2012 annual report
Constructive performance

VICAT

▼ Concrete roof slab of the Jean Cocteau museum in Menton (France), supported by a 42-pillar colonnade.

Constructive performance

Vicat has been engaged in cement production for over 150 years

Sales
€2,292M

Consolidated net profit
€148M

Average headcount
7,529

Vicat Group – 2012

3 business lines

Cement
50.4% of sales

Concrete & Aggregates
36.0% of sales

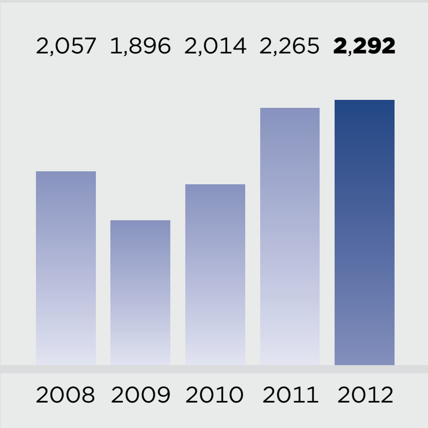
Other Products & Services
13.6% of sales

11 business locations throughout the world

France, United States, Switzerland, Italy, Turkey, Kazakhstan, India, Senegal, Egypt, Mali, Mauritania

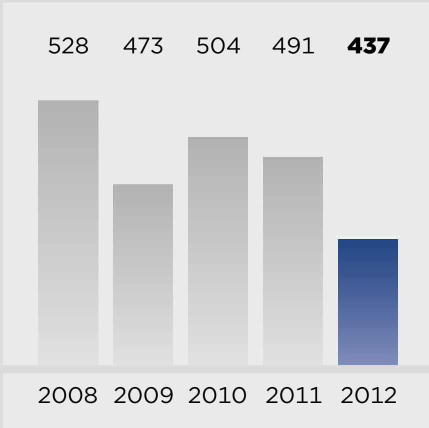
Key figures – 2012

Sales
(in millions of euros)



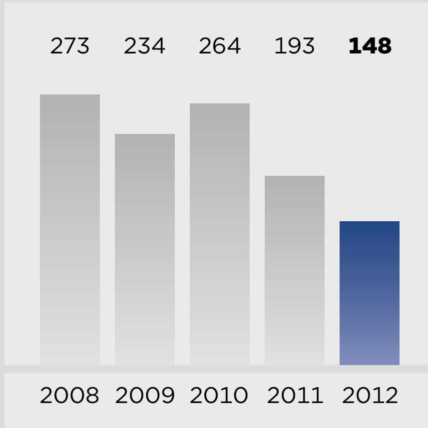
Sales rose by 1.2% in 2012, and fell by 0.2% on a like-for-like basis and at constant exchange rates.

EBITDA
(in millions of euros)



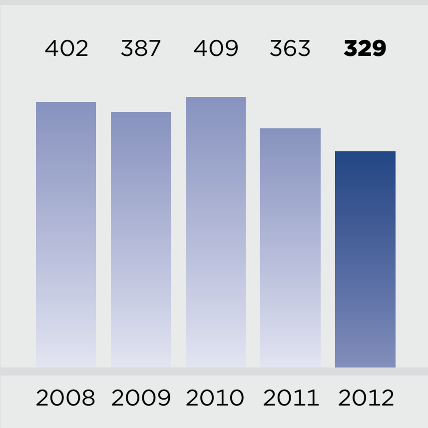
The EBITDA margin was 19.1%.

Net profit
(in millions of euros)



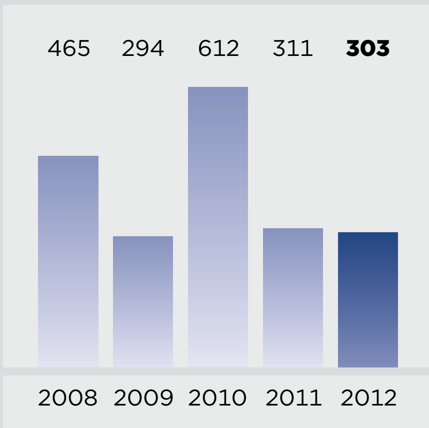
Consolidated net profit amounted to 148 million euros, giving a consolidated net margin of 6.5%.

Cash flow
(in millions of euros)



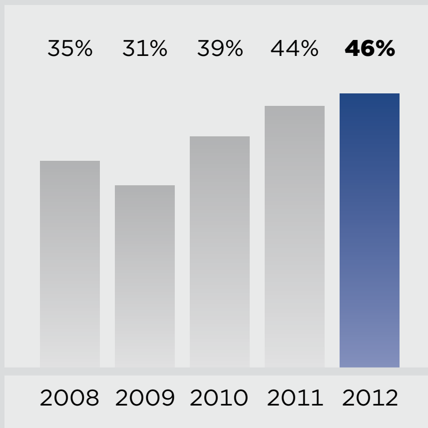
Cash flow remained high in 2012, at 329 million euros, with free cash flow (after capital expenditure) of 46 million euros.

Total investments
(in millions of euros)



In 2012, total investment volume was affected by the build-up of capital expenditure in India for construction of the Vicat Sagar Cement plant.

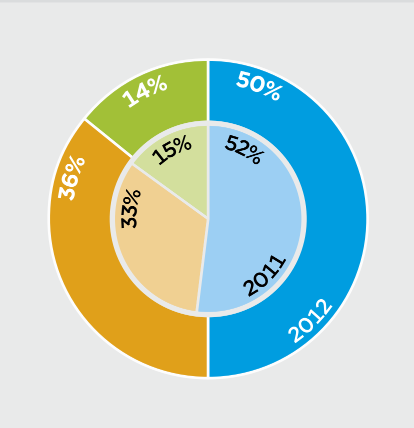
Net debt / total equity
(in percentage)



Gearing stood at 46.4% at December 31, 2012.

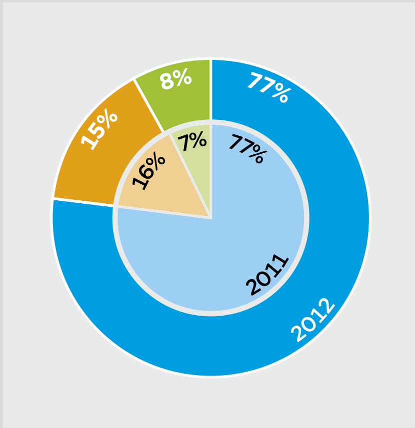
▼ Cement
▼ Concrete & Aggregates
▼ Other Products & Services

Operating revenues
(% of total)



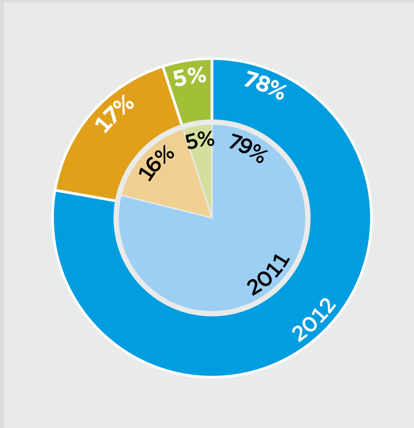
Cement and Concrete & Aggregates, the Group's core businesses, generated 87% of operating revenues.

EBITDA
(% of total)



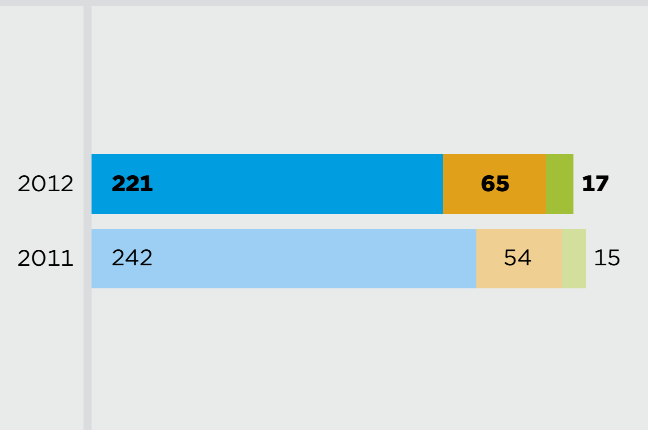
While the operating margin was lower than in 2011, it reflects the Group's resilience and financial strength.

Capital employed
(% of total)



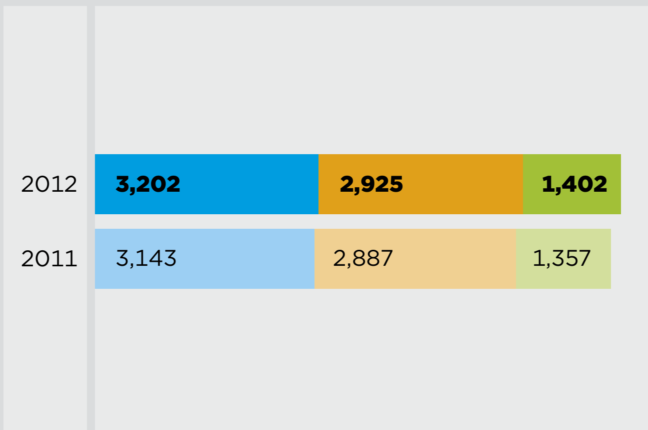
The capital employed has been stable in 2012 compared with 2011.

Capital expenditure
(in millions of euros)



Capital expenditure amounted to €303 million in 2012, mainly reflecting projects underway in India.

Average number of employees



The average headcount rose by 1.9% due to the build-up of operations in India and Kazakhstan.

Message from the Chairman

Jacques Merceron-Vicat
Chairman

Challenging backdrop in 2012

The world economic situation remained particularly challenging in 2012.

Some of our markets were particularly exposed to the difficult conditions. Such was the case for France, which suffered a slow-down in the construction market, for Italy, which was hit hard by the economic and financial crisis, for Egypt, where business declined as a result of seriously impaired security conditions, and for West Africa where competition became tighter.

On other markets there was good stability and even gradual recovery. In Switzerland, business continued to develop against a consistently sound background; in Turkey, after poor weather at the start of the year, business picked up significantly; and in the United States volume sales shot back up.

The new markets on which the Group has only recently been present enjoyed a much more favorable climate. In Kazakhstan volume sales were well up on a market with favorable selling prices. In India, Bharathi Cement confirmed the strengthening of its position on a firmly growing market, and the Vicat Sagar cement plant came into industrial operation at the end of the year, with its first products being marketed early in 2013.

The Group's diversification, and particularly its presence in emerging countries whose potential is strong, together with the concomitant reduction in the importance of France in the market mix, resulted in solid resistance to the challenging environment of 2012, thereby proving the expediency of the strategy chosen.

The substantial capital investments made over a number of years have increased the Group's cement production capacity from 15 million to 30 million metric tons. These investments, which weighed heavy on the accounts during the implementation and startup phase, stand the Group in good stead to meet future market demand with the greatest cost-effectiveness.

At the end of 2012 the Group possessed industrial assets of the highest quality, around one third of which have yet to generate operational results. With these assets, the Group can exercise substantial leverage on its future profitability to help attain the dual objective of debt reduction and value creation.

In 2013 the Group will see its greenfield plants achieve fuller production figures, together with improved profitability relative to 2012.

Guy Sidos
Chief Executive Officer

Message from the Chief Executive Officer

In 2013 the Group will focus its energies on operational profitability and repayment of debt

A pivotal year for Vicat, 2012 marked the end of a seven-year cycle of major capital investment that changed the face of the Group.

In industrial terms, Vicat opted for energy efficiency, by modernizing its plants with equipment of the very latest technologies which consume less energy, and by substituting more secondary fuels for fossil fuels.

In commercial terms, in a world whose economy has been in crisis for 6 years, Vicat increased its cement sales by 31%, whereas the markets on which the Group was active in 2006 lost 13%.

In strategic terms, Vicat reduced its dependence on the French market by increasing its presence in emerging countries which today represent 71% of its installed cement production capacity.

Of this total capacity, ten million metric tons per year are still available to meet growing market requirements. This constitutes a **reserve for substantial organic growth** in terms of both sales and profitability.

This new configuration has enabled the Group to attenuate the effects of the weakness of certain markets which continued to suffer in 2012, especially in the United States where stirrings of market recovery are to be seen, and in Egypt where reinstatement of proper security conditions will improve the profitability of our operations.

In 2013 the Group will focus its energies on operational profitability and repayment of debt. The foreseeable drop in profitability in France will be offset by the dynamics of our new facilities in Asia.

Vicat is at the cutting edge of operational research into hydraulic binders, and in 2013 will sustain its endeavors in Research and Development. This work addresses not only new cements but also new applications integrated into constructive solutions adapted to the energy-efficiency requirements of modern construction.

Our 7,700 members of personnel are the driving force of this performance. I thank them most sincerely.

▲ Vicat Sagar Cement plant in the State of Karnataka (India).

Controlled **growth**

The Group's long-term priority is to achieve controlled expansion across all business lines, through a finely balanced combination of strong organic growth underpinned by capital expenditure to meet market demand and a policy of targeted growth by acquisition to enter new, high-potential markets or to promote accelerated vertical integration. This growth is in all respects consistent with the size of the Group and its financial and operational capacity to absorb the investment. Its purpose is to create value for shareholders.

Dynamic organic growth

The Group sustains a high level of capital expenditure in the markets in which it operates, with a view to:
• modernizing its production facilities to improve the efficiency and economic performance of its plants, thereby securing the manufacturing capacity it needs to respond to intensifying competition; and
• increasing its production capacity to keep up with growth in its markets and to consolidate or to enhance its positions as regional leader.

Selective external growth

The Group's external-growth strategy is to penetrate new markets through highly selective acquisitions in the cement business that meet the following criteria:
• they must be located near large markets with attractive growth potential,
• they must have long-term availability of mineral reserves (target of 100 years for cement) through control of the land and secure operating licenses,
• they must generate a net contribution to Group profits in the short term.

In April 2010, the Group secured a majority interest in Bharathi Cement, in southern India. The company's cement plant at the center of a triangle formed by the cities of Chennai, Bangalore, and Hyderabad is a very modern facility with annual cement production capacity of 5 million metric tons.

The Group may also seize opportunities to penetrate new developing markets through construction of greenfield cement plants. Such projects are subject to highly selective review and must meet the same three criteria as acquisitions.

In keeping with this strategy, at the end of 2010, the Group brought a 1.2 million metric ton greenfield cement plant in Kazakhstan on line, after acquiring a majority interest in the project in December 2007.

Similarly, in June 2008, the Group signed a deal under which it became the majority shareholder in a partnership in India to build a 5.5 million metric ton greenfield cement plant in the State of Karnataka, to serve the markets of Bangalore, Hyderabad, Pune, and Mumbai. Construction of the first phase of the project began in 2010 and the first production line came into service at the end of 2012. The Vicat Sagar Cement and Bharathi Cement plants operate under the same brand name and together cover 40% of the rapidly growing Indian cement market which was estimated at 250 million metric tons in 2012.

Business development strategy

The Group focuses primarily on its historical area of expertise, cement, and is expanding into the ready-mixed concrete and aggregate markets through vertical integration in order to secure access to cement consumption centers and to follow market trends. In addition, in some markets, it can benefit from synergies with complementary activities such as road transport or bag production to consolidate its offering and strengthen its regional positioning.

Cement is the Group's leading business and the foundation underpinning its growth and profitability.

The Group is developing its operations in ready-mixed concrete to reinforce its cement business, as a function of 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 consumption centers, by building new plants or acquiring existing companies active in this market.

The Group's presence in the aggregate sector is intended to provide a global response to its customers' construction materials requirements and to provide secure supplies of aggregates for development of the ready-mixed concrete business. It is expanding in this segment through acquisitions and capital investment aimed at both increasing the capacity of existing facilities and opening up new quarries and other installations.

Geographical development strategy

The Group currently operates in eleven countries. It generates 62% of its sales outside France: nearly 18% in the rest of Europe, 9% in the United States, and 35% in emerging countries (Egypt, Mali, Mauritania, Senegal, Turkey, Kazakhstan, and India).

The percentage of Group sales generated outside France is expected to keep growing in the years ahead as a result of the increased production capacities of existing plants and the commissioning of the new greenfield plants.

The Group's strategy is designed to diversify its geographical exposure and to spread risk judiciously through a combination of investment in developed countries, which generate a steadier stream of cash flow, and in emerging countries which, while offering greater potential for long-term growth, may be exposed to stronger market fluctuations, as has been the case in Egypt for two years.

62%
Percentage of sales generated outside France.

35%
Percentage of sales generated in emerging economies.

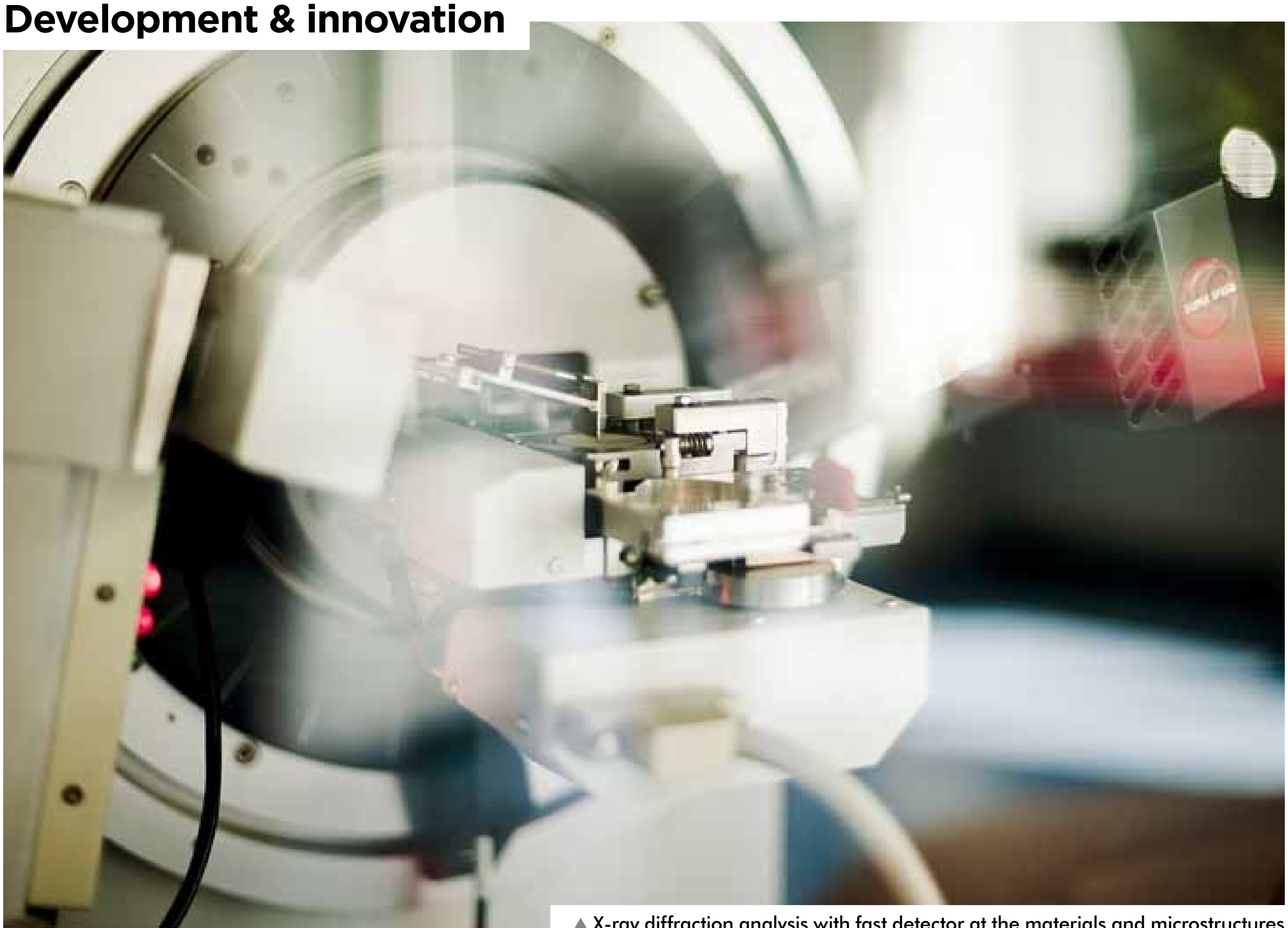
Group strategy to come

The strategy adopted by the Group in the past has enabled it to stand firm in today's ongoing unfavorable macroeconomic climate.

The Performance 2010 plan boosted production capacity in countries with growing markets, i.e. Senegal, Switzerland, Egypt, and Turkey, and also reduced production costs. A sound financial situation, with levels of gearing and leverage among the lowest in the industry, facilitated the construction of new cement plants in Kazakhstan and India. The Jambyl Cement plant in Kazakhstan, which came into industrial operation on April 1, 2011, sold close to 1,000,000 metric tons in 2012. The greenfield external growth operation undertaken in India with Vicat Sagar Cement in 2008 has attained its goals, limestone reserves consistent with the Group's criteria having been secured and the first cement production line having come into industrial operation at the end of 2012.

The new entities the Group has created and acquired in Kazakhstan and India are already contributing to Group results, and promise substantial growth yet to come. They represent a considerable boost to the Group's cement production capacity and are seedbeds for future growth.

The objective for 2013 is to reduce the Group's net debt even further, and thus to strengthen its financial position and to enable a future external growth operation of some size; such an operation must of course meet the two conditions of extending the coverage of risk and quickly contributing to the growth and profitability of the Group.



▲ X-ray diffraction analysis with fast detector at the materials and microstructures laboratory of the Louis Vicat technical center in L'Isle d'Abeau (France).

Priority for constructive solutions and processes

All product design, development, and follow-up research operations at Vicat are concentrated within the Louis Vicat technical center in L'Isle d'Abeau, near Lyon.

The center, which opened in 1993, is located in the heart of the Rhône-Alpes region, close to the Group's historic facilities in Grenoble and to the emblematic Montalieu cement plant. It is staffed by some 90 scientists and technicians working in three laboratories:
- the materials and microstructures lab which analyses materials,
- the Sigma Béton lab which checks aggregates and formulates and checks concrete mixes,
- the laboratory for formulating industrial products for the building industry, which develops mixes for finishing products.

The main research and development projects for anticipating or meeting the demands of customers aim to achieve various objectives in the following fields.

Processes

Improving the energy efficiency of cement plants by developing and implementing new cement technologies and by replacing fossil fuels with substitute fuels is a natural response to the need for sound industrial ecology (using the waste produced by human activity) and augmentation of the proportion of biomass fuels used. In 2012, the use of substitute fuels has saved the equivalent of 300,000 metric tons of coal. It is vital that the research laboratory be close to production sites in order to carry out successful research and follow up its application.

More recently, new lines of research have been engaged. They concern the development of enhancements to our cements which, with equivalent mechanical properties, will result in lower CO_2 emissions. This issue, which is fundamental for the future of the industry, is part of the Group's ambition to contribute towards collective

▲ Measuring the loss on ignition (LOI) of a cement to determine its limestone content.

environmental action. It mobilizes considerable human resources in the fields of crystallography and the heat effects of admixtures. Equipment using the very latest technologies has been made available for this research, including diffractometers, X-ray fluorescence, and field-emission scanning electron microscopy. The new products generated by this fundamental research are then tested in conjunction with the concrete research and development teams, which are also located at the L'Isle d'Abeau site.

Constructive solutions

• New concretes are regularly developed to meet the expectations of customers in construction and civil engineering. Today's concretes have seen several technological breaks from the past, including self-consolidating concretes whose hyperfluidity allows them to flow smoothly into complex formwork. The development of high, then very-high-performance concretes (HPC and VHPC), and more recently ultra-high-performance fiber-reinforced concrete (UHPFRC) has multiplied the strength of the material tenfold (200 MPa compressive strength). These concretes meet the requirements for building tall buildings and other structures with increasingly high performance, while giving practically free rein to architectural creativity.

• Changes to thermal design codes (in France, RT 2005, BBC, RT 2012, and soon RT 2020, resulting from the *Grenelle de l'Environnement* environmental round table) are taken into account at the earliest opportunity. Research here aims to determine very precisely how concrete contributes to the development of new constructive solutions for greater energy efficiency in buildings. Codes for calculating the thermal inertia of concrete are being developed under a joint research program with the French solar energy institute and atomic energy commission (INES/CEA) in Chambéry. The concrete R&D laboratory is also working on structural concrete with inherently insulating properties which will dispense with the need for independent insulation.

• An offering for eco-construction based on natural cement (quick-setting natural cement from the Chartreuse mountain range) and bio-sourced materials like hempcrete is now available on the market.

• The analysis capabilities of the Louis Vicat technical center make it possible to diagnose the disorders of concretes used in the 19th and 20th centuries and to propose remedial solutions. As a member of the *Cercle des Partenaires du Patrimoine* (heritage partners circle) of the French Ministry of Culture and Communication, Vicat takes part in research operations related to the restoration of old buildings.

Partnership policy

The Louis Vicat technical center works with several public and private-sector research centers (French atomic energy commission, national solar energy institute in Chambéry, *Institut National Polytechnique* in Grenoble, laboratories of schools of architecture and universities, laboratories of customers in construction and civil engineering, etc.). It regularly files patent applications.

In 2007, the Vicat Group became a founding member of *Pôle Innovations Constructives*, which it now chairs. This center of excellence based in the north of the Isère département focuses the work of a network of stakeholders in the construction industry, including manufacturers, institutional representatives, architects, medium, small, and very small enterprises, tradesmen, *Les Grands Ateliers de L'Isle d'Abeau* (itself a center of excellence), schools of architecture, the *École Nationale des Travaux Publics de l'État* engineering school, and the *Centre de Formation des Apprentis du BTP* apprenticing center. It aims to promote greater awareness of innovations in the construction sector, particularly in response to the issues of sustainable construction.

Governance

▶ MANAGEMENT

Jacques Merceron-Vicat
Chairman

Guy Sidos
Chief Executive Officer

Raoul de Parisot
Chief Operating Officer

Philippe Chiorra
Senior Executive Vice-President
Chief Legal Officer

Éric Holard
Senior Executive Vice-President

Bernard Titz
Senior Executive Vice-President
General Secretary

Christophe Bérenger
Director, Human Relations

Éric Bourdon
Director, Performance
and Investments

Pierre-Olivier Boyer
Director, Strategic Partnerships

Gilbert Natta
Director, Business Development

Dominique Renié
Chief Technology Officer

Jean-Pierre Souchet
Chief Financial Officer

▶ BOARD OF DIRECTORS as of 31 December, 2012

Jacques Merceron-Vicat
Chairman

Pierre Breuil

Xavier Chalandon

Raynald Dreyfus

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

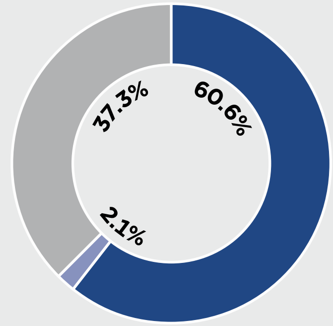
Alternates
Cabinet Constantin
Exponens Conseil et Expertise

Shareholders

▶ OWNERSHIP STRUCTURE

The company's share capital amounts to 179,600,000 euros, consisting of 44,900,000 shares with par value of 4 euros each.

Ownership of the share capital as of December 31, 2012 is shown below.

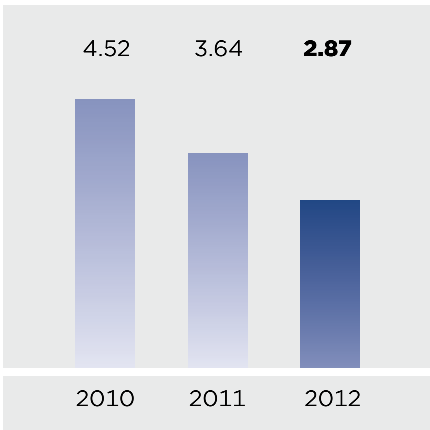


▼ Family shareholders
▼ Treasury shares
▼ Public (including staff)

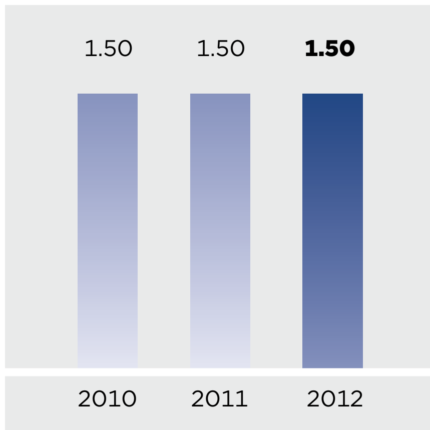
▶ DIVIDEND

Based on 2012 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 26, 2013 vote to maintain the same dividend, i.e. 1.50 euro per share.

Earnings per share
(in euros)



Dividend per share
(in euros)



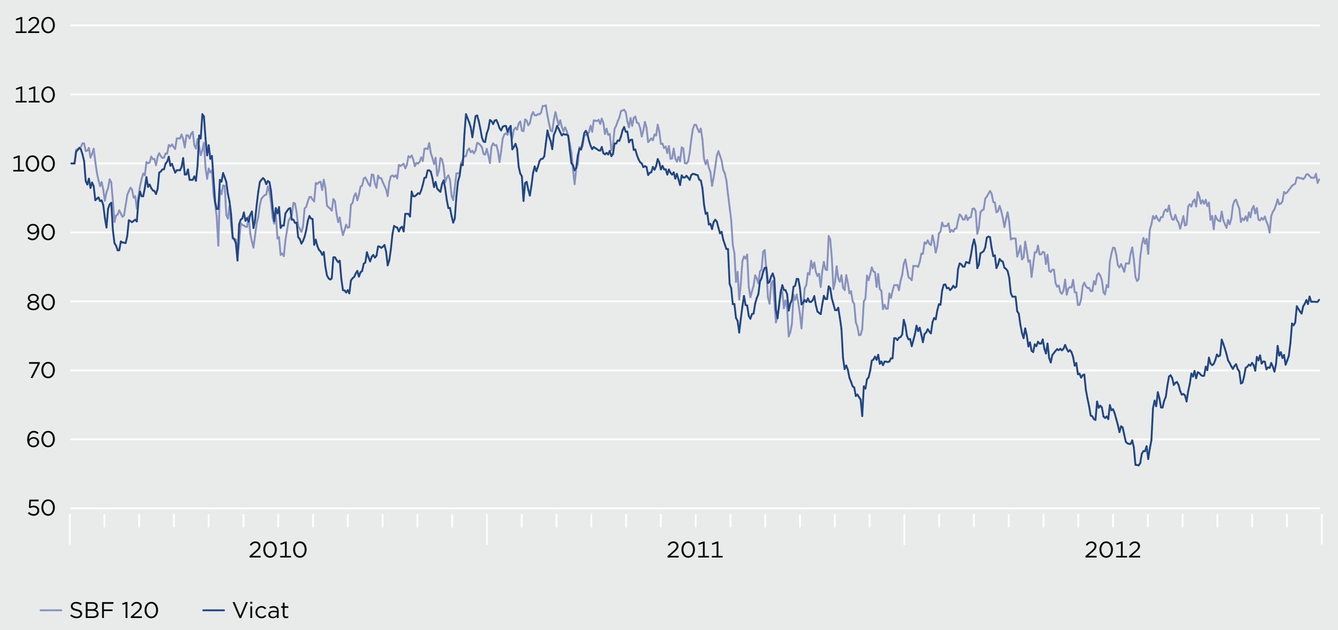
▼ Entrance to the operational headquarters of the Vicat Group in L'Isle d'Abeau (France).

Stock market & financial information

STOCK MARKET INFORMATION

Vicat has been included in the SBF 120 index of the Paris Bourse since March 21, 2011. Vicat shares have qualified for trading under the Service du Règlement Différé (SRD) deferred settlement market since February 26, 2008.

Share price trend



FINANCIAL REPORTING

Vicat is dedicated to maintaining close communication with shareholders, 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 of AMF-compliant information on the Company's websites (www.vicat.fr and www.vicat.com);
- quarterly, half-yearly, and yearly press releases in addition to any others regarding any significant information on the life and development of the Group;
- an annual report;
- a registration document;
- a dedicated website: www.vicat.fr (also www.vicat.com); "Financial Information" section.

Vicat also participates in many conferences and other events aimed at facilitating and promoting closer direct contact between the Group and members of the financial community.

SHAREHOLDER INFORMATION

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

E-mail: relations.investisseurs@vicat.fr

Websites: www.vicat.fr

Symbol: VCT

ISIN code: FR0000031775

Sicovam: 03177

Bloomberg: VCT.PA

Reuters: VCTP.PA

FINANCIAL REPORTING CALENDAR

April 24, 2013
(posted after close)
Q1 2013 sales

April 26, 2013
Annual General Meeting

August 6, 2013
(posted after close)
H1 2013 sales and earnings

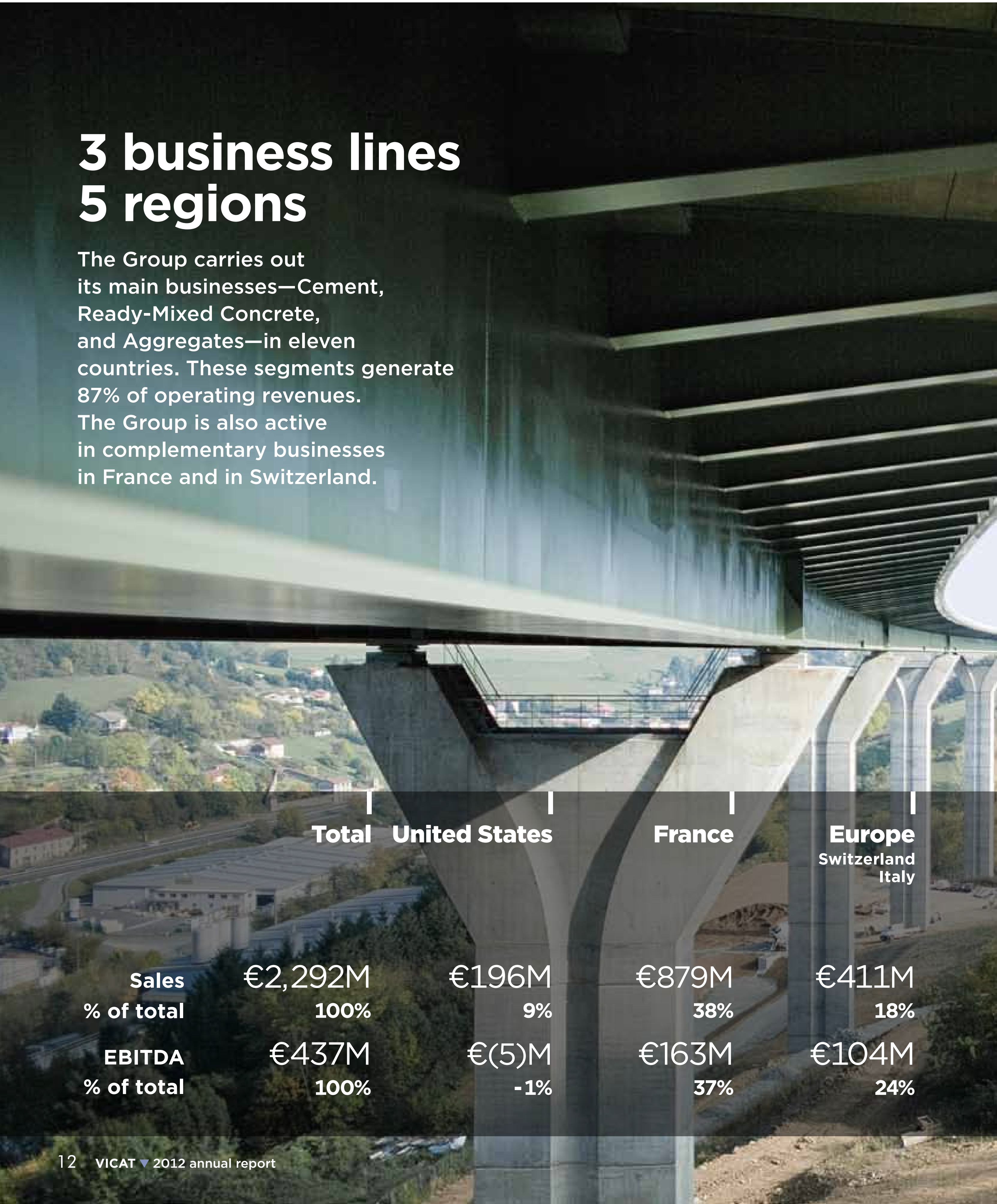
November 5, 2013
(posted after close)
9M 2013 sales

The Group has put information on all the initiatives relative to environmental, social, and societal matters in the report on Corporate Social Responsibility drawn up in accordance with regulations.
The report—on pages 112 to 135 herein—presents the Groups actions and results in three main categories:

- sustainable-development strategy,
- role as a socially responsible employer,
- role in the economic and social development in our business locations.

Corporate social responsibility

▲ The new Confluence neighborhood in Lyon (France).



3 business lines
5 regions

The Group carries out its main businesses—Cement, Ready-Mixed Concrete, and Aggregates—in eleven countries. These segments generate 87% of operating revenues. The Group is also active in complementary businesses in France and in Switzerland.

	Total	United States	France	Europe Switzerland Italy
Sales	€2,292M	€196M	€879M	€411M
% of total	100%	9%	38%	18%
EBITDA	€437M	€(5)M	€163M	€104M
% of total	100%	-1%	37%	24%

2012 business

▲ Goutte Vignole viaduct
on the A89 motorway (France).

Africa & Middle East

Egypt
Senegal
Mali
Mauritania

€364M

16%

€83M

19%

Asia

Turkey
Kazakhstan
India

€442M

19%

€92M

21%

France

Sales
€879M

Employees
2,566

Breakdown of sales by business line

▼ Cement	36%
▼ Concrete & Aggregates	41%
▼ Other Products & Services	23%

▲ A406 motorway under construction near Macon.

Cement

- 5 cement plants
- 3.0 million metric tons sold

Market conditions

In 2012 authorizations were given for the construction of 495,496 housing units, down 7% on 2011. However, there were only 346,463 new housing starts, compared to over 420,000 in 2011, which represents a 13.1% drop. The individual house sector was more severely affected (-13.2%) than the apartment sector (-9.3%). Renovation or construction in existing housing progressed 4.3%. The slowdown in new starts was particularly abrupt towards the end of the year.

The public-works sector recorded a drop of 1.8% in 2012, with acceleration in the last three months.

CEMENT CONSUMPTION

Thousands of metric tons	2011	**2012**	Change
Domestic production	19,543	**18,009**	-7.8%
Imports	1,867	**1,964**	+5.2%
Total	**21,410**	**19,973**	**-6.7%**

After growth of more than 9% in 2011, the cement consumption trend in mainland France reversed, with business declining 6.7% (19.9 million metric tons, very close to 1999). The weather in 2012 was marked by a highly unfavorable episode in the first quarter and in December when snow fell on the plains of the Alpine region.

Despite market shrinkage, exports increased 5.2%.

Group sales

SALES VOLUME

Thousands of metric tons	2011	**2012**	Change
Domestic	3,154	**2,780**	-11.8%
Exports	276	**245**	-11.4%
Total	**3,430**	**3,025**	**-11.8%**

After 2011, which was buoyed up by major public works in a positive market context, 2012 was a transition year for Vicat in which business fell back 11.8%. The year was affected by very poor weather in the French Alpine region.

Vicat concentrated its efforts on defending market share in its traditional sectors. Average selling prices in mainland France progressed little in 2012.

▼ Créchy cement plant.

▲ Vicat mixer trucks delivering to mountain region.

Plant operation

Poor weather in February and lower sales volumes meant clinker production was down 9% relative to 2011. Although the percentage of substitute fuels used increased only slightly across all the plants, the mix included more biomass-derived fuels.

The cash cost of cement deteriorated chiefly as a result of a lower denominator and the higher cost of fossil fuels. The cost of electric power varied little from 2011.

Capital expenditure

The level of investment was kept low in 2012, but nevertheless allowed the quantity of substitute fuels burned to rise.

The main investment was in the first phase of construction of crushing, conveying, and storage plant for efficient operation of the Mépieu limestone quarry which will supply the Montalieu cement plant from 2014.

Concrete & Aggregates

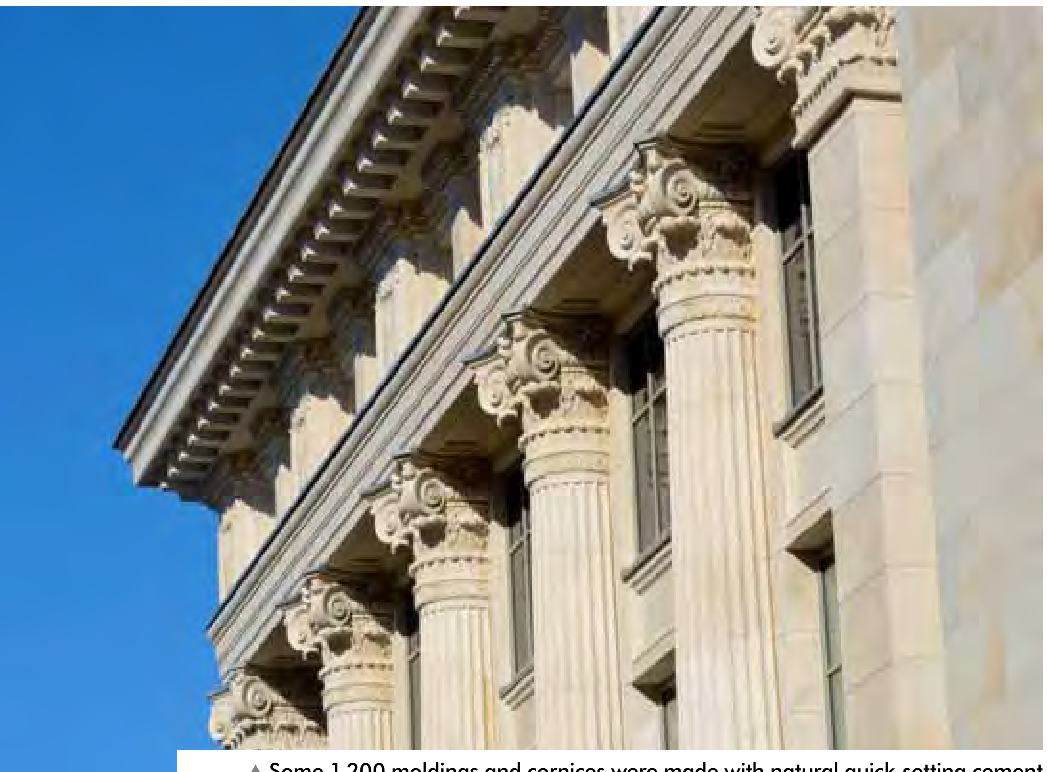
- ▶ 147 batching plants
- ▶ 3.1 million cubic meters sold

- ▶ 42 aggregate quarries
- ▶ 10.5 million metric tons sold

Market conditions

After a 10.1% rise in 2011, the national ready-mixed-concrete market declined 6.5% in 2012, falling to 38.7 million cubic meters. This drop is related to the reduction in new starts, both in housing and in non-residential projects.

The French aggregate market lost 5.2% in 2012, falling to 362 million metric tons. The sector was affected by the drop in ready-mixed-concrete sales and also by the reduction in the ability of the public sector to invest in infrastructure work.



▲ Some 1,200 moldings and cornices were made with natural quick-setting cement for renovation of the façade of the 19th-century Berlet building in Dortmund (Germany).

Group business

SALES VOLUMES

	2011	2012	Change
Concrete (thousands of cubic meters)	3,177	**3,093**	-2.6%
Aggregates (thousands of metric tons)	11,500	**10,474**	-8.9%

NUMBER OF FACILITIES

	2010	2011	Change
Batching plants	142	**147**	+5
Aggregate quarries	42	**42**	=

The Vicat concrete division's sales volume fell 2.6% (including a 3% rise on account of the acquisition of new batching plants) on a market which was 6.4% down at the national level. Despite serious pressure on our markets there was a limited rise in Vicat's average concrete selling prices, though not enough to offset the total rise in variable costs.

As a result of work in technical R&D and commercial development, special-concrete sales volumes were flourished in 2012 (+20.7%), especially in the Flexiperf (fluid concretes and mortars) and Stylperf (decorative flooring concrete) ranges.

The volumes of aggregate sold by Vicat in 2012 dropped 8.9% against 2011. This fall is chiefly due to the end of some major projects such as the A89 motorway and the Fréjus tunnel. Selling prices were higher than in 2011.

Capital expenditures

Investment in the ready-mixed-concrete business focused on development, special concretes, maintenance of production resources, safety, and the environment. This most notably featured:

- acquisition of the company Béton Chatillonnais (2 batching plants), 2 batching plants from AM Béton, and 3 batching plants from Fabemi; these plants represent a total annual capacity of around 250,000 m^3;
- start-up of new batching plants in Briançon and Étrembières.

The year's most important event with respect to investment in the aggregate business was the end of work on the new plant at the La Courbaisse quarry near Nice. The improvements will boost production capacity to close to 1,000,000 metric tons.

▼ **A barge supplies aggregate to the BGIE batching plant in Gennevilliers.**

▲ A89 motorway, Rhône region.

Other Products & Services

Papeteries de Vizille
PRINTING & WRITING PAPERS

Market conditions

Business in 2012 was hit by a strong decline in demand. Newsprint, magazine, and publishing papers were the hardest hit; the packaging sector stood up better. Selling prices were stable on the publishing market, down on the check market, and followed an upward trend at the end of the year for special papers.

Group business

A major change in trends was observed in terms of product mix and sales to new customers and on new markets in 2012. While historical products such as check paper or bulking book paper continued their decline in volume, new products under development such as special papers, greaseproof papers for food packaging, or high-security papers saw their sales continue to climb. Sales of these new products grew to account for 22% of the total tonnage sold, against 12% in 2011.

A feature of 2012 was construction of a new biomass boiler which will come into service early in 2013. Using wood instead of oil will reduce the cost of steam production.

SALES VOLUME

	2011	**2012**	Change
Printing & Writing (in metric tons)	23,224	**21,961**	-5.5%
Bags (thousands)	66,113	**60,442**	-8.6%
Sales (millions of euros)	**41.3**	**40.5**	**-1.9%**

Papeteries de Vizille
BAGS

Market conditions

In 2012 there was reduced demand on most of the markets for industrial kraft bags (-5.1% in France). The sectors most severely hit were those of construction and chemicals; the foodstuffs and animal feed sector fared better.

Group business

Despite the drop in demand, in 2012 Vizille managed to hold its selling prices at the same level. As of mid-year the company sold to new customers in the fields of foodstuffs, animal feed, and construction.

SATM & subsidiaries

BREAKDOWN OF SALES (BY SEGMENT)

Millions of euros	2011	2012	Change
Transport	85.4	81.6	-4.5%
Major projects	34.0	17.9	-47.3%
Total	**119.5**	**99.6**	**-16.7%**

Major projects

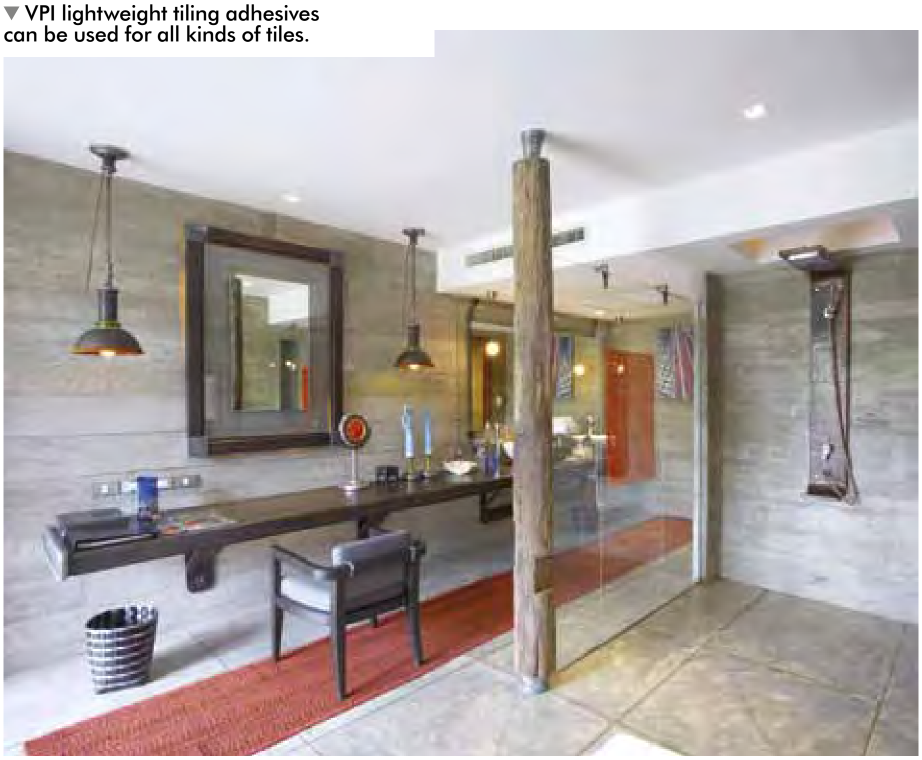
Business in major projects was lower in 2012 than in 2011, in terms of both sales and volumes, because of the simultaneous completion of a number of large projects (in particular the A89 motorway and the Fréjus escape tunnel).

Transport

The effects of economic conditions were felt, and the number of defaults increased appreciably as compared to 2011. Changes to regulations concerning tax reductions for overtime weighed on the income statement.

Despite the difficult situation, sales and profitability were higher then predicted, largely because of a reorganization of long-distance haulage and good business for dump trucks due to the contract for hauling materials for surfacing the A89 motorway.

▼ VPI lightweight tiling adhesives can be used for all kinds of tiles.



Vicat Produits Industriels

(Construction chemicals)

Market conditions

The premixed mortar market was affected by an abrupt dip in the new-build market and by a lackluster renovation market. The market dropped about 3% in 2012. This shrinkage of volumes was accompanied by pressure on prices.

VPI business

SALES

Millions of euros	2011	2012	Change
Building	44.1	47.5	+8.0%
Home improvement	21.6	21.8	+1.0%
Civil engineering	3.6	2.7	-25.0%
Total	**69.3**	**72.0**	**+4.0%**

In a tough environment VPI's sales volume made further progress in 2012 (+4%). Average selling prices were higher.

The commercial action plan based on VPI-branded products—tiling adhesives and ETICS external insulation—resulted in sales above the level of the market generally.

Europe

▸ Switzerland
▸ Italy

Sales
€411M

Employees
1,098

Breakdown of sales by business line

▼ Cement	**38%**
▼ Concrete & Aggregates	**34%**
▼ Other Products & Services	**28%**

▲ Schynige Platte wastewater treatment plant under construction by Creabeton Matériaux (Switzerland).

Switzerland

Cement

- 1 cement plant
- 0,9 million metric tons sold

▲ Reuchenette cement plant.

Market conditions

There was a high level of building-permit applications in 2012. Work continued on large infrastructure projects, and sound public finances mean new projects, such as rehabilitation of structures built in the 1960s, may be undertaken.

CEMENT CONSUMPTION

Thousands of metric tons	2011	2012	Change
Domestic production	4,687	**4,395**	-6.4%
Imports	507	**542**	+8.2%
Total	**5,194**	**4,937**	**-4.8%**

Although cement consumption declined somewhat, the level remains very high. Import pressure was contained.

Groupe sales

SALES VOLUME

Thousands of metric tons	2011	2012	Change
Total	**880**	**891**	**+1.3%**

Vigier had record sales, in large part because of high-volume deliveries for major infrastructure projects. Selling prices were stable on the whole.

Plant operation

The plant was able to meet high market demand and set new records for daily shipments, largely as a result of improved throughput of the two cement mills. This enhanced performance also improved the plant's power demand.

The overall substitution rate was high, primarily because of utilization of biomass-derived fuels which rose to close to one third as more recycled wood was fired.

Concrete & Aggregates

- 23 batching plants
- 0.7 million cubic meters sold
- 21 aggregate quarries
- 2.8 million metric tons sold

Market conditions

Reflecting a decline in the construction industry as a whole, demand for ready-mixed concrete dropped slightly, remaining at a high level nonetheless. The performance of the aggregate market was similar, despite there being strong demand for ongoing infrastructure projects.

Group sales

VOLUMES SOLD

	2011	**2012**	Change
Concrete (thousands of cubic meters)	756	**728**	-3.7%
Aggregate (thousands of metric tons)	2,917	**2,843**	-2.5%

NUMBER OF FACILITIES

	2011	**2012**	Change
Batching plants	23	**23**	=
Aggregate quarries	21	**21**	=

In 2012 work on major projects continued in the regions where Vigier is present, and in addition a number of them generated volumes of waste and required transport.

Capital expenditures

Initiatives for extending and renewing aggregate reserves continued, particularly in the Seeland region. The new ready-mixed concrete batching plant in Frutigen came into service in November.

▲ The imposing 2,500-m² façade of the ITER administrative building at the Cadarache facility (France) consists of 2,000 high-performance concrete units in 100 different dimensions.

▲ Elara® handwash basin handcrafted in Vifort® 'designer' concrete by the precast concrete workshop in Einigen.

Precasting

▶ €127.9 million operating revenues

Market conditions

With demand high, the sector suffered stiff competition from foreign manufacturers whose domestic markets were in decline.

Business activity

	2011	2012	Change
Volume sold (thousands of metric tons)	412	415	+0.8%
Sales (millions of euros)	**125**	**127**	**+1.9%**

Business in conventional precast concrete products (paving, slabs, pipes) was down slightly but remained at a good level. To combat a declining price trend, Vigier undertook to launch new products in parallel with defense of its other positions. As regards railroad products, deliveries for the Gotthard Tunnel project had to be stepped up, compensating the dip in other business.

Plant operation

The Müntschemier plant was able to meet the intense delivery schedule for concrete railroad ties for the Gotthard tunnel. The new machine installed in 2010 made this possible.

Capital expenditures

The new offices at the Lyss facility were ready for occupation in January 2013.

▶ Italy

Cement

▶ 1 milling plant
▶ 2 terminals
▶ 0.3 million metric tons sold

Market conditions

Construction in the residential and industrial sector fall back about 13% compared to 2011. Activity in public works remained very low: the Lyon–Turin railroad project is progressing slowly; other major projects are construction of a new stretch of motorway to Milan and of a new metro line in the build-up to Expo 2015 in Milan.

CEMENT CONSUMPTION

Thousands of metric tons	2011	2012	Change
Total consumption	**31,588**	**24,457**	**-22.6%**

In 2012 the national market slumped close to 23% with respect to 2011. Sardinia is the regional market which lost the least ground, as a result of regional investment for new roads and wind turbines.

Business activity

SALES VOLUME

Thousands of metric tons	2011	2012	Change
Total	**365**	**319**	**-12.6%**

Export sales by Cimenti Centro Sud (CCS) helped partially compensate the drop in domestic sales. The drop in volumes sold also reflects the difficult financial situation of some customers, having induced avoidance or reduction of exposure to payment risks.
In addition, the company adopted a policy of higher pricing to recover its margins and limit the effect of lower sales volumes.

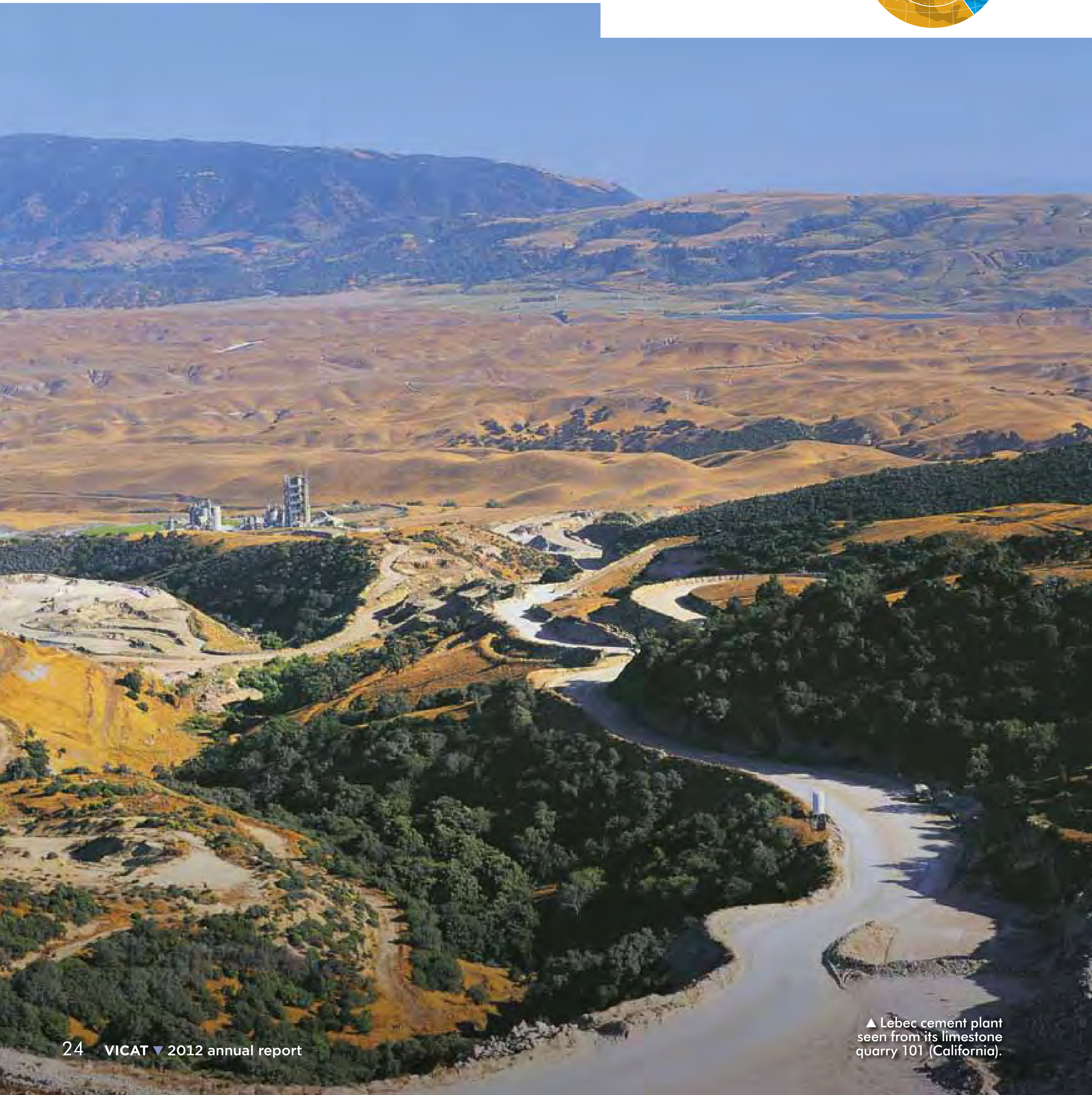
United States

Sales
€196M

Employees
996

Breakdown of sales by business line

- Cement 40%
- Concrete & Aggregates 60%



▲ Lebec cement plant seen from its limestone quarry 101 (California).

▲ Fleet of Walker Concrete mixer trucks.

Cement

- 2 cement plants
- 1.5 million metric tons sold

Market conditions

Construction expenditure in 2012 was slightly up on 2011. This progress was chiefly due to residential construction where recovery has been significant: at the national level there had been 780,000 new housing starts by the end of the year, up 28% on 2011 (608,000).

CEMENT CONSUMPTION

Thousands of metric tons	2011	2012	Change
Southeast	7,420	7,864	+6.0%
California	6,889	7,368	+6.9%
Total USA	**70,424**	**76,804**	**+9.0%**

Group sales

SALES VOLUME

Thousands of metric tons	2011	2012	Change
Total	**1,249**	**1,458**	**+16.7%**

Cement sales volume increased substantially in both the Southeast (+16.5%) and in California (+16.9%). This was made possible by making use of the Group's subsidiaries in the ready-mixed concrete sector, particularly by taking on direct contracts. Sales of mortar also increased 10%.

Cement selling prices have yet to improve, despite attempted increases. Several manufacturers have announced price increases for 2013.

Plant operation

With rising volumes to meet, both the Lebec and Ragland plants improved their utilization rates. Work continued on production cost cutting measures in all fields:

- Optimization of servicing costs by maximizing use of company personnel rather than outside contractors,
- A number of existing employee benefit plans were renegotiated and the numbers of administrative staff were reduced through attrition,
- The increase in fuel costs was controlled by using natural gas at certain times and as a result of a higher secondary fuel substitution rate.

Concrete

- 44 batching plants
- 1.7 million cubic meters sold

Market conditions

As in the cement sector, ready-mixed concrete benefitted from recovery in residential construction and also, to a lesser degree, in the non-residential sector. On the other hand, public-works activity is on a downhill slope, largely because of the end of the federal recovery program.

Business activity

	2011	2012	Change
Concrete (thousands of cubic meters)	1,600	1,658	+3.6%
Number of batching plants	44	44	=

Sales volumes in the Southeast were equivalent to those of 2011 despite the drop in numbers of large projects. We will have to find more such projects in 2013. In Atlanta, reconversion of operations into the commercial sector went ahead, but we were also able to retain the custom of the small number of real-estate developers who still have any business, and volumes also increased slightly.

Selling prices in Alabama improved as a result of a change in the customer mix relative to 2011. Walker's prices are down 2% because of severe price cutting by competitors.

In Southern California public works continued to buoy up sales volumes (+7%). In Central California, the Group ended 2012 on a better note than in 2011 by winning contracts in public works and for construction of an industrial building, despite tough market conditions. Prices were slightly higher.

Africa and Middle East

- Egypt
- Senegal
- Mali
- Mauritania

Sales
€364M

Employees
1,137

Breakdown of sales by business line

Cement	94%
Concrete & Aggregates	6%

▲ Sinai Cement raw mill (Egypt).

Egypt

Cement

- 1 cement plant
- 2.3 million metric tons sold

Market conditions

The public-works and residential-construction sectors were hit by a large drop in business in 2011. This was followed by robust rallying in the first half of 2012, but the revival started to wane in the third quarter.

Central government caught up with some of its overdue payments in 2012. Construction companies therefore had the funds to resume business.

The government adopted a five-year plan for construction of a million homes, and has promised to devote 10 billion Egyptian pounds to this in the current financial year.

Compared to 2011, cement consumption in Egypt rose 5.1% in 2012. A very large part of this was in the first quarter (up 14.0%), and the improvement gradually slowed down over the following three quarters.

CEMENT CONSUMPTION

Thousands of metric tons	2011	2012	Change
Consumption	**48,692**	**51,184**	**+5.1%**

Groupe sales

Sales by Sinai Cement Co. were affected by the poor security conditions in northern Sinai which caused disturbance to logistics and to operation of industrial plant in the peninsula. The average selling price rose slightly over the year.

Thousands of metric tons	2011	2012	Change
Total	**3,192**	**2,283**	**-28.5%**

To meet customer demand and with a view to improving margins, SCC marketed a new type of cement.

Plant operation

Special care was paid to management of plant production costs throughout 2012. Despite every effort made, however, production costs rose relative to 2011, partly as a result of a large hike in energy costs since attacks on the gas pipeline supplying the site induced changes to the fuel mix.

Nevertheless, by the end of December 2012 the El Arish plant had produced 2.1 million metric tons of clinker and sold 2.3 million metric tons of cement.

The poor security conditions in northern Sinai slowed down implementation of the 2012 investment plan.

Sinai Cement plant in El Arish.

Senegal

Cement

- 1 cement plant
- 2.7 million metric tons sold

Market conditions

National elections in 2012 induced a slowdown in economic activity in the first quarter. Work on major projects already in progress was held up while the new administration settled in, and the start of heralded projects was delayed.

Despite a number of negative market conditions (international economic scene, negative effects of the poor agricultural season in 2011, etc.), construction remained practically stable, down just 0.5% in 2012. The improved agricultural season in 2012 is a favorable factor for construction in 2013.

After the 8% rise recorded in 2011, local cement consumption is expected to drop slightly in 2012. The sub-regional market grew 6% relative to 2011 reaching around 6,4 million metric tons.

Group sales

SALES VOLUME

Thousands of metric tons	2011	2012	Change
Total	**2,652**	**2,680**	**+1.1%**

Sales volumes on the domestic market were stable, in line with national cement consumption. Export sales increased 3.8%, with increases in shipments by sea and to Mali.

Fondation Sococim sponsors small textile business Aissa Dione Tissus (ADT) in Dakar.

FONDATION SOCOCIM

The Fondation Sococim foundation has continued its work by financing small businesses in towns close to the cement plant.

Competition on the domestic market induced a drop in average selling prices.

Plant operation

Thousands of metric tons	2011	2012	Change
Clinker production	1,679	**1,772**	+5.5%
Cement production	2,648	**2,688**	+1.5%

Clinker production in 2012 rose to 1.8 million metric tons, up 5.5%. Cement production increased by 40,000 metric tons to keep pace with higher export sales.

Events marking the year included:

- start-up of kiln No. 3, which had been idle since 2008, to produce more clinker;
- start-up of new equipment for feeding kiln No. 5 with substitute fuels, thus enabling larger quantities to be used;
- use of petroleum coke in substitution for a quantity of more expensive coal.

Capital expenditures

Capital expenditure for 2012 was limited to productivity-enhancement projects and to increasing cement milling capacity and the consumption of secondary fuels. After previous major investments, the aim now is to optimize production resources to better manage costs as a means of remaining competitive.

Aggregates

- 2 aggregate quarries
- 2.6 million metric tons sold

Market conditions

Aggregates sales were again brisk in the first three months of the year, business being stimulated by public works undertaken in the approach to presidential elections. They subsequently slowed down. The position of the building sector did not change relative to 2011.

Business activity

The decline in public works subsequent to the elections induced a substantial drop in basalt aggregate sales (Gecamines), a situation which was amplified by the severe rainy season. Sales of limestone aggregate (Sodevit), which is chiefly used in the building sector, were stable.

Limestone-aggregate selling prices were stable. Basalt-aggregate prices dropped in the second part of the year, after a first-quarter hike linked to strong business.

	2011	**2012**	Change
Volumes sold (thousands of cubic meters)	2,968	**2,624**	-11.6%
Number of aggregate quarries	2	**2**	=

Mali

Cement

- 0.6 million metric tons sold

Market conditions

Despite the unstable political conditions of 2012, cement consumption changed little: the total for 2012 dropped about 1.5% to 1,490 thousand metric tons in an environment of price reductions that started at the end of 2011.

CEMENT CONSUMPTION

Thousands of metric tons	2011	**2012**	Change
Consumption	**1,510**	**1,490**	**-2.0%**

Construction in the private sector was stable after the boom of previous years. Public works projects, on the other hand, declined substantially.

Group sales

SALES VOLUME

Thousands of metric tons	2011	**2012**	Change
Total	**113**	**89**	**-21.0%**

In 2012, Ciments et Matériaux du Mali (CMM) started exporting to neighboring countries. The Group sold a total of about 570,000 metric tons in Mali, 69 thousand of which were sold under the brand CMM, compared to 561,739 metric tons en 2011.

Mauritania

Cement

- 1 milling plant
- 0,2 million metric tons sold

Market conditions

In addition to the construction of private homes, where business remained stable, the building sector in Nouakchott is now seeing the construction of several office buildings, a new phenomenon, together with a property development project for 600 mid-range houses.

CEMENT CONSUMPTION

Thousands of metric tons	2011	**2012**	Change
Consumption	**652**	**700**	**+7.3%**

Cement consumption increased in 2012, particularly in the north (mines, Nouadhibou) and around Nouakchott.

Group sales

SALES VOLUME

Thousands of metric tons	2011	**2012**	Change
Total	**203**	**211**	**+4.0%**

After a drop in the first half, business picked up for BSA Ciment over the rest of the year, enabling the Group to consolidate its position as the second-largest cement manufacturer on the Mauritanian market. Selling prices stayed at the same level.

Plant operation

The milling plant, which now has its own power plant, operated satisfactorily and was effective at meeting demand.

Asia

- Turkey
- Kazakhstan
- India

Sales
€442M

Employees
1,732

Breakdown of sales by business line

Cement	73%
Concrete & Aggregates	20%
Other Products & Services	7%

▲ Bharathi Cement plant in Andhra Pradesh.

Turkey

Cement

- 2 cement plants
- 3.5 million metric tons sold

Concrete construction for Azura Park.

Market conditions

After very high growth in the years 2009–2011 (+33%), the rate of increase in cement consumption in Turkey slowed down to +1.7% in 2012, reaching 56.8 million metric tons.

CEMENT CONSUMPTION

Thousands of metric tons	2011	2012	Change
Marmara	13,451	**12,300**	-6.6%
Aegean	4,686	**4,820**	+3.8%
Mediterranean	8,122	**8,550**	+5.0%
Black Sea	7,953	**7,850**	-2.0%
Central Anatolia	9,852	**9,870**	+0.5%
Eastern Anatolia	3,336	**3,860**	+17.7%
Southern Anatolia	4,851	**5,500**	+13.8%
Others	2,900	**2,900**	+0.0%
Total	**55,861**	**56,830**	**+1.7%**

Cement consumption increased the most in eastern and southern Anatolia where development investment programs were numerous. Events in the Middle East continued to affect export markets in 2012.

Group sales

Cement sales volumes increased somewhat in 2012:
- domestic sales increased rather more (+3.5%) for Baştaş which benefited from some large projects in the Ankara region;
- exports dropped dramatically, chiefly because of events affecting the usual outlets for Turkey (Syria, Libya, etc.).

SALES VOLUME

Thousands of metric tons	2011	2012	Change
Cement	3,363	**3,404**	+1.2%
Domestic market	*3,179*	***3,289***	*+3.5%*
Lime (Baştaş)	60	**57**	-5.4%
Total	**3,423**	**3,461**	**+1.1%**

Domestic selling prices rose slightly more than inflation, on average, in 2012.

Plant operation

The drive to increase use of substitute fuels and materials continued, enabling to increase the rate of substitution by 25% at Baştaş and 50% at Konya. Cözüm, the subsidiary in charge of collecting and processing solid industrial waste, is now operating at above its initial capacity. A request for extension of its license was filed and has been accepted.

Capital expenditures

At the Baştaş plant, installation of a new roller press will increase the plant's grinding capacity. Installation work has started, and the press is scheduled to be operational in the first half of 2013.

▲ Mixer-truck driver at Baştaş Batikent batching plant.

Concrete & Aggregates

- ▶ 33 batching plants
- ▶ 2.4 million cubic meters sold
- ▶ 7 aggregate quarries
- ▶ 5.4 million metric tons sold

Market conditions

The volume of ready-mixed concrete sold throughout the country increased 1% en 2012. The number of batching plants is still rising.

READY MIXED CONCRETE MARKET

	2011	**2012**	Change
Production (thousands of cubic meters)	90,500	**91,500**	+1.1%
Batching plants	945	**970**	+2.6%

Aggregate consumption in Turkey is estimated to have been about 300 million metric tons in 2012. Aggregate is used chiefly for making concrete, including precasting (75–80%), and to a lesser extent for construction of roads, including asphalt (20-25%).
Aggregate sales on the Ankara market are estimated to have been 20 million metric tons in 2012.
This corresponds to a high increase in demand due to residential and infrastructure projects.

Business activity

SALES VOLUME

	2011	**2012**	Change
Concrete (thousands of cubic meters)	2,450	**2,447**	-0.1%
Aggregate (thousands of metric tons)	4,794	**5,428**	+13.2%

NUMBER OF FACILITIES

	2011	**2012**	Change
Batching plants	36	**33**	-3
Aggregate quarries	7	**7**	=

▼ Konya Manavgat batching plant.

Sales volumes in 2012 were stable overall, with variations from market to market. The Ankara catchment benefited from the construction of some large residential projects while the southern and Mediterranean areas were subject to more severe competition. Selling prices rose steadily.

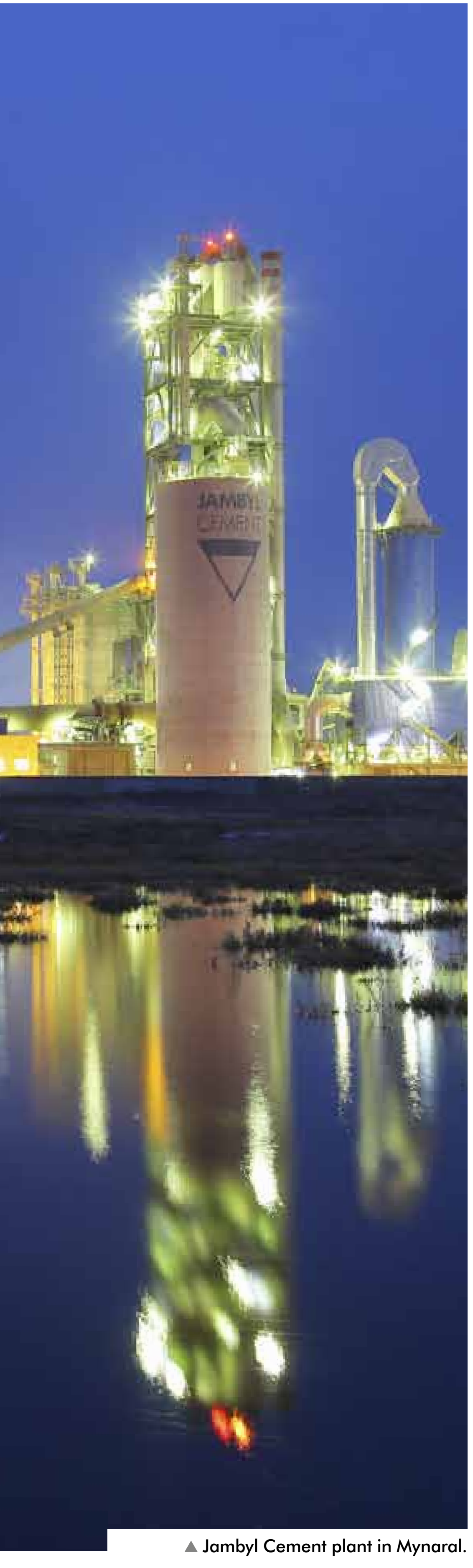
The drive to improve production costs continued in the concrete business, particularly through the program for renewal of the fleet of mixer trucks and concrete pumps.

Seven aggregate quarries were operational in 2012: five in the Ankara region, one in Konya, and one in the Mediterranean area.

The volume of aggregate sold in 2012 rose 13.2%, boosted by demand for the 'large Ankara projects'. Selling prices rose slightly more than inflation.

▼ Tamtaş Karaömerler aggregate quarry.

▶ Kazakhstan



▲ Jambyl Cement plant in Mynaral.

Cement

- ▶ 1 cement plant
- ▶ 1.0 million metric tons sold

Market conditions

The construction industry saw year-on-year growth of 6.0% in 2012. Investment in infrastructure is the driving force behind construction business since there has been little development into residential construction. The government has announced an ambitious program known as 'Housing 2020', however; it calls for construction of 29 million square meters of houses.

In 2012 the cement market rose close to 13% throughout the country, compared to 2011.

CEMENT CONSUMPTION

Thousands of metric tons	2011	2012	Change
Domestic	5,326	6,151	+15.5%
Imports	909	908	=
Total	**6,235**	**7,059**	**+13.2%**

The volumes of cement imported remained stable, compared to 2011, and were gradually diluted on a booming market. Most imports were into the western and southern regions.

Group sales

Business in 2012 benefited from experience acquired the previous year and from the boost to shipping capacity obtained by purchasing an additional 100 hopper cars.

Cement sales volumes increased throughout the year to reach a total of close to one million metric tons; Jambyl Cement has thus established a sound commercial position on the markets of Astana and Almaty.

SALES VOLUME

Thousands of metric tons	2011	2012	Change
Total	**500**	**981**	**+96%**

Plant operation

Plant output improved throughout the year to reach a total of 676,000 metric tons of clinker and 997,000 metric tons of cement (compared to 516,000 metric tons in 2011). This improved performance was achieved despite a number of residual difficulties which are currently being remedied. Once the issues have been dealt with, the plant will have the potential for even greater output.

Capital expenditure

Samal township where plant personnel are housed has been completed and is 70% occupied. The life center was also completed at the end of the year.

The company's cement transport capacity was improved by purchasing an additional 100 hopper cars. These were delivered early in 2012.

India

Cement

- 2 cement plants
- 2.5 million metric tons sold

Market conditions

Growth in the construction sector is estimated to have been 7% in 2012 as a result of high demand for housing, though attenuated by more moderate growth in infrastructure projects.

Given the country's great need in terms of infrastructure, the 12th five-year plan calls for mobilizing one billion US dollars for infrastructure expenditure, twice the amount of the previous plan.

CEMENT CONSUMPTION

Thousands of metric tons	2011	2012	Change
Consumption of southern India and Maharashtra	**92,600**	**96,100**	**+3.8%**

Cement consumption in the states of southern India (Andhra Pradesh, Tamil Nadu, Karnataka, Kerala, and Goa) and in the State of Maharashtra is estimated at 96 million metric tons in 2012, up 3.8% on 2011 and the same as the year before that, though the situation varies from state to state.

Group sales

Thousands of metric tons	2011	2012	Change
Sales volume	**2,055**	**2,534**	**+23%**

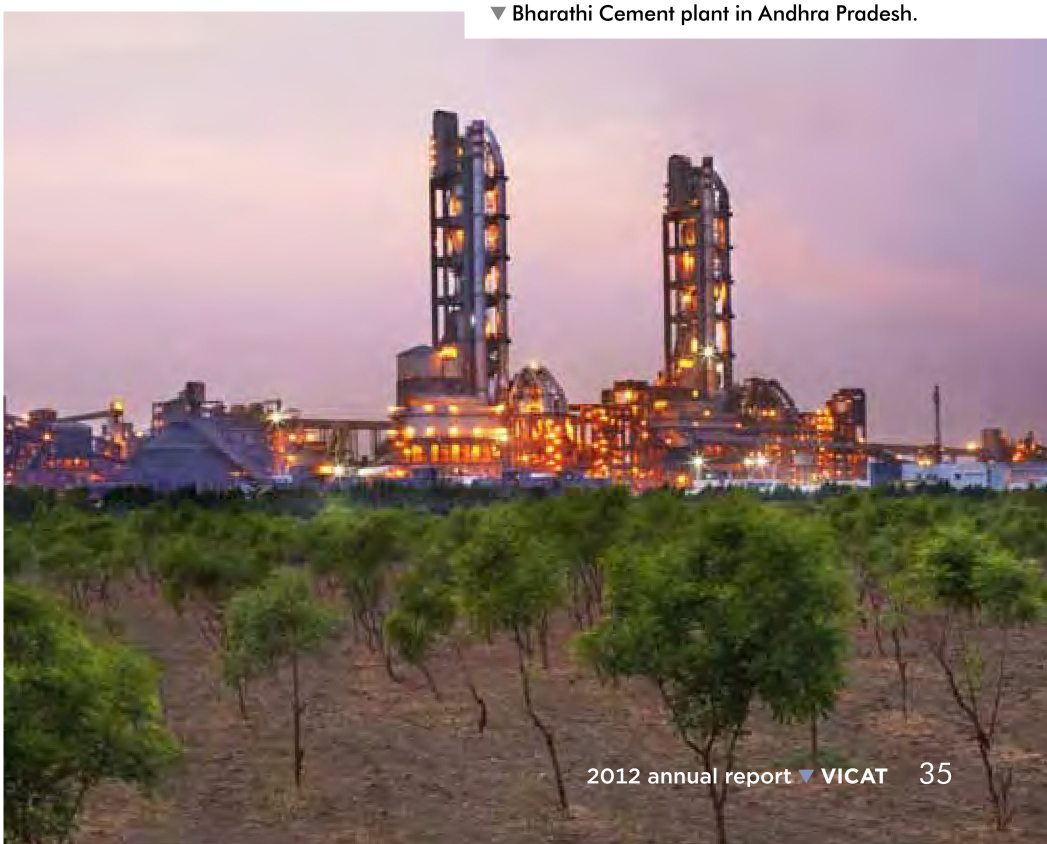
In 2012 the sales volume of Bharathi Cement rose 23% to 2.5 million metric tons of cement, all in the states of southern India and in the State of Maharashtra. As a result of the strong rise in market share in Maharashtra, the company significantly outperformed the market as a whole. At the end of the year the commercial network consisted of 2,000 distributors and agents and 103 depots. Cements incorporating fly ash and slag accounted for 51% of volumes sold, the same level as in 2011.

Selling prices increased only moderately, about 3.7%, which is less than inflation. Plant-gate prices were comparable to those of 2011 since the results of optimization of logistics costs were offset by the rise in road and rail transport costs.

Plant operation

In 2012 the Kadapa plant produced 2,105,000 metric tons of clinker (+20%) and 2,544,000 metric tons of cement. While rising fuel costs were offset by firing larger quantities of substitute fuels and by using a more economical coal mix (including petroleum coke), the company was adversely affected by higher costs for power from the grid, compounded by supply restrictions. With no improvement to the reliability of the grid in view, the company will have its own power plant built; it is scheduled to be ready for operation in 2014.

Bharathi Cement plant in Andhra Pradesh.



Progress of the Vicat Sagar Cement project

Vicat Sagar Cement Private Limited (VSCPL), in which the Vicat Group has a 53% majority shareholding and its Indian partner, Sagar Cements Limited, 47%, was founded to build a greenfield cement plant with initial capacity of 2.75 million metric tons in the Gulbarga cluster in the State of Karnataka.

The company started up the kiln with capacity of 6,000 metric tons per day in November and was thus able to produce 80,000 metric tons of clinker in 2012.

Production of cement began right at the start of 2013 and the first products were shipped in mid January.

Work on equipment that will enable the plant to reach its full capacity (No. 2 cement mill and additional storage capacity) is being completed, and the plant will be fully operational in the first half of 2013.

The first four buildings of the residential compound have been built and their 150 apartments are occupied. The compound will be complete by the middle of the year.

VSCPL entered into an agreement with Bharathi Cement allowing it to use the 'Bharathi Cement' brand. Using this premium brand which has an excellent reputation on its market will save on the cost of launching a new brand, will facilitate sales through an established name, and will optimize transport costs for both companies.

The 28-kilometer-long 110-kV transmission line connecting the plant to the grid has come into service and now supplies electricity to the plant. Testing of the 30-MW power plant has begun, and synchronization is expected by the end of the first quarter. The 8.4-MW waste heat recovery system is being erected, with startup expected for the middle of the year.

Aggregates

- ▶ 1 aggregates quarry
- ▶ 0.4 million metric tons sold

Business activity

Mines & Rock (a 100% subsidiary of Bharathi Cement) operates an aggregates quarry about 50 km from Bangalore, in Karnataka, and sells its production in the outskirts of northern Bangalore. Business boomed in 2012, with sales increasing more than 50% to 426 thousand metric tons.

▼ Vicat Sagar Cement plant in Karnataka.

Financial report

Notes on the key Group figures

I. COMPARISON OF THE EARNINGS FOR 2012 AND 2011

1.1. CHANGE IN CONSOLIDATED SALES

Vicat Group consolidated sales in 2012 were € 2,292 million, up by 1.2 % compared with 2011. This change was the result of:

• a downturn of 0.2 % in activity at constant consolidation scope and exchange rates, i.e. a decrease of € 4.8 million, resulting from,

- contrasting activity levels between areas affected by social and political events, such as Egypt and Mali, and others which reaped the benefits of favorable commercial momentum, such as India, Kazakhstan, Turkey and the United States
- adverse weather conditions compared with 2011, particularly in France and Switzerland,

• a positive exchange rate effect of 1.2 %, i.e. € 27.2 million, resulting essentially from the rises in the Swiss France, US Dollar and Egyptian Pound, which fully made up for the fall in the Indian Rupee,

• a very slightly positive consolidation scope effect of 0.2 %, i.e. € 4.3 million, resulting from acquisitions made in the concrete business in France.

The change in consolidated sales for the financial year 2012 by activity, compared to 2011 is as follows:

(In millions of euros except %)	2012	2011	Change	Change (%)	Of which Exchange rate effect	Of which Change in consolidation scope	Of which Internal growth
Cement	1,156	1,138	18	1.6 %	10	0	8
Concrete & Aggregates	826	818	8	1.0 %	14	4	(11)
Other Products & Services	310	310	1	0.2 %	3	0	(2)
Total	**2,292**	**2,265**	**27**	**1.2 %**	**27**	**4**	**(4)**

As indicated above, the Group's consolidated operating sales increased at constant consolidation scope and exchange rates. The overall analysis of the various components of this change is presented below:

	Change 2012/2011
Volume effect	- 2.1 %
Price and mix effect	+ 1.9 %
Changes in consolidation scope	+ 0.2 %
Exchange rate fluctuations and other	+ 1.2 %
Total	**+ 1.2 %**

In geographical terms, the rise in volumes mainly related to India, Kazakhstan, the United States, Turkey, West Africa and Switzerland in the case of Cement, and the United States, Turkey and India in the case of Concrete and Aggregates. The change in average selling prices was very different in different businesses and markets, with a marked decrease in West Africa, a slight decrease in the United States and significant increases in Turkey, Kazakhstan and Italy, while in other sales regions they increased slightly or remained more or less stable.

The growth in volumes (calculated pro rata to the percentage holding) in the Group's main businesses is as follows:

	2012	2011	Change 2012/2011
Cement (in thousand tonnes)	17,894	18,035	- 0.8 %
Concrete (in thousand m^3)	7,928	7,969	- 0.5 %
Aggregates (in thousand tonnes)	21,516	22,219	- 3.2 %

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

(as a percentage)	2012	2011
Cement	52.3	52.1
Concrete & Aggregates	32.5	32.8
Other Products & Services	15.2	15.0
Total	**100.0**	**100.0**

The share of the Group's core businesses, namely Cement and Concrete and Aggregates, remained more or less stable at nearly 85 % of operating sales before elimination.

The breakdown of consolidated sales by geographic sales area was as follows:

(In millions of euros)	2012	%	2011	%
France	849	37.1	902	39.8
United States	196	8.6	165	7.3
Turkey, Kazakhstan, India	439	19.2	345	15.2
Africa, Middle East and others	370	16.1	421	18.6
Europe (excluding France)	437	19.1	432	19.1
Total	**2,292**	**100.0**	**2 265**	**100.0**

By geographic sales area, the share of consolidated sales generated in France decreased, in view of the adverse weather conditions at the beginning and end of the year, as did the share of consolidated sales in Africa and the Middle East, essentially owing to pressure on prices in Africa and the continued serious security situation in Egypt. By contrast, the proportion of sales generated in Turkey, India and Kazakhstan increased significantly, in view of the continued increase in output and commercial strength of the Group's assets in India and Kazakhstan.

The share of business done in emerging countries increased slightly, from 33.5 % in 2011 to 35.2 % in 2012. The sharp downturn in Egypt, in light of the security situation, and in West Africa, which saw increased competitive pressure, was only partly offset by sustained growth in India and Kazakhstan.

Breakdown of operating sales for 2012 by geographic region and by business:

Country	Cement	Concrete & Aggregates	Other Products & Services	Inter-sector eliminations	Consolidated sales
France	391.5	434.8	238.8	(185.9)	879.1
United States	91.2	135.9	-	(30.9)	196.1
Turkey, Kazakhstan, India	376.6	102.5	34.5	(71.4)	442.1
Africa, Middle East	342.2	23.8	-	(1.7)	364.3
Europe (excluding France)	175.6	158.2	127.5	(50.8)	410.5
Sector operating sales (before inter-sector eliminations)	**1,377.1**	**855.1**	**400.7**	**(340.8)**	**2,292.2**
Inter-sector eliminations	(221.4)	(29.1)	(90.2)	340.8	
Consolidated sales	**1,155.7**	**826.1**	**310.5**		**2,292.2**

1.2. CHANGE IN OPERATING INCOME

(In millions of euros)	2012	2011	Change 2012/2011
Net sales	2,292	2,265	+ 1.2 %
EBITDA	437	491	- 10.9 %
EBIT	245	309	- 20.8 %
Operating income[1]	245	302	- 18.8 %

(1) The operating income is calculated by adding up the EBIT, other extraordinary income and expenses and net depreciations and extraordinary provisions.

The Group's consolidated EBITDA fell by 10.9 % compared with 2011 to € 437 million, and by 11.4 % at constant consolidation scope and exchange rates. The EBITDA margin in 2012 was, therefore, 19.1 % compared with 21.7 % in 2011. This decrease resulted essentially from:
- a drop in volume in the Cement and Concrete & Aggregates business, due to a downturn in activity in France and Egypt, and a fall in prices in West Africa,
- particularly difficult manufacturing conditions in Egypt as a result of fuel shortages,
- increases in energy costs in India, Egypt and Senegal and in freight costs in India.

These negative factors were partly offset by:
- a significant increase in EBITDA in Kazakhstan and Turkey,
- improved performance in the United States, significantly reducing operating losses,
- and a slight increase in the EBITDA generated in Switzerland and Italy.

Income from operations suffered from the decline in operating profitability and a depreciation expense incurred following the start-up of new facilities, particularly in Kazakhstan.

II. CONSOLIDATED INCOME STATEMENT

2.1. CHANGE IN OPERATING INCOME BY GEOGRAPHICAL AREA

2.1.1. Income statement - France

(In millions of euros except %)	2012	2011	Change 2012/2011 Published	Change 2012/2011 At constant consolidation scope and exchange rates
Consolidated sales	879	939	- 6.3 %	- 6.8 %
EBITDA	163	202	- 19.1 %	- 19.0 %
EBIT	104	147	- 29.5 %	- 29.1 %

Consolidated sales in France fell by 6.8 %. The downturn in business in this region resulted primarily from the decrease in volumes due to very severe weather conditions at the start of the year, compared with 2011 when the weather was exceptionally good, but also from a slowdown in the construction market during the entire year, as a result of the economic and financial crisis which affected more generally the whole European region. Against this unfavorable background, the EBITDA generated by the Group in this region fell by a net 19 %.

It is, however, to be noted that the rate of decline in the Group's business in France slowed during the second half of the year, despite the completion of major construction projects and significantly worse weather conditions than at the end of 2011. The Group's business and profitability in France, therefore, improved noticeably in the second half of 2012 compared with the first half of the year.

- Sales in the Cement business fell by 11.6 %. This decrease was the result of a drop in volumes of more than 13 % throughout the year, in view of weather conditions at the beginning and end of the year which were significantly worse than in 2011, of the end of a number of major construction projects and a more difficult sector environment. Despite these conditions, the average selling price increased slightly compared with 2011. Against this background, the Group recorded a significant drop in EBITDA over the year, due primarily to a decrease in sales volumes.
- Sales in the Concrete and Aggregates business fell by 4.3 %. This business was also affected by very bad weather conditions and by the completion of major infrastructure projects, which had sustained the business particularly in the first half of 2011. At constant consolidation scope, volumes fell during the year by around 2 % in the case of cement and by almost 10 % in the case of aggregates. Average selling prices increased slightly over the year as a whole. It is noted that the business recovered in the second half of the year compared with the first half. Over the year as a whole, there was a net fall in the EBITDA generated by this segment in France.
- Sales in Other Products & Services fell by 4.7 %. The downturn in the Transport business, affected by the very bad weather conditions at the beginning and end of the year, was only partly offset by the increase in the Construction Chemicals segment. Against this background, the EBITDA generated by the business fell slightly.

2.1.2. Income statement – Europe (excluding France)

(In millions of euros except %)	2012	2011	Change 2012/2011 Published	Change 2012/2011 At constant consolidation scope and exchange rates
Consolidated sales	411	403	+ 2.0 %	- 0.3 %
EBITDA	105	102	+ 2.4 %	+ 0.0 %
EBIT	76	72	+ 5.6 %	+ 3.2 %

Sales in Europe excluding France increased by 2.0 % and remained more or less stable at constant consolidation scope and exchange rates. This change reflects a sharp contrast between a first half year severely affected by adverse weather conditions and a second half year characterized by a solid recovery in business.

Against this background the EBITDA generated by the Group in this region remained stable compared with 2011, at constant consolidation scope and exchange rates.

In Switzerland, Group sales were stable (-0.2 %) during the year at constant consolidation scope and exchange rates:

- Sales in the Cement business increased by 5.0 % over the year as a whole, at constant consolidation scope and exchange rates, supported by an increase in volumes of almost 2 %. After a sharp drop in volumes of 7 % in the first half of the year, owing to the poor weather conditions, volumes recovered well in the second half of the year. Average selling prices saw solid growth over the year, enhanced by a favorable product mix. Against this background, the EBITDA generated by this business in Switzerland increased slightly compared with 2011.
- Sales in the Concrete and Aggregates business fell by 5.3 % over the year as a whole, at constant consolidation scope and exchange rates. This business was also particularly severely affected by the very bad weather conditions in the first half of the year and the improvement seen in the second half of the year was not sufficient to compensate for the significant decline at the start of the year. Concrete volumes fell by almost 4 % over the year and aggregates volumes dropped by almost 3 %. Average selling prices increased slightly over the year in the concrete segment and remained more or less stable in the aggregates segment. On this basis, the EBITDA generated by this business in Switzerland remained stable over the period.
- Sales in the Pre-cast Concrete sector increased by 1.9 % compared with 2011 at constant consolidation scope and exchange rates, reflecting solid growth in the second half of 2012, after a first half severely affected by poor weather conditions. EBITDA generated by this business remained stable compared with 2011.

In Italy, sales fell by 1.2 % compared with 2011. The significant increase in selling prices resulting from the targeted commercial strategy and the growth in export sales offset the sharp decline in volumes in a home market which remained particularly difficult. Against this background the EBITDA generated in this region in 2012 increased compared with 2011.

2.1.3. Income statement – United States

(In millions of euros except %)	2012	2011	Change 2012/2011 Published	Change 2012/2011 At constant consolidation scope and exchange rates
Consolidated sales	196	165	+ 18.7 %	+ 9.6 %
EBITDA	(5)	(9)	+ 41.7 %	+ 46.1 %
EBIT	(34)	(39)	+ 13.1 %	+ 19.7 %

Sales in the United States in 2012 increased significantly by 9.6 %, at constant consolidation scope and exchange rates. Performance for the year as a whole reflected the strong recovery in volumes which resulted in net improvement in production capacity utilization. There was also a slight upturn in selling prices, especially in the concrete segment.

Against this background, the Group's performance improved, particularly in the second half of the year, with negative EBITDA reduced to -€ 5 million for the year as a whole, compared with -€ 9 million in 2011.

- Sales in the Cement business recovered strongly by 18.7 %, at constant consolidation scope and exchange rates, supported by an annual increase in volumes of more than 17 % in 2012. Although prices rose slightly over the course of the year, they nevertheless remained lower on average than in 2011. In light of these factors, the Group's EBITDA in this segment remained negative for the year as a whole, though showing an improvement compared with 2011. It is important to note that the Group's performance improved significantly during the second half of 2012, generating a positive EBITDA for this period.
- Sales in the Concrete business increased by 6.0 % at constant consolidation scope and exchange rates. The performance for the year resulted from a solid increase in volumes, especially in California. Selling prices increased on an annual basis for the first time in a number of years. As a result, the Group significantly reduced its EBITDA loss compared with 2011, reflecting the improvement in the profitability of this segment during the second half of 2012.

2.1.4. Income statement – Turkey, Kazakhstan and India

(In millions of euros except %)	2012	2011	Change 2012/2011 Published	Change 2012/2011 At constant consolidation scope and exchange rates
Consolidated sales	442	348	+ 27.0 %	+ 27.9 %
EBITDA	92	74	+ 23.9 %	+ 24.6 %
EBIT	54	44	+ 22.6 %	+ 24.2 %

In Turkey, sales amounted to € 221 million, up 12.3 % over the year, at constant consolidation scope and exchange rates. After a first quarter marked by very unfavorable weather conditions, the business recovered strongly in the second quarter. This improvement continued in the second half of the year, driven by the momentum in the Group's Cement business and a more favorable price environment. On this basis, EBITDA in the country amounted to almost € 48 million, compared with € 41 million in 2011.

- Sales in the Cement business increased by 10.9 % over the year as a whole, at constant consolidation scope and exchange rates, After a first half year marked by particularly difficult weather conditions resulting in a sharp drop in volumes, the second half saw a solid recovery in business in a domestic market heading in a positive direction. Thus, over the year as a whole, volumes increased by almost 2 %, despite significantly reduced export volumes. Average selling prices increased over the period as a whole in a competitive environment which remained very tight, particularly at the end of the year. Against this favorable background, the EBITDA generated by this segment was up once again.
- The Concrete and Aggregates business increased by 14.2 % in 2012, at constant consolidation scope and exchange rates. After a sharp drop in concrete volumes in the first half of the year, the recovery in the second half enabled a return to 2011 levels. In the case of aggregates, volumes continued to head in the right direction throughout the year, resulting in an annual increase of more than 13 %. Throughout the year, the Group pursued its strategy of a selective commercial approach and re-establishment of selling prices. Against this background and the efforts made to reduce costs, EBITDA rose significantly compared with 2011.

In India, the Group posted sales of € 156 million in 2012, up 30.5 % at constant consolidation scope and exchange rates. The Group's strong performance in India continued with the increase in output from Bharathi Cement's modern facilities. This increase is the result of solid growth in sales volumes and a slight rise in selling prices.

Over the year as a whole, sales volumes amounted to more than 2.5 million tonnes of cement. This success confirms the soundness of the Group's strategy based on the sale of a top quality cement supported by a well-known brand name and by an extensive distribution network covering the whole of Southern India. It is noted that at the end of the year the Group began manufacture at the Vicat Sagar plant, which has a nominal capacity of 2.75 million tonnes. Sale of products from this plant under the name Bharathi Cement began at the start of 2013. EBITDA was more or less stable compared with 2011, though the EBITDA margin fell largely due to the sharp increase in transport and electricity costs and an increase in the costs of the Vicat Sagar Cement project recognized as expenses.

In Kazakhstan, the increase in output from the Jambyl Cement plant continued, with sales generated over the year as a whole of € 66 million compared with € 27 million for the same period in 2011. This performance resulted from a very large increase in volumes, with almost one million tonnes sold, in a favorable selling price environment. EBITDA increased significantly with the increase in output from the industrial plant and the improvement in the operational performance of the factory, particularly in the second half of the year.

2.1.5. Income statement – Africe and the Middle East

			Variation 2012/2011	
(In millions of euros except %)	2012	2011	Published	At constant consolidation scope and exchange rates
Consolidated sales	364	411	- 11.3 %	- 12.9 %
EBITDA	83	122	- 31.9 %	- 33.0 %
EBIT	46	86	- 46.7 %	- 47.4 %

Consolidated sales in the Africa and Middle East region fell by 12.9 %, at constant consolidation scope and exchange rates.

EBITDA amounted to € 83 million in 2012, compared with € 122 million in 2011.

In Egypt, sales fell over the year by 27 % at constant consolidation scope and exchange rates. This decline resulted from a drop in volumes of the same order of magnitude. Average selling prices increased very slightly over the year as a whole. Operating performance in the region was particularly badly affected in 2012 by the shortage of fuel on the market (gas supply interrupted following multiple attacks on the pipeline supplying the factory during the first half of the year coupled with a serious fuel shortage on the Egyptian market as a whole) and by the serious security situation. In light of these factors, the Group was unable to operate its kilns at capacity. As a result, the Group's EBITDA again fell markedly compared with 2011, which was not seriously affected by the political events until the second half of the year. It is, however, important to note that, following restoration of the gas supply at the beginning of October 2012, operating performance has improved steadily, against a security background that remain particularly tense and restrictive.

In West Africa, sales fell by 5.2 % in 2012. This decline resulted from a decrease in average selling price in the region, owing to tighter competition in Senegal and a geographic mix characterized by an increase in export sales. During a year of contrasts, marked by a first half affected by the political events in Mali and a particularly wet rainy season throughout the region in the third quarter, cement volumes increased by almost 2 % over the year. In Senegal, the Group's Aggregates business was affected by stoppages and delays to a number of major projects, resulting in a decrease in volumes of 12 % over the year. Against this background, the EBITDA generated by the Group in the region fell significantly in 2012.

2.2. CHANGE IN OPERATING INCOME BY BUSINESS

The following paragraphs show the breakdown of operating income by business, as well as an analysis of the change between 2011 and 2012.

2.2.1. Change in the operating income of the Cement business

(In millions of euros except %)	2012	2011	Change 2012/2011
Operating sales	1,377	1,356	+ 1.6 %
Inter-sector eliminations	(221)	(218)	
Contribution to consolidated sales	1,156	1,138	+ 1.6 %
EBITDA	336	380	- 11.5 %
EBITDA/operating sales (%)	*24.4 %*	*28.0 %*	
Operating income	204	257	- 20.8 %

The operating sales of the cement business increased by 1.6 % in 2012, and were stable at constant consolidation scope and exchange rates. Average selling prices rose with the increases in France, Switzerland, Turkey and Kazakhstan offsetting the decreases in West Africa and the United States, while they remained stable overall in India and Egypt. This overall increase in selling prices was sufficient to offset the slight fall in cement sales volumes of 0.8 %.

EBITDA was € 336 million, down 12.0 % at constant consolidation scope and exchange rates. This decrease was primarily the result of a fall in the EBITDA generated in France, Egypt and West Africa.

The Group's performance in this segment improved greatly in the second half of 2012 resulting in a marked increase in EBITDA margin on operating sales compared with the first half of 2012.

2.2.2. Change in the operating income of the Ready-mixed Concrete and Aggregates business

(In millions of euros except %)	2012	2011	Change 2012/2011
Operating sales	855	854	+ 0.1 %
Inter-sector eliminations	(29)	(36)	
Contribution to consolidated sales	826	818	+ 1.0 %
EBITDA	68	78	- 13.4 %
EBITDA/operating sales (%)	*7.9 %*	*9.1 %*	
Operating income	20	26	- 24.3 %

Operating sales in the Concrete & Aggregates business increased very slightly in 2012 by 0.1 % but fell by 2.1 % at constant consolidation scope and exchange rates compared with 2011. The change resulted primarily from a slowdown in France and Switzerland in light of the severely adverse weather conditions at the start of the year compared with 2011. The decline in these two areas was only partly offset by sustained activity in the United States, Turkey and India. Against this background, EBITDA fell to € 68 million compared with € 78 million in 2011.

Like the Cement business, the Concrete and Aggregates segment saw its performance improve greatly in the second half of 2012, with a net rise in EBITDA margin compared with the first half of 2012.

2.2.3. Change in the operating income of the Other Products & Services business

(In millions of euros except %)	2012	2011	Change 2012/2011
Operating sales	401	391	+ 2,5 %
Inter-sector eliminations	(91)	(81)	
Contribution to consolidated sales	310	310	+ 0,2 %
EBITDA	34	33	+ 1,8 %
EBITDA/operating sales (%)	*8.5 %*	*8.5 %*	
Operating income	21	18	+ 17,0 %

Operating sales rose by 2.5 % and by 1.8 % at constant consolidation scope and exchange rates.

EBITDA was € 34 million, a very slight increase on 2011.

2.3. CHANGE IN FINANCIAL INCOME

(In millions of euros except %)	2012	2011	Change 2012/2011
Cost of net financial indebtedness	(34.4)	(40.4)	- 14.8 %
Other financial income and expenses	(6.0)	(3.5)	+ 71.4 %
Net financial income (expense)	**(40.4)**	**(43.9)**	**- 8.0 %**

The € 3.4 million improvement in financial income to € 40.4 million in 2012 resulted from;
- An increase of € 5 million in the financial costs incurred of € 52 million offset by a significant capitalization (+ € 11 million) on the Vicat Sagar Cement project and Gulbarga power generation plant in India at a total of € 18 million due to an increase in outstanding debt,
- An increase of € 2.6 million in other financial income and expense.

2.4. CHANGE IN TAXES

(In millions of euros except %)	2012	2011	Change 2012/2011
Current taxes	(72.3)	(67.6)	+ 6.9 %
Deferred tax (income)	12.7	1.3	n / a
Total taxes	**(59.6)**	**(66.3)**	**- 10.1 %**

The reduction in tax expenses, limited to 10 % despite current income before tax being down 21 %, resulted in an increase of almost 340 points in the Group's average tax rate to 29.1 % and of 580 points excluding the non-recurrent expense of € 6.3 million taken in Turkey in 2011.

This increase in the average tax rate resulted from:
- the end of the exemption period in Egypt with effect from January 1, 2012,
- the 85 % limit on the deductibility of financial expenses in France,
- larger retentions at source resulting from distributions of accrued dividends from Turkey
- increased inclusion of the share of costs and expenses in the fiscal income in France as a consequence of the increase in dividends taken by Vicat SA.

2.5. CHANGE IN NET INCOME

The consolidated net income was € 148.0 million, down by 23.4 % compared with 2011 (€ 193.1 million), including a group share of € 129.1 million, down by 21.1 % compared with 2011 (€ 163.6 million).

The net margin was 6.5 % of consolidated sales in 2012, compared with 8.5 % in 2011.

Net earnings per share were € 2.87 in 2012, compared with € 3.64 in 2011 due to the change in the Group share of net income.

III. CHANGE IN FINANCIAL STRUCTURE

As at December 31, 2012, the Group had a sound financial structure with substantial shareholders' equity and borrowing under control, with only a limited increase in debt (+ € 67 million) despite the continued high level of industrial investments (€ 272 million). Gross debt excluding a put option and including financial instruments was € 1,381 million.

On this basis, the Group's gearing as at December 31 was 46.4 % and its leverage ratio was 2.6 times EBITDA.

(in millions of euros)	2012	2011	Change
Gross financial debt	+ 1,382	+ 1,436	- 56
Cash and cash equivalents	(237)	(359)	+ 122
Net financial debt (excluding put option)	**+ 1,145**	**+ 1,077**	**+ 68**
Consolidated shareholders' equity	**+ 2,465**	**+ 2,461**	**+ 3**
Gearing	*46.4 %*	*43.8 %*	*+ 2.6 pts*
EBITDA (in € million)	+ 437.4	+ 491.9	- 54.5
Leverage	*x 2.6*	*x 2.2*	*+ 0.4 pts*

Medium or long-term loan agreements contain specific covenants, especially as regards compliance with financial ratios. Considering the small number of companies concerned (essentially Vicat SA, the Group's parent company), the net debt level and the liquidity of the Group's balance sheet, the existence of these covenants does not constitute a risk for the Group's financial position. As at December 31, 2012, the Group is compliant with all ratios required by covenants in financing agreements.

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

The Group also has a € 300 million commercial paper issue program. As at December 31, 2012, € 283 million in commercial paper had been issued. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit for the amount issued and classified as medium-term borrowings in the consolidated balance sheet.

As at December 31, 2012, the Group had the following confirmed financing facilities, used and/or available:

Type of line	Borrower	Year set up	Currency	Authorization in millions of currencies	Authorization in millions of €	Use (€ million)	Due date	Fixed rate (FR)/ Variable rate (VR)
US Private Placement	**Vicat SA**	**2003**	**$**	**240.0**	**211.9**	**211.9**	**2013 to 2015**	**VR/FR**
	Vicat SA	**2011**	**$**	**450.0**	**339.2**	**339.2**	**2017 to 2022**	**FR**
	Vicat SA	**2011**	**€**	**60.0**	**60.0**	**60.0**	**2017**	**FR**
Syndicated loan	Vicat SA	2011	€	480.0	480.0		2016	VR
Bank bilateral lines	Vicat SA	2009	€	240.0	240.0		2014	VR
	Vicat SA	Without	€	11.0	11.0		Without	VR
Total bank lines (1)	**Vicat SA**		**€**	**731.0**	**731.0**	**335.0**	**2014 to 2016**	**VR**
	Parficin	2012	€	17.0	17.0	17.0	2022	VR
	Sococim	2009	FCFA	45,000.0	68.6	48.8	2013 et 2014	FR
	Vîgier	2009	CHF	19.0	15.7	15.7	2012 to 2019	FR
	Vîgier	2011	CHF	45.0	37.3	37.3	2012 to 2014	FR
	Jambyl	2008	$	42.9	32.4	32.4	2012 to 2018	VR
	Jambyl	2008	$	66.0	50.0	50.0	2012 to 2015	VR
	VSCL	2011	$	70.0	44.6	44.6	2014 to 2021	FR
	VSCL	2011	€	83.8	73.0	73.0	2014 to 2021	FR
	VSCL	2011	€	55.0	47.7	47.7	2014 to 2018	FR
	Gulbarga	2012	€	12.0	11.7	11.7	2016 to 2025	VR
Total subsidiaries' loans or bilateral lines					**398.0**	**378.2**		
Fair value of the derivatives						2.8		
Total medium-term					**1,740.1**	**1,327.1**		
Other debts						54.5		
Gross total debt (2)					**1,740.1**	**1,381.6**		

(1) "Total bank lines" corresponds to all confirmed lines of credit from which the Company benefits, essentially for a duration of one or five years at the outset, where the authorized total amount is € 731 million. These lines of credit are used depending on the Company's financing requirements by drawdown of notes and hedging the liquidity risk of the commercial paper program, bearing in mind that the total amount of drawdowns and notes issued must not exceed the authorized total amount. As at December 31, 2012, € 12 million of the bilateral bank lines for € 240 million are used. The syndicated loan has been used to the extent of € 323 million, partly (€ 283 million) to hedge commercial paper. Given the ability to substitute these lines of credit between one another, and the possible re-allotment of drawdowns for the longest line, this information is presented as an overall amount.

(2) The amount of gross debt used does not include the liability relating to put options (€ 19.7 million).

As at December 31, 2012, € 975 million of the total gross debt of € 1,381 million was at fixed interest rates. Apart from the Kazakhstan debt, the share of the debt at variable interest rates is hedged by a total of € 548 million in hedging instruments (caps and swaps).

IV. OUTLOOK 2013

With the start-up of industrial production from its Vicat Sagar greenfield plant in India in December 2012, the Vicat Group completed its ambitious investment program, which has significantly increased its geographical diversification, as well as paving the way for sustained profitable growth.

The Group now intends to take advantage of its strong market position, the quality of its industrial plant and strict cost controls, in order to maximize cash-flow generation and reduce debt levels before embarking on a new strategy of international expansion.

For 2013, the Group wishes to provide the following guidance with respect to its various markets:

- **In France,** in 2013, the Group expects the economic climate and conditions in the sector to remain difficult, particularly in the first half of the year, resulting in a further decrease in volumes in a favorable price environment.
- **In Switzerland,** the environment should remain positive overall, with volumes expected to improve slightly and prices remaining stable.
- **In Italy,** the Group expects the situation to improve after a difficult year in 2012. Given current levels of cement consumption, volumes should gradually stabilize and selling prices should pick up.
- **In the United States,** the Group expects the improvement in its markets to continue, in terms of both volumes and prices.
- **In Turkey,** the improvement in the industry environment in 2012 is likely to continue in 2013. Against a macroeconomic and industry background, which nevertheless remains highly competitive, the Group should be able to take full advantage of the efficiency of its production facilities and strong market position.
- **In Egypt,** in a security environment which is likely to remain difficult with no clear outlook, the prospects for volumes should nevertheless remain good and prices should improve. The Group is confident about the positive performance of the Egyptian market in the medium and long term.
- **In West Africa,** sales volumes should remain positive overall. Selling prices, on the other hand, could come under renewed pressure given the uncertainty surrounding competitor developments. Against this background, the Group will continue to build up its commercial position throughout the West Africa region, drawing on the strength of its modern, high performance manufacturing plant.
- **In India,** the start-up of the Vicat Sagar greenfield plant at the end of 2012 and its move into the market expected during the first half of 2013, together with the continued ramp-up at Bharathi Cement, will lead to the gradual emergence of a major player in southern India. With its strengthened market position and efficient, modern facilities, the Vicat Group should also benefit in 2013 from a buoyant construction market, in a price environment which is, however, expected to remain volatile.
- **In Kazakhstan,** thanks to its good geographical location and manufacturing facilities which rank among the best performers, the Group should be able to take full advantage of solid growth in the construction and infrastructure sectors, in a price environment that is expected to remain positive.

Consolidated financial statements at December 31, 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	Notes	2012	2011
ASSETS			
NON-CURRENT ASSETS			
Goodwill	3	995,320	1,000,195
Other intangible assets	4	100,417	100,789
Property, plant and equipment	5	2,271,210	2,218,465
Investment properties	7	19,557	19,089
Investments in associated companies	8	37,731	37,900
Deferred tax assets	25	88,980	2,104
Receivables and other non-current financial assets	9	108,652	116,928
Total non-current assets		**3,621,867**	**3,495,470**
CURRENT ASSETS			
Inventories and work-in-progress	10	381,893	360,104
Trade and other accounts receivable	11	354,877	349,994
Current tax assets		29,455	16,685
Other receivables	11	146,458	144,930
Cash and cash equivalents	12	237,344	359,404
Total current assets		**1,150,027**	**1,231,117**
TOTAL ASSETS		**4,771,894**	**4,726,587**
LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	13	179,600	179,600
Additional paid-in capital		11,207	11,207
Consolidated reserves		1,939,991	1,920,957
Shareholders' equity		**2,130,798**	**2,111,764**
Minority interests		**334,146**	**349,054**
Shareholders' equity and minority interests		**2,464,944**	**2,460,818**
NON-CURRENT LIABILITIES			
Provisions for pensions and other post-employment benefits	14	55,039	52,631
Other provisions	15	84,334	78,370
Financial debts and put options	16	1,197,703	1,384,444
Deferred tax liabilities	25	240,133	171,429
Other non-current liabilities		26,557	21,762
Total non-current liabilities		**1,603,766**	**1,708,636**
CURRENT LIABILITIES			
Provisions	15	9,967	10,911
Financial debts and put options at less than one year	16	232,352	106,165
Trade and other accounts payable		260,189	241,862
Current taxes payable		27,751	16,088
Other liabilities	18	172,925	182,107
Total current liabilities		**703,184**	**557,133**
Total liabilities		**2,306,950**	**2,265,769**
Total liabilities and shareholders' equity		**4,771,894**	**4,726,587**

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2012	2011
NET SALES	19	2,292,219	2,265,472
Goods and services purchased		(1,461,292)	(1,395,552)
ADDED VALUE	1.22	**830,927**	**869,920**
Personnel costs	20	(366,653)	(353,022)
Taxes		(43,866)	(45,679)
GROSS OPERATING EARNINGS	1.22 & 23	**420,408**	**471,219**
Depreciation, amortization and provisions	21	(191,587)	(167,142)
Other income (expense)	22	16,162	(2,329)
OPERATING INCOME	23	**244,983**	**301,748**
Cost of net borrowings and financial liabilities	24	(34,443)	(40,419)
Other financial income	24	7,869	9,480
Other financial expenses	24	(13,873)	(12,956)
NET FINANCIAL INCOME (EXPENSE)	24	**(40,447)**	**(43,895)**
Earnings from associated companies	8	3,050	1,572
EARNINGS BEFORE INCOME TAX		**207,586**	**259,425**
Income taxes	25	(59,621)	(66,297)
CONSOLIDATED NET INCOME		**147,965**	**193,128**
Portion attributable to minority interests		18,878	29,521
PORTION ATTRIBUTABLE TO GROUP SHARE		**129,087**	**163,607**
EBITDA	1.22 & 23	**437,382**	**490,938**
EBIT	1.22 & 23	**245,228**	**309,490**
CASH FLOW FROM OPERATIONS		**328,871**	**363,030**
Earnings per share (in euros)			
Basic and diluted Group share of net earnings per share	13	**2.87**	3.64

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

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

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

US Dollar	(5,117)
Swiss franc	135,370
Turkish new lira	(77,173)
Egyptian pound	(39,427)
Kazakh tengue	(31,741)
Mauritanian ouguiya	(4,333)
Indian rupee	(85,952)
	(108,373)

NOTES TO THE 2012 CONSOLIDATED FINANCIAL STATEMENTS

Note 1 ▼ Accounting policies and valuation methods

1.1. Statement of compliance

In compliance with European Regulation (EC) 1606/2002 issued by the European Parliament on July 19, 2002 on the enforcement of International Accounting Standards, Vicat's consolidated financial statements have been prepared, since January 1, 2005 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Vicat Group has adopted those standards that are in force on December 31, 2012 for its benchmark accounting policies.

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

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

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

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

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

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

1.2. Basis of preparation of financial statements

The financial statements are presented in thousands of euros.

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

The consolidated statement of financial position segregates current and non-current asset and liability accounts and splits them according to their maturity (divided, generally speaking, into maturities of less than and more than one year).

The statement of cash flows is presented according to the indirect method.

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

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

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

- value the provisions (notes 1.17 and 15), in particular those for pensions and other post-employment benefits (notes 1.15 and 14),
- value the put options granted to third parties on shares in consolidated subsidiaries (notes 1.16 and 16),
- value financial instruments at their fair value (notes 1.14 and 17),
- perform the valuations adopted for impairment tests (notes 1.4, 1.11 and 3),
- define the accounting principle to be applied in the absence of a definitive standard (notes 1.7 and 4 concerning emission quotas).

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

1.3. Consolidation principles

When a company is acquired, the fair value of its assets and liabilities is evaluated at the acquisition date. The earnings of the companies acquired or disposed of during the year are recorded in the consolidated income statement for the period subsequent or previous to, depending on the case, the date of the acquisition or disposal.

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

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

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

Associated companies:
Investments in associated companies over which Vicat exercises notable control are reported using the equity method. Any goodwill generated on the acquisition of these investments is presented on the line "Investments in associated companies (equity method)."

The list of the significant companies included in the consolidation scope at December 31, 2012 is provided in note 34.

1.4. Business combinations – goodwill

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

Business combinations carried out before January 1, 2010:
These are reported using the acquisition method. Goodwill corresponds to the difference between the acquisition cost of the shares in the acquired company and purchaser's pro-rata share in the fair value of all identified assets, liabilities and contingent liabilities at the acquisition date. Goodwill on business combinations carried out after January 1, 2004 is reported in the currency of the company acquired. Applying the option offered by IFRS 1, business combinations completed before the transition date of January 1, 2004 have not been restated, and the goodwill arising from them has been maintained at its net value in the balance sheet prepared according to French GAAP as at December 31, 2003.

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

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

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

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

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

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

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

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

1.5. Foreign currencies

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

Translation of financial statements of foreign companies:
All assets and liabilities of Group companies denominated in foreign currencies that are not hedged are translated into Euros at the year-end exchange rates, while income and expense and cash flow statement items are translated at average exchange rates for the year. The ensuing translation differences are recorded directly in shareholders' equity. In the event of a later sale, the cumulative amount of translation differences relating to the net investment sold and denominated in foreign currency is recorded in the income statement. Applying the option offered by IFRS 1, translation differences accumulated before the transition date were zeroed out by allocating them to consolidated reserves at that date. They will not be recorded in the income statement in the event of a later sale of these investments denominated in foreign currency.

The following foreign exchange rates were used:

	Closing rate		Average rate	
	2012	**2011**	**2012**	**2011**
USD	1.3194	1.2939	1.2856	1.3917
CHF	1.2072	1.2156	1.2053	1.234
EGP	8.3928	7.819	7.8159	8.2503
TRL	2.3551	2.4432	2.3145	2.3351
KZT	199.22	192.49	191.87	204.188
MRO	400.3785	374.644	385.57	395.669
INR	72.56	68.713	68.6295	64.8669

1.6. Other intangible assets

Intangible assets (mainly patents, rights and software) are recorded in the consolidated statement of financial position at historical cost less accumulated amortization and any impairment losses. This cost includes acquisition or production costs and all other directly attributable costs incurred for the acquisition or production of the asset and for its commissioning.

Assets with finite lives are amortized on a straight-line basis over their useful life (generally not exceeding 15 years).

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

1.7. Emission quotas

In the absence of a definitive IASB standard concerning greenhouse gas emission quotas, the following accounting treatment has been applied:
- The quotas allocated by the French government within the framework of the National Plan for the Allocation of Quotas (PNAQ II) are not recorded, either as assets or liabilities. (14,011 thousand tonnes for the period 2008-2012).
- Only the quotas held in excess of the cumulative actual emissions are recorded in the intangible assets at year-end.
- Surpluses, quota sales and quota swaps (EUA) against Certified Emission Reductions (CERs) are recognized in the income statement for the year.

1.8. Property, plant and equipment

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

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

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

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

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

Interest expenses on borrowings incurred to finance the construction of facilities during the period prior to their commissioning are capitalized. Exchange rate differences arising from foreign currency borrowings are also capitalized inasmuch as they are treated as an adjustment to interest costs and within the limit of the interest charge which would have been paid on borrowings in local currency.

1.9. Leases

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

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

1.10. Investment properties

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

1.11. Impairment

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

An impairment loss has to be recorded as an expense on the income statement when the carrying cost of the asset is higher than its recoverable value. The latter is the higher of the fair value less the costs of sale and the value in use. The value in use is calculated primarily on a discounted projected cash flow basis over 10 years, plus the terminal value calculated on the basis of a projection to infinity of the cash flow from operations in the last year. This time period corresponds to the Group's capital-intensive nature and the longevity of its industrial plant.

The projected cash flows are calculated on the basis of the following components that have been inflated and then discounted:
- the EBITDA from the Long Term Plan over the first 5 years, then projected to year 10,
- the sustaining maintenance capital expenditure,
- and the change in working capital requirement.

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

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

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

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

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

These impairment tests are sensitive to the assumptions held for each cash generating unit, mainly in terms of:
- discount rate as previously defined,
- inflation rate, which must reflect sales prices and expected future costs,
- growth rate to infinity

Tests are conducted at each year-end on the sensitivity to an increase or decrease of one point in the discount rate applied, in order to assess the effect on the value of goodwill and other intangible and tangible assets included in the Group's consolidated financial statements. Moreover, the discount rate includes a country risk premium and an industry sector risk premium reflecting the cyclical nature of certain factors inherent in the business sector, enabling an understanding of the volatility of certain elements of production costs, which are sensitive in particular to energy costs.

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

1.12. Inventories

Inventories are valued using the weighted average unit cost method, at the lower of purchase price or production cost, and net market value (sales price less completion and sales costs).

The gross value of merchandise acquired for resale and of supplies includes both the purchase price and all related costs.

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

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

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

1.13. Cash and cash equivalents

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

1.14. Financial instruments

Financial assets:
The Group classifies its non-derivative financial assets, when they are first entered in the financial statements, in one of the following four categories of financial instruments in accordance with IAS 39, depending on the reasons for which they were originally acquired:
- long-term loans and receivables, financial assets not quoted on an active market, the payment of which is determined or can be determined; these are valued at their amortized cost;
- assets available for sale which include in particular, in accordance with the standard, investments in non-consolidated affiliates; these are valued at the lower of their carrying value and their fair value less the cost of sale as at the end of the period;
- financial assets valued at their fair value by the income, since they are held for transaction purposes (acquired and held with a view to being resold in the short term);
- investments held to term, including securities quoted on an active market associated with defined payments at fixed dates; the Group does not own such assets at the year-end of the reporting periods in question.

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

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

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

Derivatives and hedging:
The Group uses hedging instruments to reduce its exposure to changes in interest and foreign currency exchange rates resulting from its business, financing and investment operations. These hedging operations use financial derivatives. The Group uses interest rate swaps and caps to manage its exposure to interest rate risks. Forward FX contracts and currency swaps are used to hedge exchange rate risks.

The Group uses derivatives solely for financial hedging purposes and no instrument is held for speculative ends. Under IAS 39, however, certain derivatives used are not, not yet or no longer, eligible for hedge accounting at the closing date.

Financial derivatives are valued at their fair value in the balance sheet. Except for the cases detailed below, the change in fair value of derivatives is recorded as an offset in the income statement of the financial statement ("Change in fair value of financial assets and liabilities"). The fair values of derivatives are estimated by means of the following valuation models:

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

Derivative instruments may be designated as hedging instruments, depending on the type of hedging relationship:

- Fair Value hedging is hedging against exposure to changes in the fair value of a booked asset or liability, or of an identified part of that asset or liability, attributable to a particular risk, in particular interest and exchange rate risks, which would affect the net income presented;
- Cash Flow hedging is hedging against exposure to changes in cash flow attributable to a particular risk, associated with a booked asset or liability or with a planned transaction (e.g. expected sale or purchase or "highly probable" future operation), which would affect the net income presented.

Hedge accounting for an asset / liability / firm commitment or cash flow is applicable if:

- The hedging relationship is formally designated and documented at its date of inception;
- The effectiveness of the hedging relationship is demonstrated at the inception and then by the regular assessment and correlation between the changes in the market value of the hedging instrument and that of the hedged item. The ineffective portion of the hedging instrument is always recognized in the income statement.

The application of hedge accounting results as follows:

- in the event of a documented fair value hedging relationship, the change in the fair value of the hedging derivative is recognized in the income statement as an offset to the change in the fair value of the underlying financial instrument hedged. Income is affected solely by the ineffective portion of the hedging instrument,
- in the event of a documented cash flow hedging relationship, the change in the fair value of the effective portion of the hedging derivative is recorded initially in shareholders' equity, and that of the ineffective portion is recognized directly in the income statement. The accumulated changes in the fair value of the hedging instrument previously recorded in shareholders' equity are transferred to the income statement at the same rate as the hedged cash flows.

1.15. Employee benefits

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

Defined contribution plan, in which contributions are recognized as expenses when they are incurred, does not represent a future liability for the Group, these plans do not require any provisions to be set aside.

Defined benefit plans include all post-employment benefit programs, other than those under defined contribution plans, and represent a future liability for the Group. The corresponding liabilities are calculated on an actuarial basis (wage inflation, mortality, employee turnover, etc.) using the projected unit credit method, in accordance with the clauses provided for in the collective bargaining agreements and with custom and practice.

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

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

1.16. Put options granted on shares in consolidated subsidiaries

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

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

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

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

1.17. Provisions

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

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

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

1.18. Sales

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

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

1.19. Income taxes

Deferred taxes are calculated at the tax rates passed or virtually passed at the year-end and expected to apply to the period when assets are sold or liabilities are settled.

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

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

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

1.20. Segment information

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

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

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

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

1.21. Financial indicators

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

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

Gross Operating Earnings: added value less expenses of personnel, taxes and duties (except income taxes and deferred taxes), plus grants and subsidies;

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization): the result of adding Gross Operating Earnings and other ordinary income (expense);

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

1.22. Seasonality

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

Note 2 ▼ Changes in consolidation scope and other significant events

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

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

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

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

Note 3 ▼ GOODWILL

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

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

Impairment test on goodwill:

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

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

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

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

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

Note 4 ▼ Other intangible assets

Other intangible assets are broken down by type as follows:

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

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

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

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

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

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

Note 5 ▼ Property, plant and equipment

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

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

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

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

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

Note 6 ▼ Finance and operating leases

Net book value by category of asset:

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

Minimum payment schedule:

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

Note 7 ▼ Investment properties

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

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

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

Note 8 ▼ Investments in associated companies

Change in investments in associated companies:

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

Note 9 ▼ Receivables and other non-current assets

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

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

Note 10 ▼ Inventories and work-in-progress

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

Note 11 ▼ Receivables

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

Note 12 ▼ Cash and cash equivalents

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

Note 13 ▼ Share capital

Vicat share capital is composed of 44,900,000 fully paid-up ordinary shares of € 4, including 937,060 treasury shares as at December 31, 2012 (1,009,426 as at December 31, 2011) acquired under the share buy-back programs approved by the Ordinary General Meetings, and through Heidelberg Cement's disposal of its 35% stake in Vicat in 2007.

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

The dividend paid in 2012 in respect of 2011 amounted to € 1.50 per share, amounting to a total of € 67,350 thousand, compared with € 1.50 per share paid in 2011 in respect of 2010 and amounting to a total of € 67,350 thousand. The dividend proposed by the Board of Directors to the Ordinary General Meeting for 2012 amounts to € 1.50 per share, totaling € 67,350 thousand.

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

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

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

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

Note 14 ▼ Employee benefits

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

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

Assets and liabilities recognized in the balance sheet

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

Analysis of net annual expense

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

Change in financial assets used to hedge the plan

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

The plan assets, are analyzed by type and country as at December 31, 2012 as follows:

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

The expected returns on the assets are determined based on type of asset and country.

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

Principal actuarial assumptions

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

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

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

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

(in thousands of euros)	1 % increase	1 % decrease
Increase (decrease) in the present value of the liabilities at December 31, 2012	7,213	(5,861)
Increase (decrease) in the service cost and in the financial cost	549	(573)

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

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

Note 15 ▼ Other provisions

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

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

(1) At December 31, 2012, other risks included:
- an amount of € 9.8 million (€ 10.2 million as at December 31, 2011) corresponding to the current estimate of gross expected costs for repair of damage that occurred in 2006 following deliveries of concrete mixtures and concrete made in 2004 whose sulfate content exceeded applicable standards. This amount corresponds to the current estimate of the Group's pro rata share of liability for repair of identified damages before the residual insurance indemnity of € 4 million recognized in non-current assets on the balance sheet as at December 31, 2012 (€ 4 million as at December 31, 2011 – note 9);
- an amount of € 9.1 million (€ 9.6 million as at December 31, 2011) corresponding to the estimated amount of the deductible at year-end relating to claims in the United States in the context of work accidents and which will be covered by the Group;
- the remaining amount of other provisions amounting to about € 15.0 million as at December 31, 2012 (€ 14.3 million as at December 31, 2011) corresponds to the sum of other provisions that, taken individually, are not material.
In addition, other risks at December 31, 2010 included an amount of € 4.5 million corresponding to the residual amount of the Conseil de la Concurrence (the French Office of Fair Trade) penalty for a presumed collusion in Corsica, after reduction of the penalty by the Cour d'appel de Paris (the Paris Court of Appeal). The provision was written back after payment following rejection of the appeal lodged by the Group before the Cour de cassation (the French Supreme Court of Appeal).

Note 16 ▼ Debts and put options

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

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

(1) As at December 31, 2012, financial instrument assets are shown in non-current assets cf. note 9) in the case of the portion at more than 1 year (€ 28.7 million).
As at December 31, 2011, financial instrument assets were shown in the financial statements as a deduction from financial liabilities (€ 34.1 million). For comparison purposes, they have been reclassified in the assets on the balance sheet at € 34.0 million at more than one year (non-current assets) and € 0.1 million at less than one year (current assets).

16.1 Debts

Analysis of debts by category and maturity

December 31, 2012

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

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

December 31, 2011

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

Analysis of loans and debts (currency and interest rate)

By currency (net of currency swaps)

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

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

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

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

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

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

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

Note 17 ▼ Financial instruments

Foreign exchange risk

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

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

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

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

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

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

Interest rate risk

All floating rate debt is hedged through the use of caps on original maturities of 2, 3, 5, 10 and 12 years and of swaps on original maturities of 3 and 5 years.

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

Liquidity risk

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

The Group also has a € 300 million commercial paper issue program. As at December 31, 2012, € 283 million in commercial paper had been issued. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

Unused confirmed lines of credit are used to cover the risk of the Group finding itself unable to issue its commercial paper through market transactions. As at December 31, 2012, these lines matched the short term notes they covered, at € 283 million.

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

Considering the small number of companies concerned, essentially Vicat SA, the parent company of the Group, the low level of gearing (46.4 %) and leverage (2.62 x) and the liquidity of the Group's balance sheet, the existence of these covenants does not constitute a risk for the Group's financial position. As at December 31, 2012, the Group is compliant with all ratios required by covenants in financing contracts.

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

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

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

In accordance with of IFRS 7, the breakdown of financial instruments valued at fair value by hierarchical level of fair value in the consolidated statement of financial position is as follows as of December 31, 2012:

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

Note 18 ▼ Other liabilities

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

Note 19 ▼ Sales

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

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

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

Note 20 ▼ Personnel costs and number of employees

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

Profit sharing is granted to employees of the Group's French companies in the form of either cash or shares, at the employee's option. The allocation price is determined on the basis of the average of the last 20 closing prices for the defined period preceding its payment.

Note 21 ▼ Net depreciation, amortization and provisions

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

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

Note 22 ▼ Other income (expenses)

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

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

Note 23 ▼ Financial performance indicators

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

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

Note 24 ▼ Financial income (expense)

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

Note 25 ▼ Income tax

Income tax expense

Analysis of income tax expense

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

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

Reconciliation between the computed and the effective tax charge

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

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

Deferred tax

Change in deferred tax assets and liabilities:

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

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

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

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

Source of deferred tax assets and liabilities

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

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

Deferred taxes not recognized in the financial statements

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

Note 26 ▼ Segment information

a) Informations par secteur

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

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

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

b) Geographical sectors

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

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

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

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

c) Information about major customers

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

Note 27 ▼ Net cash flows generated from operations

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

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

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

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

(1) Exchange rates, consolidation scope and miscellaneous.

Note 28 ▼ Net cash flows from investment activities

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

Acquisitions of intangible and tangible assets

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

Acquisition/disposal of shares in consolidated companiess

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

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

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

Note 29 ▼ Analysis of net cash balances

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

Note 30 ▼ Executive management compensation

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

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

These amounts do not include any variable components and represent the total compensation paid by VICAT SA and any companies it controls, or is controlled by, as defined by Article L. 233-16 of the French Commercial Code. Furthermore, no stock or stock options have been granted to the above executive directors with the exception of any income received under legal or contractual employee profit-sharing or incentive bonus plans.

Lastly, four of the aforementioned executive directors also benefit from a supplemental pension plan as defined in Article 39 of the French General Tax Code (CGI). The corresponding commitments (€ 5,426 thousand) were all recognized in provisions in the financial statements, in the same manner as all of the Group's post-employment benefits as at December 31, 2012 (note 1.15).

Note 31 ▼ Transactions with related companies

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

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

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

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

Note 32 ▼ Fees paid to the statutory auditors

Fees paid to statutory auditors and other professionals in their networks as recognized in the financial statements of Vicat S.A. and its integrated consolidated subsidiaries for 2012 and 2011 are as follows:

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

Note 33 ▼ Post balance sheet events

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

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

Fully consolidated: FRANCE

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

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

Fully consolidated: FRANCE (continued)

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

Fully consolidated: REST OF WORLD

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

(2) Company sold in 2012.

Fully consolidated: REST OF WORLD (continued)

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

Fully consolidated: REST OF WORLD (continued)

COMPANY	COUNTRY	STATE/CITY	% control December 31, 2012	% control December 31, 2011
VIGIER CEMENT AG	SWITZERLAND	PERY (BERN)	100.00	100.00
VIGIER HOLDING AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIGIER MANAGEMENT AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIRO AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VITRANS AG	SWITZERLAND	PERY (BERN)	100.00	100.00
AKTAS	TURKEY	ANKARA	100.00	100.00
BASTAS BASKENT CIMENTO	TURKEY	ANKARA	91.58	91.58
BASTAS HAZIR BETON	TURKEY	ANKARA	91.58	91.58
KONYA CIMENTO	TURKEY	KONYA	83.08	83.08
TAMTAS	TURKEY	ANKARA	100.00	100.00
BSA Ciment SA	MAURITANIA	NOUAKCHOTT	64.91	64.91
BHARATHI CEMENT	INDIA	HYDERABAD	51.00	51.00
VICAT SAGAR	INDIA	HYDERABAD	53.00	53.00

Proportionate consolidation: FRANCE

COMPANY	ADDRESS	SIREN NO.	% control December 31, 2012	% control December 31, 2011
CARRIÈRES BRESSE BOURGOGNE	Port Fluvial Sud de Chalon 71380 EPERVANS	655 850 055	49.95	49.95
DRAGAGES ET CARRIERES	Port Fluvial sud de Chalon 71380 EPERVANS	341 711 125	50.00	50.00
SABLIÈRES DU CENTRE	Les Genévriers Sud 63430 LES MARTRES D'ARTIERE	480 107 457	50.00	50.00

Proportionate consolidation: REST OF WORLD

COMPANY	COUNTRY	STATE/CITY	% control December 31, 2012	% control December 31, 2011
FRISHBETON TAFERS AG	SWITZERLAND	TAFERS (FRIBOURG)	49.50	49.50

Equity method: REST OF WORLD

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

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2012

To the Shareholders,

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

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

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

I - Opinion on the consolidated financial statements

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

In our opinion, the consolidated financial statements give a true and fair view, in accordance with IFRS as adopted by the EU, of the assets, liabilities, and financial position of the consolidated group of entities as at December 31, 2012 and of the results of its operations for the year then ended.

II - Justification of our assessment

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

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

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

III - Specific verification

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

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

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

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

Statutory financial statements at December 31, 2012

BALANCE SHEET AT DECEMBER 31, 2012

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

INCOME STATEMENT FOR THE YEAR ENDED ON DECEMBER 31, 2012

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

NOTES TO VICAT SA 2012 FINANCIAL STATEMENTS

Note 1 ▼ Accounting policies and valuation methods

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

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

Intangible assets are recorded at historical cost after deduction of amortization. Goodwill, fully amortized, corresponds to business assets received prior to the 1986 fiscal year. Greenhouse gas emission quotas are entered in accordance with the arrangements explained in note 5.1.1.

Research and development costs are entered as expenses.

Plant, property and equipment are recorded at acquisition or production cost, by applying the component approach pursuant to regulation CRC 2002-10. The cost of goods sold excludes all financing expenses. Property, plant and equipment acquired before December 31, 1976 have been restated.

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

Mineral reserves are amortized based on the tonnages extracted during the year, compared with the estimated total reserves.

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

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

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

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

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

Receivables and payables are recorded at nominal value.

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

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

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

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

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

Note 2 ▼ Significant events during the period

There were no significant events in 2012.

Note 3 ▼ Post balance sheet events

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

Note 4 ▼ Sales analysis

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

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

Note 5 ▼ Analysis of the financial statements

5.1. NON-CURRENT ASSETS

(in thousands of euros)	Gross value at beginning of year	Acquisitions	Disposals	Gross value at end of year
Concessions, patents, goodwill and other intangible assets	25,653	8,928	1,500	33,081
Land and improvements	89,972	2,506	115	92,363
Buildings and improvements	162,203	1,244	573	162,874
Plant, machinery and equipment	526,026	12,205	13,570	524,661
Other tangible assets	28,105	897	11,727	17,275
Tangible assets in progress	9,593	25,636	12,988	22,241
Advances and payments on account	10	2	-	12
Total	**841,562**	**51,418**	**40,473**	**852,507**

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

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

(in thousands of euros)	Accumulated depreciation at beginning of year	Increase	Decrease	Accumulated depreciation at end of year
Concessions, patents, goodwill and other intangible assets	12,390	1,044	902	12,532
Land and improvements	15,799	1,863	115	17,547
Buildings and improvements	113,930	3,661	573	117,018
Plant, machinery and equipment	402,772	14,175	13,137	403,810
Other tangible assets	23,262	1,496	10,968	13,790
Total	**568,153**	**22,239**	**25,695**	**564,697**

5.1.1. Intangible assets

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

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

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

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

5.1.2. Tangible assets

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

Property, plant and equipment are depreciated as follows:

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

5.1.3. Financial investments:

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

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

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

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

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

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

5.2. SHAREHOLDERS' EQUITY

5.2.1. Share capital

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

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

5.2.2. Change in shareholders' equity

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

(1) less dividends on treasury shares.

5.2.3 Regulated provisions

Regulated provisions break down as follows:

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

Maturities are as follows:

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

5.3. PROVISIONS

(in thousands of euros)	Amount at the beginning of year	Increase	Decrease (with use)	Decrease (unused provision)	Amount at the end of year
Provisions for quarry reinstatement	4,416	391	460	-	4,347
Provisions for disputes	155,	76	82	-	149
Other provisions for expenses	12,519	4,076	77	-	16,518
Total	**17,090**	**4,543**	**619**	**-**	**21,014**

Provisions amounted to € 21 million and covered:

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

5.4. BORROWINGS AND FINANCIAL LIABILITIES

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

5.4.1. Statement of maturities

(in thousands of euros)	Gross amount	1 year or less	1 - 5 years	More than 5 years
Bank borrowings and financial liabilities (1)	946,128	105,956	576,067	264,105
Miscellaneous borrowings and financial liabilities	4,060	3,788	85	187
Short-term bank borrowings and bank overdrafts	1,126	1,126	-	-
(1) Including commercial paper.	*283,000*		*283,000*	

5.4.2. Other information

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

The Company also has a program for issuing commercial paper amounting to € 300 million. As at December 31, 2012, the amount of the notes issued was € 283 million. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

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

5.4.3. Risk hedging

Foreign exchange risk
The principal and interest due on a borrowing originally issued by the Group in US Dollars were converted to Euros through a series of cross currency swaps.

Interest rate risk
The floating rate debt is hedged through the use of financial instruments (caps and swaps) on original maturities of 5 to 12 years amounting to € 510 million at December 31, 2012.

Liquidity risk
Unused confirmed lines of credit are used to cover the risk of the company finding itself unable to issue its commercial paper through market transactions. At December 31, 2012, these lines matched the short term notes they covered at € 283 million.

5.4.4. Financial instruments

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

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

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

5.5. STATEMENT OF MATURITIES FOR TRADE RECEIVABLES AND PAYABLES

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

5.6. BALANCE OF TRADE PAYABLES

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

Breakdown by due date (in thousands of euros)

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

5.7. OTHER BALANCE SHEET AND INCOME STATEMENT INFORMATION

Other items of information are as follows:

Items concerning several balance sheet accounts (in thousands of euros)	Associated companies	Payables or receivables represented by commercial paper
Long-term investments	1,738,956	
Trade receivables and related accounts	28,551	14,710
Other receivables and related accounts	141,626	
Trade payables and related accounts	8,464	
Other liabilities	98,025	

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

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

Accrued liabilities

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

Accrued expenses

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

Short-term financial investments

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

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

Net financial income

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

Note 6 ▼ Analysis of corporate income tax and additional contributions

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

Note 7 ▼ Impact of the special tax evaluations

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

Vicat has opted for a tax sharing regime with it as the parent company. This option relates to 21 companies. Under the terms of the tax sharing agreement, the subsidiaries bear a tax charge equivalent to that which they would have borne if there had been no tax sharing. The tax saving resulting from the tax sharing agreement is awarded to the parent company, notwithstanding the tax due to the tax loss subsidiaries, for which a provision is established. For 2012, this saving amounted to € 6,133 thousand.

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

Note 8 ▼ Deferred tax

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

Note 9 ▼ Off-balance sheet commitments

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

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

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

Commitments received

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

(1) including € 283,000 thousand allocated to hedge the program of the commercial paper issue.

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

Principal actuarial assumptions are as follows:

Discount rate:	3 %
Wage inflation:	from 2.5 % to 4 %
Inflation rate:	2 %

Note 10 ▼ Remuneration and employee numbers

Executive management compensation

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

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

SUBSIDIARIES AND AFFILIATES

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

COMPANY OR GROUP OF COMPANIES 2011 FINANCIAL YEAR	CAPITAL	RESERVES and retained earnings before appropriation of income	OWNER-SHIP interests (%)	BOOK VALUE of shares owned Gross	Net	LOANS & ADVANCES granted by the company and not yet repaid	GUARANTEES granted by the company	SALES ex. VAT for the financial year ended	PROFIT OR LOSS (-) for the financial year ended	DIVIDENDS received by Vicat during the year
SUBSIDIARIES AND AFFILIATES WHOSE THE GROSS VALUE EXCEEDS 1 % OF VICAT'S CAPITAL										
1) SUBSIDIARIES (at least 50 % of the capital held by the company)										
BETON TRAVAUX 92095 PARIS LA DEFENSE	27,997	193,906	99.97	88,869	88,869	60,311		22,111	16,872	4,024
NATIONAL CEMENT COMPANY LOS ANGELES USA	280,521 (1)	79,811 (1)	97.85	229,581	229,581	64,766		252,162 (1)	(29,503) (1)	
PARFICIM 92095 PARIS LA DEFENSE	67,728	1,431,694	99.99	1,343,624	1,343,624				128,975	132,282
SATMA 38081 L'ISLE D'ABEAU CEDEX	3,841	5,362	100.00	7,613	7,613			21,840	1,051	
CAP VRACS 13270 FOS SUR MER	16,540	5,737	100.00	43,004	43,004	14,280		9,971	(4,069)	
2) PARTICIPATION *(10 to 50 % of the capital held by the company*										
SOCIETE DES CIMENTS D'ABIDJAN (3) COTE D'IVOIRE	2,000,000 (2)	17,350,629 (2)	17.14	1,596	1,596			47,862,967 (2)	4,679,840 (2)	700
SATM 38081 L'ISLE D'ABEAU	1,600	31,251	22.00	15,765	15,765			99,568	6,938	2,200
OTHER SUBSIDIARIES AND AFFILIATES										
French subsidiaries (total)				9,746	9,682	1,555				500
Foreign subsidiaries (total)				2,687	2,687					
TOTAL				**1,742,485**	**1,742,421**	**140,912**				**139,706**

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

ANALYSIS OF THE INCOME FOR THE YEAR

Net operating income amounted to:	**200,070,293**
less:	
. other exceptional net income and expense	- 6,169,493
. employée profit-sharing	- 4,905,765
. tax on income	- 15,269,019
Net income for 2012 amounted to:	**173,726,016**

PROPOSED DISTRIBUTION OF INCOME

We propose that the income to be distributed be as follows:	
INCOME FOR THE 2012 FINANCIAL YEAR	173,726,016
Retained earnings from previous years	151,311,892
TOTAL TO BE DISTRIBUTED	325,037,908
We propose the following income distribution:	
. dividend € 1,50 per share of nominal value € 4	67,350,000
. allocation to other reserves	57,687,908
Retained earnings	**200,000,000**

DISTRIBUTION OVER THE LAST THREE YEARS (comparable to the number of shares)

Year	2009	2010	2011
Dividend distributed	1.50	1.50	1.50

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

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

The dividends distributed are entitled to 40% tax relief in the circumstances provided for in article 158-3 of the French General

FINANCIAL INCOME FOR THE LAST FIVE FINANCIAL YEARS

Articles r. 225-81, r. 225-83 and r. 225-102 of the french commercial code

in euros)	2008	2009	2010	2011	2012
1) FINANCIAL POSITION AT YEAR END					
Share capital	179,600,000	179,600,000	179,600,000	179,600,000	179,600,000
Number of shares issued	44,900,000	44,900,000	44,900,000	44,900,000	44,900,000
2) COMPREHENSIVE INCOME FROM ACTUAL OPERATIONS					
Sales before tax	511,841,942	448,708,588	444,001,111	484,696,600	443,118,535
Profit before tax, profit-sharing, amortization and provisions	201,208,409	186,205,363	175,735,104	211,190,319	217,389,930
Tax on profits	22,621,500	28,903,959	20,414,515	15,286,066	15,269,019
Employee profit share due in respect of the year	5,332,772	4,849,805	3,982,186	4,029,869	4,905,765
Profit after tax, amortization and provisions	103,414,454	124,861,843	118,026,898	152,356,641	173,726,016
Amount of profit distributed	67,350,000	67,350,000	67,350,000	67,350,000	67,350,000
3) INCOME FROM OPERATIONS PER SHARE					
Profit after tax and profit sharing, but before amortization and provisions (*based on a comparable number of shares)*	3.86	3.40	3.37	4.27	4.39
Profit after tax, profit-sharing, amortization and provisions *(based on a comparable number of shares)*	2.30	2.78	2.63	3.39	3.87
Dividende versé à chaque action	1.50	1.50	1.50	1.50	1.50
4) EMPLOYEES					
Number of employees	850	848	859	862	851
Total wage bill (1)	38,720,960	40,694,345	41,518,392	43,128,593	42,541,898
Total amount paid in social security and other contributions (social security, charitable works, etc.)	18,191,928	19,044,121	19,872,426	20,442,672	20,435,968

(1) Excluding pre-retirement payments on termination of employment.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended 31 December 2012

To the Shareholders,

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

- the audit of the accompanying financial statements of Vicat S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

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

I - Opinion on the financial statements

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

II - Justification of our assessments

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

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

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

III - Specific verifications and information

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

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

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

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

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

Year ended December 31, 2012

To the Shareholders,

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

We are required 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 or which we have identified during our audit work. It is not our role to determine whether they are beneficial or appropriate or to ascertain whether other agreements or commitments exist. 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.

In addition, it is our responsibility, if applicable, to inform you of the information specified in article R. 225-31 of the French Commercial Code (Code de commerce) relating to the performance during the past year of agreements and commitments already approved by the general Meeting.

We have performed the procedures we considered necessary in accordance with the professional code of practice of the National Society of Statutory auditors, in relation to this work. Our work consisted in verifying that the information provided to us is in agreement with the underlying documentation from which it was extracted.

Agreements and commitments submitted for approval by the General Meeting

We inform you that we have not been advised of any agreements or commitments authorized in 2012 to be submitted to the General Meeting for approval pursuant to article L.225-38 of the French Commercial Code (Code de commerce).

Agreements and commitments already approved by the General Meeting

In accordance with article R.225-30 of the French Commercial Code (Code de commerce), we have been informed that the following agreements and commitments, which were already approved by the General Meeting in previous years, have been continued in 2012:

Commitments relating to supplementary pension plans:

Type and purpose: supplementary pension plan as defined in article 39 of the French General Tax Code (CGI).

Terms and conditions: the related obligations with CARDIF concern the executive directors as well as managers whose salary exceeds 4 times the ceiling of the level A of the social Security.

Paris La Défense, February 27, 2013
KPMG Audit - Division of KPMG SA
Bertrand Desbarrières - *Partner*

Chamalières, February 27, 2013
Wolff & Associés SAS.
Grégory Wolff - *Partner*

Corporate social responsibility

Introduction

Decree No. 2012-557 of April 24, 2012 concerning the application of article 225 of the Grenelle II Act provides for publication, in the Management Commentary, of the action undertaken and direction followed by the Vicat Group in order to take into account the social and environmental consequences of its operations and to fulfill its societal commitments to sustainable development and the disclosure of social, environmental and societal information. These were already presented in part in previous years' Management Commentaries, as well as in the Registration Document. In order to make it easier to read, all this information will henceforth, with effect from this 2012 document, be grouped together in the CSR section of the Management Commentary.

The 42 indicators or items of information prescribed by the Decree of April 24, 2012 are categorized and discussed according to their significance and relevance to the Group's operations. Based on this classification, such data are then discussed qualitatively and quantitatively. The links between the indicators required by the Decree and the text of this report are summarized in a table of equivalences at the end of the report.

Their presence has been certified and an opinion as to their sincerity provided by the company Grant Thornton, an independent third party organization engaged to verify such information.

Overview

The Vicat Group has included in its overall strategy the significant potential risks to its industrial operations generated by global warming and the possible exhaustion of fossil fuel energy sources. This strategy, known as "sustainable construction", enables it to respond to such risks, while at the same time supporting the development of its markets. It also includes the social and societal commitments which the Group has been developing for a number of years.

Contents of the report

1. THE STRATEGY OF "SUSTAINABLE CONSTRUCTION"

The energy consumed in buildings represents almost 25 % of the world's total energy consumption (source Key World Energy Statistics 2011). In France, the final energy consumption of buildings represents 43 % of the country's energy consumption (source Observatoire de l'énergie, 2007). In order to reduce this, all those involved in the construction sector need to act. In France, the Vicat group is a member of a number of working parties involved in the issue. Its contribution consists in developing construction materials or systems with increasingly high performance that improve the energy efficiency of buildings or infrastructures. A study published in January 2013 by MIT in the United States has shown that concrete solutions for road systems enable a 3 % reduction vehicle fuel consumption.

In addition, upstream of its products, the Group works constantly to improve its environmental footprint in its manufacturing processes.

1.1. Building systems and materials supporting sustainable construction

Sustainable construction is the application of the principles of sustainable development to the construction sector. The Vicat Group works to improve the energy efficiency of buildings and infrastructures as part of an active policy of partnerships.

The Louis Vicat Technical Center at l'Isle d'Abeau (France), which houses the Group's main research facilities, collaborates with a number of research centers in the public and private sectors (CEA (French atomic energy commission), INES (French National Solar Energy Institute), INPG (Grenoble Institute of Technology), laboratories in schools of architecture and universities, laboratories of its customers in the building and public works sector, etc.). It regularly files patents in order to develop its products by adapting them to the energy efficiency requirements of the construction sector, whether buildings or infrastructures.

The Vicat Group was a founder member in 2007 of the Pôle Innovations Constructives (Construction Innovations Cluster) of which it is chairman. This expertise cluster, based in the Rhône-Alpes region, brings together a network of key players in the construction sector (industry, institutions, architects, SMEs/micro-enterprises, craftsmen, Les Grands Ateliers de l'Isle d'Abeau (association of architects, engineers and artists), architecture schools, ENTPE (French national school of public works), CFA BTP (training center for apprentices in the building and public works sector), etc.). Its aim is to accelerate the spread of innovations in the construction industry in order to meet, in particular, the challenges of sustainable development.

Again in the Rhône-Alpes region, the Vicat Group is a member of the regional expertise cluster INDURA (Rhône-Alpes sustainable infrastructures) which aims to develop energy efficient solutions in the infrastructure field.

In 2012, Vicat also took over the chairmanship (via the Construction Innovations Cluster) of the Astus-construction platform, one of the ten platforms of the sustainable buildings plan (formerly the Grenelle buildings plan) based in the Rhône-Alpes region.

Astus-construction, co-financed by local authorities and industry (including Vicat), aims in particular to present full-scale housing prototypes demonstrating the sustainable construction ideas developed by the member companies.

In 2012, at the international Solar Decathlon competition which was held in Madrid, the Vicat Group supported the Rhône-Alpes team comprising the Ecole nationale d'architecture de Grenoble (Grenoble school of architecture), the Institut national de l'énergie solaire (French national solar energy institute), the CEA (French atomic energy commission) and the Grands Ateliers de l'Isle d'Abeau (association of architects, engineers and artists). The Canopéa prototype, which represented the top two floors of a nano-tower finished 1st out of 18 thanks to its performance in terms of energy production, energy efficiency and architectural design.

The technical solutions based on Vicat Group concrete are well suited to the problems of climate change as they provide comfort with inertness, safety from their strength and guarantees on air quality (emissions neutral).

1.2. Manufacturing processes with constantly improving environmental performance

With a view to continuous environmental improvements in its production processes, the Group has established an "environmental" operational organization and general policy as an integral part of its overall manufacturing organization and strategy.

Each manufacturing plant has an environmental manager, generally an engineer, who ensures that measurement equipment is working properly and that local regulations and the calendar of external checks are followed.

The environmental manager collects data and performs the calculations required for his operational reports and local declarations. He reports regularly to his head of operations who consolidates the data collected at his level.

Some Group plants have specific certification programs in respect of the ISO 14 001 standard. This is the case for the following cement works: Peille in France, Rufisque in Senegal and Bastas in Turkey.

It is also the case for the Aggregates business in France, which is engaged in a program of ISO 14001 certification.

Initiatives have also been developed in other areas of the business, such as the Concrete segment in France, which is engaged in a voluntary environmental management program in preparation for the industry's ready-mixed concrete charter.

All the Group's industrial sites in whatever country are subject to strict local regulations regarding authorization, operating permits, licenses issued by local authorities, which conduct regular checks, similar to the procedure in France in the case of ICPEs (Installations Classées pour la Protection de l'Environnement – Classified Installations for the Protection of the Environment).

Training in environmental protection is cascaded down through several levels of the organization.

Environmental managers receive regular training, particularly in the regulatory aspect of their role.

Information on environmental emissions data is available at all times in each manufacturing plant, as it is an integral parameter for the production program and management of the installation. It enables operational staff to trigger corrective action within the continuous improvement programs.

Targeted training programs are also delivered for operational staff. For example, in the Concrete segment in France, the environmental objectives set by the Concrete segment management committee for France are presented to the seven QSE managers in the 4 geographical business areas and the indicators are monitored at monthly meetings.

In addition, batching plant operators annually attend a week's training course which includes the management of environmental parameters.

Both human resources and equipment devoted to the prevention of environmental risks and pollution enable emissions to be controlled beyond the limits prescribed by the various legislations.

Production sites are designed and operated such as to cause the least possible harm to the neighborhood. Noise measurements are taken regularly on site boundaries as part of the monitoring required by local regulations.

The Group's manufacturing processes generate very little waste, which in the majority of cases is recycled within the plant.

The provisions in respect of environmental matters are shown in the Group's consolidated financial statements (notes 1.17. and 15.). As at December 31, 2012, such provisions amounted to € 40.9 million.

The "environmental" policy applied to the Group's processes cascades down in practice through a number of levels: in the quarries, in the choice of energy sources, in water management, in air quality, and in the supply of raw materials.

1.2.1. Integrating the quarries into their environment

Based on the view, which has been taken for many years, that quarry operations should not harm the natural environment but on the contrary should help to enrich it through good management, Vicat organized its extraction operations such as to include in its quarry studies a preliminary analysis of the location and its environment, using its own experts and independent specialists.

From the feasibility assessment phase, prior to any negotiation or preparation of dossiers supporting application for authorization, the 30 members of staff working in the central quarries department based in France research the most environmentally friendly production techniques and define the future of the site once operations have been completed. The reinstatement work thus defined will contribute to the creation of habitats and the establishment of species of flora and fauna.

In this context, Vicat has chosen to proceed with reinstatement parts of the quarry which have been worked, as such work progresses without waiting for the complete cessation of operations in the quarry, thus helping to promote conservation and the development of biodiversity.

Land is prepared and cleared based on the surface requirements of the following year's extraction program. The quarried areas are reinstated immediately they have been worked. This rule also applies to sections left to await future working, which are reinstated on a temporary basis. This prevents soil erosion by rainwater and enables local flora and fauna to develop in the area.

In order to carry out such reinstatement work, Vicat has developed and perfected innovative techniques such as hydraulic seeding enabling the appropriate species to be sown in the ground and on mineral heaps.

The Group also pursues an active policy of (re)forestation on its industrial sites and quarries. More than 2,900 trees were planted in Turkey in 2012.

The large majority of the Group's quarries had a reinstatement plan in 2012.

	2012	2011
Total number of quarries	144	137
Surface area reinstated (m^2)	674,759	493,121
Number of quarries with a reinstatement plan	123	117
Percentage of quarries with a reinstatement plan	85 %	85 %

Each year, the central quarries department includes in its action plan the preparation of new reinstatement plans for quarries without them.

1.2.2. Protection of biodiversity

The protection of biodiversity is achieved through quarry operation methods, as explained above, and also through many local partnerships with naturalist groups.

In France, the Group has partnerships with associations such as the FRAPNA (Rhône-Alpes Federation for the Protection of Nature) in the Rhône-Alpes region, the Bird Protection League, the Association for Nature Conservation in Lorraine and the Association for Nature Conservation in the Allier.

One of the most convincing results of this policy has been the inclusion of the perimeters of a number of former quarries in France in the European program "Natura 2000" under the Habitats Directive and the fact that other more recent ones are eligible for this program.

Various local initiatives have been undertaken for the protection of animal species, such as the creation in 2012 of a refuge for bats in the Maizières aggregates quarry in Lorraine.

In Isère, the partnership with the «Tichodrome» association, which runs a hospital caring for birds and small mammals, continued in 2012.

1.2.3. Optimized choice of energy sources

Minimization of energy consumption is an integral part of the Group's general policy. This is achieved through on-going work on production facilities from their design to their operation.

The main impacts of energy on clinker and cement manufacture are discussed in paragraph 6.3.1.2. of the Registration Document.

As regards the financial impact, the Group's sensitivity to energy supplies and costs is discussed in paragraph 4.1.2. of the Registration Document.

Through its policy of investment in the best technology for its industrial firing systems, the Group has improved the thermal balance of its cement factory kilns and thus reduced its CO_2 emissions.

All these actions combine today to make the Vicat Group on of the best performing cement manufacturers, based on the data available for past years, in terms of specific thermal energy and electricity consumption and consequently of direct and indirect specific CO_2 emissions in the production of clinker.

For 2012 the thermal balance was 3.487 GJ/tonne, which is stable compared with 2011, despite less smooth operating conditions, owing to the decrease in economic activity in some regions, but thanks to the start-up of new, higher performance kilns.

Similarly, in the case of electricity, where consumption is linked to the grinding of raw materials or clinker, the technical ratio was 108.1 kWh/tonne of cement produced, which put Vicat in the middle of the international benchmark range.

Electricity consumption at the manufacturing sites consolidated in this report (cement works, quarries, concrete batching plants, paper mills and pre-cast concrete plants) was 2,007 GWh or 7,225 TJ.

The sites not included in the monitoring scope, i.e. offices and other activities, would have only a very marginal effect and monitoring of these is not relevant at this level.

2012	Cement	Aggregates	Concrete	OPS	Total
MWh elec	1,893,677	46,376	26,850	40,520	2,007,422

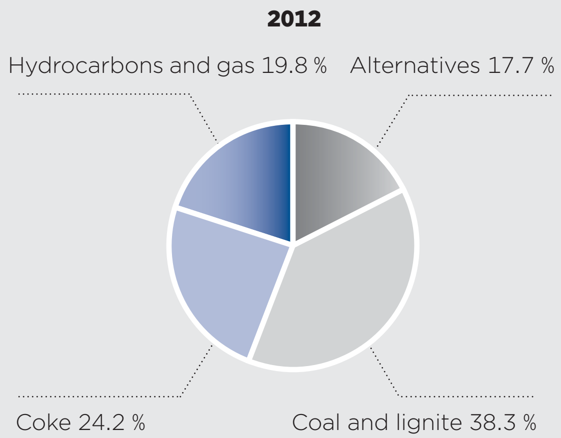
For many years, Vicat has pursued an ambitious policy of using alternative fuels in place of conventional fossil fuels.

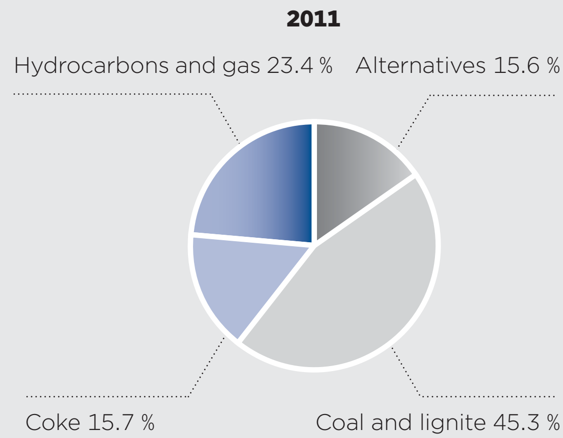
Such alternative fuels are, for example, waste from vehicles at the end of their service life, tires, oils, solvents or other industrial liquid waste which must be disposed of. There is also strong growth in the use of crushed waste from biomass sources. In Switzerland, for example, this represented 30 % of the fuel used at the Reuchenette cement works in 2012.

Replacing conventional fuels also means a saving of natural resources, which has an important leverage effect in reducing CO_2 emissions.

In 2012, alternative fuels accounted for 17.7 % of total fuel consumption, 6.8 % of which was biomass.

Energy sources





1.2.4. Water management and recycling

Recycling of water is favored in order to reduce intake and discharges into the environment. Water intake is monitored as an important indicator of the impact of our operations.

In cement works, some water is used to cool the gases before treatment in the filters. A large part of the water is used for cooling the bearings in rotary equipment (bearings in the kiln or grinding mills) and the use of closed loops enables recycling of 69 % of total water requirements.

In the concrete segment, water consumption is 210 liters per m^3 of production, perfectly in line with international good practice and well below the 350 liters set by French regulations as the maximum limit.

In the aggregates segment, recycling systems enable over 65 % of the total requirement to be recovered, with the figure reaching 78 % in France.

The specific consumption per tonne of aggregate produced is thus limited to 175 liters of water.

		Cement	Aggregates	Concrete	Others
Total water requirement	(000) m^3	29,653	9,462	1,982	2,398
- recycled	(000) m^3	20,398	6,160	311	300
- percentage recycled	%	69	65	16	13
Net intake	(000) m^3	9,255	3,302	1,671	2,098
- public network	%	6.9	13.6	52.8	
- aquifers	%	69.7	29.5	6.6	100.0
lakes and rivers	%	9.4	54.0	40.4	
- other	%	13.9	2.9	0.2	
- environmental discharges	(000) m^3	5,798	10	7	1,496
Effective consumption	(000) m^3	3,457	3,292	1,664	602

1.2.5. Air quality and emissions reduction

In the case of its main industrial activity, the production of clinker and cements, Vicat has always placed a great deal of importance on the filtration systems of chimney exhausts which can impact air quality.

Consequently, Vicat's specific levels of dust discharge from its cement factory kilns are among the lowest in the industry.

In order to measure its performance in this area, Vicat has opted to compare itself against the relevant criteria developed by the CSI (Cement Sustainability Initiative, the industry association of the World Business Council for Sustainable Development (WBCSD)) and used by the industry as an international benchmark international which are:

- CO_2 emissions for the monitoring of greenhouse gases having a potential impact on climate change;
- Dust emissions which are one of the main indicators of good kiln operation and one of the main historic impacts of cement works;
- NOx (nitrogen oxides) and SOx (sulfur oxides) emissions as discharges having an impact on acidification of the atmosphere.

In the case of dust, NOx and SOx discharges, the situation in 2012 was as follows:

	% of production covered by the analysis	Emissions tonnes	Emissions g/T of clinker	2011 figure
Dust	100	574	41	46
SOx	57.0	2,088	262	315
NOx	69.7	13,426	1,377	1,209

The start-up of modern kilns fitted with high performance filters has enabled an improvement in the dust indicator, which is among the best in the industry, based on available data.

In the case of SOx, the main emissions come from pyritic sulfurs in the raw meal. This parameter is controlled by better advance management of the working of different quarry seams.

In some countries, India in particular, the quality of the ambient air in the vicinity of the plants is monitored and not the emissions. Frequent measurements show concentrations around the plants to be eight to ten times lower than the standards require.

The increase in NOx emissions is linked in part to the increase in output from kilns fuelled by coal. The use of modern kilns enables this impact to be limited.

Other discharges into the air are not significant in the case of the cement industry, which produces little or no effluent and therefore has no impact on water quality.

1.2.6. Greenhouse gas emissions

Cement industry studies show that only CO_2 needs to be considered under this heading. The share of emissions of other gases (methane, nitrogen protoxide, fluorinated gases, etc.) is marginal.

In the case of CO_2, the emissions from the French factories are subject to quotas under the European ETS program (Exchange Trade System). Consequently, they are monitored precisely under surveillance programs and have been checked annually since 2005 by an approved independent body.

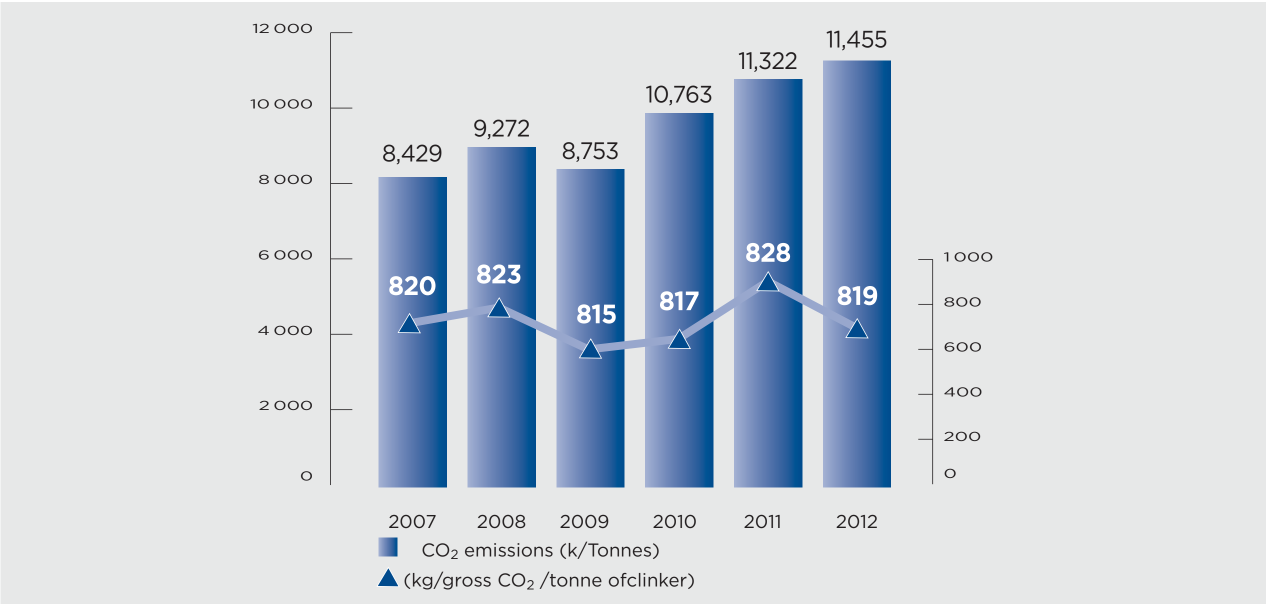
As a result of these checks, Vicat has been able to obtain a reasonable assurance certificate without reservations every year since 2005.

Although not directly a member of the CSI, Vicat France participates each year in the information provided to the CO_2 database launched on a global scale on the initiative of the United Nations and under the GNR program "getting the numbers right". Participation is through the local industry association.

In Switzerland, the Reuchenette cement works (Vigier) is a member of the CSI and accounts for its emissions under this heading after being audited by the industry association Cemsuisse. A new system of CO_2 monitoring based on the European regulations came into force on January 1, 2013.

Lastly, surveillance and reporting systems according to United Nations GHG protocol have been put in place in the USA. With effect from January 1, 2013, the LEBEC cement works in California has been subject to California Air Resources Board (CARB) regulation AB 32 on greenhouse gas emissions. The objective of this regulation is to bring emissions down to 1990 levels by 2020. The program is based on a «Cap and Trade» system which restricts emissions downwards regularly each year, with the option for companies to buy, sell or exchange quotas. Under this program, National Cement of California received 433,947 free quotas in November 2012 to use in respect of future emissions with effect from 2013.

In Vicat's case, direct CO_2 emissions (from the burning of fossil fuels and the decarbonization of raw materials) from its cement works are the main indicator of performance in terms of gross CO_2.



Specific CO_2 emissions in 2012 fell compared with 2011 owing to the start-up of modern plants with better thermal balances and greater use of biomass.

The Group's total direct and indirect emissions (associated with electricity consumption) were 12.43 million tonnes of CO_2 in 2012 plus 322,890 tonnes of CO_2 associated with the use of biomass.

2012	Cement	Aggregates	Concrete	OPS	Total
Total direct and indirect CO_2 (in thousands of tonnes of CO_2)	12,406	9.8	9.0	5.1	12,430

1.2.7. Management of raw materials.

The main raw materials used by Vicat in its business are naturally occurring and extracted from the environment. This is equally true for clinker or aggregates production and for water consumption.

The company, therefore, keeps precise accounts of its consumption and where possible favors the use of alternative raw materials (Valmat) for both clinker production (calcium, alumina or iron oxides, silica content, etc.) and for cements (sulfo or phospho gypsums, recycling of mineral waste from quarries, etc.) and aggregates (use of aggregates from returns of fresh concrete or from demolition).

In 2012, the raw material consumed in clinker production amounted to 22.75 million tonnes, including 0.5 % alternative materials.

An additional 3.32 million tonnes were used in cement manufacture, including 17.3 % alternative materials.

In total, alternative materials are used in 17.7 % of the cement produced by the Group.

19.1 million tonnes of raw materials were extracted for aggregates production.

2. BEING A RESPONSIBLE EMPLOYER

2.1. Workforce

The workforce mainly comprises local personnel. Recruitment is mainly from the catchment areas in which we operate.

Breakdown of the Group's workforce by age of December 31, 2012

Age group	< 20	20 - 25	25 - 30	30 - 35	35 - 40	40 - 45	45 - 50	50 - 55	55 - 60	60 - 65	> 65	Total
France	9	78	226	295	360	443	425	333	291	80	4	2,544
Switzerland	18	51	96	103	108	162	229	153	124	84	13	1,141
Italy	0	0	1	2	7	8	2	1	3	2	0	26
United States	0	16	33	85	122	155	158	164	149	76	42	1,000
Senegal	1	4	46	102	150	153	142	122	49	1	0	770
Mali	0	0	1	5	1	1	1	2	1	0	0	12
Mauritania	0	0	5	8	10	14	9	6	8	2	1	63
Egypt	0	5	35	63	80	36	32	24	14	5	4	298
India	0	26	166	161	102	83	53	29	10	2	0	632
Kazakhstan	0	23	61	47	47	27	23	23	10	1	1	263
Turkey	1	41	155	216	185	153	135	29	14	6	1	936
Total	**29**	**244**	**825**	**1,087**	**1,172**	**1,235**	**1,209**	**886**	**673**	**259**	**66**	**7,685**

In 2012 as in 2011, the group maintained a balanced age pyramid. The number of employees under 35 is proportionately higher in India (55.9 %), Kazakhstan (49.8 %) and Turkey (44.1 %) and accounts for 28.4 % of the Group's workforce. Employees over 50 represent 24.5 % of the Group's workforce, with a higher proportion in France (27.8 % in 2012, 26.7 % in 2011), Switzerland (32.8 % in 2012, 37.6 % in 2011) and the United States (43.1 % in 2012, 40.9 % in 2011).

Change in years of service and average age in the Group

	Average age		Average years of service	
	2011	2012	2011	2012
Total Groupe	**41.5**	**41.5**	**9.5**	**9.1**
of which France	*42.8*	*42.7*	*11.7*	*12.1*

The recruitment of new staff in India, Kazakhstan and Turkey resulted in the average years of service decreasing from 9.5 years in 2011 to 9.1 years in 2012.

Average age remained stable at 41.5 years, with natural annual ageing being offset by a workforce in India, Turkey and Kazakhstan with an average age respectively of 35.4, 37.4 and 38.3 years.

Breakdown of the workforce as at December 31, 2012 by category and business

		of which		
(Number of employees)	Total	Cement	Concrete and Aggregates	Other Products & Services
Executives	1,370	819	264	287
White-collar staff	2,773	1,462	893	418
Blue-collar staff	3,542	1,035	1,455	1,052
Total	**7,685**	**3,316**	**2,612**	**1,757**

The breakdown of the workforce by business follows the development of the Group's operations, particularly in the cement segment in India. The percentage of the workforce in the Cement business thus increased from 42.1 % as at December 31, 2011 to 43.1 % as at December 31, 2012, and the percentage in the Concrete and Aggregates business fell from 38.0 % in 2011 to 34.0 % following a reclassification of Turkish staff into Other Products and Services, taking the percentage in Other Products and Services from 19.9 % in 2011 to 22.9 % in 2012. Blue-collar staff represented 46.1 % of the total workforce, white-collar staff 36.1 % and executives 17.8 %.

Breakdown of the Group's average workforce by geographical area

(Number of employees)	2012	2011	Change
France	2,566	2,579	-0.5 %
Switzerland/Italy	1,098	1,089	+0.8 %
United States	996	1,012	-1.6 %
Turkey/Kazakhstan/India	1,732	1,614	+6.8 %
Senegal/Mali/Mauritania/Egypt	1,137	1,093	+3.9 %
Total	**7,529**	**7,387**	**+1.9 %**

The Group's average workforce in 2012 increased to 7,529 compared with 7,387 in 2011, i.e. +1.9 %.

This increase reflects the Group's growth in emerging countries.

The Turkey-Kazakhstan-India region thus saw its average workforce increase by +6.8 % in one year with the start-up of the new Vicat Sagar cement works in India and an increase in the Concrete segment in Turkey.

In the case of the Egypt-West Africa region, the 3.9 % increase was mainly due to the taking on of workers previously employed on a daily basis in the Aggregates business in Senegal. Sococim, the cement subsidiary, saw a reduction in its workforce (-3.7 %) between 2012 and 2011.

Switzerland saw its workforce increase by 0.8 %, mainly owing to an increase in its concrete business associated with two major construction sites in the Seeland Jura region, and to growth in its waste business.

In France the average workforce fell by 0.5 % due to the permanent optimization of the organization of the different businesses. At constant consolidation scope, the Group's average workforce in France fell by 0.9 % between 2012 and 2011.

In the United States, the average workforce continued to fall in 2012 (-1.6 %) owing to the financial crisis affecting the country.

Breakdown of the Group's average workforce by business

(Number of employees)	2012	2011	Change
Cement	3,202	3,143	+1.9 %
Concrete & Aggregates	2,925	2,887	+1.3 %
Other Products & Services	1,402	1,357	+3.3 %
Total	**7,529**	**7,387**	**+1.9 %**

The 3.3 % increase in Other Products & Services is explained by a reclassification into this segment in Turkey of almost 20 staff from the Concrete and Aggregates segment. At constant consolidation scope, the increase in the workforce is similar in the different business and is of the order of 1.9 %.

Change in workforce at year end by movement type

	Workforce
Workforce as at December 31, 2011	7,471
Natural wastage (resignation, end of contract, death)	- 460
Retirement, pre-retirement, dismissal, other	- 427
Changes in consolidation scope	+ 43
Recruitment	+ 1,058
Workforce as at December 31, 2012	**7,685**

The Group's workforce as at December 31, 2012 increased to 7,685 compared with 7,471 as at December 31, 2011. This 2.9 % increase is explained primarily by the recruitment of staff for the Vicat Sagar cement works which came on stream in autumn 2012 and, to a lesser extent, by new recruits in the Concrete business in Turkey.

Other movements resulted mainly from the replacement of natural departures and adaptation of organizations to the economic situation in each market.

In France, the workforce as at December 31, 2012 was down 1.7 %. At constant consolidation scope, the Group's workforce in France fell by 3.3 % as at December 31, 2012 compared with December 31, 2011.

Recruitment in 2012 remained high, due mainly to recruitment for operations in India (Bharathi and Vicat Sagar) and in Turkey (Concrete business). Arrivals and departures also included a significant number of jobs associated with seasonal business, especially in France and in Turkey in the case of drivers, and a habitually high turnover in India and Kazakhstan. Overall recruitment by the Group increased from 958 to 1058 between 2011 and 2012.

2.2. Remuneration

2.2.1. Remuneration policy

Remuneration policy is based on rewarding individual and joint performance and securing team loyalty. It takes into account the culture, macroeconomic conditions, employment market characteristics and remuneration structures specific to each country.

2.2.2. Minimum wage

In each country in which the VICAT Group operates, its companies do not pay below the local statutory minimum. If there is no statutory minimum, wages paid are at least above the minimum in the local market.

2.2.3. Change in personnel costs as at 12.31.2012

The Group's personnel costs increased from €353.0 million in 2011 to €366.6 million in 2012, i.e. a rise of +3.9 %. This increase is due primarily to an exchange rate effect of €7.5 million +2.1 %. Organic growth covered both the increase in workforce in India and Kazakhstan and wage inflation. It can be explained by two factors: sensitivity in local currency in emerging countries with significant inflation and the mechanical effect of a general increase in current on the basis of a high wage level.

(in thousands of euros)	2012	2011
Wages and salaries	262,548	252,522
Social security contributions	97,605	94,553
Employee share ownership (French companies)	6,500	5,947
Personnel costs	**366,653**	**353,022**

2.3. Work organization

The VICAT Group's organization reflects its performance objectives. The chain of command is short and the number of levels in the hierarchy reduced to operational requirements. Management is direct and local.

Work is organized in compliance with local legislation in terms of working and rest times and health and safety and is designed to deliver the best performance from the team at the lowest cost

2.3.1. Shift working

Part of our industrial business requires shift working. The statutory framework is systematically adhered to.

In 2012, 15.6 % of Group staff were on shift work.

2.3.2. Part-time work

Analysis of the workforce as at 12/31/2012 by contract type / category

		of which		
(Number of employees)	Total	Cement	Concrete & Aggregates	Other Products & Services
Full-time employees:	**7,488**	**3,289**	**2,518**	**1,681**
Executives	1,344	813	256	275
White-collar staff	2,669	1,443	855	371
Blue-collar staff	3,475	1,033	1,407	1,035
Full-time employees:	**197**	**27**	**94**	**76**
Executives	26	6	8	12
White-collar staff	107	19	38	50
Blue-collar staff	64	2	48	14
Total	**7,685**	**3,316**	**2,612**	**1,757**
% of part-time employees	2.6 %	0.8 %	3.6 %	4.3 %

The Group has little need for part-time jobs. As at December 31, 2012, the percentage of part-time employees remained stable at 2.6 % of the workforce. As in 2011, many more part-time staff were employed in the Other Products and Services business (4.3 % in 2012, 5.2 % in 2011) and Concrete and Aggregates business (3.6 % in 2012, 2.6 % in 2011) than in the Cement business (0.8 % in 2012, 1.0 % in 2011). Part-time staff are employed to varying degrees in the following countries only: Switzerland (10.3 %), Italy (3.8 %), France (3.0 %), Egypt (0.3 %) and the USA (0.2 %).

2.3.3. Absenteeism

Absenteeism is monitored in each country in order to identify the reasons and take appropriate action. In 2012, the VICAT Group had this situation under control. It varied between 0.5 % and 5.9 %, depending on the country. The figure for France is 2.3 %.

2.4. Social dialogue

VICAT Group companies all comply with the local laws to which they are subject with respect to the following matters: respect for freedom of association and the right to collective bargaining; respect for the procedures for informing and consulting staff.

Social dialogue works well within the various companies. Management, which is direct, close to the workforce and always open to discussion with staff, is a key success factor in maintaining social dialogue and a good social atmosphere.

No significant event occurred in 2012 to disrupt social dialogue or the social atmosphere, with the exception of the security situation in our Egyptian plant in Sinai.

For 2012, the consolidation scope adopted for the indicator Review of agreements is limited to France.

In total, 95 agreements were signed. Among the most significant agreements was that on Exposure to health risks at work, which was signed and implemented within VICAT in 2012, and agreements on the implementation of the P.E.R.C.O. (Collective Retirement Savings Plan) within all the VICAT Group's French companies in 2013.

2.5. Health, safety and accident prevention

2.5.1. Safety indicators

As a result of Group Management's commitment to improving employees' health, safety and working conditions throughout all sites, the Vicat Group's safety indicators improved in 2012.

Total Groupe

	2012	2011	Change (%)
Number of lost-time accidents	190	199	- 5
Number of fatal accidents	1	2	
Number of days lost	6,229	6,704	- 7
Frequency rate	13.3	14.4	- 8
Severity rate	0.44	0.49	- 10

In the case of the "Cement" business, the indicators remained stable and largely the same as in 2011.

Cement Group

	2012	2011
Number of lost-time accidents	40	39
Number of fatal accidents	0	2
Frequency rate	7.3	7.3
Severity rate	0.25	0.26

Total France
(cement + concrete + aggregates + VP + Vizille + APS)

	2012	2011
Number of lost-time accidents	51	59
Number of fatal accidents	0	0
Frequency rate	13.5	15.4
Severity rate	0.66	0.93

Cement France

	2012	2011
Number of lost-time accidents	8	9
Number of fatal accidents	0	0
Frequency rate	5.9	6.7
Severity rate	0.46	0.48

2.5.2. Health and safety conditions at work

Ensuring safety and preventing accidents at work are two of the Vicat Group's guiding objectives.

In this context, a voluntary safety policy is supported by General Management, which expresses its commitment and sets out its objectives and requirements in the Group's safety charter, which is communicated to all employees.

The safety policy is cascaded and supported by the Group's Safety Department and is applied on all sites by managers, whose involvement is essential.

Accidents, whether to Group personnel, temporary staff or employees of external companies, are analyzed in depth in order to understand the causes and identify immediate corrective action. Such analyses are shared within the Group and communicated to all those with an accident prevention role. All sites thus benefit from shared experience. The progress in accident prevention and safety is the result of the joint commitment and work of everyone in the company.

Site audits and visits are conducted by employees responsible for accident prevention and trained operational staff. The aim of these audits is to identify risks, gaps, malfunctions, anomalies and hazardous situations. Technical and/or organizational solutions are then proposed and implemented.

Sharing these enables effective and productive collaboration and synergies.

Each year new safety standards are drawn up in order to ensure the dissemination of "good practices" (for example, working and moving around at height or the use of manual tools).

Protective measures in the workplace are a priority. Group personnel also have at their disposal all necessary personal protective equipment, provided after an in-depth ergonomic study. Special attention is paid to ear defenders and respiratory protection. Specific training courses are organized on a regular basis in order to ensure correct use of such equipment, essential for the effective protection of personnel exposed to such risks.

Safety is an integral component of plant design. Risk prevention experts are assigned to each new project and work with the technical teams to identify solutions which optimize safety.

The Group also attaches importance to its employees' mental health and well-being. In this context and in order also to comply with a regulatory obligation, a campaign to prevent psycho-social risks, aimed at stress in particular, has been launched in France. This began in 2012 in the companies Alpes Informatiques and VPI and will continue in 2013 encompassing a wider range of French companies.

These measures to prevent stress are part of the action plans which have been followed since 2008 in the companies Béton Rhône-Alpes and Granulats Rhône-Alpes.

At all its sites throughout all regions of the world, Vicat attaches importance to hygienic and healthy working and living conditions.

All our employees, therefore, have access to drinking water and to sanitary facilities conforming to requirements and properly maintained.

It is important to note that in the case of the aggregates business in Senegal, where a fatal accident occurred in 2012, a specific action plan has been drawn up for 2013 to reinforce the measures in place.

2..5.3. Agreements signed with trade union organizations with regard to health and safety at work

The Group works with everyone in the company, in particular employee representatives, in order to improve accident prevention and safety at its sites and safeguard the health of its employees on an on-going basis. The agreements signed bear witness to the willingness and commitment of both Management and trade unions to this issue.

An agreement aimed at reducing exposure to health risks at work was, therefore, signed on April 5, 2012 in relation to the cement business in France and the Vizille paper mills.

The particular aim of this agreement, after an analysis to identify jobs likely to expose their occupants to one or more health risks, is to establish preventive measures or actions to be taken in order to eliminate or reduce such exposure.

The main areas of focus are the exposure of workers to noise, hazardous chemicals (in particular dust), vibration, awkward positions and manual handling.

Through concerted and effective efforts to arrange or adapt the workplace and action to improve working conditions, the Group intends to reduce and eliminate wherever possible the exposure of employees to health risks at work.

2.6. Training

The Group's training program in 2012 remained focused on safety, accident prevention and the environment; the optimization of industrial performance; and commercial performance. These training measures, centered on operational results, contributed consistently and effectively to the Group's results in these areas.

In France in the Ecole du Ciment, du Béton et des Granulats (school of cement, concrete and aggregates), the Group has an in-house training facility housed within its subsidiary Sigma Béton. Training courses are developed and delivered using the Group's technical expertise.

Kazakhstan continued to roll out its training program aimed at enabling the local teams at the Mynaral plant to operate independently. As proof of the success of the measures employed, the Chinese support team left the site in May 2012, in line with the planned schedule, and the plant's performance has continued to improve.

In India, continuation of Bharathi subsidiary's training policy enabled 2 production lines to be operated successfully. In order to prepare for the start-up of Vicat Sagar in autumn 2012, teams were recruited in advance and trained at the Bharathi site.

Number of hours of training	Number of employees having attended at least one training course
87,548	3,900

In total, more than 81,100 hours of training were delivered and almost 3,900 employees attended at least one Group training course in 2012.

2.7. Respect for diversity and equal treatment

2.7.1. Steps taken in favor of equality between men and women

The low proportion of women in the salaried workforce is due in particular to the type of activity and jobs offered by the Group.

Equality between men and women, however, remains one of the basic elements of the Vicat Group's human resources policy. Depending on the culture of the country, appropriate measures are adopted to ensure access to jobs and training and the same treatment in terms of remuneration and promotion.

Such measures are employed within the limit of the constraints imposed by our businesses. In fact, a significant proportion of jobs are not easily accessible to female staff, owing either to working conditions (for example the carrying of heavy loads), or to the absence of women on training courses leading to certain jobs (in mechanical engineering, for example).

Breakdown of the workforce as at December 31, 2012 by gender / years of service / category

		of which				
(Number of employees)	Total	Executives	White-collar staff	Blue-collar staff	Average age	Average years of service
Men	6,882	1,176	2,026	3,680	41.6	9.1
Women	803	159	548	96	40.7	9.5
Total	**7,685**	**1,335**	**2,574**	**3,776**	**41.5**	**9.1**

Male and female workforce

(share on women in % in the workforce)	2012	2011
Executives	11.9	12.0
White-collar staff	21.3	21.5
Blue-collar staff	2.5	2.4
Total Group	**10.4**	**10.8**
of which France:		
Executives	19.8	18.8
White-collar staff	26.0	26.6
Blue-collar staff	2.2	1.8
Total France	**17.1**	**16.9**

Women		Men	
2011	2012	2011	2012
10.8 %	10.4 %	89.2 %	89.6 %

The percentage of women employed by the Group decreased slightly between December 31, 2011 and December 31, 2012 (going from 10.8 % to 10.4 %). In France, the employment of women increased to 17.1 % in 2012 (compared with 16.9 % in 2011). Kazakhstan occupies the leading position in the employment of women category, with a female workforce representing 20.9 % of the total.

The percentage of female executives in the Group remained relatively stable (going from 12 % in 2011 to 11.9 % in 2012). France continued to see its percentage of female executives increase to 19.8 % as at December 31, 2012 (compared with 18.8 % as at December 31, 2011).

2.7.2. Measures taken in favor of the employment and integration of disabled people

Wherever conditions allow, the Vicat Group applies a voluntary policy in relation to the employment of disabled people.

Group companies thus employ disabled workers directly through contact with specialist organizations (in France, for example, CAP Emploi, Ohé Prométhée or AGEFIPH).

Adaptations of the workplace, either by arrangement of working hours (reduction or adaptation of working hours, remote working), or by arrangement of the workspace (ergonomic arrangement of the work in terms of task content, training, etc.), are also studied and put in place.

The development of subcontracting in suitable, protected sectors (secondment of disabled workers within Group companies, provision of services, such as maintenance of green spaces, removal of certain types of waste, etc.) is another solution employed.

In France, disabled employees represent 2.6 % of the workforce. During 2012, the social partners in OPCA3+ signed an inter-sector partnership agreement with AGEFIPH, thus reaffirming the desire of companies in the industry to promote disabled people's access to and maintenance in employment. The Vicat Group is involved in the action plan being rolled out and focusing on three key areas: information and awareness; support; training, qualifications and professional status.

This policy is also echoed abroad, in Turkey for example, where disabled employees represent 3 % of the workforce of the Vicat Group's Turkish companies.

2.7.3. Policy aimed at combating discrimination, forced labor and child labor

Adoption of the Group's values by its employees is one of the key factors in the success it has achieved in its 150 years of existence. These values, which create a strong enterprise culture, derive from a humanist philosophy embodied by Louis Vicat, which is at the very source of the Group's existence. United by a history extending over more than a century and a half, employees in the various different countries have a common feeling of belonging to the Group.

This enterprise culture gives rise to respect in relations with others, a solidarity between teams, a sense of leading by example, a capacity to mobilize energy and the power for strong action on the ground to achieve objectives.

As the cornerstone of the organization, the management, which is responsible for promoting these values, is direct and close to the workforce. Above all it is close to the teams and the reality of the operations. It maintains constant, open dialogue.

The Vicat Group is, therefore, ready to combat effectively the various forms of discrimination, forced labor and child labor.

All Group companies comply with the law aimed at combating discrimination in their respective countries (all are members of the International Labor Organization). Proof of such compliance is to be found in the checks conducted by various local authorities, which did not uncover any failure to observe the regulations in force in 2012.

At the instigation of Group management, India, Kazakhstan and Senegal have adopted a code of conduct complying with World Bank standards. Management in India is very sensitive to child protection and has regular, unannounced monthly audits conducted to check that no children are working on our sites.

In 2012, no Group company was the subject of a complaint or conviction for discrimination, forced labor or child labor.

3. BEING INVOLVED IN THE ECONOMIC AND SOCIAL DEVELOPMENT OF THE COUNTRIES IN WHICH WE OPERATE

The Group has many links with local authorities and associations close to its operational bases. This dialogue takes place either through the organization of joint events or through the attendance of Group representatives at work-related meetings with stakeholders.

3.1. Education

Education is a priority in the Group's commitment to communities in the countries where it operates. This commitment stems from the belief that, without a minimum of education, no economic, social (including questions of health) or environmental development can occur. This commitment is to be found equally at university and at primary and secondary school level. It generally takes the form of direct financial support either to the institution, or to pupils through the award of bursaries. It can also take the form of donations of building materials where new buildings are being constructed or of training in building trades. The table below summarizes the main activities in 2012 (which extend well beyond the legal obligations such as allocation of the apprenticeship tax in France):

Country	Level	Institution	Type of support
France	Higher education	Catholic University of Lyon	Development of new courses and construction of a new university
Egypt	Higher education	University of El Arish (North Sinaï)	Award of bursaries to 60 students
United States	Higher education	University of Alabama	Financial support
Turkey	Secondary school	Konya school of fine arts	Financial support
India	Primary school	Chatrasala and Kherchkhed schools	Financing of classroom equipment
Senegal	Primary school		Financing of the construction of two classrooms at Bargny Purchase and donation of school equipment
Kazakhstan	Primary school	Mynaral Tas school	Financial support
Turkey	Nursery school	Elmadag mobile nursery school	Financing of the equipment of the bus serving as a school

In addition to supporting schools and universities, the Vicat Group finances numerous cultural activities.

Maurice Gueye center in Senegal is a very special case in point. This center, which belongs to Sococim, houses the largest private library in Senegal in terms of the number of books and number of subscribers (200). The center is also frequented by thousands of visitors to concerts, exhibitions, film showings or other shows. In 2012, it also awarded several bursaries to deserving students.

Another example in the cultural sphere in France: in Montalieu, the Group is linked by a partnership agreement to the Stone and Cement Center, which, as well as housing a museum, organizes visits and conferences on the heritage and history of building in stone and cement concrete.

3.2. Local economic development

The nature of the Vicat Group's industrial operations creates numerous jobs both upstream and downstream of its production plants. It is estimated that in the industrialized world for every one direct job in a cement works, there are ten associated indirect jobs. Upstream suppliers and also the whole construction and public works sector downstream are all fed by a cement works.
In emerging countries, the workforce on production sites is often larger than in the industrialized world because there is less outsourcing of support functions (maintenance). Such outsourcing presupposes a certain level of qualification and independence on the part of subcontractors.

The Vicat Group is involved in various economic development initiatives in the countries where it operates. Two initiatives are worthy of mention:

- in France in December 2012, Vicat took over the chairmanship of the certification committee Alizé Savoie, an initiative aimed at supporting the economic development of microenterprises and SMEs in the Savoie region through zero interest rate loans and the provision of expertise from partner companies in the project (Saint-Gobain, Auchan, EDF, Vicat, etc.). In 2012, this initiative supported eight new companies with 36 potential jobs, bringing the total number supported under the program since 2006 to 46 companies and 249 jobs.
- in Senegal, the Sococim foundation, which has been in operation since the end of 2011, gave its support to the economic development of its first two projects in 2012:

- Support for the association for the development of Medinatoul Mounawara (Bargny) which brings together 84 women in small businesses selling fish, palm oil, couscous.. or raising and selling poultry.
- Support for the company Aissa Dione Tissus, an SME with 80 employees which designs and makes furnishing and decoration fabrics in Rufisque. Its products are made from organic cotton thread.

3.3. Help in integration through employment

In 2012, The Vicat Group continued its involvement in initiatives promoting integration through employment, in cooperation with the relevant local services, even where these programs are only indirectly aimed at the industry. This is the case in France, in Nice and Nord Isère where the Vicat Group is a partner in "100 chances 100 emplois" (100 opportunities, 100 jobs). The aim of this program is to find young people with potential in disadvantaged urban neighborhoods and provide them with a personalized career path towards professional employment.

Once they have been identified by local employment services or by Pôle emploi, the candidates meet executives from partner companies who help them to identify their career path, find themselves internships or training courses and prepare for job interviews.

3.4. Conservation and use of the built heritage

The Vicat Group focuses particularly on questions of the built heritage, going beyond the development of products and commercial solutions for renovation or conservation.

Several activities undertaken in 2012 are worthy of note:

- in France the Group supported the "Geste d'or" organization which each year confers awards on the best projects for the conservation and use of the built heritage. These projects, which bring together architects and craftsmen, are all distinguished by their excellence and quality. In 2012 the Geste d'Or gave the award to the renovation of a medieval façade in Figeac (Lot department)

- The Louis Vicat bridge in Souillac (Lot department) has been the subject of studies donated by the Group on behalf of the concrete laboratories in Isle d'Abeau with a view to its renovation in the near future by the Lot Department Council. This bridge, the construction of which was at the origin of the invention of artificial cement by Louis Vicat in 1817, was the first bridge in the world to be built using artificial cement.
- In Turkey, the Vicat Group contributed to the financing of archeological excavations on the Catalhayuk site, which is near the Konya cement works. This site undoubtedly contains one of mankind's oldest towns, dating from the Neolithic age. Vicat, through its subsidiary Konya Cimento, has already contributed in the past to the preservation of this exceptional site when a shelter was built to protect the excavations.
- In Senegal, the Group, via the Sococim foundation, had financed the renovation of the Théodore Monod museum/African Institute of Basic Research in Dakar in 2011. In 2012 the Group contributed to the creation of a permanent exhibition in the museum, "the art of being".

3.5. Sports associations

The Group is heavily involved in supporting sports clubs or associations in all the countries where it operates. In France, for example, it chose in 2012 to support professional women's football, in partnership with the Olympique lyonnais women's team. This partnership was established through a desire to support women's sport.

3.6. Health

The Vicat group's efforts on public health for the benefit of those living in the neighborhood of its production facilities focused primarily on India and Senegal in 2012. In India work was undertaken to improve drinking water (Ogipur water treatment plant) near the Gulbarga cement works (Vicat Sagar), to build public lavatories and to arrange health information sessions in the villages in the vicinity of the Group's cement works (Vicat Sagar and Bharathi).

In Senegal, the dispensary at the Rufisque cement works is open free of charge to the local population, including people not belonging to the families of employees. Malaria and AIDS prevention programs are also offered.

It is noteworthy that the action plan, drawn up in favor of stakeholders when the Gulbarga (Vicat Sagar) cement works was built, which goes beyond health questions and includes actions to support education and the harmonious development of the living conditions of stakeholders, is the subject of a report to the IFC (International Finance Corporation), part of the World Bank group, which is one of providers of finance to the project.

3.7. Good practice with stakeholders

3.7.1. Relations with subcontractors and suppliers

Although the figure generated by the Group's purchases from its suppliers may seem large (50 % of the Group's total sales in 2012, i.e. almost €1 billion), it comes in large part from energy purchases (almost 40 % of total purchases) which are made from traders or large groups such as EDF or Total in France.

The Group, however, considers it important to give priority to local purchases wherever possible, in order to generate economic benefits for the countries in which it operates. Thus in 2012 it was a sponsor of the local purchases agreement organized by the North Isère Chamber of Commerce and Industry, which enabled major companies placing orders to be put in contact with SMEs in the employment catchment area.

The Group complies with the rules of law in the countries where it operates, which have all signed or ratified the United Nations Human Rights Charter. In 2012, the Group made an effort to standardize the clauses in its purchase contracts reminding its suppliers of the main principles of international law, in particular with regard to compliance with the rules of the International Labor Organization (non-discrimination, prohibition of forced or child labor). These clauses will be standardized progressively throughout the Group as the Group's procurement standards are put in place.

For example, in India, at the Vicat Sagar cement works construction site, an audit group was established in 2012 to check compliance with these rules of law by the Group's suppliers. This audit group, working under an expatriate engineer is itself checked by IFC teams.

3.7.2. Training in good practice

In the context of the Group's general policy on promoting and training in adherence to good practice, a number of training courses were organized for the Group's managers and executives. In 2012, such courses were delivered in Switzerland, Turkey, Egypt and France (cement and concrete businesses).

These training courses, very much focused on competition law, will be extended from 2013 to cover the rules on combating corruption and the promotion of human rights, using in particular the expertise of the Institute of Human Rights at the Catholic University of Lyon, which the Vicat Group supports as part of its charitable program.

3.7.3. Consumer health and safety

The vast majority of the products produced and sold by the Group comply with local minimum standards. These are checked under internal and external procedures.

4. TABLE OF EQUIVALENCE CSR INFORMATION / CSR REPORT

		N°	Information required by Decree No. 2012-557 of April 24, 2012	Vicat CSR report references
SOCIAL INFORMATION	a) Employment	1	Total workforce and breakdown by gender, age and geographical area	2.1
		2	Recruitment and lay-offs	2.1
		3	Remuneration and pattern of change	2.2
	b) Work organization	4	Organization of working hours	2.3
		5	Absenteeism	2.3.4
	c) Social relations	6	Organization of social dialogue, in particular procedures for informing and consulting employees and negotiating with them	2.4
		7	Review of collective agreements	2.5
	d) Health and safety	8	Health and safety conditions at work	2.5
		9	Review of agreements signed with trade unions or staff representatives concerning health and safety at work	2.5
		10	Workplace accidents, in particular their frequency and their severity, and occupational illnesses	2.5
	e) Training	11	Training policies implemented	2.6
		12	Total number of hours of training	2.6
	f) Equality of treatment	16	Measures taken in favor of equality between men and women	2.7.3
		17	Measures taken in favor of the employment and integration of disabled people	2.7.3
		18	Policy for combating discrimination	2.7.3
		19	At the effective abolition of child labor	2.8.3

ENVIRONMENTAL INFORMATION

	N°	Information required by Decree No. 2012-557 of April 24, 2012	Vicat CSR report references
a) General environmental policy	20	The organization of the company in order to take into account environmental issues and, if applicable, environmental assessment or certification measures	1.2
	21	Actions providing training and information to employees with regard to environmental protection	1.2
	22	The resources devoted to the prevention of environmental risks and pollution	1.2
	23	The amount allocated to provisions and guarantees in respect of environmental risks, provided that this information is not such as to result in serious prejudice to the company in a current dispute	1.2
b) Pollution and waste management	24	Measures to prevent, reduce or clean up discharges into the air, water or soil having a serious effect on the environment	1.2
	25	Measures to prevent, recycle and eliminate waste products	1.2
	26	Consideration of noise pollution and all other forms of pollution specific to an activity	1.2
c) Sustainable use of resources	27	Consumption of water and supply of water in accordance with local constraints	1.2.4
	28	Consumption of raw materials and measures taken to improve the efficiency of their use	1.2.7
	29	Energy consumption, measures taken to improve energy efficiency and use of renewable energy sources	1.2.3
	30	Use of the land	1.2.1
d) Climate change	31	Discharges of greenhouse gases	1.2.6
	32	Adaptation to the consequences of climate change	1.1
e) Protection of biodiversity	33	Measures taken to preserve or increase biodiversity	1.2.2

SOCIETAL INFORMATION

	N°	Information required by Decree No. 2012-557 of April 24, 2012	Vicat CSR report references
a) Territorial, economic and social impact of the company's business	34	in terms of employment and regional development	3.2
	35	on neighborhood or local populations	
b) Relations with persons or organizations with an interest in the company's business, in particular employment organizations, teaching establishments, environmental protection organizations, consumer and neighborhood associations	36	Terms of dialogue with such persons or organizations	3.1
	37	Partnership or charity actions	1 2 3
c) Subcontractors and suppliers	38	Consideration of social and environmental issues in the procurement policy	3.7
	39	The level of subcontracting and consideration, in relations with subcontractors and suppliers, of their social and environmental responsibility	3.7
d) Good practice	40	Action taken to prevent corruption	3.7.2
	41	Measures taken in favor of consumer health and safety	3.7.3
	42	Other action taken under this heading in favor of human rights	3.7

5. CERTIFICATION OF PRESENCE AND MODERATE ASSURANCE REPORT BY THE INDEPENDENT AUDITOR ON THE SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION CONTAINED IN THE MANAGEMENT REPORT

Financial year ended December 31, 2012

For the attention of the Chief Executive Officer,

Following the request made to us and in our capacity as independent auditor of the company Vicat S.A., we hereby submit our report on the consolidated social, environmental and societal information contained in the management commentary prepared in respect of the financial year ended December 31, 2012, pursuant to the provisions of article L.225-102- 1 of the French Commercial Code.

Responsibility of the company

The Board of Directors is responsible for preparing a management commentary containing the consolidated social, environmental and societal information specified in article R. 225-105-1 of the French Commercial Code (hereinafter referred to as the “Information”), prepared in accordance with the set of standards applied (the “Standards”) by the company and available at the company’s registered office.

Independence and quality control

Our independence is defined by the regulatory provisions, the profession’s code of conduct and the provisions of article L. 822-11 of the French Commercial Code. In addition, we have established a quality control system which includes documented policies and procedures aimed at ensuring compliance with the code of conduct, professional standards and the relevant statutory and regulatory provisions.

Responsibility of the independent auditor

We are responsible, based on our work:
- for certifying that the required Information is present in the management commentary or, in the case of omission, is the subject of an explanation pursuant to the third paragraph of article R. 225-105 of the French Commercial Code and of Decree No. 2012-557 of April 24, 2012 (Certification of Presence);
- for expressing a conclusion of moderate assurance on the fact that the Information is presented sincerely, in all significant aspects, in accordance with the Standards adopted (Moderate Assurance Report).

We called upon our experts in corporate responsibility to help us in performing our task.

1. Certification of presence

We performed the following work in accordance with the professional standards applicable in France:
- We compared the Information presented in the management commentary with the list specified in article R. 225-105-1 of the French Commercial Code;
- We verified that the Information covered the consolidation scope, namely the company and its subsidiaries as defined in article L. 233-1 and the companies which it controls as defined in article L. 233-3 of the French Commercial Code;
- In the event of omission of certain consolidated information, we verified that explanations were provided in accordance with the provisions of Decree No.2012-557 of April 24, 2012.

Based on this work, we hereby certify that the required Information is present in the management commentary.

2. Moderate assurance report

Nature and scope of the work

We carried out our work in accordance with the standard ISAE 3000 (International Standard on Assurance Engagements) and the professional doctrine applicable in France. We applied the following due diligence procedures in order to obtain moderate assurance of the fact that the Information does not contain significant anomalies such as to call into question its sincerity, in all significant aspects, in accordance with the Standards. A higher level of assurance would have required more extensive audit work.

We performed the following tasks:

- We assessed the appropriateness of the Standards with respect to their relevance, exhaustiveness, neutrality, clarity and reliability, taking into account, where applicable, good practices in the sector.
- We verified that the group has in place a process of collection, compilation, processing and control aimed at the completeness and consistency of the Information. We examined the internal control and risk management procedures relating to the preparation of the Information. We conducted interviews with the persons responsible for social and environmental reporting.
- We selected the consolidated information to be tested[1] and determined the nature and scope of the tests, taking into account their importance with regard to the social and environmental consequences associated with the business and the characteristics of the group, as well as its societal commitments.

With regard to the consolidated quantitative information that we considered most important:

- at the level of the consolidating entity and the entities controlled, we used analytical procedures and verified, on the basis of samples, the calculations and consolidation of such items of information;
- at the level of the sites, which we selected[2] based on their operations, their contribution to the consolidated indicators, their location and a risk analysis, we:
  - conducted interviews to check the correct application of the procedures;
  - carried out detailed tests, based on samples, consisting of checking the calculations performed and reconciling the data with the documentary evidence.

The sample selected represents on average 48.3 % of the workforce and between 20 % and 33.4 % of the quantitative environmental information tested.

With regard to the consolidated quantitative information that we considered most important, we conducted interviews and reviewed the associated documentary sources in order to corroborate such information and assess its sincerity.

- In the case of other published consolidated information, we assessed its sincerity and consistency in relation to our knowledge of the company and, if applicable, through interviews or consultation of documentary sources.
- Lastly, we assessed the relevance of the explanations relating, if applicable, to the absence of certain information.

Conclusion

On the basis of our work, we have not found any significant anomaly such as to call into question the fact that the Information is presented sincerely, in all significant aspects, in accordance with the Standards.

Paris, February 27, 2013

Grant Thornton
French member of Grant Thornton International

Alban Audrain
Partner
Head of CSR

(1) Workforce (number and distribution), recruitment and lay-offs, frequency and severity rates of workplace accidents, hours of training, emissions into the air (SOx and NOx), direct and indirect CO_2 emissions, water consumption and energy consumption, number and percentage of quarries having a reinstatement plan

(2) Sites in France and Switzerland.

NOTES

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Vicat Sagar Cement plant ▶
in the State of Karnataka (India).