FINANCIAL REPORT HALF-YEAR 2010

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1 CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2010

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1.1. CONSOLIDATED STATEMENT OF FINANCIAL SITUATION

ASSETS (in thousands of euros)	*Notes*	June 30, 2010	Dec. 31, 2009
NON-CURRENT ASSETS			
Goodwill	*3*	1,019,715	671,224
Other intangible assets	*4*	93,363	74,484
Property, plant and equipment	*5*	2,151,405	1,782,307
Investment properties		16,297	19,206
Investments in associated companies (equity method)		40,365	36,579
Deferred tax assets		9,275	2,682
Receivables and other non-current financial assets		72,944	68,387
Total non-current assets		**3,403,364**	**2,654,869**
CURRENT ASSETS			
Inventories and work-in-progress		335,469	295,140
Trade and other accounts receivable		387,518	320,538
Current tax assets		8,551	6,050
Other receivables		147,648	103,285
Cash and cash equivalents	*6*	348,133	234,708
Total current assets		**1,227,319**	**959,721**
Total assets		**4,630,683**	**3,614,590**

LIABILITIES AND SHAREHOLDERS' EQUITY (in thousands of euros)	*Notes*	June 30, 2010	Dec. 31, 2009
SHAREHOLDERS' EQUITY			
Share capital	*7*	179,600	179,600
Additional paid-in capital		11,207	11,207
Consolidated reserves		1,915,490	1,691,382
Shareholders' equity		**2,106,297**	**1,882,189**
Minority interests		**398,381**	**199,384**
Shareholders' equity and minority interests		**2,504,678**	**2,081,573**
NON-CURRENT LIABILITIES			
Provisions for pensions and other post-employment benefits	*8*	50,593	44,090
Other provisions	*8*	86,289	87,498
Financial liabilities	*9*	1,163,175	660,090
Deferred tax liabilities		150,507	146,016
Other non-current liabilities		18,666	26,231
Total non-current liabilities		**1,469,230**	**963,925**
CURRENT LIABILITIES			
Provisions	*8*	9,203	8,169
Financial liabilities	*9*	213,243	227,256
Trade and other accounts payable		259,483	189,820
Current taxes payable		7,938	6,962
Other liabilities		166,908	136,885
Total current liabilities		**656,775**	**569,092**
Total liabilities		**2,126,005**	**1,533,017**
Total liabilities and shareholders' equity		**4,630,683**	**3,614,590**

1.2. CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	*Notes*	June 30, 2010	June 30, 2009
NET SALES	*11*	984,706	961,913
Goods and services purchased		(577,002)	(551,750)
ADDED VALUE	*1.20*	**407,704**	**410,163**
Personnel costs		(160,756)	(157,247)
Taxes		(30,525)	(29,899)
GROSS OPERATING EARNINGS	*1.20 & 14*	**216,423**	**223,017**
Depreciation, amortization and provisions	*12*	(75,402)	(78,800)
Other income (expense)	*13*	6,762	(786)
OPERATING INCOME	*14*	**147,783**	**143,431**
Cost of net borrowings and financial liabilities	15	(12,382)	(11,099)
Other revenues	*15*	3,552	4,436
Other costs	*15*	(3,841)	(4,283)
NET FINANCIAL INCOME (EXPENSE)	*15*	**(12,671)**	**(10,946)**
Earnings from associated companies		1,668	(351)
EARNINGS BEFORE INCOME TAX		**136,780**	**132,134**
Income taxes	*16*	(17,501)	(22,136)
NET INCOME		**119,279**	**109,998**
Portion attributable to minority interests		24,689	20,732
PORTION ATTRIBUTABLE TO GROUP SHARE		**94,590**	**89,266**
EBITDA	*1.20 & 14*	**231,933**	**229,763**
EBIT	*1.20 & 14*	**148,396**	**150,131**
CASH FLOW FROM OPERATIONS		**181,289**	**179,317**
Earnings per share (in euros)			
Basic and diluted earnings per share	*7*	**2.11**	1.99

1.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	June 30, 2010	June 30, 2009
NET CONSOLIDATED INCOME	**119,279**	**109,998**
Net income from change in translation differences	220,582	(39,558)
Cash flow hedge instruments	2,675	(7,157)
Income tax on other comprehensive income	(921)	2,464
OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX)	**222,336**	**(44,251)**
TOTAL COMPREHENSIVE INCOME	**341,615**	**65,747**
Portion attributable to minority interests	58,537	13,594
PORTION ATTRIBUTABLE TO GROUP SHARE	**283,078**	**52,153**

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

	June 30, 2010			June 30, 2009		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Net income from change in translation differences	220,582	-	220,582	(39,558)	-	(39,558)
Cash flow hedge instruments	2,675	(921)	1,754	(7,157)	2,464	(4,693)
OTHER COMPREHENSIVE INCOME (net of income tax)	**223,257**	**(921)**	**222,336**	**(46,715)**	**2,464**	**(44,251)**

1.4. CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	*Notes*	June 30, 2010	June 30, 2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		**119,279**	**109,998**
Earnings from associated companies		(1,668)	351
Dividends received from associated companies		-	-
Elimination of non-cash and non-operating items :			
- depreciation, amortization and provisions		77,588	77,080
- deferred taxes		(8,113)	(6,069)
- net (gain) loss from disposal of assets		(6,268)	(667)
- unrealized fair value gains and losses		445	(1,362)
- other		26	(14)
Cash flows from operating activities		**181,289**	**179,317**
Change in working capital from operating activities - net		(20,954)	(47,263)
Net cash flows from operating activities [1]	*18*	**160,335**	**132,054**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of fixed assets :			
- property, plant and equipment and intangible assets		(132,946)	(153,966)
- financial investments		(5,971)	(6,874)
Disposals of fixed assets :			
- property, plant and equipment and intangible assets		9,734	2,579
- financial investments		6,217	2,899
Impact of changes in consolidation scope		(214,258)	(3,467)
Net cash flows from investing activities	*19*	**(337,224)**	**(158,829)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(83,469)	(69,228)
Increases in capital		2,867	5,181
Increases in borrowings		577,629	165,426
Redemptions of borrowings		(229,926)	(48,852)
Acquisitions of treasury shares		(13,441)	(2,210)
Disposals of treasury shares		16,393	10,318
Net cash flows from financing activities		**270,053**	**60,635**
Impact of changes in foreign exchange rates		21,898	(7,478)
Change in cash position		**115,062**	**26,382**
Net cash – opening balance	*20*	213,011	95,038
Net cash – closing balance	*20*	328,073	121,420

[1] Including cash flows from income taxes : (20,075) thousand euros in 2010 and (27,303) thousand euros in 2009.
Including cash flows from interests paid and received : (11,105) thousand euros in 2010 and (9,468) thousand euros in 2009.

1.5. STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)	Capital	Additional paid-in capital	Treasury shares	Consolidated reserves	Translation reserves	Shareholders' equity	Minority interests	Total shareholders' equity and minority interests
At January 1, 2009	**179,600**	**11,207**	**(99,250)**	**1,746,954**	**(63,999)**	**1,774,512**	**179,256**	**1,953,768**
Net consolidated income				89,266		89,266	20,732	**109,998**
Other comprehensive income				(4,693)	(32,420)	(37,113)	(7,138)	**(44,251)**
Total comprehensive income				*84,573*	*(32,420)*	*52,153*	*13,594*	*65,747*
Dividends paid				(67,350)		(67,350)	(5,250)	**(72,600)**
Net change in treasury shares			8,210	1,646		9,856		**9,856**
Other changes				3,315		3,315	2,307	**5,622**
At June 30, 2009	**179,600**	**11,207**	**(91,040)**	**1,769,138**	**(96,419)**	**1,772,486**	**189,907**	**1,962,393**
At January 1, 2010	**179,600**	**11,207**	**(89,616)**	**1,874,368**	**(93,370)**	**1,882,189**	**199,384**	**2,081,573**
Net consolidated income				94,590		94,590	24,689	**119,279**
Other comprehensive income				1,754	186,734	188,488	33,848	**222,336**
Total comprehensive income				*96,344*	*186,734*	*283,078*	*58,537*	*341,615*
Dividends paid				(67,350)		(67,350)	(17,998)	**(85,348)**
Net change in treasury shares			2,796	1,577		4,373		**4,373**
Other changes				4,007		4,007	158,458	**162,465**
At June 30, 2010	**179,600**	**11,207**	**(86,820)**	**1,908,946**	**93,364**	**2,106,297**	**398,381**	**2,504,678**

Translation differences at June 30, 2010 are broken down by currency as follows (in thousands) of euros :

U.S. dollar :	23,579	Kazakh tengue :	(16,767)
Swiss franc :	84,938	Mauritanian ouguiya :	(1,428)
Turkish new lira :	(22,886)	Indian rupee :	26,755
Egyptian pound :	(827)		93,364

NOTE 1 ACCOUNTING PRINCIPLES AND METHODS OF EVALUATION

1.1. Statement of compliance

In compliance with European Regulation (EC) 1606/2002 issued by the European Parliament on July 19, 2002 on the enforcement of International Accounting Standards, Vicat's consolidated financial statements have been prepared, since January 1, 2005, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Vicat has adopted those standards that are in force on June 30, 2010 for its benchmark accounting principles.

The standards, interpretations and amendments published by the IASB but not yet in effect as of June 30, 2010 were not applied ahead of schedule in the Group's consolidated financial statements at the closing date.

The consolidated financial statements at June 30 present comparative data for the previous year prepared under these same IFRS standards.

The financial statements at June 30, 2010 were prepared in accordance with IAS 34 "Interim Financial Reporting". As condensed financial statements, they have to be red in relation with those prepared for the annual year ended December 31, 2009 in accordance with International Financial Reporting Standards (IFRS). Moreover, they present comparative data for the previous year prepared under these same International Financial Reporting Standards. The accounting policies applied for the financial statements at June 30, 2010 are consistent with the ones applied by the Group at December 31th, 2009, except for the standards which are effective for the period beginning on or after January 1st, 2010.

These new standards, which prospective implementation, concern mainly IFRS 3 revised "Business combinations" and IAS 27 amended "Consolidated and separate financial statements" whose conditions of implementation are related to note 1.4. "Business combinations – Goodwill" of this annexe.

These financial statements have been definitively prepared and approved by the Board of Directors on August 3, 2010.

1.2. Basis of preparation of financial statements

The financial statements are presented in thousands of euros.
The balance sheet is presented by type in two statements : the consolidated income statement and the consolidated statement of comprehensive income.

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

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

The financial statements were prepared using the historical cost method, except for the following assets and liabilities, which are recognized at fair value : derivatives, assets held for trading, assets available for sale, and the portion of assets and liabilities covered by an hedging transaction.
The accounting principles and valuation methods described hereafter have been applied on a permanent basis to all of the fiscal years presented in the consolidated financial statements.

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

- evaluate provisions (notes 1.16. and 8.), in particular those for pensions and other post-employment benefits (notes 1.15. and 8.),
- evaluate financial instruments at their fair value (notes 1.14. and 10.),
- perform valuations used to carry out impairment tests (notes 1.4., 1.11. and 3.)
- define the accounting treatment to be applied in the absence of a definitive standard (note 1.7. concerning emission quotas).

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

1.3. Consolidation principles

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

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

The annual financial statements of the companies at June 30 are consolidated, and any necessary adjusting entries are made to restate them in accordance with the Group accounting principles. All material intercompany balances and transactions are eliminated during the preparation of the consolidated financial statements.

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

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

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

The list of the principal companies included in the consolidation scope at June 30, 2010 is provided in Note 23.

1.4. Business combinations - Goodwill

Starting from 1st January 2010, business combinations are recorded under application of IFRS 3 revised "Business combinations" and IAS 27 amended "consolidated and separate financial statements". These standards with prospective application do not impact business combinations carried out before 1st january 2010.

Business combinations before 1st January 2010 :
Goodwill corresponds to the difference between the price paid for the acquired company and the fair value of all identified assets, liabilities and contingent liabilities at the acquisition date.

Goodwill on business combinations carried out after January 1, 2004 is reported in the currency of the company acquired. Applying the option offered by IFRS 1, business combinations completed before the transition date of January 1, 2004 have not been restated, and the goodwill arising from them has been maintained at its net value on the balance sheet according to the principles of French GAAP as of December 31, 2003. In the event that the pro-rata share of interests in the fair value of net assets, liabilities and contingent liabilities acquired exceeds their cost ("negative goodwill"), the full amount of this negative goodwill is recognized in the result of the fiscal year in which the acquisition was made, except for acquisitions of minority interests in a fully consolidated company, in which case this amount is recognized in the consolidated shareholders' equity.

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

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

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

Business combinations for wich acquisition date is on or after January 1st, 2010 :
The main modifications of the revised IFRS 3 "Business combinations" whose effective application date is January 1st, 2010, compared with the previous IFRS 3 method, are the following :

- Measurement of goodwill at once, when full control. The Group will have choice, for each transaction, to record the non controlling interests :
  - Either at proportionate share of net assets of the acquiree
  - Or at fair value (full goodwill method).

  The appraisal at fair value of non controlling interests resulted in the increase of the goodwill to the attributable portion of these non controlling interests and the recognition of a "full" goodwill.
- The accounting of every acquisition adjustment price at fair value at the acquisition date, every change to contingent consideration resulting

from events after the measurement period being recorded in profit or loss.
- The accounting in expenses of the acquisition-related costs during the period when they occurred.
- When business combinations achieved in stages, the remeasuring of the equity interest previously held in the acquiree, at fair value at the acquisition date and the accounting, as a result, of any gain or loss in the profit or loss.

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

1.5. Foreign currencies

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

Translation of financial statements of foreign companies :
All assets and liabilities of Group companies that are not hedged are translated into euros at the year-end exchange rates, while income, expense and cash flow statement items are translated at average exchange rates for the year. The ensuing translation differences are recorded directly in shareholders' equity.

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

The following foreign exchange rates were used :

	Closing rate		Average rate	
	June 30, 2010	**Dec. 31, 2009**	**June 30, 2010**	**June 30, 2009**
USD	**1.2271**	1.4406	**1.3285**	1.3322
CHF	**1.3283**	1.4836	**1.4367**	1.5056
EGP	**6.9604**	7.9113	**7.3623**	7.4232
TRL	**1.94**	2.1547	**2.022**	2.150948
KZT	**180.298**	213.91	**195.907**	193.65
MRO	**347.104**	379.02	**361.005**	354.16
INR	**56.993**	67.04	**60.7992**	65.66

1.6. Other intangible assets

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

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

1.7. Emission quotas

In the absence of a definitive IASB standard concerning greenhouse gas emission quotas, the following accounting treatment has been applied :
- Quotas allocated by the French government in the framework of the National Plan for the Allocation of Quotas (PNAQ II) are not recorded, either as assets or liabilities. For 2010, they amount to 2,802 thousand tons of greenhouse gas emissions (14,011 thousand tons for the period 2008-2012).
- Only the quotas held at closing in excess of the cumulative actual emissions of 5,761 thousand tons were recorded in the assets, for 18,766 thousand euros, corresponding to 1,244 thousand tons.
- Recording of surpluses, quota sales and quota swaps (EUA) against Emission Reduction Certificates (ERCs) were recognized in the result at the end period for 8,909 thousand euros.

1.8. Property, plant and equipment

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

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

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

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

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

Interest expenses on borrowings incurred to finance the construction of facilities during the period prior to their commissioning are capitalized. Exchange differences arising from foreign currency borrowings are also capitalized insomuch 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. 1,807 thousand euros were capitalized at June 30, 2010 (3,062 thousand euros at June 30, 2010), determined on the basis of local interest rates ranging from 0.75% to 2.67% depending on the country.

1.9. Leases

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

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

1.10. Investment properties

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

1.11. Impairment

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

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

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

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

Projected cash flows are discounted at the weighted average capital cost (WACC) before tax, in accordance with IAS 36 requirements. This

calculation is made per country, taking account of the cost of risk-free long term money, market risk weighted by a sector volatility factor, and a country premium reflecting the specific risks of the market in which the concerned cash generating unit operates.

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

Considering the market trends of the adjacent regions of France, particularly Italy, the Group has now a global approach and has implemented an integrated industrial and commercial strategy in order to reinforce its regional positioning and its global profitability. This strong integration, both strategic and operating leads to analyze Italy as part of the cash generating unit "France".

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

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

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

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

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

Considering the very difficult macro-economic environment, the Group carried out a review of any evidence of impairment in respect to goodwill at June 30, 2010 which did not result in any recognition of impairment.

1.12. Inventories

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

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

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

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

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

1.13. Cash and cash equivalents

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

1.14. Financial instruments

Financial assets :

The Group classifies its non-derivative financial assets, when they are first entered in the financial statements, in one of the following four categories of financial instruments in accordance with IAS 39, depending on the reasons for which they were originally acquired :

- long-term loans and receivables, financial assets not quoted on an active market, the payment of which is determined or can be determined; these are evaluated at their net book value and can be subject to a write-down if a loss in value is identified;
- investments in non consolidated affiliates are analyzed as assets available for sale and are consequently measured at the lowest of their

carrying value and their fair value less cost of sale at the end of the period;
- financial assets valued at their fair value by the profit and loss, since they are held for transaction purposes (acquired and held with a view to being resold in the short term);
- investments held to term, including securities quoted on an active market associated with defined payments at fixed dates; the Group does not own such assets on year-end of the presented financial accounts.

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

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

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

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

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

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

Derivative instruments may be designated as hedging instruments, depending on the type of hedging relationship :
- Fair value hedging is hedging against exposure to changes in the fair value of a booked asset or liability, or of an identified part of that asset or liability, attributable to a particular risk, in particular interest and exchange rate risks, which would affect the net profit or loss presented;
- Cash flow hedging is hedging against exposure to changes in cash flow attributable to a particular risk, associated with a booked asset or liability or with a planned transaction (e.g. expected sale or purchase or "highly probable" future operation), which would affect the net profit or loss presented.

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

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

1.15. Employee benefits

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

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

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

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

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

1.16. Provisions

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

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

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

1.17. Taxes

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

- a tax on property contribution (CFE) assessed on the rental values of real estate subject to property tax ;
- a Company Added-Value Contribution (CVAE) assessed at the rate of 1.5 % of the value added.

The CET is capped at 3 % of value added.

Since the added value by the Group's French operations is considerably greater than their taxable profit, the Group believes that the CET should be qualified as an operating expense rather than a tax on income. Consequently the CET payable will be classified in operating income, in line with the presentation of "Taxe professionnelle" until 2009.

1.18. Income taxes

Deferred taxes are calculated at the tax rates passed or nearly passed at the year-end and in force when assets are sold or liabilities are settled. Deferred taxes are calculated, based on an analysis of the balance sheet, on timing differences identified in the Group's subsidiaries and joint ventures between the values recognized on the consolidated balance sheet and the values of assets and liabilities for tax purposes.

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

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

1.19. Segment information

In accordance with IFRS 8 "Operating segments", segment information provided in Note 17. 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 for measuring the Group's operating performance and for allocating the capital expenditure and the resources to the business sectors and geographical areas.

The segments determined in accordance with IFRS 8 comprise 3 segments in which the Vicat group operates : Cement, Concrete & Aggregates and Other Products and Services.

The indicators disclosed were adapted in order to be consistent with those used by the management, while complying with IFRS 8 information requirements : operating and consolidated net sales, EBITDA and EBIT (cf.§ 1.20.), total non-current assets, Capital employed (cf.§ 17.), industrial investments, Net depreciation and amortization

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

1.20. Financial indicators

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

Added value : the value of production less the cost of goods and services purchased.
Gross operating earnings : added value less expenses of personnel, taxes and duties (except income taxes and deferred taxes), plus grants and subsidies.
EBITDA (Earning Before Interest, Tax, Depreciation and Amortization) : adding up gross operating earnings and other ordinary income (expense).
EBIT (Earning Before Interest and Tax) : adding up EBITDA and depreciation, amortization and operating provisions.

1.21. Seasonality

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

NOTE 2 CHANGES IN SCOPE AND OTHER SIGNIFICANT EVENTS

A macro-economic environment that remains difficult :
The first-half of fiscal year remained marked by a still difficult and uncertain environment. In this context, the Vicat group has posted a solid performance, confirming its resilience and financial strength. These assets have enabled the Group to seize a unique acquisition opportunity during this period with the purchase of 51% of the Indian company Bharathi Cement.

Acquisition 51% into Bharathi Cement (BCCL) :
The Group announced on the end of April 2010 the conclusion of an agreement with the shareholders of Bharathi Cement Company Limited whereby Vicat is acquiring 51% of the capital of BCCL, which operates in the state of Andhra Pradesh (India). This acquisition was financed with debt.

BCCL operates a cement plant of two lines that will reach a total annual capacity of 5 million tons of cement by the end of 2010.
Vicat has already established a joint venture company with Vicat Sagar and with a controlling interest in both companies the Group will be able to enhance its position on a large market with a very strong potential.

In application of revised IFRS 3 (cf. note 1.11.) the Group opted for the acquirer's percentage of goodwill concerning the acquisition of Bharathi Cement.

NOTE 3 GOODWILL

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

	Cement	Concrete and aggregates	Other products and services	Total
At December 31, 2008	**457,080**	**198,017**	**15,804**	**670,901**
Acquisitions / additions [1]	11,156	907	4	12,067
Disposals / decreases		(68)	(17)	(85)
Change in foreign exchange rates and other	(5,667)	(6,005)	13	(11,659)
At December 31, 2009	**462,569**	**192,851**	**15,804**	**671,224**
Acquisitions / additions [2]	291,784	78	2,879	294,741
Disposals / decreases				
Change in foreign exchange rates and other	32,252	20,084	1,414	53,750
At June 30, 2010	**786,605**	**213,013**	**20,097**	**1,019,715**

[1] the increase in goodwill during 2009 resulted mainly from additional investments made in 2009 in application of the shareholders' agreement concluded in connection with the formation of a joint venture with the Indian cement company Sagar Cements, the objective of which is the construction of a greenfield cement plant in India.
[2] the increase in goodwill during the first semester of 2010 resulted mainly, in the cement activity, with the acquisition of 51% of the capital of Bharathi Cement in India.

Impairment test on goodwill :
In accordance with IFRS 3 and IAS 36, at the end of each year and in the event of any evidence of impairment, goodwill is subject to an impairment test using the method described in notes 1.4. and 1.11.
Considering the very difficult macro-economic environment, the Group carried out a review of any evidence of impairment in respect to goodwill at June 30, 2010 which did not result in any recognition of impairment.

NOTE 4 OTHER INTANGIBLE ASSETS

Other intangible assets are broken down by type as follows :

(in thousands of euros)	June 30, 2010	December 31, 2009
Concessions, patents and similar rights	59,241	48,161
Software	4,699	4,395
Other intangible assets	29,406	21,912
Intangible assets in progress	17	16
Other intangible assets	**93,363**	**74,484**

Net other intangible assets amounted to thousand 93,363 euros at June 30, 2010 compared with 74,484 thousand euros at December 31, 2009. The change during the 1st semester 2010 was due primarily to (2,471) thousand euros in amortization expense, 11,165 thousand euros on acquisitions and 2,442 euros in changes in consolidation scope, and the balance resulting from reclassifications, changes in foreign exchange rates and disposals.

At December 31, 2009, net other intangible assets amounted to 74,484 thousand euros compared with 43,600 at December 31, 2008. The change during 2009 was due primarily to (4,754) thousand euros in amortization expense, 17,654 thousand euros on acquisitions, changes in consolidation scope of 5,318 thousand euros, and the balance resulting from reclassifications, changes in foreign exchange rates and disposals.

Research and Development costs recorded as expenditure at June 30, 2010 amount to 762 thousand euros (510, at June 30, 2009).

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, 2008	**725,596**	**1,922,828**	**143,920**	**278,429**	**3,070,773**
Acquisitions	24,490	56,196	8,934	165,865	255,485
Disposals	(5,632)	(29,568)	(8,972)	(221)	(44,393)
Changes in consolidation scope	2,150	1,057	18	1,482	4,707
Change in foreign exchange rates	(7,377)	(19,227)	(1,079)	(9,971)	(37,654)
Other movements	59,391	210,321	1,677	(270,814)	575
At December 31, 2009	**798,618**	**2,141,607**	**144,498**	**164,770**	**3,249,493**
Acquisitions	22,811	28,271	4,357	72,841	128,280
Disposals	(1,170)	(15,389)	(3,575)	(306)	(20,440)
Changes in consolidation scope	6,866	94,379	27,008	19,718	147,971
Change in foreign exchange rates	57,704	170,644	12,993	27,262	268,603
Other movements	7,795	24,004	1,685	(33,507)	(23)
At June 30, 2010	**892,624**	**2,443,516**	**186,966**	**250,778**	**3,773,884**

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, 2008	**(277,731)**	**(1,001,381)**	**(94,002)**	**(8)**	**(1,373,123)**
Increase	(25,783)	(105,318)	(13,358)		(144,459)
Decrease	4,790	27,810	8,221		40,821
Changes in consolidation scope	(523)	(383)	(16)		(922)
Change in foreign exchange rates	1,767	8,722	2		10,491
Other movements	87	(117)	27	8	5
At December 31, 2009	**(297,393)**	**(1,070,667)**	**(99,126)**	**0**	**(1,467,186)**
Increase	(12,737)	(58,306)	(5,999)		(77,042)
Decrease	720	14,250	3,329		18,299
Changes in consolidation scope	87	(2,389)	(261)		(2,563)
Change in foreign exchange rates	(16,684)	(72,449)	(4,848)		(93,981)
Other movements		(172)	166		(6)
At June 30, 2010	**(326,007)**	**(1,189,733)**	**(106,739)**	**-**	**(1,622,479)**
Net book value at December 31, 2009	501,225	1,070,940	45,372	164,770	1,782,307
Net book value at June 30, 2010	**566,617**	**1,253,783**	**80,227**	**250,778**	**2,151,405**

Fixed assets work-in-progress amounted to 200 millions euros at June 30, 2010 (136 million euros at December 31, 2009) and advances / down payments on plant, property and equipment represented 51 million euros at June 30, 2010 (29 million euros at December 31, 2009).

Contractual commitments to acquire tangible and intangible assets amounted to 117 million euros at June 30, 2010 (70 million euros at December 31, 2009.

NOTE 6 CASH AND CASH EQUIVALENTS

(in thousands of euros)	June 30, 2010	Dec. 31, 2009
Cash	64,519	56,648
Marketable securities	283,614	178,060
Cash and cash equivalents	**348,133**	**234,708**

NOTE 7 COMMON STOCK

Vicat share capital is composed of 44,900,000 fully paid-up ordinary shares of 4 euros, including 1,035,644 treasury shares at June 30, 2010 (1,083,443 at December 31, 2009) 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 2010 in respect of 2009 amounted to 1.50 euro per share, amounting to a total amount of 67,350 thousand euros, compared with 1.50 euro per share paid in 2009 in respect of 2008 and amounting to a total amount of 67,350 thousand euros.

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

NOTE 8 PROVISIONS

(in thousands of euros)	June 30, 2010	Dec. 31, 2009
Provisions for pensions and other post-employment benefits	**50,593**	**44,090**
Restoration of sites	33,672	30,941
Demolitions	940	690
Other risks [1]	48,210	53,668
Other charges	12,670	10,368
Other provisions	**95,492**	**95,667**
of which less than one year	9,202	8,169
of which more than one year	**86,290**	**87,498**

[1] At June 30, 2010 other risks included :

- An amount of 21,1million euros (29,1 million euros at December 31, 2009) corresponding to the current estimate of gross expected costs for repair of damage that occurred in 2006 following deliveries of concrete mixtures and concrete made in 2004 whose sulfate content exceeded applicable standards. This amount corresponds to the current estimate of the Group's pro rata share of liability for repair of identified damages before the residual insurance indemnity of 4 million euros recognized in non-current assets on the balance sheet at June 30, 2010 (4 million euros at December 31, 2009).
- An amount of 4.5 million euros, identical to that at December 31, 2009, to face the decision of the French Office of Fair Trade "O.F.T." (Conseil de la Concurrence) sanctioning the Group for a presumed collusion in Corsica, after reduction of the penalty following the decision of the Court of Appeal. The company appealed this judgment before the highest court of appeal which partially rejected it in July 2009.
- An amount of 9.5 million euros (6.7 million euros at December 31, 2009) corresponding to the estimated amount of the deductible at year-end relating to claims in the United States in the context of work accidents and which will be covered by the Group.
- The remaining amount of other provisions amounting to about 13.1 million euros at June 30, 2010 (13.4 million euros at December 31, 2009) corresponds to the sum of other provisions that, taken individually, are not material.

NOTE 9 FINANCIAL LIABILITIES

Analysis of debt by category and maturity

June 30, 2010 (in thousands of euros)	Total	June 2011	June 2012	June 2013	June 2014	June 2015	More than 5 years
Bank borrowings and financial liabilities	1,327,775	181,934	137,338	473,625	369,086	22,835	142,957
Other borrowings and financial liabilities	20,062	6,945	10,193	352	492	285	1,795
Financial liability on fixed assets under finance leases	7,759	3,542	2,383	1,032	605	180	17
Current bank lines and overdrafts	20,822	20,822					
Financial liabilities	**1,376,418**	**213,243**	**149,914**	**475,009**	**370,183**	**23,300**	**144,769**
of which commercial paper	**152,000**		**71,000**		**81,000**		

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

December 31, 2009 (in thousands of euros)	Total	2010	2011	2012	2013	2014	More than 5 years
Bank borrowings and financial liabilities	790,877	145,861	98,930	35,431	124,897	251,681	134,077
Other borrowings and financial liabilities	15,855	4,955	6,097	3,509	332	459	503
Financial liability on fixed assets under finance leases	7,873	3,699	2,571	1,094	418	91	
Current bank lines and overdrafts	72,741	72,741					
Financial liabilities	**887,346**	**227,256**	**107,598**	**40,034**	**125,647**	**252,231**	**134,580**
of which commercial paper	**136,000**					**136,000**	

Analysis of debt by currency and type of interest rate

By currency (net of currency swaps)

	June 30, 2010	Dec. 31, 2009
Euros	1,150,819	642,591
U.S. dollars	128,584	122,978
Turkish new liras	3,836	53,141
CFA francs	56,234	59,040
Swiss francs	21,248	1,615
Mauritanian Ouguiya	8,714	7,981
Indian rupee	6,983	
Total	**1,376,418**	**887,346**

By interest rate	June 30, 2010	Dec. 31, 2009
Fixed rate	250,281	230,031
Floating rate	1,126,137	657,315
Total	**1,376,418**	**887,346**

NOTE 10 FINANCIAL INSTRUMENTS

Foreign exchange risk

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

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

Interest rate risk

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

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

Liquidity risk

At June 30, 2010, the Group had 659 million euros in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (609 million euros at December 31, 2009).

The Group also has a 152 million euro commercial paper issue program. At June 30, 2010, 152 million euros in commercial paper had been issued. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

Unused confirmed lines of credit are used to cover the risk of the Group finding itself unable to issue its commercial paper through market transactions. At June 30, 2010, these lines matched the short term notes they covered, at 152 million euro.

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

Considering the small number of companies concerned, essentially Vicat SA, the parent company of the Group, the low level of gearing (41,05%) and leverage (216.4%) and the liquidity of the Group's balance sheet, the existence of these covenants does not constitute a risk for the Group's financial situation. At June 30, 2010, the Group is compliant with all ratios required by covenants in financing contracts.

Analysis of the portfolio of derivatives at June 30, 2010 :

(in thousands of currency units)	Nominal value (currency)	Nominal value (euro)	Market value (euros)	Current maturity < 1 year (euro)	Current maturity 1 - 5 years (euro)	Current maturity > 5 years (euro)
Fair value hedges						
Composite instruments - U.S. dollar cross currency swap fixed/floating	200,000,($)	162,986	[1],(2,137)	(5,266)	662	2,467
Cash flow hedges						
Composite instruments - U.S. dollar cross currency swap fixed/fixed	200,000,($)	162,986	[2],(12,102),	(5448)	(3,368)	(3,286)
Other derivatives						
Interest rate instruments - Euro Caps	360,000,(€)	360,000	(2,380)		(1,702)	(678)
- Dollar Caps	40,000,($)	32,597	1		1	
- Dollar Swaps	30,000,($)	24,447	(1,019)		(1,019)	
Exchange instruments						
- Hedging for Vicat loan to NCC (VAT Vicat)	63,000,($)	51,340	(478)	(478)		
- Hedging for Parcifim loan to Ravlied (AAT Ravlied)	4,700,(€)	4,700	(20)	(20)		
- Hedging on acquisitions of raw materials	3,778,($)	3,079	235	235		
			(17,900)			

[1] Offset by a 4.47 million euros improvement in debt.
[2] Offset by a 13.6 million euros improvement in debt.

In accordance with of IFRS 7, the breakdown of financial instruments valued at fair value by hierarchical level of fair value in the consolidated statement of financial situation is as follows as of June 30, 2010 :

(in millions of euros)	June 30, 2010	
Level 1 : instruments quoted on an active market	**283.6**	Note 6
Level 2 : valuation based on observable market information	**(17.9)**	see above
Level 3 : valuation based on non-observable market information	**16.7**	

NOTE 11 NET SALES

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

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

(in thousands of euros)	June 30, 2010	Changes in consolidation scope	Changes in foreign exchange	June 30, 2010 on a like-for-like basis	June 30, 2009
Net sales	**984,706**	15,542	13,754	**955,410**	961,913

NOTE 12 DEPRECIATION, AMORTIZATION AND PROVISIONS

(in thousands of euros)	June 30, 2010	June 30, 2009
Net charges to amortization of fixed assets	(79,628)	(73,974)
Net provisions	(2,245)	(828)
Net charges to other asset depreciation	(1,664)	(4,830)
Net operating charges to depreciation, amortization and provisions	**(83,537)**	**(79,632)**
Other net charges to non-operating depreciation, amortization and provisions [1]	8,135	832
Net charges to depreciation, amortization and provisions	**(75,402)**	**(78,800)**

[1] including at June 30, 2010 a write back of 8.1 million euros related to a provision to cover the Group's prorata share of responsibility, over and above compensation from the insurers, in the incident which occurred in 2006 and is described in Note 8. At June 30, 2009 a provision of 0.8 million of euros was recorded.

NOTE 13 OTHER INCOME (EXPENSES)

(in thousands of euros)	June 30, 2010	June 30, 2009
Net income from disposal of assets	4,653	913
Income from investment properties	1,342	1,291
Other	9,515	4,542
Other operating income (expense)	**15,510**	**6,746**
Other non-operating income (expense) [1]	**(8,748)**	**(7,532)**
Total	**6,762**	**(786)**

[1] Including at June 30, 2010 an expense of 9.0 million euros recorded by the Group, in connection with the incident in 2006 as described in Note 8. A net expense of 5.9 million euros in this regard was recorded at June 30, 2009.

NOTE 14 FINANCIAL PERFORMANCE INDICATORS

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

(in thousands of euros)	June 30, 2010	June 30, 2009
Gross Operating Earnings	**216,423**	**223,017**
Other operating income (expense)	15,510	6,746
EBITDA	**231,933**	**229,763**
Net operating charges to depreciation, amortization and provisions	(83,537)	(79,632)
EBIT	**148,396**	**150,131**
Other non-operating income (expense)	(8,748)	(7,532)
Net charges to non-operating depreciation, amortization and provisions	8,135	832
Operating Income	**147,783**	**143,431**

NOTE 15 NET FINANCIAL INCOME (EXPENSE)

(in thousands of euros)	June 30, 2010	June 30, 2009
Net interest income from financing and cash management activities	7,525	3,129
Net interest expense from financing and cash management activities	(19,907)	(14,229)
Net income from disposal of cash management assets		1
Cost of net borrowings and financial liabilities	**(12,382)**	**(11,099)**
Dividends	762	959
Foreign exchange gains	1,172	1,250
Fair value adjustments to financial assets and liabilities	-	1,586
Net income from disposal of financial assets	1,615	-
Write-back of impairment of financial assets	2	635
Other incomes	1	6
Other financial income	**3,552**	**4,436**
Foreign exchange losses	(1,197)	(2,126)
Fair value adjustments to financial assets and liabilities	(446)	-
Impairment on financial assets	(465)	(83)
Net income from disposal of financial assets	-	(246)
Discounting expenses	(1,734)	(1,828)
Other expenses	-	-
Other financial expenses	**(3,841)**	**(4,283)**
Net financial income	**(12,671)**	**(10,946)**

NOTE 16 INCOME TAX

Analysis of income tax expense

(in thousands of euros)	June 30, 2010	June 30, 2009
Current taxes	25,614	28,205
Deferred tax (income)	(8,113)	(6,069)
Total	**17,501**	**22,136**

NOTE 17 SEGMENT INFORMATION

a) Business segments

June 30, 2010 (in thousand euros except number of employees)	Cement	Concrete and Aggregates	Other products and services	Total
Income statement				
Net operating sales (after intra-sector eliminations)	604,250	360,115	162,311	1,126,676
Inter-sector eliminations	(91,804)	(16,541)	(33,625)	(141,970)
Consolidated net sales	**512,446**	**343,574**	**128,686**	**984,706**
EBITDA (cf. 1.20. and 14.)	185,942	29,636	16,355	231,933
EBIT (cf. 1.20. and 14.)	132,139	6,915	9,342	148,396
Balance sheet				
Total non-current assets	2,692,239	548,508	162,618,	3,403,365
Capital employed [(1)]	2,852,040	549,312	150,056	3,551,408
Other information				
Acquisitions of intangible and tangible assets	107,772	21,309	10,524	139,605
Net depreciation and amortization charges	51,262	21,298	7,068	79,628
Average number of employees	2,848	2,702	1,299	6,849

June 30, 2009 (in thousand euros except number of employees)	Cement	Concrete and Aggregates	Other products and services	Total
Income statement				
Net operating sales (after intra-sector eliminations)	578,692	357,689	156,848	1,093,229
Inter-sector eliminations	(87,457)	(12,865)	(30,995)	(131,316)
Consolidated net sales	**491,235**	**344,824**	**125,854**	**961,913**
EBITDA (cf. 1.20. and 14.)	173,524	43,517	12,722	229,763
EBIT (cf. 1.20. and 14.)	123,673	20,029	6,429	150,131
Balance sheet				
Total non-current assets	1,916,182	526,691	146,802	2,589,675
Capital employed [(1)]	2,081,552	494,492	165,927	2,741,971
Other information				
Acquisitions of intangible and tangible assets	132,706	15,923	5,148	153,777
Net depreciation and amortization charges	46,356	20,912	6,706	73,974
Average number of employees	2,580	2,810	1,307	6,697

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

b) Geographical sectors

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

June 30, 2010 (in thousand euros except number of employees)	**France**	**Europe (excluding France)**	**U.S.A.**	**Turkey, Kazakhstan and India**	**West Africa and the Middle East**	**Total**
Income statement						
Net operating sales	418,448	146,547	84,747	106,823	234,921	991,486
Inter-sector eliminations	(3,362)	(144)	0	0	(3,274)	(6,780)
Consolidated net sales	**415,086**	**146,403**	**84,747**	**106,823**	**231,647**	**984,706**
EBITDA (cf. 1.20. and 14.)	86,525	40,874	(4,118)	14,154	94,499	231,933
EBIT (cf. 1.20. and 14.)	59,765	29,039	(21,159)	3,441	77,309	148,396
Balance sheet						
Total non-current assets	595,152	518,534	450,298	1,085,243	754,138	3,403,365
Capital employed (1)	672,849	505,243	441,101	1,123,475	808,740	3,551,408
Other information						
Acquisitions of intangible and tangible assets	30,674	16,970	2,437	60,018	29,506	139,605
Net depreciation and amortization charges	26,593	11,661	15,491	9,143	16,740	79,628,
Average number of employees	2,475	1,055	1,036	1,258	1,025	6,849

June 30, 2009 (in thousand euros except number of employees)	**France**	**Europe (excluding France)**	**U.S.A.**	**Turkey, Kazakhstan and India**	**West Africa and the Middle East**	**Total**
Income statement						
Net operating sales	435,723	135,666	103,899	70,053	221,056	966,397
Inter-sector eliminations	(4,250)	(234)				(4,484)
Consolidated net sales	**431,473**	**135,432**	**103,899**	**70,053**	**221,056**	**961,913**
EBITDA (cf. 1.20. and 14.)	102,654	32,721	8,027	5,850	80,511	229,763
EBIT (cf. 1.20. and 14.)	74,283	21,798	(9,169)	(2,836)	66,055	105,131
Balance sheet						
Total non-current assets	611,368	461,036	415,433	417,029	684,809	2,589,675
Capital employed (1)	701,595	456,149	412,697	446,948	724,582	2,741,971
Other information						
Acquisitions of intangible and tangible assets	33,810	18,381	2,585	38,770	60,231	153,777
Net depreciation and amortization charges	26,492	10,786	15,916	6,856	13,924	73,974
Average number of employees	2,622	1,034	1,130	904	1,007	6,697

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

c) Information about major customers

The Group has no reliance on any major customers.

NOTE 18 NET CASH FLOWS GENERATED FROM OPERATIONS

Net cash flows from operating transactions conducted by the Group at June 30, 2010 amounted to 160 million euros, compared with 132 million euros at June 30, 2009.
This increase in cash flows generated by operating activities between 2009 and 2010 results from an increase in the working capital requirement on the 1st semester 2010 (21,0 million euros) below the one recorded on first semester 2009 (47,3 million euros).

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

(in thousands of euros)	WCR at December 31, 2008	Change in WCR in 2009	Other changes (1)	WCR at December 31, 2009	Change in WCR 1st Sem. 2010	Other changes (1)	WCR at June 30, 2010
Inventories	312,456	(15,407)	(1,909)	295,140	14,903	25,426	335,469
Other WCR components	108,928	19,667	(10,063)	118,532	6,051	14,013	138,596
WCR	**421,384**	**4,260**	**(11,972)**	**413,672**	**20,954**	**39,439**	**474,065**

(1) Exchange rates, consolidation scope and miscellaneous.

NOTE 19 NET CASH FLOWS FROM INVESTMENT ACTIVITIES

Net cash flows linked to Group transactions in the first semester 2010 amounted to (337) million euros, compared with (159) million euros at June 30, 2009.

Acquisitions of intangible and tangible assets
These include outflows corresponding to industrial investments, which amounted to (133) million euros, compared with (154) million euros in the first semester of 2009.

The main intangible and tangible investments at June 30, 2010 were realized in Kazakhstan, India, Senegal and Switzerland.

The main intangible and tangible investments at June 30, 2009 was linked to the continuation of the investments performed under the Performance 2010 plan, principally in France, Senegal and Switzerland, and the increase of the investment in Kazakhstan.

Acquisition / disposal of shares of consolidated companies
Consolidated company share acquisitions during the 1st semester of 2010 resulted in a total outflow of (218,2) million euros and a total inflow of 3,9 million euros corresponding to a total net impact of (214,3) million euros.
The principal outflows from the Group during this semester mainly correspond to the acquisition of 51% of the capital of the Indian company Bharathi Cement. In addition of buyout of minority interest, a capital increase was totally taken out by the Group and financed by debt allowing the Indian company to pay back the integrality of its debts and to release a cash surplus contributing to the increase of the Group cash position at the end of the semester. The cash of Bharathi Cement will partly finance its investments during the second semester.

During the 1st semester of 2009, operations linked to changes in the consolidation scope had resulted in an overall inflow of 0,9 millions euros, and an overall outflow of (4,4) millions euros corresponding to a total net impact of (3,5) million euros.

NOTE 20 ANALYSIS OF NET CASH BALANCES

(in thousands of euros)	At June 30, 2010 Net	At December 31, 2009 Net
Cash and cash equivalents (see note 12)	348,133	234,708
Bank overdrafts	(20,060)	(21,697)
Net cash balances	**328,073**	**213,011**

NOTE 21 TRANSACTIONS WITH RELATED COMPANIES

In addition to information required for related parties regarding key executives, described in note 30 of the consolidated financial statements for year 2009, 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.

These transactions did not have a material impact on the here under reported periods, and are carried out at arm's length.

In compliance with transactions stipulated by standard IAS 24, these operations have all been listed, along with their impacts on the Group's consolidated financial statements. The effect of these transactions on the Group's consolidated financial statements at June 30, 2010 and 2009 is as follows, broken down by type and by related party :

	June 30, 2010				June 30, 2009			
(in thousands of euros)	Sales	Purchases	Receivables	Debts	Sales	Purchases	Receivables	Debts
Affiliated companies	187	429	4,127	108	270	354	3,989	94
Joint ventures	434	350	20	491	364	346	64	616
Other related parties	17	998	23		17	1,006	30	
Total	**638**	**1,777**	**4,170**	**599**	**651**	**1,706**	**4,083**	**710**

NOTE 22 POST BALANCE SHEET EVENTS

No post balance sheet event has had a material impact on the consolidated financial statements at June 30, 2010.

NOTE 23 LIST OF SIGNIFICANT CONSOLIDATED COMPANIES AT JUNE 30, 2010

Fully consolidated : FRANCE

COMPANY	ADRESS	SIREN NO.	% CONTROL June 30, 2010	% CONTROL Dec. 31, 2009
VICAT	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	057 505 539	----	----
ALPES INFORMATIQUE	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	073 502 510	98.96	98.96
ANNECY BÉTON CARRIÈRES	14 chemin des grèves 74960 CRAN GEVRIER	326 020 062	50.00	50.00
ATELIER DU GRANIER	Lieu-dit Chapareillan 38530 PONTCHARRA	305 662 504	100.00	100.0
BÉTON CONTRÔLE CÔTE D'AZUR	217 Route de Grenoble 06200 NICE	071 503 569	96.10	96.10

Fully consolidated : FRANCE (continued)

COMPANY	ADRESS	SIREN NO.	% CONTROL June 30, 2010	% CONTROL Dec. 31, 2009
BÉTON DE L'OISANS	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	438 348 047	60.00	60.00
BETONS GRANULATS DU CENTRE	Les Génévriers 63430 LES MARTRES D'ARTIÈRE	327 336 343	100.00	100.00
BÉTON RHÔNE ALPES	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	309 918 464	99.80	99.53
BÉTON TRAVAUX	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	070 503 198	99.98	99.98
B.G.I.E. BÉTON GRANULATS IDF / EST	52-56 rue Jacquard Z.I. 77400 LAGNY SUR MARNE	344 933 338	100.00	100.00
BOUE	Lieu-dit Bourjaguet 31390 CARBONNE	620 800 359	100.00	100.00
BRA	2 Chemin du Roulet 69100 VILLEURBANNE	310 307 392	100.00	100.00
CONDENSIL	1327 Av. de la Houille Blanche 73000 CHAMBÉRY	342 646 957	60.00	60.00
DELTA POMPAGE	1327 Av. de la Houille Blanche 73000 CHAMBÉRY	316 854 363	100.00	100.00
FOURNIER	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	586 550 147	100.00	100.00
GRANULATS RHÔNE-ALPES	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	768 200 255	100.00	100.00
GRAVIÈRES DE BASSET	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	586 550 022	100.00	100.00
MARIOTTO BÉTON	Route de Paris 31150 FENOUILLET	720 803 121	100.00	100.00
MATÉRIAUX SA	7 bis Boulevard Serot 57000 METZ	378 298 392	99.99	99.99
MONACO BÉTON	24 Avenue de Fontvielle 98000 MONACO	326 MC 161	79.60	79.60
PARFICIM	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	304 828 379	100.00	100.00
RUDIGOZ	Les communaux Route de St Maurice de Gourclans 01800 PEROUGES	765 200 183	100.00	100.00
SATMA	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	304 154 651	99.99	99.99
SATM	1327 Av. de la Houille Blanche 73000 CHAMBÉRY	745 820 126	100.00	100.00
SIGMA BÉTON	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	343 019 428	100.00	100.00
SOCIÉTÉ AZURÉENNE DE GRANULATS	217 Route de Grenoble 06200 NICE	968 801 274	100.00	100.00
PAPETERIES DE VIZILLE	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	319 212 726	100.00	100.00
VICAT INTERNATIONAL TRADING	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	347 581 266	100.00	100.00
VICAT PRODUITS INDUSTRIELS	52-56 rue Jacquard Z.I 77400 LAGNY SUR MARNE	655 780 559	100.00	100.00

Fully consolidated : REST OF THE WORLD

COMPANY	COUNTRY	STATE / CITY	% CONTROL	
			June 30, 2010	Dec. 31, 2009
SINAI CEMENT COMPANY	ÉGYPTE	LE CAIRE	52.62	52.62
MYNARAL	KAZAKHSTAN	ALMATY	60.00	60.00
BUILDERS CONCRETE	ÉTATS-UNIS D'AMERIQUE	CALIFORNIA	100.00	100.00
KIRKPATRICK	ÉTATS-UNIS D'AMERIQUE	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	ÉTATS-UNIS D'AMERIQUE	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	ÉTATS-UNIS D'AMERIQUE	DELAWARE	100.00	100.00
NATIONAL CEMENT COMPANY OF CALIFORNIA	ÉTATS-UNIS D'AMERIQUE	DELAWARE	100.00	100.00
NATIONAL READY MIXED	ÉTATS-UNIS D'AMERIQUE	CALIFORNIA	100.00	100.00
UNITED READY MIXED	ÉTATS-UNIS D'AMERIQUE	CALIFORNIA	100.00	100.00
VIKING READY MIXED	ÉTATS-UNIS D'AMERIQUE	CALIFORNIA	100.00	100.00
SONNEVILLE INTERNATIONAL CORP	ÉTATS-UNIS D'AMERIQUE	ALEXANDRIA	100.00	100.00
CEMENTI CENTRO SUD Spa	ITALIE	GENOVA	100.00	100.00
CIMENTS & MATERIAUX DU MALI	MALI	BAMAKO	95.00	95.00
GECAMINES	SÉNÉGAL	THIES	70.00	70.00
POSTOUDIOKOUL	SÉNÉGAL	RUFISQUE (DAKAR)	100.00	100.00
SOCOCIM INDUSTRIES	SENEGAL	RUFISQUE (DAKAR)	99.91	99.91
SODEVIT	SENEGAL	BANDIA	100.00	100.00
ALTOTA AG	SUISSE	OLTEN (SOLOTHURN)	100.00	100.00
KIESWERK AEBISHOLZ AG (ex ASTRADA KIES AG)	SUISSE	AEBISHOLZ (SOLEURE)	99.64	99.64
BETON AG INTERLAKEN	SUISSE	MATTEN BEI INTERLAKEN (BERN)	75.42	98.55
BETON FRAIS MOUTIER SA	SUISSE	BELPRAHON (BERN)	90.00	90.00
BETON GRAND TRAVAUX SA	SUISSE	ASUEL (JURA)	75.00	75.00
BETONPUMPEN OBERLAND AG	SUISSE	WIMMIS (BERN)	72.22	72.22
BIEDERMANN SAND UND KIES TRANSPORT AG	SUISSE	SAFNERN (BERN)	(1)	100.00
CEMENTWERK DÄRLIGEN AG	SUISSE	DÄRLIGEN (BERN)	(2)	98.55
CEWAG	SUISSE	DUTINGEN (FRIBOURG)	100.00	-
COVIT SA	SUISSE	SAINT-BLAISE (NEUCHATEL)	100.00	100.00
CREABETON MATERIAUX SA	SUISSE	LYSS (BERN)	100.00	100.00
EMME KIES + BETON AG	SUISSE	LÜTZELFLÜH (BERN)	66.66	66.66
FBF FRISCHBETON AG FRUTIGEN	SUISSE	FRUTIGEN (BERN)	98.55	98.55
FRISCHBETON AG ZUCHWIL	SUISSE	ZUCHWIL (SOLOTHURN)	88.94	88.94

Fully consolidated : REST OF THE WORLD (continued)

COMPANY	COUNTRY	STATE / CITY	% CONTROL June 30, 2010	% CONTROL Dec. 31, 2009
FRISCHBETON LANGENTHAL AG	SUISSE	LANGENTHAL (BERN)	81.17	81.17
GRANDY AG	SUISSE	LANGENDORF (SOLEURE)	100.00	100.00
KIES- UND BETONWERK REULISBACH AG	SUISSE	ST STEPHAN (BERN)	98.55	98.55
KIESTAG STEINIGAND AG	SUISSE	WIMMIS (BERN)	98.55	98.55
MATERIALBEWIRTTSCHFTUNG MITHOLZ AG	SUISSE	KANDERGRUND (BERN)	98.55	98.55
MICHEL & CO AG	SUISSE	BÖNIGEN (BERN)	98.55	98.55
SABLES + GRAVIERS TUFFIERE SA	SUISSE	HAUTERIVE (FRIBOURG)	50.00	50.00
SHB STEINBRUCH + HARTSCHOTTER BLAUSEE MITHOLZ AG	SUISSE	FRUTIGEN (BERN)	98.55	98.55
STEINBRUCH VORBERG AG	SUISSE	BIEL (BERN)	60.00	60.00
VIBETON FRIBOURG SA	SUISSE	ST . URSEN (FRIBOURG)	100.00	100.00
VIBETON KIES AG	SUISSE	LYSS (BERN)	100.00	100.00
VIBETON SAFNERN AG	SUISSE	SAFNERN (BERN)	90.47	90.47
VIGIER CEMENT AG	SUISSE	PERY (BERN)	100.00	100.00
VIGIER HOLDING AG	SUISSE	DEITINGEN (SOLOTHURN)	100.00	100.00
VIGIER MANAGEMENT AG	SUISSE	DEITINGEN (SOLOTHURN)	100.00	100.00
VIRO AG	SUISSE	DEITINGEN (SOLOTHURN)	100.00	100.00
VITRANS AG	SUISSE	PERY (BERN)	100.00	100.00
WYSS KIESWERK AG	SUISSE	FELDBRUNNEN (SOLOTHURN)	100.00	100.00
AKTAS	TURQUIE	ANKARA	100.00	100.00
BHARATHI CEMENT	INDE	HYDERABAD	51.00	-
BHARATHI POLYMERS	INDE	HYDERABAD	51.00	-
BASTAS BASKENT CIMENTO	TURQUIE	ANKARA	91.58	85.68
BASTAS HAZIR BETON	TURQUIE	ANKARA	91.58	85.68
KONYA CIMENTO	TURQUIE	KONYA	83.34	83.34
TAMTAS	TURQUIE	ANKARA	100.00	100.00
BSA Ciment SA	MAURITANIE	NOUAKCHOTT	64.91	64.91
VICAT SAGAR	INDE	HYDERABAD	53.00	51.00

(1) Company merged in 2010 in a fully consolidated entity
(2) Company liquidated in 2010

Proportionate consolidation : FRANCE

COMPANY	ADRESS	SIREN NO.	% CONTROL	
			June 30, 2010	Dec. 31, 2009
CARRIÈRES BRESSE BOURGOGNE	Port Fluvial Sud de Chalon 71380 EPERVANS	655 850 055	49.95	49.95
DRAGAGES ET CARRIÈRES	Port Fluvial Sud de Chalon 71380 EPERVANS	341 711 125	50.00	50.00
SABLIÈRES DU CENTRE	Les Genévriers Sud 63430 LES MARTRES D'ARTIÈRE	480 107 457	50.00	50.00

Proportionate consolidation : REST OF THE WORLD

COMPANY	COUNTRY	STATE / CITY	% CONTROL	
			June 30, 2010	Dec. 31, 2009
FRISHBETON TAFERS AG	SUISSE	TAFERS (FRIBOURG)	49.50	49.50
KIESWERK NEUENDORF	SUISSE	NEUENDORF (SOLEURE)	50.00	50.00

Equity method : REST OF THE WORLD

COMPANY	COUNTRY	STATE / CITY	% CONTROL	
			June 30, 2010	Dec. 31, 2009
HYDROELECTRA	SUISSE	AU (ST. GALLEN)	49.00	49.00
SILO TRANSPORT AG	SUISSE	BERN (BERN)	50.00	50.00
SINAI WHITE CEMENT	EGYPTE	LE CAIRE	25.40	25.40

2
HALF YEAR REPORT

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2.1. CHANGE IN CONSOLIDATED SALES

Consolidated sales for the first half of 2010 were €985 million, up 2.4% compared with the same period last year, resulting from :

- virtual stability in sales at constant scope and exchange rates, -0,7%, reflecting the impact of contrasting factors with:
  - market conditions remaining difficult in some geographical areas, such as Italy and California, and dynamic in others such as Egypt, West Africa and Turkey,
  - very unfavourable weather conditions in the first quarter, especially in Europe and the United States, and a significant recovery in the second quarter in almost all regions,
- an increase of 1.4%, representing a rise of €14 million, attributable to a favourable movement in exchange rates in 2010 compared with 2009 (mainly rises in the Swiss franc, Egyptian pound and Turkish pound),
- and a net increase of 1.6%, representing a rise of €16 million, linked to changes in the consolidation scope, resulting primarily from the full consolidation of Bharathi Cement in India with effect from 1 May 2010.

The change in consolidated sales by division to 30 June 2010 compared with 30 June 2009 was as follows :

					Comprising		
(€ million except %)	30 June 2010	30 June 2009	Change	Change (%)	exchange rate effect	change in scope	internal growth
Cement	512	491	21	+4.3%	7	12	3
Concrete and Aggregates	344	345	(1)	-0.4%	5	1	(7)
Other Products and Services	129	126	3	+2.3%	2	3	(2)
Total	**985**	**962**	**23**	**+2.4%**	**14**	**16**	**(6)**

It should be noted that the Group experienced a significant downturn in business in the first quarter of 2010, -6.2% and -5.6% at constant scope and exchange rates, while, with the exception of the United States, the second quarter saw a marked recovery +9.2%, and +3.2% at constant scope and exchange rates. The recovery was experienced across all divisions at constant scope and exchange rates: Cement +2.7%, Concrete & Aggregates +4.5%, Other Products and Services +1.7%. From a geographical point of view, the second quarter saw a renewed positive trend in all regions with the exception of Italy and California.

The growth in sales volumes in our main businesses (calculated on the basis of the percentage stake) was as follows :

	30 juin 2010	30 juin 2009	Évolution
Cement (kt)	7,765	7,325	+6.0%
Concrete (km³)	3,700	3,345	+10.6%
Aggregates (kt)	9,956	8,975	+10.9%

The change in sales at constant scope and exchange rates reflects overall:

- an increase in cement volumes, increasing in Africa and the Middle East and in Turkey, and decreasing significantly in the United States and Italy,
- an increase in ready-mix concrete volumes, mainly in Turkey and to a lesser extent France, with another net decrease in the United States,
- a marked decrease in the volumes of aggregates sold, primarily in Switzerland which benefited from a number of major projects in early 2009,
- prices holding up well in Egypt, a recovery in Turkey, but again a marked decline in the United States and Italy.

Group operating sales by division (before elmination of inter-division sales) is as follows :

(percent)	30 June 2010	30 June 2009
Cement	54.0	53.0
Concrete and Aggregates	32.0	33.0
Other Products and Services	14.0	14.0
Total	**100.0**	**100.0**

The percentage deriving from the Group's main businesses, namely cement and concrete and aggregates, remained stable at 86% of consolidated sales before elimination of inter-division sales. The percentage deriving from the cement business continued to grow as a result of the volume increases made possible by the increases in capacity and the acquisition of Bharathi Cement in India.

Breakdown of consolidated sales by geographical sales region :

(€ million)	30 June 2010	%	30 June 2009	%
France	395	40	414	43
United States	85	9	104	11
Turkey and India	105	11	62	6
West Africa and the Middle East	240	24	230	24
Europe (excluding France)	160	16	152	16
Total	**985**	**100**	**962**	**100**

By geographical sales region, the proportion of consolidated sales deriving from France and the United States declined, owing to the fall in sales on these markets and the pursuit of a significant increase in business in the emerging countries from 30% of sales in 2009 to 35% in the first half of 2010.

Breakdown of operational sales to 30 June 2010 by country and by division :

(€ million)	Cement	Concrete & Aggregates	Other Products and Services	Elimination of inter-division sales	Consolidated sales
France	196	198	111	(90)	415
United States	40	57		(12)	85
Turkey and India	81	48	2	(24)	107
West Africa and the Middle East	224	8			232
Europe (excluding France)	63	48	50	(15)	146
Operational sales by division (before elimination of inter-division sales)	**604**	**359**	**163**	**(141)**	**985**
Eliminations inter-secteurs	(92)	(15)	(34)	141	-
Consolidated Sales	**512**	**344**	**129**	**-**	**985**

2.2. CHANGE IN OPERATING INCOME

(€ million)	30 June 2010	30 June 2009	Change
Sales	984.7	961.9	+2.4%
EBITDA	231.9	229.8	+0.9%
EBIT	148.4	150.1	-1.2%
Operating income	147.8	143.4	+3.0%

The Group's consolidated EBITDA increased by 0.9% compared with the first half of 2009, to €232 million and fell by (1.7)% at constant scope and exchange rates. The EBITDA margin was, therefore, 23.6% compared with 23.9% in the first half of 2009. The EBITDA margin achieved in the first half year shows the strength and financial solidity of the Group in an environment where the signs of recovery remain fragile. This performance is a consequence of a good geographical balance in the Group's operations, the results of the Performance 2010 plan, the aim of which was not only to increase capacity but above all to improve the efficiency of its industrial plant, and finally the results of the Performance Plus plan set in motion in 2009 and from which the Group will derive full benefit during the current year.

It should be emphasised that the Group's results are underpinned by the performances achieved in those countries in which investments were made under the Performance 2010 plan, particularly Turkey, Egypt, Senegal and Switzerland.

In addition to the operating performance of the different businesses set out below, the operating income includes negative one-off elements amounting to €1 million, corresponding largely to costs incurred during the period in the context of "Vallée de la Maurienne" litigation (-€5.1 million to 30 June 2009).

2.2.1. Change in operating income by business

The following sections give a breakdown of the operating income by business and an analysis of the change between 2009 and 2010.

2.2.1.1. Change in operating income from the cement business

In the first half of 2010, operating sales in the Cement business increased by 4.4% and 0.9% at constant scope and exchange rates.
This solid performance, against a more difficult background in some markets, resulted from a 6% increase in cement sales volumes and a generally positive price environment in each market (taking into account the unfavourable geographical mix effects), with the exception of the United States and Italy.

(€ million)	30 June 2010	30 June 2009	Change
Operational sales	604.3	578.7	+4.4%
Elimination of inter-division sales	(91.8)	(87.5)	-5.0%
Contribution to consolidated sales	512.4	491.2	+4.3%
EBITDA	185.9	173.5	+7.2%
EBITDA / Operational sales (%)	30.8%	30.0%	
Operating income	132.0	121.4	+8.7%

EBITDA was €186 million, up 4.7% at constant scope and exchange rates. The EBITDA margin on operational sales increased to 30.8% compared with 30.0% in the first half of 2009. As well as the impact of business holding up well on several markets, this increase reflects the impact of the Performance plans and in particular the full benefit of the investments brought on stream in Switzerland and Senegal in the second half of 2009.
Personnel costs increased by 2.9% in euros, taking into account the acquisition of Bharathi Cement and the effect of the statutory profit-sharing scheme in Egypt. Finally duties and taxes increased by €1.9 million, that is 9.7% up on the previous year, to over €21 million.

By country, the following comments can be made in relation to change in the cement business operating income:

- Business **in France** declined by 3%. This fall occurred despite an increase in volumes supplied during the period of around 1.2%. After a first quarter marked by highly unfavourable weather conditions, the Group recovered in the second quarter with an increase in sales volumes. This performance was the result of a significant increase in export sales volumes and a stabilisation of sales volumes in France. Selling prices fell basically as a result of an unfavourable mix, stemming in particular from the strong increase in export sales. The Group faced a certain amount of pressure on prices in the domestic market as a result of local competitive pressure, primarily in the north-east of the country. Against this background, the EBITDA margin on operational sales fell compared with the first quarter of 2009 but remains solid, owing to the combined benefits of the Performance 2010 and Performance Plus plans, as well as a slight fall in energy costs.
- **In the United States**, consolidated sales were down 16.3% at constant scope and exchange rates. This fall is essentially the result of a decline in sales volumes of more than 5%. This drop in volumes remained significant in California owing to unfavourable weather conditions and the economic climate. The South-East region, on the other hand, saw a return to sustained growth in sales volumes. Selling prices fell significantly owing to an unfavourable comparison base in both California and the South-East, and also due to a worsening of the competitive environment in California. As a consequence the Group recorded negative EBITDA for this business in the United States.
- **In Switzerland**, the increase in consolidated sales was almost 20% at constant scope and exchange rates, explained in particular by a similar increase in sales volumes (21%). This performance, made possible by the increase in capacity in 2009, resulted from supplies to major underground construction sites, which were not affected by the bad weather, and from the dynamism of the Swiss market as a whole. Selling prices fell slightly in view of the type of sites supplied. This increase in business, together with the energy efficiency policy in-

volving in particular in the use of alternative fuels, resulted in a significant increase in the Cement division EBITDA on operational sales during the first six months of the year.

- **In Italy**, sales fell by more than 49%, owing to the decline in sales volumes as a result of the continuing difficult macro-economic climate and also the poor weather conditions at the start of the year. Against this background, competitive pressures increased causing a significant fall in selling prices. Consequently the EBITDA margin on operational sales fell significantly, though it was limited by clinker purchase prices which remained favourable.
- **In Turkey**, sales increased by over 22% at constant scope and exchange rates. The volumes destined for the domestic market increased by around 15%, while the volumes exported (essentially to the Mediterranean basin) fell slightly as the Group gave priority to the Turkish market. Prices on the latter market increased during the period in both the Konya and the Ankara regions. In view of these factors, the EBITDA margin on operational sales improved significantly.
- **In West Africa**, sales increased by 4.8%, and by 4.5% at constant scope and exchange rates. After a slow start in the early months of the year, cement sales volumes increased by more than 6% over the period. Average selling prices fell slightly reflecting in particular a less favourable geographic sales mix, with a net increase in export sales volumes at lower prices and some price pressure on the domestic market. The EBITDA margin on operational sales rose significantly, as a result of the increase in sales and also of the full impact of the start up of the new kiln at the Rufisque plant, which is significantly more efficient in terms of energy consumption and which enabled external clinker imports to be ended. In addition, the Group benefited from a reduction in the price of the coal burned.
- **In Egypt**, sales over the six months increased by almost 6% at constant exchange rates, supported by a 2.2% increase in sales volumes. After the exceptional precipitation which disrupted the country's power generation in the first quarter and a temporary slow down in production caused by the commissioning of the new cement grinder, the Group recovered rapidly with a dynamic growth in business in the second quarter. Selling prices remained strong in the first half year. Consequently the EBITDA margin on operational sales increased slightly, despite a first quarter where profitability was affected by the events described above.
- **In Kazakhstan and India**, on 19 April 2010, the Vicat group announced the acquisition of 51% of the capital of Bharathi Cement Company Limited. This company, which has been operating since the end of 2009, currently has an annual cement production capacity of 2.5 million tonnes. A second production line, the construction of which is proceeding to schedule, will boost the total annual nominal cement production capacity to 5 million tonnes by the end of 2010. Bharathi Cement operates in the state of Andhra Pradesh in the south of India, a market which is today dynamic but also subject to strong competitive pressure in view of the current overcapacity. Consolidated with effect from 1 May 2010, Bharathi Cement contributed €12.7 million to consolidated sales over the half year. On the strength of its modern, high performance production plant, Bharathi Cement generated an EBITDA margin of over 16%. This is a promising margin level in view of the progressive build up in plant capacity, the highly competitive current environment and the recent increase in the price of coal in the region.

As regards the Group's two greenfield projects, in Kazakhstan (Jambyl Cement) and India (Vicat Sagar), these new plants will come on stream, as initially scheduled, respectively at the end of 2010 and the start of 2012. Some operating costs associated with the construction of these plants are included in the accounts for the half year.

2.2.1.2. Change in operating income from the ready-mix concrete and aggregates business

(€ million)	30 June 2010	30 June 2009	Change
Operational sales	360.1	357.7	+0.7%
Elimination of inter-division sales	(16.5)	(12.9)	-28.6%
Contribution to consolidated sales	343.6	344.8	-0.4%
EBITDA	29.6	43.5	-31.9%
EBITDA / Operational sales (%)	8.2%	12.2%	
Operating income	5.9	15.5	-61.7%

Operational sales from the Concrete and Aggregates business increased by 0.7%, and decreased by (1.1)% at constant scope and exchange rates compared with the first half of 2009. This decrease was largely the result of a decline in business in the United States and France.

EBITDA fell by 31.9% and by 34.3% at constant scope and exchange rates. The decline in the EBITDA margin, which came out at 8.2% as against 12.2%, can largely be explained by the deterioration in the situation in the United States and France.

The main trends were as follows:

- Sales **in France** fell by 2.2%, despite a 2.5% increase in concrete sales volumes and stability in aggregates (0.4)%. After a particularly difficult start to the year, the second quarter saw a solid recovery in sales volumes, with the market benefiting from the gradual stabilisation of the construction and public works sector and the catch-up effect from projects where work was suspended at the start of the year owing to the bad weather. In contrast, while there was a solid increase in aggregate prices, the Group saw a slight contraction in concrete prices owing to increased competitive pressures in certain regions.Against this background, the EBITDA margin on operational sales fell compared with the first half of 2009.
- **In the United States**, consolidated sales fell by 19.9% at constant scope and exchange rates (-19.7% on published figures). This fall resulted essentially from the continued sharp decline in sales volumes in California, owing to the unfavourable economic climate and weather conditions, while volumes sold rose by 13.0% in the South-East region over the half year as a whole. Selling prices remained on the decline, more noticeably in California than in the South-East region. As a consequence, the Group EBITDA for this business in the United States were just positive.
- **In Turkey**, sales in the Concrete & Aggregates business increased by 56.5% and by 47.1% at constant scope and exchange rates. Sales volumes increased by over 40%, owing to good weather in the first quarter and a significant recovery in the market. Prices rose very slightly on a market which remains highly competitive. Against this background, the EBITDA margin on operational sales fell.
- **In Switzerland**, consolidated sales increased by 6.3%, but were down 0.9% at constant scope and exchange rates, owing to the weather conditions in the first quarter, partly offset by a very dynamic second quarter. Selling prices fell slightly. As a consequence the EBITDA margin on operational sales was down slightly compared with the first half of 2009.
- **In Senegal**, sales in the Aggregates business increased by 8%. Volumes showed solid growth of over 19%, benefiting from the dynamism in particular in the public works sector. In contrast, prices fell significantly reflecting an unfavourable comparison base stemming from the gradual reduction seen over the last 12 months. As a result there was a decline in the EBITDA margin on operational sales.

2.2.1.3. Change in operating income from the Other Products and Services business

Operational sales rose by 3.5% at current scope and by 0.2% at constant scope and exchange rates.

EBITDA amounted to €16.4 million, up 28.6% compared with the first half of 2009, and 22.8% at constant scope and exchange rates.

(€ million)	30 June 2010	30 June 2009	Change
Operational sales	162.3	156.8	+3.5%
Elimination of inter-division sales	(33.6)	(30.9)	-8.5%
Contribution to consolidated sales	128.7	125.9	+2.3%
EBITDA	16.4	12.7	+28.6%
EBITDA / Operational sales (%)	10.1%	8.1%	
Operating income	9.9	6.6	+51.1%

In France, sales fell by 7.8%, with Construction Chemicals down 9.4% and Transport seeing a net decline under the combined effects of the current macro-economic climate and the adverse weather conditions in the first quarter.
In Switzerland, the Precast business had an excellent first half year with volumes up significantly, particularly in the girders sector, and an increase in sale of more than 11% at constant scope and exchange rates.

2.2.2. Change in operating income by geographical area

2.2.2.1. Income statement France

			Change (%)	
(€ million)	30 June 2010	30 June 2009	Published	At constant scope
Consolidated sales	415	431	-3.8%	-3.8%
EBITDA	87	103	-15.7%	-15.7%
EBIT	60	74	-19.5%	-19.5%

Consolidated sales in France in the half year fell by 3.8% at constant scope. EBITDA amounted to €87 million, down 15.7%. The EBITDA margin on operational sales was down to 20.7% as against 23.6% in the first half of 2009. The reduction in the EBITDA margin, which resulted from both the Cement and the Concrete and Aggregates businesses, was, however, mitigated by the positive effects of the Performance 2010 plan and the complementary cost reduction measures in the Performance Plus plan.

2.2.2.2. Income statement Europe (excluding France)

			Change (%)	
(€ million)	30 June 2010	30 June 2009	Published	At constant scope and exchange rates
Consolidated sales	146	135	+8.1%	+0.7%
EBITDA	41	33	+24.9%	+16.5%
EBIT	29	22	+33.2%	+24.5%

Consolidated sales in Europe, excluding France, increased by 8.1% over the half year. At constant scope and exchange rates, the increase was 0.7%.

The EBITDA margin on operational sales showed a net improvement at 27.9% compared with 24.2% in the first half of 2009, owing to both the Cement and the Precast businesses in Switzerland, despite the combined effects of the decline in volumes and prices in Italy.

2.2.2.3. Income statement United States

(€ million)	30 June 2010	30 June 2009	Change (%) Published	Change (%) At constant scope and exchange rates
Consolidated sales	85	104	-18.4%	-18.7%
EBITDA	(4)	8	-151.3%	-151.2%
EBIT	(21)	(9)	-130.8%	-130.1%

Consolidated sales in the United States fell sharply by 18.4% and 18.7% at constant scope and exchange rates, in a market still severely affected by the macro-economic crisis and by the weather conditions at the start of the year. Nevertheless, while the situation in California remained particularly difficult, developments in the South-East region were more positive, with an increase in sales volumes in both the Cement and Ready-Mix Concrete businesses.

Against this difficult background, the Group recorded a further deterioration in performance with EBITDA down €4 million over the first half of the year.

2.2.2.4. Income statement Turkey, Kazakhstan, India

(€ million)	30 June 2010	30 June 2009	Change (%) Published	Change (%) At constant scope and exchange rates
Consolidated sales	107	70	+52.5%	+26.3%
EBITDA	14	6	+141.9%	+92.7%
EBIT	3	(3)	-221.3%	-174.5%

In Turkey, consolidated sales amounted to €94 million, up 26.3% at constant scope and exchange rates. Sales volumes were boosted by a positive base effect and favourable weather conditions and by the marked recovery in activity, which began at the end of 2009 and accelerated during the first half of 2010. Selling prices also benefited from this increase in activity, not only in the Konya region, but also since the end of the first quarter in the Ankara region. The EBITDA margin on operational sales rose to 14.1% compared with 9.3% in the first half of 2009.

2.2.2.5. Income statement Africa and the Middle East

(€ million)	30 June 2010	30 June 2009	Change (%) Published	Change (%) At constant scope and exchange rates
Consolidated sales	232	221	+4.8%	+4.5%
EBITDA	94	81	+17.4%	+16.9%
EBIT	77	66	+17.0%	+16.6%

In the Africa and Middle East region, consolidated sales rose by 4.5% at constant scope and exchange rates, taking into account the disruption at the start of the year in Egypt, due both the exceptionally bad weather in the first quarter and the commissioning of the new cement grinder in April.
The EBITDA margin on operational sales was 40.8% in the first half of 2010 compared with 36.4% in the same period in 2009. This increase reflects both strong selling prices in Egypt and above all the effects of the investments which came on stream in Senegal in the second half of 2009.

2.3. CHANGE IN FINANCIAL INCOME

(€ million)	30 June 2010	30 June 2009	Change
Cost of net debt	(12.4)	(11.1)	+11.6%
Other financial products and charges	(0.3)	0.2	
Financial income	**(12.7)**	**(10 .9)**	**+15.8%**

The reduction in the Group's financial income is primarily the result of the increase in the cost of net debt. The change is due to the combined effects of the fall in interest rates and an increase in the Group's average outstanding debt (average gross debt was €1,025 million in the first half of 2010 compared with €829 million for the same period in 2009), owing mainly to the acquisition of Bharathi Cement in India.

2.4. CHANGE IN TAXES

(€ million)	30 June 2010	30 June 2009	Change
Taxes payable	(25.6)	(28.2)	+9.2%
Deferred taxes	8.1	6.1	-33.7%
Total taxes	**(17.5)**	**(22.1)**	**-20.9%**

The Group had a pre-tax income of €136.8 million in the first half of 2010, up 3.5% on the same period in 2009, when it was €132,1 million.

The apparent reduction in the tax rate is primarily the result of a positive change in the "countries" mix (increase in the relative share of Egypt and Senegal where the Group benefits from exceptional tax arrangements owing to the investments made, reduction in the share of countries with higher tax rates: United States, France and Italy).

2.5. CHANGE IN NET INCOME

Total consolidated net income was €119.3 million, up 8.4% on that in the first half of 2009 (€110.0 million), including a Group share of €94,6 million, up 60% compared with the same period in 2009 (€89.3 million).

The net margin thus amounted to 12.1% of sales in the first half of 2010 compared with 11.4% in the first half of 2009 and 12.3% for 2009 as a whole.

2.6. CHANGE IN FINANCIAL POSITION

As at 30 June 2010, the Group has a sound financial position as evidenced by the following indicators :

(€ million)	30 June 2010	31 Dec. 2009	Change
Gross debt	1,376	888	
Cash	(348)	(235)	
Net debt	**1,028**	**653**	**+375**
Consolidated shareholders' equity	**2,505**	**2,082**	**+423**
Gearing	*41.1%*	*31.4%*	
EBITDA (last 12 months)	475	473	
Leverage ratio	*2.16*	*1.38*	

Medium or long-term financing agreements contain clauses (covenants) requiring in particular adherence to financial ratios. In view of the smaller number of companies concerned, basically Vicat SA the Group parent company, the level of net debt (representing 41.1% of consolidated shareholders' equity (gearing) and 2.16 times consolidated EBITDA (leverage)), and the liquidity of the Group's balance sheet, the existence of these covenants does not represent a risk to the Group's financial position. At 30 June 2010, the Group adhered to all the ratios referred to in the covenants contained in the financing agreements.

On 24 June 2010, the Group announced it had finalised the financing of the Vicat Sagar greenfield cement plant in India, a project being run in partnership with Sagar Cements Limited, in which the Vicat group has a majority stake. This financing, arranged by the International Finance Corporation (IFC), a subsidiary of the World Bank, amounts to €195 million. It comprises an initial tranche of €140 million arranged by the IFC with the support of three development banks, DEG, FMO and PROPARCO, and a second tranche of €55 million arranged by the IFC with a syndicate comprising Crédit Agricole CIB, Crédit Industriel et Commercial, Natixis and Société Générale. The maturities of the two tranches are 11 and 8 years respectively.

Pending a returning to the financing markets, particularly the bond markets, the Group has established a credit line of €360 million for a period of 12 months with an option by the borrower to extend to 18 months. This credit line was established with BNP Paribas, CA CIB and Société Générale in equal shares.

The Group had confirmed credit lines, which are not used and not assigned to cover the liquidity risks on commercial papers, amounting €659 million at 30 June 2010 (€609 million at 31 December 2009).

The Group also has a programme for the issue of commercial papers amounting to €152 million. At 30 June 2010, papers issued amounted to €152 million. The commercial papers which constitute these short-term credit instruments are backed by confirmed credit lines for the amount issued and classed as such in medium-term debts in the consolidated balance sheet.

2.7. OUTLOOK FOR 2010

The Group confirms the expected trends as communicated with the publication of its 2009 full-year results and at its Annual General Meeting.

Thus, 2010 is expected to be a year of transition. The buoyant trends in emerging markets are likely to continue, while the environment in certain mature countries looks set to remain difficult. Selling prices will vary significantly between regions. Moreover, while the first half year was affected by particularly poor weather conditions at the start of the year, the second six months should be marked a gradual improvement in sales in some mature markets, particularly France and the United States.

The Group is continuing its efforts to improve productivity and control fixed costs. It should see the full benefit of the combined effects of the Performance plans, notably:

- performances driven by new industrial plant,
- falling prices for conventional fuels and the increased used of alternative fuels,
- an end to external purchases of clinker and cement in Switzerland and Senegal, following the capacity increases completed in 2009.

For 2010, the Group wishes to provide the following information on its various markets :

- **In France**, the Group expects a gradual stabilisation in sales volumes in 2010, notably in Cement, in a price climate that is expected to be slightly negative. The first effects of the stimulus plan announced by the government should have a very gradual impact on the construction sector in general, in particular in infrastructure, while new house building should benefit from the tax incentives introduced in 2009. On the other hand, the non-residential sector is expected to continue its negative trend over the year as whole. The Group should benefit from more favourable purchase prices for conventional fuels and the continuation of its policy of increasing its use of alternative fuels.
- **In Switzerland**, the environment should remain favourable overall, helped by the continuation of a number of large infrastructure projects. The increased kiln capacity brought on stream at the Reuchenette plant at the end of the first half of 2009 has put a definite end to external purchases of clinker and enabled an increase the capacity to use alternative fuels. Finally, the Group will benefit from more favourable purchase prices for conventional fuels and will pursue its policy of increasing its use of alternative fuels.
- **In Italy**, the Group expects a particularly difficult market situation in 2010. In this context, Vicat should continue to benefit from favourable purchasing conditions for clinker.
- **In the United States**, the lack of clarity with respect to either the macro-economic situation or the amount of investments that the States might make prevents the Group from formulating forecasts for 2010, which is nevertheless likely to remain particularly difficult. While the implementation of the stimulus plan nationally may have a substantial impact on the Group's markets, the location, nature and timing of the investments still remain uncertain. Nevertheless, it is important to highlight a perceptible improvement in the South-East region during the first half year, and the fact that the rate of distribution of federal aid accelerated significantly from March, notably in California and Georgia.
- **In Turkey**, the gradual improvement in the environment is likely to continue, particularly in terms of volumes. On the other hand, the persistence of a highly competitive situation could again have an unfavourable impact on selling price trends. However, in this context, the modernisation of the Group's industrial plant under the Performance 2010 plan enables the Group to produce at low cost. In addition, the Group should be able to increase substantially its use of alternative fuels.
- **In Egypt**, the local market should remain favourable, in terms of both volumes and prices. Nevertheless, in the case of volumes, the comparison base will be significantly less favourable than in 2009, the increased capacity of the Sinai Cement plant having already been fully integrated during the year. Vicat, therefore, expects to achieve sales growth in line with the market.
- **In West Africa**, the market environment should remain generally favourable, but will be closely linked to public investment in major infrastructure projects on the one hand and to the pattern of money transfers from the region's diaspora. The Group should also benefit from certain drivers. Firstly, Vicat will be able to benefit fully from its increased capacity, finalised under the Performance 2010 plan, allowing it to meet local and export demand without having to purchase clinker from external sources. It should also benefit from more favourable

purchasing prices for the conventional fuels it uses. Lastly, the Group should be in a position to increase significantly the proportion of alternative fuels used.

- **In India**, the acquisition of a majority stake in Bharathi Cement, mainly via a privately placed capital increase, enables the Group to strengthen significantly its position in India, a market where cement consumption is growing strongly. This is Vicat's second major deal, complementing its current joint venture, Vicat Sagar Cement; these partnerships will allow for the emergence of two major players in southern India, with an eventual total nominal capacity of more than 10 million tonnes, supported by strong operational synergies and ambitious expansion plans.
- **In Kazakhstan**, the construction of a state-of-the-art plant with a capacity of 1.1 million tonnes is proceeding to plan, with start-up scheduled for the second half of 2010. Nevertheless, the impact on the Group's sales will not really be noticeable until 2011, as winter conditions in Kazakhstan mean that activity there is highly seasonal.

3

DECLARATION BY THE NATURAL PERSONS RESPONSIBLE FOR THE HALF YEAR FINANCIAL REPORT

«I hereby declare that, to the best of my knowledge, the consolidated accounts compiled for the last half year have been drawn up in accordance with the applicable accounting standards and are a true reflection of the assets and liabilities, financial position and income of the company and all the firms within the consolidation scope and that the half year report on operations, attached on pages 34 ff., presents a true picture of the major events which occurred during the first six months of the year, their impact on the accounts and the main transactions between related parties and describes the main risks and the main uncertainties for the remaining six months of the year.»

Guy Sidos
Chief Executive Officer

4

STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2010

To the Shareholders,

Following our appointment as statutory auditors by the shareholders in general meeting and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on :

- the review of the accompanying condensed half-yearly consolidated financial statements of Vicat S.A. for the six-month period ended 30 June 2010,
- the verification of information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

Without qualifying the conclusion expressed above, we draw attention to note 1.1. "Statement of Compliance" which sets out the first adoption of the revised version of IFRS 3 "Business Combinations" and the amended version of IAS 27 "Consolidated and Separate Financial Statements".

II. Specific verification

We have also verified information given in the half-yearly management report on the condensed half-yearly consolidated financial statements that were subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, on the 3 August 2010
KPMG Audit
A division of KPMG S.A.
Bertrand Desbarrières
Partner

Chamalières, on the 3 August 2010
Wolff & Associés S.A.S.
Grégory Wolff
Partner