2008 results

Solid fundamentals and a sound financial position

- **EBITDA margin held up well in the second half despite a severe deterioration in the environment**
- **2008 earnings per share: €5.50**
- **Low gearing (below 35%) and strong cash flow**
- **AGM: proposal to maintain the dividend of €1.50 per share, giving a payout ratio of more than 27%**

Paris La Défense, 2 March 2009: Vicat (NYSE Euronext Paris: FR0000031775 – VCT) has today reported its consolidated results for 2008. Earnings per share totalled €5.50, down 14.7%. The Board of Directors will propose a dividend payment of €1.50 per share to shareholders in the AGM, resulting in a substantial increase in the dividend yield and payout ratio.

Simplified consolidated income statement:

(€ million)	**2008**	2007	Change	
			Reported	At constant scope and exchange rates
Sales	**2,057**	2,136	(3.7%)	(3.0%)
EBITDA*	**528**	593	(10.9%)	(9.5%)
EBITDA margin (%)	*25.7*	*27.8*		
EBIT**	**392**	480	(18.3%)	(16.8%)
EBIT margin (%)	*19.1*	*22.5*		
Net income	**245**	299	(18.1%)	(14.7%)
Net margin (%)	*11.9*	*14.0*		
Cash flow	**402**	477	(15.7%)	(14.0%)

*EBITDA is calculated as the total of gross operating profit and other ordinary income and expenses
**EBIT is calculated as the total of EBITDA and net depreciation charges and ordinary provisions

In relation to these results, Guy Sidos, CEO, made the following comments:
"Although the macroeconomic environment deteriorated severely in the second half of 2008, particularly in the fourth quarter, Vicat proved its resilience by slightly increasing its EBITDA margin in the second half relative to the first. This performance was made possible by way of the first effects of the “Performance 2010” plan and did not include the benefit of the "Performance Plus" complementary cost-cutting plan that will only fully impact 2009. As a result, and backed by the Group's very strong financial position, Vicat is prudently pursuing its investment programme. The aims of this programme are to reduce production costs and to strengthen industrial and commercial positions in Vicat's main markets, which continue to show medium- and long-term growth potential. "

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1. 2008 income statement

1.1. Consolidated income statement

2008 sales totalled €2,057 million, down 3.7% relative to 2007 and down 3.0% at constant scope and exchange rates.

Weak economic conditions caused sales to decline in France (-1.4%), the USA (-25.8%) and Turkey (-0.9%) at constant scope and exchange rates. However, Vicat's consolidated sales rose year-on-year in Europe (+0.6%) and Africa and the Middle East (+17.1%) at constant scope and exchange rates.

Vicat's operating profitability levels were lower than the record levels of 2007, because of:

- the substantial fall in US business levels throughout the year, and weaker activity in the French, European and Turkish markets in the second half;
- a significant decline in prices in Turkey and the USA, caused by stiff competition.

These factors were not offset by Vicat's commercial dynamism in Africa and the Middle East.

Operating margin was also affected by higher energy prices, although the effect was partly compensated for by the improved technical performance of production facilities and increased use of alternative fuels.

Consolidated EBITDA fell by 10.9% to €528 million, and by 9.5% at constant scope and exchange rates. This resulted in EBITDA margin of 25.7%, down from 27.8% in 2007.

Consolidated EBIT was down 18.3% to €392 million, and down 16.8% at constant scope and exchange rates. EBIT margin was 19.1% as opposed to 22.5% in 2007.

The increase in interest expenses was caused by higher debt levels relative to 31 December 2007 and higher interest rates. Gearing was 34.7% at 31 December 2008 versus 30.0% a year earlier. However, gearing fell substantially between 30 June 2008 (38%) and the year-end.

The Group's tax rate was 23.4%, down from 25.1% in 2007. The decrease reflects the stronger contribution of geographical zones where tax rates are lowest, particularly Senegal and Egypt.

Net income was €245 million, down 14.7% at constant scope and exchange rates. Net margin was 11.9%, as opposed to 14.0% in 2007.

1.2. Income statement by geographical zone

1.2.1. Income statement: France

(€ million)	**2008**	2007	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	1,017	1,028	(1.0%)	(1.4%)
EBITDA	262	272	(4.0%)	(4.1%)
EBIT	209	224	(7.1%)	(7.0%)

Consolidated sales in France fell by 1.0%, or 1.4% at constant scope, in 2008.

The weakening economic environment, particularly in the fourth quarter, caused lower sales volumes in both Cement and Concrete & Aggregates. Lower volumes were only partially offset by higher selling prices.

EBITDA fell by 4% to €262 million. EBITDA margin* came in at 25.5%, down from 26.3% in 2007.

In the Cement business, however, EBITDA margin* rose by 24 basis points in 2008, as a result of:

- higher prices, comfortably offsetting the slight decrease in sales volumes;
- reduced external purchases of clinker, which had affected profitability in 2007;
- the commissioning of a new cement mill in Montalieu as part of the Performance 2010 plan, enhancing performance and ending inter-plant transportation of clinker and cement;
- ongoing work to enhance the technical performance of facilities, and increased use of alternative fuels.

In Concrete & Aggregates, EBITDA margin* fell substantially because of declining volumes throughout the year and particularly in the second half, combined with higher transportation costs.

**EBITDA/operational sales*

1.2.2 Income statement: Europe (ex-France)

(€ million)	**2008**	2007	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	283	285	(0.6%)	+0.6%
EBITDA	67	70	(4.1%)	(3.5%)
EBIT	49	58	(14.3%)	(13.8%)

In Europe (ex-France), consolidated sales fell by 0.6%. At constant scope and exchange rates, sales were up 0.6%. In the region as a whole, EBITDA margin* fell slightly, from 24.4% to 23.6%.

Switzerland:

EBITDA was down 2.6% at constant scope and exchange rates, causing a slight decrease in EBITDA margin*. The decline was mainly down to the Cement business, where EBITDA margin* was badly affected by the cost of external purchases of clinker (30,000 tonnes) and cement (25,000 tonnes) and by the higher price of alternative fuels, this despite improved substitution rates. In Concrete & Aggregates, both EBITDA and EBITDA margin* fell. The Precast business put in a solid performance, with firm growth in EBITDA and a substantial increase in margins.

Italy:

EBITDA in Italy fell by 12.3% because of the worsening economic climate. This resulted in lower cement volumes and stiff competition. EBITDA margin* fell by around 100 basis points. Although prices rose, this was not enough to offset the rise in imported material prices and freight charges.

1.2.3 Income statement: USA

(€ million)	**2008**	2007	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	268	364	(26.3%)	(25.8%)
EBITDA	49	83	(41.6%)	(36.5%)
EBIT	23	59	(61.3%)	(54.7%)

Consolidated sales fell by 26.3% and by 25.8% at constant scope and exchange rates in 2008.

The severe deterioration in the macroeconomic environment, in both California and the Southeast, led to a substantial fall in sales volumes. Selling prices also fell, except in the Southeast, where prices rose slightly in the Concrete business.

**EBITDA/operational sales*

EBITDA was down 41.6% or 36.5% at constant scope and exchange rates.

EBITDA margin* fell sharply, from 22.8% in 2007 to 18.1% in 2008, mainly due to lower profitability in Concrete & Aggregates.

In the Cement business, EBITDA margin* remained near-flat, despite falling volumes and selling prices. This firm performance was mainly the result of the following factors.

- Greater efficiency in the production system: in 2007, Cement margins were affected by significant external purchases of cement and clinker following a prolonged stoppage at the Ragland kiln.
- Greater use of alternative fuels, substitute materials and additives.

1.2.4 Income statement: Turkey and Kazakhstan

(€ million)	**2008**	2007	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	187	202	(7.2%)	(0.9%)
EBITDA	35	67	(47.9%)	(44.2%)
EBIT	17	55	(68.5%)	(66.1%)

Vicat's consolidated 2008 sales in Turkey amounted to €187 million, down very slightly (-0.9%) at constant scope and exchange rates.

EBITDA fell by 44.2% at constant scope and exchange rates. As a result, EBITDA margin* contracted sharply, from 33.3% in 2007 to 18.7% in 2008.

This large decline was mainly due to steep price falls over the whole year, resulting from a very tough competitive environment in both Cement and Concrete.

Cement margins were also affected by:

- major additional costs arising from the commissioning of the new Bastas kiln, whose improved technical performance, particularly as regards energy consumption, did not have a positive effect until the end of the year;
- a substantial increase in transport costs caused by the sharp increase in export sales in the first half.

In Concrete, higher sales volumes did not offset the downward pressure on selling prices and higher transport costs. This caused a severe contraction in margins.

**EBITDA/operational sales*

1.2.5 Income statement: Africa and the Middle East

(€ million)	**2008**	2007	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	302	259	+16.5%	+17.1%
EBITDA	117	101	+15.4%	+16.9%
EBIT	94	83	+12.5%	+14.2%

Consolidated sales in Africa and the Middle East rose by 17.1% at constant scope and exchange rates to €302 million.

Egypt:

Strong volume growth and rising prices caused sales to rise by 38.2% and EBITDA by 25.1% at constant scope and exchange rates. As expected, however, EBITDA margin* declined because of the significant rise in gas prices imposed by the government in the first half, the new "clay tax" and higher transportation costs resulting from the upturn in exports in the fourth quarter.

Western Africa:

Consolidated sales and EBITDA benefited from a positive operating environment, rising by 6.9% and 9.6% respectively at constant scope and exchange rates. In Cement, EBITDA rose by 11.5% at constant scope and exchange rates, underpinned by firm market conditions and the increased efficiency of production facilities. EBITDA margin* also rose slightly in Cement. However, EBITDA in Concrete & Aggregates fell by 4.3%.

**EBITDA/operational sales*

1.3. Income statement by business

1.3.1. Cement

(€ million)	**2008**	2007	Change	
			Reported	At constant scope and exchange rates
Operational sales	1,142	1,156	(1.2%)	+0.4%
Consolidated sales	929	929	+0.0%	+1.5%
EBITDA	388	415	(6.5%)	(5.2%)
EBIT	304	344	(11.7%)	(10.7%)

In 2008, operational sales in the Cement business fell by 1.2%, but rose by 0.4% at constant scope and exchange rates.

Volumes were broadly stable in 2008.

EBITDA came in at €388 million, down 5.2% at constant scope and exchange rates. EBITDA margin* fell from 35.9% in 2007 to 33.8% in 2008.

1.3.2. Concrete & Aggregates

(€ million)	**2008**	2007	Change	
			Reported	At constant scope and exchange rates
Operational sales	882	950	(7.2%)	(7.3%)
Consolidated sales	845	914	(7.5%)	(7.8%)
EBITDA	109	147	(25.6%)	(22.7%)
EBIT	70	118	(40.8%)	(37.0%)

Operational sales in Concrete & Aggregates fell by 7.2% and 7.3% at constant scope and exchange rates.

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

EBITDA came in at €109 million, down 22.7% at constant scope and exchange rates. EBITDA margin* fell from 15.5% in 2007 to 12.3% in 2008.

**EBITDA/operational sales*

1.3.3. Other Products and Services

(€ million)	**2008**	2007	Change	
			Reported	At constant scope and exchange rates
Operational sales	361	369	(2.3%)	(1.2%)
Consolidated sales	283	293	(3.5%)	(2.2%)
EBITDA	31	32	(2.0%)	(5.2%)
EBIT	19	18	3.2%	(1.7%)

Operational sales in Other Products and Services fell by 2.3% and 1.2% at constant scope and exchange rates.

EBITDA came in at €31 million, down 2.0% or 5.2% at constant scope and exchange rates.

2. Balance sheet and cash flow

Net financial debt was €678 million at 31 December 2008, up from €515 million at 31 December 2007.

Consolidated shareholders' equity totalled €1,954 million versus €1,717 million at 31 December 2007.

As a result, net financial debt equalled 34.7% of consolidated shareholders' equity at end-2008, as opposed to 30.0% at end-2007.

Given Vicat's low net debt, covenants do not pose any threat to the Group's financial position and balance-sheet liquidity. At 31 December 2008, Vicat very largely complied with all financial ratios required by covenants in financing agreements.

In 2008, the Group generated cash flow of €402 million, versus €477 million in 2007. Vicat's capital expenditure totalled €383 million, up from €311 million in 2007. This expenditure mainly related to ongoing investments as part of the Performance 2010 plan, particularly in France, Senegal and Egypt, and initial investments following acquisitions in Kazakhstan and the USA (Walker).

Financial investments during 2008 amounted to €83 million.

3. Recent events

Introduction of the Performance Plus plan, as complement to the Performance 2010 plan:

Performance Plus is a pro-active initiative that complements the Performance 2010 plan, and is aimed at dealing with the severe global economic downturn. The plan aims to streamline and enhance Vicat's cost structure and has three main objectives:

- To improve the industrial performance of production facilities by strengthening the Group's purchasing policy and optimising energy efficiency, particularly through increased use of alternative fuels.
- To adjust the cost structure by adjusting plant output in line with business levels, reducing maintenance costs by optimising scheduled plant stoppages, making less use of temporary staff and overtime, reducing overheads and administrative costs and introducing targets for reducing working capital requirements.
- To postpone all investments deemed non-strategic in the current environment, except for those that will generate a rapid return such as investments that increase use of alternative fuels, investments related to the Group's acquisitions strategy and investments in safety and environmental protection.

Together, measures taken as part of the Performance 2010 and complementary Performance Plus plan in the various countries should maximise the Group's free cash flow through their impact on EBITDA, capital expenditure and the working capital requirement.

- Impact on EBITDA: measures taken to enhance industrial performance and adjust the Group's structure should result in cost savings of around €50 million in full-year 2009.
- Impact on capital expenditure: the postponement of non-strategic investments, as defined above, will save around €75 million. On this basis, Vicat believes that capex, including maintenance investments, is likely to total around €380 million in 2009. This includes planned investments in Kazakhstan and India.
- Impact on the working capital requirements: the combined measures are likely to reduce the working capital requirements by around €30 million.

The positive impact on Vicat's free cash flow, after taking into account the tax and financial impacts on EBITDA, should be around €140 million.

4. 2009

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 as reported in its 2008 sales announcement, published on 28 January 2009:

- **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. It is also unlikely that the initial effects of the stimulus plan announced by the French government will enable the construction sector to recover significantly 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 continuing in line with expectations and selling prices rising.
- **In Italy**, the Group's performance is likely to suffer from adverse weather conditions at the start of the year. Over the full year, Vicat expects a further decline in the broad construction sector, along with pricing pressures caused by the competitive environment.
- **In the USA**, the Group expects a further deterioration in market conditions. In California, the situation will depend in particular on potential investment by the State of California which - because of major budgetary difficulties – is still waiting for Federal aid. Although the implementation of the national stimulus plan could have a substantial impact on Vicat's markets, the location, type and timetable of the investments are not yet known.
- **In Turkey,** the Group's performance is likely to be affected 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,** the market has not been particularly affected by global economic and financial conditions as yet. If its development in 2009 is still uncertain, particularly in the second half of the year, the Group is confident in its ability to seize all growth opportunities by fully leveraging the increase in production capacity of the Sinaï Cement plant, the technical performances of its industrial tool and its commercial dynamism.
- **In West Africa**, market conditions are likely to remain dependent on public authorities' investment in major infrastructure projects, and therefore on their financing capacity. The residential construction market is also likely to remain dependent on financial transfers from the West African diaspora. In such a context, the Group's position will be reinforced by the increase in its production capacities and the modernizing of its industrial tool in its plan of Rufisque in Senegal in line with the Performance 2010 Plan. These elements will enable Vicat to fully leverage the region's development opportunities.

Against this backdrop, Vicat is determined to prudently continue with its growth strategy, which is supported by:

- A healthy financial structure that the Group considers as very healthy, with one of the lowest levels of gearing in the sector.
- The effects of the "Performance 2010" investment plan, particularly lower production costs resulting from modernised production facilities and the strengthening of industrial and commercial positions. In 2009, Vicat should benefit fully from investments already made as part of this plan, particularly in France, Turkey and Egypt. In addition, from the second half of 2009, the Group should fully benefit from capacity increases and improved production performance resulting from investments in Switzerland and Senegal.
- And finally, as a prolongation of the Performance 2010 plan, the effects of the complementary Performance Plus plan.

Based on 2008 results and its confidence in the Group's ability to continue its development, the Board of Directors has decided to ask shareholders in the 15 May 2009 AGM to vote in favour of maintaining the dividend at €1.50, which would increase the payout ratio substantially relative to 2007, to more than 27%.

Disclaimer:

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

About Vicat

*The Vicat group employs **around 6,850 people** and generated **consolidated sales of €2.057 billion** in 2008 from its Cement and Concrete & Aggregates production activities, and from its Other Products & Services business.*
*It has a **presence in eleven countries**: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan and India. More than half of its sales come from outside France.*
*The Vicat group is the heir to an industrial tradition dating back to 1817, when Louis Vicat invented artificial cement. The Vicat group was founded in 1853, and now operates in **three principal business segments**, namely **Cement**, **Ready-Mixed Concrete** and **Aggregates**, along with other activities that complement these core businesses.*

Analysts' meeting

Vicat is organising an analysts' meeting, which will take place in French at 9.30am (Paris time) on Tuesday 3 March 2009, at Pavillon Ledoyen, Carré des Champs Elysées, 1 avenue Dutuit, 75008 Paris.

Conference call:

Vicat is organising a conference call that will take place in English on Tuesday 3 March 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 78
- 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 from 5pm on 3 March until midnight on 10 March, 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: 9496967#

Next publication:

Consolidated sales for the first quarter of 2009 will be published on 5 May 2009 after the market close.

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Vicat Group - Annual financial reporting - Appendices

CONSOLIDATED BALANCE SHEET		
ASSETS	2008	2007
(in thousands of euros)		
NON-CURRENT ASSETS		
Goodwill	670,901	548,291
Other intangible assets	43,600	29,262
Property, plant and equipment	1,697,650	1,500,061
Investment properties	20,024	18,909
Investments in associated companies (equity method)	10,059	8,680
Deferred tax assets	2,124	2,458
Receivables and other non-current financial assets	94,597	83,031
Total non-current assets	**2,538,955**	**2,190,692**
CURRENT ASSETS		
Inventories and work in progress	312,456	249,164
Trade and other accounts receivable	368,662	406,508
Current tax assets	3,345	22,125
Other receivables	94,044	86,448
Assets held for sale	-	20,428
Cash and cash equivalents	109,558	83,595
Total current assets	**888,065**	**868,268**
TOTAL ASSETS	**3,427,020**	**3,058,960**

LIABILITIES AND SHAREHOLDERS' EQUITY	2008	2007
(in thousands of euros)		
SHAREHOLDERS' EQUITY		
Share capital	179,600	187,085
Additional paid-in capital	11,207	11,207
Consolidated reserves	1,583,705	1,364,270
Equity attributable to equity holders of the parent	**1,774,512**	**1,562,562**
Minority interests	**179,256**	**154,078**
Total shareholders' equity	**1,953,768**	**1,716,640**
NON-CURRENT LIABILITIES		
Provisions for pensions and other post-employment benefits	42,228	42,171
Other provisions	84,590	106,341
Financial liabilities	710,472	573,038
Deferred tax	150,609	150,554
Other non-current liabilities	16,727	16,867
Total non-current liabilities	**1,004,626**	**888,971**
CURRENT LIABILITIES		
Provisions	7,162	6,720
Financial liabilities due in less than one year	76,900	25,551
Trade and other accounts payable	227,473	270,142
Current taxes payable	8,052	10,730
Other liabilities	149,039	136,160
Liabilities held for sale	-	4,046
Total current liabilities	**468,626**	**453,349**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,427,020**	**3,058,960**

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	2008	2007
Net sales	2,057,043	2,136,459
Goods and services purchased	(1,199,064)	(1,206,400)
Added value	**857,979**	**930,059**
Personnel costs	(312,454)	(308,804)
Taxes other than income tax	(40,447)	(39,090)
Gross operating earnings	**505,078**	**582,165**
Depreciation, amortisation, provisions and impairment	(126,302)	(130,710)
Other income (expense)	3,092	835
Operating profit	**381,868**	**450,620**
Net financial income (expense)	(25,879)	(18,377)
Earnings from associated companies	338	1,602
Earnings before income tax	**356,327**	**433,845**
Income tax	(83,316)	(108,746)
Net income from discontinued operations	-	5,526
Consolidated net income	**273,011**	**330,625**
Minority interests	27,755	31,320
Net income attributable to equity holders of the parent	**245,256**	**299,305**

EBITDA	**528,297**	**593,197**
EBIT	**392,195**	**479,830**
Cash flow	**401,909**	**476,600**

Earnings per share *(in euros)*		
Basic and diluted earnings per share	5.46	6.40

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	2008	2007
Cash flow from operating activities		
Consolidated net income	**273,011**	**330,625**
Earnings from associated companies	(338)	(1,602)
Dividends received from associated companies	936	1,036
Elimination of non-cash and non-operating items:		
- depreciation, amortisation and provisions	122,915	132,565
- deferred taxes	14,170	25,117
- net (gain)/loss from disposal of assets	(9,262)	(10,032)
- unrealised fair value gains and losses	740	(1,002)
- other	(263)	(107)
Cash flow from operating activities	**401,909**	**476,600**
Change in the working capital requirement	(17,411)	(78,880)
Net cash flow from operating activities	**384,498**	**397,720**
Cash flow from investing activities		
Acquisitions of fixed assets:		
- property, plant and equipment and intangible assets	(395,187)	(289,223)
- financial investments	(28,922)	(13,094)
Disposals of fixed assets:		
- property, plant and equipment and intangible assets	15,871	8,563
- financial investments	10,571	8,882
Impact of changes in scope of consolidation	(65,990)	(69,687)
Net cash flow from investing activities	**(463,657)**	**(354,559)**
Cash flow from financing activities		
Dividends paid	(70,699)	(66,963)
Capital increase	6,236	-
Increases in borrowings	261,628	107,639
Redemptions of borrowings	(100,189)	(20,027)
Purchases of own shares	(17,461)	(238,391)
Disposals of own shares	24,847	8,893
Net cash flow from financing activities	**104,362**	**(208,849)**
Impact of changes in foreign exchange rates	200	(1,275)
Change in cash and cash equivalents	**25,403**	**(166,963)**
Net cash and cash equivalents - opening balance	69,635	236,598
Net cash and cash equivalents - closing balance	95,038	69,635

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)	Share capital	Additional paid-in capital	Treasury shares	Consolidated reserves	Translation differences	Equity attributable to equity holders of the parent	Minority interests	Total shareholders' equity
At 1 January 2007 - IFRS	**62,362**	**11,207**	**(14,519)**	**1,313,114**	**35,454**	**1,407,618**	**109,929**	**1,517,547**
Net change in fair value of financial assets and liabilities				6,084		6,084		**6,084**
Net change in translation differences					(28,297)	(28,297)	(1,520)	**(29,817)**
Income items recorded directly in shareholders' equity				*6,084*	*(28,297)*	*(22,213)*	*(1,520)*	***(23,733)***
Net income for the year				299,305		299,305	31,320	**330,625**
Total income and expenses				*305,389*	*(28,297)*	*277,092*	*29,800*	***306,892***
Dividends paid				(60,803)		(60,803)	(6,378)	**(67,181)**
Net change in treasury shares			(236,060)	5,093		(230,967)		**(230,967)**
Changes to the scope of consolidation							10,555	**10,555**
Other changes				(728)		(728)	(2,171)	**(2,899)**
At 31 December 2007	**187,085**	**11,207**	**(262,838)**	**1,697,267**	**(70,159)**	**1,562,562**	**154,078**	**1,716,640**
Net change in fair value of financial assets and liabilities				1,903		1,903		**1,903**
Net change in translation differences					6,160	6,160	(5,758)	**402**
Income items recorded directly in shareholders' equity				*1,903*	*6,160*	*8,063*	*(5,758)*	***2,305***
Net income for the year				245,256		245,256	27,755	**273,011**
Total income and expenses				*247,159*	*6,160*	*253,319*	*21,997*	***275,316***
Dividends paid				(65,393)		(65,393)	(5,490)	**(70,883)**
Net change in treasury shares			2,665	748		3,413		**3,413**
Cancellation of treasury shares (1)	(7,485)		160,923	(153,438)		0		**0**
Changes to the scope of consolidation						-	1,758	**1,758**
Capital increase						-	7,344	**7,344**
Other changes (1)				20,611		20,611	(431)	**20,180**
At 31 December 2008	**179,600**	**11,207**	**(99,250)**	**1,746,954**	**(63,999)**	**1,774,512**	**179,256**	**1,953,768**

(1) In the 16 May 2008 AGM, shareholders approved a capital reduction through the cancellation of 1,871,200 treasury shares. Since this transaction affected shareholders' equity, the release of deferred tax related to the impairment of these cancelled shares was recognised directly in Group shareholders' equity in an amount of €16.6 million.