FINANCIAL REPORT HALF-YEAR 2011

CONTENTS

1

CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2011

1.1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (In thousands of euros)	*Notes*	June 30, 2011	Dec. 31, 2010
NON-CURRENT ASSETS			
Goodwill	*3*	1,000,504	1,031,189
Other intangible assets	*4*	99,374	101,496
Property, plant and equipment	*5*	2,129,393	2,179,837
Investment properties		18,623	18,086
Investments in associated companies		34,172	38,536
Deferred tax assets		1,966	2,553
Receivables and other non-current financial assets		83,420	83,229
Total non-current assets		**3,367,452**	**3,454,926**
CURRENT ASSETS			
Inventories and work-in-progress		341,372	356,521
Trade and other accounts receivable		432,702	302,801
Current tax assets		3,300	10,622
Other receivables		164,484	145,422
Cash and cash equivalents	*6*	308,245	296,176
Total current assets		**1,250,103**	**1,111,542**
TOTAL ASSETS		**4,617,555**	**4,566,468**

LIABILITIES (In thousands of euros)	*Notes*	June 30, 2011	Dec. 31, 2010
SHAREHOLDERS' EQUITY			
Share capital	*7*	179,600	179,600
Additional paid-in capital		11,207	11,207
Consolidated reserves		1,837,775	1,950,172
Shareholders' equity		**2,028,582**	**2,140,979**
Minority interests		**357,217**	**416,123**
Shareholders' equity and minority interests		**2,385,799**	**2,557,102**
NON-CURRENT LIABILITIES			
Provisions for pensions and other post-employment benefits	*8*	49,043	49,737
Other provisions	*8*	88,573	87,103
Financial debts and put options	*9*	1,360,358	1,203,963
Deferred tax liabilities		141,570	146,458
Other non-current liabilities		17,601	22,808
Total non-current liabilities		**1,657,145**	**1,510,069**
CURRENT LIABILITIES			
Provisions	*8*	11,312	10,168
Financial debts and put options at less than one year	*9*	103,755	90,515
Trade and other accounts payable		255,594	238,587
Current taxes payable		11,358	9,496
Other liabilities		192,592	150,531
Total current liabilities		**574,611**	**499,297**
Total liabilities		**2,231,756**	**2,009,366**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**4,617,555**	**4,566,468**

1.2. CONSOLIDATED INCOME STATEMENT

(In thousands of euros)	Notes	June 30, 2011	Dec. 31, 2010
NET SALES	11	1,146,179	984,706
Goods and services purchased		(702,381)	(577,002),
ADDED VALUE	1.21	**443,798**	**407,704**
Personnel costs		(175,568)	(160,756)
Taxes		(23,821)	(30,525)
GROSS OPERATING EARNINGS	1.21 & 14	**244,409**	**216,423**
Depreciation, amortization and provisions	12	(88,671)	(75,402)
Other income (expense)	13	5,474	6,762
OPERATING INCOME	14	**161,212**	**147,783**
Cost of net borrowings and financial liabilities	15	(21,655)	(12,382)
Other revenues	15	7,153	3,552
Other costs	15	(4,240)	(3,841)
NET FINANCIAL INCOME (EXPENSE)	15	**(18,742)**	**(12,671)**
Earnings from associated companies		327	1,668
EARNINGS BEFORE INCOME TAX		**142,797**	**136,780**
Income taxes	16	(34,352)	(17,501)
NET INCOME		**108,445**	**119,279**
Portion attributable to minority interests		17,557	24,689
PORTION ATTRIBUTABLE TO GROUP SHARE		**90,888**	**94,590**

EBITDA	1.21 & 14	**253,346**	**231,933**
EBIT	1.21 & 14	**164,781**	**148,396**
CASH FLOW FROM OPERATIONS		**194,112**	**181,289**

Earnings per share (in euros)			
Basic and diluted earnings per share	7	**2.02**	**2.11**

1.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In thousands of euros)	June 30, 2011	Dec. 31, 2010
NET CONSOLIDATED INCOME	**108,445**	**119,279**
Net income from change in translation differences	(144,289)	220,582
Cash flow hedge instruments	(112)	2,675
Income tax on other comprehensive income	(2,776)	(921)
OTHER COMPREHENSIVE INCOME (net of income tax)	**(147,177)**	**222,336**
TOTAL COMPREHENSIVE INCOME	**(38,732)**	**341,615**
Portion attributable to minority interests	(18,563)	58,537
PORTION ATTRIBUTABLE TO GROUP SHARE	**(20,169)**	**283,078**

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

	June 30, 2011			June 30, 2010		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Net income from change in translation differences	(144,289)	-	(144,289)	220,582	-	220,582
Cash flow hedge instruments	(112)	(2,776)	(2,888)	2,675	(921)	1,754
OTHER COMPREHENSIVE INCOME (net of income tax)	**(144,401)**	**(2,776)**	**(147,177)**	**223,257**	**(921)**	**222,336**

1.4. CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of euros)	*Notes*	June 30, 2011	Dec. 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income		**108,445**	**119,279**
Earnings from associated companies		(327)	(1,668)
Dividends received from associated companies		2,426	-
Elimination of non-cash and non-operating items:			
- depreciation, amortization and provisions		91,952	77,588
- deferred taxes		(6,452)	(8,113)
- net (gain) loss from disposal of assets		(1,187)	(6,268)
- unrealized fair value gains and losses		(582)	445
- other		(163)	26
Cash flows from operating activities		**194,112**	**181,289**
Change in working capital from operating activities - Net - net		(67,557)	(20,954)
Net cash flows from operating activities [(1)]	*18*	**126,555**	**160,335**
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows linked to acquisitions of fixed assets:			
- property, plant and equipment and intangible		(122,052)	(132,946)
- financial investments		(16,209)	(5,971)
Inflows linked to disposals of fixed assets:			
- property, plant and equipment and intangible		1,537	9,734
- financial investments		3,224	6,217
Impact of changes in consolidation scope		(22,667)	(214,258)
Net cash flows from investing activities	*19*	**(156,167)**	**(337,224)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(108,358)	(83,469)
Increases in capital		3,250	2,867
Increases in borrowings		199,159	577,629
Redemptions of borrowings		(41,439)	(229,926)
Acquisitions of treasury shares		(11,654)	(13,441)
Disposals - allocations of treasury shares		12,860	16,393
Net cash flows from financing activities		**53,818**	**270,053**
Impact of changes in foreign exchange rates		(23,298)	21,898
Change in cash position		**908**	**115,062**
Net cash and cash equivalents – opening balance	*20*	286,705	213,011
Net cash and cash equivalents – closing balance	*20*	287,613	328,073

(1) Including cash flows from income taxes €(36,747) thousand in 2011 and €(20,075) thousand in 2010.
Including cash flows from interests paid and received €(11,639) thousand euros in 2011 and €(11,105) thousand in 2010.

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, 2010	**179,600**	**11,207**	**(89,616)**	**1,874,368**	**(93,370)**	**1,882,189**	**199,384**	**2,081,573**
Consolidated net income				94,590		94,590	24,689	**119,279**
Other comprehensive income				1,754	186,734	188,488	33,848	**222,336**
Total comprehensive				*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**
At January 1, 2011	**179,600**	**11,207**	**(85,297)**	**2,019,257**	**16,212**	**2,140,979**	**416,123**	**2,557,102**
Consolidated net income				90,888		90,888	17,557	**108,445**
Other comprehensive income				954	(112,011)	(111,057)	(36,120)	**(147,177)**
Total comprehensive				*91,842*	*(112,011)*	*(20,169)*	*(18,563)*	***(38,732)***
Dividends paid				(67,350)		(67,350)	(43,002)	**(110,352)**
Net change in treasury shares			1,805	1,011		2,816		**2,816**
Changes in consolidation scope and complementary stake				(22,443)		(22,443)	(8,780)	**(31,223)**
Increases in share capital				(5,332)		(5,332)	11,580	**6,248**
Other changes				81		81	(141)	**(60)**
At June 30, 2011	**179,600**	**11,207**	**(83,492)**	**2,017,066**	**(95,799)**	**2,028,582**	**357,217**	**2,385,799**

Group translation differences at June 30th, 2011 are broken down by currency as follows (in thousands of euros):

U.S. dollar:	(34,977)
Swiss franc:	135,387
Turkish new lira:	(75,665)
Egyptian pound:	(47,216)
Kazakh tengue:	(36,221)
Mauritanian ouguiya:	(4,219)
Indian rupee:	(32,888)
	(95,799)

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, 2011 for its benchmark accounting principles.

The standards, interpretations and amendments published by the IASB but not yet in effect as of June 30, 2011 were not applied ahead of schedule in the Group's consolidated financial statements at the closing date. This concerns in particular IFRS 7 amendment related to disclosure of transfers of financial assets, IFRS 12 related to disclosure of interests in other entities published and IFRS 13 on fair value measurement.

The financial statements at June 30, 2011 were prepared in accordance with IAS 34 "Interim Financial Reporting". As condensed financial statements, they have to be read in relation with those prepared for the annual year ended December 31, 2010 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, 2011 are consistent with the ones applied by the Group at December 31st, 2010, except for the standards which are effective for the period beginning on or after January 1st, 2011.

These new standards, which prospective application, have no impact on the interim consolidated financial statements.

These financial statements have been definitively prepared and approved by the Board of directors on July 31st, 2011.

1.2. Basis of preparation of financial statements

The financial statements are presented in thousands of euros.

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

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

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

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

- value the provisions (notes 1.17 and 8), in particular those for pensions and other post-employment benefits (notes 1.15 and 8);
- value the put options granted to third parties on shares in consolidated subsidiaries (notes 1.16 and 9.2);
- value financial instruments at their fair value (notes 1.14. and 10);
- perform the valuations adopted for impairment tests (notes 1.4, 1.11 and 3);
- define the accounting principle to be applied in the absence of a definitive standard (notes 1.7 and 4 concerning emission quotas).

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

1.3. Consolidation principles

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

The group financial statements at June 30, 2001 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 reported using the equity method. Any goodwill generated on the acquisition of these investments is presented on the line "Investments in associated companies (equity method)."

The list of the principal companies included in the consolidation scope at June 30, 2011 is provided in note 23.

1.4. Business combination - Goodwill

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

Business combinations carried out before January 1, 2010:
These are reported using the acquisition method. Goodwill corresponds to the difference between the acquisition cost of the shares in the acquired company and purchaser's pro-rata share in the fair value of all identified assets, liabilities and contingent liabilities at the acquisition date. Goodwill on business combinations carried out after January 1, 2004 is reported in the currency of the company acquired. Applying the option offered by IFRS 1, business combinations completed before the transition date of January 1, 2004 have not been restated, and the goodwill arising from them has been maintained at its net value in the balance sheet prepared according to French GAAP as at December 31, 2003.
In the event that the pro-rata share of interests in the fair value of net assets, liabilities and contingent liabilities acquired exceeds their cost ("negative goodwill"), the full amount of this negative goodwill is recognized in the income statement of the reporting period in which the acquisition was made, except for acquisitions of minority interests in a company already fully consolidated, in which case this amount is recognized in the consolidated shareholders' equity.

The values of assets and liabilities acquired through a business combination must be definitively determined within 12 months of the acquisition date. These values may thus be adjusted at any closing date within that time frame.
Minority interests are valued on the basis of their pro-rata share in the fair value of the net assets acquired.

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

Business combinations carried out on or after January 1, 2010:
IFRS 3 "Business Combination" (Revised), which is mandatory for business combinations carried out on or after January 1, 2010, introduces the following main changes compared with the previous IFRS 3 (before revision):

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

Valuation of the minority interests at fair value has the effect of increasing the goodwill by the amount attributable to such minority interests, translated by the recognition of goodwill as "full".

- any adjustment in the acquisition price at fair value from the date of acquisition is to be reported, with any subsequent adjustment occurring after the 12-month appropriation period from the date of acquisition to be recorded in the income statement.
- the costs associated with the business combination to be recognized in the expenses for the period in which they were incurred.
- in the case of combinations carried out in stages, on takeover of control, the previous holding in the company acquired is to be revalued at fair value on the date of acquisition and any gain or loss which results is to be recorded in the income statement.

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

1.5. Foreign currencies

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

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

In the event of a later sale, the cumulative amount of translation differences relating to the net investment sold and denominated in foreign currency is recorded in the income statement.

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

The following foreign exchange rates were used:

	Closing rate		Average rate	
	June 30, 2011	**Dec. 31, 2010**	**June 30, 2011**	**June 30, 2010**
USD	**1.4453**	1.3362	**1.4031**	**1.3285**
CHF	**1.2071**	1.2504	**1.2704**	**1.4367**
EGP	**8.6533**	7.7537	**8.2467**	**7.3623**
TRL	**2.35**	2.0694	**2.2064**	**2.022**
KZT	**211.584**	196.922	**204.962**	**195.907**
MRO	**398.08**	378.003	**395.292**	**361.005**
INR	**64.562**	59.758	**63.1315**	**60.7992**

1.6. Other intangible assets

Intangible assets (mainly patents, rights and software) are recorded in the consolidated statement of financial position at historical cost less accumulated amortization and any impairment losses. This cost includes acquisition or production costs and all other directly attributable costs incurred for the acquisition or production of the asset and for its commissioning.
Assets with finite lives are amortized on a straight-line basis over their useful life (generally not exceeding 15 years).
Research costs are recognized as expenses in the period in which they are incurred. Development costs meeting the criteria defined by IAS 38 are capitalized.

1.7. Emission quotas

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

- the quotas allocated by the French government in the framework of the National Plan for the Allocation of Quotas (PNAQ II) are not recorded, either as assets or liabilities. (14,011 thousand tonnes for the period 2008-2012);
- only the quotas held in excess of the cumulative actual emissions are recorded in the intangible assets at year end;
- recording of surpluses, quota sales and quo-

ta swaps (EUA) against Certified Emission Reductions (CERs) are recognized in the income statement for the period.

1.8. Property, plant and equipment

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

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

	Actifs ciment	Actifs béton granulats
Civil engineering	15 to 30 years	15 years
Major installations	15 to 30 years	10 to 15 years
Other industrial equipment	8 years	5 to 10 years
Electricity	15 years	5 to 10 years
Controls and instruments	5 years	5 years

Quarries are amortized on the basis of tonnage extracted during the year in comparison with total estimated reserves.
Certain parcels of land owned by French companies acquired prior to December 31, 1976 were revalued, and the adjusted value was recognized in the financial statements, but without a significant impact on the lines concerned.

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

1.9. Leases

In compliance with IAS 17, leases on which nearly all of the risks and benefits inherent in ownership are transferred by the lessor to the lessee are classified as finance leases. All other contracts are classified as operating leases.
Assets held under finance leases are recorded in tangible assets at the lower of their fair value and the current value of the minimum rent payments at the starting date of the lease and amortized over the shortest duration of the lease and its useful life, with the corresponding debt recorded as a liability.

1.10. Investment properties

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

1.11. Impairment

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

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

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

- the EBITDA from the Long Term Plan over the first 5 years, then projected to year 10;
- the sustaining 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 into

account the cost of risk-free long-term money, market risk weighted by a sector volatility factor, and a country premium reflecting the specific risks of the market in which the concerned cash generating unit operates.
If it is not possible to estimate the fair value of an isolated asset, it is assessed at the level of the cash generating unit that the asset is part of insofar as the industrial installations, products and markets form a coherent whole. The analysis was thus carried out for each geographical area/country/activity, and the cash generating units were determined depending on the existence or not of vertical integration between the Group's activities in the area concerned.

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

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

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

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

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

1.12. Inventories

Inventories are valued using the weighted average unit cost method, at the lower of purchase price or production cost, and net market value (sales price less completion and sales costs).
The gross value of merchandise acquired for resale and of supplies includes both the purchase price and all related costs.
Manufactured goods are valued at production cost, including the cost of goods sold, direct and indirect production costs and the depreciation on all consolidated fixed assets used in the production process.
In the case of inventories of manufactured products and work in progress, the cost includes an appropriate share of fixed costs based on the standard conditions of use of the production plant.

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

1.13. Cash and cash equivalents

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

1.14. Financial instruments

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

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

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

Financial liabilities:
The Group classifies its non-derivative financial assets, when they are first entered in the finan-

cial statements, as financial liabilities valued at amortized cost. These comprise mainly borrowings, other financings, bank overdrafts, etc. The Group does not have financial liabilities at fair value through the income statement.

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

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

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

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

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

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

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

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

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

The application of hedge accounting results as follow:

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

1.15. Employee benefits

The regulations, customs and contracts in force in the countries in which the consolidated Group companies are present provide for post-employment benefits, such as retirement indemnities, supplemental pension benefits, supplemental pensions for senior management, and other long-term post-employment benefits, such as medical cover, etc.
Defined contribution plan in which contributions are recognized as expenses when they are incurred, does not represent a future liability for the Group, these plans do not require any provisions to be set aside.
Defined benefit plans include all post-employ-

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

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

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

1.16. Put options granted on shares in consolidated subsidiaries

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

The difference between the value of the option and the amount of the minority interests is recognized:

- in goodwill, in the case of options issued before January 1, 2010;
- in a reduction in the Group shareholders' equity (options issued after January 1, 2010).

The liability is estimated based on the contract information available (price, formula, etc.) and any other factor relevant to its valuation. Its value is reviewed at each year end and the subsequent changes in the liability are recognized:

- either as an offset to goodwill (options granted before January 1, 2010);
- as an offset to the Group shareholders' equity (options issued after January 1, 2010).

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

1.17. Provisions

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

These include, notably, provisions for site reinstatement, which are set aside progressively as quarries are used and include the projected costs related to the Group's obligation to reinstate such sites.
In accordance with IAS 37, provisions whose maturities are longer than one year are discounted when the impact is significant. The effects of this discounting are recorded under net financial income.

1.18. Sales

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

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

1.19. Income taxes

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

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

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

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

From the point that the added value from the Group's French operations is much greater than the taxable income from such operations, the Group has classified the Territorial Economic Contribution (CET) as an operating expense rather than a tax on income. Consequently, the CET is reported since 2010 in the operating income as it was previously for the "taxe professionnelle".

1.20. Segment information

In accordance with IFRS 8 "Operating segments" the 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 of directors for measuring the Group's operating performance and for allocating capital expenditure and resources to the business segments and geographical areas.

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

The indicators disclosed were adapted in order to be consistent with those used by the Group Management, while complying with IFRS 8 information requirements: operating and consolidated sales, EBITDA and EBIT (cf. note 1.21), total non-current assets, capital employed (cf. note 17), industrial investments, net depreciation and amortization charges and average number of employees.

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

1.21. Financial indicators

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

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

1.22. Seasonality

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

NOTE 2 CHANGES IN CONSOLIDATION SCOPE AND OTHER SIGNIFICANT EVENTS

A macro-economic environment of continuing contrasts

The first semester 2011 confirmed improving economic conditions in Europe and the persistent dynamic momentum of the emerging countries with the exception of Egypt and a still very fragile recovery in the United States.

In this context, the Vicat performance is solid and the Group is pursuing, with confidence and determination, its strategy of profitable growth which is confirmed by the ongoing ramping up of Bharathi cement production facilities in India and Jambyl Cement's in Kazakhstan.

This solid performance, in a very contrasted economic environment, highlights the pertinence of the Group business model as well as its dynamic an wise growth strategy.

Start-up of the Jambyl Cement cement factory in Kazakhstan

After entering production in December 2010, the Jambyl Cement plant, with a full-year production capacity of over 1.1 million tonnes, is operating since April 1st, 2011.

During the first quarter, the Group finalized the start-up of the different production processes.

With the return of milder weather conditions, The Jambyl Cement plant marketed the first tonnage at the end of the first quarter.

The production and marketing ramped up at sustained pace since April 1st with delivery of over 130,000 tonnes on the period in a favourable price environment.

Tax amnesty in Turkey

Government proposed to all the Turkish companies to benefit from the fiscal amnesty for the years 2006-2009 which covers tax debts, social security charges, penalties imposed as a result of late payments near public institutions and civil services.

This measure allowed the Government to collect 58.3 Mds TL (36.5 Mds $), according announce from the Ministry of Finance dated June 2nd, thanks to subscription of 5,112 companies, for an average of 11 M TL each.

As most of the main Turkish companies, the Group decided to subscribe to this amnesty by restricting its scope of policy to the income tax.

Discounted income tax has been recorded in the Group Turkish entities at June 30th, 2011 for an amount of 6.4 M€.

Revolving credit facility completed

During the first semester the Group has pursued the consolidation of its sources of financing as well as extension of maturity of its debt.

On June 14, 2011 the Group successfully closed and signed a €480 million 5 years revolving credit facility.

This Facility will be used for general corporate purpose including the refinancing of an existing €445 million multicurrency revolving credit facility dated 20th, July 2009, extending the average maturity of the Group's debt, which now stands at 5.5 years and 6 years for Vicat S.A.

This financing was agreed with a syndicate of 9 banks: BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit du Nord, Crédit Industriel et Commercial - Lyonnaise de Banque, HSBC France, LCL, Natixis and Société Générale.

Increase in Mynaral Tas' shares holding

During the first semester the Group acquired, through its Kazakh partner, a complementary 21 % stake of Mynaral Tas Company LLP.

Furthermore the Group subscribed a Mynaral Tas Company LLP capital increase up to KZT 3,942 million on a KZT 4,380 million total.

Issuing these operations, the group is owning 84.1% stake of this company.

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, 2009	**462,569**	**192,851**	**15,804**	**671,224**
Acquisitions / Additions [1]	302,013	24,525	3,312	329,850
Disposals / Decreases				
Change in foreign exchange rates and other	13,862	13,564	2,689	30,115
At December 31, 2010	**778,444**	**230,940**	**21,805**	**1,031,189**
Acquisitions / Additions		1,304		1,304
Disposals / Decreases	(22)	(14)		(36)
Change in foreign exchange rates and other	(26,416)	(6,136)	599	(31,953)
At June 30, 2011	**752,006**	**226,094**	**22,404**	**1,000,504**

[1] The increase in goodwill during 2010 resulted mainly from the acquisition of Bharathi Cement Corporation Private Ltd in India. On first semester 2011, there was no change in the Bharathi Cement goodwill amount which closing date is corresponding to the end of the 12 months period authorized to make adjustments.

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, 2011 which did not result in any recognition of impairment.

At June 30 2011, goodwill are broken down by Cash Generating Unit (CGU) as follows:

(In thousands of euros)	Goodwill as at June 30, 2011
CGU India	287,089
CGU West Africa Cement	151,008
CGU France-Italy	149,917
CGU Switzerland	133,723
Other cumulated CGU	278,767
TOTAL	**1,000,504**

NOTE 4 OTHER INTANGIBLE ASSETS

Other intangible assets are broken down by type as follows:

(In thousands of euros)	June 30, 2011	December 31, 2010
Concessions, patents and similar rights	65,276	65,404
Software	4,369	4,498
Other intangible assets	29,533	31,422
Intangible assets in progress	196	172
Other intangible assets	**99,374**	**101,496**

Net other intangible assets amounted to €99,374 thousand as at June 30, 2011 compared with € 101,496 thousand at the end of 2010. The change during the 1st semester 2011 was due primarily to €3,505 thousand in amortization expense, €4,628 thousand on acquisitions and €12 thousand in changes in consolidation scope, with the balance resulting from changes in foreign exchange rates, reclassifications and disposals.
As at December 31, 2010, net other intangible assets amounted to €101,496 thousand compared with €74,484 thousand as at December 31, 2009. The change during 2010 was due primarily to €6,829 thousand in amortization expense, €34,772 thousand on acquisitions, changes in consolidation scope of €2,428 thousand, with the balance resulting from changes in foreign exchange rates, reclassifications and disposals.

No development cost was capitalized during the 1st semester 2011 and the year 2010.

With regard to greenhouse gas emission quotas, only the quotas held at year-end in excess of the cumulative actual emissions were recorded in other intangible assets at €3,445 thousand, corresponding to 257 thousand tonnes. Recording of surpluses, quota sales and quota swaps (EUA) against Certificate Emission Reductions (ERCs) were recognized in the income statement for the semester at €4,496 thousand (€8,909 thousand at June 30, 2010).

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, 2009	**798,618**	**2,141,607**	**144,498**	**164,770**	**3,249,493**
Acquisitions	65,855	59,220	14,483	157,482	297,040
Disposals	(4,696)	(27,813)	(7,952)	(104)	(40,565)
Changes in consolidation scope	27,365	93,713	7,222	56,396	184,696
Changes in foreign exchange rates	41,697	85,423	10,527	12,643	150,290
Other movements	28,374	152,989	3,578	(185,039)	(98)
At December 31, 2010	**957,213**	**2,505,139**	**172,356**	**206,148**	**3,840,856**
Acquisitions	15,393	20,409	6,319	74,475	116,596
Disposals	(241)	(6,155)	(1,797)	(4)	(8,197)
Changes in consolidation scope		7,258		(27)	7,231
Changes in foreign exchange rates	(26,609)	(97,996)	223	(12,150)	(136,532)
Other movements	24,391	74,575	4,564	(104,761)	(1,231)
At June 30, 2011	**970,147**	**2,503,230**	**181,665**	**163,681**	**3,818,723**

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, 2009	**(297,393)**	**(1,070,667)**	**(99,126)**	**0**	**(1,467,186)**
Increase	(26,838)	(120,029)	(12,648)		(159,515)
Decrease	3,067	25,612	7,585		36,264
Changes in consolidation scope	(1,298)	(10,018)	(687)		(12,003)
Change in foreign exchange rates	(12,275)	(39,684)	(6,621)		(58,580)
Other movements	1	149	(149)		1
At December 31, 2010	**(334,736)**	**(1,214,637)**	**(111,646)**	**0**	**(1,661,019)**
Increase	(14,677)	(63,163)	(6,180)		(84,020)
Decrease	214	5,655	1,557		7,426
Changes in consolidation scope	(1)	(993)			(994)
Change in foreign exchange rates	6,362	42,570	(586)		48,346
Other movements	281	651	(1)		931
At June 30, 2011	**(342,557)**	**(1,229,917)**	**(116,856)**	**0**	**(1,689,330)**
Net book value at December 31, 2010	622,477	1,290,502	60,710	206,148	2,179,837
Net book value at June 30, 2011	**627,590**	**1,273,313**	**64,809**	**163,681**	**2,129,393**

Fixed assets work-in-progress amounted to €103 million as at June 30, 2011 (€151 million as at December 31, 2010) and advances /down payments on plant, property and equipment represented €61 million as at June 30, 2011 (€55 million as at December 31, 2010).

Contractual commitments to acquire tangible and intangible assets amounted to €153 million as at June 30, 2011 (€212 million as at December 31, 2010).

The total amount of interest capitalized at June 30, 2011 was €1,673 thousand (€1,807 thousand at June 30, 2010), determined on the basis of local interest rates ranging from 3.14% to 13.74%, depending on the country in question

NOTE 6 CASH AND CASH EQUIVALENTS

(In thousands of euros)	June 30, 2011	Dec. 31, 2010
Cash	76,250	60,024
Marketable securities	231,995	236,152
Cash and cash equivalents	**308,245**	**296,176**

NOTE 7 COMMON STOCK

Vicat share capital is composed of 44,900,000 fully paid-up ordinary shares of €4, including 987,297 treasury shares as at June 30, 2011 (1,006,865 as at December 31, 2010) 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 2011 in respect of 2010 amounted to €1.50 per share, amounting to a total of €67,350 thousand, compared with €1.50 per share paid in 2010 in respect of 2009 and amounting to a total of €67,350 thousand.
In the absence of any dilutive instrument, diluted earnings per share are identical to basic earnings per share, and are obtained by dividing the Group's net income by the weighted average number of Vicat ordinary shares outstanding during the year.

NOTE 8 PROVISIONS

(in thousands of euros)	June 30, 2011	Dec. 31, 2010
Provisions for pensions and other post-employment benefits	**49,043**	**49,737**
Restoration of sites	35,522	34,650
Demolitions	1,028	977
Other risks [(1)]	47,451	46,595
Other charges	15,884	15,049
Other provisions	**99,885**	**97,271**
o.w. less than one year	11,312	10,168
o.w. more than one year	88,573	87,103

[(1)] At June 30, 2011, other risks included:
- an amount of €20.0 million (identical to that at December 31, 2010) corresponding to the current estimate of gross expected costs for repair of damage that occurred in 2006 following deliveries of concrete mixtures and concrete made in 2004 whose sulfate content exceeded applicable standards. This amount corresponds to the current estimate of the Group's pro rata share of liability for repair of identified damages before the residual insurance indemnity of €4 million recognized in non-current assets on the balance sheet as at June 30, 2011 (€4 million as at December 31, 2010);
- an amount of €4.5 million, identical to that at December 31, 2010, corresponding to the residual amount of the French Office of Fair Trade "O.F.T." (Conseil de la Concurrence) penalty for a presumed collusion in Corsica, after reduction of the penalty by the Court of Appeal. The Group appealed this judgment next to the Supreme Court of Appeal which rejected this appeal on July 12th, 2011 by ratifying the judgment of the Paris Court of Appeal on July 2009.
- an amount of €8.4 million (€8.7 million as at December 31, 2010) 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 €14.5 million as at June 30, 2011 (€13.3 million as at December 31, 2010) corresponds to the sum of other provisions that, taken individually, are not material.

NOTE 9 DEBTS AND PUT OPTIONS

The financial liabilities as at June 30, 2011:

(in thousands of euros)	June 30, 2011	Dec. 31, 2010
Debts at more than 1 year	1,342,140	1,193,774
Put options at more than 1 year	18,218	10,189
Debts and put options at more than 1 year	**1,360,358**	**1,203,963**
Debts at less than 1 year	103,755	90,515
Put options at less than 1 year	-	-
Debts and put options at less than 1 year	**103,755**	**90,515**
Total debts	1,445,895	1,284,289
Total put options	18,218	10,189
Total financial liabilities	**1,464,113**	**1,294,478**

9.1. Debts

Analysis of debts by category and maturity

June 30, 2011 (In thousands of euros)	**Total**	**June 2012**	**June 2013**	**June 2014**	**June 2015**	**June 2016**	**More than 5 years**
Bank borrowings and financial liabilities	1,381,180	54,117	29,678	182,570	56,012	607,889	450,914
Other borrowings and debts	23,407	12,267	5,950	499	295	96	4,300
Debts on fixed assets under finance leases	7,222	3,285	2,090	1,076	574	197	
Current bank lines and overdrafts	34,086	34,086					
Debts	**1,445,895**	**103,755**	**37,718**	**184,145**	**56,881**	**608,182**	**455,214**
of which commercial paper	**192,000**			**12,000**		**180,000**	

Debts at less than one year are mainly comprised of bank overdrafts and the repayments due on the Sococim Industries loan and bilateral credit lines and on the first repayment of the Jambyl Cement loan.

December 31, 2010 (In thousands of euros)	**Total**	**2011**	**2012**	**2013**	**2014**	**2015**	**More than 5 years**
Bank borrowings and financial liabilities	1,244,582	65,130	354,888	132,151	263,613	128,262	300,538
Other borrowings and debts	18,049	7,019	7,660	351	483	281	2,255
Debts on fixed assets under finance leases	6,543	3,251	1,776	1,003	423	82	8
Current bank lines and overdrafts	15,115	15,115					
Debts	**1,284,289**	**90,515**	**364,324**	**133,505**	**264,519**	**128,625**	**302,801**
of which commercial paper	**152,000**		**25,000**		**127,000**		

Analysis of loans and debts by currency and type of interest rate

By currency (net currency swaps)

	June 30, 2011	Dec. 31, 2010
Euros	1,057,412	1,084,572
U.S. dollars	201,051	120,733
Turkish new liras	2,549	3,576
CFA francs	45,696	44,022
Swiss francs	64,029	20,230
Mauritanian Ouguiya	4,584	6,415
Indian rupee	70,574	4,741
Total	**1,445,895**	**1,284,289**

By interest rate	June 30, 2011	Dec. 31, 2010
Fixed rate	685,347	454,089
Floating rate	760,548	830,200
Total	**1,445,895**	**1,284,289**

The average interest rate for gross debt at June 30, 2011 is 4.22%. It was 3.21% at December 31, 2010.

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

Agreements were concluded between Vigier Holding, Home Broker JSC (formerly KazKommerts Invest) and Société Financière Internationale, in order to arrange their relationship within Mynaral Tas, under which the Group granted put options to their partners on their stake in this company.

These options are respectively exercisable at earliest on December 2013 and on December 2015.

Reporting these options resulted in recognition of a liability of €18.2 million at June 30, 2011 (€10.2 million at December 31, 2010), corresponding to the discounted value of the option exercise price.

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 operating currency.

Moreover, the principal and interest due on loans originally issued by the Group in US dollars (US $ 240 and 450 million) were converted into euros through a series of cross currency swaps, included in the portfolio presented below (cf. a).

Interest rate risk

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

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

Liquidity risk

As at June 30, 2011, the Group had € 398 million in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (€ 304 million as at December 31, 2010).

The Group also has a € 300 million commercial paper issue program. As at June 30, 2011, € 192 million in commercial paper had been issued. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

Unused confirmed lines of credit are used to cover the risk of the Group finding itself unable to issue its commercial paper through market transactions. As at June 30, 2011, these lines matched the short term notes they covered, at € 192 million.

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

Considering the small number of companies concerned, essentially Vicat SA, the parent company of the Group, the low level of gearing (47.7 %) and leverage (2.16x) and the liquidity of the Group's balance sheet, the existence of these covenants does not constitute a risk for the Group's financial positions. As at June 30, 2011, the Group is compliant with all ratios required by covenants in financing contracts.

Analysis of the portfolio of derivatives as at June 30, 2011:

(in thousands of currency units)	Nominal value (currency)	Nominal value (euro)	Market value (euros)	Current maturity < 1 year (euro)	1 - 5 years (euro)	> 5 years (euro)
Fair value hedges (a)						
Composite instruments - Cross Currency Swap Fixed $/Floating €	120,000 ($)	83,027	(14,529) [1]		(14,529)	
Cash flow hedges (a)						
Composite instruments - Cross Currency Swap Fixed $/Fixed €	120,000 ($)	83,027	(20,210) [2]		(20,210)	
- Cross Currency Swap Fixed $/Fixed €	450,000 ($)	311,354	(17,920) [3]			(17,920)
- Cross Currency Swap Floating $ /Fixed INR	70,000 ($)	48,433	(7,333) [4]			(7,333)
- Cross Currency Swap Floating €/Fixed INR	138,765 ($)	138,765				
Other derivatives						
Interest rate instruments - Euro Caps	360,000 (€)	360,000	(1,907)		(1,907)	
- Dollar Caps	30,000 ($)	20,757		0		
- Swaps Dollar	30,000 ($)	20,757	(194)	(194)		
Exchange instruments						
- Hedging for foreign exchange risk on intra-Group loans						
- VAT $	139,000 ($)	96,174	313	313		
- VAT CHF	8,289 (CHF)	6,867	(284)	(284)		
- AAT €	4,340 (€)	4,340	(59)	(59)		
- Hedging for foreign exchange risk on operations (raw material purchases)	11,792 ($)	8,159	(361)	(361)		
			(62 484)			

[1] Offset by a €15.9 million improvement in debt.
[2] Offset by a €22.9 million improvement in debt.
[3] Offset by a €27.9 million improvement in debt.
[4] Offset by a €0.7 million 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 position is as follows as of June 30, 2011:

(In millions of euros)		June 30, 2011
Level 1: instruments quoted on an active market	note 6	**232.0**
Level 2: valuation based on observable market information	see above	**(62.5)**
Level 3: valuation based on non-observable market information		**19.6**

NOTE 11 SALES

(In thousands of euros)	June 30, 2011	June 30, 2010
Sales of goods	997,138	929,625
Sales of services	149,041	55,081
Sales	**1,146,179**	**984,706**

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

(In thousands of euros)	June 30, 2011	Changes in consolidation scope	Changes in foreign exchange rates	June 30, 2011 on a like-for-like basis	June 30, 2010
Sales	**1,146,179**	60,798	(4,750)	**1,090,131**	984,706

NOTE 12 DEPRECIATION, AMORTIZATION AND PROVISIONS

(In thousands of euros)	June 30, 2011	June 30, 2010
Net charges to amortization of fixed assets	(87,638)	(79,628)
Net provisions	(820)	(2,245)
Net charges to other asset depreciation	(107)	(1,664)
Net charges to operating depreciation, amortization and provisions	(88,565)	(83,537)
Other net charges to non operating depreciation, amortization and provisions [1]	(106)	8,135
Net charges to depreciation, amortization and provisions	**(88,671)**	**(75,402)**

[1] No write-back has been recorded as at June 30, 2011 (write back of € 8.1 million as at June 30, 2010) associated with identification of the Group's pro-rata share of responsibility, over and above compensation from the insurers, in the incident which occurred in 2006 and described in note 8.

NOTE 13 OTHER INCOME (EXPENSES)

(In thousands of euros)	June 30, 2011	June 30, 2010
Net income from disposal of assets	1,177	4,653
Income from investment properties	1,491	1,342
Other	6,269	9,515
Other operating income (expense)	**8,937**	**15,510**
Other non operating income (expense) [1]	**(3,463)**	**(8,748)**
Total other income (expenses)	**5,474**	**6,762**

[1] Including as at June 30, 2011 an expense of € 1.6 million (€ 9.0 million as at June 30, 2010) recorded by the Group, corresponding to the files recognized as expenses in 2011 in connection with the incident in 2006 as described in note 8.

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, 2011	June 30, 2010
Gross Operating Earnings	**244,409**	**216,423**
Other operating income (expense)	8,937	15,510
EBITDA	**253,346**	**231,933**
Net operating charges to depreciation, amortization and provisions	(88,565)	(83,537)
EBIT	**164,781**	**148,396**
Other non-operating income (expense)	(3,463)	(8,748)
Net charges to non-operating depreciation, amortization and provisions	(106)	8,135
Operating Income	**161,212**	**147,783**

NOTE 15 FINANCIAL INCOME (EXPENSE)

(In thousands of euros)	June 30, 2011	June 30, 2010
Interest income from financing and cash management activities	16,895	7,525
Interest expense from financing and cash management activities	(38,550)	(19,907)
Income from disposal of cash management assets	-	-
Cost of net borrowings and financial liabilities	**(21,655)**	**(12,382)**
Dividends	2,138	762
Foreign exchange gains	4,418	1,172
Fair value adjustments to financial assets and liabilities	582	-
Net income from disposal of financial assets	9	1,615
Write-back of impairment of financial assets	6	2
Other income	-	1
Other financial income	**7,153**	**3,552**
Foreign exchange losses	(1,907)	(1,197)
Fair value adjustments to financial assets and liabilities	-	(446)
Impairment on financial assets	(184)	(465)
Net income from disposal of financial assets	-	-
Discounting expenses	(2,132)	(1,734)
Other expenses	(17)	-
Other financial expenses	**(4,240)**	**(3,841)**
Net financial income	**(18,742)**	**(12,671)**

NOTE 16 INCOME TAX

Analysis of income tax expense

(In thousands of euros)	June 30, 2011	June 30, 2010
Current taxes [1]	(40,805)	(25,614)
Deferred tax (income)	6,453	8,113
Total	**(34,352)**	**(17,501)**

[1] Including as at June 30, 2011 a discounted expense of €6.4 million corresponding to the "Tax Amnesty" for the years 2006 to 2009 subscribed by the Turkish entities.

NOTE 17 SEGMENT INFORMATION

a) Business segments

June 30, 2011 (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)	698,488	421,007	196,031	1,315,526
Inter-sector eliminations	(111,014)	(16,569)	(41,764)	(169,347)
Consolidated net sales	**587,474**	**404,438**	**154,267**	**1 146,179**
EBITDA (cf. 1.21 and 14)	202,605	34,943	15,798	253,346
EBIT (cf. 1.21 and 14)	143,974	11,799	9,008	164,781
Balance sheet				
Total non-current assets	2,623,138	578,019	166,295	3,367,452
Net capital employed (1)	2,813,472	575,230	167,572	3,556,274
Other information				
Acquisitions of intangible and tangible assets	92,669	24,352	4,628	121,649
Net depreciation and amortization charges	58,252	22,370	7,016	87,638
Average number of employees	3,195	2,874	1,271	7,340

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. 1.21 and 14)	185,942	29,636	16,355	231,933
EBIT (cf. 1.21 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
Net 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

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

b) Geographical sectors

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

June 30, 2011 (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	501,721	189,352	76,682	162,187	233,507	1,163,449
Inter-sector eliminations	(12 790)	(146)			(4 334)	(17 270)
Consolidated net sales	**488,931**	**189,206**	**76,682**	**162,187**	**229,173**	**1 146,179**
EBITDA (cf. 1.21 and 14)	105,532	46,881	(5 840)	28,722	78,051	253,346
EBIT (cf. 1.21 and 14)	77,303	33,767	(20 626)	14,130	60,207	164,781
Balance sheet						
Total non-current assets	607,856	562,854	358,479	1,122,698	715,565	3,367,452
Net capital employed [1]	743,791	549,848	359,853	1,116,669	786,113	3,556,274
Other information						
Acquisitions of intangible and tangible assets	28,310	6,980	861	75,728	9,770	121,649
Net depreciation and amortization charges	27,753	14,074	14,177	14,809	16,825	87,638
Average number of employees	2,567	1,070	1,023	1,628	1,052	7,340

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. 1.21 and 14)	86,525	40,874	(4,118)	14,154	94,499	231,933
EBIT (cf. 1.21 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
Net 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

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

c) Information about major customers

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

NOTE 18 NET CASH FLOWS GENERATED FROM OPERATIONS

Net cash flows from operating transactions conducted by the Group in the first semester 2011 amounted to € 126.5 million, compared with € 160.3 million at June 30, 2010.
This decrease in cash flows generated by operating activities between 2010 and 2011 results from a € 12.8 million increase in cash flow from operations, offset and well over by a €46.6 million increase in the change in the working capital requirement, resulting mainly from the dynamic activity in France and Switzerland during the 1st semester.

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

(In thousands of euros)	WCR at December 31, 2009	Change in WCR in 2010	Other changes (1)	WCR at December 31, 2010	Change in WCR in 2011	Other changes (1)	WCR at June 30, 2011
Inventories	295,140	42,315	19,066	356,521	(4,391)	(10,760)	341,370
Other WCR components	118,532	(36,123)	(472)	81,937	71,948	(1,170)	152,715
WCR	**413,672**	**6,192**	**18,594**	**438,458**	**67,557**	**(11,930)**	**494,085**

(1) Exchange rates, consolidation scope and miscellaneous.

NOTE 19 NET CASH FLOWS FROM INVESTMENT ACTIVITIES

Net cash flows linked to Group investment transactions in the first semester 2011 amounted to € (156) million, compared with € (337) million at June 30, 2010.

Acquisitions of intangible and tangible assets
These include outflows corresponding to industrial investments, which amounted to € (122) million, compared with € (133) million in the first semester 2010.

The main intangible and tangible investments at June 30, 2011 were achieved in India, France and Kazakhstan.

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

Acquisition / disposal of shares of consolidated companies
Consolidated company share acquisitions during the first semester of 2011 resulted in a total outflow of € (22.7) million. No disposal of shares of consolidated companies occurred during this period.

The main outflow from the Group during this semester was made with the complementary 21 % stake of Mynaral Tas Company LLP.
During the 1st semester of 2010, operations linked to changes in the consolidation scope had resulted in an overall inflow of € 3.9 million, and an overall outflow of € (218.2) million corresponding to a total net impact of € (214.3) million.
The principal outflows from the Group during this 1st semester 2010 mainly corresponded 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 has partly financed its investments during the second semester.

NOTE 20 ANALYSIS OF NET CASH BALANCES

(In thousands of euros)	At June 30, 2011 Net	At December 31, 2010 Net
Cash and cash equivalents (see note 6)	308,245	296,176
Bank overdrafts	(20,633)	(9,470)
Net cash balances	**(287,612)**	**286,706**

NOTE 21 TRANSACTIONS WITH RELATED COMPANIES

In addition to information required for related parties regarding the senior executives, described in note 30 of the consolidated financial statements for the year 2010, related parties with whom transactions are carried out include affiliated companies and joint ventures in which Vicat directly or indirectly holds a stake, and entities that hold a stake in Vicat.
Such transactions were not significant in 2011 and were conducted under normal market terms and conditions.

These operations have all been recorded in compliance with the transactions stipulated in IAS 24 and their impact on the Group's consolidated financial statements at June 30, 2011 and 2010 is as follows, broken down by type and by related party:

	June 30, 2011				June 30, 2010			
(In thousands of euros)	Sales	Purchases	Receivables	Debts	Sales	Purchases	Receivables	Debts
Affiliated companies companies	2,493	566	6,775	134	187	429	4,127	108
Joint ventures	581	390	159	561	434	350	20	491
Other related parties	-	1,049	-	-	17	998	23	-
Total	**3,074**	**2,005**	**6,934**	**695**	**638**	**1,777**	**4,170**	**599**

NOTE 22 POST BALANCE SHEET EVENTS

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

NOTE 23 LIST OF SIGNIFICANT CONSOLIDATED COMPANIES AS AT JUNE 30, 2011

Fully consolidated: FRANCE

COMPANY	ADDRESS	SIREN NO.	% CONTROL June 2011	% CONTROL Dec. 2010
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	99.84	99.84
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	ADDRESS	SIREN NO.	% CONTROL June 2011	Dec. 2010
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 Genévriers 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	99.94	99.83
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	(1)	100.00
BRA	2 Chemin du Roulet 69100 VILLEURBANNE	310 307 392	(1)	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	96.47	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	(1)	100.00
SATMA	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	304 154 651	99.99	99.99
SATM	1327 Av. de la Houille Blanche 73000 CHAMBÉRY	745 820 126	100.00	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	96.09	95.76
PAPETERIES DE VIZILLE	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	319 212 726	100.00	100.00
LOUIS THIRIET ET CIE	Lieudit Chaufontaine 54300 LUNEVILLE	762 800 977	99.98	99.98
VICAT INTERNATIONAL TRADING	Tour Manhattan - 6 Place de l'Iris 92095 PARIS LA DEFENSE	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

(1) Company merged in 2011 with a fully consolidated entity.

Fully consolidated: REST OF WORLD

COMPANY	ADDRESS	SIREN NO.	% CONTROL June 2011	% CONTROL Dec. 2010
SINAI CEMENT COMPANY	EGYPT	CAIRO	52.62	52.62
MYNARAL	KAZAKHSTAN	ALMATY	84.07	60.00
JAMBYL	KAZAKHSTAN	ALMATY	84.07	60.00
BUILDERS CONCRETE	U.S.A.	CALIFORNIA	100.00	100.00
KIRKPATRICK	U.S.A.	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	U.S.A.	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	U.S.A.	DELAWARE	100.00	100.00
NATIONAL CEMENT COMPANY OF CALIFORNIA	U.S.A.	DELAWARE	100.00	100.00
NATIONAL READY MIXED	U.S.A.	CALIFORNIA	100.00	100.00
UNITED READY MIXED	U.S.A.	CALIFORNIA	100.00	100.00
VIKING READY MIXED	U.S.A.	CALIFORNIA	100.00	100.00
SONNEVILLE INTERNATIONAL CORP	U.S.A.	ALEXANDRIA	100.00	100.00
CEMENTI CENTRO SUD Spa	ITALY	GENOA	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	SWITZERLAND	OLTEN (SOLTHURN)	100.00	100.00
KIESWERK AEBISHOLZ AG (ex ASTRADA KIES AG)	SWITZERLAND	AEBISHOLZ (SOLEURE)	99.64	99.64
BETON AG BASEL	SWITZERLAND	BALE (BALE)	100.00	-
BETON AG INTERLAKEN	SWITZERLAND	MATTEN BEI INTERLAKEN (BERN)	75.42	75.42
BETON GRAND TRAVAUX SA	SWITZERLAND	ASUEL (JURA)	75.00	75.00
BETONPUMPEN OBERLAND AG	SWITZERLAND	WIMMIS (BERN)	71.18	72.22
CEWAG	SWITZERLAND	DUTINGEN (FRIBOURG)	100.00	100.00
COVIT SA	SWITZERLAND	SAINT-BLAISE (NEUCHATEL)	100.00	100.00
CREABETON MATERIAUX SA	SWITZERLAND	LYSS (BERN)	100.00	100.00
EMME KIES + BETON AG	SWITZERLAND	LÜTZELFLÜH (BERN)	66.66	66.66
FBF FRISCHBETON AG FRUTIGEN	SWITZERLAND	FRUTIGEN (BERN)	(1)	98.55
FRISCHBETON AG ZUCHWIL	SWITZERLAND	ZUCHWIL (SOLOTHURN)	88.94	88.94
FRISCHBETON LANGENTHAL AG	SWITZERLAND	LANGENTHAL (BERN)	81.17	81.17

(1) Company merged in 2011 with a fully consolidated entity.

Fully consolidated: REST OF WORLD (continued)

COMPANY	ADDRESS	SIREN NO.	% CONTROL June 2011	% CONTROL Dec. 2010
FRISCHBETON THUN	SWITZERLAND	THOUNE (BERN)	53.87	-
GRANDY AG	SWITZERLAND	LANGENDORF (SOLEURE)	100.00	100.00
KIES- UND BETONWERK REULISBACH AG	SWITZERLAND	ST STEPHAN (BERN)	(1)	98.55
KIESTAG STEINIGAND AG	SWITZERLAND	WIMMIS (BERN)	98.55	98.55
MATERIALBEWIRTTSCHFTUNG MITHOLZ AG	SWITZERLAND	KANDERGRUND (BERN)	98.55	98.55
MICHEL & CO AG	SWITZERLAND	BÖNIGEN (BERN)	(1)	98.55
KIESWERK NEUENDORF	SWITZERLAND	NEUENDORF (SOLEURE)	99.28	PC
SABLES + GRAVIERS TUFFIERE SA	SWITZERLAND	HAUTERIVE (FRIBOURG)	50.00	50.00
SHB STEINBRUCH + HARTSCHOTTER BLAUSEE MITHOLZ AG	SWITZERLAND	FRUTIGEN (BERN)	98.55	98.55
STEINBRUCH VORBERG AG	SWITZERLAND	BIEL (BERN)	60.00	60.00
VIGIER BETON JURA SA (Ex BETON FRAIS MOUTIER SA)	SWITZERLAND	BELPRAHON (BERN)	90.00	90.00
VIGIER BETON KIES SEELAND AG (ex VIBETON KIES AG)	SWITZERLAND	LYSS (BERN)	100.00	100.00
VIGIER BETON MITTELLAND AG (ex WYSS KIESWERK AG)	SWITZERLAND	FELDBRUNNEN (SOLOTHURN)	100.00	100.00
VIGIER BETON ROMANDIE SA (ex VIBETON FRIBOURG SA)	SWITZERLAND	ST. URSEN (FRIBOURG)	100.00	100.00
VIGIER BETON SEELAND JURA AG (ex VIBETON SAFNERN AG)	SWITZERLAND	SAFNERN (BERN)	90.47	90.47
VIGIER CEMENT AG	SWITZERLAND	PERY (BERN)	100.00	100.00
VIGIER HOLDING AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIGIER MANAGEMENT AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIRO AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VITRANS AG	SWITZERLAND	PERY (BERN)	100.00	100.00
AKTAS	TURKEY	ANKARA	100.00	100.00
BASTAS BASKENT CIMENTO	TURKEY	ANKARA	91.58	91.58
BASTAS HAZIR BETON	TURKEY	ANKARA	91.58	91.58
KONYA CIMENTO	TURKEY	KONYA	83.08	83.08
TAMTAS	TURKEY	ANKARA	100.00	100.00
BSA Ciment SA	MAURITANIA	NOUAKCHOTT	64.91	64.91
BHARATHI CEMENT	INDIA	HYDERABAD	51.00	51.00
VICAT SAGAR	INDIA	HYDERABAD	53.00	53.00

(1) Company merged in 2011 with a fully consolidated entity.

Proportionate consolidation: FRANCE

COMPANY	ADDRESS	SIREN NO.	% CONTROL June 2011	% CONTROL Dec. 2010
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 WORLD

COMPANY	COUNTRY	STATE/CITY	% CONTROL June 2011	% CONTROL Dec. 2009
FRISHBETON TAFERS AG	SWITZERLAND	TAFERS (FRIBOURG)	49.50	49.50

Equity method: REST OF WORLD

COMPANY	COUNTRY	STATE/CITY	% CONTROL June 2011	% CONTROL Dec. 2009
HYDROELECTRA	SWITZERLAND	AU (ST. GALLEN)	49.00	49.00
SILO TRANSPORT AG	SWITZERLAND	BERN (BERN)	50.00	50.00
SINAI WHITE CEMENT	EGYPT	CAIRO	25.40	25.40

2
HALF YEAR REPORT

2.1. CHANGE IN CONSOLIDATED SALES

Consolidated sales for the first half of 2011 were €1,146 million, up 16.4 % compared with the same period last year, resulting from:

- a strong increase in sales at constant scope and exchange rates, +10,7%, reflecting yet some contrasted changes with:
  - market conditions remaining difficult in some geographical areas, such as the United States, some areas affected by social and political events such as Egypt, and other dynamic areas such as France, Switzerland, West Africa or Turkey,
  - favourable weather conditions in the first quarter, notably in Europe,
- a decrease of -0.5% (-€4.8 million) attributable to a defavourable movement in exchange rates, the rise of the Swiss franc coping almost completely with the decline of the Egyptian pound, the Turkish pound and the US dollar,
- and a net increase of +6.2% representing a rise of almost +€61 million, linked to changes in the consolidation scope, resulting mainly from the full consolidation of Bharathi Cement in India as of 1 May 2010, and, to a lesser extent from the integration of concrete and aggregates companies in Switzerland and France.

The change in consolidated sales by division to 30 June 2011 compared with 30 June 2010 was as follows:

(€ million except %)	30 June 2011	30 June 2010	Change	Change	Comprising: exchange rate effect	change in scope	internal growth
Cement	587	512	75	+14.60%	(13)	40	48
Concrete and Aggregates	405	344	61	+17.70%	2	21	39
Other Products and Services	154	129	26	+19.90%	7	0	19
Total	**1,146**	**985**	**161**	**+16.40%**	**(5)**	**61**	**105**

In the first half of 2011, Cement division sales rose by +14.6% and by +9.4% at constant scope and exchange rates. The growth was truly significant in West Africa, France, Turkey and India, which fully offset the decrease in sales in the United States and Egypt. Concrete & Aggregates division sales rose by +17.7%, and by +11.2% at constant scope while Other Products and Services division sales rose by +19.9% and by +14.7% at constant scope and exchange rates.

The breakdown of first-half sales by division shows a quasi-stable contribution from the Cement division, which now represents 51.3% of consolidated sales compared with 52.0% at 30 June 2010, together with an increase of the Concrete & Aggregates contribution to 35.3% of the Group consolidated sales from 34.9% at 30 June 2010. Eventually, the Other Products & Services contribution increased slightly to 13.5% of consolidated sales from 13.1% at 30 June 2010. The growth in sales volumes in our main businesses was as follows:

	30 June 2011	30 June 2010	Change
Cement (kt)	9,052	7,765	+16.6%
Concrete (km^3)	3,968	3,700	+7.2%
Aggregates (kt)	11,093	9,956	+11.4%

The change in sales reflects overall:

- the solid growth in the volumes sold resulting from:
  - the integration of Bharathi Cement in India,
  - a more favourable business sector environment and mild weather conditions in France, in Europe and in Turkey,
  - the succesfull geographical diversification strategy of the Group sales in West Africa.

These factors offset for a large extent:
- the decline of sales in the United States still affected by a deteriorated economic environment and particularly difficult weather conditions in Alabama during the second quarter,
- the impact of the political turmoil in Egypt.

• an increase in the Ready-mixed concrete volumes in France and Switzerland buoyed by favourable market and weather conditions but also by the scope change resulting from the integration of newly acquired companies in these countries. Besides, it should be noticed that the Group experienced a renewed growth in the volumes of Concrete sold in the United States. Such performances fully offset the decrease in volumes in the still very competitive market of Ankara in Turkey.

• an increase in the volumes of Aggregates sold in all the markets where the Group is présent with this business, with the exception of Turkey.

• prices holding up well in France and Switerland, a recovery that went on in Turkey, but a marked decline in the United States and Egypt.

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

(percent)	30 June 2011	30 June 2010
Cement	53.1	53.6
Concrete and Aggregates	32.0	32.0
Other Products and Services	14.9	14.4
Total	**100.0**	**100.0**

The percentage deriving from the Group's main businesses, namely Cement and Concrete and Aggregates, is globally stable at 85% of consolidated sales before elimination of inter-division sales.

Breakdown of consolidated sales by geographical sales region:

(€ million)	30 June 2011	%	30 June 2010	%
France	471	41.1	395	40.1
United States	77	6.7	85	8.6
Turkey, India and Kazakhstan	160	14.0	105	10.7
West Africa and the Middle East	235	20.5	240	24.4
Europe (excluding France)	203	17.7	160	16.2
Total	**1,146**	**100.0**	**985**	**100.0**

By geographical sales region, the proportion of consolidated sales deriving from Egypt and the United States declined, owing to the turmoil in the Middle-East earlier this year and the pursuit of tough macroeconomic conditions in the United States. Yet, the percentage of the sales in France rose slightly and even more significantly in Europe thanks to the mild weather conditions during the first quarter together with a business sector more favourable throughout the first half of 2011. Under these conditions, the contribution of the emerging countries remains stable at 34%, buoyed by both the good performance of the Group in West Africa and Turkey, and ainsi the growing contribution of the Group business in India and Kazakhstan which fully offset the decline in Egypt.

Breakdown of operational sales to 30 June 2011 by country and by division:

(€ million)	Cement	Concrete & Aggregates	Other Products and Services	Elimination of inter-division sales	Conso-lidated sales
France	227	233	138	(110)	488
United States	36	54	-	(13)	77
Turkey, Kazakhstan and India	137	47	1	(23)	162
West Africa and the Middle East	218	12	-	-	230
Europe (excluding France)	80	75	57	(23)	189
Operational sales by division (before elimination of inter-division sales)	**698**	**421**	**196**	**(169)**	**1,146**
Elimination of inter-division sales	(111)	(16)	(42)	169	-
Consolidated sales	**587**	**405**	**154**	**0**	**1,146**

2.2. CHANGE IN OPERATING INCOME

(€ million)	30 June 2011	30 June 2010	Change
Consolidated sales	1,146.2	984.7	+16.4%
EBITDA	253.3	231.9	+9.2%
EBIT	164.8	148.4	+11.0%
Operating income	161.2	147.8	+9.1%
Consolidated net income	108.4	119.3	-9.1%
Net income, Group's share	90.9	94.6	-3.9%

The Group's consolidated EBITDA increased by +9.2% compared with the first half of 2010, to €253 million and by +4.4% at constant scope and exchange rates. The EBITDA margin was 22.1% compared with 23.6 % in the first half of 2010. The EBITDA margin achieved in the first half demonstrates the Group's resilience and financial solidity in the face of recent turmoil in Egypt, the persistently tough macroeconomic situation in the United States and, as expected, start-up costs for Jambyl Cement's greenfield plant in Kazakhstan and the gradual ramping up of the Bharathi Cement plant in India. This performance can be attributed to the healthy regional balance of the Group's businesses, the impact of the Performance 2010 plan and ongoing efforts to boost productivity gains and reduce fixed costs.

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 2011 and 2010.

2.2.1.1. Change in operating income from the cement business

In the first half of 2011, operating sales in the Cement business increased by +15.6% and +11.1% at constant scope and exchange rates. This strong performance, despite a tough environment in certain markets, can be attributed to a near +17% increase in Cement volumes sold, and a generally more favourable environment for average selling prices (with the exception of the United States and Egypt).

(€ million)	30 June 2011	30 June 2010	Change
Operational sales	698.5	604.3	+15.6%
Elimination of inter-division sales	(111.0)	(91.8)	+20.8%
Contribution to consolidated sales	587.5	512.4	+14.6%
EBITDA	202.6	185.9	+9.0%
EBITDA/ Operational sales (%)	29.0%	30.8%	-1.8 pt
Operating income	143.2	132.0	+8.6%

EBITDA was €203 million, up +5.3% at constant scope and exchange rates. The EBITDA margin declined to 29% compared to 30.8% in the first half of 2010. This decline is mainly due to the current erosion of profitability in Egypt, the dilution in India due to the gradual ramping up of Bharathi Cement's production facilities and the start-up costs for Jambyl Cement's greenfield plant in Kazakhstan. Personnel costs increased by €6 million at 71 million, taking into account the integration of Bharathi Cement and the start-up of Kazakhstan. Finally duties and taxes were down on the previous year, to amount to nearly €15 million.

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

- Business in **France** is up +14.1%. At nearly +11%, volume growth was very strong throughout the first half, buoyed by a more favourable sector environment and exceptionally mild weather conditions in the first quarter. Average selling prices increased compared to the first half of 2010 following a significant increase in export prices. Selling prices in the domestic market declined very slightly mainly due to unfavourable product and geographical mixes. Considering the market's dynamic momentum earlier this year and Vicat's commitment to fully satisfy customer demand, the Group reported additional, non-recurring expenses in the first quarter of 2011 to reduce the duration of scheduled shutdowns for plant maintenance. Even so, the Group managed to report a very strong performance with an improvement in the EBITDA margin.

- In the **United States**, consolidated sales contracted by +13.1% at constant scope and exchange rates, undermined by lower prices than those reported in the first half of 2010, in both California and Alabama. Yet in keeping with trends observed in late 2010, prices were generally flat on a quarterly basis, notably in California. Volumes sold declined 4.5% in the first half. The decline was sharpest in Alabama and California given the very bad weather conditions that hit all of the Southeast United States during the second quarter Consequently, the Group reported negative EBITDA for this activity in the first half of 2011, although its performance was better than in first-half 2010.
- In **Switzerland**, consolidated sales rose by +18.9%, a +5.1% increase at constant scope and exchange rates. This performance reflects solid growth in sales volumes, up +8.2%. Following the increase in production capacity achieved in 2009 as part of the Performance 2010 plan, the Group fully benefited from the dynamic momentum of the Swiss market. In this buoyant environment, selling prices increased slightly over the first half as a whole, supported by favourable conditions and strong growth in sales volumes. The EBITDA margin decreased by 2.6 percentage points. This decline is mainly due to the scheduled shutdown of the Reuchenette plant for maintenance in the first half of 2011, whereas maintenance occurred in the second half of 2010.
- In **Italy**, consolidated sales increased by +9.3%, lifted by strong volume growth of more than +19%. This growth marks the strong performance of Group entities in a persistently sluggish market environment as well as the positive impact of mild weather conditions in the first quarter. Although selling prices rose strongly on a quarterly basis, the increase was too small to offset the sharp contraction observed during the year 2010. As a result, selling prices declined significantly throughout the first half compared to the year-earlier period. Against this background the Group's EBITDA reached breakeven throughout the first half.
- In **Turkey**, consolidated sales rose by +13.3% at constant scope and exchange rates. This strong performance can be attributed to an increase in volumes of nearly +4% and a solid increase in average selling prices. Thanks to these factors, the EBITDA margin continued to improve.
- In **West Africa**, consolidated sales rose by +18.7% at constant scope and exchange rates. This growth results from a strong increase in Cement volumes sold by a near +21%. Average selling prices declined due to the strong increase in export sales in line with the Group's regional diversification strategy. Consequently, the EBITDA margin declined compared to the first half of 2010.
- In **Egypt**, consolidated sales fell by +13.9% at constant scope and exchange rates. This contraction can be attributed to the +6.4% decline in sales volumes and a sharp drop in selling prices due to the political turmoil in Egypt of earlier this year. The current tensions have resulted in several surplus charges, related notably the operation of quarries and energy costs. The Group was forced to operate its two kilns using heavy fuels after natural gas supplies were repeatedly disrupted. As a result, the EBITDA margin eroded by more than 10 points to 35.9%. Still, the Group is confident in medium and longer-term trends in the Egyptian market and in its capacity to fully benefit from this growth.
- In **India**, the Group reported first-half 2011 sales of €61 million, compared with €47 million in the 8-month period between 1 May 2010 (integration of Bharathi Cement) and 31 December 2010. The Group confirms its excellent performance in India as it continues to ramp up Bharathi Cement's modern production facilities. During the first half, sales volumes reached nearly 1 million tonnes of cement. This successful performance validates the Group's strategy of marketing premium cement, capitalising on a well-known brand name and a solid distribution network covering the entire south of India. As to selling prices, after a sharp decline during the monsoon season in third-quarter 2010, trends reversed and the strong recovery initiated in fourth-quarter 2010 extended into the first half of 2011. As a result, the Group's EBITDA margin improved strongly to 24.2%, from 14.7% in the first half of 2010.
- In **Kazakhstan**, the group continued to start operations of the plant's workshops during the first half. Thanks to the milder weather conditions the first tonnes of Cement produced by the Jambyl cement plant were sold by the end of the first-quarter 2011. Production and marketing ramp up began at an increasingly rapid pace as of 1 April, lifting cement sales volumes to more than 131,000 tonnes in first-half 2011 in a favourable price environment. Sales were nearly €7 million. Taking into account the start-up phase, the operational performance of this first half is not relevant.

2.2.1.2. Change in operating income from the Ready-mixed Concrete and Aggregates business

(€ million)	30 June 2011	30 June 2010	Change
Operational sales	421	360.1	+16.9%
Elimination of inter-division sales	(16.6)	(16.5)	0.0%
Contribution to consolidated sales	404.4	343.6	+17.7%
EBITDA	34.9	29.6	+17.9%
EBITDA / Operational sales (%)	8.3%	8.2%	+0.1 pt
Operating income	8.9	5.9	+50.7%

In the first half of 2011, operating sales in the Concrete and Aggregates business increased by +16.9% and +10.8% at constant scope and exchange rates. This growth results from a a better performance of the business everywhere the Group operates with the exception of the United States which record a quasi-stable performance in the first half-year. Under these better conditions, the EBITDA was up +17.9% and +5.6% at constant scope and exchange rates. Overall, the EBITDA margin is stable at 8.3% from 8.2% in the first half of 2010.

The main trends were as follows:

- Consolidated sales in **France** were up +18.4% and +14.0% at constant scope and exchange rates. This business benefited from the rebound in French economic activity and mild weather conditions early in the year. Volumes rose by more the +16% for Concrete and nearly +18% for Aggregates. Selling prices were flat for concrete and increased slightly for aggregates. As a result, the EBITDA margin was flat compared to the first half of 2010.
- In the **United States**, consolidated sales held steady (-0.3%) at constant scope and exchange rates (-5.6% on a reported basis). The flat sales performance is due to a significant increase in volumes in California and a slight upturn in Alabama despite very bad weather conditions in the second quarter. Selling prices, in contrast, reported another decline compared to first-half 2010. As a result, the Group reported negative EBITDA (-€3.6 million for this activity in the United States, after reaching breakeven in first-half 2010.
- In **Turkey**, consolidated sales declined -5.3%, but increased +3.3% at constant scope and exchange rates. Sales volumes declined by more than -12% in Concrete and by over -11% in Aggregates as the Group switched to a more selective marketing approach and restored selling prices, which consequently rose strongly over the period. Under these conditions, EBITDA was positive after reporting a slight loss in the first half of 2010.
- In **Switzerland**, consolidated sales rose by +59.5%, a +16.1% increase at constant scope and exchange rates. Sales volumes benefited from a dynamic Swiss market, very favourable weather conditions in first-quarter 2011 and a consolidation effect. Average selling prices for Concrete declined slightly due to an unfavourable geographic mix. Prices increased at a constant geographic mix. Average selling prices for Aggregates also increased. As a result, the EBITDA margin gained nearly two points compared with the first half of 2010.
- In **Senegal**, Aggregates sales increased by +39.7%. Volume growth was very strong at more than +16%, buoyed by robust business, notably for public works. EBITDA also increased despite a slight decline in the EBITDA margin compared to first-half 2010.

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

Operational sales rose by 20.8% at current scope and by 16,8% at constant scope and exchange rates.

EBITDA amounted to €15.8 million, down 3.4% compared with the first half of 2010, and down 9.0% at constant scope and exchange rates. The EBITDA margin fell by 8.1% from 10.1% in the first half of 2010 due to an unfavourable geographic and product mix.

(€ million)	30 June 2011	30 June 2010	Change
Operational sales	196.0	162.3	+20.8%
Elimination of inter-division sales	(41.7)	(33.6)	+24.3%
Contribution to consolidated sales	154.3	128.7	+19.9%
EBITDA	15.8	16.4	-3.4%
EBITDA / Operational sales (%)	8.1%	10.1%	-2 pts
Operating income	9	9.9	-8.9%

In **France**, sales were up +23.1%. All businesses reported growth, including a strong increase in Transport (+49.2%) under the combined impact of improvements in the current macroeconomic environment and favourable weather conditions in first-quarter 2011.

In **Switzerland**, the Precast activity reported a healthy first-half 2011 with 1.5% sales growth at constant scope and exchange rates, lifted by a +4.8% increase in volumes. The EBITDA margin slightly declined in the first-half 2011 as a result of an unfavourable product mix.

2.2.2. CHANGE IN OPERATING INCOME BY GEOGRAPHICAL AREA

2.2.2.1. Income statement France

			Change	
(€ million)	30 June 2011	30 June 2010	Reported	At constant scope
Consolidated sales	488	415	+17.8%	+15.7%
EBITDA	106	87	+22.0%	+20.1%
EBIT	77	60	+29.3%	+27.3%

Consolidated sales in France rose by +15.7% in the first half of 2011 at constant scope, buoyed by particularly favourable weather conditions compared to first-quarter 2010 and the underlying improvement in market conditions. EBITDA increased +20.1% at constant scope to €106 million. The EBITDA margin improved slightly to 21%, from 20.7% in the first half of 2010, mainly due to the improvement in the Cement business.

2.2.2.2. Income statement Europe (excluding France)

			Change	
(€ million)	30 June 2011	30 June 2010	Reported	At constant scope and exchange rates
Consolidated sales	189	146	+29.2%	+7.5%
EBITDA	47	41	+14.7%	+0.8%
EBIT	34	29	+16.3%	+3.0%

Consolidated sales in Europe (excluding France) rose +29.2% in the first half of 2011. At constant scope and exchange rates, sales increased +7.5%. The EBITDA margin declined to 24.8% compared with 27.9% in the first half of 2010, owing to the significant drop in margins in Italy and the slight decrease in the Concrete and Precast businesses in Switzerland.

2.2.2.3. Income statement United States

(€ million)	30 June 2011	30 June 2010	Change: Reported	Change: At constant scope and exchange rates
Consolidated sales	77	85	-9.5%	-4.4%
EBITDA	(6)	(4)	-41.8%	-49.8%
EBIT	(21)	(21)	-2.5%	+3.0%

In the United States, consolidated sales fell -9.5%, a -4.4% decline at constant scope and exchange rates, in a market that continued to be hard hit by a deteriorated economic environment and unfavourable weather conditions in Alabama and in California. In this challenging environment, the Group's performance deteriorated further with an EBITDA loss of €6 million in the first half.

2.2.2.4. Income statement Turkey, Kazakhstan, India

(€ million)	30 June 2011	30 June 2010	Change: Reported	Change: At constant scope and exchange rates
Consolidated sales	162	107	+51.8%	+22.4%
EBITDA	29	14	+102.9%	+48.6%
EBIT	14	3	+310.6%	+150.7%

In **Turkey**, consolidated sales amounted to €94 million, up +9% at constant scope and exchange rates, buoyed by the robust momentum of the Group's Cement business.
Sales volumes benefited from dynamic regional growth in both the residential market and infrastructure. In a persistently competitive market environment, selling prices benefited from the upturn in activity, not only in the Konya region but in greater Ankara as well. Under these conditions, the EBITDA margin improved to 16.1%, up from 14.1% in the first half of 2010.

In **Kazakhstan**, with more than 131,000 tonnes of Cement sold, Group sales reached nearly €7 million. Taking into account the start-up phase, the operational performance of this first half is not relevant.

In **India**, the Group reported first-half 2011 sales of €61 million. The EBITDA margin amounted to 24.2%, buoyed by the technical performances of the Bharathi Cement plant as well as by better market conditions.

2.2.2.5. Income statement Africa and the Middle East

(€ million)	30 June 2011	30 June 2010	Change: Reported	Change: At constant scope and exchange rates
Consolidated sales	229	232	-1.1%	+3.8%
EBITDA	78	94	-17.4%	-13.2%
EBIT	60	77	-22.1%	-18.0%

In Africa and the Middle East, consolidated sales rose +3.8% at constant scope and exchange rates. The dynamic momentum of the Group's business in West Africa offset the decline in the Egyptian market, hard hit by political events earlier in the year and the complex situation that has followed.

The EBITDA margin was 34.1% in first-half 2011 down from 40.8% in the same period of 2010. The deterioration is mainly due to the decline in activity (sales volumes and prices) and higher production costs in Egypt.

2.3. CHANGE IN FINANCIAL INCOME

(€ million)	30 June 2011	30 June 2010	Change
Cost of net debt	(21.7)	(12.4)	(9.3)
Other financial products and charges	3.0	(0.3)	3.3
Financial income	**(18.7)**	**(12.7)**	**(6.0)**

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 rise in interest rates and an increase in the Group's average outstanding debt, owing mainly to the acquisition of Bharathi Cement in India.

2.4. CHANGE IN TAXES

(€ million)	30 June 2011	30 June 2010	Change
Taxes payable	(40.8)	(25.6)	(15.2)
Deferred taxes	6.5	8.1	(1.6)
Total taxes	**(34.3)**	**(17.5)**	**(16.8)**

The Group had a pre-tax income of € 142.8 million in the first half of 2011, up +4.4% on the same period in 2010, when it was € 136.8 million.

The consolidated net income amounted to € 108.4 million, down -9.1% on that in the first half of 2010.

The increase in the apparent tax rate is primarily the result of an unfavourable change in the countries mix with, on the one hand, a significant drop in the relative contribution of Egypt where the Group benefits from exceptional tax arrangements and, on the other hand, a growth of the contribution of countries with higher tax rates, France and India notably, and of the impact of the non-recurring charge resulting from the accession of the Turkish subsidiaries to the tax amnesty procedure.

2.5. CHANGE IN NET INCOME

Total consolidated net income was € 108.4 million, down -9.1 % on that in the first half of 2010 (€ 119.3 million), including a Group share of € 90.9 million, down -3.9% compared with the same period in 2010 (€ 94.6 million).

The net margin thus amounted to 9.5% of sales in the first half of 2010 compared with 12.1% in the first half of 2010.

2.6. CHANGE IN FINANCIAL POSITION

As at 30 June 2011, the Group has a sound financial position as evidenced by the following indicators:

(€ million)	30 June 2011	30 June 2010	Change
Gross debt	1,446	1 284	162
Cash	(308)	(296)	(12)
Net debt	**1,138**	**988**	**150**
Consolidated shareholders' equity	**2,386**	**2,557**	**(171)**
Gearing	*47.7 %*	*38.6%*	
EBITDA (last 12 months)	526	504	
Leverage	*2.16*	*1.96*	

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 47.7 % 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 2011, the Group adhered to all the ratios referred to in the covenants contained in the financing agreements.

In the first half, the Group continued to consolidate its sources of financing, to extend debt maturity and to improve financing conditions. On 14 June 2011, the Group successfully closed and signed a € 480 million, 5-year revolving credit facility. The revolving credit facility was set up to finance the Group's general financing needs and to refinance a € 445 million multicurrency 3-year revolving credit facility dating from 20 July 2009. The new credit facility has extended the average maturity of the Group's debt to 5.5 years, and to 6 years for Vicat SA. This financing was agreed with a syndicate of nine banks: BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit du Nord, Crédit Industriel et Commercial, Crédit Industriel et Commercial - Lyonnaise de Banque, HSBC France, LCL, Natixis and Société Générale.

The Group had confirmed credit lines, which are not used and not assigned to cover the liquidity risks on commercial papers, amounting € 398 million at 30 June 2011 (€ 304 million at 31 December 2010).

The Group also has a programme for the issue of commercial papers amounting to € 300 million. At 30 June 2011, papers issued amounted to € 192 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 2011

The Group would like to point out that several factors will affect the EBITDA margin in 2011:

- start-up costs and the ramping up of the Bharathi Cement plant in India and the Jambyl cement plant in Kazakhstan;
- the impact of recent events in Egypt. Moreover, in 2011, the Group will not benefit from €18 million in non-recurring income reported in 2010 for the retroactive revision of the amount of the Cement tax per tonne;
- a slight increase in energy costs, due mainly to higher electricity prices in some countries.

In contrast, several factors will have a positive impact on the EBITDA margin:

- the gradual recovery in business in the mature countries;
- the ongoing strong momentum in the emerging countries, with the exception of Egypt;
- and ongoing efforts to boost productivity gains and reduce fixed expenditure, as well as the combined impact of the Performance plans.

After taking all these factors into account, the Group expects a slightly lower EBITDA margin in full-year 2011 than in 2010.

For 2011, the Group wishes to provide the following information concerning its various markets:

- In **France**, the Group anticipates a gradual recovery in volumes during 2011, with prices expected to stabilise or increase very slightly.
- In **Switzerland**, the environment is likely to remain broadly positive, with support coming from ongoing major infrastructure projects and a slight improvement in pricing levels.
- In **Italy**, the Group expects the situation will remain difficult, in a rather unfavourable compétitive environment. Even so, given current levels of cement consumption, sales volumes should gradually stabilise and prices should rise.
- In the **United States**, although visibility remains very limited on both the macroeconomic front and the likely level of investment by states, the Group is expecting a very gradual improvement in its markets, in terms of both volumes and pricing, though they are not expected to return to strong growth before 2013.
- In **Turkey**, the improvement in the environment in 2010 is likely to continue during 2011. Against this backdrop, the Group should be able to take full advantage of its efficient production facilities resulting from investments under the Performance 2010 Plan.
- In **Egypt**, the Group would like to underscore that its manufacturing base has not been affected by recent events and that to date the plant has been operating normally. The Group remains confident about the performance of the Egyptian market and in its ability to reap the full benefit of its expansion.
- In **West Africa**, the market environment should remain broadly positive, although it will continue to be closely linked to investments by government authorities in major infrastructure projects as well as money transfer trends from West Africans living abroad. Leveraging on its fully modernised and efficient production facilities, the Group will continue to pursue its expansion efforts across the entire region of West Africa.
- In **India**, the acquisition of a majority shareholding in Bharathi Cement and the start-up of its second production line in late 2010 have enabled the Group to strengthen significantly its position in India, a fast-growing market for cement consumption. This partnership, which represents Vicat's second major transaction with its joint venture Vicat Sagar Cement, will give rise to two major players in southern India, addressing complementary markets, able to draw on substantial business synergies and ultimately possessing total nominal capacity of over 10 million tonnes.
- In **Kazakhstan**, the Jambyl Cement plant, with production capacity of 1.1 million tonnes, started up in December 2010 and began full operations on 1 April 2011. Thanks to its ideal geographical location and highly efficient production base, the Group should gradually be able to take full advantage of a market poised for solid growth in the construction and infrastructure sectors as well as an increasingly favourable pricing environment.

Against this backdrop, Vicat is determined to continue cautiously pursuing its growth strategy, which is supported by:

- a solid financial structure,
- the benefits of the Performance 2010 Plan, particularly lower production costs resulting from the modernisation of production facilities and the strengthening of the Group's industrial and commercial positions,
- and its expansion in Kazakhstan and India.

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 37 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 2011

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 2011,
- 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.

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 1 August 2011
KPMG Audit
A division of KPMG S.A.
Bertrand Desbarrières
Partner

Chamalières, on the 1 August 2011
Wolff & Associés S.A.S.
Grégory Wolff
Partner

VICAT S.A. - Siège social : Tour Manhattan – 6, place de l'Iris - 92095 Paris-La Défense Cedex
Société anonyme au capital de 179 600 000 euros - RCS Nanterre 057 505 539
SIREN 057.505.539 - Tél. : 01 58 86 86 86 - Fax : 01 58 86 87 87
www.vicat.fr