



# Sales for the first quarter 2011

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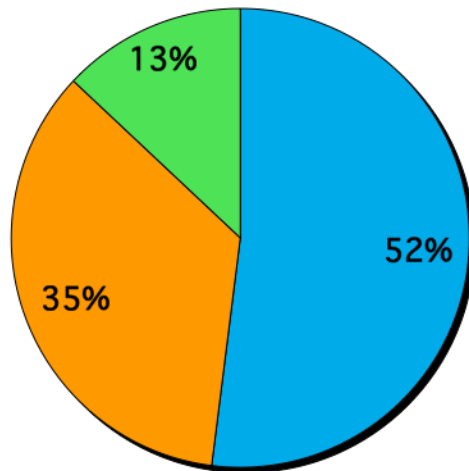
# Q1 2011 key points

- ▼ **Consolidated sales rise 28.8% and 18.2% at constant scope and exchange rates**
  - ▼ **An excellent quarterly performance but one that can not be extrapolated for the full year due to the particularly clement weather conditions in Europe**
- ▼ **Confirmation of a gradual economic recovery in mature countries**
- ▼ **Ongoing dynamic growth in emerging countries, with the exception of Egypt**
- ▼ **Very solid financial situation**

# Breakdown of consolidated sales by business

Contribution by business:

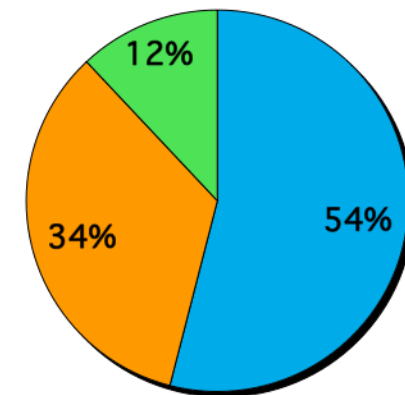
03/31/2011



■ Cement  
■ Concrete & Aggregates  
■ Other Products & Services

Contribution by business:

03/31/2010



▼ Consolidated sales (% at constant scope and exchange rates)

- ▼ Cement: € 267 million, up 10.9%
- ▼ Concrete & Aggregates: € 180 million, up 24.9%
- ▼ Other Products & Services: € 66 million, up 31.5%

# Geographical breakdown of sales

## France

<i>(millions of euros)</i>	03/31/2011	03/31/2010	Variation (%)	
			Published	At constant scope and exchange rates
Consolidated sales	222	173	+28.7%	+26.8%

- ▼ Performance in Q1 stems from particularly favourable weather conditions relative to Q1 2010 and from a trend improvement in market conditions
- ▼ Cement
  - ▼ Sales up 24.8%
    - ▼ Volumes up 20.5% with strong growth of domestic volumes
    - ▼ Average selling prices up 4%, due to export prices increase and despite very slight decrease on domestic market prices
- ▼ Concrete & Aggregates
  - ▼ Sales up 27.3%
    - ▼ Volumes growth of almost 30% in Concrete and 39% in Aggregates
    - ▼ Prices up 3% in Aggregates and a very slight decline in Concrete
- ▼ Other Products & Services
  - ▼ Sales up 29.4%

# Geographical breakdown of sales

## Europe (excl. France)

<i>(millions of euros)</i>	03/31/2011	03/31/2010	Variation (%)	
			Published	At constant scope and exchange rates
Consolidated sales	79	52	+53.3%	+30.3%

- ▼ Switzerland: sales rose 33.1%, lifted by a buoyant market benefitting from favourable weather conditions
  - ▼ Cement: consolidated sales strong increase of 16% after inter-company elimination, with volumes up 24% and prices up 3%
  - ▼ Concrete & Aggregates: sales strong increase of 48.5%
  - ▼ Precast: sales up 36.5%
  
- ▼ Italy: sales growth of 3.3%
  - ▼ Volumes: strong growth thanks to the construction business recovery and favourable weather conditions
  - ▼ Prices: strong decline vs Q1 2010 but strong growth vs Q4 2010

# Geographical breakdown of sales United States

<i>(millions of euros)</i>	03/31/2011	03/31/2010	Variation (%)	
			Published	At constant scope and exchange rates
Consolidated sales	36	35	+1.6%	+0.3%

- ▼ Sales continued to be undermined by persistently tough economic conditions, however signs of a very gradual recovery were confirmed, even though they are still very fragile
- ▼ Cement: sales down 9.6% after inter-company elimination, undermined by significantly lower prices vs Q1 2010
  - ▼ Volumes up 1% on average
    - ▼ In California: return to slight growth with a stronger trend in January and February while March was hit by heavy rains
    - ▼ South-East: very slight contraction
  - ▼ Stable prices on a sequential basis, notably in California
- ▼ Concrete: sales up 5%
  - ▼ Volumes: increase of more than 13% in both areas
  - ▼ Selling prices strong decrease vs Q1 2010
    - ▼ But on a sequential basis flat in California and very slightly down in the South-East

# Geographical breakdown of sales Turkey, India and Kazakhstan

<i>(millions of euros)</i>	03/31/2011	03/31/2010	Variation (%)	
			Published	At constant scope and exchange rates
Consolidated sales	65	32	+102.3%	+11.9%

## ▼ Turkey: sales up 8.8% at €34 million

- ▼ Cement : sales decrease very slightly (-1%)
  - ▼ Volumes decline 3.4% reflecting an increase in domestic sales and a sharp decline in export sales
  - ▼ Prices: solid increase
- ▼ Concrete & Aggregates: sales growth of 22.3%
  - ▼ Slight increase in volumes and very big increase in prices

## ▼ India: sales of €30 million

- ▼ Volumes amounted to more than 500,000 tonnes of cement
- ▼ Prices : strong recovery initiated in Q4 2010 extended into Q1 2011

## ▼ Kazakhstan

- ▼ Continued ramping up phase of the Jambyl Cement greenfield plant
- ▼ Delivery of 26,000 tonnes at the end of the quarter
- ▼ Production should continue to be ramped up at a much faster pace with the arrival of spring



# Geographical breakdown of sales Africa and Middle-East

<i>(millions of euros)</i>	03/31/2011	03/31/2010	Variation (%)	
			Published	At constant scope and exchange rates
Consolidated sales	111	107	+3.9%	+6.0%

- ▼ Egypt: sales decline by 9.7% at €42 million due to the political turmoil in January
  - ▼ Volumes decline 3.7%
  - ▼ Prices decline
  - ▼ Egyptian market recovered part of its dynamic momentum by March 2011, even though average daily volumes sold are still lower than pre-crisis levels, with a slightly more favourable pricing environment
  
- ▼ West Africa: sales rose by 19.2%
  - ▼ Strong growth in cement volumes by more than 22%
  - ▼ Average selling prices declined, eroded by an unfavourable regional mix due to a strong increase in export sales

# Financial situation

## Balance Sheet

- ▼ Very solid financial situation
  
- ▼ The consolidated net debt to equity ratio was 43% at 31 March 2011, compared to 39% at 31 December 2010
  - ▼ Mainly due to unfavourable exchange rates
  - ▼ After the acquisition of a 51% stake in the Bharathi Cement Company Limited in 2010, the Vicat Group is still in a very healthy financial position
  
- ▼ Given the low level of the Group's net debt, the existence of covenants does not represent a risk for the Group's financial standing and balance sheet liquidity
  - ▼ Vicat keeps well within the ratio limits set by the covenants in its loan contracts

# Elements to appreciate 2011 level of profitability

- ▼ The Group points out that the first quarter is not historically representative of its performance over the full year
  
- ▼ In 2011, several factors will have a negative effect on the Group's Ebitda margin:
  - ▼ Start-up costs and the ramping up of the Bharathi Cement plant in India and the Jambyl Cement plant in Kazakhstan
  - ▼ The impact of recent events in Egypt ; moreover, in 2011, the Group will not benefit from non-recurring income of €18 million reported in 2010 for the retroactive revision of the amount of a cement tax per tonne
  - ▼ A slight increase in energy costs, mainly due to higher electricity prices in some countries
  
- ▼ In contrast, the following factors will have a positive impact on the Group's Ebitda margin:
  - ▼ The gradual recovery in business in the mature countries
  - ▼ The ongoing strong momentum in the emerging markets, with the exception of Egypt
  - ▼ And ongoing efforts to boost productivity gains and reduce fixed expenditure, as well as the combined impact of the Performance plans
  
- ▼ After taking into account all these factors, the Group expects the full-year 2011 Ebitda margin to be slightly lower than in 2010

# 2011 outlook

- ▼ Vicat's vision of its markets evolution for 2011 is given in the press release reporting sales for the first quarter 2011 ended 31<sup>st</sup> March 2011, which can be consulted on our website at [www.vicat.com](http://www.vicat.com)
  
- ▼ Vicat is determined to continue prudently with its growth strategy, which is supported by:
  - ▼ its solid financial structure,
  - ▼ the benefits of the Performance plan, particularly lower production costs resulting from the modernisation of its production facilities and the strengthening of its industrial and commercial positions.
  - ▼ and, lastly, its expansion in Kazakhstan and India.