



Full-year 2011 sales: €2,265 million

- Consolidated full-year sales up 12.5% and up 9.6% at constant scope and exchange rates
- Solid performance in the Cement business, particularly in France
- Further strong growth in India and West Africa
- Controlled debt and very healthy financial position



Paris La Défense, 2 February 2012: Vicat (NYSE Euronext Paris: FR0000031775 – VCT) has today reported sales of €2,265 million for the year ended 31 December 2011, representing an increase of 12.5%. At constant scope and exchange rates, sales were up 9.6% relative to 2010.

Consolidated sales by business:

(€ million)	Financial year to 31 December 2011	Financial year to 31 December 2010	% change	
			Reported	At constant scope and exchange rates
Cement	1,138	1,033	+10.1%	+9.5%
Concrete & Aggregates	818	716	+14.2%	+8.5%
Other Products & Services	310	264	+17,4%	+12.4%
Total	2,265	2,014	+12.5%	+9.6%

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WITH SHARE CAPITAL OF
€179,600,000

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Commenting on these figures, the Management Board stated:

"Vicat's performance in 2011 was very solid, especially given the contrasting developments in the economic environment. All businesses achieved growth, confirming the pertinence of the Group's development strategy.

As a result of investments under the Performance 2010 plan and acquisitions in India and Kazakhstan, Vicat saw strong growth in these new emerging markets and firm business levels in more mature markets. The Group achieved robust business growth in France, Turkey and Western Africa, although performance was hampered by the still difficult situation in Egypt following events in early 2011.

As a result of this performance and the economic situation, Vicat will maintain its long-standing strategy, taking full advantage of its strong market positions, diversifying its sources of cash flow and pursuing profitable growth."

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Consolidated sales in 2011 totalled €2,265 million, an increase of 12.5% and 9.6% at constant scope and exchange rates relative to 2010. This performance was driven by ongoing firm growth in emerging-market countries except Egypt, an improving economic and sector environment in mature countries, and more favourable weather conditions in Europe. Vicat's scope of consolidation also grew, mainly because of the full-year inclusion of Bharathi Cement in India (consolidated since 1st May 2010), the ramp-up of Jambyl Cement in Kazakhstan and to a lesser extent the consolidation of concrete and aggregates companies in Switzerland and France.

Consolidated sales in the fourth quarter of 2011 totalled €537.7 million, up 10.7% on the year-earlier period. At constant scope and exchange rates, the increase was 10.1%. During the same period, sales rose by 9.5% at constant scope and exchange rates in the Cement business, by 10.5% in the Concrete & Aggregates business and by 11.0% in Other Products & Services.

As a proportion of the consolidated total, sales in the Cement business fell from 51.3% in 2010 to 50.2% in 2011, while sales in Concrete & Aggregates rose from 35.6% to 36.1%. Sales in Other Products & Services increased from 13.1% of the consolidated total in 2010 to 13.7% in 2011.

In this press release, and unless indicated otherwise, all the changes are stated on an annual basis (2011/2010), and at constant scope and exchange rates.

1. Geographical breakdown of consolidated sales in the year ended 31 December 2011

1.1. France

(€ million)	Financial year to 31 December 2011	Financial year to 31 December 2010	% change	
			Reported	At constant scope
Consolidated sales	939	832	+12.9%	+10.7%

Consolidated sales in France rose by 12.9% and 10.7% at constant scope in 2011. Growth was supported by improved market conditions and mild weather conditions both in the first quarter and at the end of the year. Sales in the fourth quarter of 2011 totalled €218.0 million, an increase of 8.2% at constant scope.

By business:

- **Sales in the Cement business** posted solid growth of 9.4%, reflecting the improvement in the operating environment during 2011. Volumes increased substantially and selling prices were slightly higher as a result of positive developments in the product mix and the geographical mix. In the fourth quarter, volumes rose by almost 8% and moved back to the record levels seen in 2003. Growth was driven by milder weather conditions than in the year-earlier period and Vicat's dynamism in the French market, which remained strong.
- **Sales in the Concrete & Aggregates business** rose by 8.4% at constant scope. Concrete volumes grew by more than 10%, while Aggregates volumes increased by almost 9%. Average selling prices were stable in Concrete and rose slightly in Aggregates. In the fourth quarter, the

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Concrete & Aggregates business grew by almost 8% at constant scope, underpinned by higher volumes in Concrete and stable volumes in Aggregates.

- **In Other Products & Services**, consolidated sales rose by 18.6%, including strong growth in the Transport segment.

1.2. Europe (excluding France)

(€ million)	Financial year to 31 December 2011	Financial year to 31 December 2010	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	403	318	+26.8%	+6.8%

Full-year consolidated sales in Europe (excluding France) rose by 26.8% and 6.8% at constant scope and exchange rates. In the fourth quarter of 2011, sales rose by 11.8% at constant scope and exchange rates.

In Switzerland, consolidated sales increased by 26.8% and 5.6% at constant scope and exchange rates in 2011, supported by a very buoyant market and favourable weather conditions in the first and fourth quarters.

- In the Cement business, sales were up 12.4%. At constant scope and exchange rates, sales were stable (+0.4%). It should be noted that operational sales (before intra-group sales) increase by almost 11% at constant scope and exchange rates. Volumes grew by more than 5%. Vicat took full advantage of strong growth in the Swiss market, where the construction sector remained solid throughout the year, and where weather conditions were mild in the first and fourth quarters. Selling prices continued to rise throughout the period. In the fourth quarter, consolidated sales rose by 1.2% at constant scope and exchange rates, supported by the ongoing positive environment in terms of both volumes and prices. Operational sales in the fourth quarter increased by more than 13% at constant scope and exchange rates.
- In the Concrete & Aggregates business, consolidated sales were up 51.0% and 12.7% at constant scope and exchange rates. There was very strong volume growth in both the Concrete and Aggregates segments. The business was driven by the strong Swiss market, as regards both infrastructure and residential construction, but also very helpful weather conditions and an increase in the scope of consolidation in the Concrete segment. Selling prices increased in Concrete and fell slightly in Aggregates. In the fourth quarter, sales were up 47.1% and 15.7% at constant scope and exchange rates. This solid growth was driven by a sharp increase in volumes, supported by a positive market environment and mild weather conditions. Selling prices also rose in the fourth quarter in both Concrete and Aggregates.
- Sales in the Precast business rose by 15.6% and 3.2% at constant scope and exchange rates, supported by volume growth. Sales in the fourth quarter rose by 11.2% at constant scope and exchange rates, also due to favourable market conditions and weather conditions.

In Italy, consolidated sales increased by 26.0% on the back of strong volume growth, despite ongoing tough market conditions. Although selling prices rose sequentially, this was not enough to offset the sharp drop in 2010. Fourth-quarter sales surged by 45.3%, again driven by a substantial increase in volumes.

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1.3. USA

(€ million)	Financial year to 31 December 2011	Financial year to 31 December 2010	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	165	168	-1.5%	+3.3%

Consolidated sales in the USA fell by 1.5% in reported terms but rose by 3.3% at constant scope and exchange rates. Performance in the second half was supported by a slight improvement in the construction market. This followed a first half in which performance was affected by economic weakness and adverse weather conditions in both Alabama and California.

- **In the Cement business**, consolidated sales fell by 8.5% and 4.0% at constant scope and exchange rates. Prices were lower than in 2010, particularly in Alabama. It should be noted that operational sales are near flat (-0.6%) at constant scope and exchange rates. However, prices were globally stable on a sequential basis in California. Volumes rose by more than 3%, supported by solid growth in California and stable volumes in the Southeast. In the fourth quarter, consolidated sales increased by more than 16% and 15% at constant scope and exchange rates. Operational sales over the same period increased by almost 9% at constant scope and exchange rates. Growth was driven by a substantial increase in volumes in both Alabama and California. Selling prices fell sharply relative to the fourth quarter of 2010 in the Southeast, but were relatively stable in California.
- **In the Concrete business**, consolidated sales were up 1.5% and 6.5% at constant scope and exchange rates. This growth came on the back of higher volumes in both the Southeast and California, fully offsetting the decline in selling prices relative to 2010. In the fourth quarter, Concrete sales grew by 20.2% at constant scope and exchange rates, underpinned by solid volume growth in both the Southeast region and California.

1.4. Turkey, India and Kazakhstan

(€ million)	Financial year to 31 December 2011	Financial year to 31 December 2010	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	348	255	+36.2%	+35.3%

In Turkey, consolidated sales amounted to €195 million in 2011, down 6.5% but up 9.3% at constant scope and exchange rates. Despite a slight slowdown in the construction market beginning in the spring of 2011, volumes continued to grow, driven by buoyant Cement sales, particularly for infrastructure and commercial projects. Selling prices increased substantially.

- In the Cement business, consolidated sales were up 1.0% and 18.1% at constant scope and exchange rates. Operational sales increased by more than 13% at constant scope and exchange

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rates. This strong performance resulted from a solid uptrend in average selling prices throughout 2011, supported by a favourable geographical mix in terms of volumes. Volumes were near-flat in 2011. There was a slight increase in domestic volumes, offsetting a substantial decline in exports. This development fits with Vicat's strategy of taking full advantage of growth in its local markets. In the fourth quarter, consolidated sales increased by more than 14.7% at constant scope and exchange rates. The price environment remained very positive and higher prices comfortably offset a slight decline in volumes. Operational sales over the same period increased by almost 9% at constant scope and exchange rates.

- In the Concrete & Aggregates business, consolidated sales fell by 15.8% and 1.5% at constant scope and exchange rates. Volumes fell strongly in both Concrete and Aggregates. Vicat raised selling prices sharply, in accordance with its strategy, and this almost completely offset the decline in volumes. In the fourth quarter, sales fell by 3.7% at constant scope and exchange rates because of a further significant fall in volumes. However, there was another solid increase in selling prices, particularly in the Ankara region.

In India, Vicat achieved sales of €126.4 million in 2011 compared with €47.3 million in the period from 1st May 2010 - the date on which Bharathi Cement was consolidated - to 31 December 2010. Organic growth posted an increase of 90%. The Indian market continued to show overcapacity in 2011 and demand grew by less than the market anticipated. Nevertheless, Bharathi Cement's progress with its development plan remained in line with the Group's expectations. With volumes sold totalling more than 2 million tonnes, Vicat achieved an excellent performance in 2011. Selling prices rose by 40% in 2011.

This success validates the pertinence of the Group's strategy backed up by a brand name with a strong reputation and a solid distribution network covering the whole of southern India, including rural areas.

In the fourth quarter, Vicat's sales in India grew by almost 187% at constant scope and exchange rates. This growth was driven by the ongoing ramp-up of Bharathi Cement's plant, solid growth in volumes and a positive price environment.

In Kazakhstan, Vicat gradually increased the pace of the industrial and commercial ramp-up that began on 1st April 2011. Cement volumes during the period totalled more than 500,000 tonnes, and the price environment was favourable. As a result, sales totalled €26.9 million in 2011.

In the fourth quarter, Vicat generated consolidated sales of €7.1 million, with volumes totalling around 137,000 tonnes. Although volumes were substantially lower than in the third quarter because of winter's low temperatures, prices remained solid in the fourth quarter.

1.5. Africa and Middle-East

(€ million)	Financial year to 31 December 2011	Financial year to 31 December 2010	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	411	441	-6.8%	-3.1%

In Africa and the Middle East, consolidated sales totalled €411 million in 2011, down 6.8% and 3.1% at constant scope and exchange rates. Firm growth in West Africa partly offset a substantial decline in the Egyptian market, which was affected by events in early 2011 and the complicated situation that arose afterwards.

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In Egypt, consolidated sales fell by 33.3% and 26.4% at constant scope and exchange rates. The decline reflects a contraction of around 15% in both volumes and selling prices. It resulted mainly from political events in early 2011, which affected market conditions. In the fourth quarter, sales were down 46.0% at constant scope and exchange rates. Both volumes and selling prices were adversely affected by the situation in Egypt, falling by around 28% and 23% respectively in the fourth quarter. However, prices picked up in December, as did volumes although to a lesser extent.

In West Africa, sales rose by 19.0% and 19.6% at constant scope and exchange rates. This growth was driven by a substantial increase in cement volumes. In the cement business, the average selling price across the region fell slightly, mainly due to an unfavourable geographical mix. However, this development was consistent with Vicat's geographical diversification strategy, which is resulting in strong growth in export sales. In the fourth quarter, sales in the Cement business rose by 10.9% at constant scope and exchange rates, supported by strong growth in volumes. In Senegal, Aggregates sales increased by 57% in 2011 as a whole and by 60% in the fourth quarter. There was solid volume growth supported by buoyant market activity, particularly in public infrastructure, and the price environment was favourable.

2. Breakdown of 2011 sales by business

2.1. Cement

(€ million)	Financial year to 31 December 2011	Financial year to 31 December 2010	% change	
			Reported	At constant scope and exchange rates
Volume (thousands of tonnes)	18,035	16,179	+11.5%	
Operational sales	1,356	1,223	+10.7%	+10.4%
Intra-group sales	(218)	(189)		
Consolidated sales	1,138	1,033	+10.1%	+9.5%

Consolidated sales in the Cement business were up +10.1% and +9.5% at constant scope and exchange rates. Volumes increased by 11.5%.

2.2. Concrete & Aggregates

(€ million)	Financial year to 31 December 2011	Financial year to 31 December 2010	% change	
			Reported	At constant scope and exchange rates
Concrete volumes (thousands of m ³)	7,969	7,749	+2.8%	
Aggregates volumes (thousands of tonnes)	22,219	20,766	+7.0%	
Operational sales	854	753	+13.5%	+8.4%
Intra-group sales	(36)	(37)		
Consolidated sales	818	716	+14.2%	+8.5%

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Consolidated sales in the Concrete & Aggregates business were up 14.2% and 8.5% at constant scope and exchange rates. Concrete volumes were up 2.8% and Aggregates volumes up 7%.

2.3. Other Products & Services

(€ million)	Financial year to 31 December 2011	Financial year to 31 December 2010	% change	
			Reported	At constant scope and exchange rates
Operational sales	391	333	+17.3%	+13.5%
Intra-group sales	(81)	(69)		
Consolidated sales	310	264	+17.4%	+12.4%

Consolidated sales in the Other Products & Services business were up 17.4% and 12.4% at constant scope and exchange rates.

3. Changes in the Group's consolidated financial position at 31 December 2011

3.1 Profitability

Vicat's EBITDA margin in 2011 will be adversely affected by the following factors:

- the start-up and build-up costs at the Jambyl Cement plant in Kazakhstan,
- the significant impact of recent events in Egypt on the local market and on the operating conditions, and the non-recurrence of the €18 million of income recorded in 2010 arising from the retroactive adjustment of cement duty,
- a slight increase in energy costs, mainly arising from higher electricity prices in some countries.

Positive factors for 2011 EBITDA margin include:

- the gradual upturn in activity in mature markets,
- continuing strong momentum in emerging markets with the exception of Egypt,
- the ramping-up of the Bharathi Cement plant in India,
- on-going efforts to raise productivity and limit fixed costs, including the combined impact of the Performance plans.

Given the situation in Egypt, and particularly operating conditions which deteriorated during the period, the Group expects second-half EBITDA margin to be slightly below that achieved in the first half of 2011.

As a result, Vicat still expects full-year EBITDA margin level to be lower in 2011 than in 2010.

Furthermore, and in line with the trends observed at the 2011 half-year results publication, the Group's consolidated net income for the full year will take into account:

- higher interest expenses due to the combined impact of higher interest rates and the increase in average debt outstanding due mainly to the acquisition of Bharathi Cement in India.



- a strong increase in the tax charge mainly due to the change in the country mix, with a bigger contribution from regions with higher tax rates, a much smaller contribution from Egypt, which benefits from tax exemption, and a non-recurring tax charge on the financial statements of the Group's Turkish entities.

3.2 Financial position

Vicat's financial position remains very healthy.

Given the Group's controlled net debt level, covenants do not pose any threat to the Group's financial position or liquidity. Vicat comfortably complies with all financial ratios required by covenants contained in financing agreements.

4. Outlook for 2012 by geographical zone

For the 2012 financial year, the Group wishes to provide the following information concerning its various markets:

- **In France**, the Group expects volumes to fall very slightly in 2012, with pricing conditions remaining favourable.
- **In Switzerland**, the overall operating environment is likely to remain positive, with stable volumes and prices expected to improve slightly.
- **In Italy**, the Group anticipates that the situation will remain difficult, with a tough competitive environment. However, given current levels of cement consumption, volumes should gradually stabilise and selling prices should recover.
- **In the USA**, although visibility remains very low regarding both the macroeconomic situation and the amount of investment that individual states can afford, the Group expects its markets to improve very gradually as regards both volumes and prices. However, strong growth is not expected before 2013.
- **In Turkey**, last year's improvement in the operating environment is likely to continue in 2012 despite a tighter macroeconomic environment. The Group should be able to take full advantage of its efficient production facilities, which are the result of investments carried out as part of the Performance 2010 plan.
- **In Egypt**, the deterioration in operating conditions in 2011 is likely to continue to restrict business performance in 2012, and visibility remains limited. However, 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 overall market environment should remain positive, and the Group will continue its efforts to use its modern, efficient production base to expand across the whole region. However, a new competitor is expected to arrive in Senegal in the second half of 2012, and this could have a negative impact on this market.
- **In India**, Bharathi Cement should continue to ramp up its operations in line with the Group's expectations. In addition, Vicat Sagar's first kiln is expected to start operating mid-year. This will give the Group two major operators in Southern India, addressing complementary markets and

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able to generate major operational synergies. Eventually, the two units will have total nominal capacity of more than 10 million tonnes.

- **In Kazakhstan**, the Group has a good geographical location and one of the market's most efficient production bases. Kazakhstan's construction and infrastructure markets are likely to see solid growth and a positive price environment, and the Group should gradually be able to benefit fully from these developments.

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

- its solid financial position,
- the benefits of its Performance 2010 plan, including lower production costs resulting from the modernisation of its production facilities and stronger industrial and commercial positions,
- and its expansion in Kazakhstan and India.

5. Conference call

To accompany the publication of its Full-year 2011 sales, the Vicat group is organising a conference call that will be held in English on Friday, 3rd February 2012 at 3pm Paris time (2pm London time and 9am New York time).

To join the conference call live, dial one of the following numbers:

France: +33 (0)1 70 99 42 86
UK: +44 (0) 20 7784 1036
USA: +1 646 254 3361

To listen to a playback of the conference call, which will be available until midnight on 10th February 2012, dial one of the following numbers:

France: +33 (0)1 74 20 28 00
UK: +44 (0) 20 7111 1244
USA: +1 347 366 9565

Access code: 8094661#

Next publication:

12th March 2012 (after the stock market closes): full-year 2011 results

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About Vicat

The Vicat Group has **6,700 employees** working in three core divisions, Cement, Concrete & Aggregates and Other Products & Services, which generated **consolidated sales of €2.265 billion** in 2011.

The Group **operates in eleven countries**: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan and India. Nearly 59% of its sales are generated outside France.

The Vicat Group is the heir to an industrial tradition dating back to 1817, when Louis Vicat invented artificial cement. Founded in 1853, the Vicat Group now operates **three core lines** of business: **Cement**, **Ready-Mixed Concrete** and **Aggregates**, as well as related activities.

Disclaimer:

This press release may contain forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets. These statements are by their nature subject to risks and uncertainties as described in the Company's annual report available on its website (www.vicat.fr). These statements do not reflect the future performance of the Company, which may differ significantly. The Company does not undertake to provide updates of these statements. Further information about Vicat is available from its website (www.vicat.fr).

Vicat group - Financial data - Appendices

Breakdown of sales by business and geographical region at 31 December 2011

	Cement	Concrete & Aggregates	Other Products & Services	Intra-group sales	Consolidated sales
France	431.2	450.0	266.0	(208.6)	938.6
Europe (excl. France)	168.5	162.2	122.1	(50.3)	402.6
USA	74.2	118.4	-	(27.3)	165.3
Turkey, India & Kazakhstan	296.8	97.0	2.9	(48.6)	348.1
Africa and Middle East	385.0	26.4	-	(0.5)	410.9
Operational sales	1,355.7	854.0	391.0	(335.3)	2,265.5
Intra-group sales	(218.1)	(36.1)	(81.1)		
Consolidated sales	1,137.6	818.0	309.9		2,265.5