REGISTRATION DOCUMENT & FINANCIAL ANNUAL REPORT 2011

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

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Contents

▼ Elements constituting the Annual Financial Report.

Introduction

Vicat, a French *société anonyme*, with a share capital of € 179,600,000 whose registered office is Tour Manhattan, 6 place de l'Iris, 92095 Paris-La Défense, registered with the Registry of Companies and Commerce of Nanterre under number 057 505 539, is referred to as the "Company" in this Registration Document. Unless expressly stated otherwise, the "Group" refers to the Company and its subsidiaries and holdings as set forth in the organization chart in section 7 "Organization chart" of this Registration Document.

Unless otherwise indicated, the figures used in this Registration Document, in particular in section 6 "Business Overview" of this Registration Document, are extracted from the Group's consolidated financial statements, prepared in accordance with IFRS. As the figures have been rounded, the amounts indicated as being totals and the various sections of this Registration Document may not equal the arithmetic sum of these figures and numbers.

This Registration Document contains indications on the Group's prospects and development policies. These indications are sometimes identified by the use of the future and the conditional tenses, and forward-looking terms such as "consider", "intend", "think", "with the aim of", "expect", "plan", "should", "want", "estimate", "believe", "wish", "could" or, if necessary, the negative form of these terms, or any other alternative or similar terminology. This information is not historical data and must not be interpreted as an assurance that the facts and data stated will occur. This information is founded on data, assumptions and estimates considered as reasonable by the Group. They are likely to change or be modified due to uncertainties, related in particular to the economic, financial, competitive and regulatory environment. Moreover, the materialization of certain risks described in section 4 "Risks factors" of this Registration Document is likely to have an impact on the Group's activities, situation, financial results and on its capacity to achieve its objectives.

Forward-looking statements contained in this Registration Document also encompasses the known and unknown risks, uncertainties and other factors which could, if they materialize, affect the Group's future results, performances and achievements. These factors can in particular include changes to the economic and commercial situation as well as the risk factors set out in section 4 "Risk factors" of this Registration Document.

Investors are invited to consider carefully the risk factors described in section 4 "Risk factors" of this Registration Document before making their investment decision. The materialization of all or some of these risks is likely to have an adverse effect on the Group's activities, financial position or financial results. Moreover, other risks, not yet identified or considered by the Group as not significant could have the same negative effect and investors could lose all or part of their investment.

This Registration Document contains information relating to the markets on which the Group operates. This information comes, in particular, from studies carried out by third parties. Given the changes which may affect the industry in which the Group operates in France and worldwide, this information may prove to be incorrect or no longer up to date. The Group's activities could consequently evolve differently from what is described in this Registration Document and the declarations or information contained herein could prove to be incorrect. This Registration Document serves as the financial annual report and includes information required pursuant to article 222-3 of the General Regulations of the AMF. In order to facilitate the reading of the financial annual report, a cross-reference table is included in appendix 4 of this Registration Document.

Person responsible for the Registration Document

1

1.1. Person responsible for the information contained in the Registration Document

Mr Guy Sidos, Chief Executive Officer (“CEO”).

2

Statutory auditors

2.1. Incumbent auditors

KPMG Audit

Immeuble Le Palatin, 3, cours du Triangle,
92939 Paris-La Défense Cedex

Represented by Mr. Bertrand Desbarrières.

Member of the Regional Company of Auditors of Versailles.

Date first appointed: Ordinary General Meeting held on November 25, 1983.

Expiry of the current term on the date of the Ordinary General Meeting approving the financial statements for the year ended on December 31, 2013.

Wolff & Associés SAS

Centre Beaulieu, 19, boulevard Berthelot, 63400 Chamalières

Represented by Mr. Grégory Wolff.

Member of the Regional Company of Auditors of Riom.

Date first appointed: Ordinary General Meeting held on May 16, 2007.

Expiry of the current term on the date of the Ordinary General Meeting approving the financial statements for the year ended on December 31, 2012.

2.2. Deputy statutory auditors

Constantin Associés

185 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine

Represented by Mr. Jean-Marc Bastier.

Member of the Regional Company of Auditors of Paris.

Date first appointed: Ordinary General Meeting held on June 20, 1995.

Expiry of the current term on the date of the Ordinary General Meeting approving the financial statements for the year ended on December 31, 2012.

Exponens Conseil et Expertise

11, avenue d'Éprémesnil, 78401 Chatou

Represented by Mr. Frédéric Lafay.

Member of the Regional Company of Auditors of Versailles.

Date first appointed: Combined General Meeting approving the financial statements for the year ended on December 31, 2007.

Expiry of the current term on the date of the Ordinary General Meeting approving the financial statements for the year ended on December 31, 2013.

2.3. Information on those auditors having resigned, having been dismissed or not having been renewed

Not applicable.

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Selected financial information

Investors are advised to read the following selected financial information together with section 9 "Examination of the financial position and income statement", section 10 "Cash flow and capital", the audited annual consolidated financial statements for the three years covered by this Registration Document and the notes relating thereto in section 20 "Financial information" of this Registration Document, as well as any other financial information contained herein.

3.1. Overview of the group

Over a period of more than 150 years, the Company Vicat SA (the "Company") together with all the subsidiaries it directly and indirectly controls, these subsidiaries and the Company together called the group (the "Group"), has developed considerable expertise in the Cement, Ready-mixed concrete and Aggregates businesses enabling it to maintain a leading regional position in the majority of the markets in which it operates. Cement is its "core business", on which it focuses its development and which accounted for 50 % of its consolidated sales in 2011. Wherever the market situation justifies it, the Group pursues a policy of vertical integration into Ready-mixed concrete and Aggregates, which accounted for 36 % of consolidated sales in 2011. The Group also benefits from synergies with complementary activities (precast concrete products, construction chemicals, transport, paper and bags businesses), undertaken in certain markets, to consolidate its range of products and services and to strengthen its regional position.

In 2011, the Group's total shipments in the three main businesses amounted to 18 million tonnes of cement related products, 8 million m^3 of concrete and 22.2 million tonnes of aggregates.

With a presence covering eleven countries across Europe, North America, Asia, Africa and the Middle East, the Group has a diversified base which allows it to pursue an international development strategy, while reducing its present and future exposure to economic fluctuations that may affect the markets in which it operates.

	Cement	Concrete & Aggregates	Other Products & Services
France	■	■	■
United States	■	■	
Switzerland	■	■	■
Turkey	■	■	
Senegal	■	■	
Egypt	■		
Italy	■		
Kazakhstan	■		
Mali	■		
India	■	■	
Mauritania	■	■	

The share of sales in France remained stable, representing over 41 % of consolidated sales in 2011, while the share of sales accounted for by the rest of Europe, in particular Switzerland, increased to almost 18 % of consolidated sales. Sales in the Turkey-Kazakhstan-India region currently represent over 15 % of total Group sales; the share of the Africa and the Middle East fell to slightly over 18 %. Finally, the share of the United States again fell during the year and now accounts for slightly over 7 % of consolidated sales.

In 2011, EBITDA ratios on sales and consolidated net earnings on sales were 21.7 % and 8.5 % respectively.

The Group's financial structure is characterized by significant equity (€2,461 million) and a low level of net debt (43.8 % of equity), which gives the Group a good flexibility and the means to finance its growth.

The Group intends to continue its development by combining growth and profitability. Over the years, it has demonstrated its ability to benefit from its strong regional positions, the quality of its production facilities and the expertise of its employees to achieve high levels of profitability.

The Group gives priority to two growth strategies:

- organic growth, by significantly increasing its production capacity and by developing the means to respond to demand in the markets where it operates. In 2006, the Group committed to an industrial investment plan extending over several years, the Performance 2010 plan, intended both to increase its cement production capacity by 50 % by the end of 2010, with the start-up of one new kiln each year during this period in order to reduce its production costs and to strengthen its competitive position. This Performance 2010 plan was completed with the opening of a new cement kiln in Senegal in October 2009. It has enabled the Group to increase its cement sales in a difficult macro-economic context.
- the Group also intends to continue its selective external growth policy through acquisitions or greenfield plants that will enable it to take a position as a key player on new regional markets, or which will complement its existing production capacity or its range of products and services. In 2010, the Group acquired a majority stake of 51 % in the Indian Company Bharathi Cement Company. A new factory in Kazakhstan began production in 2011 and a new greenfield cement plant in the State of Karnataka in India is scheduled to come on stream in the second half of 2012.

To achieve its goals, the Group can rely on its industrial and commercial expertise in its core businesses and on the stability of its strategic model, backed by its shareholders and a family management present in the Company since its foundation and having in-depth experience of these businesses.

3.2. Selected financial information

The selected financial information has been extracted from the Group's consolidated financial statements, prepared in accordance with IFRS for the three years ended December 2009, 2010 and 2011.

The Group's consolidated financial statements, for each of the three years covered by this Registration Document, were audited by KPMG Audit and Wolff & Associés SAS, statutory and independent auditors whose reports are included in section 20 "Financial information" of this Registration Document.

The Group's key figures

(in millions of euros)	2011	2010	2009
Consolidated net sales	2,265	2,014	1,896
EBITDA (1)	491	504	473
Consolidated net income	193	264	234
Total equity	2,461	2,557	2,082
Net debt/equity (in %)	43.8%	38.6%	31.4%
Net income per share (euros/share)	3.64	4.52	4.26
Dividend per share (euro/share)	1.50 (2)	1.50	1.50

(1) **Earnings Before Interest, Taxes, Depreciation and Amortization :** gross operating earnings plus other ordinary income (expense). EBITDA is not an aggregate defined by accounting policies. Since EBITDA is calculated differently from one Company to another, the data provided in this Registration Document and related to the Group's EBITDA might not be comparable to EBITDA data from other companies.
(2) Proposal of the Board of Directors to the General Meeting of the Shareholders to be held on May 4, 2012.

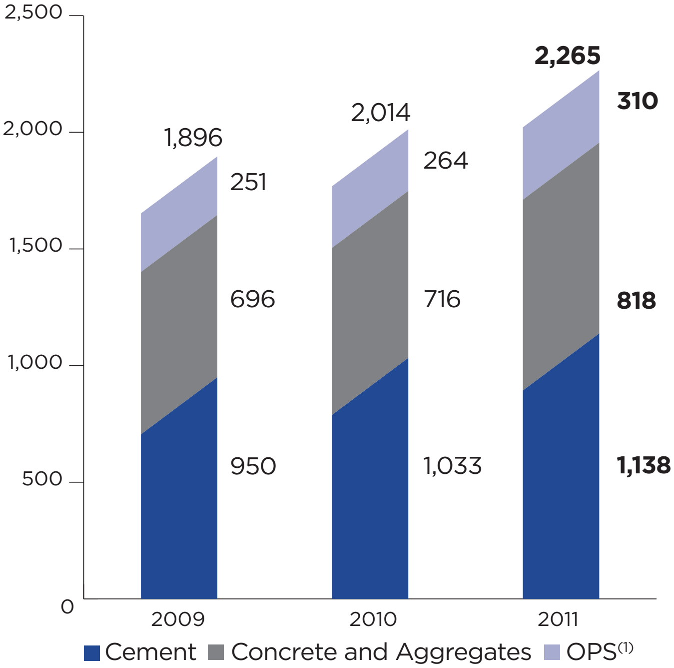
Summary income statement

(in millions of euros)	2011	2010	Change 2011/2010	2009	Change 2011/2010
Consolidated net sales	2,265	2,014	+ 12.5 %	1,896	+ 6.2 %
EBITDA	491	504	- 2.6 %	473	+ 6.6 %
EBIT (1)	309	337	- 8.1 %	322	+ 4.7 %
Financial income (expense)	(44)	(27)	+ 60.5 %	(24)	+ 14.3 %
Consolidated net income	193	264	- 26.9 %	234	+ 13.1 %
Group share of net income	164	203	- 19.3 %	191	+ 5.9 %
Cash flows from operations	363	409	- 11.2 %	387	+ 5.6 %

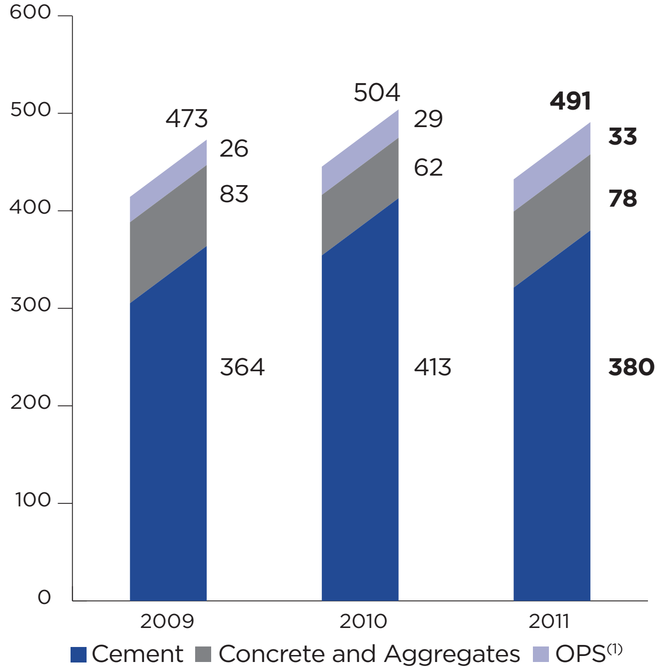
(1) **Earnings Before Interest and Taxes :** EBITDA less depreciation, amortization and operating provisions. EBITDA is not an aggregate defined by accounting policies. Since EBITDA is calculated differently from one Company to another, the data provided in this Registration Document and related to the Group's EBITDA might not be comparable to EBITDA data published by other companies.

Change in the breakdown of sales and EBITDA by business

Consolidated sales by business[2] (in millions of euros)



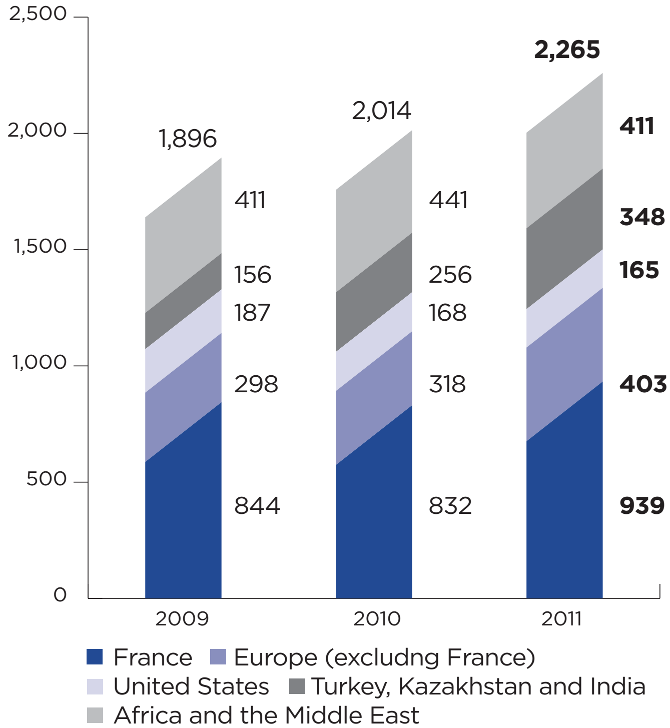
EBITDA by business[3] (in millions of euros)



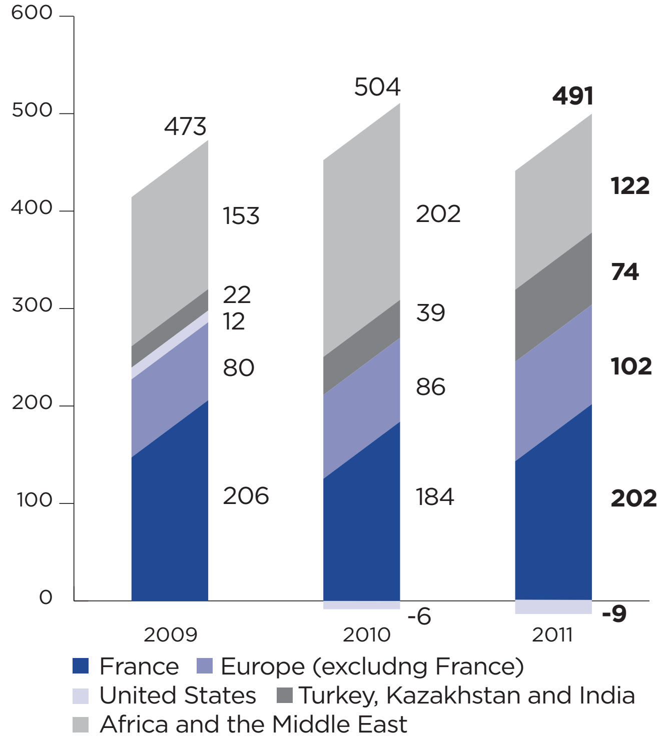
(1) **OPS:** Other Products & Services.
(2) Unless stated otherwise, the figures are given after intra-group eliminations.
(3) **Earnings Before Interest, Taxes, Depreciation and Amortization:** gross operating earnings less other ordinary income (expense). EBITDA is not an aggregate defined by accounting policies. Since EBITDA is calculated differently from one Company to another, the data provided in this Registration Document and related to the Group's EBITDA might not be comparable to EBITDA data from other companies.

Change in the breakdown of sales and EBITDA by geographic area

Consolidated sales by geographic area
(in millions of euros)



EBITDA by geographic area
(in millions of euros)

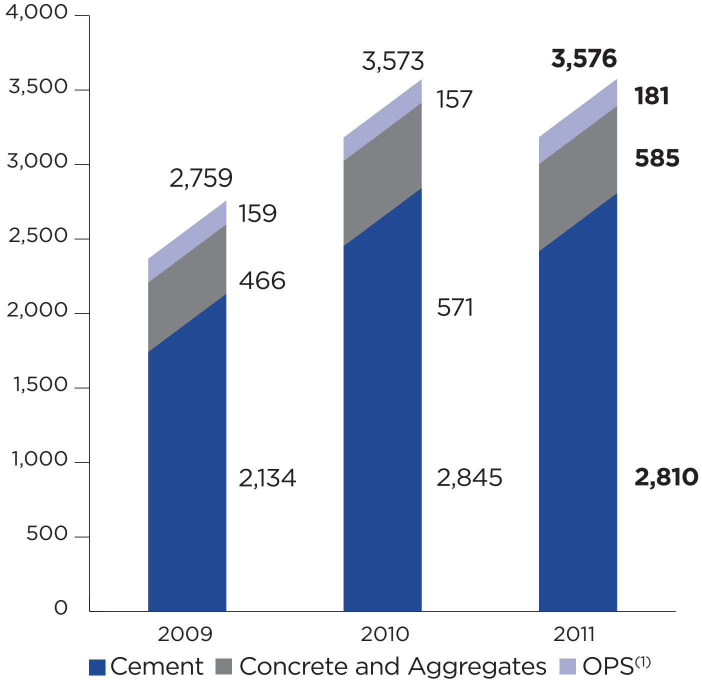


Summary balance sheet

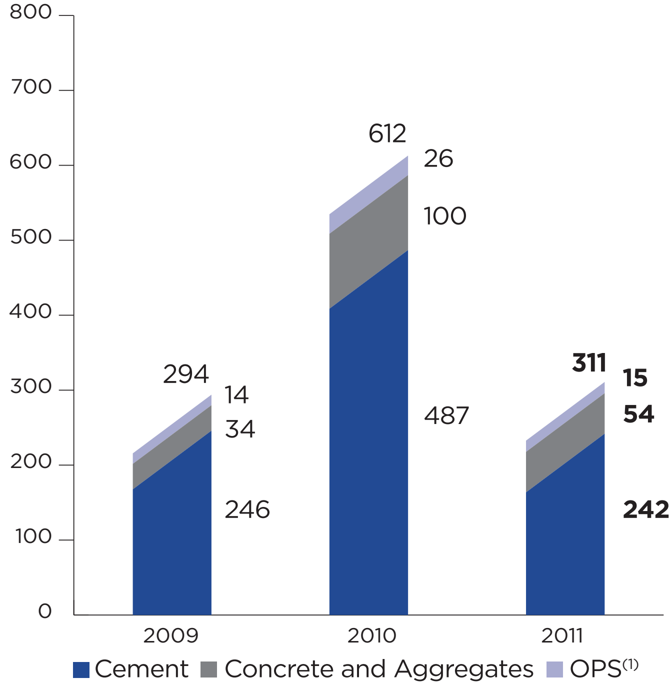
(in millions of euros)	2011	2010	2009
ASSETS			
Non-current assets	3,461	3,455	2,655
Current assets	1,231	1,112	959
Total assets	**4,692**	**4,566**	**3,614**
LIABILITIES			
Group share of the equity	2,112	2,141	1,882
Minority interests	349	416	199
Total equity	2,461	2,557	2,082
Non-current liabilities	1,675	1,510	964
Current liabilities	557	499	568
Total liabilities	**4,692**	**4,566**	**3,614**

Change in the breakdown of the assets employed and investments by business

Assets employed by business (in millions of euros)



Total investments by business (in millions of euros)



(1) **OPS:** Other Products & Services.

Simplified changes in shareholders' equity (including minority interests)

(in millions of euros)	2011	2010	2009
Equity as at January 1	2,557	2,082	1,954
Income for the year	193	264	234
Dividends	(122)	(84)	(89)
Effect of exchange rate fluctuations	(124)	116	(36)
Change in consolidation scope	(33)	150	8
Other changes	(10)	29	11
Shareholders' equity as at December 31	2,461	2,557	2,082

Consolidated financial ratios

(in millions of euros)	2011	2010	2009
Net debt/total equity (in %)	43.8	38.6	31.4
Net debt/EBITDA (1)	2.19	1.96	1.38
Net debt/cash flows from operations	2.97	2.42	1.68
Coverage of net financial expenses			
by EBITDA	12.1	20.0	19.7
by EBIT	7.7	13.3	13.4

(1) **Earnings Before Interest, Taxes, Depreciation and Amortization :** gross operating earnings plus other ordinary income (expense). EBITDA is not an aggregate defined by accounting policies. Since EBITDA is calculated differently from one Company to another, the data provided in this Registration Document and related to the Group's EBITDA might not be comparable to EBITDA data from other companies.

4

Risk factors

Before taking the decision to invest in the Company, prospective investors should examine all the information contained in this Registration Document, including the risks described below. These risks are those which, as of the date of registration of this Registration Document, are liable, if they materialize, to have an adverse effect on the Group, its business, its financial position or its earnings, and which are material to any decision on whether or not to invest. However, the attention of prospective investors is drawn to the fact that the list of risks set out in this section 4. "Risk factors" is not exhaustive and that there may be other risks either unknown or which at the date of this Registration Document, were not considered as likely to have an adverse effect on the Group, its business, its financial position, or its earnings, but could in fact adversely affect its activities, its financial position, its earnings, its prospects or its ability to achieve its objectives

4.1. Risks relating to the group's business

4.1.1. Risks related to the competitive environment

The Group operates its various businesses in competitive markets. In relation to the Group's main businesses - Cement, Ready-mixed concrete and Aggregates - competition is principally on a regional scale, due to the relative magnitude of transport charges, especially in the case of road transport. The competitive intensity of each regional market depends on present and available production capacities. The Group's ability to maintain its sales and its margin on each market therefore depends on its capacity to respond to market demand with its local production facilities. The presence of other producers with available or surplus capacities on a regional market or one in the vicinity, or the presence of one or more producers having or being capable of setting up material import infrastructures (in the case of cement and aggregates) on the regional market under satisfactory economic conditions (for example, through port or rail access) may lead to increased competition.

Intense competition in one or more of the markets in which the Group operates may have a material adverse effect on its business, its financial position, its earnings, its prospects or its capacity to achieve its objectives, in particular in the context of a world-wide economic crisis and considerable financial instability. This is particularly the case in the cement manufacturing business, given the highly capital intensive nature of this business and the significant effect of a volume variance on its results (see section 6.2 "Group strengths and strategy" and sections 6.3.1.5 and 6.3.2.5 "Competitive position" of this Registration Document).

4.1.2. Sensitivity to energy supply and costs

The Group's production activities and, in particular, the cement manufacturing business, consume large amounts of thermal and electrical energy, which represent a significant part of production costs.

The Group's electricity is supplied by local producers in each country and the Group does not always have an alternative supply source. This situation exposes the Group to interruptions in electricity supply or price increases. Where the Group has considered this risk to be significant, it has established independent electricity generation facilities.

Except as otherwise discussed above and in section 4.1.4.5 "Availability of certain raw materials" of this Registration Document, the Group believes that it is not dependent on its suppliers.

For its supplies of thermal energy, the Group buys fossil fuels on the international markets and is thus exposed to fluctuations in the price of such fuels. In order to limit its exposure, the Group has on the one hand adapted its production facilities to use, to the extent possible, a variety of fuels, and, on the other hand is continuing with forward purchasing in order to smooth out the effects of fuel price fluctuations. It has also developed a policy intended to foster the use of alternative fuels, namely waste materials, as described in section 8.2.2. "Optimized mix of energy sources" of this Registration Document.

However, increases or significant fluctuations in the price of electricity or fuel may have a material adverse effect on the Group's business, its financial position, its earnings, its prospects or its capacity to achieve its objectives.

4.1.3. Country risks

An integral part of the Group's growth strategy is to seize development opportunities in growing markets. In 2011, approximately 33 % of the Group's sales were made on these markets, referred to as "emerging markets". This exposes the Group to risks such as political, economic and financial or social instability, staff safety, difficulties in recovering customer debts, exchange rate fluctuations, high inflation rates, the existence of exchange control procedures, export controls, taxation and differences in regulatory environments that may affect the markets on which the Group operates, and even nationalizations and expropriations of private property that could affect companies operating in these markets.

Thus in 2011, the Group's results in Egypt were affected by the consequences of the political events which occurred at the beginning of the year (cf. section 9.2.2. "Change in operating income" of this Registration Document. With regard to the outlook, see also section 12.2.1.1. of this Registration Document).

Although the Group carefully selects the countries in which it operates, the materialization of some of these risks could affect the continuity of its businesses in the countries concerned and have a material adverse effect on its business, its financial position, its earnings, its prospects or its capacity to achieve its objectives.

4.1.4. Industrial and environmental risks

4.1.4.1. Risks related to production facilities

The Group's factories were built in compliance with applicable standards and were designed so as to afford a significant degree of resistance to natural risks such as wind, snow and earthquakes. The choice of sites for the factories also considers natural flooding risks.

The Group's production facilities are equipped with monitoring and control systems incorporating automatic devices and software, whose malfunction could affect the factories' daily operations.

Heavy production facilities are protected against risks of breakdown and machine failure by permanent maintenance programs and by reserves of spare parts (such as engines, reducers and bearings etc.) for the most important systems and those with long lead times. Due to their remoteness, which lengthens lead times, the Group ensures that its factories located in emerging markets rigorously apply this policy of maintaining reserves of spare parts.

However, the Group cannot exclude the occurrence of such events, which could have a material adverse effect on its business, its financial position, its earnings, its prospects or its capacity to achieve its objectives.

4.1.4.2. Risks related to industrial investments

The Group's development relies, in particular, on industrial investments intended to modernize its existing equipment and increase production capacity or develop new production capacity (greenfield plants in India). Regardless of the quality of the service providers used, any delay or difficulty in meeting the required performances may have a material adverse effect on the Group's business, its financial position, its earnings, its prospects or its capacity to achieve its objectives.

4.1.4.3. Environmental risks

The Group's principal environmental risks are the result of its activities which are governed by laws and regulations imposing a large number of obligations, restrictions and rigorous protective measures. The Group is constantly taking measures to address and limit these risks, paying particular attention to the following areas: integrating quarries into their environment, optimizing choices of energy sources, with an increasing share of alternative fuels and waste, controlling emissions, including greenhouse gases, managing and recycling the water needed for production. These measures are developed in section 8.2 "Environmental policy" of this Registration Document.

4.1.4.4. Risks related to product defects

Products manufactured by the Group are monitored throughout the production process. The Group also verifies the compliance of its products with the standards applicable in the markets where they are sold. However, despite these controls, it cannot exclude the possibility that malfunctions or accidents may result in product quality defects.

Such defects could have a material adverse effect on the Group's reputation, its activities, its financial position, its earnings, its prospects or its capacity to achieve its objectives.

4.1.4.5. Availability of certain raw materials

The Group has its own reserves of limestone, clay and aggregates, which are used for its industrial activities. It also buys some of these raw materials on certain markets from third-party suppliers, as well as additives such as blast furnace slag (from steel works), fly ash (a by-product of coal combustion in power stations) and synthetic gypsum.

The supply of raw materials to the Group's factories is ensured by the rigorous management of reserves and quarry operations. A specific in-house organization dedicated to this role enables complete confidential control of raw materials through the combined work of specialists and experts in geology, mining and the environment.

From geological and geochemical surveys to the determination of the intrinsic properties of the materials, from computer modeling to operational simulations and extraction and reinstatement work, Vicat employs the best technology there is. Thus, the study and monitoring of deposits enables their chemical balance to be monitored and the long-term continuity of supplies to the factories to be checked constantly.

Depending on the country, land is controlled by purchase or by an operating agreement with the owners, who may be the State itself. This stage occurs after a complete survey of the subsurface by geophysical or destructive probes.

Nevertheless, if the quarries operated directly by the Group or its suppliers suddenly ceased trading or were forced to cease or reduce production of these raw materials, the Group may be required to obtain its supplies at a higher cost and may not be able to recover such increased costs through price increases, or seek replacement raw materials, which could have a material adverse effect on its business, its financial position, its earnings, its prospects or its capacity to achieve its objectives.

4.2. Risks related to the industry in which the group operates

4.2.1. Risks of dependency on the construction (cyclical nature of the construction market), real estate (residential and non-residential), industry, public works and urban development markets

The products and services sold by the Group, and in particular cement, concrete and aggregates, are used for construction of individual or multiple occupancy housing, for industrial or commercial buildings and for infrastructure (roads, bridges, tunnels, highways). The demand for the products and services sold by the Group depends both on structural elements specific to each market and their evolution and on general economic conditions.

Structural factors that determine demand for construction materials on each market are mainly demography, the rate of urbanization and economic growth (represented for example by the gross national product per capita) and the respective growth rates of these parameters, as well as more cultural elements such as the construction practices of each market (timber, steel, concrete). A frequently used indicator of the intensity of consumption is cement consumption per capita.

Aside from these structural factors, the economic situation influences construction markets through the economic climate, and particularly in the current context of worldwide economic crisis and considerable financial instability. This is because global economic parameters determine the capacity of the public and private sectors to finance construction projects by access to credit, and to implement them.

To reduce the risk of the cyclical nature of a given market, the Group has adopted a geographical development strategy (detailed in section 6.2.3) aiming to combine investments in developed countries with investments in emerging countries, that thereby contribute to a diversification of its geographical exposure.

However, significant fluctuations of any of these parameters in a market important to the Group are likely to have a material adverse effect on its activities, its financial position, its earnings, its prospects or its capacity to achieve its objectives.

4.2.2. Risks related to regulation

The Group operates in a highly regulated environment. It must comply with many legislative and regulatory provisions, which differ in each of the countries in which it operates. In particular, the Group is subject to strict international, national and local regulations relating to the operation of quarries or cement factories (see section 6.5 “Legislative and regulatory environment” of this Registration Document). The continuation of any operation depends on compliance with these legislative and regulatory requirements. In this respect, the Group has developed a permanent dialogue with the local authorities and residents’ and environmental protection associations, in all its operating areas, and instituted measures intended to reduce the harmful effects related to quarrying operations to limit the risks of conflict. However, should the Group be unable to comply with the applicable regulations in the future, it could face withdrawals of operating licenses, incur liabilities or be sentenced to pay fines.

More generally, the Group cannot give assurances that rapid or significant modifications of the legislation and regulations in force will not occur in the future, whether at the initiative of the relevant authorities or following an action brought by a third party or local associations opposed to the development by the Group of its activities. Changes in applicable regulation or its implementation could lead to the imposition of new conditions for carrying on its business, which may increase the Group’s investment costs (related, for example, to adapting the methods of operating its quarries or cement factories), or its operating costs (in particular by the institution of procedures or controls and additional monitoring), or may constitute an impediment to the development of its business.

The Group cannot exclude that such developments may have a material adverse effect on its activities, its financial position, its earnings, its prospects or its capacity to achieve its objectives.

4.2.3. Climate risk

The construction materials business operated by the Group in various markets experiences seasonal fluctuations, which depend both on climate conditions and on the practices of each market. Beyond the usual incidence of such seasonal fluctuations, which is described in section 9 “Examination of the financial position and earnings” of this Registration Document, the Group’s business could be affected by climate risks that could have an impact on its most significant markets. The demand for construction materials is directly affected by exceptional climatic conditions (such as very cold temperatures, or abundant rain or snow) which may affect the normal use of materials on building sites, particularly during periods of intense activity in the construction sector.

The occurrence of such conditions in a market important to the Group could have a material adverse effect on its activities, its financial position, its earnings, its prospects or its capacity to achieve its objectives.

4.3. Legal risks

The Group's companies are, or are likely to be, involved in a certain number of legal, administrative or arbitration proceedings in the normal course of their business. For example, changes to laws and regulations, as well as the increasing activity of local associations opposed to development of the cement industry may generate administrative proceedings and potential disputes. Damages are, or can be, claimed against the Group under some of these proceedings (see section 6.5 "Legislative and Regulatory Environment" and section 20.6 "Legal proceedings and arbitration" of this Registration Document). The policy of allocating provisions is set out below in note 1.17 of section 20.2.2 "Notes to the 2011 consolidated financial statements" of this Registration Document.

4.4. Market risks

The Group operates within an international framework through locally established subsidiaries, some of which account for their operations in non-Euro currencies. The Group is therefore exposed to exchange rate and conversion risks.

4.4.1. Exchange rate risks

The subsidiaries' business essentially involves producing and selling locally, in their operating currency, so the Group feels that its current and future exposure to exchange rate risks is very low overall in this respect.

These companies' imports and exports denominated in currencies other than their own local currency are generally hedged by forward currency purchases and sales.

The Group's financial indebtedness is essentially borne by the Company and is denominated in Euros after the conversion of US Dollar denominated debts through financial hedging instruments (cross currency swap or forex). Intragroup financings are hedged by subsidiaries if the loan currency is not the same as the subsidiary's operating currency.

The Group is still exposed in some countries where there is no hedging market (currency not convertible) or the market is not sufficiently liquid.
The table below sets forth the breakdown of the total amount of the Group's assets and liabilities denominated in currencies as at December 31, 2011, when the transaction currency is different from the subsidiary's operating currency. The main risk involves the US Dollar as this table shows:

(in millions of euros)	US Dollar	Euro	Swiss Franc
Assets	288.0	74.9	0.0
Liabilities and confirmed orders	(1,121.4)	(168.1)	(23.0)
Net position before risk management	**(833.4)**	**(93.2)**	**(23.0)**
Hedging instruments	627.1	85.5	23.0
Net position after risk management	**(206.4)**	**(7.7)**	**0.0**

The net position after risk management in US Dollars corresponds mainly to the Kazakhstan subsidiaries' debt to finance providers and to the Group which are not swapped owing to the absence of a sufficiently structured and liquid hedging market.

The hypothetical loss on the net currency position arising from an unfavorable and uniform change of one centime of the operating currency against the US Dollar would amount to € 1.7 million (including € 1.4 million for the Kazakhstan loan).

However, the Group cannot exclude the fact that an unfavorable change in exchange rates could have a material adverse effect on its activities, its financial position, its earnings, its prospects or on its capacity to achieve its objectives.

4.4.2. Conversion risks

The financial statements of the Group's foreign subsidiaries (other than in the Euro zone) as expressed in their operating currencies are converted into Euros, the "presentation currency", in preparing the Group's consolidated financial statements. Fluctuation of the exchange rate of these currencies against the Euro results in a positive or negative variation in the Euro value of the subsidiaries' income statements and balance sheets in the consolidated financial statements. The effect of fluctuating exchange rates on the conversion of the financial statements of the Group's foreign subsidiaries (other than in the Euro zone) on the consolidated balance sheet and the income statement is discussed in sections 9 "Examination of the financial position and earnings" and 10 "Cash flow and equity" of this Registration Document.

4.4.3. Interest rate risks

The Group is exposed to an interest rate risk on its financial assets and liabilities and its cash. This exposure to interest rate risk corresponds to two categories of risk.

4.4.3.1. Exchange rate risks for items in the financial assets and liabilities at a fixed rate

When the Group incurs a debt at a fixed rate, it is exposed to an opportunity cost in the event of a fall in interest rates. Interest rate fluctuations have an impact on the market value of fixed rate assets and liabilities, while the corresponding financial income or financial expense remains unchanged.

4.4.3.2. Cash flow risks related to items in the assets and liabilities at variable rates

The interest rate risk is generated primarily by variable interest rate items in the assets and liabilities.

Interest rate fluctuations have little impact on the market value of variable rate assets and liabilities, but directly affect the Group's future income flows and expenditure. Exposure to interest rate risks is managed by combining fixed and variable rate debts on the one hand and on the other hand by limiting the risk of fluctuation of variable rates by recourse to hedging instruments (caps and rate ceilings) and by short term cash surpluses remunerated at a variable rate. The Group refrains from speculative transactions in financial instruments. Financial instruments are exclusively used for financial hedging purposes.

The table below shows the breakdown of the fixed and variable rates by currency of the Group's net exposure to the interest rate risk after hedging as at December 31, 2011.

(In thousands of euros)	Euro	Dollar US	Other currencies	Total
Total gross debt	978,197	221,970	235,974	**1,436,141**
Debt at fixed rate (including swaps and CCS)	644,460	12,452	249,523	**906,435**
Debt at variable rate	333,737	209,518	(13,549)	**529,706**
Hedging instruments (Caps)	360,000	27,050	0	**387,050**
Gross debt at variable rates	**(26,263)**	**182,468**	**(13,549)**	**142,656**
Cash and cash equivalents	(30,933)	(7,159)	(321,317)	**(359,409)**
Net position after hedging	**(57,196)**	**175,309**	**(334,866)**	**(216,753)**

The only significant residual position, excluding cash, corresponds to the Kazakhstan subsidiary's loan, denominated in US Dollars and at an interest rate of Libor$ 6 month rate. The Group estimates that a uniform change in interest rates of 100 basis points would have an insignificant impact on its earnings, or on the Group's net position as the table below illustrates:

(In thousands of euros)	Impact on earnings before taxes	Impact on equity (excluding impact on earnings) before taxes
Impact of a change of +100bps in the interest rate	1,407	(12,185)
Impact of a change of -100bps in the interest rate	(482)	12,050

4.4.4. Equity and securities risks

The Group does not have a securities portfolio, other than holdings of treasury shares, purchased principally in June 2007 in the context of the sale by Heidelberg Cement of its shares in the Company. The situation of this portfolio of treasury shares as at December 31, 2011 is as follows:
- Number of Vicat shares held in the portfolio 1,009,426;
- Percentage of share capital held by the Company 2.25 %;
- Carrying cost of the portfolio by the historical cost method (purchase price) € 80,559 thousand;
- Net carrying cost of the portfolio € 42,759 thousand;
- Market value of the portfolio € 44,622 thousand.

Changes in the Vicat share value below the historical purchase price may lead to a change in the Company's earnings, in respect of which a provision of € 37,800 thousand was made for share depreciation before tax as at December 31, 2011.

Under its cash flow management plan, the Group invests only in short term cash instruments (having a maturity of less than three months) exhibiting no risk of variation in the value of the principal invested. These investments were made with a diverse group of leading banks. These surpluses are denominated in Swiss Franc, US Dollar, Rupee and Euro.

Certain defined benefit pension plans, in the United States and in Switzerland, are hedged in full or in part by dedicated financial assets consisting, in part, of equity securities. The sensitivity of the value of these hedging assets at the end of 2011 corresponding to a change of ±100 basis points in the rate of return excepted from the assets is respectively € 3.0 and (3.0) million. The hedging assets are largely made up of financial assets other than shares, so the equity and securities risk is considered to be insignificant.

A negative trend in financial markets could result, in certain cases, in a need to supplement the financing or the provisioning for these plans in order to meet the obligations of the relevant Group companies.

A significant increase in contributions by the Group or an increase in provision in accordance with IAS 19 may have a material adverse effect on the Group's activity, its financial position, its earnings, its prospects or its capacity to achieve its objectives.

4.4.5. Risks relating to liquidity

Today, the Group is exposed to limited liquidity risks, as discussed in section 10.3.1 "Group financial policy" of this Registration Document and in note 17 "Financial instruments" in the appendix to the consolidated financial statements.

The maturities of the debt as at December 31, 2011 are shown below:

		N+1		N+2	N+3	N+4	N+5 et +
(In thousands of euros)		Nominal	Interest	Nominal	Nominal	Nominal	Nominal
US Private placement	611,127		29,388	105,956		105,936	399,235
Compulsory loans							
Bank loans	779,021	58,352	27,985	36,601	62,220	43,472	578,376
Financial leasing debts	8,141	2,919	407	2,430	1,641	744	407
Miscellaneous debts	21,181	10,969	1,719	4,785	697	433	4,297
Creditor banks	33,755	33,755	1,268				
Derivative instruments	(17,084)	98	(1,155)	(320)	455	(634)	(16,683)
Total financial liabilities	**1,436,141**	**106,093**	**59,612**	**149,452**	**65,013**	**149,951**	**965,632**

* The interest on the N+1 debt is calculated on the basis of the known due date of the debt as at December 31, 2011 and the interest rates at that date. The Group does not publish earnings or cash flow forecasts, so no calculation is made on following years.

The liquidity risk is therefore covered by surpluses of cash as well as by the availability of unused confirmed credit lines for the Company, over 1 and 4 year periods. Considering the small number of companies concerned, essentially Vicat SA, the parent Company of the Group, the low level of net debt (as at December 31, 2010 the Group's gearing and leverage were 43.8 % and 219.3 % respectively) and the liquidity of the Group's balance sheet, the existence of covenants contained in some of these credit lines agreements does not constitute a risk for the Group's financial position. At December 31, 2011, the Group is compliant with all ratios required by covenants in contained financing contracts.

4.5. Risks related to the company

4.5.1. Risks related to dependence on managers and key employees

The Group's future success relies, in particular, on the complete involvement of its senior managers. The management team has been marked by stability over a long period (service with the Group in most cases of over fifteen years) and benefits from significant experience of the markets in which the Group operates.

In addition, the Group's continuing growth will require the recruitment of a qualified and internationally mobile supervisory staff. Should the Group suddenly lose several of its managers or be unable to attract these key employees, it could encounter difficulties affecting its competitiveness and its profitability. These difficulties could have a material adverse effect on the Group's activities, its financial position, its results of operations and prospects or on its capacity to achieve its objectives.

4.5.2. Risks relating to the financial organization of the Group

Some of the Group's subsidiaries are located in countries that can be subject to constraints as regards taxation or exchange controls restricting or making more expensive the distribution of dividends outside of these countries. Although the Group considers that this risk is limited, it cannot exclude the possibility that this may happen in the future, which could have a material adverse effect on its activities, its financial position, results of operations, prospects or on its capacity to achieve its objectives.

4.5.3. Risks related to dependence on customers

To date, the Group carries out its three businesses in eleven countries with a varied customer base. Indeed, customers of the Cement, Concrete & Aggregates businesses and of the Other Products & Services are distinct economic players in each of the markets where the Group operates: primarily distributors and concrete mixers for the Cement business, construction and public works contractors for the Concrete & Aggregates business, and others depending on the sectors comprising Other Products & Services. The Group does not have global customers present across a number of these markets.

Nevertheless, some of the Group's best customers are also important counterparties, in particular, in the Cement business, whose loss would be damaging to the Group's positions in the relevant markets. Although the Group considers that such a risk is limited, it cannot exclude the possibility that such a loss might occur in one or more of its markets, which could have a material adverse effect on its activities in the country concerned, its financial position, its results of operations, its prospects or on its capacity to achieve its objectives.

4.6. Risk management

The risk hedging policy is defined by the Group's CEO and is implemented under the supervision of the deputy CEOs of the Group, with the assistance of the legal department. This policy aims to identify potential risks, and define and implement measures to limit these risks through prevention and hedging policies, in order to promote controlled risk management. For each risk, detailed above in sections 4.1 to 4.5, the measures taken to hedge the risk are specified where applicable. In addition, the Group's policy on internal audit is described in appendix 1 "Report by the Chairman on the corporate governance and internal audit" of this Registration Document.

4.6.1. Risk prevention policy

The risk prevention policy is an integral part of the Group's industrial policy. It is the responsibility of each operational manager, by country or type of business, and is based, in particular, on the choice of first-rank suppliers for industrial investments, on the constitution of buffer stocks, on the implementation of monitoring and risk prevention procedures and on a training policy. The Group has also established an Internal Audit department which reports to the Group's General Management and is able to involve itself in all the Group's businesses and subsidiaries. It works in accordance with an annual audit plan intended to cover the main risks identified within the company, in particular those relating to accounting and financial information.

The audits are the subject of reports submitted to management, General Management and the Audit Committee. These comprise summary reports intended particularly for Managers and detailed reports designed inter alia to make the operational staff concerned aware of any findings and proposed recommendations.

In addition, the Internal Audit department undertook a risk identification and analysis study. After identification of the risks through discussions with the Group's key operational and functional managers and a subsequent analysis phase conducted in conjunction with General Management, this study enabled a mapping of the risks to which the Group is exposed.

4.6.2. Risk hedging and insurance policy

The Group has subscribed to “Group policies” with leading insurers. These policies are intended to cover foreign subsidiaries, subject to compliance with local legislation.

To improve the protection of its assets, the Group has made, with the assistance of insurers and experts, an analysis of the risks and means of prevention. The Group undertakes an identical policy for risks related to its civil liability.

4.6.2.1. Property damage

The Group’s assets are insured against fire risks, explosion, natural events and machine breakages. A policy covering risks related to operating losses has been subscribed for the cement and paper businesses. This policy is in line with comon practices in cement industry.

The cover taken out of € 150 million per incident, including operating losses, with the sublimits and exclusions standard in the market, resulted from a study of potential incidents.

The Group’s large industrial sites are inspected regularly by safety engineers. Recommended preventive measures are incorporated into the work on new strategic sites from the design stage onwards.

The implementation of their recommendations is monitored with a view to limiting the probability of accidents occurring.

The Group as a whole also has standard insurance policies for its automotive vehicle fleet and for the private or public transport of its goods or other property by land, sea or inland waterway.

4.6.2.2. Civil liability

The cap on the cover under the civil liability insurance policy is € 100 million. All foreign subsidiaries are insured under the “Group” policy once the warranty and amounts of the compulsory local policies are exhausted.

The guaranteed payouts under the civil liability and product liability insurance policies are subscribed, both in France and abroad, in amounts consistent with local activities and economic considerations.

The risk of environmental civil liability is taken into account in each country.

The Group’s managers and corporate officers, as well as beneficiaries of powers of attorney are insured under a “corporate officers” civil liability insurance policy, the purpose of which is to deal with the pecuniary consequences of claims made by third parties for defaults engaging their personal civil liability, either individually or collectively.

In 2011, the total cost of insurance cover on the main risks managed under Group policies was of the order of 3.8 per thousand euros of sales.

The items outlined above are quoted by way of illustration at a specific period in time. The Group’s insurance policy is subject to change depending on terms and conditions in the insurance market, opportunities which arise and evaluation by the General Management of the risks incurred and the adequacy of the cover in respect of such risks.

Information about the Company

5.1. History and development of the Company

5.1.1. Corporate name

The Company's name is Vicat SA.

5.1.2. Place of registration and registration number

The Company is registered at the Trade and Companies Register of Nanterre under the number 057 505 539.

5.1.3. Date of incorporation and duration of the Company

The Company was incorporated in 1853 and registered in the Trade and Companies Register, on January 1, 1919 for a term of 99 years, which has subsequently been extended by a further 80 years to December 31, 2098 by the Combined General Meeting of shareholders of May 15, 2009.

5.1.4. Registered office

The Company's registered office is located at Tour Manhattan, 6, place de l'Iris, 92095 Paris-La Défense Cedex (telephone: + 33 (0) 1 58 86 86 86).

5.1.5. Legal form and applicable legislation

The Company is a société anonyme with a Board of Directors, governed by the provisions of Volume II and articles R. 210-1 et seq. of the French Commercial Code.

5.1.6. Accounting period

The Company's accounting period begins on January 1 and ends on December 31 of each year.

5.1.7. History

- **1817:** Invention of artificial cement by Louis Vicat.
- **1853:** Foundation of the Company and construction of the first cement factory (Genevrey-de-Vif by Joseph Vicat, son of Louis Vicat); implementation in this factory of the "double firing" manufacturing method, allowing the manufacture of very homogeneous and very consistent cement.
- **1875:** Construction of the La Pérelle factory in France, manufacturing quick-setting cement.

- **1922 - 1929:** Construction of the French cement factories at Montalieu and La Grave-de-Peille by Joseph Merceron-Vicat, grandson of Joseph Vicat.
- **1950:** André Merceron-Vicat embarks on a program to modernize and increase production capacity at Vicat's factories.
- **1960 - 1972:** Consolidation of the French cement industry. Construction of the Créchy factory and acquisition of other factories in France (Saint-Égrève, Chambéry, Voreppe, Bouvesse, Pont-à-Vendin).
- **1974:** First investment by the Group abroad, with the acquisition of the Ragland cement factory in Alabama (United States).
- **1984:** Jacques Merceron-Vicat is appointed as Chairman and Chief Executive Officer of the Group. The Group commits from this date to vertical integration of its business in France by acquisition of numerous Ready-mixed Concrete and Aggregates companies, thus gradually building up a network in the Île-de-France, Centre, Rhône-Alpes and Provence-Alpes-Côte d'Azur (PACA) regions, and by the acquisition of SATM (transport) and VPI (bringing together two companies specializing in renders, mortars, adhesives and mastics).
- **1987:** The Group continues its development in the United States with the acquisition of the Lebec cement factory in California.
- **1991 - 1994:** Jacques Merceron-Vicat continues the development of the Group internationally with the acquisition of Konya Cimento and Bastas Baskent, in Turkey.
- **1999:** Acquisition of Sococim Industries in Senegal and United Ready Mix in California.
- **2001:** Acquisition of the Vigier group in Switzerland, which produces cement, concrete, aggregates and prefabricated products.
- **2003 - 2006:** Acquisition of Cementi Centro Sud, on the west coast of Sardinia and takeover of control of the Sinaï Cement Company in Egypt through the successive acquisitions of blocks of shares (with the Company holding 48.25 % of the capital of the Sinaï Cement Company at the end of 2006).
- **2007:** Sale by HeidelbergCement of its 35 % shareholding in the Group. Launch of the "Performance 2010" Plan intended to increase cement production capacities by 50 % and to reduce costs by 2010 by, in particular, increasing significantly the Group's use of substitute fuels. Acquisition of 60 % of the capital of Mynaral Tas Company LLP in Kazakhstan allowing the Group to be involved in the construction of a cement plant in Mynaral with a production capacity of 1.1 million tonnes.
- **2008:** Guy Sidos is appointed as Chief Executive Officer of the Group on March 7, 2008, replacing Jacques Merceron-Vicat, who remains Chairman of the Board of Directors. Acquisition of the Walker group in the United States, a specialist in ready-mixed concrete. Creation in India of a joint venture company, Vicat Sagar Cement, in which the Group has a majority holding; this Company intends to build a cement factory with a 5.5 million tonnes capacity in the State of Karnataka in two phases; the first kiln line is expected to be finished in 2012. In Mauritania, acquisition of 65 % of the capital of BSA Ciment SA, a Company that operates a cement grinding center. In addition to the Performance Plan 2010, Performance Plus Plan was launched to optimize the cost structure in response to the deterioration of the macroeconomic environment.
- **2009:** The Group completed the Performance Plan 2010 Plan by increasing the capacity of the kiln at Reuchenette (Switzerland) in the first half of the year, and by opening the new kiln line at Sococim (Senegal) in October. In addition, the Performance Plus Plan, initiated as a complementary measure to the Performance 2010 Plan, generated savings of € 61 million.
- **2010:** Increase in the capacity of the Sinaï Cement factory in Egypt with the start-up of the new 400,000 tonnes capacity cement grinding mill. Acquisition of 51 % of the Company Bharathi Cement based in southern India and owner of a cement factory the capacity of which has been increased to 5 million tonnes. Finalization of the financing for the Vicat Sagar Cement greenfield project in India, in the Southern Indian province of Gulbarga (State of Karnataka), enabling the construction of a cement factory which will finally have a capacity of 5.5 million tonnes. Start-up of the Jambyl Cement 1.1 million tonnes cement factory in Mynaral, Kazakhstan. Acquisition in France of the Company L. Thiriet & Cie, in Meurthe-et-Moselle, France, specialist manufacturer of concrete and aggregates.
- **2011:** Strengthening of the market position of Jambyl Cement in Kazakhstan and of Bharathi Cement in India following the start-up of its second production line. Increase in capital of Mynaral Tas, of which the Group held now 84% of the company shares.

5.2. Investments

The cement-manufacturing industry is a highly capital-intensive industry, requiring significant investments. The construction of a cement factory generally requires capital expenditure from € 150 to 200 million. The Group has always taken care to maintain its industrial production facilities at a high level of performance and reliability. Accordingly, it invests continuously in new equipment, which enables it to benefit from the latest tested and recognized technologies.

Between 2006 and 2009, the Group carried out an industrial investment plan designed to increase its cement production capacity by approximately 50 %, by bringing one new kiln a year into service during this period. The schedule for implementing this plan was adapted during 2008 and 2009 to take into account the situation in certain markets. As a result, the construction of the new kiln at the Ragland plant in the United States was suspended, whereas the increase in capacity at the Reuchenette plant in Switzerland was brought forward to 2009.

In addition, the Group concluded partnerships in Kazakhstan and in India with a view to building greenfield plants in these countries. The construction of the factory Jambyl Cement, located in the Mynaral site in Kazakhstan was completed and the factory began operations at the beginning of April 2011.

Construction of the Vicat Sagar Cement factory located in Chatrasala, in the State of Karnataka in Southern India, began in September 2010. It is scheduled to begin operations in the second half of 2012.

Lastly, the Group continued with its external growth strategy. This was demonstrated in 2010 with the acquisition of 51 % of the Company Bharathi Cement, with a production capacity of 2.5 million tonnes, which rose to 5 million tonnes at the end of 2010 with the commissioning of the second production line.

As indicated in section 10.3.1 “Group financial policy” of this Registration Document, the finance required for industrial investments is met from the Group’s own resources. The choice of new equipment to be acquired under this investment program embodies the Group’s objective of continuing to improve the energy efficiency of its installations and increasing substantially the proportion of alternative fuels used. The following sections present the main investments made in recent years and the major projects in progress or planned for the future.

5.2.1. Investments made

The table below sets out, by business, the main investments made by the Group over the last three years:

(in millions of euros)	2011	2010	2009
Cement	242	487	246
Concrete & Aggregates	54	100	34
Other Products & Services	15	26	14
Total	**311**	**612**	**294**
Of which financial investments	*35*	*277*	*20*

5.2.1.1. Investments made in 2011

The total amount of industrial investments made in 2011 was € 276 million. These are shown below for each of the Group’s main businesses. Financial investments amounted almost to € 35 million in 2011 and related mainly to the increase in the capital of the Group’s Kazakhstan subsidiary.

(a) Cement: capital expenditure amounting to a total of € 242 million, of which € 211 million in industrial capital expenditure

- **France:** The main investments made during 2011 focused on reducing production cost.
- **Senegal:** Investments during the year related mainly to the upgrading of some facilities and the purchase of a new bagging unit.
- **Kazakhstan:** The operational cement marketing phase began in 2011. Related to the finalization of the construction of the plant, site development and improvement of logistics has been made.
- **India:** The construction of the second clinker production line for Bharathi Cement, completed at the end of December 2010 and doubling production capacity, resulted in some finishing work during 2011. The Company is also continuing work on its greenfield plant at Chatrasala as part of the joint venture, Vicat Sagar Cement Private Ltd.
- **Turkey:** Investment mainly went into reducing costs, predominantly through the use of alternative fuels, and acquiring land to help secure raw materials reserves.

(b) Concrete & Aggregates: capital expenditure amounting to a total of € 54 million, of which € 52 million in industrial capital expenditure

Investments in France and abroad have primarily worn on the maintenance and renewal of the production tool.

(c) Other Products & Services

Capital expenditure amounted to € 15 million, of which € 12 million in industrial capital expenditure, mainly devoted to the renewal of transportation equipment in France and the activity of prefabrication in Switzerland.

5.2.1.2. Investments made in 2010

The total amount of industrial investments made in 2010 was € 335 million. These are shown below for each of the Group’s main businesses. Financial investments amounted almost to € 277 million in 2010 and were mainly made up of the share of the acquisition of 51 % of Bharathi Cement in India paid to third parties (the balance coming from an increase in the capital), the acquisition of the Concrete and Aggregates company, L. Thiriet & Cie in Southern Lorraine, the precast concrete products business, Cewag, in Switzerland, and Mines & Rocks, a Company that mines aggregate quarries near Bangalore.

(a) Cement: capital expenditure amounting to a total of € 487 million, of which € 259 million in industrial capital expenditure

- **France:** The construction of the Fos-sur-mer grinding mill was completed in 2010. This plant increases the Group’s milling capacity in France using modern technology, and strengthens its position in the Provence-Alpes-Côte d’Azur Region. Other industrial capital expenditure went into reducing costs.

- **Senegal:** The work involved in completing the kiln that opened in October 2009, and the associated cement mill was completed in 2010.
- **Egypt:** The construction of the 4th cement mill was completed in 2010, enabling the Group to take full advantage of the growth in the Egyptian market.
- **Kazakhstan:** The Mynaral plant, with a capacity of 1.1 million tonnes, went into the production phase in December 2010.
- **India:** The construction of the second clinker production line for Bharathi Cement was completed at the end of December 2010, doubling production capacity. The Company is also continuing work on its greenfield plant at Chatrasala as part of the joint venture, Vicat Sagar Cement Private Ltd.
- **Turkey:** Investment mainly went into reducing costs, predominantly through the use of alternative fuels, and work towards achieving compliance with future environmental standards.
- **Switzerland:** The main aim of this year's investment was to complete the process of increasing the capacity of various production facilities at the Reuchenette plant in the different workshops.

(b) Concrete & Aggregates: capital expenditure amounting to a total of € 100 million, of which € 57 million in industrial capital expenditure

- **France:** The Group acquired the Company L. Thiriet & Cie which operates 3 concrete plants and 4 aggregate quarries in Southern Lorraine. Other investments were focused on the maintenance of production facilities, as well as on improving environmental conditions and safety.
- **Senegal:** The Group secured its basalt aggregate reserves by the acquisition of a plot adjacent to the Diack site.
- **Switzerland:** Land was bought to exploit aggregate resources, and some equipment was replaced.

(c) Other Products & Services

Capital expenditure amounted to € 26 million, of which € 18 million in industrial capital expenditure.

- **France:** Investment mainly related to replacing transport equipment.
- **Switzerland:** In the context of the acquisition of Cewag, the Company acquired some land on the strategic Berne-Fribourg axis. Investments were also made to increase the capacity of the Precast concrete products business.

5.2.1.3. Investments made in 2009

The total amount of industrial investments made in 2009 was € 274 million. These are shown below for each of the Group's main businesses. Financial investments amounted to almost € 20 million in 2009 and include the buy-back of shares held by minority shareholders.

(a) Cement: capital expenditure amounting to a total of € 246 million, of which € 232 million in industrial capital expenditure

- **France:** The main investments made in 2009 were focused on improving production costs, the environment and safety. The capacities of alternative fuel plants were increased at the Montalieu, Peille and Créchy factories.
- **Senegal:** Construction of a new firing line was completed on schedule in 2009. This kiln, which employs the very latest technology, brings the Group's cement production capacity in Senegal to 3.5 million tonnes a year. The plant enables the Group to take full advantage of the growth potential in West Africa with a modern production facility. It also brings to an end the external purchases of clinker and increases noticeably the proportion of alternative fuels used.
- **Switzerland:** The capacity of the kiln at the Reuchenette cement plant was increased to 2,400 tonnes of clinker per day, in order to meet increasing market demand. Work was completed in the first half of the year, bringing to an end the external purchases of clinker and increasing the capacity to use alternative fuels.
- **Turkey:** Alternative fuel preparation and feed systems were completed and brought on stream in May 2009. This installation substantially increases the capacity of the Bastas plant to use alternative fuels.
- **Egypt:** Work on the construction of a 4th cement mill began during the year, with start-up scheduled for 2010.
- **Kazakhstan:** Construction of the greenfield plant continued as planned. The facilities will be operational, as originally scheduled, at the end of 2010.

(b) Concrete & Aggregates: capital expenditure amounting to a total of € 34 million, of which € 32 million in industrial capital expenditure

- **France:** The principal concrete investments were related to the renovation of four concrete batching plants. With regard to aggregates, the Group acquired a new suction dredger and undertook the improvement of an existing dredger. In addition to this, two new processing units came into operation.
- **Switzerland:** Investments were made on facilities for recycling certain materials recovered from construction sites, including timber, in order to supply the Reuchenette plant with biogenic materials.
- **Senegal:** Investments mainly concerned the replacement of a crusher at the Diack quarry.

(c) Other Products & Services

Capital expenditure amounted € 14 million, including € 10 million in industrial investments, relating mainly to construction chemicals in France and to the concrete precasting business in Switzerland.

5.2.2. Principal investments in progress and in planning

In the current uncertain economic environment, the Group is determined to pursue its growth strategy prudently by building on the benefits of the Performance 2010 plan. The greenfield project at Chatrasala in India will continue throughout 2012, with the first line scheduled to come on stream in the second half of 2012.

In addition, the Group will actively pursue its investment policy to maintain and renew its industrial and continuously reduce its production costs.

In this context, the total amount of capital expenditure for 2012 should be between € 200 and € 250 million. The main projects are as follows:
- **France**: Industrial investments will focus on the opening and development of career Mépieu, which will supply the plant Montalieu limestone.
- **India:** Construction of the first production line at the Chatrasala plant by the joint venture Company Vicat Sagar Private Ltd., begun in 2010, will continue in 2012 with start-up scheduled for the second half of 2012 (see also sections 6.3.1.7 (i) "Description of businesses and introduction to the markets" and 12.2.3 "Industrial investments"). The power generation plant for the factory and the cogeneration plant are scheduled to be completed by mid-2012.

6

Business overview

The Group's three businesses are:
- Cement;
- Ready-mixed concrete and Aggregates;
- Other Products & Services.

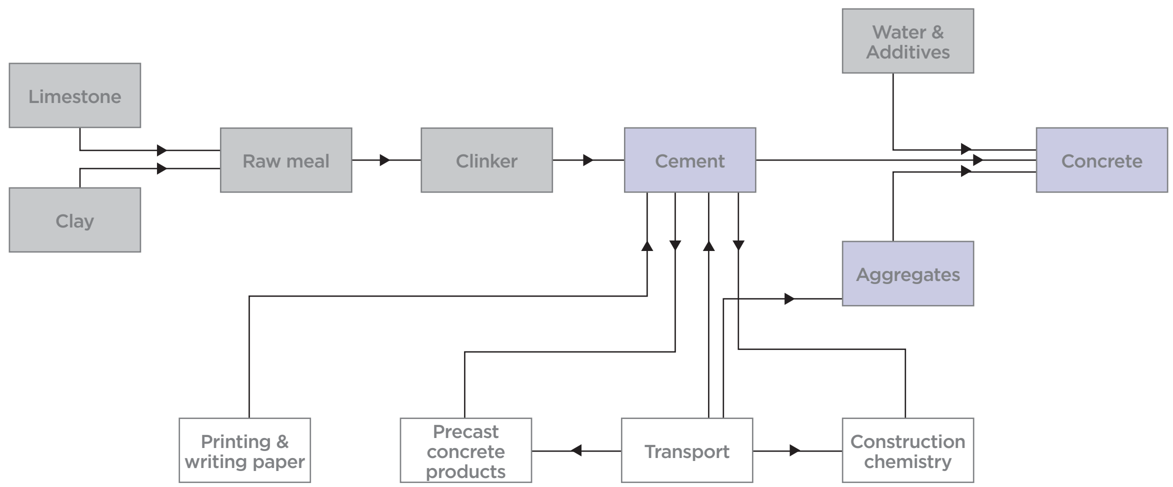
The Group has developed around the manufacture and sale of cement, a business it undertakes in all the countries where it operates. The Group then integrates vertically downstream in the cement industry in businesses such as Ready-mixed concrete and Aggregates. Together, these three activities comprise the Group's core business, on which it focuses its development.

In addition, the Group operates complementary activities in certain countries, such as transport, construction chemicals, paper production and precast concrete products.

The Group is based in eleven countries across Europe, North America, Asia, Africa and the Middle East.

6.1. Overview of the group's businesses

The following diagram shows the physical flow of production and the integration of the Group's activities.



Cement — The Group's main businesses [Cement, Concrete & Aggregates]

Limestone — Raw materials or semi-finished products

Printing & writing paper — The Group's complementary [Other Products & Services]

Cement: cement is a hydraulic binder which forms a part of the composition of concrete; its raw materials are limestone and clay. In contact with water, the cement silicates and aluminates reorganize and form a crystalline structure, which gives the strength to concrete.

Ready-mixed concrete: concrete is obtained by mixing cement, aggregates, water and additives. Depending on the work for which it is intended and the environment to which it will be exposed, concrete is mixed, dosed and used specifically to meet precise quality and performance criteria.

Aggregates: aggregates are sands and natural gravels used in the construction of civil engineering works, public works and buildings. A significant quantity of these aggregates is used in the manufacture of concrete, with the remainder being intended for highway construction.

Other Products & Services: the Group also operates in activities complementary to its three main businesses, which enables it to develop synergies, optimize costs and improve customer service. These activities are transport, construction chemicals, production of paper and paper bags and prefabricated concrete products.

As at December 31, 2011, the Group employed 7,471 people worldwide, and recorded 58.6 % of its sales outside France.

Consolidated sales allocated by business

	2011		Change 2011/2010	2010		2009	
	millions of euros	%		millions of euros	%	millions of euros	%
Cement	1,138	50.2	+10.1 %	1,033	51.3	950	50.1
Concrete & Aggregates	818	36.1	+14.2 %	716	35.6	696	36.7
Other Products & Services	310	13.7	+17.4 %	264	13.1	250	13.2
Total	**2,265**	**100.0**	**+12.5 %**	**2,014**	**100.0**	**1,896**	**100.0**

The share of the Group's core businesses that Cement, Concrete and Aggregates represent remained fairly stable in 2011 at more than 86 % of consolidated sales; the share of sales accounted for by the cement business fell slightly, with the acquisition of Bharathi Cement in 2010 being offset by the downturn in Egypt, following the events at the start of 2011. The increase in the share represented by Concrete & Aggregates resulted mainly from dynamic markets in France, Switzerland and Senegal and, to a lesser extent, from acquisitions. Other Products & Services benefited from growth of the transport business in France and acquisitions at the end of 2010 in the precast concrete sector in Switzerland.

Consolidated sales allocated by geographic area

	2011		Change 2011/2010	2010		2009	
	millions of euros	%		millions of euros	%	millions of euros	%
France	902	39.8	+ 15.0%	785	39.0	809	42.7
Europe (excluding France)	432	19.1	+ 22.7%	352	17.5	328	17.3
United States	165	7.3	- 1.6 %	168	8.3	187	9.8
Turkey & Asia	345	15.2	+ 42.9 %	241	12.0	141	7.4
Africa &	421	18.6	- 10.0 %	468	23.2	432	22.8
Middle East	**2,265**	**100.0**	**+ 12.5 %**	**2,014**	**100.0**	**1,896**	**100.0**

The share of consolidated sales made in France increased owing to an improvement in market conditions and favorable weather conditions. The construction and public works market in Switzerland was very dynamic in 2011. Business in the United States remained very weak despite a slight improvement in the construction market in the second half of the year. The Turkey & Asia region's share rose significantly as a result of the increased output from the greenfield Jambyl Cement plant in Kazakhstan and full consolidation during the year of Bharathi Cement in India, with the additional contribution from the second production line. The Africa & Middle East region contributed less in 2011 owing to the downturn in business in Egypt, which was partially offset by the dynamic market in West Africa.

EBITDA allocated by business

	2011		Change 2011/2010	2010		2009	
	millions of euros	%		millions of euros	%	millions of euros	%
Cement	380	77.3	- 8,0 %	413	81.8	364	76.9
Concrete & Aggregates	78	15.9	+ 24,9 %	62	12.4	83	17.5
Other Products & Services	33	6.8	+ 14,8 %	29	5.8	26	5.6
Total	**491**	**100.0**	**- 2.6 %**	**504**	**100.0**	**473**	**100.0**

6.2. Group strengths and strategy

Over a period of more than 150 years, the Group has developed an expertise in the Cement, Concrete and Aggregates businesses which have allowed the Group to establish its position as a regional leader in most markets in which it operates. The Group occupies, alongside other larger multinational companies, a specific position among multi-regional leading players.

The Group focuses on its core business, Cement, in which it has an acknowledged historical expertise, and expands into the ready-mixed concrete and aggregates markets by vertical integration, in order to ensure its access to the cement consumption markets. It also benefits from synergies with complementary activities, carried out in certain markets, to consolidate its product range and reinforce its regional positioning (for example the precast concrete products business in Switzerland or transport in France).

The Group favors controlled development in its various businesses, balancing a dynamic internal growth, sustained by industrial investment to meet market demand, with a selective external growth policy to approach new markets having an attractive growth potential or to accelerate its vertical integration.

6.2.1. The Group's strengths

Over the years, the Group has developed an acknowledged expertise in its main businesses, with a multi-location approach which has led it to build strong regional positions and to distribute its activities in a balanced way.

The Group's principal strengths can be summarized as follows:
- industrial and commercial expertise in the Group's core businesses;
- long-term strategy, ensured by family shareholding and management, the family having managed the Group for over 150 years and having in-depth experience of the businesses;
- diversified geographical presence with strong regional positions;
- stable industrial policy prioritizing long-term management of geological reserves as well as maintaining a modern, high-performance industrial base;
- a solid financial structure with high levels of profitability in recent years, enabling the Group, as has been the practice in the past, to finance its growth objectives from its own resources, thereby supporting the creation of value for shareholders.

These strengths allow the Group to respond strongly to competitive pressure in certain of its markets and to position itself effectively on markets experiencing sustained growth by rapidly increasing its industrial production capacities or by acquisitions, while at the same time pursuing its dual objective of generating high operating margins and actively managing the environmental aspects of its operations.

6.2.2. Development strategy by business

6.2.2.1. Cement

Cement is the Group's main business, forming the base of its development and profitability. Growth in this business rests on three pillars:
- dynamic internal growth;
- external growth targeting markets with high development potential and construction of greenfield sites.

The industrial scheme of the Group is described in the section 8.1 of this Registration Document.

(a) Internal growth sustained by industrial investment

In the markets where it operates, the Group maintains a constant industrial investment effort intended to do the following:
- first, to modernize its production facilities to improve efficiency and economic performance of its factories and thus have the industrial capacity to respond to intense competition;
- second, to increase its production capacity to keep in step with its markets and to consolidate or increase its positions as regional leader.

Between 2006 and 2009, the Group undertook an investment program which enabled it to increase its production capacity by 50 % while improving the productivity of its industrial equipment (the Group's investments are shown in detail in section 5.2 "Investments" of this Registration Document):
- in **France**, increasing the capacity of the Montalieu factory between 2005 and 2008;
- in **Turkey**, construction of a new kiln for the Bastas factory, close to Ankara, which was commissioned at year-end 2007, to meet demand growth in the Turkish market;
- in **Egypt**, during the second half of 2008, doubling the production capacity of the factory to allow Sinai Cement to respond to the strong growth of the domestic market;
- in **Senegal**, large investment project from 2006 to 2009 intended both to reduce production costs for Sococim Industries and to increase its capacity to meet the needs of West African markets. A new firing line was brought on stream in October 2009;
- in **Switzerland**, accelerating investments to meet strong demand because of clinker under-capacity at the Reuchenette cement factory. Therefore, the increase in capacity of 200,000 tonnes of cement per year, which was initially planned for year-end 2010, was brought forward to the end of the first half of 2009.

The Group also wants to continue the industrial development of its businesses in general, and of its Cement business in particular, while also actively managing environmental aspects.

(b) External growth

- Acquisitions targeting new markets with considerable potential

The Group's strategy is to continue the industrial development of its businesses in general, and of its Cement business in particular, while also actively managing environmental aspects:
- location near a significant market having attractive growth potential;
- long-term management of geological reserves (objective of 100 years for cement) and securing its operating licenses;
- net contribution by the project to the Group's results in the short term.

The Group's record of growth over the past 30 years illustrates the success of this policy to date.

In 2010, the Group acquired Bharathi Cement, with a cement works which had a capacity of 5 million tonnes at the end of 2010 and is strategically located between Chenai and Bangalore, right in the heart of the high potential market of Southern India. This acquisition was financed by the existing lines of credit of the Group.

- Construction of greenfield sites

As was achieved in Kazakhstan in 2007, the Group may also seize opportunities to enter new developing markets by constructing new factories on so-called “greenfield sites”. Such projects are examined very selectively and must comply with the Group’s above mentioned external growth criteria.

In this context, the Group brought on stream the Jambyl Cement factory at the Mynaral site in Kazakhstan in April 2011 and continued construction of the Vicat Sagar Cement factory in the State of Karnataka, in southern India, where start-up is scheduled on the second half of 2012.

6.2.2.2. Ready-mixed concrete

The Group is developing its Ready-mixed concrete business to reinforce its cement manufacturing business. This development strategy is in line with the maturity of the relevant markets and their integration in the Group’s concrete production.

The Group’s objective is to create a network of Ready-mixed concrete batching plants around cement factories and close to its consumption markets, whether by constructing new plants or acquiring existing producers.

The Group’s objective in investing in this business is vertical integration while prioritizing the flexibility and mobility of its industrial equipment and ensuring the profitability of the business.

The Group’s development in France, Switzerland, Turkey and the United States illustrates this strategy. In other markets such as India, Egypt or Senegal, the Group’s strategy is to follow the evolution of these markets so as to develop its activities once demand for Ready-mixed concrete is sufficiently high.

6.2.2.3. Aggregates

The Group’s presence in the Aggregates business is intended to provide a total response to its clients’ demand for construction materials and to secure the aggregates resources necessary to develop the Ready-mixed concrete activity. Development in this business relies on industrial acquisitions and investments intended to increase the capacity of existing installations and to open new quarries and installations.

Investments in this business takes into account the following criteria:
- proximity to the final markets and the Group’s concrete batching plants;
- management of significant geological reserves (objective of more than 30 years);
- profitability specific to this business.

This development plan has been implemented successfully in France, Switzerland, Turkey, India and Senegal.

6.2.3. Geographical development strategy

The Group is established and works in eleven countries. It records 41.4 % of its sales in France, 17.8 % in Europe (excluding France), 7.3 % in the United States and 33.5 % in emerging markets (India, Kazakhstan, Egypt, Mali, Mauritania, Senegal and Turkey).

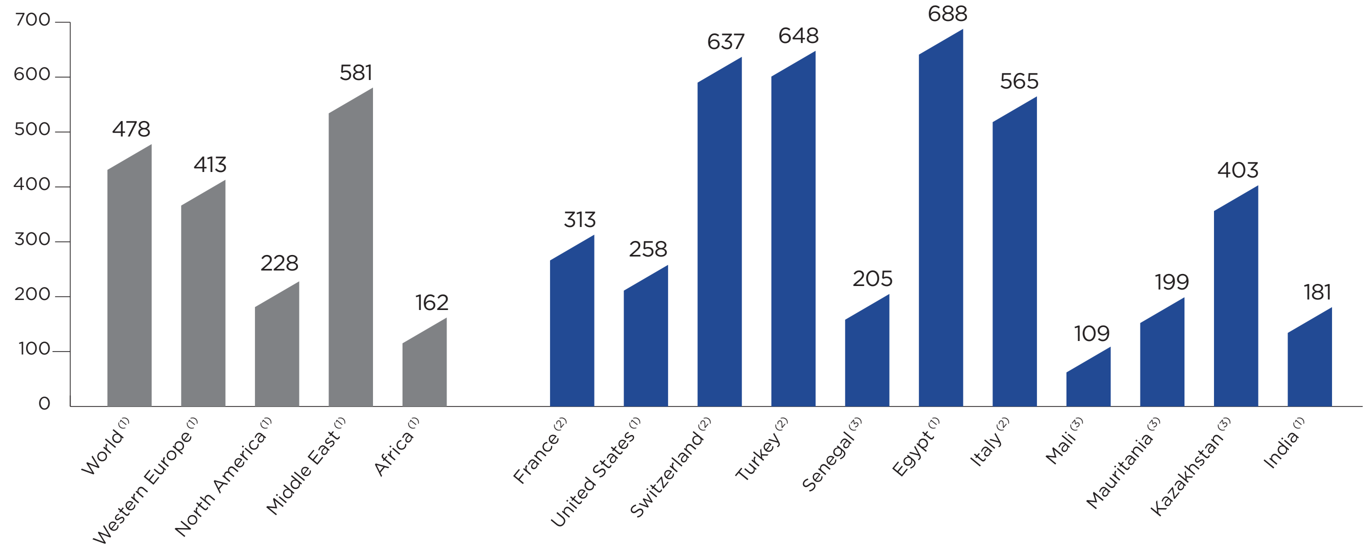
The Group’s strategy is to combine investments in developed countries, which generate more regular cash flows, with investments in emerging markets offering significant growth opportunities in the longer term, but which remain subject to more significant market fluctuations, and thereby contribute to a diversification of its geographical exposure. In this context, the Group has a particular interest in development projects in emerging market countries. 2010 was marked by the Group’s strong development in India thanks to the acquisition of Bharathi Cement and the start-up of a new production line which doubles the plant’s capacity, as well as the construction of a greenfield plant. These projects are illustrations of the geographic development strategy in place.

In the markets where it operates, the Group aims to develop strong regional positions around its industrial Cement production facilities, while also consolidating its position through its Ready-mixed concrete and Aggregates businesses. Where the Group has entered a market through acquisition of a local producer, it lends its financial strength and its industrial and commercial expertise to optimize the economic performance of the acquired entity while capitalizing on the local identity of the acquired brands.

6.3. Description of the businesses and introduction to the markets

Generally, the dynamism of the construction materials industry in a given market depends primarily on the demographic development of the population, economic growth and evolution of its urban development rate. In addition, the architectural culture and local construction practices have a great influence on the choice of construction materials, which mainly include concrete, wood and steel. This choice is also guided by the availability and the price of each of these materials locally.

Annual cement consumption per capita in 2010 (kg/capita)

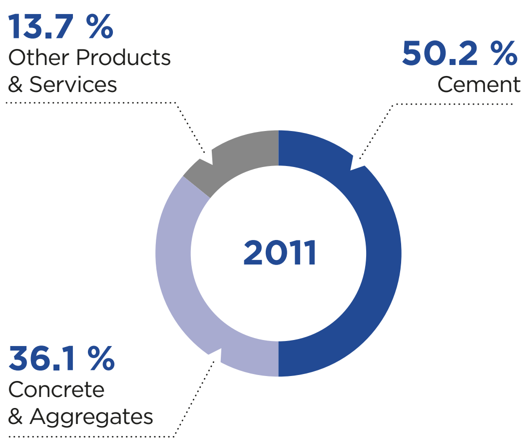


(1) Source: "Global Building Materials" Jefferies International Ltd, February 2012; CIA, The World Factbook.
(2) Source: Cembureau, June 2011.
(3) Internal source.

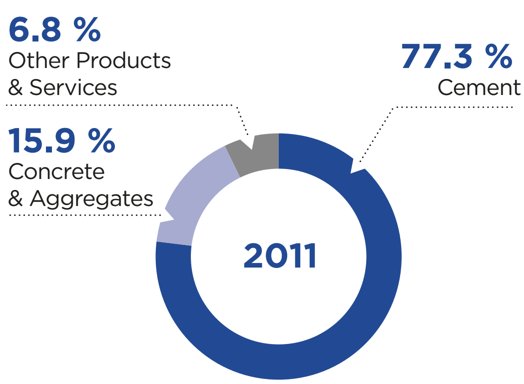
The selling price of cement, which is the Group's principal product, is determined primarily by availability and ease of extraction of its component raw materials, by the cost of thermal and electrical energy, and by the availability of qualified personnel to maintain the production facilities. The existence of surplus production capacity increases competitive intensity and influences prices.

The distributions of the Group's consolidated sales and EBITDA (1) by business in 2011 were as follows:

Consolidated sales by business

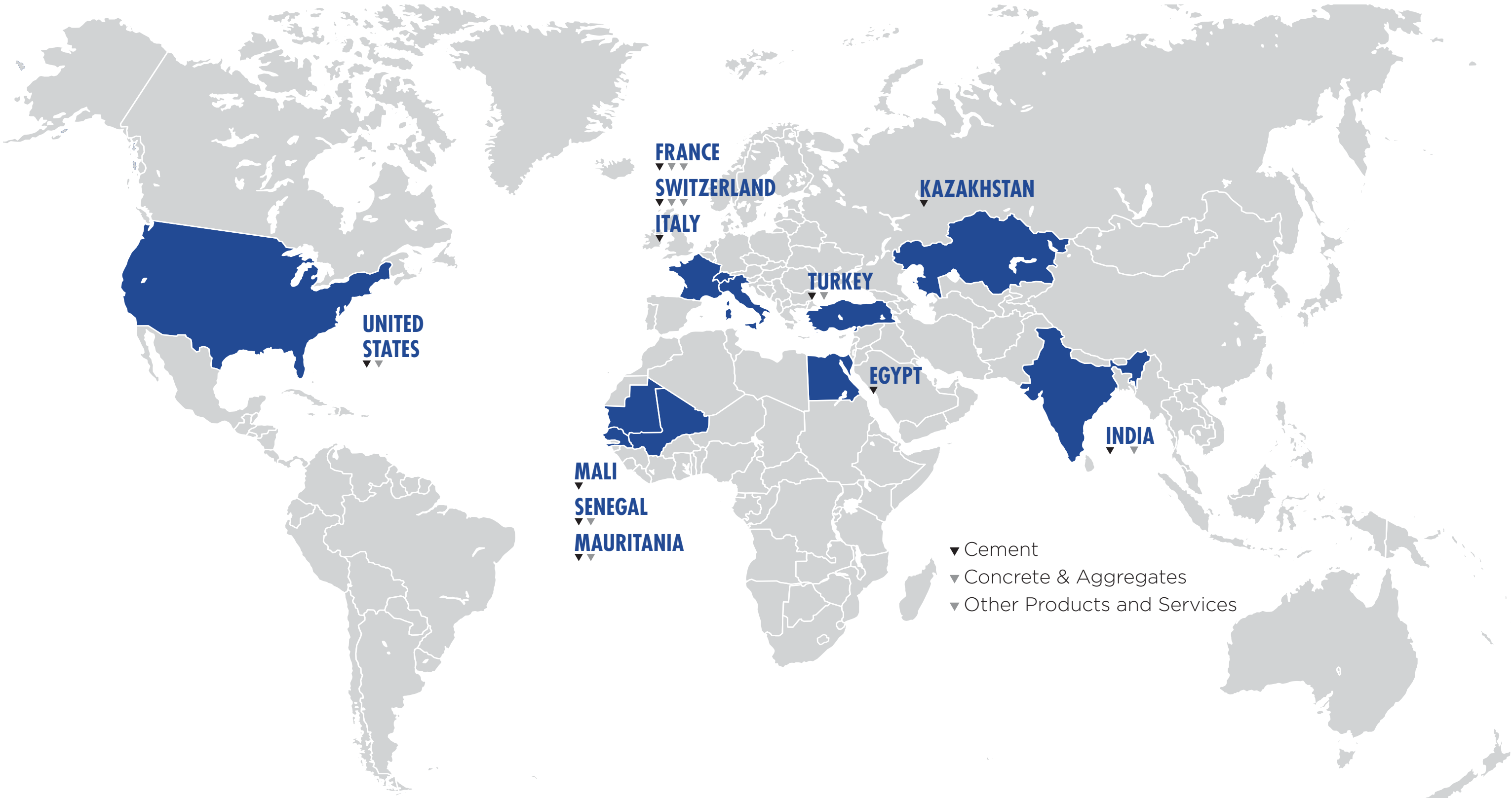


EBITDA by business



(1) **Earnings Before Interest, Taxes, Depreciation and Amortization** is calculated by adding the gross operating margin and other operating expenses and income. EBITDA is not an aggregate defined by accounting policies. Since EBITDA is calculated differently from one Company to another, the data provided in this Registration Document relating to the Group's EBITDA might not be comparable to EBITDA data from other companies. sociétés.

The Group organizes its teams by business segment in order to manage each of its activities more effectively. This organization was driven by the fact that the Cement business, on the one hand, and the Concrete & Aggregates businesses, on the other hand, are based on different economic models and serve different customers. Accordingly, the Group manages its activities and allocates its resources by business segment in all the markets where it operates. Nonetheless, the capital-intensive nature of this industry often leads the Group to coordinate its businesses by market, in order to improve the overall efficiency of its organization.



6.3.1. Cement

Cement manufacture has been the Group's core business since the Company's foundation in 1853. Cement is a fine mineral powder and is the principal component of concrete, to which it confers a certain number of properties, in particular, its strength. It is a high quality and economic construction material used in construction projects worldwide.

As at December 31, 2011, the Group's worldwide Cement business comprised 14 cement factories and five clinker grinding plants. In France, the Group also operates two factories specializing in natural fast-setting cement. The Group's cement sales volumes in 2011 (before intra-group eliminations) amounted to 18 million tonnes (compared with 16.2 million tonnes in 2010 and 14.5 million tonnes in 2009). In 2011, therefore, this segment accounted for 50.2 % of the Group's consolidated sales (51.3 % in 2010, 50.1 % in 2009 and 45.2 % in 2008), and 77.3 % of the Group's EBITDA (81.8 % in 2010, 77 % in 2009 and 73.5 % in 2008).

6.3.1.1. Products

The Group manufactures and markets various categories of cement, which are classified according to the chemical composition of their constituting raw materials, the addition of supplementary ingredients at the grinding stage and the smoothness of the product. Each cement range is appropriate for specific applications such as housing construction, civil engineering works, underground works or the production of concretes subject to corrosive conditions.

The distribution between each type of application on a given market depends on the maturity and the construction practices of the country. The Group's cement factories manufacture conventional cements as well as cements for specific applications. In both cases, these cements are certified as compliant with the standards currently in force in the various countries in which the Group operates, both in terms of composition and of designation. The principal cement categories produced by the Group are set out and classified below according to French standards:

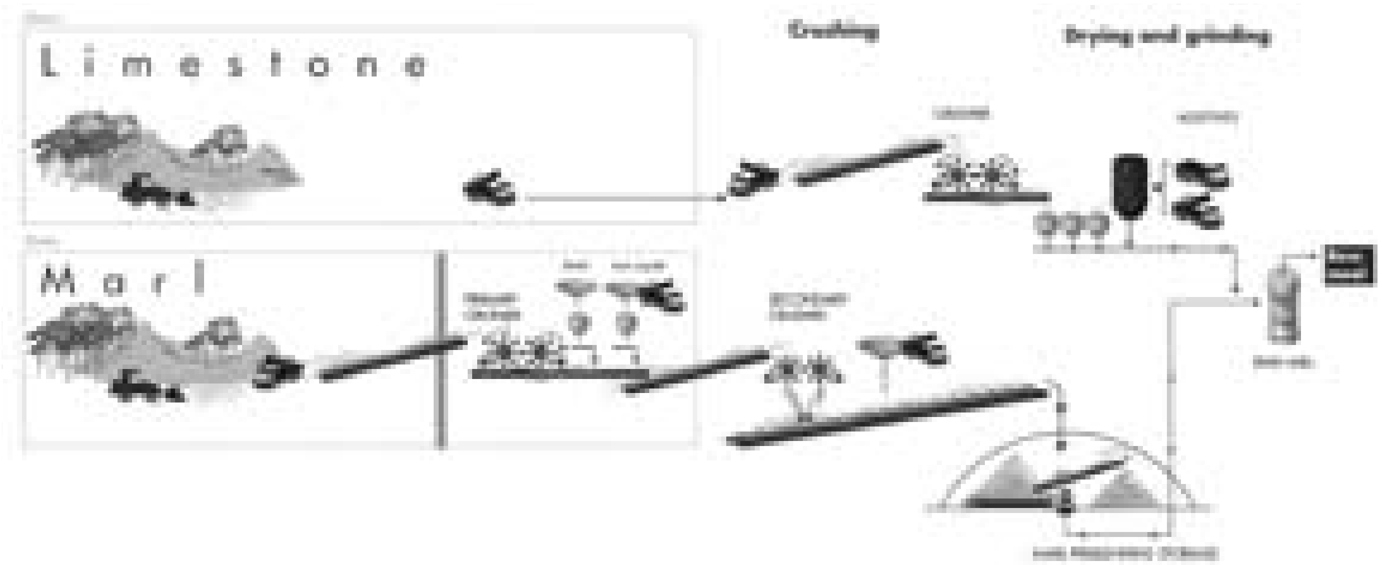
- CEM I (Portland cements) and CEM II (composite Portland cements): cements most commonly used in the housing construction industry, to produce conventional reinforced concrete works;
- CEM III (blast furnace cements) and CEM V (slag cements): conventional cements, with few heat releasing properties during hydration and with low sulfate content, used in underground work in corrosive conditions or in work by marine environments;

- CEM IV (pozzolanic cements): conventional cements using mineral products of volcanic origin with hydraulic properties. The Group manufactures and sells this type of cement only in Italy;
- natural quick-setting cement: special quick-hardening cement, whose strength, immediately superior, increases gradually as time passes. For 150 years, the Group has produced its quick-setting cement from a natural alpine stone, with an exceptional performance offering an immediate and high strength as well as little shrinkage. This cement is used for sealing blocks or waterways, and for façade renovations.

All these cements are checked regularly and thoroughly at each stage of the manufacturing process, thus guaranteeing compliance of the finished product with current standards. In addition, the Group conducts research and development programs on its products and their applications, advancing the knowledge of these products and optimizing their use (see section 11 "Research and development, patents and licenses" of this Registration Document).

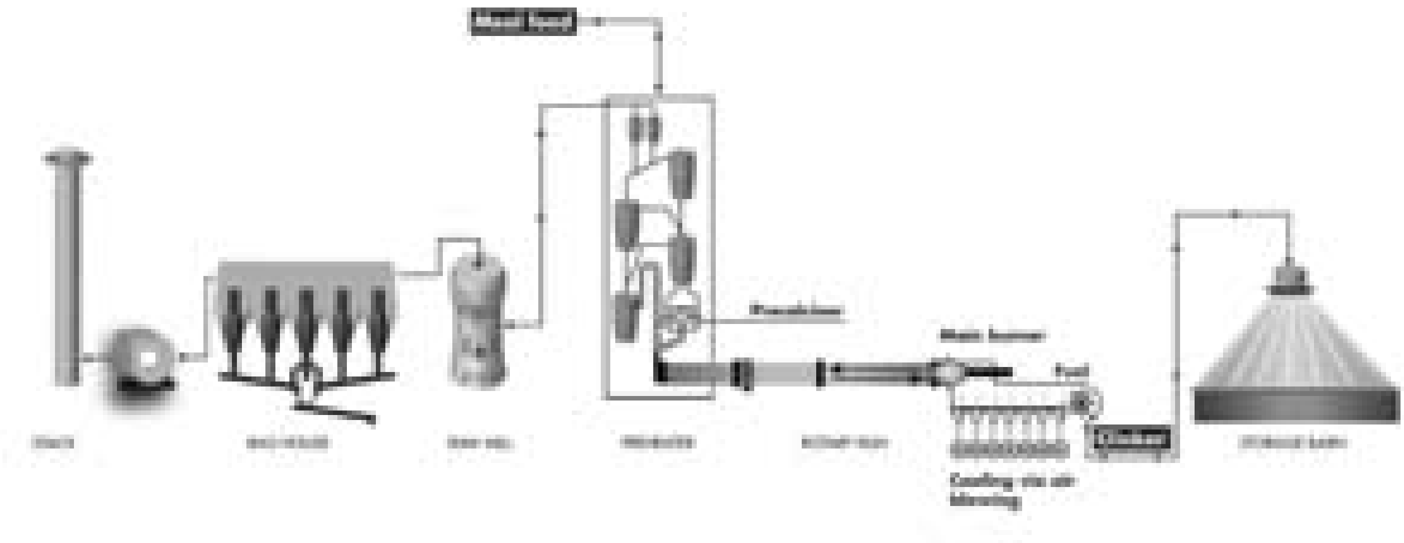
6.3.1.2. Manufacturing methods

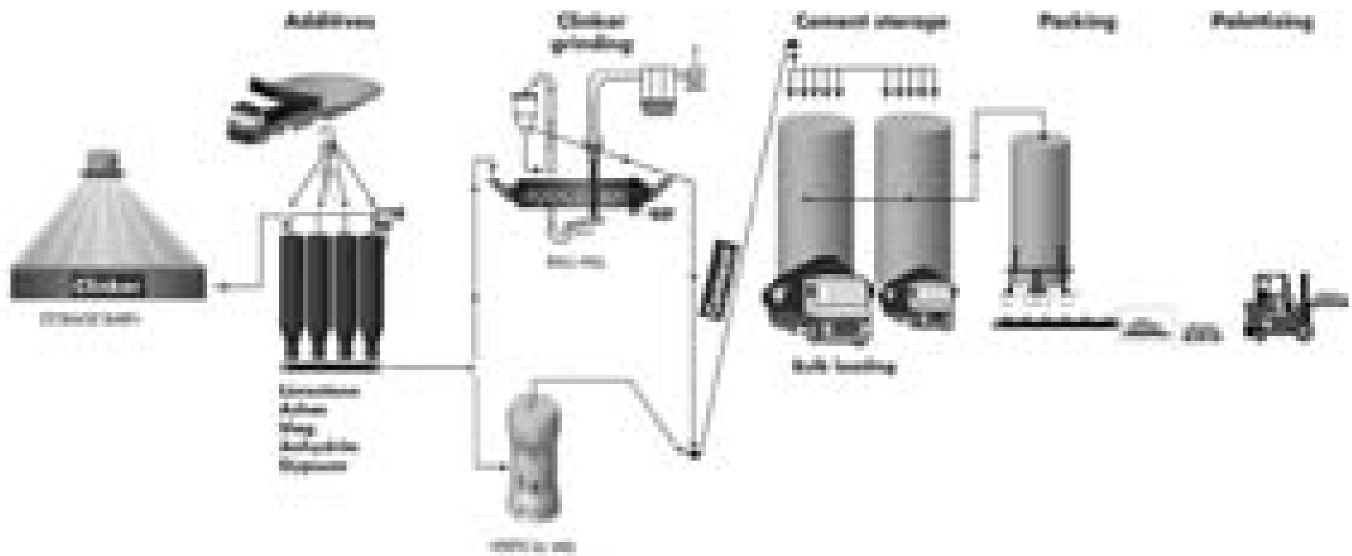
Cement manufacture proceeds mainly in four stages:
- Extraction of the raw materials: limestone and clay are extracted from quarries generally located near the cement factory. The rock is blasted out with explosives. The rocks and blocks obtained are then transported to crushers, in order to reduce their size and obtain stones less than 6 cm in diameter.
- Preparing the raw meal: the materials extracted from the quarries (limestone and clay) are finely crushed until rock flours are obtained. These flours are then mixed in fixed proportions (approximately 80 % limestone and 20 % clay) before being fed into the kiln. The chemical composition and the homogeneity of the material on entry to the kiln, and its regularity in time, are fundamental elements in controlling the production process.



- The kiln system includes a heat exchanger cyclone tower, where the raw meal is introduced after being heated by the exhaust fumes of the revolving kiln (precalcination phase). The raw meal undergoes complex chemical reactions during this firing: first, limestone is decarbonated under the action of heat at a temperature bordering 900°C and is converted into lime, while clays are broken down into silicates and aluminates. The unit then recombines these at a temperature of approximately 1,450°C into lime silicates and aluminates. This chemical process creates a semi-finished product called clinker, which has the properties of a hydraulic binder. This firing takes place in tilted revolving kilns lined with refractory bricks.

There is a large global trade in clinker, the semi-finished product. As this product is easier to transport and store, clinker transfers from areas with excess capacity to areas with under-capacity or to areas not having the mineral resources necessary for cement manufacture have been developing over the past few years. This reduces the volume of the transported product compared to cement thereby lowering logistics costs. Once it has reached the consumption market, clinker is delivered to grinding plants, which complete the cement manufacturing process up to packaging and distribution. This method is used by the Group in Italy and Mauritania in particular, as discussed below.





- At the final stage, clinker is ground very finely and limestone filler and gypsum are then added to obtain artificial cement which can be sold in bags or in bulk. Gypsum and limestone filler are added in order to control the cement setting time. Furthermore, in countries subject to European regulations, the Group is reducing the Chrome VI content of clinker by adding iron sulfate, and has implemented a quality-control procedure to ensure the conformity of delivered products to these regulations. Depending on the quality of the cement.

There are three types of cement manufacturing processes, each characterized by the specific treatment of the raw materials before their firing, namely: the dry, semi-dry/semi-wet and wet processes. The technology used depends on the source of the raw materials. The source and nature of the clay or limestone, together with the water content, are particularly important. In recent decades, the European cement industry has invested heavily in the planned transfer from the wet to the dry process, which consumes less energy, when raw material resources permit this. Of the Group's 20 kilns currently in service, 19 are dry process kilns. In addition, the kiln on order is also dry process.

The cement-manufacturing process is very energy-intensive, both electrically and thermally. Electricity is used for transporting the materials inside the factories for the crushing and grinding operations, while thermal energy is consumed mainly when firing the clinker. The cost of energy accounts for approximately 40 % of the average ex-works cement cost price for the industry [(1)] and is the primary expense item (this percentage being lower for the Group). In 2011, the energy thus accounted for the entire Group about € 272 million. The Group allocates a significant part of its industrial investments to the improvement of its energy productivity.

The Group optimizes its energy requirements by using waste as fuels to replace fossil fuels (coal, gas and oil). Their combustion in a clinker kiln makes it possible to recover and recycle released energy. All the Group's French factories have obtained agreement from the inspecting authorities to use non-hazardous industrial waste or eco-center waste (tires, animal meal, industrial oils, etc.) as fuel. The Group gives priority to multi-fuel factories capable of switching between different kinds of fuels according to fuel price. In 2011, the share of alternative fuels in the Group's cement manufacturing business was on average 15.7 %, with significant disparities (from 0 % to 73 %) depending on the availability of fuels in the operating countries.

The Group also uses clinker replacement materials produced by other industrial processes, such as fly ash (coming from the burning of coal in power plants) or blast furnace slags (which are a by-product from steel works). Their use in defined proportions can improve certain properties of the cement and reduce the amount of clinker and thus the amount of fossil fuel needed for its manufacture.

(1) Source: CEMBUREAU

6.3.1.3. Production equipment

The Group's cement factories, their industrial equipment and the fixed quarries are owned on a freehold basis. The marl and limestone quarries used by the Group for its cement manufacturing business are generally located on land owned by the Group. Where this is not the case, the Group has entered into mining rights agreements, whereby the Group is entitled to use the quarries on a long-term basis (generally over several decades).

The table below shows the Group's industrial and logistics system for its cement-manufacturing business:

	Cement factories	Grinding plants	Kilns	Kilns under construction	Cement terminals
France	5	3	5		4
United States	2		2		5
Switzerland	1		1		1
Turkey	2		4		
Senegal	1		3		2
Egypt	1		2		
Italy		1			2
Mali					1
Kazakhstan	1		1		4
India	2 [(1)]		2	1	75 [(2)]
Mauritania		1			12 [(3)]
Total	**15**	**5**	**20**	**1**	**106**

(1) Including one cement factory under construction.
(2) Bharathii Cement distribution depots, mainly rented, for local distribution.
(3) BSA Ciment distribution terminals in Mauritania for the retail sale of cement.

A description of the industrial equipment and the Group's industrial policy are detailed below in section 8 "Real estate, factories and equipment" of this Registration Document.

6.3.1.4. Implantations

The Group manufactures cement in the eleven countries where it is present. The Group is the third largest cement manufacturer in France [1], with strong positions in the eastern half of France and particularly in the south-eastern quarter.

Starting in 1974, the Group approached its international development selectively, by choosing its new geographical establishments alternatively on mature and emerging markets. The Group has thus established operations on four continents and developed its positions to become a key regional player in each country.

The Group has developed strong positions in the United States in the States of Alabama and California, in Switzerland in the western half of the country, in Central Anatolia in Turkey and in Egypt in the Sinai region and in Cairo. The Group also estimates that it has a leading position in Senegal and the countries bordering it. The Group also has a grinding plant and shipping terminals in Italy. Finally, establishing facilities recently in Kazakhstan and in India in the States of Karnataka and Andra Pradesh confirms the Group's geographic diversification, its international dimension as well as its integration strategy.

6.3.1.5. Competitive position

Although the worldwide cement industry is still very fragmented, with the world leader holding a 5% [1] global market share approximately, a trend towards concentration has occurred in recent decades, first in Europe, the United States and finally in the rest of the world, leading to the emergence of powerful global players.

Markets are therefore subject to strong competition and the Group is thus in competition both with national cement manufacturers such as Oyak in Turkey or Ciments du Sahel in Senegal and with multinational cement manufacturers such as Lafarge (France), Cemex (Mexico), Holcim (Switzerland), HeidelbergCement (Germany) or Italcementi (Italy), which operate in a number of the Group's markets.

The cement being a heavy product, expensive to transport, the operating range of most cement factories does not generally exceed 300 kilometers by road. Competition thus plays out mainly with cement manufacturers having factories in the Group's marketing zones. Except in the case of cement factories which enjoy sea or river access and can ship their cement over long distances by boat at a low-cost, or by rail in some countries, the cement market remains local

This activity is also, as mentioned in paragraphs 5.2 and 8.1.1, a highly capital intensive one and the construction of new capacities must necessarily rely on land management, important and quality quarries reserves, on obtaining operating permits, existence of available energy sources and on the presence of a nearby growing market.

Moreover, cement players, on a local basis, should be able to provide their customers with continuous services, in all circumstances, with products of consistent quality that meets their expectations and normalized standards.

(1) Source: « Global Building Materials » study, Jefferies International Ltd, February 2012.

6.3.1.6. Customers

The profiles of customers are similar in most areas in the world where the Group is established. The Group sells either to general contractors, such as concrete mixers, manufacturers of prefabricated concrete elements, contractors in the construction and public works sector, local authorities, residential property developers or master masons, or to intermediaries such as construction material wholesalers or supermarket chains. The relative weight of one type of customer, however, can vary significantly from one country of operation to another according to the maturity of the market and local construction practices.

In addition, cement is marketed either in bulk or in bags. According to the level of development of each operating country, the packaging mix (bulk/bag) and the mix of customer types can vary significantly. Accordingly, as the ready-mixed concrete system is strongly developed in the United States, the Group primarily sells its cement in bulk and mostly to concrete mixers. Conversely, Senegal does not yet have a ready-mixed concrete network and the Group sells its cement primarily in bags to wholesalers and to retailers.

6.3.1.7. Overview of the cement markets

The Group has 14 cement factories spread over eight countries, as well as 5 cement grinding plants established in three countries. The table below summarizes the cement volumes sold by country:

Cement volumes sold (in thousands of tonnes) [1]	2011	2010	2009
France	3,537	3,257	3,218
United States	1,249	1,212	1,271
Switzerland	888	845	754
Turkey	3,397	3,406	3,087
Senegal/Mali/Mauritania	2,851	2,399	2,260
Egypt	3,192	3,753	3,493
Italy	365	279	424
India	2,056	1,028	-
Kazakhstan	500	0 [2]	-
Total	**18,035**	**16,179**	**14,507**

(1) Volumes of cement, clinker and masonry cement.
(2) As clinker production began in December 2010, the production sold is less than 500 tonnes for 2010.

Intra-group cement sales accounted for 17.6 % of the Group's activity, with a significant disparity ranging from 0 % to 37 % depending on the operating country in question.

The various cement markets are discussed below, together with their size and their development over the last five years. Price changes are covered in section 9 "Examination of the financial position and earnings" of this Registration Document.

(a) La France

The construction sector returned to high levels of activity in 2011. The number of house-building projects approved increased by more than 16 %: this increase was particularly marked in the case of social housing apartments which rose by almost 33 %. Early indications from the fourth quarter, however, suggest something of a downturn, owing in particular to the combination of an increase in land prices and in interest rates.

After several years of decline, the non-residential sector also rose significantly (+ 14 % in the first 10 months of 2011).

The rise in the public works sector, on the other hand, was much more modest, owing to reduced local authority competitive tenders for infrastructure projects

Historic birthplace of the Group, the French cement market is mature, with consumption of 21.4 million tonnes in 2011 [1]. Cement consumption amounted to approximately 313 kg of cement per capita in 2010 [2].

Since 2006, owing to the drop in consumption between 2008 and 2010, sales volumes have fallen by approximately 11 % over five years [3], i.e. an average annual decrease of 2.4 % over the period. Between 2008 and 2011, French cement consumption showed an average annual decrease of 3.9 %. After a smaller fall in 2010, 2011 saw a return to a more positive direction in the market with growth of 8.1 %. According to industry organizations, cement consumption is expected to decrease in 2012 (SFIC, UNICEM, SNBPE).

Cement is sold in France in bulk or in bags:
- bulk, which represents approximately 78 % [4] of consumption, is used by the manufacturers of ready-mixed concrete (55 %) and of prefabricated concrete parts (17 %) and by the public construction companies, which only account for 6 % of consumption as direct supplies [5];
- bags, which account for approximately 22 % of consumption in France, are distributed mainly via the trade and to a lesser extent through DIY stores to users, craftsmen, firms and private individuals [6].

(1) Source: SFIC, 2011.
(2) Source: CEMBUREAU, 2010 (organization representing the European cement industry).
(3) Source: SFIC, 2011.
(4) Source: SFIC, 2008.
(5) Source: SFIC, 2008.
(6) Source: SFIC, 2008.

The French cement industry is concentrated. Four groups account for approximately 98 % of the market [7]: Lafarge, Ciments Français (Italcementi group), Vicat and Holcim. The Group is the third largest French cement manufacturer, with cement production of 3.5 million tonnes in 2011.

The Group operates five artificial cement factories and two other factories where various products containing natural quick-setting cement are manufactured. Because of the geographical positioning of its sites, the Group is market leader in the south-east (three factories: Montalieu, Saint-Égrève and La Grave-de-Peille, and three depots: Lyon port Édouard-Herriot, Décines and Chambéry). Its two other factories in Auvergne (Créchy) and in Lorraine (Xeuilley), the grinding plant in Fos-sur-Mer and the Chelles depot in Île-de-France allow the Group to supply the rest of the country. The Group's factories also have the advantage of being located near large cities: Marseille, Nancy, Lyon, Grenoble, Clermont-Ferrand and Nice.

The Group also exports part of its artificial cement production:

(In thousands of tonnes)	2011	2010	Variation
Domestic	3,154	2,819	+ 11.9%
Export	276	298	- 7.5%
Total	**3,430**	**3,118**	**+ 10.0%**

The sales department based in l'Isle d'Abeau, in France, includes sales administration, marketing, logistics management and promote prescription-charge of promoting innovative applications of the building with the residential segment and sector work public. About fifty people spread over six regional divisions throughout the country now economically accessible from the Group's factories. The technical staff of regional business units is responsible for answering daily questions from customers and prospects.

One of the strengths of the Group's cement business in France is its industrial equipment. This is because the Group maintains its production facilities at a high performance level by investing regularly in its industrial equipment. For example, modernization of the Montalieu factory in the preceding years has resulted in competitive production costs.

Production costs have been maintained at a satisfactory level by:
- giving priority to the most economic production facilities, with the poorest performing parts of the plant being temporarily mothballed;
- constant switching between energy sources depending on their overall financial impact;
- strict control of operating costs.

(7) Source: "Building Materials" study, Jefferies International Ltd, February 2012.

(b) United States

The construction sector is still on a downward trend with a fall of 2.5 % [1] in the first 11 months of 2011 compared with the same period in the previous year, despite a slight upturn at the end of the year owing to mild weather conditions.

In the residential sector, although housing starts increased at the end of the year, total expenditure was lower than in 2010 and remained far below historic levels.

The non-residential sector showed a slight recovery at the end of 2011, driven by the manufacturing and public services sectors. The commercial sector continued to suffer from unemployment levels which remained high.

Although the public works sector benefited from the Federal stimulus plan, the effects are now dissipating, particularly with the end of the distribution of funds allocated to road building.

The American cement market, which reached a peak of more than 128 million tonnes in 2005 and 2006, has experienced an average annual fall of approximately 10.7 % since 2006 and 9.3 % since 2008 [2]. Domestic consumption is estimated at 72.3 million tonnes in 2011 [3]. Annual consumption per capita, which fell to a historic low in 2009, increased slightly to approximately 258 kg [4] per capita in 2010.

The following table sets forth cement consumption in the two regions of the United States where the Group is present [5]:

(in millions of tonnes)	2011	2010	Change
South-East	7.2	7.2	+ 0.4 %
California	6.9	6.2	+ 1 0.8 %
Total United States	**72.3**	**71.2**	**+ 1.5 %**

With cement production in 2011 of around 67.7 million tonnes, the American cement industry supplies approximately 94 % of national consumption, the remainder being imported mainly from Asia, Canada and Mexico [6].

In 2011, cement consumption in the United States stabilized with a slight increase of 1.5 %, after falls of 0.4 % in 2010 and 26.1 % in 2009, to its lowest level since 1982, which resulted in the closure of production capacity [7].

The South-East, where the crisis was not felt until later in 2007, appears to have stabilized. Consumption in California recovered slightly. In both markets, consumption levels are some 50 % lower than in 2006.

Cement is very largely sold in bulk on the American market:
- bulk accounts for approximately 95 % of consumption: the first destination is the public sector, followed by the housing sector and finally by the non-residential private sector [8];
- bags account for the remaining 5 % of consumption: this small percentage reveals the significant development of the ready-mixed concrete network in the United States [9].

The Group has operated in the United States since 1974 and carries out its cement manufacturing business through its subsidiary, National Cement Company (NCC), in two different regions:
- South-eastern region: the Ragland cement factory, located in Alabama, close to Birmingham, serves the south-east market of the United States: Alabama, Georgia, North Carolina, South Carolina, Tennessee and Mississippi;
- California: the Lebec cement factory, located north of Los Angeles, serves the central and southern Californian markets.

With an aggregate output from its two factories of 1.25 million tonnes of cement in 2011, NCC is the 14th largest American producer [10]. However, as these factories are more than 3,000 km apart, they operate on two independent markets.

The top five producing states were, in descending order, Texas, California, Missouri, Florida and Pennsylvania [11]. Together, these five states accounted for approximately 53 % of the cement production in the United States. Similarly, the principal consuming states are Texas, California, Florida, Illinois and Louisiana [12]. The Group's competitors in its two established markets in the United States are HeidelbergCement, Holcim, Lafarge, Cemex and Buzzi Unicem in the south-east region and Cemex, HeidelbergCement, CPC, Mitsubishi and TXI in California.

The sales figures for the Group in 2011 showed an increase of 3 % compared to 2010. This growth in the two regions where the Group operates, is comparable with the increase in business activity in the respective markets.

The commercial structure includes a manager for each cement factory. This organization allows direct contact with local customers, as well as taking into account regional differences (between California and the South-East region) in terms of customer needs and consumption cycles. To increase its distribution capacities, NCC has a network of distribution points in the South-East served by rail, which enables it to access the Atlanta market and to widen its market radius to the Georgia and South Carolina markets by limiting transport costs.

(1) Source: Portland Cement Association (PCA), 2011.
(2) Source: USGS, 2011.
(3) Source: USGS, 2011.
(4) Source: "Building Materials" study by Jefferies International Ltd, April 2010.
(5) Source: USGS, 2011.
(6) Source: USGS, 2011.
(7) Source: USGS, 2011.
(8) Internal source.
(9) Internal source.
(10) Source: PCA, 2010.
(11) Source: USGS, 2011.
(12) Source: USGS, 2011.

In line with its industrial policy, the Group has invested regularly in its two American factories to improve their performance. As a result, the Lebec factory has benefited from large investments in recent years, which have allowed it to reduce its production costs significantly.

(c) Switzerland

Continuing the pattern of the previous year, the construction sector remained buoyant in 2011. Attractive interest rates and population growth maintained a high level of demand for housing. Long-term infrastructure programs, such as the Bienne bypass or the TransJura motorway, continued, supported by healthy public finances and sustained growth.

The Swiss cement market has experienced average annual growth of approximately 2.6 % since 2006 and 3.9 % since 2008 [(1)]. In 2011, Swiss cement consumption was estimated at 5.2 million tonnes [(2)] up around 4.2 %. The annual consumption per capita increased by almost 6 % to approximately 637 kg in 2010 [(3),] a high level that is explained as much by the wealth of the country as by its large requirements for civil engineering works due to its alpine topography.

The Swiss cement market is primarily a bulk market (95 %) [(4)]. This is explained both by the significant share of civil engineering works in the national consumption and by a very mature ready-mixed concrete network.

The principal producers on this market are Holcim, which has approximately two thirds of the Swiss market, JuraCim (CRH group) and Vigier, a Group subsidiary [(5)]. Holcim has a significant presence in the east of the country, whereas JuraCim and Vigier operate in the western part of the country.

In 2001, the Group acquired Vigier Holding AG, the holding Company for 35 companies working in Cement, Ready-mixed concrete, Aggregates and Precast concrete products in Switzerland.

The Group, through its subsidiary Vigier, the third cement manufacturer in Switzerland. In 2011, Vigier Cement has maintained its market share.

Vigier has a cement factory established in Reuchenette, near Bienne. Its natural market is thus the plateaux region including the Bienne-Solothurn axis, the region from Freiburg to Lausanne, Bern-Egenkingen and more to the south, the Bernese Oberland.

The Swiss authorities are committed to a number of major infrastructure projects, to which Vigier has brought its expertise. In this way, during the development of the new Swiss alpine railway line, Vigier provided cement, aggregates and concrete to the Lötschberg tunnel (34.6 km) site from 2003 to 2006. Vigier also provided materials for the Gothard tunnel construction and equipment.

(1) Source: CEMSUISSE, 2011.
(2) Source: CEMSUISSE, 2011.
(3) Source: CEMBUREAU, 2010.
(4) Source: CEMSUISSE, 2008.
(5) Internal source.

The Group has a limited sales administration structure for its Cement business in Switzerland as there is a distribution system through an intermediary. This type of distribution is specific to the Swiss market.

The Reuchenette cement factory has abundant reserves in quarries. This factory operates mainly with alternative fuels, which gives it a significant competitive advantage in terms of production cost.

(d) Turkey

For twenty years, the urbanization of Turkey, its demographic growth and the large migration of the rural population have sustained demand for housing and industrial construction, as well as infrastructure development. The construction and construction materials sectors are both in line with gross domestic product growth. This recovered in 2010 to approximately 9 %, after slowing down in 2008 (2 %) and a period of recession in 2009 (-6.5 %). The return to sustained growth was confirmed in 2011 and is estimated at over 6.5 %, given the benefits to the Turkish economy from the re-allocation of investments which would otherwise have gone to Arab countries affected by the “Arab spring” and European countries suffering from the economic stagnation.

The growth in the construction sector, although down slightly in the fourth quarter, should be more than 8 %. The residential sector, which was already very buoyant in 2010, has been especially dynamic and should see growth of more than 15 % over the year.

After strong sustained growth up to 2007, the Turkish cement market saw two consecutive years of decline. It took off again strongly, posting growth of almost 15 % in 2010 and over 10 % in 2011, bringing the average annual growth for the last three years to 7.5 %. Growth since 2006 has amounted to over 21 %, that is an annual average increase of 3.9 %. Annual consumption is estimated at 50.4 million tonnes in 2010 [(6)]. Cement consumption per capita was approximately 648 kg per year in 2010 [(7)]. Consumption trends vary significantly between regions: while the Black Sea region continued to grow steadily, the Mediterranean and Aegean regions, in contrast to the previous year, returned to vigorous growth and Anatolia saw more moderate growth.

If the Turkish cement manufacturing sector remains largely fragmented, there seems, however, to be an incipient concentration with the emergence of multinational players (such as Vicat, HeidelbergCement, Italcementi and Cementir (Italy) and from Turkish groups of national stature (such as Oyak, Sabanci and Nuh). The principal cement consumption areas in Turkey are the urban areas of Marmara (Istanbul) and Central Anatolia (Ankara) and the tourist areas of the Mediterranean (Antalya) and the Aegean Sea.

(6) Internal source.
(7) Source: CEMBUREAU, 2010.

The increase in supply combined with the turnaround in the consumption trend created a highly competitive market situation. As a consequence, Turkish producers are very active on the export market. However, the events in Arab countries, and in Libya in particular, affected exports which fell by approximately 25 % [(1)].

The earthquake of 1999 led the Turkish authorities to strengthen building regulations, which has supported the development of the Ready-mixed concrete network and, consequently, cement sales in bulk, which account for approximately two thirds of the volumes sold.

The Group has been operating in Turkey since 1991 with the acquisition of Konya Cimento and, particularly with the acquisition of Bastas Baskent Cimento in 1994, has become a significant player. The Group has two cement factories located respectively at Bastas (close to Ankara) and at Konya (seventh largest city in the country). The factory at Bastas serves the Ankara and Central Anatolia markets whereas the Konya plant serves southern Anatolia and the Mediterranean coast.

Both these cement factories have individual sales forces dedicated to their marketing area in order to be in direct contact with regional customers. In addition the Group took advantage of export development opportunities, but its priority goes to the domestic market.

The performance of the Group's cement business in Turkey has been boosted by significant production cost reductions and by significant investments in both cement factories. For example, a second Polysius kiln was installed in Konya in 2002. Similarly, the Bastas site benefited in 2007 from the start-up of a second Polysius kiln with a clinker capacity of 4,500 tonnes/day.

(e) Senegal and Mali

In the absence of official statistics, the Group estimates that the cement market in Senegal has shown an average annual growth of approximately 3.6 % since 2006 and 7.4 % since 2008 [(2)]. The size of the market has doubled over the last ten years to reach an annual consumption of approximately 2.6 million tonnes in 2011 [(3)]. Consumption per capita was nonetheless limited to approximately 205 kg [(4)] of cement per year in 2010.

The market benefited from infrastructure projects financed by the Senegalese government and by international organizations and foreign aid, such as the construction of a motorway between Dakar and Thiès, an urban transport plan for the city of Dakar, the construction of Ndiass airport and development projects for the port of Dakar. Market growth has also been sustained by the rise in the rate of urbanization and private construction, financed mainly by the repatriation of funds by Senegalese expatriates.

(1) Internal source.
(2) Internal source.
(3) Internal source.
(4) Internal source.

The Senegalese cement manufacturing industry, which benefits from access to rare resources of limestone in West Africa, also supplies the adjoining countries which do not have a domestic clinker producer, forming the following sub-region: Mauritania, Guinea-Bissau, Guinea Conakry, and in particular, Mali and The Gambia (the Sub-Region). These exports are made by road, rail and sea. The most important destination is Mali, whose domestic consumption is estimated at nearly 1.5 million tonnes/year. Exports to Mali amounted to approximately 0.9 million tonnes in 2010 and 1.5 million tonnes in 2011 [(5)]; imports from third countries have almost disappeared.

Cement is generally sold in bags on the Senegalese market (nearly 97 %) [(3)], the country not yet having a Ready-mixed concrete network. The Group estimates that approximately 82 % of cement sales are made through wholesalers and retailers, while the remaining 18 % go to public construction firms for the construction of large road construction and infrastructure projects, as well as, exceptionally, for the institutional investors who finance these major works.

The Group is present in Senegal since 1999. Sococim has broadly maintained its market share in 2011.

Sococim has opened two depots to provide better coverage of country and to develop a close relationship with its customers. The sales organization is structured by geographic area, with one department dedicated to export and another to the domestic market. The sales force has divided the territory into six distinct areas.

The Group is present in Mali through its subsidiary Ciment et Matériaux du Mali (CMM). Its depot is supplied with cement from the Rufisque factory by road. This facility allows the Group to penetrate the market in Mali more effectively. This market is in full expansion, with the implementation of large infrastructure projects and public housing construction. Cement consumption in Mali was more than 1.5 million tonnes, an increase of 11.6 % compared to 2008, and the Group's total sales there represented almost 560,000 tonnes in 2011, an increase of 29 % compared to the previous year, of which 113,000 tonnes were produced by CMM.

Following the Group's industrial policy, Sococim has invested in new equipment intended to reduce its production costs and to increase the overall capacity utilization of the factory. Accordingly, a coal mill was brought into service in 2004 and a new power generation plant started up at the beginning of 2007. This new power plant ensures independence of the cement factory from the Senegalese electricity utility. This policy continued in 2008 with a new vertical cement mill and associated bagging stations being put into service, allowing an increase in the plant's cement production capacity while improving energy performance. Finally, the start-up of a new firing line brought the Group's cement production capacity in Senegal to over 3.5 million tonnes, enabling it to take advantage of the growth potential in West Africa based on its competitive production costs.

(5) Internal source.

(f) Egypt

The Egyptian cement market has experienced annual average growth of approximately 10.2 % since 2006 and 8.2 % since 2008 [(1)]. This market was affected by the war in Iraq in 2003 and 2004, and then experienced sustained growth between 2005 and 2010. In 2011, political events severely affected the country's economy, particularly the construction market. Cement consumption in Egypt was approximately 48.7 million tonnes [(2)], i.e. a fall of approximately 1.6 % compared to 2010. The per capita consumption amounted to approximately 688 kg of cement per year in 2010 [(3)].

Egypt currently has 18 active cement producers established throughout the country, although most are concentrated in a 200 km radius around the capital. These producers posted domestic production estimated at approximately 48.9 million tonnes in 2010 [(4)].

The Egyptian cement manufacturing industry has the advantage of low production costs, despite steadily increasing energy costs, and of a geographical position allowing it to export any production surpluses by sea to various areas of the world. With its ports on the Mediterranean, it has access routes to the European and Syrian markets, whilst the Red Sea ports can also access the Gulf countries and certain African countries such as Somalia, Djibouti, Eritrea and Sudan.

Four new projects were initiated in 2011 for a theoretical total capacity cement 10 million tons.

In 2003, the Group made a strategic investment of 25 % in the SinaÏ Cement Company (SCC), so as to position itself in this emerging market. This holding was increased with effect from 2005, allowing the Group to take control of this company.

According to the Group's estimates, SCC is the 6th largest Egyptian producer with production sold about 3.2 million tonnes of cement in 2011, down almost 15% compared to 2010. The downsturn is primarly attributable to the political events which occurred at the start of 2011 and which impacted the market conditions and operating as well as by new entrants.

The cement factory, having been established in 2001, benefits from modern production equipment. The Group committed, in 2006, to a plan to double the capacity of the factory. The second firing line started up in June 2008. SCC was the only cement factory to put a complete new line into service in 2008, therefore allowing it to respond to strong growth in the local market and to consolidate its position on this market in 2009 and 2010. Furthermore, the start-up of a fourth cement grinding plant in 2010 and optimization of the performance of the three existing grinding plants enabled the Company to respond to market demand.

(1) Source: Egyptian Equipment Ministry, 2011.
(2) Source: Egyptian Equipment Ministry, 2011.
(3) Internal source.
(4) Internal source.

(g) Italy

The building construction and public works market in Italy remains in deep recession, where starts were sharply reduced.

The cement market in Italy remained at between 46 and 47 million tonnes from 2004 to 2007. Consumption is estimated at around 32.5 million tonnes in 2011 [(5)], a decline for the fifth consecutive year which amounted to a fall of 4.2 % compared with the previous year and over 22 % compared with 2008 [(6)]. However, per capita consumption remains one of the highest in Europe at more than 565 kg of cement per year [(7)], comparable with other Southern European countries based on construction and renovation practices in the market and the ongoing infrastructure construction program.

In May 2003, in order to reinforce its presence in Europe and to continue the natural geographical progression of its investments, the Group acquired 100 % of Cementi Centro Sud (CCS), a Company owning a cement grinding plant in the port of Oristano, on the western coast of Sardinia, as well as a cement terminal in the port of Taranto. CCS also operates a second terminal in the port of Imperia. If CCS does not occupy a significant place in the Italian cement market with 0.35 million tons sold, this implementation is for the Group, a strategic observation, since this country has an industry cement still fragmented, with a score of manufacturers on the market.

Its operation in Italy constitutes a strategic position for the Group, insofar as the country has a cement manufacturing industry which is still fragmented, with approximately twenty producers present in the market.

The above mentioned three sites allow low cost manufacture and handling of cement. These sites also allow clinker to be imported at a low cost from several countries in the Mediterranean basin.

(h) Kazakhstan

After a major slow-down in 2008 resulting from the impact of the global financial crisis on the local banking system and stabilization in 2009 and 2010, the construction sector returned to dynamic growth in 2011, in both the building and public works sectors. Cement consumption increased by almost 8 % in 2011 compared with the previous year, under the impetus of major housing and infrastructure projects financed by the Kazakhstan government and by international aid. Imports, coming mainly from Russia, fell by approximately 21 % by comparison with 2010. After falling during the previous year, prices rose overall in 2011.

(5) Internal source.
(6) Source: AITEC.
(7) Source: CEMBUREAU, 2010.

Beyond the economic slow-down created by the impact of the international financial crisis on the local banking system, the increase in cement consumption should continue, sustained by growth in the urban population and by continuous increase in per capita income related to significant income from the raw materials sector. Consumption, which was approximately 6.3 million tonnes in 2011, should reach somewhere between 9 and 10 million tonnes in the medium term.

After the Group took control of the project Company in December 2007 and the increase in share capital in 2011, the legal structure of operations in Kazakhstan is as follows:

- Mynaral TAS, a joint venture Company 84 % owned by Vigier, a subsidiary of the Group, holds the mining securities and the land rights relating to them;
- Jambyl Cement Production Company, a 100 % subsidiary of Mynaral Tas, is to become the cement production and marketing company.

The financing, which amounts to US$ 160 million, was set up with the International Finance Corporation (IFC), a subsidiary of the World Bank. Alongside this financing, the IFC took a 10 % stake in Mynaral Tas in December 2008; the Group's Kazakh partner, Homebroker, holding 30 %. In 2011, Vigier, a group subsidiary, and the IFC participated in an increase in share capital, bringing Vigier's holding to 84 %; the IFC maintained its holding at 10 %.

The greenfield plant is located near Lake Balkach, about 400 kilometers from Almaty and 900 kilometers from Astana. This plant, which has a cement capacity of 1.1 million tonnes, was built by China Triumph Engineering under a turnkey agreement concluded in August 2007. It uses modern, proven cement techniques (vertical raw meal mill, 5 stage pre-heating tower, bag filters, covered clinker storage, etc.). Located along the Almaty/Karaganda/Astana road and railway, the plant supplies the region of Almaty and its surroundings, the southern region (Taraz, Chymkent), the center and the Astana region primarily by rail.

After two years under construction, the factory continued to increase its output at a progressively faster pace.

(i) Mauritania

During the second half of 2008, the Group consolidated its position in West Africa by acquiring 65 % of BSA Ciment, which has operated a cement grinder in Nouakchott, the capital of Mauritania, since the beginning of 2008. This acquisition enabled the Group to:

- obtain a foothold in the Mauritanian market and to be in a position to ascertain its growth;
- consolidate its strategic position in Mali by positioning itself on the access roads to the north-west of the country;
- have an outlet for Sococim's surplus clinker capacity in Senegal, following the start-up of the new kiln in October 2009.

BSA Ciment owns a cement grinding center, a concrete batching plant and a precast concrete products producing unit. The Polysius grinder has an annual capacity of 450,000 tonnes. These installations are located near the country's main port area.

While some international aid was paid and invested in health and education, the country's economic situation remained fragile. The Mauritanian government's budget problems prevented planned infrastructure projects from being launched. Against this background, cement consumption increased very slightly in 2011 by 2 % to 652,000 tonnes (1), with local production increasing slightly

In this context, BSA Ciment has developped its commercial activity, and has sold 0.2 million tonnes.

(j) India

During the last ten years, India has experienced an average annual growth of more than 7 % in its GDP. Its growth in 2011 is estimated to be at 8 %, and the country is taking advantage of an abundance of skilled labor, which has allowed it to develop in the service sector in particular.

Since 2004, the Indian cement market has developed steadily, with a growth of over 60 % in 5 years. The Indian cement market has thus seen continuous average annual growth of almost 10 % since 2004. Annual consumption was estimated at 201 million tonnes in 2009, which makes India the second largest market in the world for cement. However, cement consumption per capita has remained weak, at approximately 181 kg per person.

The population of India has reached 1.17 billion, 29 % of whom live in towns and cities, and India should become the most populous country on the planet by around 2030. Although the global economic crisis is beginning to affect Indian growth, growth in annual cement consumption should be maintained, fuelled by population growth (estimated at 1.45 % in 2009) and its switch to nuclear power together with major planned infrastructure programs (roads, railways, dams, irrigation, ports and airports, etc.), should be maintained.

Cement consumption in the States of southern India where the Group operates (Andhra Pradesh, Tamil Nadu, Karnataka, Kerala and Goa) and in the State of Maharashtra was estimated at 88.7 million tonnes in 2011, up 0.7 % (2) compared with 2010. There is currently surplus production capacity, with 151 million tonnes available. Cement consumption per capita was estimated at 244 kilograms per person for the 2009/2010 fiscal year.

On June 28, 2008, the Group announced the creation of a joint venture with the Indian cement manufacturer Sagar Cements, established in the State of Andhra Pradesh, which has been present in the Indian market for 25 years and has a capacity of 2.5 million tonnes with its new line which came on stream in July 2008.

(1) Internal source.
(2) Source: Cement Manufacturing Association.

Vicat Sagar Cement continued the construction of a greenfield cement factory in the south of India, 700 kilometers from Mumbai and 170 kilometers from Hyderabad. Start-up is scheduled for the second half of 2012. The new plant will be located in the Gulbarga cluster in the State of Karnataka. The plant will ultimately have a cement production capacity of 5.5 million tonnes, with two clinker lines producing 6,000 tonnes per day. Construction of the first of the two production lines began in 2010 (see also sections 5.2.2 “Principal investments in progress and planned” and 12.2.3 “Industrial investments”).

The new plant will use the latest generation of cement mill techniques (raw meal roller mill, 6 stage pre-heating tower, bag filters, covered clinker storage, coal and commodities, etc.) and will have its own power generation plant. It will be connected to the railway network and be able to supply the States of Karnataka, Maharashtra and Andhra Pradesh and the main metropolitan centers of Mumbai, Pune, Bangalore and Hyderabad.

As at December 31, 2011 the Group owned 53 % of this joint venture. The Company is actively working on construction of the first firing line. Part of the civil engineering work has been completed and the mechanical engineering is underway.

In addition, the Group acquired 51 % of the Company Bharathi Cement (BCCPL) in April 2010, mainly through a reserved increase in capital. BCCPL owns a modern cement factory in the south of Andhra Pradesh, comprising two production lines which at the end of 2010 represented a total annual capacity of 5 million tonnes of cement. This acquisition made Vicat a major player in the south of India and will enable it to take advantage of synergies with Vicat Sagar Cement from the second half of 2012.

Bharathi Cement, which began production from its plant in October 2009, has succeeded in achieving very rapid market penetration in the States of southern India and in Maharashtra, where the Company sold more than 2 million tonnes during the year, thus doubling its production (in 2010, the Group included BCCL in its consolidation scope for the period from May to December).

The Group, present with Bharathi Cement and its capacity of 5 million tonnes by the end of 2010, will gradually increase its capacity up to 7.5 million tonnes in 2012 with the start-up of the first production line of Vicat Sagar Cement, then up to 10.5 million tonnes, to become a significant player in the very dynamic southern India market.

6.3.2. Ready-mixed concrete and Aggregates

The Ready-mixed concrete and Aggregates businesses accounted for 36.1 % of Group sales, that is over €818 million of consolidated sales in 2011 (€716 million 2010 and €696 million in 2009), and 15.9 % of the Group’s EBITDA for this same period (12.4 % in 2010 and 17.5 % in 2009).

The Ready-mixed concrete and Aggregates businesses are managed within the same segment, because of the similarity of their customers and the Group’s vertical integration policy.

Concrete and aggregates, like cement, are essential components of construction projects throughout the world. The Ready-mixed concrete and Aggregates businesses were established in each of these countries by the acquisition and creation of many companies. At the end of 2011, the Group operated 71 aggregates quarries and 249 concrete batching plants, distributed over six countries, and had sold 22.2 million tonnes of aggregates and almost 8.0 million m^3 of concrete.

The Group initially developed its activity in Ready-mixed concrete and Aggregates in France through investments during the 1980s. The Group then pursued its goal of vertical integration by selective acquisitions, firstly in the markets served by its Cement business, and secondly by the development of its industrial equipment in its existing locations.

6.3.2.1. Products

(a) Ready-mixed concrete

Concrete is a mixture of cement, aggregates, additives and water, which hardens to form a construction material whose principal qualities are its strength under tension and under pressure, durability, quick setting times, ease of pouring and ease of handling under various climatic and construction conditions. The qualities and performance of a concrete can be obtained and guaranteed only if the physico-chemical formulation of the concrete and its production cycle are rigorously respected. In order for concrete to be formulated perfectly, the various components must be precisely proportioned in a given order and at a given rate. Mixing must then be continuous and homogeneous. These production constraints explain why concrete manufactured in a batching plant is of a superior quality and uniformity to any concrete mixed manually or in a concrete mixer. It is the fundamental reason for the growth of ready-mixed concrete, which guarantees compliance with the standards laid down in construction work specifications.

The Group offers a broad range of concretes, ranging from standard concrete to special concrete, developed for specific applications by its research and development laboratory, thus meeting its customers’ needs and constraints:
- standard concrete, for which the producer guarantees the type of cement as well as the compressive strength at the end of 28 days (strength ranging from 20 to 40 MPa);
- high performance concrete, whose composition is made to measure, in particular with respect to the cement content (strength ranging from 60 to 100 MPa);
- fiber concrete, for the production of finer structures, having the best resistance to cracking. Vicat Composite Concrete falls into this category;

- special concretes, developed and improved in the Group's laboratories to meet the individual customer's exact requirements.

The Group's research and development laboratories designs innovative concrete for new applications or ease of use. See section 11 "Research and development, patents and licenses" of this Registration Document for further details.

(b) Aggregates

Aggregates (sands and gravel), which are the principal raw material consumed in the world after water, are natural materials used in the manufacture of concrete, masonry and asphalt. They are also the basic materials for building roads, embankments and structures. Most of these aggregates come from crushed rocks (usually limestone or granite), or from natural gravel and sand extraction. To a certain extent, and depending on the market, they can come from asphalt and recycled concretes. There are several types of aggregates, which differ in physical and chemical composition, in particular granulometry and hardness. Local geology determines the types of aggregates available in a given market.

In 2011, the Group produced and sold 22.2 million tonnes of aggregates in five countries (France, Switzerland, Turkey, Senegal and India).

6.3.2.2. Manufacturing methods

(a) Ready-mixed concrete

Concrete is obtained by mixing aggregates, cement, chemical additives and water in various proportions in concrete batching plants. The mixture obtained is then loaded into mixer trucks, where it is generally mixed again before being delivered to customers. The majority of the raw materials constituting the concrete (in particular cement and aggregates) are supplied by the Group. Concrete production is not a capital-intensive activity, requiring primarily storage and equipment areas where the raw materials are mixed in the desired proportions and where the mixture, now concrete, is loaded into mixer trucks.

The majority of the concrete batching plants are fixed, although the Group also uses a certain number of mobile systems that are installed on its customers' construction sites (generally the largest), according to customers' needs.

The proportions of cement and aggregates can vary, chemical additives (such as setting retardants or accelerants) can be added, and a part of the cement can be replaced by derivatives such as fly ash or slag, in order to obtain the concrete properties sought by the customer. Significant technical expertise and demanding quality control is therefore essential to handle the many construction aspects with which the Group's customers are faced, such as setting time, suitability for pumping, pouring the concrete, climatic conditions, shrinkage and structural strength.

In addition, delivery logistics constitute an essential parameter when manufacturing concrete due to the setting time of the concrete, which is limited.

Raw material prices vary considerably according to the national markets in which the Group operates. In general, raw materials account for approximately 70 % of the total production and delivery costs of concrete. Cement represents, overall, more than half of this cost. Delivery is the second largest component of the cost, at approximately 20 % of the total.

(b) Aggregates

Aggregates can come from solid or alluvial rock:

- **solid rock:** the rock is blasted out with explosive before being crushed, sifted and then washed. These aggregates are mainly intended for earthworks, for the manufacture of bituminous mix, blocks or breeze blocks, and increasingly for manufacturing concrete;
- **alluvial rocks:** these rocks come from the sedimentation of river or glacial deposits. They can be extracted out of water, in steps from 5 to 8 meters in height, or in water by using dredgers. These aggregates require less grinding but must be sifted in order to obtain the desired size.

6.3.2.3. Production equipment

(a) Ready-mixed concrete

As at December 31, 2011, the Group operated 249 concrete batching plants across all the countries where it is present. These batching plants are located near the places where the concrete is used insofar as, given setting times, concrete prepared in a batching plant must be delivered to the pouring site within one and a half hours at the most. The operating range of a batching plant is generally between 20 km and 30 km, depending also on traffic conditions in the area.

A ready-mixed concrete batching plant consists of silos (for cement, sands and fine gravels), storage tanks for the various additives (such as plasticizers) and a concrete preparation tank. The components of the concrete, which are cement, sand and the fine gravels, are introduced into the preparation tank by gravity. The qualities and performances of a concrete can be guaranteed only if the formulation is very precise and its production cycle rigorously respected. The proportioning of water, in particular, must be precise and mixing must be continuous and homogeneous. To meet all these constraints, the Group's concrete batching plants were extensively automated, in order to ensure the precision of the process.

Finally, the concrete prepared in the batching plant is loaded under gravity into a mixer truck, which delivers the concrete to the building site. The Group operates a fleet of mixer trucks, while also having recourse to subcontractors, to whom it sub-contracts ready-mixed concrete deliveries.

(b) Aggregates

The production of aggregates requires heavy equipment in a quarry, for handling both solid rock and alluvial rock. The quarrying and grinding of solid rock requires the use of loaders, transport equipment and crushers. Alluvial rocks are extracted using dredgers. In both cases, aggregates on the processing site are generally transported using conveyor belts.

Extractions are made from sites owned by the Group or over which it has long-term operating rights, and for which it has obtained the necessary licenses. The Group maintains the level of its reserves by acquiring, obtaining and renewing extraction licenses.

6.3.2.4. Establishments

The Group has vertically integrated its operations in France, Switzerland and Turkey and thus operates in these countries its three core businesses, which are Cement, Ready-mixed concrete and Aggregates.

In the United States, the Group has developed a network of concrete batching plants in each of the two geographic areas where it is established. The American subsidiary is supplied with aggregates from suppliers outside the Group.

In Senegal, the Group has invested in an Aggregates business through two acquisitions in 2001 and 2004, followed in 2010 by the acquisition of adjacent land in order to supplement its reserves of basalt. In addition to the use of these materials for road building, the Group is positioned upstream of the ready-mixed concrete market in order to anticipate its emergence.

The Group invested in a cement milling plant, concrete batching plant and precast products plant in Mauritania in 2008, enabling it to strengthen its network in West Africa.

In India, following its acquisition by the Group, Bharathi Cement acquired an aggregates quarry in the inner suburbs of Bangalore with a view to the imminent production of ready-mixed concrete.

6.3.2.5. Competitive position

In 2011, the Group produced almost 8.0 million m^3 of concrete, 39.7 % of which was in France, 20.1 % in the United States, 30.7 % in Turkey and 9.5 % in Switzerland. The Group's 249 concrete batching plants are located near its principal cement production sites, forming a network over the territories in order to supply the regional building sites and the urban centers.

The table below shows concrete sales over the past three years:

Volumes sold (in thousands of m^3)	**2011**	**2010**	**2009**
France	3,165	2,867	2,838
United States	1,600	1,429	1,439
Turkey	2,444	2,971	2,341
Switzerland	757	480	502
Mauritania	3	1	1
Total	**7,969**	**7,749**	**7,121**

Since barriers to entry are not high, the ready-mixed concrete market is very fragmented, with a number of large players, from cement manufacturers and international industrial groups, to independent operators.

The Group's Aggregates business operates 42 quarries in France, 20 in Switzerland, 6 in Turkey and 2 in Senegal, with a production of 22.2 million tonnes of aggregates in 2011. The aggregates produced by the Group's French sites represent approximately 50.6 % of its total aggregates production.

The table below shows aggregates sales over the past three years:

Volumes sold (in thousands of tonnes)	**2011**	**2010**	**2009**
France	11,251	10,346	9,991
Turkey	4,794	5,555	4,022
Switzerland	2,930	2,469	2,638
Senegal	2,968	2,396	2,024
India	276	-	-
Total	**22,219**	**20,766**	**18,675**

The aggregates market is generally fragmented into many local markets. The various participants are regional or national quarry operators, firms in the public construction sector which are vertically integrated, together with international industrial groups supplying construction materials.

The Group gives priority to operating quarries located near the consumption markets, so as to optimize its production costs. This approach facilitates access to customers, reduces transport costs and enables distribution that is sufficiently flexible to satisfy various types of orders, whether for delivery of a few tonnes of sand or thousands of tonnes intended to fill a large motorway site, or to provide individual dwellings.

6.3.2.6. Customers

Aggregates, mainly transported by road, are sold principally on local markets, owing to the high transport costs. However, quarries sometimes enjoy access to river or railroads, which makes it possible to ship aggregates over long distances, for distribution to more remote local markets.

The Group sells its aggregates mainly to ready-mixed concrete producers and to the Group's concrete batching plants, to manufacturers of precast products (breeze blocks, paving stones, etc.), asphalt producers, public works contractors, masons and construction firms of all sizes. On certain markets, it sells substantial volumes of aggregates intended for various industrial processes such as steel manufacture.

Ready-mixed concrete is sold mainly to public construction contractors, from major international construction groups to house building companies, farmers or private individuals. The batching plants fulfill scheduled work contract orders and immediate delivery requests.

6.3.2.7. Les marchés

(a) France

After the marked downturn in 2009 and stable situation in 2010, the ready-mixed concrete market returned to growth in 2011, with an increase of 10 % (1) compared with 2010.

The ready-mixed concrete market in France has experienced an annual average reduction of approximately 1.0 % since 2006 and 2.1 % since 2008 (2). In 2011, the ready-mixed concrete market accounted for more than 41 million m^3 of concrete (an increase of 10.1 % compared to 2010), manufactured by some 1,816 concrete batching plants distributed throughout France (3).

Production (in thousands of m^3)	2011	2010	Change
Auvergne	802	700	+ 14.6 %
Bourgogne-Franche-Comté	1,591	1,372	+ 16.0 %
Centre	1,454	1,275	+ 14.0 %
Île-de-France	5,705	4,894	+ 16.6 %
Lorraine	1,165	1,048	+ 11.2 %
Midi-Pyrénées	2,529	2,364	+ 7.0 %
Nord	1,898	1,761	+ 7.8 %
Provence	4,042	3,809	+ 6.1 %
Rhône-Alpes	4,554	4,156	+ 9.6 %
Total France	**41,285**	**37,498**	**+ 10.1 %**

The Group operates 141 concrete batching plants in France, which produced more than 3.2 million m^3 of concrete in 2011, up by 10.4 % compared with the previous year. This increase is partly explained by the acquisition of L. Thiriet at the end of 2010.

The Group operates in the Rhône-Alpes, PACA, Midi-Pyrenees Center - Auvergne, Nord - Pas de Calais, Ile-de-France and the north-eastern France. The Group operates a fleet of approximately 540 mixer trucks to carry out site deliveries. In France, the Group provides most of the cement and approximately one third of the aggregates consumed by its ready-mixed concrete business, which illustrates the high degree of vertical integration of its activities.

In France, the technical sales team of the Group's ready-mixed concrete division benefits from the collaboration from Sigma Béton, a key unit of the Louis Vicat Technical Centre, specializing in the ready-mixed concrete, aggregates and road products sectors, certified to ISO 9002 for the formulation, analysis and audit of aggregates, cement and concrete. Sigma Béton also runs a training business, research and development and analysis services for concretes delivered to producers, to manufacturers in the concrete products sector and to construction and public works contractors.

(1) Source: Syndicat National du Béton Prêt à l'Emploi (SNBPE), 2011.
(2) Source: Syndicat National du Béton Prêt à l'Emploi (SNBPE), 2011.
(3) Source: Syndicat National du Béton Prêt à l'Emploi (SNBPE), 2011.

The French aggregates market represented 377 million tonnes in 2011 [(1)] (excluding recycled materials) up by 3.7 % compared to 2010, from the operation of approximately 3,500 quarries. The Group has 63 production sites, including 42 quarries, which enabled it to produce and market 11.3 million tonnes of aggregates in 2011, i.e. approximately 3.0 % of national demand [(2)]. The Group is one of the top ten aggregate producers in France, where, according to the Group's estimates, the leading eight producers produce more than 50 % of national production.

The Group's strategy for its Aggregates business in France is to concentrate on the areas where it already has a presence in the Ready-mixed concrete business. In order to reinforce its Aggregates business, in January 2003 the Group acquired the Company Rudigoz, owner of two concrete batching plants and two quarries in the Rhône-Alpes area and in 2004 the Company Matériaux SA, based in eastern France.

At the end of 2010, the Group acquired the Company L. Thiriet & Cie which operates 3 concrete plants and 4 aggregates quarries in Southern Lorraine.

In 2011, the Group's Aggregates business in France increased by 8.8 % (compared with a production of approximately 10.3 million tonnes in 2010) with different trends apparent in different regions.

(b) United States

The American market for ready-mixed concrete was estimated at approximately 203 million m^3 in 2011 [(3)]. Ready-mixed concrete is widely used in the United States. After a drop of 15 % in 2008 and 27 % in 2009, the market stabilized in 2010 with a fall of only 0.4 % on a national level. In 2011, it increased by 3.1 % confirming the upward trend begun in 2010, but still at a level more than 40 % below the peaks of the last decade. This average figure, however, masks very different regional situations. The market remains highly competitive with both large and strongly integrated players, such as Cemex or Lafarge being present, but many small independent producers still operating at the local level as well.

The Group operates 49 concrete batching plants in the United States, in the two areas where it is established. These produced an overall output of 1.6 million m^3 in 2011 (of which 69 % in California and 31 % in Alabama), up almost 12 % by comparison with total production in 2010. Development of the Group's sales volumes varies by region and is determined by the residential market. Given the size of the American market, only the two regional markets on which the Group is established are discussed below.

In May 2008, the Group acquired a major ready-mixed concrete facility near Atlanta, thereby strengthening its vertical integration in the South-East. The Walker group facility is located in an important market, south of Atlanta, that is driven in the long term by strong growth in this city's population. The facility purchased has 14 concrete batching plants spread over nine sites that have a production capacity in the range of 700,000 m^3 and represent 200,000 tonnes of cement consumption potential.

The ready-mixed concrete market in which the Group is active in the South-East, i.e. Alabama and Georgia, accounted for a production of almost 7.4 million m^3 in 2011, which represents a decline of 2.3 % compared to 2010 [(4)], with the market in the Atlanta region remaining weak

The ready-mixed concrete market in California accounted for a production of 19.4 million m^3 in 2011, up 10.8 % compared with the previous year [(5)].

(c) Switzerland

The ready-mixed concrete market in Switzerland has experienced 1.7 % annual average growth since 2005 and was stable between 2007 and 2010, according to the latest estimates from the ERMCO [(6)]. Consumption declined in 2002 and 2003, before increasing in 2004 with construction sites involving major projects. According to the ERMCO, ready-mixed concrete production in Switzerland remained stable at 12.1 million m^3 between 2007 and 2010. According to the Group's estimates, the market grew by almost 6 % to 12.8 million m^3 in 2011, with large regional differences. The ready-mixed concrete market is very developed and served by a dense network.

Through its Vigier subsidiary, the Group owns 22 concrete batching plants distributed over the western half of Switzerland in four regions. These concrete batching plants produced 0.76 million m^3 in 2011, a marked increase of more than 57 % compared with the previous year (production having been 0.48 million m^3 in 2010), due in particular to the acquisition of 4 new batching plants.

Vigier operates 20 aggregates sites, located near the concrete batching plants. These quarries are generally smaller than in France and are primarily intended to meet the needs of the concrete batching plants. Vigier's aggregates production in 2011 was 2.9 million tonnes, up 18.7 % compared to the previous year.

(d) Turkey

The ready-mixed concrete market in Turkey has experienced annual average growth of 4.4 % since 2006 and 8 % since 2008 [(7)]. Ready-mixed concrete appeared at the beginning of the 1980s in Turkey and very quickly developed from the beginning of the 1990s. Following the earthquake of 1999,

(1) Source: Union Nationale des Industries de Carrières et de Matériaux (UNICEM), 2011.
(2) Source: Union Nationale des Industries de Carrières et de Matériaux (UNICEM), 2011.
(3) Source: National Ready Mix Concrete Association (NRMCA), 2011.
(4) Source: National Ready Mix Concrete Association (NRMCA), 2011.
(5) Source: National Ready Mix Concrete Association (NRMCA), 2011.
(6) Source: European Ready Mixed Concrete Organization (Brussels), June 2011.
(7) Source: European Ready Mixed Concrete Organization (Brussels), June 2011. Internal source for 2011.

the Turkish government imposed new standards intended to improve building quality, which has been to the benefit of the ready-mixed concrete business as a whole over these last five years, to the detriment of manually mixed concrete. The Turkish ready-mixed concrete market is estimated at approximately 88 million m^3 in 2011, up more than 10 % compared with the previous year. In addition, the number of plants in the country increased by approximately 11 % in the same period, strengthening competition and leading to reductions in ready-mixed concrete prices.

The Group has been present in Turkey since 1991 and has developed a ready-mixed concrete business in the Central Anatolian region around the cities of Ankara and Konya. At the end of 2011, the Group operated 36 concrete batching plants, 17 in the Ankara area and 19 in the Konya region, with a production of 2.4 million m^3, down 17.7 % compared with 2010. This decline in volumes was mainly the result of an unfavorable comparison basis, the Group having benefited in 2010 from exceptional infrastructure projects, particularly in the Ankara region.

The ready-mixed concrete business in Turkey must adapt both to the rigorous climatic conditions in the center of the country and to the constraints related to the country's tourist trade. Thus, the Group alternates its ready-mixed concrete business: from spring until autumn, it supplies mainly the Ankara and Konya regions and, during the winter and the low season for tourism, the construction sites on the Mediterranean and Black Sea coasts.

The market for aggregates in Turkey is estimated at approximately 210 million tonnes in 2011[(1)], remaining stable compared to 2010. The Group operates six quarries in Turkey, producing a total of 4.8 million tonnes of aggregates in 2011 (down 13.7 % compared to 2010): four quarries are located close to Ankara, one quarry near Konya and one near the Mediterranean coast. These are solid rock quarries, except for the one located on the Mediterranean coast, which is an alluvial rock quarry. The Group's position in Turkey in the Aggregates business is focused on covering its Ready-mixed concrete market.

(e) Senegal

2011 continued in the same vein as 2010, with the public works sector remaining very dynamic, driven by work on the international airport and by infrastructure projects involving the construction of road links.

The Group operates in the aggregates market serving Senegal and neighboring countries. In the absence of official statistics, the Group estimated this market at approximately 5.1 million tonnes in 2011[(2)], i.e. an increase of around 25 % compared to 2010. This market has been characterized since 1994 by a demand higher than the cumulative production capacities of the country's various quarry operators. This trend continued in 2011 in the case of basalt. Produced in the western part of Senegal (Dakar and Thiès), the crushed aggregates are used in the 11 regions of the country and in neighboring Gambia.

In 2011, the Group produced 3.0 million tonnes of aggregates, an increase of almost 24 % compared with 2010. These aggregates come from the operation of two quarries by two companies in the Group: Sodevit (acquired in 2001) and Gécamines (acquired in 2004 and in which the Group has a 70 % stake). In addition, in 2010 the Group acquired a Company owning land adjacent to that operated by Gécamines in order to increase its reserves of basalt rock.

Sodevit operates a limestone mine and has a network of points of sale which supply various construction sites. It covers, on its own, approximately 45 % of the demand of the aggregates market intended for hydraulic concretes. Gécamines produces and sells crushed basalt aggregates, with approximately 70 % of market volumes intended for the construction of road infrastructure.

6.3.3. Other Products & Services (OPS)

In France and Switzerland, the Group has activities complementary to its main businesses, acquired following various restructurings or acquisitions. Wherever it was able to develop synergies with its main businesses, the Group kept and developed these complementary activities. Thus, acquisition in 1984 of the Papeteries de Vizille brought to the Group a capacity to produce the paper bags used in the cement sector. Similarly, since the acquisition of Vigier in 2001, the Group has developed a Precast concrete products business which enjoys a strong position in Francophone Switzerland, thus consolidating the Vigier cement business. On the other hand, acquired activities which do not meet its integration or synergy criteria are sold, which was the case, for example, with the Vigier group's Trading business or Trading and Piping activities in France.

(1) Internal source.

(2) Internal source.

The Other Products & Services business covers the transport, construction chemistry, paper and precast concrete products businesses. It accounted in 2011 for 13.7 % of the Group's consolidated sales, i.e. €310 million (€264 million in 2010 and €250 million in 2009) and 6.8 % of the Group's EBITDA for the same period, i.e. €33 million (5.8 % in 2010 and 5.6 % in 2009).

Breakdown of sales by business

(in millions of euros)	Products and Services	2011	2011 (excl. Group sales)	2010	2009
France	Transport and Major Projects	119.5	73.5	88.0	79.9
	Vicat Produits Industriels	65.3	65.0	60.4	66.5
	Paper	41.3	35.9	40.0	39.5
Switzerland	Precast concrete products	122.8	121.9	105.7	92.3

6.3.3.1. Transport and Major Projects business (France)

Société Auxiliaire de Transport et de Matériel (SATM) was set up in 1958 and became a specialist in the transport of materials related to large building sites such as dams, motorways, ski resorts, airports, railway lines and harbor systems. SATM, through its 15 branches in France, uses three means of transport: bucket, tank and platform trucks.

Road transport was supported by the French state in recent years following the adoption of measures intended to support this sector in difficulty, mainly through the indexation of fuel prices.

SATM generates approximately 87 % of its transport sales as a shipping agent and is a leading player in the field of bulk, bucket and tank transport, which confers great flexibility and adaptability on the market. SATM operates a fleet of approximately 1,000 vehicles, of which the majority belong to sub-contractors working regularly with the Group. SATM's marketing policy consists of reinforcing its position in the specialist logistics services sector with an industrial customer base.

Approximately 51 % of sales by SATM's transport business are with Group companies especially since, in France, SATM transports much of the cement and aggregates to the Group's ready-mixed concrete batching plants. The complementary nature of this transport activity with the Group's businesses allows it to optimize the quality of service provided to its customers. Sales in this SATM business sector increased by 16.4 % in 2011, thus returning to a level comparable to that of 2007.

SATM's Major Projects business is generated mainly from bids for large infrastructure construction sites such as TGV railway lines, motorway projects and power station construction programs. SATM operates on these sites to deliver ready-mixed concrete by means of mobile concrete mixing and batching stations intended for major projects. SATM is a true partner in the major projects field, in France and abroad. It provides material transportation, production and supply services and thus enables the Group to offer a complete logistics solution to its customers' needs.

6.3.3.2. Vicat Produits Industriels (France)

Vicat Produits Industriels (VPI) is a major player in the industrial mortar market for construction and civil engineering. Its quality policy was rewarded by ISO 9001, ISO 14001 and OHSAS 18001 certification, obtained simultaneously for all the sites and the businesses and in particular for its four production plants.

With VPI, the Group has a closer outlook on the construction materials market and therefore a better understanding of end user needs.

VPI offers a broad range including approximately 200 products that meet many needs: façade coatings, mortar and traditional concretes, products used to repair floors and walls, tiling adhesives, thermal insulation products. The evolution and development of these products and their adaptation to the customer's requirements are handled by the research laboratory team at L'Isle-d'Abeau.

VPI's sales outside the Group increased by 8.2 % in 2011 to €65.0 million, in a market which grew by around 9.4 % (1).

VPI operates in the following three business segments, defined by type of customer:

- **Construction segment:** deals in general or multi-specialist materials. This segment accounts for approximately 64 % of VPI's sales, customers are consortia, integrated or independent traders.
- **DIY segment:** sells to major DIY outlets. This segment accounts for approximately 31 % of VPI's sales.
- **Civil engineering segment**: deals with specialist civil engineering companies. This segment accounts for approximately 5 % of VPI's sales.

(1) Syndicat National des Mortiers Industriels, 2011.

Significant investments were made in the Auneau plant in 2006 and 2007, in order to increase production capacity and thus be able to respond to the commercial development of its façade coatings and tile adhesive manufacturing business.

6.3.3.3. Paper and Bag business (France)

Located in the Grenoble area, the Papeteries de Vizille operates in two segments.

a) Printing and writing paper production

Sales by Papeteries de Vizille amounted to 23,244 tonnes of paper in 2011, a reduction of 9.4 % compared to 2010, mainly due to a decline in export sales, a highly competitive area in which market prices fell significantly. French production of printing and writing paper decreased by 6.3 % in 2011 (1). The size of this Company and the flexibility of its production equipment led the Group to concentrate on a niche market strategy aiming to provide its customers with a diversified range of products of high added value: bulking papers, check papers, secure papers and filigree papers.

The paper business remained buoyant in the first quarter, before again experiencing a significant downturn at the end of the year, resulting in production stoppages.

Despite its modest size, with around 1 % of French production, Vizille is the partner of famous publishers, major French banks, and is continuing its development in various countries around the world where its know-how and the quality of its products and its service are recognized.

b) Production of high capacity paper bags

The French market increased moderately by 2.1 % (2) in 2011.

The bag business provides high capacity paper bags to the agro-alimentary, chemical and construction sectors. This unit can produce technical bags with sealed valves as well as smaller bags. The factory has an annual production capacity of approximately 75 million bags, which represents approximately 12 % of the national market (3). In addition, 33 % of the bags produced by the Papeteries de Vizille are intended for the Group, although Papeteries de Vizille is not the exclusive supplier to the Group.

Papeteries de Vizille was able to take advantage of concentration of the industry in France with sales increased by 8.1 % in 2011.

(1) Source: Confédération française de l'industrie des papiers, cartons et celluloses (Copacel), 2011.
(2) Source : Fédération européenne des fabricants de sacs papier à grande contenance (Eurosac), 2011.
(3) Source : Fédération européenne des fabricants de sacs papier à grande contenance (Eurosac), 2011.

The following table shows the changes in volumes sold by Papeteries de Vizille :

	2011	2010	Change
Writing and printing paper (in tonnes)	23,224	25,618	- 9.4 %
Bags (in thousands of units)	66,113	61,146	+ 8.1 %
Sales (in millions of euros)	41.3	40.0	+ 3.3 %

6.3.3.4. Precast concrete products business (Switzerland)

Créabéton Matériaux, a Swiss subsidiary of Vigier, unites the four precast concrete products plants. The four factories are supplied with cement and aggregates by other companies within the Group. Créabéton Matériaux manufactures and sells a complete range of concrete products, in particular products for gardens (flagstones, paving stones), products for infrastructures (Deltablocs, gutters) and made-to-measure products (architectural items). Vigier also manufactures and sells railroad sleepers and concrete platform curbs under the Tribeton brand, and has recently acquired a supplier of technical solutions which has licenses for the "Low Vibration Tracks" slab track systems.

In 2011, the five Swiss factories produced a total of 411,764 tonnes of prefabricated concrete products, up more than 5 % compared to 2010, in a dynamic market for both infrastructure products (pipes, manholes, pavements) and consumer products, which are more affected by weather conditions. The first deliveries of railway sleepers for the Gotthard construction site were made at the end of the year.

6.4. Dependency factors

Information concerning the Group's dependency factors appears in section 4 "Risk factors" of this Registration Document.

6.5. Legislative and regulatory environment

The Group, like other major industrial groups, is subject to a significant number of laws and regulations relating to environmental protection in each country where it operates. These laws and regulations impose increasingly restrictive standards, in particular in relation to atmospheric emissions, noise, pollution, waste water, industrial waste discharge, health and safety, use and handling of waste or hazardous materials, waste disposal methods and product decontamination and safety.

The cement manufacturing business in France has been subjected since 2005 to greenhouse gas emission allowances. In 2003, the European Union adopted directive 2003/87 implementing the Kyoto Protocol on climate change, intended to establish a scheme for greenhouse gas emission allowance trading in order to encourage producers to control and reduce their CO2 emissions into the atmosphere. Each year, the Member States of the European Union therefore allocate allowances to each operator under national allocation plans, which are negotiated after discussion with the relevant professional organizations. These national allocation plans are determined mainly on the basis of historical emissions, the anticipated growth of the business sector and by taking into account the reduction ratio fixed by the European Union, in order to achieve the objectives under the Kyoto Protocol. Any overrun of its allowance by a producer must be offset by the purchase of allowances on the market or by using allowances for the following year.

All of the Group's cement factories in the European Union are subject to the directive establishing a scheme for greenhouse gas emission allowance trading. The allowances that are allocated to the Group's sites in France represent approximately 2.8 million tonnes of CO2 per year for the 2008-2012 period.

2008 was marked by negotiations regarding the modification of the European Directive on greenhouse gas emissions for the period after 2012. Under the French presidency of the European Union, the Directive published in January 2008 was modified to take into account its predictable impact on the competitiveness of European industries recognized as highly consumers in energy. The Directive adopted on December 16, 2008 allocates free CO2 quotas to industries that will be recognized as significant consumers of energy and subject to international competition. The criteria defined in the directive are used to classify the cement industry in this category. The amount of the free quotas allocated will be based on the average of specific emissions from cement factories that have the lowest CO2 emission factors and that represent 10 % of the clinker production.

The European Commission has adopted the revised Directive on the allocation of CO2 quotas for the period 2013-2020. The final outcome is that CO2 quotas will be calculated on the basis of clinker production in the reference years multiplied by the benchmark coefficient, i.e. 766 kg of CO2 per tonne of clinker. The value of this coefficient for Vicat in 2010 is slightly higher. We are awaiting the quota allocations for the period 2013-2020.

In addition, REACH (Registration, Evaluation and Authorization of Chemicals) regulation No. 1907/2006 adopted on December 18, 2006 came into force on June 1, 2007. It specifically imposes on each enterprise which manufactures or imports more than one tonne of a chemical substance per year to register it with the European Chemicals Agency.

Clinker is exempt from the registration procedures, but falls within the scope of the REACH regulation as regards classification, labeling and information requirements. Cement being a preparation, it is not subject to registration but falls within the scope of the regulation as regards information, marketing restrictions and given the presence of certain dangerous substances (in relation to Chromium VI).

Most extraction materials used by the Group as raw materials, as well as the clinker, are exempt form recording procedures in the context of appendix V of the REACH regulation.

As far as other substances that the Group produces or imports from outside the community (i.e. synthetic gypsum, kiln or by-pass dust that the Group produces or is the isolated intermediary as well as the blast furnace slag, pet coke and triethanolamine) are concerned, pre-registration was initiated. These substances enter into cement preparation. In fact, the Group participates in registration consortiums for these substances.

Under the regulations applicable to classified installations, the Group's businesses, in particular the operating of cement factories and quarries, are covered by authorizations or operating declarations and are subject to the regulations enacted by the administrative authorities.

All classified installations take into account the following environmental aspects: air pollution, water pollution, waste, nature conservancy (fauna, flora, landscapes, archaeology, forests, natural areas, agriculture), noise pollution, rational use of energy, town planning were carried out. Developments agreed with the neighboring populations and with environmental players and protectors.

The administrative authorities and the independent laboratories conduct regular inspections on the cement factories, in addition to the internal audits carried out by the Group.

The Group complies with the applicable environmental laws and regulations and holds the authorizations, permits and licenses necessary to allow it to carry out its business. The laws and regulations impose increasingly rigorous standards of environmental protection for industrial activities such as those carried on by the Group, in particular in the European Union and in the United States, and are interpreted more and more restrictively by the authorities. The Group expects this tendency to continue, which exposes the Group to an increased risk of claims and significant expenditure resulting from environmental issues.

The Group is working actively on the development and installation of measures intended to protect the environment. The development and adaptation of production technologies is a key element for the Group's environmental management policy. The Group's environmental policy is detailed in section 8.2 "Environmental policy" of this Registration Document.

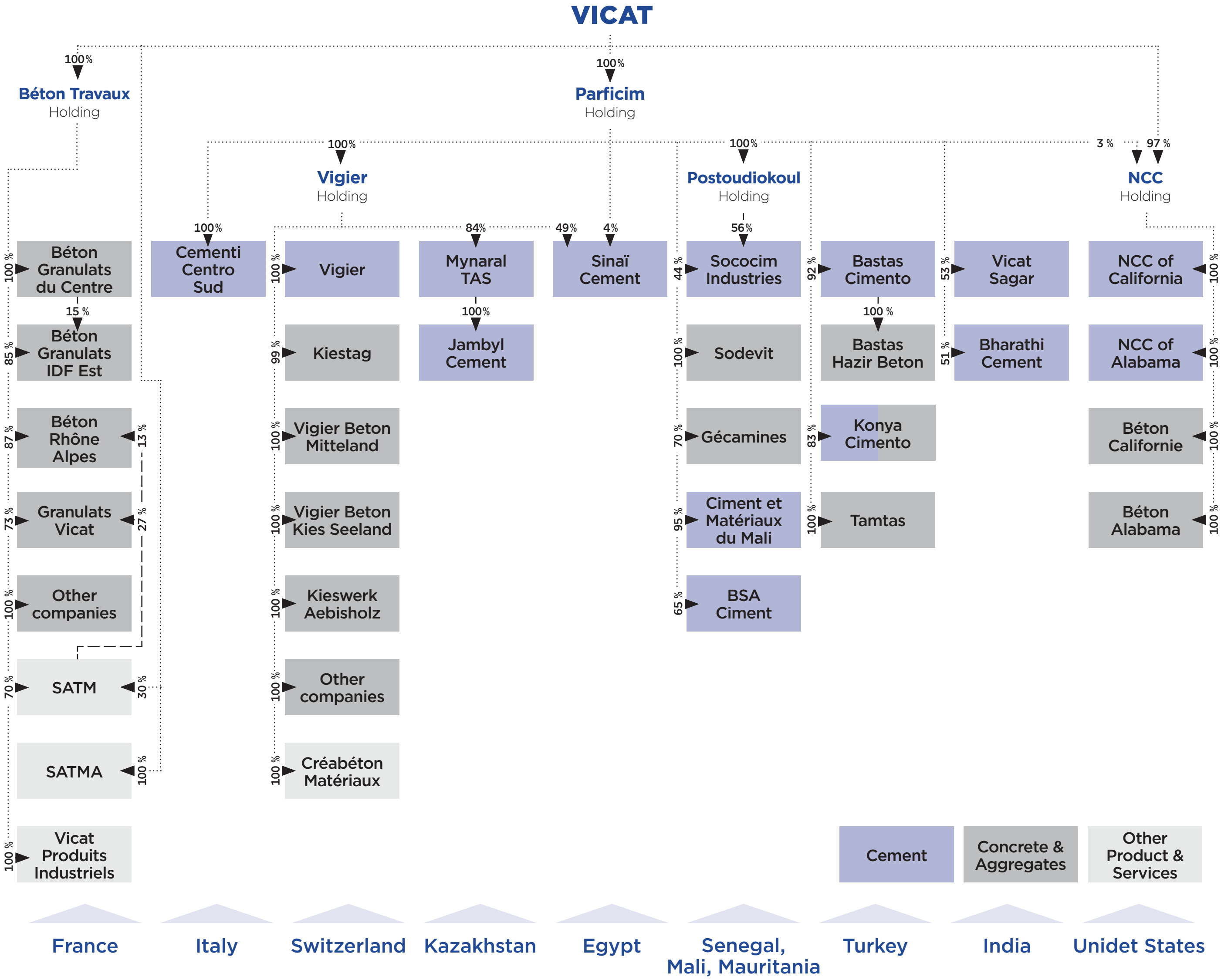
Organization chart

7

7.1. Simplified legal organization chart for the Group as at December 31, 2011

Some of the subsidiaries directly and indirectly controlled by the Group have minority shareholders who may be industrial or financial partners, or historical shareholders in the company in question before it was acquired by the Group. The presence of these minority shareholders may lead to the signing of shareholder agreements containing provisions regarding the corporate governance, the information provided to the shareholders or the evolution of the shareholdings in the subsidiary in question. Nonetheless, and excluding the exception referred to below, these shareholders agreements do not provide for put or call options, modifications to the cash distribution, or more generally measures that could have a material impact on the Group's financial structure.

Agreements were concluded between Vicat Group, the International Finance Corporation and Homebroker JSC Group (formerly known as KazKommerts Invest) in order to organize their relations as shareholders of the Company Mynaral Tas, under which the Group granted put options to its partners on their shareholdings in Mynaral Tas. These options are exercisable respectively in December 2013 at the earliest and in December 2015 and recognition thereof in the financial statements as at December 31 resulted in recognition of a liability corresponding to the present value of the exercise price.



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

Vicat SA is the parent company of the Group. It conducts industrial and commercial operations in the cement and paper industries in France.

The roles fulfilled by the managers of the Company and its main subsidiaries are contained in the corporate governance and internal audit report in appendix 1 of this Registration Document.

7.2. Information on subsidiaries and shareholdings

The Group's principal subsidiaries were determined on the basis of their contribution to financial indicators (sales by entity, share in the consolidated EBITDA, value of the intangible and tangible assets for each entity, consolidated equity-Group share) such that the aggregate of the indicators retained for these subsidiaries represents almost 90 % of the Group's consolidated total. The Group's main holding companies were added to this list.

The Group's consolidated subsidiaries are distributed across various countries as follows as at December 31, 2011:

Country	Number of subsidiaries
France	47
United States	17
Switzerland	37
Turkey	7
Senegal	4
Egypt	13
Italy	1
Mali	1
Mauritania	2
India	5
Kazakhstan	2
Total	**136**

These main subsidiaries are described below.

Parficim

Incorporated on June 7, 1974, Parficim is a French Société par Actions Simplifiée with a share capital of € 67,728,368 whose registered office is located at Tour Manhattan, 6, place de l'Iris, 92095 Paris-La Défense Cedex, registered in the Trade and Companies Register of Nanterre under number 304828379. The corporate purpose of Parficim, holding company, is the acquisition and management of transferable securities, shares in interests, and tangible and intangible assets.
As at December 31, 2011, the Company held 100 % of Parficim's share capital.

Béton Travaux

Incorporated on March 27, 1965, Béton Travaux is a French société anonyme with a share capital of € 27,996,544, whose registered office is located at Tour Manhattan, 6, place de l'Iris, 92095 Paris-La Défense Cedex, registered in the Trade and Companies Register of Nanterre under number 070503198. Béton Travaux's corporate purpose is the shareholding and management of manufacturing, transport and ready-mixed concrete companies and of all materials or equipment relating to their manufacture.

As at December 31, 2011, the Company held 99.98 % of Béton Travaux's share capital (others: 0.02 %).

National Cement Company, Inc.

Incorporated on April 17, 1974, National Cement Company, Inc. is a limited liability Company under American law with a share capital of US$ 280,520,000, whose registered office is located at 15821 Ventura Blvd, Suite 475, Encino, CA 91436-4778 (United States), registered in the State of Delaware under the number 63-0664316. National Cement Company's corporate purpose is the acquisition, administration and financing of holdings in companies, in particular in the cement and ready-mixed concrete sectors.
As at December 31, 2011, the Company held 96.84 % of the share capital of National Cement Company, Inc. and Parficim held 3.16 %.

Vigier Holding

Incorporated on August 25, 1884, Vigier Holding is a Swiss société anonyme, with a share capital of CHF 1,452,000, whose registered office is located at Wylihof 1, Deitingen, 4542 Luterbach, Switzerland, registered in Solothurn under the number CH-251.3,000,003. Vigier Holding's corporate purpose is the acquisition, administration and financing of holdings in firms, commercial acts and sectors of industrial services of all types, in particular in the cement and ready-mixed concrete branch. The Company may acquire shareholdings in other companies and acquire, buy and sell land.
As at December 31, 2011, Parficim held 100 % of Vigier Holding's share capital.

Bétons Granulats du Centre (B.G.C.)

Incorporated on December 30, 1982, B.G.C. is a French Société par Actions Simplifiée with a share capital of € 2,123,856, whose registered office is located at Chemin des Martailles, Les 63430 Martres-d'Artières, registered in the Trade and Companies Register of Clermont-Ferrand under number 327336343. The company's corporate purpose is the production, transport and marketing of ready-mixed concrete and all materials and equipment used in its manufacture.
As at December 31, 2011, Béton Travaux held 99 % of the share capital of B.G.C. (others: 1.00 %).

Béton Granulats Ile-de-France/Est (B.G.I.E.)

Incorporated on April 15, 1988, B.G.I.E. is a French Société par Actions Simplifiée with a share capital of € 3,849,584, whose registered office is located at 52-56, rue Jacquard, 77400 Lagny-sur-Marne, registered in the Trade and Companies Register of Meaux under number 344933338. B.G.I.E.'s corporate purpose is the production, treatment, storage, transport and trading of aggregates and all construction materials, as well as the operation of all quarries.
As at December 31, 2011, Béton Travaux held 79.62 % of the share capital of B.G.I.E., Bétons Granulats du Centre held 15.16 % and Béton Vicat held 5.22 %.

Béton Vicat

Incorporated on January 7, 1977, Béton Vicat, formerly Béton Rhône-Alpes, is a French société anonyme with a share capital of € 2,711,376 whose registered office is located at Les Trois Vallons, 4, rue Aristide-Bergès, 38080 L'Isle-d'Abeau, registered in the Trade and Companies Register of Vienne under number 309918464. Béton Vicat's corporate purpose is the production, transport and marketing of ready-mixed concrete and all materials or all equipment relating to its manufacture.
As at December 31, 2011, Béton Travaux held 69.96 % of the share capital of Béton Vicat, SATM held 13.29 % and Granulats Vicat held 16.70 % (others: 0.05 %).

Granulats Vicat

Incorporated on January 1, 1942, Granulats Vicat, formerly Granulats Rhône-Alpes, is a French société par actions simplifée with a share capital of € 5,104,704 whose registered office is located at Les Trois Vallons, 4, rue Aristide-Bergès, 38080 L'Isle d'Abeau, registered in the Trade and Companies Register of Vienne under number 768200255. Granulats Vicat's corporate purpose is the operation of all businesses relating to the sale of construction material, the public transport of goods and the hiring of vehicles by land, air, sea or river.
As at December 31, 2011, Béton Travaux held 57.61 % of the share capital of Granulats Vicat, SATM held 26.98 %, BGC held 16.19 %, Mariotto Béton held 4.30 %, B.C.C.A. held 4.12 % and Béton Vicat held 0.80 %.

Société Auxiliaire de Transport et de Matériel (SATM)

Incorporated on February 1, 1958, SATM is a French Société par Actions Simplifiée with a share capital of € 1,600,000 whose registered office is located at 1327, avenue de la Houille-Blanche, 73000 Chambéry, registered in the Trade and Companies Register of Chambéry under number 745820126. SATM's corporate purpose is the purchase, sale, use, leasing and operation of any equipment used for transport or any other uses and all transport and transport commission operations in particular: road transport, public transport services, goods in all areas and all countries, grouping of goods, freighting of trucks, and all commercial or financial transactions, movable or real estate, being able to be attached directly or indirectly to the purposes above or being able to facilitate the extension or its development.
As at December 31, 2011, Béton Travaux held 70.12 % of the share capital of SATM, the Company held 22.02 % and Parficim held 7.86 %.

Vicat Produits Industriels – VPI

Incorporated on May 1, 1957, VPI is a French Société par Actions Simplifiée with a share capital of € 3,221,776 whose registered office is located at Les Trois Vallons, 4, rue Aristide-Bergès, 38080 L'Isle-d'Abeau, registered in the Trade and Companies Register of Vienne under number 655780559. The corporate purpose of VPI is to manufacture and install all covering, sealant and insulating products and articles and all additives etc. as well as any operations as an agent or brokerage connected with these products or this work.
As at December 31, 2011, Béton Travaux held 100 % of VPI's share capital.

Bastas Baskent Cimento Sanayi Ve Ticaret A.S.

Incorporated on July 26, 1967, Bastas Baskent Cimento Sanayi Ve Ticaret A.S. is a Turkish corporation with a share capital of YTL 131,559,120, whose registered office is located at Ankara Samsun Yolu 35.km, 06780 Elmadag, Ankara (Turkey), registered in the Register of Businesses of Ankara under number 16577 and whose corporate purpose is the production and sale of cement and lime.
As at December 31, 2011, Parficim held 87.90 % of the share capital of Bastas Baskent Cimento Sanayi Ve Ticaret A.S. and Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S. held 3.7 % (others: 8.4 %).

Konya Cimento Sanayii A.S. (Konya)

Incorporated on December 11, 1954, Konya is a Turkish Company with a share capital of YTL 4,873,440, whose registered office is located at Horozluhan Mahallesi Ankara Caddesi n° 195, 42 300 Selçuklu, Konya (Turkey), registered in the Register of Businesses of Konya under number 2317 and whose corporate purpose is the production and marketing of various types of cements and concretes. The company's shares are listed on the Istanbul Stock Exchange (IMBK).
As at December 31, 2011, Parficim held 77.92 % of Konya's share capital, Béton Travaux held 0.99 %, SATM held 0.99 %, SATMA held 0.99 %, Noramco held 0.99 % and Konya Cimento Ticaret held 1.46 %. The remaining shares, representing 16.66 %, of the share capital are held by approximately 2,500 shareholders, with no shareholder holding more than 1 % of the company's share capital.

Bastas Hazir Béton Sanayi Ve Ticaret A.S.

Incorporated on December 20, 1990, Bastas Hazir Béton Sanayi Ve Ticaret A.S. is a Turkish Company with a share capital of YTL 19,425,000, whose registered office is located at Ankara-Samsun Yolu 35.km, 06780 Elmadag, Ankara (Turkey), registered in the Register of Businesses of Elmadag under number 488 and whose corporate purpose is the production and marketing of ready-mixed concrete.
As at December 31, 2011, Bastas Baskent Cimento Sanayi Ve Ticaret A.S. held 99.99 % of the share capital of Bastas Hazir Béton Sanayi Ve Ticaret A.S. (others: 0.01 %).

Sococim Industries

Incorporated on August 7, 1978, Sococim Industries is a Senegalese Company with a share capital of FCFA 4,666,552,110, whose registered office is located at 33 km, Ancienne route de Thiès, Dakar (Senegal), registered in Dakar under number 78 B 104 and whose corporate purpose

is the manufacture, import, marketing and export of limes, cements and sometimes hydraulic products and generally, of all products, materials, goods, articles and services related to construction.
As at December 31, 2011, Postoudiokoul held 55.56 % of the share capital of Sococim Industries and Parficim held 44.32 % (others: 0.12 %). Furthermore Parficim held 100 % of Postoudiokoul.

Sinaï Cement Company

Incorporated on December 27, 1997, Sinaï Cement Company is an Egyptian Company with a share capital of EGP 700 million, whose registered office is located at 29A Sama Tower, Ring Road Katameya, 11439 Cairo (Egypt), registered in Giza under number 118456 and whose corporate purpose is the manufacture, import, marketing and export of bags of cement and construction materials.

Cementi Centro Sud

Incorporated on September 5, 2001, Cementi Centro Sud S.p.a., is an Italian Company with a share capital of € 3,434,013, whose registered office is located at Corte Lambruschini – Torret, Piazza Borgo Pila, 40/57 F - G – 16 129, Genoa (Italy), registered in Genoa under the number 02154090985 and whose corporate purpose is the management of harbor terminals and the production, import and export of construction materials.
As at December 31, 2011, Parficim held 100 % of the share capital of Cementi Centro Sud S.p.a.

Bharathi Cement Corporation Private Limited

Incorporated on 12 May 1999, Bharathi Cement Corporation Private Limited is an Indian Company with a share capital of 791,968,790 rupees, whose registered office is located at 8-2-269/S/98, Sagar Society, Road n°2, Banjara Hills, Hyderabad 500034, Andhra Pradesh, India, registered in the Trade and Companies Register of Andhra Pradesh under number U26942AP1999PTC031682, and whose corporate purpose is the operation of quarries and the manufacture of cement.
As at December 31, 2011, Parficim held 51.02 % of the share capital.

Mynaral Tas Company LLP

Incorporated on March 27, 2007, Mynaral Tas Company LLP is a Kazakhstan Company with a share capital of 12,833,454,800 Tenge, whose registered office is located at 38 Dostyk ave, Almaty, 050010 Republic of Kazakhstan, registered with the Ministry of Justice of the Republic of Kazakhstan under number 84559-1919-TOO, and whose corporate purpose is the operation of a quarry.
As at December 31, 2011, the Company (through Vigier Holding) held 84.07 % of the share capital.

Jambyl Cement Production Company LLP

Incorporated on August 5, 2008, Jambyl Cement Production Company LLP is a Kazakhstan Company with a share capital of 8,804,195,512 Tenge, whose registered office is located at Cement plant, Reserved lands “Betpakdala”, Moyinkum District, Zhambyl Oblast, 080618 Republic of Kazakhstan, registered with the Ministry of Justice of the Republic of Kazakhstan under number 10544-1919-TOO, and whose corporate purpose is the operation of a cement factory.
As at December 31, 2011, the Company (through Vigier Holding and Mynaral Tas) held 84.07 % of the share capital.

Vicat Sagar Cement Private Limited

Incorporated on July 22, 2008, Vicat Sagar Cement Private Limited is an Indian Company, with a share capital of 138,80 crores, whose registered office is located at 8-2-472/B/2, Road n° 1, Banjara Hills, Hyderabad - 500034 (India), registered in the state of Andhra Pradesh under number U26941AP2008FTC060595 and whose corporate purpose is the operation of quarries and the manufacture of cement.
As at December 31, 2011, Parficim held 53 % of the share capital.

Real estate, factories and equipment

8.1. Real estate and equipment

The table below shows the Group's main real estate holdings and equipment as at December 31, 2011 for its cement, ready-mixed concrete and aggregates businesses:

Country	Cement				Ready-mixed concrete	Granulats
	Cement factories	Grinding plants	Cement terminals	Capacity (1) (millions of tonnes)	Concrete batching plants	Quarries
France	5	3	4	4.6	141	42
United States	2 (2)		5	2.6	49	
Turkey	2			4.6	36	6
Senegal	1		2	3.5		2
Mali			1			
Switzerland	1		1	0.9	22	20
Egypt	1			3.6		
Italy		1	2	0.5		
Mauritania		1	12	0.5	1	
Kazakhstan	1		4	1.1		
India	1		75 (3)	5.0		1
Total	**14**	**5**	**106**	**26.9**	**249**	**71**

(1) Equivalent cement capacity to the clinker capacity of each factory.
(2) As for the Lebec cement factory, the Group benefits from a 99 year lease relating to the land (see 8.1.1).
(3) Bharathi Cement distribution terminals necessary for a distribution network close to the Indian market.

8.1.1. Cement

The cement-manufacturing industry is a highly capital-intensive industry, requiring significant investments. The cost of building a cement factory generally amounts between € 150 and € 200 million, depending on the type of work and the targeted capacity of production and the country location. The Group takes care to maintain its production facilities at a high level of performance and reliability. Accordingly, it has continuously invested in new equipment, which enables it to benefit from the latest recognized technologies, and has in particular enabled it to benefit from a steady improvement of the energy balance of the installations. The choice of leading international suppliers is also in line with the Group's policy of industrial excellence intended to give priority to quality, durability and performance of the equipment.

The table below sets forth the Group's various cement producing sites in France and abroad.

Sites	Country	Key dates
Montalieu	France	Group's main cement factory in France, its construction dates from 1922.
La Grave-de-Peille	France	Built in 1929, this was the Group's second cement factory in France.
Créchy	France	Built in 1968, this was the cement factory is located close to Vichy.
Xeuilley	France	Acquired in 1969, during the cement industry's restructuring period.
Saint-Égrève	France	Acquired in 1970, this factory is located in the south-east, in the Rhône-Alpes region.
Ragland	United States	In 1974, the acquisition of this cement factory in Ragland, Alabama, was the Group's flagship investment internationally.
Lebec	United States	In 1987, the Group reinforced its presence in the United States with the acquisition of this factory in Lebec, California, located near Los Angeles.
Konya	Turkey	This cement factory, acquired in 1991, is located in Konya, in the south of the Anatolian plain.
Bastas	Turkey	This cement factory, acquired in 1994, is located in Bastas, in the centre of Turkey, close to Ankara, the capital.
Rufisque	Senegal	In 1999, the Group took over Sococim Industries which operates a cement factory near the capital, Dakar.

Sites	Country	Key dates
Reuchenette	Switzerland	The acquisition of Vigier in 2001, made it possible for the Group to supplement its activities with this cement factory of Reuchenette.
El Arish	Egypt	At the beginning of 2003, the Group took a strategic holding in the Sinai Cement Company, owner of a cement factory built in 2001, located 40 km from El Arish harbour.
Oristano (grinding station)	Italy	Acquired in May 2003, Cementi Centro Sud is the owner of a grinding station in Sardinia and has two shipping terminals in Tarente (south of the Italian peninsula) and Imperia (close to Genoa).
Bamako	Mali	Inauguration in March 2006 of a railway terminal and a bagging unit, operated by the subsidiary Ciments et Matériaux du Mali.
Mynaral	Kazakhstan	In December 2007, the Group acquired a specific purpose Company established to build 1.1 million tonnes capacity cement factory in Mynaral, 400 km from Almaty. The factory became fully operational at the start of April 2011.
Nouakchott	Mauritania	In October 2008, the Group took control of 65 % of the equity of BSA Ciment SA, which operates a cement mill near the capital.
Chatrasala	India	Vicat Sagar Cement, a joint venture set up by the Group with its Indian partner, is currently building the first line at a greenfield plant in Karnataka, with an initial capacity of 2.5 million tonnes, which will increase to 5.5 tonnes in the second phase.
Kadapa	India	In April 2010, the Group acquired 51 % of the Company Bharathi Cement. The Company had a 2.5 million tonnes capacity factory, which was increased to 5 million tonnes at the end of 2010.

In most cases, the Group owns the land on which its cement factories are built. The Lebec cement factory has a lease granted in 1966 for a term of 99 years, of which 53 years remain. In addition, except for some rolling items (such as loaders and trucks), the production equipment is fully-owned.

The Group manages the clay and limestone quarries and owns the land it exploits, either through renewable mining rights agreements for terms of between 10 to 30 years according to country, or through concessions granted by the state, which offer both use of the land and the right to exploit it. These concessions are also renewable periodically.

From the outset of its quarry operations, the Group takes into account the constraints of restoring its sites. See section 8.2 “Environmental policy” of this Registration Document.

8.1.2. Ready-mixed concrete

The ready-mixed concrete business included 249 concrete batching plants as at December 31, 2011. These concrete batching plants consist of raw materials storage facilities and concrete preparation tanks. This equipment is heavily automated in order to ensure consistency in the quality of the concrete manufactured. With the exception of two batching plants rented in Turkey, the Group owns its concrete batching plants.

In addition, this ready-mixed concrete business operates a fleet of mixer trucks and pumping trucks to deliver the concrete to building sites. The Group directly operates part of this fleet, either as owner of the trucks or under financing leasing agreements. For the remainder it sub-contracts delivery of the concrete to lessors who have their own equipment.

8.1.3. Aggregates

Extractions are made on land which the Group owns or over which it has long-term operating rights, and for which it has obtained the necessary licenses. In addition, the Group maintains the level of its reserves through acquisitions and by obtaining new extraction licenses. Finally, management of the quarries integrates the necessity of restoring the sites, as discussed in section 8.2 “Environmental policy” of this Registration Document.

The industrial plant comprises heavy equipment such as loaders, haulage machines, crushers and other materials such as draglines. With the exception of some plants held under financing leasing agreements, the Group generally owns this equipment.

8.2. Environmental policy

The main pillars of the Group’s environmental policy are in line with its commitment to sustainable development; they reflect a genuine desire to respect the environment, conserve natural resources and develop human relations. Investments amounted to a total of €8.8 million in 2011, €5.9 million in 2010 and €8 million in 2009. This commitment results in particular in the following:

8.2.1. Integrating quarries into their environment

Environmental considerations are incorporated into all stages of the life cycle of the operation of the quarries, which is necessary in order to supply the cement factories or for the production of aggregates. The flora, fauna and countryside are taken into consideration at every stage of their operation. There are three main pillars to the Group’s environmental policy for the operation of its quarries:

Redevelopment of quarries: 85 % of the Group's quarries have a redevelopment program. In 2011, more than 493,000 m2 were redeveloped under such programs, which take various forms depending on the specific context and local needs; in particular, they include meadows, tree planting and lakes. For example, the planting program at the quarries linked to the Bastas and Konya cement factories in Turkey where 120,000 trees have been planted, or in Senegal where two forestation policies are being pursued, with the planting of either species with fruits which can be used to produce energy on areas not yet being exploited, or of species for wood reinstatement on quarries where extraction has ended.

VICAT quarry reinstatement program 2011

	Cement	Aggregates	Total
Total number of quarries	54	83	137
Of which quarries with a reinstatement program	40	77	117
Proportion of quarries with a reinstatement program	74 %	93 %	85 %

Measures to compensate for extraction: As part of its projects, the Group is committed to setting up compensatory measures in conjunction with local NGOs and the authorities. 2011 saw the launch of a major limestone extraction project at Montalieu, accompanied by extensive environmental measures such as coordination of the extraction with the161-hectare regional nature reserve, formerly known as a voluntary reserve, and 40 hectare woodland reserve linked to an environmental management plan.

Reduction of environmental impact: The control of pollution and the impact of our quarries on biodiversity are essential elements in our operating policy.

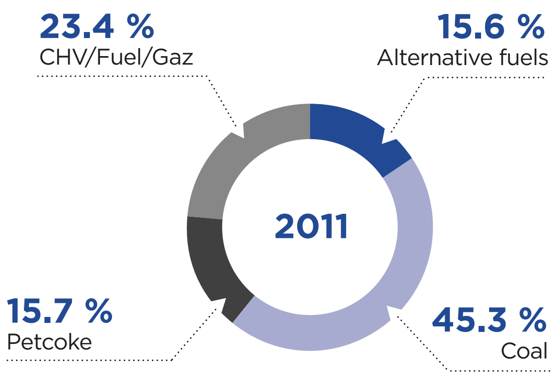
The amounts for which provision is made under this heading in the Group's consolidated financial statements are shown in notes 1.17 and 15 of section 20.2 "Financial information" of this Registration Document.

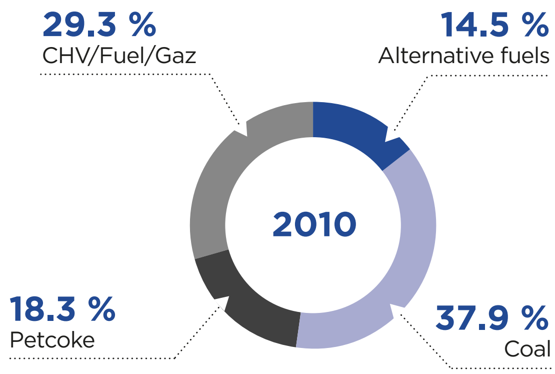
8.2.2. Optimized mix of energy sources with an increasing share going to alternative fuels and waste

Environmental considerations always feature in the choice of fuels used in the Group's cement factories, whether this is reflected in the choice of fuels that emit less CO2, such as natural gas, or in the use of alternative fuels, as soon as a waste collection contract makes this feasible from an industrial and financial point of view (subject to agreement from the relevant monitoring authorities).

Two notable changes in the fuel mix occurred in 2011: a further significant increase in the proportion of alternative fuels from 14.5 % of consumption in 2010 to 15.6 % in 2011 and a further increase in the proportion of coal used.

Energy sources





As in 2010, this overall increase does not fully reflect the reality of what has been achieved owing to other factors in the production mix, namely the significant increase in clinker production with the integration of Bharathi Cement and to a lesser extent Jambyl Cement, which do not so far use alternative fuels, but exclusively coal. Egypt also made up for a shortage of gas due to the political situation with fuel oil.

Leaving aside these specific cases, the proportion of energy supplied by alternative fuels increased by almost 5 percent in Turkey and the United States, by more than 3 percent in Senegal and by more than 6 percent in Switzerland. In total the proportion of alternative fuels, excluding Kazakhstan and India, was 18.4 % in 2011 compared with 15.5 % in 2010.

This is the result of the successful implementation of the Group's projects in this area:

- In **Turkey**, with the development of a subsidiary specializing in waste collection and treatment: Cözüm;
- In **Senegal**, with the extension to kiln 5 of the program to use a range of fuels (peanut shells, Jatrophas berries, used oils, tires, solid waste).
- In **Switzerland**, through the use of milled wood from construction site materials recovered by the Concrete and Aggregates business, increasing the proportion of biomass fuel used to almost 28 %.

In these projects, priority is given to biomass which has increased from just under 5 % to more than 6 %.

Energy consumption

In general terms, the Group aims to optimize the energy sources used both for electricity generation and for the provision of heat, and in terms of the performance of the equipment used and the choice of energy available to each production site. The following tables show a breakdown of the Group's energy consumption.

Electricity	Cement	Concrete & Aggregates
Total electricity consumption (MWH)	1,731,412	74,641
Of which bought in from third parties	1,493,170	69,170
% of the total	**86.2**	**92.7**

Fuels (cement business)	2011	2010
Energy consumed (GJoule)	47,411,028	44,794,065
Energy consumed per tonne of clinker produced (MJoule / T ck)	3,468	3,440
Breakdown of fuels		
Coal	45.3 %	37.9 %
Petcoke	15.7 %	18.3 %
Alternative fuels	15.6 %	14.5 %
High viscosity fuel / Fuel oil/ Gas	23.4 %	29.3 %

8.2.3. Pollution control

In addition to the above measures in relation to quarries, the Group is focused on reducing environmental pollution caused by industrial operations. Emissions and discharges into the air relate primarily to the cement factories. These are measured on a regular basis and are strictly regulated and monitored, in particular with regard to dust, SOx and NOx.

Emissions of pollutants are measured on a regular basis and action plans put in place to reduce these. The following table shows the aggregate emission measurements for the Group:

	% of 2011 clinker production included in the analysis	Total Emissions Tonnes		Emissions g/t of clinker	
		2011	2010	2011	2010
Dust	100	622	402	46	33
SOx	48	2,057	1,753	312	285
NOx	68	11,912	9,612	1,273	1,092

The above figures relate to emissions from kiln chimneys. The data are from measurements taken continuously at 65 % of the stack height in the case of dust, 65 % in the case of NOx and 45 % in the case of SOx. The other kilns analyzed were subject to periodic measurements which were then extrapolated.

Inclusion of all kilns in the monitoring resulted in a slight increase in dust emissions, which nevertheless remained below the published industry benchmark figures.

This is the result of the Group's significant investment efforts in recent years, with the installation of filter bags in several plants (Konya in Turkey, Montalieu and Créchy in France and Rufisque in Senegal). Similarly, the greenfield factories currently being brought on stream or under construction use modern technology which ensures an environmental performance meeting international standards.

In addition to the work on emissions from the cement factory chimneys, efforts have also been made to control the emissions of diffuse dust: these include in Senegal the installation of a number of filter bags in the Rufisque cement factory and the use of conveyor belts to prevent material being picked up from the ground, and a new clinker storage shed with full dust extraction has been brought on stream. Continuous emission measurement systems have been installed at the Al Arish factory in order to enable more accurate monitoring.

The slight increase in SO2 emissions was mainly due to the variable nature of the raw meal at plants where this occurs and was in the middle of the industry benchmark range.

The increase in NOx related to the higher proportion of coal in the fuels used (see above) but was still at the bottom end of the industry benchmark range.

8.2.4. Control of greenhouse gas emissions

In all the countries where the Group is present, it implemented measures as part of the collective action by the Kyoto Protocol signatory countries to reduce greenhouse gas emissions. The cement business is primarily affected by emissions of CO_2 from, on one hand, the decarbonization of limestone and, on the other, the fuels used in its kilns.

Even before the first period in which emission quotas applied (2005-2007), the Group worked actively on reducing its CO_2 emissions into the atmosphere, by endeavoring to decrease fossil fuel consumption, improve the thermal efficiency of its kilns and increase the use of alternative fuels, which emit less CO_2, and of biomass fuels where the CO_2 balance is neutral for the environment. Looking to the medium-term, the Group is also developing cements with additives in countries where the standards allow it (limestone or pozzolanic fillers, blast furnace slag, fly ash). The Group is also studying other alternatives (such as new technologies, repatriation of CO_2 within the framework of Clean Development Mechanisms. new products, etc.).

The cement industry in France has been subject to greenhouse gas emission quotas since 2005, when a quota mechanism was introduced by the European Union in order to encourage industry to control and reduce CO_2 emissions into the atmosphere. Each year, therefore, the Member States of the European Union allot emission quotas to each operator under national allocation plans, which are negotiated by Member States after dialogue with professional organizations. These emission quota allocations are determined on the basis of past emissions, the expected growth of the industry sector and taking into account the reduction factor set by the European Union in order to move towards the Kyoto Protocol objectives. Any exceeding of the quotas allocated per producer must be offset by purchasing emission rights on the market or by using quotas allocated for the following year.

With regard to the last year of the second phase of allocation these quotas for the years 2008-2012 (PNAQ II), it should not need to purchase additional emission rights on the market.

The European Commission has finally adopted the revised Directive on the allocations of CO_2 quotas for the period 2013-2020. The CO_2 quotas will, therefore, be calculated on the basis of the clinker production in the reference years, multiplied by the benchmark coefficient, i.e. 766 kg CO_2 per tonne of clinker.

Applications for allocations in phase 3 (2013-2020) could be made in 2011 on the basis of the allocation rules established by the Commission. This tranche of quotas could, however, be adjusted downwards by an adjustment factor which will only be known once applications from all European countries have been made, i.e. at the earliest in the third quarter of 2012.

The program to introduce new alternative fuels containing biomass and the thermal efficiency of the Group's kilns in France should enable an emissions factor close to the benchmark to be achieved in 2012.

In 2011, the total gross emissions from the Group's cement business amounted to 11,322 thousand tonnes of CO_2. Such emissions increased by + 5.2 %, with the increase in clinker production, + 3.8 %. Emissions per tonne, therefore, increased slightly to 828 kg of CO_2/tonne of clinker (+ 1.3 %), owing particularly to the increase in the proportion of coal, mainly as a result of the increase in output from the plants in India and Kazakhstan. Despite everything, this emission factor remains amongst the lowest in the global benchmark and is achievable due to the modern equipment in the Group's factories.

In France, 2011 was the fourth year in the implementation of phase II of the national quota allocation plan (PNAQ II), under which the Group was allocated 2,802 thousand tonnes in emission quotas. Given the slowdown in the market, the continued increase in alternative fuels, in particular, from biomass, and the good control over the thermal performance of the plants, actual emissions were estimated at 2,270 thousand tonnes of CO_2. In addition, the National Quota Allocation Plan (PNAQ II) offers the Group the option to fulfill part of its obligation through Carbon Emission Reduction Certificates (CERs); the Group was therefore able to exchange quotas against CERs to the tune of 450 thousand tonnes and the balancing cash adjustment received was then recognized in the income for the period.

The amounts posted under this heading in the Group's consolidated financial statements are shown in notes 1.7 and 4 of section 20.2.2 "Notes to the 2011 Consolidated Financial Statements" of this Registration Document.

8.2.5. Managing and recycling the water required for production

Water management is a factor in each of the Group's 3 core businesses:

- **In the case of cement manufacture**, water is used only for cooling and the Group is developing an approach intended to minimize extraction from the environment by giving priority to recycling systems and by collecting rainwater (in 2010 a storm water and fire pond containment system was established at the Saint Egrève factory in France);
- **In the case of ready-mixed concrete**, water is used both for incorporation into the product and for washing the installations and vehicles. In France, the Ready-mixed concrete business continued implementation of the water management program begun in 2007, with settlement tanks being installed in a number of batching plants in France in 2010;
- **In the case of the aggregates business**, the large amounts of water extracted for washing materials are offset by water recycling systems, as for example at the Sablières de Grésivaudan site, which operates in closed loop. The proportion of water recycled has increased steadily to reach 72 %.

Water consumption

Water consumption by the Group is shown below for ...	Cement	Concrete & Aggregates
Totale water consumption (millions of m^3)	11.4	10.4
Volume of water recycled	2.7	5.4
% of the total	24	52
Proportion of water supply coming from the public water network	5.9 %	16.7 %

Examination of the financial position and results

The following presentation and analysis is to be read in conjunction with the entire Registration Document, in particular the Group's consolidated financial statements for the years ended on December 31, 2009, 2010 and 2011, prepared in accordance with International Financial Reporting Standards or "IFRS" (see section 20.1 "Accounting policies" of this Registration Document), on which this analysis was based.

9.1. Introduction

As at the date of this Registration Document, the Group operates in eleven countries, where it operates its main businesses, namely Cement, Ready-mixed concrete and Aggregates. The Group has organized its teams by business segment in order to manage its activities. This choice is explained by the fact that the Cement business on one hand and the Ready-mixed concrete and Aggregates businesses on the other hand are based on different economic models and have a different customer base. Accordingly, the Group manages its activities and allocates its resources by business segment in all the markets where it operates. Nonetheless, the capital-intensive nature of this industry often leads the Group to coordinate its businesses by market, in order to improve the overall efficiency of its organization.

Country	Cement	Concrete & Aggregates	Other Products & Services
France	■	■	■
United States	■	■	
Switzerland	■	■	■
Turkey	■	■	
Senegal	■	■	
Egypt	■		
Italy	■		
Mali	■		
Kazakhstan	■		
India	■	■	
Mauritania	■	■	

In 2011, the Group's total shipments in these main businesses amounted to 18.0 million tonnes of cement, 8.0 million m^3 of concrete and 22.2 million tonnes of aggregates. In France and Switzerland, the Group also operates in activities complementary to the main businesses.

9.1.1. Summary of the Group's 2011 results

During the 2011 financial year, the Group's consolidated sales were € 2,265 million, up 12.5 % compared to 2010 and 9.6 % at constant consolidation scope and exchange rates.

Against a background of contrasting economic developments, the Group's business grew in all regions in which it operates, except Africa and the Middle East. In this latter region, the Group's business was affected by the situation in Egypt (-26.4 % at constant consolidation scope and exchange rates), which was only partially offset by the dynamic growth recorded in West Africa (+19.6 % at constant consolidation scope and exchange rates). In the developed countries, the slight improvement in the economic situation and in the industry, together with the impact of more favorable weather conditions in the first and fourth quarters, enabled the Group to report solid growth in its business in France (+ 10.7 % at constant consolidation scope and exchange rates and the rest of Europe (+ 6.8 % at constant consolidation scope and exchange rates) and also a return to growth in the United States (+ 3.3 % at constant consolidation scope and exchange rates). Business in Turkey continued to show sustained growth (+ 9.3 % at constant consolidation scope and exchange rates). Finally the Group benefited from a favorable consolidation effect, due mainly to the first full year of consolidation of Bharathi Cement in India (consolidated with effect from May 1, 2010) and the increase in output from Jambyl Cement in Kazakhstan.

Change in 2011/2010 sales by business and geographical region:

	France		Outside France		Total	
	In millions of euros	Change 2011/2010	In millions of euros	Change 2011/2010	In millions of euros	Change 2011/2010
Cement	27	+ 9.4 %	77	+ 10.3 %	104	+ 10.1 %
Concrete & Aggregates	51	+ 13.1 %	51	+ 15.5 %	102	+ 14.2 %
Other Products & Services	29	+ 18.6 %	16	+ 15.6 %	46	+ 17.4 %
Total	**107**	**+ 12.9 %**	**145**	**+ 12.3 %**	**252**	**+ 12.5 %**

The Group's consolidated EBITDA fell slightly in 2011 by -2.6 % compared with 2010, to € 491 million, and by - 4.8 % at constant consolidation scope and exchange rates. The EBITDA margin on consolidated sales was, therefore, 21.7 % compared with 25.0 % in 2010. This was the result of contrasting developments in different countries:

- significant downturn in Egypt following the political events which occurred at the start of the year:
- the continuing decrease in business in the United States, in a business climate that is stabilizing, but a price context that remains unfavorable;
- recovery in Turkey, thanks to the recovery in cement volumes on the domestic market and prices;
- major improvements in India with the increase in output from Bharathi Cement and a favorable price environment.
- strong increase in the EBITDA in France and in Europe.

The net consolidated income was € 193 million, down 26.9 % compared to 2010 (€ 264 million), including a Group share of € 164 million, down 19.3 % compared to 2010 (€ 203 million).

The consolidated cash flows from operations fell to € 363 million compared with € 409 million in 2010. The cash generated by operations (€ 352 million) largely funded the € 276 million of industrial investments made over the year. With a net financial indebtedness of € 1,077 million, the Group displays, as at December 31, 2011, a sound financial structure, with a gearing ratio of 43.8 % compared with 38.6 % at the end of 2010.

9.1.2. Elements having an impact on earnings

As at the date of registration of this Registration Document, the Group considers that the principal factors having a significant impact on its financial performance are as follows.

9.1.2.1. Elements having an impact on sales

(a) Economic conditions in the countries where the Group operates

The materials produced by the Group - cement, concrete and aggregates - are major components of construction and infrastructure in general.

Demand for these products depends on the economic conditions specific to each country and market, which are in turn determined by the rate of demographic growth, the level of economic growth and the level of urbanization. These factors influence the level of local public and private sector investment in housing and infrastructure, and therefore the sales achieved by the Group in each market where it operates. More generally, the level of public and private sector investment in housing and infrastructure is affected by the general political and economic situation in each country.

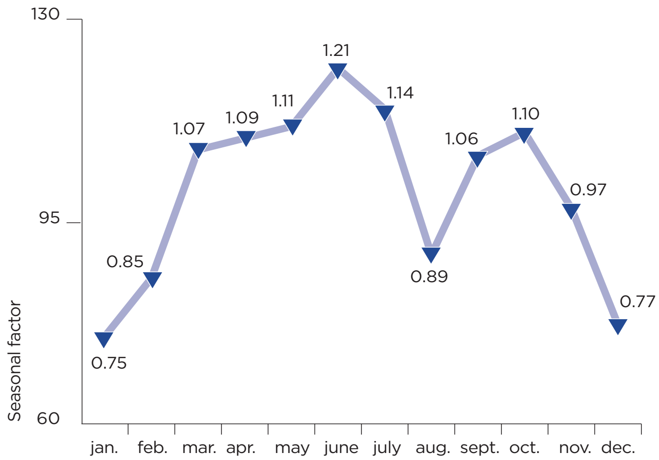
The price levels applicable to each market are determined by the production costs of existing operators and the competitive intensity of the product markets.

(b) Seasonality factors

Demand in the Cement, Ready-mixed concrete and Aggregates businesses is seasonal and tends to decrease in winter in temperate countries and during the rainy season in tropical countries. The Group therefore generally records a fall in sales in the first and fourth quarters, during the winter season in the principal markets of Western Europe and North America. In the second and third quarters, on the other hand, sales are higher, as the summer season is favorable to the construction industry.

The following graph shows the changes in the monthly average seasonality coefficient during the year, calculated from the seasonality of sales recorded during the last five years. Thus, for a monthly average equal to 1, the seasonality factor varies from 0.75 on average in January to almost 1.21 on average in June.

Seasonal factors of Group Vicat's sales



The seasonality varies depending on the country. Thus, the Group's activities in Senegal, despite reduced winter activity from August to October, and in the United States, were less affected by seasonality than Western Europe. Turkey similarly did not see a fall in its activity in August, unlike France and Italy. Finally the Group's business is subject to very high levels of seasonality in India, owing to the monsoon season, and in Kazakhstan, given the very low temperatures between November and February.

9.1.2.2. Elements having an impact on production costs

The principal components of production costs are energy, raw materials, maintenance, provisions for depreciation of production facilities, transport costs and personnel costs.

The cost of energy is the most important in the Cement business; it represents in total more than one third of the cost price of cement. The cost of energy includes, on one hand, electricity, whose price depends in particular on the production capacity available on each market and, on the other, on fuels, whose prices depend on the overall market conditions for each fuel. The effect of changes in fuel prices varies in particular according to the mix of fuels used, the energy efficiency of each factory, and the capacity to use alternative fuels. The impact of energy prices fluctuations has a delayed and reduced impact on the income statements, in view of the stocks held and the existing term supply agreements.

As the Group's products are heavy, the share of costs relating to transport can prove to be high. The locations of factories and their proximity to the markets are thus determinant for the competitive position and have a direct effect on the selling prices net of transport obtained by the companies (see also the section 9.1.4 "Elements of the income statement" of this Registration Document).

9.1.2.3 Elements having an impact on the financial income

The consolidated financial income depends mainly on the Group's indebtedness, as well as on the interest rates applied and fluctuations in the exchange rates of the currencies in which the Group incurs debts or has a cash surplus. The sensitivity to these fluctuations in interest and exchange rates is limited by the hedging instruments used.

The Group's activities are run by entities which operate primarily in their own country and their own currency, both for sales and for purchases. The Group's exposure to exchange rates is thus limited.

Nevertheless, import and export transactions by the companies in currencies different from their accounting currency are generally hedged by forward buying and selling currency operations. Intragroup financings are usually the subject of exchange rate hedging by the companies where the loan currency differs from the operating currency.

9.1.2.4. Elements having an impact on the Group's taxes

The Group's tax burden depends on the tax laws in force in each country where the Group operates and on exemption agreements from which some subsidiaries (Kazakhstan, Senegal and Egypt) benefit.

In **Senegal**, the State signed a mining agreement with Sococim Industries in February 2006, with retroactive effect to January 1, 2006, granting it tax exempt status because of its major investment plan, of which the main benefits are exemption from corporation tax, a capping of the occupational and land taxes for a period of 15 years and relief on import duties over the investment period of four years.

In **Egypt**, at the time of its creation, Sinaï Cement benefited from an exemption scheme in favor of investment, under which the Company is exempt from income tax for a period of 10 years as from 2001.

In **Kazakhstan**, Jambyl Cement benefited from an income tax exemption agreement at the end of 2008, for a 10-year period starting when the plant came into operation, i.e. in December 2010.

In **Turkey**, the government has suggested all companies underwriting the benefit of a tax amnesty for the years 2006 to 2009, covering corporation tax, VAT, social security contributions and arrears on payments to the administrative authorities and to public sector utility companies (water, gas, electricity etc.). Like most large companies in Turkey, the Group opted to sign up to this amnesty, limiting its application to corporation tax. The present value of the tax expense recognized in the financial statements of the Group's Turkish companies as at December 31, 2011 was € 6.3 million.

9.1.3. Key accounting policies

In accordance with European Regulation no. 1606/2002 of the European Parliament of July 19, 2002 with respect to the application of international financial reporting standards, the Group's consolidated financial statements have been prepared, since January 1, 2005, in accordance with IFRS reference manual, as adopted within the European Union. Standards retained as reference accounting policies are those in force as at the closing date. None of the standards and interpretations published but not in force as at December 31, 2011 were applied ahead of their effective date.

The following options were adopted under the first application of IFRS:
- no adjustment for business combinations completed before the transition date;
- no use of fair value or an earlier revaluation as the new historical cost;
- setting to zero of the actuarial differences related to personnel benefits not yet recognized by allocation to equity;
- setting to zero of conversion differences accumulated by allocation to the consolidated reserves.

The financial statements are presented:
- by type for the income statement;
- according to current/non-current classification for the balance sheet;
- according to the indirect method for the cash flows statement.

Note 1 of the Notes to the consolidated financial statements details the accounting policies and the valuation methods applied by the Group, and appears in section 20.2.2 "Notes to the 2011 consolidated financial statements" of this Registration Document.

9.1.4. Elements of the income statement

In the Group's consolidated financial statements prepared in accordance with IFRS standards, the principal items of the income statement, which are further discussed below, are the following:
- sales, which are mainly composed of billings for products delivered during the period and services rendered during the period, in particular the transport of goods sold re-invoiced to the customer;
- goods and services purchased, which mainly comprise purchases and changes in inventories of raw materials and fuels, electricity supplies and other services received (in particular maintenance costs and transport charges);
- personnel costs, which include the cost of salaries and social security contributions related to personnel employed directly by the Group, as well as employee profit-sharing schemes for companies in which these schemes exist and charges related to post-employment benefits;
- taxes and duties which represent taxes other than those based on income.

In addition to the accounting aggregates presented in the income statement, the principal indicators used by the Group for measurement of financial and industrial performance are EBITDA and EBIT, which are shown at the foot of the income statement as published. These aggregates are defined in note 1.21 of the Notes to the consolidated financial statements and the rationalization between Gross operating earnings, EBITDA, EBIT and Operating income is presented in note 23

(See also section 3 “Selected financial information” of this Registration Document).

9.1.5. Effect of changes in the consolidation scope and exchange rate fluctuations

Changes in the consolidation scope:

At the end of April 2010, the Group announced the signature of an agreement with the shareholders of Bharathi Cement Company Limited (BCCL), a cement Company operating in the State of Andhra Pradesh, relating to the acquisition of 51 % of this company’s capital. BCCL owns a cement works with two production lines which, at the end of 2011, represented an annual capacity of 5 million tonnes of cement. This acquisition of a majority stake in Bharathi Cement is in addition to the Vicat Sagar Cement joint venture, and has helped the Group consolidate its position in a market with a great deal of potential.

In December 2010, the Group acquired L. Thiriet & Cie, a Company based in the French Department of Meurthe-et-Moselle specializing in the production of Concrete and Aggregates. L. Thiriet & Cie operates 3 concrete plants and 4 aggregate quarries, with an overall annual capacity of around 100,000 m^3 of concrete and 500,000 tonnes of aggregates. In 2009, L. Thiriet & Cie had sales of € 19 million. With this acquisition, Vicat is expanding and consolidating its business in Southern Lorraine, by providing support for the Xeuilley cement works.

During the first half of 2011, the Group acquired from its Kazakhstan partner an additional 21 % of the shares in Mynaral Tas Company LLP. In addition, the Group subscribed KZT 3,942 million to an increase in the capital of Mynaral Tas Company LLP issued at KZT 4,380 million. On conclusion of these transactions, the Group held 84.1 % of the company’s shares.

Exchange rate fluctuations:

The Group’s international operations expose its results to fluctuations inthe currencies of each country where the Group is established relative to the Euro (i), as well as fluctuations in the currencies used by its subsidiaries for their business activities relative to their operating currencies (ii).

i. On the closing of each year’s accounts, the income statements of the subsidiaries are converted into Euros at the average exchange rate for the period. The fluctuations from one period to another between the different currencies in which the Group operates relative to the Euro result in fluctuations in sales and, more generally, income and expense in Euros, even though such fluctuations do not reflect changes in the Group’s performance. For the purposes of comparison, the Group presents, in note 19 of the appendix to the consolidated financial statements for 2011, sales recomputed at constant consolidation scope and exchange rates compared to 2010. In addition, the balance sheets of the subsidiaries are converted at the year-end exchange rates. Fluctuations in these currencies result in conversion adjustments allocated to equity (see note 1.5 of the appendix to the consolidated financial statements).

ii. Profits or losses recorded by the Group’s subsidiaries when carrying out transactions in currencies different from their operating currencies are recorded in the financial income as exchange rate gain or loss.

9.2. Comparison of the earnings for 2011 and 2010

9.2.1. Change in consolidated sales

Consolidated sales for 2011 were € 2,265 million, up by 12.5 % compared to the previous year, resulting from the following:

- organic growth in business of more than € 193 million and resulting mainly from the marked growth in France, the rest of Europe, West Africa, India and Kazakhstan, fully compensating for the fall in sales in Egypt;
- a decrease of over € 24 million, attributable to unfavorable exchange rate fluctuations in 2011 compared to 2010; and
- an increase of over € 83 million, associated with changes in consolidation scope, mainly with the acquisition of Bharathi Cement on May 1, 2010, Thiriet & Cie in France in December 2010 and Frischbeton Thun in Switzerland.

The change in consolidated sales for the financial year 2011 by activity, compared to 2010 is as follows:

(In millions of euros except %)	2011	2010	Change	Change 2011/2010	Exchange rate effect	Of which Change in consolidation scope	Internal growth
Cement	1,138	1,033	104	+ 10.1 %	- 35	40	99
Concrete & Aggregates	818	716	102	+ 14.2 %	- 3	43	61
Other Products & Services	310	264	46	+ 17.4 %	13		33
Total	**2,265**	**2,014**	**252**	**+ 12.5 %**	**- 24**	**83**	**193**

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

	Change 2011/2010
Volume effect	+ 7.7 %
Price and mix effect	+ 2.5 %
Changes in consolidation scope	+ 3.6 %
Translation gains/losses and other	- 1.2 %
Total	**+ 12.6 %**

In geographical terms, the rise in volumes mainly related to India, Kazakhstan, West Africa, France, Italy, Switzerland and the Unites States in the case of cement, and France, Switzerland, Senegal and India in the case of Concrete and Aggregates. The change in average selling prices was contrasted among activities and markets, with a significant decrease in Egypt, following the political events which occurred at the start of the year, the United States, owing to continuing difficult market conditions, and West Africa, owing to an unfavorable geographic mix, and significant growth in India and Turkey, while the Group's other sales regions remained more or less stable.

The growth in volumes (calculated proportionally to the percentage of integration) in the Group's main businesses is as follows:

	2011	2010	Change 2011/2010
Cement (in thousand tonnes)	18,035	16,179	+ 11.5 %
Concrete (in thousand m^3)	7,969	7,749	+ 2.8 %
Aggregates (in thousand tonnes)	22,219	20,766	+ 7.0 %

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

(As a percentage)	2011	2010
Cement	52.1	53,0
Concrete & Aggregates	32.8	32,6
Other Products & Services	15.0	14,4
Total	**100.0**	**100,0**

The share of the Group's core businesses, namely Cement, Concrete and Aggregates, remained more or less stable at nearly 85 % of consolidated sales before elimination, although the contribution of Cement was lower due to the significant downturn in business in Egypt.

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

(In millions of euros except %)	2011	%	2010	%
France	902	39.8	785	38.9
United States	165	7.3	168	8.4
Turkey, Kazakhstan, India	345	15.2	241	12.0
Africa, Middle East and others	421	18.6	468	23.2
Europe (excluding France)	432	19.1	352	17.5
Total	**2,265**	**100.0**	**2,014**	**100.0**

By geographic sales area, the share of consolidated sales generated in France increased as did that in the rest of Europe, due to a recovery seen in these markets and the favorable weather conditions in the first and fourth quarters of the year.

The share of business done in emerging countries fell slightly, from 35.2 % in 2010 to 33.8 % in 2011. The sharp downturn in Egypt, in light of the political events which occurred at the start of the year, was only partly offset by sustained growth in West Africa and India and the first contribution from Kazakhstan.

The breakdown of operational sales for 2011 by geographic region and by business was as follows:

Country	Cement	Concrete & Aggregates	Other Products & Services	Inter-sector eliminations	Consolidated sales
France	431.2	450.0	266.0	(208.6)	938.6
United States	74.2	118.4	-	(27.3)	165.3
Turkey, Kazakhstan, India	296.8	97.0	2.9	(48.6)	348.1
Africa, Middle East	385.0	26.4	-	(0.5)	410.9
Europe (excluding France)	168.5	162.2	122.1	(50.3)	402.6
Sector operational sales (before inter-sector eliminations)	**1,355.7**	**854.0**	**391.0**	**(335.3)**	**2,265.5**
Inter-sectors eliminations	(218.1)	(36.1)	(81.1)		
Consolidated sales	**1,137.6**	**818.0**	**309.9**		**2,265.5**

9.2.2. Change in operating income

The Group's consolidated EBITDA fell slightly in 2011 by - 2.6 % compared with 2010, to € 491 million, and by - 4.8 % at constant consolidation scope and exchange rates.

(In millions of euros except %)	2011	2010	Change 2011/2010
Net sales	2,265	2,014	+ 12.5 %
EBITDA	491	504	- 2.6 %
EBIT	309	337	- 8.1 %
Operating income (1)	302	334	- 9.5 %

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

The EBITDA margin on consolidated sales was, therefore, 21.7 % compared with 25.0 % in 2010. It must, however, be noted that the Group recorded a significant non-recurrent item of € 18 million in the fourth quarter of 2010 in Egypt, corresponding to the retroactive adjustment to the amount of tax per tonne on cement. Excluding this non-recurrent item, the Group's EBITDA grew slightly in 2011 compared to 2010. On this basis, the EBITDA margin reported in 2011 shows the strength and solidity of the Group's financial position, given the recent events in Egypt, the macroeconomic situation in the United States, the start-up costs of the Jambyl Cement greenfield plant in Kazakhstan and finally the steady increase in output from the Bharathi Cement factory in India. This performance reflects the benefits of the geographic diversification of the Group's business, the effects of the Performance 2010 plan and finally the continuation of efforts to improve productivity and control fixed costs.

9.2.2.1. Change in the operating income by business

The following paragraphs show the breakdown of operating results by business, as well as an analysis of the change between 2010 and 2011.

9.2.2.1.1. Change in the operating income of the Cement business

(In millions of euros except %)	2011	2010	Change 2011/2010
Operating sales	1,356	1,224	+ 10.7 %
Inter-sector eliminations	(218)	(191)	+ 14.1 %
Contribution to consolidated sales	1,138	1,033	+ 10.1 %
EBITDA	380	413	- 8.0 %
EBITDA/operating sales (%)	*28.0 %*	*33.7 %*	
Operating income	257	302	- 14.7 %

The operating sales of the cement business increased by 10.7 % in 2011,and by 10.4 % at constant consolidation scope and exchange rates.

This solid performance, despite a difficult background in some markets, resulted from an increase of 11.5 % in cement sales volumes, and overall a favorable movement in average selling prices in each market, with the exception of the United States and Egypt.

EBITDA was € 380 million, down - 8.5 % at constant consolidation scope and exchange rates. The EBITDA margin on operating sales was down to 28.0 % compared with 33.7 % in 2010. This decline resulted primarily from the significant decrease in the group's profitability in Egypt. Personnel costs increased, in particular as a result of the full year of consolidation of Bharathi Cement. Finally taxes and duties increased slightly by comparison with the previous year to almost € 30 million.

By country, the following comments are made in respect of changes in the operating income of the Cement business:

- in **France**, the activity recorded a solid growth in business with consolidated sales up by + 9.4 %, reflecting an improvement in the operating environment during the course of the year. The Group benefited from a significant improvement in volumes of + 8.6 % and a slight improvement in selling prices supported by a favorable product mix and geographic mix. This dynamic was supported by an improvement in market conditions and by the impact of favorable weather conditions in the first quarter and towards the end of the year. The EBITDA margin on operating sales fell slightly owing to an increase in fuel costs, and electricity costs in particular.
- in the **United States**, consolidated sales fell by - 8.5 % and by - 4.0 % at constant consolidation scope and exchange rates, affected by a drop in selling prices levels compared with 2010, particularly in Alabama. Prices in California were, however, stable overall on a sequential basis. Sales volumes, for their part, increased by more than + 3 %, supported by solid growth in California and stable volumes in the South East. Operating sales were more or less stable (- 0.6 %) at constant consolidation scope and exchange rates. This performance was the result of a slight improvement in the construction sector in the second half of the year, after a first half affected by a worsening of the economic situation and unfavorable weather conditions in both Alabama and California. Nevertheless, against a background of three years of financial crisis, the EBITDA margin shrank compared with 2010.
- in **Switzerland**, consolidated sales showed a solid increase of + 12.4 %. At constant consolidation scope and exchange rates, the business was stable (+ 0.4 %). It is worth noting that operating sales (before intra-Group eliminations) rose by almost + 11 % at constant consolidation scope and exchange rates. Sales volumes increased by over + 5 %, with the Group benefiting from the performance of its production facilities, modernized under the Performance 2010 plan in order to take advantage of the dynamism in the Swiss market, sustained by a construction sector which remained solid during the year and by the mild weather conditions in the first and fourth quarters. Selling prices remained in the right direction throughout the period. The EBITDA margin fell slightly, mainly because of a rise in operating costs, in particular energy costs.
- in **Italy**, sales increased by + 26.0 %, supported by a rise in sales volumes after a sharp downturn in 2010. This growth reflects a strong performance by our business, in a market which remains very depressed, and the impact of mild weather conditions in the first and fourth quarters. Although selling prices rose in line, this was not sufficient to offset the sharp downturn seen during 2010. On this basis the Group posted positive EBITDA of almost € 2 million for the year as a whole. It is worth noting that the EBITDA improved significantly in the second half of 2011, compared with the first half of the year.
- in **Turkey**, despite a slight slowdown in the construction market which began in spring 2011, sales volumes remained in the right direction, owing to the dynamism in the infrastructure and commercial markets. Consolidated sales increased by + 1 % and by + 18.1 % at constant consolidation scope and exchange rates. Operating sales rose by more than + 13 % at constant consolidation scope and exchange rates. This good performance was the result of a solid increase in the average selling price during the period as a whole, supported by a favorable geographic mix. Volumes remained more or less stable in 2011 compared with 2010, with a slight increase in sales volumes on the domestic market, offsetting the substantial fall in exports. This development is in line with Group strategy to take full advantage of the dynamism of its local markets. Given these factors, the EBITDA margin on operating sales increased significantly over the year.
- in **West Africa**, consolidated sales in the Cement business rose by + 16.0 % and by + 16.6 % at constant consolidation scope and exchange rates. This rise was the result of a significant growth in cement sales volumes. In this business, the average selling price across the whole region fell slightly, due primarily to an unfavorable mix, but consistent with the group's strategy of geographical diversification and the significant increase in export resulting from this. The EBITDA margin shrank by more than 3 points compared with 2010. This decline is primarily a result of increases in transport costs and electricity costs due to gas supply problems which forced the Group to make temporary use of more expensive alternative electricity generation sources.
- in **Egypt**, consolidated sales declined by - 33.3 % and by - 26.4 % at constant consolidation scope and exchange rates. This downturn resulted from a fall of approximately - 15 % in volumes and selling prices. The change can be explained fundamentally by the political events of the start of the year which affected market conditions and operations. In fact the current situation, and security problems in particular, have led to a number of additional costs especially in quarry operation and energy costs. Against this background, the Group was forced to operate its two kilns on heavy fuel oil, as the gas supply was interrupted on several occasions. On this basis, the EBITDA margin on operating sales fell particularly sharply. Nevertheless, the Group remains confident with regard to the growth of the Egyptian market in the medium and longer term and in its ability to reap the full benefit of its expansion.
- in **India**, the Group recorded consolidated sales in the cement business of € 124.3 million in 2011, compared with € 47.3 for the period from May 1, 2010 (date of consolidation of Bharathi Cement) to December 31, 2010. Organic growth was + 90 %. Against the background of a market which remained marked by temporary overcapacity and a weaker increase in demand than anticipated by the market, Bharathi Cement pursued its deployment plan in line with Group expectations, with sales of over 2 million tonnes. Selling prices recorded a significant increase of almost 40 %

over the course of 2011. This performance bears out the Group's strategy which is based on a strong brand and a comprehensive distribution network covering the whole of the south of India, in particular rural areas. On this basis, the Group's EBITDA margin rose strongly.

- in **Kazakhstan**, the Group continued to increase its industrial and commercial output with the start-up of new facilities on April 1, 2011. Cement sales volumes in this period were more than 500,000 tonnes in an improving pricing environment. Sales totalled € 26.9 million over the period. Despite significant start-up costs, over the year as a whole, the Group generated a positive EBITDA slightly over € 1 million.

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

(In millions of euros except %)	2011	2010	Change 2011/2010
Operating sales	854	752	+ 13.5 %
Inter-sector eliminations	(36)	(36)	+ 0.0 %
Contribution to consolidated sales	818	716	+ 14.2 %
EBITDA	78	62	+ 24.9 %
EBITDA/operating sales (%)	*9.1 %*	*8.3 %*	
Operating income	26	16	+ 62.0 %

Consolidated sales in the Concrete & Aggregates business were up by + 14.2 % and by + 8.5 % at constant consolidation scope and exchange rates. The volumes of concrete supplied increased by + 2.8 % over the period and the volumes of aggregated by + 7 %.

This growth resulted from an improvement in business in all regions where the Group operates, with the exception of Turkey, which recorded over the year a very slight decline in business at constant consolidation scope and exchange rates. Given the improved environment seen in this business, the more favorable pricing environment and the cost reduction efforts made by the group in previous years, EBITDA rose by 24.9 % and by 13.8 % at constant consolidation scope and exchange rates. The EBITDA margin on operating sales thus increased to 9.1 % compared with 8.3 % in 2010.

The main trends were as follows

- In **France**, consolidated sales increased by + 8.4 % at constant consolidation scope. Concrete and Aggregates volumes recorded significant increases, more than + 10 % and almost + 9 % respectively. Average selling prices remained stable in the case of Concrete and rose slightly in the case of Aggregates. The business as a whole benefited over the year from a recovery in economic activity in France and mild weather conditions at the start and end of the year. On this basis, the EBITDA margin on operating sales increased very slightly.

- In the **United States**, consolidated sales increased by + 1.5 % and by + 6.5 % at constant exchange rates. This performance was the result of a significant increase in sales volumes, in both the South East and California, which was able to offset the fall in selling prices compared with 2010.

Given the continued decline in prices and an environment in which volumes remained low, the EBITDA margin fell again over the year.

- In **Turkey**, consolidated sales decreased by - 15.8 % and by - 1.5 % at constant consolidation scope and exchange rates. Sales volumes fell sharply in the case of both concrete and aggregates following the completion of one-off construction sites in 2010. In line with Group strategy aimed at restoring selling prices, these increased significantly and almost completely offset the decline in volumes. Against this background and given the cost reduction efforts which have been made, the EBITDA generated by this business in Turkey increased slightly compared with 2010.

- In **Switzerland**, consolidated sales rose by + 51.0 % and by 12.7 % at constant consolidation scope and exchange rates. Concrete and aggregates volumes rose substantially, benefiting from strong demand on the Swiss market, in both the infrastructure and housing sectors, and also from very favorable weather conditions and a positive consolidation effect in the case of concrete. Selling prices increased significantly in the Concrete business and fell slightly in the case of Aggregates. Given these factors, the EBITDA for this business in Switzerland increased significantly. Nevertheless, the EBITDA margin on operating sales recorded a slight fall.

- In **Senegal**, sales for the year as a whole rose by + 57 %. Volumes increased significantly owing to a dynamic business environment, particularly in the public works sector, in a favorable pricing environment for basalt aggregates. Although the EBITDA increased significantly, the EBITDA margin fell very slightly.

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

(In millions of euros except %)	2011	2010	Change 2011/2010
Operating sales	391	333	+ 17.3 %
Inter-sector eliminations	(81)	(69)	+ 16.8 %
Contribution to consolidated sales	310	264	+ 17.4 %
EBITDA	33	29	+ 14.8 %
EBITDA/operating sales (%)	*8.5 %*	*8.7 %*	
Operating income	18	16	+ 16.6 %

The consolidated operating sales of the Other Products and Services business rose by + 17.4 % and by + 12.4 % at constant consolidation scope and exchange rates

EBITDA was € 33.4 million, an increase of + 14.8 % compared with 2010, and of + 8.1 % at constant consolidation scope and exchange rates.

In **France**, consolidated sales increased by + 18.6 %. All parts of the business saw growth, with a significant increase in particular in the Transport sector (+ 40.5 %) due to the combined effects of an improvement in the current macroeconomic situation and the favorable weather conditions in the first and fourth quarters. On this basis, the EBITDA margin on operating sales increased.

In **Switzerland**, sales in the Pre-cast Concrete sector increased by + 15.6 % and by + 3.2 % at constant consolidation scope and exchange rates, supported by an increase in sales volumes. The EBITDA margin on operating sales declined, mainly owing to an unfavorable product mix.

9.2.2.2. Change in the operating income by geographic areas

9.2.2.2.1. Income statement France

(In millions of euros except %)	2011	2010	Change 2011/2010 Published	Change 2011/2010 At constant consolidation scope and exchange rates
Consolidated sales	939	832	+ 12.9 %	+ 10.7 %
EBITDA	202	184	+ 9.6 %	+ 7.9 %
EBIT	147	131	+ 11.8 %	+ 10.1 %

As at December 31, 2011, consolidated sales in France increased significantly by + 12.9 % and by + 10.7 % at constant consolidation scope. This strong growth was supported by an improvement in market conditions and the effect of favorable weather conditions in the first quarter and at the end of the year.

EBITDA was € 202 million, up 7.9 % at constant consolidation scope. The EBITDA margin on operating sales fell slightly to 20.9 %, compared to 21.9 % in 2010. This slight decrease in the Group's operating margin resulted primarily from the fall in the EBITDA margin in the Cement business due to increased energy costs.

9.2.2.2.2. Income statement Europe (excl. France)

(In millions of euros except %)	2011	2010	Change 2011/2010 Published	At constant consolidation scope and exchange rates
Consolidated sales	403	318	+ 26.8 %	+ 6.8 %
EBITDA	102	86	+ 18.6 %	+ 5.5 %
EBIT	72	59	+ 21.9 %	+ 9.0 %

As at December 31, 2011, consolidated sales in Europe, excluding France, increased substantially by + 26.8 % and by + 6.8 % at constant consolidation scope and exchange rates.

EBITDA increased significantly by 18.6 % and by 5.5 % at constant consolidation scope and exchange rates. The EBITDA margin on operating sales fell to 25.4 % compared with 27.1 % in 2010, given the significant fall in the margin in Italy and the slight decline recorded in Switzerland.

9.2.2.2.3. Income statement United States

(In millions of euros except %)	2011	2010	Change 2011/2010 Published	At constant consolidation scope and exchange rates
Consolidated sales	165	168	- 1.5 %	+ 3.3 %
EBITDA	(9)	(6)	- 55.7 %	- 63.3 %
EBIT	(39)	(37)	- 6.0 %	- 11.2 %

Consolidated sales in the United States declined by -1.5 % in terms of published data, but increased by + 3.3 % at constant consolidation scope and exchange rates.

This change resulted from a slight improvement in the construction market in the second half of the year, after a first half which saw a worsening of the economic situation and unfavorable weather conditions in both Alabama and California.

Against this difficult background, the Group recorded as further decline in its operating profitability with negative EBITDA of € 9 million for the year, compared with a negative figure of € 6 million in 2010.

9.2.2.2.4. . Income statement Turkey, Kazakhstan and India

(In millions of euros except %)	2011	2010	Change 2011/2010 Published	At constant consolidation scope and exchange rates
Consolidated sales	348	256	+ 36.2 %	+ 35.3 %
EBITDA	74	39	+ 91.5 %	+ 89.5 %
EBIT	44	18	+ 140.0 %	+ 134.8 %

In **Turkey**, consolidate sales in 2011 amounted to € 195 million, down by -6.5 %, but up by + 9.3 % at constant consolidation scope and exchange rates. Despite a slight slowdown in the construction market, which began in spring 2011, sales volumes remained well oriented, due to the strong demand in the Cement business, particularly from infrastructure and commercial projects. Against this background, selling prices rose significantly. Given these factors, the EBITDA margin on operating sales increased markedly to 21.2 %, compared with 17.7 % in 2010.

In **Kazakhstan**, the Group continued to increase its industrial and commercial output with the start-up of new facilities on April 1, 2011. Cement sales volumes in this period were more than 500,000 tonnes in an improving pricing environment. On this basis, sales in the period were € 26.9 million. Against this background, the Group generated a positive EBITDA of slightly over € 1 million for the year.

in **India**, the Group recorded consolidated sales in the cement business of € 126.4 million in 2011, compared with € 47.3 for the period from May 1, 2010 (date of consolidation of Bharathi Cement) to December 31, 2010. Organic growth was + 91 %. The EBITDA margin for the year was 25.1 %, compared with 9.8 % in 2010, supported by the Bharathi Cement factory's rapid rise in output and technical performance and favorable market conditions.

9.2.2.2.5. Income statement Africa and the Middle East

(In millions of euros except %)	2011	2010	Change 2011/2010 Published	Change 2011/2010 At constant consolidation scope and exchange rates
Consolidated sales	411	441	- 6.8 %	- 3.1 %
EBITDA	122	202	- 39.2 %	- 36.9 %
EBIT	86	165	- 48.0 %	- 46.0 %

In the Africa and the Middle East region, consolidated sales as at December 31, 2011 amounted to € 411million, a decline of - 6.8 % and - 3.1 % at constant consolidation scope and exchange rates.

Strong demand in the Group's West Africa business partly offset the significant decline in the Egyptian market, due to the events at the start of the year and the complex situation that has arisen since.

The EBITDA margin on consolidated sales in 2011 was 29.8 %, compared with 45.7 % in 2010. This decline reflected primarily the very sharp decline in the margin recorded in Egypt under the combined effects of a decrease in business (volumes and selling prices), increased productions costs and finally a non-recurrent element of € 18 million registered in 2010 in respect of a retroactive adjustment to the cement tax in Egypt.

9.2.3. Change in financial income

(In millions of euros except %)	2011	2010	Change 2011/2010
Cost of the net financial indebtedness	(40.4)	(25.3)	+ 60.0 %
Other financial income and expenses	(3.5)	(2.1)	+ 66.2 %
Net financial income (expense)	**(43.9)**	**(27.4)**	**+ 60.5 %**

The significant fall in the Group's financial income resulted primarily from the rise in the cost of net financial indebtedness. This change is the result of the combined effects of an increase in interest rates and an increase in the Group's average outstanding indebtedness, due mainly to the acquisition of Bharathi Cement in India and an increased share of long-term fixed rate debt.

9.2.4. Change in taxes

(In millions of euros except %)	2011	2010	Change 2011/2010
Current taxes	(67.6)	(57.0)	+ 18.6 %
Deferred tax (income)	1.3	12.4	- 89.5 %
Total taxes	**(66.3)**	**(44.6)**	**+ 48.7 %**

The Group recorded a profit before tax of € 259.4 million in 2011, down by 16.0 % compared to € 308.8 million in 2010.

Despite this decrease, the amount of taxes paid increased by almost € 22 million. In this context, net result after tax amounted to € 193.1 million in 2011, a 26.9 % decrease compare to 2010 (€ 264.2 million).

The substantial increase in the apparent tax rate (from 15 % in 2010 to 26 % in 2011) resulted primarily from:

- in France, related to the special 5% taxation on dividends received from subsidiaries due to the uncapping of the share of fees and expenses,
- unfavorable changes in the "country" mix, with on the one hand a significant decline in the contribution from Egypt, where the Group benefits from tax exemptions, and on the other hand an increase in the contribution from countries with higher tax rates, in particular India,
- and the impact of the non-recurrent cost of the subsidiaries signing up to the tax amnesty process in Turkey and the tax incurred in France on dividends owing to the removal of the ceiling on the share of costs and expenses.

9.2.5. Change in net income

The net consolidated income was € 193.1 million, down by 26.9 % compared to 2010 (€ 264.2 million), including a Group share of € 163.6 million, down by 19.3 % compared to 2010 (€ 207.7 million).

The net margin was 8.5 % of consolidated sales in 2011, compared with 13.1 % in 2010.

Net earnings per share were € 3.64 in 2011, a fall of 19.3 % compared to 2010 (€ 4.52 per share) due to the change in the Group's share of the income.

9.3. Comparison of the earnings for 2010 and 2009

The comparative analysis of the results of 2010 and 2009 is contained in the 2010 Registration Document, section 9.2 pages 76 to 82, and is included by reference in this Registration Document.

Cash flow and equity

10.1. Equity

At the date of registration of this Registration Document, the Company's share capital was € 179,600,000, divided into 44,900,000 shares, each with a nominal value of € 4, fully subscribed and paid up.

Consolidated shareholders' equity was € 2,461 million as at December 31, 2011 including a Group share of € 2,112 million and minority interests of € 349 million, which relate mainly to the cement manufacturing subsidiaries in India, Egypt, and Turkey.

Shareholders' equity – Group share – includes as at December 31, 2011:

- the Company's share capital of € 180 million;
- premiums linked to the capital of € 11 million;
- conversion reserves of € (76) million;
- consolidated reserves amounting to € 1,833 million, net of treasury shares of € 84 million;
- net income — Group share — for 2011, of € 164 million.

For a detailed description of shareholders' equity in the Company, please refer to the statement of changes in consolidated shareholders equity and to note 13 to the consolidated financial statements in section 20.2.2 "Notes to the 2011 consolidated financial statements" of this Registration Document.

10.2. Cash flows

Cash flows are analyzed for each financial year by type:
- operational activity;
- investment activity;
- financing activity.

Cash flows relating to operational activities are primarily generated by earnings for the period (other than income and expenses not affecting cash flow or not related to the activity), as well as by the change in the working capital requirement.

Cash flows relating to investment activity result mainly from outflows for the acquisition of intangible and tangible fixed assets and other long-term assets, as well as for the acquisition of equity instruments in other entities and participations in joint ventures. They also include loans granted to third parties. Inflows related to divestments and/or redemptions of these assets are deducted from these outflows.

Cash flows related to financing activities result from inflows and outflows having an impact on the amount of the shareholder's equity and borrowed capital.

Net cash, the change in which is presented in the statement of cash flows, consists of cash and cash equivalents less any bank overdrafts.

Cash flow history:

(In millions of euros)	2011	2010	2009
Cash flows from operations	363	409	387
Change in WCR [1] (excluding exchange rate and consolidation scope effects)	(11)	(6)	(4)
Net cash flow from operations	352	403	383
Net cash flow from investments	(301)	(542)	(280)
Net cash flow from financing	33	205	19
Impact of exchange rate fluctuations on cash flow	(27)	8	(4)
Change in cash position	**57**	**74**	**118**

(1) Working Capital Requirement.

Analysis of the change in free cash flow and gross and net indebtedness:

(In millions of euros)	2011	2010	2009
Cash flow from operations	352	403	383
Industrial investments net of disposals	(269)	(304)	(264)
Free cash flow	**83**	**99**	**119**

In 2011, the Group generated a large free cash flow (€ 83 million) slightly down on the 2010 figure (€ 99 million). In spite of the continuing high level of industrial investments, the cash flows from operations net of the change in WCR, meant that the increase in the Group's net debt has been limited to € 89 million in 2011. At € 1,077 million, net indebtedness, excluding the put option, represented 43.8 % of consolidated shareholders' equity as at December 31, 2011 and 2.2 times consolidated 2011 EBITDA.

10.2.1. Net cash flows generated by operational activities

Net cash flows from operational activities conducted by the Group in 2011 were € 352 million, compared with € 403 million in 2010.

This reduction in cash flows generated by operational activities between 2010 and 2011 results from an decrease in cash flows from operations of € 46 million and an increase in the change in working capital requirement of € 5 million.

Analysis of the working capital requirement by type is as follows:

(In millions of euros)	WCR as at December 31, 2009	Change in WCR in 2010	Other changes (1)	WCR as at December 31, 2010	Change in WCR in 2011	Other changes (1)	WCR as at December 31, 2011
Inventories	295	42	19	356	9	(5)	360
Customers	321	(33)	15	303	48	(1)	350
Suppliers	(177)	(13)	(21)	(211)	(12)		(223)
Other receivables & payables	(25)	10	5	(10)	(34)	18	(26)
WCR	**414**	**6**	**18**	**438**	**11**	**12**	**461**

(1) Exchange rate, consolidation scope and miscellaneous.

10.2.2. Net cash flows related to investment operations

Cash flows related to investment operations are analyzed as follows:

(In millions of euros)	2011	2009
Investment in intangible and tangible fixed assets	(281)	(321)
Disposal of intangible and tangible fixed assets	12	17
Net investments in shares of consolidated companies	(24)	(225)
Other net financial investments	(8)	(13)
Total cash flows related to investment operations	**(301)**	**(542)**

Net cash flows related to investment operations carried out by the Group in 2011 amounted to € (301) million compared with € (542) million in 2010.

10.2.2.1. Investments in and divestment of intangible and tangible fixed assets

These reflect outflows for industrial investments (€ 281million in 2011 and € 321 million in 2010) mainly corresponding to the following:
- in 2011, an increase in output from the investments made in India, in particular in relation to the construction of the Vicat Sagar Cement factory, and to a lesser extent those made in France, Switzerland and Kazakhstan
- in 2010, investments made in India, Kazakhstan, France, Senegal and Switzerland.

For further details, see section 5.2 “Investments” of this Registration Document.

77 % of the investments made in 2011 were in the Cement business (78 % in 2010), 19 % in the Concrete & Aggregates business (17 % in 2010) and the remaining 4 % in the Other Products & Services business (5 % in 2010).

Disposals of tangible and intangible assets generated total cash inflows of € 12 million in 2011 (€ 17 million in 2010).

10.2.2.2. Net investments in the shares of consolidated companiess

In 2011, the acquisition and disposal of shares in consolidated companies resulted in a total outflow of € (24) million, corresponding, in the absence of disposals, to the net impact for the period.

The main cash outflows by the Group during the year were primarily for the acquisition from our Kazakhstan partner of an additional 21 % of the shares in Mynaral Tas Company LLP.

In 2010, the acquisition and disposal of shares in consolidated companies resulted in a total outflow of € (229) million and a total inflow of € 4 million, i.e. a net impact of € (225) million.

The main cash outflows by the Group in 2010 were primarily for the acquisition of a 51 % stake in the Indian Company Bharathi Cement. In addition to the purchases of minority interests, an increase in the capital of Bharathi Cement was entirely subscribed by the Group and financed by borrowings, enabling the Group to repay all its financial debts and release surplus cash, thus contributing to the Group’s increase in cash and cash equivalents at the end of the year. The Bharathi Cement cash was used in part in the second half of 2010 to finance its investments.

10.2.2.3. Other net financial investments

Other net financial investments (net outflow of € 8 million in 2011 and € 13 million in 2010) consist mainly of loans and long-term credits provided to third parties.

10.2.3. Net cash flows relating to financing activities

Net cash flows relating to the Group's financing operations in 2011 amounted to € 33 million, compared with € 205 million in 2010.

The net cash flows relating to financing activities comprise primarily:
- cash outflows for the payment of dividends to the Company's shareholders and to the minority interests in consolidated companies (€ 122 million in 2011 compared with € 84 million in 2010);
- the draw-down, net of repayments, of credit lines or loans taken out by the Group and amounting to € 149 million in 2011 (€ 274 million in 2010), including the payment of the annual maturities on financial leasing contracts;
- the net cash inflow from the sale by the Company of its own shares (€ 0 million in 2011 and € 5 million in 2010).

10.3. Indebtedness

10.3.1. Group financial policy

The Group's financial policy is set by the General Management.

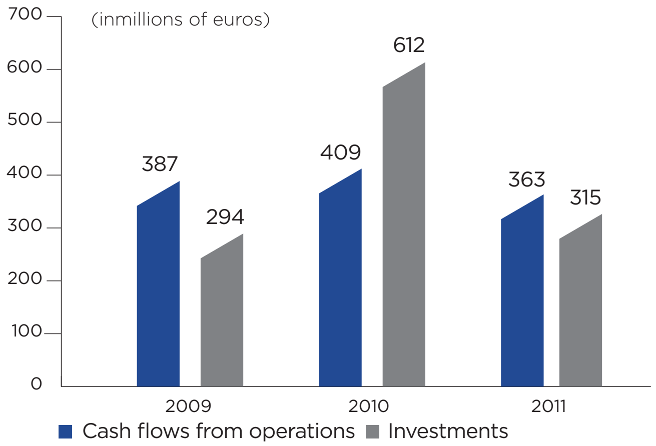
This policy aims at maintaining a balanced financial structure characterized by the following:
- controlled gearing (see section 10.3.4 "Net indebtedness" of this Registration Document);
- satisfactory liquidity of the balance sheet characterized by the provision of cash surpluses and confirmed and available medium-term lines of financing.

This policy aims at financing industrial investments through cash flows from operations, available surplus financial resources being used by the Group to reduce its indebtedness and financing in whole or in part external growth operations.

To secure resources in excess of its cash flows from operations, the Group has set up confirmed medium-term financing facilities and medium and long-term loans.

These financings guarantee the Group, in addition to the liquidity of its balance sheet, the means immediately necessary for the realization of larger operations such as exceptional industrial investments, significant external growth operations or the acquisition of Vicat shares.

Change in the Group's cash flows from operations and the Group's investments between 2009 and 2011



These facilities are essentially carried by the Company (76 %), but some of the Group's foreign subsidiaries also have medium and long-term lines of credit or loans, whether drawn or not, to finance their investment program. This is the case in particular in Senegal, Mali, Egypt, Switzerland, Kazakhstan and India.

As at December 31, 2011, the Group had the following confirmed financing facilities, used and/or available:

Type of line	Borrower	Year set up	Currency	Authorization in millions of currencies	of €	Use (€ million)	Due date	Fixed rate (FR)/ Variable rate (VR)
US Private Placement	**Vicat SA**	**2003**	**$**	**240.0**	**211.9**	**211.9**	**2013 to 2015**	**VR/FR**
	Vicat SA	**2011**	**$**	**450.0**	**339.2**	**339.2**	**2017 to 2022**	**FR**
	Vicat SA	**2011**	**€**	**60.0**	**60.0**	**60.0**	**2017**	**FR**
Syndicated loan	Vicat SA	2011	€	480.0	480.0	*	2016	VR
Bank bilateral lines	Vicat SA	2009	€	240.0	240.0	*	2014	VR
	Vicat SA	Without	€	11.0	11.0	*	Without	VR
Total bank lines (1)	**Vicat SA**		**€**	**731.0**	**731.0**	**458.0**	**2014 to 2016**	**VR**
	Sococim	2009	FCFA	30,000.0	45.7	24.4	2012	FR
	CMM	2007	FCFA	100.0	0.2	0.2	2012	FR
(Club Deal)	SCC	2007	EGP	300.0	38.4	0.0	2012	VR
	Vigier	2009	CHF	21.0	17.3	17.3	2012 to 2019	FR
	Vigier	2011	CHF	55.0	45.2	45.2	2012 to 2014	FR
	Jambyl	2008	$	50.0	38.6	38.6	2012 to 2018	VR
	Jambyl	2008	$	88.0	68.0	68.0	2012 to 2015	VR
	VSCL	2011	$	70.0	47.1	33.0	2014 to 2021	FR
	VSCL	2011	€	83.8	77.0	56.0	2014 to 2021	FR
	VSCL	2011	€	55.0	50.4	36.7	2014 to 2018	FR
Total subsidiaries' loans or bilateral lines					**428.0**	**319.3**		
Fair value of the derivatives						(17.1)		
Total medium-term					**1,770.1**	**1,371.4**		
Other debts						64.8		
Gross total debt					**1,770.1**	**1,436.1**		

(1) Total bank lines" corresponds to all confirmed lines of credit from which the Company benefits, essentially for a duration of one or five years at the outset, where the authorized total amount is € 731 million. These lines of credit are used depending on the Company's financing requirements by drawdown of notes and hedging the liquidity risk of the commercial paper program, bearing in mind that the total amount of drawdowns and notes issued must not exceed the authorized total amount. As at December 31, 2011, the bilateral bank lines for € 240 million are not used. The syndicated loan has been used to the extent of € 458 million, partly (€ 208 million) to hedge commercial paper. Given the ability to substitute these lines of credit between one another, and the possible re-allotment of drawdowns for the longest line, this information is presented as an overall amount.
(2) The amount of gross debt used does not include the liability relating to put options (€ 20.4million).

10.3.1.1. US Private Placement

The loan for US$ 240 million, which was originally for US$ 400 million was subscribed by American investors under a private placement (USPP) in 2003. After repayment in August 2010 of the first 7-year tranche of US$ 160 million, it now comprises two tranches of US$ 120 million for 10 years and 12 years respectively. To eliminate the exchange rate risk on the principal and the interest, this loan was converted into a synthetic debt in Euros by a cross currency swap at a fixed rate for half of its amount and at a variable rate for the other half (basis Euribor 3 month rate). The remaining amounts from this conversion are currently € 106 million at a fixed rate and € 106 million at a variable rate.

A second loan of the same type was put in place in December 2010 for total amounts of US$ 450 million and € 60 million, available on December 21, 2010 at an amount of US$ 370 million and on January 11, 2011 at an amount of US$ 80 million and € 60 million. The maturities are 7 years for US$ 100 million and € 60 million, 10 years for US$ 230 million and 12 years for US$ 120 million. As with the first USPP, the Dollar debt was converted by means of cross currency swaps to a fixed-rate Euro debt in order to eliminate the exchange rate risk. The amounts in US Dollar converted corresponded to € 339 million. The part of the debt in Euros (€ 60 million) is also at a fixed rate.

10.3.1.2. Vicat SA bank lines

Syndicated loan

This line of credit with a 5 year term, at a variable rate, was placed by the Company with a syndicate of 8 international banks and matures in May 2016. The interest is payable at the Euribor rate for the drawdown period. As at December 31, 2011, it was drawn down at an amount of € 250 million and used (to an amount of € 208 million) to hedge the liquidity risk of commercial paper.

Bank bilateral lines

Vicat SA's bilateral lines of credit for an amount of € 240 million and a term of 5 years were renewed by the Company in 2009 with six banks. Interest is payable at the Euribor rate for the drawdown period. As at December 31, 2011, they were not used.

Commercial papers

The Company has a commercial paper issue program which was increased from € 152 million to € 300 million in June 2011. As at December 31, 2011, the commercial papers issued amounted to € 208 million. Commercial papers which constitute short term credit instruments are backed by the lines of credit confirmed for the issued amount and are treated as such in medium-term debts in the consolidated balance sheet.

10.3.1.3. Subsidiaries' bank bilateral lines

Senegal

Sococim Industries has two lines of credit for FCFA15 billion, each for an original term of 18 months. As at December 31, 2011, they were drawn down at a total amount of FCFA16 billion. The interest rate that applies to each drawdown is jointly determined with the bank up to a maximum cap determined for the term of the line.

Mali

Ciment et Matériaux du Mali subscribed in 2007 to a bilateral line of credit at a fixed rate redeemable over 5 years as from 2008. At the end of 2011, this had been drawn to the extent of FCFA100 million.

Egypt

Sinaï Cement Company subscribed to a line of financing under a club deal for EGP550 million including a loan of EGP250 million for a term of 6 years at a fixed rate of interest, the drawdown period of which expired on December 6, 2008, and a 5-year revolving line of credit at variable rate amounting to EGP300 million. As at December 31, 2008, because the loan had not been used, the authorized amount outstanding was brought back to the amount of the line of credit, i.e. EGP300 million. As at December 31, 2011, the revolving line of credit was not drawn down.

Kazakhstan

In 2008, Jambyl Cement took out two loans with International Finance Corporation, a subsidiary of the World Bank group, at a Dollar floating rate, for respectively US$ 50 million redeemable over 7 years from 2012 and US$ 110 million redeemable over 5 years from 2011.
As at 31 December 2011, following repayments in 2011, the residual amounts were US$ 50 million in the case of the first and US$ 88 million in the case of the second.

Switzerland

At the end of 2009, Vigier took out a fixed-rate loan of CHF 25 million, redeemable over 10 years from 2010. As at 31 December 2011, the residual amount was CHF 21 million. A second fixed-rate loan was taken out by Vigier Holding on April 28, 2011 for CHF 55 million redeemable over 3 years (CHF 10 million in 2012, CHF 15 million in 2013 and CHF 30 million in 2014).

India

In 2010 Vicat Sagar Cement Private Limited took out loans for US$ 70 million and € 138.7 million redeemable over 8 and 10 years with financing institutions (IFC, DEG, IMF). The first drawdowns were made in April 2011 and as at December 31, 2011 amounted to US$ 49 million and € 101 million.
These loans (in Dollars and Euros) were converted by means of cross currency swaps to a fixed-rate Rupee debt in order to eliminate the exchange rate risk. The total amount of the loan was thus 11,993 million Rupees and the amount drawn down as at December 31, 2011 was 8,635 million Rupees.

10.3.1.4. Credit risk hedging by the Group

As at December 31, 2011, the Group had a total of € 381 million in unused confirmed lines.

The Group is exposed generally to a credit risk in the event of the failure of one or more of its counterparties. The risk related to the financing operations themselves, however, is limited by their dispersion and their distribution over several banking or financial institutions, either within the framework of a syndication or a private placement, or by setting up several bilateral lines. This risk, moreover, is reduced by rigorous selection of the counterparties, who are always banks or financial establishments of international standing, selected according to their country of establishment, their rating by specialist agencies, the nature and the due date for the operations carried out.

As at December 31, 2011, in addition to the cross default clauses provided for in the majority of credit agreements, the USPP, the syndicated loan and certain credit lines from which the subsidiaries benefit contained covenants, which may impose early repayment in the event of non-compliance with financial ratios. These covenants concern ratios related to the profitability and the financial structure of the Group or the subsidiaries in question. Given the small number of Group companies concerned, essentially Vicat, and the Group's low level of net indebtedness, the existence of these covenants does not constitute a risk to the liquidity of the balance sheet and the Group's financial position (see also note 17 of section 20.2.2 "Notes to the 2011 consolidated financial statements" of this Registration Document).

At December 31, 2011, the Group was in compliance with the financial ratios set out in the covenants contained in its financing agreements. Even if all the lines of credit were entirely drawn, the Group would still be in compliance with such covenants.

10.3.2. Gross indebtedness

As at December 31, 2011, gross indebtedness of the Group, excluding put options, was € 1,436 million compared with € 1,284 million at December 31, 2010. It is broken down by type as follows:

(In millions of euros)	December 31, 2011	December 31, 2010	Change
Loans from US investors	611	491	+ 24 %
Loans from lending institutions	762	753	+ 1 %
Residual debt on financing leasing agreement	8	7	+ 24 %
Other loans and financial debts	21	18	+ 17 %
Current bank facilities and bank overdrafts	34	15	+ 123 %
Gross indebtedness	**1,436**	**1,284**	**+ 12 %**
of which less than one year	106	90	
of which more than one year	1,330	1,194	

Debt at less than one year corresponds to repayment of the bilateral lines of credit of the Group's subsidiary Sococim in Senegal, the maturity of the Jambyl loan in Kazakhstan and the Vigier loan in Switzerland and to short-term financing.

43 % of the gross financial debt consists of the USPP, issued in US Dollars and at a fixed rate. After converting this Dollar loan into a synthetic loan in Euros, the gross financial indebtedness is denominated almost 68 % in Euros.

The structure of the Group's gross indebtedness as at December 31, 2011, by type of rate and due date is as follows:

Rate

As shown in section 4.4.3 "Interest rate risk" of this Registration Document, the gross financial indebtedness at variable rates amounted, at December 31, 2011, € 530 million, i.e. 37 % of the Group's total gross financial indebtedness, after conversion of the fixed rate for the first USPP into a variable rate for 50 % of its amount and after taking into account the variable rate / fixed rate swaps (€ 150 million that will end up in 2016).

The indebtedness at variable rates is partly covered either by cash surpluses denominated in the same currency or by interest rate derivative instruments.

The interest rate risk related to the variable rate of Vicat SA debt was limited by setting up cap agreements for € 100 million over 10 and 12 years (USPP) and for € 260 million for a term of 5 years that will finish at the end of 2013 and beginning of 2014.

Due date

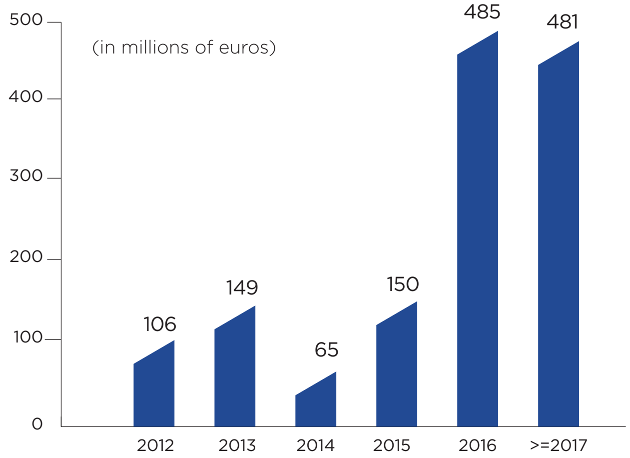
As at December 31, 2011, average maturity was slightly less than 5 years. The 2013 due date corresponds to the second tranche of repayment of the Vigier Holding loan (€ 14 million) and the Jambyl Cement loan (€ 23 million).

Repayments of the Vigier Holding loan (€ 26 million), the Jambyl Cement loan (€ 23 million) and the first tranche of the Vicat Sagar Cement Private Limited loans (€ 13 million) represent almost all repayment due in 2014.

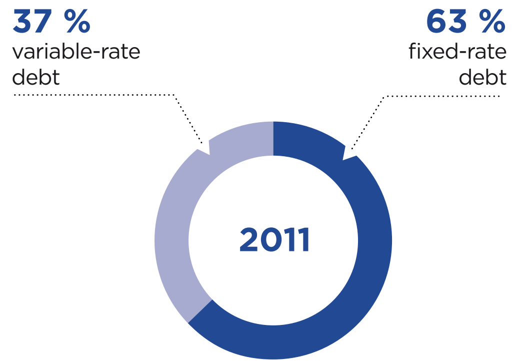
The 2015 due date corresponds to the last tranche of the first USPP (€ 106 million) and the on-going repayments of the Jambyl Cement loan (€ 23 million) and the Vicat Sagar Cement Private Limited loan (€ 19 million).

The due dates in 2016 correspond essentially to the due date for repayment of the Vicat Syndicated Loan (€ 458 million) and the Vicat Sagar Cement Private Limited loan.

Due dates for the gross indebtedness as at December 31, 2011



Fixed Rate/Variable Rate Indebtedness as at December 31, 2011



10.3.3. Cash surpluses

Cash and cash equivalents include cash at bank (€ 106 million as at December 31, 2011) and short-term investments having a due date of less than 3 months and not presenting a risk of change in the value of the principal (€ 253 million as at December 31, 2011).

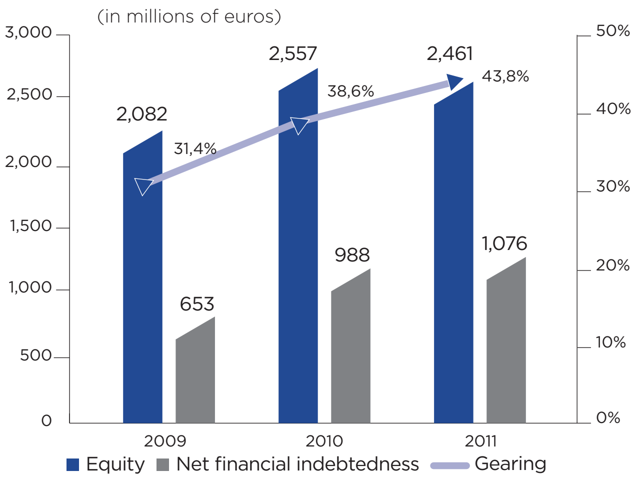
Cash is managed country by country, under the control of the Group's financial management, with cash pooling systems in France, the United States and Switzerland. Any surplus is either invested locally or re-invested if applicable into the Group. When the cash surplus is intended to be used within a limited period for financing needs in the country concerned, this surplus is invested locally.

10.3.4. Net indebtedness (excluding put option)

The Group's net indebtedness is broken down as follows:

(In millions of euros)	December 31, 2011	December 31, 2010	Change
Gross indebtedness	1,436	1,284	+ 11.9 %
Cash and cash equivalents	359	296	+ 21.4 %
Net indebtedness	**1,077**	**988**	**+ 9.0 %**

The gearing was 43.8 % at the end of 2011, compared with 38.6 % at December 31, 2010.



The ratio of Net financial indebtedness/EBITDA was 2.19 at the end of 2011 compared with 1.96 at the end of 2010.

Overall, the Group had a total amount of € 740 million corresponding to unused lines of financing (€ 381 million) and available cash (€ 359 million) to finance its growth, in addition to its cash flows from operations.

The gearing and leverage ratios achieved at December 31, 2011 after a period of sustained industrial and financial investments remain well balanced, giving the Group a solid financial structure and satisfactory flexibility.

From 1999 to 2003, an active acquisition period for the Group, the gearing ratio was between 50 % and 70 %. Its average over the last 5 years, moreover, was 35.6 %. Although slightly above this, 2011, therefore, remains within the defined strategic direction. The Group's aim is to reduce these ratios by taking advantage of the generation of free cash flow. These ratios could, however, increase again in future, depending on opportunities for external growth. Thus, if an important acquisition opportunity of major strategic interest for the Group presented itself, the Group could accept a significant increase in this ratio, while setting an objective subsequently to reduce it to levels close to those noted over the period previously cited. Given current liquidity and financing costs, quite specific attention will be paid to the use of the Group's cash flow and to the impact on its level of indebtedness.

10.4. Analysis of certain off-balance sheet liabilities

Off-balance sheet liabilities consist primarily of contractual commitments concerning the acquisition of tangible fixed and intangible assets. The table below shows commitments made by the Group as at December 31, 2011 and 2010:

(In millions of euros)	December 31, 2011	December 31, 2010
Contractual commitments for the acquisition of fixed assets	126.0	211.7
Guarantees and deposits paid	6.1	4.2
Total	**132.1**	**215.9**

As at December 31, 2011, the off-balance sheet liabilities of the Group were € 132.1 million and mainly concerned contractual obligations relating to industrial investments, amounting to € 126.0 million. These commitments corresponded mainly to an increase in the output from investments in India in relation to the construction of the Vicat Sagar Cement factory, and to a lesser extent to investments in France and Switzerland.

As at December 31, 2010, the off-balance sheet liabilities of the Group were € 215.9 million and mainly concerned contractual obligations relating to industrial investments, amounting to € 211.7 million. These commitments corresponded mainly to an increase in the output from investments in India in relation to the construction of a greenfield factory. They also included investments in France, Switzerland, Kazakhstan and Senegal.

11

Research and development, patents and licenses

The Group's research resources for product design, development and quality control are centralized at L'Isle d'Abeau, close to Lyon, in the Louis Vicat Technical Centre (CTLV). Organized around three expertise fields — hydraulic binders, concrete aggregates and building products chemistry — the CTLV has a dedicated team of approximately fifty researchers and technicians equipped with modern equipment. Partnerships have also been established with research centers or engineering schools, such as the CEA, the Institut Polytechnique in Grenoble (INPG) or major industrial groups.

Research and development activities are mainly aimed at anticipating or responding to requests from the Group's customers regarding easier to use products or innovative technical solutions to overcome construction sites constraints. Examples of products developed in recent years in the Group's laboratories are: Polycim, a special binder for masonry works and BCV (Vicat Composite Concrete), a fiber reinforced ultra-high performance concrete, which makes it possible to produce structural elements without steel reinforcements. A further focus for research and development is research into reducing the electricity consumption of grinding mills.

More recently, new research axes have emerged. They relate to the development of new cements which, with equivalent mechanical properties, lead to reduce CO_2 emissions. This issue, fundamental for the future of the industry and which fits into the Group's objective of participating in the collective effort in favor of the environment, mobilizes significant manpower in the fields of crystallography, thermodynamics and additives. To carry out this research, state of the art equipment is mobilized at the research laboratory at L'Isle d'Abeau, in particular, diffractometer, X-ray fluorescence, field effect electron microscope. New products resulting from this fundamental research are then tested in close cooperation with the concrete research and development teams which are also present on the L'Isle d'Abeau site. Partnerships have been signed with industrial groups who provide technology and potential users for these future products.

The Group's research policy in relation to concrete is directed towards developing products improving working conditions and profitability on building sites by facilitating their use. The results obtained to date allow the Group to supply concretes with adapted plasticity, or self-leveling concrete.

Similarly, development of the Vicat screed in partnership with EDF is a significant development axis which provides tillers and screeders with significant productivity gains while bringing a solution adapted to the new heating requirements combining convenience and energy savings. New families of screeds are under development in our laboratories and should soon be offered to our customers.

New products development also address sustainable development and improvement of the thermal efficiency of future concretes that will be offered to our customers and the construction systems for very low energy consumption buildings.

In the framework of its research and development activities, the Group registers patents in order to protect the development of products resulting from them.

12

Information on trends

12.1. Recent events

n.a.

12.2. Trends and objectives

The trends shown below are based on data, assumptions and estimates considered reasonable in the opinion of the Group's management. These data, assumptions and estimates could evolve or change due to uncertainties, mainly related to the strong volatility of the economic, financial and competitive environment as well as to possible changes in regulatory measures in each country in which the Group operates.

In addition, the occurrence of certain risks, as described in section 4. "Risk factors" of this Registration Document, could have a material impact on the Group's business, financial position and results.

The Group does not undertake any commitments nor provide any assurances that it will achieve the trends mentioned below.

12.2.1. Trends 2012

For 2012, the Group considers that the lack of visibility, due to developments in the global macro-economic and financial environment on the one hand, and the impossibility, on the other hand, of assessing the impact of the political events that recently occurred in the Middle East, do not at this stage allow it to develop specific and documented perspectives on the financial performance that it is likely to register for the entire year in progress.

12.2.1.1. The Group's business prospects in its markets

The Group summarizes the salient facts for its various markets that were reported when the 2011 results were published:

With respect to 2012, the Group would like to give the following assessments of the different markets in which it operates:

- In **France**, in 2012, excluding the effect of weather conditions, the Group anticipates a very slight fall in sales volumes in a favorable price environment.

- In **Switzerland**, excluding the effect of weather conditions, the environment is likely to remain broadly positive, with stable volumes overall and price levels that are expected to improve slightly.
- In **Italy**, the Group anticipates an improvement in the situation after a very difficult year in 2011. Nevertheless, given the current levels of cement consumption, volumes should gradually stabilize and selling prices climb back up.
- In **the United States**, the Group anticipates a very gradual improvement in its markets, in terms of both volumes and prices.
- In **Turkey**, excluding the effect of weather conditions, the improvement in the sector environment in 2011 is likely to continue during 2012, despite a more difficult macroeconomic situation. Against this backdrop, the Group should be able to take full advantage of the efficiency of its production facilities as a result of its investments under the "Performance 2010" plan.
- In **Egypt**, despite a situation which is likely to remain fragile, particularly in the first half of the year, the market outlook remains good in terms of volumes and the prospects for prices are also positive, though the operating environment will remain complex. The Group is confident of positive developments in the Egyptian market in the medium and long term.
- In **West Africa**, in a market environment that is likely to remain broadly positive, the Group will take advantage of its modernized, high performance plant to continue to pursue its commercial activities across the entire region of West Africa, particularly in view of the arrival of a new competitor in Senegal expected in the second half of 2012 and likely to have a negative impact on this market.
- In **India**, the increase in output from Bharathi Cement is expected to continue in line with Group expectations. In addition the progressive start-up of the various workshops in the Vicat Sagar plant during the second half of the year will create two major players in southern India, able to draw on substantial operational synergies and with a total nominal capacity of over 7 million tonnes.
- In **Kazakhstan**, thanks to its good geographical location and high performance manufacturing plant, the Group should gradually be able to take full advantage of a market poised for solid growth in the construction and infrastructure sectors and a positive price environment.

12.2.1.2. Group objectives

Against this backdrop, Vicat will pursue its growth strategy, linking growth in its business to operating earnings, while at the same time progressively reducing its debt level.

12.2.2. Trends up to 2013

The interruption in economic trends over the course of 2008 and continued through to 2011 does not allow the Group to give precise trends up to 2013. Nevertheless, taking into account increases in capacity and productivity improvements, as well as its recent projects in India and Kazakhstan, the Group is ready to take part in the economic upturn, as soon as it begins.

The Group continues to pursue its cost reduction efforts following completion of the "Performance 2010" Plan initiated in 2006 and will continue with the complementary efforts put in place in the context of the "Performance Plus" Plan.

Against the background of high volatility in energy costs, the Group will maintain its objective of increasing the share of alternative fuels in the total amount of energy consumed.

The Group is also continuing its policy of increasing sales prices, designed to offset the rise in costs, particularly energy and freight costs, within the limits of the commercial constraints imposed by the situation in some markets.

12.2.3. Industrial investments

As explained in section 5.2 "Investments" of this Registration Document as well as in the previous paragraph, the Group has completed its industrial investment program under the "Performance 2010" Plan. The additional capacity resulting from the completion of the program is, therefore, around 6 million tonnes, to which must be added a 1.1 million tonnes capacity in Kazakhstan and a 5 million tonnes capacity in India.

The majority of these capacity increases were in emerging countries, bringing the capacity in these countries to over 18 million tonnes, by including India and Kazakhstan, out of a total of almost 27 million tonnes at the end of 2011. Consequently, between 2006 and 2011, the "Performance 2010" plan, the construction of the greenfield Jambyl Cement plant in Kazakhstan, which came on stream at the beginning of 2011, and the acquisition of a majority stake in Bharathi Cement in India, enabled the Group to refocus its center of gravity towards the emerging countries, which now represent 68 % of the Group's global capacity, compared with 44 % previously.

This trend will continue with, as indicated in section 5.2.2 "Main investments in progress and planned" of this Registration Document, the construction of a greenfield plant by Vicat Sagar in India. This 5.5 million tonnes capacity cement plant will comprise two production lines for a total investment in the area of US$650 million. The equipment in the first line is expected to come on stream progressively during the second half of 2012. (also see sections 5.2.2 "Main investments in progress and planned", 6.3.1.7 (j) "Overview of the cement market", and 9.1.5 "Effect of modifications to the consolidation scope and exchange rate fluctuations").

Following major investments in brownfield plants and the construction of the greenfield Jambyl Cement plant in Kazakhstan, the overall amount of industrial investment is expected to decrease, amounting in 2012 to between € 200 and 250 million, associated in particular with the completion of the first firing line at the Vicat Sagar greenfield plant in India.

In accordance with the financial policy implemented by the Group (see section 10.3.1 “Financial Policy”, of this Registration Document), investments are financed from the Group’s own resources. The construction of greenfield plants gives rise to dedicated financing provided by local subsidiaries. The financing for the Kazakhstan project was set up in 2008, and that for the project in India was finalized during the 1st half of 2010.

The trends shown above should not be considered as estimates or forecasts but merely as targets included in the Group’s business plans, in particular the investment program described above, and bearing in mind the expected short-term trends.

It is impossible to provide profit forecasts from the information provided, due to the fact that the Group operates its business in different sectors.

13

Profit forecasts or estimates

The Company does not intend to publish profit estimates or forecasts.

14

Administration and general management bodies

14.1. Composition of the Board of Directors, Presidency and General Management

14.1.1. Board of Directors

The Company is managed by a Board of Directors composed of at least five and no more than twelve members, appointed by the General Meeting of shareholders for a term of three or six years.

As at the date of registration of this Registration Document, the Company has ten directors, including six independent directors. A director's term of office is extended de jure to the General Meeting which follows the normal end of his term of office and leaving members may be re-elected. A director appointed to replace another director remains in office only until the end of his predecessor's term.

The renewal of the mandate of one director will be proposed at the General Meeting of May 4, 2012.

14.1.2. Presidency of the Board of Directors and General Management

In accordance with the Company's by-laws, the Board of Directors shall elect from among its members a Chairman and fix his term of office, which cannot exceed the term of his mandate as a director. Mr. Jacques Merceron-Vicat was appointed as Chairman of the Board of Directors by the Board of Directors on March 27, 1984 and was re-appointed by resolutions of the Board of Directors on June 19, 1986, June 11, 1992, June 12, 1998, June 4, 2004 and April 28, 2010.

The Board of Directors, by a directors' decision of March 7, 2008, decided to separate the functions of Chairman of the board and Chief Executive Officer. At the same date, the Board of Directors confirmed Mr. Jacques Merceron-Vicat as Chairman of the Board of Directors and appointed Mr. Guy Sidos as Chief Executive Officer for the term of the mandate of the Chairman of the Board of Directors. Mr. Guy Sidos was reappointed to his function by decision of the Board of Directors of April 28, 2010.

The Board of Directors decided, by a resolution passed on July 31, 2011, to appoint Mr. Raoul de Parisot as Chief Operating Officer responsible for business in the Europe region and the cement business in France.

Under the Company's by-laws, the Board of Directors can, at the CEO's proposal, appoint up to five COOs to assist the CEO.

14.1.3. Members of the Board of Directors

As at the date of registration of this Registration Document, the Board of Directors consists of the following individuals:

Chairman of the Board of Directors and Director

jacques Merceron-Vicat
Graduate of the École Supérieure de Travaux Publics. He joined the Group in 1962.

Age : 74

Date of first nomination: 02/03/1968

Date of beginning pof current appointment:
- 04/28/2010 as director
- 28/04/2010 as Chairman of the Board of Directors

Other appointments filled or having been filled in the Group during the past five years (1) :
- Chairman of the Board of Directors of Béton Travaux*
- Chairman of the Board of Directors of National Cement Company*
- Director of Aktas*
- Director of Bastas Baskent Cimento*
- Director of Konya Cimento*
- Director of Bastas Hazir BETON*
- Director of Tamtas*
- Director of Sococim Industries*
- Director of Sinaï Cement Company*
- Chairman of the Board of Directors of Vicat Egypt for Cement Industry*
- Member of the Supervisory board of the Mynaral Tas Company LLP*
- Member of the Supervisory board of the Jambyl Cement Production Company LLP*
- Director of Vicat Sagar Cement Private Limited*
- Director of Bharathi Cement Corporation Private Limited*
- Director of BSA Ciment SA*

Other appointments filled or having been filled by the director or, if applicable, by his permanent representative, outside the Group during the past five years(1):
- Not applicable.

Director and CEO

Guy Sidos
Graduate of the École navale. He served in the French Navy before joining the Group in 1999.

Age : 48

Date of first nomination: 06/11/1999

Date of beginning pof current appointment:
- 05/15/2009 as director
- 04/28/2010 as Chief Executive Officer

Other appointments filled or having been filled in the Group during the past five years (1) :
- CEO of Béton Travaux*
- Chairman of Papeteries de Vizille*
- Chairman of Parficim*
- Director of Vigier Holding
- Director of Vigier Management
- CEO of National Cement Company*
- Permanent Representative of Parficim, Director of Sococim Industries*
- Vice President and Director of Sinaï Cement Company*
- Vice President and Director of Vicat Egypt for Cement Industry*
- Director of Cementi Centro Sud*
- Director of Aktas*
- Director of Bastas Baskent Cimento*
- Director of Konya Cimento*
- Director of Bastas Hazir BETON*
- Director of Tamtas*
- Permanent representative of Vicat, Director of BCCA*
- Permanent representative of Béton Travaux, Director of Béton Rhône-Alpes*
- Member of the Supervisory board of Mynaral Tas Company LLP*
- Member of the Supervisory board of Jambyl Cement Production Company LLP*
- Director of Vicat Sagar Cement Private Limited*
- Director of Bharathi Cement Corporation Private Limited*
- Director of BSA Ciment SA*
- Sole director of Ravlied Holding AG*

Other appointments filled or having been filled by the director or, if applicable, by his permanent representative, outside the Group during the past five years(1):
- Not applicable.

(1) Current appointments are followed by an asterisk.

Directors

Raynald Dreyfus

Holder of a CES in banking and a graduate of Harvard University. He was a senior manager with Société Générale until his retirement in 1996.

Age : 75

Date of first nomination: 06/05/1985

Date of beginning pof current appointment: 05/15/2009

Other appointments filled or having been filled in the Group during the past five years(1):

- Not applicable.

Other appointments filled or having been filled by the director or, if applicable, by his permanent representative, outside the Group during the past five years(1):

- Not applicable.

Pierre Breuil

Law degree and graduate of the Institut d'Etudes Politiques de Paris. He is a former student of ENA (Turgot entry). He was Prefect of Alpes-Maritimes from 2002 to 2006 and General Inspector of Administration from 2006 to 2007.

Age : 70

Date of first nomination: 05/15/2009

Date of beginning pof current appointment: 05/15/2009

Other appointments filled or having been filled in the Group during the past five years(1):

- Not applicable.

Other appointments filled or having been filled by the director or, if applicable, by his permanent representative, outside the Group during the past five years (1)

- Director of Groupe EMERA*

Bruno Salmon

Graduate of the Ecole Supérieure de Commerce de Paris. He held the position of General Secretary, COO and Director of CETELEM. After holding the position of COO and Director of BNP Paribas Personal Finance, he was appointed Chairman since September 2008.

Age : 62

Date of first nomination: 05/15/2009

Other appointments filled or having been filled in the Group during the past five years(1):

- Not applicable.

Date of beginning pof current appointment: 05/15/2009

Other appointments filled or having been filled by the director or, if applicable, by his permanent representative, outside the Group during the past five years (1)

- Permanent representative of LEVAL 3 on the Board of COFIDIS (Groupe 3Suisses)*
- Permanent Representative of CETELEM on the Board of UCB
- Chairman of the Board of Directors of BNP Paribas Personal Finance*
- Director of LASER COFINOGA (Groupe Galeries Lafayette)*
- Permanent representative of LEVAL 3 in MONABANQ (Groupe 3 Suisses)*
- Director of CETELEM Brasil SA (Brazil)*
- Director of Banco Cetelem (Spain)*
- Director of Findomestic Banca SPA (Italy)*
- Member of the Supervisory board of Cetelem Bak Spolka Akcyina (Poland)
- Director of Banco Cetelem (Portugal)*
- Director of Cetelem IFN SA (Romania)*
- Member of the Supervisory board of BNP Paribas Personal Finance (Bulgaria)*
- Director of UCB Suisse (Switzerland)
- Chairman of the Association des Sociétés Financières (ASF) (France)*
- Vice-President of the Association Française des Etablissements de Crédit et d'Investissement (AFECEI)*
- Chairman to the Cetelem Foundation*
- Chairman of l'Etoile (organization for management of the welfare activities of the Compagnie Bancaire) (France)*

Louis Merceron-Vicat

Graduate of the École des cadres and of the EM Lyon. He joined the Group in 1996..

Age : 42

Date of first nomination: 06/11/1999

Date of beginning pof current appointment: 05/06/2011

Other appointments filled or having been filled in the Group during the past five years (1) :

- Permanent representative of Vicat SA, director of Béton Travaux*
- Chairman and CEO of BCCA*
- Director of Aktas*
- Director of Konya Cimento*
- Director of Bastas Baskent Cimento*
- Director of Bastas Hazir Beton*
- Director of Tamtas*
- Director of Sococim Industries*
- Director of Sinaï Cement Company*

Other appointments filled or having been filled by the director or, if applicable, by his permanent representative, outside the Group during the past five years(1):

- Not applicable.

(1) Current appointments are followed by an asterisk.

Sophie Sidos
She held various functions within the Group until 1997.

Age : 43

Date of first nomination: 08/29/2007

Date of beginning pof current appointment: 05/15/2009

Other appointments filled or having been filled in the Group during the past five years[1]:
- Not applicable.

Other appointments filled or having been filled by the director or, if applicable, by his permanent representative, outside the Group during the past five years[1]:
- Not applicable.

P&E Management represented by Paul Vanfrachem
Civil engineer specializing in chemistry and a graduate of the university of Brussels. He joined CBR in 1985 and chaired it until 2004. He also has been the Chairman of Cembureau from 2006 until June 2008.

Age : 68

Date of first nomination: 06/02/2005

Date of beginning pof current appointment: 05/06/2011

Other appointments filled or having been filled in the Group during the past five years[1]:
- Not applicable.

Other appointments filled or having been filled by the director or, if applicable, by his permanent representative, outside the Group during the past five years [1]
- Manager of P&E Management*
- Chairman of Cembureau
- Honorary Chairman of SA Cimenteries CBR*
- Director of Indaver NV*

Jacques Le Mercier
Graduate of the faculty of Paris in Economic Science and holder of a diploma from the Institute of Business Administration of Paris-Dauphine University. He has held management and chairing positions within financial institutions. He was Chairman of the Board of Directors of Banque Rhône-Alpes from 1996 to 2006.

Age : 67

Date of first nomination: 08/29/20077

Date of beginning pof current appointment: 05/06/2011

Other appointments filled or having been filled in the Group during the past five years[1]:
- Not applicable.

Other appointments filled or having been filled by the director or, if applicable, by his permanent representative, outside the Group during the past five years [1]
- Chairman of the Banque Rhône-Alpes Foundation
- Member of the Supervisory board of the ASPEN-France Institute

Xavier Chalandon
Graduate of the Institut d'Etudes Politiques de Lyon and has a Masters in law. He held management positions with various financial institutions. He was COO of Banque Martin Maurel from 1995 to 2003 and COO of Financière Martin Maurel until 2009. He is a member of the Strategy Committee and Ethics Committee of Groupe Siparex.

Age : 62

Date of first nomination: 04/28/2010

Date of beginning pof current appointment: 04/28/2010

Other appointments filled or having been filled in the Group during the past five years[1]:
- Not applicable.

Other appointments filled or having been filled by the director or, if applicable, by his permanent representative, outside the Group during the past five years [1]
- COO of Banque Martin Maurel
- COO of Compagnie Financière Martin Maurel
- Chairman of Financière Saint Albin
- Chairman of Immobilière Saint Albin
- Director of Compagnie Financière Martin Maurel*
- Permanent Representative of Banque Martin Maurel at SIPAREX Croissance*
- Director of Mobilim Participations, Kalipac SA, Grignan Participations
- Permanent Representative of Compagnie Financière Martin Maurel at Banque Martin Maurel
- Permanent Representative of Martin Maurel Gestion atLyon Gestion Privée
- Member of the Supervisory Board of Martin Maurel Gestion
- Chairman of the Board of Grignan Capital Gestion
- Co-manager of Mobilim International Sarl

(1) Current appointments are followed by an asterisk.

The Board of Directors decided on March 8, 2012 to propose to the Ordinary General Meeting of shareholders, which will convene on May 4, 2012 to renew for a duration of three years the mandate of Mr. Raynald Drefus as director.

Family ties between directors and management

Mr. Jacques Merceron-Vicat, Chairman of the Board of Directors, is the father of Mrs. Sophie Sidos, director, the father of Mr. Louis Merceron-Vicat, director, and the father-in-law of Mr. Guy Sidos, director and Chief Executive Officer of the Company..

14.2. Detailed information on the management expertise and experience of the members of the Board of Directors

The Board of Directors consists of individuals who have industry knowledge, specific knowledge of the Group's businesses, technical experience, and/or experience in management and the financial sector. Each member of the Board of Directors is selected according to his availability and his integrity.

A brief biography of each director is provided in Chapter 14.1.3.

14.3. Personal information concerning the members of the Board of Directors

As at the date of registration of this Registration Document, no member of the Board of Directors has during the last five years:

- been sentenced for fraud;
- been associated with a bankruptcy, or been put under sequestration or liquidation;
- been incriminated or sentenced officially by a legal or administrative authority;
- been prevented by a court from acting as a member of an administrative, management or supervisory body or from acting in the management or control of the businesses of an issuer.

14.4. Conflicts of interests in the administration and general management bodies

To the knowledge of the Company, there is not, as at the date of registration of this Registration Document, any conflict of interest between the duties of the members of the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer and the Chief Operating Officer, with regard to the Company and their private interests and/or other duties.

No arrangement or agreement has been concluded with the main shareholders, customers, suppliers or others by virtue of which any of the members of the Board of Directors, the CEO and the COO were selected as such.

15

Remuneration and benefits

15.1. Remuneration and benefits in kind

15.1.1 Remuneration paid to executive directors

Overview of remuneration and stock options attributed to each executive director:

Jacques Merceron-Vicat

Chairman of the Board of Directors	2011	2010
Remuneration during period	812,792	756,053
Assessment of options allocated during period	n /a	n / a
Assessment of performance-related bonus shares allocated during period	n /a	n / a
Total	**812,792**	**756,053**

Guy Sidos

Chief Executive Officer	2011	2010
Remuneration during period	756,276	741,976
Assessment of options allocated during period	n /a	n / a
Assessment of performance-related bonus shares allocated during period	n /a	n / a
Total	**756,276**	**742,076**

Raoul de Parisot

Chief Operating Officer	2011	2010
Remuneration during period	486,227	-
Assessment of options allocated during period	n /a	-
Assessment of performance-related bonus shares allocated during period	n /a	-
Total	**486,227**	**-**

The tables below detail the remuneration paid and benefits in kind granted by the Company, its subsidiaries or companies controlling the Company to the executive Company officers, i.e. the Chairman of the Board of Directors, the CEO and the COO, in 2010 and 2011.

	2011		2010	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Jacques Merceron-Vicat				
Chairman of the Board				
Fixed remuneration	-	685,450	-	646,747
Variable remuneration	n / a	n / a	n / a	n / a
Exceptional remuneration	n / a	n / a	n / a	n / a
Attendance fees	-	53,250	-	41,183
Benefits in kind	-	74,092	-	68,123
Total	**-**	**812,792**	**-**	**756,053**
Guy Sidos				
Chief Executive Officer				
Fixed remuneration	-	685,439	-	676,737
Variable remuneration	n / a	n / a	n / a	n / a
Exceptional remuneration	n / a	n / a	n / a	n / a
Attendance fees	-	28,250	-	22,091
Benefits in kind	-	42,587	-	43,248
Total	**-**	**756,276**	**-**	**742,076**
Raoul de Parisot				
Chief Operating Officer				
Fixed remuneration	-	479,771	-	-
Variable remuneration	n / a	n / a	-	-
Exceptional remuneration	n / a	n / a	-	-
Attendance fees	-	-	-	-
Benefits in kind	-	6,456	-	-
Total	**-**	**486,227**	**-**	**-**

The benefits in kind granted to the executive Company officers are standard benefits for this type of functions (Company car, etc.). Besides, their remuneration does not include a variable part.

No executive manager who is a Company officer is bound to the Company by an employment contract except Raoul de Parisot Chief Operating Officer.

15.1.2. Attendance fees and other remuneration received by non-executive Company officers

	Amounts paid in 2011	Amounts paid in 2010
Pierre Breuil		
Director		
Attendance fees	25,000	19,091
Other remuneration (on the basis of positions held within the Group)	3,500	3,500
Louis Merceron-Vicat		
Director		
Attendance fees	25,000	19,091
Other remuneration (on the basis of positions held within the Group)	216,801	213,911
René Fégueux		
Director		
Attendance fees	-	6,364
Other remuneration (on the basis of positions held within the Group)	-	7,000
Bruno Salmon		
Director		
Attendance fees	25,000	19,091
Other remuneration	-	-
Raynald Dreyfus		
Director		
Attendance fees	25,000	19,091
Other remuneration	10,500	10,500
P&E Management (represented by Paul Vanfrachem)		
Director		
Attendance fees	25,000	19,091
Other remuneration	3,500	3,500
Sophie Sidos		
Director		
Attendance fees	25,000	19,091
Other remuneration	33,205	32,750
Jacques le Mercier		
Director		
Attendance fees	25,000	19,091
Other remuneration	7,000	7,000
Xavier Chalandon		
Director		
Attendance fees	25,000	12,727
Other remuneration	-	-
Total	**474,506**	**430,889**

The Company's directors receive attendance fees every year. The total of such attendance fees was € 210,000 for the 2010 year, distributed equally among the directors (i.e. € 19,091) except in the case of the Chairman of the Board of Directors, who received twice the remuneration received by each other member of the Board of Directors (i.e. € 38,183). In 2011, the total amount of the attendance fees was increased to € 275,000, distributed equally among the directors (i.e. € 25,000) except in the case of the Chairman of the Board of Directors, who received twice the remuneration received by each other member of the Board of Directors (i.e. € 50,000).

Furthermore, the additional remuneration allocated to each member of the Board of Directors' committees for 2011 amounted to € 7,000 for the members of the audit committee, and € 3,500 for the members of the remuneration committee.

The Company's officers do not benefit from any additional contractual benefits in case of termination of their activities and do not receive any remuneration or benefits other than those set out in the table above. This remuneration does not include any variable part.

15.2. Pension, retirement and other benefits

The Company has not implemented a plan to award performance-based bonus stock or stock subscription or stock purchase options for the benefit of the executive Company officers or Company officers, and no award of securities has been granted to the aforementioned Company officers on this account.

In addition, the Group has implemented a pension scheme for its officers and Group other executives that is additional to the legal and supplementary schemes. The benefits of this top-up plan are granted to executives whose gross remuneration is four times greater than the social security ceiling on the basis of a decision of General Management. In addition, to receive these benefits, the relevant person must have served at least 20 years with the Group and have attained 65 years of age at the time they acquire the pension rights. The additional pension amount is calculated as a function of years of service at the date of retirement and reference salary over the highest ten years. This additional amount may not result in the beneficiary receiving, under all pension benefits, an amount exceeding 60 % of the reference salary. A provision of € 6,263 thousand is recognized in the financial statements in relation to the pension scheme additional to the legal and supplementary schemes for the Group officers and other executives mentioned above.

The table below presents certain items relating to the benefits granted to the executive Company officers:

Executive director	Employment contract		Supplementary pension plan		Retirement indemnities or benefits due or likely to be due on account of termination or change of function		Indemnities relating to a non-competition covenant	
	Yes	No	Yes	No	Yes	No	Yes	No
Jacques Merceron-Vicat Chairman of the Board of Directors		■	■			■		■
Beginning of the current appointment, (i) as director 04/28/2010; (ii) separation of the functions of Chairman and Chief Executive Officer 03/07/2008. End of current appointment: Shareholders General Meeting approving the financial statements for the year ending on December 31, 2015.								
Guy Sidos Chief Executive Officer		■	■			■		■
Beginning of the current appointment, as director 15/05/2009; (ii) as Chief Executive Officer 03/07/2008. End of current appointment: Shareholders General Meeting approving the financial statements for the year ending on December 31, 2014 as director, and for the year ending on December 31, 2015 as CEO.								
Raoul de Parisot Chief Operating Officer	■		■			■		■
Beginning of current appointment (i) as Chief Operating Officer 31 / 07 / 2011. End of current appointment: Shareholders General Meeting approving the financial statements for the period ending on June 30, 2014.								

Operation of the administrative and management bodies

16

16.1. Operation of the Board of Directors

16.1.1. Missions and attributions of the Board of Directors

The Board of Directors determines the policy for the Company's business and supervises its implementation. Subject to the powers expressly granted by shareholders at General Meetings and within the limits of the Company's corporate purpose, it will address any question concerning the satisfactory running of the Company and decide by its deliberations on any matters which relate to it.

Its strategy and actions are within the scope of sustainable development of the Company. The Board of Directors has in particular the role of examining and approving all decisions relating to the Company's and the Group's major strategic, economic, social, financial or technological policies and the supervision of their implementation.

16.1.2. Board meetings

The Board of Directors shall meet when convened by its Chairman as often as required by the interest of the Company, at the registered office or in any other place indicated in the convening letter. However, directors constituting at least one third of the members of the Board of Directors may convene the board if it has not met for more than two months.

The deliberations of the Board of Directors are minuted, signed and preserved in accordance with regulations.

The Board of Directors is quorate if at least half of its members are present. Decisions are taken by a majority vote of the members present or represented. If there is a tied vote, the Chairman shall have the casting vote.

The Board of Directors met twice in 2009, four times in 2010 and twice in 2011. During those meetings, the following points were always examined: situation of the industry, examination of the Company and of the consolidated financial statements. Attendance at meetings of the Board of Directors was 100 %. Delegates from the works council also attended all meetings. All resolutions proposed during those three years were adopted unanimously.

16.1.3. Remuneration of the members of the Board of Directors

The Board of Directors receives in remuneration for its activity an annual fixed sum, by way of attendance fees, the amount of which is determined by the shareholders at General Meeting and remains at that level unless otherwise decided. The Board of Directors then freely distributes the attendance fees among its members.

16.1.4. Rules of procedure for the Board of Directors

To date, the Board of Directors has not instituted internal rules of procedure.

16.1.5. Committees

The Board of Directors is supported by an audit committee and a remuneration committee. They perform their assignment under the responsibility of the Board of Directors. The committees are made up of three members selected from the independent directors appointed by the Board of Directors on the proposal of the Chairman and chosen on the basis of their competence. Each committee is presided over by a Chairman designated by a majority decision of the committee members. The committees are composed of the following members:

■ **Audit committee:**
- Mr. Raynald Dreyfus, Chairman of the committee;
- Mr. Pierre Breuil;
- Mr. Jacques Le Mercier.

■ **Remuneration committee:**
- Mr. Paul Vanfrachem, Chairman of the committee;
- Mr. Xavier Chalandon;
- Mr. Raynald Dreyfus.

The committees have the following duties:

■ **Audit committee:**

The audit committee is responsible for monitoring the financial information development process, for assessing the internal audit system and risk management efficiency. The duties of the audit committee also consist of:
- examining the annual and half-yearly accounts, both consolidated and statutory, it pays particular attention to the consistency and the relevance of the accounting methods used;
- becoming knowledgeable of the internal procedures for gathering and verifying the financial information that guarantees the consolidated financial information;
- examining the candidatures of the statutory auditors whose appointment is proposed to the Shareholders General Meeting;
- examining every year the auditors' fees as well as their independence.

■ **Remuneration committee:**

The remuneration committee has the responsibility of:
- examining the remuneration of managers and employees (fixed part, variable part, bonuses, etc.) and in particular their amounts and allocation;
- studying the subscription option or share purchase plans and in particular, as far as the beneficiaries are concerned, the number of options that could be granted to them as well as the duration of the options and the subscription price conditions as well as any other form of access to capital in the Company benefiting to managers and employees;
- studying particular benefits, such as the pension scheme, health and welfare benefit plan, incapacity insurance, death insurance, education allowance, civil liability insurance for representatives and executive officers of the Group, etc.

16.2. Operation of the management bodies

The Chairman represents the Board of Directors. He organizes and directs the Board's work and reports on it at the General Meeting. The CEO is responsible for the General Management of the Company. He is has the power to act in all circumstances in the name of the Company, within the limitations of the corporate purpose and subject to the powers which the law expressly reserves to the General Meetings of the shareholders. He represents the Company in its relationships with third parties.

The CEO is assisted by a COO and three General Managers who have responsibility, when so delegated, for the following operational areas:

- Europe region and Cement Business in France: Mr. Raoul de Parisot;
- Concrete & Aggregates and Transport in France: Mr. Bernard Titz;
- Africa, Middle East and India: Mr. Éric Holard;
- General Counsel: Mr. Philippe Chiorra.

Name	Age	Brief biography
Raoul de Parisot	63	Mr. de Parisot is a graduate of the École des Mines in Nancy and holder of a degree in economic sciences and a master's degree in sciences from Stanford University (United States). Before joining the Group in 1982, Mr. de Parisot worked for British Petroleum.
Bernard Titz	60	Mr. Titz has a doctorate in law. He joined the Group in 1982.
Éric Holard	52	Mr. Holard is a graduate of the École Nationale Supérieure d'Arts et Métiers and holder of a MBA from HEC. He joined the Group in 1991 after having worked for Arc International.
Philippe Chiorra	55	Mr. Chiorra is a graduate Legal Counsel. He joined the Group in 2000 after having worked for Chauvin Arnoux.

The General Managers, having an operational role, have responsibility for managing activities and earnings.

16.3. Limitation of powers

No limitation has been set concerning the powers of the Chairman of the Board of Directors or those of the Chief Executive Officer or of the Chief Operating Officer responsible for the Europe region and the Cement Business in France.

16.4. Internal audit

The Chairman's report on corporate governance and the internal audit, as well as the Company's auditors' report on the Chairman's report are appended to this Registration Document. These reports describe the internal audit plan implemented by the Company and the Group.

The Group draws a particular attention to questions of internal control and sustainable development in the countries in which it is present.

Accordingly, with respect to internal control, it implements procedures at the level of each operating subsidiary in order to address the specifics of the market on which it is present. These procedures are subject to periodic reviews by the statutory auditors of the companies of the Group.

In addition, the financial controllers are seconded by the Company's management to each operating subsidiary so as to reinforce the financial reporting system and enable the Group's management to control the development of its operations.

The Group currently relies on these procedures to ensure a satisfactory level of anticorruption controls.

The subject of sustainable development is regularly addressed by General Management and, when appropriate, diffused to management of the operating subsidiaries.

Over the past years, the Group has developed a policy integrating environment respect and sustainable development issues, both in terms of investment and of operation of industrial sites.

16.5. Date of expiry of the term of office of the directors

Name	Date of first nomination	Date of start of current mandate	Date of expiry of current mandate (General Meeting)
Chairman of the Board of Directors and director			
Jacques Merceron-Vicat	02/03/1968	04/28/2010	General Meeting approving the financial statements for the year ending December 31, 2015
CEO and director			
Guy Sidos	06/11/1999	05/15/2009 in his capacity as director.	General Meeting approving the financial statements for the year ending December 31, 2014 in his capacity as director.
		04/28/2010 in his capacity as CEO	General Meeting approving the financial statements for the year ending December 31, 2015 in his capacity as CEO
Directors			
Raynald Dreyfus	06/05/1985	05/15/2009	General Meeting approving the financial statements for the year ending December 31, 2011
Louis Merceron-Vicat	06/11/1999	05/06/2011	General Meeting approving the financial statements for the year ending December 31, 2016
Sophie Sidos	08/29/2007	05/15/2009	General Meeting approving the financial statements for the year ending December 31, 2014
P&E Management (represented by Paul Vanfrachem)	06/02/2005	05/06/2011	General Meeting approving the financial statements for the year ending December 31, 2013
Jacques Le Mercier	08/29/2007	05/06/2011	General Meeting approving the financial statements for the year ending December 31, 2013
Pierre Breuil	05/15/2009	05/15/2009	General Meeting approving the financial statements for the year ending December 31, 2014
Bruno Salmon	05/15/2009	05/15/2009	General Meeting approving the financial statements for the year ending December 31, 2014
Xavier Chalandon	04/28/2010	04/28/2010	General Meeting approving the financial statements for the year ending December 31, 2015

The Board of Directors decided on March 8, 2012 to propose to the Ordinary General Meeting of shareholders convened on May 4, 2012 to renew of the director's mandate of Mr. Raynald Dreyfus for a period of three years, until the Ordinary General Meeting approving the financial statements for the year ending December 31, 2014.

16.6. Information on the service agreements binding the members of the Company's administration and management bodies

To the knowledge of the Company, there are no service agreements binding the members of the Board of Directors, the Chairman of the Board of Directors, the CEO or the COO to the Company or to any of its subsidiaries and granting benefits to such persons.

16.7. Declaration relating to corporate governance

As at the date of registration of this Registration Document, the Board of Directors has among its members six independent directors who represent more than half the members it is composed of: Mr. Raynald Dreyfus, P&E Management (owned by Mr. Paul Vanfrachem), Mr. Jacques Le Mercier, Mr. Pierre Breuil, Mr. Bruno Salmon and Mr. Xavier Chalandon. Directors not maintaining any direct or indirect relationship or not having any link of particular interest with the Company, its subsidiaries, its shareholders or its management are regarded as independent directors. Moreover, the Company considers as an independent director, a person who is not bound to the Company or to the Group by an employment contract, a contract for the provision of services or by a situation of subordination or dependency with respect to the Company, the Group, its management or major shareholders or by a family tie with the majority shareholder.

The Company subscribes to a policy of transparency and improvement of information disseminated, in particular concerning its activities and in relation to financial matters according to the recommendations prescribed in particular by the AFEP and the MEDEF with respect to the principles of good governance.

At the date of this Registration Document, Ms Sophie Sidos is member of the Board of Directors. This is up to the Board of Directors to look for the best balance in its composition as well as in its committees, notably as far as are concerned the representation of men and women and the skills diversity in order to gradually comply with the objectives of the law dated January 27, 2011 relating to a balanced representation of men and women within Board of Directors.

The Board of Directors of the Company constantly analyses its operating rules and their compliance with the recommendations of the AFEP MEDEF. This analysis will also be carried out with a view to setting up board of director's internal rules of procedure the purpose of which being in particular to organize the details of the board's self-assessment and internal debates, or even to plan how the directors will exercise their communication right and the requirements incumbent on them with respect to professional ethics and confidentiality.

Likewise, the Company adapts the mission and operation of the board's committees, in particular the audit committee, in accordance with the provisions of the regulation of December 8, 2008.

Nonetheless, the Company does not intend to apply the recommendation of the AFEP MEDEF affecting the limitation of the term of office of the directors. Given its shareholding, which is for the most part a family shareholding, and its long term vision, the Company wants the directors' functions to be long term, which is a guarantee of permanence. This is why the Company planned directors' terms of 3 or 6 years.

17

Employees

17.1. Overview

The average workforce of the Group in 2011 increased to 7,387, compared with 7,040 in 2010, i.e. an increase of + 4.9 %. This increase in employee numbers is primarily attributable to the start-up of the Jambyl Cement plant in Kazakhstan and start-up the second production line at the Bharathi Cement plant and increase in output from Vicat Sagar Cement in India. The Turkey/Kazakhstan/India region thus saw a growth in average employee numbers of + 12.9 % in one year. This increase should be seen in the context of the increase in sales in the same period: + 35.3 % at constant consolidation scope and exchange rates.

In France, the average workforce increased by 3.6 % due to the acquisition of L. Thieret SA (included in the consolidation scope as of 12/31/2010). At constant consolidation scope, the Group's average workforce fell by 1.9 % between 2010 and 2011, as a result of the permanent optimization of the organization of the various businesses.

In the United States, average workforce continued to fall in 2011 (-1.7 %), owing to the financial crisis in the country. This trend was even more pronounced as at December 31, 2011, with a decrease in employee numbers of 4.3 % to 1,003.

In the Africa/Middle East region, the increase of 5.2 % is mainly attributable to the recruitment of personnel previously employed on a daily basis in the Aggregates business in Senegal. The cement subsidiary, Sococim, saw a decrease in employee numbers (-0.7 %) between 2010 and 2011.

17.1.1. Breakdown of the Group's average workforce by business

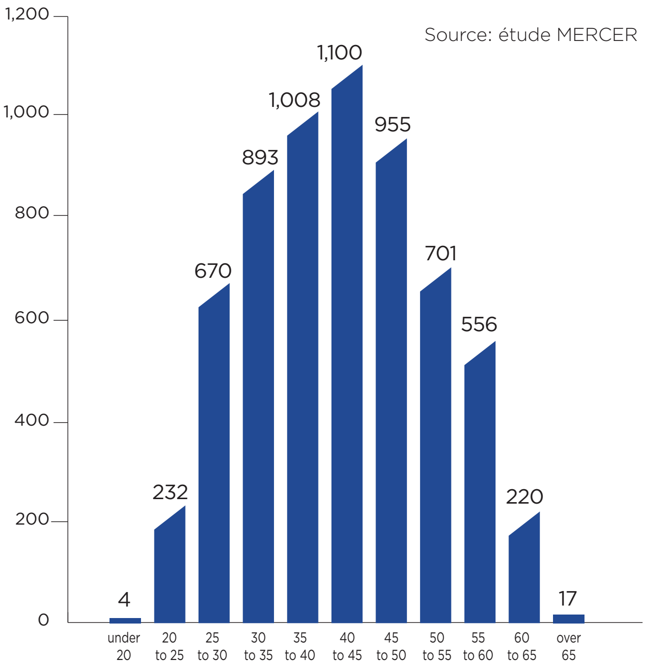
(number of employees)	2011	2010	Change
Cement	3,143	2,902	+ 8.3 %
Concrete & Aggregates	2,887	2,717	+ 6.3 %
Other Products & Services	1,357	1,421	- 4.5 %
Total	**7,387**	**7,040**	**+ 4.9 %**

17.1.2. Breakdown of the Group's average workforce by geographical area

(number of employees)	2011	2010	Change
France	2,579	2,490	+ 3.6 %
Switzerland/Italy	1,089	1,053	+ 3.4 %
United States	1,012	1,029	- 1.7 %
Turkey/Kazakhstan/India	1,614	1,429	+ 12.9 %
Senegal/Mali/Mauritania/Egypt	1,093	1,039	+ 5.2 %
Total	**7,387**	**7,040**	**+ 4.9 %**

17.1.3. Breakdown of the Group's average workforce by age

Number of employees by age group

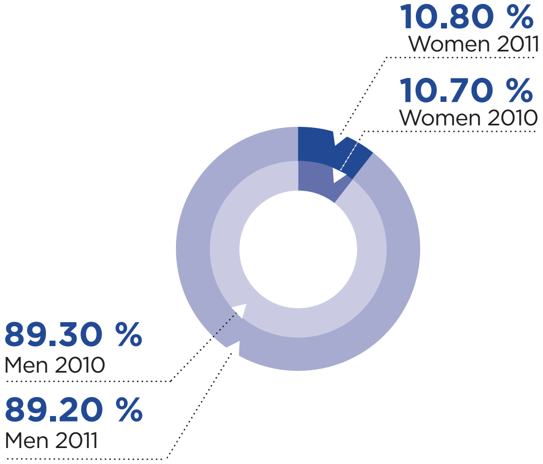


In 2011 as in 2010, the Group maintained a balanced age pyramid. The number of employees under 25 in India and Kazakhstan is proportionately higher (more than12 %) and accounts for 3.7 % of the Group's workforce. Employees over 50 represent 23.5 % of the Group's workforce, with a higher proportion in France (26.7 %), Switzerland (37.6 %) and the United States (40.9 %).

Workforce by gender

(% of female employees)	2011	2010
Executives	12.0	11.7
White-collar staff	21.5	22.7
Blue-collar staff	2.4	1.7
Group total	**10.8**	**10.7**
Of which France:		
Executives	18.8	17.6
White-collar staff	26.6	26.7
Blue-collar staff	1.8	1.4
Total France	**16.9**	**16.5**

The low proportion of women in the salaried workforce is due in particular to the type of activity and jobs offered by the Group.



The proportion of women employed by the Group increased slightly between December 31, 2010 and December 31, 2011 (from 10.7 % to 10.8 %).

The proportion of women executives in the Group as a whole increased (from 11.7 % to 12 %). This percentage also increased in France from 17.6 % to 18.8 %.

17.1.4 Changes in the workforce as at December 31, 2011

Changes in the workforce by geographical area

The increase in employee numbers in 2011 was significantly less marked than in 2010. The inclusion of Bharathi (India) in the consolidation scope and recruitment of staff for its factory and that of Jambyl Cement (India) in fact occurred in 2010.

Changes in the workforce at year end by geographical area

(number of employees)	2011	2010	Change	Excluding consolidation effect
France	2,587	2,587	- 0.1 %	NA
Switzerland + Italy	1,138	1,138	+ 3.5 %	+ 1.9 %
United States	1,003	1,003	- 4.3 %	NA
Turkey/Kazakhstan/India	1,609	1,609	+ 0.5%	NA
Senegal/Mauritania/Mali/Egypt	1,034	1,134	+ 9.8 %	NA
Total	**7,471**	**7,369**	**+ 1.4 %**	**+ 1.1 %**

The increase in employee numbers in Europe was mainly due to the growth of the concrete and associated transport business in Switzerland.

France remained stable, while continuing with measures to optimize the organization. In USA, workforce numbers continued to fall in 2011 (-4.3 %) following a drop of 5.2 % in 2010.

Employee numbers increased in Kazakhstan (+ 6.6 %) and India (+ 6.9 %) in response to market demand, while in Turkey numbers fell by 33 (-3.6 %).

The West Africa/Egypt region saw an increase in workforce numbers (+ 10.1 %), as a result of a retention program for trained, skilled staff in the Aggregates business in Senegal.

Breakdown of the workforce at December 31, 2011 by category and business segment

		Of which		
(number of employees)	Total	Cement	Concrete & Aggregates	Other Products & Services
Executives	1,191	677	214	300
White collar staff	2,686	1,354	980	352
Blue collar staff	3,594	1,114	1,642	838
Total	**7,471**	**3,145**	**2,836**	**1,490**

The breakdown of employees by business segment remained stable overall compared with the previous year. The Cement business accounted for 42.1 % (compared with 42.4 % in 2010), the Concrete & Aggregates business for 38.0 % (compared with 38.1 % in 2010) and Other Products and Services for 19.9 % compared with 19.5 % in 2010 (representing 15 % of sales 2011). Blue collar staff accounted for 48.1 % of the total workforce.

Breakdown of the workforce at December 31, 2011 by gender/years of service/category

The table below presents the main "demographic" data for the Group, which show no significant changes from the previous year.

		Of which				
(number of employees)	Total	Executives	White collar staff	Blue collar staff	Average Age	Average years of service
Men	6,663	1,046	2,110	3,595	41.7	9.3
Women	808	143	578	87	40.2	9.1
Total	**7,471**	**1,189**	**2,688**	**3,682**	**41.5**	**9.3**

Breakdown of workforce at December 31, 2011 by type of contract / category

		Of which		
(number of employees)	Total	Cement	Concrete & Aggregates	Other Products & Services
Full-time employees:	**7,287**	**3,112**	**2,761**	**1,412**
Executives	1,168	668	210	290
White collar staff	2,576	1,336	940	300
Blue collar staff	3,543	1,108	1,613	822
Part-time employees:	**184**	**33**	**73**	**78**
Executives	23	9	4	10
White collar staff	110	18	40	52
Blue collar staff	51	6	29	16
Total	**7,471**	**3,145**	**2,834**	**1,490**

The percentage of part-time employees remained stable at 2.5 % of the workforce. As in 2010, there were many more part-time staff in Other Products & Services (5.2 %) and Concrete and Aggregates (2.6 %) than in the Cement business. Part-time staff are employed to varying degrees in the following countries only: Switzerland (9.4 %), Italy (3.8 %), France (2.9 %), USA (0.4 %), Egypt (0.3 %).

17.1.5. Changes in the workforce at year end by movement type

The Group workforce as at December 31, 2011 increased to 7,471 compared with 7,369 as at December 31, 2010. This increase of 1.5 % is mainly attributable to the recruitment of personnel previously employed on a daily basis in the Aggregates business in Senegal.

Other changes were mainly the result of the replacement of natural departures and adaptation of the organization to the economic situation in each market.

In France, the workforce as at December 31, 2011 remained stable despite the inclusion in the consolidation scope at December 31, 2010 of the Company L. Thiriet & Cie acquired during that month (+ 102 employees). At constant consolidation scope, the Group workforce in France as at December 31, 2011 fell by comparison with December 31, 2010.

	Total	Notes
Workforce as at December 31, 2010	**7,369**	
Natural wastage	- 578	(resignation, death, end of contract, etc.)
Retirement	- 104	
Enforced departure	- 195	(dismissal, pre-retirement, etc.)
Other changes	+ 21	Switzerland: inclusion in consolidation scope of Beton Basel AG and Frischbeton Thun AG
Recruitment	+ 958	Of which Kazakhstan and India
Workforce as at December 31, 2011	**7,471**	

The level of recruitment remained high in 2011, owing mainly to recruitment for the business in Kazakhstan and India (Bharathi Cement and Vicat Sagar Cement). Total new recruits to the Group were very similar in 2010 and 2011, respectively 979 and 958. In addition, the number of those joining and leaving included a significant number of seasonal jobs particularly in France and Turkey (in the case of drivers) and the usual high turnover in India and Kazakhstan.

17.1.6. Changes in years of service with the Group

	Average age		Average years of service	
	2011	2010	2011	2010
Total for the Group	**41.5**	**41.7**	**9.3**	**9.4**
France	*42.8*	*42.6*	*11.7*	*12.4*

Average age and years of service was broadly stable in 2011 compared to 2010. In France, higher age and lower seniority reflects the integration of nearly 90 people in society Thiriet.

17.1.7. Human Resources Policy

The Group's values

Adoption of the Group's values by its employees is the key factor in the success that it has achieved throughout the hundred and fifty years of its existence. There are four main values, which have forged a strong Company culture:

- the ability of management to react and reach decisions quickly, which has proved particularly valuable in achieving success in external growth transactions;
- the enthusiasm for innovation, research, development and progress, inspired by the discoveries of Louis Vicat, who invented cement in the 19th century;
- the tenacity that has enabled the Group to overcome the challenges encountered since its foundation;
- the common feeling of belonging to the Group, providing the energy and strong capacity for action necessary to achieve its objectives.

Human Resources Policy

The objective of the human resources policy is to ensure that the individual skills of employees or team units are in line with the Group's development strategy on a short, medium and long-term basis, against a background of adherence to and promotion of the values on which its culture is based. It aims to maintain and develop the Group's attractiveness for its employees, as well as securing their loyalty. On this basis, internal promotion is favored where possible. It should offer everyone career development prospects that maximize their potential and their ambitions. Mobility, both operational and geographical, is one of the conditions of this progression.

Training

Development of its employees' skills is a major priority for the Group and the reason that every year it invests a significant part of its wages and salaries bill in training.

Against a background of major industrial investments and the increasing complexity of processes due to technological innovation, the priority is to train engineers and technicians in using the tools and methods required to ensure that industrial facilities operate efficiently.

In 2011, the Group's staff training program focused on the following topics: safety, accident prevention and the environment, and the optimization of industrial and commercial performance. These training programs, centered on operating results, contributed consistently and effectively to the Group's results in these areas.

The teams in Kazakhstan took over control of the Jambyl cement plant with the support of a team of expatriates and a Chinese team (which has been reduced in number and will disappear altogether in the first few months of 2012).

In India, the increase in output from the Bharathi Cement subsidiary, with the start-up of a second production line, was accompanied by a strengthening of the teams and increased training.

Over 1,300 training courses were organized within the Group in 2011, attended by over 4,200 employees.

Involvement of the Company in its social environment

The Group continued to develop its policy in terms of social commitment in 2011:

In **Egypt**, the Vicat Group continued its aid programs for people living in the area round its El Arish cement works, in particular in the field of education. In 2011, its subsidiary Sinai Cement awarded bursaries to 60 students enrolled at El Arish University (the same as in 2010).

In **India**, the Bharathi Cement subsidiary continued to invest in aid for education, sanitary facilities (water treatment plant, public lavatories, etc.) and road infrastructure in the villages close to its plant. The Vicat Sagar Cement subsidiary pursued the same policy in its local area, along with a vocational training program for 65 people.

In **Kazakhstan**, Jambyl Cement and Mynaral Tas invested in support for the village and infrastructure, in particular in the education field. Samal, the village built by the Group for employees in the factory is nearing completion; the first residents are expected to move in in April 2012.

In **Senegal**, the Sococim Industries foundation financed its first two SME projects creating jobs in the villages near the cement works.

In **Turkey**, the Group continued its involvement in vocational training programs and student bursaries.

In **France**, the Vicat Group continued in 2011 its involvement in the program "100 chances 100 emplois" (100 opportunities for 100 jobs) in Nice. Since its launch in October 2009, this program has supported 90 young people with no qualifications in compiling a career plan. As at December 31, 2011, 50 of these young people had obtained employment contracts of over six months' duration or sandwich training contracts. In December 2011, Vicat participated in the launch of a new "100 chances 100 emplois" in Nord Isère, in the Rhône Alpes region. The principle is the same as in Nice: young people with no qualifications selected by the employment department meet with staff from the companies involved in the project, who help them to prepare a career plan through practice job interviews or offers of work placements or jobs.

In 2011, in the field of higher education, the Vicat Group supported development at the Catholic University of Lyon, through involvement with the university's fund-raising committee. It is also committed to supporting projects at the university, which is a member of the research and higher education cluster in Lyon.

In order to promote the universal spread of scientific knowledge, in 2011 , the 150th anniversary of the death of Louis Vicat, the inventor of synthetic cement, the Group financed major renovation work at the museum of "stone and cement" in Montalieu, Nord Isère.

Finally, in Savoie, in 2011, the ALIZE progam, which provides support to industrial or industrial services SMEs with development projects which will create jobs, came to an end with very positive results after three years in operation. Out of 48 projects submitted, 38 were accepted and allowed these companies to benefit from loans at 0 % interest or from skills provided by large companies involved in the program, including Vicat. The program will be re-launched in 2012, for a further period of three years and Vicat will take over the chairmanship from the Saint-Gobain Group.

In **Switzerland**, in order to help people, who are unemployed owing to ill health, to get back into work and retrain, Vigier offers such people placements of varying lengths at its sites. Participants are chosen by partner organizations, generally the Swiss social security funds. In 2011, some ten people took part in this scheme. It enables them to maintain a link with the business world, so that they can eventually re-enter the jobs market.

In **the United States**, National Cement was involved financially and practically in a significant number of social, medical or educational charities.

Safety

In the case of the Group, all safety indicators showed improvements between 2010 and 2011. The frequency rate fell from 18.1 to 14.4, a drop of 20 %, taking it below 15 for the first time.

At constant consolidation scope and exchange rates, the frequency rate and the severity rate are the lowest ever recorded by the Group. The 2011 performance indicators confirm the trend seen over several years which results from the Group's voluntary accident prevention and safety policy and action taken by the teams locally.

The Group is well aware that safety and accident prevention require constant monitoring of all incidents and that action must continue to be taken rigorously and with determination.

	Cement business		Total for the Group	
	2011	**2010**	**2011**	**2010**
Number of accidents with work stoppage	39	46	199	244
Number of working days lost	1,403	1,275	6,704	7,135
Frequency rate	7.3	9.0	14.4	18.1
Severity rate	0.26	0.25	0.49	0.53

The same trend was seen in France as a whole and in the French Cement business: namely a net improvement in the indicators. The progress made is directly related to the work done by safety coordinators and by management.

17.2. Share subscription and purchase options

As of the date of registration of this Registration Document, there is no plan to award subscription options to employees, or to members or former members of the Board of Directors (see section 21.1.5 "Share subscription and purchase options" of this Registration Document).

17.3. Employee profit-sharing

The Company and its French subsidiaries apply the statutory scheme for employee profit sharing or, in some cases, operate under an exemption. Sums received are invested in VICAT shares under the Group Savings Plan (Plan d'épargne Groupe - "PEG").

In addition, the Company has put in place a profit-sharing agreement. Money paid into this arrangement can, at the employee's discretion, be invested in the Company's shares under the Group Savings Plan or in other savings plans offered by a leading financial institution.

Almost all shares held by employees are under the Group Savings Plan.

17.4. Shareholding of the company's officers and transactions conducted by members of the Board of Directors in the Company's shares

17.4.1. Holdings by the Company's officers in the Company's shares as at December 31, 2011

Shareholder	Number of shares	Percentage of capital	Number of voting rights	Percentage of voting rights
Jacques Merceron-Vicat	41,483	0.09	82,921	0.11
Soparfi (Company of which Jacques Merceron-Vicat is Chairman and CEO)	11,797,927	26.28	23,585,994	32.27
Parfininco (Company of which Jacques Merceron-Vicat is Chairman and CEO)	13,302,758	29.63	26,537,870	36.31
Guy Sidos	3,479	0.01	6,352	0.01
Louis Merceron-Vicat	6,094	0.01	11,589	0.02
Xavier Chalandon	100	-	100	-
Raynald Dreyfus	900	-	1,800	-
P&E Management (Company of which Paul Vanfrachem is Managing Director)	30	-	60	-
Sophie Sidos	1,913	-	3,826	0.01
Jacques Le Mercier	10	-	20	-
Bruno Salmon	62,667	0.14	125,334	0.17
Pierre Breuil	20	-	20	-
Raoul de Parisot	11.565	0.03	22,065	0.03

17.4.2. Transactions by members of the Board of Directors in the Company's shares for the 2010 and 2011 financial years

	Transactions in 2011	Transactions in 2010
Soparfi (Company of which Jacques Merceron-Vicat is Chairman and CEO)	-	Purchase of 300 shares
Parfininco (Company of which Jacques Merceron-Vicat is Chairman and CEO)	Purchase of 15,141 shares	Purchase of 4,815 shares

As at December 31, 2011, 4,870,786 Company shares, registered in issuer registered accounts, are subject to financial instrument account pledges.

In addition, a certain number of retention undertakings were made in the context of the "Dutreil Law" by certain Company officers.

17.4.3. Retention undertakings in relation to the Company's shares

Five retention undertakings, relating to a maximum of 22.51 % of the share capital of the Company, were made as of 2005, and up until the date of registration of this Registration Document, in order to take advantage of the provisions of article 885 I bis of the General Tax Code (Code général des impôts, CGI) allowing the signatories partial exemption from the Solidarity Tax on Wealth (Impôt de solidarité sur la fortune), as indicated in the table below.

Date of signature of the undertaking	Duration	Renewal procedures	Director signatories -pursuant to 885 O bis of the CGI or holding more than 5 % of the Company's capital and/or voting rights
11/22/2006	6 years starting on 11/28/2006	Extension by 12-month periods	Mr. Jacques Merceron-Vicat Mr. Guy Sidos Mr. Louis Merceron-Vicat Soparfi Parfininco
12/08/2006	6 years starting on 12/13/2006	Extension by 12-month periods	Mr. Jacques Merceron-Vicat Mr. Guy Sidos Mr. Louis Merceron-Vicat Soparfi Parfininco
12/08/2006	6 years starting on 12/13/2006	Extension by 12-month periods	Mr. Jacques Merceron-Vicat Mr. Guy Sidos Mr. Louis Merceron-Vicat Soparfi Parfininco
12/20/2006	6 years starting on 12/21/2006	Extension by 12-month periods	Mr. Jacques Merceron-Vicat Mr. Guy Sidos Mr. Louis Merceron-Vicat Soparfi Parfininco
12/11/2007	6 years starting on 12/13/2007	Extension by 12-month periods	Mr. Jacques Merceron-Vicat Mr. Guy Sidos Mr. Louis Merceron-Vicat Soparfi Parfininco

Eight retention undertakings, relating to a maximum of 22.51 % of the share capital of the Company, were made as of 2005, and up until the date of registration of this Registration Document, to take advantage of the provisions of 787 B of the General Tax Code (Code général des impôts, CGI) allowing the signatories partial exemption from capital transfer taxes, as indicated in the table below.

Date of signature of the undertaking	Duration	Renewal procedures	Director signatories -pursuant to 885 O bis of the CGI or holding more than 5 % of the Company's capital and/or voting rights
07/25/2005	2 years starting on 07/29/2005	Extension by 3-month periods	Mr. Jacques Merceron-Vicat Mrs Sophie Sidos Mr. Louis Merceron-Vicat Soparfi Parfininco
12/08/2006	2 years starting on 12/13/2006	Extension by 3-month periods	Mr. Jacques Merceron-Vicat Mr. Guy Sidos M. Louis Merceron-Vicat Soparfi Parfininco
12/08/2006	2 years starting on 12/13/2006	Extension by 3-month periods	Mr. Jacques Merceron-Vicat Mr. Guy Sidos Mr. Louis Merceron-Vicat Soparfi Parfininco
12/11/2007	2 years starting on 12/13/2007	Extension by 3-month periods	Mr. Jacques Merceron-Vicat Mr. Guy Sidos Mr. Louis Merceron-Vicat Soparfi Parfininco
05/25/2010	2 years starting on 05/25/2010	Extension by 3-month periods	Mr. Jacques Merceron-Vicat Mr. Guy Sidos Mrs Sophie Sidos Mr. Louis Merceron-Vicat Soparfi Parfininco
05/25/2010	2 years starting on 05/25/2010	Extension by 3-month periods	Mr. Jacques Merceron-Vicat Mr. Guy Sidos Mrs Sophie Sidos Mr. Louis Merceron-Vicat Soparfi Parfininco
05/25/2010	2 years starting on 05/25/2010	Extension by 3-month periods	Mr. Jacques Merceron-Vicat Mr. Guy Sidos Mrs Sophie Sidos Mr. Louis Merceron-Vicat Soparfi Parfininco
04/28/2011	2 years starting on 05/05/2011	Extension by 3-month periods	Mr. Jacques Merceron-Vicat Mr. Guy Sidos Mrs Sophie Sidos Soparfi Parfininco

Principal shareholders

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18.1. Distribution of the share capital and voting rights

The share capital of the Company as at December 31, 2011 was €179,600,000, divided into 44,900,000 shares of € 4 each, fully paid up; shares are in nominee or bearer form at the shareholder's discretion.

The changes in the distribution of the share capital of the Company over the past three financial years have been as follows:

	On December 31, 2011		On December 31, 2010		On December 31, 2009	
Shareholders	Number of shares	Number of shares (as %)	Number of shares	Number of shares (as %)	Number of shares	Number of shares (as %)
Family + Soparfi + Parfininco	27,195,465	60.57	27,195,035	60.57	27,196,390	60.57
Employees and former employees	2,087,747	4.65	2,125,964	4.73	2,163,307	4.82
Public	14,607,362	32.53	14,572,137	32.46	14,456,860	32.20
Treasury shares	1,009,426	2.25	1,006,864	2.24	1,083,443	2.41
Total	**44,900,000**	**100.00**	**44,900,000**	**100.00**	**44,900,000**	**100.00**

To the knowledge of the Company, there is no shareholder holding more than 5 % of the share capital nor of the voting rights.

The changes in the distribution of the voting rights in the Company over the past three financial years, after exclusion of the voting rights attached to treasury shares, have been as follows:

	On December 31, 2011		On December 31, 2010		On December 31, 2009	
Shareholders	Number of voting rights	Number of voting rights (as %)	Number of voting rights	Number of voting rights (as %)	Number of voting rights	Number of voting rights (as %)
Family + Soparfi (1) + Parfininco	54,180,503	74.13	52,173,159	73.39	50,939,794	72.96
Employees and public (2)	18,910,413	25.87	18,919,480	26.61	18,877,851	27.04
Treasury shares (3)	-	-	-	-	-	-
Total	**73,090,916**	**100.00**	**71,092,639**	**100.00**	**69,817,645**	**100.00**

(1) Soparfi is controlled by Parfininco, which is itself controlled by the Merceron-Vicat family.
(2) As regards the monitoring of voting rights, there is no segregation between employees and the general public.
(3) Shares held by the Company carry no voting rights.

18.2. Voting rights

Subject to the double voting rights described below, the voting rights attached to capital shares or rights are proportional to the share of the capital which they represent and each share gives a right to one vote.

Double voting rights are allotted to all paid-up shares for which the holder can prove that it has held such shares for at least four years.

Conversion to bearer form of a share or the transfer of its ownership causes the loss of the abovementioned double voting rights.

In the event of dismemberment of the ownership of a share, the voting right belongs to the legal owner, except for decisions concerning attribution of results, in which case the voting right remains with the usufructuary.

18.3. Control of the company

The Company is directly and indirectly, through the holding companies Parfininco and Soparfi, controlled by the Merceron-Vicat family, which holds the majority of the share capital and the voting rights.

The presence on the Board of Directors of half of the independent directors (six independent directors for a total of ten directors) in accordance with the AFEP-MEDEF recommendations relating to Company governance means that control can be exercised over the Company in accordance with Commission's (EC) regulation no. 809/2004 dated April 29, 2004.

18.4. Agreements capable of leading to a change of control

To the knowledge of the Company, there is no agreement whose implementation could at a date subsequent to the registration of this Registration Document, lead to a change of control.

19 Operations with related parties

19.1. Contracts and operations with related parties

Parties related to the Group include mainly the Company's shareholders, its unconsolidated subsidiaries, companies under joint control (consolidated companies in proportional integration), associated companies (companies accounted for by the equity method), and entities on which the Group's various managers have a significant influence.

Transactions with companies that are unconsolidated or accounted for by the equity method are not significant during the years in question, and were carried out under normal market conditions.

All these operations were registered in compliance with the transactions identified in the IAS 24 standard and their incidence on the consolidated accounts of the Group for years 2011 and 2010 is as indicated below according to type of related party:

	2011				2010			
(In thousands of euros)	Sales	Purchases	Receivables	Payables	Sales	Purchases	Receivables	Payables
Associated companies	401	1,333	7,273	131	258	1,225	3,940	139
Joint ventures	1,141	941	140	551	1,099	841	182	681
Other related parties	44	2,304	-	174	9	2,246	-	162
Total	**1,586**	**4,578**	**7,413**	**856**	**1,366**	**4,312**	**4,122**	**982**

19.2. Intra-group operations

The Group's financial policy leads to a concentration of the financing lines on the parent company.

In addition, the intra-group flows and internal margins have been eliminated in the Group consolidation operations.

In the 2011 financial year, intra-group sales of cement amounted to € 238 million, sales of aggregates to € 78 million, transport services to € 86 million, sales related to additional services (analyses, pumping, etc.) to € 26 million and sales related to various pooled products and services to € 98 million. For the same period, intra-group financial income amounted to € 21 million.

19.3. Statutory auditors' report on regulated agreement and commitments

Pursuant to article 28-1 paragraph 5 of the Regulations (EC) No. 809/2004 of the European Commission of April 29, 2004, special reports by the statutory auditors on regulated agreements and commitments for the financial years ending on December 31, 2010 and December 31, 2009, which appear respectively on page 123 of the Registration Document registered with the AMF on March 18, 2011 under number D.11-0148, and page 126 of the Registration Document registered with the AMF on march 15, 2010 under number R.10-0111, are incorporated by reference in this Registration Document.

Year ended 31 December, 2011

To the shareholders,

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

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

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

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

Agreements and commitments submitted to the approval by the General Meeting

We inform you that we have not been advised of any agreements or commitments authorized in 2011 to be submitted to the General Meeting for approval as mentioned in Article L.225-38 of the French Commercial Code (Code de commerce).

Agreements and commitments already approved by the General Meeting

In accordance with Article R.225-30 of the French Commercial Code ("Code de commerce"), we have been informed of the following agreement and commitment, which were initially approved in previous years, have been, continued in 2011:

- **Commitments relating to supplementary pension plans** managed by Cardiff which have been confirmed by the Board of Directors on 25 February, 2011 following the confirmation in their functions of President, Mr. Jacques Merceron-Vicat, and Chief Executive Officer, Mr. Guy Sidos.
- **Purpose:** Supplementary pension plan as defined in Article 39 of the French General Tax Code.
- **Terms and conditions:** The related obligations with Cardiff concern the executive directors as well as managers whose salary exceeds 4 times the ceiling of the level A of the social security.

Paris La Défense, March 8, 2012
KPMG Audit - Division of KPMG SA
Bertrand Desbarrières - *Partner*

Chamalières, March 8, 2012
Wolff & Associés SAS.
Grégory Wolff - *Partner*

20

Financial information on the company's assets and liabilities, financial position and income statements

20.1. Accounting policies

The accounting policies are described in note 1. "Accounting policies and valuation methods" to section 20.2.2. "Notes to the 2011 consolidated financial statements" of this Registration Document.

20.2. Historical financial information

Pursuant to article 28-1 paragraph 5 of the Regulations (EC) No. 809/2004 of the European Commission of April 29, 2004, the consolidated financial statements of the Group for the financial years ending on December 31, 2010 and December 31, 2009 (prepared in accordance with IFRS and including comparative data with respect to financial years 2009 and 2008) as well as the respective reports prepared by the statutory auditors, which appear on pages 125 to 171 of the Registration Document registered with the AMF on March 18, 2011 under number D. 11-0148 and on pages 128 to 170 of the Registration Document registered with the AMF on March 15, 2010 under number D.10-0111, are included by reference in this Registration Document.

20.2.1 Consolided financial statements at December 31, 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	Notes	2011	2010
ASSETS			
NON-CURRENT ASSETS			
Goodwill	3	1,000,195	1,031,189
Other intangible assets	4	100,789	101,496
Property, plant and equipment	5	2,218,465	2,179,837
Investment properties	7	19,089	18,086
Investments in associated companies	8	37,900	38,536
Deferred tax assets	25	2,104	2,553
Receivables and other non-current financial assets	9	82,899	83,229
Total non-current assets		**3,461,441**	**3,454,926**
CURRENT ASSETS			
Inventories and work-in-progress	10	360,104	356,521
Trade and other accounts receivable	11	349,994	302,801
Current tax assets		16,685	10,622
Other receivables	11	144,857	145,422
Cash and cash equivalents	12	359,404	296,176
Total current assets		**1,231,044**	**1,111,542**
Total assets		**4,692,485**	**4,566,468**

(in thousands of euros)	Notes	2011	2010
LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	*13*	179,600	179,600
Additional paid-in capital		11,207	11,207
Consolidated reserves		1,920,957	1,950,172
Shareholders' equity		**2,111,764**	**2,140,979**
Minority interests		**349,054**	**416,123**
Shareholders' equity and minority interests		**2,460,818**	**2,557,102**
NON-CURRENT LIABILITIES			
Provisions for pensions and other post-employment benefits	*14*	52,631	49,737
Other provisions	*15*	78,370	87,103
Financial debts and put options	*16*	1,350,415	1,203,963
Deferred tax liabilities	*25*	171,429	146,458
Other non-current liabilities		21,762	22,808
Total non-current liabilities		**1,674,607**	**1,510,069**
CURRENT LIABILITIES			
Provisions	*15*	10,911	10,168
Financial debts and put options at less than one year	*16*	106,092	90,515
Trade and other accounts payable		241,862	238,587
Current taxes payable		16,088	9,496
Other liabilities	*18*	182,107	150,531
Total current liabilities		**557,060**	**499,297**
Total liabilities		**2,231,667**	**2,009,366**
Total liabilities and shareholders' equity		**4,692,485**	**4,566,468**

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2011	2010
NET SALES	19	2,265,472	2,013,659
Goods and services purchased		(1,395,552)	(1,182,523)
ADDED VALUE	1.22	**869,920**	**831,136**
Personnel costs	20	(353,022)	(324,532)
Taxes		(45,679)	(45,055)
GROSS OPERATING EARNINGS	1.22 & 23	**471,219**	**461,549**
Depreciation, amortization and provisions	21	(167,142)	(158,485)
Other income (expense)	22	(2,329)	30,442
OPERATING INCOME	23	**301,748**	**333,506**
Cost of net borrowings and financial liabilities	24	(40,419)	(25,258)
Other financial income	24	31,324	6,655
Other financial expenses	24	(34,800)	(8,747)
NET FINANCIAL INCOME (EXPENSE)	24	**(43,895)**	**(27,350)**
Earnings from associated companies	8	1,572	2,680
EARNINGS BEFORE INCOME TAX		**259,425**	**308,836**
Income taxes	25	(66,297)	(44,595)
CONSOLIDATED NET INCOME		**193,128**	**264,241**
Portion attributable to minority interests		29,521	61,505
PORTION ATTRIBUTABLE TO GROUP SHARE		**163,607**	**202,736**
EBITDA	1.22 & 23	**490,938**	**504,294**
EBIT	1.22 & 23	**309,490**	**336,942**
CASH FLOW FROM OPERATIONS		**363,030**	**408,912**

Earnings per share (in euros)			
Basic and diluted Group share of net earnings per share	13	3.64	4.52

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	2011	2010
CONSOLIDATED NET INCOME	**193,128**	**264,241**
Net income from change in translation differences	(123,653)	116,427
Cash flow hedge instruments	8,892	5,308
Income tax on other comprehensive income	(4,191)	(1,828)
OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX)	**(118,952)**	**119,907**
TOTAL COMPREHENSIVE INCOME	**74,176**	**384,148**
Portion attributable to minority interests	(3,410)	68,350
PORTION ATTRIBUTABLE TO GROUP SHARE	**77,586**	**315,798**

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

	2011			2010		
(in thousands of euros)	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Net income from change in translation differences	(123,653)	-	(123,653)	116,427	-	116,427
Cash flow hedge instruments	8,892	(4,191)	4,701	5,308	(1,828)	3,480
OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX)	**(114,761)**	**(4,191)**	**(118,952)**	**121,735**	**(1,828)**	**119,907**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	Notes	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income		**193,128**	**264,241**
Earnings from associated companies		(1,572)	(2,680)
Dividends received from associated companies		2,586	135
Elimination of non-cash and non-operating items:			
- depreciation, amortization and provisions		173,457	166,443
- deferred taxes		(1,296)	(12,394)
- net (gain) loss from disposal of assets		(1,980)	(7,942)
- unrealized fair value gains and losses		(1,116)	1,184
- other		(177)	(75)
Cash flows from operating activities		**363,030**	**408,912**
Change in working capital from operating activities - net		(11,186)	(6,192)
Net cash flows from operating activities (1)	*27*	**351,844**	**402,720**
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows linked to acquisitions of fixed assets:			
- property, plant and equipment and intangible assets		(280,878)	(321,265)
- financial investments		(10,695)	(22,467)
Inflows linked to disposals of fixed assets:			
- property, plant and equipment and intangible assets		11,703	17,678
- financial investments		2,954	9,202
Impact of changes in consolidation scope		(23,725)	(224,952)
Net cash flows from investing activities	*28*	**(300,641)**	**(541,804)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(122,031)	(83,584)
Increases in capital		6,556	9,729
Increases in borrowings		212,860	698,176
Redemptions of borrowings		(64,089)	(424,106)
Acquisitions of treasury shares		(17,307)	(22,749)
Disposals - allocations of treasury shares		17,348	27,320
Net cash flows from financing activities		**33,337**	**204,786**
Impact of changes in foreign exchange rates		(27,233)	7,993
Change in cash position		**57,307**	**73,695**
Net cash and cash equivalents – opening balance	*29*	286,706	213,011
Net cash and cash equivalents – closing balance	*29*	344,013	286,706

(1) Including cash flows from income taxes € (64,837) thousand in 2011 and € (46,910) thousand in 2010.
Including cash flows from interests paid and received € (33,510) thousand in 2011 and € (19,392) thousand in 2010.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(In thousands of euros)	Capital	Additional paid-in capital	Treasury shares	Conso-lidated reserves	Translation reserves	Share-holders' equity	Minority interests	Total share-holders' equity and minority interets
At December 31, 2009	**179,600**	**11,207**	**(89,616)**	**1,874,368**	**(93,370)**	**1,882,189**	**199,384**	**2,081,573**
Consolidated net income				202,736		202,736	61,505	264,241
Other comprehensive income				3,480	109,582	113,062	6,845	119,907
Total comprehensive income				*206,216*	*109,582*	*315,798*	*68,350*	*384,148*
Dividends paid				(65,875)		(65,875)	(17,998)	(83,873)
Net change in treasury shares			4,319	166		4,485		4,485
Changes in consolidation scope						0	150,381	150,381
Increases in share capital				4,529		4,529	19,573	24,102
Other changes				(147)		(147)	(3,567)	(3,714)
At December 31, 2010	**179,600**	**11,207**	**(85,297)**	**2,019,257**	**16,212**	**2,140,979**	**416,123**	**2,557,102**
Consolidated net income				163,607		163,607	29,521	193,128
Other comprehensive income				6,243	(92,264)	(86,021)	(32,931)	(118,952)
Total comprehensive income				*169,850*	*(92,264)*	*77,586*	*(3,410)*	*74,176*
Dividends paid				(65,946)		(65,946)	(56,323)	(122,269)
Net change in treasury shares			1,407	(896)		511		511
Changes in consolidation scope				(24,182)		(24,182)	(9,040)	(33,222)
Increases in share capital				(6,560)		(6,560)	11,774	5,214
Other changes				(10,624)		(10,624)	(10,070)	(20,694)
At December 31, 2011	**179,600**	**11,207**	**(83,890)**	**2,080,899**	**(76,052)**	**2,111,764**	**349,054**	**2,460,818**

Group translation differences at December 31, 2011 are broken down by currency as follows (in thousands of euros):

US Dollar	773
Swiss franc	130,234
Turkish new lira	(85,736)
Egyptian pound	(29,133)
Kazakh tengue	(27,169)
Mauritanian ouguiya	(3,369)
Indian rupee	(61,652)
	(76,052)

1.1.2. Notes to the 2011 consolidated financial statements

Note 1 ▼ Accounting policies and valuation methods

1.1. Statement of compliance

In compliance with European Regulation (EC) 1606/2002 issued by the European Parliament on July 19, 2002 on the enforcement of International Accounting Standards, Vicat's consolidated financial statements have been prepared, since January 1, 2005 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Vicat Group has adopted those standards that are in force on December 31, 2011 for its benchmark accounting policies.

The standards, interpretations and amendments published by the IASB but not yet in effect as of December 31, 2011 were not applied ahead of schedule in the Group's consolidated financial statements at the closing date. This relates mainly to IFRS 7 concerning disclosures requirements for transfers of financial assets and IAS 1 amendments concerning the presentation of other comprehensive income.

The consolidated financial statements at December 31 present comparative data for the previous year prepared under these same IFRS. The accounting methods and policies applied in the consolidated statements as at 31 December 2011 are consistent with those applied by the Group as at December 31, 2010, except for the new standards whose application is mandatory for the period beginning on or after January 1, 2011 without significant impact on the 2011 consolidated financial statements. The main standards in question are IAS 24 (revised) concerning information to be provided in relation to transactions with related parties and Annual improvements.

These financial statements were finalized and approved by the Board of Directors on March 8, 2012 and will be presented to the General Meeting of shareholders on May 4, 2012 for approval.

1.2. Basis of preparation of financial statements

The financial statements are presented in thousands of euros.

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

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

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

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

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

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

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

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

1.3. Consolidation principles

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

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

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

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

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

The list of the significant companies included in the consolidation scope at December 31, 2011 is provided in note 34.

1.4. Business combinations – Goodwill

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

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

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

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

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

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

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

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

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

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

1.5. Foreign currencies

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

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

The following foreign exchange rates were used:

	Closing rate		Average rate	
	2011	2010	2011	2010
USD	1.2939	1.3362	1.3917	1.3268
CHF	1.2156	1.2504	1.234	1.3823
EGP	7.819	7.7537	8.2503	7.4799
TRL	2.4432	2.0694	2.3351	1.9973
KZT	192.49	196.922	204.188	195.71
MRO	374.644	378.003	395.669	370.186
INR	68.713	59.758	64.8669	60.6318

1.6. Other intangible assets

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

1.7. Emission quotas

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

1.8. Property, plant and equipment

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

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

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

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

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

1.9. Leases

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

1.10. Investment properties

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

1.11. Impairment

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

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

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

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

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

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

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

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

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

1.12. Inventories

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

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

1.13. Cash and cash equivalents

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

1.14. Financial instruments

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

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

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

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

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

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

Financial derivatives are valued at their fair value in the balance sheet. Except for the cases detailed below, the change in fair value of derivatives is recorded as an offset in the income statement of the financial statement ("Change in fair value of financial assets and liabilities"). The fair values of derivatives are estimated by means of the following valuation models:
- the market value of interest rate swaps, exchange rate swaps and term purchase/sale transactions is calculated by discounting the future cash flows on the basis of the "zero coupon" interest rate curves applicable at the end of the preceding reporting periods, restated if applicable according to interest incurred and not yet payable;
- interest rate options are revalued on the basis of the Black and Scholes model incorporating the market parameters as at year-end.

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

Hedge accounting for an asset / liability / firm commitment or cash flow is applicable if:
- the hedging relationship is formally designated and documented at its date of inception;
- the effectiveness of the hedging relationship is demonstrated at the inception and then by the regular assessment and correlation between the changes in the market value of the hedging instrument and that of the hedged item. The ineffective portion of the hedging instrument is always recognized in the income statement.

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

1.15. Employee benefits

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

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

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

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

1.16. Put options granted on shares in consolidated subsidiaries

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

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

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

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

1.17. Provisions

A provision is recognized when the Group has a current commitment, whether statutory or implicit, resulting from a significant event prior to the closing date which would lead to a use of resources without offset, which can be reliably estimated.
These include, notably, provisions for site reinstatement, which are set aside progressively as quarries are used and include the projected costs related to the Group's obligation to reinstate such sites.
In accordance with IAS 37, provisions whose maturities are longer than one year are discounted when the impact is significant. The effects of this discounting are recorded under net financial income.

1.18. Sales

In accordance with IAS 18, sales are reported at fair value of the consideration received or due, net of commercial discounts and rebates and after deduction of excise duties collected by the Group under its business operations. Sales figures include transport and handling costs invoiced to customers.
Sales are recorded at the time of transfer of the risk and significant benefits associated with ownership to the purchaser, which generally corresponds to the date of transfer of ownership of the product or performance of the service.

1.19. Income taxes

Deferred taxes are calculated at the tax rates passed or virtually passed at the year-end and expected to apply to the period when assets are sold or liabilities are settled.
Deferred taxes are calculated, based on an analysis of the balance sheet, on timing differences identified in the Group's subsidiaries and joint ventures between the values recognized in the consolidated statement of financial position and the values of assets and liabilities for tax purposes.
Deferred taxes are recognized for all timing differences, including those on restatement of finance leases, except when the timing difference results from goodwill.
Deferred tax assets and liabilities are netted out at the level of each company. When the net amount represents a receivable, a deferred tax asset is recognized if it is probable that the Company will generate future taxable income against which to allocate the deferred tax assets.

The Group has recognized the "Contribution Economique Territoriale" (C.E.T.) (French local business tax), for which French tax-paying companies are liable, as an operating expense rather than an income tax, since the added value from the Group's French businesses is much greater than the taxable income from such businesses. Consequently, the C.E.T. is reported in operating income in the same way as the "Taxe Professionelle" was up to December 31, 2009.

1.20. Segment information

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

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

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

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

1.21. Financial indicators

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

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

1.22. Seasonality

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

Note 2 ▼ Changes in consolidation scope and other significant events

A macro-economic environment of continuing contrasts marked by events in the Middle East

Vicat returned a particularly solid performance in 2011 in an economic environment marked contrasting developments over the course of the year. All businesses grew, confirming the pertinence of the Group's development strategy. As a result of investments made under the Performance 2010 plan and external growth measures in India and Kazakhstan, Vicat was able to take advantage of the strong dynamism in these new emerging markets and the sustained strength of more mature markets. Business activity continued on an upward trend in France, Turkey and West Africa, although affected by the difficult situation in Egypt, following the events in early 2011.

Increase in output from the Jambyl Cement plant in Kazakhstan

The Jambyl Cement factory in Kazakhstan with a full year production capacity of over 1.1 million tonnes and which started up in December 2010, has been fully operational since April 1, 2011. During the 1st quarter of 2011, the Group proceeded to commission the various production facilities. With the return of milder weather, the first tonnes of cement produced by the Jambyl Cement factory were sold at the end of the first quarter. Production and sales increased steadily, bringing cement sales over the year as a whole to over 500,000 tonnes, in a favorable price environment.

Tax amnesty in Turkey

The Turkish government offered all companies the opportunity to take advantage of a tax amnesty for the years 2006 to 2009, covering corporation tax, VAT, social security contributions, arrears on payments to the administrative authorities and to public sector utility companies (water, gas, electricity, etc.).

This measure enabled the government (according to a statement by the Finance Minister on June 2) to collect TRL 58.3 billion ($ 36.5 billion) from the 5,112 companies which signed up, i.e. an average of TRL 11 million per company.

Like most large companies in Turkey, the Group opted to sign up to this amnesty, limiting its application to corporation tax. The present value of the tax expense recognized in the financial statements of the Group's Turkish companies as at December 31, 2011 was € 6.3 million.

Establishment of a revolving line of credit

During the first half of the year, the Group consolidated its sources of finance, extended their maturity and improved their terms. On June 14, 2011, the Group finalized the signature of a revolving line of credit for € 480 million for a period of 5 years. This facility will be used for general corporate purpose including the refinancing of an existing € 445 million multi currency revolving credit facility reaching maturity in July 2012. This new line enabled the average maturity of Group borrowings to be extended to almost 5 years, that of Vicat SA to over 5 years.

This financing was established through a bank syndicate comprising 8 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 capital of Mynaral Tas

During the first half of the year, the Group acquired from its Kazakhstan partner an additional 21 % of the shares in Mynaral Tas Company LLP. In addition, the Group subscribed KZT 3,942 million to an increase in the capital of Mynaral Tas Company LLP issued at KZT 4,380 million. Issuing these transactions, the Group held 84.1 % of the company's shares.

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		1,810		1,810
Disposals / Decreases				
Change in foreign exchange rates and other	(37,497)	4,213	480	(32,804)
At December 31, 2011	**740,947**	**236,963**	**22,285**	**1,000,195**

(1) The increase in goodwill during 2010 resulted mainly from the acquisition of Bharathi Cement in India.

Acquisition of 51 % of Bharathi Cement in India

At the end of April 2010, the Group announced the signature of an agreement with the shareholders of Bharathi Cement Company Ltd (BCCL), a cement manufacturer operating in the State of Andhra Pradesh, on the acquisition of 51 % of the company's shares. This acquisition was financed by borrowings.
BCCL owns a cement factory comprising two production lines with a total annual capacity at the end of 2011 of 5 million tonnes of cement.

The acquisition of a majority stake in Bharathi Cement complemented the Vicat Sagar joint venture and strengthened the Group's position in this high potential market.
Under this agreement, in addition to the purchase of minority interests, the Group subscribed for the full amount of an increase in the capital of Bharathi Cement.

Determination of the identifiable assets, liabilities and contingent liabilities acquired:

(in millions of €)	100.00 %	51.00 %
Non-current assets	168	86
Non-current liabilities	(8)	(4)
WCR	9	5
Cash and cash equivalents	137	70
Net assets acquired	**306**	**156**
% acquired	*51.00 %*	
Share of net assets acquired	156	

Pursuant to IFRS 3 (revised) (cf. note 1.11), the Group has chosen the partial goodwill option in reporting the acquisition of Bharathi Cement. The provisional goodwill recognized at December 31, 2010 in respect of this transaction amounted to INR 17,752 million. The final amount of goodwill of Bharathi Cement remained unchanged in 2011, which marks the end of the period of allocation of the acquisition price of 12 months from the date of acquisition.

Impairment test on goodwill:

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

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

CGU	Goodwill (in thousands of euros)		Discount rate used for the impairment tests de (%)		Impairment which would result from a change of + 1% in the discount rate	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
India CGU	270,370	309,338	7.49	8.02	-	38,374
West Africa Cement CGU	150,776	149,861	8.66	8.97	-	-
France-Italy CGU	150,267	149,952	7.27	7.2	-	-
Switzerland CGU	133,482	130,260	6.45	7.51	-	-
Other CGUs total	295,300	291,778	6.91 to 8.66	8.02 to 9.37	-	2,957
Total	**1,000,195**	**1,031,189**			**-**	**41,331**

The impairment tests carried out in 2011 and 2010 did not result in the recognition of any impairment with respect to goodwill.

No impairment with respect to goodwill would have required to be recognized as at December 31, 2011 in the event of a 1 % increase in the discount rate.

In addition at the end of 2011, in order to take account of the political and social events in Egypt and their potential impact on the economy in general and our industry in particular, the assumptions in our long-term plans were adjusted in terms of volumes and prices, despite a forecast increase in domestic consumption, according to official figures.

Note 4 ▼ Other intangible assets

Other intangible assets are broken down by type as follows:

(in thousands of euros)	December 31, 2011	December 31, 2010
Concessions, patents and similar rights	66,220	65,404
Software	4,558	4,498
Other intangible assets	28,922	31,422
Intangible assets in progress	1,089	172
Other intangible assets	**100,789**	**101,496**

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

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 an amortization provision of € 6,829 thousand, with acquisitions accounting for an increase of € 34,772 thousand, changes in consolidation scope for € 2,428 thousand and positive changes in foreign exchange rates, reclassifications and disposals accounting for the balance.

No development costs were recognized as fixed assets in 2011 and 2010.

Research and development costs recognized as expenses in 2011 amounted to € 5,884 thousand in 2011 (€ 5,008 thousand in 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 € 6,680 thousand (€ 3,029 thousand as at December 31, 2010), corresponding to 749 thousand tonnes (220 thousand tonnes as at December 31, 2010). Recording of surpluses and quota swaps (EUA) against Certified Emission Reductions (CERs) were recognized in the income statement for the year at € 6,142 thousand (€ 12,035 thousand as at December 31, 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
Change 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	36,283	50,999	19,720	157,934	264,936
Disposals	(7,117)	(20,066)	(7,838)	(478)	(35,499)
Changes in consolidation scope		7,259		(29)	7,230
Change in foreign exchange rates	(11,445)	(41,546)	1,101	(19,180)	(71,070)
Other movements	8,589	106,336	7,691	(124,024)	(1,408)
At December 31, 2011	**983,523**	**2,608,121**	**193,030**	**220,371**	**4,005,045**

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)**	**-**	**(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)**	**-**	**(1,661,019)**
Increase	(29,337)	(128,855)	(12,458)		(170,649)
Decrease	5,555	18,288	5,855		29,698
Changes in consolidation scope	22	(993)			(971)
Change in foreign exchange rates	163	15,318	(290)		15,191
Other movements	1,077	1,074	(981)		1,170
At December 31, 2011	**(357,255)**	**(1,309,805)**	**(119,520)**	**-**	**(1,786,580)**
Net book value at December 31, 2010	622,477	1,290,502	60,710	206,148	2,179,837
Net book value at December 31, 2011	**626,268**	**1,298,316**	**73,510**	**220,371**	**2,218,465**

Fixed assets work-in-progress amounted to €181 million as at December 31, 2011 (€ 151 million as at December 31, 2010) and advances/down payments on plant, property and equipment represented € 40 million as at December 31, 2011 (€ 55 million as at December 31, 2010).
Contractual commitments to acquire tangible and intangible assets amounted to € 126 million as at December 31, 2011 (€ 212 million as at December 31, 2010).
The total amount of interests capitalized in 2011 was € 6,779 thousand (€ 4,027 thousand in 2010), determined on the basis of local interest rates ranging from 1.7 % to 7.8 %, depending on the country in question.

Note 6 ▼ Finance and operating leases

Net book value by category of asset:

(in thousands of euros)	2011	2010
Industrial equipment	7,728	5,605
Other plant, property and equipment	1,186	1,166
Tangible assets	**8,914**	**6,771**

Minimum payment schedule:

(in thousands of euros)	2011	2010
Less than 1 year	2,919	3,088
1 to 5 years	4,014	3,244
More than 5 years	-	27
Total	**6,933**	**6,359**

Note 7 ▼ Investment properties

(in thousands of euros)	Gross values	Depreciation & Impairment	Net values
At December 31, 2009	**34,251**	**(15,045)**	**19,206**
Acquisitions	2,664		2,664
Disposals	(5,188)		(5,188)
Depreciation		(221)	(221)
Changes in foreign exchange rates	2,235	(633)	1,602
Changes in consolidation scope and other	23		23
At December 31, 2010	**33,985**	**(15,899)**	**18,086**
Acquisitions	1,482		1,482
Disposals	(301)	121	(180)
Depreciation		(781)	(781)
Changes in foreign exchange rates	340	(119)	221
Changes in consolidation scope and other	106	155	261
At December 31, 2011	**35,612**	**(16,523)**	**19,089**

Fair value of investment properties at December 31, 2010	56,284
Fair value of investment properties at December 31, 2011	**56,769**

Rental income from investment properties amounted to € 3.0 million as at December 31, 2011 (€ 2.9 million as at December 31, 2010).

Note 8 ▼ Investments in associated companies

Change in investments in associated companies:

(in thousands of euros)	2011	2010
At January 1	**38,536**	**36,579**
Earnings from associated companies	1,572	2,680
Dividends received from investments in associated companies	(2,586)	(135)
Changes in consolidation scope [(1)]	-	(2,431)
Changes in foreign exchange rates and other	378	1,843
At December 31	**37,900**	**38,536**

(1) Changes in consolidation scope in 2010 are related to the transfer of Socava.

Note 9 ▼ Receivables and other non-current assets

(in thousands of euros)	Gross values	Impairment	Net values
At December 31, 2009	**70,891**	**(2,504)**	**68,387**
Acquisitions / Increases	21,121	(325)	20,796
Disposals / Decreases	(7,896)	10	(7,886)
Changes in consolidation scope	1,668		1,668
Changes in foreign exchange rates	5,269	(142)	5,127
Other	(4,863)		(4,863)
At December 31, 2010	**86,190**	**(2,961)**	**83,229**
Acquisitions / Increases	15,218	(159)	15,059
Disposals / Decreases	(2,092)	328	(1,764)
Changes in consolidation scope	(13,474)		(13,474)
Changes in foreign exchange rates	205	134	339
Other	(490)		(490)
At December 31, 2011	**85,557**	**(2,658)**	**82,899**
including:			
- investments in affiliated companies	24,420	(788)	23,632
- long term investments	1,977	(472)	1,505
- loans and receivables	50,897	(1,398)	49,499
- assets of employee post-employment benefits plans	8,263		8,263
At December 31, 2011	**85,557**	**(2,658)**	**82,899**

Note 10 ▼ Inventories and work-in-progress

	2011			2010		
(in thousands of euros)	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials and consumables	259,912	(8,665)	251,247	250,830	(7,603)	243,227
Work-in-progress, finished goods and goods for sale	110,121	(1,264)	108,857	114,443	(1,149)	113,294
Total	**370,033**	**(9,929)**	**360,104**	**365,273**	**(8,752)**	**356,521**

Note 11 ▼ Receivables

(in thousands of euros)	Trade and other receivables	Provisions for Trade and other receivables	Net trade and other receivables	Other tax receivables	Social security-related receivables	Other receivables	Provisions for Other receivables	Net total Other receivables
At December 31, 2009	337,672	(17,134)	**320,538**	42,409	3,601	60,124	(2,848)	**103,285**
Increases		(4,450)	**(4,450)**			22	(297)	**(275)**
Uses		6,069	**6,069**				1,150	**1,150**
Changes in foreign exchange rates	9,316	(689)	**8,627**	603	89	1,517		**2,209**
Changes in consolidation scope	6,470	(46)	**6,424**	11,105	10	5,940		**17,055**
Other movements	(34,408)	1	**(34,407)**	7,238	84	14,676		**21,998**
At December 31, 2010	319,050	(16,249)	**302,801**	61,354	3,784	82,279	(1,995)	**145,422**
Increases		(5,572)	**(5,572)**				(581)	**(581)**
Uses		4,635	**4,635**				1,508	**1,508**
Changes in foreign exchange rates	(5,117)	396	**(4,721)**	(1,963)	14	(2,784)		**(4,733)**
Changes in consolidation scope	4,275	(107)	**4,168**	1	115	2,210		**2,326**
Other movements	48,683		**48,683**	7,454	(1,153)	(5,386)		**915**
At December 31, 2011	**366,891**	**(16,897)**	**349,994**	**66,846**	**2,760**	**76,319**	**(1,068)**	**144,857**
Including matured at December 31, 2011								
- for less than 3 months	*58,232*	*(2,621)*	***55,611***	*3,217*	*401*	*4,191*	*(130)*	***7,679***
- for more than 3 months	*21,534*	*(11,749)*	***9,785***	*2,354*	*-*	*812*	*-*	***3,166***
including not matured at December 31, 2011								
- less than one year	*284,022*	*(842)*	***283,180***	*49,784*	*2,345*	*56,635*	*(935)*	***107,829***
- more than one year	*3,103*	*(1,685)*	***1,418***	*11,491*	*14*	*14,681*	*(3)*	***26,183***

Note 12 ▼ Cash and cash equivalents

(in thousands of euros)	2011	2010
Cash	106,184	60,024
Marketable securities	253,220	236,152
Cash and cash equivalents	**359,404**	**296,176**

Note 13 ▼ Share capital

Vicat share capital is composed of 44,900,000 fully paid-up ordinary shares of € 4, including 1,009,426 treasury shares as at December 31, 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. The dividend proposed by the Board of Directors to the Ordinary General Meeting for 2011 amounts to € 1.50 per share, totaling € 67,350 thousand.

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

Since January 4, 2010, for a period of 12 months renewable by tacit agreement, Vicat has engaged Natixis Securities to implement a liquidity agreement in accordance with the AMAFI (French financial markets professional association) Code of Ethics of September 20, 2008.
The following amounts were allocated to the liquidity agreement for its implementation: 20,000 Vicat shares and € 3 million.
As at December 31, 2011, the liquidity account is composed with 65,664 Vicat shares and cash amounted to € 517 thousand.

Note 14 ▼ Employee benefits

(in thousands of euros)	2011	2010
Pension plans and termination benefits (TB)	25,212	26,073
Other post-employment benefits	27,419	23,664
Total pension other post-employment benefit provisions	**52,631**	**49,737**
Plan assets (note 9)	(8,263)	(8,096)
Net liabilities	**44,368**	**41,641**

The assets in employee benefit plans, shown separately from the obligation in non-current assets (cf. note 9) at € 8.3 million as at December 31, 2011 (€ 8.1 million as at December 31, 2010), correspond to defined benefit schemes in respect of which the dedicated plan assets exceed the commitment. As at December 31, 2011, these net plan assets related exclusively to certain retirement plans operated by the Group's Swiss companies.

Assets and liabilities recognized in the balance sheet

	2011			2010		
(in thousands of euros)	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Present value of funded liabilities	354,266	46,396	400,662	345,824	39,543	385,367
Fair value of plan assets	(308,128)		(308,128)	(295,182)		(295,182)
Net value	**46,138**	**46,396**	**92,534**	**50,642**	**39,543**	**90,185**
Net unrecognized actuarial variances	(29,154)	(20,105)	(49,259)	(33,331)	(15,221)	(48,552)
Unrecognized past service costs	(35)	1,128	1,093	(36)	44	8
Net liabilities	**16,949**	**27,419**	**44,368**	**17,275**	**24,366**	**41,641**

Analysis of net annual expense

(in thousands of euros)	2011 Pension plans and TB	2011 Other benefits	2011 Total	2010 Pension plans and TB	2010 Other benefits	2010 Total
Current service costs	(8,557)	(847)	(9,404)	(7,248)	(715)	(7,963)
Financial cost	(12,907)	(1,896)	(14,803)	(14,258)	(1,886)	(16,144)
Expected return on plan assets	12,118		12,118	12,626		12,626
Recognized actuarial variations in the year	(684)	(833)	(1,517)	(1,251)	(469)	(1,720)
Recognized past service costs	(534)	(8)	(542)	(9)	(27)	(36)
Expense for the period	**(10,564)**	**(3,584)**	**(14,148)**	**(10,140)**	**(3,097)**	**(13,237)**

Change in financial assets used to hedge the plan

(in thousands of euros)	2011 Pension plans and TB	2011 Other benefits	2011 Total	2010 Pension plans and TB	2010 Other benefits	2010 Total
Fair value of assets at January 1	**295,182**	**-**	**295,182**	**244,991**	**-**	**244,991**
Expected return on assets	12,118		12,118	12,626		12,626
Contributions paid in	13,847		13,847	11,601		11,601
Translation differences	8,495		8,495	42,519		42,519
Benefits paid	(12,810)		(12,810)	(12,827)		(12,827)
Changes in consolidation scope and other	118		118	2,506		2,506
Actuarial gain (losses)	(8,822)		(8,822)	(6,234)		(6,234)
Fair value of assets at December 31	**308,128**	**-**	**308,128**	**295,182**	**-**	**295,182**

The plan assets are analyzed by type and country as at December 31, 2011 as follows:

Analysis of plan assets	France	Switzerland	United States	India	Total
Shares	15 %	23 %	58 %		26 %
Bonds	76 %	32 %	37 %		33 %
Real estate	6 %	22 %			20 %
Monetary	1 %	4 %	5 %		4 %
Other	2 %	19 %		100 %	17 %
Total	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**
Plan assets (in thousands of euros)	**5,951**	**271,920**	**30,203**	**54**	**308,128**

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

Change in net liabilities

(in thousands of euros)	2011 Pension plans and TB	2011 Other benefits	2011 Total	2010 Pension plans and TB	2010 Other benefits	2010 Total
Net liability at January 1	**17,273**	**24,368**	**41,641**	**16,016**	**21,226**	**37,242**
Expense for the period	10,564	3,584	14,148	10,139	3,098	13,237
Contributions paid in	(9,228)		(9,228)	(6,863)		(6,863)
Translation differences	(1,525)	1,649	124	(1,021)	1,649	628
Benefits paid by the employer	(1,221)	(1,531)	(2,752)	(1,456)	(1,605)	(3,061)
Change in consolidation scope	435		435	436		436
Other	651	(651)	0	22		22
Net liability at December 31	**16,949**	**27,419**	**44,368**	**17,273**	**24,368**	**41,641**

Principal actuarial assumptions

		France	Europe (excluding France)	United States	Turkey, Kazakhstan and India	West Africa and the Middle East
Discount rate						
	2011	**4.7 %**	**2.3 % to 4.7 %**	**4.8 %**	**8.7 % to 10.0 %**	**5.0 % to 11.0 %**
	2010	4.5 %	2.4 % to 4.5 %	5.2 %	8.0 % to 11.0 %	5.0 % to 11.0 %
Rate of return on financial assets						
	2011	**3.5 %**	**3.8 %**	**8.5 %**	**9.0 %**	
	2010	4.0 %	3.6 %	8.5 %	5.0 %	
Wage inflation						
	2011	**2.5 % to 4.0 %**	**1.5 % to 3.0 %**	**2.5 %**	**5.1 % to 7.5 %**	**3.5 % to 10.0 %**
	2010	2.5 % to 4.0 %	1.5 % to 3.0 %	1.0 % to 2.5 %	4.8 % to 7.5 %	3.5 % to 8.0 %
Rate of increase in medical costs						
	2011			**4.5 % to 7.0 %**		
	2010			4.5 % to 7.0 %		

The sensitivity of the defined benefit obligation at December 31, 2011 corresponding to a variation of ±50 basis points in the discount rate is € (25.6) and 23.6 million respectively.

In addition, the sensitivity of the value of plan assets at December 31, 2011 corresponding to a variation of ± 100 basis points in the expected rate of return on the assets is € 3.0 and (3.0) million respectively.

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

(in thousands of euros)	1% increase	1 % decrease
Increase (decrease) in the present value of the liabilities at December 31, 2011	5,988	(4,900)
Increase (decrease) in the service cost and in the financial cost	560	(437)

The amounts for 2011 and the four previous years of the present value of the defined benefit obligation, the fair value of the plan assets and the adjustments based on experience are the following:

(in thousands of euros)	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007
Present value of defined benefit obligation	(400,662)	(385,367)	(289,788)	(284,952)	(250,415)
Fair value of the plan assets	308,128	295,182	244,991	225,457	234,095
Surplus (deficit) in the plan	**(92,534)**	**(90,185)**	**(44,797)**	**(59,495)**	**(16,320)**
Adjustments related to the experience of valuing commitments	(8,563)	(4,062)	(2,999)	(1,875)	(4,999)
Adjustments related to the experience of valuing plan assets	8,821	(6,234)	3,553	(45,511)	(3,491)

Note 15 ▼ Other provisions

(in thousands of euros)	Restoration of sites	Demolitions	Other risks	Other costs	Total
At December 31, 2009	**30,941**	**690**	**53,668**	**10,368**	**95,667**
Increases	2,745	150	8,938	7,551	19,384
Uses	(2,591)	(7)	(16,545)	(2,935)	(22,078)
Reversal of unused provisions	(16)		(629)	(450)	(1,095)
Changes in foreign exchange rates	3,262	144	1,121	149	4,676
Changes in consolidation scope	309		43	270	622
Other movements			(1)	96	95
At December 31, 2010	**34,650**	**977**	**(1) 46,595**	**15,049**	**97,271**
Increases	6,837	83	8,579	2,997	18,495
Uses	(3,259)		(20,761)	(2,869)	(26,889)
Reversal of unused provisions	(47)		(624)	(231)	(902)
Changes in foreign exchange rates	636	29	348	(50)	963
Changes in consolidation scope				295	295
Other movements	80		(33)		47
At December 31, 2011	**38,897**	**1,089**	**(1) 34,104**	**15,192**	**89,281**
of which less than one year	*5*	*-*	*8,959*	*1,947*	*10,911*
of which more than one year	*38,892*	*1,089*	*25,145*	*13,245*	*78,370*

Impact (net of charges incurred) on 2011 income statement:	Increases	Reversal of unused provisions
Operating income	12,194	(749)
Non-operating income (expense)	6,301	(153)

(1) At December 31, 2011, other risks included:
- an amount of € 10.2 million (€ 20.0 million as 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 December 31, 2011 (€ 4 million as at December 31, 2010 – note 9);
- an amount of € 9.6 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 € 14.3 million as at December 31, 2011 (€ 13.3 million as at December 31, 2010) corresponds to the sum of other provisions that, taken individually, are not material.

In addition, other risks at December 31, 2010 included an amount of € 4.5 million corresponding to the residual amount of the Conseil de la Concurrence (the French Office of Fair Trade) penalty for a presumed collusion in Corsica, after reduction of the penalty by the Cour d'appel de Paris (the Paris Court of Appeal). The provision was written back after payment following rejection of the appeal lodged by the Group before the Cour de cassation (the French Supreme Court of Appeal).

Note 16 ▼ Debts and put options

The financial liabilities as at December 31, 2011 are analyzed as follows:

(in thousands of euros)	2011	2010
Debts at more than 1 year	1,330,050	1,193,774
Put options at more than 1 year	20,365	10,189
Debts and put options at more than 1 year	**1,350,415**	**1,203,963**
Debts at less than 1 year	106,092	90,515
Put options at less than 1 year	-	-
Debts and put options at less than 1 year	**106,092**	**90,515**
Total debts	1,436,142	1,284,289
Total put options	20,365	10,189
Total financial liabilities	**1,456,507**	**1,294,478**

16.1. Debts

Analysis of debts by category and maturity

December 31, 2011

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

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 repayments 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 (currency and interest rate)

By currency (net of currency swaps)

	December 31, 2011	December 31, 2010
Euro	978,199	1,084,572
US Dollar	221,970	120,733
Turkish new lira	2,097	3,576
CFA franc	41,493	44,022
Swiss franc	44,571	20,230
Mauritanian Ouguiya	3,275	6,415
Indian rupee	144,537	4,741
Total	**1,436,142**	**1,284,289**

By interest rate

	December 31, 2011	December 31, 2010
Fixed rate	906,434	454,089
Floating rate	529,708	830,200
Total	**1,436,142**	**1,284,289**

The average interest rate for gross debt at December 31, 2011 was 4.29 %. It was 3.21 % at December 31, 2010.

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

Agreements were concluded between Vigier Holding, the International Finance Corporation and Home Broker JSC (formerly KazKommerts Invest), in order to arrange their relationship within the Company Mynaral Tas, under which the Group granted put options to its partners on their stakes in Mynaral Tas. These options are exercisable respectively at the earliest in December 2013 and December 2015.

Reporting these options resulted in recognition of a liability of € 20.4 million as at December 31, 2011 (€ 10.2 million as at December 31, 2010), corresponding to the present value of their exercise price.

Note 17 ▼ Financial instruments

Foreign exchange risk

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

The table below sets out the breakdown of the total amount of Group's assets and liabilities denominated in foreign currencies, primarily in US Dollars, as at December 31, 2011:

(in millions)	USD	Euro	Swiss franc
Assets	288.0	74.9	0.0
Liabilities and off-balance sheet commitments	(1,121.4)	(168.1)	(23.0)
Net position before risk management	**(833.4)**	**(93.2)**	**(23.0)**
Hedging instruments	627.1	85.5	23.0
Net position after risk management	**(206.3)**	**(7.7)**	**0.0**

The net position after risk management in US Dollars corresponds mainly to the debts of the Kazakhstan subsidiaries to financing institutions and the Group, not swapped in the operating currency, in the absence of a sufficiently structured and liquid hedge market (- € 175.7 million).

The risk of a foreign exchange loss on the net currency position arising from a hypothetical unfavorable and uniform change of one percent of the operating currencies against the US Dollar, would amount, in Euro equivalent, to a loss of € 1.7 million (including € 1.4 million for the Kazakhstan loan).

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

Interest rate risk

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

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

Liquidity risk

As at December 31, 2011, the Group had € 381 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 December 31, 2011, € 208 million in commercial paper had been issued. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

Unused confirmed lines of credit are used to cover the risk of the Group finding itself unable to issue its commercial paper through market transactions. As at December 31, 2011, these lines matched the short term notes they covered, at € 208 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 (43.8 %) and leverage (2.19 x) and the liquidity of the Group's balance sheet, the existence of these covenants does not constitute a risk for the Group's financial position. As at December 31, 2011, the Group is compliant with all ratios required by covenants in financing contracts.

Analysis of the portfolio of derivatives as at December 31, 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 ($)	92,743	(4,743) (1)		(4,743)	
Cash flow hedges (a)						
Composite instruments						
- Cross currency swap $ fixed / € fixed	120,000 ($)	92,743	(12,263) (1)		(12,263)	
- Cross currency swap $ fixed / € fixed	450,000 ($)	347,786	24,246 (1)			24,246
- Interest rate swap € floating / € fixed	150,000 (€)	150,000	123 (1)		123	
- Cross currency swap $ floating / INR fixed	70,000 ($)	54,100	4,764 (1)			4,764
- Cross currency swap € floating / INR fixed	138,765 (€)	138,765	4,831 (1)			4,831
Other derivatives						
Interest rate instruments						
- Euro Caps	360,000 (€)	360,000	(1,922)		(1,922)	
- Dollar US Caps	35,000 ($)	27,050	(108)		(108)	
- Dollar US Swaps	15,000 ($)	11,593	(72)		(72)	
Foreign exchange instruments						
- Hedging for foreign exchange risk on intra-Group loans						
- VAT $	149,000 ($)	115,156	(1,493) (1)	(1,493)		
- AAT CHF	23,000 (CHF)	18,921	121 (1)	121		
- AAT €	4,340 (€)	4,340	(64)	(64)		
- Hedging for foreign exchange risk on operations (raw material purchases)	2,526 ($)	1,952	64	64		
Total			**13,484**			

(1) In parallel, the change in the net value of loans and debts has increased of €0.7 million.

In accordance with of IFRS 7, the breakdown of financial instruments valued at fair value by hierarchical level of fair value in the consolidated statement of financial position is as follows as of December 31, 2011:

(in millions of euros)	December 31, 2011	
Level 1: instruments quoted on an active market	253.2	note 12
Level 2: valuation based on observable market information	13.4	see above
Level 3: valuation based on non-observable market information	23.6	note 9

Note 18 ▼ Other liabilities

(in thousands of euros)	2011	2010
Employee liabilities	59,068	55,271
Tax liabilities	31,895	21,938
Other liabilities and accruals	91,144	73,322
Total	**182,107**	**150,531**

Note 19 ▼ Sales

(in thousands of euros)	2011	2010
Sales of goods	2,136,911	1,902,599
Sales of services	128,561	111,060
Sales	**2,265,472**	**2,013,659**

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

(in thousands of euros)	December 31, 2011	Changes in consolidation scope	Changes in foreign exchange rates	December 31, 2011 on a like-for-like basis	December 31, 2010
Sales	2,265,472	83,277	(24,058)	2,206,253	2,013,659

Note 20 ▼ Personnel costs and number of employees

(in thousands of euros)	2011	2010
Salaries and wages	252,522	231,089
Payroll taxes	94,553	88,118
Employee profit-sharing (French companies)	5,947	5,325
Personnel costs	**353,022**	**324,532**
Average number of employees of the consolidated companies	7,387	7,040

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

Note 21 ▼ Depreciation, amortization and provisions

(in thousands of euros)	2011	2010
Net charges to amortization of fixed assets	(180,665)	(166,440)
Net provisions	977	(1,913)
Net charges to other asset depreciation	(1,760)	1,001
Net charges to operating depreciation, amortization and provisions	**(181,448)**	**(167,352)**
Other net charges to non-operating depreciation, amortization and provisions (1)	14,306	8,867
Net charges to depreciation, amortization and provisions	**(167,142)**	**(158,485)**

(1) Including as at December 31, 2011 a write-back of € 9.8 million (€ 9.1 million write-back as at December 31, 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 is described in note 15.

Note 22 ▼ Other income (expenses)

(in thousands of euros)	2011	2010
Net income from disposal of assets	2,015	6,332
Income from investment properties	3,017	2,942
Other (1)	14,687	33,471
Other operating income (expense)	**19,719**	**42,745**
Other non-operating income (expense) (2)	**(22,048)**	**(12,303)**
Total	**(2,329)**	**30,442**

(1) Including as at December 31, 2010 an income of € 18.0 million corresponding to a credit from the tax authorities to Sinaï Cement Company following a retroactive adjustment to the amount per tonne of clay tax enacted in the new 2010 law.
(2) Including as at December 31, 2011 an expense of € 11.9 million (€ 11.4 million as at December 31, 2010) reported by the Group corresponding to the files recognized as expenses in 2011 in connection with the incident in 2006 as described in note 15.

Note 23 ▼ Financial performance indicators

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

(in thousands of euros)	2011	2010
Gross Operating Earnings	**471,219**	**461,549**
Other operating income (expense)	19,719	42,745
EBITDA	**490,938**	**504,294**
Net operating charges to depreciation, amortization and provisions	(181,448)	(167,352)
EBIT	**309,490**	**336,942**
Other non-operating income (expense)	(22,048)	(12,303)
Net charges to non-operating depreciation, amortization and provisions	14,306	8,867
Operating Income	**301,748**	**333,506**

Note 24 ▼ Financial income (expense)

(in thousands of euros)	2011	2010
Interest income from financing and cash management activities	20,456	20,973
Interest expense from financing and cash management activities	(60,875)	(46,231)
Cost of net borrowings and financial liabilities	**(40,419)**	**(25,258)**
Dividends	3,234	1,698
Foreign exchange gains	4,801	2,739
Fair value adjustments to financial assets and liabilities	1,116	-
Net income from disposal of financial assets	-	1,611
Write-back of impairment of financial assets	329	585
Other income	-	22
Other financial income	**9,480**	**6,655**
Foreign exchange losses	(4,683)	(3,996)
Fair value adjustments to financial assets and liabilities	-	(1,184)
Impairment on financial assets	(4,523)	(379)
Net income from disposal of financial assets	(36)	-
Discounting expenses	(3,499)	(3,188)
Other expenses	(215)	-
Other financial expenses	**(12,956)**	**(8,747)**
Net financial income (expense)	**(43,895)**	**(27,350)**

Note 25 ▼ Income tax

Income tax expense

Analysis of income tax expense

(in thousands of euros)	2011	2010
Current taxes	67,593	56,989
Deferred tax (income)	(1,296)	(12,394)
Total [1]	**66,297**	**44,595**

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

Reconciliation between the computed and the effective tax charge

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

(in thousands of euros)	2011	2010
Net earnings from consolidated companies	191,556	261,560
Income tax	66,297	44,595
Net income before tax	257,853	306,155
Standard tax rate	36.10 %	34.43 %
Theoretical income tax at the parent Company rate	**(93,085)**	**(105,409)**
Reconciliation:		
Differences between French and foreign tax rates	28,639	69,890
Transactions taxed at lower rates	(2,854)	(4,792)
Changes in tax rates	(274)	-
Permanent differences	226	(6,839)
Tax credits	1,838	2,172
Other	(787)	383
Actual income tax expense	**(66,297)**	**(44,595)**

Deferred tax

Change in deferred tax assets and liabilities:

	Deferred tax assets		Deferred tax liabilities	
(in thousands of euros)	2011	2010	2011	2010
Deferred taxes at January 1	**2,553**	**2,682**	**146,458**	**146,016**
Expense / income for the year	(353)	(1,148)	(1,649)	(13,542)
Deferred taxes allocated to shareholders' equity			24,851	1,551
Translation and other changes	(126)	(106)	1,505	12,028
Changes in consolidation scope	30	1,125	264	405
Deferred taxes at December 31	**2,104**	**2,553**	**171,429**	**146,458**

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

(in thousands of euros)	2011	2010
Fixed assets and finance leases	(4,835)	867
Financial instruments	(528)	379
Pensions and other post-employment benefits	(791)	2,005
Accelerated depreciation, regulated provisions and other	(6,562)	(2,700)
Other timing differences, tax loss carry-forwards and miscellaneous	14,012	11,843
Net deferred tax (expense) / income	**1,296**	**12,394**

Source of deferred tax assets and liabilities

(in thousands of euros)	2011	2010
Fixed assets and finance leases	156,817	124,567
Financial instruments	5,543	870
Pensions	(14,311)	(13,123)
Other provisions for contingencies and charges	13,447	10,810
Accelerated depreciation and regulated provisions	40,589	40,564
Other timing differences, tax loss carry-forwards and miscellaneous	(32,760)	(19,783)
Net deferred tax assets and liabilities	**169,325**	**143,905**
Deferred tax assets	(2,104)	(2,553)
Deferred tax liabilities	171,429	146,458
Net balance	**169,325**	**143,905**

Deferred taxes not recognized in the financial statements

Deferred tax assets not recognized in the financial statements as at December 31, 2011, considering there is not reasonnable probability of recovering, amounted to € 19.2 million (€ 13.8 million as at December 31, 2010). These relate essentially to a Company benefiting from a tax exemption scheme for a period of 10 years with effect from January 1, 2011.

Note 26 ▼ Segment information

a) Business segments

2011 (In thousand euros except number of employees)	Cement	Concrete and Aggregates	Other products and services	Total
Income statement				
Operating sales	1,355,738	854,007	391,016	2,600,761
Inter-sector eliminations	(218,147)	(36,051)	(81,091)	(335,289)
Consolidated net sales	**1,137,591**	**817,956**	**309,925**	**2,265,472**
EBITDA (cf. 1.21 and 23)	379,541	78,026	33,371	490,938
EBIT (cf. 1.21 and 23)	260,956	30,274	18,260	309,490
Balance sheet				
Total non-current assets	2,703,326	595,880	162,235	3,461,441
Net capital employed (1)	2,809,652	585,122	181,087	3,575,861
Other information				
Acquisitions of intangible and tangible assets	211,058	52,330	12,324	275,712
Net depreciation and amortization charges	119,269	46,024	15,372	180,665
Average number of employees	3,143	2,887	1,357	7,387

2010 (In thousand euros except number of employees)	Cement	Concrete and Aggregates	Other products and services	Total
Income statement				
Operating sales	1,224,454	752,416	333,410	2,310,280
Inter-sector eliminations	(191,138)	(36,123)	(69,360)	(296 ,621)
Consolidated net sales	**1,033,316**	**716,293**	**264,050**	**2,013,659**
EBITDA (cf. 1.21 and 23)	412,744	62,473	29,077	504,294
EBIT (cf. 1.21 and 23)	302,615	18,759	15,568	336,942
Balance sheet				
Total non-current assets	2,704,620	580,618	169,687	3,454,925
Net capital employed (1)	2,845,426	571,257	156,710	3,573,393
Other information				
Acquisitions of intangible and tangible assets	259,334	57,449	18,087	334,870
Net depreciation and amortization charges	107,545	44,808	14,244	166,597
Average number of employees	2,902	2,717	1,421	7,040

(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.

2011 (In thousand euros except number of employees)	France	Europe (excluding France)	United States	Turkey, Kazakhstan and India	West Africa and the Middle East	Total
Income statement						
Operating sales	963,361	402,900	165,281	348,320	418,783	2,298,645
Inter-sector eliminations	(24,722)	(292)		(241)	(7,918)	(33,173)
Consolidated net sales	**938,639**	**402,608**	**165,281**	**348,079**	**410,865**	**2,265,472**
EBITDA (cf. 1.21and 23)	201,529	102,229	(9,401)	74,142	122,439	490,938
EBIT (cf. 1.21 and 23)	146,857	71,869	(38,816)	43,913	85,667	309,490
Balance sheet						
Total non-current assets	613,884	560,585	387,004	1,165,651	734,317	3,461,441
Net capital employed (1)	713,664	529,156	396,504	1,157,081	779,456	3,575,861
Other information						
Acquisitions of intangible and tangible assets	63,287	25,085	4,098	162,830	20,412	275,712
Net depreciation and amortization charges	56,363	30,918	29,689	29,598	34,097	180,665
Average number of employees	2,579	1,089	1,012	1,614	1,093	7,387

2010 (In thousand euros except number of employees)	France	Europe (excluding France)	United States	Turkey, Kazakhstan and India	West Africa and the Middle East	Total
Income statement						
Operating sales	840,707	317,853	167,880	255,648	447,699	2,029,787
Inter-sector eliminations	(9,065)	(288)			(6,775)	(16,128)
Consolidated net sales	**831,642**	**317,565**	**167,880**	**255,648**	**440,924**	**2,013,659**
EBITDA (cf. 1.21and 23)	183,926	86,167	(6,039)	38,717	201,523	504,294
EBIT (cf. 1.21 and 23)	131,403	58,965	(36,615)	18,295	164,894	336 942
Balance sheet						
Total non-current assets	607,504	554,047	401,538	1,143,631	748,205	3,454,925
Net capital employed (1)	637,457	521,996	396,104	1,192,712	825,124	3,573 393
Other information						
Acquisitions of intangible and tangible assets	56,385	41,655	4,937	167,094	64,799	334,870
Net depreciation and amortization charges	54,199	26,945	29,996	21,142	34,315	166,597
Average number of employees	2,490	1,053	1,029	1,429	1,039	7,040

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

c) Information about major customers

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

Note 27 ▼ Net cash flows generated from operations

Net cash flows from operating transactions conducted by the Group in 2011 amounted to € 352 million, compared with € 403 million in 2010.

This decrease in cash flows generated by operating activities between 2010 and 2011 results from a € 46 million decrease in cash flow from operations and a € 5 million increase in the change in the working capital requirement.

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 December 31, 2011
Inventories	295,140	42,315	19,066	356,521	8,763	(5,180)	360,104
Other WCR components	118,532	(36,123)	(472)	81,937	2,423	16,081	100,441
WCR	**413,672**	**6,192**	**18,594**	**438,458**	**11,186**	**10,901**	**460,545**

(1) Exchange rates, consolidation scope and miscellaneous.

Note 28 ▼ Net cash flows from investment activities

Net cash flows linked to Group investment transactions in 2011 amounted to € (301) million, compared with € (542) million in 2010.

Acquisitions of intangible and tangible assets

These include outflows corresponding to industrial investments, which amounted to € (281) million, compared with € (321) million in 2010.

The main intangible and tangible investments made in 2011 related primarily to the increase in output from investments in India, in particular in relation to construction of the Vicat Sagar Cement factory, and to a lesser extent those made in France, Switzerland and Kazakhstan.

The main intangible and tangible investments in 2010 were made in Kazakhstan, India, France, Switzerland and Senegal.

Acquisition/disposal of shares in consolidated companies

Consolidated Company share acquisitions during 2011 resulted in a total outflow of € (24) million, corresponding, in the absence of disposals, to the net impact for the period.

The main outflow from the Group during the year was for the acquisition from our Kazakhstan partners of an additional 21 % of the shares of Mynaral Tas Company LLP.

Consolidated Company share acquisitions and disposals during 2010 resulted in a total outflow of € (229) million and a total inflow of € 4 million, i.e. a net overall impact of € (225) million.

The principal outflows from the Group in 2010 were mainly in the context of the acquisition of a 51 % stake in the Indian Company Bharathi Cement. In addition to the buy-back of minority interests, an increase in the share capital of Bharathi Cement was entirely subscribed by the Group and financed by borrowings, enabling the Company to repay all its financial debt and release a cash flow surplus, thus contributing to the Group's increased cash flow at year-end. The cash flow from Bharathi Cement was used in part to finance investments in the second half of 2010.

Note 29 ▼ Analysis of net cash balances

(in thousands of euros)	At December 31, 2011 Net	At December 31, 2010 Net
Cash and cash equivalents (see note 12)	359,404	296,176
Bank overdrafts	(15,391)	(9,470)
Net cash balances	**344,013**	**286,706**

Note 30 ▼ Executive management compensation

Pursuant to Article 225.102-1 of the French Commercial Code, and in accordance with IAS 24, we hereby inform you that the total gross compensation paid to each executive director during the financial year 2011 was as follows:

J. Merceron-Vicat	€ 759,541
G. Sidos	€ 728,026
L. Merceron-Vicat	€ 216,801
S. Sidos	€ 33,205
R. de Parisot	€ 486,227

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

Lastly, four of the aforementioned executive directors also benefit from a supplemental pension plan as defined in Article 39 of the French General Tax Code (CGI). The corresponding commitments (€ 6,263 thousand) were all recognized in provisions in the financial statements, in the same manner as all of the Group's post-employment benefits as at December 31, 2011 (note 1.15).

Note 31 ▼ Transactions with related companies

In addition to information required for related parties regarding the senior executives, described in note 30, related parties with whom transactions are carried out include affiliated companies and joint ventures in which Vicat directly or indirectly holds a stake, and entities that hold a stake in Vicat. Such transactions were not significant in 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 for 2011 and 2010 is as follows, broken down by type and by related party:

	2011 Financial Year				2010 Financial Year			
(in thousands of euros)	Sales	Purchases	Receivables	Debts	Sales	Purchases	Receivables	Debts
Affiliated companies	401	1,333	7,273	131	258	1,225	3,940	139
Joint ventures	1,141	941	140	551	1,099	841	182	681
Other related parties	44	2,304	-	174	9	2,246	-	162
Total	**1,586**	**4,578**	**7,413**	**856**	**1,366**	**4,312**	**4,122**	**982**

Note 32 ▼ Fees paid to the statutory auditors

Fees paid to statutory auditors and other professionals in their networks as recognized in the financial statements of Vicat SA and its integrated consolidated subsidiaries for 2011 and 2010 are as follows:

	KPMG Audit				Wolff & associés				Others			
	Amount (ex. VAT)		%		Amount (ex. VAT)		%		Amount (ex. VAT)		%	
(in thousands of euros)	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
AUDIT												
Statutory auditors, certification, examination of individual and consolidated accounts	958	935	52	50	431	388	23	21	471	546	25	29
- *VICAT SA*	*190*	*186*	*10*	*10*	*181*	*185*	*10*	*10*	-	-		
- *Companies which are fully or proportionally consolidated*	*768*	*749*	*41*	*40*	*250*	*203*	*13*	*11*	*471*	*546*	*25*	*29*
Other forms of investigation and directly related services	6	2	16	5	-	-	-	-	32	35	84	95
- *VICAT SA*												
- *Companies which are fully or proportionally consolidated*	*6*	*2*	*16*	*5*	-	-	-	-	*32*	*35*	*84*	*95*
Total Audit fees	**964**	**937**	**51**	**49**	**431**	**388**	**23**	**20**	**503**	**581**	**26**	**31**
OTHER SERVICES												
Legal, tax and employee-related services		5		100	-	-	-	-	-	-	-	-
Others	2	-	100	-	-	-	-	-	-	-	-	-
Total other services	**2**	**5**	**100**	**100**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**966**	**942**	**51**	**49**	**431**	**388**	**23**	**20**	**503**	**581**	**26**	**30**

Note 33 ▼ Post balance sheet events

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

Note 34 ▼ List of significant consolidated companies as at December 31, 2011

Fully consolidated: FRANCE

COMPANY	ADDRESS	SIREN NO.	% control December 31, 2011	% control December 31, 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	100.00
BÉTON CONTRÔLE CÔTE D'AZUR	217 Route de Grenoble 06200 NICE	071 503 569	96.10	96.10
BÉTON DE L'OISANS	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	438 348 047	60.00	60.00
BÉTONS GRANULATS DU CENTRE	Les Genevriers 63430 LES MARTRES D'ARTIERE	327 336 343	100.00	100.00
BÉTON RHÔNE ALPES	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	309 918 464	99.92	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 VICAT	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	768 200 255	99.82	100.00
GRAVIERES 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

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

Fully consolidated: FRANCE (continued)

COMPANY	ADDRESS	SIREN NO.	% control December 31, 2011	% control December 31, 2010
MONACO BÉTON	24 Avenue de Fontvielle 98000 MONACO	326 MC 161	99.58	79.60
PARFICIM	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	304 828 379	100.00	100.00
RUDIGOZ	Les communaux Route de St Maurice de Gourclans 01800 PÉROUGES	765 200 183	(1)	100.00
SATMA	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	304 154 651	100.00	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
SOCIETE AZURÉENNE DE GRANULATS	217 Route de Grenoble 06200 NICE	968 801 274	(1)	95.76
LOUIS THIRIET ET CIE	Lieudit Chaufontaine 54300 LUNEVILLE	762 800 977	99.98	99.98
PAPETERIES DE VIZILLE	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	319 212 726	100.00	100.00
VICAT INTERNATIONAL TRADING	Tour Manhattan 6 Place de l'Iris 92095 PARIS LA DÉFENSE	347 581 266	100.00	100.00
VICAT PRODUITS INDUSTRIELS	52-56 rue Jacquard Z.I 77400 LAGNY SUR MARNE	655 780 559	100.00	100.00

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

Fully consolidated: REST OF WORLD

COMPANY	COUNTRY	STATE/CITY	% control December 31, 2011	% control December 31, 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	UNITED STATES	CALIFORNIA	100.00	100.00
KIRKPATRICK	UNITED STATES	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	UNITED STATES	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	UNITED STATES	DELAWARE	100.00	100.00
NATIONAL CEMENT Company OF CALIFORNIA	UNITED STATES	DELAWARE	100.00	100.00
NATIONAL READY MIXED	UNITED STATES	CALIFORNIA	100.00	100.00
UNITED READY MIXED	UNITED STATES	CALIFORNIA	100.00	100.00
VIKING READY MIXED	UNITED STATES	CALIFORNIA	100.00	100.00
SONNEVILLE INTERNATIONAL CORP	UNITED STATES	ALEXANDRIA	100.00	100.00
CEMENTI CENTRO SUD Spa	ITALY	GENOVA	100.00	100.00

Fully consolidated: REST OF WORLD (continued)

COMPANY	COUNTRY	STATE/CITY	% control December 31, 2011	% control December 31, 2010
CIMENTS & MATÉRIAUX DU MALI	MALI	BAMAKO	95.00	95.00
GÉCAMINES	SENEGAL	THIES	70.00	70.00
POSTOUDIOKOUL	SENEGAL	RUFISQUE (DAKAR)	100.00	100.00
SOCOCIM INDUSTRIES	SENEGAL	RUFISQUE (DAKAR)	99.91	99.91
SODEVIT	SENEGAL	BANDIA	100.00	100.00
ALTOTA AG	SWITZERLAND	OLTEN (SOLOTHURN)	100.00	100.00
KIESWERK AEBISHOLZ AG (formerly ASTRADA KIES AG)	SWITZERLAND	AEBISHOLZ (SOLEURE)	99.64	99.64
BETON AG BASEL	SWITZERLAND	BASEL (BASEL)	100.00	-
BETON AG INTERLAKEN	SWITZERLAND	MATTEN BEI INTERLAKEN (BERN)	75.42	75.42
BETON GRAND TRAVAUX SA	SWITZERLAND	ASUEL (JURA)	75.00	75.00
BETONPUMPEN OBERLAND AG	SWITZERLAND	WIMMIS (BERN)	93.33	72.22
CEWAG	SWITZERLAND	DUTINGEN (FRIBOURG)	100.00	100.00
COVIT SA	SWITZERLAND	SAINT-BLAISE (NEUCHATEL)	100.00	100.00
CRÉABÉTON 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)	77.83	77.83
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)	99.64	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 (formerly BETON FRAIS MOUTIER SA)	SWITZERLAND	BELPRAHON (BERN)	90.00	90.00

(1) Company merged with fully consolidated company in 2011.

Fully consolidated: REST OF WORLD (continued)

COMPANY	COUNTRY	STATE/CITY	% control December 31, 2011	% control December 31, 2010
VIGIER BETON KIES SEELAND AG (formerly VIBETON KIES AG)	SWITZERLAND	LYSS (BERN)	100.00	100.00
VIGIER BETON MITTELLAND AG (formerly WYSS KIESWERK AG)	SWITZERLAND	FELDBRUNNEN (SOLOTHURN)	100.00	100.00
VIGIER BETON ROMANDIE SA (formerly VIBETON FRIBOURG SA)	SWITZERLAND	ST. URSEN (FRIBOURG)	100.00	100.00
VIGIER BETON SEELAND JURA AG (formerly 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

Proportionate consolidation: FRANCE

COMPANY	ADDRESS	SIREN NO.	% control December 31, 2011	% control December 31, 2010
CARRIÈRES BRESSE BOURGOGNE	Port Fluvial Sud de Chalon 71380 EPERVANS	655 850 055	49.95	49.95
DRAGAGES ET CARRIERES	Port Fluvial sud de Chalon 71380 EPERVANS	341 711 125	50.00	50.00
SABLIÈRES DU CENTRE	Les Genévriers Sud 63430 LES MARTRES D'ARTIERE	480 107 457	50.00	50.00

Proportionate consolidation: REST OF WORLD

COMPANY	COUNTRY	STATE/CITY	% control December 31, 2011	% control December 31, 2010
FRISHBETON TAFERS AG	SWITZERLAND	TAFERS (FRIBOURG)	49.50	49.50

Equity method: REST OF WORLD

COMPANY	COUNTRY	STATE/CITY	% control December 31, 2011	% control December 31, 2010
HYDROELECTRA	SWITZERLAND	AU (ST. GALLEN)	50.00	49.00
SILO TRANSPORT AG	SWITZERLAND	BERN (BERN)	50.00	50.00
SINAI WHITE CEMENT	EGYPT	CAIRO	25.40	25.40

20.2.3. Statutory auditors' report on the consolidated financial statements

Year ended 31 December 2011

To the Shareholders,

In compliance with the assignment entrusted to us by the shareholders in General Meeting, we hereby report to you, for the year ended 31 December, 2011, on:

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

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

I - Opinion on the consolidated financial statements

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

In our opinion, the consolidated financial statements give a true and fair view, in accordance with IFRS as adopted by the EU, of the assets, liabilities, and financial position of the consolidated group of entities as at 31 December, 2011 and of the results of its operations for the year then ended.

II - Justification of our assessment

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

- At each reporting date, the Company reviews the book value of assets with indefinite useful lives using the methodology disclosed in the note 1.11 of the consolidated financial statements. We have examined the procedures for the performance of the impairment testing, and the expected future cash flows and related assumptions. This testing also covers assets with definite useful lives.

  We have also verified that the notes of the consolidated financial statements relating to the assets, including note 3 "Goodwill", note 4 "Other intangible assets" and note 5 "Tangible assets", provide appropriate information. These estimates are based on assumptions which have by nature an uncertain characteristic; realizations can be sometimes significantly different from initial forecasts. We verified that such estimates were reasonable.
- Your Company recorded provisions related post-employment benefits and other long-term employee benefits in the consolidated financial statements in accordance with IAS 19. The notes 1-15 and 14 of the consolidated financial statements specify the methods of evaluation of post-employment benefits and other long-term employee benefits. These obligations have been evaluated by independent actuaries. The work we performed consisted of examining underlying data used in the calculations, assessing the assumptions, and verifying that the disclosures contained in the notes 1-15 and 14 of the consolidated financial statements provide appropriate information.

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

III - Specific verification

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

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

Paris La Défense, March 8, 2012
KPMG Audit - Division of KPMG SA
Bertrand Desbarrières - *Partner*

Chamalières, March 8, 2012
Wolff & Associés SAS.
Grégory Wolff - *Partner*

20.3. Statutory financial statements at December 31, 2011

20.3.1. Balance sheet at December 31, 2011

(in thousands of euros)	2011 Gross amount	2011 Amortization and depreciation	2011 Net	2010 Net
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Concessions, patents and similar rights	23,671	10,741	12,930	10,144
Goodwill	1,309	1,155	154	165
Other intangible assets	673	494	179	215
Property, plant and equipment				
Land	89,972	16,857	73,115	73,392
Buildings	162,203	113,930	48,273	50,013
Plant, machinery and equipment	526,026	402,772	123,254	122,763
Other tangible assets	28,105	23,262	4,843	4,854
Tangible assets under construction	9,593		9,593	8,868
Advances and payments on account	10		10	486
Financial investments				
Equity in affiliated companies	1,742,753	274	1,742,479	1,699,193
Other long-term investments	105	64	41	21
Loans	67		67	67
Other financial assets	73,695	34,718	38,977	52,283
Total non-current assets	**2,658,182**	**604,267**	**2,053,915**	**2,022,464**
CURRENT ASSETS				
Inventories and work-in-progress				
Raw materials and other supplies	63,042	-	63,042	54,176
Work-in-progress	11,684	-	11,684	12,389
Semi-finished and finished products	11,437	-	11,437	11,917
Goods for sale	108	-	108	183
Advances and payments on account on orders	590	-	590	3,180
Receivables				
Trade receivables and related accounts	104,721	184	104,537	88,982
Other receivables	193,617	613	193,004	175,730
Short-term financial investments:				
- treasury shares	8,614	3,082	5,532	11,059
- marketable securities	793		793	
Cash	2,467		2,467	3,429
Accrued expenses	1,254		1,254	1,331
Total current assets	**398,327**	**3,879**	**394,448**	**362,376**
Expenses to be allocated	4,188		4,188	3,827
Translation adjustments – assets	5		5	6
Total	**3,060,702**	**608,146**	**2,452,556**	**2,388,673**

20.3.1. Balance sheet at December 31, 2011 (continued)

(in thousands of euros)	2011	2010
LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY		
Share capital (1)	179,600	179,600
Additional paid-capital and merger premiums	11,207	11,207
Revaluation adjustments	11,147	11,147
Reserve	18,708	18,708
Regulated reserves	112	112
Other reserves	601,472	551,320
Retained earnings	103,404	101,475
Income for the year	**152,357**	**118,027**
Regulated provisions	110,037	105,563
Total shareholders' equity	**1,188,044**	**1,097,159**
PROVISIONS		
Provisions for liabilities (risks)	892	5,489
Provisions for liabilities (expenses)	16,198	16,596
Total	**17,090**	**22,085**
LIABILITIES		
Bank borrowings and financial liabilities (2)	1,073,816	1,059,352
Other borrowings and financial liabilities	478	581
Trade payables and related accounts	36,789	35,882
Tax and employee-related liabilities	24,544	23,541
Payables to fixed assets suppliers and related accounts	7,591	8,401
Other liabilities	104,203	141,668
Accrued income		
Total	**1,247,421**	**1,269,425**
Translation adjustments – liabilities	1	4
Total shareholders' equity and liabilities	**2,452,556**	**2,388,673**
(1) Revaluation adjustments incorporated into capital	*14,855*	*14,855*
(2) Of which short-term bank borrowings and bank overdrafts (including commercial paper)	*4,689*	*3,741*

20.3.2. Income statement for the year ended on December 31, 2011

(in thousands of euros)	2011	2010
OPERATING REVENUE		
Sales of goods	2,741	6,477
Sales of finished products and services	481,956	437,524
Net sales	**484,697**	**444,001**
Change in inventories of goods	(1,185)	4,791
Production of assets capitalized	1,222	1,052
Operating subsidies	16	54
Reversals on depreciation, amortization and provisions, transferred expenses	5,912	3,073
Other revenues	11,780	14,211
Total operating revenue	**502,442**	**467,182**
OPERATING EXPENSES		
Purchases of goods	2,532	5,296
Change in inventories of goods	75	(25)
Purchases of raw materials and supplies	101,442	83,428
Change in inventories of raw materials and other supplies	(8,866)	1,472
Other purchases and external expenses	177,460	161,904
Taxes, duties and assimilated transfers	16,142	15,732
Salaries	44,019	42,292
Social security contribution and similar charges	20,443	19,872
Amortization and depreciation:		
- on non-current assets: amortization	23,465	22,068
- on current assets: depreciation	312	255
For contingencies and losses: charges to provisions	96	869
Other expenses	7,356	2,701
Total operating expenses	**384,476**	**355,864**
Earnings before interest and taxes	**117,966**	**111,318**
FINANCIAL INCOME		
From affiliated companies	126,300	70,536
From other marketable securities and long-term loans	8	1
Other interest and assimilated income	392	59
Reversals on depreciation and provisions, transferred expenses	339	3,108
Positive exchange rate differences	280	262
Total investment income	**127,319**	**73,966**
FINANCIAL EXPENSES		
Amortization, depreciation and provisions	16,881	12
Interest and assimilated expenses	48,493	29,751
Negative exchange rate differences	384	419
Total financial expenses	**65,758**	**30,182**
Net financial income (expense)	**61,561**	**43,784**
NET PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX	**179,527**	**155,102**

20.3.2. Income statement for the year ended on December 31, 2011 (continued)

(in thousands of euros)	2011	2010
EXCEPTIONAL INCOME		
From non-capital transactions	133	932
From capital transactions	816	2,298
Reversals on depreciation and provisions, transferred expenses	11,655	3,812
TOTAL EXCEPTIONAL INCOME	**12,604**	**7,042**
EXCEPTIONAL EXPENSES		
From non-capital transactions	5,549	431
From capital transactions	2,199	1,615
Amortization, depreciation and provisions	12,710	17,674
TOTAL EXCEPTIONAL EXPENSES	**20,458**	**19,720**
NET NON-OPERATING INCOME (EXPENSE)	**(7,854)**	**(12,678)**
Employee profit-sharing	4,030	3,982
Income tax	15,286	20,415
TOTAL INCOME	642,365	548,190
TOTAL EXPENSES	**490,008**	**430,163**
NET EARNINGS	**152,357**	**118,027**

20.3.3. Notes to statutory financial statements 2011

NOTE 1 – ACCOUNTING POLICIES AND VALUATION METHODS

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

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

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

Research and development costs are entered as expenses.

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

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

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

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

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

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

The gross value of goods and supplies includes both the purchase price and all related costs.

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

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

Receivables and payables are recorded at nominal value.

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

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

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

Differences arising from revaluation of foreign currency receivables and payables are reported in the balance sheet under "Translation adjustments". Additional provisions are made for unrealized currency losses that do not offset.
Short-term financial investments are valued at cost or at market value if lower.

NOTE 2 - SIGNIFICANT EVENTS DURING THE PERIOD

During the first half of the year, the Company continued to consolidate its sources of financing with the signature of a revolving line of credit for € 480 million for a term of 5 years, in order to refinance a line of credit for € 445 million maturing in July 2012. This line of credit has enabled the average maturity of the debt to be extended to 5.4 years.

NOTE 3 - POST BALANCE SHEET EVENTS

No post balance sheet event has had a material impact on the statutory financial statements as at December 31, 2011.

NOTE 4 - SALES ANALYSIS

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

(In thousands of euros)	France	Other countries	Total
Cement	409,203	38,575	447,778
Paper	26,385	10,534	36,919
Total	**435,588**	**49,109**	**484,697**

NOTE 5 - ANALYSIS OF THE FINANCIAL STATEMENTS

5.1. Non-current assets

(in thousands of euros)	Gross value at beginning of year	Acquisitions	Disposals	Gross value at end of year
Concessions, patents, goodwill and other intangible assets	21,878	3,796	21	25,653
Land and improvements	89,295	703	26	89,972
Buildings and improvements	160,341	1,862		162,203
Plant, machinery and equipment	511,714	15,058	746	526,026
Other tangible assets	26,889	1,457	241	28,105
Tangible assets in progress	8,868	15,899	15,174	9,593
Advances and payments on account	486		476	10
Total	**819,471**	**38,775**	**16,684**	**841,562**

(in thousands of euros)	Accumulated depreciation at beginning of year	Increase	Decrease	Accumulated depreciation at end of year
Concessions, patents, goodwill and other intangible assets	11,354	1,058	22	12,390
Land and improvements	14,845	955	1	15,799
Buildings and improvements	110,328	3,602		113,930
Plant, machinery and equipment	388,951	13,842	21	402,772
Other tangible assets	22,035	1,468	241	23,262
Total	**547,513**	**20,925**	**285**	**568,153**

5.1.1. Intangible assets

Quotas allocated by the French government in the framework of the National Quota Allocation Plan (PNAQ II) are not recorded, either as assets or liabilities. For 2011, they amounted to 2,802 thousand tonnes of greenhouse gas emissions (14,011 thousand tonnes for the 2008-2012 period).

Recording of quota swaps (EUA) against Certified Emission Reductions (CERs) is recognized in the income for the year at an amount of € 2,491 thousand. In 2010, income from quota sales and quota swaps was € 9,607 thousand.

The quotas held at the end of the period in excess of the cumulative actual emissions are recorded in the assets and in the liabilities, on the basis of the market value at each year-end. At the end of 2011, the quotas held amounted to € 6,680 thousand, corresponding to 749 thousand tonnes. No income is recorded in respect of the quotas held.

Research and development costs recorded in expenses amounted to € 4,425 thousand for the year.

5.1.2. Tangible assets

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

Property, plant and equipment are depreciated as follows:

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

5.1.3. Financial investments

Financial investments increased by € 44,703 thousand, mainly as a result of:

- increases in investments in companies amounting to:	42,978
- change in other financial investments:	1,725
	44,703

Under the liquidity agreement with NATIXIS, the following amounts were recognized in the liquidity account at year-end:
- 65,664 Vicat shares representing a net value of € 2,782 thousand;
- € 517 thousand in cash.

Under this contract, 300,722 shares were purchased during the year for € 16,560 thousand and 246,327 shares sold for € 13,457 thousand.

Financial investments also included 813,167 treasury shares at a net book value of € 34,445 thousand.

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

- within one year	-
- over one year	73,762
	73,762

5.2. Shareholders' equity

5.2.1. Share capital

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

The share ownership breaks down as follows:

- Employees	4.65 %
including employee shareholders (*) 2.14 %	
- Family, Parfininco and Soparfi	60.57 %
- Vicat	2.25 %

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

5.2.2. Change in shareholders' equity

(in thousands of euros)	2011	2010
Shareholders' equity at the beginning of year	1,097,159	1,035,017
Shareholders' equity at the end of year	1,188,044	1,097,159
Change	90,885	62,142
Analysis of changes		
Income for the year	152,357	118,027
Dividends paid (1)	(65,946)	(66,035)
Revaluation adjustment		80
Regulated provisions	4,474	10,070
	90,885	**62,142**

(1) Less dividends on treasury shares.

5.2.3 Regulated provisions

Regulated provisions break down as follows:

(in thousands of euros)	Amount at the beginning of year	Increase	Decrease	Amount at the end of the year
Price increase provision	11,718	486	2,228	9,976
Special tax depreciation	84,020	9,101	3,965	89,156
Special revaluation provision	2,447	-	-	2,447
Investment provision	7,378	1,545	465	8,458
Total	**105,563**	**11,132**	**6,658**	**110,037**

Maturities are as follows:

(in thousands of euros)	Value	Recovered at 1 year maximum	Recovered after more than 1 year
Price increase provision	9,976	1,519	8,457
Special tax depreciation	89,156	5,609	83,547
Special revaluation provision	2,447		2,447
Investment provision	8,458	842	7,616
Total	**110,037**	**7,970**	**102,067**

5.3. Provisions

(in thousands of euros)	Amount at the beginning of year	Increase	Decrease (with use)	Decrease (unused provision)	Amount at the end of year
Provisions for quarry reinstatement	5,778		506	856	4,416
Provisions for disputes	4,812	42	4,500	199	155
Other provisions for expenses	11,495	1,638	614		12,519
Total	**22,085**	**1,680**	**5,620**	**1,055**	**17,090**

Provisions amounted to € 17 million and covered:

- the forecast costs under the French quarry reinstatement obligation of € 4.4 million. These provisions are made for each of the quarries based on tonnages extracted in relation to the potential deposit and the estimated cost of the work to be performed at the end of operations.
- other provisions for expenses which include a provision of 11,142 thousands of euros for tax to be repaid to subsidiaries under the Group tax sharing agreement.

Provisions for disputes included as at December 31, 2010 a provision of € 4.5 million, corresponding to the residual amount of the penalty imposed by the *Conseil de la concurrence* (the French Office of Fair Trade) concerning a presumed collusion in Corsica after the amount of this penalty was reduced by the *Cour d'appel de Paris* (the Paris Court of Appeal). The provision was written back after payment following rejection of the appeal lodged by the Company before the *Cour de Cassation (the French Supreme Court of Appeal).*

5.4. Borrowings and financial liabilities

During 2011, medium and long-term debt and other bank borrowings increased by € 14,361 thousand.

5.4.1. Statement of maturities

(in thousands of euros)	Gross amount	1 year or less	1 - 5 years	More than 5 years
Bank borrowings and financial liabilities (1)	1,069,127		669,892	399,235
Miscellaneous borrowings and financial liabilities	478	85	170	223
Short-term bank borrowings and bank overdrafts	4,689	4,689		
(1) Including commercial paper	*208,000*		*208,000*	

5.4.2. Other information

At December 31, 2011 the Company had € 273 million in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (€ 211 million at December 31, 2010).

The Company also has a program for issuing commercial paper amounting to € 300 million. As at December 31, 2011, the amount of the notes issued was € 208 million. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

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

5.4.3. Risk hedging

Foreign exchange risk

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

Interest rate risk

The floating rate debt is hedged through the use of financial instruments (caps and swaps) on original maturities of 5 to 12 years amounting to € 510 million at December 31, 2011.

Liquidity risk

Unused confirmed lines of credit are used to cover the risk of the Company finding itself unable to issue its commercial paper through market transactions. At December 31, 2011, these lines matched the short term notes they covered at € 208 million.

5.4.4. Financial instruments

As at December 31, 2011, unsettled derivative instruments were as follows:

Type (in thousands of currency units)	Nominal value (currency)	Nominal value (euros)	Fair value (euros)
CHF forward purchases	23,000 CHF	18,921	121 (1)
USD forward purchases	2,526 USD	1,952	64
USD forward sales	149,000 USD	115,156	-1,493 (2)
Floating/fixed interest rate swaps	150,000 EUR	150,000	123 (3)
Interest rate caps	360,000 EUR	360,000	-1,923
Cross Currency Swap	690,000 USD	533,272	7,240 (4)

(1) In parallel debt rose by € 0.1 million.
(2) In parallel loan increased by € 1.3 million.
(3) In parallel debt rose by € 0.3 million.
(4) In parallel debt decreased by € 11 million.

5.5. Statement of maturities for trade receivables and payables

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

5.6.Balance of trade payables

As at December 31, 2011, invoices payable to suppliers recorded in the item "Trade payables and related accounts" amounted to € 22,956 thousand.

Breakdown by due date

(in thousands of euros)	2011	2010
Due	2,097	943
Less than 30 days	15,615	14,495
31 to 60 days	5,244	5,451
Total	**22,956**	**20,889**

5.7. Other balance sheet and income statement information

Other items of information are as follows:

Items concerning several balance sheet accounts (in thousands of euros)	Associated companies	Payables or receivables represented by commercial paper
Long-term investments	1,738,954	
Trade receivables and related accounts	36,231	18,579
Other receivables and related accounts	174,201	
Trade payables and related accounts	9,023	318
Other liabilities	67,720	

Income statement items		
Financial expenses	3,323	
Financial income excluding dividends	5,803	

Transactions with associated companies and related parties are not covered by French Accounting Standards Authority Regulation 2010-20.

Accrued liabilities (in thousands of euros)	Amount
Bank loans and borrowings	4,688
Trade payables and related accounts	13,515
Tax and employee-related payables	13,695
Other liabilities	483
Total	**32,381**

Accrued expenses (in thousands of euros)	Amount
Operating expenses	873
Financial expenses	381
Total	**1,254**

Short-term financial investments

Short-term financial investments break down as follows: 130,595 treasury shares with a net value of € 5,532 thousand acquired for the purpose of share allotment to employees. Their market value as at December 31, 2011 was € 5,773 thousand.

The distribution of shares to Group employees under the profit-sharing scheme resulted in an expense of € 501 thousand.

Net financial income

Net financial income included allocation to the provisions for depreciation of treasury shares amounting to € 16,870 thousand (compared with a reversal of € 3,087 thousand in 2010).

NOTE 6 - ANALYSIS OF CORPORATE INCOME TAX AND ADDITIONAL CONTRIBUTIONS

Headings (in thousands of euros)	Profit (loss) before tax	Corporate income tax	Social security contributions	Exceptional contributions	Profit (loss) after tax
Current profit (loss)	179,527	(17,939)	(854)	(1,692)	159,042
Net non-operating income (expense) (and profit-sharing)	(11,884)	4,618	195	386	(6,685)
Book profit (loss)	167,643	(13,321)	(659)	(1,306)	152,357

NOTE 7 - IMPACT OF THE SPECIAL TAX EVALUATIONS

Headings (in thousands of euros)	Allowances	Reinstatements	Amounts
Income for the year			152,357
Income taxes			13,321
Exceptional contributions			1,306
Social security contributions			659
Earnings before income tax			**167,643**
Change in special tax depreciation of assets	9,101	(3,965)	5,136
Change in investment provision	1,545	(465)	1,080
Change in the price increase provision	486	(2,228)	(1,742)
Subtotal	**11,132**	**(6,658)**	**4,474**
Income excluding the special tax valuations (before tax)			**172,117**

Vicat has opted for a tax sharing regime with it as the parent company. This option relates to 25 companies. Under the terms of the tax sharing agreement, the subsidiaries bear a tax charge equivalent to that which they would have borne if there had been no tax sharing. The tax saving resulting from the tax sharing agreement is awarded to the parent company, notwithstanding the tax due to the tax loss subsidiaries, for which a provision is established. For 2011, this saving amounted to € 2,779 thousand.

The expenses covered by articles 223 quater and 39.4 of the French General Tax Code (CGI) amounted to € 158 thousand for 2011.

NOTE 8 - DEFERRED TAX

Headings (in thousands of euros)		Amount
Tax due on:		
Price increases provisions		3,435
Special tax depreciation		30,696
Total increases		**34,131**
Tax paid in advance on temporarily non-deductible expenses		2,301
of which profit-sharing expenses	*1,455*	
Total reductions		**2,301**
Net deferred tax		**31,830**

NOTE 9 - OFF-BALANCE SHEET COMMITMENTS

Commitments given

(in thousands of euros)	Value
Pension commitments [1]	10,377
Deposits and guarantees [2]	232,231
Forward purchases of fuels	1,894
Total	**244,502**

(1) Including an amount of € 3.737 thousand relating to supplementary pension scheme for officers and other managers of the Company under Article 39 of the *Code général des impôts* (the French General Tax Code).
(2) Vicat has provided a guarantee to the lenders on behalf of its subsidiaries Jambyl Cement Production Company LLP and Vicat Sagar Cement Private Ltd for loans taken out for the construction of greenfield projects.

Vicat SA granted a put option to the minority shareholders of its subsidiary Mynaral Tas Company LLP. This option, exercisable by December 2013 at the earliest, is valued at € 10.8 million as at December 31, 2011.

Commitments received

(in thousands of euros)	Value
Confirmed credit lines [1]	731,000
Other commitments received	2,100
Total	**733,100**

(1) Including € 208,000 thousand allocated to the program of the commercial paper issue.

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

Principal actuarial assumptions are as follows:

Discount rate:	4.75 %
Wage inflation:	from 2.5 % to 4 %
Inflation rate:	2 %

NOTE 10 – REMUNERATION AND EMPLOYEE NUMBERS

Executive management compensation

(in thousands of euros)	Amount
Compensation allocated to:	
- Directors	275
- Executive management	2,196

Employee numbers	Average	December 31, 2011
Management	206	209
Supervisors, technicians, administrative employees	380	383
Blue-collar workers	270	270
Total Company	**856**	**862**
of which Paper Division	*149*	*153*

SUBSIDIARIES AND AFFILIATES

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

Company OR GROUP OF COMPANIES 2011 FINANCIAL YEAR	CAPITAL	RESERVES and retained earnings before appropriation of income	OWNER-SHIP interests (%)	BOOK VALUE of shares owned Gross	BOOK VALUE of shares owned Net	LOANS & ADVANCES granted by the Company and not yet repaid	GUARANTEES granted by the company	SALES ex. VAT for the financial year ended	PROFIT OR LOSS (-) for the financial year ended	DIVIDENDS received by Vicat during the year
SUBSIDIARIES AND AFFILIATES WHOSE THE GROSS VALUE EXCEEDS 1 % OF VICAT'S CAPITAL										
1) SUBSIDIARIES (at least 50 % of the capital held by the company)										
BETON TRAVAUX 92095 PARIS LA DEFENSE	27,997	181,059	99,97	88,869	88,869	63,305		22,098	15,502	19,243
NATIONAL CEMENT COMPANY LOS ANGELES USA	280,521(1)	114,417(1)	97,85	229,581	229,581	58,048		230,022.(1)	(34,425)(1)	
PARFICIM 92095 PARIS LA DEFENSE	67,728	1,435,001	99,99	1,343,624	1,343,624				84,556	97,360
SATMA 38081 L'ISLE D'ABEAU CEDEX	3,841	4,046	100	7,613	7,613			20,719	997	
CAP VRACS 13270 FOS SUR MER	16,540	9,806	100	43,004	43,004	12,348		10,884	(2,138)	
2) PARTICIPATION *(10 to 50 % of the capital held by the company)*										
SOCIETE DES CIMENTS D'ABIDJAN (3) COTE D'IVOIRE	2,000,000(2)	15,670,789(2)	1,714	1,596	1,596			51,675,692(2)	4,870,329(2)	696
SATM 38081 l'ISLE D'ABEAU	1,600	34,527	22,00	15,765	15,765			119,484	6,502	1,980
OTHER SUBSIDIARIES AND AFFILIATES										
French subsidiaries (total)				10,019	9,681	2,674				1,218
Foreign subsidiaries (total)				2,787	2,787	36,977				
Total				**1,742,858**	**1,742,520**	**173,352**				**120,497**

(1) Figures shown in USD.
(2) Figures shown in CFA Francs.
(3) Figures for 2010.

20.3.4. Statutory auditors' report on the financial statements

Year ended 31 December, 2011

To the Shareholders,

IIn compliance with the assignment entrusted to us by the shareholders in General Meeting, we hereby report to you, for the year ended 31 December, 2011, on:

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

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

1.Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December, 2011 and of the results of its operations for the year then ended in accordance with French accounting principles.

2.Justification of our assessments

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

- The note « Accounting rules and methods » discloses significant accounting rules and methods applied in the preparation of the financial statements, and particularly regarding the assessment made by your Company on the intangibles and financial assets at the year ended 31 December, 2011. As part of our assessment of the accounting rules and principles applied by your company, we have assessed the appropriateness of the above-mentioned accounting methods and related disclosures.
- Your Company has recorded provisions for costs of quarry reinstatement, repayment of income tax to subsidiaries in according to the group tax agreement and a provision for litigation as disclosed in the note 5.3 of the statutory financial statements. We have made our assessment on the related approach determined by your company, as disclosed in the financial statements, based on information available as of today, and performed appropriate testing to confirm, that these methods were correctly applied. As part of our assessment, we have assessed the reasonableness of the above-mentioned accounting estimates made by your company.

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

3.Specific verifications and information

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

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

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

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

Paris La Défense, March 8, 2012
KPMG Audit - Division of KPMG SA
Bertrand Desbarrières - *Partner*

Chamalières, March 8, 2012
Wolff & Associés SAS.
Grégory Wolff - *Partner*

20.4. Auditors' fees

The auditors' fees paid by the Company and the Group to KPMG Audit and to Cabinet Wolff & Associés for the years 2010 and 2011 are presented in note 32 of section 20.2.2. "Notes to the 2011 consolidated financial statements" of this Registration Document.

20.5. Dividend policy

The Company can decide to distribute dividends for a given year on a proposal from the Board of Directors and approval of the General Meeting of the shareholders.

For the three preceding years, the dividends distributed by the Company and the earnings per share were as follows:

	2011 (dividend proposed to the General Meeting	2010	2009	2008
Dividend per share (in euro/share)	1.50	1.50	1.50	1.50
Consolidated earnings per share (in euro/share)	3.64	4.52	4.26	5.46
Rate of distribution	41 %	33 %	35 %	27 %

The Company's objective for future years is to distribute in cash to shareholders a level of dividend in line with that proposed by the Board of Directors for previous financial periods.

Nevertheless, the factors on which the distribution and the amount of distributed dividend depend are the income, the financial position, the financial needs related to industrial and financial development, the prospects for the Group and all other determinative factors such as the general economic environment.

Regardless of the objective which the Company intends to prioritize, it cannot guarantee that in the future dividends will be distributed nor the amount of any future dividend.

20.6. Legal proceedings and arbitration

The Group is involved in certain disputes, legal, administrative or arbitration proceedings in the ordinary course of its business. The Group constitutes a provision each time a given risk presents a substantial probability of materializing before the end of the financial year and when an estimate of the financial consequences related to such risk is possible.

The principal disputes and administrative, legal or arbitration proceedings in progress in which the Group is involved are detailed below.

20.6.1. "Maurienne" dispute

2006 was marked by the discovery of significant damages linked to the production of aggregates on the site of Saint-Martin-la-Porte in the Maurienne valley in 2004.

An accidental mixture of limestone and gypsum, which occurred at the time of handling after sorting, contributed to the occurrence of defects which appeared more than two years after use of the contaminated materials.

The appraisals by court order that have been concluded or that are in progress have found BRA liable, notwithstanding the use of materials as well as certain internal or project construction checks by some firms that frequently did not comply with standards and best technical practice, which could have triggered, accelerated or amplified the defects.

BRA is using these implementation or verification faults as a basis to negotiate shared liability. Protocols covered by a confidentiality obligation are being developed between BRA and certain firms. Likewise, to put a halt to claims, whether unjustified or clearly exaggerated, construction industry economists assisted by experts certified with the Cour de cassation (French Supreme Court of Appeal) are examining all the documents alleging material or consequential damages.

This examination and a critical analysis of the period under investigation led BRA to recognize as at December 31, 2011 a net expense of € 2.1 million, owing to either an increase in the costs expected to cover the damages, the changes in BRA's estimated share of responsibility, or the emergence of new claims.

Usually, these two concrete batching plants at Maurienne, like all the Group's plants, use materials extracted from quarries with properly identified deposits, that are checked regularly and rigorously so as to avoid this type of risk.

Reinforced quality control measures have been implemented in order to prevent the recurrence of such events and these have resulted in the Concrete & Aggregates business in France being awarded ISO 9001-2000 certification at the beginning of 2009 and OHSAS 18001: 2007 certification in November 2010.

20.6.2. Competition litigation in Corsica

By the ruling of March 12, 2007, the French Competition Commission fined the Company € 8 million, as well as imposing fines on another French cement manufacturer and the Corsican cement dealers' network. According to the Commission, the practices in respect of which the fine was imposed were intended to restrict the supply of cement to the island to the two cement manufacturers and to block imports, in particular from Italy and Greece.

The Company regrets the fact that the Competition Commission has, from its point of view, misunderstood the general context of the supply and distribution of cement in Corsica, as well as the very particular circumstances having led to the conclusion, in a fully transparent manner, of various agreements today under sanction and the beneficial effects resulting from the same for Corsican consumers.

The plan was instituted many years ago under pressure from the public authorities without either the customers or the competitors allegedly discriminated against petitioning the Competition authorities.

In 1991, the Chamber of Commerce and Industry of Upper Corsica requested Vicat and Lafarge to finance a refurbished silo facility at the port of Bastia, capable of receiving cement meeting French standards in bulk, and required the two suppliers to entrust the exclusive operation to the GIE Groupement Logistique Ciments Haute-Corse, an exclusivity now disputed by the Commission.

Until 1998, the State subsidized the transport of cement in bulk by € 2.3 million per year under the principle of continuity of supply to the area. When this subsidy was withdrawn, Vicat SA, Lafarge Ciments and the dealers' association on the island sought a means to rationalize the conditions of supply of cement to the island. They had to make significant efforts to maintain continuous and regular supplies of cement meeting French standards to Corsica, without a rise in the cost of transport for the dealers, thus allowing unchanged cement selling prices despite the withdrawal of a significant State subsidy.

During the period in question, foreign imports to Corsica grew by almost 50 %. Consequently, the Company considers that the Commission did not establish that this scheme prevented dealers from being supplied with cement from abroad, which does not, in any case, offer the guarantees of continuity of supply and compliance with the standards required in the majority of construction works contracts.

The Company is thus surprised to be fined in consideration of a legal argument which it also considers runs counter to the work undertaken by the European Commission as regards reform of competition law in recent years.

Under a judgment of May 6, 2008, the Paris Court of Appeal overturned the deferred decision of the Competition Commission, but only in respect of the amount of the fines imposed, and in particular reduced the amount of the fine imposed on the Company to € 4.5 million.

Under a judgment of July 7, 2009, the Commercial Division of the Cour de Cassation (Supreme Court of Appeal) ruled that the Court of Appeal had not justified its judgment in law "since it had not investigated if, in the absence of agreements concluded with their customers, the companies Lafarge and Vicat, would have been able to act on the market in question to a significant extent independently of their competitors, their customers and the consumers". Consequently, the Cour de Cassation quashed and partially annulled the judgment of May 6, 2008, and sent the parties back to the Paris Court of Appeal, differently constituted.

On referral, the Paris Court of Appeal concluded in a judgment of April 15, 2010 that there was no collective dominant position on the Corsican market. As the referral Court, nevertheless, decided to retain the fines imposed on the Company, after having concluded that at least one of the offences was unfounded, a new appeal was lodged.

In a decision of July 12, 2011, the Cour de Cassation ruled that the annulment by the Court of Appeal of the fine for the abuse of dominant position did not alter the number and the nature of the facts of loyalty-handed.

On the basis of this decision, the fine definitively imposed on the Company was € 4.5 million, an amount for which provision has been made in the financial statements since the year ended December 31, 2008.

20.6.3. Disputes relating to operating licenses

Some environmental protection associations regularly file contentious civil actions with a view to obtaining the cancellation of permits or operating licenses granted by the prefecture. The Company, in all cases, organizes its defense and files new applications for operating licenses or permits to ensure normal supply to its factories.

Other than the disputes described above, there are no government, judicial or arbitration proceedings of which the Group is aware, which are in abeyance or with which it, or any proportionally consolidated subsidiary, is threatened, which may have or have had in the past 12 months a material adverse effect on its activity, its financial position or its income.[1]

20.7. Significant changes to the financial or commercial position

To the knowledge of the Company, there has been no significant change to the Company's financial or commercial position since December 31, 2011.

(1) Excluding any subsidiaries consolidated by the equity method.

Additional information

21.1. Share capital

21.1.1. Issued share capital and number of shares for each class

The amount of the share capital as at December 31, 2011 is € 179,600,000 divided into 44,900,000 shares of € 4 each. The Company's shares are fully subscribed, paid up and all of the same class.

21.1.2. Authorized but unissued share capital

Not applicable.

21.1.3. Shares held by the Company or for its account

At the end of the 2011 financial year, after distributing 64,826 shares to employees, the Company held 1,009,426 of its own shares, or 2.25 % of the share capital.

Description of the 2011 share repurchase program

In accordance with the authorization given by the Combined General Meeting of May 6, 2011, the Company purchased on the stock exchange in 2011 (excluding liquidity agreements), based on the current share capital, 12,992.8 (i.e. 11,594 shares + 13,988 tenth parts of shares) of its own shares of nominal value € 4 at a mean price of € 57.52 per share.

Distribution of transferable securities by purpose

Acquisitions in view of the allocation of shares to personnel within the framework of participation and profit-sharing: 12,992.8 shares representing an acquisition price of € 747,392.13.

Acquisitions in order to promote the market for the securities and their liquidity through a liquidity agreement in conformity with the ethical charter of the AMAFI, as recognized by the AMF: balance as at December 31, 2010 of 11,269 shares , acquisition of 300,722 shares and sale of 246,327 shares during the year, representing 65,664 shares as at December 31, 2011.

Volume of shares used by objectives

Shares allocated to personnel within the framework of participation and profit-sharing: 130,595 shares.

Promotion of a market of the securities and their liquidity through a liquidity agreement conforming to the ethical charter of the AMAFI as recognized by the AMF: 65,664 shares.

No shares repurchased have been allocated to other purposes and the Company did not use derivatives to achieve its share purchase program.

Description of the planned share repurchase program for 2012

The fifth resolution, the principles of which are described below, to be submitted to a vote by the Ordinary General Meeting on May 4, 2012 is intended to allow the Company to engage in operations in relation to its own shares.

The Company may acquire, sell, transfer or swap, by any means, all or part of the shares thus acquired in compliance with current legislative and regulatory provisions and in compliance with changes to the substantive law and by respecting the limits below:

- The unit purchase price must not exceed € 100 per share (excluding acquisition expenses);
- The total shares held shall not exceed 10 % of the Company's share capital, this threshold of 10 % having to be calculated on the actual date when the purchases will be made. This limit is reduced to 5 % of the share capital in the situation mentioned in paragraph (c) below. On January 1, 2012, this limit corresponds, given shares already owned by the Company, to a maximum number of 3,480,574 shares, each with a nominal value of € 4, equal to a maximum amount of € 348,057,400.

The shares may be purchased in a single purchase or several purchases, and by all means including by private contract, in order (without order of priority):

a. To allot shares to employees and in particular within the framework of participation and profit-sharing.
b. To promote the market for the securities and their liquidity through a liquidity agreement complying with the ethical charter of the AMAFI as recognized by the AMF.
c. To deliver the shares as payment or exchange within the framework of external growth operations in compliance with market practice as permitted by the AMF. It is specified that the maximum number of shares acquired by the Company for their retention and later delivery in payment or exchange within the framework of a merger, scission or contribution operation may not exceed 5 % of its authorized share capital.
d. To cancel shares, subject in this last case to a vote by an Extraordinary General Meeting on a specific resolution.

Share purchase, as well as the retention, divestment or transfer of shares thus bought may occur, according to the circumstances, on one or more occasions, at any time that the Board of Directors deems necessary, if necessary in a public offer period, by all means on the market or over the counter, in particular by way of acquisition or divestment of blocks, or by recourse to derivative financial instruments (other than options to sell) and to warrants, in compliance with current regulations.

The fifth resolution which will be submitted to the vote of the General Meeting on May 4, 2012 may be used at any time and for a period of 18 months as from this meeting including in a public offer period for purchase or exchange within the limits and subject to the periods of abstention provided for by the law and the AMF's General Rules. This authorization supersedes that granted by the Ordinary General Meeting of May 6, 2011.

In accordance with article 241-3-III of the AMF's General Rules, this description exempts the Company from publication as foreseen in article 241-2 of the AMF's General Rules.

21.1.4. Other securities giving access to the capital

Not applicable.

21.1.5. Share subscription and purchase options

Not applicable.

21.1.6. Changes to the share capital during the last three years

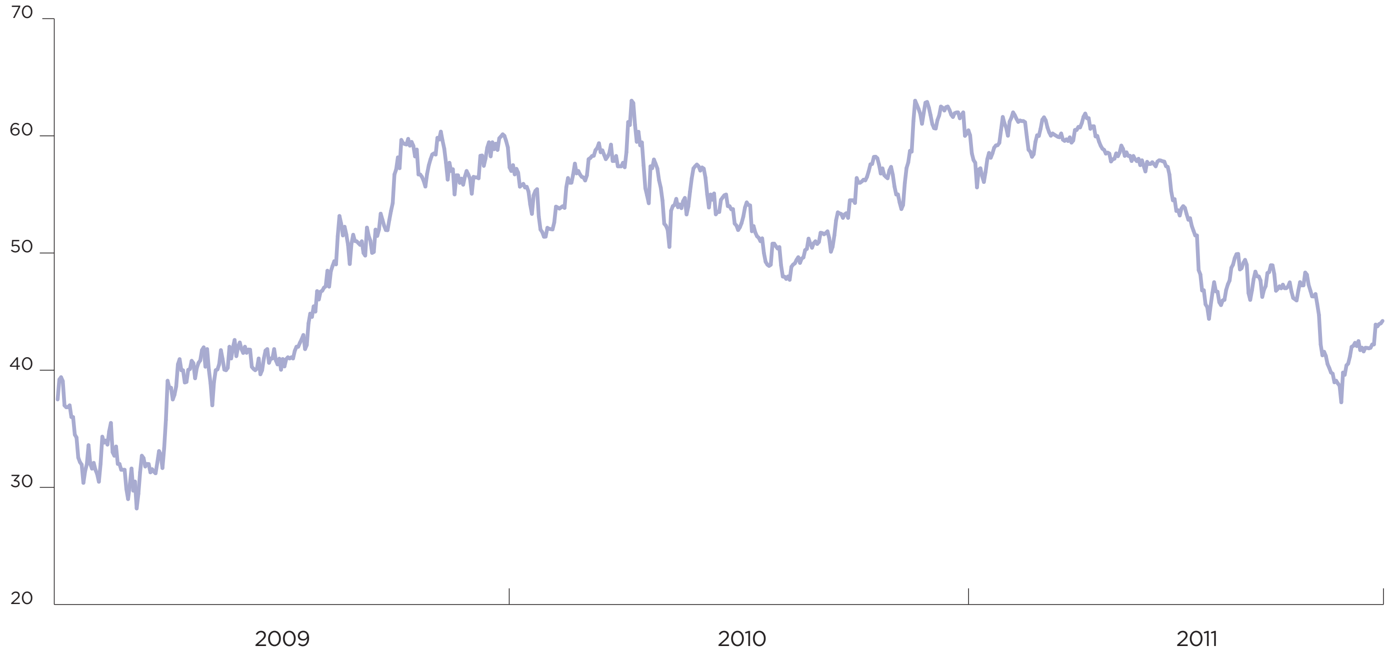
There have been no changes to the Company's share capital during the last three years.

21.1.7. Securities not representative of the capital

Not applicable.

21.1.8. Changes to the share price

The Company's shares are listed on the Eurolist of Euronext Paris, compartment A. As a consequence of the Expert Indices Committee of March 3, 2011, the Company was included in the SBF 120 index as of March 21, 2011. Furthermore, the Company's shares have been eligible for deferred payment (SRD: service de règlement différé) since February 2008. The graph below shows the change in price of the Company's shares at month end from January 1, 2009 to December 31, 2011.



The table below shows the change to the Company's share price in 2011, 2010 and 2009 (on the basis of the closing price):

(In euros)	2011	2010	2009
Average annual price	53.34	55.21	44.55
High	62.50	63.00	60.36
Low	37.26	47.72	28.20
Price on December 31	44.21	62.50	58.80

21.2. Constitutional documents and by-laws

21.2.1. Corporate purpose

The Company's corporate purpose is:

- the operation of the quarries currently belonging to the Company and all those which it may subsequently own or to which it may subsequently hold rights;
- the manufacture, purchase and sale of limes, cements and all products of interest to the construction business;
- the manufacture, purchase and sale of bags or packaging for hydraulic binders in any material and, more generally, any activity being carried on in the plastic and paper industries sector;
- the production and distribution of aggregates and sand;
- the transport of goods by public road and the leasing of all vehicles;
- in general, all industrial, commercial and financial operations associated with this industry, both in France and abroad.

The Company may also invest in any French or foreign Company or firm, whose business or industry is similar to or likely to support and develop its own business or its own industry; to merge with them, to engage in all industries which would be likely to provide it with outlets and to enter into all commercial industrial, financial, movable property or fixed asset transactions that could in whole or part be assimilated, directly or indirectly, to its corporate purpose or likely to support development of the Company.

21.2.2. Provisions concerning members of the Company's administration and management bodies

21.2.2.1. Composition of the Board of Directors (article 15 of the by-laws)

The Company is managed by a Board of Directors consisting of at least five and no more than twelve members, drawn from the shareholders and appointed by the General Meeting, except where this number is exceeded for legal reasons.

21.2.2.2. Term of office of the directors – Age limit – Renewal – Co-opting, (article 16 of the by-laws)

1) The Directors are appointed for a term of 3 or 6 years. They can be re-elected. If one or more seats is unfilled, the Board can, under the conditions set by the law, co-opt interim appointments, subject to ratification at the next Meeting.
2) Subject to the provisions of in paragraphs 3 and 4 below, terms of office end at the end of the Ordinary General Meeting which has voted on the financial statements for the financial year during which the term of 3 or 6 years ended.
3) When a Director's mandate is conferred on an individual who will reach 75 years of age before expiry of the three or six year period fixed above, the duration of this mandate is limited, in any event, to the time to run from his nomination to the Ordinary General Meeting approving the financial statements of the financial year during which such Director reaches the age of 75 years.
4) However, the Ordinary General Meeting, at the end of which the term of office of said Director ends can, on a proposal from the Board of Directors, re-elect him for a new period of 3 or 6 years, it being specified however that at no time may the Board of Directors have more than one third of its members aged over 75.
5) Any Director must be the owner of at least ten shares before expiry of the period fixed by the law and remain so throughout his term of office.

21.2.2.3. Presidency and secretariat of the Board of Directors (article 17 of the by-laws)

The Board of Directors shall elect from its members a Chairman and, if it considers it useful, a Vice-President. It fixes their term of office, which may not exceed either that of their term as director, or the time to run from their appointment as Chairman or Vice-President until the end of the Ordinary General Meeting approving the financial statements for the financial year during which they will reach the age of 85.

Subject to these provisions, the Chairman of the Board of Directors or the Vice-President can always be re-elected.

The Chairman represents the Board of Directors. He organizes and directs the work of the latter, on which he reports to the General Meeting and carries out its decisions. He supervises correct operation of the bodies of the Company and makes sure that directors are able to fulfill their mandates.

The Board of Directors can appoint a secretary for each meeting who can be selected from outside the shareholders.

21.2.2.4. Meeting – Convening – Deliberation – Attendance register (article 18 of the by-laws)

The Board of Directors meets at the President's behest as often as the interests of the Company require it, either at the registered office, or in any other place indicated in the convening letter.

Moreover, the CEO and directors constituting at least one third of the members of the Board of Directors can, by presenting an agenda of the meeting, convene it if it has not met for more than two months; otherwise, the agenda is set by the Chairman and may only be fixed at the time of the meeting.

Meetings are chaired by the Chairman or the Vice-President and, failing this, by a director appointed at the start of the meeting.

Decisions are taken pursuant to the quorum and majority conditions prescribed by the law. If there is a tied vote, the Chairman shall have the casting vote.

The minutes are drawn up and copies or extracts are delivered and certified in accordance with the law.

The Board of Directors can include as present for the calculation of the quorum and the majority, any directors attending the meeting of the Board of Directors by video-conference or any other appropriate telecommunication method in accordance with the statutory and regulatory provisions in force.

21.2.2.5. Powers of the Board of Directors (article 19 of the by-laws)

The powers of the Board of Directors are those which are conferred on it by law. The Board shall exercise these powers within the limit of the corporate purpose and subject to those which are expressly allotted by law to shareholders' meetings.

21.2.2.6. Remuneration of the Board of Directors (article 20 of the by-laws)

The Board of Directors receives in remuneration of its activity an annual fixed sum, by way of attendance fees, which amount determined by the General Meeting is maintained until a decision to the contrary.

The Board of Directors freely allocates the attendance fees among its members.

21.2.2.7. General Management (article 21 of the by-laws)

Principles of the exercise of General Management
In accordance with the provisions of article L. 225-51-1 of the French Commercial Code, the General Management of the Company is assumed, either by the Chairman of the Board of Directors, or by another individual appointed by the Board of Directors and who takes the title of CEO.

This option of how the General Management is to be exercised is taken by the Board of Directors for the duration that it determines. The Board of Directors passes a resolution based on the majority of the directors present or represented.

The choice of the Board of Directors is communicated to shareholders and third parties in accordance with applicable regulations.

The Board of Directors can decide at any time to change the way General Management is exercised.

General Management
Depending on the option chosen by the Board of Directors, in accordance with the provisions above, the General Management of the Company is undertaken either by the Chairman of the Board, or by a CEO, an individual appointed by the Board of Directors. In the event that the functions of Chairman of the Board and of CEO are separated, the resolution of the Board of Directors which appoints the CEO must set his term of office, determine his remuneration and, if necessary, limit his powers.

Subject to the legal limitations, the CEO, whether he is Chairman of the Board or not, is invested with the widest powers to act in any circumstance in the name of the Company. However, by way of rules of procedure, and without this limitation being opposable by third parties, the Board of Directors will be able to limit the extent of his powers.

The age limit for the appointment of a CEO is fixed at 75; the term of office of a CEO shall end at the end of the first annual Ordinary General Meeting following the date of his 75th birthday.

The CEO may be dismissed at any time by the Board of Directors.

At the proposal of the CEO, the Board of Directors can appoint one or more individuals, up to five in number, tasked to assist the CEO and who will assume the title of Chief Operating Officer (COO).

The age limit for the appointment of a CEO and a COO is fixed at 75; the term of office of a COO shall end at the end of the first annual Ordinary General Meeting following the date of his 75th birthday.

21.2.3. Rights, privileges and restrictions attached to the shares

21.2.3.1. Rights and obligations attached to the shares (article 9 of the by-laws)

Each share gives a right to a share proportional to the capital that it represents in the income and the corporate assets.

If applicable, and subject to the obligatory legal prescriptions, all tax exemptions or charges or any taxation that the Company may bear will be applied to the total number of shares without distinction before making any reimbursement within the duration of the Company or at its liquidation, so that all shares of the same category existing at that time receive the same net sum whatever their origin and their date of creation.

Every time there is a requirement to own a certain number of shares in order to exercise a right, it is the responsibility of the owners who do not have this number of shares to deal with putting the required number of shares together.

Shares cannot be divided up with respect to the Company.

When a share is burdened with usufruct, the rights and obligations of the beneficial owner and the bare owner are governed by the law.

The rights and obligations attached to the share follow the ownership, no matter who acquires it.

21.2.3.2. Voting rights (article 26 of the by-laws)

Each member of the meeting has as many votes as he has or represents shares.

The voting rights attached to shares in capital or rights are proportionate to the share of the capital that they represent and each share confers a right to one vote.

However, voting rights double those conferred on bearer shares are allotted to all paid up shares for which a personal registration has been proved for at least four years in the name of the same shareholder, at the end of the calendar year preceding the date on which the meeting in question is held.

In the event of a capital increase by incorporation of reserves, profits or issue premiums, double voting rights will be conferred, as of their issue, on registered shares allotted for free to a shareholder pursuant to old shares in respect of which he enjoys this right.

These double voting rights will automatically cease to be attached to any share having been converted to a bearer share or on a transfer of title. Nonetheless, the transfer by inheritance, by liquidation of common property held by spouses or by gift inter vivos to the benefit of a spouse or a relation ranking as entitled to inherit does not result in the loss of acquired rights.

The list of registered shares benefiting from double voting rights is maintained by the officers of the Meeting.

In the event of property stripping of a share, the voting right belongs to the bare owner except for decisions concerning attribution of results, in which case the voting right is reserved to the beneficial owner.

21.2.4. Procedures for modifying the rights of the shareholders

Modification of rights attached to the shares is subject to the legal regulations. The by-laws not stipulating specific provisions, only an Extraordinary General Meeting is qualified to modify the rights of the shareholders, in accordance with the legal provisions.

21.2.5. General Meetings

21.2.5.1. Nature of General Meetings (article 23 of the by-laws)

The General Meeting, regularly constituted, represents all the shareholders; its decisions taken in accordance with the law and with the by-laws bind all shareholders.

An annual Ordinary General Meeting must be held each year within six months of the end of the financial year. General Meetings, whether Ordinary General Meetings held extraordinarily, or Extraordinary General Meetings, can also be held at any time of the year.

21.2.5.2. Form and periods of notice (article 24 of the by-laws)

Ordinary and Extraordinary General Meetings are convened and conducted in accordance with conditions set by law. Meetings take place on the day and at the time and place indicated on the convening notice.

21.2.5.3. Attendance and representation at Meetings (article 25 of the by-laws)

Any shareholder can attend, personally or through a representative, the Meetings by providing proof of ownership of their shares if it is proven by law and the regulations in force, for his shares to be registered in his name or that of his registered representative, in accordance with the seventh paragraph of article L. 228-1 of the Commercial Code, by the third working day before the date of the Meeting at midnight, either in the registered securities accounts held by the Company, or in the bearer's securities accounts held by the registered representative.

The registration of shares in securities accounts as bearer's securities held by the authorized representative is confirmed by a share certificate submitted by the latter in accordance with the laws and regulations in force.

Participation in General Meetings is subject to proof of at least one share.

21.2.5.4. Officers of the Meetings – Attendance register – Agenda (article 27 of the by-laws)

General Meetings of the shareholders are chaired by the Chairman of the Board of Directors, the Vice-Chairman or, in their absence, by a director especially delegated for this purpose by the board. Alternatively, the meeting itself shall elect a Chairman; the two shareholders having the greatest shareholdings present at the opening of the meeting, and accepting, shall act as tellers. The secretary is appointed by the officers.

An attendance register is maintained under the conditions stipulated by law.

The agenda for the Meetings is drawn up by the author of the convening notice; however, one or more shareholders meeting the legal conditions can under the conditions stipulated by law require draft resolutions to be included in the agenda.

21.2.5.5. Minutes (article 28 of the by-laws)

The deliberations of the General Meeting are noted in minutes drafted under the conditions prescribed by the applicable regulations; copies or extracts of these minutes are certified according to such regulations.

21.2.5.6. Quorum and majority – Competence (article 29 of the by-laws)

Ordinary and Extraordinary General Meetings taking decisions quorate and under the majority conditions prescribed by the provisions governing them respectively shall exercise the powers that are allotted to them by law.

21.2.6. Provisions having the effect of delaying, deferring or preventing a change of control

Not applicable.

21.2.7. Exceeding the ownership threshold

Aside from the legal and regulatory measures relating to exceeding the ownership threshold, the following measures apply (article 7 of the by-laws):

With a view to identifying bearer shares, the Company has the right, at any time, under the conditions and according to the details foreseen by the legal and regulatory provisions, to ask the central custodian of financial instruments for the name or trade name, nationality, year of birth or year of constitution and address of the holders of securities giving immediate or future voting rights in its shareholder meetings, as well as the number of shares held by each of them and if applicable, the restrictions that may apply to the shares.

After following the above procedure and on the basis of the list provided by the custodian, the Company may ask, either by the intermediary of the central custodian or directly from the persons who appear on this list and who the Company considers could be registered on behalf of a third party, the same information concerning the owners of the shares.

The information is provided directly to the financial intermediary authorized to hold the account, who provides it to the Company or to the aforementioned central custodian depending on the situation.

In the case of are registered shares giving access to capital immediately or in the future, the intermediary who is registered on behalf of an owner who is not a resident of France, must reveal under the terms of the law and regulations the identity of the owners of these shares as well as the quantity of shares held by each of them, on request from the Company or its agent, which can be made at any time.

For as long as the Company considers that some shareholders of bearer or registered shares, whose identity has been made known to it, hold shares on behalf of third party shareholders, the Company is entitled to ask these shareholders to reveal the identity of the owners of these shares as well as the quantity of shares held by each of them under the conditions set out above.

Subsequent to this request, the Company may ask any legal entity who owns its shares and has a shareholding of more than 1.5 % of its capital or voting rights to reveal the identity of the persons holding directly or indirectly more than one third of the share capital or voting rights of this legal entity that are exercised in its General Meetings.

When the person subject to a request made in accordance with the above provisions has not provided the information thereby requested within the legal and regulatory period or has provided information that is incomplete or incorrect with respect to its quality or to the owners of the shares or to the quantity of shares held by each of them, the shares that give immediate or future access to the capital and for which this person was registered are deprived of voting rights for any meeting of shareholders that takes place until their identification is regularized, and the payment of the corresponding dividend is deferred until this date.

Moreover, in the event that the registered person intentionally ignores the above provisions, the court in whose jurisdiction the Company has its registered office may, on request from the Company or from one or more shareholders holding at least 5 % of the capital, decide the total or partial deprivation, for a time period not exceeding five years, of the voting rights attached to the shares that have been subject to the request for information and if need be, for the same period, of the corresponding dividend.

Besides the thresholds foreseen by the legal and regulatory provisions in force, any natural or legal person acting alone or in concert who directly or indirectly holds or ceases to hold a fraction — of the capital, of voting rights or shares giving future access to the capital of the Company — equal to or greater than 1.5 % or a multiple of this fraction, must notify the Company by registered letter with acknowledgement of receipt within a fifteen day period from the date this threshold is exceeded, specifying their identity as well as that of the persons acting in concert with them, and the total number of shares, voting rights and shares that give future access to the capital, that they own alone, directly or indirectly or in concert.

Failure to comply with the preceding provisions is penalized by the deprivation of voting rights for shares exceeding the fraction which should have been declared, for any Meeting of the shareholders taking place up to the expiry of a two year period following the regularization date of the notification specified above, if the application of this penalty is requested by one or more shareholders holding at least 1.5 % of the share capital or voting rights of the Company. This request is recorded in the minutes of the General Meeting.

The intermediary who is registered as the shareholder in accordance with the third paragraph of article L. 228-1 of the Commercial Code must make the declarations specified in this article for all shares for which he is registered, without prejudice to the obligations of shareholders.

Failure to comply with this requirement shall be penalized in accordance with article L. 228-3-3 of the Commercial Code.

On April 14, 2011 and June 8, 2011, the companies Greenlight Capital LLC, Greenlight INC, DME Advisors LP, DME Management GP LLC and DME Capital Management LP declared that they had jointly dropped below the thresholds of 3 % of the share capital and 1.5 % of the share capital and voting rights.

21.2.8. Conditions governing changes to the share capital

The share capital can be increased, reduced or amortized in accordance with the laws and regulations in force.

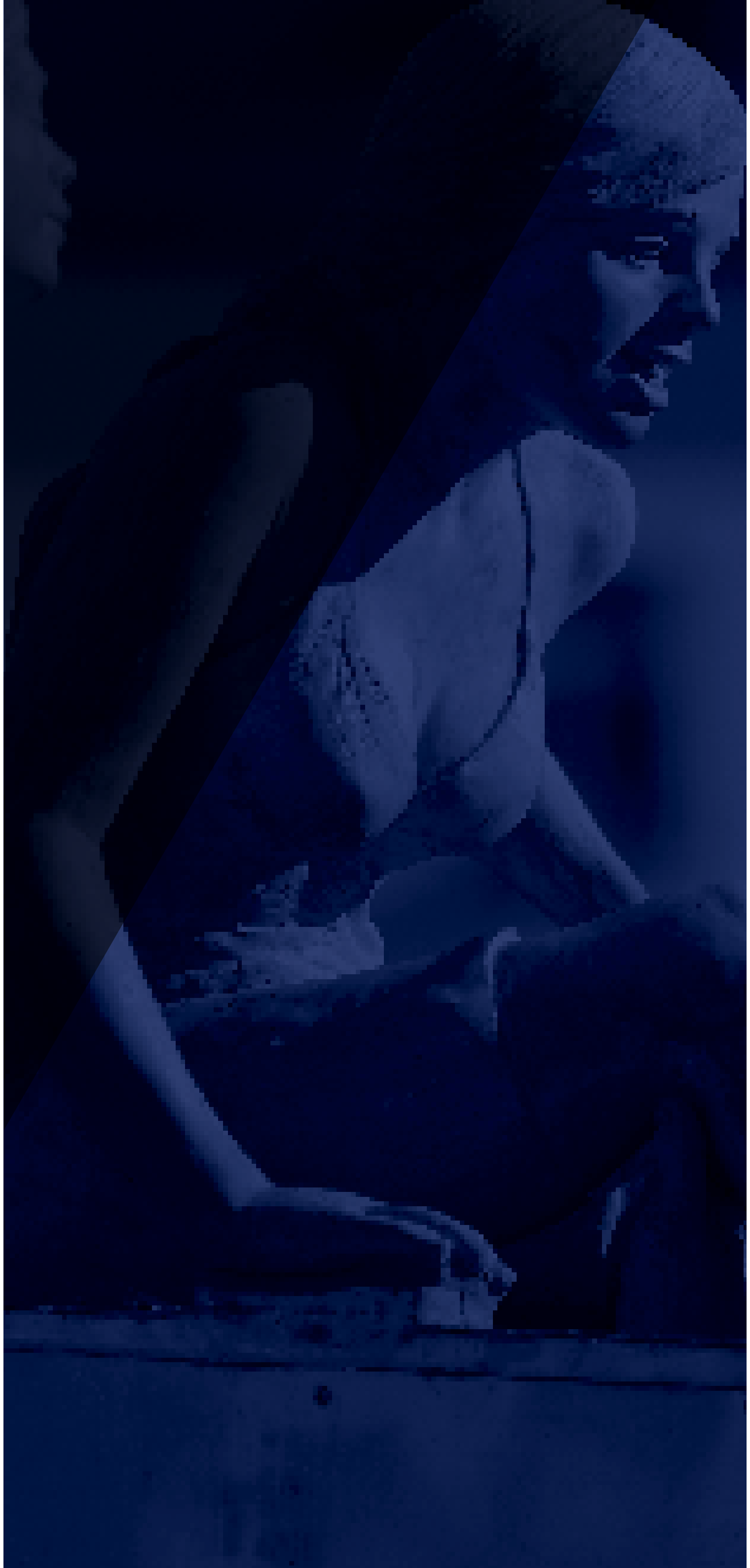
22

Significant contracts

Given its activity, the Group has not signed as at the date of registration of this Registration Document any significant contracts other than contracts signed in its ordinary course of business.

23

Information coming from third parties, expert declarations and declarations of interests



Not applicable.

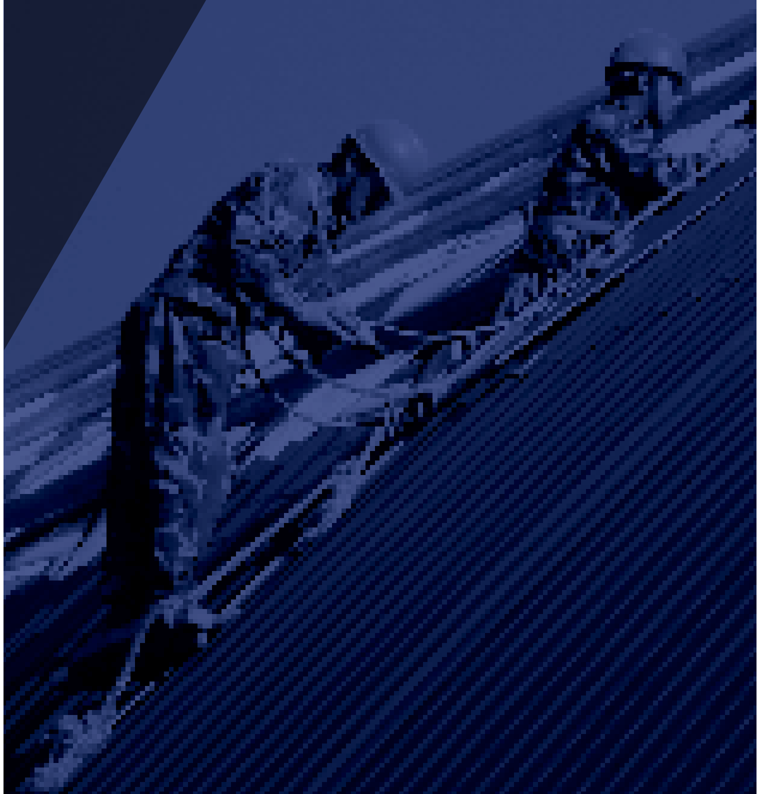
24 Documents available to the public

Official statements by the Company and annual reports, in particular including historical financial information on the Company are accessible from the Company's website at the following address: www.vicat.fr and copies can be obtained at the Company's registered office.

The Company's by-laws and the minutes of General Meetings, the Company and consolidated financial statements, auditors' reports and all other Company documents can be consulted in hard copy at the Company's registered office.

25

Information on holdings



Information concerning companies in which the Group holds a share of the capital likely to have a significant effect on the appreciation of its assets, its financial position or its results are described in section 7.2 “Information on subsidiaries and holdings” of this Registration Document and in note 34 to the consolidated financial statements of December 31, 2011 appearing in section 20 “Financial information” of this Registration Document.

Appendix 1

Dear Shareholders,

In application of the provisions of article L. 225-37, paragraph 6, of the French Commercial Code, I report herein on:

- the composition and the conditions for preparation and organization of the work of your Board of Directors during the financial year ended on December 31, 2011,
- the internal control and risk management procedures established by the Company,
- the policy for remuneration of the Company's officers,
- the scope of powers of the Chairman and of the CEO.

1. Preparation and organization of work of the Board of Directors

Your Board of Directors met twice in the last financial year. The dates and the agendas of the board meetings were as follows:

Meeting of February 25, 2011:

- Presentation of the business report,
- Approval of the unconsolidated financial statements for the year ended December 31, 2010,
- Approval of the consolidated financial statements for the year ended December 31, 2010,
- Review of the reports of the Board of Directors' committees (Audit Committee and Remunerations Committee),
- Approval of the President's report on corporate governance and internal control,
- Presentation of the 2011 budget,
- Share buy-back program,
- Delegation of powers as stipulated by the share buy-back program,
- Renewal of the mandates of three Directors,
- Allocation of earnings,
- Directors' fees of the presence,
- Authorization for a bond issue,
- Authorization to issue guarantees,
- Increase in capital equity for employee plans,
- Change to the by-laws,
- Regulated agreements,
- Convening of the Combined General Meeting and setting of the agenda,
- Sundry items.

All the members of the Board attended this meeting, as well as company's auditors and the four Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

Meeting of July 31, 2011:

- Business report,
- Analysis of the financial statements as at June 30, 2011,
- Earnings forecasts for 2011,
- Benchmarking of cement companies in 2010,
- Appointments and organization,
- Sundry items.

All the members of the Board attended this meeting, as well as the auditors Wolff and the four Works Council representatives. Apologies for absence were received from KPMG, auditors.

The resolutions tabled during this meeting were all adopted unanimously.

Each director had been sent with the notice convening the Board meetings, all the documents and information necessary to fulfill his function. The minutes of the Board meetings were drafted at the end of each meeting.

■ **Composition of the Board of Directors:**

The Company is managed by a Board of Directors composed of at least five and no more than twelve members, appointed by the General Meeting of shareholders for a term of three or six years.

As at December 31, 2011, the Board of Directors consisted of 10 members listed in an appendix to this report, which also shows the list of appointments filled by each director in other companies in the Group.

The Board of Directors consists of individuals who have industry knowledge, specific knowledge of the Group's businesses, technical experience, and/or experience in management and the financial sector.

As at December 31, 2011, the Board of Directors included among its members six independent directors:
Mr. Raynald Dreyfus, P&E Management (Company owned by Mr. Paul Vanfrachem), Mr. Jacques Le Mercier, Mr. Pierre Breuil, Mr. Bruno Salmon and Mr. Xavier Chalandon. Directors not maintaining any direct or indirect relationship or not having any link of particular interest with the Company, its subsidiaries, its shareholders or its management are regarded as independent directors. Moreover, the Company considers as an independent director, a person who is not bound to the Company or to the Group by an employment contract, a contract for the provision of services or by a situation of subordination or dependency with respect to the Company, the Group, its management or major shareholders or by a family tie with the majority shareholder.

Under the law of 27 January 2011 on the principle balanced representation of men and women the Board of Directors, it is recalled that Ms. Sidos Sophie is a member of the Council. In addition, the Council search the desired balance in its composition to meet the obligations referred in accordance with deadlines required by law.

■ **Committee composition:**

The Board of Directors has an audit committee and a remunerations committee.

The committees are made up of three members, all independent directors appointed by the Board of Directors on the President's proposal and chosen on the basis of their competencies. Committee members are nominated for the duration of their term as director. They can be re-elected.

The committees members can be removed at any time by the Board of Directors, which does not have to justify its decision. A committee member may resign his/her role without having to provide reasons for his/her decision.

Each committee is chaired by a chairman appointed by a majority decision of the committee members. The chairman of the committee sees to its proper operation, in particular concerning convening orders, holding of meetings and the provision of information to the Board of Directors.

Each committee appoints a secretary from among the three members or from outside the committee and Board of Directors.

The composition of the committees is as follows:

Audit committee:

- Mr. Raynald Dreyfus, Chairman of the committee,
- Mr. Jacques Le Mercier,
- Mr. Pierre Breuil.

Remunerations committee:

- Mr. Paul Vanfrachem, Chairman of the committee,
- Mr. Raynald Dreyfus,
- Mr. Xavier Chalandon.

■ **Operating details:**

Meetings:

Audit committee: twice a year and more often at the request of the Board of Directors.

Remunerations committee: once a year and more often at the request of the Board of Directors.

The proposals before the committees are adopted by simple majority of the members present, each member having one vote. The members may not be represented by proxies at committee meetings.

The deliberations of the committees are recorded in minutes entered in a special register. Each committee reports to the Board of Directors on its work.

The Board of Directors may allocate remuneration or attendance fees to committee members.

■ **Audit committee role:**

The Audit Committee's role consists in particular in:
- examining the annual and half-yearly financial statements, both consolidated and unconsolidated (with particular attention to the consistency and the relevance of the accounting policies used),
- monitoring the process for preparation of the financial information,
- understanding the internal procedures for gathering and verifying the financial information that ensure the accuracy of the consolidated information,
- monitoring the effectiveness of the internal control and risk management systems,
- examining the applications of the Auditors whose nomination will be put forward to the General Meeting of shareholders;
- examining on an annual basis the fees for the Auditors, as well as their independence.

The audit committee met twice in 2011, with a 100 % attendance rate. It looked at the following issues:

Meeting of February 17, 2011:
- Calendar and financial information,
- Presentation of the 2010 financial statements and key business figures,
- Refinancing and financial structure of the Group,
- Internal control and audit,
- Risk management,
- Auditors.

Meeting of July 26, 2011:
- Presentation of the financial statements as at the June 30, 2011,
- Management of liquidity, financing and interest rate risks,
- Management of exchange rate risk,
- Management of trade receivables,
- Obligations on companies in relation to environmental and social matters,
- Internal audit works.

■ **Remunerations committee role:**

The remunerations committee is responsible for:
- examining the remunerations of managers and employees (fixed part, variable part, bonuses, etc.) and in particular their amounts and their distribution;
- studying the share subscription or purchase option plans and in particular as far as the beneficiaries are concerned, the number of options that could be granted to them, as well as the term of the options and the subscription price conditions and any other form of access to the company's share capital in favor of directors and employees;
- studying certain benefits in particular relating to the pension plan, health and welfare benefit plan, invalidity insurance, life insurance, education allowance, civil liability insurance for directors and senior managers of the Group, etc.

The remunerations committee met once in 2011 with a 100 % attendance rate. It looked at the following issues:
- Study of the Vicat SA remuneration system,
- Remunerations policy for 2011 and agreements with trade unions and employers' organizations,
- Remunerations of the Group's senior managers.

2. Internal control and risk management procedures

Internal control in the Group consists in particular on:
- financial control reporting to the Finance Department and responsible for ensuring compliance with standards, procedures, regulations and good practice,
- management control reporting to the General Management of the various businesses,
- internal audit reporting to the Chief Executive Officer of the Group.

Internal audit staffed with newly hired intended subsequently to take on the role of management controllers or financial controllers, in particular in the Group's subsidiaries abroad. Since 2008, three members of staff have developed their career in this way.

The Group's internal control has thus increased its numbers steadily in recent years, through the professional development of staff from internal audit and also through direct strengthening of the management control function with senior staff.

In addition, a number of management controllers in post will receive specific supplementary training on internal control.

■ **Definition and objectives of internal control**

According to the AMF reference framework, which the Company has chosen to apply, internal control is a measure used to ensure:
- Compliance with laws and regulations;
- Application of the instructions and directions set by General Management;
- Proper operation of Group internal processes, in particular those serving to protect assets;
- Reliability of financial information.

This measure consists in a set of resources, behaviors, procedures and actions adapted to the Group's characteristics that contribute to controlling its activities, to the effectiveness of its operations and to the efficient use of its resources.

It should also allow the Group to take into account significant risks, whether operational, financial or compliance risks. Nonetheless, like any management control system, it cannot provide an absolute guarantee that these risks have been completely eliminated.

■ **Application scope**

The scope selected for internal control is the parent Company and all the subsidiaries that it controls exclusively or jointly.

■ Description of internal control components

The internal control process is based on an internal organization that is adapted to each of the Group's activities and is characterized by the extensive senior management responsibility for operational control.

The Group specifies procedures and operating principles for its subsidiaries, particularly in relation to the development and treatment of accounting and financial information, and taking into account the risks inherent in each of the businesses and markets in which the Group operates, in compliance with the directives and common rules defined by the Group's management.

As far as tools are concerned, the Group steers and monitors the course of its industrial (in particular supply, production and maintenance), and commercial (sales, shipping and credit management) activities, and converts this information into accounting information using either integrated software packages recognized as standard on the market, or specific applications developed by the Group's Information Systems department.

In this context, the Group has been engaged since 2009 on a progressive updating of its information systems, with a view to standardizing the tools used, improving the security and speed of the processing of data and transactions and facilitating the integration of new organizations. This overhaul involves the technical infrastructure on the one hand and the transaction processes and applications supporting such processes on the other. This has led the Group to embark at the beginning of 2012 on the introduction of SAP integrated business management software into Vicat SA in France. This project will be extended in the coming years to the Group's other French businesses and then to its international businesses.

The Company has set up a system for steering by General Management and the management units concerned, allowing for informed and quick decisions. This system comprises:
- daily reports of production from the plants;
- reviews of weekly activity by the operational unit (country or subsidiary);
- monthly operational and financial reviews (factory performance, industrial and commercial performance indicators) analyzed by the Group's financial controllers with reference to the budget and to the previous financial year;
- monthly reports presenting the consolidated results broken down by country and sector of activity, and reconciled with the budget;
- monthly consolidated cash flow and indebtedness reports broken down by country and sector of activity;
- regular visits by General Management to all subsidiaries, during which the results and the progress of commercial and industrial operations are presented, allowing them to assess the implementation of guidelines and to facilitate exchanges and decision-making.

With a view to improving the coherence and consistency of financial reporting, simplifying report production, automating consolidation and facilitating the use of consolidated information, a project to set up an overall system for uniform monthly reporting and budgeting was initiated in 2008 and implemented in the major part of the Group in the first half of 2010. 2012 will be devoted essentially to extending it to developing countries (Kazakhstan and India). Since mid-2010, the project has also been subject to a program of continuous improvement and enhancement of the management performance indicators.

■ Risk analysis and management

Risk management is included in the responsibilities of the various levels of operational management. If applicable, the various reports on activities described above include items on risk.

Major risks are then analyzed and, if applicable, managed in conjunction with General Management. An overview of the main risks that the Group is exposed to is presented every year in section 4 of the Registration Document published by the company; in particular, this addresses:
- industrial risks including those related to industrial equipment and to product quality defects, and those related to the environment;
- market risks: in particular, exchange rate risks, conversion risks, risks related to liquidity and to interest rates.

Internal Audit has undertaken a process of risk identification and analysis. After an identification phase involving interviews with the Group's key operational and functional managers, this made it possible to map the Group's risks at the end of a period of analysis with General Management. This risk matrix is regularly reviewed and updated if necessary.

The Internal Audit department is attached to the Group's General Management and can intervene in all the Group's activities and subsidiaries. It conducts its works on the basis of an annual audit plan aimed at covering the main risks identified in the company, in particular those related to accounting and financial information.

The audits are the subject of reports presented to management, General Management and the Audit Committee. They comprise overview report specifically targeted at Senior Management, and detailed reports used among other things to make the operational staff concerned aware of any findings and recommendations proposed.

The implementation of action plans is the subject of formal monitoring by the Internal Audit department in a specific report.

3. Corporate governance

Pursuant to the law of July 3, 2008, which implements community directive 2006/46/EC of June 14, 2006, the Company has decided to apply the AFEP-MEDEF code of corporate governance on "Corporate Governance of Listed Companies" of October 23, 2003, which is available on the website www.medef.fr.

4. Remuneration of the Company's officers

■ Policy on remuneration of the Company's officers

The Company believes that the AFEP-MEDEF recommendations of October 6, 2008 relating to the remuneration executive officers of listed companies comply with principles of good governance to which the Company has always subscribed and has decided to apply these recommendations.

The Company's position with respect to these recommendations is as follows:
- measures have been taken to ensure that Company executive officers are not bound to the Company by an employment contract;
- no severance pay is provided for Company executive officers;
- the additional pension plans applicable in the Company that Company executive officers and some non-executive officers benefit are subject to strict rules. The amount of the additional pension benefits may, in particular, not result in the beneficiaries receiving, under all pension benefits, an amount exceeding 60 % of the reference salary;
- the Company has not instituted a share purchase or share subscription option policy or a performance-related share award scheme;
- in accordance with the recommendations on transparency for all items in the remuneration package, the Company will adopt the standardized presentation defined by AFEP and MEDEF and will publish this information, in particular in its Registration Document.

■ Policy for determining the remuneration of the non-executive directors

The Chairman of the Board of Directors has, in accordance with the recommendations of the MEDEF on corporate governance, monitored compliance with the following principles:

a) Exhaustiveness

The remuneration of non-executive directors was determined and evaluated overall for each of them.
It comprises:
- a fixed remuneration
- attendance fees
- a top-up pension plan
- benefits in kind.

For the record, no director receives a variable remuneration, or share options, or a free share allotment, or severance payments.

b) Benchmarking

The remuneration of the non-executive directors was compared with the remuneration published by French companies and groups in the same sector, and with reference to industrial companies comparable in terms of earnings or sales. This revealed that current the remunerations are lower than average remunerations.

c) Consistency

The consistency of remunerations between the various non-executive directors could be checked on the basis the following criteria:
- professional experience and training
- years of service
- level of responsibility.

d) Simplicity and stability of the rules

The absence of variable remuneration and allocation of share options or free allocation of shares allows for simplicity and stability in the rules for setting remunerations.

e) Measurement

The remuneration of the non-executive directors, taking into account the amount and the fact that it is largely of a fixed nature, are compatible with the general interests of the Company and are consistent with market practices in this sector of industry.

■ Policy of allocating share options and free allocations of shares

The Company has not instituted a share options policy or a free share award scheme.

5. Participation of shareholders in the General Meeting

The participation of shareholders in the General Meeting is not subject to specific details or procedures and is governed by the law and by article 25 of the Company by-laws reproduced below:

ARTICLE 25 - ATTENDANCE AND REPRESENTATION AT MEETINGS

Any shareholder may participate in the Meetings in person or by proxy on proof of ownership of his/her shares, if he/she is entitled, under the statutory and regulatory terms, to registration of his/her shares in his/her own name or that of the intermediary registered on his/her behalf pursuant to article L. 228-1 of the Commercial Code at 0.00 hours (Paris time) on the third working day preceding the date of the Meeting, either in the registered shares accounts kept by the Company or in the bearer shares accounts kept by the registered intermediary.

The registration for accounting purposes of the shares in the bearer shares accounts kept by the authorized intermediary is confirmed by a certificate of holding issued by the latter pursuant to the applicable statutory and regulatory terms.

Participation in the Ordinary General Meetings is subject to proof of at least one share.

6. Powers of the Chairman and of the CEO

In accordance with article 21 of the Company by-laws, the Board of Directors decided by a decision of March 7, 2008 to opt for a separation of the functions of Chairman of the Board of Directors and Chief Executive Officer.

Mr. Jacques Merceron-Vicat has been reappointed as Chairman of the Board of Directors for the remaining duration of his term of office as Director, i.e. until the General Meeting of 2016, which will be called upon to approve the financial statements for the year ending on December 31, 2015.

Mr. Guy Sidos has been reappointed as CEO for the duration of the term of office of the Chairman of the Board of Directors, i.e. until the General Meeting of 2016, which will be called upon to approve the financial statements for the year ending on December 31, 2015.

No limitation was placed on the powers of the Chairman of the Board of Directors or those of the CEO.

Executed in Paris

on February 29, 2012

The Chairman of the Board of Directors

List of offices and functions exercised within the Group as at December 31, 2011

(Article R. 225-102-1 of the Commercial Code)

Mr. Jacques MERCERON-VICAT		
Vicat	France	Chairman
Béton Travaux	France	Chairman
National Cement Company	USA	Chairman
Aktas Insaat Malzemeleri Sanayi Ve Ticaret A.S.	Turkey	Director
Bastas Baskent Cimento Sanayi Ve Ticaret A.S.	Turkey	Director
Konya Cimento Sanayi A.S.	Turkey	Director
Bastas Hazir Béton Sanayi Ve Ticaret A.S.	Turkey	Director
Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.	Turkey	Director
Sococim Industries	Senegal	Director
Sinaï Cement Company	Egypt	Director
Vicat Egypt for Cement Industry	Egypt	Chairman
Mynaral Tas Company LLP	Kazakhstan	Member of Supervisory Board
Jambyl Cement Production Company LLP	Kazakhstan	Member of Supervisory Board
Vicat Sagar Cement Private Limited	India	Director
Bharathi Cement Corporation Private Limited	India	Director
BSA Ciment SA	Mauritania	Director

Mr. Guy SIDOS		
Vicat	France	CEO-Director
Béton Travaux	France	CEO
Parficim	France	Chairman
Béton Vicat	France	Nominee of Béton travaux Director
Papeteries de Vizille	France	Chairman
BCCA	France	Nominee of Vicat Director
National Cement Company	USA	CEO
Sococim Industries	Senegal	Nominee of Parficim Director
Bastas Hazir Béton Sanayi Ve Ticaret A.S.	Turkey	Director
Aktas Insaat Malzemeleri Sanayi Ve Ticaret A.S.	Turkey	Director
Konya Cimento Sanayi A.S.	Turkey	Director
Bastas Baskent Cimento Sanayi Ve Ticaret A.S.	Turkey	Director
Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.	Turkey	Director
Sinaï Cement Company	Egypt	Vice-Chairman Director
Vicat Egypt for Cement Industry	Egypt	Vice-Chairman Director
Vigier Holding A.G.	Switzerland	Director
Vigier Management	Switzerland	Director
Ravlied Holding AG	Switzerland	Director
Cementi Centro Sud	Italy	Director
Mynaral Tas Company LLP	Kazakhstan	Member of Supervisory Board
Jambyl Cement Production Company LLP	Kazakhstan	Member of Supervisory Board
Vicat Sagar Cement Private Limited	India	Director
Bharathi Cement Corporation Private Limited	India	Director
BSA Ciment SA	Mauritania	Director

Mr. Louis MERCERON-VICAT		
Vicat	France	Director
Béton travaux	France	Nominee of Vicat Director
BCCA	France	Chairman-CEO
Aktas Insaat Malzemeleri Sanayi Ve Ticaret A.S.	Turkey	Director
Bastas Baskent Cimento Sanayi Ve Ticaret A.S.	Turkey	Director
Konya Cimento Sanayi A.S.	Turkey	Director
Bastas Hazir Béton Sanayi Ve Ticaret A.S.	Turkey	Director
Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.	Turkey	Director
Sococim Industries	Senegal	Director
Sinaï Cement Company	Egypt	Director
Mr. Xavier CHALANDON		
Vicat	France	Director
Mr. Raynald DREYFUS		
Vicat	France	Director
Mr. Jacques LE MERCIER		
Vicat	France	Director
Mrs Sophie SIDOS		
Vicat	France	Director
Mr. Paul VANFRACHEM (P & E Management)		
Vicat	France	Director
Mr. Bruno SALMON		
Vicat	France	Director
Mr Pierre Breuil		
Vicat	France	Director
Mr. Raoul de Parisot		
Vicat	France	COO
Satma	France	Chairman
Vicat International Trading	France	Chairman
Cementi Centro Sud	Italy	Chairman
Vigier Holding A.G.	Switzerland	Chairman
Vigier Cement	Switzerland	Director
Vigier Management	Switzerland	Director

Appendix 2

Statutory auditors' report

Prepared in accordance with article L. 225-235 of the French Commercial Code on the report of the Chairman of the Board of Directors of Vicat SA.

Statutory auditors' report prepared in accordance with Article L.225-235 of the French Commercial Code (Code de commerce) on the report prepared by the Chairman of the Board of Directors of Vicat SA

Year ended 31 December, 2011

To the Shareholders,

In our capacity as statutory Auditors of Vicat SA, and in accordance with article L. 225235 of the French Commercial Code ("Code de commerce"), we hereby report to you on the report prepared by the Chairman of your Company prepared in accordance with Article L. 225-37 of the French Commercial Code, for the year ended 31 December, 2011.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval report on the internal control and risk management procedures implemented by the Company and containing the other disclosures required by Article L. 225-37 of the French Commercial code particularly in terms of the corporate governance measures.

It is our responsibility:
- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information,
- and to attest that this report contains the other disclosures required by Article L. 225-37 of the French Commercial code ("Code de commerce"), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L.225-37 of the French Commercial Code (Code de Commerce).

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37 of the French Commercial Code (or French Commercial Law) (Code de commerce).

Paris La Défense, March 8, 2012
KPMG Audit - Division of KPMG SA
Bertrand Desbarrières - *Partner*

Chamalières, March 8, 2012
Wolff & Associés SAS.
Grégory Wolff - *Partner*

Appendix 3

Annual information

Article 222-7 of the general regulations of the AMF)

List of information published or made public during the last twelve months and connected to the listing of the shares on Euronext Paris

1. Registration Documents

Date	Title
03/18/2011	2010 Registration Document—filed with the AMF March 18, 2011—No. D.11-0148

Documents available in electronic form on the websites of the AMF (www.amf-france.org) and of the Company (www.vicat.fr) and free of charge as a printout on paper on request sent to the registered office of the Company.

2. Press releases published and available on the website of the AMF (www.amf-france.org) and/or the website of the Company (www.vicat.fr)

Date	Title
03/12/2012	2011 results
02/02/2012	Sales as at December 31, 2011
01/05/2012	VICAT liquidity agreement half-yearly balance sheet as at December 31, 2011
12/20/2011	Timetable for financial communications for 2012
11/03/2011	Sales as at September 30, 2011
08/31/2011	Half yearly financial report
08/31/2011	Means by which the half yearly financial report is available
08/04/2011	Results for the 1st half of 2011
07/07/2011	VICAT liquidity agreement half-yearly balance sheet as at June 30, 2011
06/14/2011	Revolving credit line successfully finalized
05/06/2011	Report of the General Meeting
05/03/2011	Sales as at March 31, 2011
03/21/2011	2010 Registration Document available
03/18/2011	2010 Registration Document and annual financial report
03/02/2011	2010 results
02/02/2011	Sales as at December 31, 2010
01/19/2011	Vicat acquires LouisThiriet & Cie
01/12/2011	Operation to refinance the Group's debt is successful
01/07/2011	Timetable for financial communications for 2011
01/07/2011	Half yearly balance sheet of Vicat as at December 31, 2010

3. Other information available on the website of the AMF (www.amf-france.org) and/or the website of the Company (www.vicat.fr)

Date	
03/06/2012	Statement of voting rights as at February 29, 2012
02/06/2012	Statement of voting rights as at January 31, 2012
01/04/2012	Statement of voting rights as at December 31, 2011
12/06/2011	Statement of voting rights as at November 30, 2011
11/04/2011	Statement of voting rights as at October 31, 2011
10/04/2011	Statement of voting rights as at September 30, 2011
09/09/2011	Statement of voting rights as at August 31, 2011
08/02/2011	Statement of voting rights as at July 31, 2011
07/07/2011	Statement of voting rights as at June 30, 2011
06/08/2011	Statement of voting rights as at May 31, 2011
05/10/2011	Statement of voting rights as at April 30, 2011
04/07/2011	Statement of voting rights as at March 31, 2011
03/04/2011	Statement of voting rights as at February 28, 2011
02/07/2011	Statement of voting rights as at January 31, 2011
01/05/2011	Statement of voting rights as at December 31, 2010

4. Press Releases

Date		Title
03/17/2012	Investir	2011 annual results
03/15/2012	Le Figaro	2011 annual results
03/13/2012	Les Echos	2011 annual results
08/08/2011	Le Figaro	2011 1st half results
08/06/2011	Investir	2011 1st half results
08/05/2011	Les Echos	2011 1st half results
05/14/2011	Investir	Report of the General Meeting
05/09/2011	Les Echos	Report of the General Meeting
04/04/2011	Les Echos	Notice of the General Meeting
04/02/2011	Investir	Notice of the General Meeting
04/01/2011	Le Figaro	Notice of the General Meeting
03/05/2011	Investir	2010 annual results
03/04/2011	Le Figaro	2010 annual results
03/03/2011	Les Echos	2010 annual results

5. Declaration of the managers' operations on the Company's shares available on the site of the AMF (www.amf-france.org) and/or on the Company's website (www.vicat.fr)

Published online on the website of the AMF on the following dates: 03/16/2012; 02/07/2012; 12/13/2011; 11/23/2011; 10/03/2011; 09/14/2011; 08/12/2011; 06/06/2011; 03/ 07-17-18-23/2011; 01/06/2011

6. Declarations of the transactions on the Company's shares available on the website of the AMF (www.amf-france.org) and/or on the Company's website (www.vicat.fr)

Published online on the website of the AMF on the following dates: 03/05/2012; 02/06/2012; 01/04/2012; 12/05/2011; 11/04/2011; 10/04/2011; 09/07/2011; 08/02/2011; 07/07/2011; 06/08/2011; 05/10/2011; 04/13/2011; 03/04/2011; 02/04/2011

7. Information published in the Bulletin des annonces légales obligatoires (BALO) available on the following Internet site: www.journal-officiel.gouv.fr

Date	Type of information
07/29/2011	Approval of the accounts for 2010
05/18/2011	Voting rights at the Combined General Meeting of May 6, 2011
03/18/2011	Notice of the Combined General Meeting on May 6, 2011

8. Information submitted to the Registry of the Commercial Court of Nanterre, available from the Registry of the Commercial Court of Nanterre and indexed on www.infogreffe.fr

Company: Vicat, identified in the RCS of Nanterre by the number 057 505 539.

Document date	Type of information
09/27/2011	Minutes of the Board of Directors' meeting of September 31, 2011 – appointment of one Chief Operating Officer
06/03/2011	Minutes of the Combined General Meeting of May 6, 2011 – amendments to the by-laws
05/27/2011	Filing of the 2010 unconsolidated and consolidated accounts

Appendix 4

4

Elements constituting the annual financial report and management report 2011

To facilitate its consultation, the following table identifies the main information that must appear in the financial report.

Headings in the annual financial report	Section
Attestation of the person responsible	Section 1
Financial statements	Section 20.3
Statutory auditors' report on the financial statements	Section 20.3.4
Consolidated financial statements	Section 20.2
Statutory auditors' report on the consolidated financial statements	Section 20.2.3
Management report:	
- Analysis of business, financial position and results	Sections 9.2 and 10
- Description of the main risks and uncertainties	Section 4
- Information on questions related to the environment	Section 8.2
- Information relating to research and development activities	Section 11
- Information on employment-related questions	Section 17
- Information on the share purchase programs	Section 21.1.3
- Company Shareholding	Section 18.1
- Information on exceeding of thresholds and distribution of share capital	Section 18
- Trends and objectives	Section 12
- Employee holdings in the company's shares	Section 20.3.3
- Remuneration benefits of all types paid to each of the attorneys-in-fact	Section 20.2.2
- Dividends distributed in the last three years	Section 20.5
- Mandates and functions performed by each of the company's attorneys-in-fact	appendix 1
- Summary of transactions conducted by the directors in the company's shares	Section 17.4
- Expenses written back pursuant to article 39.4 (surplus depreciation)	Section 20.3.3
- Suppliers payment period	Section 20.3.3
Statutory auditors' fees	Section 20.4
Report from the Chairman of the Board on the preparation and organization of work of the Board and the internal control procedures set up by the Company	appendix 1
Report of the statutory auditors on the Chairman of the Board's report	appendix 2
List of all information published by the Company or made public during the last 12 months	appendix 3

Glossary

Additive	Chemical incorporated in low doses (less than 5 % of the mass of cement) in concrete or mortar in order to modify some of its properties. It is incorporated either before or during mixing, or during an additional mixing operation.
Aggregate	Component of the concrete. Grouping of mineral grains that one indicates, according to their dimension which is between 0 and 125 mm (the dimension is the length on the side of the square mesh of the sieve through which the grain can pass): fillers, fine sands, sands or fine gravels. There are natural aggregates resulting from movable or massive rocks when they do not undergo any treatment other than mechanical and artificial aggregates when they come from the thermal or mechanical transformation from rocks or ores. Natural aggregates can be rolled, of round form of alluvial origin or be crushed, of angular form resulting from quarry rocks. The nature of the links between the aggregates and the cement paste strongly influences the strength of the concrete.
Alternative fuel	Combustible by-product or waste product used as a fuel to produce heat as a replacement for a “premium” fuel (fuel oil, coal, petroleum coke). Also known as a “non-conventional fuel”.
Auto-leveling or auto-levelable	This means fluid mortars or concretes which, without being really self-smoothing, are extended by simple passage of a hawk or mason’s rule to give a very plane surface.
Auto-smoothing	Qualifies the coatings of finishing or smoothing of the grounds, characteristics of which are that they can be distributed easily, in a smoothing machine (some even with a brush), before they tighten and themselves correct, by creep, inequalities left by the spreading-out tool.
Bag filter	Used to vacuum-clean gases, the bag filter consists of several hundreds of fabric sleeves placed in several rooms laid out in parallel. At their crossings, the gases give up their dust in the pockets which are emptied periodically and alternatively by mechanical striking or blowing air against the flow.
Bagging machine	Automated bagging system. In a cement factory, its capacity can reach 5,000 bags/hour. The rotating assembly is provided with nozzles (8 to 16) and is fed with empty bags by arms or by projection from one or two peripheral stations. The central silo feeds the nozzles assembled on the weighing rockers. The automatic extraction is carried out during rotation; the bags are recovered by belt which feeds the palletization device.
Ball mill	Consists of a grinding tube rotating about a horizontal axis. Rotation drives the balls which fall on the material which crosses the cylinder causing its grinding more and more finely thus. The interior wall of the shell is protected from wear by shielding.
BHP	Abbreviation for “high performance concrete” in French. This concrete-rendered particularly compact by its formulation, therefore of low porosity-has a mechanical strength (from 60 to 120 MPa) and durability much higher than those of the current concretes.
Binder	Material having the property to pass - under certain conditions (in the presence of mixing water for the hydraulic binders) -from the plastic state to a solid state; it is thus used to assemble between them inert materials. Component of the concrete which, following the setting process, ensures consistency of the aggregates.
Burner	Combustion device placed in the axis of the revolving kiln supplied with fuel, coal, gases or alternative fuels burners can burn several types of fuels simultaneously. Flows can reach 15 to 20 tonnes/hour in the largest kilns. Air blown into the burner under pressure ensures the start of the formation and the modeling of the flame (air termed “primary”). The remaining air for combustion comes from recovering the hot air obtained during cooling of the clinker (air termed “secondary”).
Calcination	Conversion of a limestone into lime by firing at high temperature.
Calorie	Thermal energy measuring unit: a calorie is the quantity of energy necessary to increase the temperature of one gram of water by 1°C. Currently, the official unit of the International System is the joule (J): one joule = 0.239 cal. The watt-hour is also used in practice (Wh: 1 Wh = 3,600 J) and the kilowatt-hour (1 kWh = 860,000 cal = 3.6×106 J); in the cement industry, megacal (HT), or megacalorie (1 th = one million cal).
Carbonation	Chemical reaction of combination of free lime of the concrete with the carbon dioxide of the air.
CEM	This designation characterizes cement in conformity with the European standard IN 197-1. CEM cements consist of various materials and are of statistically homogeneous composition.

CEM I (formerly CPA-CEM I)	This designation according to the standard NF IN 197-1 characterizes the type of cement "Portland cement", i.e. cement consisting of at least 95 % clinker.
CEM II (formerly CPJ-CEM II)	This designation according to the standard NF IN 197-1 characterizes cements of which the most common are "composite Portland cement" (the letter "M" then supplements the designation of the cement), "Portland cement with Limestone" (the letter "L" supplements the designation of cement then), "Portland cement with Slag" (the letter "S" then supplements the designation of cement) or "Portland cement with silica fume" (the letter "V" then supplements the designation of the cement). A CEM II cement has a clinker content: • either from 80 to 94 %; this cement is then designated "CEM II/A"; • or from 65 to 79 %; this cement is then designated "CEM II /B".
CEM III (formerly CHF-CEM III)	This designation according to the standard NF IN 197-1 characterizes the type of cement "Blast furnace cement" made up of clinker and blast furnace slag, in the following alternative proportions: • 35 to 64 % clinker and 36 to 65 % slag; this cement is then designated CEM III/A; • 20 to 34 % clinker and 66 to 80 % slag; this cement is then designated CEM III/B; • 5 to 19 % clinker and 81 to 95 % slag; this cement is then designated CEM III/C.
CEM IV (formerly CPZ-CEM IV)	Designates "pozzolanic cement" which is not marketed in France.
CEM V (formerly CLC-CEM V)	Designates "Composite cement" little used in France.
Cement	Hydraulic binder, i.e. a fine powder which, mixed with water, forms a paste which sets and then hardens following reactions with the water. After hardening, this paste preserves its strength and its stability even under water.
Certification	Informative identification of the specific characteristics and recognized qualities of a product, established after tests by an approved organization by the administrative authorities; certification commits the manufacturer to follow-up and permanent checks for compliance of the product with the certification endorsements.
Clay	Compact and impermeable sediment, becoming plastic, malleable and more or less thixotropic in the presence of water. According to its smoothness, it shows variable physicochemical characteristics. With its composition based on silico-aluminates, clay is present in the raw materials for manufacturing cements and hydraulic lime (30 to 40 %). It is present in more or less great quantity in the marls. Clays are generally rich in impurities (mica, quartz, granite). Refer to: marl.
Clinker	Basic component of cement, composed of four major biogenic salts: limestone, silica, alumina and iron oxide. It is obtained by firing at a high temperature in a cement kiln.
Clinkerisation	Conversion of raw materials (limestone, silica, alumina and iron oxide) into clinker, taking place at a temperature of 1,450°C.
Coal	Fuel of vegetable origin, transformed over millennia into more or less pure carbon, by carbonization. Despite the competition of oil, gas and electricity, coal remains an important fuel, especially in industry, the power stations and the boiler rooms of multiple occupancy housing and major units. Coals are classified according to their oxygen and water content (anthracites, thin and ¼ fats, semi-fat, fatty, blazing, lignites) and their dimension (braisette, nut, brick, large, etc.).
Coating	Surface coating (approximately 2 cm for traditional coatings) made up of a cement mortar and/or hydraulic lime, intended to cover a wall, in order to homogenize its surface and to waterproof it. There are traditional coatings (which require three layers), double-layered ones, finally single layer ones (based on industrial mortars and applied in two passes).
Composite Portland cement	Cement containing clinker, a setting regulator and a proportion of fly ash, limestone or slag.
Concrete	Building material formed by a mixture of cement, aggregates and of water, possibly supplemented by additives and additions. This mixture, which is created on the building site or in factory at the plastic state, can adopt very diverse forms because it is castable; it hardens gradually to form a monolith finally. According to its formulation, its use and its surface treatment, its performances and its appearance can vary considerably.

Concrete accelerator	Mortar or concrete additive introduced into mixing water in order to decrease the setting time by accelerating the hydration of the cement.
Concrete batching plant	Fixed equipment for industrial production of ready-mixed concrete.
Concrete mixer	Machine used to manufacture concrete on a building site. It includes a tank, turning on a horizontal or slightly inclined axis, where the components of the concrete are mixed. The mixture thus obtained is then poured into the formwork.
Conditioning tower	Tower laid out at the exit of the fume from the pre-heating tower in order to cool it and humidify it in order to optimize the output of the electrostatic precipitator located downstream. Refer to: electrostatic precipitator.
Constituents of cement	Grouping of materials defined by the standard NF P 15-301 entering into the composition of cement in a proportion varying according to the type of cement. The various components are Portland clinker, granulated blast furnace slag, natural pozzolanas, fly ash, calcined schists, limestones, silica fume.
Cooler	Apparatus located at exit of a clinker kiln intended to cool clinker at 1,400°C to ambient temperature. The grid coolers and coolers with perforated plates are the most common types; traditional coolers consist of a series of mobile rows of plates which push the clinker towards the discharge point (arranged in a bed of material from 60 to 90 cm in thickness). Air blown upwards through the plates provides cooling: at the output from the clinker bed, some of the hottest air (secondary air) goes back up into the kiln to feed combustion, excess air rises at the back of the apparatus. In modern cooler, all the plates are fixed. They are protected from the hot clinker by a bed of cold clinker. The clinker is moved towards the discharge point by various “rake-type” devices.
Crushed aggregate	Aggregate resulting from crushing rocks.
Crusher	Crushing machine, used especially in a quarry. Crushers can be: • with jaws (with reciprocating motion, nut-cracker principle); • with hammers, for more tender materials; • gyratory, by crushing between reversed vertical cones (fine gravels).
Crushing	Fractioning rocks into small pieces by crushing or hammering.
Decarbonation	Reaction releasing CO_2 contained in raw limestone materials under the action of heat (850 to 950°C). The remaining lime (CaO) then combines with silicates and aluminates to form the clinker. This reaction absorbs much heat, it constitutes the principal item in the heat consumption of the kiln.
Dolomite	Carbonated sedimentary rock, containing at least 50 % of carbonate, of which much is in the form of dolomite. Dolomite: carbonated mineral, dolomite crystal, which can be white (when it is pure).
Electrostatic filter	Electrostatic filter, very widespread in cement works for extracting dust from the kiln gases or the mill chimney. Suspended particles in gases, negatively charged by wire under tension between the plates, are attracted by the plates because of the very strong potential difference applied (50 to 100 kilovolts). The layer of dust collected is collected by striking on the receiving plates. After crossing several rooms, the gases are vacuum-cleaned with an efficiency capable of reaching a few milligrams of dust per cubic meter. The gases must be conditioned beforehand in a conditioning tower. See conditioning tower.
Exhauster	Device for sucking gases or fume out of an appliance under vacuum. Exhausters are used in particular to aspire fume from the clinker kilns or the mill ventilation air. Vacua can reach 1,000 mm of water column.
Energy valorization	Introduction into the production process of by-products, waste or fuels a priori useless in order to use the calorific content for the production of heat. These products replace in whole or in part primary fuels such as coal, fuel or gas. Their use makes it possible to save primary energy resources in energy and prevent them from being destroyed and causing pollution when discharged into the natural environment. For example, in a cement works, tires or waste solvents are fuels for the kiln.
Fine gravel	Aggregate of diameter ranging between 1 and 31.5 mm.
Fines	(a) Set of grains (size range 0/63 μm) passing the 63 μm sieve whatever the component to which it belongs (sands, cement, additions, fillers). (b) The finest particles of the material. Used to designate fine material flow at the output from the separators (as opposed to hulled grains or refusal). Refer to: separator.

Fly ash	By-product of the combustion of coal in power stations used as a source of silica and alumina in the manufacture of clinker, or to replace part of this in the manufacture of composite Portland cement.
Formulation	Operation consisting of defining proportioning - by weight rather than by volume - various components of a concrete, in order to satisfy the requirements of desired strength and aspect.
Fresh concrete	Concrete in the phase which follows mixing and precedes setting, i.e. in a plastic state which allows its transport and its installation. The workability of a concrete is assessed during this phase of its manufacture, by subjecting a sample to a slump test on the Abrams cone.
Fuel	Solid, liquid or gaseous matter which, in the presence of oxygen in air, burns with a strong release of heat, usable for heating. See calorific value.
Fuel oil	Fuel produced from oil refining after extraction of the light gasoline and gasoil fractions. A High Viscosity Fuel, bitumen, is a very heavy fuel oil. Fuel oil and High Viscosity Fuel are used in cement kilns.
Fuel valorization	Introduction into the production process of by-products, waste or fuels a priori useless in order to use the calorific content for the production of heat. These products replace in whole or in part primary fuels such as coal, fuel or gas. Their use makes it possible to save primary energy resources in energy and prevent them from being destroyed and causing pollution when discharged into the natural environment. For example, in a cement factory, tires or waste solvents are fuels for the kiln.
Granulometry	(a) Measurement of the granularity of an aggregate, i.e. spreading out of the particle sizes which it contains, by passage of this one through a series of sieve with square meshes whose dimensions are standardized. (b) Granulometry or granulometric analysis: this is the measurement of the proportion of the various granular sizes of the grains of a powder of a sand or aggregates.
Greenfield	A greenfield factory construction project is a project where the Group undertakes the construction of a cement works on a site where there was no previous cement business. After ensuring the existence and accessibility of sufficient reserves of the natural resources necessary for cement manufacture, the project generally involves designing and establishing the various components of the industrial and commercial process. A so-called brownfield project, on the other hand, is one where there is already a cement business on the site.
Grinding	Second major stage of cement manufacture, which consists of crushing and reducing to powder clinker with the other components of cement.
Grinding	Reduction to powder or very fine pieces. Grinding can be by grinding (minerals), by rubbing (dyes, cement) or by crumbling (refuse). In a cement factory, the grinding shops very generally consist of a grinding device, a separator which makes it possible to turn over to the mill too large materials and a ventilation and dust extraction system.
Grinding agent	Called more familiarly “assistance with grinding”. These are products intended to facilitate the grinding process to the extent of a few hundred grams per tonne of produced cement.
Grinding mill	Grinding machine. In a cement works, this may be a ball mill, roller mill or vertical mill. See “Ball mill”, “Roller mill”, “Horomill®” and “Roller press”.
Gypsum	Natural calcium sulfate or by-product resulting from industries manufacturing phosphoric acid or citric acid. It is added to cement as a setting regulator.
Handiness	State defining the capability of a mortar or a concrete to be transported, handled and used; it is characterized by the consistency and the plasticity of material. Refer to: workability.
Hardening	Stage in the changing of mortars and concretes: after setting, the material passes from the plastic state to a solid state and acquires its strength.
Heat consumption	Expression of the measurement of the calorific exchanges between a closed medium and outside. More specifically for cement kilns, the heat consumption evaluates the heat contributions and compares them with the needs related to the physicochemical conversions and thermal losses.
Homogenization	Operation practiced in cement works to obtain a homogeneous mixture of the components of the raw meal before firing. It can be carried out discontinuously by batch or uninterrupted. Mechanical and/or pneumatic mixing means can be used.
Hopper	Storage device at the height of materials in bulk (sands, aggregates, cement, etc.) made from steel or concrete, truncated in the lower part, a hopper terminate in a device for feeding materials by gravity.

Horomill® — The Horomill® system, developed by the French cement technology Company Fives FCB, comprises a thick shell containing a pressurized roller of diameter equal to half the diameter of the shell. Pressure is exerted on the roller by means of powerful hydraulic jacks. The Horomill® shell turns and 1.5 times the critical speed. The material centrifuged against the shell is detached by scrapers and falls on to a conveyor and, after four or five passes under the pressurized roller which turns freely, leaves the mill.

Hydration (of cements) — Chemical phenomenon by which cement fixes mixing water and triggers the processes of setting and then hardening. This reaction is accompanied by a more or less large release of heat according to the type of cement.

Lime — Binder obtained by more or less siliceous limestone calcination. There are air limes, which harden under the action of carbon dioxide in the air, and hydraulic limes, which set by mixing with water.

Limestone — Sedimentary rock containing primarily calcium carbonate ($CaCO_3$). Calcite is the most stable and most frequent crystalline form. Dolomites constitute a distinct class: they are mixed carbonates (calcium and magnesium). Limestone is one of the basic components of clinker; it contributes the lime necessary to the formation of silicates and aluminates. The magnesia content of limestones used must remain limited to a few per cent in order to avoid on firing the formation of non-combined magnesia likely to cause concrete expansion in the short or the long term.

Marl — Mix of clay and limestone in the natural state in various proportions.
If the limestone rate is lower than 10 %, the marl is known as argillaceous. For higher rates the marl is described as marly limestone. It is generally characterized by its carbonate content (lime and magnesia in a lesser proportion). It is one of the raw materials essential for the manufacture of cement; it brings the argillaceous fraction rich in iron and aluminosilicates. Refer to: content of carbonates.

Material valorization — Introduction into the production process of by-products or waste products in order to use their chemical properties. These products replace in whole or in part products extracted from quarries. Their use makes it possible to save natural mineral resources in energy and prevent them from being destroyed and causing pollution when discharged into the natural environment. For example, in a cement works, foundry sands are incorporated into the raw material to provide silica in place of natural sand and synthetic gypsums (inter alia from the desulfurization of fumes from heat generator units) replace completely or partially natural gypsum or anhydrite in the cement to control the setting time.

Megapascal (mPa) — Unit of pressure measurement used to evaluate the mechanical strength of mortars and concretes.
1 megapascal = 1 newton/mm^2 (formerly 10 bars).

Mixer — Apparatus used to mix the components of the concrete. Two types according to the part which is moving:
- concrete-mixer: the tank turns along a horizontal or slightly tilted axis (gravity is the principal force acting on the mixture);
- mixer: comprises a tank (or trough) and animated pallets of relative movements.

Mixing — Action of mixing the components of the concrete until a homogeneous mixture is obtained.

Mixer truck — Truck equipped with a tilted rotary tank in which the freshly-mixed concrete is kept in motion during its transport to the building site.

Mortar — Mix of cement, sand and water, possibly supplemented by additives and additions. It is distinguished from concrete by its absence of fine gravels. Prepared on the building site - starting from predosed dry industrial mortar or by proportioning and mixing all the components - or delivered on site from a concrete mixing and batching station, mortars are used for producing joints, coatings, screeds and for various sealing, recovery and stopping works.

PCI — Abbreviation of "Lower Calorific Value" in French: quantity of heat released by the complete combustion of 1 kg of fuel, water coming from combustion being in the vapor state. It results from the GCV of fuel by subtraction of the heat absorbed by the vaporization of this water.
For most fuels, PCS (in kcal/kg) = PCI - 5,400 % H where H represents the hydrogen content of the fuel.
Example: heavy fuel oil PCS = PCI - 200 in kcal/kg.
The PCI is evaluated in kilocalories per kilogram (or megacals per tonne) and also in kilojoules/kilogram.

PCS — Abbreviation of "Higher Calorific Value" in French: quantity of heat released by the complete combustion of 1 kg of fuel, water coming from combustion being condensed. It is measured experimentally by the combustion of a given quantity in a calorimetric bomb (almost adiabatic). The PCS is evaluated in kilogram calories per kilogram (or megacals per tonne) and also in kilojoules/kilogram.
Example: PCS = 9,800 kcal/kg or 41,018 kilojoules/kg.

Petroleum coke	By-product of oil refining used as a fuel to produce heat. This fuel, finely ground, is traditionally used in cement kilns.
Portland cement	Basic cement, manufactured containing clinker and a setting regulator.
Pozzolana	Product of volcanic origin composed of silica, alumina and iron oxide which, in the form of fine powder is suitable for combining with lime to form stable compounds having hydraulic properties (hardening under water). By extension indicates natural or artificial materials having the same property. Pozzolanas are components of certain types of cements.
Precalcination	System capable of starting combustion before entry into the kiln and thus reducing the quantity of energy necessary in the kiln.
Precalcinator	Combustion chamber laid out in the base of the pre-heating tower, fed with fuels of all types and hot air for combustion (750 to 900°C) coming from the cooling clinker. The precalcinator can contribute up to 55 % of the heat necessary for satisfactory running of the kiln. Refer to: preheater.
Precast concrete products	Production of construction components away from their final site, in a factory or on a site near the work. Many concrete components can be prefabricated-posts, beams, panels carrying or envelope panels exterior wall, boardings as well as standardized elements blocks, beams, flags, honeycomb flags, tiles and finally parts of roadway systems, drainage systems or urban furniture.
Preheater	Tower comprising a succession of cyclone stages. At each stage, the cooler meal from the stage above is heated on contact with the warmer gas coming from the stage below. The gas/meal mixture is then decanted into the cyclone. The heated meal then drops down to the stage below to be further heated. The cooled gases go up to the stage above to continue heating the meal. At the bottom of the preheater, the meal enters the rotary kiln. Preheaters can also include a precalcinator.
Prehomogenization	Operation practiced in cement factory to obtain a premixing of the raw materials broken up before grinding. It can be carried out discontinuously by batch (constitution of a heap during a few days whereas second is in recovery) or uninterrupted in circular halls (simultaneous eccentric rotation and unloading on the heap and of the recovery).
Proportioning	Quantity of the various components of the concrete (in kg/m^3). Example: proportioned concrete with 350 kg/m^3.
Pumping	Process of routing the concrete, forced from a feed hopper to the pouring site, through tubes. It makes it possible to traverse horizontal distances which may reach 400 m (even 1.5 km) and vertical distances from 100 m (even 300 m).
Quarry	Materials extraction site subject to the provisions governing "Installations Classées pour la Protection de l'Environnement" (sites subject to environmental protection regulations). These sites are generally open air, except for the Chartreuse underground quarries where stone for firing to make fast-setting cement is extracted. Quarries produce the natural raw materials required to make cement or for the manufacture of aggregates for ready-mixed concrete or earthworks. Quarries are generally worked by blasting in the case of solid rock seams. Loose and alluvial materials in or out of water are extracted by machine. Quarries are operated under strict environmental controls in compliance with a Prefectural Order covering an administrative instruction based on a large number of studies, including an impact assessment. As far as possible, reinstatement agreed with the local authority and local community is part of the operation and is carried out as the faces advance. See: "Aggregate", "Raw material". "Ready-mixed concrete".
Raw material	Name given to the raw material dosed before entry into the cement kiln.
Raw meal	Name given to the raw material from the raw mill after grinding (the size of the grains corresponds to that of a baker's flour).
Ready-mixed concrete	Concrete manufactured in an installation away from the construction site or on the construction site, mixed in a fixed mixer, delivered by the producer to the user, in a fresh condition and ready for use.
Refractory (concrete)	Concrete which can resist very high temperatures (up to 1,800°C). Its formulation calls for refractory cements and aggregates. It is used for example to make the inside walls of kilns or chimneys.
Reinforced (concrete)	Concrete in which steel reinforcements - wire, rounds, bars, welded lattices, etc., judiciously laid out, absorb the tractive forces.

Retarder	Additive. Introduced into mixing water, it increases the start and end times for setting of cement in a concrete, a mortar or a purée.
Rolled aggregate	Aggregate of alluvial origin made up of grains of round form.
Roller mill or Vertical mill	An assembly of 2, 4 or 8 rollers (grinding stones) with floating suspension strongly supported by jacks, on a circular plate in rotation. The material to be crushed is deposited on the plate. Under the effect of the centrifugal force the material passes under the rollers where it is crushed. Driven by a strong air current, it supplies a separator which turns over on the table the largest particles. Refer to: separator.
Roller press	Machine comprising two rotating horizontal rollers. The material is ground between the two rollers on which hydraulic jacks exert high pressure. Roller presses can be used as the sole grinding mill, but are often combined with ball mills.
Sand	Aggregate 0/D of diameter < 6.3 mm.
Screed	Cement mortar construction, poured in low thickness (3 to 5 cm) on a concrete floor in order to ensure its flatness.
Self-laying (concrete) (BAP)	Concrete which does not need vibration to be set up, because of its great work-ability. It is also named auto-compacting, or auto-leveling concrete (BAN).
Separator	In a cement works, apparatus laid out in the crushing shops to sort the material at the output from the mill into fine and large particles. Large particles are returned to the mill to be refined. Fines constitute the production. An adjusting device makes it possible to vary the cut of separation in the size of the grains. Refer to: fines.
Setting	Start of the development of the strength of the concrete, mortar or the cement paste. It is characterized by the setting test (NF P 15-431, NF IN 196-3).
Setting regulator	Component of cement intended to slow down the hydration reactions. It is most frequently gypsum and calcium sulfate.
Setting time (measurement)	The setting time for cements is determined by observing the penetration of a needle into a cement paste of standardized consistency ("normal paste) and this up to a specified depth (NF IN 196-3). The device known as "Vicat apparatus" makes it possible to increase the time which separates the beginning from the setting in contact of water and cement and the beginning of the catch (depression of the Vicat needle until 4 mm of the bottom) as well as the end of catch (depression quasi no one). Refer to: water demand.
Shell	Name given to the cylinder of the rotary kiln or ball mill or any other cylindrical machine component.
Shrinkage	Contraction of the concrete, due to hydraulic phenomena evaporation or absorption of mixing water before and during ssetting - and / or thermic - because of cooling after the rise in temperature which accompanies hydration of cement, or in climatic variations.
Silica fume	Silica fume is a by-product of the industry of silicon and its alloys. It is obtained by condensation of SiO gas or by oxidation of Si metal on the surface of the electrometallurgy furnaces whose fume is collected and filtered. These microsilices are generally densified in order to facilitate storage and handling operations. Silica fume appears as spherical elementary amorphous silica balls (SiO2) whose diameter varies between 0.1 and 0.5 micron. Their silica content varies from 70 to 98 % according to the manufacturing unit and the alloy produced. In concretes, silica fume acts according to two mechanisms: • by a granular effect related to the form and the extreme smoothness of the powder; • by pozzolanic reaction due to the high amorphous silica content.
Silo	High capacity tank, generally cylindrical intended for dry materials (sands, cements, etc.). Steel or concrete, loaded from above and unloaded from below, it is equipped with various types of extraction device. Refer to: hopper.
Slag	By-product of the manufacture of cast iron from metallurgical industry blast furnaces. It has hydraulic characteristics similar to that of clinker, and enters for this reason the composition of certain cements (metallurgical cements).

Standard	Document which specifies a set of technical or different specifications, drafted in collaboration with the parties concerned (representatives of the manufacturers, users, consumers, authorities, and specialist organizations such as the CSTB). They are made compulsory only by ministerial decrees. There are various types: test, performance, safety and terminology standards. An ISO standard is a standard drafted and/or adopted by the International Standardization Organization. An EN standard is a standard adopted by the European Committee for Standardization. A referenced standard NF IN ISO + No. completely reproduces the European standard, which itself reproduces the international standard with the same number.
Stone	Aggregate of diameter ranging between 20 and 125 mm.
Strength of a concrete	All the behavioral characteristics under the stresses of compression, traction and flexing. In France, it is conventionally checked for concrete works twenty-eight days after their installation. In the United States, this time is fifty six days.
Thermie (th)	Unit of quantity of heat. 1 thermie = 1,000 kilocalories = 1,000,000 calories. This unit is replaced by the unit of energy the joule: 1thermy = 4,1855 megajoules (4,185,500 joules). The specific consumption of the cement kiln is evaluated: • either in thermies per tonne of clinker (former units); • or in gigajoules per tonne of clinker (new units). Example: a kiln consumes 850 thermies per tonne of clinker is the equivalent of 3,558 megajoules per produced tonne.
Type of cement	Element of a classification standardized according to the nature of the components of cement. There are five types: Portland cement, composite Portland cement, blast furnace, pozzolanic, with slag and ash. The marking of a cement bag also specifies its strength class.
Vibration	Operation of tamping the freshly-mixed concrete after its installation, in order to improve its compactness. Vibration can be internal or external to the concrete.
Workability	Property characterizing the more or less great ease of installing a concrete or a mortar. Workability is related to plasticity and fluidity. It varies according to the nature of the work and the conditions of installation. It is evaluated by measurements of spreading out or depression. Synonym: handiness.
X-ray fluorescence (analyses by)	An X-ray beam output by a powerful tube makes it possible to excite the elements constituting the sample. By X-ray fluorescence, the excited atoms re-emit characteristic wavelengths; the measurement of their intensity makes it possible to obtain the concentration from it. This technique is used to determine the chemical composition of cements or raw materials. At the time of the analysis being held in a few minutes only, the samples in the form of compacted powder (or diluted in a glass bead) are subjected to the X-ray beam. It allows a rapid and very precise check of the various stages of the manufacture of the cement.

Copies of this Registration Document are available free of charge from Vicat, Tour Manhattan - 6, place de l'Iris - 92095 Paris - La Défense Cedex - France, as well as on the Vicat websites (www.vicat.fr) and on the Autorité des marchés financiers (AMF), French market regulator website (www.amf-france.org).

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