 shares of €4 each.
The share ownership breaks down as follows:
- Employees 4.61%
  including employee shareholders (*): 2.07%
- Family, Parfininco and Soparfi 60.57%
- Vicat 2.09%

(*) In accordance with Article L. 225-102 of the code de commerce (the French Commercial Code).

5.2.2. Change in shareholders' equity

(in thousands of euros)	2012	2011
Shareholders' equity at the beginning of year	1,188,044	1,097,159
Shareholders' equity at the end of year	1,297,804	1,188,044
Change	109,760	90,885
Analysis of changes		
Income for the year	173,726	152,357
Dividends paid (1)	(66,038)	(65,946)
Revaluation adjustment	(5)	
Regulated provisions	2,077	4,474
	109,760	**90,885**

(1) less dividends on treasury shares.

5.2.3 Regulated provisions

Regulated provisions break down as follows:

(in thousands of euros)	Amount at the beginning of year	Allocation during the year	Reversals	Amount at the end of the year
Price increase provision	9,976	2,648	1,520	11,104
Special tax depreciation	89,156	7,510	5,653	91,013
Special revaluation provision	2,447	-	67	2,380
Investment provision	8,458	-	841	7,617
Total	**110,037**	**10,158**	**8,081**	**112,114**

Maturities are as follows:

(in thousands of euros)	Value	Recovered at 1 year maximum	Recovered after more than 1 year
Price increase provision	11,104	1,692	9,412
Special tax depreciation	91,013	6,206	84,807
Special revaluation provision	2,380	-	2,380
Investment provision	7,617	2,708	4,909
Total	**112,114**	**10,606**	**101,508**

5.3. PROVISIONS

(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 quarry reinstatement	4,416	391	460	-	4,347
Provisions for disputes	155,	76	82	-	149
Other provisions for expenses	12,519	4,076	77	-	16,518
Total	**17,090**	**4,543**	**619**	**-**	**21,014**

Provisions amounted to €21 million and covered:
- lthe forecast costs under the French quarry reinstatement obligation of €4.3 million. These provisions are made for each of the quarries based on tonnages extracted in relation to the potential deposit and the estimated cost of the work to be performed at the end of operations.
- lother provisions for expenses which include a provision of €15,121 thousand for tax to be repaid to subsidiaries under the Group tax sharing agreement.

5.4. BORROWINGS AND FINANCIAL LIABILITIES

During 2012, medium and long-term debt and other bank borrowings decreased by €122,980 thousand.

5.4.1. 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]	946,128	105,956	576,067	264,105
Miscellaneous borrowings and financial liabilities	4,060	3,788	85	187
Short-term bank borrowings and bank overdrafts	1,126	1,126	-	-
(1) Including commercial paper.	*283,000*		*283,000*	

5.4.2. Other information

At December 31, 2012 the Company had €396 million in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (€273 million at December 31, 2011).

The Company also has a program for issuing commercial paper amounting to €300 million. As at December 31, 2012, the amount of the notes issued was €283 million. 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.

5.4.3. Risk hedging

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 and swaps) on original maturities of 5 to 12 years amounting to €510 million at December 31, 2012.

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, 2012, these lines matched the short term notes they covered at €283 million.

5.4.4. Financial instruments

As at December 31, 2012, unsettled derivative instruments were as follows:

Type (in thousands of currency units)	Nominal value (currency)	Nominal value (euros)	Fair value (euros)
CHF forward purchases	8,000 CHF	6,627	(14)(1)
USD forward sales	159,000 USD	120,509	38(2)
Floating/fixed interest rate swaps	150,000 EUR	150,000	(6,409)(3)
Interest rate caps	360,000 EUR	360,000	(1,241)
Cross Currency Swap	690,000 USD	522,965	(23,065)(4)

(1) In parallel debt rose by €0.1 million.
(2) In parallel borrowing decreased by €0.8 million.
(3) In parallel debt decreased by €0.2 million.
(4) In parallel debt decreased by €24.8 million.

5.5. STATEMENT OF MATURITIES FOR TRADE RECEIVABLES AND PAYABLES

All trade receivables and payables have a term of one year or less.

5.6. BALANCE OF TRADE PAYABLES

As at December 31, 2012, invoices payable to suppliers recorded in the item "Trade payables and related accounts" amounted to €20,181 thousand.

Breakdown by due date (in thousands of euros)

(in thousands of euros)	2012	2011
Due	1,487	2,097
Less than 30 days	14,261	15,615
31 to 60 days	4,433	5,244
Total	**20,181**	**22,956**

5.7. OTHER BALANCE SHEET AND INCOME STATEMENT INFORMATION

Other items of information 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	1,738,956	
Trade receivables and related accounts	28,551	14,710
Other receivables and related accounts	141,626	
Trade payables and related accounts	8,464	
Other liabilities	98,025	

Income statement items		
Financial expenses	2,283	
Financial income excluding dividends	5,440	

Transactions with associated companies and related parties are not covered by Accounting Standards Authority Regulation 2010-02.

Accrued liabilities

(in thousands of euros)	Amount
Bank loans and borrowings	4,829
Trade payables and related accounts	15,757
Tax and employee-related payables	13,878
Other liabilities	125
Total	**34,589**

Accrued expenses

(in thousands of euros)	Amount
Operating expenses	1,628
Financial expenses	103
Total	**1,731**

Short-term financial investments

Short-term financial investments break down as follows: 72,239 treasury shares with a net value of €3,314 thousand acquired for the purpose of share allotment to employees. Their market value as at December 31, 2012 was €3,408 thousand.

The distribution of shares to Group employees under the profit-sharing scheme resulted in an expense of €1,298 thousand.

Net financial income

Net financial income included reversal of the provisions for depreciation of treasury shares amounting to €5,265 thousand (compared with an allocation of €16,870 thousand in 2011).

Note 6 ▼ Analysis of corporate income tax and additional contributions

Headings (in thousands of euros)	Profit (loss) before tax	Corporate income tax	Social security contributions	Exceptional contributions	Profit (loss) after tax
Current profit (loss)	200,070	(18,963)	(947)	(1,894)	178,266
Net non-operating income (expense) (and profit-sharing)	(11,075)	5,785	249	501	(4,540)
Book profit (loss)	188,995	(13,178)	(698)	(1,393)	173,726

Note 7 ▼ Impact of the special tax evaluations

Headings (in thousands of euros)	Allocations	Reversals	Amounts
Income for the year			173,726
Income taxes			13,176
Exceptional contributions			1,395
Social security contributions			698
Earnings before income tax			**188,995**
Change in special tax depreciation of assets	7,510	(5,653)	1,857
Change in investment provision	-	(841)	(841)
Change in special revaluation provision	-	(67)	(67)
Change in the price increase provision	2,648	(1,520)	1,128
Subtotal	**10,158**	**(8,081)**	**2,077**
Income excluding the special tax valuations (before tax)			**191,072**

Vicat has opted for a tax sharing regime with it as the parent company. This option relates to 21 companies. Under the terms of the tax sharing agreement, the subsidiaries bear a tax charge equivalent to that which they would have borne if there had been 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 2012, this saving amounted to €6,133 thousand.

The expenses covered by articles 223 quater and 39.4 of the French General Tax Code (CGI) amounted to €153 thousand for 2012.

Note 8 ▼ Deferred tax

Headings (in thousands of euros)		Amount
Tax due on:		
Price increases provisions		4,009
Special tax depreciation		32,856
Total increases		**36,865**
Tax paid in advance on temporarily non-deductible expenses		3,471
of which profit-sharing expenses	*1,771*	
Total reductions		**3,471**
Net deferred tax		**33,394**

Note 9 ▼ Off-balance sheet commitments

Commitments given (in thousands of euros)	Value
Pension commitments (1)	10,614
Deposits and guarantees (2)	313,514
Forward purchases of fuels	-
Total	**324,128**

(1) Including an amount of €3,540 thousand relating to supplementary pension scheme for officers and other managers of the Company under Article 39 of the Code général des impôts (the French General Tax Code).
(2) Vicat has provided a guarantee to the lenders on behalf of its subsidiaries Jambyl Cement Production Company LLP, Vicat Sagar Cement Private Ltd and GULBARGA for loans taken out for the construction of greenfield projects.

Vicat SA granted a put option to the minority shareholders of its subsidiary Mynaral Tas Company LLP. This option, exercisable by December 2013 at the earliest, is valued at €11.4 million as at December 31, 2012.

Commitments received

(in thousands of euros)	Value
Confirmed credit lines (1)	731,000
Other commitments received	1,050
Total	**732,050**

(1) including €283,000 thousand allocated to hedge 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:	3%
Wage inflation:	from 2.5% to 4%
Inflation rate:	2%

Note 10 ▼ Remuneration and employee numbers

Executive management compensation

(in thousands of euros)	Amount
Compensation allocated to:	
- Directors	275
- Executive management	2,238

Employee numbers	Average	At December 31, 2012
Management	209	207
Supervisors, technicians, administrative employees	374	376
Blue-collar workers	269	268
Total Company	**852**	**851**
Of which Paper Division	*155*	*156*

SUBSIDIARIES AND AFFILIATES

(in thousands of currency units: Euro, USD, CFA Francs)

COMPANY OR GROUP OF COMPANIES 2011 FINANCIAL YEAR	CAPITAL	RESERVES and retained earnings before appropriation of income	OWNER-SHIP 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
SUBSIDIARIES AND AFFILIATES WHOSE THE GROSS VALUE EXCEEDS 1% OF VICAT'S CAPITAL										
1) SUBSIDIARIES (at least 50% of the capital held by the company)										
BETON TRAVAUX 92095 PARIS LA DEFENSE	27,997	193,906	99.97	88,869	88,869	60,311		22,111	16,872	4,024
NATIONAL CEMENT COMPANY LOS ANGELES USA	280,521 (1)	79,811 (1)	97.85	229,581	229,581	64,766		252,162 (1)	(29,503) (1)	
PARFICIM 92095 PARIS LA DEFENSE	67,728	1,431,694	99.99	1,343,624	1,343,624				128,975	132,282
SATMA 38081 L'ISLE D'ABEAU CEDEX	3,841	5,362	100.00	7,613	7,613			21,840	1,051	
CAP VRACS 13270 FOS SUR MER	16,540	5,737	100.00	43,004	43,004	14,280		9,971	(4,069)	
2) PARTICIPATION *(10 to 50% of the capital held by the company*										
SOCIETE DES CIMENTS D'ABIDJAN (3) COTE D'IVOIRE	2,000,000 (2)	17,350,629 (2)	17.14	1,596	1,596			47,862,967 (2)	4,679,840 (2)	700
SATM 38081 L'ISLE D'ABEAU	1,600	31,251	22.00	15,765	15,765			99,568	6,938	2,200
OTHER SUBSIDIARIES AND AFFILIATES										
French subsidiaries (total)				9,746	9,682	1,555				500
Foreign subsidiaries (total)				2,687	2,687					
TOTAL				**1,742,485**	**1,742,421**	**140,912**				**139,706**

(1) Figures shown in thousands of USD.
(2) Figures shown in thousands of CFA Francs.
(3) Figures for 2011.

1.2.3. Statutory auditors' report on the financial statements

Year ended 31 December 2012

To the Shareholders,

In compliance with the assignment entrusted to us by the shareholders in General Meeting, we hereby report to you, for the year ended December 31, 2012, 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.

These 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.

I - 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 involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2012 and of the results of its operations for the year then ended in accordance with French accounting principles.

II - Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code («Code de commerce») relating to the justification of our assessments, we bring to your attention the following matters:

- The note « Accounting rules and methods » discloses significant accounting rules and methods applied in the preparation of the financial statements, and particularly relating to the assessment made by your Company on the financial assets at the year ended December 31, 2012. 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.
- Your Company has recorded provisions for costs of quarry reinstatement and repayment of income tax to subsidiaries in according to the group tax agreement as disclosed in the note 5.3 of the statutory financial statements. We have made our assessment on the related approach determined by your Company, as disclosed in the financial statements, based on information available as of today, and performed appropriate testing to confirm, based on a sample, that these methods were correctly applied. As part of our assessment, we have assessed the reasonableness of the above-mentioned accounting estimates made by your Company.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.
We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to shareholders with respect to the financial position and the financial statements.
Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code («Code de commerce») relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders has been properly disclosed in the management report.

Paris La Défense, February 27, 2013	Chamalières, February 27, 2013
KPMG Audit - Département de KPMG S.A.	**Wolff & Associés S.A.S.**
Bertrand Desbarrières - *Associé*	Grégory Wolff - *Associé*