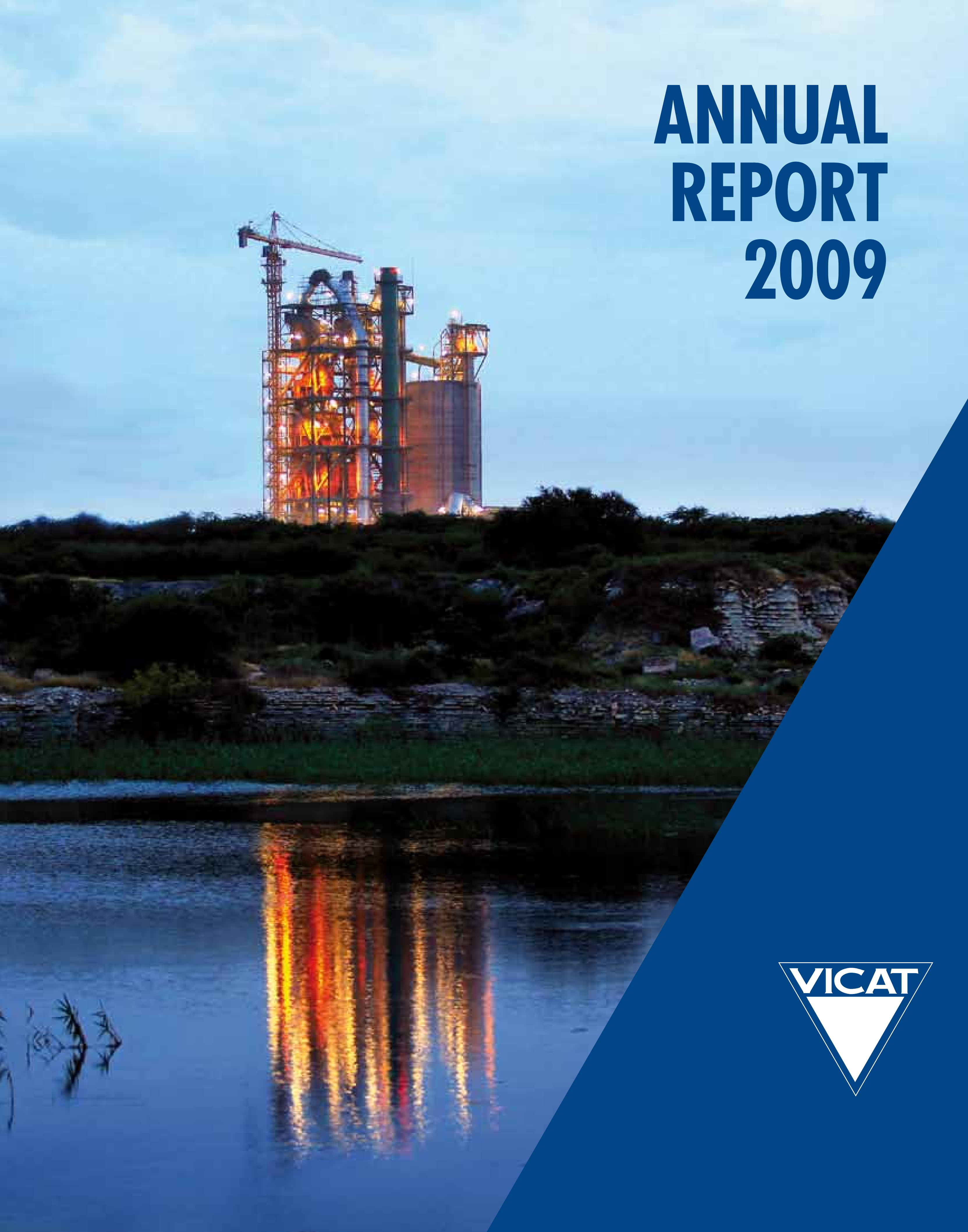
ANNUAL REPORT 2009



VICAT

CONTENTS

Cover: The Sococim Industries plant reflected in the quarry lake - Rufisque, Senegal

PROFILE

The Vicat Group is an international cement-manufacturing company with extensive knowhow developed through its background of more than 150 years of research, invention, and countless construction projects.

Close to 6,700 members of staff in 11 countries (France, United States, Switzerland, Italy, Turkey, Kazakhstan, India, Senegal, Egypt, Mali, and Mauritania) work to serve large numbers of clients worldwide.

A COMMITMENT TO ENVIRONMENTAL PRESERVATION

The Vicat Group strives to enhance the environmental performance of its plants, enrich the landscape, and contribute toward the strictly controlled elimination of waste.

THREE BUSINESSES

50%

of sales

CEMENT

Production capacity of
20.8 million tonnes.
14.5 million tonnes of cement
sold in 2009.

37%

of sales

CONCRETE & AGGREGATE

241 concrete batching plants marketed
7.1 million cubic meters in 2009.
75 quarries produced.
18.7 million tonnes of aggregates
sold in 2009.

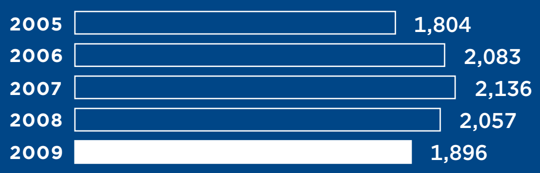
13%

of sales

OTHER PRODUCTS & SERVICES

Construction chemicals, paper, precasting,
transport, major works, etc.

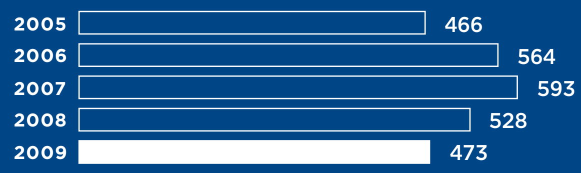
KEY FIGURES



SALES

(in millions of euros)

Sales in 2009 were down 7.8%, or 9.1% at constant scope of consolidation and exchange rates.



EBITDA

(in millions of euros)

The EBITDA margin stands at 24.9%.

NET PROFIT

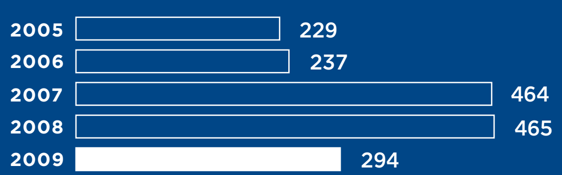
(in millions of euros)

Consolidated net profit amounts to 234 million euros, or 12.3% of sales.

CASH FLOW

(in millions of euros)

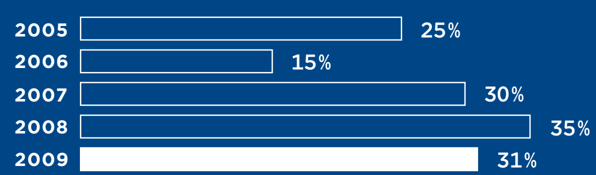
Cash flow remained high in 2009, at 387 million euros, and produced a free cash flow after industrial investments of 119 million euros.



TOTAL INVESTMENTS

(in millions of euros)

Investment in 2009 was marked by the end of implementation of the Performance 2010 plan and the development of greenfield projects.



NET DEBT/TOTAL EQUITY

(percent)

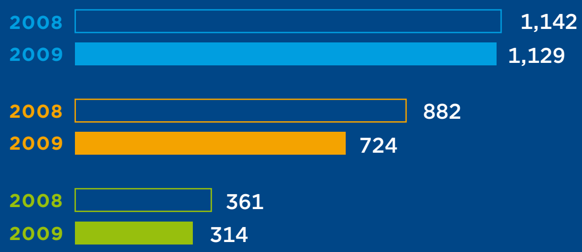
Gearing stood at 31% on December 31, 2009.

CEMENT
CONCRETE & AGGREGATE
OTHER PRODUCTS & SERVICES

OPERATIONAL SALES

(before intra-group elimination, in millions of euros)

Business in Cement and Concrete & Aggregate represents 87% of operational sales.



sales

€1,896 M

consolidated net profit

€234 M

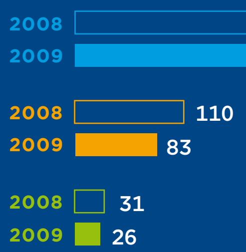
employees

6,712

EBITDA

(in millions of euros)

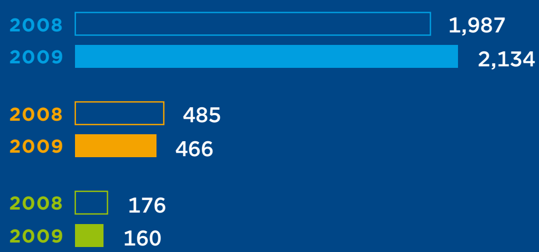
The resistance of the EBITDA margin in the different businesses reflects the determined savings measures adopted by the Group.



ASSETS EMPLOYED

(in millions of euros)

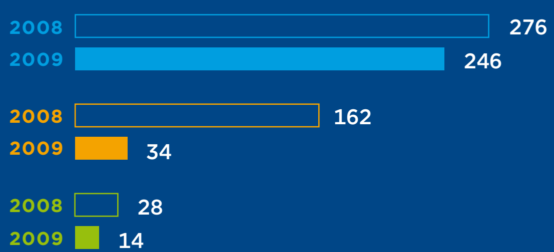
The rise in assets employed in Cement is the result of the Performance 2010 plan.



INVESTMENTS

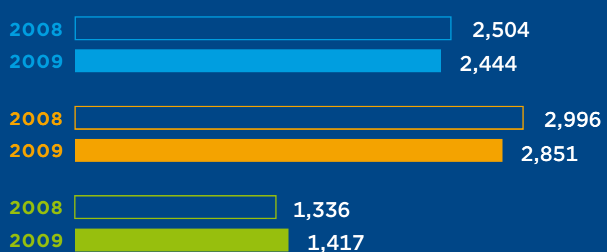
(in millions of euros)

The level of investment dropped to €280 million, after an exceptionally high level in 2008.



AVERAGE STAFF NUMBERS

The average headcount dropped 1.8%.



MESSAGE FROM THE CHAIRMAN

“Vicat enjoys an excellent, solid financial position which enables it to seize opportunities for external growth.”

The year 2009, which was marked by a major financial, then economic crisis, proved to be challenging. The Vicat Group was able to maintain its solid performance despite this background, however, as a result of the resources at its command, principally:

- well balanced geographical diversification,
- modern, efficient industrial facilities,
- the positive combined effects of the Performance 2010 plan, whose terminal phase saw production-capacity increases in Switzerland and Senegal, and the Performance Plus plan which surpassed its objectives in 2009.

Growth remains a priority. With this in mind, in 2009 we forged ahead with our greenfield projects in Kazakhstan and India, in accordance with the initial plans.

The year ahead is likely to be one of transition and consolidation. For us, one of its highlights will be the startup of our cement plant in Kazakhstan in the second half of the year.

The Group enjoys an excellent, solid financial position and diminishing debt, with gearing of 31% which enables it to study opportunities for external growth and seize them as they arise.

It was therefore possible, very recently, for Vicat to make its second major acquisition in India by taking a 51% shareholding in Bharathi Cement whose plant in the State of Andhra Pradesh will reach cement production capacity of 5 million tonnes by the end of 2010.

Consequently, although the global economic situation is uncertain, Vicat is well placed to take advantage of the coming economic upswing. Consistent with the confidence felt in the Group’s prospects, it has been decided to maintain the same dividend as in 2008, €1.50 per share.

Jacques Merceron-Vicat
Chairman

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Vicat's annual figures for 2009 show that despite a testing global economic situation, the Group came out stronger; our results can be said to be solid, characterized by the very good resistance of profit margins. The strategy the Chairman, Jacques Merceron-Vicat, chose to apply around three major issues—priority development in the cement sector, geographical diversification, and modernization of production resources—proved to be entirely appropriate.

This resistance is the result of the robust health of our Cement business, our core activity, accompanied by decisive progress in developing countries.

Our geographical diversification smoothed out the effects of the crisis, which hit hard and deep in the USA, with a drop in business of about one third, hit very hard in Turkey where the combined effects of the recession and overcapacity were clearly felt, and hit hard in France, where business declined more than 15%, but which was painless in Switzerland and Italy. In West Africa and Egypt business was excellent in 2009. All in all, all businesses combined, while our sales and results are down, they withstood the onslaught admirably.

Their resistance was buoyed up by completion of the technical aspects of the Performance 2010 plan, a one-million-euro investment plan initiated in 2006 which came to an end in 2009 with modernization of the kiln line at Reuchenette, in Switzerland, and startup of kiln No.5 at the Rufisque plant in Senegal, making Rufisque the most powerful cement plant in West Africa, with capacity of 3.5 million tonnes.

Our businesses also owed their resistance to improvements above and beyond the savings objectives stipulated under the Performance Plus plan, the impact of which on EBITDA attained 61 million euros, thus exceeding the initial objective and demonstrating the Group's ability to adapt to external events.

For 2010 the Group is determined to pursue its development strategy on the basis of four key components: a solid financial structure; the full achievements of the Performance 2010 plan; the effects of the Performance Plus plan; and the development of greenfield projects. In Kazakhstan, for instance, the 1.1-million-tonne Jambyl Cement plant will come on line in the fall of 2010. And in India the Vicat Sagar Cement project is on target for starting up its first kiln line around mid 2012.

By concretizing our search for a new facility in India with the acquisition of Bharathi Cement, in the south of Andhra Pradesh, in March 2010, the Group has become a powerful player on the very promising market of southern India.

By the end of 2010 the Group will have an annual cement production capacity of more than 24 million tonnes and modern, groundbreaking industrial facilities.

2010 is likely to be year of contrast for our businesses in all the countries were we work. It will be a year of transition enabling the Vicat Group to consolidate its growth engines for the years to come.

Guy Sidos
Chief Executive Officer

© Jean-Luc Mege

"The Vicat Group came out stronger in 2009 despite a testing global economic situation."

STRATEGIC THRUSTS

BUSINESS DEVELOPMENT STRATEGY

The Group focuses primarily on its historical business expertise, cement, and through vertical integration develops into the ready-mixed concrete and aggregate markets in order to provide secure access to the markets that use cement. In addition, on some markets, it benefits from synergies with complementary activities that consolidate its offering and strengthen its regional positioning.

Cement is the Group's leading business and the foundation of its development and profitability.

The Group works in the field of ready-mixed concrete to reinforce its cement business. Development in this field depends on the maturity of markets and their integration of industrial concrete production. The objective is to establish a network of concrete batching plants around cement plants and near consumer centers, by either creating industrial facilities or acquiring existing market players. In application of this policy, the acquisition of the network of ready-mix manufacturer Walker, south of Atlanta, in 2008 has strengthened the Group's position on this high-potential market in the southeast region of the United States.

The Group's presence in the aggregate sector is intended to provide a global answer to its customers' construction materials requirements and to provide secure supplies of aggregate for development of the ready-mixed concrete business. Development in the aggregate business relies on acquisitions and on industrial investment aimed at both increasing the capacity of existing facilities and opening up new quarries and other facilities.

DEVELOPMENT PLAN

The Group stresses controlled development of its different businesses, associating a fine balance of dynamic organic growth sustained by industrial investment to meet market demand and a policy of selective external growth for tackling new markets with an attractive growth potential or for accelerating vertical integration.

SUSTAINED ORGANIC GROWTH THROUGH INDUSTRIAL INVESTMENT

On the markets it works in, the Group is constantly making industrial investments aimed at:

- modernizing its production resources to achieve greater efficiency and better economic performance in its plants, and thus to have the industrial capacity to respond to more intense competition; and
- increasing its production capacity in order to keep pace with the development of its markets and consolidate or enhance its position as regional leader.

In 2009 the Group thus completed the Performance 2010 plan which has since the end of 2006 brought about a close to 50% increase in cement production capacity while at the same time appreciably improving the productivity of its existing industrial resources. This program, which had already been applied in France, Turkey, and Egypt, was implemented in Senegal and Switzerland in 2009.

SELECTIVE EXTERNAL GROWTH

The Group's strategy is to penetrate new markets through the cement business, but only very selectively. In its drive for external growth, the Group thus aims to meet all the following criteria:

- projects to be located near large markets with attractive growth potential,
- projects to guarantee availability of long-term mineral reserves (target of 100 years for cement) through land acquisition and award of definitive operating licenses,
- projects to be net contributors to Group profits in the short term.

The Group may also seize opportunities to penetrate new developing markets by building new "greenfield" cement plants. Such projects are examined very selectively, however, in accordance with the Group's external growth criteria outlined above.

It was in application of these principles that at the end of 2007 the Group acquired a company in Kazakhstan in order to build a 1.1-million-tonne-capacity greenfield cement plant that will come on line in the second half of 2010.

In June 2008, the Group signed a deal under which it became the majority shareholder in a partnership in India for building a 5.5-million-tonne greenfield cement plant in the State of Karnataka.

Jambyl Cement plant under construction in July 2009 - Mynaral, Kazakhstan

© Janarbek Amankulov

GEOGRAPHICAL DEVELOPMENT STRATEGY

The Group currently has companies operating in eleven countries.
It generates 56% of its sales outside France: close to 16% in the rest of Europe, 10% in the United States, and 30% in emerging countries (chiefly Egypt, Mali, Mauritania, Senegal, and Turkey). The proportion of Group business generated outside France is expected to keep growing in the years to come as a result of the increased production capacities of existing plants and the commissioning of the new greenfield plants.

By combining investment in developed countries, which generate more regular cash flow, and in emerging countries which, while they do have greater potential for long-term growth, can suffer more pronounced market fluctuations, the Group's strategy aims to diversify geographical exposure. The benefits of this strategy were demonstrated by the financial results in 2009.

GROUP STRATEGY IN 2009

The strategy developed by the Group has demonstrated how robust it is in the current highly unfavorable macroeconomic climate.

Supported by a sound financial situation, with levels of gearing and leverage among the lowest in the sector, in 2009 the Group completed its Performance 2010 plan for internal growth, generating lower production costs through modernization of industrial facilities and increased Group production capacity in Senegal and Switzerland.

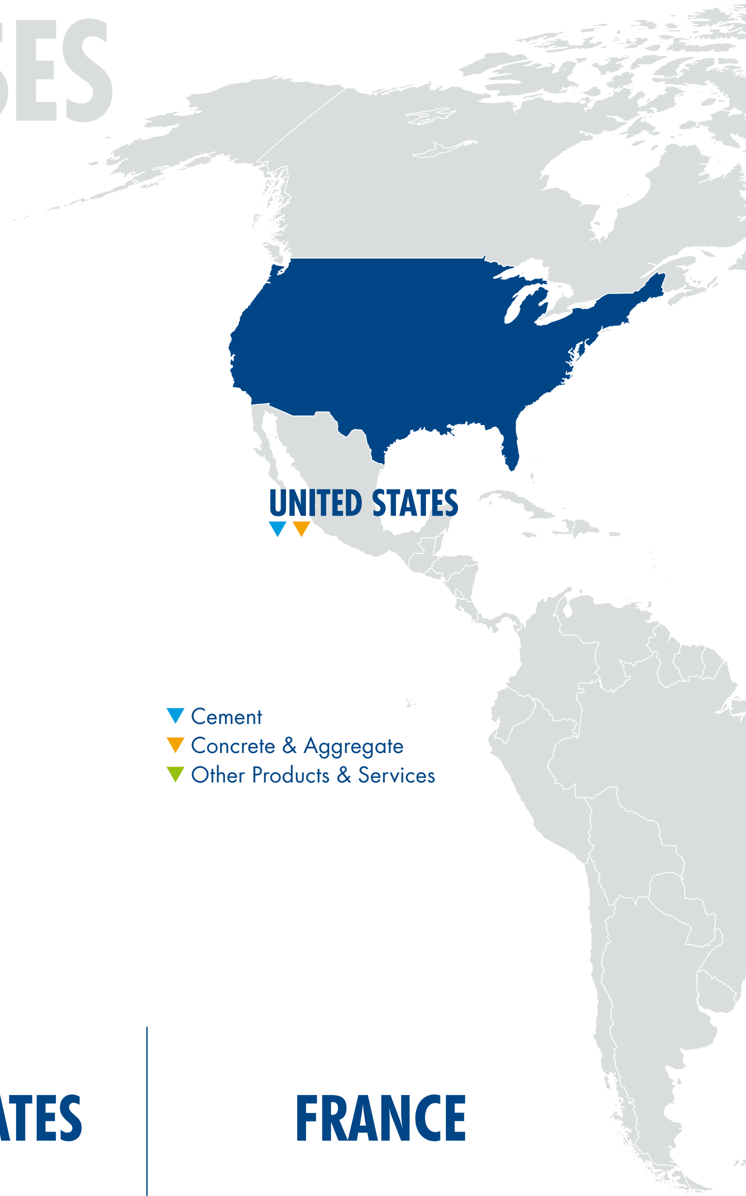
Because of the economic crisis, the Performance 2010 plan was complemented by the Performance Plus plan which produced an overall operating cost saving of 61 million euros and a reduction in non-strategic investment.

The external growth operations undertaken in Kazakhstan and India are progressing as programmed.

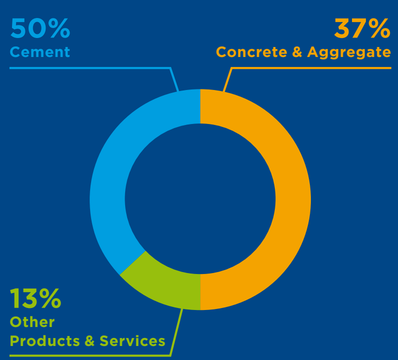
Given the reigning economic environment, the Group will exercise its acquisition policy with caution, taking care to maintain the essential financial ratios.

THREE BUSINESSES
FIVE REGIONS

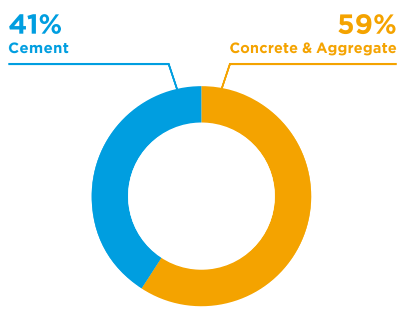
The Group carries out its main businesses—Cement, ready-mixed Concrete, and Aggregate—in eleven countries. These businesses represent close to 86% of operational sales. In France and Switzerland the Group is also involved in other activities complementing its main businesses.



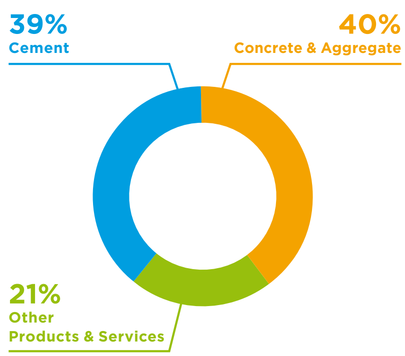
TOTAL



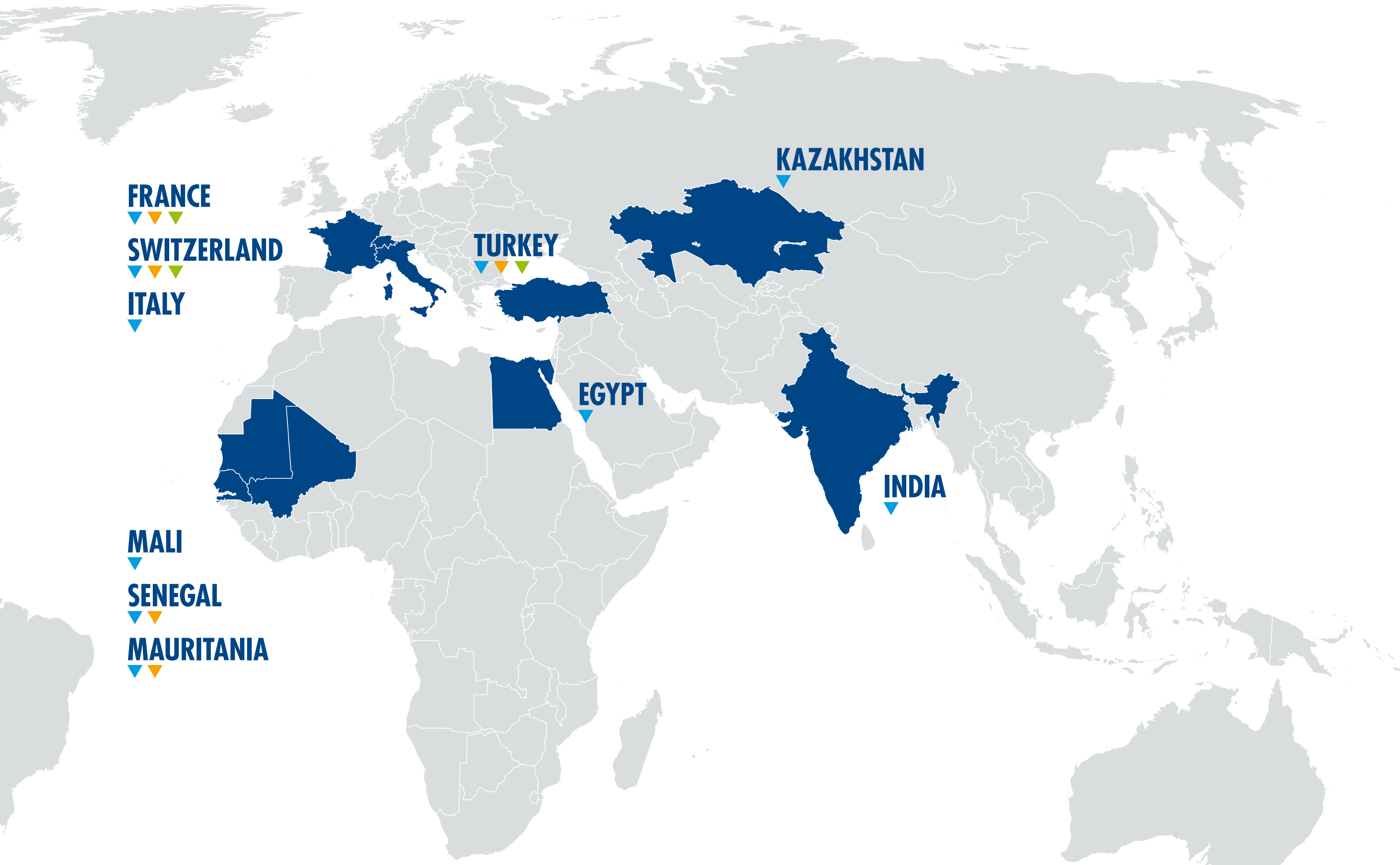
UNITED STATES



FRANCE

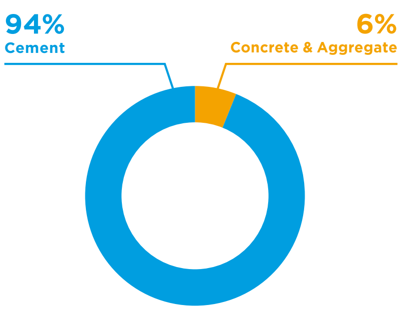


	TOTAL	UNITED STATES	FRANCE
SALES	€1,896 M	€187 M	€844 M
% / TOTAL	100%	10%	44%
EBITDA	€473 M	€12 M	€206 M
% / TOTAL	100%	3%	43%



AFRICA & THE MIDDLE EAST

EGYPT - SENEGAL - MALI - MAURITANIA



€411 M

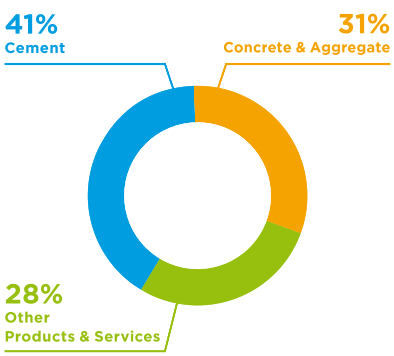
22%

€153 M

32%

EUROPE

SWITZERLAND - ITALY



€298 M

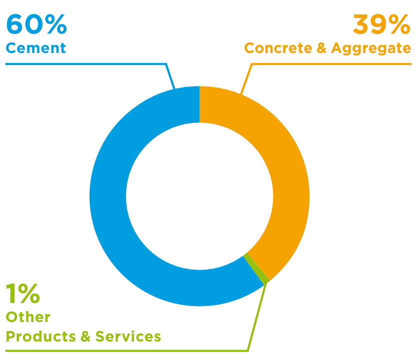
16%

€80 M

17%

ASIA

TURKEY - KAZAKHSTAN - INDIA



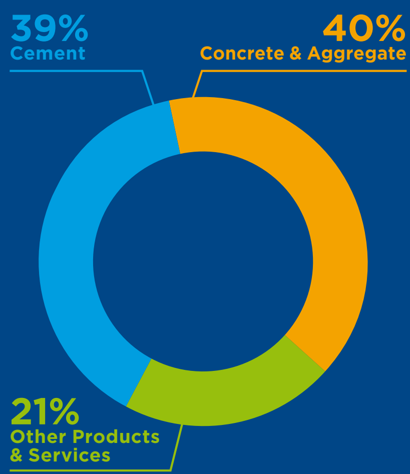
€156 M

8%

€22 M

5%

FRANCE



sales

€844 M

employees

2,569

CEMENT

5 CEMENT PLANTS
3.1 MILLION TONNES SOLD

INDUSTRY BACKGROUND

In the shadow of a global economic downturn, the markets in which the Group works in France were seriously affected in 2009.

BUILDING

Permits were given for construction of 348,000 new homes and works on 49,000 existing homes in 2009, down 21.7% on 2008; these are the lowest figures since 2003.

PUBLIC WORKS

Over the year 2009 business in public works fell back 7.5%. However, this drop was attenuated in the last few months of the year, in both the public and private sectors.

Cement consumption

Thousands of tonnes	2008	2009	Variation
Domestic production	22,419	**18,568**	-17.2%
Imports	1,697	**1,827**	+7.7%
Total France	24,116	**20,395**	-15.4%

Against this unfavorable evolution in the industry, the drop in cement consumption which began in 2008 (-2.8%) accelerated in 2009, resulting in weakening of more than 15%. Despite this situation, imports increased significantly.

COMMERCIAL ACTIVITY

Evolution of sales

Thousands of tonnes	2008	2009	Variation
Total volume sales	3,680	**3,093**	-16%

Despite Vicat's geographical exposure in the east of France which was more heavily affected by increased imports than the west of the country, Group sales dropped slightly less than the average for French cement manufac-turers, losing 16% in 2009, compared to the national average of 17.2%. Export sales of Vicat cement and clinker were roughly the same as in 2008 (+0.9%), consistent with evolution in the sector.

PLANT OPERATION

The plant utilization rate in 2009 reflected the drop in commercial activity on the French market and excess supply of cement in the Mediterranean basin. Throughout the year the workforce strived to reduce production costs to adapt to the level of the market and diminish the impact of the downturn. The initiatives taken in this respect included:

- A boost to the rate of substitution for noble fuels, which increased close to 1 point, rising above 30%;
- The reduced demand on cement mills was put to profit to shut them down during periods of peak electricity rates whenever possible;
- Labor costs were reduced

Montalieu plant between the Rhône river and Enieu quarry - Isère, France

by considerably cutting down on overtime and practically eliminating use of temporary workers;
- Maintenance costs were reduced, in particular by dispensing with subcontracted external service providers whenever possible.

INVESTMENTS

The main investments made in 2009 were aimed at improving production costs, environmental conditions and safety.

Modifications were made to the secondary-fuel installations at the Montalieu and Créchy plants to increase their capacities. At the Peille plant, after official approval of the use of certain kinds of waste, the plant for using shredded bulky waste was finalized.

After final adjustment in the first half of 2009, the new vertical cement mill at the Montalieu plant now exceeds the manufacturer's guaranteed performance and substantially reduces power consumption per tonne of cement.

ENVIRONMENT

After the European Council vote on the revised European Emission Trading Scheme Directive in December 2008, 2009 was spent negotiating measures for application of the directive.
The key point in negotiations was determination of the CO_2 emissions benchmark for the European cement industry. The benchmark value remains to be officially validated by the European Commission but it has been set at 780 kg of CO_2 per tonne of clinker.

As far as Group business in France is concerned, by virtue of the thermal efficiency of its kilns and high usage of biomass energy, the CO_2 emission factor per tonne of clinker is very close to the benchmark. The program for development of new supplies of secondary fuel containing biomass will enable us to reduce our emissions even more by 2012 and possibly drop below the benchmark figure.

© Nicolas Robin

FRANCE

CONCRETE & AGGREGATE

138 BATCHING PLANTS
2.8 MILLION CUBIC METERS SOLD

48 AGGREGATE QUARRIES
10 MILLION TONNES SOLD

INDUSTRY BACKGROUND

Throughout the year, the direct effects of the crisis and its consequences on the building industry caused a brutal slump in the construction and engineering fields in general, and in the housing sector in particular. As a result, 2009 business in ready-mixed concrete throughout the country fell 16% relative to 2008.

Production

Thousands of cubic meters	2008	2009	Variation
South Central	816	706	-13.5%
Eastern & East Central	1,841	1,466	-20.4%
North Central	1,609	1,348	-16.2%
Paris region	5,596	4,910	-12.3%
Eastern France, North	1,314	1,087	-17.3%
Southwestern France	2,730	2,308	-15.5%
Northern France	2,082	1,734	-16.7%
Southeastern France	4,193	3,709	-11.5%
Alpine region	5,128	4,161	-18.9%
Total France	44,064	36,961	-16.1%

In the first quarter of 2009 aggregate volume sales declined by about 20% compared to a good first quarter in 2008. The trend over the remainder of the year was relatively constant, with a drop of about 12% compared to the volumes sold in 2008. Overall volumes were down 13% for the entire year.

Concrete columns of one of the first positive-energy office buildings built in Grenoble by architects Charon et Rampillon - Isère, France

GROUP BUSINESS: READY-MIXED CONCRETE

After focusing on passing on higher raw-materials prices in the first part of the year, the Group's ready-mixed-concrete business in France reversed its pricing policy to one promoting volume sales. Overall the volumes sold in 2009 declined 23% relative to 2008, though the drop was limited to 13% in the last quarter.

A new marketing policy was developed in 2009, in preparation for application in the spring of 2010. It consists in the identification of ranges of Vicat concrete whose names indicate at a glance their functionalities and the benefits of using each product. A promotional campaign will start in the spring of 2010.

INVESTMENTS: READY-MIXED CONCRETE

Capital investment commitments continued with upgrading of a fourth of the batching-plant process-water control and recycling systems.

In terms of safety, the global safety policy was driven by the ambition to obtain OHSAS certification. Application of the Group safety policy halved the number of man-days lost due to accidents.

Evolution of business

	2008	2009	Variation
Volumes sold			
Concrete (thousands of cubic meters)	3,673	2,838	-22.7%
Aggregate (thousands of tonnes)	12,773	9,991	-21.8%
Number of facilities			
Batching plants	140	138	-2
Aggregate quarries	47	48	1

GROUP BUSINESS: AGGREGATE

Group aggregate sales in France fell close to 22% in 2009, dropping to 10 million tonnes. All regions were affected by the decline, though to a lesser extent in the Auvergne and Rhône Valley regions while Savoy was hardest hit.

INVESTMENTS: AGGREGATE

The capital investment program was cut back considerably in 2009 as a result of the downturn in the world economic situation. The investment highlights of the year were implementation of a suction dredger and floating aggregate-processing pontoon at the Arnas quarry, enhancements to the Gilly-sur-Isère dredger, new processing plant at Les Houches and Carbonne, and replacement of part of the fleet of vehicles.

Safety policy was tightened in 2009 by undertaking deployment of a safety management system. This project, which goes well beyond statutory requirements, will meet the criteria for OHSAS 18001 certification. This initiative, whose results will be best seen in the long term, has already produced encouraging results in 2009 which registered a 25% drop in the number of lost-time accidents relative to 2008.

© Christine Chaudagne

Sand barge loading from a processing pontoon at Jassans quarry - Ain, France

OTHER PRODUCTS AND SERVICES

PAPETERIES DE VIZILLE: PRINTING & WRITING PAPERS

INDUSTRY BACKGROUND

The paper industry experienced another difficult year. Average drops in volumes sold were 11.7% throughout Europe and 12.5% in France. This shortage in business multiplied plant shutdowns and closures. Paper pulp prices which had tumbled at the end of 2008 because of low demand picked up suddenly in the second half of 2009 due to very sustained growth in China.

GROUP BUSINESS

Vizille's positioning on niche markets mitigated some of the effect of the crisis. Its knowhow and image enabled the company to expand business in Germany (+43%) and in the field of foodstuffs (+62%).

Despite commercial concessions and the results obtained, the general economic situation made several plant shutdowns necessary. Superior technical skills kept the performance of industrial production facilities at satisfactory levels, however.

Evolution of business

Volumes sold	2008	2009	Variation
Printing & Writing (thousands of tonnes)	27,476	26,037	-5.2%
Bags (thousands)	70,655	58,539	-17.1%
Sales (millions of euros)	39.7	36.9	-7.1%

Breakdown of sales – SATM & subsidiaries (per business)

Millions of euros	Sales as of 31/12/08	% sales	Sales as of 31/12/09	% sales	Variation
Transport	94.4	65%	66.7	65%	-29.0%
Major Projects	21.1	15%	13.2	13%	-37.4%
Miscellaneous	29.0	20%	22.9	22%	-21.0%
Total	144.5	100%	102.8	100%	-28.8%

PAPETERIES DE VIZILLE: BAGS

INDUSTRY BACKGROUND

For the second year running the European bag market dropped close to 10%. The sectors hardest hit included mineral products (-34%) and chemicals (-23%). The French market experienced similar levels of change, at -9.4% on average.

GROUP BUSINESS

Despite the severely aggressive tactics of foreign rivals, Vizille succeeded in maintaining its third-party market share and its selling prices as a result of its superior customer service. Stocks of all finished products were significantly reduced.

The amplitude of the crisis in this sector of business called for the organization of production facilities to be adapted to allow a reduction in output without altering technical performance.

SATM & SUBSIDIARIES

MAJOR PROJECTS

In 2009, business in Major Projects was down on 2008 in terms of both volume and sales.

Highlights of the year include:

- winning of contracts for the supply of concrete for Violay, La Bussière, and Chalosset tunnels and for Goutte Vignole viaduct on the A89 motorway project;
- the end of construction of Chavanne tunnel on the Rhine-Rhône high-speed railroad;
- end of construction of Saint Paul Viaduct on the Route des Tamarins highway;
- winning of the contract for supply of concrete for lining segments in the Fréjus tunnel emergency tunnel.

TRANSPORT

The volume of the SATM transport business declined 20% compared to 2008 while sales lost 29%. Figures were partly affected by the drop in fuel prices. Business in industrial activities and the construction and engineering sectors was seriously affected, especially transport of heavy bulk goods (aggregate, cement, etc.). Business in the transport of hydrocarbons and agrifood products stood up well throughout 2009.

VICAT PRODUITS INDUSTRIELS

(construction chemicals)

After strong growth in recent years, the premixed-mortar market suffered a sharp decline in 2009 (approximately -10%). Only the External Insulation range maintained its level of sales due to the vogue of sustainable-development initiatives. There was keen pressure on pricing of all product ranges.

GROUP BUSINESS

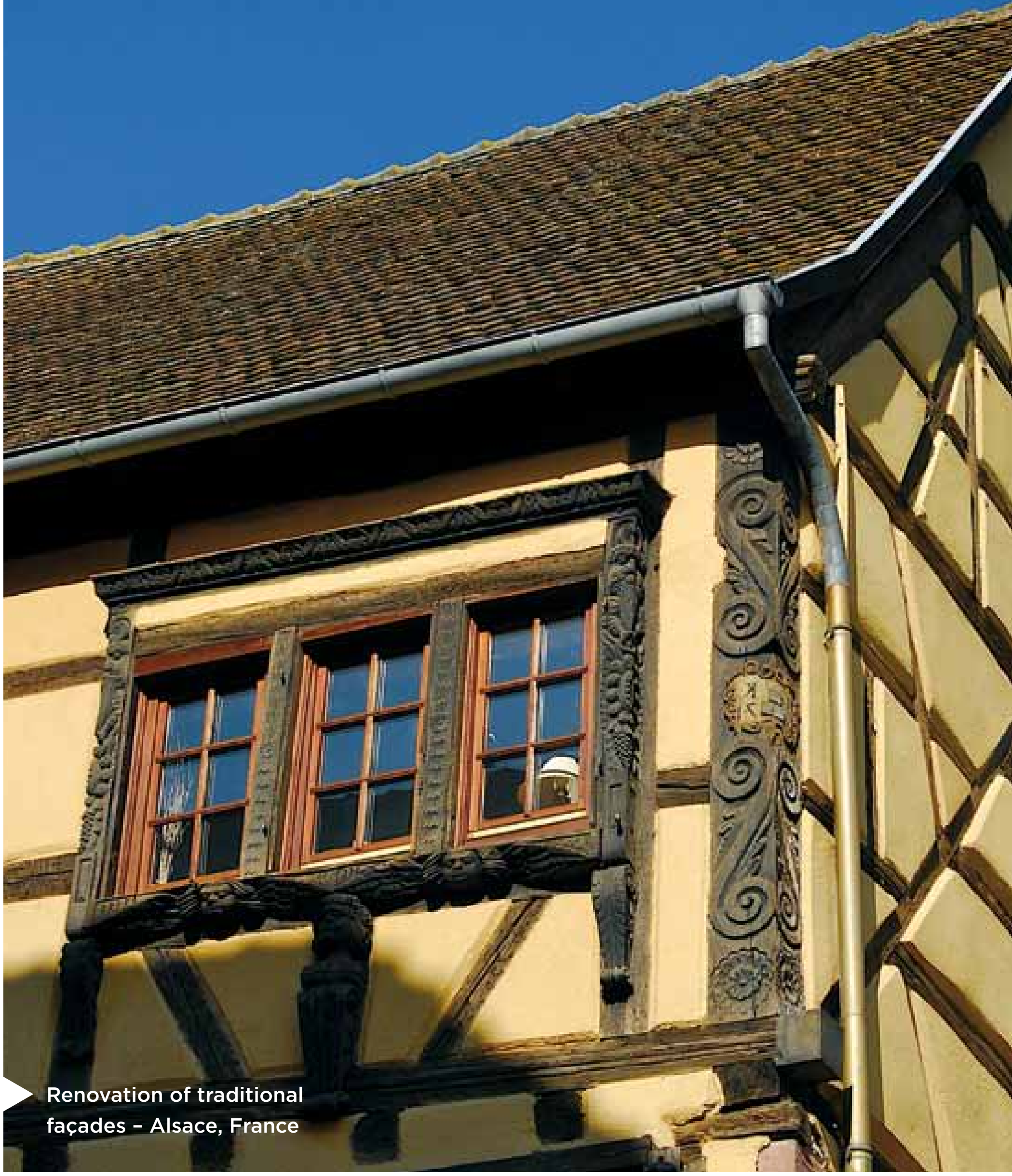
After a difficult start to the year as a result of weather conditions, VPI succeeded in maintaining its level of sales due to gains in market share.

Evolution in sales

Millions of euros	2008	2009	Variation
Building	45.2	45.9	+1.5%
Home improvements	18.5	19.2	+3.8%
Civil engineering	6.8	4.8	-29.4%
Total	70.5	69.9	-0.9%

INVESTMENTS

At the Malataverne plant: automated proportioning of dyes and additives.
At the Montluel plant: new plant for processing wet sand.
At the Bliesbruck plant: finalization of site improvements under the program of industrial restructuring of Kristo production, with commissioning of a new resin-mixing plant and a 600 m² storage building.



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Renovation of traditional façades – Alsace, France

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Rendering blockwork – France


Aerial view of Le Phare multisports venue under construction in Chambéry - Savoy, France


© Gilles Piel

UNITED STATES

sales

€ 187 M

employees

1,150

CEMENT

2 CEMENT PLANTS
1.3 MILLION TONNES SOLD

INDUSTRY BACKGROUND

The regression in the construction business which started on the residential market in 2007 extended into other segments of the construction market in 2008 as a result of the growing knock-on effects of the financial crisis. The non-residential sector, which had been weathering the storm, finally suffered a 19% drop in activity in 2009. The economic recovery plan has so far had no appreciable effect on the building and public works markets.

Cement consumption

Thousands of tonnes	2008	2009	Variation
Total Southeast	11,923	7,988	-33.0%
Total California	9,679	6,744	-30.3%
Total United States	96,498	70,737	-26.7%

The construction market trends referred to above engendered another major drop in cement consumption, especially on the markets where the Group operates.

COMMERCIAL ACTIVITY

Evolution of sales

Thousands of tonnes	2008	2009	Variation
Volume sales	1,766	1,271	-28.1%

In the Southeast, where the crisis hit later in 2007, negative growth has been more accentuated than the national average since 2008. In Alabama, as elsewhere, the number of building permits seems to have hit rock bottom and is expected to stabilize. The city of Atlanta, which is still the Group's principal market in Georgia, is more severely affected than the rest of the State after the residential boom it experienced in recent years. The building-permit curve in Georgia has not picked up after the 84% collapse relative to the peak of 2006. To remedy this situation, commercial prospection has been extended geographically (into Tennessee in particular) and into business sectors such as public works and road construction.

Consumption in California also continued to decline at a regular pace, though rather less than in the Southeast. In Southern California the Group benefited from the absence of imports to increase its market share. In the north, on the other hand, the Group was affected by the drop in the residential construction market, without being able to take advantage of major projects in San Francisco, such as the Oakland Bridge in particular, because of the distance factor, and market share declined.

In the Southeast the expected price rises did not occur; quite the opposite in fact, with a first drop in April followed by a second in September/October as a result of initiatives by the competition.

Selling prices in California dropped 20% over the year and in Los Angeles market share was severely eroded by the untimely commissioning of the additional capacity of a competitor.

PLANT OPERATION

Ragland: Second-half clinker production was higher than that of the first half as a result of a better kiln utilization rate. Cement production increased in the second half, together with that of mortars. The operation of each mill was adjusted in accordance with sales. The rate of substitution of noble coal by alternative fuels increased, attaining 10% in the second half.

Lebec: The production volume of the cement mills was also adapted to the volumes shipped, which were well down. The utilization rate and production volume of the kiln line reflected the volumes shipped and the reduction of stocks of clinker built up in 2008. The rate of substitution with secondary fuels was well up, taking full advantage of the tire-derived-fuel (TDF) conveyance and storage plant that came on line in mid 2008 and the authorization to use up to 40% TDF to fire the kiln.

INVESTMENTS

Ragland: Commissioning of a second system for proportioning solid secondary fuels and feeding them into the precalciner means the rate of substitution increased about half way through the second part of the year.

Lebec: Although investment was cut to the bare minimum, the system for conveying, storing, and proportioning additives for the cement mills came on line early in 2009.

Kaiser Hospital project with involvement by National Ready Mix, Anaheim - California, United States

CONCRETE

47 BATCHING PLANTS
1.4 MILLION CUBIC METERS SOLD

INDUSTRY BACKGROUND

The ready-mixed-concrete business mirrored that of construction: the drop in the residential sector since December 2007 was more pronounced in 2009, and the private-sector non-residential market started to fall, reflecting the reduction in household consumption and the tightening of credit.

GROUP BUSINESS

Evolution of business

	2008	2009	Variation
Concrete (thousands of cubic meters)	2,148	1,439	-33%
Number of batching plants	49	47	-2

Volume sales dropped in parallel with the cement-consumption figures for the States concerned.

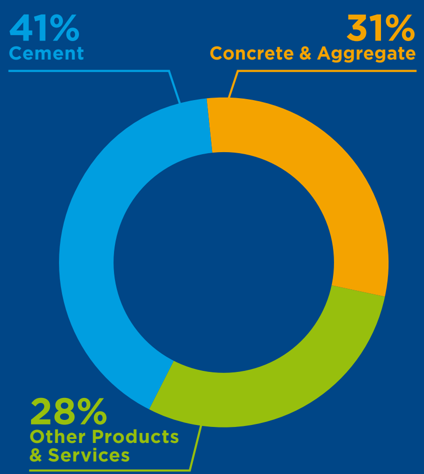
Southeast: The Group's Concrete business was steady in the north of Alabama, with recovery of market share lost due to high pricing being maintained in 2008. Business was weak but stable in the central region of the State, with production capacity in excess of what the market can currently absorb, and very much reduced in the south, in Montgomery. Walker is establishing a position in the non-residential sector to compensate the close to 80% drop in housing construction.

After the increase in concrete prices in October 2008 prices remained relatively stable in 2009, though they began a downward slide toward the end of the year.

California: In the south of the State prices dropped to levels that made it difficult to win contracts for projects greater distances from Group batching plants. The Group's facilities in the north were particularly hard hit by the drop in the residential sector, their main market. Competition became more severe as a number of concrete manufacturers from Southern California set up in San Joaquin Valley.

Headquarters of Retirement Systems of Alabama in Montgomery, built by Kirkpatrick Concrete Inc. - Alabama, United States

EUROPE
SWITZERLAND
ITALY



sales

€298 M

employees

1,061

SWITZERLAND

CEMENT

1 CEMENT PLANT
0.7 MILLION TONNES SOLD

INDUSTRY BACKGROUND

The construction sector in Switzerland enjoyed a high level of business despite the global economic slowdown. Interest rates are at historic lows and households are solvent. While some companies halted investments, the fabric of small family-run businesses benefited from the crisis to invest at lower cost.

Population growth, continued increases in travel, and the extension of built-up areas kept public-works business at a high level, particularly since projects are financed out of budget surpluses. Multi-year projects (Biel bypass, Transjurane motorway, Viège bypass) are expected to keep business buoyant for some years to come.

Cement consumption

Thousands of tonnes	2008	2009	Variation
Domestic production	4,238	**4,333**	2.2%
Imports	300	**250**	-16.7%
Total	4,538	**4,583**	1.0%

Reflecting the buoyancy of the construction sector, cement consumption was up slightly. The Swiss market was not affected by massive imports from its larger neighbors (Germany, France, Italy), in part because of high haulage costs in Switzerland (tax per kilometer travelled, mountainous terrain).

COMMERCIAL ACTIVITY

Evolution of sales

Thousands of tonnes	2008	2009	Variation
Volume sales	715	**754**	5.5%

After a difficult first quarter because of severe winter conditions and the absence of work in tunnels, cement sales rose sharply, which not only compensated the shortfall compared to the year before but also, due to the increase in kiln production capacity, established a new cement volume sales record on a market that picked up slightly. Cement ex-plant selling prices were raised to counter the continued rise in energy costs.

PLANT OPERATION

The programmed seven-week shutdown for kiln modifications was sufficient for the work to be completed, and the kiln came back into service on June 23, followed by the precalciner a few days later. As a result, clinker purchases were substantially reduced, but production costs climbed nevertheless as a result of rising energy costs.

INVESTMENTS

Kiln capacity increased from 1800 tonnes per day (effective, 2008) to 2250 tpd. At the same time, quarrying capacity was boosted by the acquisition of new plant. Early in 2010 a new crushing–drying stage will be added upline of the raw mill to enable output of 2400 tpd to be attained.

ENVIRONMENT

The Swiss cement industry in general, and Vigier in particular, met their CO_2 and NOx emissions commitments. As in 2008, CO_2 emissions quotas were complied with, and Vigier will benefit from CO_2 credits.

On the other hand, competition for procurement of substitute fuels is fierce. The crisis experienced by the chemical industry penalized supplies of solvents, making it impossible to meet substitution-rate targets. The rate of substitution increased sharply, nevertheless, as a result of the investments made.

CONCRETE & AGGREGATE

18 BATCHING PLANTS
0.5 MILLION CUBIC METERS SOLD

19 AGGREGATE QUARRIES
2.6 MILLION TONNES SOLD

INDUSTRY BACKGROUND

While Concrete and Aggregate business remained stable, consistent with the construction sector generally, competition became more severe as the need for cash flow pressed some producers into favoring volume sales over price levels, particularly for large projects.

GROUP BUSINESS

The Concrete and Aggregate business enjoyed a stable year, but with contrasting variations from region to region. Spoil Disposal business was very sound because of large tunneling projects, with volumes increasing from 545,955 m^3 in 2008 to 1,024,591 m^3 in 2009.

Evolution of business

	2008	2009	Variation
Volumes sold			
Concrete (thousands of cubic meters)	522	502	-3.9%
Aggregate (thousands of tonnes)	2,651	2,638	-0.5%
Number of facilities			
Batch plants	18	18	=
Aggregate quarries	19	19	=

The policy of developing long-term partnerships with clients kept competitive pressure in check. The Aggregate business must now be systematically analyzed, in connection with the Spoil Disposal business. Swiss regulations impose very strict environmental standards which make it obligatory to dispose of excavated spoil. Vigier has been reputed for its role in this sector for a number of years, and in 2009 even became a partner of the authorities for a controlled inert-materials disposal site opened in Solothurn canton.

Work for capacity increase at Vigier's Reuchenette plant - Switzerland

INVESTMENTS

The leading capital investments were the acquisition of land for the disposal site in the canton of Solothurn and a wood chipping machine to supply the cement plant with biogenic fuel. The machine was acquired because the Concrete and Aggregate business collects site waste, including wood.

OTHER PRODUCTS & SERVICES

PRECASTING

€93.5 M OPERATIONAL SALES

INDUSTRY BACKGROUND

Business lost a little ground but remained at a high level nonetheless. For some products there was quite intense pressure on prices as a result of imports but also due to commercial offensives by local rivals.

COMMERCIAL ACTIVITY

Evolution of business

	2008	2009	Variation
Volume sales (thousands of tonnes)	400	368	-8.0%
Sales (millions of euros)	90.5	92.1	1.7%

On a competitive market, Creabeton Matériaux' sales of precast concrete products diminished given that the company's strategy was to maintain profit margins.

In the railway products sector, the national railtrack operator's policy of reducing maintenance costs also weighed on business, but the sound situation of 'small accounts' mitigated this effect. Tribeton received formal notification of the order for railway ties for the Gotthard tunnel.

PLANT OPERATION

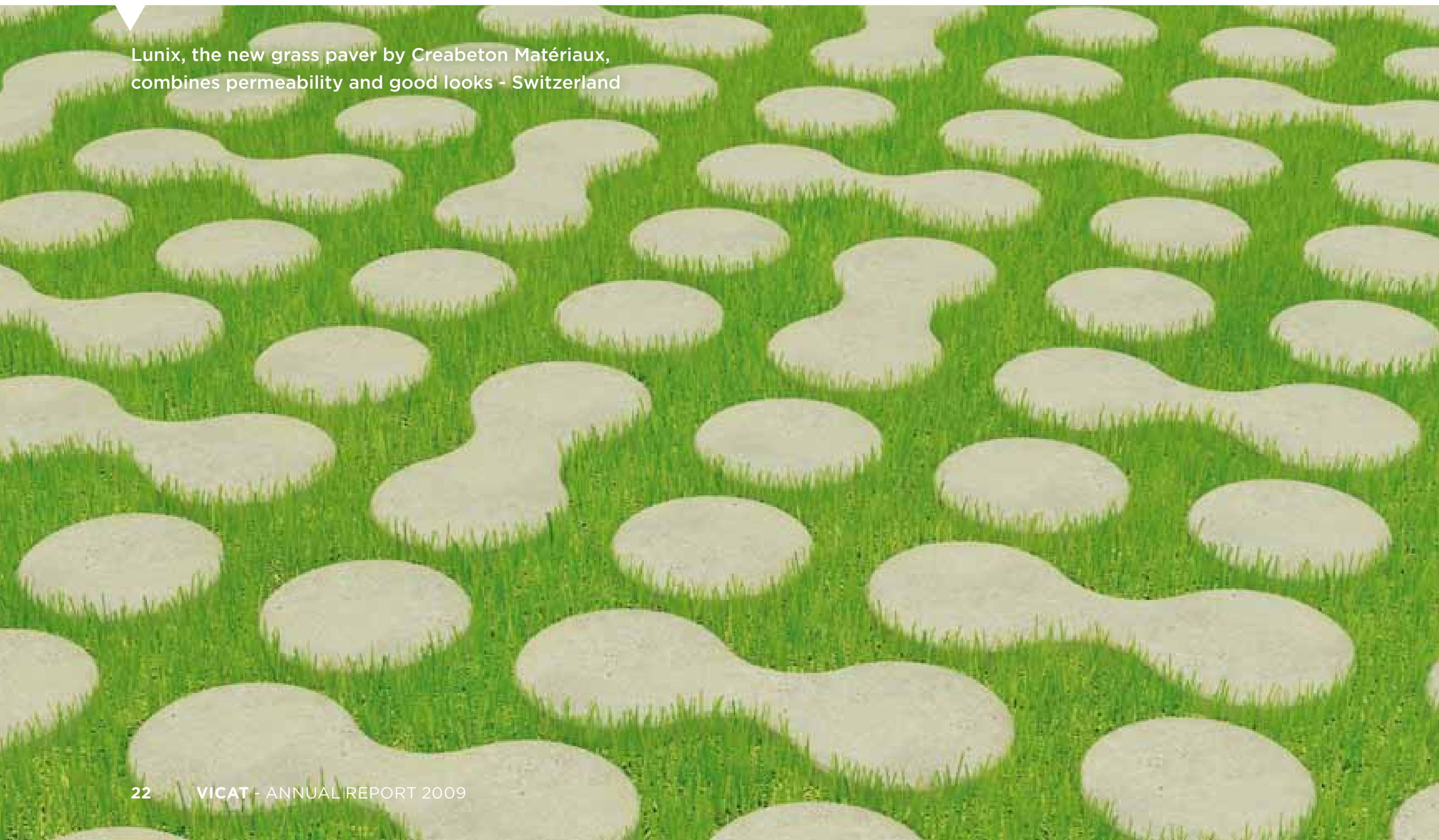
The Crissier facility has been closed and its production transferred to the Granges site. This has engendered a reduction in supply costs. Exceptional worksharing initiatives early in the year enabled the structure to be quickly adapted to the economic situation.

INVESTMENTS

Two strategic investments came on line in 2009:

- the slab press at the Granges plant which advantageously replaces that at Crissier, with much lower operating costs (energy and personnel),
- the rail-tie casting machine which will be used for the Gotthard Tunnel order and dispense with the need for storage of finished products.

The other noteworthy capital investment is acquisition of the company Sonneville International Corporation which holds world licenses for the LVT (Low Vibration Track) technology used in the Lötschberg and Gotthard tunnels, for instance.



Lunix, the new grass paver by Creabeton Matériaux, combines permeability and good looks - Switzerland

CEMENT

INDUSTRY BACKGROUND

In keeping with the contraction of business in construction and public works, AITEC, the Italian cement manufacturers' association, estimates that cement consumption reduced 15.6% in 2009, coming after a previous drop of 8.6% in 2008. Cement production fell back 16.1%, confirming that until now the proportion of imports has remained steady.

COMMERCIAL ACTIVITY

Evolution of sales

Thousands of tonnes	2008	2009	Variation
Volume sales	473	424	-10.4%

Variations in volume sales differed from region to region. In Sardinia, the main market of Cemento Centro Sud (CCS), sales dipped 10% whereas the national market lost 17.3%. In central Italy, where competition was particularly severe, CCS sales dropped 35%. Evolution in other regions was consistent with statistical averages.

PLANT OPERATION

Production costs fell sharply as a result of new conditions on the raw-materials market. CCS successfully renegotiated existing contracts to benefit from these new market conditions. In addition a new freighting contract signed in April reduced freight costs by 25%.

The new organizational set up at the Oristano plant optimizes mill operation. Reduced production and running costs now more than compensate the drop in volumes sold and in selling prices.

INVESTMENTS

A new spare-parts storage building was built in 2009; finishing work will be completed early in 2010. Also, the Oristano plant automation and supervision system was entirely renovated.

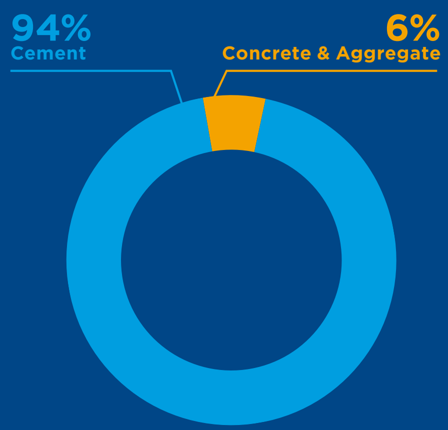
ENVIRONMENT

The new clinker and raw materials elevator now in service eliminates dust emissions from the plant.

© Mauren Brodbeck, Compactlab

Concrete countertop and display cubes built by Creabeton Matériaux for a private museum - Geneva, Switzerland

AFRICA AND THE MIDDLE EAST



sales

€411 M

employees

1,026

EGYPT

CEMENT

1 CEMENT PLANT
3.5 MILLION TONNES SOLD

INDUSTRY BACKGROUND

The construction sector continued the record growth that began at the start of the year. The boost in business was above all the result of initiatives taken by the Egyptian government throughout 2009:

- an EGP15-billion plan devoted chiefly to enormous infrastructure projects,
- launching of transverse projects: program for construction of 85,000 social housing units over a six-year period for a total amount of EGP25 billion, and a project for construction of 350 schools in 18 months.

Cement consumption in Egypt amounted to 48 million tonnes as of the end of December, which represents growth of 24.9% with respect to 2008. Because this strong upswing caused cement shortage, imports picked up in April and continued throughout the second half. In all, 1088 kt of cement were imported in 2009.

Cement consumption

Thousands of tonnes	2008	2009	Variation
Total consumption	38,429	47,994	+24.9%

COMMERCIAL ACTIVITY

The government prohibited cement exports from April 2009 to October 2010. Sinai Cement Company (SCC) therefore refocused its sales on the local market, sustaining its position in the Sinai and pursuing its strategy of penetration by targeting above all the markets in Cairo and the Nile Delta.

In 2009 SCC's market share grew, reaching 7.3% by the end of the year against 5.9% for 2008. The Egyptian government took measures to regulate cement prices on the domestic market.

Evolution of sales

Thousands of tonnes	2008	2009	Variation
Domestic	2,266	3,493	+54.1%
Export	104	0	-100%
Total	2,370	3,493	+47.4%

The large volume-sales increase was made possible by full implementation of the new production capacity that came into service at the start of the second half of 2008.

PLANT OPERATION

Plant operation was excellent in 2009. With 58.7% and 46.8% increases in clinker and cement production respectively (compared to 2008), the El Arish plant produced more than 3.3 million tonnes of clinker and around 3.5 million tonnes of cement in 2009. SCC is currently the fourth-largest clinker producer in Egypt.

INVESTMENTS

Construction of a fourth cement mill to enable SCC to keep pace with the strong growth of the local market began in April. The slide-shoe-bearing ball mill with throughput of up to 140 tonnes per hour is of similar design to the three existing mills, which will help optimize spare-parts management.

ENVIRONMENT

The SCC plant is the environmental benchmark in Egypt. Incineration tests have been carried out with residual domestic refuse and the search for other kinds of substitute fuels is ongoing.

Sinai Cement Company plant at sunset - El Arish, Egypt

New kiln line with capacity for 3,500 tonnes of clinker per day, Sococim Industries plant - Rufisque, Senegal

SENEGAL

CEMENT

1 CEMENT PLANT
2.2 MILLION TONNES SOLD

INDUSTRY BACKGROUND

The market benefited from infrastructure projects financed by the Senegalese government or by external aid: construction of a motorway between Dakar and Thiès, the urban-mobility plan for the city of Dakar, Ndiass Airport, and development of Dakar Harbor. Market growth was also sustained by a rise in house construction despite the fact that revenues returned to the country by overseas residents were reduced due to the crisis in more highly developed countries.

Cement consumption

Thousands of tonnes	2008	2009	Variation
Total consumption	2,148	**2,132**	-0.7%

The domestic market remained very buoyant in the first half but then suffered the effects of an exceptionally rainy winter; the situation picked up again late and improvement was only really appreciable toward the end of the year.

COMMERCIAL ACTIVITY

Evolution of sales

Thousands of tonnes	2008	2009	Variation
Domestic	1,630	**1,615**	-0.9%
Export	320	**546**	+70.6%
Total volume sales	1,950	**2,161**	+10.8%

The startup of new milling and bagging lines at the end of 2008 enabled redeployment onto the export market to exploit the full production capacity of the plant. In 2009 Mali was the leading export destination. Sales to Gambia, Congo, Guinea, and Guinea Bissau also increased. After being the first cement plant in Africa to receive CE certification by AFNOR for all its cements, in June 2008, Sococim Industries' manufacturing procedures were certified against ISO 9001 in August 2009.

The Vicat Group's Board of Directors attended the inauguration of the new kiln line – Rufisque, Senegal

PLANT OPERATION

Together with productivity improvements in the first half of 2009, commissioning of the new kiln line raised 2009 clinker production by close to 11% to reach 1,222 thousand tonnes. Productivity enhancements were the result of:

- commissioning of a 12-MW rental power plant running on Senegalese gas,
- commissioning of the new Polysius kiln line on October 5,
- increased consumption of substitute fuels as a result of using waste oils and implementation of a plant for proportioning peanut shells,
- incorporation of filler in cement,
- optimization of the new cement mill.

INVESTMENTS

The capital investment program initiated three years ago under the Performance 2010 plan reached its conclusion with the startup of kiln line No.5 which takes the capacity of the plant to close to 3.5 million tonnes per year. This project was accompanied by the commissioning of a new operations building combining the control room and the automated laboratory around the operations personnel.

ENVIRONMENT

Under its environmental policy Sococim Industries aimed to reduce:

- **fugitive dust emissions: several bag houses were installed and an entirely dust-free clinker store is under construction;**
- **greenhouse-gas emissions: the jatropha plantations in the quarries were extended and kiln firing with peanut shells increased.**

Given the environmental performance of the cement plant, Sococim Industries aims to attain ISO 14001 certification in the course of 2010.

SENEGAL

AGGREGATE

2 AGGREGATE QUARRIES
2 MILLION TONNES SOLD

INDUSTRY BACKGROUND

2009 was affected by a downturn in the Senegalese aggregate market caused by several factors:

- the ongoing unfavorable economic situation in place since the last quarter of 2008, affecting both housing construction and some kinds of infrastructure work,
- the emergence of new suppliers and the sometimes substantial increases in the production capacities of competitors,
- the appreciable reduction in limestone and basalt selling prices.

GROUP BUSINESS

Evolution of business

Extra-Group volume sales	2008	2009	Variation
Aggregate (thousands of tonnes)	2,270	2,025	-10.8%
Aggregate quarries	2	2	=

INVESTMENTS

The program for regreening around the Bandia limestone aggregate quarry was carried out in accordance with the proposed schedule.

ENVIRONMENT

Investments were reduced to the strict minimum; they concerned only replacement of a crusher at the Diack quarry.

Piers of the bridge being built across the Niger river using cement supplied by Sococim Industries - Bamako, Mali

MALI

CEMENT

INDUSTRY BACKGROUND

Being only remotely associated with the international financial system, Mali was ultimately little affected by the crisis in 2009. Construction of infrastructures in the country is ongoing and a large number of roads are under construction (Kayes-Bafoulabé-Kita-Bamako road; Douentza-Timbuktu road; Tambacounda-Kéniéba-Kita-Bamako road). In Bamako, work on the capital's third bridge has been making good progress, as has work on the new interchange at King Fahd Bridge. The Economic and Social Development Program (PDES), the national-development spearhead dear to the country's President, is therefore producing results; it includes in particular more construction under the program for 20,000 social housing units to be built over a 5-year period.

Cement consumption

Thousands of tonnes	2008	2009	Variation
Total consumption	1,320	**1,380**	4.5%

GROUP BUSINESS

Under these favorable circumstances Group volume sales continued to rise, reaching 460,371 tonnes overall, including 39,479 tonnes sold by Cements & Matériaux du Mali (CMM), as compared to a total of 253,000 tonnes in 2008, of which 43,354 tonnes were sold by CMM. Deterioration of the rail transport service between Dakar and Bamako is the reason for the drop in CMM sales. CMM's average selling price rose slightly in 2009 compared to 2008.

INVESTMENTS

After analyzing the potential of the Mali market, the Group decided to set up an 80-tonne-per-hour (about 400,000 tonnes per year) clinker milling plant in the Bamako region. Discussions regarding the plant are well advanced with the Mali government. Negotiations with Chinese engineering contractors for construction of the equipment are approaching conclusion.

MAURITANIA

CEMENT

1 MILLING PLANT

INDUSTRY BACKGROUND

The part of the construction industry catering to the private sector resisted well despite a difficult context made thornier still by the shortage of cash flow. International funding which had been suspended resumed after the presidential elections in July.

Cement consumption

Thousands of tonnes	2008	2009	Variation
Total consumption	600	**630**	5%

GROUP BUSINESS

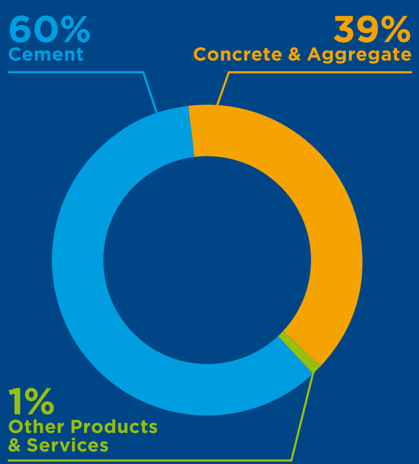
In its second year of operation BSA Ciment achieved significant growth despite power supply difficulties. After satisfactory operation of the milling plant through the first half of the year, interruptions to the national utility's power supply forced BSA Ciment to set up an independent power plant. It was handed over early in November 2009, enabling mill production to be optimized.

Evolution of sales

Thousands of tonnes	2008	2009	Variation
Volume sales	75	**104**	38.7%

The quality of the cement produced by BSA Ciment is becoming the benchmark in Nouakchott. In 2010 BSA Ciment will prepare for certification against European CE standards which will put the company in a position to tender for the most demanding contracts.

ASIA
TURKEY
KAZAKHSTAN
INDIA



sales

€ 156 M

employees

906

TURKEY

CEMENT

2 CEMENT PLANTS
3.1 MILLION TONNES SOLD

INDUSTRY BACKGROUND

The construction sector has slowed down over the last seven quarters as a result of both the global economic crisis and a large number of vacant properties in the private sector. In an attempt to kickstart construction again, the government has launched a number of public investment projects: road and rail projects, hydro power schemes, or social housing (TOKİ Housing Development Administration).

Turkey's domestic cement market was marked by:

- cement consumption figures down 4.5% (after a 4.4% drop in 2008),
- a 4-million-tonne increase in clinker production capacity.

Cement consumption

Thousands of tonnes	2008	2009	Variation
Marmara	12,614	10,450	-17.6%
Aegean	4,518	3,840	-15.0%
Mediterranean	5,343	5,300	-0.8%
Black Sea	4,739	4,700	-0.8%
Central Anatolia	7,863	7,830	-0.4%
Eastern Anatolia	1,985	2,310	+16.4%
Southern Anatolia	3,511	3,820	+8.8%
Others	2,450	2,835	-15.7%
Total	43,023	41,085	-4.5%

Business in Central Anatolia and the Mediterranean area was down slightly in 2009 after more substantial drops in 2008.

The Marmara area, a densely built-up region, was severely affected by the slump in the construction market and saw a substantial drop in the cement volumes sold.

Against this backdrop of reduced consumption on the domestic market and strong competitive pressure, Turkish manufacturers turned massively to the export market. Consequently export volumes rose 34.7%, reaching 12 million tonnes by the end of October 2009.

COMMERCIAL ACTIVITY

Evolution of sales

Thousands of tonnes	2008	2009	Variation
Cement	3,083	3,015	-2.2%
including exports	446	36	-19.4%
Lime	57	55	-3.9%
Total	3,140	3,070	-2.2%

Cement volume sales shrank 2.2% in 2009, with:

- slightly improved (+0.7%) domestic sales over the year. Sales moved very little for Baştaş Çimento. On the other hand, in the Konya region, which is more dependent on the agricultural sector and therefore spared by the economic crisis (in relative terms), Konya Çimento business was not affected so much and also increased because of the development of a bagged cement offering;
- exports down 19.4%. The acceleration of sales to countries in the Middle East and Africa did not match the exceptional tonnages sold in Russia in 2008.

Domestic prices slumped by an average of 4.9% over the year, under constant competitive pressure and against a fall in cement consumption. The Ankara region was more harshly affected by price drops.

New substitute-fuel installation at Baştaş Çimento plant - Turkey

PLANT OPERATION

Throughout the year special attention was paid to controlling plant production costs. In particular this involved optimizing process line operation in accordance with electricity price ranges throughout the day.

Baştaş Çimento and Konya Çimento had their ISO 9001 certifications upgraded to the 2008 version of the standard during the year.

INVESTMENTS

Execution of works required to keep the plants at the highest level of safety, particularly as regards OHSAS 18001 certification requirements.

ENVIRONMENT

The joint Chimirec/Baştaş subsidiary (Cözüm) responsible for collecting and processing waste for use as a substitute fuel started operations in May 2009. Processed industrial waste was therefore used in kiln No.2 at the Baştaş plant.

Landscaping and restoration of the plant grounds and quarries continued in 2009, with a total of 13,500 trees being planted on sites operated by the Group.

CONCRETE & AGGREGATE

37 BATCHING PLANTS
2.3 MILLION CUBIC METERS SOLD

6 AGGREGATE QUARRIES
4 MILLION TONNES SOLD

INDUSTRY BACKGROUND

Ready-mixed-concrete market

	2008 *	2009	Variation
Production (thousands of cubic meters)	69,900	67,500	-3.4%
Batch plants	825	850	+3.0%
Companies	462	460	-0.4%

* From data from the Turkish Ready Mixed Concrete Producers Association (THBB)

The estimated downturn in 2009 volume sales is 3.4%. Given the general economic situation, some independent suppliers were unable to honor their debts and withdrew from the business, leaving a smaller number of ready-mixed-concrete companies on the market. At the same time, the number of plants increased (3%), indicating a densification of geographic coverage and growth in the size of companies operating in the field.

Turkey's consumption of aggregate in 2009 is estimated to have been 240 million tonnes, against 260 million tonnes in 2008. The utilization breakdown is as follows: 70% for concrete and precasting, 30% for road construction and asphalting. Aggregate sales on the Ankara market can be estimated at 14 million tonnes in 2009. In this region, two rival facilities started operation.

GROUP BUSINESS

Evolution of business

	2008	2009	Variation
Volumes sold			
Concrete (thousands of cubic meters)	2,030	2,341	+15.3%
Aggregate (thousands of tonnes)	3,901	4,022	+3.1%
Number of facilities			
Batch plants	29	37	+8
Quarries	6	6	=

With a slump on the nationwide ready-mixed-concrete market, the Group determined to maintain its volume of production in order to guarantee outlets for its cement business. Volume sales thus grew by 15.3% over the year. The rise was high in the Ankara region as a result of TOKİ projects and the development of portable batching plants.

Prices fell in 2009, with a greater reduction in the Ankara region than elsewhere. Setting up batch plants close to project sites helped reduce transport costs however.

Group aggregate volume sales rose appreciably (3.1%).

With five quarries in the Ankara area, the company Tamtaş is a leading player in this region.

Ermenek dam on the Göksu river, built with cement supplied by Konya Çimento - Turkey

CEMENT

1 CEMENT PLANT UNDER CONSTRUCTION
1.1 MILLION TONNES OF PRODUCTION CAPACITY

PROJECT PROGRESS

Chinese engineering contractor CTIEC, which is executing a turnkey contract for construction of the new production facility, made spectacular progress on the project between March and November 2009. The civil works, currently 62% complete, and the erection work, currently 40% done, will resume early in March 2010 at the end of a severe winter.

Auxiliary services and equipment are being built by Kazakh contractors. This concerns two electrical substations and the high-voltage transmission line (38 km), the branch railway line (5.7 km) and the terminal at the plant (6.2 km), a water intake and supply system for process water, the wastewater treatment system, and the road connecting the quarry to the cement plant.

A recruitment plan for cement-plant personnel was initiated at the start of 2010. The ultimate number of staff, excluding subcontractors, has been set at 150. To ensure smooth transition and continuity in the performance of the industrial facilities, initial operation and staff training will be carried out by the CTIEC engineering team which will subsequently appoint close to 100 members of staff with good experience in production, maintenance, and laboratory work to run the site.

The company's commercial strategy will be to supply routine cements of constant quality, taking advantage of the proximity of large consumer centers. To start with, rail services will be preferred for cement transport.

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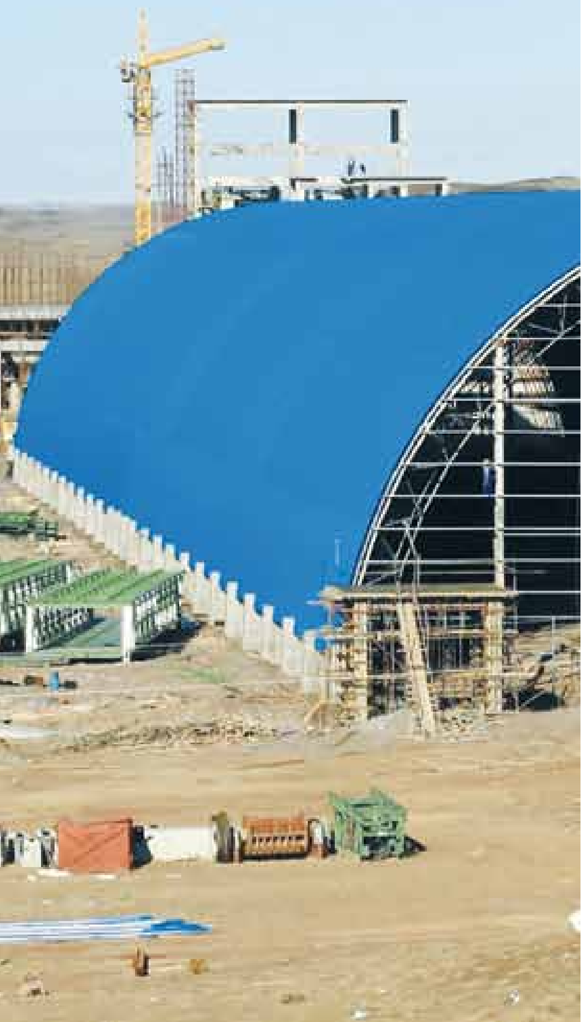


Jambyl Cement plant under construction, showing the marl and limestone stores in October 2009 - Mynaral, Kazakhstan

CEMENT

1 CEMENT PLANT UNDER CONSTRUCTION
2.5 MILLION TONNES OF PRODUCTION CAPACITY

PROJECT PROGRESS

The objective of Vicat Sagar Cement Private Limited (VSL), in which the Vicat Group has a 51% shareholding, the remaining 49% being held by Indian partner Sagar Cements Limited, is to build a greenfield cement plant with ultimate capacity of 5.5 million tonnes per year in the Gulbarga cluster in the State of Karnataka.

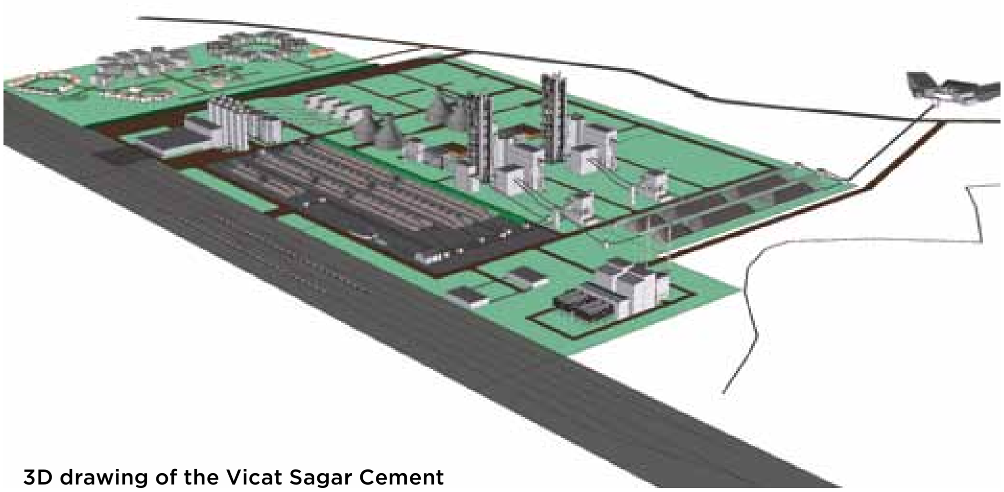
In June 2009 the Ministry of the Environment and Forests gave its approval for VSL to operate quarries and the plant. In July 2009 the establishment agreement was issued by the Andhra Pradesh Pollution Control Board. The license to operate quarries at the Chatrasala site, notified by the Department of Mines and Geology of the State of Karnataka, was registered in November 2009.

Railroad operator South Central Railway approved the route for the line connecting the plant to its network. The line is scheduled to come into service by the end of 2011. The file is being managed by a consultant specializing in the field.

By the end of the first half of 2010 advanced discussions with the electric power authority of Karnataka will have determined which grid will supply the plant. The choice of the supplier of the 40-MW power plant will be finalized no later than April 2010.

In December 2009 letters of intent enabling design work to go ahead were signed with equipment suppliers for the raw mills, the cement mills, the kiln line, and the solid-fuel crusher. The contracts, currently under negotiation, will be signed soon. Negotiations with the subcontractor which will carry out the civil works are currently in the final phases.

After several months of studies and preparatory work, the project financing package has now entered its final phase, syndication of financing having been initiated on January 19. The structure adopted is aimed at benefiting from the long maturities offered by development financing institutions and protecting the subsidiary from exchange risks by means of a cross-currency swap which, in the long run, will result in competitive long-term financing under a fixed-rate rupee loan.



3D drawing of the Vicat Sagar Cement plant in the State of Karnataka – India

HUMAN RESOURCES

five zones

11 COUNTRIES

average headcount

6,712

lost-time accidents

-17.4%

employees outside France

4,143

The key factor in the Group's success in the more than one hundred and fifty years of its existence is that employees subscribe to Vicat corporate values, which are chiefly:

- management reactivity and quick decision-making;
- a taste for innovation, research & development, and progress feeding on the discoveries of Louis Vicat in the 19th century;
- tenacity, which has enabled the Group to overcome the challenges it has confronted since it was founded;
- a shared sense of belonging, which generates an ability to mobilize energies, along with a powerful force of action for achieving objectives.


VICAT

HUMAN RESOURCES POLICY

Human resources policy must match the individual skills of staff members and the collective skills of teams to the Group's development strategy, for the short, medium, and long term. This policy is designed in accordance with values underpinning the company culture, and aims to promote them. It also aims to maintain and develop the appeal of the Group for its employees, and to foster ever greater company loyalty; with this in mind, in-house promotion is given priority wherever possible. It must enable everyone to legitimately aspire to career prospects consistent with their ambitions and abilities. Mobility—in both functional and geographical terms—is one of the prerequisites for such progress.

TRAINING

The development of employee skills is of the utmost importance for the Group, which is why a significant proportion of payroll costs is invested in training programs every year.

Because of the substantial industrial investment and increasing complexity of manufacturing processes as a result of technological innovation, the top priority is to train engineers and technicians in the tools and methods necessary for smooth operation of the industrial resource. As has been the practice every year for some time, two process seminars and one maintenance seminar were held in 2009 for engineers and technical supervisors in all the Group's cement plants.

The program in 2009 stressed training on the use of substitute fuels and raw materials for the persons within each subsidiary of the Group in charge of this aspect, and included a special seminar. The sales force of the French concrete division was also given training on their new marketing tool.

To complement these technical training courses, internal or external training is also given to develop the horizontal skills required within the Group (management training, project management, languages, etc.).

ANALYSIS OF STAFFING CHANGES

The average number of Group staff fell 1.8% compared to 2008 despite the ramping up of operations in Kazakhstan and India.

Change in mean staffing
per geographical area

	2008	**2009**	Variation
France	2,650	**2,569**	-3.1%
Switzerland + Italy	1,023	**1,061**	3.7%
United States	1,335	**1,150**	-13.8%
Turkey/ Kazakhstan/India	892	**906**	+1.6%
Senegal/ Mauritania/Mali/ Egypt	936	**1,026**	+9.6%
Total	**6,836**	**6,712**	**-1.8%**

This drop in employee numbers reflects the effect the economic crisis has had on staffing. Only in West Africa and Switzerland, where business has remained steady, and in Kazakhstan and India, where projects are ramping up, have headcounts not been reduced. It was possible to limit the effect on Group personnel and there have been no site closures or redundancy plans. Natural attrition and reductions in temporary personnel (-45% in France for example, i.e. about 120 full-time-equivalent positions) meant overall payroll costs were reduced. In France the average overall headcount for all businesses dropped 3.1% in 2009 relative to 2008.

Change in end-of-year staff numbers
per type of movement

	Staff numbers
Staff numbers at December 31, 2008	**6,892**
Natural departures (resignation, end of contract, death)	**-456**
Departure for retirement, early retirement, dismissal, other causes	**-412**
Variation in scope of consolidation	**20**
New hires	**625**
Staff numbers at December 31, 2009	**6,669**

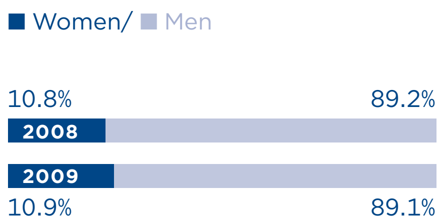
Average age and seniority of Group personnel continued to increase both in France and internationally.

Change in seniority in the Group

	Average age		Average seniority	
	2008	**2009**	2008	**2009**
Group total	41.2	**42.6**	8.9	**9.8**
France	41.6	**42.1**	11.5	**11.9**

The proportion of women in the overall headcount increased slightly, rising from 9.8% in 2006 to 10.9% in 2009. The same occurred in France where the proportion rose from 15.6% in 2006 to 16.7% in 2009. In 2009 women accounted for 12.4% of management personnel (16.5% in France), 24.9% of administrative staff, and only 1.8% of manual workers.

Gender breakdown



SAFETY

In 2009, the multiplication of awareness campaigns and risk prevention initiatives within the Group made an overall improvement to safety results. The number of lost-time accidents thus decreased for the third year running.

In France, in the Concrete & Aggregate division, the OHSAS 18001 certification procedure undertaken in 2009 is expected to attain the desired accreditation before the end of 2010. In the Cement business, after the Peille plant which received OHSAS 18001 certification in 2007, the Montalieu plant is now also expected to be accredited in 2010.

Safety indicators

	2008	2009
Lost-time accidents	190	**157**
Working days lost	7,490	**6,207**
Accident frequency rate	15.7	**13.6**
Accident severity rate	0.62	**0.54**

ENVIRONMENT

main thrusts

5 THRUSTS

quarries restored

894,109 m^2

substitute fuels used
(percent of total heat input)

13.6%

quarries with a restoration plan

84%

The Group's environmental policy focuses on five main issues:

- better integration of raw-materials quarries into their environments,
- optimized choice of energy sources to maximize the proportions of secondary fuels and other waste used,
- management and recycling of water,
- reduction of disturbance (emissions, noise),
- climate protection through control of CO_2 emissions.

Sainte-Hélène-sur-Isère quarry restored as a leisure facility - Savoy, France

INTEGRATION OF QUARRIES INTO THE ENVIRONMENT

The strategy for integration of environmental considerations into quarry operation follows three fundamental lines.

QUARRY RESTORATION

84% of the Group's quarries have a restoration plan. In 2009 close to 900,000 m^2 were restored under these programs. These schemes, the purposes of which are multiple, are adapted to the local situation and requirements, and integrate such things as prairies, woodland, ponds and lakes. Of particular note are the restoration projects at the Konya and Elmadag quarries in Turkey where in 2009 more than 13,000 trees were planted, or in Senegal where the area around the Bandia aggregate quarry has been wooded.

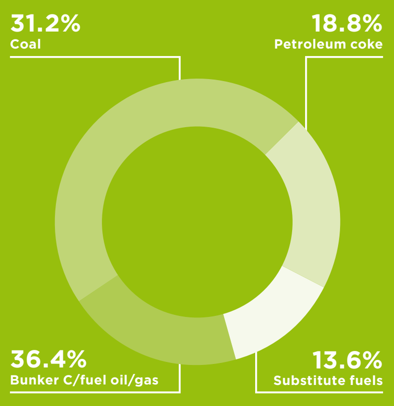
MEASURES TO OFFSET QUARRYING

In parallel with its projects, the Group is keen to establish environmental offsets drawn up in conjunction with local non-governmental organizations and local and national authorities. These may be operations targeting a specific species, or broader programs for the biotope as a whole. Examples include the signature on December 5, 2009 of a sponsorship agreement with French association 'Le Tichodrome', which specializes in protecting and curing injured wild animals, and its partner the Rhône-Alpes nature protection federation (FRAPNA). The sponsorship involves making disused quarry land available as a site for convalescence aviaries, lending an old house for use as the care center, and providing corporate financial sponsorship in the form of a donation.

REDUCTION OF ENVIRONMENTAL IMPACTS

Keeping the disturbance caused by quarries and their effect on biodiversity to the strictest minimum is an integral part of the way the Group works.
An example of this in 2009 was the Saint-Denis-lès-Bourg quarry in eastern France. Under a partnership agreement between a Vicat aggregate subsidiary and the local Veyle Vivante authority, the river flowing through the gravel pit was relocated in order to allow quarrying to continue while restoring the river to its natural dynamics. The project was designed by a specialist environmental engineering consultant. It comprises a diversity of reaches with different characteristics (meanders, zones of alluvial deposition, rapids, etc.). The project won the Grand Prix in the 'Restoration' category of the Sustainable Development Awards competition organized by the French National Union of Aggregate Producers (UNPG).

OPTIMIZED CHOICE OF ENERGY SUPPLIES



The choice of the fuels used in cement plants systematically integrates environmental parameters. This can mean choosing fuels emitting less CO_2, such as gas, or using substitute fuels whenever a waste-collection scheme is industrially and economically viable (subject to approval by the relevant regulatory authorities). In the last financial year, the breakdown in fuel utilization across the Group differed little from the previous year, but the rate of substitution by secondary fuels did rise from 13.3% of heat input in 2008 to 13.6% in 2009.

Across the Group, and excluding Egypt (which until now has not been using substitute fuels), the rate of use of substitute fuels rose to 19.5% in 2009, compared to 16.2% in 2008. In fact the rate of substitution increased by close to 1 point in France and Turkey, and by close to 8 points in Switzerland, 4 points in the United States, and 5 points in Senegal.

Several projects under way as part of the Performance 2010 and Performance Plus plans will help increase the use of substitute fuels.

WATER MANAGEMENT AND RECYCLING

Water management is an important consideration in the three basic businesses of the Group:

- In the Cement business, water is used for cooling purposes only, and the Group is aiming to minimize extraction from the natural environment by putting emphasis on recycling and capture of rainwater.
- In the Ready-Mixed Concrete business, water is used both as mix water in the concrete and also for washing plant and vehicles. In France, the business has extended the water management program. In 2009 the process-water recycling plants of 25% of facilities were upgraded.
- In the Aggregate business, while large volumes of water are required for washing materials, there is compensation in the form of recycling systems. The proportion of recycled water has been growing every year and reached 72% in 2009.

REDUCTION OF DISTURBANCE

The Group at all times pays close attention to the issue of disturbance that might be caused by its industrial activities, and how to reduce it. Consequently, pollution emissions are monitored regularly, and action plans are implemented to lower emissions levels.

The major investments made by the Group in recent years, including installation of bag filters in several cement plants, are producing the expected results, placing the Group among the manufacturers with the best performance in the sector.

In addition to combating cement-plant stack emissions, work has been undertaken to control fugitive dust emissions: for this reason several bag houses have been set up at the Rufisque plant in Senegal, several conveyor belts have been installed to prevent handling on the ground, and a wholly dust-free clinker storage facility is under construction.

GREENHOUSE GAS EMISSIONS

In all the countries where the Vicat Group works, action has been taken to contribute to the collective effort made by countries that signed the Kyoto Protocol to reduce greenhouse gas emissions. For the cement business this chiefly concerns CO_2 emissions resulting from decarbonation of limestone and from fuels used to fire kilns.

In 2009, total emissions from Vicat Group cement plants amounted to 8,752,898 tonnes of CO_2. This represents a significant decrease in absolute terms, 5.6%, as a result of the 4.7% decrease in clinker production. CO_2 emissions per tonne of clinker dropped 1% to 815 kg, particularly as a result of the plant production mix and the growing proportion of biomass fuels used.

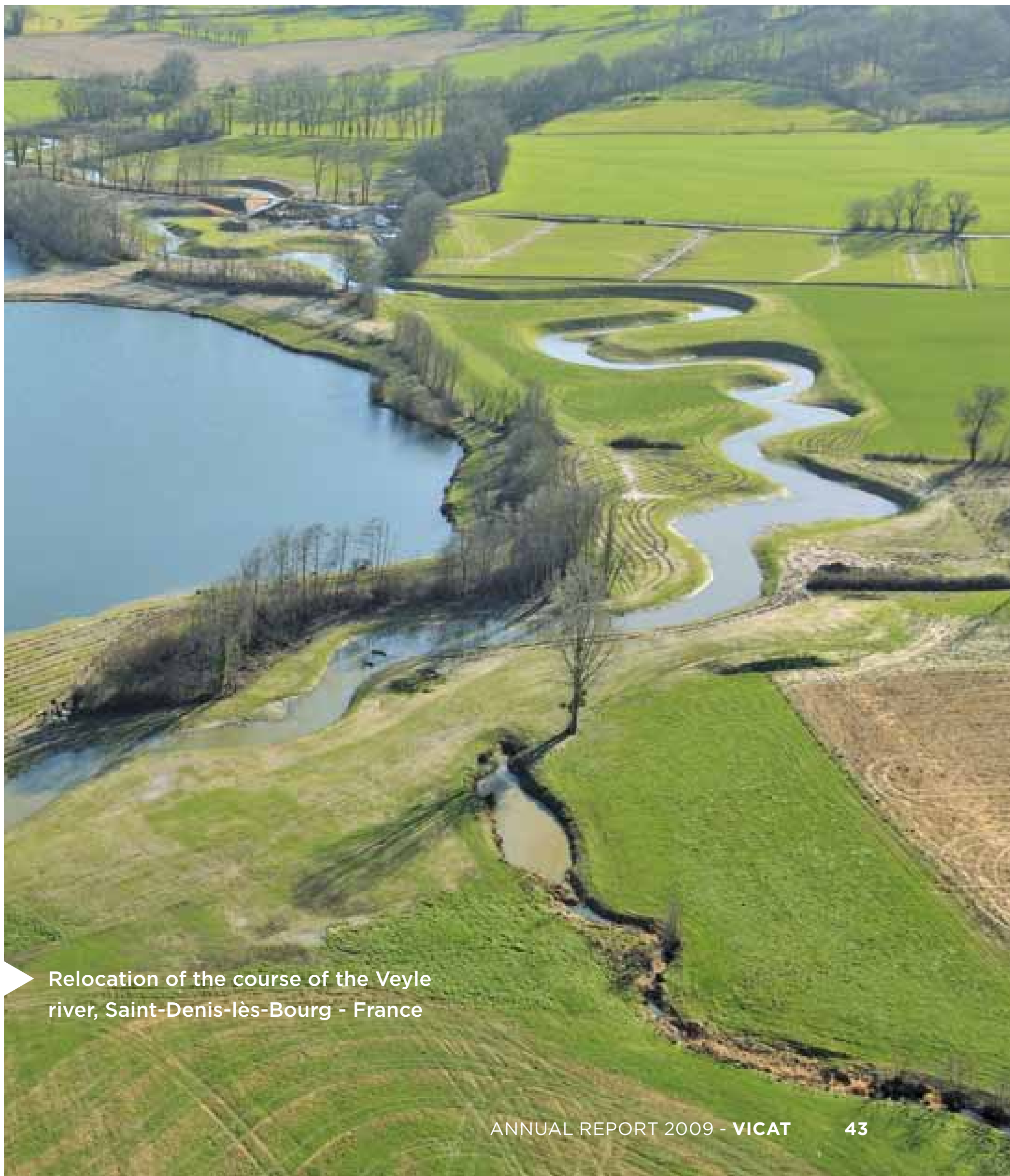
The 500-hectare jatropha plantations on the Sococim Industries quarry sites will produce biofuel - Rufisque, Senegal

Evolution of emissions

	% of 2009 clinker production covered by analysis	Total emissions (tonnes)		Emissions (g / t of clinker)	
		2008*	2009	2008*	2009
Particulates	100%	476	**451**	42	**42**
SOx	50%	2,861	**2,942**	552	**552**
NOx	69%	11,840	**8,605**	1,469	**1,164**

* Excluding emissions data for the Rufisque plant which were not deemed to be representative.

© Vital/Veyle-vivante



Relocation of the course of the Veyle river, Saint-Denis-lès-Bourg - France

CORPORATE GOVERNANCE
BOARD & MANAGEMENT

MANAGEMENT

JACQUES MERCERON-VICAT
Chairman

GUY SIDOS
Chief Executive Officer

JEAN-MICHEL ALLARD
Assistant General Manager

ÉRIC HOLARD
Assistant General Manager

RAOUL DE PARISOT
Assistant General Manager

BERNARD TITZ
Assistant General Manager,
General Secretary

ÉRIC BOURDON
Performance and Investment Manager

PIERRE-OLIVIER BOYER
Human Relations Manager

PHILIPPE CHIORRA
Legal Department Manager

GILBERT NATTA
Business Development Manager

DOMINIQUE RENIÉ
Technical Manager

JEAN-PIERRE SOUCHET
Financial Manager

BOARD OF DIRECTORS
ON DECEMBER 31, 2009

JACQUES MERCERON-VICAT
Chairman

PIERRE BREUIL

RAYNALD DREYFUS

RENÉ FEGUEUX

JACQUES LE MERCIER

LOUIS MERCERON-VICAT

BRUNO SALMON

SOPHIE SIDOS

GUY SIDOS

P&E MANAGEMENT
represented by PAUL VANFRACHEM

AUDITORS

INCUMBENTS
KPMG Audit
Wolff & Associés SAS

SUBSTITUTES
Cabinet Constantin
Exponens Conseil et Expertise

Tubular spaceframe structure of the limestone preblending hall at the Jambyl Cement plant being erected by the specialists of the Chinese subcontractor, China Triumph International Engineering Company - Mynaral, Kazakhstan

CORPORATE GOVERNANCE

A certain amount of legislation has transposed into French law the European directives on the governance of companies listed on the stock markets. To comply with this legislation and the associated recommendations, Vicat has made the following decisions:

WITH RESPECT TO CORPORATE GOVERNANCE,

Vicat has chosen to apply the corporate governance code drawn up by AFEP[1] and MEDEF[2]. Consequently the following initiatives have been undertaken, particularly in the last two years:

- the membership of the board of directors has been renewed, taking the number of independent directors to half in 2009;
- two committees have been created: an audit committee and a remuneration committee;
- the quality of financial information has been improved by appointing an "Investor Relations" manager whose work has been commended by the financial community;
- the leadtime for issuing accounts has been shortened;
- a Registration Document has been published;
- recommendations regarding the remuneration of managers have been taken into account;
- the Chairman has issued a report on corporate governance and internal control.

WITH RESPECT TO INTERNAL CONTROL,

the reference framework chosen by the Company is that of the AMF[3] published in January 2007.
The guide drawn up in accordance with this framework defines internal control as a means of ensuring:

- compliance with laws and regulations;
- application of the instructions and guidelines stipulated by General management;
- the correct operation of the Company's internal procedures, particularly those concerned with safeguarding assets;
- the reliability of financial information.

1 Association Française des Entreprises Privées – French association of private-sector companies.
2 Mouvement des Entreprises de France – French Business Confederation.
3 AMF : Autorité des Marchés Financiers – French financial markets authority.

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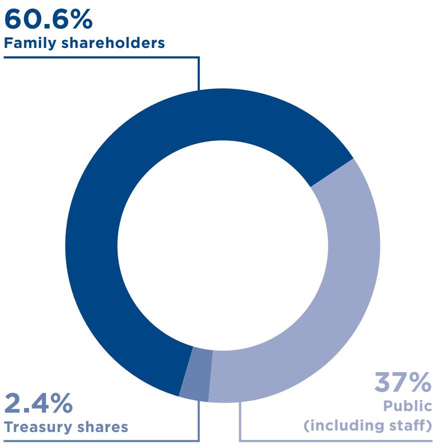
STOCK MARKET & SHAREHOLDERS

SHAREHOLDING

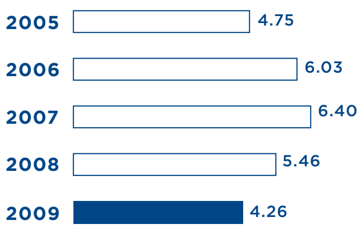
The company's share capital consists of 44,900,000 shares with par value of 4 euros, i.e. 179,600,000 euros. The breakdown of share capital as of December 31, 2009 is shown below.



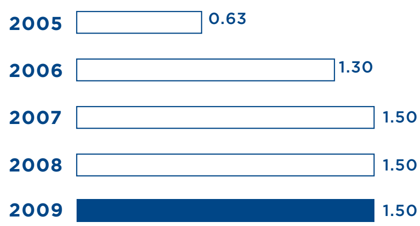
DIVIDEND

Based on the 2009 results, and confident of the Group's ability to sustain its ongoing development, the Board of Directors has decided to propose that the Annual General Meeting of shareholders on April 28, 2010 vote to maintain the same dividend as in 2008, 1.50 euros per share.

Profit per share
in euros



Dividend per share
in euros



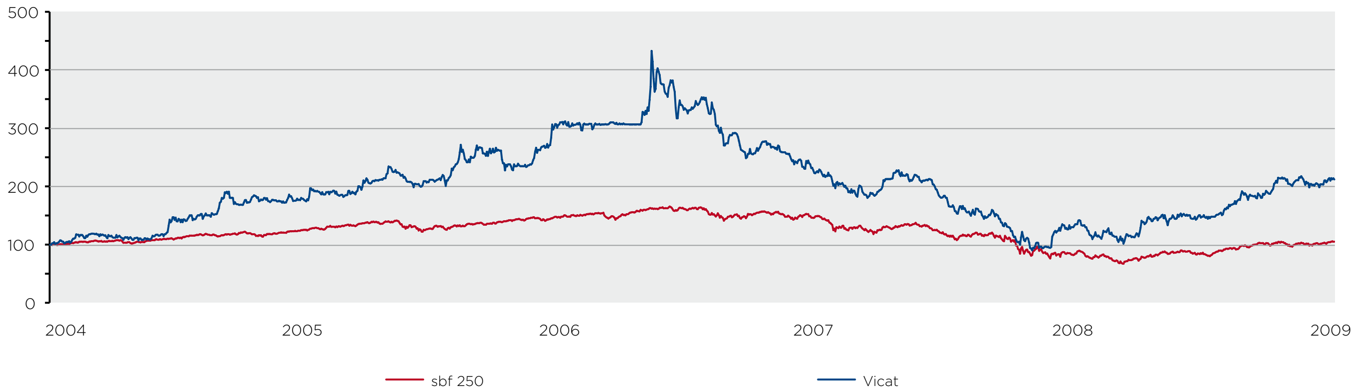
SHAREHOLDER INFORMATION

Shareholder and investor service:
Tel.: +33 1 5886 8614 - Fax: +33 1 5886 8788

Email: relations.investisseurs@vicat.fr
Websites: www.vicat.fr and www.vicat.com
Mnemonic: VCT
ISIN code: FR0000031775
Sicovam: 03177
Bloomberg: VCT.PA
Reuters: VCTP.PA

STOCK-MARKET STATUS

Share price evolution



Since December 24, 2007, Vicat has been part of the Paris Bourse's SBF 250 index, and Vicat shares have qualified for trading under the Service du Règlement Différé (SRD) deferred settlement market since February 26, 2008.

FINANCIAL COMMUNICATION POLICY

Vicat is determined to maintain excellent communication with shareholders, maintaining transparency and ease of access to information at all times.
The Group therefore undertakes to make information on its business, strategy, results, and objectives available to the public at regular intervals. The Group's communication program includes:

- publication on the Company's websites (www.vicat.fr and www.vicat.com) of AMF-compliant information
- quarterly, half-yearly, and yearly press releases regarding any significant information concerning the life and development of the Group;
- an annual report;
- a financial benchmark document;
- a dedicated website: www.vicat.fr (also www.vicat.com); "Financial Information" section.

Also, Vicat takes part in a great many conferences and other events aimed at facilitating and intensifying direct contact between the Group and various members of the financial community.

Financial communication calendar

April 28, 2010
Annual General Meeting

May 5, 2010 (posted after close)
Sales for first quarter 2010

August 4, 2010 (posted after close)
Sales and results for first half 2010

November 3, 2010
(posted after close)
Sales for nine months 2010

GLOSSARY

Admixture
Chemical product used in small quantities (less than 5% of the cement content by weight) in concrete or mortar to modify certain properties of the mix. Admixtures can be added before or during mixing, or during a complementary mixing operation.

Aggregate
An ingredient of concrete. Consists of all the mineral particles, coarse and fine, known by different names depending on their dimensions (from 0 to 125 mm): filler, sand, gravel, etc. The dimension of aggregate is the length of the side of the square opening in a sieve through which it passes.

Bagging line
Automatic system for filling bags. A cement-plant bagging line can have throughput of as much as 5,000 bags per hour.

Bag house
Used to dedust gas, a bag house consists of several hundred fabric bags in several chambers arranged in parallel. When it passes through them the gas leaves any dust behind in the bags which are emptied periodically or cleaned by mechanical shakers or pulse-jet or reverse-air systems.

Blending
An operation performed in a cement plant to thoroughly mix the ingredients of the raw meal before firing in the kiln.

Cement
A hydraulic binder, i.e. a fine powder which, when mixed with water, forms a paste that sets and hardens as a result of chemical reactions with the water. When it has hardened, the paste retains its strength and stability even under water.

Clinker
The basic component of cement, made up of four main minerals: limestone, silica, alumina, and iron oxide. It is produced by firing these elements at very high temperatures in a cement kiln.

Cooler
Apparatus located at the discharge end of a cement kiln to cool clinker from 1,400°C to the ambient temperature.

Crusher
Machine used largely in quarries for breaking rock into smaller fragments.

Electrofilter, ESP
Electrostatic filter (also known as an electrostatic precipitator) commonly used in cement plants to remove dust from kiln exhaust gases or cement mill exhaust air.

Gas conditioning tower
Tower placed at the exhaust end of the preheater tower to cool and increase the moisture level of exhaust gases in order to optimize the efficiency of the electrofilter downline.

Mill
Machine that breaks materials down into very fine particles or powder. Cement plants use ball mills (tube mills) and vertical or horizontal roller mills.

Mortar
A mixture of cement, sand, and water, possibly with admixtures or additions. It differs from concrete in having no coarse aggregate.

Preblending
An operation performed in a cement plant to thoroughly mix crushed raw materials together before finer crushing.

Precalciner
Combustion chamber at the foot of a preheating tower, fed with fuels of all kinds and hot combustion air (750 to 900°C) from the clinker cooler. A precalciner can provide up to 55% of the heat required for effective kiln operation.

Precasting
Manufacture of concrete construction components either in a remote precasting plant or on the construction site, but not in their final location. A great many concrete construction products can be precast: structural elements such as columns, beams, and loadbearing slabs; envelope elements such as façade or cladding panels; a wide range of standardized units such as blocks, joists, floor plates, hollow-core slabs, and tiles; and parts for roading, drainage, or street furniture.

Raw meal
The proportioned mix of raw materials fed into a cement kiln.

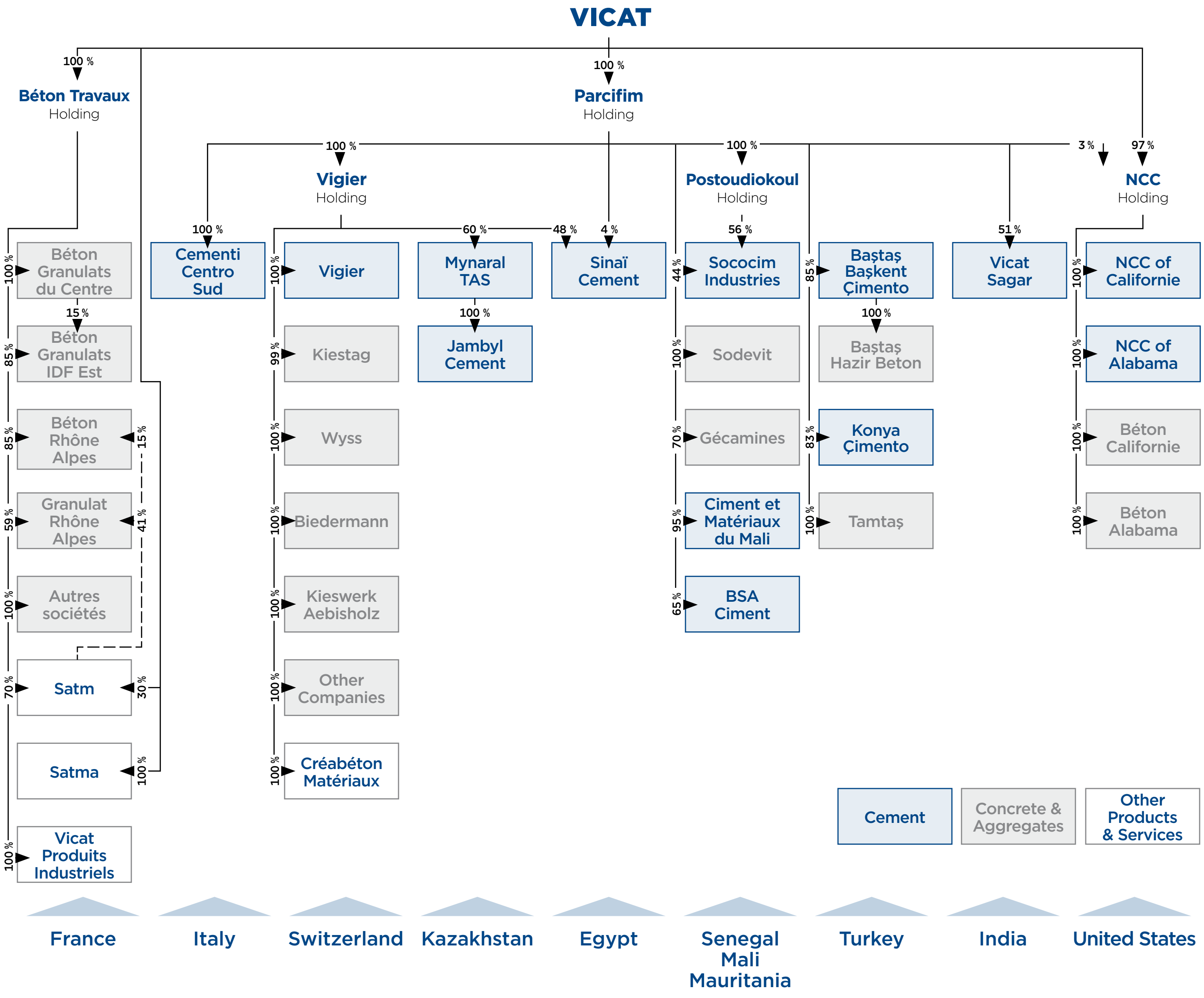
Ready-mixed concrete (RMC)
Concrete manufactured in a plant located on or off a construction site, mixed at a batching plant and delivered by the manufacturer fresh and ready for placement by the user.

Render, plaster
Surface coating made from cement mortar (render) or hydraulic lime (plaster), or both. Used to make a surface smooth, level, and waterproof.

Waste-to-energy
The technique of using by-products, waste, or fuels unsuitable for other purposes in the cement manufacturing process to harness their calorific value to produce heat. These products can partly or totally substitute for primary fuels such as coal, oil, or gas.

FINANCIAL REPORT

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



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

NOTES ON THE KEY GROUP FIGURES

Notes on key Group figures

I. CHANGE IN CONSOLIDATED SALES

Consolidated sales for the year 2009 were 1,896 million euros, down 7.8 % compared with the previous year. This is the result of an organic decline in business of –9.1 %, representing a decrease of almost 187 million euros; an rise of 0.4 %, representing an increase of 8 million euros, due to a favorable movement in exchange rates in 2009 compared with 2008, particularly in the US dollar rate; and a rise of 0.8 %, representing an increase of 17 million euros, associated with changes in the consolidation scope, primarily due to the incorporation of the Walker group plants in the United States in May 2008, and those of BSA Ciment in Mauritania on October 1, 2008.

1.1. Consolidated sales by business

The change in consolidated sales by business in 2009 compared with 2008 is as follows:

(in millions of euros except %)	2009	2008	Change (%) Reported	At constant scope and exchange rates
Cement	950	929	2.3	+1.2
Concrete & Aggregates	695	845	(17.7)	(19.0)
Other Products and Services	251	283	(11.5)	(13.2)
Total	**1,896**	**2,057**	**(7.8)**	**(9.1)**

On a geographic basis, Vicat business remained stable in Europe (-0.5%), but declined in France (-17%), the United States (-35,8%) and Turkey (-5.4%). In the Africa and Middle East region business increased significantly by more than 31% compared with 2008.

1.1.1. Cement

(in millions of euros)	2009	2008	Change (%) Reported	At constant scope and exchange rates
Volume ('000 tonnes)	14,507	14,225	+2.0	
Operational sales	1,130	1,142	-1.1	-2.0
Intra-group sales	(179)	(213)		
Consolidated sales	950	929	+2.3	+1.2

Cement sales were up 2.3% or 1.2% at constant scope and exchange rates. Volumes increased by 2.0% over the period.

1.1.2. Concrete & Aggregates

(in millions of euros)	2009	2008	Change (%) Reported	At constant scope and exchange rates
Concrete volume ('000 m^3)	7,121	8,373	-15.0	
Aggregates volume ('000 tonnes)	18,675	21,595	-13.5	
Operational sales	725	882	-17.9	-19.0
Intra-group sales	(29)	(37)		
Consolidated sales	696	845	-17.7	-19.0

Consolidated sales in the Concrete & Aggregates business fell by 17.7% or 19.0% at constant scope and exchange rates. Concrete delivery volumes were down 15.0% and Aggregates volumes drew down 13.5%.

1.1.3. Other Products and Services

(in millions of euros)	2009	2008	Change (%) Reported	At constant scope and exchange rates
Operational sales	313	361	-13.2	-14.3
Intra-group sales	(63)	(78)		
Consolidated sales	250	283	-11.7	-13.2

In Other Products and Services, consolidated sales fell by 11.7% or 13.2% at constant scope and exchange rates.

1.2. Consolidated sales by geographic area

The break down of consolidated sales by geographic sales area is as follows:

(in millions of euros)	2009	%	2008	%
France	809	42.7	974	47.3
United States	187	9.8	268	13.0
Turkey	141	7.4	162	7.9
Africa, Middle East and others	431	22,8	335	16.3
Europe (except France)	328	17.3	318	15.5
Total	**1,896**	**100**	**2,057**	**100**

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

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

II. CONSOLIDATED INCOME STATEMENT

The Group's operating margin was lower than in 2008, mainly affected by:

- a significant decrease of the volume sold in the United States, France and Italy, dragged down by the worsening macro-economic environment in 2009 and the highly unfavorable weather conditions early in the year in Europe;
- a strong pricing pressure in Turkey, Italy and above all the United States;
- a sharp rise in fuel prices.

This decrease was partially offset by:

- the effects of the "Performance 2010" plan and the complementary "Performance +" plan which totaled cost savings of €61 million to EBITDA, exceeding the initial target of €50 million;
- buoyant growth in the emerging countries, and the gradual improvement in the economic environment during the second half of the year in mature economies, except in the United States;
- and finally, by the decrease in electric power costs.

Consolidated EBITDA declined by a reported 10.5% percent to €473 million, or by 11.6% at constant scope and exchange rates.

EBITDA margin was 24.9%, versus 25.7% in 2008. Given the challenging business environment in 2009, this was a limited decrease, reflecting both the successful development strategy put in place by the Group as part of the "Performance 2010"plan and its ability to implement the necessary adjustments in a time of economic crisis. Therefore, in the second half of the year, and in line with its timeframe, the Group benefited from the commissioning of additional production facilities in Switzerland and Senegal to seize the rising demand in these markets and also fully

* EBITDA/operational sales

benefited from the additional "Performance +" cost-cutting plan.
As a result, EBITDA margin was 26.0% in the second half of 2009, slightly up compared to the second half of 2008 (25.8%) and significantly up in comparison with the first half of 2009 (23.9%).

Consolidated EBIT fell by 17.9% to €322 million, or by 18.5% at constant scope and exchange rates. EBIT margin was 17.0%, down from 19.1% in 2008.
It should be pointed out, however, that EBIT margin in the second half of 2009 stood significantly higher than in the first half at 18.4% compared to 15.6%.

The Group's reduced interest expenses were mainly attributable to the positive impact of lower interest rates. Gearing (net debt to equity ratio) was 31.4% at December 31, 2009, compared to 34.7% in the previous year. This improvement reflected the high level of free cash flow (equal to net cash flow from operating activities less net capital expenditure) generated in 2009, which reached €119 million, compared to €5 million in 2008.

The Group's tax rate was 17.0%, down from 23.4% in 2008. This decrease reflects the larger contribution of geographical areas with the lowest tax rates, notably Senegal and Egypt where major investments were carried out, and a lower contribution from the United States and France, areas with higher tax rates.

Net income attributable to parent company shareholders was €191 million, down by 22.0%, or by 22.2% at constant scope and exchange rates. Net margin was 10.1% of consolidated sales, versus 11.9% in 2008.

2.1. Group income statements by business

2.1.1. Cement

(in millions of euros)	2009	2008	Change (%) Reported	At constant scope and exchange rates
Volume (kt)	14,507	14,225	2.0	
Operational sales	1,129	1,142	-1.2	-2.0
Consolidated sales	950	929	2.3	1.2
EBITDA	364	388	-6.1	-7.1
EBIT	269	304	-11.5	-12.3

Consolidated Cement sales increased by 2.3%, or by 1.2% at constant scope and exchange rates. This remarkable performance in Vicat's core business was driven by a 2.0% increase in cement volumes and a pricing environment that improved gradually everywhere during the year except in the United States, especially California.

EBITDA in Cement totaled €364 million, down 7.1% at constant scope and exchange rates. Although EBITDA margin decreased in 2009 to 32.2% from 33.9% in 2008: it has significantly improved during the second half of the year when compared to the first half.

2.1.2. Concrete & Aggregates

(in millions of euros)	2009	2008	Change (%) Reported	At constant scope and exchange rates
Concrete volume (km^3)	7,121	8,373	- 15.0	
Aggregates volume (kt)	18,675	21,595	- 13.5	
Operational sales	724	882	- 17.9	- 19.0
Consolidated sales	696	845	- 17.7	- 19.0
EBITDA	83	110	- 24.5	- 26.4
EBIT	40	70	- 42.9	- 42.7

Consolidated sales for Concrete & Aggregates declined 17.7%, or 19.0% at constant scope and exchange rates. This decrease was primarily due to lower activity in the United States in 2009 and in France during the first half of the year. EBITDA fell by 24.5%, or by 26.4% at constant scope and exchange rates. As a result, EBITDA margin was down from 12.4% in 2008 to 11.4%.

2.1.3. Other Products and Services

(in millions of euros)	2009	2008	Change (%) Reported	At constant scope and exchange rates
Operational sales	314	361	-13.0	-14.2
Consolidated sales	251	283	-11.5	-13.1
EBITDA	26	31	-15.1	-16.4
EBIT	13	19	-29.7	-28.7

In Other Products and Services, consolidated sales were down 11.5%, or 13.1% at constant scope and exchange rates. EBITDA totaled €26 million, a decline of 15.1% compared to 2008, or 16.4% at constant scope and exchange rates. EBITDA margin remained stable.

2.2. Group income statements by region

2.2.1. Income statement: France

(in millions of euros)	2009	2008	Change (%) Reported	At constant scope
Consolidated sales	844	1,017	-17.0	-17.0
EBITDA	206	262	-21.1	-20.7
EBIT	153	209	-26.6	-26.1

Consolidated sales in France at December 31, 2009 dropped 17.0%. EBITDA was down 20.7% at constant scope to €206 million. The EBITDA margin came in at 24.2%, down from 25.5% in 2008. This decline was mitigated by the positive impact of the "Performance 2010" plan and the supplementary cost-cutting measures generated by the "Performance +" plan, whose full effects were accounted for in the second half of the year. The EBITDA margin rose to 24.8% in the second half of 2009, up from 23.6% in the first half-year and stable compared to the 24.8% margin of the second half of 2008.

• In Cement, Group sales declined 12.2% at constant scope, reflecting a 14.7% volume decrease, partly compensated by selling prices which held up well. These factors enabled EBITDA margin to remain solid, even if down by about 150 basis points compared to 2008. The impact of lower volumes and higher energy costs was only partially offset by higher selling prices and the effects of the "Performance +" cost-cutting plan. The EBITDA margin in this business line nevertheless rose significantly during the second half compared to the first half of 2009 (up more than 300 basis points).

The main reasons for this improvement were the effect of the cost-cutting plan and the gradual resurgence of activity since the end of the first half of the year.

• In Concrete & Aggregates, sales declined 20.0% at constant scope. In volume terms, Concrete fell by nearly 23% and Aggregates by less than 22% in 2009. Selling prices, bolstered by an improved product mix, held up well throughout the year. This helped contain the decline in EBITDA margin, which lost roughly 210 basis points compared to 2008.

2.2.2. Income statement: Europe (except France)

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

Consolidated sales in Europe (excluding France) increased 5.3% in 2009. Sales at constant scope and exchange rates remained relatively flat. For the region as a whole, the EBITDA margin gained 320 basis points to 26.8%, up from 23.6%.

Following very poor weather conditions in Switzerland at the beginning of the year, business improved considerably sharply in the second half, supported by the dynamism of the construction sector. For the full year, consolidated sales at constant scope and exchange rates rose 1.5% in Switzerland.
The Group's EBITDA margin in Switzerland gained nearly 200 basis points compared to 2008, despite a substantial increase in fuel costs (coal).

• In Cement, consolidated sales rose almost 9% at constant scope and exchange rates. This increase was driven by both the robust 5% rise in cement volumes sold in the second half of the year and the favorable pricing environment. The Reuchenette kiln was successfully re-started in the summer as part of the "Performance 2010" plan, which put an end to the purchase of clinker from external sources and played a key role in the steady rise in EBITDA margin, which gained nearly 200 basis points.
• In Concrete & Aggregates, consolidated sales increased slightly by 1% at constant scope and exchange rates. Buoyed by a gradual growth in volumes and selling prices, EBITDA margin was up by about 220 basis points.
• In the Precast business, consolidated sales fell by more than 3% at constant scope and exchange rates. Here, too, business rebounded gradually over the second half of the year, driving to a very slight increase of the full-year EBITDA margin.

In Italy, consolidated sales fell by 12.7% affected by the decline in volumes sold due to the difficult macroeconomic environment. Nevertheless, the Group managed to globally maintain its selling prices in a highly competitive environment, thanks to its niche market positions.
The Group's EBITDA margin improved appreciably, due primarily to lower clinker purchasing prices and freight costs.

2.2.3. Income statement: United States

(in millions of euros)	2009	2008	Change (%) Reported	At constant scope and exchange rates
Consolidated sales	187	268	-30.4	-35.8
EBITDA	12	49	-75.7	-76.4
EBIT	(17)	23	n.s.	n.s.

Business in the United States was strongly impacted by the macro-economic situation in 2009. Consolidated sales at constant scope and exchange rates decreased by 35.8% over the full year.
Reflecting two years of cumulative declines in volumes sold and very strong pricing pressure, especially in California, EBITDA margin fell to 6.3% in 2009 from 18.1% in 2008.

- In Cement, consolidated sales at constant scope and exchange rates were down 34.9%, due to the sharp decline in volumes sold, particularly in the South East. Selling prices dropped significantly in California throughout the year as competition remained stiff. In the South East, the decline in prices was less pronounced. As a result, and despite major cost-cutting efforts under the "Performance +" plan, EBITDA margin in this activity contracted sharply. However, the cost-cutting plan did lead to a very slight rise in EBITDA margin in the second half compared to the first half of 2009.

- In Concrete, consolidated sales declined 36.2% at constant scope and exchange rates, with a sharper drop in California.
Pressure on selling prices continued throughout the period in both California and the South East. As a result, EBITDA margin dropped appreciably, although the decline was mitigated by the Group's cost-cutting measures. Furthermore, this deterioration, which began in the first half, continued during the second half of 2009.

2.2.4. Income statement: Turkey, Kazakhstan and India

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

In Turkey, consolidated sales amounted to €156 million, down 5.4% at constant scope and exchange rates for the full year.
EBITDA margin fell to 14.9% from 19.8% in 2008. Nevertheless, the margin improved in the course of the year, reflecting the gradually more favorable economic environment and the rise in volumes sold, which, combined with the effects of the cost-cutting measures, boosted EBITDA margin in the second half to 19.4%, more than twice the level of the first half of 2009.

- In Cement, consolidated sales fell by 13.4% at constant scope and exchange rates. As a result, the Cement EBITDA margin decreased significantly compared to 2008. However, with the improvement in the macro-economic situation during the second part of the year, the full effect of the cost-cutting plan and the improved efficiency of the Group's production facilities in the region, EBITDA margin improved substantially in the second half compared to the first half of the year.

- In Concrete, volumes sold grew by more than 15% for the year, largely offsetting the impact of the pricing pressures. Consolidated sales rose by 8.8% at constant scope and exchange rates. The outcome was an EBITDA margin that improved steadily and strongly throughout 2009.

The new production facilities in Kazakhstan and India will be operational by the end of 2010 and in early 2012, respectively, as initially planned. Nevertheless, some operating expenses were accounted for in 2009.

2.2.5. Income statement: Africa and the Middle East

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

In Africa and the Middle East, consolidated sales for 2009 totaled €411 million, up 31.1% at constant scope and exchange rates.

EBITDA margin was 37.2% in 2009, down from 38.6% for the same period in 2008. This decrease, in line with the Group's expectations, was due primarily to higher fuel costs in the region as a whole and to the impact of the tax on cement, called "tax on clay", introduced by the Egyptian government in 2008, which affected the whole of 2009.

- In Egypt, consolidated sales for the year increased by 66.7%, at constant scope and exchange rates. The doubling of capacity at the Sinai Cement plant from the second half of the year 2008 enabled Vicat to take full advantage in 2009 of the volume growth in the dynamic Egyptian market.

  Despite the impact of unfavorable government measures during the year (rising gas prices and the "tax on clay"), the Group succeeded in limiting the decline in its EBITDA margin to less than 300 basis points by capitalizing on the positive trend in volumes sold and higher selling prices. To note, the Group's profitability levels in Egypt remain particularly satisfactory. Furthermore, EBITDA margin not only rose sharply in the second half compared to its level of the first half of 2009, it also improved compared with the EBITDA margin recorded in the second half of 2008. This very strong performance stems from the ongoing efforts made to raise productivity and improve industrial efficiency as part of the "Performance 2010" plan.

- In West Africa, sales in 2009 increased by 9.7% at constant scope and exchange rates. Cement consolidated sales rose by 13.0% in Senegal. The commissioning of new grinding and bagging capacity as part of the "Performance 2010" plan enabled the Group to meet domestic demand fully. Volumes of cement sold in Senegal rose 11% and selling prices held up well. EBITDA margin declined for the year as a whole. In Senegal, this reflected rising fuel costs due to purchasing contracts signed in 2008 at high pricing levels, higher purchases of clinker from external sources during the first half of the year (before the new kiln was commissioned) and the significant downturn in Aggregates business. Nevertheless, Cement posted a strong performance in Senegal in the second half of the year as EBITDA margin improved when compared with the first half of the year and was slightly better than in the second half of 2008. This performance stems primarily from the commissioning of the new kiln at the Rufisque plant under the "Performance 2010" plan. After a smooth ramp-up phase, the new kiln posts excellent industrial performance thereby enabling a reduction in the purchasing of clinker from external sources. In Mauritania, electricity shortages during the second half of the year weighed noticeably on the Group's activity and profitability. This issue has been resolved with the installation of dedicated electricity power generators.

III. CHANGE IN THE FINANCIAL POSITION

At the end of the year 2009, the Group's financial position was solid, as evidenced by the following indicators:

(in millions of euros)	2009	2008	Change
Gross financial liabilities	887	787	
Treasury	(235)	(109)	
Net financial liabilities	**653**	**678**	**-25**
Consolidated treasury shares	2,082	1,954	+128
Gearing ratio	31.4 %	34.7 %	
EBITDA	473.0	528.3	
Leverage ratio	x 1.38	x 1.28	

Net debt was €653 million at 31 December 2009, compared to €678 million at 31 December 2008.
At 31 December 2009, consolidated shareholders' equity was €2,082 million, compared to €1,954 million at 31 December 2008.

Medium and long-term financing contracts contain specific clauses (covenants) imposing in particular a requirement to comply with certain financial ratios. Given the small number of companies in question, principally Vicat SA, the Group parent company, the low level of debt, representing 31.4 % of consolidated equity ("gearing") and 1.38 times consolidated Ebitda ("leverage"), and the liquidity of the Group's balance sheet, the existence of these "covenants" does not constitute a risk to the Group's financial position. At December 31, 2009, Vicat complies very largely with all financial ratios required by covenants in financing agreements.

The year 2009 saw a further demonstration of support from the Group's main banking partners with the renegotiation of the main financing lines:
- in March 2009, renewal of bilateral lines to the value of 240 million euros for a term of 5 years,
- in July 2009, renewal of syndicated credit to the value of 445 million euros for a term of 3 years, representing an increase compared with the line renewed.

Given the business environment during the year, the Group believes that the terms on which such renewals have been made can be regarded as favorable.

Following these transactions, the Group has confirmed financing lines, not used and not allocated to cover the liquidity risk on commercial paper, amounting to 609 million euros at December 31, 2009 (603 million euros at December 31, 2008).

The Group also has a program for the issue of commercial paper to the value of 152 million euros. At December 31, 2009, the value of commercial paper issued was 136 million euros. Commercial paper which constitutes short-term credit instruments is backed by confirmed financing lines for the amount issued and classed as such in medium-term debt in the consolidated balance sheet.

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

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

In 2009, the Group generated cash flow of €387 million, versus €402 million in 2008. Capital expenditure totaled €274 million, down from €383 million in 2008. It mainly corresponds to the completion of the "Performance 2010" plan, notably in Senegal and Switzerland, and to carry out ongoing investments in Kazakhstan and India.

In 2009, Vicat generated free cash flow of €119 million, compared to €5 million in 2008.
Financial investments during the period totaled €20 million, compared to €83 million in 2008.

IV. "PERFORMANCE 2010" AND "PERFORMANCE +" PLANS

Performance 2010

In Switzerland, the kiln in the Reuchenette plant was put back into operation in late June, following the investment to raise capacity from 700,000 tonnes to nearly 900,000 tonnes a year. This increased capacity enables Vicat to meet local demand without having to purchase clinker and cement from external sources, as it did in 2008. It also supports the Group's efforts to increase the share of alternative fuels.

In Senegal, the "Performance 2010" plan improves productivity at the Rufisque plant and raises the Group's cement production capacity in the region to 3.5 million tonnes a year. Thanks to this additional capacity, Vicat no longer needs to purchase clinker from external sources to keep pace with demand and can increase the proportion of alternative fuels used.

Performance +

"Performance +" is a proactive initiative that complements the "Performance 2010" plan, and is aimed at dealing with the severe global economic downturn. Designed to streamline and enhance Vicat's cost structure, the plan had three main objectives:
- to improve the performance of the Group's production facilities;
- to adjust the Group's cost structure;
- to postpone all investments deemed non-strategic in the current environment.

In 2009, the various measures taken to fulfill the "Performance +" plan generated total cost savings of €61 million, above the initial target of €50 million. Close to two thirds (62%) of the savings achieved were of a recurring nature and involved the following:
- structural gains made possible by steps to improve the technical and industrial performance of the Group's production facilities;
- increasing use of alternative fuels;
- operational management savings achieved in certain structures.

The remainder (38%) were cost savings that stemmed from decreasing activity in specific regions. These more variable costs are likely to rise as business volume picks up in those markets.

V. OUTLOOK IN 2010

As regards 2010, the Group wishes to provide the following information about its various markets:

- **In France**, the Group expects very gradual stabilization in volumes in 2010, particularly cement, with price conditions that could remain, at best, very slightly positive. The initial effects of the stimulus plan announced by the French government should have a very gradual impact on the construction industry in general, particularly infrastructures, while residential new builds should benefit from the tax incentives introduced in 2009. Meanwhile, non-residential construction is likely to see a further decline over the full year. The Group should benefit from more favorable purchasing prices for conventional fuels and the continuation of its policy of using more alternative fuels.
- **In Switzerland**, conditions should remain favorable on the whole, with the Group capitalizing on the continuation of major infrastructure projects. The increase in the Reuchenette plant's kiln capacity at the end of the first half of 2009 marked the definitive end to purchasing of clinker from external sources and enables the Group to increase its use of alternative fuels. Lastly, the Group will benefit from more favorable purchasing prices for conventional fuels and continue with its policy of using more alternative fuels.
- **In Italy**, the Group expects market conditions to remain difficult in 2010 both in terms of volumes and pricing. Against this backdrop, Vicat will capitalize on its niche position and should benefit from purchasing conditions for clinker and freight, which are expected to remain favorable.
- **In the United States**, the lack of visibility on both economic conditions and potential investment on the part of States prevents the Group from formulating any forecasts for 2010, which is nevertheless expected to remain very difficult. While the implementation of the stimulus plan on a national level could have a substantial effect on the Group's markets, the location, type and timing of investment are still uncertain.
- **In Turkey**, conditions are expected to stabilize very gradually, particularly in terms of volumes. However, continuing fierce competition could have an unfavorable impact on the development of selling prices. Despite this, the modernization of the Group's production facilities as part of the "Performance 2010" plan gives it the possibility of producing at low cost. The Group should also be able to increase its use of alternative fuels significantly.
- **In Egypt**, local market conditions should remain favorable in terms of both volumes and prices. However, the comparison base for volumes will be much less favorable than in 2009, with the increased capacity of the Sinai Cement plant already fully factored in for the year. Vicat therefore expects sales to develop in line with the market.
- **In West Africa**, market conditions are expected to remain generally favorable but still closely linked to public authority investment in major infrastructure projects and the development of money transfers from the diaspora. The Group should also benefit from certain drivers. First of all, Vicat will be able to benefit fully from its increased capacity, finalized as part of the "Performance 2010" plan, allowing it to meet local and export demand without having to purchase clinker from external sources. It should also benefit from more favorable purchasing prices for fuels. Lastly, the Group should be in a position to increase significantly the proportion of alternative fuels used.

Against this backdrop, Vicat is determined to move forward cautiously with its growth strategy, capitalizing on:

- Its solid financial structure;
- The effects of the "Performance 2010" investment plan, relating in particular to the reduction in production costs as a result of the modernization of production facilities and the strengthening of the Group's industrial and commercial position;
- Following on from the "Performance 2010" plan, the effects of the complementary "Performance +" plan;
- And the success of its expansion in Kazakhstan and India, where projects are proceeding on schedule and the first of which is due to see its plant become operational in autumn 2010.

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2009

Consolidated financial statements at December 31, 2009

CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2009

ASSETS (in thousands of euros)	*Notes*	2009	2008
NON-CURRENT ASSETS			
Goodwill	*3*	671,224	670,901
Other intangible assets	*4*	74,484	43,600
Property, plant and equipment	*5*	1,782,307	1,697,650
Investment properties	*7*	19,206	20,024
Investments in associated companies (equity method)	*8*	36,579	10,059
Deferred tax assets	*25*	2,682	2,124
Receivables and other non-current financial assets	*9*	68,387	94,597
Total non-current assets		**2,654,869**	**2,538,955**
CURRENT ASSETS			
Inventories and work-in-progress	*10*	295,140	312,456
Trade and other accounts receivable	*11*	320,538	368,662
Current tax assets		6,050	3,345
Other receivables	*11*	103,285	94,044
Cash and cash equivalents	*12*	234,708	109,558
Total current assets		**959,721**	**888,065**
TOTAL ASSETS		**3,614,590**	**3,427,020**

LIABILITIES AND SHAREHOLDERS' EQUITY (in thousands of euros)	*Notes*	2009	2008
SHAREHOLDERS' EQUITY			
Share capital	*13*	179,600	179,600
Additional paid-in capital		11,207	11,207
Consolidated reserves		1,691,382	1,583,705
Shareholders' equity		**1,882,189**	**1,774,512**
Minority interests		**199,384**	**179,256**
Shareholders' equity and minority interests		**2,081,573**	**1,953,768**
NON-CURRENT LIABILITIES			
Provisions for pensions and other post-employment benefits	*14*	44,090	42,228
Other provisions	*15*	87,498	84,590
Financial liabilities	*16*	660,090	710,472
Deferred tax	*25*	146,016	150,609
Other non-current liabilities		26,231	16,727
Total non-current liabilities		**963,925**	**1,004,626**
CURRENT LIABILITIES			
Provisions	*15*	8,169	7,162
Financial liabilities	*16*	227,256	76,900
Trade and other accounts payable		189,820	227,473
Current taxes payable		6,962	8,052
Other liabilities	*18*	136,885	149,039
Total current liabilities		**569,092**	**468,626**
Total liabilities		**1,533,017**	**1,473,252**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**3,614,590**	**3,427,020**

CONSOLIDATED INCOME STATEMENT
OF THE YEAR 2009

(in thousands of euros)	Notes	2009	2008
NET SALES	19	1,896,013	2,057,043
Goods and services purchased		(1,076,892)	(1,199,064)
ADDED VALUE	1.20	**819,121**	**857,979**
Personnel costs	20	(309,446)	(312,454)
Taxes		(55,532)	(40,447)
GROSS OPERATING EARNINGS	1.20 & 23	**454,143**	**505,078**
Depreciation, amortization and provisions	21	(158,340)	(126,302)
Other income (expense)	22	8,348	3,092
OPERATING INCOME	23	**304,151**	**381,868**
Cost of net borrowings and financial liabilities	24	(23,977)	(30,087)
Other revenues	24	8,779	11,219
Other costs	24	(8,736)	(7,011)
NET FINANCIAL INCOME (EXPENSE)	24	**(23,934)**	**(25,879)**
Earnings from associated companies	8	1,021	338
EARNINGS BEFORE INCOME TAX		**281,238**	**356,327**
Income taxes	25	(47,669)	(83,316)
NET INCOME		**233,569**	**273,011**
Portion attributable to minority interests		42,171	27,755
PORTION ATTRIBUTABLE TO GROUP SHARE		**191,398**	**245,256**
EBITDA	1.20 & 23	**473,011**	**528,297**
EBIT	1.20 & 23	**321,923**	**392,195**
CASH FLOW FROM OPERATIONS		**387,368**	**401,909**
Earnings per share (in euros)			
Basic and diluted earnings per share	13	**4.26**	5.46

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

OF THE YEAR 2009

(in thousands of euros)	2009	2008
NET CONSOLIDATED INCOME	**233,569**	**273,011**
Net income from change in translation differences	(35,658)	402
Cash flow hedge instruments	(7,752)	2,902
Income tax on other comprehensive income	2,669	(999)
OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX)	**(40,741)**	**2,305**
TOTAL COMPREHENSIVE INCOME	**192,828**	**275,316**
Portion attributable to minority interests	35,884	21,997
PORTION ATTRIBUTABLE TO GROUP SHARE	**156,944**	**253,319**

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

	2009			2008		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Net income from change in translation differences	(35,658)	-	(35,658)	402	-	402
Cash flow hedge instruments	(7,752)	2,669	(5,083)	2,902	(999)	1,903
OTHER COMPREHENSIVE INCOME (net of income tax)	**(43,410)**	**2,669**	**(40,741)**	**3,304**	**(999)**	**2,305**

CONSOLIDATED STATEMENT OF CASH FLOWS

OF THE YEAR 2009

(in thousands of euros)	Notes	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		**233,569**	**273,011**
Earnings from associated companies		(1,021)	(338)
Dividends received from associated companies		135	936
Elimination of non-cash and non-operating items:			
- depreciation, amortization and provisions		164,658	122,915
- deferred taxes		(5,962)	14,170
- net (gain) loss from disposal of assets		(1,312)	(9,262)
- unrealized fair value gains and losses		(2,671)	740
- other		(28)	(263)
Cash flows from operating activities		**387,368**	**401,909**
Change in working capital from operating activities - net		(4,260)	(17,411)
Net cash flows from operating activities [(1)]	*27*	**383,108**	**384,498**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of fixed assets:			
- property, plant and equipment and intangible assets		(270,221)	(395,187)
- financial investments		(14,455)	(28,922)
Disposals of fixed assets:			
- property, plant and equipment and intangible assets		6,082	15,871
- financial investments		2,325	10,571
Impact of changes in consolidation scope		(3,463)	(65,990)
Net cash flows from investing activities	*28*	**(279,732)**	**(463,657)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(88,945)	(70,699)
Increases in capital		5,504	6,236
Increases in borrowings		148,372	261,628
Redemptions of borrowings		(56,724)	(100,189)
Acquisitions of treasury shares		(9,029)	(17,461)
Disposals of treasury shares		20,172	24,847
Net cash flows from financing activities		**19,350**	**104,362**
Impact of changes in foreign exchange rates		(4,753)	200
Change in cash position		**117,973**	**25,403**
Net cash – opening balance	*29*	95,038	69,635
Net cash – closing balance	*29*	213,011	95,038

[(1)] including cash flows from income taxes: (51,898) thousand euros in 2009 and (50,310) thousand euros in 2008.
including cash flows from interests paid and received: (15,556) thousand euros in 2009 and (22,934) thousand euros in 2008.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)	Capital	Additional paid-in capital	Treasury shares	Consolidated reserves	Translation reserves	Shareholders' equity	Minority interests	Total shareholders' equity and minority interests
At January 1, 2008	**187,085**	**11,207**	**(262,838)**	**1,697,267**	**(70,159)**	**1,562,562**	**154,078**	**1,716,640**
Net consolidated income				245,256		245,256	27,755	**273,011**
Other comprehensive income				1,903	6,160	8,063	(5,758)	**2,305**
Total comprehensive income				*247,159*	*6,160*	*253,319*	*21,997*	*275,316*
Dividends paid				(65,393)		(65,393)	(5,490)	**(70,883)**
Net change in treasury shares			2,665	748		3,413		**3,413**
Cancellation of treasury shares (1)	(7,485)		160,923	(153,438)		-		-
Changes in consolidation scope						-	1,758	**1,758**
Increases in share capital						-	7,344	**7,344**
Other changes (1)				20,611		20,611	(431)	**20,180**
At December 31, 2008	**179,600**	**11,207**	**(99,250)**	**1,746,954**	**(63,999)**	**1,774,512**	**179,256**	**1,953,768**
Net consolidated income				191,398		191,398	42,171	**233,569**
Other comprehensive income				(5,083)	(29,371)	(34,454)	(6,287)	**(40,741)**
Total comprehensive income				*186,315*	*(29,371)*	*156,944*	*35,884*	*192,828*
Dividends paid				(65,637)		(65,637)	(23,561)	**(89,198)**
Net change in treasury shares			9,634	989		10,623		**10,623**
Changes in consolidation scope				5,736		5,736	2,289	**8,025**
Increases in share capital						-	5,618	**5,618**
Other changes				11		11	(102)	**(91)**
At December 31, 2009	**179,600**	**11,207**	**(89,616)**	**1,874,368**	**(93,370)**	**1,882,189**	**199,384**	**2,081,573**

(1) The Extraordinary General Meeting of May 16, 2008 approved a share capital reduction by way of cancellation of 1,871,200 company treasury shares. Since this transaction affects the shareholders'equity, recovery of deferred taxes related to these cancelled shares was directly recognised in the Group shareholders' equity for an amount of 16.6 million euros.

Translation differences at December 31, 2009 are broken down by currency as follows (in thousands) of

U.S. dollar:	(36,355)	Kazakh tengue:	(18,043)
Swiss franc:	24,745	Mauritanian ouguiya:	(1,033)
Turkish new lira:	(49,328)	Indian rupee:	(223)
Egyptian pound:	(13,133)		(93,370)

NOTES TO THE 2009 CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING PRINCIPLES AND METHODS OF EVALUATION

1.1. Statement of compliance

In compliance with European Regulation (EC) 1606 / 2002 issued by the European Parliament on July 19, 2002 on the enforcement of International Accounting Standards, Vicat's consolidated financial statements have been prepared, since January 1, 2005, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Vicat has adopted those standards that are in force on December 31, 2009 for its benchmark accounting principles.

The standards, interpretations and amendments published by the IASB but not yet in effect as of December 31, 2009 were not applied ahead of schedule in the Group's consolidated financial statements at the closing date.

The consolidated financial statements at December 31 present comparative data for the previous year prepared under these same IFRS. The accounting methods and policies applied in the consolidated statements as of 31 December 2009 are consistent with those applied by the Group as of December 31, 2008, except for the new standards whose application is effective for the period beginning on or after January 1, 2009.

These new standards, which relate in particular to the framework, terminology and content of information presented, principally concern:

- the presentation of financial statements (IAS 1 Revised – Presentation of financial statements) with the introduction of a consolidated statement of comprehensive income. In accordance with of the option offered by IAS 1 Revised, the Group has opted to present total comprehensive income in two statements: the consolidated income statement and the consolidated statement of comprehensive income, including the specific information required;
- the sector information (IFRS 8 – Operating segments), the application of which is described in Note 1.19.;
- accounting for borrowing costs. Application of IAS 23 Revised had no impact on the Vicat Group consolidated accounts, since the option of capitalizing borrowing costs was already applied in the Vicat Group;
- improvement of information communicated with respect to financial instruments in accordance with IFRS 7 amendments.

These financial statements have been definitively prepared and approved by the Board of directors on March 5, 2010 and will be presented to the General Meeting of shareholders on May 17, 2010 for approval.

1.2. Basis of preparation of financial statements

The financial statements are presented in thousands of euros.

The balance sheet is presented by type in two statements: the consolidated income statement and the consolidated statement of comprehensive income.
The consolidated statement of comprehensive income segregates current and non-current asset and liability accounts and splits them according to their maturity (divided, generally speaking, into maturities of less than and more than one year).
The statement of cash flows is presented according to the indirect method.

The financial statements were prepared using the historical cost method, except for the following assets and liabilities, which are recognized at fair value: derivatives, assets held for trading, assets available for sale, and the portion of assets and liabilities covered by an hedging transaction.

The accounting principles and valuation methods described hereafter have been applied on a permanent basis to all of the fiscal years presented in the consolidated financial statements.

The establishment of consolidated financial statements under IFRS requires the Group's management to make a number of estimates and assumptions, which have a direct impact on the financial statements. These estimates are based on the going concern principle and are established on the basis of the information available at the date they are carried out.

They concern mainly the assumptions used to:

- evaluate provisions (notes 1.16. and 15), in particular those for pensions and other post-employment benefits (notes 1.15. and 14);
- evaluate financial instruments at their fair value (notes 1.14. and 17);
- perform valuations used to carry out impairment tests (notes 1.4., 1.11. and 3);
- define the accounting treatment to be applied in the absence of a definitive standard (note 1.7. concerning emission quotas).

The estimates and assumptions are reviewed regularly, whenever justified by the circumstances, at least at the end of each year, and the pertinent items in the financial statement are updated accordingly.

1.3. Consolidation principles

When a company is acquired, the fair value of its assets and liabilities is evaluated at the acquisition date.

The earnings of the companies acquired or disposed of during the year are recorded in the consolidated income statement for the period subsequent or previous to, depending on the case, the date of the acquisition or disposal.

The annual financial statements of the companies at December 31 are consolidated, and any necessary adjusting entries are made to restate them in accordance with the Group accounting principles. All material intercompany balances and transactions are eliminated during the preparation of the consolidated financial statements.

Subsidiaries:
Companies that are controlled exclusively by Vicat, directly or indirectly, are fully consolidated.

Joint ventures:
Joint ventures, which are jointly controlled and operated by a limited number of shareholders, are proportionally consolidated.

Associated companies:
Investments in associated companies over which Vicat exercises notable control are accounted for by the equity method. Any goodwill generated on the acquisition of these investments is presented on the line "Investments in associated companies" (equity method).
The list of the principal companies included in the consolidation scope at December 31, 2009 is provided in Note 34.

1.4. Business combinations – goodwill

Goodwill corresponds to the difference between the price paid for the acquired company and the fair value of all identified assets, liabilities and contingent liabilities at the acquisition date. Goodwill on business combinations carried out after January 1, 2004 is reported in the currency of the company acquired. Applying the option offered by IFRS 1, business combinations completed before the transition date of January 1, 2004 have not been restated, and the goodwill arising from them has been maintained at its net value on the balance sheet according to the principles of French GAAP as of December 31, 2003.

In the event that the pro-rata share of interests in the fair value of net assets, liabilities and contingent liabilities acquired exceeds their cost ("negative goodwill"), the full amount of this negative goodwill is recognized in the result of the fiscal year in which the acquisition was made, except for acquisitions of minority interests in a fully consolidated company, in which case this amount is recognized in the consolidated shareholders' equity.

The values of assets and liabilities acquired through a business combination must be definitively determined within 12 months after the acquisition date. These values may thus be adjusted at any closing date within that time frame.

Minority interests are valued on the basis of their pro-rata share in the fair value of the net assets acquired.

If the business combination takes place through successive purchases, each material transaction is treated separately, and the assets and liabilities acquired are so valued and goodwill thus determined.

In compliance with IFRS 3 and IAS 36 (see §1.11), at the end of each year, and in the event of any evidence of impairment, goodwill is subjected to an impairment test, consisting of a comparison of its net carrying cost with its value in use as calculated on a discounted projected cash flow basis. When the latter is below carrying cost, an impairment loss is recognized for the corresponding loss of value.

1.5. Foreign currencies

Transactions in foreign currencies:
Transactions in foreign currencies are translated into the functional currency at the exchange rates in effect on the transaction dates. At the end of the year, all monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the year-end exchange rates, and the resulting exchange rate differences are recorded in the income statement.

Translation of financial statements of foreign companies:
All assets and liabilities of Group companies that are not hedged are translated into euros at the year-end

exchange rates, while income, expense and cash flow statement items are translated at average exchange rates for the year. The ensuing translation differences are recorded directly in shareholders' equity.

In the event of a later sale, the cumulative amount of translation differences relating to the net investment sold and denominated in foreign currency is recorded in income statement. Applying the option offered by IFRS 1, translation differences accumulated before the transition date were zeroed out by allocating them to consolidated reserves at that date. They will not be recorded in income statement in the event of a later sale of these investments denominated in foreign currency.

The following foreign exchange rates were used:

	Closing rate		Average rate	
	2009	2008	2009	2008
USD	**1.4406**	1.3917	**1.3933**	1.4697
CHF	**1.4836**	1.4850	**1.5099**	1.5871
EGP	**7.9113**	7.7723	**7.7180**	8.0190
TRL	**2.1547**	2.1488	**2.1623**	1.9080
KZT	**213.91**	170.25	**206.18**	177.06
MRO	**379.02**	369.46	**369.67**	354.20

1.6. Other intangible assets

Intangible assets (mainly patents, rights and software) are recorded in the balance sheet at historical cost less accumulated amortization and any impairment losses. This cost includes acquisition or production costs and all other directly attributable costs incurred for the acquisition or production of the asset and for its commissioning. Assets with finite lives are amortized on a straight-line basis over their useful life (generally not exceeding 15 years).

Research costs are recognized as expenses in the period in which they are incurred. Long-term development costs meeting the criteria defined by IAS 38 are capitalized.

1.7. Emission quotas

In the absence of a definitive IASB standard concerning greenhouse gas emission quotas, the following accounting treatment has been applied:

- Quotas allocated by the French government in the framework of the National Plan for the Allocation of Quotas (PNAQ II) are not recorded, either as assets or liabilities. For 2009, they amount to 2,802 thousand tonnes of greenhouse gas emissions (14,011 thousand tonnes for the period 2008-2012).
- Only the quotas held at year-end in excess of the cumulative actual emissions of 4,719 thousand tonnes were recorded in the assets, for 10,909 thousand euros, corresponding to 885 thousand tonnes.
- Recording of surpluses, quota sales and quota swaps (EUA) against Emission Reduction Certificates (ERCs) were recognized in the year result for 12,564 thousand euros (8,069 thousand euros at December 31, 2008).

1.8. Property, plant and equipment

Property, plant and equipment are reported in the balance sheet at historical cost less accumulated depreciation and any impairment losses, using the component approach provided for in IAS 16. When an article of property, plant and equipment comprises several significant components with different useful lives, each component is amortized on a straight-line basis over its respective useful life, starting at commissioning.

Main amortization durations are presented below depending on the assets category:

	Cement assets	Concrete & aggregates assets
Civil engineering	15 to 30 years	15 years
Major installations	15 to 30 years	10 to 15 years
Other industrial equipment	8 years	5 to 10 years
Electricity	15 years	5 to 10 years
Controls and instruments	5 years	5 years

Quarries are amortized on the basis of tonnage extracted during the year in comparison with total estimated reserves.

Certain parcels of land acquired prior to December 31, 1976 were revalued, and the adjusted value was recognized in the financial statements, but without a significant impact on the lines concerned.

Interest expenses on borrowings incurred to finance the construction of facilities during the period prior to their commissioning are capitalized. Exchange differences arising from foreign currency borrowings are also capitalized inasmuch as they are treated as an adjustment to interest costs and within the limit of the interest charge which would have been paid on borrowings in local currency. 10,884 thousand euros were capitalized in 2009 (5,947 thousand euros in 2008), determined on the basis of local interest rates ranging from 2.61 % to 5.42 % depending on the country.

1.9. Leases

In compliance with IAS 17, leases on which nearly all of the risks and benefits inherent to ownership are transferred by the lessor to the lessee are classified as finance leases. All other contracts are classified as operating leases.

Assets held under finance leases are recorded in tangible assets at the lower amount between their fair value and the current value of the minimum lease payments at the starting date of the lease and amortized over their useful life, with the corresponding debt recorded as a liability.

1.10. Investment properties

The Group recognizes its investment properties at historical cost less accumulated depreciation and any impairment losses. They are depreciated on a straight-line basis over their useful life (10 to 25 years). The fair value of its investment properties is calculated by the Group's qualified departments. It is based primarily on valuations made by capitalizing rental income and taking into account market prices observed on transactions involving comparable properties, and is presented in the notes at each year-end.

1.11. Impairment

In accordance with IAS 36, the book values of assets with indefinite lives are reviewed at each year-end, and during the year, whenever there is an indication that the asset may be impaired. Those with finite lives are only reviewed if indicators show that a loss is likely.

An impairment loss has to be recorded as an expense on the income statement when the carrying cost of the asset is higher than its recoverable value. The latter is the highest of the fair value decreased by expenses related to the sale and the value in use. The value in use is calculated primarily on a discounted projected cash flow basis over 10 years. This time period corresponds to the Group's capital-intensive nature and the longevity of its industrial equipment.

The projected cash flows are calculated on the basis of the following components that have been inflated and then discounted:

- the EBITDA from the Long Term Plan over the first 5 years, then projected to year 10;
- the sustaining capital expenditure;
- and the change in working capital requirement.

Projected cash flows are discounted at the weighted average capital cost (WACC) before tax, in accordance with IAS 36 requirements. This calculation is made per country, taking account of the cost of risk-free long term money, market risk weighted by a sector volatility factor, and a country premium reflecting the specific risks of the market in which the concerned cash generating unit operates.

If it is not possible to estimate the fair value of an isolated asset, it is assessed at the level of the cash generating unit that the asset is part of insofar as the industrial installations, products and markets form a coherent whole. The analysis was thus carried out for each geographical area/country/activity, and the cash generating units were determined depending on the existence or not of vertical integration between the Group's activities in the area concerned.

The value of the assets tested, at least annually using this method for each cash generating unit includes intangible and tangible non-current assets and the Working Capital Requirement.

These impairment tests are sensitive to the assumptions held for each cash generating unit, mainly in terms of:

- discount rate as previously defined;
- inflation rate, which must reflect sales prices and expected future costs.

Tests are conducted at each year-end on the sensitivity to an increase or decrease of one point in the discount rate applied, in order to assess the effect on the value of goodwill and other intangible and tangible assets included in the Group's consolidated financial statements.

Recognized impairments can be reversed and are recovered in the event of a decrease, except for those corresponding to goodwill, which are definitive.

1.12. Inventories

Inventories are valued using the weighted average unit cost method, at the lower of purchase price or production cost, or net market value (sales price

reduced by completion and sales costs).
The gross value of merchandise acquired for resale and of supplies includes both the purchase price and all related costs.

Manufactured goods are valued at production cost, including the cost of goods sold, direct and indirect production costs and the depreciation on all consolidated fixed assets used in the production process.

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

Inventory depreciations are recorded when necessary to take into account any probable losses that could arise at year-end.

1.13. Cash and cash equivalents

Cash and cash equivalents include both cash and short-term investments of less than 3 months that do not present any risk of loss of value. The latter are marked to market at the end of the period. Net cash, the change in which is presented in the statement of cash flows, consists of cash and cash equivalents less any bank overdrafts.

1.14. Financial instruments

Financial assets:
The Group classifies its non-derivative financial assets, when they are first entered in the financial statements, in one of the following four categories of financial instruments in accordance with IAS 39, depending on the reasons for which they were originally acquired:
- long-term loans and receivables, financial assets not quoted on an active market, the payment of which is determined or can be determined; these are evaluated at their net book value and can be subject to a write-down if a loss in value is identified;
- investments in non consolidated affiliates are analyzed as assets available for sale and are consequently measured at the lowest of their carrying value and their fair value less cost of sale at the end of the period;
- financial assets valued at their fair value by the profit and loss, since they are held for transaction purposes (acquired and held with a view to being resold in the short term);
- investments held to term, including securities quoted on an active market associated with defined payments at fixed dates; the Group does not own such assets on year-end of the presented financial accounts.

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

Financial liabilities:
Non-derivative financial liabilities mainly comprise borrowings and other financial liabilities (other financings, bank overdrafts, etc.); they are entered at historical cost.

Treasury shares:
In compliance with IAS 32, Vicat's treasury shares are recognized net of shareholders' equity.

Derivatives and hedging:
The Group uses hedging instruments to reduce its exposure to changes in interest and foreign currency exchange rates resulting from its business, financing and investment operations. These hedging operations use financial derivatives. The Group uses interest rate swaps and caps to manage its exposure to interest rate risks. Forward FX contracts and currency swaps are used to hedge exchange rate risks. The Group uses derivatives solely for financial hedging purposes and no instrument is held for speculative ends. Under IAS 39, however, certain derivatives used are not, not yet or no longer, eligible for hedge accounting at the closing date.

Financial derivatives are valued at their fair value in the balance sheet. Except for the cases detailed below, the change in fair value of derivatives is recorded as an offset in the income statement of the financial statement ("Change in fair value of financial assets and liabilities"). The fair values of derivatives are estimated by means of commonly-used valuation models taking into account the data produced by active markets.

Derivative instruments may be designated as hedging instruments, depending on the type of hedging relationship:
- Fair value hedging is hedging against exposure to changes in the fair value of a booked asset or liability, or of an identified part of that asset or liability, attributable to a particular risk, in particular interest and exchange rate risks, which would affect the net profit or loss presented;
- Cash flow hedging is hedging against exposure to changes in cash flow attributable to a particular

risk, associated with a booked asset or liability or with a planned transaction (e.g. expected sale or purchase or "highly probable" future operation), which would affect the net profit or loss presented.

Hedge accounting for hedged asset/liability/firm commitment or cash flow is applicable if:
- The hedging relationship is formally designated and documented at its date of inception;
- The effectiveness of the hedging relationship is demonstrated at the inception and assessed on an ongoing basis in achieving offsetting changes in fair value of the hedging instrument and the hedged item. The ineffective portion of the hedging instrument shall be recognized in profit or loss.

The application of hedge accounting has the following consequences:
- in the event of a documented fair value hedging relationship, the change in the fair value of the hedging derivative is recognized through profit or loss as an offset to the change in the fair value of the underlying financial instrument hedged. Income is affected solely by the ineffective portion of the hedging instrument;
- in the event of a documented cash flow hedging relationship, the change in the fair value of the effective portion of the hedging derivative is recorded initially in shareholders' equity, and that of the ineffective portion is recognized directly through profit or loss. The accumulated changes in the fair value of the hedging instrument previously recorded in shareholders' equity are recognized through profit or loss at the same rate as the cash flows that were hedged.

1.15. Employee benefits

The regulations, customs and contracts in force in the countries in which the consolidated Group companies are present provide for post-employment benefits, such as retirement indemnities, supplemental pension benefits, supplemental pensions for senior management, and other long-term post-employment benefits, such as medical cover, etc.

Defined contribution plan contributions are recognized as expenses when they are incurred. As these do not represent a future liability for the Group, these plans do not require any provisions to be set aside.
Defined benefit plans include all post-employment benefit programs other than those under defined contribution plans, and represent a future liability for the Group. The corresponding liabilities are calculated on an actuarial basis (wage inflation, mortality, employee turnover, etc.) using the projected unit credit method, in accordance with the clauses provided for in the collective bargaining agreements and with custom.

Dedicated financial assets, which are mainly equities and bonds, are used to cover all or a part of these liabilities, particularly in the United–States and Switzerland. These liabilities are thus recognized in the balance sheet net of the fair value of any such invested assets. Any surplus of asset is capitalized only to the extent that it represents a future economic advantage that will be effectively available to the Group, within the limit of the IAS 19 cap.

Actuarial variances arise due to changes in actuarial assumptions and/or variances observed between these assumptions and the actual figures. The Group has chosen to apply the IFRS 1 option and to zero the actuarial variances linked to employee benefits not yet recognized on the transition balance sheet by allocating them to shareholders' equity. All actuarial gains and losses of more than 10 % of the greater of the discounted value of the liability under the defined benefit plan or the fair value of the plan's assets are recognized through profit or loss. The corridor method is used to spread any residual actuarial variances over the expected average remaining active lives of the staff covered by each plan, with the exception of variances concerning other post-employment benefits.

1.16. Provisions

A provision is recognised when the Group has a current commitment, whether statutory or implicit, resulting from a significant event which would lead to an uncompensated use of cash, which can be reliably estimated.

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

IAS 37 requires provisions whose maturities are longer than one year to be discounted when the impact is significant. The effects of this discounting are recorded under net financial income.

1.17. Taxes

The finance act for 2010, voted on December 30, 2009, made French fiscal entities no longer liable for Professional Tax from 2010, replacing it by a Territorial Financial Contribution (CET) which includes two new contributions:

- A Company Property Contribution (CFE) based on the property rental values of the present Professional Tax
- A Company Added-Value Contribution (CVAE) based on the added value resulting from the statutory accounts

The Group booked the professional tax as an operating cost at December 31, 2009, with no change relative to previous years and is currently studying the different offered options before adopting a definitive position in 2010 on the treatment of these contributions.

1.18. Income taxes

Deferred taxes are calculated at the tax rates passed or nearly passed at the year-end and in force when assets are sold or liabilities are settled.

Deferred taxes are calculated, based on an analysis of the balance sheet, on timing differences identified in the Group's subsidiaries and joint ventures between the values recognized on the consolidated balance sheet and the values of assets and liabilities for tax purposes.

Deferred taxes are calculated for all timing differences, including those on restatement of finance leases, except when the timing difference results from goodwill.

Deferred tax assets and liabilities are netted out at the level of each company. When the net amount represents a receivable, a deferred tax asset is recognized if it is probable that the company will generate future taxable income against which to allocate the unused tax losses.

1.19. Segment information

In accordance with IFRS 8 "Operating segments" (applied by the Group since the January 1, 2009 in the place of the IAS 14 Standard), segment information provided in Note 26 is based on information taken from the internal reporting, both for the operating segments and the indicators disclosed. This information is used internally by the Group Management responsible for implementing the strategy defined by the President of the Board for measuring the Group's operating performance and for allocating the capital expenditure and the resources to the business sectors and geographical areas.

Application of IFRS 8 has had no significant impact on the Group's segment information, since the segments determined in accordance with IFRS 8 correspond to those of the primary level previously identified under IAS 14. They comprise the 3 segments in which the Vicat Group operates: Cement, Concrete & Aggregates and Other Products and Services.

The indicators disclosed were adapted in order to be consistent with those used by the management, while complying with IFRS 8 information requirements: operating and consolidated net sales, EBITDA and EBIT (cf. § 1.20), total non-current assets, Capital employed (cf. § 26), industrial investments, Net depreciation and amortization charges and average number of employees.

The information concerning geographical areas required by IFRS 8 is communicated according to the same geographical segmentation as for the geographical sectors under IAS14 for the secondary level.

The management data used to assess operating segment performance is prepared in accordance with the IFRS principles applied by the Group in its consolidated financial statements.

1.20. Financial indicators

The following financial performance indicators are used by the Group, as by other industrial players and notably in the building materials segment, and presented with the income statement:

Added value: the value of production less the cost of goods and services purchased.

Gross operating earnings: added value less expenses of personnel, taxes and duties (except income taxes and deferred taxes), plus grants and subsidies.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization): adding up gross operating earnings and other ordinary income (expense).

EBIT: (Earnings Before Interest and Tax): adding up EBITDA and depreciation, amortization and operating provisions.

1.21. Seasonality

Demand is seasonal in the Cement, Ready-Mixed Concrete and Aggregates sectors, tending to decrease in winter in temperate countries and during the rainy season in tropical countries. The Group therefore generally records lower sales in the first and fourth quarters i.e. the winter season in the principal Western European and North American markets. In the second and third quarters, in contrast, sales are higher, due to the summer season being more favorable for construction work.

NOTE 2 CHANGES IN SCOPE AND OTHER SIGNIFICANT EVENTS

The 2009 financial year was characterized by a particularly difficult global macroeconomic and financial situation. In this context, the Vicat Group achieved a strong performance in 2009, demonstrating its financial sustainability. During the year, the Group completed the refinancing of a significant part of its bilateral and syndicated credit lines under favorable terms given the circumstances, extending the average maturity of its debts and at the same time strengthening its balance sheet liquidity and financial flexibility.

NOTE 3 GOODWILL

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

	Cement	Concrete and aggregates	Other products and services	Total
At December 31, 2007	**415,129**	**118,490**	**14,672**	**548,291**
Acquisitions / Additions (1)	36,038	71,016		107,054
Disposals / Decreases		(75)		(75)
Change in foreign exchange rates and other	5,913	8,586	1,132	15,631
At December 31, 2008	**457,080**	**198,017**	**15,804**	**670,901**
Acquisitions / Additions (2)	11,156	907	4	12,067
Disposals / Decreases		(68)	(17)	(85)
Change in foreign exchange rates and other	(5,667)	(6,005)	13	(11,659)
At December 31, 2009	**462,569**	**192,851**	**15,804**	**671,224**

(1) the increase in goodwill during 2008 resulted mainly from:
- for the cement sector, the acquisition of 65 % of the Mauritanian company BSA Ciment,
- for the Concrete and Aggregates sector, the acquisition of the Walker group in the United States.

(2) the increase in goodwill during 2009 resulted mainly from additional investments made in 2009 in application of the shareholders' agreement concluded in connection with the formation of a joint venture with the Indian cement company Sagar Cements, the objective of which is the construction of a greenfield cement plant in India.

Impairment test on goodwill:

In accordance with IFRS 3 and IAS 36, at the end of each year and in the event of any evidence of impairment, goodwill is subject to an impairment test using the method described in notes 1.4. and 1.11.

The discount rates adopted for these tests are as follows:

(%)	France	Europe (excluding France)	U.S.A.	Turkey	West Africa and the Middle East
2009	7.48	8.88 to 8.95	9.41	10.51	10.51
2008	7.00	7.00	7.00	7.75	8.25

The impairment tests carried out in 2009 and 2008 did not result in the recognition of any impairment with respect to goodwill.

At December 31, 2009, impairment tests were the subject of sensitivity tests based on a discount rate increased by 1 %. A rise of 1 % would have the effect of generating recoverable values lower than the net book value for certain cash generating units. The corresponding amount is 63 million euros.

NOTE 4 OTHER INTANGIBLE ASSETS

Other intangible assets are broken down by type as follows:

(in thousands of euros)	December 31, 2009	December 31, 2008
Concessions, patents and similar rights	48,161	20,832
Software	4,395	2,365
Other intangible assets	21,912	20,392
Intangible assets in progress	16	11
Other intangible assets	**74,484**	**43,600**

Net other intangible assets amounted to 74,484 thousand euros at December 31, 2009 compared with 43,600 thousand euros one year earlier. The change during 2009 was due primarily to (4,754) thousand euros in amortization expense, 17,654 thousand euros on acquisitions and 5,318 euros in changes in consolidation scope, and the balance resulting from reclassifications, changes in foreign exchange rates and disposals.

At December 31, 2008, net other intangible assets amounted to 43,600 thousand euros compared with 29,262 at December 31, 2007. The change during 2008 was due primarily to (3,801) thousand euros in amortization expense, 16,337 thousand euros on acquisitions, changes in consolidation scope of 12 thousand euros, and the balance resulting from reclassifications, changes in foreign exchange rates and disposals.

Research and Development costs recorded as expenditure in 2009 amount to 1,757 thousand euros (2,113 in 2008).

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Other intangible assets break down by type as follows:

Gross values (in thousands of euros)	Land & buildings	Industrial equipment	Other property, plant and equipment	Fixed assets work- in-progress and advances/down payments	Total
At December 31, 2007	**662,905**	**1,827,413**	**124,324**	**171,338**	**2,785,980**
Acquisitions	46,275	76,139	21,654	162,072	306,140
Disposals	(5,499)	(20,670)	(9,803)	(909)	(36,881)
Changes in consolidation scope	721	15,214	2,741	15,471	34,147
Change in foreign exchange rates	2,843	(31,123)	3,548	6,895	(17,837)
Other movements	18,351	55,855	1,456	(76,438)	(776)
At December 31, 2008	**725,596**	**1,922,828**	**143,920**	**278,429**	**3,070,773**
Acquisitions	24,490	56,196	8,934	165,865	255,485
Disposals	(5,632)	(29,568)	(8,972)	(221)	(44,393)
Changes in consolidation scope	2,150	1,057	18	1,482	4,707
Change in foreign exchange rates	(7,377)	(19,227)	(1,079)	(9,971)	(37,654)
Other movements	59,391	210,321	1,677	(270,814)	575
At December 31, 2009	**798,618**	**2,141,607**	**144,498**	**164,770**	**3,249,493**

Depreciation and impairment (in thousands of euros)	Land & buildings	Industrial equipment	Other property, plant and equipment	Fixed assets work- in-progress and advances/down payments	Total
At December 31, 2007	**(255,864)**	**(942,412)**	**(87,598)**	**(45)**	**(1,285,919)**
Increase	(22,866)	(95,556)	(12,722)	(8)	(131,152)
Decrease	2,226	18,190	8,941	46	29,401
Changes in consolidation scope	(249)	(661)	(395)		(1,305)
Change in foreign exchange rates	(1,239)	17,789	(1,896)	(1)	14,654
Other movements	261	1,269	(332)		1,198
At December 31, 2008	**(277,731)**	**(1,001,381)**	**(94,002)**	**(8)**	**(1,373,123)**
Increase	(25,783)	(105,318)	(13,358)		(144,459)
Decrease	4,790	27,810	8,221		40,821
Changes in consolidation scope	(523)	(383)	(16)		(922)
Change in foreign exchange rates	1,767	8,722	2		10,491
Other movements	87	(117)	27	8	5
At December 31, 2009	**(297,393)**	**(1,070,667)**	**(99,126)**		**(1,467,186)**
Net book value at December 31, 2008	447,865	921,447	49,918	278,421	1,697,650
Net book value at December 31, 2009	**501,225**	**1,070,940**	**45,372**	**164,770**	**1,782,307**

Fixed assets work-in-progress amounted to 136 millions euros at December 31, 2009 (202 million euros at December 31, 2008) and advances /down payments on plant, property and equipment represented 29 million euros at December 31, 2009 (77 million euros at December 31, 2008). For the record, the overall increase of more than 107 million euros in these items from 2007 to 2008 was related to the continuation in 2008 of the "Performance 2010" industrial investment program, particularly in France, Turkey, Senegal and Egypt. These programs were intended primarily to increase production capacities, particularly in France, Turkey, Egypt, Senegal and the United States.

Contractual commitments to acquire tangible and intangible assets amounted to 70 million euros at December 31, 2009 (151 million euros at December 31, 2008).

NOTE 6 FINANCE AND OPERATING LEASES

Net book value by category of asset:

(in thousands of euros)	2009	2008
Industrial equipment	5,822	5,717
Other plant, property and equipment	1,721	2,887
Tangible assets	**7,543**	**8,604**

Minimum payment schedule:

Less than 1 year	4,258	4,679
1 to 5 years	4,087	4,674
More than 5 years	-	-
Total	**8,345**	**9,353**

NOTE 7 INVESTMENT PROPERTIES

(in thousands of euros)	Gross values	Depreciation & Impairment	Net values
At December 31, 2007	**33,278**	**(14,369)**	**18,909**
Acquisitions	213		213
Disposals	(314)	92	(222)
Depreciation		(150)	(150)
Changes in foreign exchange rates	1,596	(322)	1,274
Changes in consolidation scope and other	22	(22)	-
At December 31, 2008	**34,795**	**(14,771)**	**20,024**
Acquisitions	85		85
Disposals	(1,106)		(1,106)
Depreciation		(249)	(249)
Changes in foreign exchange rates	(3)	(5)	(8)
Changes in consolidation scope and other	480	(20)	460
At December 31, 2009	**34,251**	**(15,045)**	**19,206**

Fair value of investment properties at December 31, 2008	58,168
Fair value of investment properties at December 31, 2009	**58,216**

Rental income from investment properties amounted to 2.6 million euros at December 31, 2009 (3.2 million euros at December 31, 2008).

NOTE 8 INVESTMENTS IN ASSOCIATED COMPANIES

(in thousands of euros)

Change in investments in associated companies:	2009	2008
At January 1	**10,059**	**8,680**
Earnings from associated companies	1,021	338
Dividends received from investments in associated companies	(135)	(936)
Changes in consolidation scope [1]	26,060	1,033
Changes in foreign exchange rates and other	(426)	944
At December 31	**36,579**	**10,059**

[1] Changes in consolidation scope in 2009 are related to the inclusion of Sodicapéi and Sinai White Cement.

NOTE 9 RECEIVABLES AND OTHER NON-CURRENT ASSETS

(in thousands of euros)	Gross values	Impairment	Net values
At December 31, 2007	**84,804**	**(1,773)**	**83,031**
Acquisitions / Increases	28,609	(1,122)	27,487
Disposals / Decreases	(20,730)	65	(20,665)
Changes in consolidation scope	4,141		4,141
Changes in foreign exchange rates	2,775	80	2,855
Other	(2,252)		(2,252)
At December 31, 2008	**97,347**	**(2,750)**	**94,597**
Acquisitions / Increases	14,338	(306)	14,032
Disposals / Decreases	(4,193)	552	(3,641)
Changes in consolidation scope	(29,992)		(29,992)
Changes in foreign exchange rates	(290)		(290)
Other	(6,319)		(6,319)
At December 31, 2009	**70,891**	**(2,504)**	**68,387**
including:			
- investments in affiliated companies	17,033	(677)	16,356
- long term investments	1,766	(411)	1,355
- loans and receivables [1]	45,244	(1,416)	43,828
- assets of employee post-employment benefits plans	6,848		6,848
At December 31, 2009	**70,891**	**(2,504)**	**68,387**

[1] including 4,873 thousand euros in a money market fund backed by a liquidity contract entered into by Vicat with Crédit Agricole Cheuvreux, and 4 million euros in payments due from insurers in relation to the damage occurred in 2006 as described in Note 15.

Regarding the Kazakh company, Mynaral, a put option has been granted by the Group to IFC for 10 % of the company's capital. This option, which can be exercised in 4 years at the earliest, will be assessed, at that time, based on an expert valuation. As of December 31, 2009, this commitment cannot be evaluated, given the above time period and the fact that the greenfield project has not been yet completed, and therefore, is not recorded in the year-end financial statements.

NOTE 10 INVENTORIES AND WORK-IN-PROGRESS

(in thousands of euros)	2009 Gross	2009 Provisions	2009 Net	2008 Gross	2008 Provisions	2008 Net
Raw materials and consumables	211,089	(5,970)	205,119	219,803	(4,640)	215,163
Work-in-progress, finished goods and goods for sale	91,181	(1,160)	90,021	98,580	(1,287)	97,293
Total	**302,270**	**(7,130)**	**295,140**	**318,383**	**(5,927)**	**312,456**

NOTE 11 RECEIVABLES

(in thousands of euros)	Trade and other receivables	Provisions for Trade and other receivables	Net trade and other receivables	Other tax receivables	Social security-related receivables	Other receivables	Provisions for Other receivables	Net total Other receivables
At December 31, 2007	418,139	(11,631)	**406,508**	34,383	5,230	49,809	(2,974)	**86,448**
Increases		(6,458)	**(6,458)**				(49)	**(49)**
Uses		2,223	**2 223**				165	**165**
Reversal of unused provision			**-**					**-**
Changes in foreign exchange rates	(2,296)	478	**(1,818)**	(946)	214	615		**(117)**
Changes in consolidation scope	3,939	(507)	**3,432**	2,602	50	439		**3,092**
Other movements	(35,223)	(2)	**(35,225)**	976	1,630	1,952	(53)	**4,505**
At December 31, 2008	384,559	(15,897)	**368,662**	37,016	7,124	52,816	(2,911)	**94,044**
Increases		(6,787)	**(6,787)**				(149)	**(149)**
Uses		5,286	**5,286**				212	**212**
Changes in foreign exchange rates	(911)	169	**(742)**	(818)	26	(107)		**(899)**
Changes in consolidation scope	3,133	(29)	**3,104**	186		1,144		**1,330**
Other movements	(49,109)	124	**(48,985)**	6,025	(3,549)	6 271		**8,747**
At December 31, 2009	337,672	(17,134)	**320,538**	42,409	3,601	60,124	(2,848)	**103,285**
including matured at December 31, 2009								
- for less than 3 months	44,041	(3,182)	40,859	13,813	580	28,311	(1,190)	**41,514**
- for more than 3 months	27,304	(13,627)	13,677	12,112	1	370	(7)	**12,476**
including not matured at December 31, 2009								
- less than one year	263,487	(156)	263,331	13,380	1,903	20,455	(1,066)	**34,672**
- more than one year	2,840	(169)	2,671	3,104	1,117	10,988	(585)	**14,623**

NOTE 12 CASH AND CASH EQUIVALENTS

(in thousands of euros)	2009	2008
Cash	56,648	89,276
Marketable securities	178,060	20,282
Cash and cash equivalents	**234,708**	**109,558**

NOTE 13 COMMON STOCK

Vicat share capital is composed of 44,900,000 fully paid-up ordinary shares of 4 euros, including 1,083,443 treasury shares at December 31, 2009 (1,367,979 at December 31, 2008) acquired under the share buy-back programs approved by the Ordinary General Meetings, and through Heidelberg Cement's disposal of its 35 % stake in Vicat in 2007.

These are registered shares or bearer shares, at the shareholder's option. Voting rights attached to shares are proportional to the share of the capital which they represent and each share gives the right to one vote, except in the case of fully paid-up shares registered for at least 4 years in the name of the same shareholder, to which two votes are assigned.

The dividend paid in 2009 in respect of 2008 amounted to 1.50 euro per share, amounting to a total amount of 67,350 thousand euros, compared with 1.50 euro per share paid in 2008 in respect of 2007 and amounting to a total amount of 70,157 thousand euros. The dividend proposed by the Board of directors to the Ordinary General Meeting for 2009 amounts to 1.50 euro per share, totaling 67,350 thousand euros.

In the absence of any dilutive instrument, diluted earnings per share are identical to basic earnings per share, and are obtained by dividing the Group's net income by the weighted average number of Vicat ordinary shares outstanding during the year.

NOTE 14 EMPLOYEE BENEFITS

Analysis of provisions by type of commitment

(in thousands of euros)	2009	2008
Pension plans and termination benefits (TB)	23,898	21,086
Other post-employment benefits	20,192	21,142
Total	**44,090**	**42,228**

Assets and liabilities recognized in the balance sheet

	2009			2008		
(in thousands of euros)	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Present value of funded liabilities	260,206	29,582	289,788	259,119	25,833	284,952
Fair value of plan assets	(244,991)		(244,991)	(225,457)		(225,457)
Net value	**15,215**	**29,582**	**44,797**	**33,662**	**25,833**	**59,495**
Net unrecognized actuarial variances	(9,517)	(8,372)	(17,889)	(37,794)	(4,660)	(42,454)
Unrecognized past service costs	(15)	16	1	(35)	(9)	(44)
Net recognized assets	10,333		10,333	18,370		18,370
Net liabilities	**16,016**	**21,226**	**37,242**	**14,204**	**21,163**	**35,367**

Analysis of net annual expense

(in thousands of euros)	2009 Pension plans and TB	2009 Other benefits	2009 Total	2008 Pension plans and TB	2008 Other benefits	2008 Total
Current service costs	(6,732)	(559)	(7,291)	(6,172)	(561)	(6,733)
Financial cost	(12,620)	(1,577)	(14,197)	(12,601)	(1,300)	(13,901)
Expected return on plan assets	11,433		11,433	12,401		12,401
Recognized actuarial variations in the year	(1,399)	(256)	(1,655)	(60)	(223)	(283)
Recognized past service costs	(21)	(26)	(47)	(511)	(24)	(535)
Expense for the period	**(9,339)**	**(2,418)**	**(11,757)**	**(6,943)**	**(2,108)**	**(9,051)**

Change in financial assets used to hedge the plan

(in thousands of euros)	2009 Pension plans and TB	2009 Other benefits	2009 Total	2008 Pension plans and TB	2008 Other benefits	2008 Total
Fair value of assets at January 1	**225,457**	**-**	**225,457**	**234,095**	**-**	**234,095**
Expected return on assets	11,433		11,433	12,400		12,400
Contributions paid in	9,459		9,459	9,548		9,548
Translation differences	(395)		(395)	22,640		22,640
Benefits paid	(13,822)		(13,822)	(7,655)		(7,655)
Changes in consolidation scope and other	-		-	(850)		(850)
Actuarial gain (losses)	12,859		12,859	(44,721)		(44,721)
Fair value of assets at December 31	**244,991**	**-**	**244,991**	**225,457**	**-**	**225,457**

Change in net liabilities

(in thousands of euros)	2009 Pension plans and TB	2009 Other benefits	2009 Total	2008 Pension plans and TB	2008 Other benefits	2008 Total
Net liability at January 1	**14,222**	**21,145**	**35,367**	16,873	19,143	**36,016**
Expense for the period	9,339	2,418	11,757	6,943	2,108	9,051
Contributions paid in	(5,859)		(5,859)	(6,133)		(6,133)
Translation differences	(56)	(726)	(782)	(1,448)	1,154	(294)
Benefits paid by the employer	(1,668)	(1 611)	(3,279)	(1,997)	(1,260)	(3,257)
Change in consolidation scope			-	24		24
Other	38		38	(40)		(40)
Net liability at December 31	**16,016**	**21,226**	**37,242**	**14,222**	**21,145**	**35,367**

Principal actuarial assumptions

		France	Europe (excluding France)	U.S.A.	Turkey, Kazakhstan and India	West Africa and the Middle East
Discount rate						
	2009	**5.3 %**	**3.3 % to 5.3 %**	**6.0 %**	**12.0 %**	**5.0 % to 9.0 %**
	2008	5.7 %	3.4 % to 5.8 %	6.3 %	11.0 %	5.5 % to 11.0 %
Rate of return on financial assets						
	2009	**4.0 %**	**4.4 %**	**8.5 %**		
	2008	4.8 %	4.7 %	8.5 %		
Wage inflation						
	2009	**2.5 % to 4.0 %**	**1.5 % to 3.0 %**	**0.0 % to 3.0 %**	**5.5 %**	**4.0 % to 8.0 %**
	2008	2.5 % to 3.5 %	1.5 % to 3.0 %	0.0 % to 3.5 %	5.0 %	4.0 % to 8.0 %
Rate of increase in medical costs						
	2009			**4.5 % to 7.0 %**		
	2008			4.5 % to 6.5 %		

The weight of the various asset categories in the portfolio of plan asset at December 31, 2009 is analyzed as follows:

(in %)	December 31, 2009
Stocks	27
Bonds	28
Real estate	18
Money market	7
Other	20
Total	**100**

The sensitivity of the defined benefit obligation at December 31, 2009 corresponding to a variation of ± 25 basis points in the discount rate is (7.6) and 7.9 million euros respectively.

In addition, the sensitivity of the value of hedging assets at December 31, 2009 corresponding to a variation of ± 100 basis points in the rate of return of financial assets is 2.7 and (2.7) million euros respectively.

The estimated rate of change in medical costs used in calculating commitments related to post-employment benefits has a direct impact on the evaluation of some of these commitments. The effect of a one-percentage-point variation in this rate of change in medical costs would be as follows:

(in thousands of euros)	1 % increase	1 % decrease
Increase (decrease) in the present value of the liabilities at December 31, 2009	3,518	(2,928)
Increase (decrease) in the service cost and in the financial cost	279	(350)

The amounts for 2009 and the four previous years of the present value of the defined benefit obligation, the fair value of the plan assets, the surplus or deficit in the plan and the experience adjustments are the following:

(in thousands of euros)	Dec. 2009	Dec. 2008	Dec. 2007	Dec. 2006	Dec. 2005
Defined benefit obligation	(289,788)	(284,952)	(250,415)	(254,895)	(256,247)
Fair value of the plan assets	244,991	225,457	234,095	227,518	219,207
Surplus (deficit) in the plan	**(44,797)**	**(59,495)**	**(16,320)**	**(27,377)**	**(37,040)**
Adjustments related to the experience of measuring commitment	(2,999)	(1,875)	(4,999)	3,289	901
Adjustments related to the experience of measuring plan assets	3,553	(45,511)	(3,491)	7,322	1,767

NOTE 15 OTHER PROVISIONS

(in thousands of euros)	Restoration of sites	Demolitions	Other risks	Other costs	Total
At December 31, 2007	**25,871**	**1,945**	**78,283**	**6,962**	**113,061**
Increases	4,032	5	9,585	1,173	14,795
Uses	(2,203)	(760)	(17,605)	(1,715)	(22,283)
Reversal of unused provisions	(488)	(506)	(3,632)	(452)	(5,078)
Changes in foreign exchange rates	1,560	136	576	285	2,557
Changes in consolidation scope			6	21	27
Other movements	12	-	(11,382)	43	(11,327)
At December 31, 2008	**28,784**	**820**	**(1) 55,831**	**6,317**	**91,752**
Increases	2,799	19	16,969	7,400	27,187
Uses	(2,702)	(66)	(7,400)	(2,017)	(12,185)
Reversal of unused provisions		(81)	(1,792)		(1,873)
Changes in foreign exchange rates	40	(2)	(262)	(34)	(258)
Changes in consolidation scope					-
Other movements	2,020		(9,678)	(1,298)	(8,956)
At December 31, 2009	**30,941**	**690**	**(1) 53,668**	**10,368**	**95,667**
of which less than one year			*6,918*	*1,251*	*8,169*
of which more than one year	*30,941*	*690*	*46,750*	*9,117*	*87,498*

Impact (net of charges incurred) on 2009 income statement:	**Increases**	**Write-backs without use**
Operating income	12,676	(1,801)
Non operating income (expense)	14,511	(72)

(1) At December 31, 2009, other risks included:
- an amount of 29.1 million euros (31.2 million euros at December 31, 2008) corresponding to the current estimate of gross expected costs for repair of damage that occurred in 2006 following deliveries of concrete mixtures and concrete made in 2004 whose sulfate content exceeded applicable standards. This amount corresponds to the current estimate of the Group's pro rata share of liability for repair of identified damages before the residual insurance indemnity of 4 million euros recognized in non-current assets on the balance sheet – note 9 (13.7 million euros at December 31, 2008 – Note 9).
- an amount of 4.5 million euros, identical to that at December 31, 2008, to face the decision of the French Office of Fair Trade "O.F.T."(Conseil de la Concurrence) sanctioning the Group for a presumed collusion in Corsica, after reduction of the penalty following the decision of the Court of Appeal. The company appealed this judgment before the highest court of appeal which partially rejected it in July 2009.
- an amount of 6.7 million euros (6.5 million euros at December 31, 2008) corresponding to the estimated amount of the deductible at year-end relating to claims in the United States in the context of work accidents and which will be covered by the Group.
- The remaining amount of other provisions amounting to about 13.4 million euros at December 31, 2009 (13.6 million euros at December 31, 2008) corresponds to the sum of other provisions that, taken individually, are not material.

NOTE 16 FINANCIAL LIABILITIES

Analysis of debt by category and maturity

2009 (in thousands of euros)	Total	2 010	2 011	2 012	2 013	2 014	More than 5 years
Bank borrowings and financial liabilities	790,877	145,861	98,930	35,431	124,897	251,681	134,077
Other borrowings and financial liabilities	15,855	4,955	6,097	3,509	332	459	503
Financial liability on fixed assets under finance leases	7,873	3,699	2,571	1,094	418	91	
Current bank lines and overdrafts	72,741	72,741					
Financial liabilities	**887,346**	**227,256**	**107,598**	**40,034**	**125,647**	**252,231**	**134,580**
of which commercial paper	**136,000**					136,000	

Financial liabilities at less than one year are mainly comprised of bank overdrafts and the first repayment of the PPUS.

2008 (in thousands of euros)	Total	2 009	2 010	2 011	2 012	2 013	More than 5 years
Bank borrowings and financial liabilities	722,427	38,045	396,487	42,421	11,480	113,335	120,659
Other borrowings and financial liabilities	26,327	4,716	18,910	240	253	520	1,688
Financial liability on fixed assets under finance leases	8,556	4,077	2,547	1,290	511	131	
Current bank lines and overdrafts	30,062	30,062					
Financial liabilities	**787,372**	**76,900**	**417,944**	**43,951**	**12,244**	**113,986**	**122,347**
of which commercial paper	**58,000**		58,000				

Analysis of debt by currency and type of interest rate

By currency (net of currency swaps)

	2 009	2 008
Euros	642,591	609,963
U.S. dollars	122,978	87,571
Turkish new liras	53,141	4,120
CFA francs	59,040	62,969
Swiss francs	1,615	5,021
Mauritanian Ouguiya	7,981	17,728
Total	**887,346**	**787,372**

By interest rate	2 009	2 008
Fixed rate	230,031	249,839
Floating rate	657,315	537,533
Total	**887,346**	**787,372**

The average interest rate for gross financial liabilities at December 31, 2009 was 3.73 %. It was 5.3 % at December 31, 2008.

NOTE 17 FINANCIAL INSTRUMENTS

Foreign exchange risk

The Group's activities are carried out by subsidiaries operating almost entirely in their own country and local currency. This limits the Group's exposure to foreign exchange risk. These companies' imports and exports denominated in currencies other than their own local currency are generally hedged by forward currency purchases and sales. The foreign exchange risk on intercompany loans is hedged by the companies when the borrowing is denominated in a currency other than their currency of account.

The table below sets out the breakdown of the total amount of Group's assets and liabilities denominated in foreign currencies, primarily in U.S. dollars, as at December 31, 2009:

(millions)	USD	Euros	Swiss franc
Assets	128.6	13.3	28.0
Liabilities and off-balance sheet commitments	(658.4)	(20.2)	
Net position before risk management	**(529.8)**	**(6.9)**	**28.0**
Hedging instruments	386.9	5.2	(28.0)
Net position after risk management	**(142.9)**	**(1.7)**	

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

The net position after risk management includes a 125 million dollars loan to Kazakhstan, for which there is no hedge market.
The hypothetical loss on the net currency position arising from an unfavorable and uniform change of one centime of the operating currency against the U.S. dollar, would amount to a loss of 1.1 million euros (including 0.9 million euros for the Kazakhstan loan).

Moreover, the principal and interest due on a loan originally issued by the Group in U.S. dollars (400 million US Dollars) were converted into euros through a series of cross currency swaps, included in the portfolio presented below.

Interest rate risk

All floating rate debt is hedged through the use of caps on original maturities of 2, 3, 5, 10 and 12 years and of swaps on original maturities of 3 years.
The Group is exposed to interest rate risk on its financial assets and liabilities and its short-term investments. This exposure corresponds to price risk for fixed-rate assets and liabilities, and cash flow risk related to floating-rate assets and liabilities.

The Group estimates that a uniform increase or decrease of 100 basis points in interest rates would have a non significant impact on its financial result and on the Group net equity.

Liquidity risk

At December 31, 2009, the Group had 609 million euros in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (603 million euros at December 31, 2008).

The Group also has a 152 million euro commercial paper issue program. At December 31, 2009, 136 million euros in commercial paper had been issued. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

Unused confirmed lines of credit are used to cover the risk of the Group finding itself unable to issue its commercial paper through market transactions. At December 31, 2009, these lines matched the short term notes they covered, at 136 million euros.

Some middle-term or long-term loan agreements contain specific covenants especially as regards compliance with financial ratios, reported each semester, which can lead to an anticipated repayment (acceleration clause) in the event of non-compliance. These covenants are based on a profitability ratio (leverage: net debt/consolidated EBITDA) and on capital structure ratio (gearing: net debt/consolidated shareholders' equity) of the Group or its subsidiaries concerned. Furthermore, the margin applied to some financing operations depends on the level reached on one of these ratios.

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

Analysis of the portfolio of derivatives at December 31, 2009:

(in thousands of currency units)	Nominal value (currency)	Nominal value (euro)	Market value (euros)	Current maturity < 1 year (euro)	1 - 5 years (euro)	> 5 years (euro)
Fair value hedges						
Composite instruments - U.S. dollar cross currency swap fixed / floating	200,000 ($)	138,831	(1) (30,514)	(14,025)	(8,408)	(8,081)
Cash flow hedges						
Composite instruments - U.S. dollar cross currency swap fixed / fixed	200,000 ($)	138,831	(2) (38,678)	(15,138)	(11,564)	(11,976)
Other derivatives						
Interest rate instruments - Euro Caps	360,000 (€)	360,000	(1,055)		(387)	(668)
- Dollar Caps	40,000 ($)	27,766	32		32	
- Dollar Swaps	30,000 ($)	20,825	(1,099)		(1,099)	
Exchange instruments						
- Hedging for Vicat loan to Vigier (VAT Vicat)	28,000 (chf)	18,873	(31)	(31)		
- Hedging for Vicat loan to NCC (VAT Vicat)	45,000 ($)	31,237	(57)	(57)		
- Hedging for Parcifim loan to Ravlied (AAT Ravlied)	4,700 (€)	4,700	(37)	(37)		
- Hedging on acquisitions of raw materials	6,052 ($)	4,201	(18)	(18)		
			(71,457)			

In accordance with of IFRS 7, the breakdown of financial instruments valued at fair value by hierarchical level of fair value in the consolidated statement of financial situation is as follows as of December 31, 2009:

(in millions of euros)	December 31, 2009	
Level 1: instruments quoted on an active market	**178.1**	Note 12
Level 2: valuation based on observable market information	**(71.5)**	see above
Level 3: valuation based on non-observable market information	**16.4**	Note 9

(1) Offset by a 32.23 million euros improvement in debt
(2) Offset by a 37.76 million euros improvement in debt

NOTE 18 OTHER LIABILITIES

(in thousands of euros)	2009	2008
Employee liabilities	51,740	52,995
Tax liabilities	17,627	18,953
Other liabilities and accruals	67,518	77,091
Total	**136,885**	**149,039**

NOTE 19 NET SALES

In compliance with IAS 18, net sales are recognized as the fair value of the consideration received or to be received, after deduction of possible sales discounts or rebates, at the date of the transfer of risks and rewards inherent in title to the goods and services.

(in thousands of euros)	2009	2008
Sales of goods	1,782,808	1,937,014
Sales of services	113,205	120,029
Net sales	**1,896,013**	**2,057,043**

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

(in thousands of euros)	December 31, 2009	Changes in consolidation scope	Changes in foreign exchange rates	December 31, 2009 on a like-for-like basis	December 31, 2008
Net sales	**1,896,013**	17,073	8,523	**1,870,417**	2,057,043

NOTE 20 PERSONNEL COSTS AND NUMBER OF EMPLOYEES

(in thousands of euros)	2009	2008
Salaries and wages	217,451	216,978
Payroll taxes	85,726	87,976
Employee profit-sharing (French companies)	6,269	7,500
Personnel costs	**309,446**	**312,454**
Average number of employees of the consolidated companies	6,712	6,836

Profit-sharing is granted to French employees in the form of Vicat shares. The allocation price is determined on the basis of the average of the last 20 closing prices for the defined period preceding its payment.

NOTE 21 DEPRECIATION, AMORTIZATION AND PROVISIONS

(in thousands of euros)	2009	2008
Net charges to amortization of fixed assets	(149,182)	(135,002)
Net provisions	827	3,510
Net charges to other asset depreciation	(2,733)	(4,610)
Net operating charges to depreciation, amortization and provisions	**(151,088)**	**(136,102)**
Other net charges to non-operating depreciation, amortization and provisions [(1)]	**(7,252)**	**9,800**
Net charges to depreciation, amortization and provisions	**(158,340)**	**(126,302)**

[(1)] including at December 31, 2009 a provision of 7.6 million euros to cover the Group's prorata share of responsibility, over and above compensation from the insurers, in the incident which occurred in 2006 and is described in Note 15. This provision was written back on December 31, 2008 by an amount of 6.1 million euros. A write back of 3.5 million euros was recorded at December 31, 2008 following the decision of the Court of Appeal to reduce the penalty sentenced by the French Office of Fair Trade ("O.F.T.") concerning a presumed collusion in Corsica. Vicat appealed against the judgment.

NOTE 22 OTHER INCOME (EXPENSES)

(in thousands of euros)	2009	2008
Net income from disposal of assets	1,316	8,631
Income from investment properties	2,638	3,187
Other	14,914	11,401
Other operating income (expense)	**18,868**	**23,219**
Other non-operating income (expense) [(1)]	**(10,520)**	**(20,127)**
Total	**8,348**	**3,092**

[(1)] Including at December 31, 2009 an expense of 8.9 million euros recorded by the Group, in connection with the incident in 2006 as described in Note 15. A net expense of 17.3 million euros in this regard was recorded at December 31, 2008.

NOTE 23 FINANCIAL PERFORMANCE INDICATORS

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

(in thousands of euros)	2009	2008
Gross Operating Earnings	**454,143**	**505,078**
Other operating income (expense)	18,868	23,219
EBITDA	**473,011**	**528,297**
Net operating charges to depreciation, amortization and provisions	(151,088)	(136,102)
EBIT	**321,923**	**392,195**
Other non-operating income (expense)	(10,520)	(20,127)
Net charges to non-operating depreciation, amortization and provisions	(7,252)	9,800
Operating Income	**304,151**	**381,868**

NOTE 24 NET FINANCIAL INCOME (EXPENSE)

(in thousands of euros)	2009	2008
Net interest income from financing and cash management activities	10,629	12,148
Net interest expense from financing and cash management activities	(34,607)	(42,239)
Net income from disposal of cash management assets	1	4
Cost of net borrowings and financial liabilities	**(23,977)**	**(30,087)**
Dividends	1,536	1,854
Foreign exchange gains	3,727	8,668
Fair value adjustments to financial assets and liabilities	2,671	
Net income from disposal of non-consolidated financial assets		632
Write-back of impairment of financial assets	845	65
Other financial income	**8,779**	**11,219**
Foreign exchange losses	(3,953)	(3,312)
Fair value adjustments to financial assets and liabilities		(740)
Impairment on financial assets	(348)	(331)
Net income from disposal of non-consolidated financial assets	(3)	
Discounting expenses	(4,374)	(2,529)
Other expenses	(58)	(99)
Other financial expenses	**(8,736)**	**(7,011)**
Net financial income	**(23,934)**	**(25,879)**

NOTE 25 INCOME TAX

Income tax expense

Analysis of income tax expense

(in thousands of euros)	2009	2008
Current taxes	53,631	69,146
Deferred tax (income)	(5,962)	14,170
Total	**47,669**	**83,316**

Reconciliation between the computed and the effective tax charge

The difference between the amount of income tax theoretically due at the standard rate and the actual amount due may be analyzed as follows:

(in thousands of euros)	2009	2008
Net earnings from consolidated companies	232,548	272,673
Income tax	47,669	83,316
Net income before tax	280,217	355,989
Standard tax rate	34.43 %	34.43 %
Theoretical income tax at the parent company rate	**(96,479)**	**(122,568)**
Reconciliation:		
Differences between French and foreign rates	53,691	41,084
Transactions taxed at lower rates	(3,700)	(15)
Changes in tax rates		729
Permanent differences	(2,357)	(3,889)
Investment tax credits	1,254	1,109
Other	(78)	234
Actual income tax expense	**(47,669)**	**(83,316)**

Deferred tax

Change in deferred tax assets and liabilities (in thousands of euros)	Deferred tax assets		Deferred tax liabilities	
	2009	2008	2009	2008
Deferred taxes at January 1	**2,124**	**2,458**	**150,609**	**150,554**
Expense / income for the year	596	(991)	(5,366)	13,179
Deferred taxes allocated to shareholders' equity [1]			(2,326)	(15,394)
Translation and other changes	(39)	4	1,474	2,270
Changes in consolidation scope	1	653	1,625	
Deferred taxes at December 31	**2,682**	**2,124**	**146,016**	**150,609**

[1] Changes in deferred taxes mainly due to the change in the fair value of the hedging instrument, the effective portion of which is recognized in shareholders' equity (in documented cases of cash flow hedges), and changes in deferred taxes due to a change in tax rates for that portion pertaining to items previously recognized in shareholders' equity.
In addition, because of the Extraordinary General Meeting of May 16, 2008 decided to reduce capital by cancellation 1,871,200 treasury shares, reinstatement of deferred taxes related to impairment of these cancelled shares was directly recognized in the Group shareholders' equity for 16.6 million euros.

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

(in thousands of euros)	2009	2008
Fixed assets and finance leases	2,489	3,787
Financial instruments	(929)	320
Pensions and other post-employment benefits	1,229	(200)
Accelerated depreciation, regulated provisions and other	840	(19,480)
Other timing differences, tax loss carry-forwards and miscellaneous	2,333	1,403
Net deferred tax expense	**5,962**	**(14,170)**

Source of deferred tax assets and liabilities

(in thousands of euros)	2009	2008
Fixed assets and finance leases	104,628	108,932
Financial instruments	(102)	1,180
Pensions	(8,037)	(18,408)
Other provisions for contingencies and charges (discounting)	16,911	30,699
Accelerated depreciation and regulated provisions	36,456	28,262
Other timing differences, tax loss carry-forwards and miscellaneous	(6,522)	(2,180)
Net deferred tax assets and liabilities	**143,334**	**148,485**
Deferred tax assets	(2,682)	(2,124)
Deferred tax liabilities	146,016	150,609
Net balance	**143,334**	**148,485**

NOTE 26 SEGMENT INFORMATION

a) Business segments

2009 (in thousand euros except number of employees)	Cement	Concrete and Aggregates	Other products and services	Total
Income statement				
Net operating sales (after intra-sector eliminations)	1,129,077	724,453	313,614	2,167,144
Inter-sector eliminations	(179,190)	(28,914)	(63,027)	(271,131)
Consolidated net sales	**949,887**	**695,539**	**250,587**	**1,896,013**
EBITDA (cf. 1.20 and 23)	363,848	82,828	26,335	473,011
EBIT (cf. 1.20 and 23)	269,025	39,822	13,076	321,923
Balance sheet				
Total non-current assets	2,002,416	506,036	146,417	2,654,869
Capital employed [(1)]	2,133,711	466,457	159,980	2,760,148
Other information				
Acquisitions of intangible and tangible assets	232,231	31,844	10,043	274,118
Net depreciation and amortization charges	92,054	43,396	13,732	149,182
Average number of employees	2,444	2,851	1,417	6,712

2008 (in thousand euros except number of employees)	Cement	Concrete and aggregates	Other products and services	Total
Income statement				
Net operating sales (after intra-sector eliminations)	1,142,453	882,137	360,674	2,385,264
Inter-sector eliminations	(213,640)	(37,056)	(77,525)	(328,221)
Consolidated net sales	**928,813**	**845,081**	**283,149**	**2,057,043**
EBITDA (cf. 1.20 and 23)	387,641	109,650	31,006	528,297
EBIT (cf. 1.20 and 23)	303,899	69,684	18,612	392,195
Balance sheet				
Total non-current assets	1,860,103	531,228	147,624	2,538,955
Capital employed [(1)]	1,986,906	484,984	176,020	2,647,910
Other information				
Acquisitions of intangible and tangible assets	208,946	150,102	23,785	382,833
Net depreciation and amortization charges	82,175	39,425	13,402	135,002
Average number of employees	2,504	2,996	1,336	6,836

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

b) Geographical sectors

Information on geographical sectors is presented according to the geographical location of the entities concerned.

2009 (in thousand euros except number of employees)	France	Europe (excluding France)	U.S.A.	Turkey, Kazakhstan and India	West Africa and the Middle East	Total
Income statement						
Net operating sales	853,373	298,166	186,577	156,172	415,500	1,909,788
Inter-sector eliminations	(9,440)	(277)			(4,058)	(13,775)
Consolidated net sales	**843,933**	**297,889**	**186,577**	**156,172**	**411,442**	**1,896,013**
EBITDA (cf. 1.20 and 23)	206,417	79,885	11,800	21,664	153,245	473,011
EBIT (cf. 1.20 and 23)	153,150	54,875	(16,780)	7,716	122,962	321,923
Balance sheet						
Total non-current assets	601,168	474,321	396,507	484,679	698,194	2,654,869
Capital employed (1)	660,540	458,815	390,250	499,547	750,996	2,760,148
Other information						
Acquisitions of intangible and tangible assets	69,919	37,708	5,346	81,334	79,811	274,118
Net depreciation and amortization charges	53,617	24,478	28,796	14,047	28,244	149,182
Average number of employees	2,569	1,061	1,150	906	1,026	6,712

2008 (in thousand euros except number of employees)	France	Europe (excluding France)	U.S.A.	Turkey, Kazakhstan and India	West Africa and the Middle East	Total
Income statement						
Net operating sales	1,026,099	283,249	268,017	187,065	301,973	2,066,403
Inter-sector eliminations	(9,075)	(285)				(9,360)
Consolidated net sales	**1,017,024**	**282,964**	**268,017**	**187,065**	**301,973**	**2,057,043**
EBITDA (cf. 1.20 and 23)	261,572	66,714	48,530	34,961	116,520	528,297
EBIT (cf. 1.20 and 23)	208,585	49,439	22,925	17,295	93,951	392,195
Balance sheet						
Total non-current assets	600,954	454,276	434,707	404,844	644,174	2,538,955
Capital employed (1)	646,803	442,304	432,591	438,695	687,517	2,647,910
Other information						
Acquisitions of intangible and tangible assets	68,219	34,146	124,565	62,975	92,928	382,833
Net depreciation and amortization charges	52,320	20,475	25,902	15,162	21,143	135,002
Average number of employees	2,650	1,023	1,335	892	936	6,836

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

c) Information about major customers

The Group has no reliance on any major customers.

NOTE 27 NET CASH FLOWS GENERATED FROM OPERATIONS

Net cash flows from operating transactions conducted by the Group in 2009 amounted to 383 million euros, compared with 385 million euros in 2008.

This stability in cash flows generated by operating activities between 2008 and 2009 results from a (15) million euros decrease of the cash flow offset by a 13 million euros improvement in the change of the working capital requirement.

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

(in thousands of euros)	WCR at December 31, 2007	Change in WCR in 2008	Other changes [1]	WCR at December 31, 2008	Change in WCR in 2009	Other changes [1]	WCR at December 31, 2009
Inventories	249,164	64,224	(932)	312,456	(15,407)	(1,909)	295,140
Other WCR components	186,753	(46,813)	(31,012)	108,928	19,667	(10,063)	118,532
WCR	**435,917**	**17,411**	**(31,944)**	**421,384**	**4,260**	**(11,972)**	**413,672**

[1] Exchange rates, consolidation scope and miscellaneous.

NOTE 28 NET CASH FLOWS FROM INVESTMENT ACTIVITIES

Net cash flows linked to Group transactions in 2009 amounted to (280) million euros, compared with (464) million euros in 2008.

Acquisitions of intangible and tangible assets

These include outflows corresponding to industrial investments, which amounted to (270) million euros, compared with (395) million euros in 2008.

The main intangible and tangible investments in 2009 mainly correspond to the continuation of the investments realised under the "Performance 2010" plan, principally in France, Senegal and Switzerland, and the increase of the investment in Kazakhstan.

The main intangible and tangible investments in 2008 reflect the investments completed under the "Performance 2010" plan, in particular in France, Turkey, Egypt and Senegal, and to the acquisition of the assets of the Walker Group in the USA in May 2008. Planned investments under this plan in the South and East of the USA were delayed considering the economic environment.

Acquisition / disposal of shares of consolidated companies

Consolidated company share acquisitions during 2009 resulted in a total outflow of (4) million euros, corresponding to the net impact in the year in the absence of disposals.

The principal outflows from the Group during the year mainly correspond to the acquisition of Swiss companies, in particular in the Concrete & Aggregates and Concrete Precasting sectors, and to the acquisition of additional shares in companies already consolidated.

In 2008, operations linked to changes in the consolidation scope had resulted in:

- an overall inflow of 19.7 millions euros, corresponding mainly to the disposal of certain Astrada sites in Switzerland,
- an overall outflow of (85.7) millions euros, corresponding mainly to the balance of the payment in connection with the acquisition at the end of 2007 of a 60 % stake in a Kazakh company that manufactures and sells cement, to the amount paid for the acquisition of 65 % of the capital of the Mauritanian company BSA Ciment SA, as well as to the acquisition of various concrete and aggregate companies in France and Switzerland,

for a total net flow of (66,0) million euros.

NOTE 29 ANALYSIS OF NET CASH BALANCES

(in thousands of euros)	At December 31, 2009 Net	At December 31, 2008 Net
Cash and cash equivalents (see note 12)	234,708	109,558
Bank overdrafts	(21,697)	(14,520)
Net cash balances	**213,011**	**95,038**

NOTE 30 EXECUTIVE MANAGEMENT COMPENSATION

Pursuant to Article 225.102-1 of the French Code of Commerce, and in accordance with IAS 24, we hereby inform you of the total gross compensation paid to each executive director during fiscal year 2009:

J.Merceron-Vicat:	721,519 €
G.Sidos:	709,542 €
L.Merceron-Vicat:	211,383 €

These amounts do not include any variable components and represent the total compensation paid by Vicat SA and any companies it controls, or is controlled by, as defined by Article L233-16 of the Code of Commerce.

Furthermore, no stock or stock options have been granted to the above executive directors with the exception of any income received under legal or contractual employee profit-sharing or incentive bonus plans.

Lastly, the aforementioned executive directors also benefit from a supplemental pension plan as defined in Article 39 of the French General Tax Code (CGI). The corresponding commitments were all reserved in the financial statements, in the same manner as all of the Group's post-employment benefits, in the amount of 5,054 thousand euros at December 31, 2009 (note 1.15).

NOTE 31 TRANSACTIONS WITH RELATED COMPANIES

In addition to information required for related parties regarding key executives, described in note 30, related parties with whom transactions are carried out include affiliated companies and joint ventures in which Vicat directly or indirectly holds a stake, and entities that hold a stake in Vicat.

Transactions conducted with non-consolidated companies or associated companies did not have a material impact in 2009, and are carried out at arm's length.

In compliance with transactions stipulated by standard IAS 24, these operations have all been listed, along with their impacts on the Group's consolidated financial statements. The effect of these transactions on the Group's consolidated financial statements for 2009 and 2008 is as follows, broken down by type and by related party:

	2009				2008			
(in thousands of euros)	Sales	Purchases	Receivables	Debts	Sales	Purchases	Receivables	Debts
Affiliated companies	774	1,122	5,857		467		4,419	
Joint ventures	978	674	93	881	1,591	967	216	841
Other related parties	43	2,147	11	497	42	1,539	30	198
Total	**1,795**	**3,942**	**5,961**	**1,378**	**2,100**	**2,506**	**4,665**	**1,039**

NOTE 32 FEES PAID TO THE STATUTORY AUDITORS

Fees paid to statutory auditors and other professionals in their networks as recognized in the financial statements of Vicat S.A. and its fully consolidated subsidiaries for 2009 and 2008 are as follows:

	KPMG				Wolff				Others			
	Amount (ex. VAT)		%		Amount (ex. VAT)		%		Amount (ex. VAT)		%	
(in thousands of euros)	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
AUDIT												
Statutory auditors, certification, examination of individual and consolidated accounts	808	715	44	39	378	369	20	20	664	750	36	41
- VICAT SA	189	188	10	10	184	160	10	9				
- Companies which are fully or proportionally consolidated	619	527	34	29	194	209	11	11	664	750	36	41
Other forms of investigation and directly related services		4		100					43		100	
- VICAT SA												
- Companies which are fully or proportionally consolidated		4		100					43		100	
Total Audit fees	**808**	**719**	**43**	**39**	**378**	**369**	**20**	**20**	**707**	**750**	**37**	**41**
OTHER SERVICES												
Legal, tax and employee-related services		7		100								
Others	4		100									
Total other services	4	7	100	100								
Total	**812**	**726**	**43**	**39**	**378**	**369**	**20**	**20**	**707**	**750**	**37**	**41**

NOTE 33 POST BALANCE SHEET EVENTS

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

NOTE 34 LIST OF SIGNIFICANT CONSOLIDATED COMPANIES AT DECEMBER 31, 2009

Fully consolidated: France

COMPANY	ADDRESS	SIREN NO.	% CONTROLE	
			Dec. 2009	Dec. 2008
VICAT	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	057 505 539	----	----
ALPES INFORMATIQUE	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	073 502 510	98.96	98.96
ANNECY BÉTON CARRIÈRES	14 chemin des grèves 74960 CRAN GEVRIER	326 020 062	50.00	50.00

Fully consolidated: FRANCE (continued)

COMPANY	ADDRESS	SIREN NO.	% CONTROLE	
			Dec. 2009	Dec. 2008
ATELIER DU GRANIER	Lieu-dit Chapareillan 38530 PONTCHARRA	305 662 504	100.00	100.0
BÉTON CONTRÔLE CÔTE D'AZUR	217 Route de Grenoble 06200 NICE	071 503 569	96.10	96.10
BÉTON DE L'OISANS	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	438 348 047	60.00	60.00
BÉTONS GRANULATS DU CENTRE	Les Genevriers 63430 LES MARTRES D'ARTIERE	327 336 343	100.00	100.00
BÉTON RHÔNE ALPES	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	309 918 464	99.53	99.53
BÉROUD	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	398 044 222	- (1)	100.00
BÉTON TRAVAUX	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	070 503 198	99.98	99.98
BÉTON YSSINGELAIS	Villeneuve 43200 YSSINGEAUX	328 308 556	- (1)	100.00
B.G.I.E. BÉTON GRANULATS IDF/EST	52-56 rue Jacquard Z.I. 77400 LAGNY SUR MARNE	344 933 338	100.00	100.00
BOUE	Lieu-dit Bourjaguet 31390 CARBONNE	620 800 359	100.00	100.00
BRA	2 Chemin du Roulet 69100 VILLEURBANNE	310 307 392	100.00	100.00
CONDENSIL	1327 Av. de la Houille Blanche 73000 CHAMBÉRY	342 646 957	60.00	60.00
DELTA POMPAGE	1327 Av. de la Houille Blanche 73000 CHAMBÉRY	316 854 363	100.00	100.00
FOURNIER	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	586 550 147	100.00	100.00
GRANULATS RHÔNE-ALPES	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	768 200 255	100.00	100.00
GRAVIÈRES DE BASSET	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	586 550 022	100.00	100.00
KRISTO	10 rue de la Corne d'Abondance Village d'entreprises 74100 VILLE LA GRAND	388 592 735	- (1)	100.00
MARIOTTO BÉTON	Route de Paris 31150 FENOUILLET	720 803 121	100.00	100.00
MATERIAUX SA	7 bis Boulevard Serot 57000 METZ	378 298 392	99.99	99.99
MONACO BÉTON	24 Avenue de Fontvielle 98000 MONACO	326 MC 161	79.60	79.60
PARFICIM	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	304 828 379	100.00	100.00
RUDIGOZ	Les communaux Route de St Maurice de Gourclans 01800 PÉROUGES	765 200 183	100.00	100.00

(1) Company merged in 2009 in a fully consolidated entity.

Fully consolidated: FRANCE (continued)

COMPANY	ADDRESS	SIREN NO.	% CONTROLE	
			Dec. 2009	Dec. 2008
SABLIÈRES DU GRESIVAUDAN	La Gache 38530 BARRAUX	065 502 627	- [1]	100.00
SATMA	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	304 154 651	99.99	99.99
SATM	1327 Av. de la Houille Blanche 73000 CHAMBÉRY	745 820 126	100.00	99.99
SIGMA BÉTON	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	343 019 428	100.00	100.00
SOCIETE AZURÉENNE DE GRANULATS	217 Route de Grenoble 06200 NICE	968 801 274	100.00	100.00
PAPETERIES DE VIZILLE	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	319 212 726	100.00	100.00
BÉTON 83	ZI Camp Laurent 83500 LA SEYNE SUR MER	436 780 555	- [1]	100.00
VICAT INTERNATIONAL TRADING	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	347 581 266	100.00	100.00
VICAT PRODUITS INDUSTRIELS	52-56 rue Jacquard Z.I 77400 LAGNY SUR MARNE	655 780 559	100.00	99.99

Fully consolidated: REST OF WORLD

COMPANY	COUNTRY	STATE/CITY	% CONTROL	
			Dec. 2009	Dec. 2008
SINAI CEMENT COMPANY	EGYPT	LE CAIRE	52.62	52.18
MYNARAL	KAZAKHSTAN	ALMATY	60.00	60.00
BUILDERS CONCRETE	U.S.A.	CALIFORNIA	100.00	100.00
KIRKPATRICK	U.S.A.	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	U.S.A.	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	U.S.A.	DELAWARE	100.00	100.00
NATIONAL CEMENT COMPANY OF CALIFORNIA	U.S.A.	DELAWARE	100.00	100.00
NATIONAL READY MIXED	U.S.A.	CALIFORNIA	100.00	100.00
UNITED READY MIXED	U.S.A.	CALIFORNIA	100.00	100.00
VIKING READY MIXED	U.S.A.	CALIFORNIA	100.00	100.00
SONNEVILLE INTERNATIONAL CORP	U.S.A.	ALEXANDRIA	100.00	-
CEMENTI CENTRO SUD Spa	ITALY	GENOVA	100.00	100.00
CIMENTS & MATERIAUX DU MALI	MALI	BAMAKO	95.00	95.00
GECAMINES	SENEGAL	THIES	70.00	70.00
POSTOUDIOKOUL	SENEGAL	RUFISQUE (DAKAR)	100.00	100.00

[1] Company merged in 2009 in a fully consolidated entity.

Fully consolidated: REST OF WORLD (continued)

COMPANY	COUNTRY	STATE/CITY	% CONTROL Dec. 2009	Dec. 2008
SOCOCIM INDUSTRIES	SENEGAL	RUFISQUE (DAKAR)	99.91	99.91
SODEVIT	SENEGAL	BANDIA	100.00	100.00
ALTOTA AG	SWITZERLAND	OLTEN (SOLTHURN)	100.00	100.00
DEPONIE RÜMBERGACKER	SWITZERLAND	GUNZGEN (SOLEURE)	- (1)	99.64
KIESWERK AEBISHOLZ AG (ex AS-TRADA KIES AG)	SWITZERLAND	AEBISHOLZ (SOLEURE)	99.64	99.64
BÉTON AG INTERLAKEN	SWITZERLAND	MATTEN BEI INTERLAKEN (BERN)	98.55	98.55
BÉTON FRAIS MOUTIER SA	SWITZERLAND	BELPRAHON (BERN)	90.00	90.00
BÉTON GRAND TRAVAUX SA	SWITZERLAND	ASUEL (JURA)	75.00	75.00
BÉTONPUMPEN OBERLAND AG	SWITZERLAND	WIMMIS (BERN)	72.22	72.22
BIEDERMANN SAND UND KIES TRANSPORT AG	SWITZERLAND	SAFNERN (BERN)	100.00	100.00
CEMENTWERK DÄRLIGEN AG	SWITZERLAND	DÄRLIGEN (BERN)	98.55	98.55
COVIT SA	SWITZERLAND	SAINT-BLAISE (NEUCHATEL)	100.00	100.00
CREABÉTON MATERIAUX SA	SWITZERLAND	LYSS (BERN)	100.00	100.00
EMME KIES + BÉTON AG	SWITZERLAND	LÜTZELFLÜH (BERN)	66.66	66.66
FBF FRISCHBÉTON AG FRUTIGEN	SWITZERLAND	FRUTIGEN (BERN)	98.55	98.55
FRISCHBÉTON AG ZUCHWIL	SWITZERLAND	ZUCHWIL (SOLOTHURN)	88.94	88.94
FRISCHBÉTON LANGENTHAL AG	SWITZERLAND	LANGENTHAL (BERN)	81.17	81.17
GRANDY AG	SWITZERLAND	LANGENDORF (SOLEURE)	100.00	100.00
KIES- UND BÉTONWERK REULISBACH AG	SWITZERLAND	ST STEPHAN (BERN)	98.55	98.55
KIESTAG STEINIGAND AG	SWITZERLAND	WIMMIS (BERN)	98.55	98.55
MATERIALBEWIRTTSCHFTUNG MITHOLZ AG	SWITZERLAND	KANDERGRUND (BERN)	98.55	98.55
MICHEL & CO AG	SWITZERLAND	BÖNIGEN (BERN)	98.55	98.55
SABLES + GRAVIERS TUFFIERE SA	SWITZERLAND	HAUTERIVE (FRIBOURG)	50.00	P.C.
SHB STEINBRUCH + HARTSCHOTTER BLAUSEE MITHOLZ AG	SWITZERLAND	FRUTIGEN (BERN)	98.55	98.55
STEINBRUCH VORBERG AG	SWITZERLAND	BIEL (BERN)	60.00	60.00

(1) Company merged in 2009 in a fully consolidated entity.

Fully consolidated: REST OF WORLD (continued)

COMPANY	COUNTRY	STATE/CITY	% CONTROL Dec. 2009	% CONTROL Dec. 2008
VIBÉTON FRIBOURG SA	SWITZERLAND	ST . URSEN (FRIBOURG)	100.00	100.00
VIBÉTON KIES AG	SWITZERLAND	LYSS (BERN)	100.00	100.00
VIBÉTON SAFNERN AG	SWITZERLAND	SAFNERN (BERN)	90.47	90.47
VIGIER CEMENT AG	SWITZERLAND	PERY (BERN)	100.00	100.00
VIGIER HOLDING AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIGIER MANAGEMENT AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIRO AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VITRANS AG	SWITZERLAND	PERY (BERN)	100.00	100.00
WYSS KIESWERK AG	SWITZERLAND	FELDBRUNNEN (SOLOTHURN)	100.00	100.00
AKTAŞ İNŞAAT MALZEMELERİ SANAYİ VE TİCARET A.Ş.	TURKEY	ANKARA	100.00	100.00
BAŞTAŞ BAŞKENT ÇİMENTO SANAYİ VE TİCARET A.Ş.	TURKEY	ANKARA	85.68	85.48
BAŞTAŞ HAZIR BETON SANAYİ VE TİCARET A.Ş.	TURKEY	ANKARA	85.68	85.48
KONYA ÇİMENTO SANAYİİ A.Ş.	TURKEY	KONYA	83.34	80.98
TAMTAŞ YAPI MALZEMELERİ SANAYİ VE TİCARET A.Ş.	TURKEY	ANKARA	100.00	100.00
BSA CIMENT SA	MAURITANIA	NOUAKCHOTT	64.91	64.91
VICAT SAGAR	INDIA	HYDERABAD	51.00	51.00

Proportionate consolidation: FRANCE

COMPANY	ADDRESS	Siren No.	% CONTROL Dec. 2009	% CONTROL Dec. 2008
CARRIÈRES BRESSE BOURGOGNE	Port Fluvial Sud de Châlon 71380 EPERVANS	655 850 055	49.95	49.95
DRAGAGES ET CARRIÈRES	Port Fluvial sud de Chalon 71380 EPERVANS	341 711 125	50.00	50.00
SABLIÈRES DU CENTRE	Les Genévriers Sud 63430 LES MARTRES D'ARTIERE	480 107 457	50.00	50.00

Proportionate consolidation: REST OF WORLD

COMPANY	COUNTRY	STATE/CITY	% CONTROL Dec. 2009	% CONTROL Dec. 2008
FRISHBÉTON TAFERS AG	SWITZERLAND	TAFERS (FRIBOURG)	49.50	49.50
KIESWERK NEUENDORF	SWITZERLAND	NEUENDORF (SOLEURE)	50.00	50.00
SABLES + GRAVIERS TUFFIERE SA	SWITZERLAND	HAUTERIVE (FRIBOURG)	F.C.	43.83

Equity method: FRANCE

COMPANY	ADDRESS	Siren No.	% CONTROL	
			Dec. 2009	Dec. 2008
SOCAVA	74490 ST JEOIRE EN FAUCIGNY	606 320 752	40.00	39.90
SODICAPEI	Mines des Usclades 34560 VEYRAC	339 718 967	48.00	-

Equity method: REST OF WORLD

COMPANY	COUNTRY	STATE/CITY	% CONTROL	
			Dec. 2009	Dec. 2008
HYDROELECTRA	SWITZERLAND	AU (ST. GALLEN)	49.00	49.00
SILO TRANSPORT AG	SWITZERLAND	BERN (BERN)	50.00	50.00
SINAI WHITE CEMENT	EGYPT	LE CAIRE	25.40	-

STATUTORY AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December, 2009

To the Shareholders,

In compliance with the assignment entrusted to us by the shareholders in general meeting, we hereby present our report to you, for the year ended 31 December 2009, on:

- the audit of the accompanying consolidated financial statements of Vicat S.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that the audit evidence we have obtained is sufficient and provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the assets, liabilities, and financial position of the consolidated group of entities as at December 31, 2009 and of the results of its operations for the year then ended.

2. Justification of our assessments

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

- At each reporting date, the company tests for impairment any goodwill acquired in a business combination and the assets with indefinite useful lives, and also assesses whether there is any indication that non-current assets may be impaired, using the methodology disclosed in notes 1.4.1.11. and 3 of the financial statements. The accounting estimates made for the purpose of impairment testing as of 31 December 2009 were prepared at a time when there is a lack of visibility in respect of future economic conditions. It is in such a context that we have examined the procedures for the performance of the impairment testing, and the expected future cash flows and related assumptions. We have also verified that the related disclosures in notes 1.4.1.11. and 3 provide appropriate information.
- Notes 1-15 and 14 specify the methods of evaluation of post-employment benefits and other long-term employee benefits. These obligations have been evaluated by independent actuaries. The work we performed consisted of examining underlying data used in the calculations, assessing the assumptions, and verifying that the disclosures contained in notes 1-15 and 14 provide appropriate information.

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

3. Specific verification

As required by law, and in accordance with professional standards applicable in France, we have also verified the information relating to the Group which is given in the management report. We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

Paris La Défense, March 5, 2010
KPMG Audit
A division of KPMG SA
Jean-Marc Decléty
Partner

Chamalières, March 5, 2010
Wolff & Associés S.A.S.
Grégory Wolff
Partner

STATUTORY FINANCIAL STATEMENTS

Statutory financial statements at December 31, 2009

BALANCE SHEET AT DECEMBER 31, 2009

ASSETS	2009			2008
(in thousands of euros)	Gross amount	Amortization and depreciation	Net	Net
NON-CURRENT ASSETS				
Intangible assets				
Concessions, patents and similar rights	27,417	8,756	18,661	6,785
Goodwill	1,163	1,163		
Other intangible assets	674	422	252	289
Property, plant and equipment				
Land	88,218	15,017	73,201	68,889
Buildings	159,878	106,708	53,170	56,222
Plant, machinery and equipment	499,617	375,853	123,764	124,441
Other tangible assets	26,338	20,721	5,617	4,784
Tangible assets under construction	6,359		6,359	9,183
Advances and payments on account	33		33	74
Financial investments				
Equity in affiliated companies	1,219,861	609	1,219,252	1,093,289
Other long-term investments	85	64	21	21
Loans	67		67	67
Other financial assets	77,568	22,500	55,068	37,464
Total non-current assets	**2,107,278**	**551,813**	**1,555,465**	**1,401,508**
CURRENT ASSETS				
Inventories and work-in-progress				
Raw materials and other supplies	55,649		55,649	53,935
Work-in-progress	9,229		9,229	9,762
Semi-finished and finished products	10,286		10,286	10,689
Goods for sale	158		158	114
Advances and payments on account on orders	1,380		1,380	1,080
Receivables				
Trade receivables and related accounts	123,235	147	123,088	132,452
Other receivables	127,752	445	127,307	88,577
Short-term financial investments:				
- treasury shares	15,900	1,511	14,389	14,838
- marketable securities	12,062		12,062	4,502
Cash	4,055		4,055	4,126
Accrued expenses	1,609		1,609	1,151
Total current assets	**361,315**	**2,103**	**359,212**	**321,226**
Expenses to be allocated	3,790		3,790	630
Translation adjustments – assets	14		14	17
TOTAL	**2,472,397**	**553,916**	**1,918,481**	**1,723,381**

BALANCE SHEET AT DECEMBER 31, 2009 (CONTINUED)

LIABILITIES AND SHAREHOLDERS' EQUITY

(in thousands of euros)	2009	2008
SHAREHOLDERS' EQUITY		
Share capital*	179,600	179,600
Additional paid-capital and merger premiums.	11,207	11,207
Revaluation adjustments	11,228	11,228
Reserve	18,708	18,708
Regulated reserves	112	112
Other reserves	511,094	510,266
Retained earnings	82,714	45,764
Income for the year	**124,862**	**103,415**
Regulated provisions	95,492	72,106
Total shareholders' equity	**1,035,017**	**952,406**
PROVISIONS		
Provisions for liabilities (risks)	5,182	5,138
Provisions for liabilities (expenses)	12,817	7,510
Total	**17,999**	**12,648**
LIABILITIES		
Bank borrowings and financial liabilities**	598,233	593,857
Other borrowings and financial liabilities	671	763
Trade payables and related accounts	30,474	41,248
Tax and employee-related liabilities	23,703	23,122
Payables to fixed assets suppliers and related accounts	9,596	13,945
Other liabilities	202,788	85,337
Accrued income		3
Total	**865,465**	**758,275**
Translation adjustments – liabilities		52
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,918,481**	**1,723,381**
* Revaluation adjustments incorporated into capital	14,855	14,855
** Of which current bank facilities and credit balances (including commercial paper)	6,114	4,282

INCOME STATEMENT FOR THE YEAR 2009

(in thousands of euros)	2009	2008
OPERATING REVENUE		
Sales of goods	3,425	4,108
Sales of finished products and services	445,284	507,734
Net sales	**448,709**	**511,842**
Change in inventories of goods	-936	-796
Production of assets capitalized	1,015	548
Operating subsidies	46	16
Reversals on depreciation, amortization and provisions, transferred expenses	6,473	1,063
Other revenues	25,007	13,806
Total operating revenue	**480,314**	**526,479**
OPERATING EXPENSES		
Purchases of goods	2,580	2,570
Change in inventories of goods	- 44	5
Purchases of raw materials and supplies	79,315	94,725
Change in inventories of raw materials and other supplies	- 1,714	- 5,798
Other purchases and external expenses	159,957	178,945
Taxes, duties and assimilated transfers	17,861	18,127
Salaries	41,425	39,560
Social security contribution and similar charges	19,044	18,192
Amortization and depreciation:		
- on non-current assets: amortization	21,704	18,928
- on current assets: depreciation	153	104
For contingencies and losses: charges to provisions	710	654
Other expenses	10,405	3,620
Total operating expenses	**351,396**	**369,632**
Earnings before interest and taxes	**128,918**	**156,847**
FINANCIAL INCOME		
From affiliated companies	57,188	58,638
From other marketable securities and long-term loans	8	7
Other interest and assimilated income	354	980
Reversal on depreciation and provisions, transferred expenses	22,977	61
Positive exchange rate differences	350	444
Total investment income	**80,877**	**60,130**
FINANCIAL EXPENSES		
Amortization, depreciation and provisions	14	37,434
Interest and assimilated expenses	21,734	35,137
Negative exchange rate differences	295	882
Total financial expenses	**22,043**	**73,453**
Net financial income (expense)	**58,834**	**-13,323**
NET PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX	**187,752**	**143,524**

INCOME STATEMENT FOR THE YEAR 2009 (CONTINUED)

(in thousands of euros)	2009	2008
NET PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX	**187,752**	**143,524**
EXCEPTIONAL INCOME		
From non-capital transactions	433	107
From capital transactions	2,977	5,438
Reversals on depreciation and provisions, transferred expenses	2,314	6,384
TOTAL EXCEPTIONAL INCOME	**5,724**	**11,929**
EXCEPTIONAL EXPENSES		
From non-capital transactions	2,196	439
From capital transactions	1,821	3,767
Amortization, depreciation and provisions	30,843	19,877
TOTAL EXCEPTIONAL EXPENSES	**34,860**	**24,083**
NET NON-OPERATING INCOME (EXPENSE)	**- 29,136**	**-12,154**
Employee profit-sharing	4,850	5,333
Income tax	28,904	22,622
TOTAL INCOME	**566,915**	**598,538**
TOTAL EXPENSES	**442,053**	**495,123**
NET EARNINGS	**124,862**	**103,415**

NOTES TO STATUTORY FINANCIAL STATEMENTS 2009

ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with the laws and regulations applicable in France.

Significant accounting policies used in preparation of the accompanying financial statements are as follows:

Intangible assets are recorded at historical cost after deduction of amortization. Goodwill, fully amortized, corresponds to business assets received prior to the 1986 fiscal year. Greenhouse gas emission quotas are entered in accordance with the arrangements explained in note A1.

Research and development costs are entered as expenses.

Plant, property and equipment are recorded at acquisition or production cost. Property, plant and equipment acquired before December 31, 1976 have been restated.

Amortization is calculated on a straight-line basis over the useful life of assets. Amortization calculated on a tax rate method is reported in the balance sheet under "regulated provisions".

Mineral reserves and related development costs are amortized using the units of production method.

Investments are recorded at cost and adjusted to market value when a significant and permanent decline in value occurs. Investments acquired before December 31, 1976 have been restated.

Inventories are valued using the method of weighted average unit cost.

Cost includes both the purchase price and all related costs.

Manufactured goods are recorded at production cost and include labor, material, manufacturing overheads and other direct costs of production. Receivables and payables are recorded at cost.

Depreciations are made to recognize losses on doubtful receivables and inventories that may arise at year-end.

Receivables and payables denominated in foreign currencies are recorded using the exchange rates prevailing at the date of the transaction. At year-end, these receivables and payables are valued in the balance sheet at exchange rates in effect at year-end.

Issue expenses for borrowings are spread over the term of the borrowings.

Differences arising from revaluation of these receivables and payables are reported in the balance sheet under "Translation differentials". Additional provisions are made for unrealized currency losses that do not offset.

Short-term financial investments are valued at cost or at market value if lower.

SIGNIFICANT EVENTS OF THE PERIOD

During the year, the company participated in the increase in capital of its PARCIFIM subsidiary for an amount of 125,886 k€ .

SALES ANALYSIS

Net sales by geographical area and activity break down as follows for the year ended December 31, 2009:

(in thousands of euros)	France	Other countries	TOTAL
CEMENT	383,590	29,499	413,089
PAPER	24,531	11,089	35,620
TOTAL	**408,121**	**40,588**	**448,709**

ANALYSIS OF THE STATUTORY FINANCIAL STATEMENTS

A - Non-current assets

1) Intangible and tangible assets:

(in thousands of euros)	Gross value at beginning of year	Acquisitions	Disposals	Gross value at end of year
Concessions, patents, goodwill and other intangible assets	16,670	12,584	-	29,254
Land and improvements	83,273	5,272	327	88,218
Buildings and improvements	160,373	1,244	1,739	159,878
Plant, machinery and equipment	497,576	12,651	10,610	499,617
Other tangible assets	24,774	2,308	744	26,338
Tangible assets in progress	9,183	15,631	18,455	6,359
Advances and payments on account	74	1,528	1,569	33
TOTAL	**791,923**	**51,218**	**33,444**	**809,697**

(in thousands of euros)	Accumulated depreciation at beginning of year	Increase	Decrease	Accumulated depreciation at end of year
Concessions, patents, goodwill and other intangible assets	9,596	745	-	10,341
Land and improvements	13,326	874	241	13,959
Buildings and improvements	104,151	4,288	1,731	106,708
Plant, machinery and equipment	373,135	12,481	9,763	375,853
Other tangible assets	19,990	1,466	735	20,721
TOTAL	**520,198**	**19,854**	**12,470**	**527,582**

Quotas allocated by the French government in the framework of the National Quota Allocation Plan (PNAQ II) are not recorded, either as assets or liabilities. For 2009, they amount to 2,802 thousand tonnes of greenhouse gas emissions (14,011 thousand tonnes for the 2008-2012 period).

Only the quotas held at the end of the period exceeding the cumulative actual emissions by 4,719 thousand tonnes are recorded in the assets, for 10,909 thousand euros, corresponding to 885 thousand tonnes.

Recording of surpluses, quota sales and quota swaps (EUA) against Emission Reduction Certificates (ERCs) are recognized in the income for the year at an amount of 12,564 thousand euros (8,069 thousand euros at December 31, 2008).

Tangible assets in progress are mainly comprised of industrial installations in the construction phase.

Property, plant and equipment are depreciated as follows:

- Construction and civil engineering for industrial installations: 15 to 30 years
- Industrial installations: 5 to 15 years
- Vehicles: 5 to 8 years
- Sundry equipment: 5 years
- Computer equipment: 3 years

2) Financial investments:

Financial investments increased by 125,196 thousand euros, mainly as a result of:

• increases in investments in companies amounting to:	125,897
• change in other Financial investments:	- 701
	125,196

In accordance with a liquidity agreement entered into with an investment services provider - CA Cheuvreux, at year-end:

- 10,000 Vicat shares representing a gross value of 561 thousand euros were allocated to this liquidity agreement.
- 4,873 thousand euros in cash invested in a money market fund were allocated to this liquidity agreement.

Loans and other long-term investments break down as follows: (in thousands of euros)

• within one year	-
• over one year	77,635
	77,635

B - Shareholders' equity

Share capital amounts to 179,600,000 euros and is divided into 44,900,000 shares of 4 euros each.

The share ownership breaks down as follows:

• Employees		4.82 %
including salaried shareholders (*)	2.45 %	
• Family, Parfininco and Soparfi		60.57 %
• Vicat		2.41 %

(*) in accordance with Article L 225-102 of the French Commercial Code

CHANGE IN SHAREHOLDERS' EQUITY

(in thousands of euros)	2009	2008
Shareholders' equity at the beginning of year	952,406	1,009,434
Shareholders' equity at the end of year	1,035,017	952,406
Change	82,611	- 57,028
ANALYSIS OF CHANGE		
Capital reduction		- 112,646
Income for the year	124,862	103,414
Dividends paid (1)	- 65,637	- 65,393
Revaluation change		- 33
Regulated provision	23,386	17,630
	82,611	- 57,028

(1) less dividends on treasury shares

Regulated provisions break down as follows:

(in thousands of euros)	Value	Recovered at 1 year maximum	Recovered after more than 1 year
Price increase provision	11,378	227	11,151
Special tax depreciation	74,845	2,552	72,293
Special revaluation provision	2,465	-	2,465
Investment provision	6,804	519	6,285
TOTAL	**95,492**	**3,298**	**92,194**

C - Provisions for risks and other charges

(in thousands of euros)	Amount at the beginning of year	Increase	Decrease (with use)	Decrease (unused provision)	Amount at the end of year
Provisions for restoration of sites	5,774	456	410		5,820
Provisions for disputes	4,571	59	71	-	4,559
Other charges	2,303	5,335	18	-	7,620
TOTAL	**12,648**	**5,850**	**499**	**-**	**17,999**

Provisions for risk and other charges amount to 18 million euros and cover in particular the forecast charges linked to the French regulated quarry depletion provision for an amount of 5.8 million euros. These provisions are made for each of the quarries based on actual tonnages extracted times an estimated per tonne cost of the work to be performed at the end of operations.

Provisions for disputes include a provision of 4.5 million euros, corresponding to the residual amount of the penalty imposed by the Office of Fair Trade ("O.F.T." - Conseil de la Concurrence) concerning a presumed collusion in Corsica after the initial amount of this decision was reduced by the Paris Court of Appeal. The company appealed against this decision at the Court of Cassation (French Supreme Court of Appeal), which partially quashed the ruling of the Paris Appeal Court in July 2009.

Other charges include an amount of 6.1 million euros corresponding to tax due to the subsidiaries in the framework of the tax sharing agreement.

D - Borrowings and financial liabilities

During 2009, long-term debt and other bank borrowings increased by 4,284 thousand euros.

STATEMENT OF MATURITIES

(in thousands of euros)	Gross amount	1 year or less	1 - 5 years	more than 5 years
Bank borrowings and financial liabilities [1]	589,204	141,311	341,956	105,937
Miscellaneous borrowings and financial liabilities	671	84	339	248
Short-term bank borrowings and bank overdrafts	9,029	9,029	-	-
[1] Including commercial paper	136,000		136,000	

Other information

At December 31, 2009 the Company has 460 million euros in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (438 million euros at December 31, 2008).

The Company also has a program for issuing commercial paper amounting to 152 million euros. As at December 31, 2009, the amount of the notes issued was 136 million euros. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

The medium and long-term loan agreements contain specific covenants, especially as regards compliance with financial ratios. The existence of these covenants does not represent a risk to the company's financial position.

Financial instruments

Foreign exchange risk

The principal and interest due on a borrowing originally issued by the Group in US dollars were converted to euros through a series of *cross currency swaps.*

Interest rate risk

The floating rate debt is hedged through the use of financial instruments (caps) on the original maturities of 5 to 12 years for an amount of 360 million euros at December 31, 2009.

Liquidity risk

Unused confirmed lines of credit are used to cover the risk of the company finding itself unable to issue its commercial paper through market transactions. At December 31, 2009, these lines matched the short term notes they covered at 136 million euros.

E - Statement of maturities for trade receivables and payables

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

F - Other balance sheet and income statement information

The gain from allotment of shares for the purpose of employee profit-sharing amounts to 232 thousand euros.

Other items are as follows :

Items concerning several balance sheet accounts (in thousands of euros)	**Associated companies**	**Payables or receivables represented by commercial paper**
Long-term investments	1,215,942	
Trade receivables and related accounts	35,210	30,938
Other receivables and related accounts	106,920	
Trade payables and related accounts	8,599	6,554
Other liabilities	180,829	
Income statement items		
Financial expenses	778	
Financial income excluding dividends	971	

Accrued liabilities (in thousands of euros)	**Amount**
Bank borrowings and financial liabilities	2,915
Trade payables and related accounts	11,264
Tax and employee-related payables	12,666
Other liabilities	470
TOTAL	**27,315**

Accrued expenses (in thousands of euros)	**Amount**
Operating expenses	1,463
Financial expenses	146
TOTAL	**1,609**

Short-term financial investments

Short-term financial investment break down as follows : 250,276 Vicat shares for a net amount of 14,388 thousand euros acquired for the purpose of share allotment to employees. Their market value as of December 31, 2009, amounts to 14,716 thousand euros. Marketable securities for an amount of 12,062 thousand euros are added to these amounts.

Net financial income

Net financial income included a reversalof provisions for depreciation of treasury shares for an amount of 22,894 thousand euros.

ANALYSIS OF CORPORATE INCOME TAX AND ADDITIONAL CONTRIBUTIONS

Headings (in thousands of euros)	**Profit (loss) before tax**	**Corporate income tax**	**Social security contributions**	**Profit (loss) after tax**
Current profit (loss)	187,752	- 42,576	- 1,706	143,470
Net non-operating income (expense) and profit-sharing	- 33,986	14,786	592	- 18,608
Book profit (loss)	153,766	- 27,790	- 1,114	124,862

OFF-BALANCE SHEET COMMITMENTS

Commitments given (in thousands of euros)	**Value**
Accrued retirement indemnities [1]	10,256
Guarantees granted to subsidiaries	137,260
TOTAL	**147,516**

[1] including an amount of 4,028 thousand euros relating to supplemental pension scheme for officers and other managers of the Company under Article 39 of the French General Tax Code (CGI).

Commitments received (in thousands of euros)	**Value**
Confirmed credit lines [1]	696,000
Other commitments received	31,642
TOTAL	**727,642**

[1] including 152,000 thousand euros allocated to coverage of the program of the commercial paper issue.

Retirement indemnities are accrued in accordance with the terms of in the collective labor agreements. The corresponding liabilities are calculated using the projected unit credit method, which includes assumptions on employee turnover, mortality and wage inflation. Commitments are valued, including social security charges, pro rata to employees' years of service.

Principal actuarial assumptions are as follows:

Discount rate	5.25 %
Wage inflation	from 2.5 % à 4 %
Inflation rate :	2 %

IMPACT OF THE SPECIAL TAX EVALUATIONS

Headings (in thousands of euros)	**Allowances**	**Reinstatements**	**Amounts**
Income for the year			124,862
Income taxes			27,790
Social security contributions			1,114
Earnings before income tax			**153,766**
Change in special tax depreciation of assets	20,266	1,776	18,490
Change in investment provision	2,269	526	1,743
Variation in special revaluation provision	-	-	-
Variation in the price increase provision	3,164	12	3,152
Subtotal	**25,699**	**2,314**	**23,385**
Income excluding the special tax valuations (before tax)			**177,151**

Vicat, together with 17 subsidiaries, entered into a tax sharing agreement whereby they have elected to file a consolidated tax return. According to the tax sharing agreement, the effective tax expenses accounted for by the subsidiaries are calculated as if there were no tax sharing. The tax saving resulting from the tax sharing agreement is awarded to the parent company, notwithstanding the tax due to the tax loss subsidiaries, for which a provision is established. For 2009, this saving amounts to 5,794 thousand euros.

Non tax-deductible expenses amount to 403 thousand euros for 2009.

DEFERRED TAX

Headings (in thousands of euros)	**Amount**
Tax due on:	
Price increases provisions	3,917
Special tax depreciation	25,769
Total increases	**29 686**

Headings (in thousands of euros)		**Amount**
Tax paid in advance on temporarily non-deductible expenses		3,485
of which profit-sharing expenses	1,670	
Total reductions		**3,485**
Net deferred tax		**26,201**

Executive management compensation (in thousands of euros)	**Amount**
Compensation allocated to:	
- senior managers	210
- members of the Board	2,227

Employee numbers	**Average**	**At December 31, 2009**
Management	198	203
Supervisors, technicians, administrative employees	382	381
Blue-collar workers	271	264
Total Company	**851**	**848**
of which Paper Division	149	142

SUBSIDIARIES AND AFFILIATES

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

COMPANY OR GROUP OF COMPANIES 2009 FINANCIAL PERIOD	CAPITAL	RESERVES and retained earnings before appropriation of income	OWNERSHIP interests (%)	BOOK VALUE of shares owned: Gross	BOOK VALUE of shares owned: Net	LOANS & ADVANCES granted by the company and not yet repaid	GUARANTEES granted by the company	SALES ex. VAT for the financial year ended	PROFIT OR LOSS (-) for the financial year ended	DIVIDENDS received by Vicat during the year	COMMENTS
SUBSIDIARIES AND AFFILIATES WHOSE THE GROSS VALUE EXCEEDS 1 % OF THE VICAT'S CAPITAL											
1) SUBSIDIARIES (at least 50 % of the capital held by the company)											
BÉTON TRAVAUX 92095 PARIS LA DEFENSE	27,997	189,271	99.97	88,869	88,869	56,779		18,387	37,266	26,240	
NATIONAL CEMENT COMPANY LOS ANGELES USA	280,521 [1]	196,069 [1]	97.85	229,581	229,581	31,206		259,958 [1]	-16,628 [1]		
PARFICIM 92095 PARIS LA DEFENSE	52,368	983,678	99.99	863,624	863,624				40,383	24,170	
SATMA 38081 L'ISLE D'ABEAU CEDEX	3,841	2,591	100.00	7,613	7,613			17,164	346	2,640	
2) PARTICIPATIONS (10 to 50 % of the capital held by the company)											
SOCIÉTÉ DES CIMENTS D'ABIDJAN IVORY COAST	2,000,000 [2]	9,391,586 [2]	17.14	1,596	1,596			50,183,700 [2]	1,230,948 [2]	461	Figures for 2008
SATM 38081 L'ISLE D'ABEAU	1,600	35,747	22.00	15,765	15,765			79,947	7,926	1,980	
OTHER SUBSIDIARIES AND AFFILIATES											
French subsidiaries (total)				10,065	9,437	223				726	
Foreign subsidiaries (total)				2,833	2,787						
TOTAL				**1,219,946**	**1,219,272**	**88,208**				**56,217**	

[1] Figures shown in USD
[2] Figures shown in CFA Francs

ANALYSIS OF THE INCOME FOR THE YEAR

Earnings before non-operating items, profit-sharing and taxes:	187,751,702
In light of:	
. other non-operating income and expenses	- 29,136,095
. employees profit-sharing expense	- 4,849,805
. Corporate income tax	- 28,903,959
Net earnings for 2009 fiscal year were:	**124,861,843**

PROPOSED NET EARNINGS APPROPRIATION

We propose the following appropriation of net earnings:

2009 YEAR EARNINGS	124,861,843
Retained earnings of prior periods	82,713,938
TOTAL TO BE DISTRIBUTED	207,575,781
We propose the following distribution:	
. dividend of 1.50 € per share of par value 4 euros	67,350,000
. statutory reserve	
. other reserves	40,225,781
Retained earnings	**100,000,000**

DISTRIBUTIONS MADE IN THE LAST THREE YEARS (for a comparable number of shares)

Year	**2006**	**2007**	**2008**
Dividend paid	1.30	1.50	1.50

Note: The dividend amounts quoted take into account all existing shares.

When payment is made, the dividend on treasury shares will be allocated to the “retained earnings” account.

Dividends distributed are entitled to 40 % tax relief under the conditions set out in Article 158-3 of the *Code général des impôts* (General Tax Code).

FIVE-YEARS FINANCIAL RESULTS

ARTICLES L. 225-81, L. 225-83 AND L. 225-102 OF THE COMMERCIAL CODE

(In euros)	2005	2006	2007	2008	2009
1) Share capital at year-end					
Share capital	62,361,600	187,084,800	187,084,800	179,600,000	179,600,000
Number of shares issued	15,590,400	46,771,200	46,771,200	44,900,000	44,900,000
2) Operations and earnings for the year					
Net sales	432,641,769	475,747,670	510,432,697	511,841,942	448,708,588
Earnings before tax, employees profit-sharing, depreciation & amortization and provisions	160,930,224	176,747,531	204,175,655	201,208,409	186,205,363
Income tax	35,190,000	39,340,000	18,005,000	22,621,500	28,903,959
Employees profit-sharing for the year	3,986,000	5,050,000	5,415,687	5,332,772	4,849,805
Earnings after tax, depreciation & amortization and provisions	104,690,964	109,683,603	82,336,178	103,414,454	124,861,843
Dividends paid out	29,621,760	60,802,560	70,156,800	67,350,000	67,350,000
3) Data per share					
Earnings after tax and employees profit-sharing, but before depreciation & amortization and provisions [1]	2.71	2.95	4.03	3.86	3.40
Earnings after tax, employees profit-sharing, depreciation & amortization and provisions [1]	2.33	2.44	1.83	2.30	2.78
Dividend paid per share	1.90	1.30	1.50	1.50	1.50
4) Employees					
Number of employees	819	828	842	850	848
Total salaries [2]	34,066,814	36,008,346	37,860,259	38,720,960	40,694,345
Total amount paid in social welfare benefits (social security contributions, charities, etc.)	16 ,593,043	17,685,934	18,482,985	18,191,928	19,044,121

(1) Over the adjusted number of shares
(2) Retirement indemnities paid in respect to early retirement excluded

STATUTORY AUDITORS' REPORT
ON THE STATUTORY FINANCIAL STATEMENTS

Year ended December 31, 2009

To the Shareholders,

In compliance with the assignment entrusted to us by the shareholders in general meeting, we hereby present our report to you, for the year ended 31 December 2009, on:
- the audit of the accompanying financial statements of Vicat S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

The financial statements have been approved by the Board of directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the appropriateness of the accounting principles used and the reasonableness of significant accounting estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that the audit evidence we have obtained is sufficient and provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities as of 31 December 2009, and of the results of its operations for the year then ended in accordance with French accounting rules and principles.

2. Justification of our assessments

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

Significant accounting rules and methods used in the preparation of the financial statements are disclosed in note 1.

As part of our assessment of the accounting rules and principles applied by your company, we have assessed the appropriateness of the above-mentioned accounting methods and related disclosures.

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

3. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by law.

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

We have verified the consistency of the information provided in accordance with article L. 225-102-1 of the French Commercial Code with respect to remuneration and benefits paid to company officers, and to any commitments given to them, with the financial statements or with the underlying information used in their preparation, and, as applicable, with information obtained by your Company from companies which either control it or are controlled by it. On the basis of our work, we certify that the information provided is accurate and fairly presented.

As required by law, we have ascertained that the necessary information relating to the acquisition of shareholdings and controlling interests, and the identity of shareholders, was given in the management report of the Board of directors.

Paris La Défense, March 5, 2010
KPMG Audit
A division of KPMG SA
Jean-Marc Decléty
Partner

Chamalières, March 5, 2010
Wolff & Associés S.A.S.
Grégory Wolff
Partner

STATUTORY AUDITORS' REPORT
ON REGULATED AGREEMENTS AND COMMITMENTS

Year ended December 31, 2009

To the shareholders,

In our capacity as statutory auditors of your Company, we hereby present to you our report on the regulated agreements and commitments.

We are not required to ascertain whether any agreements or commitments exist but to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements and commitments of which we were notified. It is not our role to determine whether they are beneficial or appropriate. It is your responsibility, under the terms of article R.225-31 of the French Commercial Code ("Code de commerce"), to evaluate the benefits arising from these agreements and commitments prior to their approval.

Agreements and commitments entered into by the Company in 2009

We inform you that we have not been advised of any agreements or commitments entered into in 2009 and mentioned in article L.225-38 of the French Commercial Code.

Continuing agreements and commitments which were entered into in prior years

Moreover, in accordance with the French Commercial Code, we have been informed of the following agreements and commitments, which were approved during previous years and which were applicable during the period.

- **Undertakings relating to additional pension benefits**

<u>Purpose</u>: Supplemental pension plan as defined in Article 39 of the French General Tax Code (CGI).

<u>Terms and conditions</u>: The undertakings with Cardif concern the executive directors as well as managers whose salary exceeds 4 times the ceiling of tranche A.

We performed the procedures we considered necessary in accordance with professional guidance issued by the national institute of auditors ("Compagnie nationale des commissaires aux comptes"), relating to this engagement. Our work consisted in verifying that the information provided to us is in agreement with the underlying documentation from which it was extracted.

Paris La Défense, Chamalières, March 5, 2010
KPMG Audit
Department of KPMG S.A.
Jean-Marc Decléty
Partner

Chamalières, March 5, 2010
Wolff & Associés S.A.S.
Grégory Wolff
Partner

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Product group from well-managed
forests and other controlled sources

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RCS Nanterre 057 505 539

Copies of this annual report are available free of charge from Vicat,
Tour Manhattan – 6, place de l'Iris, 92095 Paris-La Défense Cedex - France, as well as on the websites of the AMF (www.amf-france.org) and of Vicat (www.vicat.com and www.vicat.fr).