

Sales for the full year ended 31 December 2008



Full-year sales down 3.0% at constant scope and exchange rates

- **Solid performance, particularly in the Cement business, in view of severe deterioration in economic conditions**
- **Very strong financial position**
- **Implementation of the "Performance Plus" cost-cutting plan and continuation of the "Performance 2010" investment plan**

Paris La Défense, 28 January 2009: Vicat (NYSE Euronext Paris: FR0000031775 – VCT) today publishes its sales for the full year ended 31 December 2008, which fell by 3.7% to €2,057 million. At constant scope and exchange rates, sales were down 3% relative to the year-earlier period.

Consolidated sales by business:

(€ million)	31 December 2008	31 December 2007	Change	
			Reported	At constant scope and exchange rates
Cement	929	929	0.0%	+1.5%
Concrete & Aggregates	845	914	-7.5%	-7.8%
Other Products and Services	283	293	-3.7%	-2.4%
Total	2,057	2,136	-3.7%	-3.0%

Commenting on these figures, the Management Board stated: "Vicat delivered a strong performance in 2008 in view of the severe deterioration in macro-economic conditions, particularly at the end of the year.

Against this backdrop, Vicat is pro-actively implementing a cost-cutting plan, called the "Performance Plus" plan. The Group also benefits from a number of strengths that will enable it to cope with the current situation, most importantly its extremely strong financial position.

Finally, Vicat leverages its investment plan whose objectives are the reduction of production costs and the reinforcement of its positions in its main markets, in which the medium and long-term growth potential remains intact".

Consolidated sales for the full year ending 31 December 2008 totalled €2,057 million, down 3.7% relative to the year-earlier period. At constant scope and exchange rates, sales were down 3.0%.

Sales in the Cement business rose by 1.5% at constant scope and exchange rates. Sales drew down by 7.8% in Concrete & Aggregates and by 2.4% in Other Products and Services at constant scope and exchange rates.

The breakdown of sales between Vicat's various businesses was relatively stable. The Cement business accounted for 45% of total consolidated sales, versus 44% at 31 December 2007, while Concrete & Aggregates' share was 41%, down from 43% in the year-earlier period.

1. Geographical breakdown of consolidated full-year sales

1.1. France

(€ million)	31 December 2008	31 December 2007	Change	
			Reported	At constant scope
Consolidated sales	1,017	1,027	-1.0%	-1.4%

Consolidated full-year sales in France fell by 1.0% or 1.4% at constant scope.

Following growth in the first half of the year, the French market deteriorated gradually from July 2008. This trend gained pace in the fourth quarter, affected by severe deterioration in economic conditions and particularly unfavourable weather conditions in the zones in which we operate.

- Cement sales fell by 0.8% over the full year. Prices continued to rise but were unable to make up for the decline in volumes (down 3.4%), particularly in the fourth quarter.
- Concrete & Aggregates sales fell by 2.0% in 2008 at constant scope. The decline in volumes in both Concrete (down 1.5%) and Aggregates (down 7.1%) was only partly offset by the increase in selling prices.
- Lastly, Other Products and Services sustained a 1.0% fall in sales over the full year at constant scope. The strong performance of Paper and Construction Chemicals activities was unable to make up for the decline in Transport activities.

1.2. Europe (ex France)

(€ million)	31 December 2008	31 December 2007	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	283	285	-0.6%	+0.6%

Full-year consolidated sales in Europe excluding France fell by 0.6%. At constant scope and exchange rates, sales were up 0.6%.

Switzerland:

- The Swiss construction market remained brisk in 2008 despite global economic conditions, with an increase in selling prices in the Group's various markets. Vicat also benefited from the improved geographical diversification of its operations. However, its fourth-quarter performance was affected by very unfavourable weather conditions.
 - The Cement business achieved strong consolidated sales growth of nearly 9% at constant scope and exchange rates. This is thanks to a favourable development of selling prices and a better product mix, making up for the slight fall in volumes.
 - The Concrete & Aggregates business also achieved consolidated sales growth of nearly 4% in 2008 at constant scope and exchange rates. Selling prices increased significantly in both Concrete and Aggregates. Aggregates' volumes remained stable, while Concrete volumes fell slightly.
 - The Precast business sustained a fall in sales of just over 5% in 2008 at constant exchange rates due to a decline in demand in the residential market, but especially because of orders for the railway sector were postponed.

Italy:

- The Italian market was affected by severe deterioration in economic and financial conditions in 2008, which gained momentum in the second half of the year. As a result, cement consumption in Italy fell sharply, accompanied by intense competitive pressure in what is still a fragmented market.
- Against this backdrop, the Group recorded a 5.0% fall in consolidated sales. This is mainly due to a fall in cement volumes, particularly at the end of the year. In addition, weather conditions were particularly unfavourable in the fourth quarter. However, selling prices held up well and were able to make up partly for the decline in volumes. On the basis of these factors and in view of the development of the Italian market, Vicat believes that it achieved a solid performance.

1.3. United States

(€ million)	31 December 2008	31 December 2007	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	268	364	-26.3%	-25.8%

Deterioration in economic conditions in the United States gained momentum throughout 2008. The construction sector continued the severe decline that began in the second half of 2007. As a result, Vicat's consolidated full-year sales in the United States fell by 26.3% or by 25.8% at constant scope and exchange rates.

California:

- Cement sales in California fell by 10.2% at constant exchange rates. This reflects a decline in cement volumes of just over 10% - nevertheless well below the expected fall in the region - as well as a fall in selling prices, which are particularly sensitive in the North Californian market.
- Concrete sales fell by 28.7% at constant exchange rates in 2008, due to the decline in volumes and selling prices.

Southeast:

- Cement sales fell by 29.3% at constant exchange rates year-on-year in 2008. Volumes were down by just over 22%. Business activity was also affected by a decline in selling prices over the full year.
- Concrete sales fell by 16.8% at constant scope and exchange rates. Excluding Walker, volumes decreased by 22%. However, selling prices improved slightly over the full year, particularly in Alabama in the fourth quarter.

1.4. Turkey and Kazakhstan

(€ million)	31 December 2008	31 December 2007	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	187	201	-7.2%	-0.9%

Economic conditions in Turkey deteriorated significantly in 2008, particularly at the end of the year. The construction sector saw a decline in activity over the full year.

The cement market was affected over the course of the year by:

- A decline in domestic consumption.
- The commissioning of new production capacity in a market already subject to overcapacity.
- A sharp fall in selling prices as a result of intense competitive pressure.
- Export volumes being robust in the first half of the year, particularly to Russia, but falling severely at the end of the year.

Despite these difficult market conditions, Vicat generated consolidated sales of €187 million in Turkey in 2008, down just 0.7% at constant scope and exchange rates.

- Consolidated Cement sales drew down slightly by 0.5% at constant scope and exchange rates. Cement volumes increased by 5.8% over the full year. Strong growth in export volumes fully offset the decline in the domestic market. The Group's performance in the North Anatolian market was impacted by the collapse of certain clients. Vicat was able to increase its market share in Konya, capitalising on its excellent brand image among clients and prospects. Selling prices fell sharply over the full year as a result of intense competitive pressure.
- Consolidated sales of Concrete were down by 1.0% at constant scope and exchange rates. Concrete volumes increased by 7.0%. In a market in global decline, Vicat demonstrated its pro-active approach to protecting its Cement business outlets. However, prices fell sharply over the year. In Aggregates, volumes drew down very slightly by 0.8%

1.5. Africa and Middle East

(€ million)	31 December 2008	31 December 2007	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	302	259	+16.5%	+17.1%

In Africa and the Middle East, consolidated sales rose by 17.1% at constant scope and exchange rates to €302 million over the full year in 2008.

Egypt:

- Sales were fuelled by continuing major infrastructure works and a buoyant domestic construction market. Against this backdrop, Vicat was able to capitalise on the commissioning of new production capacity at its Sinaï Cement plant, in accordance with the "Performance 2010" plan. Volumes therefore increased by 19.5% over the full year in 2008, with very strong consolidated sales growth of 38.2% at constant scope and exchange rates. This performance was achieved in spite of the ban on exports in the second and third quarter of 2008. The Group has been able to make up for almost all the lost export volumes through growth in the local market, where it has gained market share. Selling prices remained firm throughout the period.

West Africa:

- Market conditions were favourable, fuelled by the solid momentum of the building and public works sectors. However, sales were affected by exceptionally heavy rainfall in the second half of the year.
- On the basis of these factors, sales in the region increased by 6.9% at constant scope and exchange rates. In the Cement business, volumes grew slightly at constant scope and benefited from favourable pricing conditions.
- The acquisition in Mauritania of a majority shareholding in BSA Ciment, concluded in October 2008, has enabled Vicat to reinforce its position in Western Africa. As the consolidation of this entity was effective from the fourth quarter of 2008, its contribution to the Group's consolidated sales in this region has remained marginal.

2. Full-year sales by business

2.1. Cement

(€ million)	31 December 2008	31 December 2007	Change	
			Reported	At constant scope and exchange rates
Volume (thousands of	14,205	14,155	+0.4%	
Operational sales	1,143	1,156	-1.1%	+0.5%
Intra-group sales	(214)	(227)		
Consolidated sales	929	929	+0.0%	+1.5%

Consolidated sales in the Cement business remained stable or rose by 1.5% at constant scope and exchange rates. Volumes remained stable overall over the period.

2.2. Concrete & Aggregates

(€ million)	31 December 2008	31 December 2007	Change	
			Reported	At constant scope and exchange rates
Concrete volume (thousands of m ³)	8,373	8,830	-5.2%	
Aggregates volume (thousands of tonnes)	21,579	22,563	-4.4%	
Operational sales	882	950	-7.2%	-7.3%
Intra-group sales	(37)	(36)		
Consolidated sales	845	914	-7.5%	-7.8%

Consolidated sales in the Concrete & Aggregates business fell by 7.5% or 7.8% at constant scope and exchange rates.

Concrete delivery volumes were down 5.2% and Aggregates volumes down 4.4%.

2.3. Other Products and Services

(€ million)	31 December 2008	31 December 2007	Change	
			Reported	At constant scope and exchange rates
Operational sales	360	370	-2.5%	-1.4%
Intra-group sales	(77)	(77)		
Consolidated sales	283	293	-3.7%	-2.4%

Consolidated sales in the Other Products and Services business fell by 2.5% or 1.4% at constant scope and exchange rates.

3. Recent events

Vicat recently announced the finalisation of the financing of the Jambyl Cement greenfield cement plant in Kazakhstan, of which it owns 60%.

This financing - arranged by International Finance Corporation (IFC), a subsidiary of the World Bank - amounts to a total of \$160 million. It comprises an initial tranche of \$50 million provided by IFC and a second tranche of \$110 million syndicated with Calyon, Société Générale, Crédit Industriel et Commercial and Banca Intesa. The maturities of these tranches are ten years and seven years respectively.

IFC also wished to be involved in the project initiated by Vicat and its local partner, Kazkommerts Invest, and acquired a 10% stake in Jambyl Cement Company. As a result, the company's share capital is divided between Vicat (60%), Kazkommerts Invest (30%) and IFC (10%).

4. Outlook

4.1. 2008 financial outlook

Despite very severe deterioration in the global economic climate and unfavourable weather conditions at the end of the year in some of its major markets, the Group expects a solid performance:

- Stable EBITDA margin in the second half of 2008, or very slight improvement compared with the first half of 2008 (25.5%).
- A decrease in 2008 EBITDA margin relative to 2007 (27.8%).
- Gearing at 31 December 2008 symbolising the Group's solid financial position, expected to be lower than at 30 June 2008 (38%).

4.2. 2009 outlook

As regards 2009, Vicat believes that given the lack of visibility as a result of recent changes in global economic and financial conditions, as well as the impossibility of being able to assess the potential impact of the various bailout plans in certain countries in which the Group operates, it is unable at this stage to formulate a precise and documented outlook on its potential financial performance for the current year.

However, the Group wishes to provide the following information about its various markets:

- **In France**, the Group's performance is likely to be impacted at the beginning of the year by very unfavourable weather conditions compared with 2008. Over the full year in 2009, the current economic crisis - in particular the credit crisis - is expected to affect the construction sector as a whole in France. Furthermore, it is unlikely that the initial effects of the bailout plan announced by the French government will enable the sector to make a significant rebound by the end of the year. The Group therefore expects volumes to fall sharply over the full year, particularly in cement. This should be partly offset by the expected increase in selling prices.
- **In Switzerland**, conditions should remain positive overall, with the residential property market remaining healthy, major works programmes should continue in line with expectations and with favourable development in selling prices.
- **In Italy**, the Group's performance is likely to be impacted at the start of the year by very unfavourable weather conditions. Over the full year, Vicat expects a further decline in the construction sector in general and pricing pressures relating to competitive conditions.

- **In the United States**, the Group expects further deterioration in market conditions. In California, the evolution in the situation will depend in particular on potential investment by the State of California which - faced with major budgetary difficulties - is still waiting for Federal aid. The implementation of the national rescue plan could have a substantial impact on our markets. However, the location, nature and timing of investment are still uncertain.
- **In Turkey**, the Group's performance is likely to be impacted at the start of the year by very unfavourable weather conditions compared with 2008. Over the full year, cement consumption is expected to continue to decline and current and future production overcapacity is likely to result in further pricing pressures.
- **In Egypt**, while the Egyptian market does not seem to have been particularly affected by global economic and financial conditions as yet, its development in 2009 is still uncertain, particularly in the second half of the year. Growth in the domestic market and the Group's performance are likely to depend chiefly on government investment programmes and means of financing that could be made available. Meanwhile, exports are likely to be affected by competition resulting from overcapacity caused by the global decline in demand, accentuated by lower shipping costs. However, some regions should continue to offer interesting potential for growth in exports from this region.
- **In West Africa**, market conditions are likely to continue to relate to public authorities' investment in major infrastructure projects and therefore their financing capacity. Furthermore, the residential construction market is likely to remain closely correlated to the development of financial transfers from the West African diaspora.

Against this backdrop, Vicat is determined to continue with its growth strategy, capitalising on:

- A financial position that the Group considers as particularly healthy, with one of the lowest levels of gearing and leverage in the sector.
- The effects of the implementation of the "Performance Plus" cost-cutting plan, which should gradually become evident over the course of the year in 2009. The Group confirms that details of the plan - in particular figures - will be announced when it publishes the 2008 full-year financial statements.
- The effects of the "Performance 2010" investment plan, relating in particular to the reduction in production costs as a result of the modernizing of production facilities and the increase in the Group's production capacity. In 2009, Vicat should benefit fully from investments already made within the framework of this plan, particularly in France, Turkey and Egypt. In addition, from the second half of 2009, the Group should gradually benefit from the increases in capacity and improved production performance resulting from investments in Switzerland and Senegal.

Conference call:

To accompany the publication of the Group's 2008 full-year sales, Vicat is organising a conference call that will take place in English on 29 January 2009 at 3pm Paris time (2pm London time and 9am New York time). To take part in the conference call live, dial one of the following numbers:

France: +33 (0)1 70 99 42 77
UK: +44 (0)20 7138 0825
United States: +1 212 444 0481

To listen to a playback of the conference call, which will be available until midnight on 5 February, dial one of the following numbers:

France: +33 (0)1 71 23 02 48
UK: +44 (0)20 7806 1970
United States: +1 718 354 1112

Access code: 9438098#

Next publication:

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Investor relations contacts:

Stéphane Bisseuil:

T. + 33 (0)1 58 86 86 13

s.bisseuil@vicat.fr

Press contacts:

Clotilde Huet / Catherine Bachelot-Faccendini:

T. + 33 1 58 86 86 26

clotilde.huet@tbwa-corporate.com

catherine.bachelot-faccendini@tbwa-corporate.com

Disclaimer:

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These statements are by their nature subject to risks and uncertainties as described in the Company's annual report available on its website (www.vicat.fr). These statements do not reflect the future performance of the Company, which may differ significantly. The Company does not undertake to provide updates of these statements.

Further information about Vicat is available from its website (www.vicat.fr)

Vicat group - Financial information - Appendices

Quarterly sales

Breakdown by geographical region:

(€ million)	First quarter 2008	First quarter 2007	Change	
			Reported	At constant scope and exchange rates
France	248	238	+4.3%	+5.8%
Europe (ex France)	61	57	+6.1%	+8.3%
United States	61	98	-37.0%	-27.9%
Turkey and Kazakhstan	33	27	+17.8%	+15.3%
Africa and Middle East	67	60	+12.3%	+16.0%
Total	471	480	-2.1%	+1.1%

(€ million)	Second quarter 2008	Second quarter 2007	Change	
			Reported	At constant scope and exchange rates
France	293	284	+3.3%	+1.1%
Europe (ex France)	79	83	-4.2%	-1.5%
United States	75	101	-26.3%	-19.3%
Turkey and Kazakhstan	62	62	-1.3%	+5.2%
Africa and Middle East	75	71	+5.8%	+9.1%
Total	584	601	-2.9%	-1.3%

(€ million)	Third quarter 2008	Third quarter 2007	Change	
			Reported	At constant scope and exchange rates
France	252	254	-0.9%	-0.7%
Europe (ex France)	74	73	+2.1%	+4.3%
United States	70	92	-23.7%	-24.8%
Turkey and Kazakhstan	58	63	-8.3%	-5.5%
Africa and Middle East	74	68	+7.8%	+9.5%
Total	527	550	-4.1%	-3.3%

(€ million)	Fourth quarter 2008	Fourth quarter 2007	Change	
			Reported	At constant scope and exchange rates
France	224	252	- 11.0%	-11.8%
Europe (ex France)	68	71	- 4.5%	-6.9%
United States	62	73	- 15.2%	-33.4%
Turkey and Kazakhstan	35	48	-27.9%	-12.2%
Africa and Middle East	86	60	+ 43.3%	+36.5%
Total	475	504	- 5.9%	-8.5%

By business:

(€ million)	First quarter 2008	First quarter 2007	Change	
			Reported	At constant scope and exchange rates
Cement	214	202	+6.0%	+8.4%
Concrete & Aggregates	195	210	-7.4%	-5.7%
Other Products and Services	63	69	-9.5%	+0.3%
Total	471	481	-2.1%	+1.1%

(€ million)	Second quarter 2008	Second quarter 2007	Change	
			Reported	At constant scope and exchange rates
Cement	263	263	-0.2%	+3.0%
Concrete & Aggregates	240	254	-5.6%	-5.0%
Other Products and Services	81	84	-3.2%	-3.8%
Total	584	601	-2.9%	-1.3%

(€ million)	Third quarter 2008	Third quarter 2007	Change	
			Reported	At constant scope and exchange rates
Cement	234	244	-3.8%	-2.2%
Concrete & Aggregates	217	233	-6.7%	-6.4%
Other Products and Services	76	73	+3.5%	+2.8%
Total	527	550	-4.1%	-3.3%

(€ million)	Fourth quarter 2008	Fourth quarter 2007	Change	
			Reported	At constant scope and exchange rates
Cement	218	220	-0.9%	-2.4%
Concrete & Aggregates	194	217	-10.8%	-14.8%
Other Products and Services	63	67	-6.1%	-8.8%
Total	475	504	-5.9%	-8.5%

Sales breakdown to 31 December 2008 by business and geographical region

	Cement	Concrete & Aggregates	Other Products and Services	Intra-group sales	Consolidated sales
France	454	508	265	-210	1,017
Europe (ex France)	126	91	91	-25	283
United States	129	182	0	-43	268
Turkey	149	84	4	-50	187
Africa and Middle East	285	17	0	0	302
Operational sales	1,143	882	360	-328	2,057
Intra-group sales	(214)	-37	-77	328	
Consolidated sales	929	845	283	0	2,057