Registration document & financial annual report **2012**

AUTORITÉ DES MARCHÉS FINANCIERS AMF

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VICAT

Contents

▼ Elements of 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. Person responsible for the information contained in the Registration Document

Mr. Guy Sidos, Chief Executive Officer.

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.

The Board of Directors decided at its meeting on February 24, 2013, to propose to the Ordinary General Meeting to be held on April 26, 2013, that the mandate of Wolff & Associés, represented by Mr. Patrick Wolff, be renewed for a term of six financial years, i.e. until the Ordinary General Meeting approving the financial statements for the year ended on December 31, 2018.

2.2. Alternate 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.

The Board of Directors decided at its meeting on February 24, 2013, to propose to the Ordinary General Meeting to be held on April 26, 2013, that the mandate of Constantin Associés be renewed for a term of six financial years, i.e. until the Ordinary General Meeting approving the financial statements for the year ended on December 31, 2018.

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 statutory auditors having resigned, having been dismissed or not having been renewed

Not applicable.

3

Selected financial information

Investors are advised to read the following selected financial information together with section 9 "Examination of the financial position and results ", section 10 "Cash flow and Equity", 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 S.A. (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 2012. 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 2012. 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 2012, the Group's total shipments in the three main businesses amounted to 17.9 million tonnes of cement related products, 7.9 million m^3 of concrete and 21.5 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 expo- sure 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 fell slightly, representing over 38 % of consolidated sales in 2012, compared with over 41% in 2011. Sales in the Turkey-Kazakhstan-India region currently represent over 19 % and make it the second largest region in terms of contribution to Group sales; the share of the Africa and the Middle East fell to slightly over 16 %. Finally, the share of the United States increased during the year and now accounts for almost 9 % of consolidated sales.

In 2012, EBITDA ratios on sales and consolidated net earnings on consolidated sales were 19.1 % and 6.4 % respectively.

The Group's financial structure is characterized by significant equity (€ 2,465 million) and a low level of net debt (46.4 % of equity), which gives the Group 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 the new greenfield Vicat Sagar cement plant in the State of Karnataka in India came 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 2010, 2011 and 2012.

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)	2012	2011	2010
Consolidated net sales	2 292	2 265	2 014
EBITDA (1)	437	491	504
Consolidated net income	148	193	264
Total equity	2 465	2 461	2 557
Net debt/equity (in %)	46,4 %	43,8 %	38,6 %
Net income per share (euros/share)	2,87	3,64	4,52
Dividend per share (euro/share)	1,50 (2)	1,50	1,50

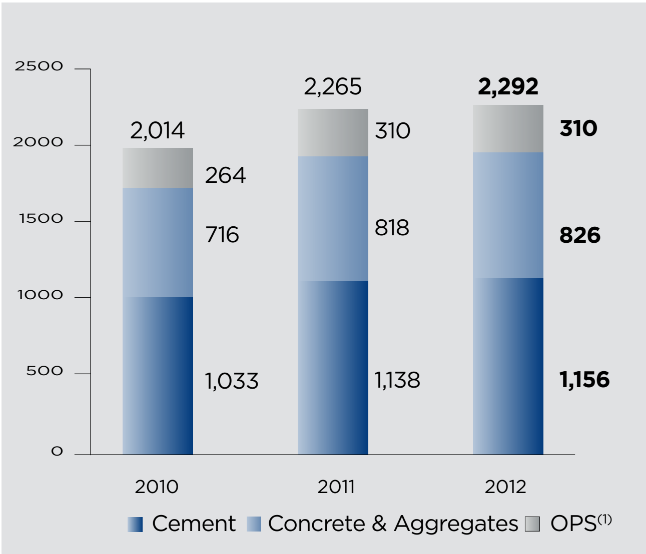
(1) **Earnings Before Interest, Taxes, Depreciation and Amortization:** Gross Operating Earnings plus other ordinary income (expense). EBITDA is not an aggregate defined by accounting policies. Since EBITDA is calculated differently from one company to another, the data provided in this Registration 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 April 26, 2013.

Summary income statement

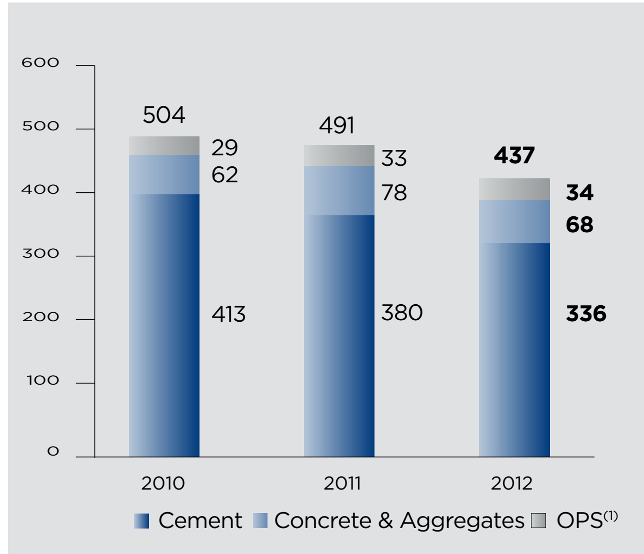
(in millions of euros)	2012	2011	Change 2012/2011 (in %)	2010	Change 2011/2010 (in %)
Consolidated net sales	2 292	2 265	+ 1.2 %	2 014	+ 12.5 %
EBITDA	437	491	- 10.9 %	504	- 2.6 %
EBIT (1)	245	309	- 20.8 %	337	- 8.1 %
Financial income (expense)	(40)	(44)	- 7.9 %	(27)	+ 60.5 %
Consolidated net income	148	193	- 23.4 %	264	- 26.9 %
Group share of net income	129	164	- 21.1 %	203	- 19.3 %
Cash flows from operations	329	363	- 9.4 %	409	- 11.2 %

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

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

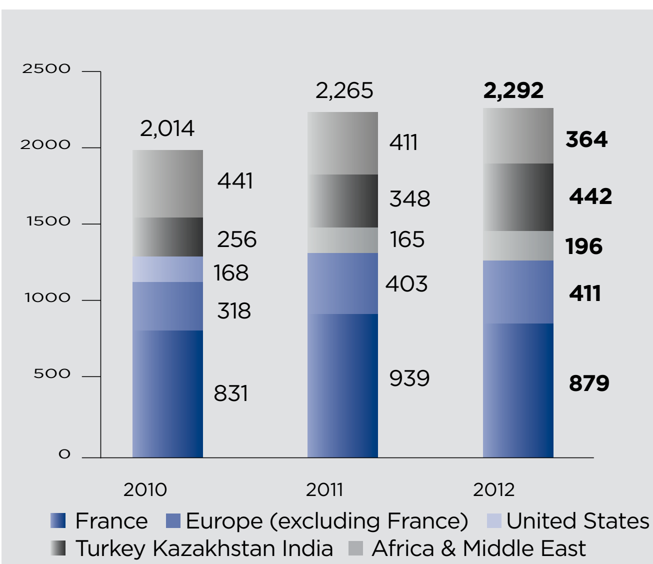


EBITDA by business [3] (in millions of euros)

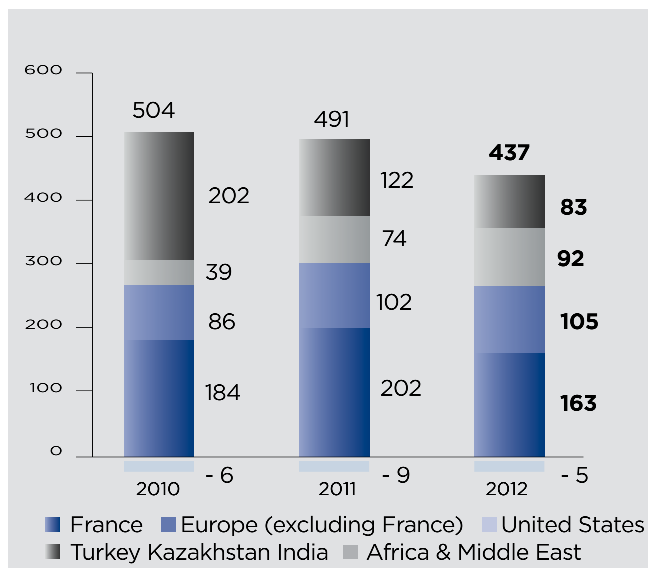


(1) **OPS:** Other Products & Services.
(2) Unless stated otherwise, the figures are stated **after intra-Group eliminations.**
(3) **Earnings Before Interest, Taxes, Depreciation and Amortization:** Gross Operating Earnings less other ordinary income (expense). EBITDA is not an aggregate defined by 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.

Consolidated sales by geographic area (in millions of euros)



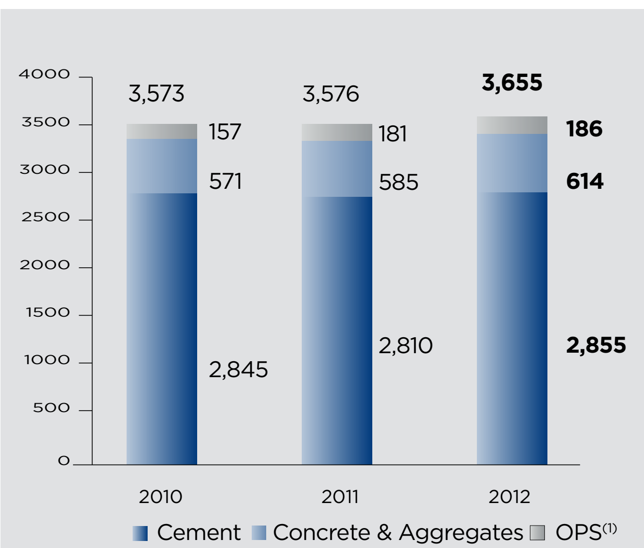
EBITDA by geographic area (in millions of euros)



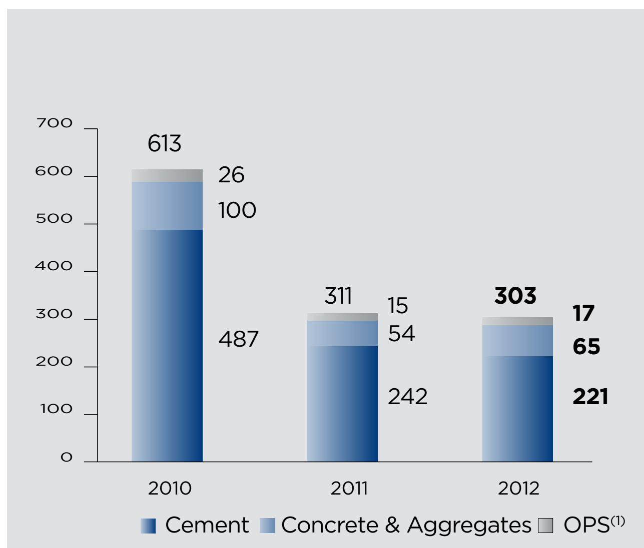
Summary balance sheet

(in millions of euros)	2012	2011	2010
ASSETS			
Non-current assets	3,622	3,495	3,455
Current assets	1,150	1,231	1,112
Total assets	**4,772**	**4,727**	**4,566**
LIABILITIES			
Group share of the equity	2,131	2,112	2,141
Minority interests	334	349	416
Total equity	2,465	2,461	2,557
Non-current liabilities	1,604	1,709	1,510
Current liabilities	703	557	499
Total liabilities	**4,772**	**4,727**	**4,566**

Assets employed by business (in millions of euros)



Total investments by business (in millions of euros)



(1) **OPS:** Other Products and Services

Simplified changes in shareholders' equity (including minority interests)

(in millions of euros)	2012	2011	2010
Shareholders' equity as at January 1	2,461	2,557	2,082
Income for the year	148	193	264
Dividends	(88)	(122)	(84)
Effect of exchange rate fluctuations	(48)	(124)	116
Change in consolidation scope	(1)	(33)	150
Other changes	(7)	(10)	29
Shareholders' equity as at December 31	2,465	2,461	2,557

Consolidated financial ratios

(in millions of euros)	2012	2011	2010
Net debt/total equity (in %)	46.4	43.8	38.6
Net debt/EBITDA (1)	2.61	2.19	1.96
Net debt/cash flows from operations	3.48	2.97	2.42
Coverage of net financial expenses			
by EBITDA	12.7	12.1	20.0
by EBIT	7.1	7.7	13.3

(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.

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 filing 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 is 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 1.2.3 "Optimized mix of energy sources" in Appendix 3 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 2012, approximately 35 % 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 2012, the Group's results in Egypt have continued to be affected by the consequences of the political events which occurred at the beginning of the year of 2011 (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 1 The strategy of «sustainable construction» in Appendix 3.

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 in emerging countries, that thereby contribute to a diversification of its geographical exposure.

However, significant fluctuations of any of these parameters in a market to the Group ar 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.

The deterioration in the economic situation in a number of countries where the Group operates is a factor in the increase in fiscal pressure, aimed at increasing government revenues by potentially calling into question the tax benefits granted under mining agreements and thus being a potential source of disputes.

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 risks

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 2012 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.

A significant proportion of the Group’s gross financial indebtedness is 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, 2012, 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)	US Dollar	Euro	Swiss Franc
Assets	242.3	6.3	0.0
Liabilities and confirmed orders	**(1,002.0)**	(190.1)	(8.0)
Net position before risk management	(759.7)	**(183.9)**	**(8.0)**
Hedging instruments	615.1	177.7	8.0
Net position after risk management	**(144.6)**	**(6.2)**	**0.0**

The net position after risk management in US Dollars corresponds mainly to the Kazakhstan subsidiaries’ debt to finance providers and to the Group which are not swapped in the operating currency. The exchange rate risk on this debt was partly hedged in 2013 by forward purchases of Dollars amounting, as at March, 31, to $ 83,6 million.

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 € 1.08 million (including € 1.11 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 statelments. The effect of fluctuating exchange rates on the conversion of the financial statements of 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: 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, 2012.

	Euro	Dollar US	Other currencies	Total
Total gross debt	854,697	203,735	323,183	**1,381,615**
Debt at fixed rate (including swaps and CCS)	671,293	12,064	292,272	**974,629**
Debt at variable rate	183,404	191,671	31,911	**406,986**
Hedging instruments (Caps)	360,000	26,527	0	**386,527**
Gross debt at variable rates hedged	**(176,596)**	**165,144**	**31,911**	**20,459**
Cash and cash equivalents	(19,440)	(14,868)	(203,036)	**(237,344)**
Net position after hedging	**(196,036)**	**150,176**	**(171,028)**	**(216,888)**

The 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. After conducting the exchange rate hedging transactions referred to above in 2013, the hedged part of this debt, $ 83.6 million, will be denominated in variable rate Tengue.

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 earningsbefore tax	Impact on equity (excluding impact on earnings) before tax
Impact ofa change of + 100 bps in the interest rate	213	10,339
Impact of a change of - 100 bps in the interest rate	(89)	(7,662)

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 937,060;
- Percentage of share capital held by the Company 2.09 %;
- Carrying cost of the portfolio by the historical cost method (purchase price) € 75,338 thousand;
- Net carrying cost of the portfolio € 42,815 thousand;
- Market value of the portfolio € 44,023 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 € 32,535 thousand was made for share depreciation before tax as at December 31, 2012, after a recovery of € 5,265 thousand before tax in 2012.

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 Rupee, Turkish Pounds, Egyptian Pounds, Swiss Franc, Euro and US Dollar.

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 2012 corresponding to a change of ±100 basis points in the rate of return excepted from the assets is respectively € 3 and (3) 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, 2012 are shown below:

		N+1		N+2	N+3	N+4	N+5 et +
(en milliers d'euros)		Nominal	Interest*	Nominal	Nominal	Nominal	Nominal
US Private placement	611,128	105,956	28,115		105,937		399,235
Compulsory loans							
Bank loans	715,079	78,926	26,589	73,456	51,376	370,766	140,555
Financial leasing debts	8,837	3,108	442	2,794	1,643	959	333
Miscellaneous debts	20,410	13,437	1,770	5,706	638	84	545
Creditor banks	23,395	23,395	619				
Derivative instruments	2,766	(844)	(1,200)	369	(201)	6,465	(3,023)
Total financial liabilities	**1,381,615**	**223,978**	**56,334**	**82,325**	**159,393**	**378,274**	**537,645**

* The interest on the N+1 debt is calculated on the basis of the known due date of the debt as at December 31, 2012 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 and by the availability of unused confirmed credit lines for the Company, over 1 and 3 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, 2012 the Group's gearing and leverage were 46.4 % and x2.6 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, 2012, 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 a variety of customers depending on the type of business covered by Other Products & Services. Moreover, the Group has no global customers present on 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 risks mentioned below are taken into account in the management of the Company. In addition, the Group's policy on internal audit is described in Appendix 1 "Report by the Chairman on the corporate governance and internal control" 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 common practices in cement industry.

The cover taken out of € 150 million per incident, including operating losses, with the sub-limits 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 2012, the total cost of insurance cover on the main risks managed under Group policies was of the order of 3.7 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 Heidelberg Cement 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.
- **2009:** The Group completed the Performance 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 (State of Andhra Pradesh) 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.
- **2012:** Strengthening of the Group's position in Southern India with the start-up of the Vicat Sagar Cement greenfield factory in Chatrasala (in the State of Karnataka), which has a nominal capacity of 2.8 million tonnes.

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.

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.

In 2012, the Group began industrial production from the Vicat Sagar Cement factory located in Chatrasala, in the State of Karnataka in Southern India, which has a nominal capacity of 2.8 million tonnes,

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)	2012	2011	2010
Cement	220	242	487
Concrete & Aggregates	65	54	100
Other Products & Services	18	15	26
Total	**303**	**311**	**612**
Of which financial investments	*16*	*35*	*277*

5.2.1.1. Investments made in 2012

The total amount of industrial investments made in 2012 was € 287 million. These are shown below for each of the Group's main businesses. Financial investments amounted almost to € 16 million in 2012 and related mainly to the acquisition of three Concrete companies in France.

(a) Cement: capital expenditure amounting to a total of € 220 million, of which € 217 million in industrial capital expenditure

- **France:** The main investments made during 2012 focused on developing the Mépieu quarry, which will supply limestone to the Montalieu factory, and more generally on reducing production costs.
- **Senegal:** Investments during the year related mainly to the upgrading of some facilities.
- **Turkey:** Investments related mainly to increasing production capacity and reducing costs, in particular through a new grinding mill under construction, and to the acquisition of land to help secure raw materials reserves.
- **India:** Construction work on the Chatrasala greenfield factory and the power generation plant which will supply it, as part of the joint venture, Vicat Sagar Cement Private Ltd, continued in 2012 through to the start-up of industrial production at the plant in December 2012.

(b) Concrete & Aggregates: capital expenditure amounting to a total of € 65 million, of which € 53 million in industrial capital expenditure

Investments in France and abroad centered primarily on maintenance and renewal of production facilities and the logistics fleet.

(c) Other Products & Services

Capital expenditure amounted to € 18 million, corresponding essentially to industrial investments, mainly devoted to the renewal of transportation equipment in France and the precast concrete business in Switzerland.

5.2.1.2. 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. Work was carried out on completion of the construction of the plant, site development and improvement of logistics.
- **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 centred primarily on the maintenance and renewal of production facilities.

(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 precast concrete business in Switzerland.

5.2.1.3. 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, pre- dominantly 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.

5.2.2. Principal investments in progress and in planning

After completing a major investment program, including in particular two greenfield projects in Kazakhstan in 2010 and India in 2012, the Group intends to reap the benefits of its industrial plant in order in particular to reduce its level of indebtedness.

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

In this context, the total amount of capital expenditure for 2013 should be between € 130 and € 160 million. The main projects are as follows:

- **France:** Industrial investments will focus on the opening and development of career Mépieu, which will supply limestone to the Montalieu factory, and on increasing the proportion of alternative fuels.
- **Turkey:** Industrial investments will be devoted to completion of the construction of the grinding mill and more generally to reducing production costs.
- **India:** Construction of the first production line at the Chatrasala plant by the joint venture company Vicat Sagar Private Ltd. will result in some finishing work in 2013. In addition, the Group will start work in 2013 on the construction of a power generation plant to supply the Bharathi Cement factory.

Business overview

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

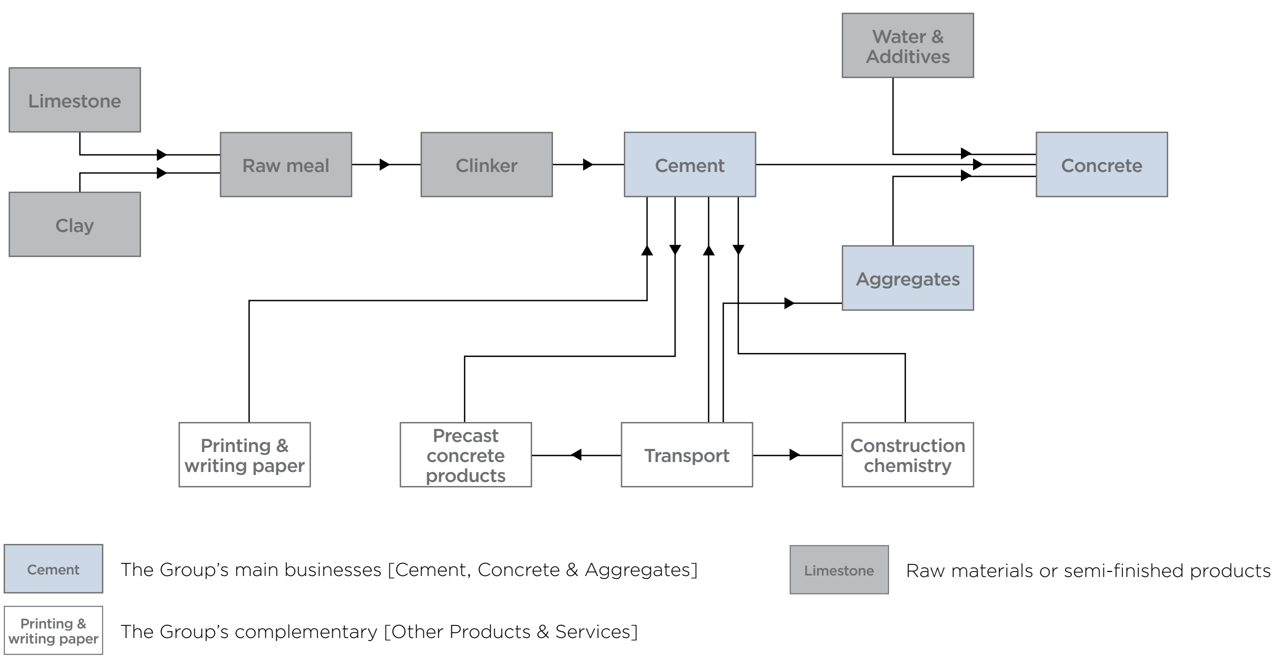
The Group has developed around the manufacture and sale of cement, a business it undertakes in all the countries where it operates. The Group then integrates vertically downstream in the cement industry in businesses such as Ready-mixed concrete and Aggregates. Together, these three activities comprise 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: 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, 2012, the Group employed 7,685 people worldwide, and recorded 61.6 % of its sales outside France.

Breakdown of consolidated sales by business

	2012		Change 2012/2011	2011		2010	
	millions of euros	%		millions of euros	%	millions of euros	%
Cement	1,156	50.4	+ 1.6 %	1,138	50.2	1,033	51.3
Concrete & Aggregates	826	36.0	+ 1.0 %	818	36.1	716	35.6
Other Products & Services	310	13.5	+ 0.2 %	310	13.7	264	13.1
Total	**2,292**	**100.0**	**+ 1.2 %**	**2,265**	**100.0**	**2,014**	**100.0**

The share of the Group's core businesses that Cement, Concrete and Aggregates represent remained fairly stable in 2012 at more than 86 % of consolidated sales.

Breakdown of consolidated sales by geographical area

	2012		Change 2012/2011	2011		2010	
	millions of euros	%		millions of euros	%	millions of euros	%
France	849	37.1	- 5.8 %	902	39.8	785	39.0
Europe (excluding France)	437	19.1	+ 1.2 %	432	19.1	352	17.5
United States	196	8.6	+1 9.0 %	165	7.3	168	8.3
Turkey & Asia	439	19.2	+ 27.3 %	345	15.2	241	12.0
Africa & Middle East	370	16.1	- 12.1 %	421	18.6	468	23.2
Total	**2,292**	**100.0**	**+ 1.2 %**	**2,265**	**100.0**	**2,014**	**100.0**

The share of consolidated sales made in France decreased owing to unfavorable weather conditions, the slowing macro-economic and sectoral, as did that in Africa and the Middle East, primarily due to pressure on prices in Africa and the continued serious security situation in Egypt. Volumes in the United States recovered noticeably, while the share of sales in Turkey, India and Kazakhstan benefited from the increased industrial and commercial output of the Group's investments in these countries.

Breakdown of EBITDA by business

	2012		Change 2012/2011	2011		2010	
	millions of euros	%		millions of euros	%	millions of euros	%
Cement	336	76.8	- 11.6 %	380	77.3	413	81.8
Concrete & Aggregates	68	15.4	- 13.4 %	78	15.9	62	12.4
Other Products & Services	34	7.8	+ 3.0 %	33	6.8	29	5.8
Total	**437**	**100.0**	**- 10.9 %**	**491**	**100.0**	**504**	**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 Group's industrial facilities are 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.

2012 saw the end of the major industrial investment program (amounting to a total of € 2.7 billion) which had begun six years earlier and resulted in two thirds of the Group's production capacity being relocated to emerging countries (the Group's investments are shown in detail in section 5.2. "Investments" of this Registration Document).

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 penetrate new markets in the Cement sector in a highly selective manner. The Group, therefore, aims to satisfy all the following criteria in the case of its external growth program:
- 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.

- Construction of greenfield sites

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 in year-end 2012 completed the construction of the Vicat Sagar factory in the Gulbarga, India.

6.2.2.2. Ready-mixed concrete

The Group is developing its Ready-mixed concrete business in order 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 38.4 % of its sales in France, 17.9 % in Europe (excluding France), 8.6 % in the United States and 35.2 % in emerging markets (India, Kazakhstan, Egypt, Mali, Mauritania, Senegal and Turkey).

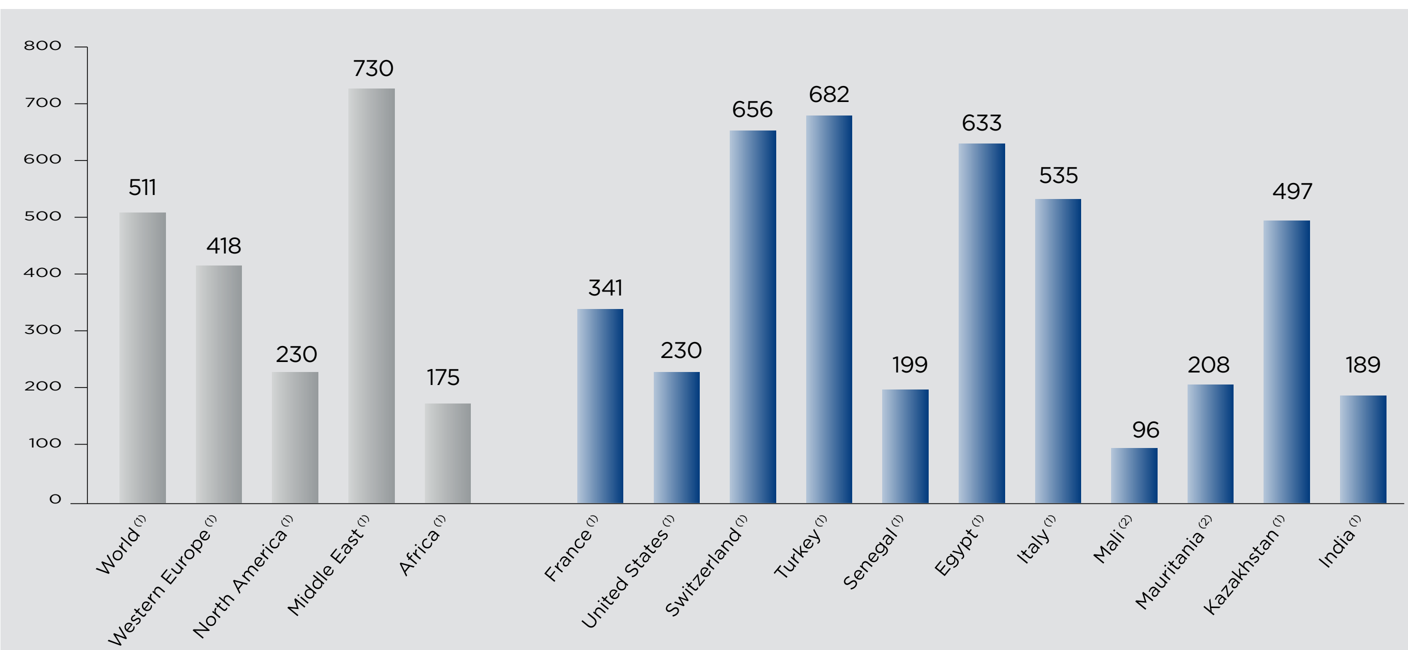
The Group's strategy is to combine investments in developed countries, which generate more regular cash flows, with investments in emerging markets offering significant growth opportunities in the longer term, but which remain subject to more significant market fluctuations, and thereby contribute to a diversification of its geographical exposure. In this context, the Group has a particular interest in development projects in emerging countries. In 2012, the Group continued the rise from its Kazakhstan factory and completed the construction of its facilities in India with the start-up of the Vicat Sagar factory from the end of the year 2012.

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 2011 (kg/capita)

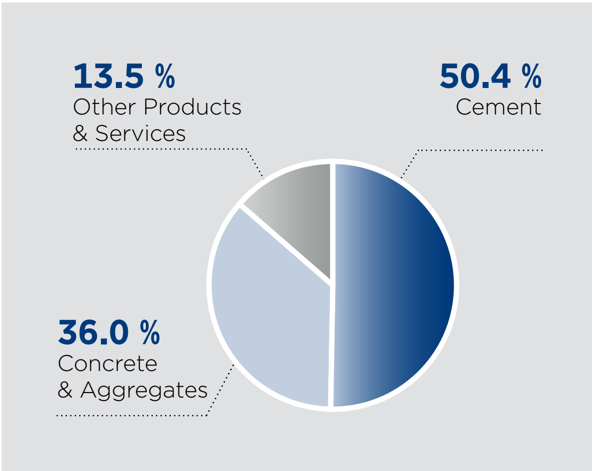


(1) Source: Study «Building Materials» of Jefferies International Ltd, 2012, August; CIA, The World Factbook.
(2) Internal source.

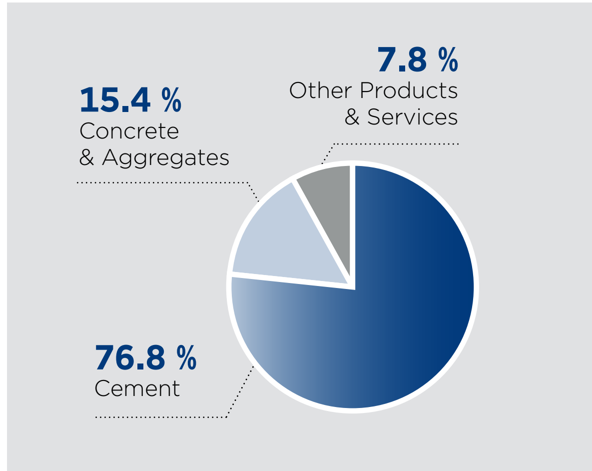
The selling price of cement, which is the Group's principal product, is determined primarily by availability and ease of extraction of its component raw materials, by the cost of thermal and electrical energy, and by the availability of qualified personnel to maintain the production facilities. The existence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

Breakdown of the Group's consolidated sales and EBITDA[1] by business in 2012 were as follows:

Consolidated sales by business

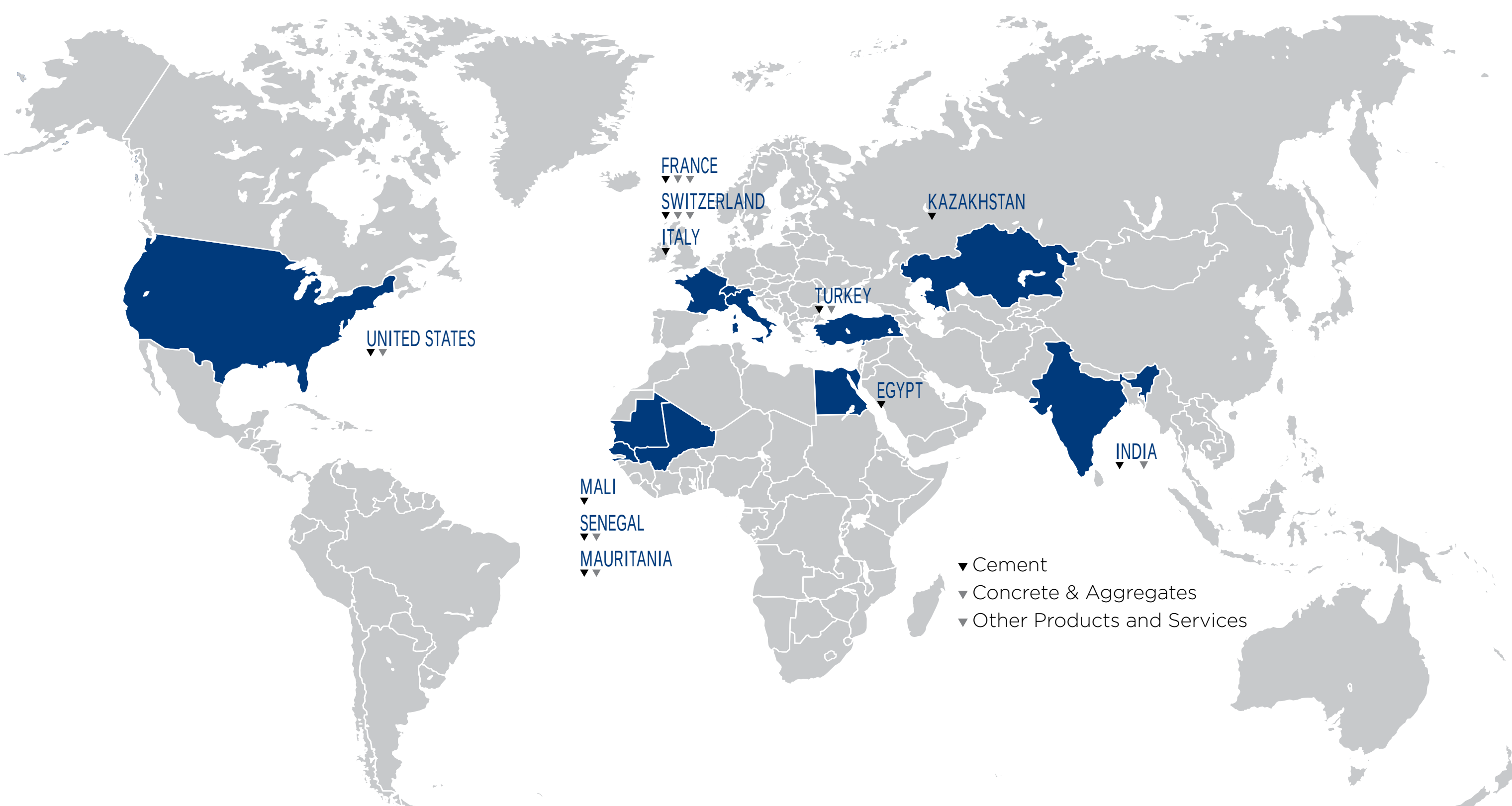


EBITDA by business



(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.

The Group organizes its teams by business segment in order to manage each of its activities more effectively, closer to operations, relying on local staff with extensive experience in their field of activity. 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. This type of organization focuses reactivity and specificity of responses to changes in operating conditions or market. 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, 2012, the group's worldwide Cement business comprised 15 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 2012 (before intra-group eliminations) amounted to 17.9 million tonnes (compared with 18 million tonnes in 2011 and 16.2 million tonnes in 2010). In 2012, therefore, this segment accounted for 50.4 % of the Group's consolidated sales (50.2 % in 2011 and 51.3 % in 2010) and 76.8 % of the Group's EBITDA (77.3 % in 2011 and 81.8 % in 2010).

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:

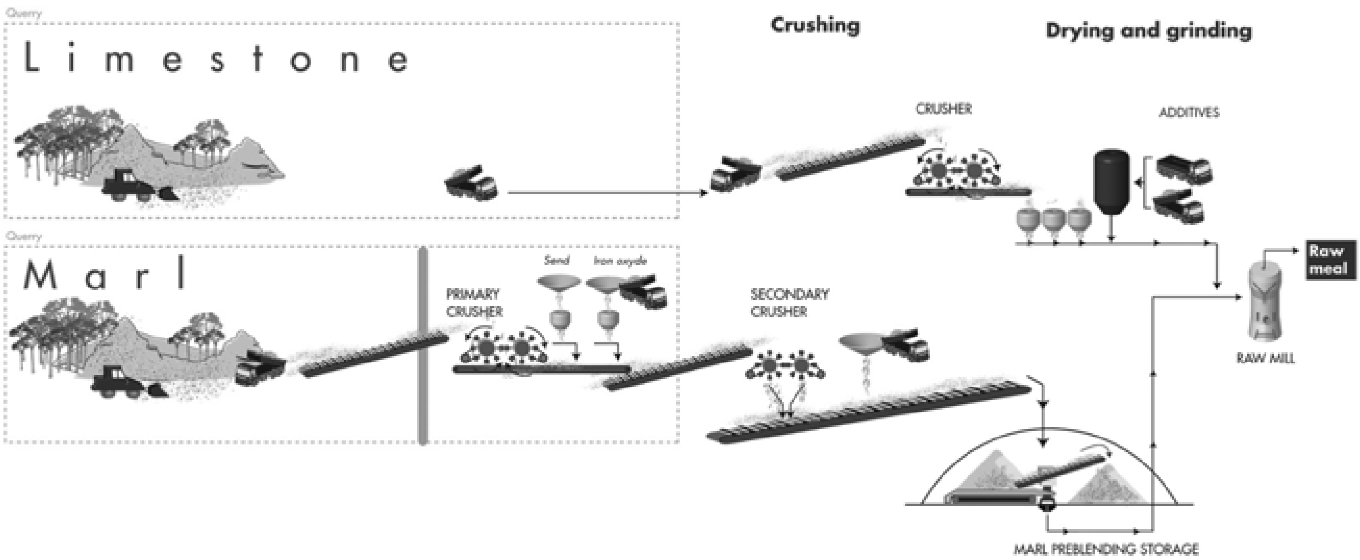
- CEM I (Portland cements) and CEM II (Portland composite cements): cements most commonly used in the housing construction industry, to produce conventional reinforced concrete works;
- CEM III (blast furnace cements) and CEM V (slag cements): conventional cements, with few heat releasing properties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

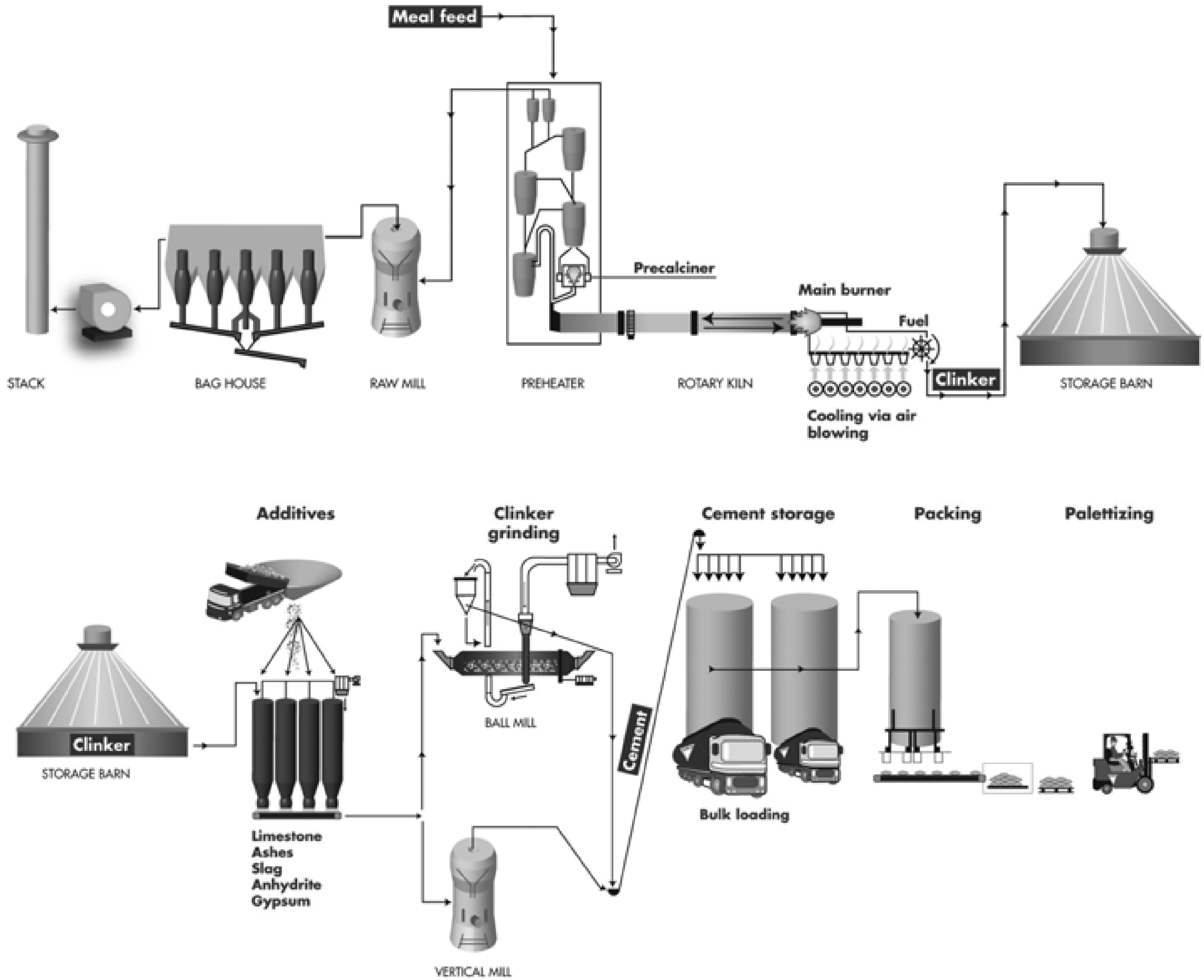
Cement manufacture proceeds mainly in four stages:

- 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, other additives may be added, such as fly ash, blast furnace slag or natural or artificial pozzolanas.

There are three types of cement manufacturing processes, each characterized by the specific treatment of the raw materials before 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 21 kilns currently in service, 20 are dry process kilns.

The cement-manufacturing process is very energy-intensive, both in terms of both electricity and thermal energy. 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 2012, energy costs for the group as a whole amounted € 300 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 an alternative fuel to fossil fuels (coal, gas and oil). Their combustion in a clinker kiln makes it possible to recover and use the energy released. All the Group's French factories

(1) Source : CEMBUREAU.

have obtained agreement from the inspecting authorities to use non-hazardous industrial waste or landfill 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 2012, the share of alternative fuels in the Group's cement manufacturing business was on average 17.3 %, with significant variations (from 0 % to 68 %) 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.

6.3.1.3. Production facilities

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 operate 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	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	5
India	2		3	103(1)
Mauritania		1		12(2)
Total	**15**	**5**	**21**	**106**

(1) Bharathi Cement distribution depots, mainly rented, for local distribution.
(2) BSA Ciment distribution terminals in Mauritania for the retail sale of cement.

A description of the industrial facilities 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. Locations

The Group manufactures cement in all eleven countries where it is operates. 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 Andhra Pradesh confirms the Group's geographic diversification, its international dimension as well as its integration strategy.

(1) Source: Study « Building Materials » of Jefferies International Ltd, August 2012.

6.3.1.5. Competitive position

Although the worldwide cement industry is still very fragmented, with the world leader having around 5 % of the global market[1], 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 high 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.

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

Cement sales volumes

(in thousands of tonnes)[2]	2012	2011	2010
France	3,071	3,537	3,257
United States	1,458	1,249	1,212
Switzerland	893	888	845
Turkey	3,461	3,397	3,406
Senegal/Mali/Mauritania	2,896	2,851	2,399
Egypt	2,283	3,192	3,753
Italy	319	365	279
India	2,534	2,056	1,028
Kazakhstan	981	500	0
Total	**17,894**	**18,035**	**16,179**

(1) Internal Source.
(2) Volumes of cement, clinker and masonry cement.

Intra-group cement sales accounted for 17.2 % of the Group's business, with a significant disparity ranging from 0 % to 36 % 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) France

After a rally in 2011, the construction sector declined once again. The number of housing starts fell significantly by more than 13 % in the case of single family housing and more than 9 % in the case of multi-occupancy housing: this downturn was particularly marked from September onwards, though with major geographical differences.

The trend was similar in the public works sector, which decreased by 1.8 % over the year, with a particularly marked decline in the last quarter.

The Group's historic birthplace, the French cement market, is mature, with consumption of 20.0 million tonnes in 2012(1). Per capita consumption is about 341 kg of cement in 2011(2).

Since 2007, market volumes have fallen by almost 20 %(3) i.e. an average annual decrease of 4.2 % over the period. Between 2009 and 2012, French cement consumption showed an average annual decrease of 0.7 %. According to professional organizations, especially the SFIC, cement consumption is expected to decline again in 2013.

Cement is sold in France in bulk or in bags:
- bulk, which represents approximately 79 %(4) of consumption, is used by the manufacturers of ready-mixed concrete (57 %) and of prefabricated concrete products (15 %) and by the public works construction companies, which only account for 7 % of consumption as direct supplies(5);
- bags, which account for approximately 21 % 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).

The French cement industry is concentrated. Four groups account for approximately 94 % of the market(7): Lafarge, Ciments Français (Italcementi group), Vicat and Holcim. The Group is the third largest French cement manufacturer(8), with cement production of 3.1 million tonnes in 2012.

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)	2012	2011	Change
Domestic	2,780	3,154	- 11.8 %
Export	245	276	- 11.4 %
Total	**3,025**	**3,430**	**- 11.8 %**

The sales department for France, based in l'Isle d'Abeau, includes sales administration, marketing, logistics, and the promotion-specifications department responsible for promoting innovative construction applications with the residential segment and the public works sector. Some fifty people spread over six regional divisions network the territory economically accessible from the group's factories. Technical staff in regional business units are responsible for answering daily questions from customers and prospects.

(1) Source: SFIC, 2011.
(2) Source: Study « Building Materials » of Jefferies International Ltd, 2012, August (consommations) and CIA, World Factbook (populations).
(3) Source: SFIC, 2011.
(4) Source: SFIC, 2011.
(5) Source: SFIC, 2011
(6) Source: SFIC, 2011
(7) Source: Study « Building Materials » of Jefferies International Ltd, 2012, August.
(8) Source: Study « Building Materials » of Jefferies International Ltd, 2012, August.

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

Production costs have been maintained at a satisfactory level by:
- giving priority to use of 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.

(b) United States

On a national level, expenditure on construction is up significantly by 7.7 % compared with 2011. The house-building sector has recovered momentum, with housing starts up 28% compared with the previous year, in an environment where access to credit is still difficult. The non-residential sector is also heading in a positive direction, up 8.2%.

On the other hand, construction expenditure in the public sector decreased by 2.6 % owing, in particular, to restrictions resulting from the budget uncertainties linked to the "fiscal cliff".

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 7.5 % since 2007, but has been recovering since 2009 at an average annual rate of 3.4 %[1]. Domestic consumption is estimated at 79.1 million tonnes in 2012[2]. Consumption per capita has remained very low in 2011 to 230 kg of cement per year[3].

The following table sets forth cement consumption in the two regions of the United States where the Group is present[4]:

(In millions of tonnes)	2012	2011	Variation
South-East	7.9	7.4	+ 6.0 %
California	7.4	6.9	+ 6.9 %
Total United States	**79.1**	**72.2**	**+ 9.6 %**

With cement production in 2012 of around 73.0 million tonnes, the American cement industry supplies approximately 93 % of national consumption, the remainder being imported mainly from Canada, Asia and Mexico[5].

After a year in 2011 which saw cement consumption stabilize at a historically low level, it recovered in 2012 with an increase of 9.6 %, still far below the peaks reached in the middle of the previous decade. The proportion of imports remained stable compared with the previous year, at around 7 %, with capacity again being adjusted, though more modestly, to the downturn.

The two regions where the Group operates grew by 6 % in the South-East and 6.9 % in California.

Cement is very largely sold in bulk on the American market:
- bulk accounts for approximately 96 % of consumption: the first destination is the public sector, followed by the housing sector and finally by the non-residential private sector[6].
- bags account for the remaining 4 % of consumption: this small percentage reveals the significant development of the ready-mixed concrete sector in the United States[7].

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-East: the Ragland cement factory, located in Alabama, close to Birmingham, serves the South-East United States market: 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.

(1) Source: United States Geological Survey (USGS), 2013.
(2) Source: United States Geological Survey (USGS), 2013.
(3) Source: Study« Building Materials » of Jefferies International Ltd, 2012, August (consommations) and CIA, World Factbook (populations).
(4) Source: United States Geological Survey (USGS), 2013.
(5) Source: United States Geological Survey (USGS), 2013.
(6) Source: Portland Cement Association, 2012.
(7) Source: Portland Cement Association, 2012.

With an aggregate output from its two factories of 1.46 million tonnes of cement in 2012 (i.e. 0.75 million tonnes for Ragland and 0.71 million tonnes for Lebec), NCC is the 14th largest American producer[1]. 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 Michigan[2]. Together, these five states accounted for approximately 42 % of the cement production in the United States. Similarly, the principal consuming states[3] are Texas, California, Ohio, Florida and Illinois. The Group's competitors in its two markets in which it operates in the United States are HeidelbergCement, Holcim, Argos, Cemex, Vulcan and Buzzi Unicem in the South-East and Cemex, HeidelbergCement, CPC, Mitsubishi and TXI in California.

The Group's sales volumes rose by more than 17 % in 2012 compared with 2011, reflecting specific regional factors and the long-term commercial ties which the Group has been able to forge with customers.

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 limit the transport costs of accessing the Atlanta market and widening its market radius to Georgia and South Carolina.

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

Although less dynamic than in 2011, the construction sector experienced sustained growth in 2012. Population growth maintained a high level of demand for housing. Healthy public finances and the need for infrastructure renovation allowed the public works sector to remain at a very high level, such as bypass Bienne-marias Brugg, of Viège, tunnel or highway Rosshäusern transjuran.

The Swiss cement market has experienced average annual growth of approximately 1.7 % since 2007 and 3.9 % since 2009[4]. In 2012, Swiss cement consumption was estimated at 4.9 million tonnes[5] up around 4.2 %, either a per capita consumption of 656 kg per year in 2011[6], up 3% compared to 2010, 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 %)[7]. This is explained both by the significant share of civil engineering works in the domestic consumption and by a very mature ready-mixed concrete sector.

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[8]. 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, is the largest third cement manufacturer in Switzerland[9]. Vigier Cement consolidated its market share in 2012.

Vigier has a cement factory in Reuchenette, near Bienne. Its natural market is thus the plateau 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 construction and equipment of the Gotthard tunnel.

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.

(1) Internal source.
(2) Source : United States Geological Survey (USGS), 2013.
(3) Source : United States Geological Survey (USGS), 2013.
(4) Source : CEMSUISSE, 2012.
(5) Source : CEMSUISSE, 2012.
(6) Source: Study « Building Materials » of Jefferies International Ltd, 2012, August (consommations) and CIA, World Factbook (populations).
(7) Source : CEMSUISSE, 2008.
(8) Internal source.
(9) Internal source.

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. After a significant downturn in 2011, as a result of a reallocation of investment following the “Arab spring”, GDP showed only a modest growth of 3 % in 2012, which was also marked by the civil war in Syria and the burden it is placing on the country’s economy and the Turkish government’s budget.

In line with this growth, the construction sector also saw modest growth in 2012, with growth of 1 % in the first nine months and no sign of any change in this trend in the fourth quarter.

After strong, sustained growth, the Turkish cement market fell drastically in 2007, followed by two consecutive years of decline. It took off again strongly, posting double-digit growth in 2010 and average annual growth over the last three years of 10 %. Growth since 2007 has amounted to over 27,5 %, that is an annual average increase of 5 %[(1)]. Annual consumption is estimated at 56.5 million tonnes in 2012. Cement consumption reached 682 kg per year per capita in 2011[(2)], reflecting the country’s infrastructure needs. Consumption trends vary significantly between regions: in south and east Anatolia, growth was over 10 % for the year, while other regions stood still and the Marmara Sea region even saw a fall of almost 6 %.

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.

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 adversely affected Turkish manufacturers’ exports.

The earthquake of 1999 led the Turkish authorities to strengthen building regulations, which has supported the growth of the Ready-mixed concrete sector and, consequently, of 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 5,000 tonnes/day.

(1) Source: TCMB, 2012 and internal estimate for non-member companies.
(2) Source: Study « Building Materials » of Jefferies International Ltd, 2012, August (consommations) andt CIA, World Factbook (populations).

(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 2.6 % since 2007 and 4.5 % since 2009[1]. The size of the market has almost doubled over the last ten years to reach an annual consumption of approximately 2.6 million tonnes in 2012[2]. Per capita consumption is still limited to about 199 kg per year in 2011[3].

The public works market which benefited in 2011 from infrastructure projects financed by the Senegalese government and by international organizations and foreign aid, dried up abruptly in March 2012 following the presidential elections and the budget problemswhich then came to light. The housing sector is, however, sustained by the rise in the rate of urbanization and private construction, financed mainly by the repatriation of funds by Senegalese expatriates.

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[4]. Exports to Mali amounted to approximately 0.9 million tonnes in 2010 and 1.5 million tonnes in 2011 and 2012[5]; while imports from third countries have almost disappeared. On the other hand, a new entrant has built a factory and began operations at the end of 2012.

Cement is generally sold in bags on the Senegalese market (nearly 97 %)[6], as the country does not yet have 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 has been present in Senegal since 1999. Sococim maintained its market share in 2012 against a background of significant pressure on prices.

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 also 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. Cement consumption in Mali was stable compared with 2011 at around 1.5 million tonnes[7], respresenting an annual growth rate of 9.5 % compared with 2009 and almost 7 % compared with 2007. The Group's total sales there represented almost 570,000 tonnes in 2012, a slight increase compared with the previous year, 89,000 tonnes of which were sold 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.

(f) Egypt

The Egyptian cement market has experienced annual average growth of approximately 8.3 % since 2007 and 2.3 % since 2009[8]. 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. Stabilization of the political situation in 2012 enabled a return to economic growth. Cement consumption in Egypt was approximately 51.2 million tonnes[9], i.e. an increase of approximately 5.1 % compared with 2011. The per capita consumption decreased to approximately 633 kg of cement per year in 2011[10].

(1) Internal source.
(2) Internal source.
(3) Internal source and CIA World Factbook, 2012.
(4) Internal source.
(5) Internal source.
(6) Internal source.
(7) Internal source.
(8) Source: Egyptian Ministry of Equipment, 2012.
(9) Source: Egyptian Ministry of Equipment, 2012.
(10) Source: Study « Building Materials » of Jefferies International Ltd, 2012, August (consommations) andt CIA, World Factbook (populations).

Egypt has, to date, 19 companies active cement spread across the country, albeit with a concentration in a radius of 200 km around the capital. These companies have realized, in 2012, domestic production estimated at 53.1 million tonnes[(1)].

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 states and certain African countries such as Somalia, Djibouti, Eritrea and Sudan.

In 2003, the Group took a strategic 25 % stake 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.

The cement factory, which came on stream in 2001, benefits from modern production equipment in the region where the Group operates and access to abundant reserves of excellent quality limestone. 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. The facility was completed in 2010 with the start-up of a fourth cement grinding plant and optimization of the performance of the three existing grinding mills.

According to the Group's estimates, SCC is the 9th largest Egyptian producer[(2)] with production sold amounting to approximately 2.3 million tonnes of cement in 2012, down almost 28.5 % compared with 2011. The downturn is primarily attributable to energy supply problems and to very difficult security situation in the region where the Groupe operates, as well the arrival of new entrants on to the Egyptian market.

Two new projects were initiated in 2012 for a theoretical total capacity of cement 3.4 million tonnes.

(g) Italy

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

The cement market in Italy remained at between 46 and 47 million tonnes from 2004 to 2007. Since then, cement consumption has fallen at an annual rate of more than 11 % to around 24.5 million tonnes in 2012[(3)], down 22.6 % compared with 2011. However, per capita consumption remains one of the highest in Europe at more than 535 kg of cement per year[(4)], comparable with other Southern European countries based on construction and renovation practices 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. Although CCS does not occupy a significant place in the Italian cement market with sales of 0.32 million tonnes, the company is a strategic investment for the Group to monitor the market, since Italy's cement industry is still fragmented, with some twenty manufacturers present in the market.

Its three sites enable cement to be manufactured and transported at low cost. These sites also allow clinker to be imported cheaply from a number of 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, and this continued in 2012. Cement consumption increased by almost 10 % in 2012[(5)] compared with the previous year, under the impetus of major infrastructure projects, such as the Western Europe / Western China corridor. Imports, coming mainly from Russia, Iran and Uzbekistan remained stable at around 0.9 million tonnes, i.e. approximately 13 % of consumption, with the increase in domestic production capacity being sufficient to absorb the growth in demand. Prices rose due to strong demand, particularly in the peak season.

(1) Internal source.
(2) Internal Source.
(3) Source: AITEC, 2012.
(4) Source: Study «Building Materials» Jefferies International Ltd., August 2012 (consumption) and CIA World Factbook (populations).
(5) Internal source.

Cement consumption, which rose to almost 7.0 million tonnes in 2012[(1)] should reach 9 to 10 million tonnes in the medium term, sustained by growth in the urban population and by a continuous increase in per capita income related to significant income from the raw materials sector. An ambitious house building program “Housing 2020” has also been announced. In 2011, per capita consumption is about 497 kg per year[(2)].

The Group operates in Kazakhstan in 2007 with the takeover of the company on the project to build a greenfield plant in partnership with Homebrocker and the International Finance Corporation (IFC) has established funding the project. At the end of the various capital increases, the legal structure of operations in Kazakhstan is as follows:
- Mynaral TAS, a joint venture owned 86% by Vigier, a subsidiary of the Group, 10% by IFC and 4% Homebrocker holds mining rights and land rights thereto;
- Jambyl Cement Production Company, a 100% subsidiary of Mynaral Tas, produces and sells cement.

The Jambyl Cement plant is located near Lake Balkach, about 400 kilometers from Almaty and 900 kilometers from Astana. This plant, which has a cement capacity of 1.2 million tonnes, continued to increase its output in 2012 with production of almost 1 million tonnes, close to double that of the previous year. Located along the Amaty/Karaganda/Astana road and railway, the plant supplies the Almaty region and its surroundings, the southern region (Taraz, Chymkent), the center and the Astana region, primarily by rail.

(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.

Although house building remains buoyant, the public works sector suffered from a shortage of finance owing to the Mauritanian government’s budget problems. Against this background, cement consumption in 2012 is estimated at around 0.7 million tonnes, up more than 7 % on the previous year.

With cement sales of 0.2 million tonnes, BSA Ciment continues to develop its commercial activity, with the focus being on a “quality” initiative.

(j) India

During the last ten years, India has experienced an average annual growth in GDP of more than 7 %. Its growth in 2012 is estimated at 5.3 %, i.e. lower than that of the last ten years. The country benefits from an abundance of skilled labor, which has allowed it to develop in the services sector in particular.

The Indian cement market has seen average annual growth of 8.8 % since 2007 and 7.5 % since 2009, part of the continuous upward trend experienced since 2004. Annual consumption increase of 8.7% compared to the year 2011 is estimated at 254 million tonnes in 2012[(4)], making India the second largest market of cement. However, cement consumption per capita has remained weak, at approximately 189 kg per person.

The population of India has reached 1.21 billion, 30 % 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 slowing down Indian growth, growth in annual cement consumption should be maintained, fuelled by population growth (estimated at 1.3 % in 2012) 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 96.1 million tonnes in 2012, up 3.8 %[(6)] compared with 2011.

(1) Internal source.
(2) Source: Study «Building Materials» Jefferies International Ltd., August 2012 (consumption) and CIA World Factbook (populations).
(3) Internal source.
(4) Internal source.
(5) Source: Study «Building Materials» Jefferies International Ltd., August 2012 (consumption) and CIA World Factbook (populations).
(6) Internal source.

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.

In 2010, Vicat Sagar Cement embarked on the construction of a greenfield cement factory in the south of India, 700 kilometers from Mumbai and 170 kilometers from Hyderabad, whose workshops were gradually started at the end of the year 2012. The new plant is located in the Gulbarga cluster in the State of Karnataka and began to sell its products in the first quarter of 2013 (see also sections 5.2.2 “Principal investments in progress and planned” and 12.2.3 “Industrial investments”). As at December 31, 2012, the Group owned 53 % of the joint venture company.

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

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 2012 represented a total annual capacity of 5 million tonnes of cement. This acquisition made Vicat a major player in the south of India. Synergies are currently being developed between the two companies controlled by the Group.

Bharathi Cement, which began production from its plant in October 2009, has succeeded in achieving very rapid market penetration in southern India and in Maharashtra, where the Company sold more than 2.5 million tonnes during 2012.

At the end of 2012, the Group had a capacity of 5 million tonnes through Bharathi Cement and a capacity of 2.8 million tonnes with the start-up of the first Vicat Sagar Cement production line, a total of 7.8 million tonnes, which will enable it to support the strong growth in the Southern India market and confirm its position as a major player there.

6.3.2. Ready-mixed concrete and Aggregates

The Ready-mixed concrete and Aggregates segment accounted for 36 % of Group sales, that is over € 826 million of consolidated sales in 2012 (€ 818 million 2011 and € 716 million in 2010), and 15.4 % of the Group’s EBITDA for this same period (15.9 % in 2011 and 12.4 % in 2010).

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 2012, the group operated 72 aggregates quarries and 246 concrete batching plants, distributed over seven countries, and had sold 21.5 million tonnes of aggregates and more than 7.9 million m^3 of concrete.

The Group initially developed its Ready-mixed concrete and aggregates business 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 of over 50 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 design 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 com- position, in particular granulometry and hardness. Local geology determines the types of aggregates available in a given market.

In 2012, the Group produced and sold 21.5 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 facilities

(a) Ready-mixed concrete

As at December 31, 2012, the Group operated 246 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 have been largely automated, in order to ensure precision in 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 subcontracts 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. Facilities

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

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.

6.3.2.5. Competitive position

In 2012, the Group produced over 7.9 million m^3 of concrete, 39.0 % of which was in France, 20.9 % in the United States, 30.9 % in Turkey and 9.2 % in Switzerland. The Group's 246 concrete batching plants are located near its principal cement production sites, forming a network over the territories in order to supply regional building sites and urban centers.

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

Sales volumes

(in thousands of m^3)	2012	2011	2010
France	3,093	3,165	2,867
United States	1,658	1,600	1,429
Turkey	2,447	2,444	2,971
Switzerland	729	757	481
Mauritania	1	3	1
Total	**7,928**	**7,969**	**7,749**

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, 7 in Turkey, 2 in Senegal and 1 in India, with a production of 21.5 million tonnes of aggregates in 2012. The aggregates produced by the Group's French sites represent approximately 47.3 % of its total aggregates production.

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

Sales volumes

(in thousands of m^3)	2012	2011	2010
France	10,185	11,251	10,346
Turkey	5,428	4,794	5,555
Switzerland	2,854	2,930	2,469
Senegal	2,623	2,968	2,396
India	426	276	-
Total	**21,516**	**22,219**	**20,766**

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. Markets

(a) France

After stabilizing in 2010 (+ 0.9 %), increasing substantially in 2011 (+ 11 %), the ready-mixed concrete market weakened again in 2012, falling by 6.5 %(1) compared with 2011.

The ready-mixed concrete market in France has experienced an annual average reduction of approximately 2.9 % since 2006 and an average annual increase of 1.6 % since 2009(2). In 2012, the ready-mixed concrete market accounted for more than 39 million m^3 of concrete, manufactured by some 1,873 concrete batching plants distributed throughout France(3).

Production

(in thousands of m^3)	2012	2011	Change
Auvergne	710	800	- 11.3 %
Bourgogne	874	975	+ 14.6 %
Centre	1,276	1,461	- 10.3 %
Franche-Comté	621	637	- 2.5 %
Île-de-France	5,429	5,757	- 5.7 %
Lorraine	1,094	1,188	- 7.9 %
Midi-Pyrénées	2,292	2,508	- 8.6 %
Nord-Pas-de-Calais	1,673	1,897	- 11.8 %
Provence	3,848	4,051	- 5.0 %
Rhône-Alpes	4,428	4,691	- 5.6 %
Total France	**38,931**	**41,614**	**- 6.5 %**

The group operates 145 concrete batching plants in France, which produced almost 3.1 million m^3 of concrete in 2012, down by 2.3 % compared with the previous year.

The Group operates in the Rhône-Alpes, PACA, Midi-Pyrenees, Centre - Auvergne, Nord - Pas de Calais and Ile-de-France regions and in north-eastern France. The Group operates a fleet of approximately 610 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.

(1) Source: National Ready Mix Concrete Association (NRCMA), 2012.
(2) Source: National Ready Mix Concrete Association (NRCMA), 2012.
(3) Source: National Ready Mix Concrete Association (NRCMA), 2012.

In France, the technical sales team of the Group's ready- mixed concrete division benefits from collaboration with 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.

The French market aggregates represented 362 million tonnes in 2012[(1)] (excluding recycled materials), down 4.5% compared to 2011, from the operation of approximately 3,500 quarries. The group has 63 production sites, including 42 quarries, which enabled it to produce and market 10.2 million tonnes of aggregates in 2012, i.e. approximately 2.8% of domestic demand[(2)]. The Group is one of the top ten aggregate producers in France.

The Group's strategy for its Aggregates business in France is to concentrate on the regions where it already has a presence in the Ready-mixed concrete business. The Group regularly acquires companies with concrete batching plants and aggregates quarries. In 2012, the Group acquired the company Béton Chatillonnais (2 batching plants), 2 batching plants from the company AM Béton and 3 batching plants from the company FABEMI.

In 2012, the Group's Aggregates business in France declined by 9.5 % (compared with a production of approximately 11.3 million tonnes in 2011) with different trends apparent in different regions.

(b) United States

The American market for ready-mixed concrete was estimated at approximately 221 million m^3 in 2012[(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, before recovering in 2011 and 2012, up by 3.3 % and 8.8 % respectively. This level is nevertheless more than 30 % 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 44 concrete batching plants in the United States, in the two areas where it is established. These produced an overall output of 1.7 million m^3 in 2011 (70 % of which in California and 30 % in Alabama), up 3.6 % by comparison with total production in 2011. 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 in which the group operates are discussed below.

The ready-mixed concrete market in which the group operates in the South-East, i.e. Alabama and Georgia, accounted for a production of almost 8.1 million m3 in 2012, which represents a increase of 8.7 % compared to 2011[(4)], with a particularly marked improvement in Georgia.

The ready-mixed concrete market in California accounted for a production of 20.9 million m^3 in 2012, up 8.0 % compared with the previous year[(5)].

(c) Switzerland

The ready-mixed market in Switzerland has grown at an average annual rate of 1.5% since 2007, with a stability of the years 2007 and 2008. After a decline in 2009[(6)], the market is again on the rise and increased an average of 4.0% per year since 2009. Based on the Group's estimates, the market contracted in 2012 to around 4 to 5%, with strong regional disparities, to about 11.9 million m3. The ready-mixed market is very developed and served by a dense network.

Through its Vigier subsidiary, the group owns 23 concrete batching plants distributed over the western half of Switzerland in four regions. These concrete batching plants produced 0.73 million m^3 in 2012, a decrease of more than 57 % compared with the previous year (production having increased by 3.7 % in 2011).

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 2012 was 2.8 million tonnes, down 2.5 % compared to the previous year.

(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 and internal estimate for 2012.
(4) Source: National Ready Mix Concrete Association (NRMCA), 2011 and internal estimate for 2012.
(5) Source: National Ready Mix Concrete Association (NRMCA), 2011 and internal estimate for 2012.
(6) Source: European Ready Mix Concrete Organization (ERMCO), 2011 and internal estimate for 2012.

(d) Turkey

The ready-mixed concrete market in Turkey has experienced annual average growth of 4.1 % since 2007 and 11 % since 2009[1]. 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, 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 91.5 million m^3 in 2012[2], up by around 1 % compared with the previous year.

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 2012, the group operated 33 concrete batching plants, 14 in the Ankara area and 19 in the Konya region, with a production of 2.4 million m3, remaining stable compared with 2011. 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 aggregates market in Turkey is estimated at 300 million tonnes in 2012[3] up from 2011. The group operates seven quarries in Turkey, producing a total of 5.4 million tonnes of aggregates in 2012 (up 13.2 % compared to 2011): five 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

2012 was marked by a dynamic market in the first quarter, continuing the trend from 2011, driven by work on airport and road infrastructures. An abrupt slowdown was felt from the month of April onwards, following the presidential elections, with the main construction sites being delayed or called into question by the new government.

The Group operates in the aggregates market serving Senegal and neighboring countries. In the absence of official statistics, Group estimated at approximately 4.7 million tonnes in 2012[4], representing a decrease of approximately 8% compared to 2011. This market was characterized in 1994 by demand exceeding the capacity of the various cumulative quarry operators in the country. This trend abated in the second half of 2012 with the basalt downturn. 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 2012, the Group produced 2.6 million tonnes of aggregates, a decrease of 11.6 % compared with 2011. 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 contiguous 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 35 % of the demand of the crushed aggregates market intended for hydraulic concretes[5]. Gécamines produces and sells crushed basalt aggregates, with approximately 70 % of market volumes intended for the construction of road infrastructure.

(f) India

The aggregates sector in Southern India is very fragmented and little regulated, although the authorities encourage compliance with the rules of environmental management.

In the specific area of alluvial sand, regulatory restrictions appear, and generates a shortage, especially in the major urban centers of the southern states.

(1) Source: European Ready Mix Concrete Organization (ERMCO), 2011 and internal estimate for 2012.
(2) Internal source.
(3) Internal source.
(4) Internal source.
(5) Internal source.

The company Mines & Rocks (a 100 % subsidiary of Bharathi Cement) operates an aggregates quarry approximately 50 km from Bangalore, in the State of Karnataka. It sells its production in the peri-urban area to the north of Bangalore.

The industrial tool allows 80 % sand, and gives to the Group the opportunity to compete effectively in a rapidly growing market.

Its production amounted to 0.4 million tonnes in 2012, up 54 % compared with the previous year.

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.

The Other Products & Services business covers the transport, construction chemicals, paper and precast concrete products businesses. It accounted in 2012 for 13.5 % of the group's consolidated sales, i.e. € 310 million (€ 310 million in 2011 and € 264 million in 2010) and 7.8 % of the Group's EBITDA for the same period, i.e. € 34 million (6.8 % in 2011 and 5.8 % in 2010).

Breakdown of sales by business

(in millions of euros)	Products and Services	2012	2012 (excl. Group sales)	2011	2010
France	Transport and Major Projects	99.6	58.4	119.5	88.0
	Vicat Produits Industriels	67.8	67.7	65.3	60.4
	Paper	39.8	35.0	41.3	40.0
Switzerland	Precast concrete products	127.9	127.2	122.8	105.7

6.3.3.1. Transport and Major Projects business (France)

The 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, the majority of which 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 50 % 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 fell by 10.6 % in 2012, in line with cement sales volumes.

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 view of 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 4.1 % in 2012 to € 67.7 million, in a market which fell by around 2.4 %[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 66 % of VPI's sales, customers are consortia, integrated or independent traders.
- DIY segment: sells to major DIY outlets. This segment accounts for approximately 30 % of VPI's sales.
- Civil engineering segment: deals with specialist civil engineering companies. This segment accounts for approximately 4 % of VPI's sales.

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

Papeteries de Vizille sold 21,961 tonnes of paper in 2012, a reduction of 5.5 % compared to 2011, mainly due to a decline in domestic demand. French production of printing and writing paper decreased by 12.4 % in 2012[2]. 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, security papers and filigree papers. The Group also continued to develop new products, such as greaseproof papers and high security papers.

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 large capacity paper bags

The French market declined significantly in 2012, down by 6.6 %[3], in particular in the construction, chemicals and human and animal foodstuffs sectors.

The bag business provides large 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[4]. In addition, 28 % 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.

(1) Source: Syndicat National des Mortiers Industriels, 2012.
(2) Source: Confédération française de l'industrie des papiers, cartons et celluloses (Copacel), 2012.
(3) Source: European Federation of Paper Sack Manufacturers (Eurosac), 2012.
(4) Source: European Federation of Paper Sack Manufacturers (Eurosac), 2012.

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

	2012	2011	Variation
Writing and printing paper (in tonnes)	21,961	23,224	- 5.5 %
Bags (in thousands of units)	60,442	66,113	- 8.6 %
Sales (in millions of euros)	39.8	41.3	- 3.6 %

6.3.3.4. Precast concrete products business (Switzerland)

Créabéton Matériaux, a Swiss subsidiary of Vigier, operates 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, drainage systems) 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 2012, the Swiss factories produced a total of 415,136 tonnes of precast concrete products, up 0.8 % compared to 2011, in a sustained market, which was however subject to strong pressure from imports. Deliveries of railway sleepers for the Gothard construction site resulted in a slight increase in business.

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

Information relating to the legislative and regulatory environment in which the group operates is contained in the Corporate Social Responsibility report in Appendix 3. of this Registration Document.

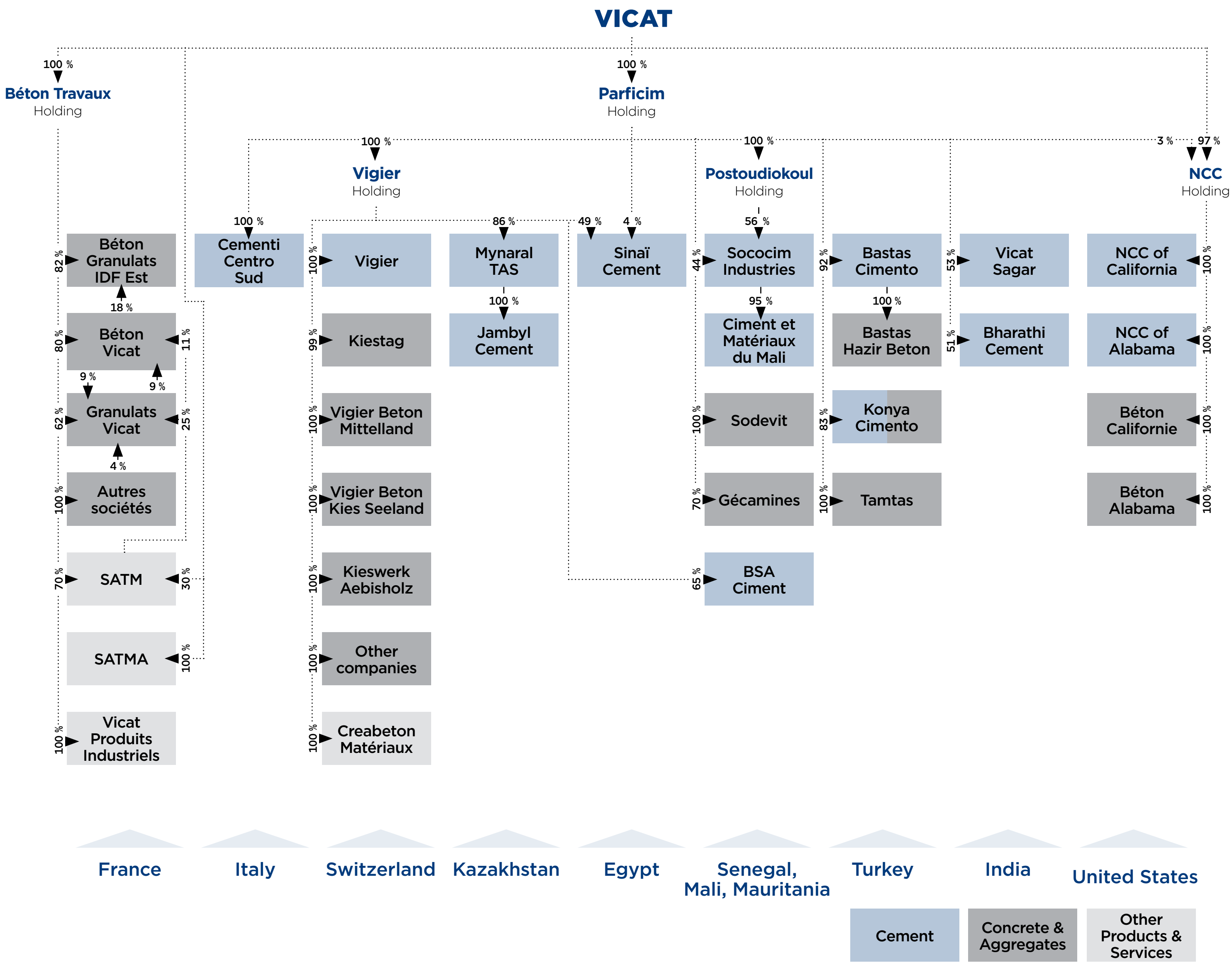
Organization chart

7.1. Simplified legal organization chart for the Group as at December 31, 2012

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. At the beginning of 2013, the Homebroker JSC group approached the Group with regard to early sale of its holding in Mynaral Tas. This offer was accepted by the Group which thus increased its holding in Mynaral Tas to 90 %.

As at December 31, 2012 the options granted to Homebroker JSC and the International Finance Corporation resulted in recognition of a liability corresponding respectively to the negotiated acquisition value and 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 intra-Group 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 control 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, 2012:

Country	Number of subsidiaries
France	44
United States	17
Switzerland	36
Turkey	7
Senegal	5
Egypt	13
Italy	1
Mali	1
Mauritania	2
India	6
Kazakhstan	2
Total	134

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, 2012, 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, 2012, 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, 2012, 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, 2012, Parficim held 100 % of Vigier Holding's share capital.

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 € 4,455,536, 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, 2012, Béton Travaux held 82.39 % of the share capital of B.G.I.E. and Béton Vicat held 17.61 %.

Béton Vicat

Incorporated on January 7, 1977, Béton Vicat, formerly Béton Rhône-Apes, is a French Société Anonyme with a share capital of € 4,168,336 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, 2012, Béton Travaux held 79.40 % of the share capital of Béton Vicat, SATM held 11.33 % and Granulats Vicat held 9.21 % (others: 0.06 %).

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 € 5,601,488 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, 2012, Béton Travaux held 62.11 % of the share capital of Granulats Vicat, SATM held 24.58 %, B.C.C.A. held 3.75 % and Béton Vicat held 9.56 %.

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, leasing 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 its extension or development.
As at December 31, 2012, 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, 2012, 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 YTL131,559,120, 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, 2012, 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, 2012, 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 YTL19,425,000, 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, 2012, 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 – Torre A, Piazza Borgo Pila, 40/57 F - G – 16129, Genoa (Italy), registered in Genoa under 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, 2012, Parficim held 100 % of the share capital of Cementi Centro Sud S.p.a.

Bharathi Cement Corporation Private Limited

Incorporated on May 12, 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 Reliance Majestic Building, door n° 8-2-626, road n° 10, 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, 2012, 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 20,258,454,800 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, 2012, the Company (through Parcifim and Vigier Holding) held 86.25 % 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 16,729,195,512 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, 2012, the Company (through Parcifim, Vigier Holding and Mynaral Tas) held 100 % 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 Reliance Majestic Building, door n° 8-2-626, road n° 10, Banjara Hills, Hyderabad - 500034, Andhra Pradesh, 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, 2012, Parficim held 53.00 % of the share capital.

Real estate, factories

8.1. Real estate and equipment

The table below shows the Group's main real estate holdings and equipment as at December 31, 2012 for its Cement, Ready-mixed Concrete and Aggregates businesses:

Country	Cement				Ready-mixed concrete	Aggregates
	Cement factories	Grinding plants	Cement terminals	Capacity (1) (millions of tonnes)	Concrete batching plants	Quarries
France	5	3	4	4.6	145	42
United States	2 (2)		5	2.6	44	
Turkey	2			4.6	33	7
Senegal	1		3	3.5		2
Mali			1			
Switzerland	1		1	0.9	23	20
Egypt	1			3.6		
Italy		1	2	0.5		
Mauritania		1	12	0.5	1	
Kazakhstan	1		5	1.2		
India	2		103 (3)	7.8		1
Total	**15**	**5**	**106**	**29.8**	**246**	**72**

(1) Cement capacity equivalent to the clinker capacity of each factory.
(2) In the case of the Lebec cement factory, the Group has a 99 year lease on 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 in 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 shows the Group's various cement producing sites in France and abroad.

Sites	Country	Key dates
Montalieu	France	The Group's main cement factory in France, its construction dates from 1922.
La Grave-de-Peille	France	Built in 1929, this is the Group's second largest cement factory in France.
Créchy	France	Built in 1968, this cement factory is located near 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	The acquisition of this cement factory in Ragland, Alabama, was the group's flagship international investment
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 center of Turkey, near Ankara, the capital.
Rufisque	Senegal	In 1999, the group took over Sococim Industries which operates a cement factory near the capital, Dakar.
Reuchenette	Switzerland	The acquisition of Vigier in 2001, enabled for the Group to add this cement factory of Reuchenette to its facilities.
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 harbor.
Oristano (station de broyage)	Italy	Acquired in May 2003, Cementi Centro Sud is the owner of a grinding mill in Sardinia and has two shipping terminals in Tarente (in the south of the Italian peninsula) and Imperia (near 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 1.2 million tonnes capacity cement factory in Mynaral, 400 km from Almaty. The factory came on stream 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, has completed the first line at a greenfield plant in Karnataka. The plant, with a capacity of 2.5 million tonnes, began production at the end of 2012 and commercial operations in the first quarter of 2013.
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 52 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. For details, see the report on corporate social responsibility in Appendix 3 of this Registration Document.

8.1.2. Ready-mixed concrete

The ready-mixed concrete business included 246 concrete batching plants as at December 31, 2012. 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 involves a need to reinstate the sites. For details, see the report on corporate social responsibility in Appendix 3 of this Registration Document.

The industrial plant comprises heavy equipment such as loaders, haulage machines, crushers and other equipment 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 focuses of the Group's environmental policy are set out in the report on corporate social responsibility in Appendix 3. of this Registration Document. Investments amounted to a total of € 6.0 million in 2012, € 8.8 million in 2011 and € 5.9 million in 2010.

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, 2010, 2011 and 2012, 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 conducts 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.

Examination of the financial position and results

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

In 2012, the Group's total shipments in these main businesses amounted to 17.9 million tonnes of cement, 7.9 million m^3 of concrete and 21.5 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 2012 results

During the 2012 financial year, the Group's consolidated sales were € 2,292 million, up 1.2 % compared to 2011 and more or less stable at constant consolidation scope and exchange rates (- 0.2 %).

The Group's business was affected by a significant decline in activity in France (- 6.8 % at constant consolidation scope and exchange rates), as a result of an adverse macro-economic situation and severe weather conditions, and also in Egypt (- 27.0 % at constant consolidation scope and exchange rates), owing to fuel shortages and deterioration in the security situation, and finally in West Africa (- 5.2 % at constant consolidation scope and exchange rates) essentially due to increased competitive pressure. In the rest of Europe, excluding France, business remained stable in Switzerland (- 0.2 % at constant consolidation scope and exchange rates), despite adverse weather conditions at the start of the year, and declined slightly in Italy (- 1.2 %). The downturn in activity in these regions was largely offset by the continued increase in output from the Group's businesses in India (+ 30.5 % at constant consolidation scope and exchange rates) and Kazakhstan (+ 129.4 % at constant consolidation scope and exchange rates), a strong recovery in the United States (+ 9.6 % at constant consolidation scope and exchange rates) and finally the Group's dynamic growth in Turkey (+ 12.3 % at constant consolidation scope and exchange rates) despite particularly severe weather at the start of the year.

Change in sales 2012/2011 by business and geographical region

	France		Outside France		Total	
	In millions of euros	Change 2012/2011	In millions of euros	Change 2012/2011	In millions of euros	Change 2012/2011
Cement	- 36	- 11.6 %	+ 54	+ 6.6 %	+ 18	+ 1.6 %
Concrete & Aggregates	- 14	- 3.3 %	+ 23	+ 5.9 %	+ 8	+ 1.0 %
Other Products & Services	- 9	- 4.7 %	+ 9	+ 7.8 %	+ 1	+ 0.2 %
Total	**- 60**	**- 6.3 %**	**+ 86**	**+ 6.5 %**	**+ 27**	**+ 1.2 %**

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

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

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

Consolidated net income was € 148 million, down 23.4 % compared to 2011 (€ 193 million), including a Group share of € 129 million, down 21.1 % compared to 2011 (€ 164 million).

The consolidated cash flows from operations fell to € 329 million compared with € 363 million in 2011. The cash generated by operations (€ 307 million) largely funded the € 287 million of industrial investments made over the year. With a net financial indebtedness of € 1,144 million, the group displays, as at December 31, 20112, a sound financial structure, with gearing 46.4 % compared with 43.8 % at the end of 2011.

9.1.2. Elements having an impact on earnings

As at the date of filing 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.

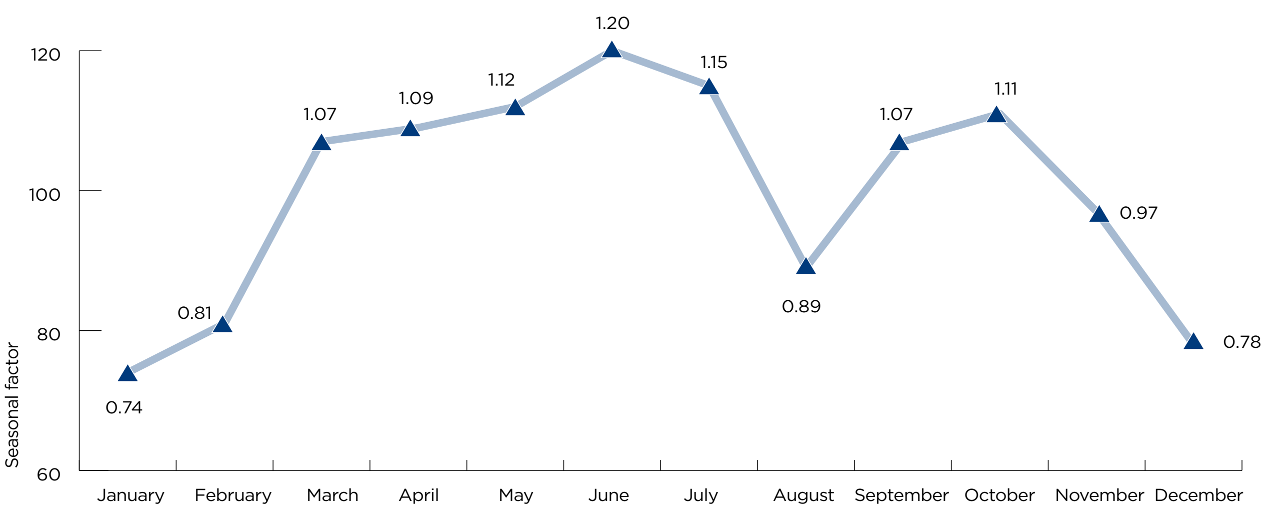
The price levels applicable to each market are determined by the production costs of existing operators and the competitive intensity of the product markets.

(b) Seasonality

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 varied from 0.74 on average in January to almost 1.20 on average in June.

Seasonality of Vicat 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 most significant 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 has debt 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. Intra-Group 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 and Senegal) 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 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.

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 the IFRS reference manual, as adopted within the European Union.

The standards adopted 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, 2012 was 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 2012 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 Income from Operations 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:

In 2012, the Group acquired a number of companies in France specializing in the manufacture of concrete, representing a total production capacity of 161,000 m^3 and generating sales for the Group of € 4.3 million.

Exchange rate fluctuations:

The Group’s international operations expose its results to fluctuations in the 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 Notes to the 2012 consolidated financial statements, sales recomputed at constant consolidation scope and exchange rates compared to 2011. 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 Notes 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 2012 and 2011

9.2.1. Change in consolidated sales

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

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

- contrasting activity levels between areas affected by social and political events, such as Egypt and Mali, and others which reaped the benefits of favorable commercial momentum, such as India, Kazakhstan, Turkey and the United States

- adverse weather conditions compared with 2011, particularly in France and Switzerland,

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

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

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

(In millions of euros except %)	2012	2011	Change	Change (%)	Of which Exchange rate effect	Of which Change in consolidation scope	Internal growth
Cement	1,156	1,138	18	1,6 %	10	0	8
Concrete & Aggregates	826	818	8	1,0 %	14	4	(11)
Other Products & Services	310	310	1	0.2 %	3	0	(2)
Total	**2,292**	**2,265**	**27**	**1.2 %**	**27**	**4**	**(4)**

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

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

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

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

	2012	2011	Change 2012/2011
Cement (in thousand tonnes)	17,894	18,035	- 0.8 %
Concrete (in thousand m3)	7,928	7,969	- 0.5 %
Aggregates (in thousand tonnes)	21,516	22,219	- 3.2 %

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

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

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

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

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

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

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

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

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

9.2.2. Change in operating income

(In millions of euros)	2012	2011	Change 2012/2011
Net sales	2.292	2.265	+ 1,2 %
EBITDA	437	491	- 10,9 %
EBIT	245	309	- 20,8 %
Operating income(1)	245	302	- 18,8 %

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

The Group's consolidated EBITDA fell by 10.9 % compared with 2011 to € 437 million, and by 11.4 % at constant consolidation scope and exchange rates. The EBITDA margin in 2012 was, therefore, 19.1 % compared with 21.7 % in 2011. This decrease resulted essentially from:

- a drop in volume in the Cement and Concrete & Aggregates business, due to a downturn in activity in France and Egypt, and a fall in prices in West Africa,
- particularly difficult manufacturing conditions in Egypt as a result of fuel shortages,
- increases in energy costs in India, Egypt and Senegal and in freight costs in India.

These negative factors were partly offset by:

- a significant increase in EBITDA in Kazakhstan and Turkey,
- improved performance in the United States, significantly reducing operating losses,
- and a slight increase in the EBITDA generated in Switzerland and Italy.

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

9.2.2.1. Change in operating income by geographical area

9.2.2.1.1. Income statement - France

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

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

Against this unfavorable background, the EBITDA generated by the Group in this region fell by a net 19 %.

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

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

9.2.2.1.2. Income statement – Europe (excluding France)

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

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

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

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

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

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

9.2.2.1.3. Income statement – United States

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

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

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

- Sales in the Cement business recovered strongly by 18.7 %, at constant consolidation scope and exchange rates, supported by an annual increase in volumes of more than 17 % in 2012. Although prices rose slightly over the course of the year, they nevertheless remained lower on average than in 2011. In light of these factors, the Group's EBITDA in this segment remained negative for the year as a whole, though showing an improvement compared with 2011. It is important to note that the Group's performance improved significantly during the second half of 2012, generating a positive EBITDA for this period.

- Sales in the Concrete business increased by 6.0 % at constant consolidation scope and exchange rates. The performance for the year resulted from a solid increase in volumes, especially in California. Selling prices increased on an annual basis for the first time in a number of years. As a result, the Group significantly reduced its EBITDA loss compared with 2011, reflecting the improvement in the profitability of this segment during the second half of 2012.

9.2.2.1.4. Income statement – Turkey, Kazakhstan and India

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

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

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

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

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

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

9.2.2.1.5. Income statement – Africe and the Middle East

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

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

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

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

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

9.2.2.2. Change in operating income by business

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

9.2.2.2.1 Change in the operating income of the Cement business

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

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

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

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

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

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

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

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

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

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

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

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

9.2.3. Change in financial income

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

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

9.2.4. Change in taxes

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

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

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

9.2.5. Change in net income

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

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

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

9.3. Comparison of the earnings for 2011 and 2010

9.3.1. 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 %) 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 volumes on the domestic market and prices;
- major improvements in India with the increase in output from Bharathi Cement and a favorable price environment.

The net consolidated income was € 193 million, down 26.9 % compared with 2010 (€ 264 million), including a Group share of € 164 million, down 19.3 % compared with 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 gearing as at this date of 43.8 % compared with 38.6 % at the end of 2010.

9.3.2. Change in consolidated sales

Consolidated sales for 2011 were € 2,265 million, up by 12.5 % compared with 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 business, compared with 2010 is as follows:

(In millions of euros except %)	2011	2010	Change	Change 2011/2010	Of which Exchange rate effect	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 %
Exchange rate fluctuations	- 1.2 %
Total	**+ 12.6 %**

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 depends on the businesses 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 m3)	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 and 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 made 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**	**-**	**2,265.5**
Inter-sector eliminations	(218.1)	(36.1)	(81.1)	-	-
Consolidated sales	**1,137.6**	**818.0**	**309.9**	**(335.3)**	**2,265.5**

9.3.3. 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. 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.

9.3.4. Change in the operating income by geographic area

9.3.4.1. 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 10.7 % at constant consolidation scope and exchange rates. EBITDA was € 202 million, up 7.9 %. The EBITDA margin was 20.9 %, compared with 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.

- Consolidated sales in the Cement business saw a solid growth of 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. Against this background, the EBITDA generated by this segment increased substantially.
- Consolidated sales in the Concrete & Aggregates business 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, there was a growth in EBITDA.

- Consolidated sales in Other Products & Services increased by 18.6 %. All parts of the business saw growth, with a significant increase in particular in the Transport sector by 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 from this segment increased compared with 2011

9.3.4.2. Income statement - Europe (excl. France)

(In millions of euros except %)	2011	2010	Change 2011/2010 Published	Change 2011/2010 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 to € 102 million. The EBITDA margin on operating sales fell in light of the significant fall in the margin in Italy and the slight decline recorded in Switzerland.

In Switzerland, consolidated Group sales increased by 26.8 % and by 5.6 % at constant consolidation scope and exchange rates, supported by a very dynamic market and driven by favorable weather conditions in the first and fourth quarters.

- In the Cement business 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 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. Against this background, the EBITDA generated by this segment in Switzerland saw solid growth despite a contraction in the EBITDA margin.
- In the Concrete and Aggregates business, 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.
- 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. EBITDA increased.

In Italy, consolidated sales increased by 26.0 %, supported by a rise in sales volumes in a market which remained depressed. This growth reflects 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. Sales in the fourth quarter increased by 45.3 %, supported by a substantial increase in volumes sold. 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.

9.3.4.3. 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 performance 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 EBITDA of -€9 million for the year, compared with -€6 million in 2010.

- Consolidated sales in the Cement business fell by 8.5 % and by 4.0 % at constant consolidation scope and exchange rates, affected by a drop price 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 difficult first half in both Alabama and California. Nevertheless, against a background of three years of financial crisis, the Group's EBITDA in this segment remained negative.
- Consolidated sales in the Concrete business 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 fully the fall in selling prices compared with 2010. With selling prices and sales volumes remaining low, however, the Group posted negative EBITDA in this segment in the United States.

9.3.4.4. 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 in the right direction, 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, EBITDA increased substantially over the period compared 2010.

- In the Cement segment, despite the slight slowdown in the construction market referred to above, sales volumes remained in the right direction, owing to the dynamism in the infrastructure and commercial markets. Consolidated sales increased by 1.0 % 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, EBITDA continued to improve significantly.

- Consolidated sales in the Concrete and Aggregates business 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 due to the effect of an unfavorable comparison basis, as the Group benefited from exceptional infrastructure projects 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 India, the Group recorded sales 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 90 %. Against the background of a market which remained marked by temporary overcapacity and a smaller increase in demand than expected by the market, Bharathi Cement pursued its deployment plan in line with Group expectations. Vicat recorded an excellent performance over the period with sales of over 2 million tonnes of cement. Selling prices recorded a significant increase of almost 40 % over the course of 2011. This success 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.

Against this background, EBITDA generated by the Group in India increased substantially, supported by the rapid increase in manufacturing output, the rise in selling prices and the excellent technical performance of the Bharathi Cement plant.

In Kazakhstan, Vicat continued to increase its industrial and commercial output from April 1, 2011 at a sustained rate in line with Group expectations. Cement sales volumes in this period were more than 500,000 tonnes in a favorable price environment. On this basis, sales in the period were € 26.9 million.

Against this background, the Group generated positive EBITDA of slightly over € 1 million for the year.

9.3.4.5. Income statement Africa and the Middle East

(In millions of euros except %)	2011	2010	Change 2011/2010 Published	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. The dynamism of 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 which resulted.

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), substantially increased productions costs and finally a non-recurrent positive element of € 18 million recorded in 2010 in respect of a retrospective adjustment to the tax on cement in Egypt.

- 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 his background, EBITDA generated in Egypt in 2011 fell by two thirds compared with 2011, including the non-recurrent element.

- In West Africa, sales increased by 19.0 % and 19.6 % at constant consolidation scope and exchange rates. This rise was the result of a significant growth in cement sales volumes. The average selling price across the region as a whole fell slightly, due primarily to an unfavorable mix, but consistent with the Group's strategy of geographical diversification and the significant increase in export sales resulting from this. EBITDA increased substantially despite a lower EBITDA margin due primarily to increases in transport costs and electricity costs as a result of gas supply problems which forced the Group to make temporary use of more expensive alternative electricity generation sources.

9.3.5. Change in the operating income by business

9.3.5.1. 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.

9.3.5.2. 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	26.4	16.2	+ 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 aggregates by 7 %.

This growth resulted from an improvement in business in all regions where the Group operates, with the exception of Turkey, where over the year as a whole there was a very slight decline in business at constant consolidation scope and exchange rates. Given the improved environment seen in this business, more favorable price movements 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.

9.3.5.3. Change in the operating income of the Other Products & Services businesss

(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.

9.3.6. 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 %
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.

9.3.7. 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 decline, the tax burden increased by almost € 22 million. Against this background, income after tax was € 193.1 million, down by 26.9 % compared to € 264.2 million in 2010,

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

- in France, the 5 % special tax and the taxation on dividends received from subsidiaries due to the removal of the ceiling on 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 fees and expenses.

9.3.6. Change in net income

The consolidated net 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 (€ 202.7 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 net income.

Cash flow and equity

10.1. Equity

At the date of filing 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 € 2,465 million as at December 31, 2012 including a group share of € 2,131 million and minority interests of € 334 million, which relate mainly to the cement manufacturing subsidiaries in India, Egypt, and Turkey.

Shareholders' equity – group share – includes as at December 31, 2012:
- the Company's share capital of € 180 million;
- premiums linked to the capital of € 11 million;
- conversion reserves of € (108) million;
- consolidated reserves amounting to € 1,919 million, net of treasury shares of € 79 million;
- net income - group share - for 2012, of € 129 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 2012 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 share- holder'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)	2012	2011	2010
Cash flows from operations	329	363	409
Change in WCR (1) (excluding exchange rate and consolidation scope effects)	(22)	(11)	(6)
Net cash flow from operations	307	352	403
Net cash flow from investments	(273)	(301)	(542)
Net cash flow from financing	(149)	33	205
Impact of exchange rate fluctuations on cash flow	(4)	(27)	8
Change in cash position	**(119)**	**57**	**74**

(1) Working Capital Requirement.

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

(In millions of euros)	2012	2011	2010
Cash flow from operations	307	352	403
Industrial investments net of disposals	(261)	(269)	(304)
Free cash flow	**46**	**83**	**99**

In 2012, the free cash flow generated by the Group (€ 46 million) was down on the 2011 figure (€ 83 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 € 67 million in 2012. At € 1,144 million, net indebtedness, excluding put options, represented 46.4 % of consolidated shareholders' equity as at December 31, 2012 and 2.6 times 2012 consolidated EBITDA.

10.2.1. Net cash flows generated by operational activities

Net cash flows from operational activities conducted by the Group in 2012 were € 307 million, compared with € 352 million in 2011.

This reduction in cash flows generated by operational activities between 2011 and 2012 results from a decrease in cash flows from operations of € 34 million and an increase in the change in working capital requirement of € 11 million.

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

(In millions of euros)	WCR as at December 31, 2010	Change in WCR in 2011	Other changes (1)	WCR as at December 31, 2011	Change in WCR in 2012	Other changes (1)	WCR as at December 31, 2012
Inventories	356	9	(5)	360	25	(3)	382
Customers	303	48	(1)	350	1	4	355
Suppliers	(211)	(12)		(223)	(13)	(3)	(239)
Other receivables & payables	(10)	(34)	18	(26)	9	(5)	(22)
WCR	**438**	**11**	**12**	**461**	**22**	**(7)**	**476**

(1) Exchange rate, consolidation scope and miscellaneous.

10.2.2. Net cash flows related to investment operations

Les flux de trésorerie liés aux opérations d'investissement s'analysent de la manière suivante :

(In millions of euros)	2012	2011
Investments in intangible and tangible fixed assets	(269)	(281)
Disposal of intangible and tangible fixed assets	8	12
Net investments in shares of consolidated companies	(11)	(24)
Other net financial investments	(1)	(8)
Total cash flows related to investment operations	**(273)**	**(301)**

Net cash flows related to investment operations carried out by the Group in 2012 amounted to € (273) million compared with € (301) million in 2011.

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

These reflect outflows for industrial investments (€ 269 million in 2012 and € 281 million in 2011) mainly corresponding to the following:

- in 2012, continuation of the investment in India in the Vicat Sagar Cement greenfield project and to a lesser extent investments in maintenance and improvements across all countries.
- 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.

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

76 % of the investments made in 2012 were in the Cement business (77 % in 2011), 18 % in the Concrete & Aggregates business (19 % in 2011) and the remaining 6 % in the Other Products & Services business (4 % in 2011).

Disposals of tangible and intangible assets generated total cash inflows of € 8 million in 2012 (€ 12 million in 2011).

10.2.2.2. Net investments in the shares of consolidated companies

In 2012, the acquisition and disposal of shares in consolidated companies resulted in a total outflow of € (11) million.

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

In 2011, the acquisition and disposal of shares in consolidated companies resulted in a total outflow of € (24) million.

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

10.2.2.3. Other net financial investments

Other net financial investments (net outflow of € 1 million in 2012 and € 8 million in 2011) 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 2012 amounted to € (149) million, compared with € 33 million in 2011.

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 (€ 88million in 2012 compared with € 122 million in 2011);
- the draw-down net of repayments, of credit line and loans taken out by the group and amounting to € (69) million in 2012 (€ 149 million in 2011), including payment of the annual maturities on financial leasing contracts;
- the net cash inflow from the sale by the Company of its own shares (€ 4 million in 2012 and € 0 million in 2011).

10.3. Indebtedness

10.3.1. Group financial policy

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

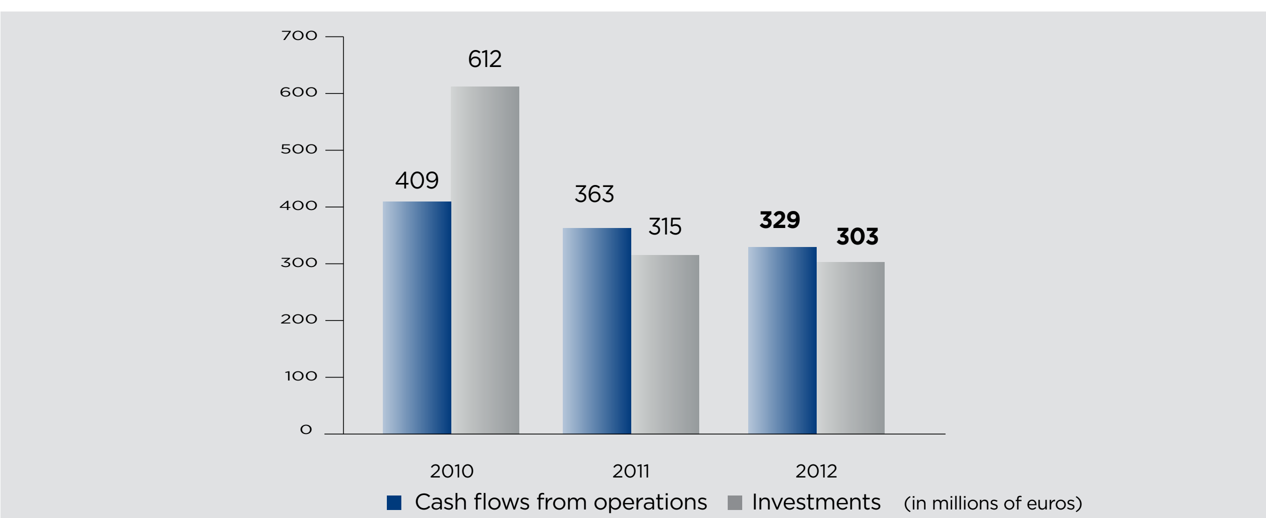
This policy aims at maintaining a balanced financial structure characterized by the following:
- controlled gearing (see section 10.3.4 "Net indebtedness" of this Registration Document);
- satisfactory liquidity of the balance sheet characterized by the provision of cash surpluses and confirmed and available 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 of 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 (70 %), 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 India, Kazakhstan, Switzerland and Senegal.

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

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

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

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

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.

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 Dollars 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, 2012, it was drawn down at an amount of € 40 million and used to an amount of € 283 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 for € 300 million. As at December 31, 2012, the commercial papers issued amounted to € 283 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

France
In 2012 Parficim took out a bank line for € 17 million at at variable rate for a period of 10 years. This was fully drawn down as at December 31, 2012.

Senegal
Sococim Industries has three lines of credit for FCFA 15 billion, two for an original term of 12 months and one for 18 months. As at December 31, 2012, they were drawn down at a total amount of FCFA 32 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.

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 2012, the residual amounts were US$43 million in the case of the first and US$ 66 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 2012, the residual amount was CHF19 million.
A second fixed-rate loan was taken out by Vigier Holding in 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). As at December 31, 2012, the unredeemed amount was CHF45 million.

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). As at December 31, 2012, the lines were fully used.

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.

In 2012 Gulbarga took out a redeemable variable-rate loan of $ 12 million with Proparco for a period of 12 years. As at December 31, 2012, the credit line was fully used.

10.3.1.4. Credit risk hedging by the Group

As at December 31, 2012, the Group had a total of € 416 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, 2012, 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 2012 consolidated financial statements" of this Registration Document).

10.3.2. Gross indebtedness

As at December 31, 2012, gross indebtedness of the group, excluding put options, was € 1,382 million compared with € 1,436 million at December 31, 2011. It is broken down by type as follows:

(In millions of euros except %)	December 31, 2012	December 31, 2011	Change
Loans from US investors	611	611	0 %
Loans from lending institutions	718	762	- 5.7 %
Residual debt on financing leasing agreement	9	8	+ 12.5 %
Other loans and financial debts	21	21	0 %
Current bank facilities and bank overdrafts	23	34	- 32.4 %
Gross indebtedness	**1,382**	**1,436**	**- 3.8 %**
Of which less than one year	224	106	
Of which more than one year	1,158	1,330	

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

44 % 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 62 % in Euros.

The structure of the Group's gross indebtedness as at December 31, 2012, 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, 2012, to € 407 million, i.e. 29 % of the Group's total gross financial indebtedness, after conversion of 50 % of the fixed rate for the first USPP into a variable rate and after taking into account the variable rate / fixed rate swap debt Vicat (€ 150 million maturing in 2016) and one of NCC (US$ 15 million maturing in 2014) and the transformation of fixed rate debt to variable rate Vicat Sagar Cement.

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 debt was limited by setting up cap agreements for Vicat SA for € 100 million over 10 and 12 years (USPP) and for € 260 million for a term of 5 years maturing at the end of 2013 and beginning of 2014 and for Ncc for US$ 35 million maturing in 2013 and 2014.

Maturity

As at December 31, 2012, average maturity was slightly more than 4 years.

The 2014 due date corresponds to the due dates for repayment of the Vigier Holding loan (€ 27 million), the Vicat Sagar Cement Limited loan (€ 6 million) and the Jambyl Cement loan (€ 22 million).

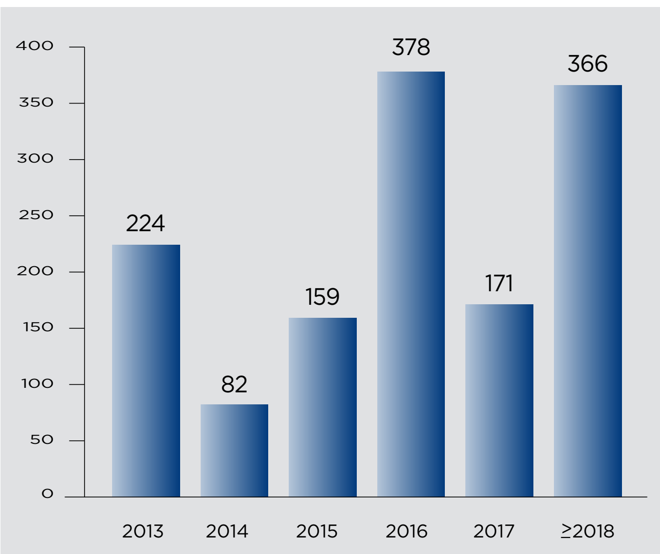
Repayments of the Jambyl Cement loan (€ 22 million), the Vicat Sagar Cement Private Limited loans (€ 25 million), the last tranche of the first USPP (€ 106 million) and the first repayment of the Parficim loan (€ 2 million) represent almost all repayments due in 2015.

The 2016 repayments corresponds to the maturity of the Vicat SA syndicated loan (€ 335 million) and repayments of the Parficim loan (€ 2 million), the Jambyl Cement loan (€ 5 million) and the Vicat Sagar Cement Private Limited loan (€ 26 million).

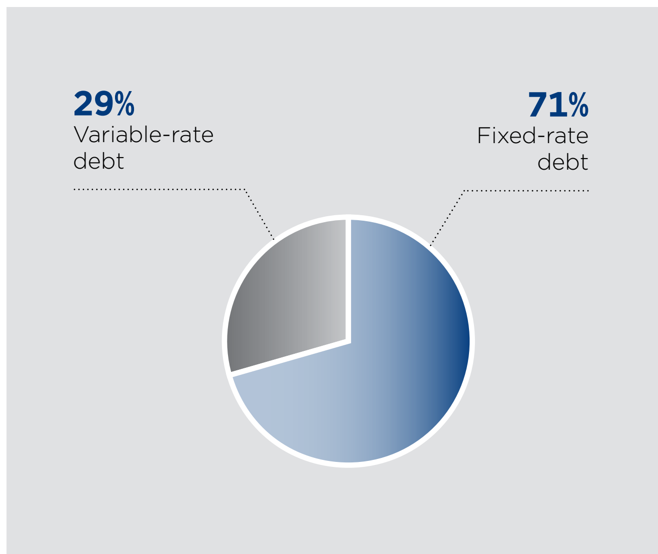
The due dates in 2017 correspond essentially to the first due date the second Vicat SA USPP (€ 135 million), the Parficim loan (€ 2 million), the Vicat Sagar Cement Private Limited loan (€ 26 million) and the Jambyl Cement loan (€ 5 million).

The € 336 million net of the impact of IAS 39 (- € 3 million) due after 2017 are broken down as follows:
- for Vicat, the due dates for the second USPP (2020 and 2022) i.e. € 264 million
- for Parfiicim, € 11 million spread between 2018 and 2022,
- for Vigier Holding, € 7 million spread between 2018 and 2019,
- € 5 million representing the last due date for the Jambyl Cement loan
- and due dates from 2018 to 2025 for Vicat Sagar Cement Private Limited (€ 81 million)

Due dates for the gross indebtedness as at December 31, 2012 (In millions of euros)



Fixed Rate/Variable Rate Indebtedness as at December 31, 2012



10.3.3. Cash surpluses

Cash and cash equivalents include cash at bank (€ 46 million as at December 31, 2012) 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 (€ 191 million as at December 31, 2012).

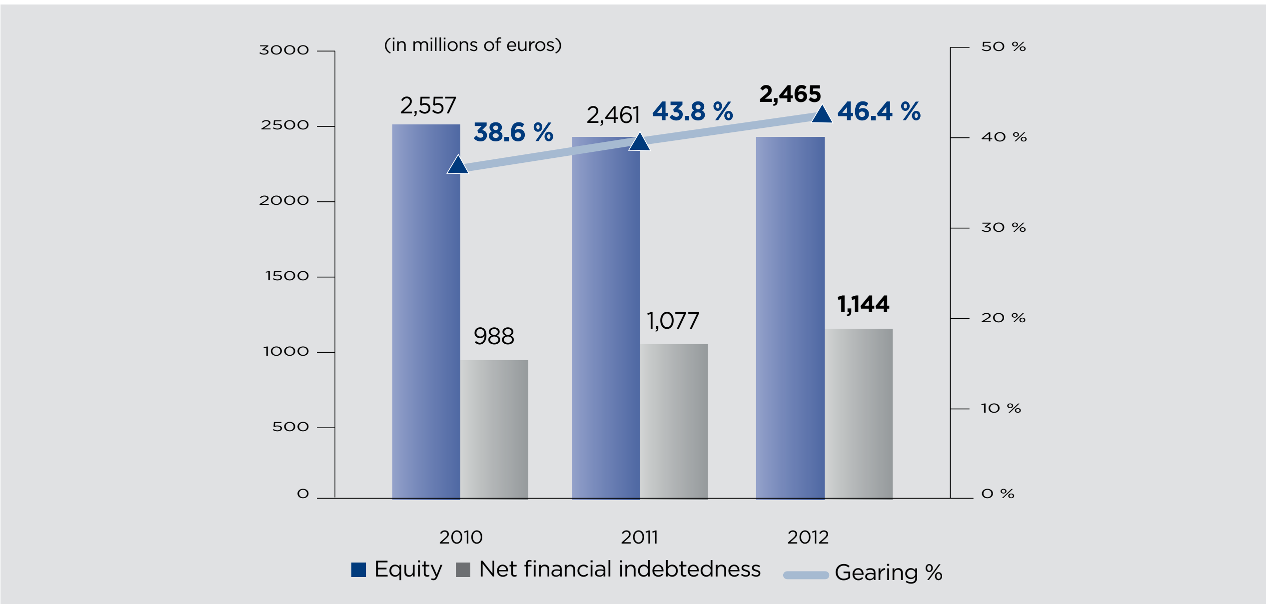
Cash is managed country by country, under the control of the Group's financial management, with cash pooling systems in France, the United States and Switzerland. Any surplus is either invested locally or re-invested if applicable into the Group. When the cash surplus is intended to be used within a 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, 2012	December 31, 2011	Change
Gross indebtedness	1,382	1,436	- 3.8 %
Cash and cash equivalents	237	359	- 34.0 %
Net indebtedness	**1,145**	**1,077**	**+ 6.3 %**

The gearing was 46.4 % at the end of 2012, compared with 43.8 % at December 31, 2011.



The ratio of Net financial indebtedness/EBITDA was 2.62 at the end of 2012 compared with 2.19 at the end of 2011.

Overall, the group had a total amount of € 653 million corresponding to unused lines of financing (€ 416 million) and cash (€ 237 million) available to finance its growth in addition to cash generated from operations.

Gearing and leverage ratios reached at December 31, 2012 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 39 %. Although slightly above this, 2012, therefore, remains within the defined strategic direction. The Group's aim is to reduce its indebtedness and improve these ratios by taking advantage of free cash by taking advantage of the generation of free cash flow as a result of completion of the program of industrial investment in capacity. 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 off-balance sheet liabilities

Off-balance sheet liabilities consist primarily of contractual commitments concerning the acquisition of tangible and intangible fixed assets. The table below shows commitments made by the group as at December 31, 2012 and 2011:

(en millions d'euros)	December 31, 2012	December 31, 2011
Contractual commitments for the acquisition of fixed assets	67.2	126.0
Guarantees and deposits paid	-	6.1
Total	**67.2**	**132.1**

As at December 31, 2012, the off-balance sheet liabilities of the group were € 67.2 million and concerned exclusively contractual obligations relating to industrial investments. These commitments corresponded mainly investments made in Switzerland and France as well as in India in relation to completion of the construction of the Vicat Sagar Cement factory.

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 investments in France and Switzerland.

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, near 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 research scientists and technicians working with modern equipment. Partnerships have also been established with research centers and engineering schools, such as the CEA (French Atomic Energy Commission), the Institut Polytechnique in Grenoble (INPG) and 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 context of its research and development activities, the Group registers patents in order to protect the development of products resulting from them.

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 2013

For 2013, the Group considers that the lack of a clear outlook, 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 2012 results were published:

With respect to 2013, the group would like to give the following assessments of the different markets in which it operates:

- In **France**, in 2013, the Group expects the economic and industry environment to remain difficult, particularly in the first half of the year, resulting in a further fall in sales volumes in a favorable price environment.
- In **Switzerland**, the environment is likely to remain broadly positive, with volumes expected to be slightly up and prices remaining stable.
- In **Italy**, the Group anticipates an improvement in the situation after a difficult year in 2012. Given the current levels of cement consumption, volumes should gradually stabilize and selling prices climb back up.
- In the **United States**, the Group anticipates the improvement in its markets to continue, in terms of both volumes and prices.
- In **Turkey**, the improvement in the sector environment in 2012 is likely to continue during 2013, In a macroeconomic and sector environment which nevertheless remains highly competitive, the Group should be able to take full advantage of the efficiency of its production facilities and its strong market positions.
- In **Egypt**, in a security situation which is likely to remain difficult and offer little in the way of a clear outlook, the market outlook should nevertheless remain good in terms of volumes, which should increase in a more favorable price environment. The Group is confident of positive developments in the Egyptian market in the medium and long term.
- In **West Africa**, sales volumes should continue to head in the right direction overall. Whereas selling prices could again come under pressure, given the continuing uncertainties in the competitive environment. Against the background, the Group will take advantage of its modernized, high performance plant to continue to pursue its commercial activities across the entire West Africa region.
- In **India**, the start-up of the Vicat Sagar Greenfield plant at the end of 2012 and its expected market entry during the first half of 2013, together with the continued increase in output from Bharathi Cement, will progressively create a major player in Southern India. With its strengthened market position and modern, efficient industrial facilities, the Vicat Group should be able in 2013 to take advantage of a dynamic construction market in a price environment which is nevertheless expected to remain volatile.
- 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 price environment that should remain positive.

12.2.1.2. Group objectives

Against this backdrop and with the industrial start-up of its Vicat Sagar Cement greenfield plant in India in December 2012, the Vicat Group has completed its ambitious investment program which will have enabled it to strengthen significantly its geographical diversification, while at the same time paving the way for long-term profitable growth.

The Group now intends to take advantage of its strong market positions, the quality of its industrial plant and its strict control of costs in order progressively to maximize its generation of cash flow and reduce its debt level, before embarking on a new phase in its international growth strategy.

12.2.2. Trends up to 2014

The interruption in economic trends over the course of 2008 which continued through to 2012 does not allow the Group to give precise trends up to 2014. 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 selling 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 1.1 million tonnes of capacity in Kazakhstan and 7.8 million tonnes of capacity in India following start-up of the 2.8 million tonne Vicat Sagar Cement greenfield plant during December 2012 which is now added to Bharathi Cement’s 5 million tonnes of capacity.

The majority of these capacity increases were in emerging countries, bringing the capacity in these countries to almost 21 million tonnes, by including India and Kazakhstan, out of a total of almost 30 million tonnes at the end of 2012. Consequently, between 2006 and 2012, the “Performance 2010” plan, the construction of the greenfield Jambyl Cement plant in Kazakhstan, which came on stream at the beginning of 2011, the acquisition of a majority stake in Bharathi Cement, and the start-up of the Vicat Sagar Cement greenfield plant in India enabled the Group to refocus its center of gravity towards the emerging countries, which now represent almost 71 % of the Group’s global capacity, compared with 44 % in 2006.

Following major investments in brownfield plants and the construction of the greenfield plants owned by Jambyl Cement in Kazakhstan and by Vicat Sagar Cement in India, the overall amount of industrial investment is expected to decrease significantly in 2013 to a maximum of € 160 million.

In accordance with the financial policy implemented by the Group (see section 10.3.1. “Group Financial Policy” of this Registration Document), industrial investments are financed from the Group’s own resources.

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 trends in the economic situation.

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.

Administration and general management bodies

14.1. Composition of the Board of Directors, Chairman and Chief Executive Officer

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 filing 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 retiring members may be re-elected. A director appointed to replace another director remains in office only until the end of his predecessor's term.

14.1.2. Chairman of the Board of Directors and Chief Executive Officer

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 of Directors and Chief Executive Officer. On 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.

The Board of Directors, by a directors' decision of August 2, 2012, decided to allocate from January 1, 2013, Mr. Raoul de Parisot responsibility for business in France (excluding Paper and Bags activities) as well as Italy and Spain.

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 filing 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: 75

Date of first appointment: 02/03/1968

Date de début du mandat actuel: 04/28/2010 as director
04/28/2010 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 Béton*
- 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: 49

Date of first appointment: 06/11/1999

Date of beginning of 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 Béton*
- 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.

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: 76

Date of first appointment: 06/05/1985

Date of beginning of current appointment: 05/04/2012

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: 71

Date of first appointment: 05/15/2009

Date of beginning of 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 the EMERA Group*

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 in September 2008.

Age: 63

Date of first appointment: 05/15/2009

Date of beginning of 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) :
- Permanent representative of LEVAL 3 on the Board of COFIDIS (3 Suisses Group)
- Permanent Representative of CETELEM on the Board of UCB
- Chairman of the Board of Directors of BNP Paribas Personal Finance*
- Director of LASER COFINOGA (Galeries Lafayette Group)*
- Permanent representative of LEVAL 3 in MONABANQ (3 Suisses Group)
- Director of CETELEM Brasil SE (Brazil)*
- Director of Banco Cetelem (Spain)*
- Director of Findomestic Banca SPA (Italy)*

(1) Current appointments are followed by an asterisk.

- Member of the Supervisory board of Cetelem Bak Spolka Akcyjna (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)*
- Director of Financière Primus*

Louis Merceron-Vicat

Graduate of the École des cadres and of the EM Lyon. He joined the group in 1996.

Age: 43

Date of first appointment: 06/11/1999

Date of beginning of 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.

Sophie Sidos

She held various functions within the group until 1997.

Age: 44

Date of first appointment: 08/29/2007

Date of beginning of 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: 69

Date of first appointment: 06/02/2005

Date of beginning of 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*

(1) Current appointments are followed by an asterisk.

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 positions and chairmanships within financial institutions. He was Chairman of the Board of Directors of Banque Rhône-Alpes from 1996 to 2006.

Age: 68

Date of first appointment 08/29/2007

Date of beginning of 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) :

- Member of the Supervisory Board of the ASPEN Institute France

Xavier Chalandon

Graduate of the Institut d'Etudes Politiques de Lyon and holder of 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 Siparex Group.

Age: 63

Date of first appointment: 04/28/2010

Date of beginning of 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 at Lyon 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

Family ties between directors and managers

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.

(1) Current appointments are followed by an asterisk.

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 section 14.1.3.

14.3. Personal information concerning the members of the Board of Directors

As at the date of filing 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 into 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 filing 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.

Remuneration and benefits

15.1. Remuneration and benefits in kind

15.1.1 Remuneration paid to executive directors

Overview of remuneration paid and stock options allocated to each executive director:

	2012	2011
Jacques Merceron-Vicat		
Chairman of the Board of Directors		
Remuneration during period	830,475	812,792
Assessment of options allocated during period	n / a	n / a
Assessment of performance-related bonus shares allocated during period	n / a	n / a
Total	**830,475**	**812,792**
Guy Sidos		
Chief Executive Officer		
Remuneration during period	791,046	756,276
Assessment of options allocated during period	n / a	n / a
Valorisation des actions de performance attribuées au cours de l'exercice	n / a	n / a
Total	**791,046**	**756,276**
Raoul de Parisot		
Chief Operating Officer		
Remuneration during period	502,713	486,287
Assessment of options allocated during period	-	n / a
Assessment of performance-related bonus shares allocated during period	-	n / a
Total	**502,713**	**486,287**

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 2011 and 2012.

	2012		2011	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Jacques Merceron-Vicat				
Chairman of the Board				
Fixed remuneration	-	698,523	-	685,450
Variable remuneration	n / a	n / a	n / a	n / a
Exceptional remuneration	n / a	n / a	n / a	n / a
Attendance fees	-	54,200	-	53,250
Benefits in kind	-	77,752	-	74,092
Total	**-**	**830,475**	**-**	**812,792**
Guy Sidos				
Chief Executive Officer				
Fixed remuneration	-	718,520	-	685,439
Variable remuneration	n / a	n / a	n / a	n / a
Exceptional remuneration	n / a	n / a	n / a	n / a
Attendance fees	-	29,200	-	28,250
Benefits in kind	-	43,326	-	42,587
Total	**-**	**791,046**	**-**	**756,276**
Raoul de Parisot				
Chief Operating Officer				
Fixed remuneration	-	496,557	-	479,771
Variable remuneration	-	n / a	n / a	n / a
Exceptional remuneration	-	n / a	n / a	n / a
Attendance fees	-	-	-	-
Benefits in kind	-	6,156	-	6,456
Total	**-**	**502,713**	**-**	**486,227**

The benefits in kind granted to the executive Company officers are standard benefits for this type of functions (company car, etc.). Moreover, their remuneration does not include a variable component.

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 2012	Amounts paid in 2011
Pierre Breuil		
Director		
Attendance fees	25,000	25,000
Other remuneration (on the basis of positions held within the group)	7,000	3,500
Louis Merceron-Vicat		
Director		
Attendance fees	25,000	25,000
Other remuneration (on the basis of positions held within the group)	221,143	216,801
Bruno Salmon		
Director		
Attendance fees	25,000	25,000
Other remuneration (on the basis of positions held within the group)	-	-
Raynald Dreyfus		
Director		
Attendance fees	25,000	25,000
Other remuneration (on the basis of positions held within the group)	10,500	10,500
P&E Management représenté par Paul Vanfrachem		
Director		
Attendance fees	25,000	25,000
Other remuneration (on the basis of positions held within the group)	3,500	3,500
Sophie Sidos		
Director		
Attendance fees	25,000	25,000
Other remuneration (on the basis of positions held within the group)	33,888	33,205
Jacques le Mercier		
Director		
Attendance fees	25,000	25,000
Other remuneration (on the basis of positions held within the group)	7,000	7,000
Xavier Chalandon		
Director		
Attendance fees	25,000	25,000
Other remuneration (on the basis of positions held within the group)	3,500	-
Total	**486,531**	**474,506**

The Company's directors receive attendance fees every year. In 2012, the total of such attendance fees was € 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 2012 amounted to € 7,000 for the members of the audit committee, and € 3,500 for the members of the remunerations committee.

The Company's officers do not benefit from any additional contractual benefits in the 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 component.

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, as decided by the CEO, to executives whose gross remuneration is four times greater than the social security ceiling. In addition, in order 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 € 5,426 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 05/15/2009; (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, 2015.								
Raoul de Parisot Chief Operating Officer	■		■			■		■
Beginning of current appointment (i) as Chief Executive Officer 07/31/2011. 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

16.1. 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 its subsidiaries' major strategic, economic, social, financial or technological policies and the supervision of their implementation, in the context of the Group's general policy defined by the active holding Company Parfininco and the strategic decisions taken by it.

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 four times in 2010, twice in 2011 and twice in 2012. During those meetings, the following points were examined systematically: 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 remunerations 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.

■ **Remunerations 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.

Remunerations committee:
The remunerations committee has the responsibility of:
- examining the remuneration of managers and employees (fixed component, variable component, 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 relations 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:
- France, Italy: Mr. Raoul de Parisot;
- General Secretary: Mr. Bernard Titz;
- USA: Mr Eric Holard;
- General Counsel: Mr. Philippe Chiorra.

Name	Age	Brief biography
Raoul de Parisot	64	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	61	Mr. Titz has a doctorate in law. He joined the group in 1982.
Éric Holard	53	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	56	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.

16.4. Internal control

The Chairman's report on corporate governance and the internal control, as well as the Company's auditors' report on the Chairman's report are appended to this Registration Document. These reports describe the internal contol 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 in which the Group operates. These procedures are subject to periodic reviews by the statutory auditors of the various Group companies.

In addition, the financial controllers are seconded by the Group'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, disseminated to management of the operating subsidiaries.

Over the past years, the group has developed a policy integrating issues of environmental impact and sustainable development, 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	05/04/2012	General Meeting approving the financial statements for the year ending December 31, 2014
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

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 filing 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 individual 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 and since August 2, 2012, has followed recommendations of the Middlenext Code of Corporate Governance with respect to the principles of good governance.

At the date of this Registration Document, Mrs. Sophie Sidos is member of the Board of Directors. The Board of Directors is responsible for seeking the desirable balance in its composition as well as in its committees, notably with regard to the representation of men and women and skills diversity in order to comply progressively 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 Middlenext Code of Corporate Governance. This analysis will also be carried out with a view to setting up in 2013 internal rules of procedure, the purpose of which being in particular to organize the details of the Board's self-assessment and internal debates, and 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, to the provisions of the regulation of December 8, 2008.

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. In order, however, to enable rotation of its members, and in particular the independent directors, the Company has provided for directors' terms of three or six years.

17

Employees

17.1. Overview

Cf.Report on Corporate Social Responsibility, Appendix 3, Section 2.1. Breakdown of the Group's average workforce by geographical area.

17.1.1. Breakdown of the Group's average workforce by business

Cf. Report on Corporate Social Responsibility, Appendix 3, Section 2.1. Breakdown of the Group's average workforce by business.

17.1.2. Breakdown of the Group's average workforce by geographical area

Cf. Report on Corporate Social Responsibility, Appendix 3, Section 2.1. Breakdown of the Group's average workforce by geographical area.

17.1.3. Breakdown of the Group's average workforce by age

Cf. Report on Corporate Social Responsibility, Appendix 3, Section 2.1. Breakdown of the Group's average workforce by age.

17.1.4. Change in workforce as at December 31, 2012

Change in workforce by geographical area.

The increase in employee numbers in 2012 (+2.9 %, +1.7 % excluding changes in consolidation scope) was greater than in 2011 (+1.4 %, +1.1 % excluding changes in consolidation scope), mainly owing to recruitment in the Turkey/Kazakhstan/India region.

Change in workforce at year end by geographical area

	2011	2012	Ecart	Excluding changes in consolidation scope
France	2,587	2,544	- 1.7 %	- 3.3 %
Switzerland and Italy	1,138	1,167	+ 2.5 %	NA
UNITED STATES	1,003	1,000	- 0.3 %	NA
Turkey/Kazakhstan/India	1,609	1,831	+ 13.8 %	NA
Senegal/Mauritania/Mali/Egypt	1,143	1,033	+ 0.8 %	NA
Total	**7,471**	**7,685**	**+ 2.9 %**	**+ 1.7 %**

The increase in employee numbers in the Turkey/Kazakhstan/India region is due mainly to the growth in the Concrete segment in Turkey the recruitment of workers for the VICAT SAGAR cement factory, which began operations at the end of 2012, and additions to the commercial staff at Bharathi in India.

The increase in employee numbers in Europe is due mainly to Switzerland, owing to the growth in the concrete segment and associated transport business.

The Senegal/Mauritania/Mali/Egypt area remains stable in terms of employee numbers, which increased by less than 1 % (+ 0.8 %). The general increase in the region is due to the taking on of workers previously employed on a daily basis in the Aggregates business in Senegal (+ 7.4 % between 2011 and 2012). Continued optimization of the Sococim organization resulted in a reduction in staff at the company of 4.6 % between 2011 and 2012 (- 0.7 % between 2010 and 2011).

France continued to optimize its organizations and reduced its workforce by 1.7 % (- 3.3 % excluding changes in consolidation scope). Acquisitions of concrete batching plants in 2012 resulted in this change in consolidation scope.

In the United States, the reduction in employee numbers continued in 2012 (- 0.3 %) following a decrease of 4.3 % in 2011.

Breakdown of the workforce as at December 31, 2012, by category and job type

Cf. Report on Corporate Social Responsibility, Appendix 3, Section 2.1. Breakdown of the workforce as at December 31, 2012, by category and job type.

Breakdown of the workforce as at December 31, 2012, by gender / length of service / category

Cf. Report on Corporate Social Responsibility, Appendix 3, Section 2.7.1. Breakdown of the workforce as at December 31, 2012, by gender / length of service / category.

Breakdown of the workforce as at December 31, 2012, by type of contract / category

Cf. Report on Corporate Social Responsibility, Appendix 3, Section 2.3.2. Part-time work.

17.1.5. Change in workforce as at December 31, 2012 by type of movement

Cf. Report on Corporate Social Responsibility, Appendix 3, Section 2.1. Change in the workforce at year end by type of movement.

17.1.6. Change in length of Group service

Cf. Report on Corporate Social Responsibility, Appendix 3, Section 2.1.Change in Group length of service and average age.

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

Cf. Report on Corporate Social Responsibility, Appendix 3, Section 2.6. Training.

Involvement of the Company in its social environment

Cf. Report on Corporate Social Responsibility, Appendix 3, Section 3. Involvement in the economic and social development of the countries in which we operate.

Safety

Cf. Report on Corporate Social Responsibility, Appendix 3, Section 2.5. Health, safety and accident prevention.

17.2. Share subscription and purchase options

As of the date of filing 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.

In 2012, the Company and its French subsidiaries respectively concluded agreements for the establishment of a Collective Retirement Savings Plan (Plan Epargne Retraite Collectif – PERCO).

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, 2012

Shareholder	Number of shares	Percentage of capital	Number of voting rights	Percentage of voting rights
Jacques Merceron-Vicat	41,483	0.09	82,966	0.11
Soparfi (Company of which Jacques Merceron-Vicat is Chairman and CEO)	11,797,927	26.28	23,593,194	32.13
Parfininco (Company of which Jacques Merceron-Vicat is Chairman and CEO)	13,309,825	29.64	26,590,960	36.21
Guy Sidos	3,479	0.01	6,583	0.01
Louis Merceron-Vicat	6,094	0.01	11,843	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	61,667	0.14	123,334	0.17
Pierre Breuil	20	-	20	-
Raoul de Parisot	11,805	0.03	22,598	0.03

17.4.2. Transactions by members of the Board of Directors in the Company's shares for the 2011 and 2012 financial years

	Transactions in 2012	Transactions in 2011
Soparfi (Company of which Jacques Merceron-Vicat is Chairman and CEO)	-	-
Parfininco (Company of which Jacques Merceron-Vicat is Chairman and CEO)	Purchase of 7,067 shares	Purchase of 15,141 shares

As at December 31, 2012, 5,348,354 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 filing 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 article 885-0 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	M. Jacques Merceron-Vicat M. Guy Sidos M. Louis Merceron-Vicat Soparfi Parfininco
12/08/2006	6 years starting on 12/13/2006	Extension by 12-month periods	M. Jacques Merceron-Vicat M. Guy Sidos M. Louis Merceron-Vicat Soparfi Parfininco
12/08/2006	6 years starting on 12/13/2006	Extension by 12-month periods	M. Jacques Merceron-Vicat M. Guy Sidos M. Louis Merceron-Vicat Soparfi Parfininco
12/20/2006	6 years starting on 12/21/2006	Extension by 12-month periods	M. Jacques Merceron-Vicat M. Guy Sidos M. Louis Merceron-Vicat Soparfi Parfininco
12/11/2007	6 years starting on 12/13/2007	Extension by 12-month periods	M. Jacques Merceron-Vicat M. Guy Sidos M. 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 filing of this Registration Document, to take advantage of the provisions of article 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 article 787-B 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	M. Jacques Merceron-Vicat Mme Sophie Sidos M. Louis Merceron-Vicat Soparfi Parfininco
12/08/2006	2 years starting on 12/13/2006	Extension by 3-month periods	M. Jacques Merceron-Vicat M. Guy Sidos M. Louis Merceron-Vicat Soparfi Parfininco
12/08/2006	2 years starting on 12/13/2006	Extension by 3-month periods	M. Jacques Merceron-Vicat M. Guy Sidos M. Louis Merceron-Vicat Soparfi Parfininco
12/11/2007	2 years starting on 12/13/2007	Extension by 3-month periods	M. Jacques Merceron-Vicat M. Guy Sidos M. Louis Merceron-Vicat Soparfi Parfininco
05/25/2010	2 years starting on 05/25/2010	Extension by 3-month periods	M. Jacques Merceron-Vicat M. Guy Sidos Mme Sophie Sidos M. Louis Merceron-Vicat Soparfi Parfininco
05/25/2010	2 years starting on 05/25/2010	Extension by 3-month periods	M. Jacques Merceron-Vicat M. Guy Sidos Mme Sophie Sidos M. Louis Merceron-Vicat Soparfi Parfininco
05/25/2010	2 years starting on 05/25/2010	Extension by 3-month periods	M. Jacques Merceron-Vicat M. Guy Sidos Mme Sophie Sidos M. Louis Merceron-Vicat Soparfi Parfininco
04/28/2011	2 years starting on 05/05/2011	Extension by 3-month periods	M. Jacques Merceron-Vicat M. Guy Sidos Mme Sophie Sidos Soparfi Parfininco

18

Principal shareholders

18.1. Distribution of the share capital and voting rights

The share capital of the Company as at December 31, 2012 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:

	At December 31, 2012		At December 31, 2011		At December 31, 2010	
Shareholders	**Number of shares**	**As % of share capital**	**Number of shares**	**As % of share capital**	**Number of shares**	**As % of share capital**
Family + Soparfi + Parfininco	27,195,437	60.57	27,195,465	60.57	27,195,035	60.57
Employees and former employees	2,072,069	4.61	2,087,747	4.65	2,125,964	4.73
Public	14,695,434	32.73	14,607,362	32.53	14,572,137	32.46
Treasury shares	937,060	2.09	1,009,426	2.25	1,006,864	2.24
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: :

	At December 31, 2012		At December 31, 2011		At December 31, 2010	
Shareholders	**Number of voting rights**	**As % of total voting rights**	**Number of voting rights**	**As % of total voting rights**	**Number of voting rights**	**As % of total voting rights**
Famille + Soparfi (1) + Parfininco	54,213,303	73.83	54,180,503	74.13	52,173,159	73.39
Salariés et Public (2)	19,214,573	26.17	18,910,413	25.87	18,919,480	26.61
Autocontrôle (3)	-	-	-	-	-	-
Total	**73,427,876**	**100.00**	**73,090,916**	**100.00**	**71,092,639**	**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 controlled directly and indirectly, through the holding companies Parfininco and Soparfi, by the Merceron-Vicat family, which holds the majority of the share capital and the voting rights.

The fact that half the directors on the Board of Directors are independent directors (six independent directors for a total of ten directors) in accordance with the recommendations of the Middlenext Code of Corporate Governance means that control can be exercised over the Company in accordance with Commission regulation (EC) 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 filing 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.

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

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 2012 financial year, intra-Group sales of cement amounted to € 237 million, sales of aggregates to € 80 million, transport services to € 81 million, sales related to additional services (analyses, pumping, etc.) to € 28 million and sales related to various pooled products and services to € 114 million. For the same period, intra-Group financial income amounted to € 15 million.

19.3. Statutory Auditors' Special Report on Regulated Agreements 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, 2011 and December 31, 2010, which appear respectively on page 121 of the Registration Document registered with the AMF on April 26, 2012 under number D.12-0422, and page 125 of the Registration Document registered with the AMF on March 18, 2011 under number D.11-0148, are incorporated by reference in this Registration Document.

Year ended December 31, 2012

To the Shareholders,

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

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements and commitments of which we were notified or which we have identified during our audit work. It is not our role to determine whether they are beneficial or appropriate or to ascertain whether other agreements or commitments exist. It is your responsibility, under the terms of article R.225-31 of the French Commercial Code (Code de commerce), to evaluate the benefits arising from these agreements and commitments prior to their approval.

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

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

Agreements and commitments submitted for approval by the General Meeting

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

Agreements and commitments already approved by the General Meeting

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

Commitments relating to supplementary pension plans:

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

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

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

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

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 2012 consolidated financial statements» of this Registration Document.

20.2. Historical financial information

Pursuant to article 28-1 paragraph 5 of the Regulations (EC) n° 809 / 2004 of the European Commission of April 29, 2004, the consolidated financial statmemnets of the Group for the financial years ending on December 31, 2011 and December 31, 2010 (prepared in accordance withe IFRS and including comparative data with respect to financial years 2010 and 2009) as well as the respective reports prepared by the statutory auditors, which appear on pages 123 to 167 of the Registration Document registred with the AMF on April 26, 2012 under number D.12-0422 and on pages 125 to 171 of the Registration Document registred with the AMF on March 18, 2011 under numer D.11-0148, are included by reference in this Registration Document.

20.2.1 Consolidated accounts at December 31, 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

CONSOLIDATED INCOME STATEMENT

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

Earnings per share (in euros)			
Basic and diluted Group share of net earnings per share	13	**2.87**	3.64

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

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

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

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

20.2.2 Notes to the 2012 consolidated financial statements

Note 1 ▼ Accounting policies and valuation methods

1.1. Statement of compliance

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

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

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

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

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

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

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

1.2. Basis of preparation of financial statements

The financial statements are presented in thousands of euros.

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

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

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

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

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

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

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

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

1.3. Consolidation principles

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

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

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

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

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

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

1.4. Business combinations – goodwill

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

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

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

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

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

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

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

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

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

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

1.5. Foreign currencies

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

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

The following foreign exchange rates were used:

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

1.6. Other intangible assets

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

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

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

1.7. Emission quotas

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

1.8. Property, plant and equipment

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

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

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

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

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

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

1.9. Leases

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

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

1.10. Investment properties

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

1.11. Impairment

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

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

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

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

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

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

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

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

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

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

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

1.12. Inventories

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

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

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

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

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

1.13. Cash and cash equivalents

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

1.14. Financial instruments

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

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

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

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

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

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

Financial derivatives are valued at their fair value in the balance sheet. Except for the cases detailed below, the change in fair value of derivatives is recorded as an offset in the income statement of the financial statement ("Change in fair value of financial assets and liabilities"). The fair values of derivatives are estimated by means of the following valuation models:
- the market value of interest rate swaps, exchange rate swaps and term purchase/sale transactions is calculated by discounting the future cash flows on the basis of the "zero coupon" interest rate curves applicable at the end of the preceding reporting periods, restated if applicable according to interest incurred and not yet payable;
- interest rate options are revalued on the basis of the Black and Scholes model incorporating the market parameters as at year-end.

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

Hedge accounting for an asset / liability / firm commitment or cash flow is applicable if:
- The hedging relationship is formally designated and documented at its date of inception;
- The effectiveness of the hedging relationship is demonstrated at the inception and then by the regular assessment and correlation between the changes in the market value of the hedging instrument and that of the hedged item. The ineffective portion of the hedging instrument is always recognized in the income statement.

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

1.15. Employee benefits

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

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

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

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

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

1.16. Put options granted on shares in consolidated subsidiaries

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

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

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

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

1.17. Provisions

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

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

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

1.18. Sales

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

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

1.19. Income taxes

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

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

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

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

1.20. Segment information

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

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

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

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

1.21. Financial indicators

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

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

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

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

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

1.22. Seasonality

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

Note 2 ▼ Changes in consolidation scope and other significant events

A macro-economic environment of contrasts

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

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

Increase in capital of Mynaral Tas

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

Start-up of clinker production at Vicat Sagar Cement

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

Note 3 ▼ GOODWILL

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

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

Impairment test on goodwill:

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

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

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

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

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

Note 4 ▼ Other intangible assets

Other intangible assets are broken down by type as follows:

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

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

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

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

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

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

Note 5 ▼ Property, plant and equipment

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

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

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

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

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

Note 6 ▼ Finance and operating leases

Net book value by category of asset:

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

Minimum payment schedule:

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

Note 7 ▼ Investment properties

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

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

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

Note 8 ▼ Investments in associated companies

Change in investments in associated companies:

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

Note 9 ▼ Receivables and other non-current assets

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

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

Note 10 ▼ Inventories and work-in-progress

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

Note 11 ▼ Receivables

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

Note 12 ▼ Cash and cash equivalents

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

Note 13 ▼ Share capital

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

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

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

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

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

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

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

Note 14 ▼ Employee benefits

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

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

Assets and liabilities recognized in the balance sheet

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

Analysis of net annual expense

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

Change in financial assets used to hedge the plan

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

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

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

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

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

Principal actuarial assumptions

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

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

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

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

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

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

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

Note 15 ▼ Other provisions

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

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

(1) At December 31, 2012, other risks included:
- an amount of € 9.8 million (€ 10.2 million as at December 31, 2011) corresponding to the current estimate of gross expected costs for repair of damage that occurred in 2006 following deliveries of concrete mixtures and concrete made in 2004 whose sulfate content exceeded applicable standards. This amount corresponds to the current estimate of the Group's pro rata share of liability for repair of identified damages before the residual insurance indemnity of € 4 million recognized in non-current assets on the balance sheet as at December 31, 2012 (€ 4 million as at December 31, 2011 – note 9);
- an amount of € 9.1 million (€ 9.6 million as at December 31, 2011) corresponding to the estimated amount of the deductible at year-end relating to claims in the United States in the context of work accidents and which will be covered by the Group;
- the remaining amount of other provisions amounting to about € 15.0 million as at December 31, 2012 (€ 14.3 million as at December 31, 2011) corresponds to the sum of other provisions that, taken individually, are not material.

In addition, other risks at December 31, 2010 included an amount of € 4.5 million corresponding to the residual amount of the Conseil de la Concurrence (the French Office of Fair Trade) penalty for a presumed collusion in Corsica, after reduction of the penalty by the Cour d'appel de Paris (the Paris Court of Appeal). The provision was written back after payment following rejection of the appeal lodged by the Group before the Cour de cassation (the French Supreme Court of Appeal).

Note 16 ▼ Debts and put options

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

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

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

16.1 Debts

Analysis of debts by category and maturity

December 31, 2012

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

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

December 31, 2011

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

Analysis of loans and debts (currency and interest rate)

By currency (net of currency swaps)

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

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

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

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

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

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

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

Note 17 ▼ Financial instruments

Foreign exchange risk

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

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

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

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

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

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

Interest rate risk

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

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

Liquidity risk

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

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

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

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

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

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

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

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

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

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

Note 18 ▼ Other liabilities

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

Note 19 ▼ Sales

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

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

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

Note 20 ▼ Personnel costs and number of employees

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

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

Note 21 ▼ Net depreciation, amortization and provisions

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

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

Note 22 ▼ Other income (expenses)

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

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

Note 23 ▼ Financial performance indicators

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

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

Note 24 ▼ Financial income (expense)

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

Note 25 ▼ Income tax

Income tax expense

Analysis of income tax expense

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

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

Reconciliation between the computed and the effective tax charge

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

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

Deferred tax

Change in deferred tax assets and liabilities:

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

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

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

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

Source of deferred tax assets and liabilities

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

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

Deferred taxes not recognized in the financial statements

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

Note 26 ▼ Segment information

a) Informations par secteur

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

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

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

b) Geographical sectors

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

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

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

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

c) Information about major customers

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

Note 27 ▼ Net cash flows generated from operations

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

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

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

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

(1) Exchange rates, consolidation scope and miscellaneous.

Note 28 ▼ Net cash flows from investment activities

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

Acquisitions of intangible and tangible assets

These include outflows for industrial investments (€ 269 million in 2012 and € 281 million in 2011) corresponding essentially:

- in 2012 to the continuation of investments in India as part of the Vicat Sagar Cement greenfield project and to a lesser extent investments in maintenance and improvement spread across all countries.
- in 2011 to the increase in output from investments made in India, in particular in relation to construction of the Vicat Sagar Cement factory, and to a lesser extent those made in France, Switzerland and Kazakhstan.

Acquisition/disposal of shares in consolidated companiess

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

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

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

Note 29 ▼ Analysis of net cash balances

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

Note 30 ▼ Executive management compensation

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

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

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

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

Note 31 ▼ Transactions with related companies

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

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

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

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

Note 32 ▼ Fees paid to the statutory auditors

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

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

Note 33 ▼ Post balance sheet events

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

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

Fully consolidated: FRANCE

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

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

Fully consolidated: FRANCE (continued)

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

Fully consolidated: REST OF WORLD

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

(2) Company sold in 2012.

Fully consolidated: REST OF WORLD (continued)

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

Fully consolidated: REST OF WORLD (continued)

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

Proportionate consolidation: FRANCE

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

Proportionate consolidation: REST OF WORLD

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

Equity method: REST OF WORLD

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

20.2.3. Statutory auditors' report on the consolidated financial statements

Year ended 31 December 2012

To the Shareholders,

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

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

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

I - Opinion on the consolidated financial statements

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

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

II - Justification of our assessment

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

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

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

III - Specific verification

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

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

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

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

20.3. Balance sheet at December 31, 2012

20.3.1. BALANCE SHEET AT DECEMBER 31, 2012

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

20.3.2. Income statement for the year ended on December 31, 2012

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

20.3.3. Notes to Vicat SA 2012 financial statements

Note 1 ▼ Accounting policies and valuation methods

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

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

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

Research and development costs are entered as expenses.

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

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

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

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

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

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

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

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

Receivables and payables are recorded at nominal value.

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

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

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

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

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

Note 2 ▼ Significant events during the period

There were no significant events in 2012.

Note 3 ▼ Post balance sheet events

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

Note 4 ▼ Sales analysis

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

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

Note 5 ▼ Analysis of the financial statements

5.1. NON-CURRENT ASSETS

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

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

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

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

5.1.1. Intangible assets

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

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

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

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

5.1.2. Tangible assets

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

Property, plant and equipment are depreciated as follows:

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

5.1.3. Financial investments:

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

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

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

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

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

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

5.2. SHAREHOLDERS' EQUITY

5.2.1. Share capital

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

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

5.2.2. Change in shareholders' equity

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

(1) less dividends on treasury shares.

5.2.3 Regulated provisions

Regulated provisions break down as follows:

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

Maturities are as follows:

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

5.3. PROVISIONS

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

Provisions amounted to € 21 million and covered:
- lthe forecast costs under the French quarry reinstatement obligation of € 4.3 million. These provisions are made for each of the quarries based on tonnages extracted in relation to the potential deposit and the estimated cost of the work to be performed at the end of operations.
- lother provisions for expenses which include a provision of € 15,121 thousand for tax to be repaid to subsidiaries under the Group tax sharing agreement.

5.4. BORROWINGS AND FINANCIAL LIABILITIES

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

5.4.1. Statement of maturities

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

5.4.2. Other information

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

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

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

5.4.3. Risk hedging

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

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

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

5.4.4. Financial instruments

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

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

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

5.5. STATEMENT OF MATURITIES FOR TRADE RECEIVABLES AND PAYABLES

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

5.6. BALANCE OF TRADE PAYABLES

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

Breakdown by due date (in thousands of euros)

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

5.7. OTHER BALANCE SHEET AND INCOME STATEMENT INFORMATION

Other items of information are as follows:

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

Income statement items

Financial expenses	2,283	
Financial income excluding dividends	5,440	

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

Accrued liabilities

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

Accrued expenses

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

Short-term financial investments

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

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

Net financial income

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

Note 6 ▼ Analysis of corporate income tax and additional contributions

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

Note 7 ▼ Impact of the special tax evaluations

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

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

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

Note 8 ▼ Deferred tax

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

Note 9 ▼ Off-balance sheet commitments

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

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

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

Commitments received

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

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

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

Principal actuarial assumptions are as follows:

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

Note 10 ▼ Remuneration and employee numbers

Executive management compensation

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

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

SUBSIDIARIES AND AFFILIATES

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

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

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

20.3.4. Statutory auditors' report on the financial statements

Year ended 31 December 2012

To the Shareholders,

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

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

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

I - Opinion on the financial statements

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

II - Justification of our assessments

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

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

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

III - Specific verifications and information

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

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

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

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

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 2011 and 2012 are shown in note 32 of section 20.2.2. "Notes to the 2012 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 shareholders.

For the three preceding years, the dividends distributed by the Company and the earnings per share were as follows:

	2012 (dividend proposed to the General Meeting	2011	2010	2009
Dividend per share (in euros)	1.50	1.50	1.50	1.50
Consolidated earnings per share (in euros)	2.87	3.64	4.52	4.26
Rate of distribution	52 %	41 %	33 %	35 %

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. Tax dispute in Senegal

Sococim Industries has been notified of a tax reassessment under a recently created tax entitled Contribution Spéciale sur les Produits des Mines et Carrières "CSMC" (Special levy on products from Mines and Quarries). The company disputes the legality of this tax and its applicability in light of the mining agreement linking it to the Senegal Government.

20.6.2. Dispute in India

The Group's partner in the company Bharathi Cement Private Limited, Mr. Mohan Jagan Reddy, is the subject of a judicial inquiry procedure conducted by the CBI (Central Bureau of Investigation) into his businesses and his assets. As part of this procedure, the CBI is also investigating whether the investments made by the Indian investors prior to the Vicat Group taking a stake in Bharathi Cement were made in good faith and on normal terms and conditions. At this stage, given the Group's position as the majority shareholder in Bharathi Cement, this procedure does not affect the normal course of business and the management of the company.

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, 2012.

(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 issued share capital as at December 31, 2012 was € 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 2012 financial year, after distributing 73,141 shares to employees, the Company held 937,060 of its own shares, or 2.09 % of the share capital.

Description of the 2012 share buy-back program
In accordance with the authorization given by the Ordinary General Meeting of May 4, 2012, the Company purchased on the stock exchange in 2012 (excluding liquidity agreements), based on the current share capital, 14,784.5 (i.e. 13,617 shares + 11,675 tenth parts of shares) of its own shares of nominal value € 4 at a mean price of € 42.81 per share.

Distribution of transferable securities by purpose
Acquisitions for the purpose of allocation of shares to personnel within the context of employee share ownership and profit-sharing: 14,784.5 shares representing an acquisition price of € 632,931.85.

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, 2011 of 65,664 shares, acquisition of 227,793 shares and sale of 241,802 shares during the year, representing 51,655 shares as at December 31, 2012.

Volume of shares used by objectives

Shares allocated to personnel within the framework of employee share ownership and profit-sharing: 72,238 shares.

Promotion of a market in the shares and their liquidity through a liquidity agreement conforming to the ethical charter of the AMAFI as recognized by the AMF: 51,655 shares.

No shares repurchased have been allocated to other purposes and the Company did not use derivatives to achieve its share buy-back program.

Description of the planned share buy-back program for 2013

The fifth resolution, the principles of which are described below, to be submitted to a vote by the Ordinary General Meeting on April 26, 2013 is intended to allow the Company to engage in transactions 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 in order (without order of priority):

(a) to allocate or sell shares to employees and/or Company officers and/or companies which are related to it or will be related to it under the terms and conditions set out in the legislation, in particular in the context of employee involvement in the results of expansion of the business and profit-sharing;

(b) to promote a market in the share through a liquidity agreement conforming to the ethical charter of the AMAFI as recognized by the AMF;

(c) to retain the Company's shares and subsequently use them for payment or exchange in the context of external growth transactions in compliance with market practice as permitted by the French financial regulator (AMF);

(d) to cancel shares within the maximum statutory limit, subject in this last case to a vote by an Extraordinary General Meeting on a specific resolution.

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 buy-backs will be made. This limit is reduced to 5 % of the share capital in the situation referred to in paragraph (c) above. As at January 1, 2013, this limit corresponds, given shares already owned by the Company, to a maximum number of 3,552,939 shares, each with a nominal value of € 4, equal to a maximum amount of € 355,293,940.

Pursuant to such resolution, within the limits permitted by the regulations in force, the shares may be purchased, sold, exchanged or transferred in one or more transactions, by all means, on all markets and over the counter including by acquisition or sale of blocks, and by means including the use of derivatives and warrants.

Such authorization shall be given for a period not exceeding eighteen (18) months from the date of the General Meeting, including in a public offer period, within the limits and subject to the periods of abstention provided for by law and in the AMF's General Rules.

This authorization supersedes that granted by the Ordinary General Meeting of May 4, 2012.

In accordance with article 241-3-III of the AMF's General Rules, this description exempts the Company from publication pursuant to 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

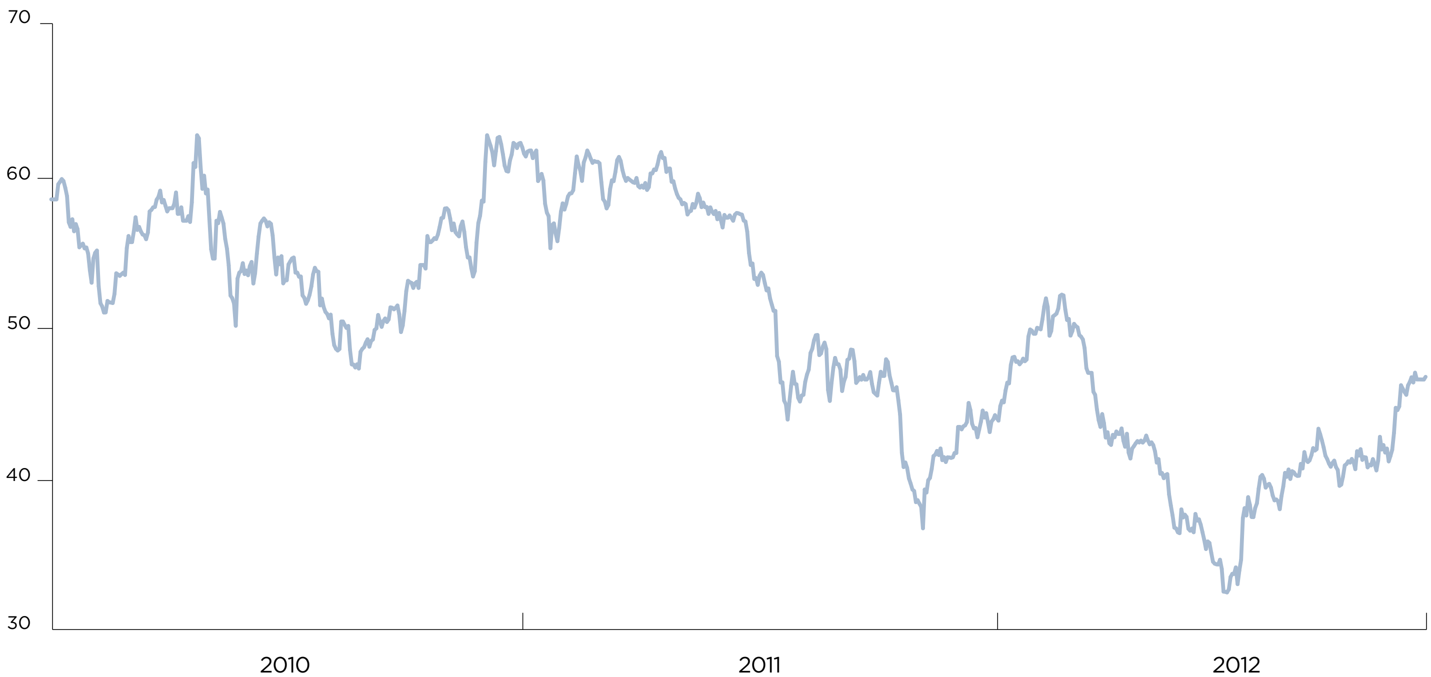
There have been no changes to the Company's share capital during the last three years.

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 à règlement différé) since February 2008. The graph below shows the change in price of the Company's shares at month end from January 1, 2010 to December 31, 2012.



The table below shows the change in the Company's share price in 2012, 2011 and 2010 (on the basis of the closing price):

(In euros)	2012	2011	2010
Average annual price	43.05	53.34	55.21
High	52.56	62.50	63.00
Low	33.06	37.26	47.72
Price on December 31	47.18	44.21	62.50

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. Chairmanship 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-Chairman. 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-Chairman 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-Chairman 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 Chairman'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-Chairman or, 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 its 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 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.

Whenever 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 arrange grouping of the required number of shares.

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 confered, 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 earnings, 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. As the by-laws do not stipulate 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, properly 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 his shares provided this is supported, in accordance with the law and the regulations in force, by registration of his shares in his name or that of his registered representative, in accordance with the seventh paragraph of article L. 228-1 of the French 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 to do so, 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 specified 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 for the same information on the owners of the shares, 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 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 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 specified 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 French 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 French Commercial Code.

On October 29, 2012, the company Franklin Resources Inc. declared that it had exceeded the threshold of 1.5 % of the share capital.

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 filing 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

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 at December 31, 2012 appearing in section 20. “Financial information” of this Registration Document.

Appendix 1

Report by the Chairman on corporate governance and internal control

Dear Shareholders,

Pursuant to 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, 2012,
- 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 March 8, 2012:
- Presentation of the business report,
- Approval of the statutory financial statements for the year ended December 31, 2011,
- Approval of the consolidated financial statements for the year ended December 31, 2011,
- Review of the reports of the Board of Directors' committees (Audit Committee and Remunerations Committee),
- Approval of the Chairman's report on corporate governance and internal control,
- Presentation of the 2012 budget,
- Share buy-back program,
- Delegation of powers as stipulated by the share buy-back program,
- Renewal of the mandate of one Director,
- Allocation of earnings,
- Authorization for a bond issue and delegation of powers,
- Convening of the Ordinary General Meeting and setting of the agenda,
- Sundry items.

All the members of the Board attended this meeting, as well as the company's auditors and the four Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

■ Meeting of August 2, 2012:

- Business report,
- Analysis of the financial statements as at June 30, 2012,
- Financial forecast at December 31, 2012,
- Benchmarking of cement companies,
- Strategy,
- Appointments,
- Development of the "Horus" information systems,
- Audit Committee report,
- Adoption of new corporate governance principles,
- Sundry items.

All the members of the Board attended this meeting, as well as the company's auditors and the four Works Council representatives.

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, 2012, 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, 2012, 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 noted that Mrs. Sidos Sophie is a member of the Board. In addition, the Board is endeavoring to achieve the desirable balance in its composition in order to meet the obligations in question within deadlines prescribed by law.

■ Composition of the Committees:

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 having been proposed by the Chairman 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 committee 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 role without having to provide reasons for his decision.

Each committee is chaired by a chairman appointed by a majority decision of the committee members. The chairman of the committee ensures its proper operation, in particular concerning the convening and 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 auditors' fees, as well as their independence.

The audit committee met twice in 2012 with a 100 % attendance rate. It considered the following issues:

Meeting of February 28, 2012:

- Financial calendar and financial information,
- Presentation of the 2011 financial statements,
- Risk management,
- Work of internal audit,
- Financing and hedging of exchange rate and interest rate risks,
- Auditors.

Meeting of July 27, 2012:

- Financial calendar,
- Financial statement for first half of 2012,
- Developments in accounting, regulations and corporate governance,
- Projects in progress,
- Risk management,
- Internal audit.

■ **Remunerations committee role:**

The remunerations committee is responsible for:
- examining the remunerations of managers and employees (fixed component, variable component, bonuses, etc.) and in particular the amounts and distribution thereof;
- 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 2012 with a 100% attendance rate. It considered the following issues:

Meeting of March 7, 2012:

- Benchmarking of senior management remuneration,
- Salary policy.

2. Internal control and risk management procedures

Internal control in the Group centers in particular on:
- the Standards and Procedures Department responsible for issuing or updating the accounting and financial policies to be applied within the Group
- 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.

An internal control manual was issued to all the Group's operational managers and administration and finance teams in 2012. It sets out the legal obligations and definitions in relation to internal control and lays down the fundamentals and principles to be adopted in order to achieve the best guarantee of a high standard of internal control.
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 (French Financial Market Authority) terms of reference, 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 system comprises a set of resources, behaviors, procedures and actions appropriate 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 of internal control is the parent company and all the subsidiaries that it controls exclusively or jointly.

■ **Description of the components of internal control**

The internal control process is based on an internal organization that is appropriate 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 information management 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 business 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 income statements broken down by country and business sector, and reconciled with the budget;
- monthly consolidated cash flow and indebtedness reports broken down by country and business sector;
- 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 information exchanges and decision-making.

In the case of Group business intelligence reporting, 2012 was devoted to migration to the most recent version of the system and to improving reporting processes and quality, particularly in countries with start-up operations (India and Kazakhstan). The continuous improvement program is ongoing in 2013.

■ 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 work 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 reports specifically targeted at Senior Management, and detailed reports used inter alia 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

The Board of Directors decided at the meeting on August 2, 2012 to adopt the Chairman's proposal to implement the Middlenext Corporate Governance Code published in December 2009 and available on the website www.middlenext.com.

Hitherto the Company has applied the AFEP/MEDEF (French Enterprise Associations) Corporate Governance Code, but the Board felt that the recommendations and watch points in the Middlenext Code were better suited to the Company's capital structure and size.

Consequently, pursuant to the law of July 3, 2008, which implements community directive 2006/46/EC of June 14, 2006, the Company will apply the Middlenext Code in drawing up the report specified in Article L225-37 of the French Commercial Code with effect from the 2012 financial year.

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 it 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 supplementary pension plans applicable in the Company from which 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 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 14, 2013

The Chairman of the Board of Directors

List of offices and functions exercised within the Group as at December 31, 2012

(Article L. 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	Unique 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 ("Code de commerce") on the report prepared by the Chairman of the Board of Directors of Vicat S.A.

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 S.A.

Year ended December 31, 2012

To the Shareholders,

In our capacity as statutory Auditors of Vicat S.A., and in accordance with article L. 225 235 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 December 31, 2012.

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 ("Code de commerce").

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

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

Appendix 3

Corporate social responsibility

Introduction

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

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

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

Overview

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

Contents of the report

1. **The strategy of "sustainable construction"**
2. **Being a responsible employer**
3. **Being involved in the economic and social development of the countries in which we operate**
4. **Table of equivalences of CSR information**

1. THE STRATEGY OF "SUSTAINABLE CONSTRUCTION"

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

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

1.1. Building systems and materials supporting sustainable construction

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

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

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

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

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

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

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

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

1.2. Manufacturing processes with constantly improving environmental performance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.2.1. Integrating the quarries into their environment

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

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

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

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

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

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

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

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

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

1.2.2. Protection of biodiversity

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

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

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

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

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

1.2.3. Optimized choice of energy sources

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

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

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

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

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

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

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

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

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

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

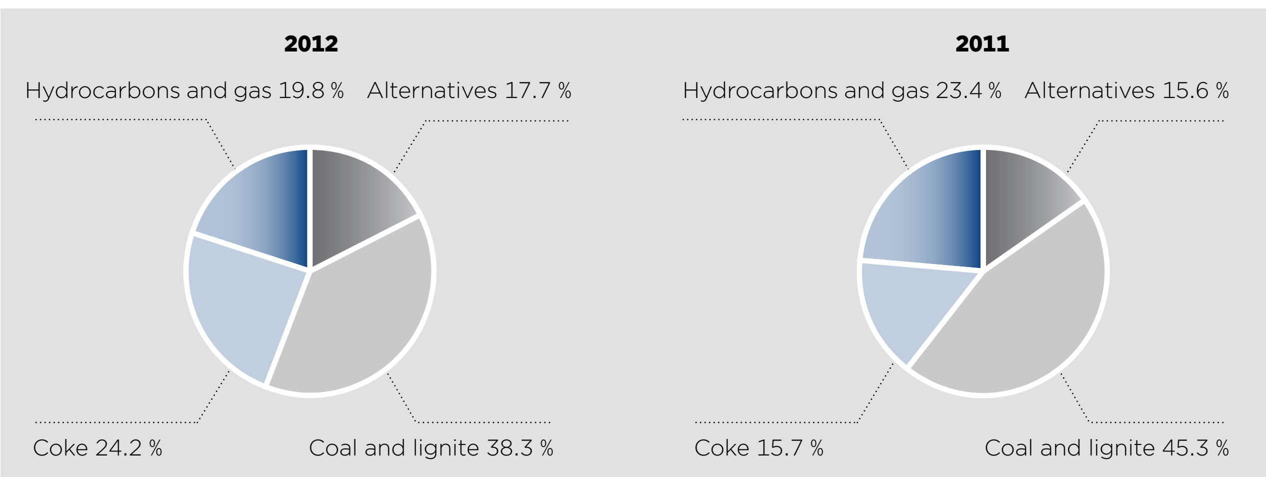
For many years, Vicat has pursued an ambitious policy of using alternative fuels in place of conventional fossil fuels.

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

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

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

Energy sources



1.2.4. Water management and recycling

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

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

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

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

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

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

1.2.5. Air quality and emissions reduction

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

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

In order to measure its performance in this area, Vicat has opted to compare itself against the relevant criteria developed by the CSI (Cement Sustainability Initiative, the industry association of the World Business Council for Sustainable Development (WBCSD)) and used by the industry as an international benchmark international which are:
- CO_2 emissions for the monitoring of greenhouse gases having a potential impact on climate change;
- Dust emissions which are one of the main indicators of good kiln operation and one of the main historic impacts of cement works;
- NOx (nitrogen oxides) and SOx (sulfur oxides) emissions as discharges having an impact on acidification of the atmosphere.

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

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

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

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

In some countries, India in particular, the quality of the ambient air in the vicinity of the plants is monitored and not the emissions. Frequent measurements show concentrations around the plants to be eight to ten times lower than the standards require.

The increase in NOx emissions is linked in part to the increase in output from kilns fuelled by coal. The use of modern kilns enables this impact to be limited.

Other discharges into the air are not significant in the case of the cement industry, which produces little or no effluent and therefore has no impact on water quality.

1.2.6. Greenhouse gas emissions

Cement industry studies show that only CO_2 needs to be considered under this heading. The share of emissions of other gases (methane, nitrogen protoxide, fluorinated gases, etc.) is marginal.

In the case of CO_2, the emissions from the French factories are subject to quotas under the European ETS program (Exchange Trade System). Consequently, they are monitored precisely under surveillance programs and have been checked annually since 2005 by an approved independent body.

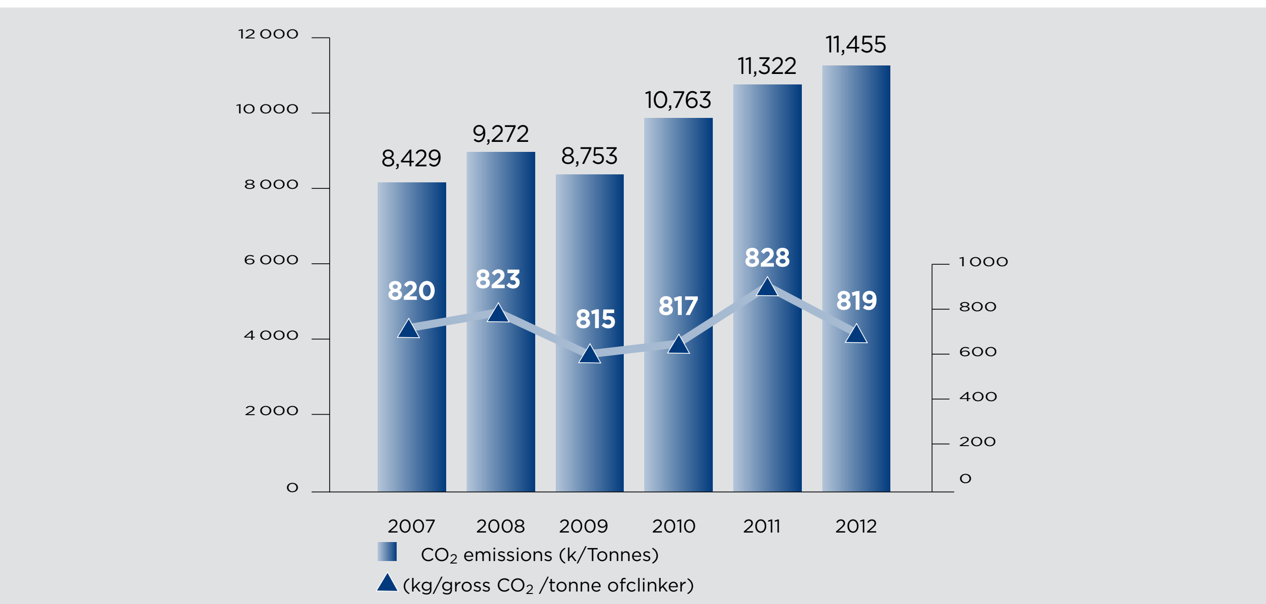
As a result of these checks, Vicat has been able to obtain a reasonable assurance certificate without reservations every year since 2005.

Although not directly a member of the CSI, Vicat France participates each year in the information provided to the CO_2 database launched on a global scale on the initiative of the United Nations and under the GNR program “getting the numbers right”. Participation is through the local industry association.

In Switzerland, the Reuchenette cement works (Vigier) is a member of the CSI and accounts for its emissions under this heading after being audited by the industry association Cemsuisse. A new system of CO_2 monitoring based on the European regulations came into force on January 1, 2013.

Lastly, surveillance and reporting systems according to United Nations GHG protocol have been put in place in the USA. With effect from January 1, 2013, the LEBEC cement works in California has been subject to California Air Resources Board (CARB) regulation AB 32 on greenhouse gas emissions. The objective of this regulation is to bring emissions down to 1990 levels by 2020. The program is based on a «Cap and Trade» system which restricts emissions downwards regularly each year, with the option for companies to buy, sell or exchange quotas. Under this program, National Cement of California received 433,947 free quotas in November 2012 to use in respect of future emissions with effect from 2013.

In Vicat’s case, direct CO_2 emissions (from the burning of fossil fuels and the decarbonization of raw materials) from its cement works are the main indicator of performance in terms of gross CO_2.



Specific CO_2 emissions in 2012 fell compared with 2011 owing to the start-up of modern plants with better thermal balances and greater use of biomass.

The Group’s total direct and indirect emissions (associated with electricity consumption) were 12.43 million tonnes of CO_2 in 2012 plus 322,890 tonnes of CO_2 associated with the use of biomass.

2012	Cement	Aggregates	Concrete	OPS	Total
Total direct and indirect CO_2 (in thousands of tonnes of CO_2)	12,406	9.8	9.0	5.1	12,430

1.2.7. Management of raw materials.

The main raw materials used by Vicat in its business are naturally occurring and extracted from the environment. This is equally true for clinker or aggregates production and for water consumption.

The company, therefore, keeps precise accounts of its consumption and where possible favors the use of alternative raw materials (Valmat) for both clinker production (calcium, alumina or iron oxides, silica content, etc.) and for cements (sulfo or phospho gypsums, recycling of mineral waste from quarries, etc.) and aggregates (use of aggregates from returns of fresh concrete or from demolition).

In 2012, the raw material consumed in clinker production amounted to 22.75 million tonnes, including 0.5 % alternative materials.

An additional 3.32 million tonnes were used in cement manufacture, including 17.3 % alternative materials.

In total, alternative materials are used in 17.7 % of the cement produced by the Group.

19.1 million tonnes of raw materials were extracted for aggregates production

2. BEING A RESPONSIBLE EMPLOYER

2.1. Workforce

The workforce mainly comprises local personnel. Recruitment is mainly from the catchment areas in which we operate.

Breakdown of the Group's workforce by age as of December 31, 2012

Age group	< 20	20 - 25	25 - 30	30 - 35	35 - 40	40 - 45	45 - 50	50 - 55	55 - 60	60 - 65	> 65	Total
France	9	78	226	295	360	443	425	333	291	80	4	2,544
Switzerland	18	51	96	103	108	162	229	153	124	84	13	1,141
Italy	0	0	1	2	7	8	2	1	3	2	0	26
United States	0	16	33	85	122	155	158	164	149	76	42	1,000
Senegal	1	4	46	102	150	153	142	122	49	1	0	770
Mali	0	0	1	5	1	1	1	2	1	0	0	12
Mauritania	0	0	5	8	10	14	9	6	8	2	1	63
Egypt	0	5	35	63	80	36	32	24	14	5	4	298
India	0	26	166	161	102	83	53	29	10	2	0	632
Kazakhstan	0	23	61	47	47	27	23	23	10	1	1	263
Turkey	1	41	155	216	185	153	135	29	14	6	1	936
Total	**29**	**244**	**825**	**1,087**	**1,172**	**1,235**	**1,209**	**886**	**673**	**259**	**66**	**7,685**

In 2012 as in 2011, the group maintained a balanced age pyramid. The number of employees under 35 is proportionately higher in India (55.9 %), Kazakhstan (49.8 %) and Turkey (44.1 %) and accounts for 28.4 % of the Group's workforce. Employees over 50 represent 24.5 % of the Group's workforce, with a higher proportion in France (27.8 % in 2012, 26.7 % in 2011), Switzerland (32.8 % in 2012, 37.6 % in 2011) and the United States (43.1 % in 2012, 40.9 % in 2011).

Change in years of service and average age in the Group

	Average age		Average years of service	
	2011	2012	2011	2012
Total Groupe	**41.5**	**41.5**	**9.5**	**9.1**
of which France	*42.8*	*42.7*	*11.7*	*12.1*

The recruitment of new staff in India, Kazakhstan and Turkey resulted in the average years of service decreasing from 9.5 years in 2011 to 9.1 years in 2012.

Average age remained stable at 41.5 years, with natural annual ageing being offset by a workforce in India, Turkey and Kazakhstan with an average age respectively of 35.4, 37.4 and 38.3 years.

Breakdown of the workforce as at December 31, 2012 by category and business

		of which		
(Number of employees)	Total	Cement	Concrete and Aggregates	Other Products & Services
Executives	1,370	819	264	287
White-collar staff	2,773	1,462	893	418
Blue-collar staff	3,542	1,035	1,455	1,052
Total	**7,685**	**3,316**	**2,612**	**1,757**

The breakdown of the workforce by business follows the development of the Group's operations, particularly in the cement segment in India. The percentage of the workforce in the Cement business thus increased from 42.1 % as at December 31, 2011 to 43.1 % as at December 31, 2012, and the percentage in the Concrete and Aggregates business fell from 38.0 % in 2011 to 34.0 % following a reclassification of Turkish staff into Other Products and Services, taking the percentage in Other Products and Services from 19.9 % in 2011 to 22.9 % in 2012. Blue-collar staff represented 46.1 % of the total workforce, white-collar staff 36.1 % and executives 17.8 %.

Breakdown of the Group's average workforce by geographical area

(Number of employees)	2012	2011	Change
France	2,566	2,579	-0.5 %
Switzerland/Italy	1,098	1,089	+0.8 %
United States	996	1,012	-1.6 %
Turkey/Kazakhstan/India	1,732	1,614	+6.8 %
Senegal/Mali/Mauritania/Egypt	1,137	1,093	+3.9 %
Total	**7,529**	**7,387**	**+1.9 %**

The Group's average workforce in 2012 increased to 7,529 compared with 7,387 in 2011, i.e. +1.9 %.

This increase reflects the Group's growth in emerging countries.

The Turkey-Kazakhstan-India region thus saw its average workforce increase by +6.8 % in one year with the start-up of the new Vicat Sagar cement works in India and an increase in the Concrete segment in Turkey.

In the case of the Egypt-West Africa region, the 3.9 % increase was mainly due to the taking on of workers previously employed on a daily basis in the Aggregates business in Senegal. Sococim, the cement subsidiary, saw a reduction in its workforce (-3.7 %) between 2012 and 2011.

Switzerland saw its workforce increase by 0.8 %, mainly owing to an increase in its concrete business associated with two major construction sites in the Seeland Jura region, and to growth in its waste business.

In France the average workforce fell by 0.5 % due to the permanent optimization of the organization of the different businesses. At constant consolidation scope, the Group's average workforce in France fell by 0.9 % between 2012 and 2011.

In the United States, the average workforce continued to fall in 2012 (-1.6 %) owing to the financial crisis affecting the country.

Breakdown of the Group's average workforce by business

(Number of employees)	2012	2011	Change
Cement	3,202	3,143	+1.9 %
Concrete & Aggregates	2,925	2,887	+1.3 %
Other Products & Services	1,402	1,357	+3.3 %
Total	**7,529**	**7,387**	**+1.9 %**

The 3.3 % increase in Other Products & Services is explained by a reclassification into this segment in Turkey of almost 20 staff from the Concrete and Aggregates segment. At constant consolidation scope, the increase in the workforce is similar in the different business and is of the order of 1.9 %.

Change in workforce at year end by movement type

	Workforce
Workforce as at December 31, 2011	7,471
Natural wastage (resignation, end of contract, death)	- 460
Retirement, pre-retirement, dismissal, other	- 427
Changes in consolidation scope	+ 43
Recruitment	+ 1,058
Workforce as at December 31, 2012	**7,685**

The Group's workforce as at December 31, 2012 increased to 7,685 compared with 7,471 as at December 31, 2011. This 2.9 % increase is explained primarily by the recruitment of staff for the Vicat Sagar cement works which came on stream in autumn 2012 and, to a lesser extent, by new recruits in the Concrete business in Turkey.

Other movements resulted mainly from the replacement of natural departures and adaptation of organizations to the economic situation in each market.

In France, the workforce as at December 31, 2012 was down 1.7 %. At constant consolidation scope, the Group's workforce in France fell by 3.3 % as at December 31, 2012 compared with December 31, 2011.

Recruitment in 2012 remained high, due mainly to recruitment for operations in India (Bharathi and Vicat Sagar) and in Turkey (Concrete business). Arrivals and departures also included a significant number of jobs associated with seasonal business, especially in France and in Turkey in the case of drivers, and a habitually high turnover in India and Kazakhstan. Overall recruitment by the Group increased from 958 to 1,058 between 2011 and 2012.

2.2. Remuneration

2.2.1. Remuneration policy

Remuneration policy is based on rewarding individual and joint performance and securing team loyalty. It takes into account the culture, macroeconomic conditions, employment market characteristics and remuneration structures specific to each country.

2.2.2. Minimum wage

In each country in which the VICAT Group operates, its companies do not pay below the local statutory minimum. If there is no statutory minimum, wages paid are at least above the minimum in the local market.

2.2.3. Change in personnel costs as at 12.31.2012

The Group's personnel costs increased from €353.0 million in 2011 to €366.6 million in 2012, i.e. a rise of +3.9 %. This increase is due primarily to an exchange rate effect of €7.5 million +2.1 %. Organic growth covered both the increase in workforce in India and Kazakhstan and wage inflation. It can be explained by two factors: sensitivity in local currency in emerging countries with significant inflation and the mechanical effect of a general increase in current on the basis of a high wage level.

(in thousands of euros)	**2012**	**2011**
Wages and salaries	262,548	252,522
Social security contributions	97,605	94,553
Employee share ownership (French companies)	6,500	5,947
Personnel costs	**366,653**	**353,022**

2.3. Work organization

The VICAT Group's organization reflects its performance objectives. The chain of command is short and the number of levels in the hierarchy reduced to operational requirements. Management is direct and local.

Work is organized in compliance with local legislation in terms of working and rest times and health and safety and is designed to deliver the best performance from the team at the lowest cost

2.3.1. Shift working

Part of our industrial business requires shift working. The statutory framework is systematically adhered to.

In 2012, 15.6 % of Group staff were on shift work.

2.3.3. Part-time work

Analysis of the workforce as at 12/31/2012 by contract type / category

(Number of employees)	Total	of which Cement	Concrete & Aggregates	Other Products & Services
Full-time employees:	**7,488**	**3,289**	**2,518**	**1,681**
Executives	1,344	813	256	275
White-collar staff	2,669	1,443	855	371
Blue-collar staff	3,475	1,033	1,407	1,035
Full-time employees:	**197**	**27**	**94**	**76**
Executives	26	6	8	12
White-collar staff	107	19	38	50
Blue-collar staff	64	2	48	14
Total	**7,685**	**3,316**	**2,612**	**1,757**
% of part-time employees	2.6 %	0.8 %	3.6 %	4.3 %

The Group has little need for part-time jobs. As at December 31, 2012, the percentage of part-time employees remained stable at 2.6 % of the workforce. As in 2011, many more part-time staff were employed in the Other Products and Services business (4.3 % in 2012, 5.2 % in 2011) and Concrete and Aggregates business (3.6 % in 2012, 2.6 % in 2011) than in the Cement business (0.8 % in 2012, 1.0 % in 2011). Part-time staff are employed to varying degrees in the following countries only: Switzerland (10.3 %), Italy (3.8 %), France (3.0 %), Egypt (0.3 %) and the USA (0.2 %).

2.3.4. Absenteeism

Absenteeism is monitored in each country in order to identify the reasons and take appropriate action. In 2012, the VICAT Group had this situation under control. It varied between 0.5 % and 5.9 %, depending on the country. The figure for France is 2.3 %.

2.4. Social dialogue

VICAT Group companies all comply with the local laws to which they are subject with respect to the following matters: respect for freedom of association and the right to collective bargaining; respect for the procedures for informing and consulting staff.

Social dialogue works well within the various companies. Management, which is direct, close to the workforce and always open to discussion with staff, is a key success factor in maintaining social dialogue and a good social atmosphere.

No significant event occurred in 2012 to disrupt social dialogue or the social atmosphere, with the exception of the security situation in our Egyptian plant in Sinai.

For 2012, the consolidation scope adopted for the indicator Review of agreements is limited to France.

In total, 95 agreements were signed. Among the most significant agreements was that on Exposure to health risks at work, which was signed and implemented within VICAT in 2012, and agreements on the implementation of the P.E.R.C.O. (Collective Retirement Savings Plan) within all the VICAT Group's French companies in 2013.

2.5. Health, safety and accident prevention

2.5.1. Safety indicators

As a result of Group Management's commitment to improving employees' health, safety and working conditions throughout all sites, the Vicat Group's safety indicators improved in 2012.

Total Groupe

	2012	2011	Change (%)
Number of lost-time accidents	190	199	- 5
Number of fatal accidents	1	2	
Number of days lost	6,229	6,704	- 7
Frequency rate	13.3	14.4	- 8
Severity rate	0.44	0.49	- 10

In the case of the "Cement" business, the indicators remained stable and largely the same as in 2011.

Cement Group

	2012	2011
Number of lost-time accidents	40	39
Number of fatal accidents	0	2
Frequency rate	7.3	7.3
Severity rate	0.25	0.26

Total France
(cement + concrete + aggregates + VP + Vizille + APS)

	2012	2011
Number of lost-time accidents	51	59
Number of fatal accidents	0	0
Frequency rate	13.5	15.4
Severity rate	0.66	0.93

Cement France

	2012	2011
Number of lost-time accidents	8	9
Number of fatal accidents	0	0
Frequency rate	5.9	6.7
Severity rate	0.46	0.48

2.5.2. Health and safety conditions at work

Ensuring safety and preventing accidents at work are two of the Vicat Group's guiding objectives.

In this context, a voluntary safety policy is supported by General Management, which expresses its commitment and sets out its objectives and requirements in the Group's safety charter, which is communicated to all employees.

The safety policy is cascaded and supported by the Group's Safety Department and is applied on all sites by managers, whose involvement is essential.

Accidents, whether to Group personnel, temporary staff or employees of external companies, are analyzed in depth in order to understand the causes and identify immediate corrective action. Such analyses are shared within the Group and communicated to all those with an accident prevention role. All sites thus benefit from shared experience. The progress in accident prevention and safety is the result of the joint commitment and work of everyone in the company.

Site audits and visits are conducted by employees responsible for accident prevention and trained operational staff. The aim of these audits is to identify risks, gaps, malfunctions, anomalies and hazardous situations. Technical and/or organizational solutions are then proposed and implemented.

Sharing these enables effective and productive collaboration and synergies.

Each year new safety standards are drawn up in order to ensure the dissemination of ''good practices'' (for example, working and moving around at height or the use of manual tools).

Protective measures in the workplace are a priority. Group personnel also have at their disposal all necessary personal protective equipment, provided after an in-depth ergonomic study. Special attention is paid to ear defenders and respiratory protection. Specific training courses are organized on a regular basis in order to ensure correct use of such equipment, essential for the effective protection of personnel exposed to such risks.

Safety is an integral component of plant design. Risk prevention experts are assigned to each new project and work with the technical teams to identify solutions which optimize safety.

The Group also attaches importance to its employees' mental health and well-being. In this context and in order also to comply with a regulatory obligation, a campaign to prevent psycho-social risks, aimed at stress in particular, has been launched in France. This began in 2012 in the companies Alpes Informatiques and VPI and will continue in 2013 encompassing a wider range of French companies.

These measures to prevent stress are part of the action plans which have been followed since 2008 in the companies Béton Rhône-Alpes and Granulats Rhône-Alpes.

At all its sites throughout all regions of the world, Vicat attaches importance to hygienic and healthy working and living conditions.

All our employees, therefore, have access to drinking water and to sanitary facilities conforming to requirements and properly maintained.

It is important to note that in the case of the aggregates business in Senegal, where a fatal accident occurred in 2012, a specific action plan has been drawn up for 2013 to reinforce the measures in place.

2..5.3. Agreements signed with trade union organizations with regard to health and safety at work

The Group works with everyone in the company, in particular employee representatives, in order to improve accident prevention and safety at its sites and safeguard the health of its employees on an on-going basis. The agreements signed bear witness to the willingness and commitment of both Management and trade unions to this issue.

An agreement aimed at reducing exposure to health risks at work was, therefore, signed on April 5, 2012 in relation to the cement business in France and the Vizille paper mills.

The particular aim of this agreement, after an analysis to identify jobs likely to expose their occupants to one or more health risks, is to establish preventive measures or actions to be taken in order to eliminate or reduce such exposure.

The main areas of focus are the exposure of workers to noise, hazardous chemicals (in particular dust), vibration, awkward positions and manual handling.

Through concerted and effective efforts to arrange or adapt the workplace and action to improve working conditions, the Group intends to reduce and eliminate wherever possible the exposure of employees to health risks at work.

2.6. Training

The Group's training program in 2012 remained focused on safety, accident prevention and the environment; the optimization of industrial performance; and commercial performance. These training measures, centered on operational results, contributed consistently and effectively to the Group's results in these areas.

In France in the Ecole du Ciment, du Béton et des Granulats (school of cement, concrete and aggregates), the Group has an in-house training facility housed within its subsidiary Sigma Béton. Training courses are developed and delivered using the Group's technical expertise.

Kazakhstan continued to roll out its training program aimed at enabling the local teams at the Mynaral plant to operate independently. As proof of the success of the measures employed, the Chinese support team left the site in May 2012, in line with the planned schedule, and the plant's performance has continued to improve.

In India, continuation of Bharathi subsidiary's training policy enabled 2 production lines to be operated successfully. In order to prepare for the start-up of Vicat Sagar in autumn 2012, teams were recruited in advance and trained at the Bharathi site.

Number of hours of training	Number of employees having attended at least one training course
87,548	3,968

In total, more than 81,100 hours of training were delivered and almost 3,900 employees attended at least one Group training course in 2012.

2.7. Respect for diversity and equal treatment

2.7.1. Steps taken in favor of equality between men and women

The low proportion of women in the salaried workforce is due in particular to the type of activity and jobs offered by the Group.

Equality between men and women, however, remains one of the basic elements of the Vicat Group's human resources policy. Depending on the culture of the country, appropriate measures are adopted to ensure access to jobs and training and the same treatment in terms of remuneration and promotion.

Such measures are employed within the limit of the constraints imposed by our businesses. In fact, a significant proportion of jobs are not easily accessible to female staff, owing either to working conditions (for example the carrying of heavy loads), or to the absence of women on training courses leading to certain jobs (in mechanical engineering, for example).

Breakdown of the workforce as at December 31, 2012 by gender / years of service / category

		of which				
(Number of employees)	Total	Executives	White-collar staff	Blue-collar staff	Average age	Average years of service
Men	6,882	1,176	2,026	3,680	41.6	9.1
Women	803	159	548	96	40.7	9.5
Total	**7,685**	**1,335**	**2,574**	**3,776**	**41.5**	**9.1**

Male and female workforce

(share on women in % in the workforce)	2012	2011
Executives	11.9	12.0
White-collar staff	21.3	21.5
Blue-collar staff	2.5	2.4
Total Group	**10.4**	**10.8**
of which France:		
Executives	19.8	18.8
White-collar staff	26.0	26.6
Blue-collar staff	2.2	1.8
Total France	**17.1**	**16.9**

Women		Men	
2011	2012	2011	2012
10.8 %	10.4 %	89.2 %	89.6 %

The percentage of women employed by the Group decreased slightly between December 31, 2011 and December 31, 2012 (going from 10.8 % to 10.4 %). In France, the employment of women increased to 17.1 % in 2012 (compared with 16.9 % in 2011). Kazakhstan occupies the leading position in the employment of women category, with a female workforce representing 20.9 % of the total.

The percentage of female executives in the Group remained relatively stable (going from 12 % in 2011 to 11.9 % in 2012). France continued to see its percentage of female executives increase to 19.8 % as at December 31, 2012 (compared with 18.8 % as at December 31, 2011).

2.7.2. Measures taken in favor of the employment and integration of disabled people

Wherever conditions allow, the Vicat Group applies a voluntary policy in relation to the employment of disabled people.

Group companies thus employ disabled workers directly through contact with specialist organizations (in France, for example, CAP Emploi, Ohé Prométhée or AGEFIPH).

Adaptations of the workplace, either by arrangement of working hours (reduction or adaptation of working hours, remote working), or by arrangement of the workspace (ergonomic arrangement of the work in terms of task content, training, etc.), are also studied and put in place.

The development of subcontracting in suitable, protected sectors (secondment of disabled workers within Group companies, provision of services, such as maintenance of green spaces, removal of certain types of waste, etc.) is another solution employed.

In France, disabled employees represent 2.6 % of the workforce. During 2012, the social partners in OPCA3+ signed an inter-sector partnership agreement with AGEFIPH, thus reaffirming the desire of companies in the industry to promote disabled people's access to and maintenance in employment. The Vicat Group is involved in the action plan being rolled out and focusing on three key areas: information and awareness; support; training, qualifications and professional status.

This policy is also echoed abroad, in Turkey for example, where disabled employees represent 3 % of the workforce of the Vicat Group's Turkish companies.

2.7.3. Policy aimed at combating discrimination, forced labor and child labor

Adoption of the Group's values by its employees is one of the key factors in the success it has achieved in its 150 years of existence. These values, which create a strong enterprise culture, derive from a humanist philosophy embodied by Louis Vicat, which is at the very source of the Group's existence. United by a history extending over more than a century and a half, employees in the various different countries have a common feeling of belonging to the Group.

This enterprise culture gives rise to respect in relations with others, a solidarity between teams, a sense of leading by example, a capacity to mobilize energy and the power for strong action on the ground to achieve objectives.

As the cornerstone of the organization, the management, which is responsible for promoting these values, is direct and close to the workforce. Above all it is close to the teams and the reality of the operations. It maintains constant, open dialogue.

The Vicat Group is, therefore, ready to combat effectively the various forms of discrimination, forced labor and child labor.

All Group companies comply with the law aimed at combating discrimination in their respective countries (all are members of the International Labor Organization). Proof of such compliance is to be found in the checks conducted by various local authorities, which did not uncover any failure to observe the regulations in force in 2012.

At the instigation of Group management, India, Kazakhstan and Senegal have adopted a code of conduct complying with World Bank standards. Management in India is very sensitive to child protection and has regular, unannounced monthly audits conducted to check that no children are working on our sites.

In 2012, no Group company was the subject of a complaint or conviction for discrimination, forced labor or child labor.

3. BEING INVOLVED IN THE ECONOMIC AND SOCIAL DEVELOPMENT OF THE COUNTRIES IN WHICH WE OPERATE

The Group has many links with local authorities and associations close to its operational bases. This dialogue takes place either through the organization of joint events or through the attendance of Group representatives at work-related meetings with stakeholders.

3.1. Education

Education is a priority in the Group's commitment to communities in the countries where it operates. This commitment stems from the belief that, without a minimum of education, no economic, social (including questions of health) or environmental development can occur. This commitment is to be found equally at university and at primary and secondary school level. It generally takes the form of direct financial support either to the institution, or to pupils through the award of bursaries. It can also take the form of donations of building materials where new buildings are being constructed or of training in building trades. The table below summarizes the main activities in 2012 (which extend well beyond the legal obligations such as allocation of the apprenticeship tax in France):

Country	Level	Institution	Type of support
France	Higher education	Catholic University of Lyon	Development of new courses and construction of a new university
Egypt	Higher education	University of El Arish (North Sinaï)	Award of bursaries to 60 students
United States	Higher education	University of Alabama	Financial support
Turkey	Secondary school	Konya school of fine arts	Financial support
India	Primary school	Chatrasala and Kherchkhed schools	Financing of classroom equipment
Senegal	Primary school		Financing of the construction of two classrooms at Bargny Purchase and donation of school equipment
Kazakhstan	Primary school	Mynaral Tas school	Financial support
Turkey	Nursery school	Elmadag mobile nursery school	Financing of the equipment of the bus serving as a school

In addition to supporting schools and universities, the Vicat Group finances numerous cultural activities.

Maurice Gueye center in Senegal is a very special case in point. This center, which belongs to Sococim, houses the largest private library in Senegal in terms of the number of books and number of subscribers (200). The center is also frequented by thousands of visitors to concerts, exhibitions, film showings or other shows. In 2012, it also awarded several bursaries to deserving students.

Another example in the cultural sphere in France: in Montalieu, the Group is linked by a partnership agreement to the Stone and Cement Center, which, as well as housing a museum, organizes visits and conferences on the heritage and history of building in stone and cement concrete.

3.2. Local economic development

The nature of the Vicat Group's industrial operations creates numerous jobs both upstream and downstream of its production plants. It is estimated that in the industrialized world for every one direct job in a cement works, there are ten associated indirect jobs. Upstream suppliers and also the whole construction and public works sector downstream are all fed by a cement works.
In emerging countries, the workforce on production sites is often larger than in the industrialized world because there is less outsourcing of support functions (maintenance). Such outsourcing presupposes a certain level of qualification and independence on the part of subcontractors.

The Vicat Group is involved in various economic development initiatives in the countries where it operates. Two initiatives are worthy of mention:

- in France in December 2012, Vicat took over the chairmanship of the certification committee Alizé Savoie, an initiative aimed at supporting the economic development of microenterprises and SMEs in the Savoie region through zero interest rate loans and the provision of expertise from partner companies in the project (Saint-Gobain, Auchan, EDF, Vicat, etc.). In 2012, this initiative supported eight new companies with 36 potential jobs, bringing the total number supported under the program since 2006 to 46 companies and 249 jobs.
- in Senegal, the Sococim foundation, which has been in operation since the end of 2011, gave its support to the economic development of its first two projects in 2012:

- Support for the association for the development of Medinatoul Mounawara (Bargny) which brings together 84 women in small businesses selling fish, palm oil, couscous.. or raising and selling poultry.
- Support for the company Aissa Dione Tissus, an SME with 80 employees which designs and makes furnishing and decoration fabrics in Rufisque. Its products are made from organic cotton thread.

3.3. Help in integration through employment

In 2012, The Vicat Group continued its involvement in initiatives promoting integration through employment, in cooperation with the relevant local services, even where these programs are only indirectly aimed at the industry. This is the case in France, in Nice and Nord Isère where the Vicat Group is a partner in "100 chances 100 emplois" (100 opportunities, 100 jobs). The aim of this program is to find young people with potential in disadvantaged urban neighborhoods and provide them with a personalized career path towards professional employment.

Once they have been identified by local employment services or by Pôle emploi, the candidates meet executives from partner companies who help them to identify their career path, find themselves internships or training courses and prepare for job interviews.

3.4. Conservation and use of the built heritage

The Vicat Group focuses particularly on questions of the built heritage, going beyond the development of products and commercial solutions for renovation or conservation.

Several activities undertaken in 2012 are worthy of note:

- in France the Group supported the "Geste d'or" organization which each year confers awards on the best projects for the conservation and use of the built heritage. These projects, which bring together architects and craftsmen, are all distinguished by their excellence and quality. In 2012 the Geste d'Or gave the award to the renovation of a medieval façade in Figeac (Lot department)

- The Louis Vicat bridge in Souillac (Lot department) has been the subject of studies donated by the Group on behalf of the concrete laboratories in Isle d'Abeau with a view to its renovation in the near future by the Lot Department Council. This bridge, the construction of which was at the origin of the invention of artificial cement by Louis Vicat in 1817, was the first bridge in the world to be built using artificial cement.
- In Turkey, the Vicat Group contributed to the financing of archeological excavations on the Catalhayuk site, which is near the Konya cement works. This site undoubtedly contains one of mankind's oldest towns, dating from the Neolithic age. Vicat, through its subsidiary Konya Cimento, has already contributed in the past to the preservation of this exceptional site when a shelter was built to protect the excavations.
- In Senegal, the Group, via the Sococim foundation, had financed the renovation of the Théodore Monod museum/African Institute of Basic Research in Dakar in 2011. In 2012 the Group contributed to the creation of a permanent exhibition in the museum, "the art of being".

3.5. Sports associations

The Group is heavily involved in supporting sports clubs or associations in all the countries where it operates. In France, for example, it chose in 2012 to support professional women's football, in partnership with the Olympique lyonnais women's team. This partnership was established through a desire to support women's sport.

3.6. Health

The Vicat group's efforts on public health for the benefit of those living in the neighborhood of its production facilities focused primarily on India and Senegal in 2012. In India work was undertaken to improve drinking water (Ogipur water treatment plant) near the Gulbarga cement works (Vicat Sagar), to build public lavatories and to arrange health information sessions in the villages in the vicinity of the Group's cement works (Vicat Sagar and Bharathi).

In Senegal, the dispensary at the Rufisque cement works is open free of charge to the local population, including people not belonging to the families of employees. Malaria and AIDS prevention programs are also offered.

It is noteworthy that the action plan, drawn up in favor of stakeholders when the Gulbarga (Vicat Sagar) cement works was built, which goes beyond health questions and includes actions to support education and the harmonious development of the living conditions of stakeholders, is the subject of a report to the IFC (International Finance Corporation), part of the World Bank group, which is one of providers of finance to the project.

3.7. Good practice with stakeholders

3.7.1. Relations with subcontractors and suppliers

Although the figure generated by the Group's purchases from its suppliers may seem large (50 % of the Group's total sales in 2012, i.e. almost €1 billion), it comes in large part from energy purchases (almost 40 % of total purchases) which are made from traders or large groups such as EDF or Total in France.

The Group, however, considers it important to give priority to local purchases wherever possible, in order to generate economic benefits for the countries in which it operates. Thus in 2012 it was a sponsor of the local purchases agreement organized by the North Isère Chamber of Commerce and Industry, which enabled major companies placing orders to be put in contact with SMEs in the employment catchment area.

The Group complies with the rules of law in the countries where it operates, which have all signed or ratified the United Nations Human Rights Charter. In 2012, the Group made an effort to standardize the clauses in its purchase contracts reminding its suppliers of the main principles of international law, in particular with regard to compliance with the rules of the International Labor Organization (non-discrimination, prohibition of forced or child labor). These clauses will be standardized progressively throughout the Group as the Group's procurement standards are put in place.

For example, in India, at the Vicat Sagar cement works construction site, an audit group was established in 2012 to check compliance with these rules of law by the Group's suppliers. This audit group, working under an expatriate engineer is itself checked by IFC teams.

3.7.2. Training in good practice

In the context of the Group's general policy on promoting and training in adherence to good practice, a number of training courses were organized for the Group's managers and executives. In 2012, such courses were delivered in Switzerland, Turkey, Egypt and France (cement and concrete businesses).

These training courses, very much focused on competition law, will be extended from 2013 to cover the rules on combating corruption and the promotion of human rights, using in particular the expertise of the Institute of Human Rights at the Catholic University of Lyon, which the Vicat Group supports as part of its charitable program.

3.7.3. Consumer health and safety

The vast majority of the products produced and sold by the Group comply with local minimum standards. These are checked under internal and external procedures.

4. TABLE OF EQUIVALENCE CSR INFORMATION / CSR REPORT

SOCIAL INFORMATION

	N°	Information required by Decree No. 2012-557 of April 24, 2012	Vicat CSR report references
a) Employment	1	Total workforce and breakdown by gender, age and geographical area	2.1
	2	Recruitment and lay-offs	2.1
	3	Remuneration and pattern of change	2.2
b) Work organization	4	Organization of working hours	2.3
	5	Absenteeism	2.3.4
c) Social relations	6	Organization of social dialogue, in particular procedures for informing and consulting employees and negotiating with them	2.4
	7	Review of collective agreements	2.5
d) Health and safety	8	Health and safety conditions at work	2.5
	9	Review of agreements signed with trade unions or staff representatives concerning health and safety at work	2.5
	10	Workplace accidents, in particular their frequency and their severity, and occupational illnesses	2.5
e) Training	11	Training policies implemented	2.6
	12	Total number of hours of training	2.6
f) Equality of treatment	16	Measures taken in favor of equality between men and women	2.7.3
	17	Measures taken in favor of the employment and integration of disabled people	2.7.3
	18	Policy for combating discrimination	2.7.3
	19	At the effective abolition of child labor	2.8.3

ENVIRONMENTAL INFORMATION

	N°	Information required by Decree No. 2012-557 of April 24, 2012	Vicat CSR report references
a) General environmental policy	20	The organization of the company in order to take into account environmental issues and, if applicable, environmental assessment or certification measures	1.2
	21	Actions providing training and information to employees with regard to environmental protection	1.2
	22	The resources devoted to the prevention of environmental risks and pollution	1.2
	23	The amount allocated to provisions and guarantees in respect of environmental risks, provided that this information is not such as to result in serious prejudice to the company in a current dispute	1.2
b) Pollution and waste management	24	Measures to prevent, reduce or clean up discharges into the air, water or soil having a serious effect on the environment	1.2
	25	Measures to prevent, recycle and eliminate waste products	1.2
	26	Consideration of noise pollution and all other forms of pollution specific to an activity	1.2
c) Sustainable use of resources	27	Consumption of water and supply of water in accordance with local constraints	1.2.4
	28	Consumption of raw materials and measures taken to improve the efficiency of their use	1.2.7
	29	Energy consumption, measures taken to improve energy efficiency and use of renewable energy sources	1.2.3
	30	Use of the land	1.2.1
d) Climate change	31	Discharges of greenhouse gases	1.2.6
	32	Adaptation to the consequences of climate change	1.1
e) Protection of biodiversity	33	Measures taken to preserve or increase biodiversity	1.2.2

SOCIETAL INFORMATION

	N°	Information required by Decree No. 2012-557 of April 24, 2012	Vicat CSR report references
a) Territorial, economic and social impact of the company's business	34	in terms of employment and regional development	3.2
	35	on neighborhood or local populations	
b) Relations with persons or organizations with an interest in the company's business, in particular employment organizations, teaching establishments, environmental protection organizations, consumer and neighborhood associations	36	Terms of dialogue with such persons or organizations	3.1
	37	Partnership or charity actions	1 2 3
c) Subcontractors and suppliers	38	Consideration of social and environmental issues in the procurement policy	3.7
	39	The level of subcontracting and consideration, in relations with subcontractors and suppliers, of their social and environmental responsibility	3.7
d) Good practice	40	Action taken to prevent corruption	3.7.2
	41	Measures taken in favor of consumer health and safety	3.7.3
	42	Other action taken under this heading in favor of human rights	3.7

Certification of presence and moderate assurance report by the independent auditor on the social, environmental and societal information contained in the management report

Financial year ended December 31, 2012

For the attention of the Chief Executive Officer,

Following the request made to us and in our capacity as independent auditor of the company Vicat S.A., we hereby submit our report on the consolidated social, environmental and societal information contained in the management commentary prepared in respect of the financial year ended December 31, 2012, pursuant to the provisions of article L.225-102- 1 of the French Commercial Code.

Responsibility of the company

The Board of Directors is responsible for preparing a management commentary containing the consolidated social, environmental and societal information specified in article R. 225-105-1 of the French Commercial Code (hereinafter referred to as the "Information"), prepared in accordance with the set of standards applied (the "Standards") by the company and available at the company's registered office.

Independence and quality control

Our independence is defined by the regulatory provisions, the profession's code of conduct and the provisions of article L. 822-11 of the French Commercial Code. In addition, we have established a quality control system which includes documented policies and procedures aimed at ensuring compliance with the code of conduct, professional standards and the relevant statutory and regulatory provisions.

Responsibility of the independent auditor

We are responsible, based on our work:
- for certifying that the required Information is present in the management commentary or, in the case of omission, is the subject of an explanation pursuant to the third paragraph of article R. 225-105 of the French Commercial Code and of Decree No. 2012-557 of April 24, 2012 (Certification of Presence);
- for expressing a conclusion of moderate assurance on the fact that the Information is presented sincerely, in all significant aspects, in accordance with the Standards adopted (Moderate Assurance Report).

We called upon our experts in corporate responsibility to help us in performing our task.

1. Certification of presence

We performed the following work in accordance with the professional standards applicable in France:
- We compared the Information presented in the management commentary with the list specified in article R. 225-105-1 of the French Commercial Code;
- We verified that the Information covered the consolidation scope, namely the company and its subsidiaries as defined in article L. 233-1 and the companies which it controls as defined in article L. 233-3 of the French Commercial Code;
- In the event of omission of certain consolidated information, we verified that explanations were provided in accordance with the provisions of Decree No.2012-557 of April 24, 2012.

Based on this work, we hereby certify that the required Information is present in the management commentary.

2. Moderate assurance report

Nature and scope of the work

We carried out our work in accordance with the standard ISAE 3000 (International Standard on Assurance Engagements) and the professional doctrine applicable in France. We applied the following due diligence procedures in order to obtain moderate assurance of the fact that the Information does not contain significant anomalies such as to call into question its sincerity, in all significant aspects, in accordance with the Standards. A higher level of assurance would have required more extensive audit work.

We performed the following tasks:
- We assessed the appropriateness of the Standards with respect to their relevance, exhaustiveness, neutrality, clarity and reliability, taking into account, where applicable, good practices in the sector.
- We verified that the group has in place a process of collection, compilation, processing and control aimed at the completeness and consistency of the Information. We examined the internal control and risk management procedures relating to the preparation of the Information. We conducted interviews with the persons responsible for social and environmental reporting.
- We selected the consolidated information to be tested(1) and determined the nature and scope of the tests, taking into account their importance with regard to the social and environmental consequences associated with the business and the characteristics of the group, as well as its societal commitments.

With regard to the consolidated quantitative information that we considered most important:

- at the level of the consolidating entity and the entities controlled, we used analytical procedures and verified, on the basis of samples, the calculations and consolidation of such items of information;
- at the level of the sites, which we selected(2) based on their operations, their contribution to the consolidated indicators, their location and a risk analysis, we:
  - conducted interviews to check the correct application of the procedures;
  - carried out detailed tests, based on samples, consisting of checking the calculations performed and reconciling the data with the documentary evidence.

The sample selected represents on average 48.3 % of the workforce and between 20 % and 33.4 % of the quantitative environmental information tested.

With regard to the consolidated quantitative information that we considered most important, we conducted interviews and reviewed the associated documentary sources in order to corroborate such information and assess its sincerity.

- In the case of other published consolidated information, we assessed its sincerity and consistency in relation to our knowledge of the company and, if applicable, through interviews or consultation of documentary sources.
- Lastly, we assessed the relevance of the explanations relating, if applicable, to the absence of certain information.

Conclusion

On the basis of our work, we have not found any significant anomaly such as to call into question the fact that the Information is presented sincerely, in all significant aspects, in accordance with the Standards..

Paris, February 27, 2013

Grant Thornton
French member of Grant Thornton International

Alban Audrain
Partner
Head of CSR

(1) Workforce (number and distribution), recruitment and lay-offs, frequency and severity rates of workplace accidents, hours of training, emissions into the air (SOx and NOx), direct and indirect CO_2 emissions, water consumption and energy consumption, number and percentage of quarries having a reinstatement plan
(2) Sites in France and Switzerland.

Appendix 4

Elements constituting the 2012 annual financial report and management commentary

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 commentary:	
- Analysis of business, financial position and earnings	Sections 9.2 et 10
- Description of the main risks and uncertainties	Section 4
- Information relating to societal commitments to subtainable development	Appendix 3
- Information relating to research and development activities	Section 11
- Information on employee-related questions	Section 17
- Information on the share buy-back programs	Section 21.1.3
- Company shareholders Section	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 executive officers	Section 20.2.2
- Dividends distributed in the last three years	Section 20.5
- Mandates and functions performed by each of the Company's executive officers	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
- Corporate Social Responsibility (CSR) Report	Appendix 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 established by the Company	Appendix 1
Report of the statutory auditors on the Chairman of the Board's report	Appendix 2

Glossary

Additive	All products incorporated into concrete which are not cements, aggregates, adjuvant, mixing water, admixtures (for example fibers, color pigments, etc.).
Adjuvant	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. See: "Mixing".
Admixture	Finely ground mineral material used in concrete in order to improve certain properties (finish, compactability, strength, etc.).
Aggregate	Component of concrete. All mineral fragments known, depending on the grain size in the range 0 to 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. A distinction is made between natural aggregates resulting from loose or solid rock when not subjected to any treatment other than mechanical and artificial aggregates created by the thermal or mechanical transformation of rocks or ores. Natural aggregates can be rolled, round shape of alluvial origin or crushed, angular shape produced from quarry rock. The type 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 "secondary fuel".
Bag filter	Used to remove dust from gases, the bag filter consists of several hundreds of fabric pockets in a number of chambers arranged in parallel. As they pass through, the gases leave the dust in the pockets, which are emptied periodically either 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 unit has a number of 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 mounted on the weighing scales. The bags are automatically removed during rotation and placed on a conveyor belt which feeds the palletization equipment. See "Palletization".

Ball mill	Consists of a grinding tube rotating about a horizontal axis. The rotation drives the balls which fall on to the material as it crosses the cylinder, thus crushing it finer and finer. The interior wall of the shell is protected from wear by plating.
Binder	Material able to pass - under certain conditions (in the presence of mixing water in the case of hydraulic binders) - from a plastic state to a solid state; it is thus used to combine inert materials. Component of concrete which, following the setting process ensures cohesion of the aggregates.
Burner	Combustion unit located in the axis of the rotary kiln supplied with fuel oil, coal, gas or alternative fuels. Burners can burn several types of fuels simultaneously. Flows are as high as 15 to 20 tonnes/hour in the largest kilns. Air blown into the burner under pressure ensures the start of the formation and the shaping of the flame (known as "primary" air). The remaining combustion air comes from recovering the hot air obtained during cooling of the clinker (known as "secondary" air).
Calcination	Conversion of a limestone into lime by firing at high temperature.
Calorie	Unit of measurement of thermal energy: a calorie (cal) is the quantity of energy required to increase the temperature of one gram of water by 1°C. Currently, the official SI unit is the joule (J): 1 J = 0.239 cal. The watt-hour is also used in practice (1 Wh = 3,600 J) and the kilowatt-hour (1 kWh = 860,000 cal = 3.6×10^6 J); the cement industry uses the thermie (th) or megacalorie (1 th = one million cal).
Carbonation	Chemical reaction from combination of the free lime in the concrete with the carbon dioxide in the air.
CEM	This designation applies to cements complying with European standard EN 197-1. "CEM" cements consist of various materials and are of statistically homogeneous composition.
CEM I (formerly "CPA-CEM I")	This designation applies pursuant to standard EN 197-1 to cement of the type "Portland Cement", i.e. a cement comprising at least 95 % clinker.
CEM II (formerly "CPJ-CEM II")	This designation applies pursuant to standard EN 197-1 to cements the most common types of which are "Portland composite cement" (the letter "M" is then added to the designation), "Portland limestone cement" (the letter "L" is then added to the designation), "Portland slag cement (the letter "S" is then added to the designation) and "Portland silica fume cement" (the letter "V" is then added to the designation). A CEM II cement has a clinker content ranging: • 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 applies pursuant to standard EN 197-1 to "Blast furnace cement" comprising blast furnace clinker and slag in the following possible combinations: • 35 to 64 % clinker and 36 to 65 % slag: this cement is then designated "CEM I • 5 to 19 % clinker and 81 to 95 % slag: this cement is then designated "CEM III/C"
CEM IV (formerly "CPZ-CEM IV")	Applies to "Pozzolana cement" which is not sold in France.
CEM V (formerly "CLC-CEM V")	Applies to "Composite cement", little used in France.
Cement	Hydraulic binder, i.e. a fine powder which, when mixed with water, forms a paste which sets and then hardens following reaction with the water. After hardening, this paste retains its strength and stability even under water.
Cement components	All materials defined by the standard NF P 15-301 as cement constituents in proportions which vary depending on the type of cement. The various components are Portland clinker, granulated blast furnace slag, natural pozzolanas, fly ash, calcined schists, limestones and silica fume.
Cement type	Means of classification standardized according to the nature of the cement components. There are six types: Portland cement, Portland composite cement, blast furnace cement, pozzolana cement, slag cement and fly ash. The label on a cement bag also gives its strength class.
Certification	Identification for information purposes of the specific characteristics and recognized qualities of a product, established after tests by an organization approved by the administrative authorities; certification commits the manufacturer to on-going monitoring and controls to ensure 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. It has different physic-chemical characteristics depending on its smoothness. Composed of silicoaluminates, clay is present in the raw materials for manufacturing cements and hydraulic lime (30 to 40 %). It is present to a greater or lesser extent in marls. Clays generally have high levels of impurities (mica, quartz, granite). See: "Marl".
Clinker	Basic component of cement, comprising four major mineral elements: limestone, silica, alumina and iron oxide. It is obtained by firing at a high temperature in a cement kiln.
Clinkerization	Conversion of raw materials (limestone, silica, alumina and iron oxide) into clinker, occurring at a temperature of 1,450°C.
Coal	Fuel of vegetable origin, transformed over millennia into more or less pure carbon by carbonization. Despite competition from oil, gas and electricity, coal remains an important fuel, especially in industry, power stations and the boiler rooms district heating schemes and large buildings. Coals are classified according to their oxygen and water content (anthracites, thin and ¼ fat, semi-fat, fatty, blazing, lignite) and their dimension (pea, nut, brick, large, etc.).
Concrete	Building material produced from a mixture of cement, aggregates and of water, possibly supplemented by adjuvants, admixtures and additives. This mixture made on the building site or in factory is in the plastic state. It is able to take the shape of the mold and then hardens gradually to form a monolith. Depending on the formulation, use and surface treatment, it can vary considerably in performance and appearance.
Concrete batching plant	Fixed equipment for the industrial production of ready-mixed concrete. See also "Manufacturing plant".
Concrete mixer	Small machine used to manufacture concrete on a building site. It comprises three main elements includes a drum rotated by turning a wheel, a thermal or electric motor driving the drum and a chassis on wheels used to move it around. The concrete components are mixed in the drum. The mixture thus obtained is then poured into the formwork.
Conditioning tower	Tower located at the discharge point for fumes from the preheater tower in order to cool and humidify them so as to optimize the output of the electrostatic filter located downstream of it. See: "Electrostatic filter".
Cooler	Unit located at exit from a clinker kiln intended to cool clinker at 1,400°C to ambient temperature. Grid coolers and perforated plate coolers 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 is discharged at the back of the unit. In modern coolers, 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.
Crusher	Crushing machine, used especially in a quarry. Crushers operate with jaws (with reciprocating motion, nut-cracker principle), with hammers for softer or more mobile materials or by grinding between inverted vertical cones (fine gravels).
Crushed aggregate	Aggregate produced by crushing rocks.
Crushing	Breaking rocks into small pieces by grinding or pounding.
Decarbonization	Reaction releasing the CO_2 contained in the limestone raw 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 a great deal of heat and constitutes the main heat consumption of the kiln.
Dolomite	Carbonated sedimentary rock, containing at least 50 % carbonate, much of which much is in the form of dolomite. Dolomite: carbonated mineral, dolomite crystal, which can be white (in pure form).
Electrostatic filter	Widely used in cement works for extracting dust from the kiln gases or the grinding mill chimney. Suspended particles in gases, negatively charged by wires under tension between the plates, are attracted by the plates because of the very high potential difference applied (50 to 100 kilovolts). The layer of dust which accumulates is collected by striking the receptor plates. After passing through a number of chambers, the gases are cleaned to an efficiency capable of reaching a few milligrams of dust per cubic meter. The gases must first be conditioned in a conditioning tower. See: "Conditioning tower".

Energy valorization	Introduction into the production process of by-products, waste or fuels otherwise of no use, 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 consumed and causing pollution when discharged into the natural environment. For example, in a cement works, tires or waste solvents are used as fuel for the kiln.
Exhauster	Device for sucking gases or fume out of an appliance under vacuum. Exhausters are used in particular to extract fumes from cement factory kilns or the ventilation air from grinding mills. Vacuum pressures can reach 1,000 mm of water column.
Fine gravel	Aggregate of diameter 1 to 90 mm
Fines	(a) All grains (grain size 0/63 µm) passing through a 63 µm sieve of whatever material (sands, cement, admixtures, fillers). (b) The finest particles of a material. Used to designate fine material flow at the output from the separators (as opposed to coarse particles or rejects). See: "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 Portland composite cement.
Formulation	Operation consisting of defining the proportions - by weight rather than volume – of various components of a concrete, in order to meet the desired strength and appearance requirements.
Fresh concrete	Concrete in the phase which follows mixing and precedes setting, i.e. in a plastic state which allows its transport and 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 material which, in the presence of oxygen in air, releases a high degree of heat on combustion, used to provide heat.
Fuel oil	Fuel produced from oil refining after extraction of the light gasoline and gasoil fractions. High Viscosity Fuel, bitumen, is a very heavy fuel oil. Fuel oil and High Viscosity Fuel are used in cement kilns.
GCV	Gross Calorific Value: quantity of heat released by the complete combustion of 1 kg of fuel, the water from combustion being condensed. It is measured experimentally by the combustion of a given quantity in a calorimetric bomb (almost adiabatic). The GCV is measured in kilogram calories per kilogram (or thermies per tonne) and also in kilojoules per kilogram. E.g.: GCV = 9,800 kcal/kg or 41,018 kJ/kg.
Granulometry	(a) Measurement of the granularity of an aggregate, i.e. range of the particle sizes which it contains, by passage through a series of square mesh sieves of standardized dimensions. (b) Granulometry or granulometric analysis: measurement of the proportion of the various granular sizes of the grains of a powder, sand or aggregate.
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 reserves of natural resources of sufficient quality and quantity for cement manufacture, the project generally involves designing and establishing the various components of the industrial and commercial process. A brownfield project, on the other hand, is one where there was already a cement business on the site.
Grinding	Reduction to powder or very fine particles. Grinding can be performed by pounding (minerals), by crushing (dyes, cement) or by crumbling (refuse). In a cement factory, the grinding plants generally comprise a grinding mill, a separator which returns oversize particles to the mill and a ventilation and dust extraction system.
Grinding agent	More familiarly referred to as a "grinding aid". These are products intended to facilitate the clinker grinding process used in the proportion of a few hundred grams per tonne of cement produced. See: "Grinding".
Grinding mill	Grinding plant. 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 a by-product from industries manufacturing phosphoric acid or citric acid. It is added to cement as a setting regulator.
Handleability	Condition defining the ability of a mortar or a concrete to be transported, handled and used; it is characterized by the consistency and the plasticity of material. See: "Workability".

Hardening	Stage in the development of mortars and concretes: after setting, the material passes from a plastic state to a solid state and acquires its strength.
Heat balance	Expression of the heat exchange between a closed environment and the outside. More specifically for cement kilns, the heat balance evaluates the heat inputs and compares these with the requirements of physic-chemical processes and heat losses.
Homogenization	Operation carried out 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 in a continuous process. Mechanical and/or pneumatic mixing means may be used.
Hopper	Bulk materials (sand, aggregates, cement) storage unit in the shape of a truncated cone made from steel or concrete. At the bottom of a hopper is a system for discharging the material 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 at 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, is discharged from the mill.
HPC	Abbreviation for "high-performance concrete". The formulation of this concrete makes it particularly compact and therefore of low porosity. Its mechanical strength is in excess of 50 MPa and it has better durability than standard concretes.
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 release of heat, the amount of which depends on the type of cement.
LCV	Lower Calorific Value: quantity of heat released by the complete combustion of 1 kg of fuel, the water from combustion being in the vapor state. It is calculated from the GCV of the fuel by subtraction of the heat absorbed by the vaporization of the water. For most fuels, GCV (in kcal/kg) = LCV - 5,400 % H where H is the hydrogen content of the fuel. E.g.: heavy fuel oil GCV = PCI - 200 in kcal/kg. The LCV is measured in kilocalories per kilogram (or thermies per tonne) and also in kilojoules per kilogram.
Lime	Binder obtained by the calcination of more or less siliceous limestone. A distinction is made between 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 (CaCO3). Calcite is the most stable and most common 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 for the formation of silicates and aluminates. The magnesia content of the limestone used must be no more than a few per cent in order to prevent the formation of non-combined magnesia on firing and likely to cause expansion of the concrete in the medium or long term.
Manufacturing plant (concrete)	Fixed equipment for the industrial production of ready-mixed concrete.
Marl	Natural mixture of clay and limestone in various proportions. If the amount of limestone is less than 10 %, the marl is known as argillaceous. Marl with higher proportions is referred to 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 provides the argillaceous fraction rich in iron and aluminosilicates. See: "Carbonate content".
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 and prevent them from being consumed 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) and are used to replace completely or partially natural gypsum or anhydrite in 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).

Milling	Second major stage in cement manufacture, which consists of grinding the clinker and reducing it to powder together with the other cement components.
Mixer	Apparatus used to mix concrete components. Two types depending on the part which moves: • concrete mixer: the drum turns on a horizontal or slightly tilted axis (gravity is the principal force acting on the mixture); • mixer: comprises a trough (or trough) with blades moving relative to one another.
Mixer truck	Vehicle used to transport fresh concrete from the production location to the construction site.
Mixing	Action of mixing the components of concrete until a homogeneous mixture is obtained.
Mortar	Mix of cement, sand and water, possibly supplemented by adjuvants and admixtures. It differs from concrete in that it does not contain fine gravels. Prepared on the building site - starting from pre-dosed dry industrial mortar or by proportioning and mixing all the components - or delivered to the site from a batching plant, mortars are used for joints, coatings, screeds and for various sealing, reshaping and filling purposes.
Petroleum coke	Solid by-product of oil refining used as a fuel to produce heat. This fuel, finely ground, is traditionally used in cement kilns.
Plaster	Surface coating (approximately 2 cm for traditional coatings) comprising a cement mortar and/or hydraulic lime, intended to cover a wall, in order to homogenize its surface and waterproof it. A distinction is made between traditional plasters (which require three layers), double-layer plasters and single-layer plasters (based on industrial mortars and applied in two passes).
Portland cement	Basic cement, manufactured from clinker and a setting regulator.
Portland composite cement	Cement containing clinker, a setting regulator and a proportion of fly ash, limestone or slag.
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 with hydraulic properties (hardening under water). By extension refers to natural or artificial materials having the same property. Pozzolanas are components of certain types of cement.
Precalcination	System enabling combustion to be started before entry into the kiln and thus reducing the quantity of energy required in the kiln.
Precalcinator	Combustion chamber at the base of the preheater tower, fed with all fuel types and hot air for combustion (750 to 900°C) coming from cooling of the clinker. The precalcinator can contribute up to 55 % of the heat necessary for satisfactory operation of the kiln. See: "Preheater".
Precast concrete products	Production of construction components away from their final site, in a factory or at a nearby location. Many concrete structural components can be prefabricated - posts, beams, load-bearing or insulation panels, façade panels, cladding, as well as standardized elements blocks, joists, shuttering slabs, honeycomb slabs, tiles, components of roadway or drainage systems, drainage systems or street 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	Process carried out in a cement factory to obtain a premix of crushed raw materials before grinding. It can be carried out discontinuously by batch (constitution of a heap during a few days while a second one is used) or continuously in circular workshops (simultaneous eccentric rotation and discharge on the heap and one in use).
Proportioning	Quantity of the different components of the concrete (in kg/m^3). E.g. concrete in the proportion 350 kg/m^3.
Pumping	Process of conveying the concrete from a feed hopper to the pouring site via tubes, enabling it to be taken horizontal distances of up to 400 m (or even 1.5 km) and vertical distances of 100 m (of 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 fired to make fast-setting cement is extracted. Quarries produce the natural raw materials required to make cement or for the production of aggregates used in 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 implementing 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 processed in the cement kiln.
Raw meal	Name given to the cement kiln raw material after grinding (the size of the grains corresponds to that of flour).
Ready-mixed concrete	Concrete made in a plant remote from the construction site or on the site, mixed in a fixed mixer, delivered by the manufacturer to the user in a fresh state and ready to 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, rings, bars, welded lattices, etc. – appropriately arranged, absorb the traction forces.
Roller aggregate	Aggregate of alluvial origin made up of round-shaped grains.
Roller mill or vertical mill	A set of 2, 4 or 8 rollers (grinding wheels) with floating suspension supported by jacks on a rotating circular plate. The material to be crushed is deposited on the plate. The centrifugal force causes the material to pass under the rollers where it is crushed. A strong air current, feeds the crushed material to a separator which returns the largest particles to the rotating plate. See: "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 of diameter < 6.3 mm.
Screed	Thin layer of cement mortar (3 to 5 cm) poured on to a concrete floor in order to render it flat.
Self-compacting concrete	Concrete which does not require vibration when laid because of its high degree of workability. Also known as self-leveling concrete.
Self-leveling	Applied to fluid mortars or concretes which, without being truly self-smoothing, are spread simply using a plasterer's hawk or mason's rule to produce a very flat surface.
Self-smoothing	Adjective applied to floor finishing or smoothing coatings, which are easily spread by the smoothing machine (in some cases even with a brush), and then harden automatically correcting, by creep, any unevenness left by the spreading tool.
Separator	In a cement works, unit in the grinding mill which sorts the material from the mill into fine and large particles. Large particles are returned to the mill to be refined. Fines constitute the product. An adjusting device enables the cut of separation into grain size to be varied. See: "Fines".
Setting	Start of the development of the strength of the concrete, mortar or the cement paste. It is assessed by the setting test (NF P 15-431, NF EN 196-3).
Setting accelerator	Concrete or mortar additive introduced into the mixing water in order to reduce setting time by accelerating hydration of the cement.
Setting regulator	Cement component intended to slow down the hydration reactions. Gypsum and calcium sulfate are most commonly used.
Setting retarder	Adjuvant which, when added to the mixing water, increases the setting start and end times of cement in a concrete, mortar or slurry.

Setting time	The setting time for cements is determined by observing the penetration of a needle into a cement paste of standardized consistency (“standard” paste) up to a specified depth (NF EN 196-3). The device known as “Vicat apparatus” makes it possible to measure the time which separates the start water/cement contact and the start of setting (penetration of the Vicat needle up to 4 mm from the bottom) as well as the end of setting (virtually no penetration).
Shell	Name given to the cylinder of the rotary kiln or ball mill or any other cylindrical mechanical component.
Shrinkage	Contraction of the concrete, due to hydraulic phenomena - evaporation or absorption of mixing water before and during setting - and / or thermic due to cooling after the rise in temperature which accompanies hydration of cement, or to changes in weather conditions.
Silica fume	Silica fume is a by-product of the production 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, the fumes from which are collected and filtered. This microsilica is generally condensed in order to facilitate storage and handling. Silica fume appears as spherical elementary amorphous silica balls (SiO2) of diameter between 0.1 and 0.5 µm. Their silica content varies from 70 to 98 % depending on the manufacturing plant and the alloy produced. In concretes, silica fume acts according to two mechanisms: • by a granular effect related to the shape and the extreme fineness 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.), made of steel or concrete, loaded from above and unloaded from below, it is equipped with various types of extraction device. See: “Hopper”.
Slag	By-product of the manufacture of cast iron from metal industry blast furnaces. It has hydraulic characteristics similar to that of clinker, and is, therefore, used as a component of certain cements (metallurgical cements).
Standard	Document which specifies a set of technical or other specifications, drafted in collaboration with the parties concerned (representatives of manufacturers, users, consumers, authorities, and specialist organizations such as the CSTB). Standards require ministerial decrees to make them mandatory. 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 EN ISO + No. reproduces in full the European standard, which in turn reproduces the international standard with the same number.
Stone	Aggregate of diameter 20 to 125 mm.
Strength of a concrete	All behavioral characteristics under compression, traction and bending stresses. In France, the strength of concrete structures is conventionally checked twenty-eight days after their installation. In the United States, the period is fifty-six days.
Thermie (th)	Unit of heat energy. 1 thermie = 1,000 kilocalories = 1,000,000 calories. This unit is replaced by the energy unit, the joule (J): 1 thermie = 4.1855 MJ (4,185,500 J). The specific consumption of the cement kiln is measured: • either in thermies per tonne of clinker (former units); • or in gigajoules per tonne of clinker (new units). E.g.: a kiln consumes 850 thermies per tonne of clinker which is the equivalent of 3,558 megajoules per tonne produced.
Vibration	Method of tamping the freshly-mixed concrete after pouring, in order to improve its compactness. Vibration can be internal or external to the concrete.
Workability	Property characterizing the degree of ease with which a concrete or a mortar is installed. Workability is related to plasticity and fluidity. It varies depending the type of structure and the installation conditions. It is evaluated by the degree of spread and sinking. Synonym: handleability.
X-ray fluorescence (analysis by)	This technique is used to determine the chemical composition of cements or raw materials. It enables the various stages of cement manufacture to be checked rapidly and very accurately. During the analysis which takes only a few minutes, the samples in the form of compacted powder (or diluted in a glass bead) are subjected to an X-ray beam. An X-ray beam emitted 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; measurement of their intensity shows the concentration.

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).

A French société anonyme
with a share capital of €179,600,000
Registred Office: Tour Manhattan - 6, place de l'Iris 92095 Paris - La Défense Cedex - France
Registred with the Trade and Companies Register of Nanterre under the number 057 505 539.